

ADDRESSING CHILD LABOUR IN THE COCONUT OIL SUPPLY CHAIN

EVIDENCE, TOOLS AND
GOOD PRACTICES FROM THE PHILIPPINES





PROTECTING THE RIGHTS OF CHILDREN IN THE COCONUT OIL SUPPLY CHAIN - PHILIPPINES



Rijksoverheid



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This report is the product of close collaboration among the consortium partners - Cargill, Cordaid, Dignity in Work for All (DIWA), Global March Against Child Labour (GMACL), MVO - The Netherlands Oils and Fats Industry, VERNOF, and Wilmar. Each brought distinct expertise, on-the-ground presence, and a shared commitment to protecting children's rights across the coconut supply chain, and it is through this joint effort that the project's findings, tools, and recommendations took shape.

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List of Acronyms

Acronym	Full Term
4Ps	Pantawid Pamilyang Pilipino Program (Philippine national poverty-reduction and human capital investment program)
ABA	Area-Based Approach
ALS	Alternative Learning System
BARMM	Bangsamoro Autonomous Region in Muslim Mindanao
BCPC	Barangay Council for the Protection of Children
BSBA	Bachelor of Science in Business Administration
CBMS	Community-Based Monitoring System(s)
CLDD	Child Labour Due Diligence
CLLRS	Child Labor Local Registry System
CLMRS	Child Labour Monitoring and Remediation System
CNO	Crude Coconut Oil
CSDDD	Corporate Sustainability Due Diligence Directive (EU)
CSOs	Civil Society Organisations
CSR	Corporate Social Responsibility
DILG	Department of the Interior and Local Government
DIWA	Dignity in Work for All (formerly Verité Southeast Asia)
DoLE	Department of Labor and Employment
DSWD	Department of Social Welfare and Development
DTI	Department of Trade and Industry
EU	European Union
FBK	Fonds Bestrijding Kinderarbeid (Fund Against Child Labour, the Netherlands)
FGDs	Focus Group Discussions
GAP	Good Agricultural Practices
GIDA	Geographically Isolated and Disadvantaged Area

HRDD	Human Rights Due Diligence
IEC	Information, Education and Communication (materials)
ILO	International Labour Organization
IRDF	Integrated Rural Development Foundation
KPIs	Key Performance Indicators
LCPC	Local Council for the Protection of Children
LGU	Local Government Unit
MDFI	Maguindanaon Development Foundation, Inc.
MEL	Monitoring, Evaluation and Learning
MVO	Maatschappelijk Verantwoord Ondernemen Nederland (the Netherlands Oils and Fats Industry)
NGOs	Non-Governmental Organisations
OECD	Organisation for Economic Co-operation and Development
OOSC	Out-of-School Children
PCA	Philippine Coconut Authority
PHP	Philippine Peso
RVO	Rijksdienst voor Ondernemend Nederland (Netherlands Enterprise Agency)
SCFO	Small Coconut Farmers' Organisation
SGLG	Seal of Good Local Governance
SIP	Systems Improvement Plan
SMF	Supplier Management Framework
ToR	Terms of Reference
TWG	Technical Working Group
UNGPs	United Nations Guiding Principles on Business and Human Rights
VAWC	Violence Against Women and Children (Focal Person)
VCA	Value Chain Analysis
VERNOF	Vereniging Nederlandse Oliën- en Vettenindustrie (Dutch Oils and Fats Industry Association)

SECTION A

Summary

Based on the lessons, experiences and challenges from the project “*Protecting the Rights of Children in Coconut Oil Supply Chain - Philippines*”, this document serves as a comprehensive guide for addressing child labour risks in the coconut oil supply chain, with the Child Labour Monitoring and Remediation System (CLMRS) as a central pillar. While CLMRS has been implemented before, especially in key agricultural commodities with a high risk of child labour, including cocoa and tobacco, this document goes well beyond technical implementation to present a multidimensional, system-strengthening approach used in the coconut sector that can be adapted to different national and sectoral contexts. It also situates child labour prevention within broader Human Rights Due Diligence (HRDD) and business accountability frameworks and draws on real-world programme experiences to support the development of sustainable, locally owned, area and rights-based interventions. The document aims to equip practitioners, companies, and community actors with the tools and insights needed to build inclusive responsive systems that protect children and improve supply chain practices.

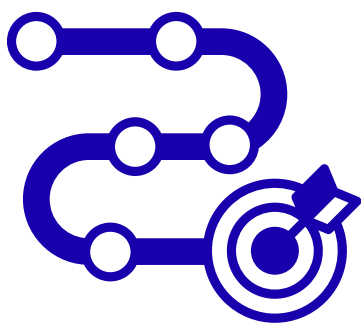
The guidelines frame CLMRS not only as a tool for identifying and remediating cases of child labour, but also as a central component of HRDD and Child Labour Due Diligence (CLDD) processes. By doing so, the document connects community-based monitoring efforts to formal due diligence obligations and encourages companies to go beyond compliance by integrating child rights into the heart of their business models.

Central to the approach is the empowerment of farmers, cooperatives, and community actors, recognising that sustainable change requires strengthening local capacity. The document places strong emphasis on building awareness, skills, and ownership among those directly engaged in the supply chain, particularly in relation to the rights of children, safe agricultural practices, and the role of duty-bearers. At the same time, it underscores the importance of multi-stakeholder collaboration, involving government agencies such as the Department of Labour and Employment, local barangays¹, provincial councils, private sector actors, and civil society organisations. The role of Technical Working Groups (TWGs) of the companies is particularly noted for their contribution to coordination, consensus-building, and the operationalisation of referral systems.

The guidelines include detailed steps for designing, piloting, and institutionalising CLMRS, from initial assessments and stakeholder buy-in to co-design processes, monitoring protocols, and follow-up mechanisms. Special attention is given to addressing common challenges, such as the fragmentation of referral pathways, limited local resources, and the need for definitions of child labour across institutions. The document also highlights how CLMRS generated data can help companies to address not only symptoms but also root causes of child labour such as poverty, lack of school access, and inadequate family livelihoods.

Case studies, practical tools, and implementation templates are integrated throughout, offering real-world examples from the project and supporting replication and scale-up. Ultimately, this document serves as both a technical guide and a strategic roadmap for embedding child labour monitoring into sustainable, participatory, and rights-aligned systems of protection and corporate accountability. It means creating child labour monitoring and response mechanisms that are not just technically sound or efficient, but also fair, inclusive, and grounded in children's human rights.

[1] (in The Philippines) a small territorial and administrative district forming the most local level of government



Objective and scope of the document

The document offers guidance on how to design, develop, and implement CLMRS based on the project learnings in the coconut oil supply chain. It outlines a general model for the CLMRS process, accompanied by practical examples that would help adapt the model to specific child labour contexts. This model can be applied to CLMRS efforts in various sectors where child labour may occur, such as agriculture (along with others).

While a CLMRS can be implemented using a supply chain or an area based approach, each with different objectives and strengths, the project used an area based approach that CLMRS be implemented on a regional basis, addressing all forms of child labour within a specific geographic area. To ensure its credibility and effectiveness, CLMRS should be operated through a broad, multi-sector partnership. The guidelines also outline how CLMRS can connect to and inform both local and national policy frameworks.

These guidelines are designed for organisations working on child labour initiatives, governmental and non-governmental. They will also be beneficial for policymakers and social planners involved in creating national policies and action plans.

Each section provides essential information on developing and managing CLMRS, along with step-by-step guidance on implementation. These steps are based on methods and procedures that have been successfully tested in Phase 2 of the project in subject (details of both phases outlined below). The guidelines also include examples and insights drawn from this phase, highlighting potential challenges and offering practical solutions.

It is anticipated that when the model is implemented, it will establish a system that ensures the identification of child labourers, continuous monitoring of workplaces, and the referral of children in need to appropriate services.

Background

The “**Protecting the Rights of Children in the Coconut Oil Supply Chain in The Philippines**” project is a collaborative initiative launched in 2021 to address child labour concerns within The Philippines coconut industry. This four-year pilot program was divided into two phases, i.e. Project A (focusing on research/risk assessment) and Project B (focusing on actions/implementation) brings together a consortium of organisations, including Cargill, Cordaid, the Integrated Rural Development Foundation, Dignity in Work for All (formerly Verite Southeast Asia), the Global March Against Child Labour, MVO (the Netherlands Oils and Fats Industry), VERNOF, and Wilmar. The project is funded by the Dutch Enterprise Agency (RVO) through its Fund Against Child Labour (FBK), and aims to create and present effective tools, which can also be implemented in the coconut industry in other regions of The Philippines.

The primary objectives of the project are to protect the rights of the children and reduce the occurrence of child labour in the coconut oil supply chain by:

1

Implementing a multidimensional CLMRS:

Establishing mechanisms to detect and respond to instances of child labour and collaborating with local schools, authorities, and communities to raise awareness about children's rights and the importance of education

2

Developing Child Labour Due Diligence (CLDD) mechanisms:

Creating frameworks to ensure companies protect children's rights.

3

Investing in the capacity building of farmers:

Investigating new business models aimed at increasing farmers' incomes, thereby reducing the economic pressures that often lead to child labour.

4

Stakeholder engagement with downstream partners:

Project partners and stakeholders engage with relevant stakeholders for promoting the awareness and understanding of the multi-dimensional CLMRS approach in the sector to address child labour and decent work challenges

The project focuses on regions in the Mindanao region, where processing facilities are located, and certain provinces in the Visayas², key areas for coconut cultivation. By addressing the root causes of child labour and enhancing supply chain transparency, the initiative aims to create tools to enhance a sustainable and child-friendly coconut industry in The Philippines.

Overview of the Copra-Based Coconut Oil Supply Chain in The Philippines



The copra-based coconut oil value chain in The Philippines is a vast, layered, and predominantly informal system involving a diverse set of actors operating across the production, trading, and processing segments. The Philippines is one of the world's leading producers and the largest exporter of coconut oil, with over 14 million metric tons of coconuts harvested annually across 69 provinces. Despite this prominence, the value chain remains marked by low productivity, price volatility, weak traceability, and limited oversight, particularly in the upstream (farm-level) segment.

At the production level, the chain is dominated by smallholder coconut farmers, typically cultivating less than 3 hectares of land. Farmers carry out harvesting and initial processing—primarily the conversion of coconut meat into copra—using family labour or hired seasonal workers. Productivity is constrained by poor farming practices, ageing trees, and lack of access to quality inputs and credit. Many smallholders also sell their copra to local traders or dealers, with limited information about pricing, quality requirements, or where their products ultimately end up.

The trading segment is multi-tiered and central to the functioning of the supply chain. Traders—ranging from village-level collectors to large consolidators—buy copra from farmers, often providing credit in advance to secure supply. These arrangements can foster loyalty but may also create debt dependencies that limit farmers' negotiating power.

Copra is transported via trucks or boats to buying stations operated by large processors or their affiliates, where it is sold based on fluctuating market prices and moisture content evaluations.

[2] The Visayas (or Bisayas) is one of the three principal geographical divisions of The Philippines, situated in the central part of the archipelago between Luzon and Mindanao. It consists of major islands like Cebu, Leyte, Negros, Panay, and Samar, populated primarily by the Visayan people.

At the processing level, companies purchase copra primarily through buying stations or large-scale traders, with little direct engagement with farmers unless sourcing through sustainability certification schemes. Millers produce crude coconut oil (CNO), refined oil, copra meal, and other by-products for domestic and international markets. CNO pricing is heavily influenced by global commodity markets, particularly the price of palm kernel oil.

Efforts by companies to ensure more sustainable and ethical sourcing have been challenged by limited supply chain visibility and the absence of a sector-wide traceability or sustainability framework akin to that in the palm oil sector. However, pilot initiatives—including support for farmer cooperatives, engagement with certified suppliers, and community-level data gathering—have demonstrated that it is possible to shorten the distance between producers and processors and begin addressing social risks, including child labour.

The supply chain's complexity, informality, and opacity pose major barriers to implementing effective HRDD. Most of the risks related to child labour, unsafe work, and low wages are concentrated in the production segment—precisely where processors have the least oversight. As such, improving transparency, supporting farmer capacity, strengthening cooperatives, and fostering multi-stakeholder collaboration are key levers for reform.

Findings from the project – Summary of project A

The study in project A aimed to assess the prevalence, root causes, and risk factors of child labour in the sector. The findings provide insights into why child labour persists and what can be done for addressing it.

Methodology and Scope - Conducted over 10 months (January–October 2021), the study employed desk research, interviews, focus group discussions (FGDs), and field observations, covering Mindanao (Regions 8-12, Bangsamoro Autonomous Region in Muslim Mindanao (BARMM) and select provinces in the Visayas. The research engaged 62 farming households, 9 traders, 22 suppliers, and 3 millers, along with local government officials, teachers, and child workers.

Key Findings -

Widespread and embedded:

60% of children in last-mile coconut communities work on farms, with 3 out of 10 under the age of 15.

Hazardous conditions:

Tasks include climbing trees, dehusking, drying copra, and handling heavy loads, exposing children to injuries, exhaustion, and health risks.

Gendered division of labour:

Boys are more likely to be engaged in hazardous work, while girls assist with household chores and lighter farm duties.

School dropouts:

Many children combine work with school, but economic pressures and the need for labour result in high dropout rates, particularly among boys aged 15-17.

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Root Causes of Child Labour

Economic Drivers :

- **Low and unstable farmer income:** Income from coconut farming is influenced by factors such as price volatility, low productivity, and complex supply chain dynamics, which can contribute to income instability for some farmers.
- **Credit relationships with traders:** While many farmers value the access to credit provided by some traders, these arrangements can, in certain cases, lead to financial strain depending on repayment conditions and market pressures and creating wider conditions and risk for child labour.

Structural and Social Factors :

- **Marginalisation and land insecurity:** Many farmers lack land ownership, are bound by sharecropping agreements, and struggle with low bargaining power.
- **Geographic isolation:** Remote communities have poor infrastructure, limited schools, and weak social services, making formal employment or access to education difficult.
- **Household size and gender roles:** Larger families rely more on child labour, and women, particularly mothers and grandmothers, play a role in decision-making about children's work and education.



Business Practices and Market Dynamics - Limited traceability and a lack of direct farmer-to-buyer relationships in the complex coconut supply chain can make it challenging to adequately address child labour. In some producing regions, such as The Philippines, certain tasks performed by children are not always perceived locally as child labour, which adds to the difficulty of tackling the issue effectively. The enforcement of regulations can be inconsistent, with government inspections occurring infrequently, and HRDD still at an early stage of implementation across the sector.

Risk Factors in the Business Environment

- **Risk Factors in the Business Environment:** Due to the complexity of the coconut supply chain—characterised by multiple layers of traders and dealers—companies historically had limited direct engagement with farmers and smallholders. This lack of visibility beyond the first-tier supplier has posed challenges in addressing systemic issues, including those related to working conditions and labour practices.
- **Bridging the gap through collaboration:** Through this programme, participating companies have taken active steps to overcome these structural barriers. By working in partnership with local actors and initiatives, they are now engaging more directly with farming communities, improving transparency, and supporting efforts to build more inclusive, sustainable supply chains.

Recommendations for Addressing Child Labour



For Government and Policymakers

- Ensure living wages beyond farm prices for agricultural workers through supportive wage, sector wide collaboration and pricing policies.
- Improve access to formal education and school transportation for children in remote farming areas.
- Link vulnerable households to national social protection schemes such as the 4Ps cash transfer programme.



For Companies and Processors

- Promote income diversification for smallholders by supporting the use of coconut by-products and agroforestry.
- Support traceability initiatives that improve transparency and accountability throughout the supply chain.
- Strengthen partnerships that help build and scale CLMRS in sourcing areas.
- Develop and adopt robust HRDD frameworks to identify and address risks more effectively.



For Financial Institutions and Local Actors

- Ensure living wages beyond farm prices for agricultural workers through supportive wage, sector-wide collaboration and pricing policies.
- Improve access to formal education and school transportation for children in remote farming areas.
- Link vulnerable households to national social protection schemes such as the 4Ps cash transfer programme.



For Civil Society and Multi-Stakeholder Platforms

- Strengthen cooperatives and farmer groups to enhance collective voice and bargaining power.
- Work alongside the private sector to operationalise responsible sourcing commitments and be more hands-on with on-the-ground interventions at the community level.
- Promote multi-stakeholder dialogue to align interventions, share responsibility, and drive systemic change.

PROJECT B

The project B, designed on the findings from research conducted during project A, aims to tackle child labour in The Philippines coconut oil supply chain by addressing its root causes and embedding long-term structural solutions. It combines farmer and worker capacity building, corporate due diligence, and multi-stakeholder engagement to create a sustainable model for responsible sourcing. At its core, the project strengthens existing monitoring mechanisms through a multidimensional CLMRS while ensuring that companies' HRDD processes are robust, actionable, and aligned with international labour and human rights standards and can further be strengthened learning from the implementation of CLMRS.

Key Results of Project B

The project B has been divided into 5 results-



Result 1: Multidimensional CLMRS

The project's CLMRS is designed to go beyond simple detection and reporting. Instead, it takes an integrated, area-based approach that:

- Bridges the gap between detection and remediation by ensuring identified child labourers, children at risk of child labour and out-of-school children (OOSC) are identified, monitored and linked to educational and socio-economic support.
- Moves beyond company-centric monitoring by embedding CLMRS into community-led structures and aligning it with existing government mechanisms.
- Challenges business-as-usual monitoring by advocating for worker and farmer involvement in CLMRS, ensuring local buy-in and trust in the system.
- Use CLMRS generated data to support and strengthen government enforcement efforts.



Result 2: Due Diligence in the Supply Chain

Key interventions include:

- Embedding child labour risk assessments into corporate sustainability policies, moving beyond a box-ticking exercise to actual risk mitigation and remediation in trader and middlemen operations—a key risk factor in child labour due to unregulated informal labour arrangements and exploitative financial dependencies.
- Aligning CLMRS with HRDD processes—ensuring that companies can identify risks, and take proactive, long-term measures to child labour at its root.



Result 3: Farmers' and Workers' Capacity Building: Shifting Power Dynamics in the Supply Chain

Smallholder coconut farmers and workers sit at the bottom of a highly exploitative supply chain, where they have little bargaining power, access to resources, or control over pricing. This lack of agency forces them into precarious livelihoods where child labour becomes a coping mechanism. The project aims to reverse this power imbalance by:



- Providing technical training on improving coconut quality and diversification to help farmers move away from low-margin, high-risk production models.
- Strengthening farmers' and workers' negotiating power through collective organisation, helping them advocate for fairer prices and contract terms.
- Creating pathways for alternative livelihoods, particularly for youth and women, so that child labour is not one of the default survival strategies.
- Integrating gender perspectives to ensure that interventions address the disproportionate vulnerabilities faced by women farmers and workers.



Result 4: Downstream Stakeholder and Buyer Engagement

Child labour in the coconut supply chain is not just a producer-side issue but one perpetuated by weak demand-side accountability. The project seeks to shift the conversation and focus on supply chain responsibility by:

- Engaging second-tier buyers, retailers, and industry bodies to create market incentives for coconut oil.
- Positioning CLMRS as an industry-wide 'best practice', pushing for its adoption as part of a due diligence sector code and responsibility rather than a one-off corporate initiative.
- Bridging the disconnect between corporate sustainability pledges and actual purchasing practices, ensuring companies do not undercut their own commitments ethical sourcing.
- Using the leverage of Dutch industry associations (MVO, VERNOF) to push for structural and sectoral commitments rather than ad-hoc social responsibility programs.



Result 5: Advocacy and Sustainability for Government Engagement: Institutionalising Solutions

The project strategically engages local and national governments to create an enabling policy environment for long-term action against child labour. This involves:

- Institutionalising CLMRS within local governance structures to ensure continuity beyond external funding.
- Advocating for stronger enforcement of child labour laws, particularly in last-mile communities where implementation is weak.
- Strengthening inter-agency coordination to bridge the gap between labour, education, and social protection interventions.
- Opportunities for further system strengthening on low farm-gate prices and trade policies that undermine smallholder farmers' economic security.
- Creating industry-wide adoption of sourcing models, ensuring that commitments do not remain confined to project partners but spread across the sector.
- Shaping procurement policies and market incentives so that responsible sourcing is financially viable rather than an ethical afterthought.
- Strengthening linkages between farmers, companies, and duty-bearers to create long-term accountability mechanisms.



SECTION 1

1.1 Importance of CLMRS

Benefits and necessity of monitoring systems in agriculture

The objective of CLMRS is to identify children engaged in child labour and ensure their removal, directing them toward rehabilitation services. Through this approach, CLMRS supports the identification, monitoring, prevention and remediation of child labour, particularly within specific industries or regions. Over time, the aim is to establish CLMRS as an ongoing process that continuously monitors, identifies, and removes children from harmful work, with the potential to extend or replicate the initiative across other sectors or areas.

Further, CLMRS goes beyond removing children from hazardous work; it also generates valuable data that can inform policymaking and support the enforcement of labour laws and regulations. This data can be used by various stakeholders:



Schools can leverage the information to ensure that children identified through CLMRS are enrolled in school and work to reintegrate those who have dropped out.



Businesses can use the data to uphold minimum labour standards and improve working conditions for young workers in legal employment.



Trade unions can apply the information to monitor compliance with collective agreements and ethical codes.



Social welfare agencies can target at-risk families to prevent child labour through tailored assistance.



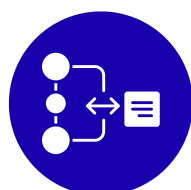
Local authorities can use this data to impose sanctions on employers who persistently violate child labour laws.



District-level government bodies can analyse local data to track child labour trends, enabling them to evaluate shifts in specific industries and plan actions accordingly.



National governments can utilise the information to assess progress in fulfilling international commitments, such as the ILO Minimum Age Convention (No. 138), the ILO Worst Forms of Child Labour Convention (No. 182), and the United Nations Convention on the Rights of the Child.



This flow of information from local to national levels is crucial for integrating child labour actions into various governance structures and fostering long-term institutional change and attitudes against child labour.

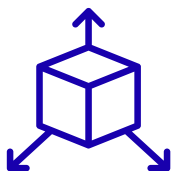


Components and principles: Key elements of a multidimensional CLMRS

CLMRS serves as the unifying thread across all project components, ensuring that child labour interventions are not siloed but holistically integrated into supply chain governance, farmer empowerment, and government accountability. By systematically tracking OOSC, identifying high-risk areas, and linking affected families to social protection and education services, the CLMRS not only strengthens corporate due diligence but also bridges the disconnect between companies, communities, and policymakers. Unlike traditional compliance audits, which often fail to capture the informal and hidden nature of child labour, the CLMRS functions as a continuous, participatory mechanism, involving farmers, schools, trade unions, and local governments to create a self-sustaining monitoring and response system beyond the project's lifespan.

Crucially, the project embeds CLMRS within an Area-Based Approach (ABA)—recognising that child labour cannot be tackled in isolation from broader socio-economic conditions. By mapping child labour risks across entire communities rather than just within supply chains, the ABA framework ensures that interventions address the root causes—poverty, weak education access, and lack of bargaining power—rather than merely shifting risks from one farm to another. This also means that CLMRS data is not just used for corporate reporting but informs local and national policy reforms, labour protections, and social services, reinforcing the collective responsibility of all stakeholders in the region. By leveraging ABA, the project moves beyond company-centric solutions to foster multi-stakeholder ownership, ensuring that child labour-free production is sustained at the community level—not just within specific supply chains.

Establishing a robust CLMRS that is specific to areas with high-risk indicators of child labour has a better tendency to furnish desired results and can be further turned into a pan country movement to be able to address child labour by targeting its root causes at the local level. However, the issue of child labour is not an isolated one and therefore different parties contributing directly and indirectly to child labour must integrate a more nuanced, multi-dimensional CLMRS to assess different indicators of child labour and explore collective solutions. The private sector can immensely benefit from a multi-dimensional CLMRS wherein the data generated on child labour with assessment of its root causes, particularly in sector or commodity-based interventions can provide in-depth information to the company and play a key role in improving its human rights due diligence and remediation processes.



Why a Multi-dimensional CLMRS?

A multi-dimensional CLMRS follows a risk-based due diligence approach in line with guidance from the United Nations Guiding Principles on Business and Human Rights (UNGPs) and the Organisation for Economic Co-operation and Development (OECD) guidelines for enterprises. These systems enable actual or potential cases of child labour to be identified, remediated, and monitored on an ongoing basis but also an insight into root causes of child labour, hazardous work, decent work deficits and farmers' capacity needs. However, it is important that the resulting tool is made in consultation with key stakeholders, is simple, gender sensitive and cost effective to drive uptake in the sectors.

Most importantly, a multi-dimensional CLMRS can build clarity and consensus on what constitutes child labour and what doesn't. Since the CLMRS tool includes questions pertaining to the nature, time and circumstances of work for children, it helps in distinguishing between different types of child labour especially in agriculture wherein child labour definitions remain differently understood by different stakeholders including the communities and that has a direct bearing on how children are monitored, withdrawn and remediated. For instance, not every child helping their parents on a coconut plantation is immediately involved in child labour, and not every task on a coconut farm is immediately a cause for concern. Using the CLMRS to understand the nuances and conditions of child labour, their work can be categorised into child/light work, child labour, worst forms of child labour and hazardous child labour.

It is also encouraged to build on pre-existing tools as a more cost-effective way to build a CLMRS. As a part of its project, "Protecting the rights of children in the coconut oil supply chain - Philippines," Global March is leading a consortium of CSOs, agricultural experts, private sector and local child protection duty-bearers in implementing a multi-dimensional CLMRS based on ILO's pre-existing child labour profiling tool which has also shaped The Philippines government's. The aim of using a multi-dimensional CLMRS is to strengthen monitoring and remediation of child labour in coconut oil producing communities largely dominated by farmers. At the same time, the tool is designed to include supplier monitoring and risk information on child labour for company HRDD and use the generated information for addressing root causes of poor income among smallholder coconut farmers. Overall, the multi-dimensional CLMRS has been designed for:

- Building capacity of smallholder coconut farmers and workers - facilitating trainings, consultations and dialogue on improving product quality and enhancing knowledge on other forms of livelihood for farmers
- Strengthening company HRDD – with the help of CLMRS, using data generated on risks and root causes of child labour, improving company HRDD process for addressing the risks of child labour
- Strengthening advocacy with downstream stakeholders and other downstream supply chain actors to create awareness on the area-based approach and advocate for its adoption in lower supply chain tiers and other commodities to address child labour
- Using effectiveness of CLMRS as a good practice for advocacy towards improvement of systemic root causes of child labour

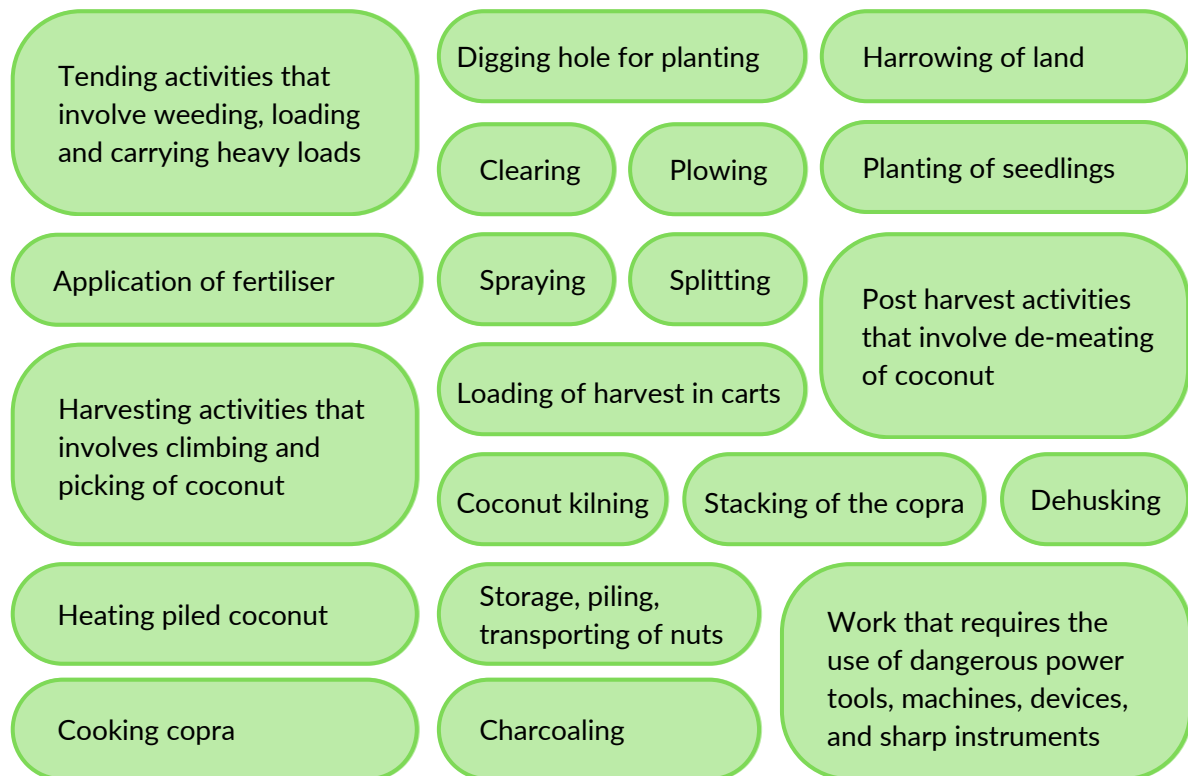
1.2 Implementation Guide for CLMRS

1. Consensus building and child labour definition: theoretical aspect, followed by how it went in the project

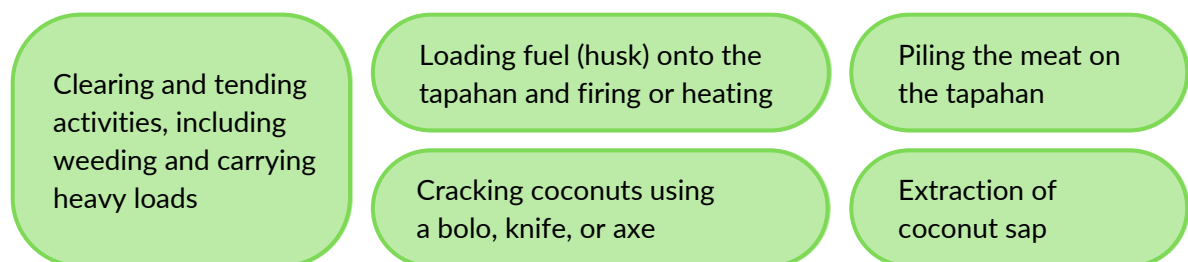
Consensus Building on child labour definition, permissible work amongst CLMRS monitors in the project is very challenging. The project has involved aligning various stakeholders, including members of the BCPC, the Focal Person on Violence Against Women and Children (VAWC), school guidance counsellors and principals, company employees, traders and leaders of farmers' cooperatives. These groups were engaged in strengthening, internalising, and gaining a deeper understanding of the definitions of child labour, child work, and hazardous work for children.

Initially, the project worked toward defining child labour, child work, and permissible work using frameworks provided by the ILO, national law, and the Department of Labor and Employment (DOLE) to ensure a standard and shared understanding.

List of Example or Hazardous work;
As per Laws: DOLE Order 149 and 149A



After familiarising themselves with these standard definitions, the stakeholders shared observations based on actual activities in the coconut plantations and value chains. These activities were also identified also as hazardous work, such as:



2. Stakeholder orientation, capacity building & engagement.

A project orientation with the stakeholders and community beneficiaries was conducted about the project approach on CLMRS. Building capacity of monitors for documenting child labour and data collection is very important so that they can actively execute the processes and procedures to prevent child at risk and withdraw identified children from child labour. CLMRS monitors were also trained on Child Labor Local Registry System (CLLRS) given by the Department of Social Welfare and Development regional office to ensure the availability of centralised data system in the monitoring of child labour.

3. Formation of Child Labour Monitoring Committee

At the Barangay level, there is a council mandated by the government to oversee the welfare and protection of children. This council is called the BCPC, with the Barangay Captain serving as the chair. The council is composed of various sectoral representatives who work in the best interest of children, such as the Kagawad chair on family and children, VAWC focal person, Sangguniang Kabataan, school representatives, the Barangay Nutrition Scholar, Barangay Health representatives, *Tanod* (field supervisors, usually male), the Religious Sector, Day Care Facilitators, CSOs, and other sectors working with children.

CLMRS monitors were organised into a team tasked with validating the identification of children at risk and those involved in child labour through house-to-house visits. The team includes representatives from BCPC, schools, VAWC, DSWD, LCPC, companies, and NGOs. MDFI, as a frontliner in implementing the CLMRS, also participated in the Local Council for the Protection of Children (LCPC) at the municipal, provincial, and regional levels to maximise opportunities for collaboration and partnership in utilising resources to address child labour.

4. Data collection for identification and prioritisation of child labour profiles

Data collection and child labour profiling begin with house visits by CLMRS monitors to identified households where children are either engaged in child labour, out of school, or at risk. The CLMRS monitors' validation team, composed of representatives from BCPC, VAWC, MDFI, and the company, conducted monitoring of suspected child labourers and children at risk based on a list of children provided by the school administration or the BCPC. A profiling tool from the ILO was used to collect comprehensive information about the child, the family, the educational background, and the child's involvement in the agricultural value chain. Children engaged in child labour, out of school, and at risk have been identified and are being regularly monitored.

5. Setting the Referral system

After profiling, the data collected was analysed by the team. Upon evaluating the data and information, a referral letter was prepared and submitted, one for the DOLE the agency authorises in determining child labour and one for the DSWD working on social services. Identified children at risk and child labourers were referred for necessary intervention and remediation.

6. Monitoring, reporting and follow up

CLMRS monitors were tasked with monitoring child labour cases in the area. A Child Labour Helpdesk was established as a venue where the community can easily access reporting, profiling and intervention services. The CLMRS monitors and LCPC also conducted follow-up monitoring of child labour cases, particularly during harvest time. During the monitoring visits, private meetings were held with the children and their parents to encourage them to return to school or continue their studies. Following enrolment, the team conducted further follow-up monitoring to determine which children had returned to school. Those who did were recommended to DOLE and DSWD for educational assistance.

7. Advocacy

The project implements programs that prevent the occurrence of child labour, such as advocacy campaigns and the distribution of IEC posters. During farmers' meetings and gatherings, Barangay assemblies held lectures on the definitions of child labour, hazardous work, child work, hours of work, forms of child labour, and other related information.

These topics were presented and discussed in detail:

- Consensus building and child labour definition: theoretical aspect, followed by how it went in the project
- Stakeholder orientation, capacity building and engagement
- Formation of Child Labour Monitoring Committee
- Data collection for identification and prioritisation of child labour profiles
- Setting the Referral system
- Monitoring, reporting and follow up
- Advocacy

1.3 Case Studies

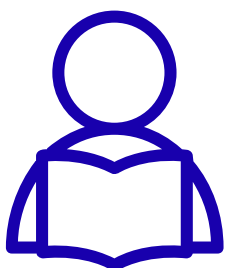
Case Study 1

John Doe, a 16-year-old boy from Baguadatu, Barangay Sapu Masla, Malapatan, Sarangani Province, was identified by the DOLE as a child labourer. He worked under hazardous and exploitative conditions on a small family-owned coconut farm. Daily, John Doe undertook physically demanding tasks such as climbing tall coconut trees, weeding, land clearing with sharp tools, and using power tools for ploughing, harvesting, and post-harvest activities.

His involvement in this work was not by choice, but out of necessity—driven by his family's deepening poverty and lack of livelihood alternatives. With his parents relying solely on the income from a modest coconut farm, John Doe sacrificed his education to support the family's daily needs, especially during the COVID-19 pandemic. The sharp decline in coconut prices during this time worsened their financial hardship, pushing John Doe to work full-time, up to eight hours a day.

Support and Reintegration:

- John Doe was enrolled in the Alternative Learning System (ALS) to resume his education.
- He received educational supplies and financial assistance from DSWD Region 12.
- MDFI extended additional support, including learning materials and food provisions.
- Child labour monitors continued to visit and guide John Doe's family, reinforcing the importance of education.



Today, John Doe is a regular student once again. His confidence has grown, and he actively engages in school activities. John Doe's parents, initially resigned to the harsh realities of rural poverty, now see education as the key to long-term security. The psychological shift in their mindset reflects the broader cultural transformation the project aims to achieve. He now dreams of a future far removed from the hardships of the past. This transition has strengthened his self-esteem and equipped him with the belief that education can break the cycle of poverty.



A Father's Gratitude: Testimonial from John Doe's father

"We are very thankful for this project. My child had lost hope and felt too old to return to school after being away for years. He thought his future was already compromised. But with counselling and continued encouragement from the project staff, he was convinced to go back.

Now, he is not only attending school but is motivated to succeed. He enjoys his classes and believes that education can change his life. We also deeply appreciate the continued support from DSWD and MDFI, it has been a lifeline for our family."

Case Study 2

Due to persistent poverty, Jane Doe, a 17-year-old from Sinaman, Dipolog City, was identified as a suspected child labourer. Her family relied solely on their small farm, often borrowing money to meet basic needs and fund her brother's college education. To help, Jane Doe and her brother worked on the farm- de-husking coconuts, carrying heavy loads, and handling sharp tools—often missing school in the process.

Despite valuing education, Jane Doe's parents, both unable to finish college, were forced to involve their children in farm work to survive. Still, they encouraged Jane Doe to complete her education and escape the cycle of poverty.

Intervention and Support:

Through the project, her case was flagged. During project coordination meetings, her parents were encouraged to verify their membership in the Small Coconut Farmers' Organization (SCFO) with PCA, making her eligible for a PCA college scholarship.

Jane Doe enrolled in her first year of BSBA at Jose Rizal Memorial State University with no certainty of financial aid. Her parents incurred debt to support her initial college expenses. In October 2024, she was overjoyed to learn she had been awarded the scholarship.



By January 2025, Jane Doe received PHP 70,000 in financial assistance, enabling her to pay school fees and catch up on debts. She now attends school regularly, submits all academic requirements, and is no longer exposed to hazardous labour—only helping with light chores at home. The scholarship also supports her brother's exam review, showing the ripple effect of one intervention.

Her story inspired local families and SCFO members, many of whom became more active in child labour monitoring and community meetings. The Barangay Council and BCPC of Sinaman have since strengthened their engagement with the project, inviting MDFI to speak about child labour and the PCA scholarship in public forums.

Case Study 3

At just 12 years old, Kismet from Upper Lasang, Malapatan, Sarangani Province, was thrust into adult responsibilities when her mother abandoned the family. Left alone on the roadside with her three younger siblings, Kismet became their primary caregiver, severely affecting her physical and emotional well-being and disrupting her education.

Her father, Mr. Edward, worked as a coconut farm labourer but earned too little to support the family. The case was initially reported to authorities, but no immediate intervention followed.

Intervention and Support:

Kismet's situation gained attention through the project. During home visits, the Child Labor Monitoring team assessed the family's dire condition and referred them for urgent government support.



The Tio family was then prioritised by DSWD Region XII, receiving:

- Educational support for Kismet and her siblings
- School supplies and food assistance from the project and LCPC
- Regular counselling and follow-up visits

Kismet is now regularly attending school and participating in class. The emotional burden she once carried has eased thanks to ongoing counselling and support. She is motivated to pursue education as a path out of poverty. Mr. Edward has taken full responsibility for his children. With renewed hope and external support, the family is slowly rebuilding. The project helped them recognise that education, not child labour, is the key to long-term stability.

Father's Statement: Mr. Edward:

"We were broken when my wife left. Kismet was just a child, but she had to carry the weight of a parent. The child labour monitors became our backbone, providing support, guidance, and reminding us always that education can change our lives. Kismet now has a chance for a better future."

Lessons Learned from the Field

1. **Community-Based Monitoring Systems (CBMS) Are Game-Changers:** The Community based Child Labour Monitoring and Remediation System emerged as a critical frontline tool in identifying children involved in hidden or normalised forms of child labour, particularly within family settings. Through structured home visits, school engagement, and barangay coordination, local child labour monitors were able to detect, refer, and follow up on cases effectively. The trust built with families enabled sensitive disclosures and timely action. CBMS also bridged the gap between communities and formal child protection mechanisms, ensuring that no child falls through the cracks. Institutionalising CBMS within labour government unit (LGU) structures must be a key strategy going forward.

- 2. LGUs Can Lead Transformative Action When Empowered:** When properly capacitated and engaged, BCPCs) became pivotal in early detection, documentation, and support to survivors. Their coordination with municipal-level actors, social workers, and NGOs ensured that response was not fragmented, but unified and swift. These cases affirm that LGUs, particularly at barangay level, can drive systemic change when equipped with the right tools, training, and accountability structures.
- 3. Sustained, Multi-Stakeholder Response Ensures Reintegration, Not Just Rescue:** Withdrawal from child labour is only the starting point. In all three cases, what made reintegration successful was the availability of follow-up support, education reintegration, psychosocial counselling, emergency cash aid, and consistent monitoring. Effective collaboration between NGOs, schools, social workers, and families created a web of support that enabled real recovery and long-term change.
- 4. Family-Centred Interventions Anchor Sustainable Change:** These cases underscore that shifting parental mindsets and improving household resilience are fundamental. Parents were not just informed but actively engaged, through dialogues, livelihood linkages, and counselling, which helped them understand the risks of child labour and commit to alternatives. Without this family buy-in, withdrawal efforts would have remained fragile and reversible



1.4 Impact and Benefits

The implementation of community-led child labour monitoring and protection systems has yielded measurable and multidimensional impacts across intervention areas.

By anchoring efforts in local governance structures and equipping communities with the tools and knowledge to identify and respond to child labour, the initiative has delivered both immediate relief and sustainable change.

Key outcomes include:

- Increased identification and withdrawal of child labourers through proactive, on-the-ground monitoring and referrals, many of whom were previously hidden from formal mechanisms.
- Improved school attendance and retention, supported by tailored educational assistance and bridging programs, ensuring that children are not only removed from labour but are given viable pathways back into learning and development.
- Strengthened local governance and protection structures, including activation and capacity-building of BCPCs, enabling faster, more coordinated, and rights-based responses to child labour cases.
- Enhanced parental and community awareness of child rights and the long-term value of education over child labour, leading to increased cooperation with interventions and a decline in tolerance for exploitative practices.
- Livelihood support and psychosocial interventions for families, reducing the economic pressure to send children to work and helping communities recover from trauma and chronic vulnerability.
- Integration of a CLMRS that institutionalises vigilance, accountability, and early warning, enabling local actors to detect, document, and prevent child labour using regularly verifiable data. This localised model fosters community ownership, data-driven planning, and sustained protection far beyond the project's lifecycle.

Ultimately, the initiative has not only reduced the incidence of child labour but has strengthened the ecosystem of protection, proving that with the right investments in people, systems, and accountability, transformative change is possible and replicable. The model presents a compelling case for scalable, rights-based, and community-anchored approaches to ending child labour.

For companies, the CLMRS is not just a tool for voluntary HRDD—it is a strategic investment in regulatory compliance, risk mitigation, and responsible sourcing. With the EU Corporate Sustainability Due Diligence Directive (CSDDD) and Regulation on Deforestation-Free Products setting stricter obligations for supply chain transparency, companies sourcing from high-risk agricultural sectors, such as coconut oil, will need robust mechanisms to detect and remediate human rights violations—including child labour. CLMRS provides verifiable data on child labour risks, enabling companies to go beyond self-reported assessments and demonstrate proactive, data-driven due diligence in their value chains. Additionally, with increased legal liabilities for failure to prevent human rights abuses, companies that embed CLMRS into their due diligence frameworks will be better positioned to avoid financial penalties, trade restrictions, and reputational damage while future-proofing their supply chains against evolving regulatory requirements. By aligning CLMRS with EU-mandated sector-wide codes of conduct and risk-based monitoring frameworks, companies can shift from reactive compliance to leadership in ethical sourcing, setting new benchmarks for responsible corporate engagement in the agricultural supply chain.



1.5 Challenges and Solutions

Successfully implementing a Child Labour Monitoring and Remediation System requires a multifaceted approach. It is not just about profiling, monitoring and referrals; it also involves addressing the root causes of child labour, such as poverty, lack of education, and social acceptance.

The following are some of the challenges encountered during CLMRS implementation-

- **Data Collection:** Difficulty in gathering data on child labour due to limited access to remote areas, where child labour is usually prevalent in far-flung communities.
- **Capacity Constraints at the Barangay Level:** Barangay officials face resource, capacity, and incentive challenges linked to the Barangay Seal of Good Local Governance (SGLG) evaluation conducted by the Department of the Interior and Local Government (DILG), where reported child labour cases form part of the assessment criteria. These dynamics can affect how child labour issues are identified, documented, and prioritised at the local level.
- **Cultural Norms:** In communities, child labour is not only tolerated but is considered a rite of passage, teaching children how to face the challenges of becoming a family man. Instead of paying others for farm work, children typically help their families to save resources.
- **Limited Resources for Remediation Support:** Child labour cases may be successfully identified, but the resources available to safely withdraw children from child labour, rehabilitate them, and provide education or alternative livelihoods are limited.

Strategies for Overcoming Challenges

- With the establishment of a child labour helpdesk in the community and support from various stakeholders such as VAWC, school administration, and sitio leaders, data collection and identification of children at risk of labour became possible.
- Proper education on the importance of eradicating and preventing child labour in the community will be a significant achievement for the community leaders, if they provide sustainable support for affected children.
- Conducting community engagement initiatives that respect cultural values while educating people about the risks and long-term harm caused by child labour.
- Establishing collaborations and partnership government agencies like the labour department and social services to provide sustainable remediation support for affected children.

1.6 Sustainability Strategies



Integration in community structures

The project acknowledges the important role of the community in the success of project implementation. The adoption of an area-based approach in the CLMRS implementation contributes to its sustainability. By integrating it into community structures such as the BCPC, a mandated council by the Department of the Interior and Local Government (DILG), which is responsible for leading the planning and implementation of programs, projects, and activities related to child protection. The BCPC serves as the frontline in monitoring child labour in barangays. As frontliners, they have established the Help Desk for Child Labour to execute their mandate, which is a significant step in sustaining the project's gains in eliminating and preventing child labour cases in the community. Being a member of the LCPC brings the advocacy to a higher level, considering that at the municipal level, the LCPC annually formulates and implements local policies that promote child protection and the elimination of child labour. It also ensures that child labour issues are incorporated into local government development plans, thereby securing funding and support for child labour programs. Additionally, the project has established strategic collaborations with the DOLE and the Department of Social Welfare and Development (DSWD), government agencies implementing programs aimed at withdrawing children from the worst forms of child labour. These programs provide a holistic, responsive, and sustainable approach to combating child labour at the community level.

Role, accountability and ownership of stakeholders

At the inception of the child labour monitoring system project, a Terms of Reference (ToR) was carefully developed to outline the roles, responsibilities, and objectives of all involved stakeholders. This ToR was prepared by the members of the project's Technical Working Group (TWG), a collaborative body responsible for ensuring the successful implementation and management of the program. The main purpose of the ToR was to create a focused and strategic approach toward preventing, mitigating, and providing remediation assistance to children identified as being at risk of, or currently involved in, child labour. Additionally, the ToR aimed to document the agreed definition of child labour, the roles and responsibilities of the TWG members, and their accountability, to promote public awareness about the importance of education and the negative impacts of child labour on children's mental, emotional, and physical well-being.

In any community-based project, the most sustainable approach is for the community to assume ownership and operation of initiatives like the CLMRS. When community members feel a sense of ownership over the monitoring and remediation efforts for affected child labourers, they are more likely to continue acting even after the project ends. During the implementation stage, the project will focus on building capacity, fostering collaboration, and ensuring improvements in both the social and economic conditions of the community in relation to child labour.



SECTION 2

Strengthening Human Rights Due Diligence in The Philippines coconut sector

2.1 Overview



Not much is publicly known about the human rights risks in the coconut industry, unlike in other global commodities such as palm oil, cocoa, or coffee. Based on findings from Project A as well as DIWA's own work in the sector, risks can manifest at different levels of the supply chain, owing to distinct business relationships, production processes, and the way the industry is set up; as well as macro factors such as legal and regulatory environment, poverty levels and political contexts, and other variables that, in combination, drive human rights risks and increase people's vulnerability to abuse.

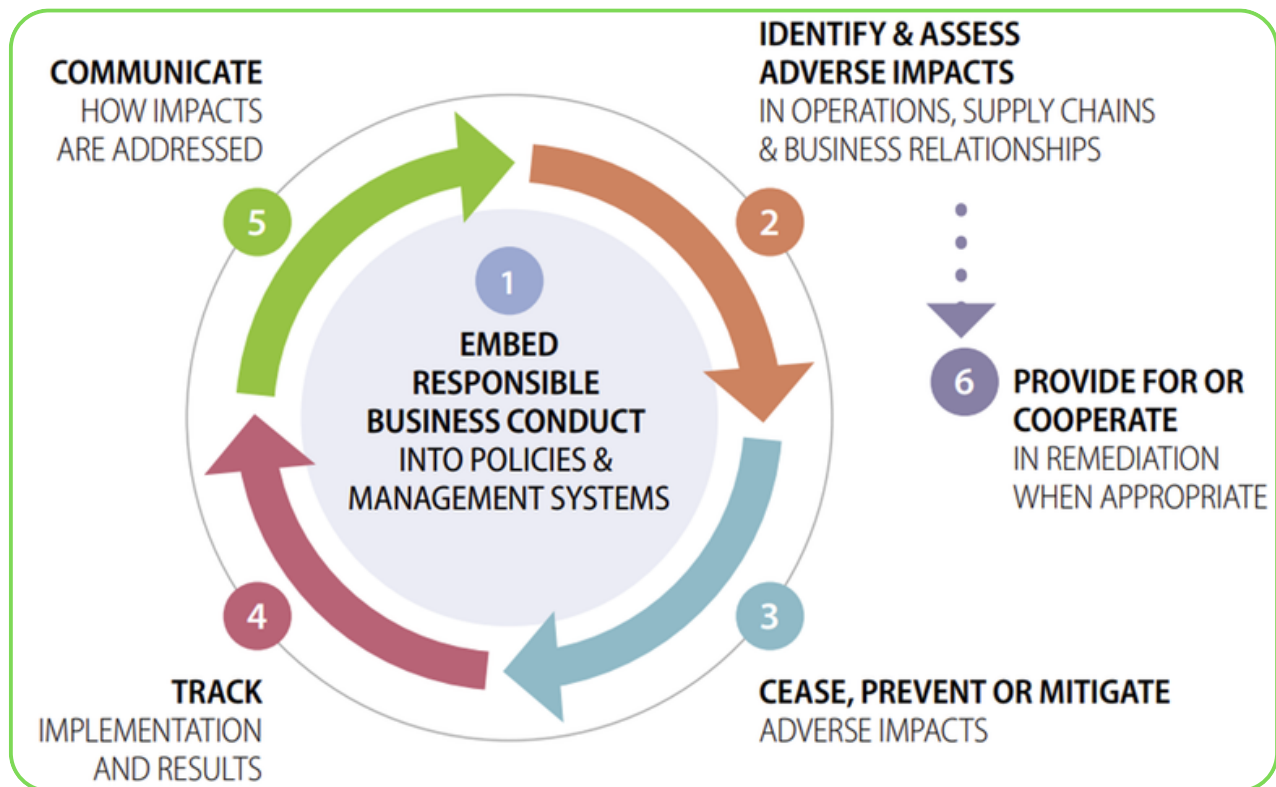
One of the salient human rights issues in the sector is the presence and prevalence of child labour, particularly at the farm level where millions of smallholders and workers are engaged. Children in coconut farming communities face a higher risk of dropping out of school, often due to their involvement in family labour.

More broadly, the reliance on informal labour arrangements and the complexities of the supply chain can lead to labour exploitation and lack of visibility on the business practices of intermediaries at various levels of the value chain. Risks of child labour are thus deeply linked to other broader human rights issues such as low wages, long working hours, and lack of access to social protection—all of which can undermine the protection of children and the dignity and rights of coconut industry workers and their families.

In recent years, there has been a growing emphasis on corporate accountability for human rights impacts throughout global supply chains. Current and emerging legislative frameworks, such as the CSDDD, underscore the increasing need for businesses to establish and implement robust HRDD mechanisms tailored to their specific contexts and sectors. With these developments, businesses are compelled to demonstrate efforts at identifying, preventing, mitigating, and reporting on human rights and environmental risks present in their business operations and across their value chains, signifying a major shift towards mandatory due diligence and moving beyond previously only voluntary commitments. For companies sourcing coconuts, particularly from regions with known human rights risks like The Philippines, understanding and implementing comprehensive HRDD is now no longer just an ethical imperative but also becoming a legal requirement.

2.2 A Systems Approach to HRDD

HRDD is a systematic process that businesses undertake in order to identify, prevent, mitigate, and account for how they address their adverse human rights impacts across their own operations, supply chains, and business relationships. This approach, based on the HRDD framework by the Organisation for Economic Co-operation and Development (OECD), comprises six key steps:



OECD Due Diligence Process and Supporting Measures (OECD, 2018)

1. **Embedding responsible business conduct into policies and management systems:** This involves integrating human rights considerations into the core values, policies, and operational procedures of the company.
2. **Identifying and assessing adverse impacts in operations, supply chains, and business operations:** This step requires companies to proactively identify potential and actual human rights risks and assess their severity and likelihood across their entire value chain. For the coconut sector, this includes understanding risks from the farm to the mill, during production, harvesting and collection, transportation, storage, and processing.
3. **Ceasing, preventing, or mitigating adverse impacts:** Once risks are identified and assessed, companies are expected to take appropriate measures to stop ongoing negative impacts, prevent future ones, and mitigate those that cannot be immediately eliminated.
4. **Tracking implementation and results:** This involves monitoring the effectiveness of the measures taken to address human rights impacts and tracking progress over time, such as through a CLMRS.
5. **Communicating how impacts are addressed:** As transparency is crucial in doing effective human rights due diligence, companies need to communicate to relevant stakeholders their human rights policies, identified impacts, and actions taken to address them.
6. **Providing for or cooperating in remediation when appropriate:** When adverse human rights impacts occur, companies should provide or cooperate in providing access to effective remedies for those affected. In the context of child protection in the coconut sector, where child labour is driven by both context-specific and systemic risk drivers, multi-stakeholder collaboration is a must.

2.3 In Practice: Developing a child protection-focused HRDD system for The Philippines coconut industry

In the context of Project B, with its focus on protecting the rights of children and their families, DIWA is tasked to oversee the key result area on child protection-focused human rights due diligence (Result 2: HRDD/CLDD) and to support consortium partners by providing technical expertise on understanding and addressing child labour and other labour and human rights issues. The key objectives of Result 2 are:

- 1 To embed mechanisms for child protection-focused human rights due diligence into existing company systems, and to develop an HRDD-informed framework for supplier management (SMF)
- 2 To capacitate company staff to understand and implement CLDD and SMF requirements
- 3 To engage coconut suppliers in the extended supply chain on company's human rights due diligence and supplier management systems

To meet these objectives, DIWA collaborated with consortium partners over several activities, described below:

1. **Project B commencement with local company staff:** Kick-off meetings and consultations were conducted with facility-level teams involved in implementation to discuss roles and responsibilities, align expectations, and agree on ways of working. The kick-off was also organised to obtain the buy-in of both management and suppliers, as well as the commitment of the implementing teams on the ground.
2. **Assessment of existing frameworks and mechanisms:** Following the kick-off, assessments of the companies' programs and frameworks on human rights, labour rights, child protection, and supplier management were conducted to document good practices and identify gaps, as well as to strategise how these can be strengthened through HRDD/CLDD mechanisms.
3. **Conducted capacity building and knowledge exchange sessions with company staff to understand and implement CLDD and SMF requirements:** Two in-person sessions were organised and participated in by consortium partners from business, which served as an opportunity for both companies to share experiences from the field, learn from each other, and engage in pre-competitive collaboration.
 - **Awareness raising on social responsibility standards and requirements in the coconut sector:** As a result of the assessments, implementing teams were recommended to participate in a capacity building session to learn more about responsible sourcing in coconut. The session covered topics such as legal and business imperatives for HRDD, social and labour standards, and stakeholder expectations from coconut-sourcing companies.
 - **Training on how to implement HRDD for the coconut oil supply chain:** The session aimed to capacitate facility-level teams to understand and implement performance requirements related to HRDD for their own operations and for their extended supply chain.

4. Formation of the CLDD TWG: As a result of these capacity building sessions, CLDD TWGs were formed to oversee their companies' HRDD initiatives. Regular technical meetings and consultations were held between DIWA and the TWGs to share lessons learned and address challenges based on experiences on the ground. (See Annex for the TWG's description of work.)

5. Development of mechanisms for child protection-focused and an HRDD-informed framework for SMF: Following the training sessions and regular consultations, the CLDD TWGs were tasked to develop internal mechanisms for CLDD, with technical support from DIWA. This resulted in:

- development of new, and updating of existing, internal policies and procedures to incorporate CLDD standards and requirements.
- conduct of communication and alignment sessions for key stakeholders regarding new and updated policies for responsible coconut sourcing; and
- development of a basic framework for supplier management that articulates the company's CLDD standards and requirements, monitoring mechanisms (including CLMRS), and corrective action processes.



2.4 Challenges and Lessons Learned

In implementing these activities as part of the Project B pilot, some challenges also arose:

- **Participation in pre-competitive collaborative engagements:** The initial plan for the program activities involved separate engagements for the company partners due to potential concerns regarding information disclosure and internal bureaucratic processes. However, this required intense resources and was not practicable during actual implementation. Accordingly, joint activities were proposed, as long as these were arranged as pre-competitive collaborative engagements. This in turn resulted in joint sessions between participating companies and indeed promoted healthy competition and opportunities for knowledge exchange among industry partners. It also encouraged participants to reflect on their own systems and practices based on discussions with others. A key takeaway from this is that it was important to have early and clear articulation of the benefits of pre-competitive collaboration and the implementation of safeguards to address confidentiality concerns.
- **Scheduling conflicts and time constraints:** Delays occurred due to conflicts in scheduling and certain activities requiring more time than initially planned, particularly those involving corporate office staff and multiple departments. This highlights the importance of obtaining buy-in from company leadership, flexible planning, and proactive communication to ensure the availability of key personnel.
- **Low awareness of existing policies at the local level:** Even though participating companies already have established global policies on human rights, labour rights, and child protection, some local company staff showed low awareness of these policies. This underscores the critical need for effective internal communication and targeted capacity building at the local level to ensure effective policy implementation aligned with CLDD requirements.

- **Limited expertise on child labour among partners:** Initial consensus-building sessions revealed limited expertise on child labour among partners, leading to a more lecture-based approach rather than a collaborative discussion. This emphasises the need for continuous capacity building and the provision of specialised expertise to all partners involved in the project.
- **Accessibility and logistical issues for joint activities:** Though joint sessions were encouraged because of the many opportunities these present, doing so also posed logistical challenges due to accessibility and personnel availability. Implementing teams are often engaged in the field, typically in remote areas where coconut farms and communities are located, resulting in a lot of back-and-forth which in turn can cause delays in organising events. Additionally, implementing teams also have other responsibilities beyond the project that also need their time and attention. This again points to the importance of obtaining the buy-in of the leadership team so that local staff involved in implementation are encouraged to participate and are provided the support they need when it comes to the effective implementation of program activities. It also suggests that careful consideration of location and timing is crucial for successful joint events.

2.5 The case for businesses

For coconut sourcing companies, embedding HRDD and developing an HRDD-informed framework for supplier management can offer several key benefits:

1. **Risk mitigation:** By understanding and addressing human rights risks like child labour and labour exploitation, businesses can mitigate significant legal, reputational, and operational risks. Compliance with emerging mandatory due diligence requirements like the CSDDD becomes practical and achievable, avoiding potential sanctions and ensuring market access.
2. **Enhanced supply chain resilience:** Proactive engagement with suppliers and capacity building efforts, as evidenced by activities implemented in Result 2, can lead to more stable, transparent, and responsible supply chains. Addressing root causes of child labour and other human rights violations can reduce disruptions and improve overall supply chain sustainability.
3. **Improved stakeholder relations:** Demonstrating a commitment to human rights through the embedding of HRDD in a company's own operations and across its extended supply chain enhances trust and confidence among stakeholders, including customers, investors, consumers, and local communities. This can lead to stronger business relationships and a more positive brand image.
4. **Increased awareness and capacity:** The capacity building activities under Result 2 have shown an increase in awareness among local company staff regarding human rights, labour rights, and child protection. This improved understanding is crucial for effective policy implementation and risk management within the company's operations and supply chain.



2.6 Strategies for program sustainability and adaptability/replication

The approach and methodologies employed in this project are highly adaptable to other contexts, especially other coconut producing areas, facing similar human rights challenges within their coconut value chains. Sustaining the HRDD initiative beyond the lifespan of Project B requires a multi-pronged approach, partnership-based approach involving all relevant stakeholders including businesses, NGOs, civil society organisations, local actors with an emphasis on shared implementation and long-term ownership:

- **Institutionalisation within company systems:** Businesses must ensure the effective and comprehensive integration of the developed CLDD and SMF into their core policies, procedures, and supplier management strategies. This ensures that HRDD considerations become a standard part of their operations, not just a project-specific activity.
- **Continuous capacity building:** Companies need to continue investing in the capacity building of their staff and suppliers on HRDD principles, child labour risks, and responsible sourcing practices. This can include regular training sessions on human rights (including labour rights and child protection), participation in knowledge-sharing platforms, and integration of HRDD into key performance indicators.
- **Sustained multi-stakeholder collaboration:** Businesses are recommended to actively participate in industry associations, multi-stakeholder initiatives, and partnerships with NGOs and local organisations to collectively address systemic human rights issues in the coconut sector. This fosters knowledge exchange, shared responsibility, and collective action.
- **Implementation and monitoring of CLMRS:** Companies can continue to implement and refine CLMRS and other monitoring mechanisms to track progress and identify emerging risks. Data from these systems should be used to inform policy adjustments and improve the effectiveness of HRDD efforts.
- **Embedding HRDD across business functions:** HRDD must not be confined to sustainability departments but integrated across all relevant business functions, including sourcing, procurement, human resources, and operations. This ensures a holistic and embedded approach to human rights due diligence.
- **Transparency and accountability:** Businesses should maintain transparency in their HRDD efforts by publicly reporting on their policies, risk assessments, and progress. Establishing clear accountability mechanisms within the organisation for HRDD implementation is also crucial.



SECTION 3

Strengthening capacity of smallholder coconut farmers to address child labour

3.1 Approach



Contextual knowledge informing program design

Project B was based on sound contextual research - a value chain analysis (VCA). Secondary information, key informant interviews, focus group discussions, and a stakeholder workshop were conducted during Phase A of the project, to inform project interventions.



Participatory Approach

The project team adopted a participatory approach in the conduct of the VCA, and in designing Project B. Apart from consortium members, public and private stakeholders, including the target groups and beneficiaries were involved in the design of the program, the Monitoring, Evaluation and Learning (MEL), and the identification of project areas. Stakeholders were asked to identify their potential roles and contributions in addressing the key constraints of coconut farmers, and in implementing the project interventions.



Selection of Project Areas

The consortium agreed on a criteria prior to the identification and selection of project areas, to ensure full transparency, objectivity, and relevance to project goals and objectives. Private and public stakeholders were also involved in shortlisting the project areas. The following criteria were used in the selection:

1. Incidence of child labour
2. Good working relationship with local government authorities
3. Poor municipalities (based on high disbursement rate of 4Ps - Pantawid Pamilyang Pilipino Program, a national poverty reduction strategy and human capital investment program of the Philippine government)
4. Distance to participating companies' facilities
5. Inputs from participating companies on:
 - previous experiences/programs
 - CSR or sustainability plans/targets of the company
 - concentration of suppliers
 - effectivity, efficiency of implementing interventions, activities, and monitoring results
6. presence of child labour programs; possible synergy
7. presence of farmers' organisations
8. Number/percentage of barangays considered as a geographically isolated and disadvantaged area (GIDA)



Adaptive Management

The consortium had bi-weekly meetings to discuss any updates, changes, interim results, and discuss potential adjustments as needed. While Cordaid was responsible for Result 3, the whole consortium was fully informed of the progress of Result 3 activities. The project team continuously scanned the coconut sector for unexpected changes and consulted the consortium on formulating proposed adjustments. For example, a 6.8 magnitude earthquake occurred in the middle of project implementation in Sarangani, and this disrupted the farming and household activities of the farmers. The project provided emergency relief support, like rice, to affected farming households, whose priority has shifted to repairing any damages in their houses.

3.2 Key Learning Objectives

The key learning objective for this result area is to determine any relation between farm income and incidence of child labour. The assumption is that increasing the income of the farming household, would have a direct, negative effect on the incidence of child labour in the coconut farming areas. Farm income can be increased by improving farm productivity, improving copra quality, and cultivating other sources of farm income.

3.3 Outcomes and lessons

1. Coconut farm productivity is increased



In the short-term, the coconut farm productivity can be increased by improving farming practices and applying the right type and amount of fertiliser. After the trainings on Good Agricultural Practices (GAP) for coconut farming, the endline fertiliser application among the farmers reached by the project, increased by up to 25%.

In the long-term, replacing old, senile trees, with higher - yielding coconut varieties will increase current farm productivity. The PCA have included the farmers in the project areas in their coconut seedling distribution programs, to promote the gradual replacement of old coconut trees.

The Philippines however, experienced one of the most severe El Niño phenomenon (drought) that started in July 2023 and ended in June 2024. This had a huge negative impact on agriculture productivity in the country. In coconut farms, the drought caused plant stress and smaller fruit sizes, which resulted in lower yields. The PCA reported that coconut farms in the project areas reported up to a 50% drop in coconut farm yields. The project team responded by training farmers on various mitigating measures to soften the impact of the El Niño, like mulching. This resulted in a lower decrease in copra yield, from 303.1 kilograms per hectare at the start of the project, to 228.3 kilograms per hectare during the endline; a 25% decrease in yield. The lower available supply of copra however, resulted in an increase in the buying price of copra. Some areas reported up to a 68% increase in copra price; considered among the all - time high for copra buying price. This has more than offset the loss from the lower copra production.

2. Improved quality of the copra because of improved farming and post-harvest practices



The main cause of quality deterioration in the copra sold by coconut farmers is moisture content that is above the limits (off-spec) set by oil millers. Prior to the start of the project, according to the Baseline Survey, up to 7.7% of the volume of copra supplied by farmers in the project area were rejected and/or subjected to price deductions because of selling off - spec copra to buyers. By the end of the project, according to the endline survey, this figure dropped to as low as 3.3%. The significant decrease in the volume of copra rejected can be attributed to the trainings, awareness raising, and marketing events with participating companies, which increased the knowledge and skills of the farmers in the proper drying and storing of copra, to achieve and maintain the desired moisture level.

3. Coconut farmers set up other income generating activities where applicable



Income diversification, through increasing the number of farming income streams for the coconut farming household, will provide income stability or increase income, and reduce the risks against external shocks.

Intercropping is a recommended practice in coconut farms to maximise the economic potential of smallholder farmers. Fruits and vegetables are among the different crops that can grow well in between rows of coconut trees. The farmers trainings included intercropping, to promote this best practice among the farmers in the project areas. Bananas were among the most planted intercrop in the project areas. The project team supported the farmers who have intercrops by linking them directly with preferred buyers. In Sapu Masla, the project team organised the farmers into a collective marketing enterprise, so they can consolidate and sell their cocoa intercrop harvests directly to a sustainable chocolate producer Auro. They were able to get a selling price that is 33.5% higher than those offered by other buyers.



3.4 Challenges and Recommendations

CHALLENGES	RECOMMENDATIONS
Declining productivity due to ageing coconut trees	The farmers groups and the PCA coordinate with each other to distribute seedlings of superior coconut varieties to progressively replace the ageing coconut trees of the farmers. Replacing only a percentage of the coconut trees at a time will minimise the disruption on the cashflow of farming households.
The planning cycle for relevant government agencies is completed 1 year before the implementation year.	The farmers groups and the PCA coordinate with each other to distribute seedlings of superior coconut varieties to progressively replace the ageing coconut trees of the farmers. Replacing only a percentage of the coconut trees at a time will minimise the disruption on the cashflow of farming households.
Access to a copra dryer	A proper copra dryer, a kukum dryer if possible, is essential in producing good quality copra that has the right moisture content, without any discoloration and contamination. It requires a substantial investment, so farmers in a clustered area can share a common dryer, instead of setting up a poorly constructed dryer on their own. The DTI is already aware of the need for financial support for constructing a dryer. The farmers group can follow up this financing opportunity with the DTI.

3.5 Sustainability and adaptability/replication

A. Dissemination of best practices in coconut farming and copra production



The project developed farmer trainers who continue to train other farmers in the area on the Good Agricultural Practices of coconut farming. The succeeding training and coaching sessions can take place in smaller sessions, to make it more manageable for both the farmer - expert and the farmer - learners. The current farms of the farmers involved in the project can serve as demonstration farms for these training and coaching sessions, and for other farmers who want to see first-hand, the positive outcomes of adopting GAP.

B. Farmers Groups



The project organised farmers groups in the project areas in Zamboanga del Norte, while strengthening existing farmers organisations in Malapatan, Sarangani. These farmers groups will continue to function to promote the interests of coconut farmers in the area. The Philippine Coconut Authority, the Department of Trade and Industry, and the local government unit, require farmers to be organised before they can access and receive support from the government.

The farmer groups were also trained on collective marketing. The project team supported the group until they were able to make their pilot delivery to a preferred buyer. The farmer groups will use this knowledge, experience, and connection, to consolidate and sell future produce, whether its copra, or from intercroops in their farms.

3.6 Stakeholder engagement with downstream partners for awareness and adoption of multi-dimensional CLMRS

Approach

During the project several communication documents have been developed. The content of these documents has been agreed upon by a special communication team. When agreed, the content was shared by all consortium members via their own channels. (These may include public magazines, customer contacts, etc).

Furthermore, a number of (physical) information sessions have been organised to inform downstream stakeholders about the project and the use of CLMRS in practice.

Key Learning Objectives

The project was started as a true sectoral approach to combat child labour in the coconut supply chain. As such, communication to and with other supply chain actors was crucial.

Outcomes and Lessons

In a project like this it is important to agree about what can and should be shared with external/other stakeholders. Therefore, representatives of all consortium members have decided about the content and what can be shared with external stakeholders. It was decided that agreed text can be used by all consortium members using their own channels, contacts.

Furthermore, specific information sessions have been organised in the Netherlands. During these sessions the project was explained where all consortium members had a role to play explaining the respective Results.

These sessions were highly appreciated by the attendees, from private sector, NGO's and government.

Challenges and Recommendations

When starting a sector-approach project like this, it is important to think about a communication strategy/plan in a timely manner. All members should be involved and agree about what to communicate and how. Since internal communication departments are also likely to be involved, agreement may take some time.

SECTION 4

4.1 Approach

Companies identified representatives of different teams to establish a Technical Working Group (TWG). The TWG would join the different activities and workshops as part of the FBK programme to gain understanding and be able to socialise within the company.

As part of the deliverables of the CLDD TWG, members of the technical working group are expected:

- To support, co-develop, and implement the Supplier Management Framework (SMF) and CLDD program; and utilise the CLMRS against CLDD requirements
- To ensure continuous improvement by developing a Systems Improvement Plan (SIP), with DIWA's support, and tracking the company's and Tier-1 suppliers' performance using defined KPIs.

4.2 Key learning Objectives

The primary objective of participating in the program was the development of various tools and how best to implement them. The FBK program served as a pilot project, and it is now essential to consider how the insights gained can be applied in the companies. The significance of this pilot lay in facilitating engagement with various stakeholders in a pre-competitive setting, fostering learning, and achieving the best possible outcomes.

4.3 Outcomes and lessons learned for the companies

The various capacity-building sessions and accompanying monitoring visits with the consortium partners have been instrumental in deepening the companies' understanding of child labour and child protection and equipping them how to address it effectively.

This understanding supported companies in:



Strengthen corporate policies and processes.

The foundational understanding of what constitutes child labour in different contexts—globally, through various conventions, and locally, within the specific framework of The Philippines is instrumental for companies to integrate in their policies and implementation processes to ensure efforts are impactful.



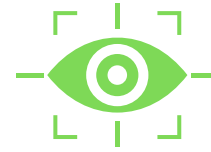
Internal training and awareness.

It became clear during this pilot that more internal awareness sessions are needed to socialise the different Group sustainability policies within The Philippines based on parts of the companies. The same counts for what the exact definition is of child labour and how best to address this to the different tiers of suppliers.



Engagement with 1st Tier suppliers and farmers.

Understanding root causes of child labour and challenges families face, is key when engaging with families in sensitive situations. Given the deeply family-oriented nature of Filipino culture, it is common for children to assist their parents or relatives in family businesses. While this cultural aspect is understandable, it also underscores the need for a balanced approach to child labour monitoring that respects cultural norms while protecting children's rights.



Monitoring child labour.

Improving companies monitoring efforts by building stronger links with local organisations to support affected families and ensuring that company policies are well-communicated and understood.

4.4 Challenges and Recommendations

- The complexity of the copra supply chain and the fact that most of the farms are smallholders. This brings a challenge in terms of limited engagement, not having direct contact with the farmers themselves. Recommendation would be a more area-based approach to increased awareness on child labour and focus on getting traceability in place as first step.
- The verification process for suspected child labour cases presents multiple challenges, particularly in determining whether reports are filed with the expectation of receiving financial aid or other forms of assistance, as this is a common practice in certain areas. Age is another complicating factor, as children aged 15 and older are legally permitted to engage in light work in specific industries. Additionally, many children voluntarily participate in work due to the need for supplementary income, family business obligations, or being the primary earners in their households. These factors make it difficult to accurately assess whether a case qualifies as suspected child labour.
- The Philippines government, through the DOLE, implements a child labour monitoring system in The Philippines. This is an instrumental tool to combat child labour in the coconut sector. While private companies have the responsibility to protect children, it is more effective to work alongside the government and existing frameworks instead of running their own monitoring program. Collaborating with government agencies, NGOs and community organisations will ensure a holistic and collaborative approach and ensure efforts are aligned with national regulations and strategies.

4.5 Adaptability and replication in other regions

As the implementation of the activities under the FBK pilot were fully focussed on two specific regions, the companies aim to continue this work by replicating the activities on child protection in the other sourcing regions of their coconut supply in The Philippines. This would not only include engagement activities with their 1st-Tier suppliers and if possible, farmers, but also for example further internal socialisation of the strengthened corporate policies and established internal work instructions.

SECTION 5

Advocacy and Sustainability for Government Engagement: Institutionalising Solutions

For child labour elimination efforts to be sustainable, they must move beyond project-based implementation and become embedded within public systems. While private sector engagement and civil society leadership are critical, the long-term protection of children ultimately depends on strong, accountable, and adequately resourced government institutions.

This project recognises that sustainable child labour prevention requires institutionalisation at multiple levels of governance — barangay, municipal, provincial, and national — and alignment with existing child protection, labour, education, and social welfare frameworks.

Institutionalisation means that child labour monitoring, referral, and prevention are not dependent on external funding or individual champions, but are integrated into routine governance processes, planning cycles, and accountability mechanisms.

Embedding CLMRS in Local Governance Structures

The project strategically integrated CLMRS within existing mandated structures such as the Barangay Council for the Protection of Children (BCPC) and the Local Council for the Protection of Children (LCPC). These bodies, mandated under national law and overseen by the Department of the Interior and Local Government, are positioned as frontline duty-bearers in child protection.

By capacitating BCPC members, establishing Child Labour Help Desks, and formalising referral pathways with the Department of Labor and Employment (DOLE) and the Department of Social Welfare and Development (DSWD), the project strengthened institutional accountability at the community level.

To sustain these gains, the following actions are critical:

- Integrating CLMRS activities into annual barangay and municipal development plans.
- Allocating dedicated local budgets for child labour monitoring and remediation.
- Ensuring regular reporting of child labour cases within local governance performance frameworks.
- Institutionalising training modules on child labour definitions and monitoring procedures for newly elected barangay officials.

Embedding CLMRS within official governance processes ensures continuity beyond political transitions and project timelines.



Strengthening Inter-Agency Coordination

Child labour is inherently cross-sectoral. It intersects with labour regulation, education access, poverty alleviation, agricultural productivity, and social protection. Fragmented responses risk leaving children without comprehensive support.

This initiative demonstrated the value of coordinated action between:

- DOLE (legal determination and enforcement),
- DSWD (social protection and assistance),
- Schools and education authorities (reintegration and monitoring),
- Philippine Coconut Authority (agricultural support),
- Local Government Units (planning and coordination).

Sustainability requires formalising these coordination mechanisms through:

- Memoranda of understanding between agencies,
- Joint monitoring frameworks,
- Integrated child labour databases,
- Periodic multi-agency review meetings at municipal and provincial levels.
- Inter-agency alignment transforms child labour responses from reactive case handling into preventive system design.

Aligning Local Action with National and International Commitments



The Philippines is a signatory to key international conventions, including those of the International Labour Organization and the United Nations Convention on the Rights of the Child. National frameworks already exist to combat child labour, yet enforcement gaps and resource constraints limit their effectiveness in remote agricultural communities.

The project contributes to national objectives by:

- Generating local-level data that can inform national child labour reporting.
- Strengthening enforcement capacity in high-risk areas.
- Providing a tested model for scaling area-based monitoring systems.
- Supporting the operationalisation of existing laws rather than creating parallel mechanisms.

Advocacy efforts should therefore focus on ensuring that:

- CLMRS methodologies are incorporated into national child labour strategies.
- Budget allocations reflect the scale of agricultural child labour risks.
- Monitoring data informs policy reforms related to rural livelihoods, education access, and social protection coverage.
- Child labour indicators are integrated into agricultural and rural development planning.

Addressing Structural Drivers Through Policy Reform



While case-level remediation is essential, durable prevention requires addressing structural economic drivers. Low farm-gate prices, informal credit dependencies, limited traceability, and vulnerability to climate shocks all contribute to household decisions that involve children in labour.

Government engagement must therefore extend beyond child protection agencies to include:

- Agricultural policy reform that improves smallholder income stability.
- Trade and pricing mechanisms that reduce exploitative dependencies.
- Investment in rural infrastructure and transport to improve school access.
- Expansion of conditional cash transfer programs to high-risk agricultural communities.

Institutionalising solutions means shifting from reactive withdrawal to preventive economic resilience.

Building Political Will and Public Ownership

Effective advocacy requires demonstrating that child labour elimination is not solely a moral imperative but also a development priority linked to poverty reduction, human capital formation, and inclusive economic growth.

Sustained government engagement depends on:

- Evidence-based policy dialogue supported by CLMRS data.
- Public awareness campaigns that shift social norms around child labour.
- Engagement of local leaders as champions of child protection.
- Transparent reporting mechanisms that promote accountability.

When local communities, elected officials, and national agencies recognise child labour elimination as integral to development planning, institutionalisation becomes politically viable.

Replication and Scale

The model developed under this project is adaptable to other coconut-producing regions and to other agricultural commodities characterised by smallholder dominance and informal labour arrangements.

Replication requires:

- Clear documentation of tools and processes.
- Training-of-trainers models for local government units.
- Integration into existing national child labour frameworks.
- Continued collaboration between private sector actors and public institutions.

By institutionalising CLMRS within governance systems and aligning it with broader socio-economic reforms, The Philippines coconut sector can transition from pilot-based intervention to sector-wide, government-led sustainability.



Conclusion and Way Forward:

The “Protecting the Rights of Children in the Coconut Oil Supply Chain in The Philippines” initiative demonstrates that child labour in agricultural value chains cannot be addressed through isolated interventions, periodic audits, or company-level compliance mechanisms alone. Rather, it requires a systemic, area-based, and multi-stakeholder approach that tackles both the symptoms and the structural drivers of vulnerability.

Through Project A, the consortium established that child labour in coconut-producing communities is deeply embedded in economic insecurity, informal labour arrangements, weak traceability, limited access to social protection, and cultural normalisation of children’s work. Project B translated these findings into action by operationalising a multidimensional Child Labour Monitoring and Remediation System (CLMRS), embedding child protection-focused Human Rights Due Diligence (HRDD) within corporate systems, strengthening farmer capacity, and institutionalising monitoring within local governance structures.

The project has shown that:

- Community-based monitoring systems can detect hidden and normalised forms of child labour that traditional compliance audits often fail to capture.
- When local governance structures such as BCPCs and LCPCs are capacitated and supported, they can lead coordinated and sustainable child protection responses.
- Linking child labour monitoring to social services, education systems, and livelihood strengthening creates durable reintegration outcomes rather than temporary withdrawal.
- Corporate HRDD processes become significantly more robust when grounded in real-time, community-level data and when aligned with national child protection mechanisms.
- Addressing farm productivity, income diversification, and collective marketing contributes to reducing the economic pressures that drive child labour.

Importantly, the initiative moves beyond a company-centric model of responsible sourcing. By embedding CLMRS within an Area-Based Approach and linking it to local and national government systems, the project establishes a framework that can outlast external funding cycles and be scaled across other sourcing regions.

Looking ahead, the way forward requires consolidating gains and expanding adoption. This includes:

- Scaling CLMRS to additional coconut-producing regions.
- Deepening integration of CLDD and Supplier Management Frameworks within company systems.
- Strengthening traceability and supply chain transparency.
- Institutionalising child labour prevention within local government planning and budgeting.
- Advancing sector-wide commitments that align commercial practices with child protection outcomes.

Ending child labour in the coconut sector is not a short-term compliance exercise. It is a long-term governance transformation process that requires sustained collaboration between communities, government, civil society, and the private sector. The model piloted through this initiative provides a practical, replicable blueprint for how such transformation can be achieved.

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