



Mapping Working Conditions and Labor Risks in ofi's Cocoa Supply Chain in Uganda

July 2023
Baseline Assessment

ABOUT THE FAIR LABOR ASSOCIATION

The Fair Labor Association (FLA) promotes human rights at work. We are an international network of companies, universities, and civil society organizations collaborating to ensure that millions of people working at the world's factories and farms are paid fairly and protected from risks to their health, safety, and well-being.

Table of Contents

1. Executive Summary	3
1.1 Key Findings.....	3
2. Abbreviations and Acronyms.....	6
3. Background	7
3.1 Assessment Objectives	7
4. Methodology	9
5. ofi Uganda’s Cocoa Supply Chain Mapping.....	11
5.1. Procurement Process Mapping	11
6. ofi’s Internal Monitoring System	13
6.1 Labor Policies and Standards.....	13
6.2 IMS Team.....	13
6.3 IMS Tools	14
6.4 IMS Sustainability Programs.....	15
7. Community and Household Profiling	18
7.1 Community Profiling	18
7.2 Farmers and Household Profiles	21
8. Labor Standards Risk Assessment.....	23
8.1 Code Elements with Limited Risk of Non-Compliance	23
8.2 Code Elements with High Risk of Non-Compliance	24
8.3 Local Stakeholder Insights.....	28
9. Recommendations	30
10. Annex: Uganda’s Country Context	33
10.1 Cocoa Production in Uganda	33
11. References.....	43

1. Executive Summary

As part of the 2020–2021 labor standards due diligence cycle for members, the Fair Labor Association (FLA) conducted a baseline assessment of ofi (formerly Olam)'s cocoa supply chain in Uganda. The assessment examined the supply chain, stakeholders involved, and associated labor risks; the status of the company's internal supply chain and labor management system; and the workers' demographic profile.

The assessment was conducted with a combination of qualitative and quantitative data collection techniques. Assessors collected primary data through individual interviews, focus group discussions (FGDs), document review, and farm and household observation. FLA assessors visited four parishes in three sub-counties and interviewed 146 people in October 2021.

1.1 Key Findings

Management of traceability and internal monitoring system (IMS)

ofi Uganda Limited (ofi Uganda) sources both wet (fresh) and dry cocoa directly from local buying agents (LBAs) and from its certified farmers. There are nine LBAs in the supply chain and six program buying agents of certified cocoa. The company currently sources cocoa beans from approximately 9,000 smallholder farmers (2,897 certified and 5,885 non-certified). In the 2019–2020 crop season, farmers supplied 7,934 metric tons of cocoa beans, and 8% of the beans supplied to ofi were certified.

The IMS includes the OLAM farmer information system (OFIS), the OLAM traceability (OT) system, and a child labor monitoring and remediation system (CLMRS). As of 2019–2020 ofi Uganda could trace 8% of cocoa beans procured to farms and 92% to communities. In addition to tracing via digital apps, ofi conducts manual traceability using a trail of documentation, physical segregation, and tracking of all certified cocoa. Therefore, 100% of the cocoa purchased from certified farmers is 100% traceable.

ofi Cocoa Compass has targets to improve traceability of all types of cocoa beans, including conventional cocoa. In 2021, the company extended tracking for conventional LBAs to the village level. At the time of the assessment, 32% of the supply chain was covered by a labor monitoring program (the CLMRS). According to the IMS, ofi planned to expand the CLMRS to 100% of its supply chain by the end of 2022. At the time of finalizing this report, no data was available to prove that the company had reached this goal. However, the company has relevant labor policies and is currently undergoing three certification processes: Ecocert's organic certification, Rainforest Alliance (RA) certification, and Cacao-Trace (Puratos).

Labor standards awareness

The company ensures that nearly all farmers attend annual labor standards trainings — approximately 89% of farmers were trained in 2021. In addition, all certified farmers have undergone orientation and signed the ofi Supplier Code (OSC) that highlights labor policies they must follow.

Grievance handling

The current grievance mechanism leans heavily towards discipline as opposed to grievance handling. The grievance procedure outlines the sanctions and appeal process for suppliers.

Farm laborers

The visited households had an average of 10 family members. This, combined with the costs of hiring workers, could explain why none of the interviewed farmers engaged hired workers. The majority of the households had children between 6 and 14 years old. ofi receives regular reports from lead farmers who monitor the risk of forced labor and other compliance issues.

The FLA Code of Conduct elements with low risk of non-compliance were Freedom of Association and Collective Bargaining, Harassment and Abuse, and Hours of Work. Some code elements need attention, even if assessors did not find obvious evidence of non-compliance:

1. **Forced Labor:** The farmers are not using hired workers. However, the company should pay attention and follow closely the labor conditions of vulnerable groups of such as refugees from the Democratic Republic of Congo (DRC). Refugees are at risk of physical and emotional violence.

Assessors found the following code elements to be at high risk of non-compliance:

2. **Child Labor:** Through FGDs with children, the IMS report review, and observations from the farm and home visits, assessors noted child labor in the company supply chain. Children performed hazardous tasks, such as climbing cocoa trees during harvest.
3. **Employment Relationship:** Twenty-one percent of farmers with contracts do not understand their contract requirements.
4. **Health, Safety and Environment (HSE):** Gumboots were the only piece of personal protective equipment (PPE) worn by 37% of the farmers interviewed. There was no first aid structure managed by the farmers themselves.

- 5. Compensation:** Two farmers reported instances where the full amount was not paid at once due to a cash shortage; however, they were paid within two days, and payment delays are uncommon. Four farmers reported that the issuance of receipts could sometimes be delayed for up to two weeks, or that receipts were never issued at all.

2. Abbreviations and Acronyms

child labor monitoring and remediation system – CLMRS

civil society organizations – CSOs

The Democratic Republic of Congo – DRC

district action centers – DACs

The Fair Labor Association – FLA

focus group discussions – FGDs

good agricultural practices – GAPs

gross domestic product – GDP

Health, Safety and Environment – HSE

internal monitoring system – IMS

local buying agents – LBAs

The Ministry of Agriculture, Animal Industries and Fisheries – MAAIF

The Ministry of Trade, Industry, and Cooperatives – MTIC

The National Coffee Research Institute – NaCORI

Olam farmer information system – OFIS

Olam Traceability system – OT system

personal protective equipment – PPE

Rainforest Alliance – RA

savings and credit cooperative organizations and societies – SACCOs

systems applications and products – SAP

Uganda Export Promotion Board – UEPB

village saving and loan associations – VSLAs

3. Background

ofi (formerly Olam) is a Singapore-based food trading and brokerage company with activities that span five continents. The company sources and processes with over 45 products in more than 60 countries globally; it has operated in Uganda since 1997 across six key products, including cocoa.

ofi became an FLA member in 2012 and is subject to FLA's due diligence processes. Since 2013, FLA has conducted and published annual independent external assessments of ofi's cocoa supply chain to monitor labor standards as articulated in the FLA [Code of Conduct and Compliance Benchmarks for the Agriculture Sector](#). FLA further verifies ofi's labor standards management systems for its cocoa supply chain against the FLA [Principles of Fair Labor and Responsible Sourcing for the Agriculture Sector](#).

In October 2019, ofi launched [Cocoa Compass](#) which guides its ambition toward creating a positive impact on the future of sustainable cocoa production. ofi has set goals to tackle the key issues facing the cocoa supply chain by 2030, with milestones for action in 2020 and 2024. As an FLA member, ofi has committed to expanding the accountability framework in all of its supply chain's cocoa-sourcing countries (including Uganda). Within the accountability framework, FLA conducted a baseline (task and risk mapping) assessment of ofi's cocoa supply chain in Uganda.

3.1 Assessment Objectives

The exercise aimed to inform FLA and ofi Uganda cocoa's team about gaps the company can address to strengthen its IMS and, in particular, to develop or refine its monitoring and remediation program. The objectives were to:

1. **Outline the regulatory framework** that shapes working conditions in the cocoa sector and specific national or local programs to support and protect farmers and workers.
2. **Map ofi's cocoa supply chain in Uganda and existing supply chain relations** to leverage to a sustainability program focused on mitigating labor risks (including child labor).
3. **Evaluate ofi's internal supply chain and management systems** to assess the policies and the relation between ofi and its supply chain actors.
4. **Identify key local stakeholders (internal and external to the supply chain) and programs** that ofi can collaborate with to advance its Cocoa Compass goals.
5. **Conduct task and risk mapping** with community and worker profiling in selected clusters of ofi's cocoa suppliers' farms to understand working conditions and the causes and prevalence of labor risks.

6. **Provide practical and scalable recommendations to off on building or refining supply chain management systems.**

4. Methodology

The assessment was conducted using FLA's seven-step approach, which entails a combination of qualitative and quantitative data collection techniques.

1. **Desk-based research:** FLA carried out a desk-based review of secondary data and information to understand the cocoa environment in Uganda.
2. **Supply chain mapping and IMS evaluation:** FLA conducted supply chain mapping and IMS evaluation through phone calls and virtual meetings. This informed the sample size definition and provided an overview of the labor standards management systems against the FLA Principles of Fair Labor and Responsible Sourcing for the Agriculture Sector. Assessors then reviewed IMS documentation on-site to evaluate the existing labor standards management system(s). Follow-up for clarification and submission of documentary evidence was completed by e-mail.
3. **Stakeholder consultations:** With support from FLA and ofi Uganda, assessors interviewed representatives from six organizations – including local government authorities and civil society organizations (CSOs) – based in Bundibugyo to understand key labor and human rights issues and their underlying causes in the district's cocoa sector.
4. **Community profiling:** Assessors conducted interviews with community members and three local government officials to identify existing social groups and cultures/norms, the condition of available infrastructure, and key economic activities that could further explain the root causes of labor risks.
5. **Household profiling and farm assessment:** Assessors visited sampled farmers' households and their farms for primary data collection on labor risks. Primary data was collected through in-depth individual interviews and FGDs with children younger than 18. FLA selected 100 farmers for the assessment and achieved a 100% interview participation rate.
6. **Data entry, processing, and reporting:** Assessors used Microsoft Excel for data entry and analysis.
7. **Development of recommendations:** Upon analysis of the primary and secondary data, FLA made recommendations to remediate and prevent labor risks noted in the assessment.

Uganda's cocoa is sold in a free market system, meaning that farmers may supply to the buyer or company of their choice and ofi does not have an exclusive cocoa supply chain. Therefore, FLA's team assessed cocoa farmers who:

- Resided in the area where ofi sources cocoa;
- Delivered cocoa to an LBA within ofi's cocoa supply chain; and/or
- Participated in the sustainability program in Bundibugyo (Uganda's leading cocoa-producing region, from where ofi primarily sources its cocoa).

Table 1: Interviewees

Group	Participants
Farmers/producers	100
Children younger than 18	28
Stakeholder representatives	9
ofi Uganda staff	7
Local buying agents	2

Table 2: Interviewees' Distribution

Region	Sub-county/ Council	Parish	Farmers	Children's FGDs	Stakeholders	Supply chain actors	IMS staff	Total
Bundibugyo	Busaru	Kirindi	25	8	1	1	–	35
		Hakitara	25	6	–	–	–	31
	Bubukwanga	Mataisa	20	8	2	1	–	31
	Bubandi	Lamia	30	6	1	–	–	37
Bundibugyo	Bundibugyo Town Council		–	–	5	–	7	12

5. ofi Uganda's Cocoa Supply Chain Mapping

ofi sources fresh (wet) and dry cocoa using two models:

- 1. Conventional LBAs** buy cocoa from farmers and sell to companies. ofi collaborates with nine conventional LBAs, who are independent and free to supply cocoa to any buyers they want. Conventional LBAs are not involved in certification audits or labor inspections. ofi cannot trace their supplied cocoa beans to the farm level, and the farmers do not have a contractual relationship with either the LBA or ofi. ofi can only trace this category of supply chain up to the LBAs warehouses. The LBAs sign the ofi Supplier Code (OSC). In the 2019–2020 season, 65% of the farmers from whom ofi Uganda sourced cocoa supplied through the conventional LBAs (non-certified).
- 2. Certified LBAs** are employed by ofi to manage the company's buying centers. They only buy cocoa from certified farmers (also referred to as program suppliers). The certified LBAs are trained by ofi on its policies, procurement operations, and certification requirements. Among the 9,000 smallholder farmers who supplied cocoa beans to ofi Uganda in the 2019–2020 season, 32% were certified farmers, meaning they supply directly to ofi's buying centers or certified LBAs. Certified farmers have written contracts and are traceable and subject to the company's supplier code of conduct and other requirements, including regular inspections and audits. As of 2020, ofi has three groups of certified cocoa-producing farmers:
 - **ofi organic cocoa:** approximately 80% of certified farmers;
 - **ofi specialty cocoa:** approximately 7% of certified farmers; and
 - **Puratos organic cocoa:** approximately 13% of certified farmers.

5.1. Procurement Process Mapping

Farmers, who are primarily smallholders, supply cocoa beans to 15 buying centers. or open fields operated by LBAs. The centers and fields are in four of Bundibugyo's parishes, with an average sourcing radius (distance between the buying centers and the farms) of 4.6 kilometers.

After harvest, farmers who sell wet cocoa to ofi's agents pack the beans in bags not exceeding 50 kilograms each, and transport them to the buying centers using hired motorcycles. Farmers who sell dry cocoa ferment the beans after harvesting, sun-dry them before manually checking if the beans are completely and properly dry – which is different from moisture checking – and pack and transport the cocoa as described above. The moisture content is checked at the buying center, and should be 8%.

LBAs maintain relevant documentation throughout the procurement process. At the buying centers or open fields, LBAs conduct quality assurance checks, then weigh and

store or transport the beans by truck to nearby selling points. The agents' workers (casual workers) store the beans that have passed the quality and compliance checks at the stores and buying centers. After the procurement staff have inspect vehicles to ensure that they comply with the security requirement, ofi Uganda transports the cocoa to its main warehouse in Bundibugyo.

Once at the main store, the wet beans (ofi specialty and Puratos cocoa) are processed, checked for quality, and prepared (graded, weighed, labeled, repackaged, and stacked in batches) for dispatch to the Kampala shipping warehouse.

At the Kampala warehouse, ofi Uganda issues shipping and certification documents for the cocoa beans' export. The company sells the cocoa beans that have failed the quality and compliance checks to meet organic standards from its conventional buying units.

In the free market, suppliers can sell to any buyer despite existing written or verbal contracts. Regional cocoa prices are reportedly volatile throughout the season, so ofi frequently communicates the prevailing market prices to farmers. The table below illustrates the amount of cocoa beans supplied by certified and non-certified farmers.

Table 3: Cocoa Supplied by Farmers in 2019–2020

Group	Amount in metric tons
Certified farmers	651
Non-certified farmers	7,283

6. ofi's Internal Monitoring System

6.1 Labor Policies and Standards

Assessors conducted an IMS evaluation and verification to assess the policies and procedures that govern ofi's operations. The global OSC, Fair Employment Policy, IMS manual, and staff handbook underpin ofi Uganda's labor standards management system.

The OSC has six clauses covering corporate governance and integrity, quality of goods, labor standards and human rights, environmental protection, respect for the local community, and means of ensuring code compliance. The OSC establishes labor standards and human rights guidelines that ofi's raw materials and products must comply with. The code prohibits the use of child labor and forced or involuntary labor (including bonded, indentured and prison labor). It encourages gender equality and creation of an inclusive work environment that avoids any form of discrimination. The code recognizes freedom of association and the right to collective bargaining. It also requires companies to comply with fair compensation, occupational health and safety, and hours of work provisions. The provisions on prohibition of child labor further include guidance on the Minimum Age for Admission to Employment or Work in line with International Labour Organization (ILO) Minimum Age Convention (No. 138).

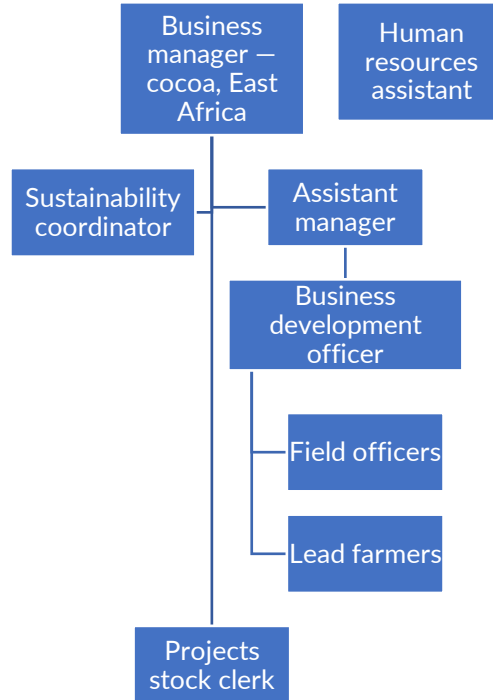
ofi's Fair Employment Policy outlines requirements on prohibition of child labor and forced labor, workplace conditions, wages and benefits, diversity and inclusion, health and nutrition, and freedom of association and right to collective bargaining. The policy document is issued to the certified LBAs.

The IMS manual includes policies, programs, procedures, and plans implemented by ofi cocoa Uganda under its different sustainability initiatives, including Organic Certification, RA certification, Cacao-Trace, and child labor monitoring. The staff handbook contains internal policies, procedures, rights, and duties applicable to permanent staff.

6.2 IMS Team

ofi Uganda has a team of 30 people who manage the IMS program and activities.

Chart 1: ofi Uganda's IMS team



6.3 IMS Tools

ofi Uganda has an annual budget that covers the CLMRS' activities, as well as labor and agricultural sustainability standards and certifications. It uses the OFIS, OT system, Systems Applications and Products (SAP) tool, Microsoft Excel, Global Recordings Network and hard copy records to collect and maintain supply chain information.

1. **OFIS** is used to collect social data (household, infrastructure, health, education), farm data (farm size and development, productivity, shade trees), and geological data.
2. **OT system** collects data on cocoa beans movement from the farm to shipping warehouse. The system gathers farmers' biodata and production estimates, location, cocoa category, quantity and quality of cocoa beans, procurement transactions, and dispatch data.
3. **SAP** tracks business unit transactions including crop procurement and funding.

Overall, the company uses OFIS, monthly traceability reports, annual supplier code verification (beginning in 2020), and CLMRS field inspection visits to monitor responsible sourcing in its supply chain's managed programs.

6.4 IMS Sustainability Programs

Certifications

ofi Uganda is currently involved in three certification programs, each of which entail an annual compliance audit: organic certification (Ecocert), RA and Cacao-Trace (Puratos). ofi registers farmers for particular certification programs and traces cocoa beans produced under each certification. Farmers are selected based on their loyalty and location.

1. **Ecocert:** The organic certification process requires an audit of the entire supply chain (from raw materials to finished products). At least one annual on-site inspection is supplemented by additional unannounced audits during the year.
2. **RA:** Farms are audited against the [Rainforest Alliance Sustainable Agriculture Standard](#), which sets out environmental, social, and economic guidelines and is rooted in four sustainability principles: effective planning and management systems, biodiversity conservation, natural resource conservation, and improved livelihoods.
3. **Cacao-Trace:** Cacao-Trace is a sustainable cocoa field program and stakeholder certification. The sustainability standard is a set of criteria that defines practices on seven different principles, against which each entity is verified. The requirements guide the best practices of sustainable cocoa production, from cocoa pod production to the storage of packed dry beans. Each level of the supply chain is audited to assess their compliance to these principles. Cacao-Trace requires annual independent third-party audits and stipulates continuous improvement.³

Benefits include bonuses, training, and the provision of farm implements like machetes based on the specific certification. For instance, farmers under the organic certification received COVID-19 relief support, such as sanitation items.

At the time of the assessment, ofi accounted for 35% of certified producers, who supplied 8% of its total sourced cocoa beans.

CLMRS

The CLMRS covers training and awareness-raising for farmers, field inspections to identify cases of child labor, determining appropriate remedial actions and evaluating outcomes of implemented remedial actions.

³ Cacao-Trace & Puratos. (2019, March 6). *Puratos' Sustainable Cocoa Program and Verification Standard*. <https://www.puratos.com/content/dam/corporate/documents/product-categories/cacao-trace/CT%20standard%20booklet.pdf>

The CLMRS implementation began in 2020, and ofi Uganda is implementing the CLMRS in its farm operations. At the time of the assessment, 32% of the supply chain was under the CLMRS. Registration, inspection, and monitoring are still underway and do not yet cover all program/certified cocoa farmers. The CLMRS portal includes a survey that determines household size and composition, children's school attendance, tasks, and farm labor where applicable, including compensation per season. Farmer profiles are interlinked with their traceability and CLMRS information.

Grievance handling

Kept on file at the field office, the grievance procedure outlines the sanctions and appeal process for suppliers. ofi employees, including those at certified LBA buying centers and company stores, directly communicate grievances through the human resources team and regional representatives. The employee code of conduct accounts for the staff grievance handling process.

Twenty-eight percent of the farmers interviewed were not aware of a grievance-handling mechanism they could use if needed. Farmers who were aware of grievance mechanisms listed them as: ofi Uganda field officers and inspectors (44%), lead farmers (17%), meetings or training sessions (8%), and buying agents (3%). The reporting and feedback process is verbal. Farmers in relatively remote areas reported that they rarely interacted with the field staff. At least 15% of the farmers who have raised a complaint at least once reported that they had not received feedback on the issues they had raised.

The current grievance mechanism leans heavily towards discipline as opposed to grievance handling. However, it provides suppliers a grace period to correct all the non-compliances identified in their operations during inspections (also known as progressive discipline).

Awareness building

While only 5% of the interviewed farmers reported that they had received training exclusively on labor standards, 79% reported receiving training on environmental protection (including controlling soil erosion, reforestation, protecting rivers, and waste management) and cocoa management practices.

The most recent training conducted by the company's field extension officers covered child and forced labor. Most of the farmers had received training on good agricultural practices (GAPs) for cocoa management.

Table 4: ofi Uganda’s Recent Training Records

Group	Training topic	Training dates	Participants
ofi IMS staff	ofi supplier code	August 2021	14
Farmers (certified)	ofi supplier code	August 2021	90
Farmers (certified)	Forced and child labor	April 2021	31
Farmers (certified)	Good agricultural practices	May 2021	33

Monitoring and remediation of working conditions

ofi Uganda human resources department monitors the labor policies, including workers in certified LBA centers. They conduct end-of-year surveys on employees’ working conditions to identify opportunities for improvement; they also conduct health and safety risk assessments of its worksites.

To populate its supply chain’s labor policies, the company requires all suppliers to sign its supplier code.

Eighty-four percent of the interviewed farmers reported that they had received field inspection visits, which focused on cocoa management practices. ofi Uganda’s field officers carried out inspections in August and October 2021. ofi Uganda has not ended any business relationship with a supplier or farmer because of alleged infringements on human and labor rights in the past five years. None of the interviewed farmers had ever been sanctioned for violating their required obligations.

To further address labor risks within its supply chain, ofi Uganda will contract and actively engage conventional suppliers, increase effective assessments and inspections, monitoring and remediation of labor risks, and continuously engage third-party validation of due diligence.

7. Community and Household Profiling

7.1 Community Profiling

Assessors interviewed community members and farmers and conducted FGDs with children to gather data on community profiles. Local stakeholder interviews also provided insights into key issues in the visited communities.

The governance structure in Uganda falls into two main categories: urban and rural. In rural areas, the hierarchy of local governance structures is as follows: district councils, sub-county councils, parish councils and local one councils. A district council, which doubles as the planning authority, initiates and formulates district-level policies and monitors the implementation of council programs. Sub-county councils are responsible for governmental service delivery and local economic development; they also formulate policies, budgets, and programs which feed into the district councils. Parish councils monitor service delivery.⁴ Local councils are responsible for enforcement of law and district policy directives.

Assessors visited 33 villages from the three sub-counties in Bundibugyo District (Busaru, Bubukwanga and Bubandi), as well as Hakitara, Kirindi, Lamia, and Mataisa.

Table 5: Sub-County Demographics (2014 Census Data)

Sub-county	Number of households	Approximate number of residents	Adult men	Adult women	Children (boys)	Children (girls)
Busaru	4,860	24,300	4,640	5,080	6,960	7,620
Bubukwanga	8,000	40,000	6,840	8,800	11,160	13,200
Bubandi	5,350	26,750	5,136	5,564	7,704	8,346

The most recent census data from the visited sub-counties reflects a population of approximately 91,050. The primary livelihood in the three sub-counties is agriculture (cocoa in particular). Secondary sources of income are micro/small enterprises and vending. Busaru and Bubukwanga sub-counties are rural societies, while Bubandi is semi-rural.

The Baamba and Bawasi are the majority ethnic groups in the three sub-counties, while the Bakiiga, Bakongo, Bakonzo, Batooro, and Banyankore are minority ethnic groups.

⁴ Uganda: Country Profile 2017-2018 (the local government system in Uganda). (n.d.). *The Commonwealth Local Government Forum*.

http://www.clgf.org.uk/default/assets/File/Country_profiles/Uganda.pdf

Although there are migrants from the DRC in Bubandi, none of the interviewed farmers employed migrant workers or used any hired farm labor.

Education services

The literacy rate for Indigenous languages in the three sub-counties is about 33%, in comparison to an 8% English literacy rate.

Table 6: Education Profile of the Visited Communities

School type and distance	Busaru	Bubukwanga	Bubandi
Primary schools	10	3	8
Primary school distance	1 km radius	6 km radius	2 km radius
Secondary schools	1	1	1
Secondary school distance	3.5 km radius	6 km radius	5 km radius
Vocational schools	—	—	—

The COVID-19 pandemic has exacerbated the schooling challenge. With children out of school from March 2020 to January 2022, Uganda has had the longest school shutdown in the world, according to the United Nations Educational, Scientific and Cultural Organization.⁴ Schools temporarily reopened in October 2020 for pupils to take exams and definitively re-opened in January 2022.⁵

The National Planning Authority also reported that 4,300 schools could remain closed because of limited financial resources. For private schools in particular, this is due to failure to pay off loans because of the pandemic. A number of teachers, especially in private schools, may choose not to return to school, as some are more profitable doing business than teaching.⁶

The Uganda National Planning Authority estimated that 30% of all schoolchildren will drop out due to teenage pregnancies, early marriages, and child labor. The government's health data show that cases of pregnancy among girls aged 10 to 14 more than quadrupled between March 2020, when schools first closed, and September 2020.⁷

⁴ Pietromarchi, V. & Jeanne, D. (2021, December 7). *Uganda plans to reopen schools next year – but who will return?* Al Jazeera. <https://www.aljazeera.com/features/2021/12/7/uganda-school-closures-impact>

⁵ *Id.*

⁶ *Id.*

⁷ Atuhaire, P. (2021, December 6). Covid in Uganda: The man whose children may never return to school. BBC News. <https://www.bbc.com/news/world-africa-59507542>

Healthcare services

All the sub-counties have health centers, though access to medicine is challenging due to shortages. Busaru has one church-affiliated health center and two government-run health centers. Bubukwanga has four health centers while Bubandi has three health centers. All these health centers are located within a 2 to 6 kilometer radius of the communities. Community members access the health centers by motorcycle or on foot.

Potable water is accessible to all households in the three sub-counties. However, access to sanitation and hygiene is generally poor, which causes diseases such as dysentery and cholera. Health and social extension services are also available from non-governmental organizations (NGOs) and local government social workers.

Agricultural services

The agriculture input services available in the sub-counties' hardware stores are mainly related to cocoa production, and include farm equipment such as tap lines, machetes, hoes, spades, wheelbarrows, slashers and PPE (gumboots).

Agricultural extension services are also available in the sub-counties. Farmers can receive training on GAPs and technical advice on agronomic practices from sub-county agricultural extension officers, ofi Uganda, and other private companies.

Business and banking

The main credit lending facilities available in the sub-counties are private institutions. Two government-run credit access facilities (Operation Wealth Creation and Emyooga Funds) operate in Busaru and Bubandi. The Emyooga Funds are accessed through savings and credit cooperative organizations and societies (SACCOS). There are also village saving and loan associations (VSLAs) in Bubandi. The VSLAs provide credit facilities to members. They are women-led, facilitate weekly savings, and allow members to obtain loans at a monthly interest rate of 5%. Farmers areas mostly use SACCOS and VSLAs to access credit, except in Bubukwanga, where farmer participation in local development initiatives was lowest.

Transportation

The road network in Bubukwanga was notably poor, making certain areas of the sub-county inaccessible. In some instances, assessors had to cross rivers on foot to access different areas of a village. In comparison, the road network in Busaru was relatively good.

Social issues and structures

Many social issues can be the root causes of labor right violations. In the visited communities, the prevalent social issues observed were gambling, substance abuse (especially alcohol) that can affect a household's economy, gender-based violence and prostitution involving adolescent girls (which are visible manifestations of gender inequality). Bubukwanga sub-county was the only sub-county with slum households.

There are both informal and formal community dialogue structures. Local councils – the lowest government administrative structure – enforce government policy and meet to deliberate community issues including gender-based violence, theft of cocoa beans, mobilization for building or improving community roads, and conflict resolution. However, attendance at such meetings is usually low despite being compulsory. Contributions from attending community members during the meetings are also reportedly minimal.

Informal structures include weekly SACCO and VSLA meetings in Busaru and Bubandi. Women account for 60% of meeting and training attendees. Women also comprise two of five SACCO officials and three of seven local council 1 committee members. Two of five parish council members are women. Each parish has a woman representative at the sub-county level. There was no farmer cooperative society affiliated with ofi Uganda in the visited sub-counties.

7.2 Farmers and Household Profiles

Of 100 farmers interviewed, the majority (72) were men, while the remaining 28 were women. The average age of interviewed farmers was 48 years. Given the farmers' age range (25–78 years old), granular information about age can provide valuable information. The age of a farmer is one root cause of some non-compliances like child labor. Farmers who are older, unable to perform demanding agriculture work, and lack means to hire paid laborers may be more likely to rely on their children for labor.

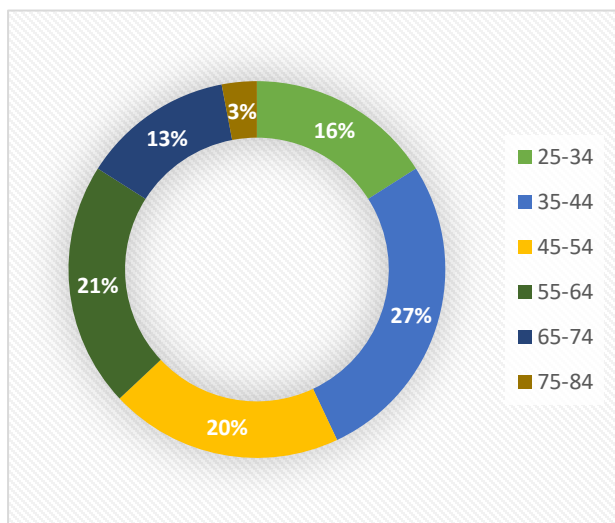


Chart 2: Farmers' Age Distribution

The visited households had an average of 10 members who work on the farm. This, combined with the extra costs involved in hiring labor could explain why none of the interviewed farmers engaged hired labor.

Only eight percent of the visited households did not have children between the ages of 6 and 14. The rest had a collective total of 483 children between ages 6 and 14 (242 boys and 241 girls). As

84% of children (208 boys and 198 girls) did not have birth certificates, it is impossible to verify their ages.

It is very important that children have birth certificates, as whatever their age, all children have human rights, including the right to equality and education.⁸ A child must have a birth certificate for school enrollment, and the lack of one can compromise a child's education. A child lacking a birth certificate does not necessarily indicate parental discrimination, as both boys and girls lack certificates.

The farmers privately own their farmland, with an average farm size of 2.9 acres. The estimated annual cocoa production for individual farmers ranges from 225 kilograms to 11,700 kilograms. The interviewed farmers had supplied cocoa to ofi Uganda between two and 20 years, with an average duration of cocoa supply of 12 years.

Other crops grown by farmers included bananas, beans, cassava, coffee, maize, palm kernel, peanuts, pumpkins, soya beans, sweet potatoes, vanilla and yams. All the interviewed farmers practice organic cocoa farming.

⁸ Amnesty International. (n.d.). *What We Do – Children's Human Rights*.
<https://www.amnesty.org/en/what-we-do/child-rights>

8. Labor Standards Risk Assessment

The assessment findings were benchmarked against the [FLA Workplace Code of Conduct](#) to identify code provisions with both limited and high risks of non-compliance. The FLA Workplace Code of Conduct defines labor standards that aim to achieve decent and human working conditions. The code standards are based on ILO standards and internationally accepted good labor practices.

8.1 Code Elements with Limited Risk of Non-Compliance

Harassment and Abuse

None of the interviewed farmers or buying agents reported any form of harassment and abuse.

Freedom of Association and Collective Bargaining

ofi Uganda formed three farmer groups for administrative purposes. Cocoa farmers freely organized as a cooperative, even if none of these cooperative societies present in the visited communities was affiliated with the company.

Hours of Work

Except when employees work in shifts, Section 53 of the Employment Act, 2006 allows for a maximum of 56 hours per week or 10 hours per day.

Assessors did not note any excessive working hours. Farmers in the visited four parishes worked an average of 25 hours per week, over four to six days.

Table 7: Farmers' Weekly Work Hours

Average	Minimum	Maximum	Mode
25	15	48	20

Although farmers are engaged in cocoa production activities throughout the year, the off-peak period for the four parishes was between June and August.

In addition to the code elements cited above, the following two elements need attention from ofi, even if they did not show obvious proof of violation.

Non-Discrimination

Although assessors did not observe any actual discrimination, they call the attention of ofi Uganda to the management of certification programs at the farm level. The conditions and benefits of farmers' engagement with ofi Uganda are not the same. For

instance, farmers who supply Puratos cocoa earn premiums, unlike those who supply organic cocoa. Moreover, assessors noted that, depending on the sustainability program, farmers receive implements such as slashers, machetes, and hoes. Farmers were unaware of the differing conditions for engagement and consequently perceived it as discrimination.

The assessors observe that the cultural environment led to gender inequality. As a result, many women do not personally own the land they use for cocoa production.

Forced Labor

Although all sampled farmers currently use family-based labor, Bundibugyo District borders the DRC. As a result, Uganda has many migrant workers from its neighboring country, which puts the community at higher risk for forced labor or discrimination. The Bakongo from the DRC formed the minority ethnicity in Bubukwanga and Bubandi sub-counties.

8.2 Code Elements with High Risk of Non-Compliance

Child Labor

of Uganda started implementing its CLMRS in 2020. One of the most recent topics covered by the trainings conducted by ofi's field extension officers for farmers was child labor.

Following the interviews, assessors noted that only four of the 100 were not aware of the appropriate age (12 or 13 years) for children to be engaged in light farm work. Farmers' understanding of light work was work done during the weekends, under parental supervision if possible. Additionally, all farmers were aware of children's rights to education. The farmers knew, as well, not only that it was a legal requirement in the district for all children of primary-school age (below 14 years) to attend school, but also that violations could result in arrest, fine, or imprisonment.⁹ Only one farmer out of the 100 interviewed during the assessment did not know that they should not employ a child younger than 14 as a farmworker.¹⁰

Ninety-six percent of the interviewed farmers were previously informed of the concept of hazardous work for children. Sixty-six percent of the farmers had learned about the concept of child labor through radio programs, while 24% learned from ofi Uganda's field officers during inspections, and 10% learned through training by Save the Children. The one-hour radio programs were broadcast weekly on privately owned stations and mainly sponsored by NGOs and occasionally by government agencies.

⁹ The Education Act, 2008 stipulates the minimum compulsory education age as 13 years.

¹⁰ Section 7 of the Children (Amendment) Act (48) stipulates the minimum working age as 16 years.

Table 8: Farmers' Understanding of Work Hazardous to Children

Task	Farmers' recognition of hazard
Carrying or lifting heavy loads	51%
Working long hours	13%
Using sharp tools	8%
Applying pesticides	3%
Climbing cocoa trees	1%

However, child labor remains a high labor risk in ofi Uganda's cocoa supply chain. Assessors collected information about child labor from interviews with ofi IMS staff and stakeholders, the household profiling, and FGDs with the children. Their evaluation focused on children's school attendance, the nature of the work undertaken, children's working time and the health impact of work on children.

During the household profiling, assessors noted that only 1% of children do not attend school, including four children who were younger than school age.

According to data from local authorities, absenteeism in all the sub-counties reaches 60% during the cocoa harvesting months when children, especially in Bubukwanga, are involved in transporting cocoa to the market centers. School dropout rates in Busaru, Bubukwanga and Bubandi were, respectively 60%, 70% and 52%. This affected children between 10 and 17 years old. Inability to pay school fees, adolescent pregnancy, and child marriage were the most common underlying causes. One farmer speculated that without government enforcement, many farmers would not be enthusiastic about sending their children to school due to the high cost of education.

In 36 interviewed households, 6- to 14-year-old children were engaged on farms as part of family-based labor. In two-thirds of the visited households, children between 15 and 17 years old reported being engaged in cocoa farming: land preparation, plowing, planting, weeding, and harvesting other food crops that supplement cocoa activities.

In addition to the household profiling, assessors conducted four FGDs with children during the assessment to determine the nature of their participation, if at all, in cocoa production. One FGD was conducted in each of the four visited parishes of Hakitara, Lamia, Kirindi and Mataisa. Twenty-eight children (14 girls and 14 boys) participated in the FGDs. Children were at home during the assessment due to the COVID-19 school closure.

Table 9: Age Profile of Interviewed Children

Mean	Median	Mode	Eldest	Youngest
14.9 years	15 years	17 years	17 years	12 years

During the FGDs with children, all interviewees reported participating in farm work, either alone or under parental supervision. Cocoa harvesting was ongoing during the assessment, meaning children were predominantly engaged in harvesting activities at least three times a week. During the school year, children mostly worked over the weekends. Children’s work was also notably gendered – girls worked off the farm, while boys worked on the farm. Girls spent most of their working time on household chores while boys spent about four hours a day on farm work, plowing other crops and harvesting cocoa.

The children mainly work on family farms. They work more during the harvesting periods for cocoa, navy beans and peanuts. When not working on their parents’ farms, children also worked on neighbors’ and relatives’ farms. The neighbors and relatives provide the children with money, food, and verbal appreciation for their labor.

Interview with ofi IMS staff revealed that ofi Uganda’s CLMRS identified 15 child labor cases (on 15 farms) in 2020 in which underage children worked excessive hours and undertook hazardous tasks. The ongoing remediation actions that were developed followed a root-cause analysis for the households involved and involved sensitization to the dangers of child labor and random inspections by lead farmers to monitor progress. During the assessment, at least seven children younger than 15 were observed harvesting cocoa.

Assessors noted that the farm implements used by children included machetes, sickles, hoes, slashers, and knives. Although none of the children was observed carrying heavy sacks of cocoa pods or beans, one of the children’s groups reported occasionally carrying out this work. None of the children were exposed to pesticides in any way. The only injuries sustained by children (about 10%) were cuts during the splitting of cocoa pods.

Employment Relationship

Assessors noted that most farmers had signed contracts, which are written in the local language and explained to illiterate farmers. In addition to the contract, copies of the OSC are separately issued and signed. While 83% of the interviewed farmers had a copy of the OSC, only 10% were aware of the code’s requirements. Eleven percent of the farmers had received the code on October 11, 2021.

One-fifth of the farmers with signed contracts did not know that they could choose to sell to other cocoa buyers. Two farmers even thought they would be arrested for violating the contract by supplying cocoa to other buyers other than ofi Uganda (though the contract is open).

Limited level of induction, literacy, and language barriers (the copies issued are in English) were the key underlying reasons why farmers were not informed of the requirements of the Supplier Code of Conduct.

HSE

Farmers do not wear special gear doing agricultural work. Thirty-seven percent wore gumboots, while 33% worked barefoot and the remaining 30% wore worn shoes, sandals, or slippers.

None of the farmers visited and interviewed during the assessment used agrochemicals on their cocoa farms – they all practiced organic cocoa farming.

There is no arrangement for first aid access for offi-affiliated farmers in their villages. Farmers can access first aid or treatment at the nearby private clinics or public health centers, though for the majority (52%), the nearest health facility was more than two kilometers from their home.

Table 10: Distance From Farmers’ Homes to the Nearest Health Facility

Average	Shortest	Longest
3.05 kilometers	0.10 kilometers	10 kilometers

Farmers reported various hazards related to their cocoa production tasks.

Table 11: Hazards Associated with Cocoa Farming

Hazard	Farmers affected
Cuts on hands	39%
Insect bites	30%
Fall from height	16%
Muscle pain	16%
Pruning-related injuries (falling tree stumps or stems)	6%
Falling cocoa pods (may cause head injuries)	5%
Slip and fall	3%

None of the farmers received any training on occupational health and safety.

Compensation

Farmers are paid per kilogram of cocoa supplied; prices vary by cocoa type. During the assessment, fresh (wet) cocoa was sold for 3,000 Ugandan shillings (UGX) or approximately 90 cents per kilogram, while dry cocoa was sold for UGX7,300 (\$2) per kilogram.

Table 12: Farmers' Projected Annual Cocoa Income

Projection	Estimated annual cocoa production	Projected annual income (dry cocoa)	Projected annual income (wet cocoa)
Lowest estimate	225 kilograms	UGX1,642,500	UGX675,000
Highest estimate	11,700 kilograms	UGX 8,541,000	UGX35,100,000

Farmers in Hakitara and Mataisa parishes mainly sold fermented dry cocoa whereas those in Kirindi and Lamia predominantly sold fresh cocoa.

Registered and unregistered farmers supplying the same variety and type of cocoa also earn the same amount for cocoa supplied per kilogram. The buying agents do not retain farmers' income unless an individual farmer instructs the agents to do so, privately, for saving purposes, and in particular for school fees. Neither of Uganda nor the agents retained farmers' income for debt repayment.

Farmers are paid in cash at the buying center upon weighing and quality checks. While most farmers receive their own payments, 32% reported delegating deliveries and payment pickup to a family member.

The agents issue farmers receipts detailing the type, unit price, and amount of cocoa supplied, as well as the amount paid and/or due.

More than half of the interviewed farmers had two types of deductions applied to the total weight of cocoa beans supplied: one for the bags used to deliver cocoa beans, and one for moisture content exceeding the recommended level.

8.3 Local Stakeholder Insights

The local stakeholders interviewed during the assessment (as outlined in Table 13 below) underscored prevalent issues in the district's cocoa sector. Children on holidays and weekends, children work on cocoa farms to earn money. There is a high rate of absenteeism during the two-week cocoa harvest, as children are involved in the harvesting process. Children are also seen carrying cocoa to the market instead of going to school. Children go back to the farms after harvest to pick the leftovers of cocoa pods for sale. School dropouts are due to child labor and giving children cocoa farms as inheritance at a young age.

Other issues identified in cocoa growing communities are:

- Domestic gender-based violence and gender inequality;
- Lack of youth participation;
- Reduced productivity due to pests and diseases;
- Underdeveloped cocoa value chain and unstable market prices;
- Risk of landslides;
- Limited stakeholder collaboration;
- Low income;
- Limited worker training and community awareness on labor issues; and
- Alcoholism.

Table 13: Local Stakeholders

Stakeholder name	Parent organization	Activities/programs
BAWILHA	BAWILHA	HIV/AIDS awareness, care, prevention linkages, and referrals; start-up capital for young orphans and vulnerable persons
Bundibugyo District Agricultural Office	Ministry of Agriculture, Animal Industry and Fisheries	Training (agricultural production and post-harvest handling); development of new or improved cocoa seed varieties; facilitating uptake of innovations and cocoa new technology; cocoa farmer-market linkages
Bundibugyo District Commercial Office	Ministry of Trade, Industry and Cooperatives	Business license issuance; enforcing trade policies and regulations
Bundibugyo District Community Development Office	Ministry of Gender, Labour and Social Development	Labor inspections; labor rights training for employers and employees; community child labor awareness; cocoa farmers' payment dispute resolution; occupational health and safety inspections
Red Cross Bundibugyo Office	Red Cross Uganda	Disaster prevention sensitization (landslides); first aid training
World Vision Bundibugyo Office	World Vision Uganda	Child protection

9. Recommendations

The recommendations are made on 10 main points including supply chain visibility, supplier contracts, labor monitoring, cocoa beans transportation, training, grievance mechanism, non-discrimination, child labor, occupational health and safety and compensation.

Supply chain visibility

ofi Uganda supply chain consists of farmers, LBAs and buying centers. Currently, ofi sources cocoa from nine independent LBAs. It can effectively monitor its six buying centers. The number of non-certified farmers is greater than the number of certified farmers – approximately 68% of ofi Uganda's cocoa comes from its non-certified supply chain. Lacking full supply chain traceability, visibility of labor conditions, and monitoring, there is a risk of labor and human rights violations.

ofi should progressively scale up the number of LBAs and individual farmers under its sustainability program to reach 100% in 2024. This will ensure all LBAs and farmers working with ofi are traced and subject to monitoring and labor inspections, to meet the supplier code and other program requirements.

Supplier contracts

ofi should ensure all certified farmers and buying agents understand the content of their contract, as 21% of farmers with a signed contract did not know that they had a choice to sell cocoa to other buyers, and two believed they could be arrested for supplying cocoa to buyers other than ofi Uganda.

Labor monitoring

The company should also progressively increase labor monitoring coverage in its supply chain. ofi Cocoa Compass envisions 100% child labor monitoring in its managed sustainability programs. The global traceability goal is 100% by 2020 for its direct supply chain. But at the time of this assessment, only 30% of its suppliers, made of certified farmers could be traced. The OSC verification and CLMRS implementation began in 2020 and have therefore not been widely implemented.

Cocoa transportation

The company should work with relevant stakeholders to ensure a motorized and structured transport system for cocoa delivery to the lowest tier of the supply chain where feasible – as near to the farm as possible – to mitigate the health and safety and child labor risks associated with cocoa transportation. In addition, the company should strategically increase its number of buying centers. Farmers predominantly used hired motorcycles to transport cocoa to the buying centers or areas. Others, in places such as

Busaru sub-county, complained that the buying centers were far away. In non-motorized transportation, children are also involved. This not only poses a health and safety risk to bike riders and their passengers, especially where heavy loads of beans are involved.

Training

Although ofi conducts farmer training, it focused mostly on GAPs. Only 5% of the interviewed farmers reported that they had received training exclusively on labor standards. The company should increase its training on labor standards, taking into consideration COVID-19 containment regulations and measures, and devolve them to the villages.

Based on farmers' responses about the concept of hazardous work for children, carrying and lifting heavy loads is the hazard type best understood and known by the majority of farmers (51%). It is therefore recommended that future training programs on child labor emphasize other forms of work hazardous to children as a strategy to enhance awareness among the farming families.

ofi should issue and explain its supplier code to all certified farmers, translated into relevant local languages.

ofi Uganda should enhance its awareness building activities to explain the content of its code of conduct to its suppliers. The company should work with farmers to form groups at village level to facilitate further training and decentralize the level of engagement.

Grievance mechanism

The grievance mechanism provides for a disciplinary process rather than a grievance-handling process. ofi should review and document the grievance handling procedure to provide for grievance management in addition to the disciplinary process. The procedure should then be effectively communicated to all suppliers. The company should also address grievances raised by farmers during the assessment.

Non-discrimination

The company should effectively communicate and document (in farmers' contracts) all applicable terms and conditions of engagement to farmers during onboarding, and in particular, what benefits and incentives they will be entitled to mitigate the perceived existing discrimination. The conditions and benefits of farmers' engagement with Ofi Uganda are not the same. For instance, unlike organic cocoa suppliers, farmers who supply Puratos cocoa earn premiums. Furthermore, depending on the sustainability program, farmers receive farm implements such as slashers, machetes, and hoes. Despite the conditions for engagement being different, farmers were not aware of this and consequently perceived it as discrimination.

Child labor

Based on the FGDs, IMS report, and observations made during the farm and home visits, child labor does exist in the company supply chain and the risk is considerably high even where it is not present.

The company should put in place measures to improve farmers' livelihoods, preferably with activities that ensure a living income for farmers. This would remove the incentive for using family-based child labor, as farmers could afford to hire adult farm labor and ensure that children do not drop out of school due to an inability to pay school fees. A living income would also address farmers' requests to off for loans.

Occupational health and safety

The health and safety risks that farmers and their children are exposed to call for a comprehensive health and safety management system that will ensure mitigation of potential accidents and injuries through occupational health and safety training, issuance and use of PPE, and availability of emergency first aid systems in villages.

Compensation

The company should work to ensure there are no delayed payments. Two farmers reported instances where the full amount was not paid at once, reportedly due to a cash shortage. The full payments were made two days later. The company should also develop programs to increase the living income in the communities, as the annual cocoa revenue of some producers is not sufficient to ensure decent living conditions for their households.

10. Annex: Uganda's Country Context

10.1 Cocoa Production in Uganda

Employing 70% of the population and contributing half of Uganda's export earnings, agriculture is the backbone of the country's economy.¹¹ Uganda has diversified agro-ecological zones, from grasslands to drylands, suitable for a variety of crops.¹² Uganda produces agricultural commodities for both export and domestic consumption. Major subsistence crops include cassava, maize, plantain, and sweet potato. The major export crop is coffee, and other important export crops include cocoa, cotton, tea, and tobacco.¹³

As of 2020, Uganda's estimated population was approximately 42 million.¹⁴ In 2021, agriculture contributed approximately 24% to the country's gross domestic product (GDP), thanks in part to the successful cultivation of export crops.¹⁵ The GDP's growth rate was approximately 6.5% that year.¹⁶

Cocoa plays an important role in Uganda's economy as its fourth-largest export, contributing \$69.5 million to the national income in 2019.¹⁷ Uganda's cocoa production volume in 2020 was estimated at 31,312 tons, ranked twelfth among the top cocoa-

¹¹ World Bank Group. (2018, June 19). *Making Farming More Productive and Profitable for Ugandan Farmers*. <https://www.worldbank.org/en/country/uganda/publication/making-farming-more-productive-and-profitable-for-ugandan-farmers>

¹² Haneishi, Y., et al. (2013). Exploration of rainfed rice farming in Uganda based on a nationwide survey: Evolution, regionality, farmers and land. *African Journal of Agricultural Research*, 8(25), 3318-3329. https://www.researchgate.net/publication/324455138_Exploration_of_rainfed_rice_farming_in_Uganda_based_on_a_nationwide_survey_Evolution_regionality_farmers_and_land

¹³ Workman, D. (2022, July 19). *Uganda's Top 10 Exports*. World's Top Exports. <https://www.worldstopexports.com/ugandas-top-10-exports/>

¹⁴ The United States Department of State, Office of International Religious Freedom. (2021, May 12). *2020 Report on International Religious Freedom: Uganda*. <https://www.state.gov/reports/2020-report-on-international-religious-freedom/uganda/>

¹⁵ O'Neill, A. (2023, May 31). *Uganda: Distribution of gross domestic product (GDP) across economic sectors from 2011 to 2021*. Statista. <https://www.statista.com/statistics/447716/uganda-gdp-distribution-across-economic-sectors/>

¹⁶ World Bank Group. (2018, June 19). *Making Farming More Productive and Profitable for Ugandan Farmers*. <https://www.worldbank.org/en/country/uganda/publication/making-farming-more-productive-and-profitable-for-ugandan-farmers>

¹⁷ Workman, D. (2022, July 19). *Uganda's Top 10 Exports*. World's Top Exports. <https://www.worldstopexports.com/ugandas-top-10-exports/>

producing countries.¹⁸ Nearly all cocoa produced in Uganda is exported to large multinationals such as Ofi and Barry Callebaut.¹⁹

Uganda has currently approximately 19,000 hectares dedicated to cocoa farming, predominantly managed by smallholder farmers.²⁰ It is estimated that there are about 20,000 cocoa farmers in Uganda, including 10,000 certified organic growers (some of which are cocoa growers).²¹ Organic production is certified by both local and foreign certifiers through various certification standards, as the government of Uganda does not currently regulate organic product sales.²² Most smallholder agriculture is “organic by default” because they do not use chemicals. However, certification is too costly for smallholder farmers and the cost of certification is typically provided by the buyer or the community in the form of financial assistance.²³

Cocoa in Uganda grows in more than 20 districts. Bundibugyo, the leading cocoa-growing area, accounts for more than 70% of the national cocoa production. Other areas include Buikwe, Hoima, Jinja, Kasese, Luweero, Mayuge, Masak, Mpigi, Mubende and Mukono.²⁴ Cocoa is harvested year-round, though the two peak harvesting seasons are September to February and March to August.²⁵

Ugandan farmers enjoy a competitive advantage in the production of cocoa thanks to a suitable agro-climate with adequate rainfall, suitable humidity, and fertile soil in cocoa-growing areas. In addition, the high altitude of the cocoa growing areas reduces the incidence of pests and diseases.²⁶ The top five market destinations for Ugandan cocoa

¹⁸ Ghosh, D. (2022, May 3). The Top Cocoa Producing Countries in the World. In *World Atlas*. <https://www.worldatlas.com/industries/the-top-cocoa-producing-countries-in-the-world.html>

¹⁹ Lutheran World Relief. (October 2015). *Players and stakeholders in the cocoa value chain of Bundibugyo. Occasional Paper No. 6 of the School of Business and Management Studies at Mountains of the Moon University*. Retrieved on October 20, 2020. https://mmumf.files.wordpress.com/2015/10/2015-05-27-occasional_papers_no_6-lwr.pdf

²⁰ *Id.*

²¹ *Id.*

²² The Ministry of Agriculture, Animal Industry and Fisheries, Republic of Uganda. (December 2019). *The National Organic Agriculture Policy*. <https://www.agriculture.go.ug/wp-content/uploads/2020/09/National-Organic-Agriculture-Policy.pdf>

²³ Jones, S. & Gibbon, P. (2011). Developing agricultural markets in sub-Saharan Africa: organic cocoa in rural Uganda. *The Journal of Development Studies*, 47(10), 1595-1618. <https://hal.science/hal-00746094>

²⁴ Uganda Export Promotion Board. (n.d.). *Cocoa*. <http://ugandaexports.go.ug/product/2/Cocoa#>

²⁵ *Id.*

²⁶ Lutheran World Relief. (October 2015), *op. cit.*

are Indonesia, Malaysia, India, the Netherlands, and Italy. However, the low cocoa production limits its ability to attract large foreign buyers.²⁷

Risks in cocoa production

Despite the competitive agro-climate advantage, Uganda's cocoa sector is facing several socioeconomic and labor risks. Challenges include old trees, climate change, low levels of knowledge, farming techniques, inputs, and facilities.²⁸ Smallholder farmers also face the risk of contamination from heavy metals during production and handling, particularly cadmium.²⁹

Farmers' incomes remain suboptimal and they are trapped in poverty.³⁰ Cocoa prices fluctuate monthly and sometimes weekly, which makes it difficult for farmers to plan financially because their incomes may drop or rise. A kilogram of cocoa could be sold between UGX7000 and UGX7,500 (\$1.90 to \$2).³¹ Farmers could make higher income by fermenting and drying cocoa, but traders tend to buy wet cocoa, Ugandan smallholder farmers lack the fermentation and drying facilities to further process cocoa for higher values.

The lack of storage poses a threat to farmers' living conditions. Smallholder farmers store cocoa in their living rooms and the acidity of wet cocoa beans make the iron roofs deteriorate.³⁸ Farmers have not invested in storage facilities because of weak interest or urgency in developing further processing capabilities and/or a lack of funds as unprocessed, raw wet cocoa is sold at low prices.³⁹

A United States Department of Labor - Bureau of International Labor Affairs (USDOL-ILAB) report also highlights a risk of child labor in Uganda's cocoa sector. According to one source, 31% of children ages 5-14 engaged in child labor and 95% worked in the agricultural sector in 2018.³²

²⁷ Lawino, B.O. (20216, January 28). Uganda low cocoa production can't attract big investors from the EU, US. *New Vision*. <https://www.newvision.co.ug/news/1415763/uganda-low-cocoa-production-attract-investors-eu-us>

²⁸ Lutheran World Relief. (October 2015), op. cit.

²⁹ Kasozi, K.I., et al. (2021). An analysis of heavy metals contamination and estimating the daily intakes of vegetables from Uganda. *Toxicology Research and Application*, 5, 1-15. <https://journals.sagepub.com/doi/pdf/10.1177/2397847320985255>

³⁰ Lutheran World Relief. (October 2015), op. cit.

³¹ *Id.*

³⁸ *Id.*

³⁹ *Id.*

³² The US Department of Labor - Bureau of International Labor Affairs. (2019). *Findings on the Worst Forms of Child Labor: Uganda*. https://www.dol.gov/sites/dolgov/files/ILAB/child_labor_reports/tda2019/Uganda.pdf

Although the law provides for free compulsory education, the costs of school supplies, uniforms, and other materials often prevent children from attending school. A lack of teachers, insufficient school infrastructure and poor transportation in remote areas are additional barriers to children's access to education.³³ In addition, education is only compulsory to age 13, making children between 13 and 15 years old vulnerable to child labor.

Uganda is also the largest refugee-hosting country in Africa, with more than 1.42 million refugees and asylum seekers, with the majority from Burundi, the DRC, Somalia, and South Sudan.³⁴ In addition to the obstacles faced by Ugandan children to gain access to schools, refugee children also face a language barrier and discrimination due to their refugee status.³⁵

Child trafficking is also reported in the agricultural sector. According to the 2019 Trafficking in Persons report by the US Department of State, human traffickers have exploited domestic and foreign victims in Uganda over the past five years.³⁶ In addition to Ugandan children as young as seven, children from neighboring countries are also exploited in the agriculture sector.³⁷ Corruption and official complicity in trafficking crimes remained significant concerns, undermining the effort of law enforcement.³⁸ The government reported investigating security officers as well as officials for alleged involvement in trafficking crimes.³⁹ A Ugandan diplomat and his spouse were reported in 2015 to have committed labor trafficking. Children from rural areas, especially the Karamoja region, where they engage in begging, street vending, domestic work, are particularly vulnerable to human trafficking and commercial sexual exploitation.⁴⁰

³³ *Id.*

³⁴ ACAPS. (n.d.). *Uganda Refugees*. <https://www.acaps.org/country/uganda/crisis/refugees>

³⁵ Momodu, S. (December 2018–March 2019). *Uganda stands out in refugees hospitality*. Africa Renewal. <https://www.un.org/africarenewal/magazine/december-2018-march-2019/uganda-stands-out-refugees-hospitality>

³⁶ The US Department of State. (n.d.). *2019 Trafficking in Persons Report: Uganda*. <https://www.state.gov/reports/2019-trafficking-in-persons-report-2/uganda>

³⁷ Bureau of International Labor Affairs – US Department of Labor. *Findings on the Worst Forms of Child Labor: Uganda*. https://www.dol.gov/sites/dolgov/files/ILAB/child_labor_reports/tda2019/Uganda.pdf, *Op. cit.*

³⁸ The US Department of State. (n.d.). *2019 Trafficking in Persons Report: Uganda*. <https://www.state.gov/reports/2019-trafficking-in-persons-report-2/uganda>, *Op. cit.*

³⁹ *Id.*

⁴⁰ The US Department of State. (n.d.). *2019 Trafficking in Persons Report: Uganda*. <https://www.state.gov/reports/2019-trafficking-in-persons-report-2/uganda>, *Op. cit.*

National laws and regulations on child protection

Uganda has ratified eight out of 10 fundamental ILO conventions, along with international legal instruments for the protection of child labor.

At the national level, Uganda has a legislative and regulatory framework for the protection of children's rights as listed below, including special laws to operationalize the policy of combating violence or exploitation of children.⁴¹

- The Prevention of Trafficking in Persons Act 2009, which criminalizes labor trafficking, and prescribes punishments of up to 15 years' imprisonment for offenses involving adult victims and up to life imprisonment for those involving child victims.
- The Children Act 2019, which criminalizes child labor and the use of children for commercial sex exploitation.
- The Children Act sets 16 as the minimum age of employment of a child, and 18 as the minimum age for hazardous work.
- Employment Act; and Prevention of Trafficking in Persons Act prohibit forced labor.

Institutional framework for child protection

The government of Uganda has several ministries and operational structures responsible for the implementation of the rights of the child, including:

- National Children Authority;
- National Child Well-Being Steering Committee;
- National Steering Committee on the Elimination of Child Labor; and
- The Uganda Parliament Forum for Children.

These institutional efforts against child labor are supported by the active efforts of various national private social partners, NGOs and associations in the legal, financial, health, education and psychosocial fields. Additionally, several national programs and projects benefit from the support of multilateral partners such as UNICEF and the World Bank.

⁴¹ The Constitution, in section 34, protects children's rights to education and protection against hazardous work. In criminal matters, the Children (Amendment) Act sanctions perpetrators who subject children to sexual exploitation (section 8). In civil matters, the Employment Act, the Employment (Employment of Children) Regulations and the Children (Amendment) Act set the minimum age for work and hazardous work and prohibit forced labor and child trafficking.

Although the government has implemented programs to assist victims of child trafficking and child labor, the scope of these programs is insufficient and does not fully address the extent of the problem according to USDOL-ILAB. The main challenges include:

- Gap between the compulsory education age (13) and the minimum employment age (16).
- The number of inspections was insufficient, and inspections were carried out only when complaints were received.
- Labor inspectors in Uganda who rarely exercise their authority to inspect private farms and residences despite the prevalence of domestic child labor in the country due to insufficient funding at district level.
- Child labor cases which rarely reach the Industrial Court because of poor monitoring and the court's limited access to rural communities (where child labor is most likely to occur).
- Coordination between national and district level child labor enforcement bodies which is lacking.

Table 15: Key Policies on Child Labor⁴²

Policy	Description
National Action Plan for the Elimination of Child Labor 2020/2021–2024/2025	The final policy launched in 2021 and it aims to focus government efforts on prevention, protection, rehabilitation and reduction of risk of child labor. The policy aims to eliminate all forms of child labor by 2025.
National Social Protection Policy	Aims to reduce poverty and socioeconomic inequalities for inclusive development by targeting vulnerable people, including child laborers. A digital platform which enable a single registry for social protection was launched by the government. The platform is intended to consolidate information from all relevant programs in the country.
National Child Policy	The policy aims to coordinate the protection of child rights while outlining the responsibilities of all stakeholders. The policy includes prioritization of the elimination of child labor and was launched with an implementation strategy through 2025.
National Multi-Sectoral Coordination Framework for Adolescent Girls (2017/2018–2021/2022)	Coordinates government, civil society, and community efforts to provide services and programs that focus on issues affecting girls between 10 and 19, including exploitation in domestic work and gender-based violence in schools.

⁴² Key Policies Related to Child Labor [table] in the United States Department of Labor - Bureau of International Labor Affairs. (n.d.) *2019 Findings on the Worst Forms of Child Labor: Uganda*. https://www.dol.gov/sites/dolgov/files/ILAB/child_labor_reports/tda2019/Uganda.pdf

Table 16: Key Social Programs on Child Labor⁴³

Policy	Description
Accelerating Action for the Elimination of Child Labor in Supply Chains 2018–2022	Launched in 2018; formally implemented by ILO and the Netherlands’ Ministry of Foreign Affairs in Uganda in 2020, in partnership with the government of Uganda and the Federation of Ugandan Employers. This multi-country project targets child labor in coffee and tea supply chains in the Buikwe, Bushenyi, Hoima, Kabarole and Mbale Districts. In 2021, the ILO launched a livelihood support program for vulnerable families that includes vocational training for children ages 14 to 17. The program will target more than 1,200 children at risk of child labor in the tea and coffee sectors and reintegrate them into schools.
Uganda Child Helpline (Sauti)	Funded primarily by UNICEF, the project comprises district action centers (DACs) and a physical call center in Wakiso that screens all calls on reported cases of child abuse. Caseworkers at DACs follow up directly on cases of child abuse, including child labor and exploitation, liaise with local authorities to address the reported incidents.
Realizing Livelihood Improvement Through Savings and Education 2019–2021	This NGO-implemented program is run in partnership with the government and focuses on addressing child labor issues in tobacco-growing regions. In its final year, the project indicated that it had either withdrawn, prevented, or protected more than 31,000 children from child labor.
Back Home Campaign for Karamoja Children	This government program rescues Karamoja street children working in Kampala and reunites them with their families.
<p>* Program was launched during the reporting period. † Program is funded by the government of Uganda.</p>	

⁴³ **Table 16:** Key Social Programs on Child Labor *Uganda: Minimal Advancement*, supra note 28.

Stakeholder mapping

The cocoa sector in Uganda is regulated by the government; a number of other stakeholders play active roles.

Government ministries

The Ministry of Agriculture, Animal Industries and Fisheries (MAAIF) and the Ministry of Trade, Industry, and Cooperatives (MTIC) regulate the cocoa sector in Uganda.

MAAIF aims to create a competitive, profitable, and sustainable agricultural sector and to transform subsistence farming to commercial agriculture. Its Department of Crop Production lends support to the cocoa sector by increasing cocoa production, household income of cocoa farmers, and foreign exchange earnings of Uganda through cocoa export. MTIC develops and promotes a competitive and export-driven private sector through the acceleration of industrial development. It regulates the country's exports, including cocoa.

Several ministries are involved in the fight against child labor (including the agricultural sector), enforcing the laws and regulations on child labor.

- The Directorate of Public Prosecutions;
- The Ministry of Gender, Labor, and Social Development;
- The Ministry of Internal Affairs; and
- The Ministry of Local Government.

Uganda Export Promotion Board

Uganda Export Promotion Board (UEPB) is a public trade support institution established to coordinate the development and promotion of the country's exports. It acts as the national focal point for export promotion and development. It is supervised by the MTIC, directly under the External Trade Department. It was established by a statute of parliament, the UEPB Statute No. 2 of 1996.

UEPB aims to facilitate the development, diversification, promotion, and coordination of all export-related activities that lead to growth on a sustainable basis. Its functions are to: (1) Provide trade and market services; (2) Promote the development of exports; (3) Provide trade promotional services; (4) Provide customized advisory services such as business skills, export distribution channels, etc.; and (5) Formulate and recommend to the government export plans, policies, and strategies. It provides information on the cocoa value chain in Uganda, including production requirement and market overview. It also supports foreign buyers to find a supplier for agricultural produce and provides guidance for import and export.

National Coffee Research Institute

The National Coffee Research Institute (NaCORI) was established in 2014 as a result of the National Coffee Policy (2013). NaCORI is mandated to conduct and manage strategic and applied research for both coffee and cocoa. The institute aims to support the sustainable agricultural transformation of the coffee and cocoa sectors through innovations, productivity growth, and access to research and services. Research activities include development and promotion of appropriate technologies and innovations (high-yielding disease and pest-resistant varieties with the desired consumer quality), conservation and use of genetic diversity of coffee, enhanced utilization of quality planting materials, and cocoa and processing and product diversification.

International organizations

Several international organizations including CSOs, UN agencies, and certification bodies are active in the cocoa sector working on various initiatives:

- Ceres through Ugocert in Uganda;
- ILO;
- The Institute for Marketecology;
- Plan International;
- RA;
- SOS Children's Villages; and
- The United Nations Children's Fund.

Domestic organizations

A few domestic organizations (mainly civil society) are active in protecting against child, forced, and bonded labor, as well as sex trafficking:

- [Friends of Orphans](#);
- [Law and Advocacy for Women in Uganda](#);
- [Nest of Joy Foundation](#);
- [Rahab Uganda](#);
- [Uganda Child Rights NGO Network](#); and
- [Uganda Youth Development Link](#).

11. References

- ACAPS. (n.d.). *Uganda Refugees*.
<https://www.acaps.org/country/uganda/crisis/refugees>
- Amnesty International. (n.d.). *What We Do – Children’s Human Rights*.
<https://www.amnesty.org/en/what-we-do/child-rights>
- Atuhaire, P. (2021, December 6). Covid in Uganda: The man whose children may never return to school. *BBC News*. <https://www.bbc.com/news/world-africa-59507542>
- Cacao-Trace & Puratos. (2019, March 6). *Puratos’ Sustainable Cocoa Program and Verification Standard*.
<https://www.puratos.com/content/dam/corporate/documents/product-categories/cacao-trace/CT%20standard%20booklet.pdf>
- Ghosh, D. (2022, May 3). The Top Cocoa Producing Countries in the World. In *World Atlas*. <https://www.worldatlas.com/industries/the-top-cocoa-producing-countries-in-the-world.html>
- Haneishi, Y., et al. (2013). Exploration of rainfed rice farming in Uganda based on a nationwide survey: Evolution, regionality, farmers and land. *African Journal of Agricultural Research*, 8(25), 3318-3329.
https://www.researchgate.net/publication/324455138_Exploration_of_rainfed_ricefarming_in_Uganda_based_on_a_nationwide_survey_Evolution_regionality_farmers_and_land
- Jones, S. & Gibbon, P. (2011). Developing agricultural markets in sub-Saharan Africa: organic cocoa in rural Uganda. *The Journal of Development Studies*, 47(10), 1595-1618. <https://hal.science/hal-00746094>
- Kasozi, K.I., et al. (2021). An analysis of heavy metals contamination and estimating the daily intakes of vegetables from Uganda. *Toxicology Research and Application*, 5, 1-15. <https://journals.sagepub.com/doi/pdf/10.1177/2397847320985255>
- Lawino, B.O. (2021, January 28). Uganda low cocoa production can’t attract big investors from the EU, US. *New Vision*.
<https://www.newvision.co.ug/news/1415763/uganda-low-cocoa-production-attract-investors-eu-us>
- Lutheran World Relief. (October 2015). *Players and stakeholders in the cocoa value chain of Bundibugyo. Occasional Paper No. 6 of the School of Business and Management Studies at Mountains of the Moon University*.
https://mmumf.files.wordpress.com/2015/10/2015-05-27-occasional_papers_no_6-lwr.pdf

- The Ministry of Agriculture, Animal Industry and Fisheries, Republic of Uganda. (December 2019). *The National Organic Agriculture Policy*.
<https://www.agriculture.go.ug/wp-content/uploads/2020/09/National-Organic-Agriculture-Policy.pdf>
- Momodu, S. (December 2018–March 2019). *Uganda stands out in refugees hospitality*. Africa Renewal.
<https://www.un.org/africarenewal/magazine/december-2018-march-2019/uganda-stands-out-refugees-hospitality>
- Muliika, P., Bwogi, A. & Ssenyonga, J. (June 2020). *COVID-19 Impact Study Report*. Heifer International Uganda. https://media.heifer.org/Our_Work/Heifer-International-Uganda-COVID-19-Report-2020.pdf
- O'Neill, A. (2023, May 31). *Uganda: Distribution of gross domestic product (GDP) across economic sectors from 2011 to 2021*. Statista.
<https://www.statista.com/statistics/447716/uganda-gdp-distribution-across-economic-sectors/>
- Pietromarchi, V. & Jeanne, D. (2021, December 7). *Uganda plans to reopen schools next year – but who will return?* Al Jazeera.
<https://www.aljazeera.com/features/2021/12/7/uganda-school-closures-impact>
- Uganda: Country Profile 2017-2018 (the local government system in Uganda). (n.d.). *The Commonwealth Local Government Forum*.
http://www.clgf.org.uk/default/assets/File/Country_profiles/Uganda.pdf
- Uganda Export Promotion Board. (n.d.). *Cocoa*.
<http://ugandaexports.go.ug/product/2/Cocoa#>
- The United States Department of Labor - Bureau of International Labor Affairs. (n.d.) *2019 Findings on the Worst Forms of Child Labor: Uganda*.
https://www.dol.gov/sites/dolgov/files/ILAB/child_labor_reports/tda2019/Uganda.pdf
- The United States Department of State. (n.d.). *2019 Trafficking in Persons Report: Uganda*. <https://www.state.gov/reports/2019-trafficking-in-persons-report-2/uganda/>
- The United States Department of State, Office of International Religious Freedom. (2021, May 12). *2020 Report on International Religious Freedom: Uganda*.
<https://www.state.gov/reports/2020-report-on-international-religious-freedom/uganda/>

Workman, D. (2022, July 19). *Uganda's Top 10 Exports*. World's Top Exports.
<https://www.worldstopexports.com/ugandas-top-10-exports/>

World Bank Group. (2018, June 19). *Making Farming More Productive and Profitable for Ugandan Farmers*.
<https://www.worldbank.org/en/country/uganda/publication/making-farming-more-productive-and-profitable-for-ugandan-farmers>