Child Labor, Forced Labor and Land Rights & Use
Belize Sugar Cane Supply Chain Country Study for The Coca-Cola Company
Report Harvest 2016 – 2017

Prepared by: COVERCO
The Commission for the Verification of Corporate Codes of Conduct

Authors: Abby Nájera
Homero Fuentes

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About COVERCO

The Commission for the Verification of Corporate Codes of Conduct (COVERCO) is a non-profit Guatemalan organization founded in 1997. Its objective to address the urgent need to work in the new context of national and international labor relationships through research, training and social audits, and evaluation of social and labor risks in export sectors such as garments, agriculture, agroindustry, thermoelectric, oil platforms and airport building in Mexico, Central and South America and Equatorial Guinea.

Credits

This Study was commissioned by The Coca-Cola Company and implemented by COVERCO. The purpose of this document is to provide general information and does not entail legal purposes. COVERCO performed the field interviews and prepared this Report.

Authors: Abby Nájera and Homero Fuentes, COVERCO

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Foreword

COVERCO recognizes that often the activities and results of this type of study of socio-economic and labor conditions generate intense scrutiny and debate.

This report summarizes the perspective and experience of the actors directly involved in the sugar cane agro-industry in Belize that forms part of the supply chain of the Coca-Cola Company. It is COVERCO’s sincere hope that the information herein generates a healthy debate and contributes to the strengthening of the multi-stakeholder dialogue.

COVERCO also hopes that this document will help to promote effective actions to eliminate the practices of child labor and forced labor and to ensure the rights in the possession and use of land with ethics and social responsibility in a win-win scheme.

COVERCO is grateful to the national and international institutions for their time and valuable input.

COVERCO appreciates the confidence placed in the team members by the people at the mill and sugar cane farms for sharing their experiences during the workplace visits.

Finally, to all of you, anonymous and vital actors, many thanks!

“The rules of the global economy should therefore be devised in the light of the impact on the rights, livelihoods, security and opportunities of people around the world.”

**Acronyms**

CEBC  Code of Ethics and Business Conduct

COVERCO  Commission for the Verification of Corporate Codes of Conduct

ESP  Ethical Sourcing Policy

EU  European Union

FPIC  Free, Prior and Informed Consent

ILO  International Labor Organization

IPEC  International Program on the Elimination of Child Labor

QTG  Quality Test Group

SICB  Sugar Industry Control Board,

SCPC  Sugar Cane Production Committee, SCPC

SIMIS  Sugar Industry Management Information System

SIRDI  Sugar Industry Research and Development Institute

SCQCA  Sugar Cane Quality Control Authority

UN  United Nations

UN CRC  United Nations Convention on the Rights of the Child

UNICEF  United Nations International Children’s Emergency Fund
Cascade approach  groups leaders undertake the training and are committed to sharing their experience and knowledge with the producers of their groups, who in turn do the same with their workers


Child Labor  Work that deprives children of their childhood, their potential and their dignity, and that is harmful to physical and mental development. It refers to work that is mentally, physically, socially or morally dangerous and harmful to children; and interferes with their schooling by depriving them of the opportunity to attend school; obliging them to leave school prematurely; or requiring them to attempt to combine school attendance with excessively long and heavy work. Also work in the sugar came agro-industrial sector is one of the Worst forms of Child Labor. The International Labor Organization. Conventions 138 on Minimum Age and 182 on the Worst Forms of Child Labor. Besides, International Program on the Elimination of Child Labor, IPEC.

The minimum age should be fixed at the same level for all sectors of economic activity. The Minimum Age Recommendation 146.


Forced Labor  All work or service which is exacted from any person under the menace of any penalty and for which the said person has not offered himself voluntarily. It can never be used as means of political coercion, for economic development, discrimination (racial, social, national or religious), and labor discipline or as a punishment for having participated in strikes. The International Labor Organization. Conventions 29 on Forced or Compulsory Labor and 105 on Abolition of Forced Labor.

FPIC  The right to free, prior and informed consent means that indigenous peoples have the right to be consulted and make decisions on any matter that may affect their rights freely, without pressure, having all the information and before anything happens. UNICEF. Human Rights Unit, Program Division. Know Your Rights!

As per United Nations “Overview of the Principle of Free, Prior and Informed Consent and Indigenous Peoples in International and Domestic Law and Practices” (2005), this concept has been recognized by a few of intergovernmental organizations, international bodies, conventions and international human rights law. Among others:


All of them gathered the following definition:
• “Free” simply means that there is no manipulation or coercion of the Indigenous People and that the process is self-directed by those affected by the project.

• “Prior” implies that consent is sought sufficiently in advance of any activates being either commenced or authorized, and time for the consultation process to occur must be guaranteed by the relative agents.

• “Informed” suggests that the relevant Indigenous people receive satisfactory information on the key points of the project such as the nature, size, pace, reversibility, the scope of the project, the reason for it, and its duration. This is the more difficult term of the four, as different groups may find certain information more relevant. The Indigenous People (IPs) should also have access to the primary reports on the economic, environmental cultural impact that the project will have. The language used must be able to be understood by the IPs.

• Finally, ‘consent’ means a process in which participation and consultation are the central pillars.

Over decades FPIC has been developed by global companies, including implementation throughout the supply chain. More recently, The Coca-Cola Company issued its “Responsible Land Acquisition (and Free, Prior, and Informed Consent) Guidance”, Version 1.0 (July 2017). It “is intended to be a resource to help TCCC business partners constructively engage communities when acquiring land and, when necessary, adhere to the principles of Free, Prior, and Informed Consent (FPIC)”.

Grinding season
The period fixed by the Sugar Industry Control Board as being the time during which manufacturers shall accept sugar cane for manufacture into sugar, ethanol or any derivative of sugar cane. Belize Sugar Industry Act. Chapter 325. Revised Edition 2003.

Harvest
The period during which sugar cane is cut, delivered and processed for manufacture into sugar, ethanol or any derivative of sugar cane.

Sugar cane farmer
A person or entity who cultivates cane and has been duly registered as a producer of cane by the Sugar Cane Production Committee and the sugar cane producers’ associations, to deliver sugar cane to manufacturers. Belize Sugar Industry Act. Chapter 325. Revised Edition 2003.

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1 Information updated on March 2018.
Executive Summary

The ILO Tripartite Declaration of Principles Concerning Multinational Enterprises and Social Policy (MNEs Declaration)\(^2\) states “The aim of the MNEs Declaration is to encourage the positive contribution that multinationals can make to economic and social progress and to minimize the negative impact of their operations.”

In the spirit of the MNEs Declaration, The Coca-Cola Company established a series of commitments to eliminate child labor and forced labor, as well as to observe ethical standards in the ownership and use of land in its sugar cane supply chain. The Coca-Cola Company commissioned the Commission for the Verification of Codes of Conduct (COVERCO) to assess of Child Labor, Forced Labor and Land Rights and Use in its sugar cane supply chain in Belize. The study analyzes the general situation of the sugar cane industry and review of The Coca-Cola Company’s supply chain in Belize.

COVERCO organized two visits to Belize in April-May and May-June 2017 and conducted 289 interviews with a variety of stakeholders. The first goal was to identify stakeholders who are involved or affected by the sugar cane agro-industry and/or any of the subjects to be studied –Child Labor, Forced Labor and Land Rights and Use. The second goal was to understand the interactions among stakeholders.

The present Study focuses primarily on workers in the field, hence the need to establish a framework of direct employment generated by the industry. It should be noted that statistics used come from different harvests and focus on different segments of the labor market. Here are the most relevant findings:

**Belize’s Sugar Agro-Industry**

Belize enjoys competitive advantage “in terms of water availability coupled with sunshine hours and available agricultural land”\(^3\), making sugar an important contributor to the country’s economy. Most of the national sugar production is exported to the European Union (EU), the United States of America (USA), and The Caribbean community (CARICOM). Each market has specific characteristics and demands that determine prices, thus creating uncertainty from harvest to harvest.

Sugar cane areas are predominantly in the North and less so in the West of the country. Together, both regions dedicate approx. 109,000 acres (44,110 ha) to this monocrop. Sugar cane production for the 2016-2017 harvest was estimated at 1,396,000 ton.

The sugar cane agro-industry in Belize is regulated by the Sugar Act Chapter 325, revised edition 2003. This Act defines the establishment and functions of the Sugar Industry Control Board, The Sugar Cane Production Committee, The Sugar Industry Research and Development Institute, and Sugar Cane Farmers Associations.

COVERCO interviewed 118 persons directly related to the mill in three main working areas: management, factory and sugar cane farms. Also, COVERCO interviewed a total of 106 persons performing different activities with different levels of responsibility on the sugar cane farms.

After reviewing and analyzing the data collected from documentary sources and the information gathered during on-site visits, COVERCO arrived at three general conclusions that influence the Belizean sugar cane supply chain relationships.

✓ The lack of access to updated information is an important constraint. COVERCO used material produced by other stakeholders issued in 2015 or 2016. These documents were based on data corresponding to 2010 or 2012. As a result, there might be some differences or estimated data in this study.

✓ While Belize has ratified the ILO Conventions with respect to child labor and forced labor, it is required for the government to define and develop / harmonize existing legislation in line with ILO conventions requirements.

The appointed bodies (Labor Advisory Board, Tripartite Body, and the National Child Labor Committee) to develop among others the National


\(^3\) Participating sugar corporation.
Action Plan for the Elimination of Child Labor and its corresponding monitoring and remediation, as well as the list of tasks of hazardous child labor were re-activated as recently as February 2017.

**Child Labor**

Belize has ratified a series of international conventions, among them 49 ILO Conventions aiming at a variety of subjects. In the case of Child Labor, this Study refers to regulations that apply to the sugar cane supply chain.

According to the proposal of a National Child Labor Policy launched in 2009 by the Ministry of Labor, Local Government and Rural Development, a “child” is a person under 18 years old. Yet Article 169 of the Labor Act states the general minimum age of employment at 12 years. And Article 3(1) of the Shops Act sets the minimum age at 14 for work in wholesale or retail trade or business.

Adoption of policies and regulations for enforcement are still undergoing consultations among members of the Tripartite Body. Meanwhile, Belizean law is not consistent with international standards on hazardous work.

Available information showed that the gap in national legislation -between the minimum working age and the definition of a minor-, together with the fact that the Social Security Board provides minors 14 years old with credentials, do not deter the risk of child labor in the sugar industry.

To cope with this situation, the mill has policies in place and implements mechanisms to verify there is no recruitment of minors to its own employees and contractors.

Roughly 90% of all sugar cane in Belize is produced by Fairtrade producer associations. The Fairtrade standard for small producer organizations sets the requirements on child and forced labour prohibitions, including Occupational Health and Safety requirements, which all farmers of the producer organizations are obliged to comply with. The Fairtrade Trader standards also require compliance of the Mill with national labour law and ILO Fundamental conventions.

The fundamental ILO conventions are listed below. They apply to regardless of whether they have been ratified.

- Freedom of Association and Protection of the Right to Organise Convention, 1948 (No. 87)
- Right to Organise and Collective Bargaining Convention, 1949 (No. 98)
- Forced Labour Convention, 1930 (No. 29)
- Abolition of Forced Labour Convention, 1957 (No. 105)
- Minimum Age Convention, 1973 (No. 138)
- Worst Forms of Child Labour Convention, 1999 (No. 182)
- Equal Remuneration Convention, 1951 (No. 100)
- Discrimination (Employment and Occupation) Convention, 1958 (No. 111) 4.

It is worth mentioning that the mill’s corporate tools such as Right to Know, and producer organizations’ protection policies such as Act to Protect are innovative and together could contribute to efforts to eliminate child labor in the industry in Belize.

As per COVERCO’s findings, children may seek work as cane cutters. This is because of two reasons:

- ✔ The law permits children to work on holidays and weekends so long as it does not affect school attendance, and is not hazardous or exploitative.
- ✔ Efforts to identify risk of child labor need to be strengthened.

However, around 90% of sugar cane produced in Belize is done by producer organizations who are subject to Fairtrade Standards: Fairtrade standards on child labour and child protection prohibit employment of children under the age of 15 years and no child under the age of 18 years can be involved in work that is likely to damage their physical, social, mental, psychological and spiritual development.

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Fairtrade allows children to help in their family farms on condition that children only work after school or during holidays, the work they do is appropriate for their age and physical condition they do not work long hours and/or under dangerous or exploitative conditions and their parents or guardians supervise and guide them.5

Fairtrade farmers have expressed the importance of children and youth to be involved in agriculture from a learning perspective, to incentivize their interest and guarantee sustainability of family farming towards the future. Youth are less and less interested in farming, which affect the development of rural economies and world food safety.

The farmers and cutters we interviewed said the minors work primarily in family businesses with the supervision of a parent. This was not the case of the 3 minors COVERCO found working in the field on a Saturday. Based on the interviews COVERCO conducted with the adult workers (the parents), they were working on a field belonging to someone else. The parents are the ones who receive payment for that day, not the minors. They are not performing family activities at their estate. They are engaging in formal labor cane cutting activities for a third party. COVERCO did not interview the minors identified working on the farms. This finding confirmed the assertion of stakeholders that there are child labor practices that need attention. A program with a child rights based approach including, monitoring, identification and remediation is being implemented with guidance from Fairtrade. This programme requires that where child labour is found, it is formally reported. In the case mentioned above, this was done.

According to Fairtrade, no one can guarantee that child labour does not exist in any particular farm setting. However, these farmers who are members of the Fairtrade producer organizations work within a right based programmatic approach to child labour elimination that has two aspects:

a) if child labour is identified, an “Act to Protect” is set off and the incident of child labour identified or alleged must be reported to the producer organization, who in turn immediately and safely acts to remediate it with expert others and

b) These farmers from two of three producer associations have set up a continuous monitoring and response system to identify and respond to child labour risks, and other labour risk.

As agreed to by COVERCO and put forth by Fairtrade International prior to research data collection, the three cases of child labour identified triggered Fairtrade’s “Act to Protect” and as such were reported by COVERCO to Fairtrade International for immediate and safe follow-up.

These 3 cases observed by COVERCO are a non-compliance according to Fairtrade standards. Cane cutting by anyone under 18 years is prohibited by Fairtrade Standards because there is a risk of injury to child workers. When cutting cane, workers (adults and minors) use a machete. They are working under hazardous conditions and PPE is not available to all workers on smallholder cane farms.

Producers’ associations may face a challenge to implement strict controls, because according to national law, a Belizean minor 14-years-old with a Social Security credential is eligible to be recruited to work in the sugar industry. Though, none of the three children had Social Security coverage.

One of the three Producer organizations has set up and run a child labour elimination program called, Youth Inclusive Community Based Monitoring and Remediation on Child Labour. In 2016, two producer organizations worked together to pilot this Youth Inclusive system in joint communities The EU project implemented by Youth Empowerment Services and the Child Development Foundation uses this Fairtrade methodology in the sugar producing northern region of Belize to identify child labour in the producing communities and on sugar cane farms. Findings from this study will be submitted to the Belize government for follow-up in mid-2018.

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Forced Labor
The Belizean Constitution prohibits forced labour. Belize has ratified three international conventions on forced labor. The Trafficking in Persons Prohibition Act of 2003 bans the trafficking of all persons, including children.

Both the mill and the Fairtrade farmers’ associations have policies to comply with relevant Fairtrade standards, which prohibit forced labour.

Fairtrade standards require compliance on forced labour prohibitions throughout the supply chains and encourage all actors to receive rights based training on human rights, develop and implement a Protection Policy for Children and Vulnerable Adults and encourage partnerships to ensure robust responses to child and forced labour occurrences and/or risks.

Some Farmers associations have a Protection Policy for Children and Vulnerable Adults which are triggered once child and/or forced labour is identified or alleged.

Fairtrade producer organizations must operate an Internal Control System (ICS) to monitor for child and forced labour, if it is considered a risk.

Farmers associations and the mill have taken joint responsibility towards the prevention and elimination of child labour, working closely with the impacted communities and the government to increase child wellbeing, safety, school attendance and investments in remediation activities and programs.

Here are several examples of how the mill with its “green, modern, sustainable model” in Belize’s sugar production and producer organizations with projects and policies to monitor and remediate child and forced labour could collaborate to influence best practices:

✓ In the case of workers of the producers’ associations raising concerns about their payment, it was evident that there is a need to apply a policy throughout the supply chain. If something like this happens at the mill, they have a dispute resolution mechanism for cane cutters when they feel they have not received their fair payment.

✓ According to Belizean legislation, the minimum wage is estimated by hour, but paid by day, week or month. In cane cutting the wage is based on productivity. The growers’ fields are small in size and deliver cane once to the mill per day, cutters in these fields work 4 or 5 hours a day; either from 5:30 a.m. to 10:30 a.m. or from 1:30 p.m. to 5:30 p.m. On average, they cut 4.5 tons per day and paid an average of $8 BZ per ton this equates to $36 BZ per day. The industry must determine a way to ensure that pay is always equal or above the minimum wage of $3.30 per hour or $26.40 day.

✓ There are labor risks because of lack of PPE. Belize adopted a series of international regulations, which automatically became national law. ILO Convention 155 ensures the safety of workers. The mill has established controls to monitor proper use of PPE. Provisions of international initiatives include regular audits and remediation plans if necessary. Such controls implementation at the farms of the producers’ associations might harmonize compliance throughout the supply chain.

Land Rights and Use

This law stipulates that when acquiring more than one half acre of land within a city or town, or more than ten acres outside a city or town, the purchaser must obtain a license from the Minister of Natural Resources. Such license shall be recorded in the General Registry as a deed.

The producers’ associations consist of 5,406 cane farmers. According to the law, the definition of “sugar cane farmer” does not include certain acreage to qualify as a small, medium or large producer. The law states that a registered sugar

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6 Mill’s Strategy Paper.
cane farmer producing less than 75 tons in two successive crops must be dismissed from the registry and not entitled to produce sugar cane.

Producers associations are moving towards better agricultural practices to improve production. The trend is to increase production on existing land, not to expand acreage.

COVERCO considers that there are no issues regarding property rights and land tenure. The concern lies in the use of lands.

The SIMIS program of SIRDI could be a key element in providing accuracy and transparency to the sugar cane production, starting from the proper use of soil and implementation of sound agricultural practices.

The “Farmer Field School Program”, in place since 2013 promotes efficient use of the land. Producers are learning best agricultural practices in demonstrative plots, as well as encourage the implementation and promotion of human and social rights. They share their experience with others.
Introduction

The Tripartite Declaration of Principles Concerning Multinational Enterprises and Social Policy (MNEs Declaration) states “The aim of the MNEs Declaration is to encourage the positive contribution that multinationals can make to economic and social progress and to minimize the negative impact of their operations.”

In the spirit of the MNEs Declaration, The Coca-Cola Company established a series of commitments to eliminate child labor and forced labor, as well as observes ethical standards in the ownership and use of land in its sugar cane supply chain.

The Coca-Cola Company commissioned The Commission for the Verification of Corporate Codes of Conduct (COVERCO) to perform a country study on Child Labor, Forced Labor and Land Rights and Use in The Coca-Cola Company’s sugar cane supply chain in Belize.

The Commission for the Verification of Codes of Conduct (COVERCO) is a non-profit organization that was founded in 1997 by a group of labor, human rights and religious leaders in Guatemalan civil society. Their objective was to build a culture of compliance with labor rights in Guatemala. COVERCO works to achieve this objective by conducting independent monitoring of workplace compliance with labor standards in Guatemala’s major export for multinational companies and international organizations. COVERCO has developed a monitoring methodology that enables them to provide accurate and credible information about working conditions by conducting social audits and field investigations of places of work.

COVERCO conducts audits in Mexico, Central and South America, and in Equatorial Guinea.

The COVERCO team has a solid track record throughout Latin America in research and management, monitoring and evaluation of social, labor and environmental projects, with in-the-field experience. The team offers a wide range of skills, knowledge and experiences acquired particularly in subjects such as climate change, civil society strengthening, agricultural development, food and nutrition security, health, education, human rights, comprehensive care post natural disasters, gender, and corporate social responsibility, among others.

This study is based on applicable national and international legislation:

✓ Constitution of Belize
✓ Belize Labor Act Chapter 297
✓ Belize Sugar Industry Act Chapter 325
✓ Related Conventions, Recommendations and Protocols of the ILO
✓ United Nations Human Rights Treaties
✓ World Bank and International Finance Corporation (WB-IFC) Performance Standards

OUTREACH

✓ Two Visits. This study is based on information gathered during the 2016-2017 harvest season.

✓ Country Analysis. The study analyzes the general situation of the sugar cane industry and review of The Coca-Cola Company’s supply chain in Belize.

✓ Identification and Interviews Local and International Stakeholders. This study identifies and interviews pertinent local and international stakeholders to gain their perspective and experience about child labor, forced labor and land use in the Belizean sugar cane industry.

✓ Field Visits. This study includes field visits to farms owned or rented by participating mill and farms owned by producers in the three-active sugar cane producers’ associations.

✓ Fairtrade was not interviewed. Contact made was only regarding Fairtrade International Protection Policy for Children and Vulnerable Adults

The Study includes information on themes that are linked especially to the workers in the field, including access to health and education services.

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There are five parts to this document:

1) Methodology;

2) Overview of Belize as a young nation, including demographics;

3) Analysis of the sugar cane industry and institutions regulating the sector. It includes information about the country’s regulatory and legal framework for child labor, forced labor and land rights and use in the sugar cane industry, as well as a description of the current situation and initiatives to handle compliance gaps.

4) Findings, starting from identification of the two main stakeholders in the value chain – mill and producers’ associations. This section details management policies and regulations along with implementation and enforcement to address the topics of child labor, forced labor and land rights regulations.

5) Conclusions.
1. Methodology

1.1 ACTIVITIES CONDUCTED BY COVERCO

This Study seeks to determine the situation of Child Labor, Forced Labor and Land Rights & Use in the supply chain of The Coca-Cola Company in Belize.

To do this, COVERCO combines the participation of a wide range of institutions and individuals involved in or affected by the operations of the Belizean sugar suppliers along with sensory inspections, review of records and interviews of workers in the workplace. This methodology ensures the participation of stakeholders at all levels of the supply chain, starting from the mill and going down to the farms.

COVERCO’s methodology comprises three interrelated steps: literature review, preparation of tools to collect information and on-site visits. Some variations occur due to demands of the studied sector. For example, COVERCO agreed to maintain confidential treatment of the information to be used solely for the Study to ensure it was furnished with information and access to the property of the participating mill.

Also, COVERCO and the mill agreed to coordinate meetings and interviews with involved staff, partners and governmental offices in accordance with the production schedule of the mill and farmers at the time of the on-site visit.

Literature Review. Prior to on-site activities, COVERCO performed a review of public documents about Belize as well as publications about Child Labor, Forced Labor and Land Rights and Use in the Belizean agricultural sector.

This task allowed COVERCO to establish concepts, legal framework, and context to map stakeholders and links between industry and field.

Stakeholder Interviews. Following the literature review, COVERCO prepared Interview Guidelines adapted to the sector and/or working area of the potential interviewee. For purposes of this Study, key stakeholders include: government, private sector, producers’ associations, workers organizations, and national and international nongovernmental organizations.

The Guidelines were designed to determine trends and causes for improvement or stagnation of Child Labor, Forced Labor and Land Rights situation in the sugar industry. They were also useful to verify and complement information collected during the literature review.

COVERCO also prepared an Electronic Questionnaire before visiting the Mill. This was to establish the Mill’s influence to enforce their Management Policies throughout the supply chain.

On-Site Visits. COVERCO’s field work began by meeting with the Mill’s management. This provided the opportunity to explain the reasons and expectations of the Study and to select direct sources to be interviewed at the compound (management and factory) and at the sugar cane farms (associations, producers, field supervisors, machinery & transportation operators and sugar cane cutters).

COVERCO offered an exit meeting with management to share general findings and ask clarification on procedures.

COVERCO maintained updated communications and produced progress reports for The Coca-Cola Company. This information was intended for The Coca-Cola Company’s internal use.

1.2 KEY ELEMENTS TO CONDUCT THE STUDY

COVERCO strived to conduct activities with transparency and respect for the stakeholders involved in the supply chain. The Team was flexible to adaptation and was willing to adhere to local customs and habits. From the very first contact with the mill, COVERCO explained the key elements of the Study:

- The vital importance of visiting sugar cane farms and to have access to workers.
- COVERCO would explain the purpose of their visit to workers and ask for their consent to be interviewed.
- Maintaining confidentiality of names or personal information.

8 COVERCO defines “sensory inspections” as the use of researchers’ skills to collect information by means of audio and visual perception awareness.

9 Copy of the Non-Disclosure Agreement is not available for public dissemination; it is confined to the sugar corporation, COVERCO and The Coca-Cola Company.
✓ The activities of the Study are not part of an audit or verification process.
✓ COVERCO will conduct private interviews independent of third parties (mill and/or producer organization representatives).
✓ The Study focuses on three main subjects—Child Labor, Forced Labor and Land Rights and Use
✓ COVERCO agreed to abide by Fairtrade International’s Protection Policy procedures and report any cases identified on child and/or forced labour to Fairtrade for safe follow-up.

1.3 ADDITIONAL CONSIDERATIONS
The start of field activities was marked by several constraints, delays and limitations. COVERCO believes those circumstances, at the end of the day, provided a deep insight into stakeholders’ interactions and challenges to achieve a modern and sustainable development in the sugarcane agroindustry.

COVERCO could begin the study after signing a Non-Disclosure Agreement with the participating sugar corporation. On-site, each member of the team signed a Confidentiality Agreement with the mill. Both exercises ensured the researchers gained access to the mill’s compound, staff and information. Besides, COVERCO ensured the conclusion of the cycle of meetings and interviews with associations and producers, as well as visits to the farms to interview cane cutters by confidentially sharing basic information on possible findings of the worst forms of child labor and/or forced labor with Fairtrade International, so that they could take actions to protection of alleged subjects.

All visits were announced. The mill coordinated the meetings with management, producers’ associations and several other key stakeholders. The selection of sugarcane cutting areas to be visited was an independent decision of the Team based on the daily harvest schedule at the time of the visit. During the first visit to the cane cutting areas, the researchers were accompanied by mill staff and delegates of the producers’ associations. For the second visit, COVERCO was accompanied by the producers’ associations. However, in both situations they did not take part in workers interviews. Field visits occurred in the period of April-June 2017.

COVERCO emphasizes the importance of establishing the certainty and truthfulness of interviews. Once the cane cutting areas were chosen, the Team conducted interviews with workers in the field without interrupting their activities and without participation of the mill, the associations or producers. Since the very first contact, COVERCO strived to generate a climate of confidence, respect and confidentiality with workers. Once those conditions were met, the team could go deep into the sugar cane rows in the designated cutting areas to conduct interviews.

COVERCO applies two approaches to process information collected from interviews and meetings.

<table>
<thead>
<tr>
<th>Approach</th>
<th>Description</th>
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<tbody>
<tr>
<td>Qualitative</td>
<td>Research, analysis and interpretation of the information obtained from primary and secondary sources</td>
</tr>
<tr>
<td>Quantitative</td>
<td>Collection, data processing and analysis of the information gathered by means of developed tools and individually applied to the population and stakeholders involved in the process</td>
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One important constraint was a lack of access to updated information. Material offered or recommended by government officials and prepared by other stakeholders issued in 2015 or 2016 used data corresponding to 2010 or 2012. As a result, there might be some differences or estimated data in this study. This input is reiterated in the sections Findings and Conclusions.

It should be noted that The Coca-Cola Company shared the preliminary version of this Report of the Belize Country Study with the external stakeholders interviewed. Their comments and/or contributions permitted an update of data.
2. Belize, a Young Nation

2.1 Background

Belize arises from Mayan city states which declined at the end of the first millennium A.D. The British and Spanish disputed the region in the 17th and 18th centuries until it formally became the colony of British Honduras in 1854. Territorial disputes between the United Kingdom and Guatemala delayed the independence of Belize until 1981. Guatemala refused to recognize the new nation until 1992 and the two countries are involved in an ongoing border dispute.

Today, Belize is a constitutional parliamentary democracy, bordering Guatemala and Mexico by land and Honduras by sea. Traditionally linked to the United Kingdom and the Caribbean, Belize holds full membership in the Caribbean Community (CARICOM) and in the Community of Latin American and Caribbean States (CELAC). Belize is now more actively approaching the neighboring regional organizations, such as the Central American Integration System (SICA, by its Spanish acronym) to which Belize acceded in 2000. The Belize Chamber of Commerce & Industry asserted they are now looking the process to become part of the Secretariat for Central American Economic Integration (SIECA, by its Spanish acronym)\(^\text{10}\).

Demographic Profile. Both past and present, help explain the complexity of this young nation. About 16% of Belizeans live abroad (Canada, Mexico, and English-speaking Caribbean countries), while immigrants constitute approximately 15% of Belize’s population. As the World Factbook\(^\text{11}\) states, “The emigration of a large share of Creoles (Afro-Belizeans) and the influx of Central American immigrants, mainly Guatemalans, Salvadorans, and Hondurans, has changed Belize’s ethnic composition.” Mestizo\(^\text{12}\) is now the largest ethnic group in Belize. Population’s statistics are not definite, but break down ethnic groups as follows: Mestizo 52.9%, Creole 25.9%, Maya 11.3%, Garifuna 6.1%, East Indian 3.9%, Mennonite 3.6%, White 1.2%, Asian 1%, Other 1.2%, and Unknown 0.3%.

As per languages, figures do not precisely match the ethnic composition. One reason is that people are bilingual and identify themselves in more than one category of language origin: English 62.9% (official), Spanish 56.6%, Creole 44.6%, Maya 10.5%, German 3.2%, Garifuna 2.9%, Other 1.8%, and Unknown 0.3%.

Economic Profile. According to The World Bank, Belize’s current population is approximately 366,950. The country is characterized by a small economy, based mainly on agriculture, trade, tourism and construction. Agriculture represents 30% of the GDP and accounts for 70% of export revenues. Consequently, every time there are external crises Belize is challenged by lower exchange rates and the chance that the growth and sustainability of local companies may be affected. Besides, in 2015 the country exported USD452M and imported USD1.21B, with the result of a negative trade balance of USD758M or 37%.

Table 2 provides an example of the negative trade balance:

<table>
<thead>
<tr>
<th>Top Exports</th>
<th>USD</th>
<th>Top Imports</th>
<th>USD</th>
</tr>
</thead>
<tbody>
<tr>
<td>USA</td>
<td>125M</td>
<td>USA</td>
<td>349M</td>
</tr>
<tr>
<td>UK</td>
<td>109M</td>
<td>Mexico</td>
<td>136M</td>
</tr>
<tr>
<td>Cote d’Ivoire</td>
<td>22.3M</td>
<td>China</td>
<td>107M</td>
</tr>
<tr>
<td>Bahrain</td>
<td>17.3M</td>
<td>Guatemala</td>
<td>95.3M</td>
</tr>
<tr>
<td>Ireland</td>
<td>15.9M</td>
<td>Curacao</td>
<td>85.4M</td>
</tr>
<tr>
<td><strong>Total Exports</strong></td>
<td><strong>289.5M</strong></td>
<td><strong>Total Imports</strong></td>
<td><strong>772.7M</strong></td>
</tr>
</tbody>
</table>

Using amounts for top export destinations and top import origins, it is evident there is a 37% deficit.

Available data for 2016\(^\text{13}\) state that recent exports are led by raw sugar, representing 19% of the total exports of Belize, immediately followed by bananas at 14.8%.

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\(^{10}\) SIECA is the Central American regional body that provides technical support to governments in the region, in order to bolster efforts to gradually reach an economic union of the countries of the area.

\(^{11}\) Information updated January 12, 2017.

\(^{12}\) ‘Mestizo’ originally meant a person of combined European and Amerindian descent. Nowadays it is a general process of mixing ancestries.

According to the literature review, Belize’s 2015 GDP was USD1.75B and its GDP per capita was USD4,702.00. This represents the third highest per capita income in Central America (Costa Rica USD10,850.00, Dominican Republic USD6,499.00, El Salvador USD4,252.00)\(^\text{14}\). This average figure does not reflect the income disparity between rich and poor. The unemployment rate is 10.2%. The birth rate is declining and the elderly population is increasing.

**Children Population.** By 2013 the government and the ILO jointly established there was an average of 110,000 children. Six percent of the children were born in another country (2.5% in Guatemala, almost 1% each in El Salvador and Honduras and 1.6% in other countries). Nationally, approximately 70% of all children are ages 5-13, and 30% are ages 14-17. The regional breakdown below shows some regional variations.

<table>
<thead>
<tr>
<th>Age District</th>
<th>5 – 13 %</th>
<th>14 – 17 %</th>
<th>Total Numbers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corozal</td>
<td>70.5</td>
<td>29.5</td>
<td>12,957</td>
</tr>
<tr>
<td>Orange Walk</td>
<td>71.4</td>
<td>28.6</td>
<td>14,673</td>
</tr>
<tr>
<td>Belize</td>
<td>71.4</td>
<td>28.6</td>
<td>28,516</td>
</tr>
<tr>
<td>Cayo</td>
<td>72.8</td>
<td>27.2</td>
<td>27,642</td>
</tr>
<tr>
<td>Stann Creek</td>
<td>70.7</td>
<td>29.3</td>
<td>12,704</td>
</tr>
<tr>
<td>Toledo</td>
<td>72.0</td>
<td>28.0</td>
<td>13,498</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>71.6</strong></td>
<td><strong>28.4</strong></td>
<td><strong>109,990</strong></td>
</tr>
</tbody>
</table>

**Table 3 – Age Group by District**


The government of Belize in collaboration with the ILO-IPEC conducted the National Child Activity Survey (2013). It estimated that 5,188 children were working. Approx. 22% of children 5 to 17 years lived in households where the head of household had not completed primary school, while 40% completed primary education. The report added that only 32% of children had a parent with at least secondary education. This survey also reported children’s activities by age group:

- Children ages 5-13: employment only 0.2%, study only 95%, combined 0.8%, neither 4%
- Children ages 14-17: employment only 11.6%, study only 66.3%, combined 2.5%, neither 19.5%

The Northern districts Corozal and Orange Walk show the lowest rate (73%-79%) of children attending school, while school attendance in Belize and Stann Creek is above 90% and Cayo and Toledo are approaching 90%.

Also, the 2015 USDOL/ILAB Belize Child Labor Report, indicates that working children, ages 5-14, are found in three main sectors: industry (10.5%), services (24.6%) and agriculture (64.9%) “including in the production of sugarcane, bananas, and citrus fruits”. This report does not provide a breakdown for each sector.

For several years, the Inter-American Development Bank (IDB) has supported efforts to improve the educational system and the quality of education in Belize. Recently, there was a program aligned with the strategy of the Government of Belize for the Education Sector (2011-2016) designed to alleviate high repetition rates (only 48% of girls and 38% of children complete the primary cycle without repeating a grade), and low academic performance. In addition, in June 2013 the IDB approved a US$10 million loan to improve the quality of primary education and the governance of the education system, targeted teachers and principals.

It is worth mentioning that about 25% of young people face challenges accessing education services. For example, meager family incomes prevent them from buying school materials and paying for transportation to and from school. At a professional level, it is surprising that in a country with such potential in the agriculture sector, the University of Belize reported that of the 481 graduates in January 2014 and 460 in June 2015, the graduates in agricultural sciences were 13 and 6, respectively. These figures indicate a shortage of skilled labor and technical personnel.

The key objectives of the Belizean government are:


http://www.focus-economics.com/regions/central-america
✓ Balance a rising demand for social services such as education and healthcare, with the demand for pensions for senior citizens

✓ Poverty and social inequality reduction
3. The Sugar Cane Industry

3.1 Characteristics of the Sugar Cane Agro-Industry

Belize enjoys competitive advantage “in terms of water availability coupled with sunshine hours and available agricultural land”\(^{15}\), making sugar an important contributor to the country’s economy. Most of the national sugar production is exported to the European Union (EU), the United States of America (USA), and The Caribbean community (CARICOM). Each market has specific characteristics and demands that determine prices, thus creating uncertainty from harvest to harvest.

Sugar cane areas are predominantly in the North and less so in the West of the country. Together, both regions dedicate approx. 109,000 acres (44,110 ha) to this monocrop.

Interviews with the Ministry of Agriculture, the Sugar Cane Producers’ Associations, and the Sugar Industry Research and Development Institute indicate that there are 5,406 registered farmers growing sugar cane in Belize. All of them are members of one of the three sugar cane Producers Associations.

Sugar cane production for the 2016-2017 harvest was initially estimated at 1,390,000 tons by stakeholders. Final ciphers obtained from “SIMIS Production Monitoring Report” on March 2018, revealed that cane production for that harvest registered almost 1,270,000 tons.

Table 4 – Sugar Cane Delivered Harvest 2016 – 2017

<table>
<thead>
<tr>
<th>Stakeholder</th>
<th>Ton</th>
<th>Harvesting Groups Monitored / Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mill</td>
<td>127,354.35</td>
<td>2 / 2</td>
</tr>
<tr>
<td>Producers Association A</td>
<td>134,938.58</td>
<td>13 / 23</td>
</tr>
<tr>
<td>Producers Association B</td>
<td>244,768.21</td>
<td>39 / 51</td>
</tr>
<tr>
<td>Producers Association C</td>
<td>762,723.91</td>
<td>103 / 184</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,269,785.05</strong></td>
<td><strong>157 / 260</strong></td>
</tr>
</tbody>
</table>

Source: SIRDI.

Interview statistics offer a comprehensive overview of key stakeholders. COVERCO organized two visits in April-May and May-June to Belize and conducted 289 interviews with a variety of stakeholders.

✓ The first goal was to identify different stakeholders who are directly or indirectly involved in or affected by the sugar cane agro-industry and/or any of the subjects to be studied – child labor, forced labor, and land rights and use.

✓ The second goal was to understand the interactions among stakeholders and decision-making levels.

As per the Terms of Reference of the study, interviews and meetings were held with officials in government, international organizations, private sector, workers organizations and sugar cane producers’ associations.

Table 5 – Interviews Key Stakeholders

<table>
<thead>
<tr>
<th>Sector</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Government</strong></td>
<td></td>
</tr>
<tr>
<td>Ministry of Agriculture</td>
<td>3</td>
</tr>
<tr>
<td>Sugar Industry Research and Development Institute, SIRDI</td>
<td>5</td>
</tr>
<tr>
<td>Sugar Industry Control Board, SICB</td>
<td>1</td>
</tr>
<tr>
<td>Sugar Cane Production Committee, SCPC</td>
<td>1</td>
</tr>
<tr>
<td>Ministry of Labor</td>
<td>2</td>
</tr>
<tr>
<td>Ministry of the Environment</td>
<td>2</td>
</tr>
<tr>
<td>Ministry of Health</td>
<td>1</td>
</tr>
<tr>
<td>Ministry of Human Development, Social Transformation and Poverty Alleviation</td>
<td>1</td>
</tr>
<tr>
<td><strong>International Initiatives</strong></td>
<td></td>
</tr>
<tr>
<td>International NGO</td>
<td>2</td>
</tr>
<tr>
<td>United Nations Development Program, UNDP</td>
<td>1</td>
</tr>
<tr>
<td>United Nations International Children’s Emergency Fund, UNICEF</td>
<td>1</td>
</tr>
<tr>
<td>United States Department of Labor, USDOL</td>
<td>3</td>
</tr>
<tr>
<td>**Workers’ Organizations *</td>
<td></td>
</tr>
<tr>
<td>Belize Workers Organization</td>
<td>13</td>
</tr>
<tr>
<td><strong>Employers’ Organization</strong></td>
<td></td>
</tr>
<tr>
<td>Belize Chamber of Commerce &amp; Industry</td>
<td>1</td>
</tr>
<tr>
<td><strong>Sugar Cane Producers’ Associations</strong></td>
<td></td>
</tr>
<tr>
<td>Producers Association A</td>
<td>6</td>
</tr>
<tr>
<td>Producers Association B</td>
<td>7</td>
</tr>
<tr>
<td>Producers Association C</td>
<td>15</td>
</tr>
<tr>
<td><strong>Total Key Stakeholders</strong></td>
<td>65</td>
</tr>
</tbody>
</table>

*Efforts to contact Belize National Teachers’ Union were unsuccessful.

\(^{15}\) Participating sugar corporation.
3.2 Institutions Regulating the Sugar Cane Agro-Industry

The sugar cane agro-industry in Belize is regulated by the Sugar Act Chapter 325, revised edition 2003. This Act defines the establishment and functions of five governing institutions:

- Sugar Industry Control Board, SICB
- Sugar Cane Production Committee, SCPC
- Sugar Industry Research and Development Institute, SIRDI
- Sugar Cane Quality Control Authority, SCQCA
- Sugar Cane Producers Associations

The dynamics in the sugar cane agro-industry itself have led to some institutional changes:

**Figure 1 – Governing Institutions Operations**

**a. The Sugar Industry Control Board (SICB)** is a policy-making body comprised of a senior official of the Ministry of Agriculture or his/her nominee; the Chief Agricultural Officer or his/her nominee; representatives from cane farmer associations; two representatives from sugar mills; two independent members who are named by the Minister of Agriculture but are not connected to the sugar industry; and one member nominated by the sugar mills and sugar cane farmers.

SICB formalizes the price sharing agreement. For each ton of sugar exported, BZ$11 (US$5.50) go to the Sugar Industry Development Fund, which finances the SICB, SIRDI, and the SCPC.¹⁶

**b. The Sugar Cane Production Committee (SCPC)** is a subcommittee of the SICB. Its main purpose is to maintain a registry of cane farmers in order to officially assign sugar cane quotas.

The SCPC facilitates communication between the sugar mill and harvesting groups for logistical purposes and oversees sugar cane quality.

**c. The Sugar Industry Research and Development Institute (SIRDI)** is an organization legally constituted by the Sugar Act of 2001 and activated in 2009. SIRDI is administered by a Board of Directors composed of members appointed by the Minister of Agriculture.¹⁷

Today, SIRDI leads research, development and adoption of technological innovations and production options for the benefit of the sugar industry. It also establishes regulations and standards, as well as provides technical services to the SCPC for determining sugar cane quality. As a result, the Sugar Cane Quality Control Authority no longer exists.

The SIRDI Extension Department’s Farmer Field School Program provides technical training to sugar cane farmers.

SIRDI also created the Sugar Industry Management Information System (SIMIS). SIMIS is a platform devised to collect information to help improve the production, efficiency and profitability of the Belize sugar industry in a

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¹⁶ Sugar Act. Title 1. Article 10 (1). "Fifty percent of the expenses of the Board shall be met out of funds provided by the Sugar (Labour Welfare) Fund and the remaining 50% in equal proportions by the Committee and by Manufacturers, and from such other sources as may be approved by the Minister from time to time." And "Establishment and Purposes of the Sugar (Industry Development) Fund and the Sugar (Labour Welfare) Fund Part V."

¹⁷ Sugar Act. Title III. The Sugar Industry Research and Development Institute.
collaborative framework (Producers Associations, mills, SCPC and SIRDI).

All this work has been possible because the law entitles SIRDI to prepare and submit project proposals to the Government or to other funding agencies.18

d. Sugar Cane Quality Control Authority. As explained before, due to the needs of the sugar industry, this body no longer exists.

e. Sugar Cane Producers Associations. In December 1959 the government set up the first Producers Association. After internal disputes, particularly related to the price sharing agreement, two new sugar cane producers’ associations have been formed and started operations in 2015. BSCFA was certified with Fairtrade in 2008 and the two new associations were certified with Fairtrade in 2016. All three producers’ organizations and the Mill are Fairtrade certified, regulated by standards that require compliance with social and environmental requirements, among others.

Together, the three associations represent 5,406 sugar cane producers and 90% of production. According to the law, the associations “...have power to receive, acquire, purchase, lease, take, hold and enjoy either absolutely or subject to any trust, movable and immovable property of whatever kind, and to sell, convey, assign, surrender or yield up, transfer, or otherwise dispose of the same when not so required”, and “…also have power to enter into contracts, to sue and be sued in its corporate name, and generally to do things which bodies corporate are by law allowed to do.”19

Manufacturers’ representation at each of these bodies is also considered by the Sugar Act. The mill is entitled to nominate two representatives or alternates to each body. This participation is a key opportunity for the mill to engage stakeholders far beyond the legal obligations -for example, the adoption of voluntary initiatives to improve agricultural and social practices by the cane producers.20

f. Fairtrade

Fairtrade advocates for decent working conditions, fair prices for farmers, sustainable practices, environmental protection and the empowerment of farmers and workers in developing countries. As Fairtrade requires businesses to pay a fair price to farmers for their crop, Fairtrade is leveling the playing field for farmers to ensure they can improve their livelihoods and strengthen their businesses. Fairtrade standards comprise both minimum social, economic and environmental requirements, which producers and traders must meet to be certified, plus progressive requirements that encourage the continuous improvement of developing farmers’ organizations or the situation of estate workers. Fairtrade Trader standards include Voluntary Best Practices for traders to partner with producer organizations to build capacity and so forth to increase compliance to Fairtrade standards, among other things.

Implementation and Enforcement. Apparently, the sugar industry institutions face constraints fulfilling their obligations due to limited funding and political interests. It is commonly agreed that no government has had the will to enforce the Sugar Act law.

The current situation lends itself to a more proactive SICB in its role as governing body. SCPC is responsible for coordinating the crop.

The creation of SIMIS resulted from challenges faced by the industry such as lack of information on acreage and productivity of sugar cane, on ratoons and recently planted cane, on types of cane varieties planted and currently under production, problems of froghopper, other pests and disease in different agro-ecological conditions. SIMIS is also creating a database of sugar cane farms and farmers.

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18 Sugar Act. Title III. Article 25, paragraph (e). And Article 27 (1) (c) “any other sums which may be donated or which may be payable to the Institute from any lawful source whatsoever.”


20 This will be explained in the section of Findings.
Figure 2 shows that SIMIS is being built in two phases:

1. Creation of a cane parcel dataset, farmer identification system and establishment of a governance and management framework.

2. Building the SIMIS infrastructure, developing cane estimate processes, building and operating a harvest management system and developing related proposals (Aerial photo, Digital Elevation Models etc.).

It is expected that SIMIS will result in capacity building, a promotion and stakeholder awareness program, dissemination of information and monitoring and evaluating results.

Another challenge is the regulation of sugar cane quality by SCPC and the Sugar Cane Producers Associations. Nowadays, the sugar cane quality control is based on the Quality Test Group (QTG). To date, each association forms their test groups, known as “harvest groups”\(^{21}\). Each group is composed by several farmers, led by a Chief of Group\(^ {22} \). Harvest activities are programmed by group according to a factory’s grinding capacity. Any load of sugar cane delivered to the factory shall be submitted to SCPC’s laboratory for testing and analysis to determine quality.

The bottom line is that the individual quality incentive is diluted using these QTGs. SIMIS is aiming to accurately determine sugar cane quality on an individual farmer basis.

\(^{21}\) COVERCO was not able to determine how many QTGs there are, though IDB reported 19 groups in January 2017.

\(^{22}\) Farmers are free to remain in the same group or to join another one for the next harvest.
3.3 Legal Framework Applicable to the Sugar Cane Industry

COVERCO identified five government institutions dedicated to enforcing different aspects of the sugar cane industry value chain. The social and labor aspects are addressed by related offices of three main ministries.

**Governmental Regulations for Social and Labor Aspects.** The government is joining global trends in matters related to international regulations on child labor, forced labor, and land rights and use to attain sustainable economic and social development.

The study identified the legal framework and enforcement actions taken by authorities contributing to the eradication of child labor and to the promotion of participation and commitment of the business sector, farmers associations, workers, government and society in general to do the same.

Interviews with key stakeholders and interested parties reflect advances in the eradication of child labor in the sugar cane cutting work. They also show the efforts carried out by the mill in promoting the prohibitions of recruiting children and minors for work on the mill compound and properties.

Government officials and sugar cane producers noted the ongoing recruitment of minors of permitted age in the sugar cane farms. They referred to “minors age 14, as stipulated by national law”.

3.3.1 Child Labor

**Definition.** The ILO defines child labor as work that deprives children of their childhood, their potential and their dignity, and that is harmful to their physical and mental development.

This includes work that is dangerous and harmful to the physical, mental or moral well-being of the children; that interferes with their schooling because it deprives them of the chance to go to school; that obliges them to abandon school prematurely or demands that they combine school attendance with a heavy work, thus consuming a lot of their time.

Whether a specific activity is defined (or not) as “child labor” depends on the age of the child, the type of work to be performed, the number of hours devoted to the activity, and the conditions under which it is performed. The definition varies from country to country and among sectors.

The ILO defines work in the sugar cane agro-industrial sector as one of “the Worst Forms of Child Labor” and considers its immediate eradication a priority. As per Article 3 of the ILO Convention number 182:

(a) all forms of slavery or practices similar to slavery, such as the sale and trafficking of children, debt bondage and serfdom and forced or compulsory labor, including forced or compulsory recruitment of children for use in armed conflict;

(d) work which, by its nature or the circumstances in which it is carried out, is likely to harm the health, safety or morals of children.

Labor that jeopardizes the physical, mental or moral well-being of a child, either because of its nature or because of the conditions in which it is carried out, is known as “hazardous work”.

According to the proposal of a National Child Labor Policy launched in 2009 by the Belizean Ministry of Labor, Local Government and Rural Development, a “child” is a person under 18 years old. Yet Article 169 of the Belize Labor Act states the general minimum age of employment at 12 years. Article 3(1) of the Shops Act sets the minimum age at 14 for work in wholesale or retail trade or business.

Belize has ratified a series of international conventions, including 49 ILO Conventions. In the case of eradication of child labor, this study refers to regulations that apply to the sugar cane supply chain. The regulations comprised in Table 7, include the ILO Declaration on Fundamental Principles and Rights at Work, which commits Member States to respect and promote the abolition of child labor.

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23 Ministry of Agriculture, SIRDI, SICB, SCPC, and Ministry of Environment.

Table 6 – Child Labor
International Regulations Adopted by Belize

<table>
<thead>
<tr>
<th>Nr.</th>
<th>Regulation to be Enforced</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>ILO Declaration on Fundamental Principles and Rights at Work</td>
</tr>
<tr>
<td>2</td>
<td>ILO C. 138, Minimum Age and its Recommendation 146</td>
</tr>
<tr>
<td>3</td>
<td>ILO C. 182, Worst Forms of Child Labor and its Recommendation 190. Defines “a child is any person under the age of 18 years”.</td>
</tr>
<tr>
<td>4</td>
<td>Universal Declaration on Human Rights. Article 25.2, Right to equal social protection.</td>
</tr>
<tr>
<td>5</td>
<td>International Convention on Civil and Political Rights. Article 24 on rights of the child.</td>
</tr>
<tr>
<td>7</td>
<td>UN Convention on the Rights of the Child. Defines “a child is any person under the age of 18 years”. Articles 3, 19, 27, 28, 31, 32 and 34.</td>
</tr>
<tr>
<td>8</td>
<td>UN CRC Optional Protocol on Armed Conflict</td>
</tr>
<tr>
<td>9</td>
<td>UN CRC Optional Protocol on the Sale of Children, Child Prostitution and Child Pornography</td>
</tr>
<tr>
<td>10</td>
<td>Palermo Protocol on Trafficking in Persons</td>
</tr>
</tbody>
</table>

The national legal framework on child labor should take as its primary source the regulations derived from international commitments, as well as from the Constitution of Belize and the Belize Labor Act. In addition, the national framework includes a series of dispositions to ensure the elimination of child labor and the promotion and protection of children and adolescents.

Table 7 – Child Labor National Regulations

<table>
<thead>
<tr>
<th>Nr.</th>
<th>Regulation to be Enforced</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>Belize Labor Act. Article 169 sets the general minimum age of employment at 12 years</td>
</tr>
<tr>
<td>3</td>
<td>Belize Shops Act. Article 3(1) sets the minimum age at 14 for work in wholesale or retail trade or business</td>
</tr>
<tr>
<td>4</td>
<td>Belize Labor Act. Article 164 prohibits children under age 14 from working in industrial undertakings (such as mining, manufacturing, and construction)</td>
</tr>
<tr>
<td>5</td>
<td>Families and Children Act. Defines child as “a person below the age of 18 years”. Article 7 prohibits children under age 18 from being employed or engaged in any activity that may be detrimental to their health, education, or mental, physical, or moral development</td>
</tr>
<tr>
<td>6</td>
<td>The Social Security Board provides the Social Security ID Card starting at age 14.</td>
</tr>
<tr>
<td>7</td>
<td>National Child Labor Policy (Minister of Labor will submit it to the Cabinet of Ministers and from there to Parliament)</td>
</tr>
</tbody>
</table>

It is important to note the consistency in the definition of child as any person below the age of 18 by both the ILO and the Government of Belize.

This legal framework is intended to be observed and promoted at all levels by stakeholders in government, the private sector, workers organizations, producers’ associations and civil society. According to the local office of the Ministry of Human Development, Social Transformation and Poverty Alleviation, the institutional mechanisms for the enforcement of legislation on child labor are as follows:
Government Initiatives to Address Child Labor Eradication. As reported by officials interviewed in various ministries, the government is facing budgetary constraints in funding social programs aimed at reducing child labor and poverty alleviation. The Belizean Department of Labor is no exception. That is the reason for changing the focus to a multi-agency approach aimed at establishing or improving interagency coordination. Unfortunately, education and development programs concluded as recently as 2016 were focused in the South of the country. COVERCO had no access to information about the impact of these interventions:

✓ The National Child Labor Committee was created to coordinate efforts among 14 government and civil society members, led by the Ministry of Labor, to prevent and/or eradicate child labor and to implement the National Child Labor Policy.

✓ UNICEF ran a campaign during 2011-2015 to encourage parents to register children at birth to facilitate their access to education and health benefits. After that, the 2013-2016 UNICEF Country Program was implemented in southern Belize and did not include activities dealing with sugar cane.

✓ In April 2017 the EU launched a program for the sugar cane industry to help parents retrieve their children from work. As per request of The Coca Cola Company and the mill to further elaborate on this initiative, COVERCO made a quick review after concluding the study. COVERCO found out that in November 2017 two organizations, Youth Empowerment Services and the Child Development Foundation, held a consultation and established the status of children in the sugar industry work force in North Belize. They asserted that children below the age of 18 are already working in the sugar industry and have dropped out of school, “People are not aware of the legal ramifications and the legal mechanisms that are there. So, they assume that because the child is 14 and they have social security card, then that means that they can do any kind of work.”

Implementation and Enforcement. According to the Labor Commissioner’s Office, they are responsible for the general application of the Labor Act. There are 22 labor inspectors to enforce child labor laws in Belize. There is no coordination with the Social Security Board to conduct joint inspections or to share information.

In the case of labor laws and regulations for the sugarcane industry, the Labor Commissioner’s Office covers work activities, both in factories and in the field. Factories are required to apply for annual labor inspections to get a certification of compliance.

According to the Ministry of Labor, family businesses represent a challenge for labor enforcement. It is the employer who gets sanctioned, but not the parents. COVERCO highlights the fact that national legislation does not adequately regulate the work of children in family businesses and there are no mechanisms or supervision to ensure that children do not engage with family members in labor activities for a different employer.

25 COVERCO concluded field interviews in early June 2017.

26 This information corresponds to a third data update on March 2018.
US Department of Labor (USDOL). At the end of May 2017, USDOL funded a program of the Ministry of Labor to start a project to move forward in the preparation and approval of a list of the Worst Forms of Child Labor and pending legislation on child labor.

There was no data available about government programs assisting children working in agriculture, including in the sugar cane industry.

Sugar cane Producer Associations
All sugar cane producer associations must be compliant on Fairtrade standards on child labour. One of the three Producer organizations has set up and run a child labour elimination program called, Youth Inclusive Community Based Monitoring and Remediation on Child Labour. In 2016, two producer organizations worked together to pilot this Youth Inclusive system in joint communities. The EU project implemented by Youth Empowerment Services and the Child Development Foundation uses this Fairtrade methodology in the sugar producing northern region of Belize to identify child labour in the producing communities and on sugar cane farms. Findings from this study will be submitted to the Belize government for follow-up.

Great efforts are still needed to address the reasons for the persistence of child labor in Belize. Stakeholders listed reasons such as the socio-economic situation of the family, lack of access to education and health services, and local tradition.

The lack of updated official data on child labor is currently an impediment to identifying current accurate figures (which will be resolved on publication of the data from the above-mentioned EU projects). Also, the criteria for the fixation of age range vary from author to author. This study had to rely on third party publications for information about child labor in Belize. The 2013 National Child Activity Survey conducted by the Belizean Government in collaboration with ILO-IPEC -based on data from 2013 and 2014-, estimated 5,565 children workers, of which 3,528 were engaged in child labor and 3,381 engaged in hazardous work. Both, the Government of Belize and the ILO use the age ranges 5-13 years and 14-17 years. Meanwhile, the USDOL/ILAB reports age range 5-14 years, as shown in the table below.

<table>
<thead>
<tr>
<th>Activity</th>
<th>Age</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Working (% and population)</td>
<td>5 – 14 years</td>
<td>1.6 / 1,405</td>
</tr>
<tr>
<td>Attending school</td>
<td>5 – 14 years</td>
<td>94.5</td>
</tr>
<tr>
<td>Combining work and school</td>
<td>7 – 14 years</td>
<td>1.2</td>
</tr>
<tr>
<td>Primary completion rate</td>
<td></td>
<td>102.1</td>
</tr>
</tbody>
</table>

Table 9 – Children Workers


On the other hand, the World Factbook reports child labor at 27,751, accounting for 7% of the population. Besides, Belize is included in the List of Goods Produced by Child Labor or Forced Labor (USDOL/ILAB, 2016).

Approximately 42% of the Belizian labor force has completed primary education, while 19.4% have no formal education (ILO, 2013). The figures point to a historical practice that allows the work of minors based on economic and cultural justifications. The result is the discrimination of children by violating their right to education and health while at the same time deteriorating their quality of life.

Adoption of enforcement policies and regulations on child labor are still undergoing consultations among members of the Tripartite Body. Meanwhile, Belizean law is not consistent with international standards on hazardous work.

3.3.2 Forced Labor

Definition. The ILO Convention concerning Forced or Compulsory Labor No. 29 (adopted in 1930) states that “forced or compulsory labor shall mean all work or service which is exacted from any person under the menace of any penalty and for which the said person has not offered himself voluntarily”, and provides certain exceptions, including compulsory military service, civic duties, work required to cope with an emergency, and prison labor under certain stipulated conditions. Convention concerning the Abolition of Forced Labor No. 105 (adopted in 1957) adds a “specific obligation for the States never to impose forced labor as a means of political coercion or education, punishment for expressing political views or participating in strikes, mobilizing labor for economic development, labor discipline or for racial, social, national or religious discrimination”.

✓
For this study it is important to mention the U.S. Department of Labor Office of Child Labor, Forced Labor, and Human Trafficking contribution to the analysis on forced labor:

"In accordance with international standards, forced labor means all work or service which is exacted from any person under the menace of any penalty for breach of which the worker has not offered himself voluntarily, including exploitation contracts". "Forced Labor" includes work performed or obtained to force, fraud, or coercion, including: 1) by means of threats of serious harm, or physical restraint of any person; 2) by means of any scheme, plan, pattern in order to cause the person to believe, that if the person does not perform that job or service, that person or another, may suffer serious harm or physical restraint; or 3) by means of abuse or threats of abuse to the law or legal process.

Belize has ratified the international conventions and protocols on forced labor listed in Table 11. The first one, the ILO Declaration on Fundamental Principles and Rights at Work, includes a provision to respect and promote the elimination of forced labor.

Table 10 – Forced Labor National Regulations Adopted by Belize

<table>
<thead>
<tr>
<th>Nr.</th>
<th>Regulation to be Enforced</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>ILO Declaration on Fundamental Principles and Rights at Work</td>
</tr>
<tr>
<td>2</td>
<td>ILO C. 29, Forced Labor</td>
</tr>
<tr>
<td>3</td>
<td>ILO C. 105, Abolition of Forced Labor</td>
</tr>
<tr>
<td>4</td>
<td>ILO Recommendation on Forced Labor No. 203</td>
</tr>
<tr>
<td>5</td>
<td>ILO 2014 Protocol to the Convention on Forced Labor, 1930</td>
</tr>
<tr>
<td>6</td>
<td>Palermo Protocol on Trafficking in Persons</td>
</tr>
</tbody>
</table>

The international conventions ratified and adopted by Belize should be developed in national legislation. While agreeing with the notion of the mill that Belize Constitution technically addresses the concept of forced labor in terms of what it is not rather than what it is, COVERCO identified several legal tools that may apply to combat forced labor in the country. They are listed in the table below.

Table 11 – Forced Labor National Regulations

<table>
<thead>
<tr>
<th>Nr.</th>
<th>Regulation to be Enforced</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Part 2. Arts. 12, 13, 15, 16, 17: Protection of Fundamental Rights and Freedoms of the Constitution of Belize. Fundamental rights and freedoms; rights to life, personal liberty, law, inhuman treatment, slavery and forced labor, arbitrary search and entry; freedom of movement, conscience, expression, assembly and association; privacy, work, racial discrimination, deprivation of property...</td>
</tr>
<tr>
<td>2</td>
<td>Articles 157 and 158 of the Labor Act</td>
</tr>
<tr>
<td>3</td>
<td>Articles 11–14 of the Trafficking in Persons Act, 2013</td>
</tr>
<tr>
<td>4</td>
<td>Article 9 of the Commercial Sexual Exploitation of Children Act, 2013</td>
</tr>
<tr>
<td>5</td>
<td>Articles 49–51 of the Criminal Code</td>
</tr>
</tbody>
</table>

For the analysis of forced labor, COVERCO used several ILO instruments, among them, the Indicators of Forced Labor of the Program of Action to Combat Forced Labor, the Recommendation on Forced Labor No. 203, and the 2014 Protocol to the Convention on Forced Labor.

Table 12 – Indicators to Identify Forced Labor According to the ILO

<table>
<thead>
<tr>
<th>Nr.</th>
<th>Category</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Abuse of vulnerability. Anyone who lacks knowledge of local language or laws or has few livelihood options can be a victim of Forced Labor. It occurs when employer takes advantage of a worker’s position.</td>
</tr>
<tr>
<td>2</td>
<td>Deception. It relates to the failure to deliver what has been promised to the worker, either verbally or in writing. Workers are often recruited with promises of decent and well-paid jobs.</td>
</tr>
<tr>
<td>3</td>
<td>Restriction of movement. Workers may be locked up and guarded to prevent them from escaping, at work or while being transported.</td>
</tr>
<tr>
<td>4</td>
<td>Isolation. Workers are kept isolated in remote locations, denied contact with the outside world.</td>
</tr>
<tr>
<td>5</td>
<td>Physical and sexual violence. Can include forcing workers to take drugs or alcohol so as to have greater control over them. Force worker to undertake tasks that were not part of the initial agreement.</td>
</tr>
<tr>
<td>6</td>
<td>Intimidation and threats. Workers may suffer intimidation and threats when they...</td>
</tr>
</tbody>
</table>

---


and have detected forced labour and reported it to the relevant government department for follow-up.

At the governmental level, the Belize Department of Labor asserted that “There is no forced labor, but abuse of the workers.”

3.3.3 Land Rights and Use

**International Regulations.** Belize has neither signed nor ratified ILO Convention No. 169 on Indigenous and Tribal Peoples. The Political Constitution is confined to:

- Mentioning the need for a State that protects the cultural identity and values of Belizeans, including those of indigenous peoples (Preamble, e), amendment in 2001)
- Recognizing traditional fundamental rights (Article 3)
- Prohibiting discrimination (Article 16)

The Constitution does not recognize customary rights or indigenous jurisdiction. Nevertheless, the Government of Belize has undertaken a commitment to promote respect for the rights of indigenous peoples, in accordance with the provisions of the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP).

The declaration refers to key issues, such as the right to self-determination; the right to be recognized as distinct peoples; the right to free, prior and informed consent; and the right to be free of discrimination. It comprises provisions on life, liberty, culture, security, religion and language.

Of concern to this study is the following article regarding land and resources.

“Article 32

1. Indigenous peoples have the right to determine and develop priorities and strategies for the development or use of their lands or territories and other resources.

2. States shall consult and cooperate in good faith with the indigenous peoples concerned through their own representative institutions in order to

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30 ILO. Global estimate on forced labor, Executive Summary, 2012

31 Updated information on March 2018.
obtain their free and informed consent prior to the approval of any project affecting their lands or territories and other resources, particularly in connection with the development, utilization or exploitation of mineral, water or other resources.

3. States shall provide effective mechanisms for just and fair redress for any such activities, and appropriate measures shall be taken to mitigate adverse environmental, economic, social, cultural or spiritual impact.”


This law stipulates that when acquiring more than one half acre of land within a city or town, or more than ten acres outside a city or town, the purchaser must obtain a license from the Minister of Natural Resources. Such license shall be recorded in the General Registry as a deed.

While no regulations have been made by the Minister governing the issuance of licenses generally, a license of agricultural land must agree to develop at least 10% of the available land annually until all such land is developed.

As a rule, the government does not sell its land outright. Instead it provides arrangements whereby the lessee must first develop the land within a certain period with an option to purchase afterwards.

Implementation and Enforcement. COVERCO collected information from governmental authorities32, the mill, and sugar cane producers showing legal property rights and land tenure. According to the Sugar Cane Act, the government should gather information to ensure 1) land property rights belong to sugar cane farmers and 2) that farmers are registered by the SPSC and a producer association as sugar cane producers in the district branch in which their land is. The focus should be on farmers who deliver less than 75 tons of sugar cane in each of the two consecutive crop years. In such cases the law mandates that the farmer is no longer a member of an association and must surrender his certificate of registration. However, this part of the Sugar Act has never been implemented.

According to the U.S. State Department’s Office of Investment Affairs’ Investment Climate Statement “Mortgages and liens do exist and related real estate would be recorded with the registry of the Lands and Survey Department. There have been cases of land fraud, abuses and corruption in the Lands and Survey Department. While that Department is undertaking a Land Management system reform, investors are strongly advised to do their due diligence prior to purchasing property. There are three different types of titles to freehold property in Belize: Deed of Conveyance, Transfer of Certificate of Title, and Land Certificate. The government is in the process of re-registering all freehold lands to achieve a uniform system of nationwide land ownership.”33

Besides, the Ministry of Agriculture stated that no consultation process regarding Free, Prior, and Informed Consent (FPIC)34 has taken place in Belize. Literature review identified the Maya Indigenous Communities case35, dealing with Maya land rights in their traditional territories in the south of Belize, within which the government had granted oil exploration and logging concession. The communities undertook legal action since 2006. In April 2014, the Supreme Court of Belize ruled that the licenses granted to the oil company were unlawful.

The need to hold a FPIC consultation process in the north of Belize has not yet arisen.

4. Findings

4.1 Supply Chain Stakeholders

4.1.1 Mill

COVERCO visited the mill’s administrative offices and factory, as well as farms belonging to the mill and to members of the sugar cane producers’ associations. The goal was to identify stakeholders and their relationships in the value chain.

32 Ministry of Agriculture and Ministry of Environment.
33 Updated February 22, 2017
The visits to the farms had two purposes:

- To observe and understand firsthand the labor practices and relationships in the industry and on the sugar cane plantations.
- To conduct interviews at the mill and on-site in the sugar cane plantations to identify different job positions and stakeholders and their relationships to one another, decision-making levels, responsibilities, tasks, benefits, etc.

COVERCO interviewed 118 persons directly related to the mill. The table below identifies three main working areas: management, factory, and sugar cane farms.

**Table 13 – Sugar Cane Farms Visits**

<table>
<thead>
<tr>
<th></th>
<th>Mill Association</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>4</td>
<td>9</td>
</tr>
<tr>
<td></td>
<td>13</td>
<td></td>
</tr>
</tbody>
</table>

**Table 14 – Mill Staff Interviews**

<table>
<thead>
<tr>
<th>Area</th>
<th>Total Workers Interviewed</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Management</td>
<td>28</td>
<td>24</td>
</tr>
<tr>
<td>Factory</td>
<td>20</td>
<td>17</td>
</tr>
<tr>
<td>Sugar Cane Farms</td>
<td>70</td>
<td>59</td>
</tr>
<tr>
<td><strong>Totals</strong></td>
<td><strong>118</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

Source: COVERCO

COVERCO ensured all levels of responsibility were represented when conducting on-site interviews.

COVERCO found that 70 interviewees were field workers and 48 worked at the compound. Of the total of 118 workers, 13% belongs to a trade union organization. These members are distributed in the factory and in the farms of the mill.

The mill complies with national and international standards related to freedom of association and collective bargaining along its supply chain. Also, COVERCO found that the mill and the trade union celebrated three Collective Bargaining Agreements (CBA).36

**4.1.2 Sugar Cane Producers’ Associations**

This part of the study targeted stakeholders exclusively involved in harvest activities. COVERCO interviewed a total of 106 persons performing different activities with different levels of responsibility on the sugar cane farms.

Table 15 below lists different categories of work involved in sugar cane production.

**Table 15 – On-Site Farm Interviews**

<table>
<thead>
<tr>
<th>Area</th>
<th>Category</th>
<th>Total</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value Chain in the Sugar Cane Farms</td>
<td>Producers’ Group Leaders</td>
<td>10</td>
<td>9.43</td>
</tr>
<tr>
<td></td>
<td>Producers (Farmers)</td>
<td>11</td>
<td>10.38</td>
</tr>
<tr>
<td></td>
<td>Sugar Cane Cutters &amp; Producers (two roles)</td>
<td>11</td>
<td>10.38</td>
</tr>
<tr>
<td></td>
<td>Sugar Cane Cutters</td>
<td>65</td>
<td>61.32</td>
</tr>
<tr>
<td></td>
<td>Transportation (Workers)</td>
<td>2</td>
<td>1.89</td>
</tr>
<tr>
<td></td>
<td>Transportation (Sugar Cane Delivery)</td>
<td>3</td>
<td>2.83</td>
</tr>
<tr>
<td></td>
<td>Collator Operator</td>
<td>1</td>
<td>0.94</td>
</tr>
<tr>
<td></td>
<td>Tractor Operator</td>
<td>1</td>
<td>0.94</td>
</tr>
<tr>
<td></td>
<td>Sugar Cane Pick-Up Controller</td>
<td>2</td>
<td>1.89</td>
</tr>
<tr>
<td>Total Workers of Producers’ Associations</td>
<td></td>
<td>106</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: COVERCO

As explained in the section 3.2 Institutions Regulating the Sugar Cane Agro-Industry, the official link between the farms and the mill is through the three Producers’ Associations. COVERCO conducted on-site interviews on farms belonging to producers of the three associations.

The different categories described in Table 15 are closely linked with one another due to the context of the country. Sugar cane producers perform several roles: they act as leaders of a harvest group, as producer members of a harvest group, and as cane cutters & farmers. The main concentration of workforce lies in cane cutting activities with over 70% workers interviewed. In addition, some producers are also providing services for cane cutting, machinery and transportation. This includes workers and machinery operators.

Once COVERCO identified the tools and mechanisms that regulate the industry, labor and

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36 Belizean law also allows trade union organizations and employers to celebrate CBAs per units of work.
social relationships, and stakeholders involved in the sugar cane production and transformation processes, the next step was to determine how they interact, their challenges, and successes.

4.2 Child Labor

Management Regulations to Eradicate Child Labor. It is important to identify good practices in the implementation of management policies on child labor, forced labor and land use. By highlighting what works, it is more likely these practices are codified in future documents within the mill’s management system to ensure their implementation along the sugar cane supply chain.

First, COVERCO investigated whether there was widespread knowledge about and compliance with The Coca-Cola Company Suppliers Guiding Principles. The sugar corporation acknowledged its long relationship with The Coca-Cola Company and its Guiding Principles, and said that these Principles are consistent with its own Code of Conduct and Ethical Sourcing Policy (ESP). Further questions about whether the mill’s staff is given materials or access to information about The Coca-Cola Company’s Principles, and provided with training on their implementation, was answered as follows:

✓ The mill received information about the Supplier Guiding Principles and process three years ago. They also received updates and maintain a continuous dialogue with The Coca-Cola Company in this regard.

✓ “Employees are aware of the Code of Conduct and Ethical Sourcing Policy. In addition, our CSR program has been concentrated on validating on an annual basis, conformance by our sites to our Ethical Sourcing Policy (ESP) through verification audits against a global social verification standard and performed by a third-party organization.”

The mill continues to face challenges in improving the sugar cane agro-industry in Belize. It is applying its corporate Code of Ethics and Business Conduct (CEBC). COVERCO notes the CEBC includes a provision under the section “Ethical Sourcing” requiring its “...suppliers to certify their compliance with all laws regarding forced labor; child labor; slavery and human trafficking.”

Voluntary Initiatives and Relevant Commitments to Eradicate Child Labor. The mill also strives to achieve sustainable relationships by adhering to several accreditation initiatives. These initiatives include provisions to deter child labor.

✓ ProTerra
✓ BONSUCRO, Principles 1 and 2
✓ Fairtrade Standard for Small Producer Organizations and Trader Standards

In addition, the mill promotes “The Right to Know” among its staff. They are implementing an Occupational Health and Safety Program (OHS), Personal Protection Equipment (PPE) is provided to sugar cane cutters of contractors, who work in mill farms. COVERCO also noticed the mill ensures Social Security (SS) coverage for its own staff and contractors’ in the compound.

Implementation and Enforcement. The CEBC mentions that suppliers shall “not hire anyone under the minimum age provided by local law”. The mill has policies in place and mechanisms to verify no child below 18 years is employed in the compound and its sugar cane farms:

✓ ID documents revision
✓ Trainings on Child Labor

Pursuing this goal, the mill undergoes an annual regular social audit completed on-site (mill, estate and farmers) and remediation of any issues identified. Since 2008 the mill has supported the introduction of Fairtrade standards for both mill and producer associations. In 2015 the only Fairtrade Producer organization began working to monitor and respond to child labour and in 2016 when the Producer organization split into three organizations, two of them worked together to pilot a joint monitoring and response system developed by Fairtrade International to identify and respond to child labour risks in their communities. Producer organizations were the first to begin to advocate with the government of Belize to ensure child labour is addressed in sugar producing areas, to work to fill legal gaps in the labour law and education act, to release a formal hazardous list for child labour in the sugar cane sector and develops and implement a National Action Plan Against Child Labour. They also hoped that with this, Belize in the long run could be removed from the USDOL List for products made with child or forced labour.
In March 2017 a Memo of Understanding was signed with Fairtrade International and the Fairtrade Producer Network, the Coordinadora Latinoamericana y del Caribe de Pequeños Productores de Comercio Justo (CLAC) stating shared objectives on Protection of Children and Vulnerable Adults and willingness to fund raise to proactively prevent and eliminate child labor and/or forced labor in the production of cane sugar in Belize.  

It is worth mentioning that workers hired by contractors to work on the farms belonging to the mill are aware of their responsibility to not employ children.

### 4.2.2. Sugar Cane Producers Associations

**Regulations of the Associations to Eradicate Child Labor.** There are three different sugar cane producers’ associations which comprise 5,406 registered farmers. These three associations are certified against the Fairtrade standard which prohibits the use of child and forced labor in sugar cane production, among other things. Standards motivate farmers’ organizations to monitor risks and act in the best interest of children through child protection policies, remediation and close collaboration with the government and child protection agencies.

According to the mill, Fairtrade “has a special status among the cane farmer community... They see the need to comply as their own responsibility and have introduced measures to actively engage in community based self-governing systems to proactively identify and respond to risks to child and forced labor”.

**Implementation and Enforcement.** After an audit carried out in 2014, the then only association established an Internal Control System to track ages and involvement of workers in the sugar cane production. The association also agreed to establish a Fairtrade model called the Youth Inclusive Community Based Monitoring and Remediation (YICBMR) System on Child Labor. This system was initially piloted in two sugar cane growing communities. Nowadays it is being implemented by the two associations.

The steps to be taken if children at risk of child labor are identified include remediation actions aiming at safe and healthy environment for the children:

- Scholarships to retrieve children from work
- Alternative income generation activities for young people
- Lobbying relevant government agencies, school authorities and civil society groups

If child labour identified, it is reported to the appropriate government ministry for follow-up action. One producer organization has reported several cases to the relevant ministry and worked with them on remediation action.

The associations also use the training manual of SIRDI’s “Farmer Field School Program” for trainings aiming at children who attend schools in the sugar cane growing communities.

Despite these important initiatives, during one out of nine visits to cane farms conducted by COVERCO during a weekend, we identified two children aged 13 years and one child aged 16 years working on cane farms.

These children were identified while driving along the road, where a planned visit had not been announced. The three children who were not interviewed appeared to be concluding their shift. They were carrying their machetes. They were covered by ashes, no PPE and sweaty. Both fathers of the children interviewed said the children age 13 years work on weekends, mainly on Saturdays. They said that they are brought to the farms to remind them how important it is for them to focus on their study. The father of the child aged 16 years said that he often cuts sugar cane during the week. He added that this child lacked Social Security card.

This case also matched the information gathered from leaders of the associations, farmers, and sugar cane cutters. They stated that children work in the farms during weekends and holidays, so as not to affect their schooling, if it is not hazardous and exploitative and they are accompanied by a parent or guardian.

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37 Ibid.
4.3 Forced Labor

4.3.1 Mill Management Regulations to Combat Forced Labor. The corporate Code of Ethics and Business Conduct (CEBC) has a provision that demands from its “...suppliers to certify their compliance with all laws regarding forced labor...” However, it does not explain mechanisms or responsible persons to help with such compliance certification.

Voluntary Initiatives and Relevant Commitments to Combat Forced Labor. Fairtrade Standards include strict prohibitions against forced labour. Fairtrade producers’ organizations are audited against these standards. Where risks exist, Fairtrade require and support producer organizations to monitor risks, establish and implement protection policies, create awareness and remediate with the support of governments and protection agencies. The Youth Inclusive Community Based Remediation System operated by a producer organization, also monitors for forced labour through household interviews.

The mill also has policies and procedures to ensure forced labor is not used. These include a policy on Human Rights, The Coca-Cola Company Supplier Guiding Principles and Sustainable Agriculture Guiding Principles on Labor and Working Conditions. The mill also works with the World Bank and complies with IFC Performance Standard No. 2 on Labor and Working Conditions. To ensure that these policies are met, the mill undertakes annual audits against the ProTerra standard. They are also audited against the Fairtrade Trade Standard.

COVERCO noticed that as was the case with child labor, the Memo of Understanding signed by the mill with Fairtrade International on March 2017 refers also to join efforts to prevent and eliminate forced labor in the production of cane sugar in Belize.

Implementation and Enforcement. Interviews with the mill’s staff, contractors, workers, associations, farmers and sugar cane cutters revealed a classical concept of forced labor among many —slavery, prison labor, debt bondage. COVERCO noticed that there is little awareness of the ILO risk indicators which represent the most common signs or “clues” to the possible existence of a forced labour case. Please refer to Table 12.

Other significant measures taken by the mill are related to the Social Security system. As per Belizean law and the mill’s internal regulations, any employee, contractor and contractor’s employee working for them “inside or outside of the compound in any of our owned or leased properties, are enrolled in the Social Security system and required payments are made”. These are the procedures:

✓ For agriculture contractors, the mill performs service on behalf of the contractor to ensure deductions are made and paid over to Social Security. The pay slip documents the amount deducted on a weekly basis.

✓ For mechanical harvesting contractors, the mill takes a copy of proof of payment of Social Security paid for the contractor’s employees.

✓ For loading contractors involved in cane transportation (own their trucks – self-employed) the mill takes a copy of proof of payment of Social Security paid for the contractor’s employees.

A dispute resolution mechanism also exists for cutters who feel they have not received their fair payment. If a cane cutter is not satisfied with his payment, this is reported directly to the group leader who will review historical records/payments made to the individual. Considering days of work and records they would either make an adjustment or clarify payments. If the worker is still not satisfied they can choose to involve labor department using social security records. Most cases are resolved internally with the workers as cane cutters are a limited resource. If there is general dissatisfaction the worker would simply move to another group.

COVERCO interviewed 10 contractor workers at the factory. Five of them did not have Personal Protection Equipment. It was mentioned if PPE is lost, these contractors’ employees indicated they had to pay a percentage of its cost to their...
employer by means of weekly discounts to their wages.\textsuperscript{39}

It is worth to mention that according to the 49 contractors’ workers interviewed by COVERCO in the farms, they appreciate that the mill is handling the payment of salaries and the contribution to the SS system.

4.3.2. Sugar Cane Producers Associations

Management Regulations to Combat Forced Labor. Producers’ associations are engaged with Fairtrade Standards which specifically prohibit forced labour. The Youth Inclusive Community Based Remediation System operated by a producer organization, also monitors for forced labour. Prevention programmes are in place in each association through household interviews.

Implementation and Enforcement. The following facts identified by COVERCO are an alert to ILO’s indicators to identify forced labor, although it is important to note that according to the ILO “forced labor is different from sub-standard or exploitative working conditions”\textsuperscript{40}.

There is a well-established way of assessing cane cut, it is based on a rate per ton, through bundles verified visually. Vouchers are not used. 67 out of 76 workers in cane cutting activities interviewed on the sugar cane farms belonging to the producers’ associations stated their dissatisfaction with the payment they receive. This may be due to uncertainty about the methodology used to measure the sugar cane cut for payment.

Belize has a government-mandated minimum wage. No worker may be paid less than the mandatory minimum rate of pay. Statutory Instrument No. 56 dated 2012 establishes minimum wage at BZ$ 3.30/hour or BZ$ 26.40/day of 6 working days.

The salary for workers in sugar cane cutting activities must be in accordance to the minimum wage and hours of work. Comments reflected uncertainty about the weight of sugar cane cut and picked up on the farm, and the weight of cane delivered at and reported by the mill. COVERCO noticed cases of alleged irregular payment of wages. This does not automatically imply a forced labor case. But when salaries are repeatedly under the mandated by law, this could be one among other indicator to possible forced labor. In Belize, cutters salaries are market driven and the system by which bundles are paid universal across the farm. Cutters are in demand during the crop (there is an acknowledged shortage of cutters) and if they felt they were being underpaid for their labor would move to another group. This acts as an effective regulator on salary abuses. According to the ILO indicators to identify forced labor, abuse of vulnerability occurs in the phase of recruitment when the employer takes advantage of a worker’s vulnerable position. Potential worker is offered certain conditions and due to his economic needs, scarce employment opportunities, and ignorance of the law, he accepts whatever is available.

The abuse in the conditions of life and work is an aspect to be considered once the worker is performing his duties. ILO indicators state that it is a severe breach if the worker has to endure working conditions that workers would never freely accept or when he or she has to work under hazardous conditions. For example, the lack of Personal Protection Equipment in the sugar cane cutting activities or pesticides application and the participation of children. COVERCO identified that the 76 interviewees in cane cutting activities lacked PPE.

Employers must be very sensitive to workers “voluntarily” accepting bad conditions because of the lack of any alternative job. This could be classified as abuse of vulnerability and / or abuse in conditions of life and work. The government should therefore ensure it has enough trained labour inspectors who could look for these possible links.

4.4 Land Rights and Use

4.4.1 Mill

Management Regulations to Ensure Land Rights and Use. The sugar corporation and the mill said they have no plans for expansion or land acquisition. The mill has no policies regarding Free, Prior, and Informed Consent (FPIC).

\textsuperscript{39} ILO Convention 155. Article 16. Item 3. “Employers shall be required to provide, where necessary, adequate protective clothing and protective equipment to prevent, so far as is reasonably practicable, risk of accidents or of adverse effects on health.”

\textsuperscript{40} ILO website. www.iolo.org
Implementation and Enforcement. The Department of Environment provided COVERCO with information regarding the Environmental Compliance Plan issued in April 2016 for the mill. During COVERCO’s first visit the mill was working on the documentation required for the updated Environmental Compliance Plan. Terms and conditions of this Plan are made pursuant to Section 10 (2) of the Environmental Impact Assessment Regulations, Chapter 328 of the Substantive Laws of Belize, Revised Edition 2000-2003.

### 4.4.2. Sugar Cane Producers’ Associations

Management Regulations to Ensure Land Rights and Use. The producers’ associations comprise 5,406 cane farmers. The law states that a registered sugar cane farmer producing must produce more than 75 tons in two successive crops or can be dismissed from the registry and disentitled to produce sugar cane. This has never been implemented.

According to the Sugar Industry Research and Development Institute (SIRDI) at the time of the visit, these were the latest figures for the harvest 2016-2017:

<table>
<thead>
<tr>
<th>Tons</th>
<th># Farmers</th>
<th>Quota %</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt; 75</td>
<td>1,163</td>
<td>22</td>
</tr>
<tr>
<td>76 - 300</td>
<td>3,237</td>
<td>60</td>
</tr>
<tr>
<td>301 – 1,000</td>
<td>877</td>
<td>16</td>
</tr>
<tr>
<td>1,001 &gt;</td>
<td>129</td>
<td>2</td>
</tr>
<tr>
<td>Total</td>
<td>5,406</td>
<td>100</td>
</tr>
</tbody>
</table>

Updated information to July 2017 determines that from now on there are three different categories of sugar cane producers:

- Farmers producing up to 300 tons
- Farmers producing 301 to 1,000 tons
- Farmers producing > 1,001 tons

Quota distribution has still to be adjusted for the harvest 2017-2018.

Implementation and Enforcement. Producers’ associations are moving towards better agricultural practices to improve production. The trend is to increase production on existing land, not to expand acreage.

Producers face unfair competition due to a practice popularly known as “Ghost Farming”. This practice refers to farmers who deliver below 75 tons and/or farmers with over production who sell their sugar cane, underpriced, to a registered farmer who needs to fulfill his quota.

There is lack of productive alternatives –which encompass identification of new product, market and corresponding value chain accompanied by technical and financial assistance- for those farmers who are most likely to be eliminated from the sugar cane registry at the end of the crop year 2016-2017.

According to the associations and producers, there are farmers strangled by debts. Their only alternative is to sell their lands. They believe that larger producers, although also often indebted, have resources to provide other producers with services (cane cutters, machinery, and operators).
4.5 Related Stakeholder

Mennonite Community

Throughout the activities of the study different stakeholders kept mentioning the Mennonite community as an emerging stakeholder in the Belizean sugar cane agro-industry.

In 1959, about 3,000 Mennonites from Canada (Manitoba) and Mexico (Chihuahua) relocated to Belize on large tracts of wooded land in the rural districts of Corozal, Orange Walk, and Cayo. Under a special agreement signed with the Belize Government they are exempted from military service and certain forms of taxation while at the same time they are guaranteed complete freedom to farm within their closed communities. Despite their isolation from the other cultures of Belize, the Mennonites can provide essential services and agricultural products to the local market. They specialize in the production and sale of poultry and dairy products and distinctive wooden furniture that is sold throughout the country.

While that agreement is in force, Mennonites are also allowed to establish their own form of local government and run their own schools and businesses. Mennonites registered as cane producers five years ago (2012).

Because of their beliefs and practices, Mennonites are not involved in harvesting and maintenance activities. They contract harvest groups from the sugar cane producers’ associations and machinery for mechanized maintenance activities. To date, this procedure is considered agreeable to all actors involved. Nonetheless, relationships between Mennonites and Belizean sugar cane producers are changing.

The Ministry of Labor faces the challenge to harmonize Belizean law and the practices of the Mennonite community. Belizean law does not apply to them due to the long-standing agreement with the government, which allows the community to be governed by its own rules.
5. Conclusions
After reviewing and analyzing the data collected from documentary sources and the information gathered during on-site visits, COVERCO arrived at three general conclusions that influence the Belizean sugar cane supply chain relationships.

✓ The lack of published updated information is an important constraint. COVERCO used material produced by other stakeholders issued in 2015 or 2016. These documents were based on data corresponding to 2010 or 2012. As a result, there might be some differences or estimated data in this study.

✓ While Belize has ratified the ILO Conventions with respect to child labor and forced labor, it is required for the government to define and develop / harmonize existing legislation in line with ILO conventions requirements.

✓ The appointed bodies (Labor Advisory Board, Tripartite Body, and the National Child Labor Committee) to develop among others the National Action Plan for the Elimination of Child Labor and its corresponding monitoring and remediation, as well as the list of tasks of hazardous child labor were re-activated as recently as February 2017.

5.1 Child Labor
Available information showed that the gap in national legislation between the minimum working age and the definition of a child, together with the fact that the Social Security Board provides children 14 years old with credentials, do not deter the risk of child labor in the sugar industry.

Child labor is a supply chain responsibility and closely linked to poverty and the nature of family farming. Producers’ associations, the mill and supply chain actors are strongly committed to work with the Government and tackle the issues of child labor in a holistic manner. Strong and joint collaboration is needed, starting with the farmers and their communities and moving upwards to the rest of involved stakeholders. Fairtrade standards and support have been the driving force for continuous improvements and growing awareness.

To cope with this situation, the mill has policies in place and mechanisms to verify there is no recruitment of children to its own employees and contractors.

The Producers Associations, in compliance with their Fairtrade certification also have policies and mechanisms which are being extended to the whole supply chain.

Fairtrade Trader Standards also require the Mill to be compliant with national law and ILO fundamental conventions and provides guidance on them as stated:

“Fundamental ILO conventions are listed below. They apply to you regardless of whether they have been ratified by your country.

• Freedom of Association and Protection of the Right to Organize Convention, 1948 (No. 87)
• Right to Organise and Collective Bargaining Convention, 1949 (No. 98)
• Forced Labour Convention, 1930 (No. 29)
• Abolition of Forced Labour Convention, 1957 (No. 105)
• Minimum Age Convention, 1973 (No. 138)
• Worst Forms of Child Labour Convention, 1999 (No. 182)
• Equal Remuneration Convention, 1951 (No. 100)
• Discrimination (Employment and Occupation) Convention, 1958 (No. 111)” 41

In accordance to policies and standards the mill and the producer associations separately strive to implement mechanisms to verify there is no recruitment of children and forced labour in each their operations.

It is worth mentioning that the mill’s corporate tools, such as Right to Know and producer organizations’ protection policies, such as Act to Protect are innovative and together could contribute to efforts to eliminate child labor in the supply chain, not just in Belize but worldwide. As per COVERCO’s findings, working children are only to be found among cane farmers and cane cutters of the producers’ associations. This is because of two reasons:

✓ The law permits children to work on holidays and weekends as long as it does not affect school attendance, and is not hazardous or exploitative.

✓ Efforts to identify risk of child labor need to be strengthened.

The farmers and cutters we interviewed said the minors work primarily in family businesses with the supervision of a parent. This was not the case of the 3 minors COVERCO found working in the field on a Saturday. Based on the interviews COVERCO conducted with the adult workers (the parents), they were working on a field belonging to someone else. The parents are the ones who receive payment for that day, not the minors. They are not performing family activities at their estate. They are engaging in formal labor cane cutting activities for a third party. COVERCO did not interview the minors identified working on the farms. This finding confirmed the assertion of stakeholders that there are child labor practices that need attention. A program with a child rights based approach including, monitoring, identification and remediation is being implemented with guidance from Fairtrade. This programme requires that where child labour is found, it is formally reported. In the case mentioned above, this was done.

As agreed to by COVERCO and put forth by Fairtrade International prior to research data collection, the three cases of child labour identified triggered Fairtrade’s “Act to Protect” and as such were reported by COVERCO to the Fairtrade International for immediate and safe follow-up.

These 3 cases observed by COVERCO is a non-compliance according to Fairtrade standards. They pose the concern about the risk of injuries to child workers. While cane cutting by anyone under 18 years is prohibited by the Fairtrade Standards, the producers’ associations may face the challenge to implement strict controls, because:

✓ When cutting cane, workers (adults and minors) use a machete. They are working under hazardous conditions and PPE is not available to all workers on smallholder cane farms.

✓ According to national law, a Belizian minor 14-years-old with a SS credential is eligible to be recruited to work in the sugar industry. Though, none of the three children had SS coverage.

✓ Agriculture work undertaken by minors often falls into the category of the Worst Forms of Child Labor as defined by ILO C.182, which is also included in the definition of forced labor (ILO Convention 29).

One of the three Producer organizations have set up and run a child labour elimination program called, Youth Inclusive Community Based Monitoring and Remediation on Child Labour. In 2016, two producer organizations worked together to pilot this Youth Inclusive system in joint communities. The EU project implemented by Youth Empowerment Services and the Child Development Foundation uses this Fairtrade methodology in the sugar producing northern region of Belize to identify child labour in the producing communities and on sugar cane farms. Findings from this study will be submitted to the Belize government for follow-up in mid-2018.

5.2 Forced Labor

The Belizean Constitution prohibits forced labour. Belize has ratified three international conventions on forced labor. The Trafficking in Persons Prohibition Act of 2003 bans the trafficking of all persons, including children.

Forced labor is part of the Fairtrade standards, audited by FLOCERT, and as such the producers’ associations have policies in place prohibiting its use and are working to create awareness amongst their members.

Fairtrade international provided a joint training to producer organizations on its rights based approach to child and forced labour elimination. This training was also requested by the mill. Participants at this training included SIRDI and the district level officer of human development services and education department of the government of Belize.

However, work remains to be done to achieve an effective and sustained elimination of forced labor along the sugar cane supply chain.

Here are several examples of how the industry can positively influence behavior, implement change
and achieve a “green, modern, sustainable model”\textsuperscript{42} in Belize’s sugar production:

✓ In the case of workers of the producers’ associations raising concerns about their payment, it was evident the need to apply a policy throughout the supply chain. If something like this happens at the mill, they have a dispute resolution mechanism for cane cutters when they feel they have not received their fair payment.

✓ According to Belizean legislation, the minimum wage is estimated by hour, but paid by day, week or month. In cane cutting the wage is based on productivity. The growers’ fields are small in size and deliver cane once to the mill per day, cutters in these fields work 4 or 5 hours a day; either from 5:30 a.m. to 10:30 a.m. or from 1:30 p.m. to 5:30 p.m. On average, they cut 4.5 tons per day and paid an average of $8 BZ per ton this equates to $36 BZ per day. The industry must determine a way to ensure that pay is always equal or above the minimum wage of $3.30 per hour or $26.40 day.

✓ There are labor risks because of lack of PPE. Belize adopted a series of international regulations, which automatically became national law. ILO Convention 155 ensures the safety of workers. The mill has established controls to monitor proper use of PPE. Provisions of international initiatives include regular audits and remediation plans if necessary. Such controls implementation at the farms of the producers’ associations might harmonize compliance throughout the supply chain.

However, according to the ILO, extremely bad working conditions can represent an indicator of potential of exploitative labour into forced labor.

5.3 Land Rights and Use

Belize has neither signed nor ratified ILO Convention No. 169 on Indigenous and Tribal Peoples. Belize Constitution is confined to recognizing traditional fundamental rights such as freedom from prejudice based on race, place of origin, political opinion, color, creed or sex, and prohibiting discrimination. And it is committed to the provisions of the United Nations Declaration on the Rights of Indigenous Peoples. Among other issues, the Declaration refers to the right to free, prior and informed consent regarding land and resources.

After reviewing collected data, COVERCO considers that there are no issues regarding property rights and land tenure. The concern lies in the use of lands.

The SIMIS program of SIRDI could be a key element in providing accuracy and transparency to the sugar cane production, starting from the proper use of soil and implementation of sound agricultural practices.

The “Farmer Field School Program” will permit efficient use of the land. Producers are learning best agricultural practices in demonstrative plots. They share their experience with others.

Still, there is the question of future steps for the smallest cane farmers who fall below the minimum threshold for registration. Efforts are focused on best agricultural practices to improve productivity on less land, but it remains a challenge to identify viable alternative crops.

Fairtrade standards and requirements also enable compliance to labour requirements on child and forced labour, and occupational health and safety. Fairtrade’s Act to Protect enables all identification of child and/or forced labour to be assessed and reported to the national authority for joint remediation.

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\textsuperscript{42} Mill’s Strategy Paper.


5. ILO. Conventions


9. The Tripartite Declaration of Principles Concerning Multinational Enterprises and Social Policy (MNEs Declaration)


11. International Trade Union Confederation, ITUC. ITUC Global Rights Index 2017: Violence and repression of workers on the rise

12. OECD-FAO Agricultural Outlook”, OECD Agriculture statistics (base de datos)


16. Estimación Mundial sobre Trabajo Forzoso, Junio 2012

17. Ganancia y Pobreza Aspectos económicos del Trabajo Forzoso, OIT, Programa especial de Acción para Combatir el Trabajo Forzoso, Servicios de Principios y Derechos Fundamentales del Trabajo


25. USDOL. Dirección de Asuntos Laborales Internacionales, Oficina de Trabajo Infantil, Trabajo Forzoso y Trata de Personas


30. http://minorityrights.org/minorities/mennonites


34. SIMIS


Field interviews were concluded in early June 2017. Interviews to relevant national and international stakeholders, as well as interviews to stakeholders in the mill and sugarcane farms were carried out in two phases: the first one in April/May 2017 and the second one in May/June 2017. COVERCO has submitted Updates for internal use of The Coca-Cola Company. According to the commitment of the Study, The Coca-Cola Company will provide interviewed external stakeholders with this Preliminary Report to get their comments and/or contributions to improve clarity in its presentation linked to the crop 2016-2017.