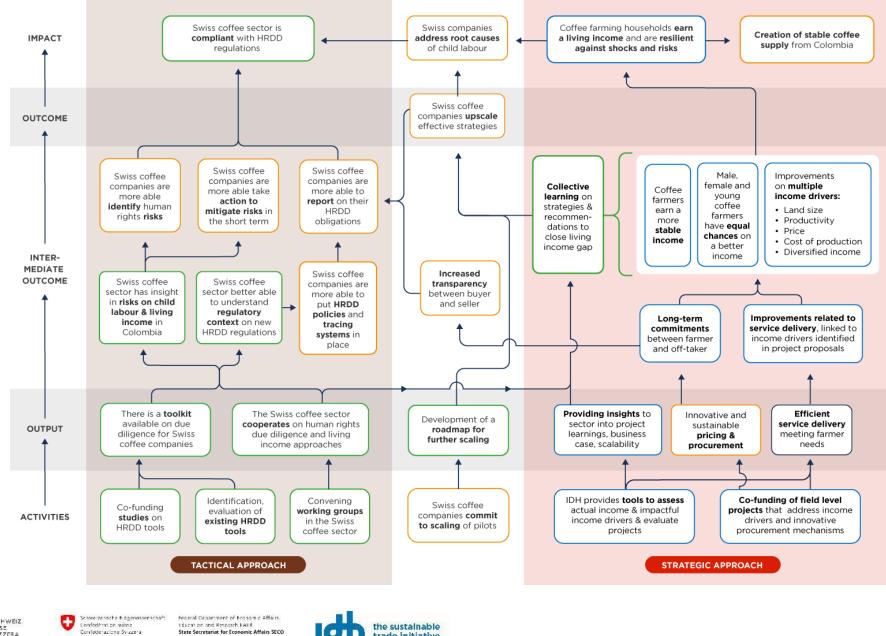
THEORY OF CHANGE CIC-SECO-IDH PROGRAM



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Theory of Change assumptions

- Pre-competitive cooperation is needed to take action on human rights risks.
 - There are already insights available on HRDD within the companies as well as within SECO.
 - Participants in the Initiative are willing to share these in the pre-competitive space.
- Link between better income and child labour:
 - Income stability, equitable income and increase in income are pre-conditions for eliminating child labour.
 - From a comparative study done in cocoa, we can confirm that <u>a decline in income</u> and <u>shocks to income</u> lead to an increase in child labour. Under that assumption, we work on different components of 'better income' for farmers and aim to achieve a living income
 - From this assumption, field-level activities will focus on income improvement of farmers in line with the IDH income driver thinking and are therefore not specified in detail in the ToC
- Unusual price conditions in the coffee sector:

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- The current peak in pricing is temporary and will decline within the timeline of the program
- Considering the issues around price volatility, the assumption is that long-term, transparent relations between producer and buyer are key to 1) keep visibility of HRDD issues in the supply chain 2) ensure a stable coffee supply and 3) pay prices that enable a living income



