

U.S. DEPARTMENT OF LABOR  
BUREAU OF INTERNATIONAL LABOR AFFAIRS

TREND ANALYSIS SUMMARY REPORT

OFFICE OF CHILD LABOR, FORCED LABOR AND  
HUMAN TRAFFICKING  
EDUCATION INITIATIVE PROGRAM

Submitted By  
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## EXECUTIVE SUMMARY

The United States Department of Labor (USDOL) provides funding to grantees and contractors for services related to combating exploitive child labor in targeted countries throughout the world. The Office of Child Labor, Forced Labor, and Human Trafficking (OCFT) within the Bureau of International Labor Affairs (ILAB) provides financial and programmatic oversight for the services rendered in accordance with each grantee's cooperative agreement. Over \$780 million has been appropriated for international technical assistance to combat exploitive child labor in over 80 countries around the world. Since 1995, USDOL-funded projects have withdrawn or prevented over 1.3 million children from exploitive labor.

Williams, Adley and Company, LLP (Williams Adley) was contracted by OCFT to conduct independent examinations of Education Initiative (EI) projects. Through May 2009, 30 EI projects with a combined funding allocation of over \$131 million have been examined. We determined that, overall, the grant recipients were compliant with the regulatory and reporting requirements, accepted findings and recommendations in a constructive and positive manner, and substantially achieved withdrawn and prevented child labor goals.

The examinations did result in 221 findings. Seventy-four percent, or 164, of these findings were not considered major deficiencies. The remaining 57 findings were significant conditions related to regulatory compliance or program success. Conditions were deemed significant if they were systemic in nature and likely to substantially diminish program success if left unresolved, or reflected substantial noncompliance with program regulations or guidelines requiring immediate management corrective action. Approximately \$1.1 million of project costs were questioned because the auditors determined that the grantees had charged to USDOL's projects costs that did not meet allocable, allowable, or reasonableness requirements. This amount was less than 1% of the costs incurred for the projects examined.

This trend analysis highlights specific patterns and commonalities among examined projects to assist OCFT in identifying significant trends, addressing issues unique to each region, and planning technical assistance accordingly. In order to identify trends or patterns among the findings, the data was analyzed by type, significance, and frequency, questioned costs, and geographic region. Our analysis had the following notable observations:

- Projects operating in Africa were at a higher risk for significant noncompliance issues and questioned costs. The Africa region accounted for the majority of significant findings (52%) and nearly half of all findings (43%) although this region represented only 34% of the projects reviewed. As such, projects operating in Africa may warrant an increased level of oversight and technical assistance. The absence of infrastructure, instability in the local governing environment, and weakness of government institutions and skilled labor contributed to these results.
- Conditions impacting the performance goals and reported results of the Education Initiative projects accounted for a majority of the significant findings (53%). Within the *Performance Data, Measures, and Goals* category, issues related to the monitoring of the working status of the projects' beneficiaries, measuring and documenting performance results, conditions

that could adversely affect the safety or health of children at schools that enrolled beneficiaries, and the achievement of the projects' performance targets for withdrawing children from exploitive work or preventing them from entering such work were the most common findings. Available resources, cultural differences in defining child labor, and the difficulty in compiling data from remote areas on a real time basis contributed to the identified concerns. The number of program related findings reflected a systemic need for more robust training of local volunteers and community organizations used to provide direct programmatic assistance to grant recipients.

- In 33% of the projects we examined, the grantees needed to improve their practices for monitoring the projects' actual expenditures in comparison to the budgets approved by USDOL, as indicated by charges to some budget categories that exceeded the authorized amounts, significant under-utilization of funds in other cases, or errors in classifying costs to budget categories. Over-expenditure on approved construction activities and delays in project startup were common causes for the issues we observed.
- Grantees that were required under the terms of the cooperative agreements with USDOL to contribute a specified amount, or matching contribution, to their EI projects needed to develop or improve systems for ensuring that the contributions were provided to the project, expended for the purposes authorized in the budget, and/or reported accurately to USDOL in 27% of the examined projects. We found that although grant recipients were contributing significant resources to the EI projects, in some instances grantees had not developed systems for calculating and recording their contributions.
- Missing or conflicting support for disbursement transactions was observed among 37% of the projects examined. These findings, in general, were observed in field locations where internal controls such as proper invoice review and documentation, and separation of duties had not been institutionalized. The auditors determined that grant recipients had not obtained and were unaware that certain types of expenses required specific prior approval from USDOL.

The grant recipients were responsive and dedicated to the needs of the targeted population of vulnerable children and exploited child laborers based on our site visits. Services were being rendered in sometimes difficult, remote, and inhospitable conditions. Many of the targeted children were from areas of past or recent civil unrest and conflict, and basic infrastructure including acceptable school facilities, potable water, and sanitary conditions were in short supply or nonexistent, particularly in the Africa region. It is commendable that the EI program continued to withdraw children from and prevent exploitive child labor under these circumstances.

## I. BACKGROUND

The Office of Child Labor, Forced Labor, and Human Trafficking (OCFT) is an office within the Bureau of International Labor Affairs (ILAB), an agency of the U.S. Department of Labor (USDOL). OCFT activities include research on international child labor; supporting U.S. government policy on international child labor; administering and overseeing cooperative agreements with organizations working to eliminate child labor around the world; and raising awareness about child labor issues.

Since 1995, the U.S. Congress has appropriated over \$780 million to USDOL for efforts to combat exploitive child labor internationally. This funding has been used to support technical cooperation projects to combat exploitive child labor in more than 80 countries around the world. Technical cooperation projects funded by USDOL range from targeted action programs in specific sectors of work to more comprehensive programs that support national efforts to eliminate the worst forms of child labor as defined by ILO Convention 182. These projects have resulted in the withdrawal or prevention of over 1.3 million children world wide.

USDOL-funded child labor elimination projects generally seek to achieve five major goals:

1. Withdrawing or preventing children from involvement in exploitive child labor through the provision of direct educational services;
2. Strengthening policies on child labor and education, the capacity of national institutions to combat child labor, and formal and transitional education systems that encourage children engaged in or at risk of engaging in exploitive labor to attend school;
3. Raising awareness of the importance of education for all children and mobilizing a wide array of actors to improve and expand education infrastructures;
4. Supporting research and the collection of reliable data on child labor; and
5. Ensure the long-term sustainability of these efforts.

The approach of USDOL child labor elimination projects – decreasing the prevalence of exploitive child labor through increased access to education – is intended to nurture the development, health, safety, and enhanced future employability of children engaged in or at-risk of entering exploitive labor.

USDOL reports annually to Congress on a number of indicators. As these programs have developed, an increasing emphasis has been placed on ensuring that the data collected by grantees is accurate and reported according to USDOL definitions.

In the appropriations to USDOL for international child labor technical cooperation, the US Congress directed the majority of the funds to support the two following programs<sup>1</sup>:

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<sup>1</sup> In 2007, the US Congress did not direct USDOL's appropriations for child labor elimination projects to either of these two programs. That year, USDOL allocated \$60 million for child labor elimination projects through a competitive process.

## *1. International Labour Organization's International Programme on the Elimination of Child Labor (ILO-IPEC)*

Since 1995, the US Congress has earmarked some \$450 million to support the International Labor Organization's International Program on the Elimination of Child Labor (ILO/IPEC), making the U.S. Government the leading donor to the program. USDOL-funded ILO/IPEC projects to combat child labor generally fall into one of several categories: comprehensive, national Timebound Programs (TBP) to eliminate the worst forms of child labor in a set time frame; less comprehensive Country Programs; sector-specific projects; data collection and research projects; and international awareness raising projects. In general, most projects include "direct action" components that are interventions to remove or prevent children from involvement in exploitive and hazardous work. One of the major strategies used by IPEC projects is to increase children's access to and participation in formal and non-formal education. Most IPEC projects also have a capacity-building component to assist in building a sustainable base for long-term elimination of exploitive child labor.

## *2. Child Labor Education Initiative*

Since 2001, the US Congress has provided some \$269 million to USDOL to support the Child Labor Education Initiative (EI), which focuses on the elimination of the worst forms of child labor through the provision of education opportunities. These projects are being implemented by a wide range of international and non-governmental organizations as well as for-profit firms. USDOL typically awards EI cooperative agreements through a competitive bid process.

EI projects are designed to ensure that children in areas with a high incidence of child labor are withdrawn and integrated into educational settings, and that they persist in their education once enrolled. In parallel, the program seeks to avert at-risk children from leaving school and entering child labor. The EI is based on the notion that the elimination of exploitive child labor depends, to a large extent, on improving access to, quality of, and relevance of education. Without improving educational quality and relevance, children withdrawn/prevented from child labor may not have viable alternatives and could resort to other forms of hazardous work. EI projects may focus on providing educational services to children removed from specific sectors of work and/or a specific region(s) or support a national Timebound Program that aims to eliminate the worst forms of child labor in multiple sectors of work specific to a given country.

### *Other Initiatives*

Finally, USDOL has supported \$2.5 million for awareness-raising and research activities not associated with the ILO/IPEC program or the EI.

Projects funded by OCFT are subject to the Government Performance Results Act (GPRA) of 1993, which asserts that:

1. Waste and inefficiency in Federal programs undermine the confidence of the American people in the Government and reduces the Federal Government's ability to address adequately vital public needs;

2. Federal managers are seriously disadvantaged in their efforts to improve program efficiency and effectiveness because of insufficient articulation of program goals and inadequate information on program performance; and
3. Congressional policymaking, spending decisions and program oversight are seriously handicapped by insufficient attention to program performance and results.

USDOL developed two key common indicators for GPRA reporting: 1) number of children prevented or withdrawn from exploitive child labor and provided education and/or training opportunities as a result of USDOL-funded child labor elimination projects, and 2) number of countries with increased capacities to address child labor as a result of USDOL-funded child labor elimination projects (Please see Appendix 1 for a full description of the first indicator and related definitions).

Understanding that a robust oversight plan includes independent examination and the USDOL Office of the Inspector General's concerns about the adequacy of single audits to meet the audit coverage and financial management requirements of USDOL grantor agencies, OCFT contracted Williams, Adley to conduct independent examinations of EI cooperative agreement recipients. The purpose of the examinations is to:

- Determine whether grantees are in substantial compliance with the financial and regulatory requirements of their cooperative agreements;
- Assess whether the financial progress reports submitted are accurate and reliable; and
- Assess whether the performance progress reports submitted are accurate and reliable for GPRA reporting purposes.

## **II. SCOPE, CRITERIA, AND METHODOLOGY**

The examinations were performed in accordance with generally accepted Government Auditing Standards and requirements established under the Code of Federal Regulations (CFR), Title 29, Part 95. Accordingly, the process included assessing, on a test basis, evidence about the grantees' compliance based on review of their procedures and practices during the period of review and assessing whether financial and performance progress reports were accurate and reliable. The period of review was typically the most recent two year period, although this timeframe may have been expanded to test areas of higher risk or shortened if the cooperative agreement was in place during a shorter time period.

Our test work was divided into several broad categories according to the engagement objectives. The testing categories were established to determine compliance and reporting accuracy in the performance and financial aspects of each project. These areas included the following:

- *Administrative Procedures* – This area includes a review of management organizational structure, skills, and administrative oversight of the project, adequacy of financial management system applications and controls, and use of internal and external audits to enhance efficiencies and program effectiveness per regulatory requirements.

- *Fraud Risk Assessment* – This area focuses on management attitude toward, evaluation of, and preventive or corrective measures taken to reduce or mitigate fraud risk in programmatic and financial activities in accordance with sound business practice.
- *Performance Data, Measures and Goals* – This area consists of validation of performance data collection, verification, and reporting techniques and results in accordance with regulatory and cooperative agreement requirements. It also includes a review of the effectiveness of monitoring procedures, analysis of compliance with withdrawn/prevented definitions for GPRA reporting, and observations of learning environments for children at-risk of or removed from exploitive child labor.
- *Cash Management* – This area includes evaluation of compliance with the U.S. Treasury Department’s cash draw down requirements and reporting, management of cash on-hand, and petty cash controls per regulatory financial management requirements.
- *Budgets* – This area examines and compares actual expenditures to the approved budget to ensure compliance with budgetary line item ceilings, and reviews budgetary controls that are in place to ensure proper monitoring of funding expenditure rates, cost sharing requirements, and allowable costs.
- *Disbursements and Financial Reporting* – This area is focused on verification of the disbursement and payroll process controls, proper assignment of costs to the project, and accurate and timely financial reporting of project related expenses.
- *Procurement and Inventory Management* – This area pertains to utilization of proper procurement procedures for goods and services to obtain the best value for funds spent, subcontracting of programmatic activities that comply with appropriation restrictions on sub-grants, and incorporation of acknowledgements, terms, and conditions on project promotional materials and procured services pursuant to regulatory and cooperative agreement requirements. In addition, inventory management is examined to ensure proper safeguarding and accountability of project assets, and the accuracy of periodic inventory reporting requirements.

The audit team traveled to each grantee’s headquarters office, field offices and selected project sites to observe, assess and conduct inquiries of each project’s attributes, challenges and results. In addition, we met with key stakeholders at schools and vocational training programs, including employees, students, parent committees and government school officials and teachers. These meetings allowed us to gather information necessary for making determinations about the degree to which each project was in compliance with USDOL requirements. They also allowed us to collect information about the frameworks established for the collection and reporting of performance data and determine whether those frameworks ensured data accuracy. Field site visits also provided the opportunity to physically and analytically determine the status of each project’s budget, expenditures, cash management, procurement and inventory controls, and compliance with USDOL regulations.

The primary objective of conducting the examinations was to express an opinion on management assertions that the grant recipient complied with the terms and conditions of its cooperative agreement and 29 CFR, Part 95. Other objectives were to determine, through review of internal controls and verification testing, that performance and financial controls were in place and effective, and the financial reports and reported performance data were accurate and reliable.

### **III. TREND AND PATTERN ANALYSIS**

From November 2004 and through May 2009, Williams Adley audit teams examined 30 USDOL Child Labor Education Initiative projects according to the methodology described previously. Our examinations resulted in 221 findings, of which 57 were considered significant. Significant findings were defined as issues posing a substantial risk to programmatic success due to the systemic or pervasive nature of the issues reported, or because of critical non-compliance with program requirements. Approximately \$1.1 million of project costs, or less than 1% of the costs incurred for the projects examined, were questioned as a result of findings where the auditors determined that allowable, allocable, or reasonableness requirements were not met.

We compiled and analyzed the results of our examinations of USDOL's Education Initiative projects in order to isolate trends that could be useful for planning future projects and improving the program by addressing common concerns. In order to identify trends or patterns among the findings, the data was analyzed by type, significance, and frequency, and compiled by geographic region.

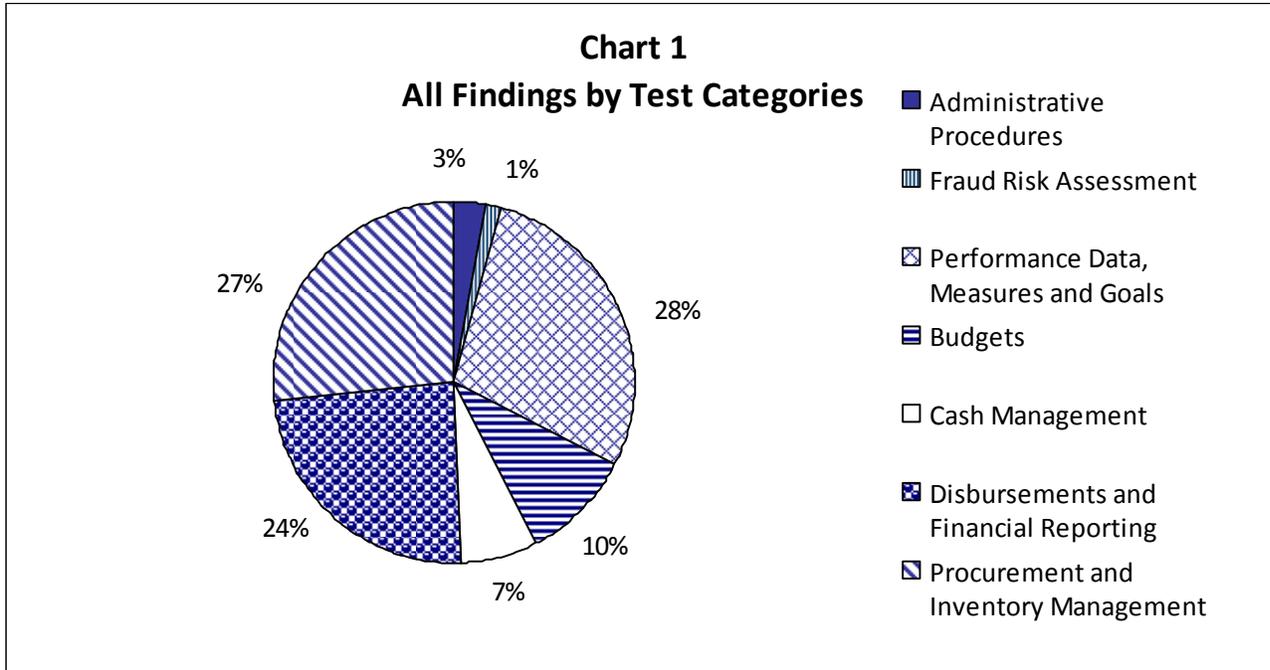
The results of our analysis are described below and separated according to the three objectives of our engagements: 1) general trends and compliance with cooperative agreement provisions and federal regulations; 2) performance reporting and controls; and 3) financial management reporting and controls.

#### **A. General Compliance Trends**

##### **1. Compliance Results**

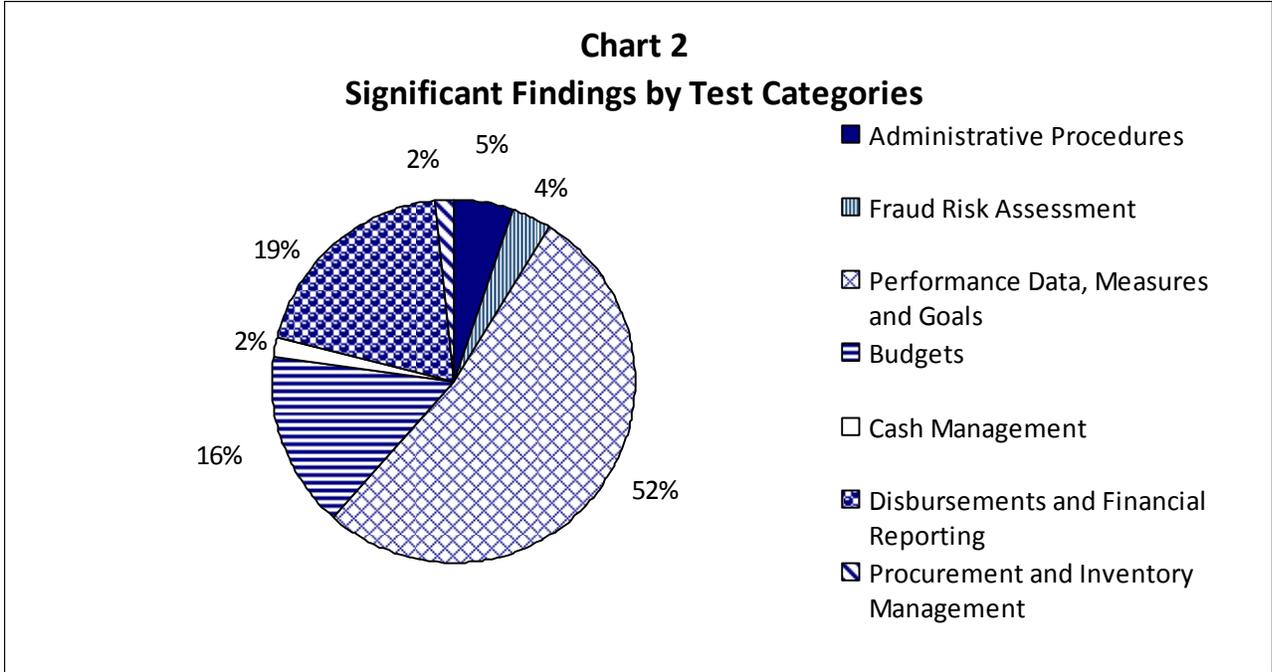
In this section of the report we describe overall compliance with program requirements, achievement of program objectives, and analyze trends in the projects we examined. Grant recipients generally complied with the overall guidance pursuant to their cooperative agreements and 29 CFR, Part 95. Seventy-four percent of the 221 findings we reported were not considered significant or material for reporting purposes. The remaining 57 findings, which we concluded were significant, included exceptions in each of the test categories described previously.

Our analysis included determining the distribution of findings among the seven test categories assessed during each examination. The distribution analysis revealed that three categories - the *Performance Data, Measures and Goals, Procurement and Inventory Management*, and *Disbursements and Financial Management* categories – accounted for nearly 80% of all findings and were roughly equivalent proportions of the findings. Each represented 24% to 28% of all findings as depicted in Chart 1.



Please refer to Section II – Scope, Criteria, and Methodology for a definition of each category above.

However, when we analyzed the distribution by test category of the 57 findings that were deemed significant due to the substantial impact on regulatory compliance or program success, a different pattern emerged. As can be seen in Chart 2, the *Performance Data, Measures and Goals* category accounts for over half (53%) of the significant findings. Only two other categories represent a considerable proportion of the significant findings: *Disbursements and Financial Reporting* with 19% of the significant findings and *Budgets* with 16% of such findings. Thus, it may be concluded that budgetary findings, although not as numerous, impacted program goals much more significantly than procurement and inventory management findings, which were more numerous, but considered less critical to achieving programmatic objectives. *Cash Management* and *Procurement and Inventory Management* had only one significant finding for each test category. Since we could not detect any critical trends in these categories based on the observed exceptions, the remaining discussion, as it concerns the *Cash Management* and *Procurement and Inventory Management* categories, is limited.

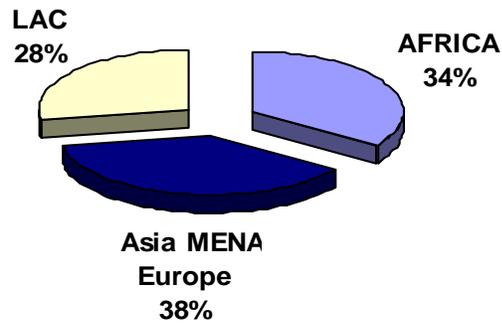


Significant findings are defined as issues having substantial impact on regulatory compliance or program success. Definitions of test categories can be found in Section II - Scope, Criteria, and Methodology.

## 2. Risk Assessment by Geographic Region

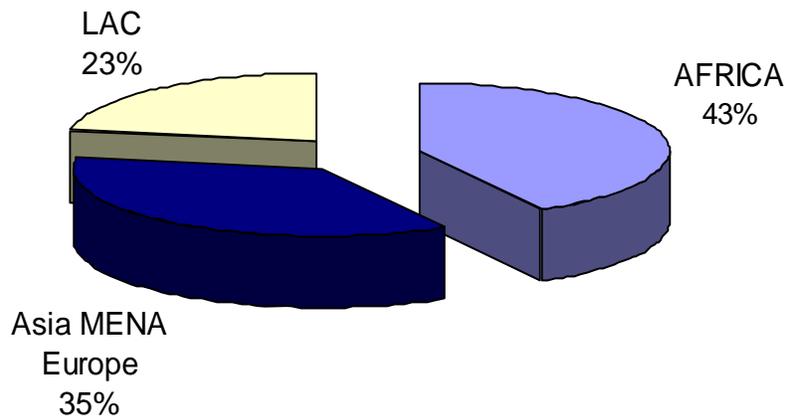
We analyzed findings in all categories to evaluate any significant trends by USDOL project regions which include: Sub-Saharan Africa (Africa); Asia, Middle East, North Africa, and Europe (Asia/MENA/Europe); and Latin America/Caribbean (LAC). As illustrated below in charts 3 and 4, the Africa region accounted for over forty percent of all findings although this region represented only about one-third of the projects reviewed. The LAC and Asia/MENA/Europe regions accounted for 23% and 35% of all findings, respectively, while representing 28% and 38% of the projects reviewed.

**Chart 3**  
**Percentage of Projects Examined**

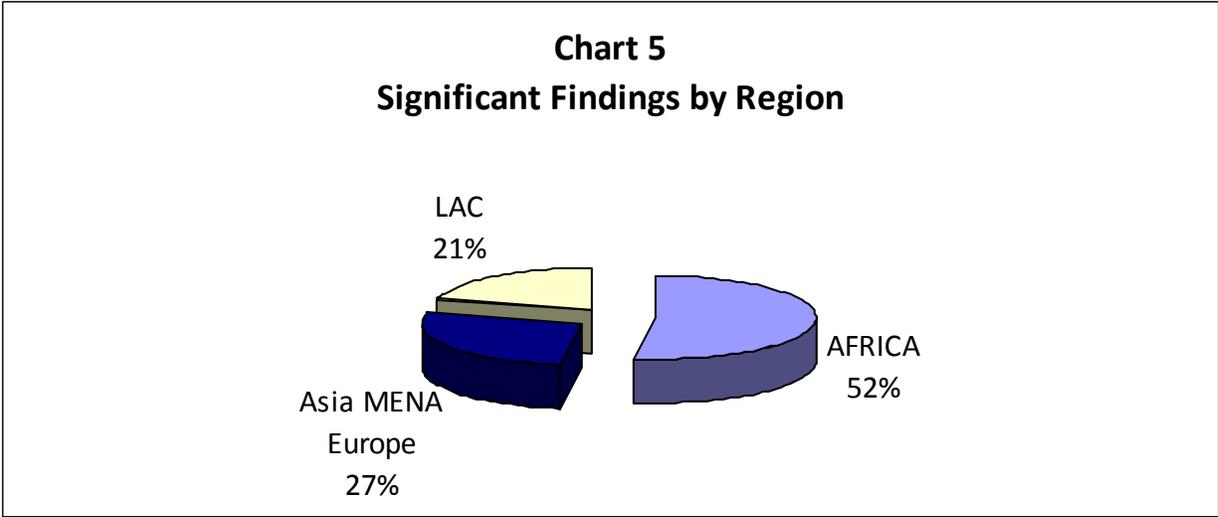


Note: We determined the percentage of projects examined based on the number of examinations per region. We conducted 11 examinations in Africa, 12 in the Asia/MENA/Europe region, and 9 in LAC (Although we performed 30 examinations, one grant award included project activities in each region resulting in a total of 32).

**Chart 4**  
**All Findings by Region**



The Africa region accounted for an even greater share of the 57 significant findings (52%), while the LAC and Asia/MENA/Europe regions accounted for an almost equal share of the significant findings, at 21% and 27%, respectively. See Chart 5 below.



Using the above data, we determined the ratio of significant findings to the percentage of projects examined in each USDOL region to evaluate the risk of significant findings per region. A ratio of 1 was considered average risk; a ratio greater than 1 indicates a higher risk of a significant finding occurring; and a ratio less than 1 indicates a lower risk.

The resulting ratios suggested that projects operating in Africa were at a heightened risk for significant exceptions, and as such may warrant an increased level of oversight and technical assistance. As shown in Table 1, the Africa region’s risk ratio was well over the norm of a significant finding occurring. The LAC and Asia/MENA/Europe regional risk ratios were below the norm which suggests these regions had a lower risk of a significant finding.

<b>Table 1: SIGNIFICANT FINDINGS RISK ASSESSMENT</b>				
<b>Region</b>	<b>Percentage of Significant Findings</b>	<b>Percentage of Projects Examined</b>	<b>Ratio</b>	<b>Risk Assessment</b>
AFRICA	52%	34%	1.52	High
LAC	21%	28%	0.75	Low
Asia/MENA/Europe	27%	38%	0.71	Low

**3. Regional Trends by Test Category**

To further the analysis, and to better understand the critical findings contributing to the risk assessments and unique trends in each region, we developed graphs depicting the proportion of significant findings for each test category, by region, in Chart 6 .

**Chart 6: Significant Findings by Region**

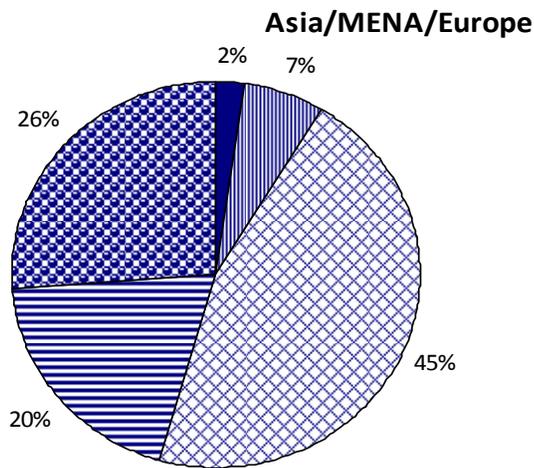
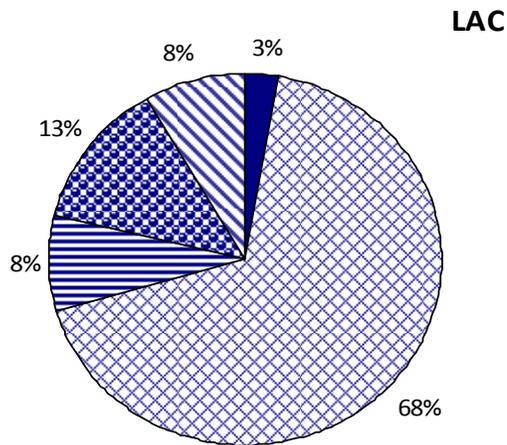
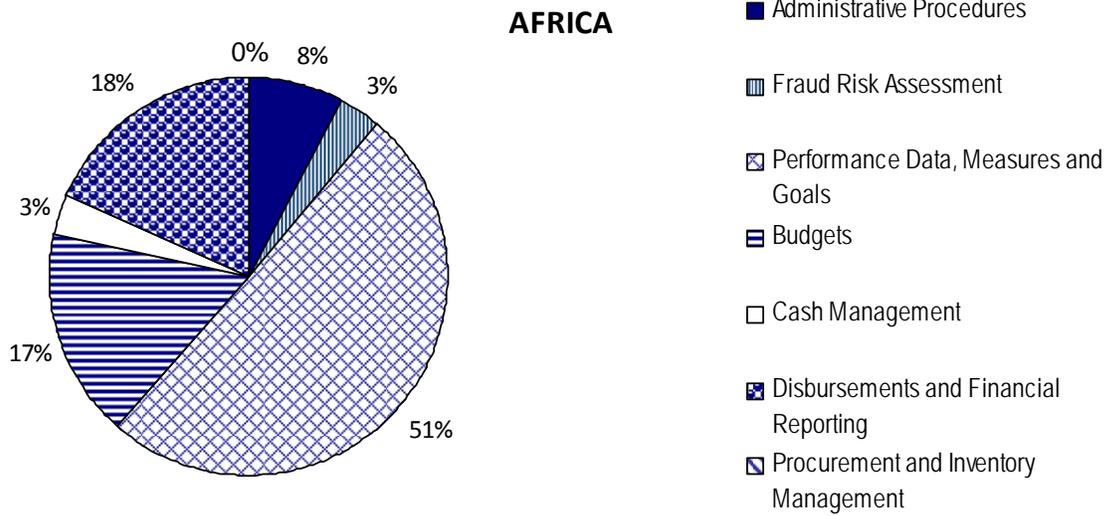


Chart 6 above visually shows that for all regions a substantial portion of significant findings was in the category of *Performance Data, Measures and Goals*, and that *Disbursements and Financial Reporting* was the second most challenging category of significant findings in each region. Budget issues were a major factor in the Africa and Asia/MENA/Europe regions, and less so for the LAC region.

## 4. Significant Findings Detail

The auditors examined key controls in each test category, observed processes and procedures, and reviewed supporting documentation to determine if internal controls were in place and effective, and to confirm compliance with cooperative agreement terms and conditions, regulatory requirements, and other grant award guidance issued by USDOL. These efforts resulted in observations summarized below by test category. However, it is noted that a breakdown of significant findings for the *Cash Management* and *Procurement and Inventory Management* categories was not included here because there was only one significant finding under each of the two categories and the auditors concluded that grant recipients complied with the requirements across all regions and for almost all projects.

### a. Administrative Procedures and Fraud Risk Assessment

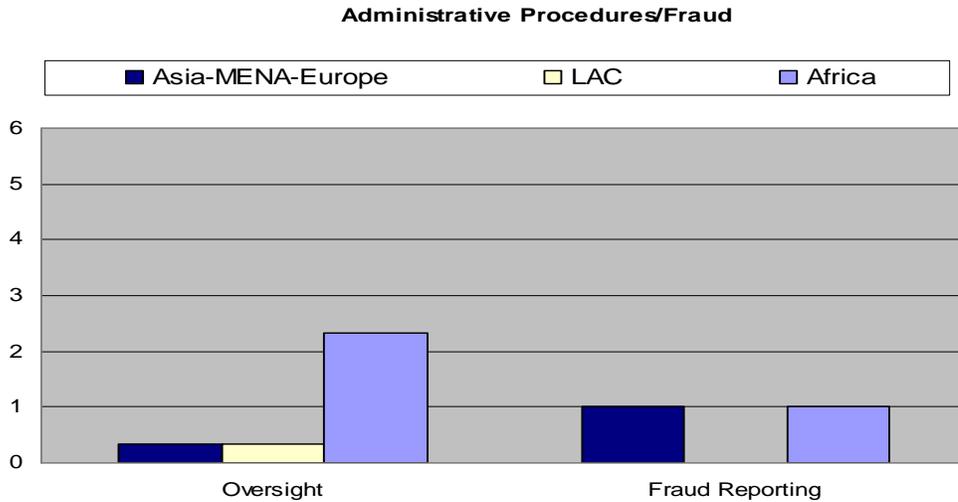
#### Administrative Procedures Background Information

For the *Administrative Procedures* category, the auditors examined the grant recipient's organizational structure and automated systems to determine if there was sufficient management oversight of the project. In particular, it was important to ascertain the project's decision-making process and determine involvement in that process of grant recipient management personnel with sufficient training, experience, and knowledge of USDOL programmatic and financial management requirements. Another key component for determining sufficient oversight was the level of automation and process standardization in compiling and communicating results from field sites to project offices and grant recipient headquarters. With increased automation and standardization of processes and procedures, it was more likely that data compilation and reporting errors would be reduced and greater reliance on the reported results could be achieved.

#### What We Reported

We observed that grant recipient management oversight was generally sufficient to compensate for the remoteness and widely dispersed geographical locations of project sites. For a few projects, we reported significant management oversight weaknesses because the project did not have sufficient management resources allocated to properly administer projects operating simultaneously in multiple countries and regions or because the project delegated significant management responsibility to local components without sufficient compensating controls. In general, grantees with their own resources and ongoing relationships in the countries where the projects were located, and in particular, in the targeted localities, provided more timely, consistent and productive management of administrative requirements and systems. Based on our observations, strong grantee management presence in the countries and localities where services are rendered is essential for proper administrative accountability.

**Chart 7  
Significant Findings Detail by Region**



### Fraud Risk Assessment Background Information

The *Fraud Risk Assessment* category was closely linked to the *Administrative Procedures* category in that the key elements of fraud risk management depended on vigilant management oversight and establishment of a cultural environment to reduce fraud risks. The auditors conducted interviews, observed internal control processes and procedures, and examined source documents to verify reported data to ascertain each project’s fraud risk susceptibility and potential reportable incidents.

### What We Reported

We found that despite shortages of basic needs, lack of sophisticated controls, and isolation of project sites that contribute to high fraud risk assessments, incidents of fraud or alleged fraud were uncommon. The two fraud reporting findings that were deemed significant in Chart 7 related to the grant recipient’s untimely reporting of a fraudulent incident upon its discovery in the Africa region and oversight of a subcontractor that needed improvement in the Asia/MENA/Europe region.

Auditors were made aware that for one project some schools had not received materials as promised. Further, it was reported that rehabilitation work had not been performed as stated in the subcontract. The grant recipient received confirmation that the subcontractor’s Provincial Coordinator tasked with managing the school rehabilitation component was removed from his position for performance reasons, but did not report the suspected, alleged or actual fraud to USDOL as required by the OCFT management guidance manual. We noted that the grantee had not confirmed the purchase of the

materials or payments made to craftsmen by the subcontractor, obtained supporting documentation from the subcontractor for expenses incurred, or conducted on-site reviews at the subcontractor's offices of supporting documentation. The grantee also did not conduct an independent investigation of the fraudulent activities once reported. Additionally, employees did not receive ethics training or a documentation process for employees to acknowledge codes of conduct. Ethics training and codes of conduct are used to diminish the rationalization for committing fraud, and therefore, the failure to utilize these tools increased the risk of fraud.

An audit team also observed instances where a grant recipient did not exert sufficient control over the execution of project activities by its subcontractors. For one project, the absence of proper oversight resulted in a significant finding because the grantee was not reviewing the accuracy and reliability of performance-related data or the supporting documentation for project expenditures reported by a subcontractor. We found that the project's staff turnover in key positions, i.e., Project Director and Education Specialist, inhibited the grant recipient's ability to provide the guidance and oversight required on a consistent basis.

These incidents, although isolated, reinforce the need for grant recipients to institute or update fraud mitigation processes such as regular ethics training and codes of conduct, maintain a fraud prevention attitude, and ensure that incidents of alleged fraud are thoroughly and timely investigated and reported to USDOL along with immediate corrective actions. Grant recipients also should ensure that adequate staff is available to properly monitor project activities and assist in the fraud mitigation process.

## b. Performance Data, Measures and Goals

### Background Information

In order to determine if performance data was being properly compiled, measured, and reported, the auditors obtained and reviewed each grant recipient's semi-annual Technical Progress Report (TPR) on achievement of strategic goals and objectives, compared source documents to grant recipient database listing of supported children, and visited sites to physically verify that reported child beneficiary numbers were accurate and project sponsored facilities presented a safe and supportive environment for the children.

Each grant recipient maintained performance records from which it reported on children withdrawn from or prevented from entering exploitive child labor. As detailed in Appendix 1, in order for children to be counted as withdrawn or prevented, they had to be completely withdrawn from or prevented from entering exploitive child labor, which includes the worst forms of child labor or hazardous labor as defined by ILO Convention 182, and provided with a direct educational service. Direct educational services include:

- non-formal or basic literacy education – This type of educational activity may include transitional, levelling, or literacy classes so that a child may be mainstreamed into formal education and/or can participate in vocational training activities;
- Vocational, pre-vocational, or skills training – This type of training is designed to develop a particular, marketable skill (e.g. mechanics, sewing, etc.); or

- The provision of goods and/or services, if lack thereof is a barrier to education, that meets the specific needs of the targeted children and results in their enrollment or retention in at least one of the four categories of educational activities which include 1) non-formal or basic literacy education; 2) vocational, pre-vocational or skills training; 3) formal education; or 4) mainstreaming. Mainstreaming is an educational activity that involves a project transitioning children from non-formal education into the formal education system. Examples of goods or services that may meet the specific gaps/educational needs of targeted children include tutoring, school meals, uniforms, school supplies and materials, books, tuition and transportation vouchers, or other types of incentives.

## What We Tested

We examined each grant recipient's records to ensure that the number of children reported as withdrawn or prevented on the semi-annual TPR was accurate and reliable, and met the definitions as described above. The records included intake and monitoring forms that were used to capture the name, age, work status, type of work performed if applicable, and family information of targeted children. Each grant recipient was expected to transfer information from intake forms to create a database or other listing of eligible children receiving direct project support. The monitoring forms captured the ongoing eligibility status of each child, e.g., that the child was still prevented or withdrawn from exploitive child labor and still fully participating in a direct educational service. We judgmentally selected samples from each project to review intake and monitoring forms for completeness and compliance with withdrawn or prevented definitions, and compared the forms to the database or other listing the grant recipient used for TPR performance reporting.

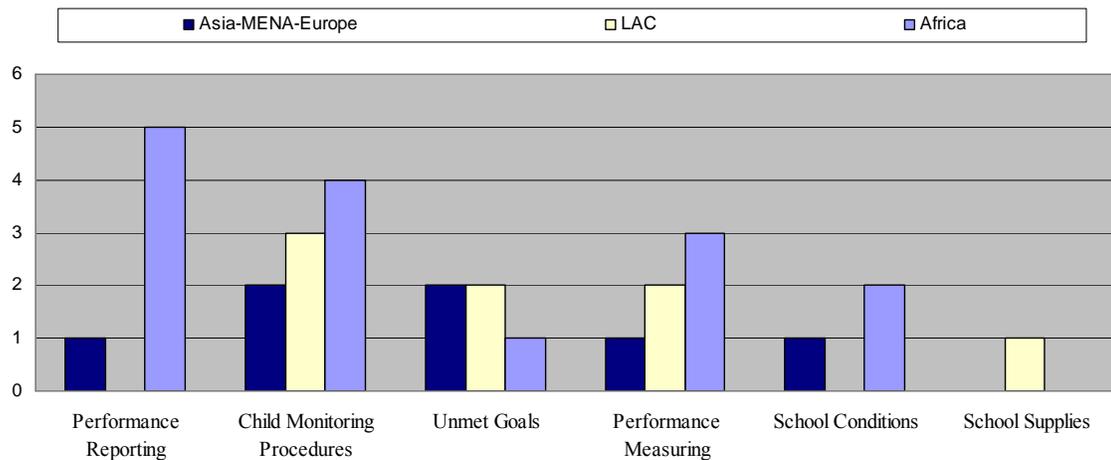
We visited school sites, literacy centers, and other facilities that provided direct educational services to the project beneficiaries. During these visits, we interviewed the supported children, teachers, school administrators, and parents to obtain their perspective of the project's efforts and to verify the current work status of the children. We also reviewed attendance logs or registers maintained by the schools or centers to verify that children reported as direct beneficiaries in the project's records agreed with the school records and that the children were in attendance on a regular basis. Another objective of the school or other site visits was to ascertain whether conditions at these facilities provided a safe and supportive learning environment for the supported children. We evaluated the availability of potable water and toilet facilities, adequacy of lighting, ventilation, and classroom space, and noted visible structural hazards in determining if the educational facility was physically safe for the children and offered a supportive learning environment.

## What We Reported

We determined from our visits that grant recipients were passionate about and dedicated in their efforts to eliminate exploitive child labor in the projects we examined. In many of the countries visited, the grantees and their local non-governmental partners were challenged by ingrained cultural beliefs and customs that found exploitive child labor acceptable, extreme poverty and scarce income sources among the targeted population, low education levels among parents and communities, and limited infrastructure upon which to leverage resources for expanding project activities. Despite these obstacles, most of the grant recipients were successful in preventing and withdrawing children from exploitive child labor, which was the main project goal.

Our discussions with parents, children, and community participants affirmed a sense of gratitude for the support provided to beneficiaries and acceptance of education for children in place of exploitive child labor. However these discussions, along with the site visits, inquiries of key project personnel, and examination of supporting documents, also resulted in the documentation of certain significant findings as illustrated in Chart 8 below:

**Chart 8**  
**Significant Findings Detail**  
**by Region**  
**Performance Data, Measures, and Goals**



Performance reporting pertains to the act of compiling and reporting on key performance indicators in the TPR. Performance indicators we reviewed included the number of children grant recipients reported as prevented or withdrawn from exploitive child labor. Because we were verifying reported data from past periods, we relied exclusively on sample testing of intake forms. A finding was noted if the auditors found significant discrepancies between the reported numbers and written documentation to support those numbers. The Africa region was the source of almost all significant findings of this type.

Child monitoring is the grant recipient’s system for ensuring that withdrawn and prevented children do not re-engage or enter into exploitive child labor while receiving direct services from the project. Typically this system included the use of NGOs, community volunteers and project staff to periodically visit supported children at school and in their homes to verify their continued status as withdrawn or prevented. Visits to supported children were documented on monitoring forms that memorialized the child’s work status, attitude about exploitive child labor, and other specific information unique to each child. The auditors made inquiries of project staff, school officials, and parents concerning the frequency of monitoring visits, if visits were made during school vacations or during non-school hours, and if school attendance records were examined to allow for immediate follow-up on children who missed school for extended periods of time. In addition, we examined a sample of monitoring forms from the project’s list of supported children to confirm when monitoring visits were made and to determine if sufficient information was collected to support the child’s

reported status. Findings were noted if monitoring forms were missing, extended absences from school were not monitored or reported, and if the monitoring system was insufficient to maintain an accurate account of each child's withdrawn or prevented status. In each of the regions, we noted issues where the monitoring procedures needed improvement.

Each grant recipient included a total number of withdrawn and prevented children it expected to achieve over the life of the grant. The auditors examined the total number of withdrawn and prevented children at the time of our site visits, and projected whether the project was likely to achieve its stated goals. The auditors' projection was influenced by several factors including the accuracy of the numbers previously reported, our assessment of the grant recipient's withdrawn and prevented definitions used to measure each child's status, and other factors such as the local political or social environment that may influence progress towards reducing exploitive child labor. Interestingly, the findings related to unmet goals are fewer for the Africa region than the other regions although it had more findings than the Asia/MENA/Europe and LAC regions for performance reporting and performance measuring. We attribute this anomaly to the fact that the number of children being removed from exploitive child labor in the Africa region was exceeding the targeted goals at a rate such that grant recipient targets would be met even after discounting for discrepancies in the previously reported numbers.

Performance measuring concerns the methods used by grant recipients to identify age appropriate children as eligible for project support including definitions used to classify children as at-risk or working in exploitive child labor at intake. Grant recipients enlisted community volunteers and local NGOs to identify children and complete intake information. The auditors made inquiries of staff, school officials, teachers, and supported children and reviewed documentation to verify the methods used to confirm that children were within the appropriate age range, 5 to 17 years old, for participation in project funded services, and were at-risk or engaged in exploitive child labor before entry into the program, but not subsequent to entry into the program. Findings were noted when we determined that children were either too young or too old to meet program eligibility requirements, or when we could not determine that directly supported children had been at-risk or previously worked in exploitive child labor at intake. We observed instances in the Asia/MENA/Europe and Africa regions where beneficiaries included young adults who were too old to meet program eligibility requirements. Also, for one instance in the Africa region, and for the LAC region, children were counted as prevented or withdrawn solely on the basis of support through educational services without further determining if the children were at-risk of or removed from exploitive child labor.

We examined school conditions to ensure that educational facilities attended by supported children were physically safe and provided an acceptable learning environment. We noted findings where school conditions posed significant health risks to the children such as no drinking water, physical structural dangers, and lack of toilet facilities. Our observations were that these hazardous conditions were more prevalent in the Africa region than in the Asia/MENA/Europe or LAC regions, and that the Africa region suffered to a greater degree from systemically poor school infrastructure, limited government funding support for educational facilities, and overcrowding in available school classrooms.

School supplies include uniforms, books, writing utensils, backpacks, vocational training equipment, and other accessory items. We examined the availability of these items at schools, educational centers and other facilities where project supported educational services were being funded. In particular, the auditors verified that appropriate safety equipment was available for children learning vocational trades where exposure to machinery could result in severe injuries, and that educational materials were provided to children in grant recipient non-formal educational facilities. The finding we noted in this area was due to an instance where the grant recipient did not ensure that supported children in its non-formal educational centers were receiving the required learning materials.

## c. Budgets

### Background Information

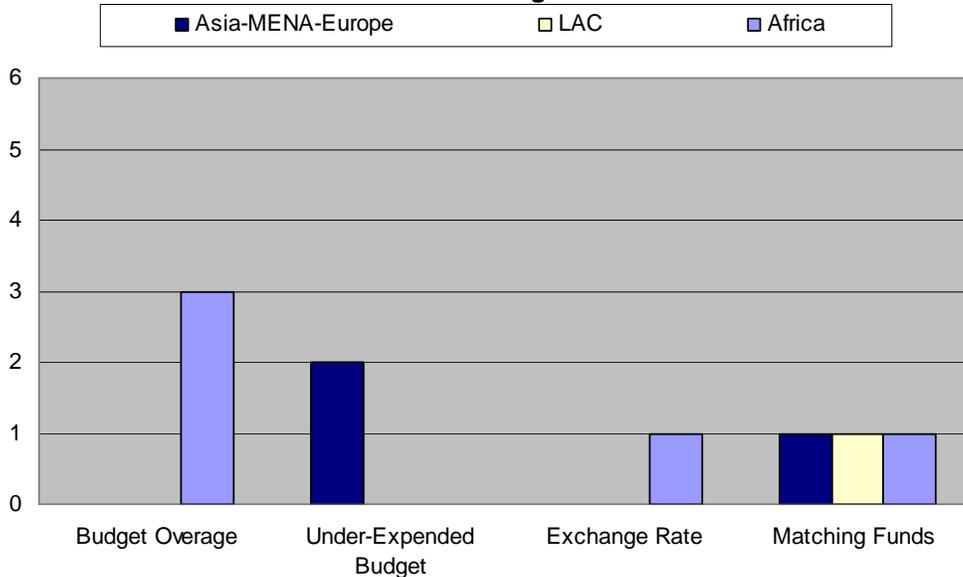
Each grant recipient was awarded a fixed budget amount to execute the EI program under its cooperative agreement with USDOL. The budget amount was composed of specific allowable cost categories of labor, fringe benefits, equipment, other direct costs, indirect costs and a contingency amount. Other direct costs usually consisted of subcontracts, travel expenses related to project activities, program materials, training, etc. The indirect costs were assigned a percentage of direct costs and were used to compensate for grant recipient overhead and general and administrative costs related to managing the project. The contingency component was reserved for unanticipated costs such as those resulting from significant fluctuations in currency exchange rates.

A limited number of grant recipients had a cost share or matching fund component approved as part of their project budgets. The matching amount, provided by the grant recipient from in-kind contributions, donated labor, or third party contributions, could only be counted as a project related expense if it met the allowable cost requirements for USDOL grant funds. As such, and in order to demonstrate that they met their matching fund requirements, grant recipients needed to establish a system to capture in-kind and donated contribution information, assign a value to the contributions, and report on the cumulative contributions.

### What We Tested and Reported

The majority of grant recipients we examined had sufficient budgetary controls in place to ensure that their projects operated within the limits established in their approved budgets. However, we also noted a few significant exceptions as provided in Chart 9 below.

**Chart 9**  
**Significant Findings Detail by Region**  
**Budgets**



We determined exceptions based on our examination of the approved budget and comparison of actual expenditures to the approved budget by budget category line item for both USDOL funds and grant recipient contributed matching funds. We noted significant findings for the Africa region where actual expenditures exceeded the approved budgets and were expected to exceed the total project budgets before the grant periods ended. Budget shortfalls were attributed to increased costs in that region along with grant recipients supporting a greater number of children than originally estimated. In the Asia/MENA/Europe region, we reported two projects where actual expenditures were significantly less than expected and total expenditures would fall well short of the overall budget based on current expenditure rates. The auditors observed that a major cause for the expenditure shortfalls in these instances was because the grant recipients experienced substantial delays in starting the projects.

We noted one exception where the exchange rate used by grant recipients to convert actual costs from the local currency to US Dollars for cost comparisons to the budgeted amounts was not accurate. This finding was considered significant because the systemic use of erroneous currency exchange rates substantially inhibited the grant recipient's ability to properly monitor costs against budget limitations which could materially impact available funding for project activities over the remaining life of the grant award.

The three instances the auditors reported as significant deficiencies concerning matching funds were the result of the grant recipients not having systems in place to properly track or record these cost contributions. Consequently, the projects had recorded matching fund contributions that were substantially less than grant commitment levels required at the time of our visits.

## d. Disbursements and Financial Reporting

### Background Information

Each grant recipient is required to maintain accounting records that identify adequately the source and application of funds for federally-sponsored activities and to provide an accurate, current and complete disclosure of the financial results of each federally-sponsored project. Charges to grant awards for salaries and wages, whether treated as direct costs or indirect costs, must be based on documented payrolls approved by a responsible grant recipient official. Certain costs, such as housing related costs and personal living expenses, are allowable as direct costs to a sponsored award when necessary for the performance of the sponsored award and approved by awarding agencies. USDOL determined that particular types of payments, such as direct payment of funds or donation of goods to beneficiaries or their families, were not allowable costs for the EI funded projects. USDOL also established an indirect cost ceiling amount for projects whereby indirect costs incurred above the ceiling could not be charged to the project.

### What We Tested

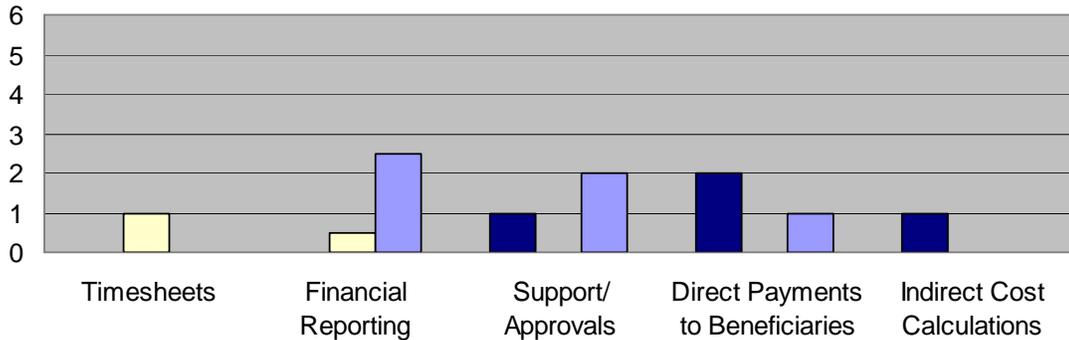
In order to test for grant recipient compliance with these disbursement recordkeeping and financial reporting requirements, the auditors made inquiries, obtained accounts payable policies and procedures, became familiar with project financial management system process flowcharts, examined source documents and payment vouchers, and reviewed personnel records and payroll files. Specifically, we reviewed general ledger records that provided transaction level information about project expenditures and charges, compared total project outlays reported on quarterly or semi-annual financial status reports (SF-269) to the general ledger totals, and confirmed that SF-269 reports were submitted accurately and on time. We verified that grant recipient employees charged to the project matched the personnel records on files, and that payroll charges were properly allocated based on project activities. Also, we reviewed the type of expenses grant recipients charged to their projects, verified prior USDOL approval of housing and other expenses requiring such approval, and determined if any projects were charged for unallowable expenses that were incurred. In terms of indirect costs, we computed the indirect cost rate charged to each project and compared the results to the indirect cost rate per the approved budget.

### What We Reported

Despite the limited financial management tools and systems available at the project sites, differences in time zones and currencies between project offices and headquarters, and the weakness of financial institutions in many countries the auditors visited, overall financial reporting and disbursement recordkeeping by grant recipients was substantially compliant with the requirements. The significant deficiencies in disbursements and financial reporting that were noted are summarized in Chart 10 below.

■ Asia-MENA-Europe                      □ LAC                      ■ Africa

**Chart 10**  
**Significant Findings Detail by Region**  
**Disbursements and Financial Reporting**



We found that for one project in the LAC region, individual timekeeping records were not maintained for each person charged to the project. The grant recipient used exception reporting to record labor hours. That is, individuals were assumed to have worked fulltime on the project, and paid accordingly, unless they indicated otherwise (exception reporting). This system did not comply with federal requirements to maintain personnel activity records for each employee charged to the grant award.

Financial reporting was an issue for three projects, and was mostly confined to the Africa region. The auditors determined that for these projects, the financial status reports (SF-269) had been submitted late on multiple occasions and were not accurate. The main cause for these errors was the untimely submission of information from local NGOs or the grant recipient’s unfamiliarity with the financial reporting form.

Our review of supporting documentation for disbursements resulted in significant findings for three projects. Significant findings of this type occurred because the grant recipient had not obtained documentation to support payments made to local NGOs for their services to the project.

Direct payments to beneficiaries were significant for three projects, two in Asia/MENA/Europe and one in Africa. These projects made direct payments to beneficiaries for them to purchase school supplies and uniforms, or donated food to the beneficiary families. Although the value of these payments or donations was not material, the systemic nature of these activities, which USDOL determined was not allowed under the EI program, resulted in significant findings being reported.

For one project in the Asia/MENA/Europe region, we found the rate at which indirect costs were being charged to the project would result in indirect costs exceeding the approved indirect cost ceiling for the project by a substantial amount. Because the grant recipient had not developed a plan to compensate for the excessive indirect costs through other funding sources, the auditors determined

that funds budgeted for direct services were being diverted to pay for overhead costs, which was not allowed.

## B. Performance Reporting and Controls

### 1. Summary of Results

We concluded that 19 of 30 grant recipients submitted performance reports that were accurate and reliable. However, despite substantial efforts to recruit, monitor, and report on the withdrawn or prevented labor status of targeted children in accordance with USDOL requirements, we observed that, in some cases, grant recipients experienced difficulties in executing performance strategies associated with the grant awards.

As noted previously, the majority of significant findings fell within the test category of *Performance Data, Measures, and Goals*. Of the 57 significant findings, 30 (53%) resulted from issues within this area. Only 2 of 30 projects examined did not have a finding in this area of focus and fifty-seven percent of projects had a significant performance related finding. Despite the number of performance related issues we observed, we determined that these issues did not have a material impact for over 83% of the examined projects in terms of achieving performance goals.

In Table 2, we summarize the key issues that the auditors reported and follow-up with a discussion concerning the specific conditions, causes, recommendations, and other aspects associated therewith.

Performance measuring and reporting were the most frequent significant findings across all engagements. Eleven projects had significant findings relating to performance measuring and/or reporting, leading the auditors to question the integrity of their reported performance numbers. Monitoring of supported children to ensure their continued withdrawn or prevented status was the second most common and significant issue. Performance measuring and monitoring activities typically were performed by local NGO representatives and community volunteers who were less knowledgeable about or familiar with USDOL program requirements.

**Table 2**  
**Summary of Performance Data, Measures and Goals Findings**

	Number of Significant Findings	Percentage of All Significant Findings	Percentage of Examined Projects with a Significant Finding
<b>All Performance-Related Findings</b>	30	53%	57%
Performance Measuring/ Reporting	11	19%	37%
Child Monitoring Procedures	9	16%	30%
Unmet goals	5	9%	17%
School/Classroom Conditions	5	9%	17%

Below is a summary of the issues that frequently led to significant performance findings:

- Children were counted as withdrawn or prevented who did not meet EI program eligibility requirements, such as young adults over the age of 18, and duplicate entries for beneficiaries were found.
- The working definitions for reporting to USDOL did not comply with its definitions for withdrawn, prevented or retained. For example, rather than determining each child's eligibility for inclusion as withdrawn or prevented based on work status information collected at intake, one project determined reporting categories based on the type of educational intervention provided.
- Beneficiaries were found to still be working under exploitive labor conditions as defined by USDOL yet counted as prevented or withdrawn. In some instances, project interventions reduced the working hours of beneficiaries; however, because the children were under the national legal working age, the children should not have been counted as withdrawn.
- Daily attendance logs did not match enrollment or retention figures. Beneficiaries were reported as retained although attendance logs demonstrated extended school absences ranging from a few weeks to over one year.
- School conditions at some facilities created a hazardous environment for the supported children which required immediate remediation. Such conditions included poorly constructed structures with limited protection from severe weather, very poor lighting, physical hazards that could injure or harm inattentive children, absence of potable drinking water, and the lack of available and safe toilets.
- Seventeen percent of projects we examined were significantly short of their stated goals for withdrawing and preventing exploitive child labor. In one instance, we found a project had not withdrawn or prevented any children although it was well into its second year of operation.

## **2. Performance Measuring, Monitoring, and Reporting**

### **What Caused Findings Related to Performance Measuring, Monitoring and Reporting?**

We observed that performance measuring issues were caused by many factors. Our first set of attestation engagements found that children were being enrolled in educational programs and recorded as withdrawn and prevented based on enrollment only. OCFT responded by issuing clear guidance to grant recipients on withdrawn and prevented definitions and the information required to support each classification. However, during subsequent field visits we observed that project intake forms did not capture all the information necessary for determining work status or program eligibility at program entry. For example, the initial intake/enrollment form used by some grant

recipients did not include questions regarding children's work status or include an assessment of program eligibility according to age or work status. Furthermore, grant recipients were not extending proper training on the terminology used for performance measuring and reporting beyond key staff members. That is, grant recipients did not always properly train field staff, volunteers, teachers and others involved in either the selection of program participants or the collection of the data for the reports on the program goals and definitions of withdrawn/prevented. During our interviews, we noted that knowledge and understanding of these concepts varied greatly among these individuals.

Audit teams also found the working definitions used by grant recipients for reporting the number of children withdrawn and prevented in technical progress reports did not always take into account the full definitions as laid out in OCFT's Management Procedures and Guidelines, and were sometimes inconsistent with the USDOL definitions of withdrawn and prevented. Further, projects did not always clearly delineate the difference between activities that were considered work and those considered chores in the agricultural regions where family farms were prevalent, and how such nuances were captured on intake and monitoring forms.

Performance monitoring plans did not include continued monitoring and documentation of work status for individual beneficiaries. Often work status was recorded only at intake; projects did not design or collect follow-up forms to document beneficiaries' work status over time to ensure that the children have not re-engaged in exploitive labor after entering project supported programs. Further, grantees did not provide sufficient instruction to partner organizations or subcontractors whose agreements require follow-up of attendance, work status, and attrition. When performing site visits, project staff may have inquired about the reasons for student absences and dropouts but the results were not consistently recorded and the process was not designed to continuously monitor and verify the working status of children for accurate reporting on direct beneficiaries as defined by OCFT. Monitoring measures and data collection conducted after enrollment by the project focused primarily on school attendance or the quality of instruction received by beneficiaries and/or student achievement. Projects relied on teachers to document retention and to know whether the beneficiaries were working. The assumption was that if a child was attending school regularly then s/he could not also be working under exploitive conditions. Compiled information was not always verified to ensure accurate data entry and, because some projects did not always confirm daily attendance or compare attendance logs with their recorded data, errors in reported numbers were not always identified and corrected. In some Asia/MENA/Europe locations, repetitive use of the same name, or children known by many different names in the Africa region, contributed to errors in the recorded information.

We also noted child monitoring procedures did not consistently include a written process for when children are not in school. Projects serving rural areas where children may work long hours during the harvest season did not always develop a monitoring strategy specific to the harvest seasons when children are most at-risk. We observed that school absences during harvest season appear to be accepted as custom in many agrarian societies and not viewed as contrary to project goals. As such, robust monitoring may be impeded by this culturally accepted practice.

## What We Recommend to Resolve Performance Measuring, Monitoring and Reporting Findings

Due to the complexity and country-specific nuances of the definitions used for technical progress reporting, training of key staff, teachers, partners in the field, and volunteers who assist in the collection of the data for reporting purposes is critical. These stakeholders should be very familiar with the EI program goals, the criteria used for determining program eligibility, and the activities and parameters utilized by the project for defining exploitive work conditions. This is necessary to ensure a consistent application of withdrawn and prevented definitions and recording of information on intake forms that clearly links each child to one of the GPRA categories. Training for performance measuring and reporting will not only provide better reporting, but also equip these stakeholders with the knowledge essential for providing additional support to beneficiaries who may be on the cusp of re-entering or entering into exploitive labor conditions.

Projects should establish a system to validate recorded performance numbers against source information, such as attendance logs, and immediately correct deficiencies or errors found during this process. Such a system also would provide greater assurance that attendance is taken consistently at project supported schools and reduce reliance on the recorded names in the database.

Thoroughly documented intake data, and robust and sustained child monitoring through regular and documented follow-up, resulted in better retention rates among the projects we visited. Child monitoring usually included a combination of teacher involvement, community workers, and project personnel working in collaboration to ensure proper support and encouragement was provided to targeted children. Therefore, implementation of recommendations that include establishing appropriate project specific criteria for defining withdrawn and prevented beneficiaries in accordance with USDOL guidelines, having a documented and complete intake and monitoring process, proper training of all key stakeholders with a role in the intake/monitoring process, and ensuring that reported numbers are periodically validated against source information should improve the accuracy of performance results.

### **3. School Conditions**

#### What Caused Findings Related to School Conditions?

Of the thirteen findings relating to the health and safety of school and classroom conditions, five were deemed to be of a significant nature. Three of the five projects with this condition were located in the Africa region and one each in the LAC and Asia/MENA/Europe regions. The project in the LAC region was the only one with a significant finding not related to school facilities. Specifically, required educational materials for children at three designated learning centers visited were not available, or the children were re-using old material. The grant recipient was not properly monitoring all project activities, and thus, had not taken appropriate action to correct this deficiency.

Severe overcrowding, hazardous shelters, food shortages, inadequate water supplies and poor sanitation were observed at the other project sites. For example, in the Asia/MENA/Europe region a

headmaster stated that 235 and 245 children were assigned to grade one classrooms that were built in schools to hold approximately 20 and 40 students, respectively. Although the auditor did not obtain an exact count of children present during his school visits, the classrooms were excessively overcrowded with children spilling out into the courtyard. The auditors observed a pattern across the Asia/MENA/Europe and Africa regions where children in the first two years of school were significantly more numerous than children in higher grades. By the sixth grade, most students had left school in the areas we visited. However, schools normally assigned one classroom to each grade level regardless of the class size. Limited local government funding was the main contributor to this situation as money to build more school structures and to pay for additional teachers was not available.

Local government funding for school rehabilitation, repairs, and basic needs also was lacking. For example, seven of the nine schools visited for one project in Sub-Saharan Africa needed school infrastructure improvements. Schools lacked potable drinking water and properly covered latrines. Classes were held outside at three schools due to a lack of school building space. At three other sites, beneficiaries were found studying in temporary classrooms made of wood sticks. Community members expressed concern that the temporary school buildings were a safety hazard for children because of rocks falling from the roof. At another project in the Africa region, no wells were dug for potable water at seven newly constructed schools visited in remote rural areas although the wells were part of the agreed upon work and were necessary due to the arid conditions and long distances to other water sources. One vocational class visited in an African region project had children performing carpentry work with sharp cutting equipment and welding without any protective equipment.

Many projects utilized government-owned school facilities for their classes. In such circumstances, projects properly assumed that responsibility for infrastructure construction and renovations fell on the government. Furthermore, project staff was under the impression that construction improvements were not allowable expenses as the costs generally were not included in approved budgets. As a result, projects were not adequately funded or designed to support needed school infrastructure improvements.

## What We Recommend to Resolve the School Conditions Findings

Oversight by project management to ensure the delivery of agreed upon school materials, work products, or safety equipment for children in vocational training could be improved. Where activities are subcontracted, management must ensure that subcontractors are held to the same performance standards and requirements as the grant recipient. If the subcontractor cannot perform at a level required to comply with performance requirements, the grantee is obligated to take corrective action. Furthermore, management must be an active participant in project oversight responsibilities by ensuring that beneficiaries receive the necessary support for children's rights and to remain withdrawn or prevented from exploitive child labor. As such, regular site visits and status updates should be part of the arsenal used by management to ensure compliance with this responsibility.

Although grant recipients correctly deferred responsibilities to appropriate government entities for substantial school infrastructure projects, obligations to protect the physical and mental well-being of the supported children should be of paramount concern and priority. As such, we recommend that grant recipients perform an assessment of facilities proposed to house project activities to determine the cost of presenting a safe and non-hazardous environment for the supported children at the onset of their award, or as soon as possible if facilities are already in use. Alternative facilities should be sought if a school/classroom is determined to be unsafe and the parties responsible for such facilities should be informed of the identified problems. Further, projects should conduct periodic assessments of the physical educational environment along with actionable strategies as part of a comprehensive approach to meet the educational needs of supported children in a safe and healthy setting. The needs assessment can be used to advocate for improved school conditions on behalf of the communities served while ensuring that supported children remain out of harm's way, especially while attending project sponsored programs and activities.

#### **4. Performance Goals**

##### **What Caused Findings Related to Performance Goals?**

The audit teams classified five of the 30 projects examined as significantly challenged in identifying prevented or withdrawn children from exploitive child labor and proceeding with prevention and withdrawal actions. Two of the projects were in the Asia/MENA/Europe region, two in the LAC region, and one in the Africa region. The auditors could not be reasonably assured that these projects would achieve their targeted number of eligible and supported children within the agreed upon performance period.

Two major factors hindered the above projects in achieving targets set forth in the project documents prepared by the grant recipients, and which were submitted to USDOL for funding approval. The auditors summarized the factors reported as contributing to the projected shortfall in achieving performance goals as follows:

- Significant delays were experienced in rolling out the project. The delays were due to: (1) strategic changes required in adjusting from an educational service project focus to a child labor extraction project focus; and (2) key personnel and subcontractors were not in place at the project's onset.
- Goals set for withdrawn/prevented were based on a less restrictive definition than those established by OCFT for GPRA reporting. In their target estimations, projects included:
  - Children “partially” withdrawn in the withdrawn targets. An example of “partial withdrawal” is the project providing school books, a uniform and supplies to a child worker under the legal working age enabling her to return to school, yet the child also continues to work on weekends.
  - Children that were provided indirect services by the project. For example, children who were provided medical services, but did not receive educational support.

This result indicates that initial project estimates were too optimistic based on current reporting requirements and that projects were not properly designed to achieve withdrawal and prevention goals using the USDOL definitions. Transitioning a child from exploitive labor conditions into a school or alternative learning environment can be a long, arduous process. Familial economics make the decision to return to school especially difficult. For these reasons, grantees often use a gradual approach to labor withdrawal and/or utilize indirect services to address a child's psycho-social needs to prepare them for school entry.

## What We Recommend for Projects to Achieve Their Performance Goals

Grantees have expressed concern that the current GPRA indicators do not fully capture the effort or great strides made by projects using a gradual approach. Although we agree that the withdrawal process may be long and difficult under certain circumstances, we recommend that the grant recipients may want to focus more of their remaining resources on expanding the prevented beneficiaries such that the total number of targeted beneficiaries still may be achievable.

## C. Financial Management Reporting and Controls

### 1. Summary of Results

We concluded that 90% of grant recipients submitted financial reports that were materially accurate, and timely, and 22 of 30 grant recipients submitted financial reports that were reliable and materially supported by the books and records maintained by the grantee. However, we did observe internal control weaknesses that increased financial management risks and contributed to questioned costs.

At least one significant finding for budget monitoring, cash management or disbursements was present in 57% of the projects examined. Significant issues stemming from budget monitoring practices, (e.g., budget overages, under-utilization of the project budget, budget line item errors, budget misclassification, or unapproved revisions) were found among five projects examined. We found that 27% of the examined projects did not properly report matching funds on the SF-269 as required by 29 CFR, Part 95, Subpart C. Ten percent of examined projects had a matching contribution finding deemed to be significant. Disbursement control weaknesses contributed to four significant findings and related questioned costs. The auditors determined that 17% of the projects examined had substantially late or inaccurate financial reports and another 3 projects had made significant direct payments to direct beneficiaries or their families.

In Table 3, we summarize the key issues that the auditors reported and follow-up with a discussion concerning the specific conditions, causes, recommendations, and other aspects associated therewith.

**Table 3**  
**Summary of Financial Management Findings**

	Number of Significant Findings	Percentage of All Significant Findings	Percentage of Examined Projects with a Significant Finding
<b>All Financial Management Findings*</b>	<b>21</b>	<b>37%</b>	<b>53%</b>
Budget Monitoring Practices	5	9%	17%
Matching Contributions	3	5%	10%
Disbursement Controls	4	7%	13%
Financial Reporting	5	9%	17%
Direct Payments to Beneficiaries	3	5%	10%
Other	1	2%	3%

*\* Includes all findings within the Budget, Cash Management, and Financial Management test categories. Please note that a detailed summary of conditions and causes is provided only for those findings that were both frequent and significant (those findings that represent at least 5 percent of all significant findings) is discussed in this report.*

Below is a summary of the issues that frequently led to significant financial management findings:

- We reported five instances where grant recipients significantly over-expended budgetary line items or where the budget was materially under-utilized. The three instances of over-expenditure occurred in the Africa region and the two projects that under-utilized their budgets were in the Asia/MENA/Europe region. Two of the over-expenditures were related to school construction activities that had not received prior USDOL approval.
- We reported three projects with significant budgetary findings that resulted from unreported matching fund contributions or ineligible cost sharing. In each instance, the grant recipient was providing in-kind labor or services through its staff and community volunteers, but a system for assigning a monetary value to the contributed effort had not been established for reporting purposes.
- We observed disbursement control weaknesses that resulted in missing or conflicting support for disbursement transactions of a significant nature for four of the projects examined. These weaknesses were mainly attributable to documentation deficiencies of local organizations that were used to initiate direct contact with the targeted populations and promote project activities.
- Submitted financial reports did not meet reporting standards in five instances because the reports were consistently late and amounts reported were inaccurate. We found that the grant recipients were either unfamiliar with the reporting requirements and forms, or were having difficulty obtaining accurate and timely financial information from subcontractors in the more remote project areas.
- Direct payment of goods or cash made to project beneficiaries under three grant awards were considered significant because they were systemic in nature and integral to the project

strategy implemented by the grant recipients. When these strategies were initially implemented the grant recipients were not aware that direct payments to project beneficiaries were not allowed, and in most cases, the nominal payments were targeted for beneficiary families to purchase school supplies and uniforms necessary to attend the designated schools.

## **2. Budget Monitoring Practices**

### **What Caused Findings Related to Budget Monitoring Practices?**

We noted that budgetary monitoring errors occurred because the affected grantees in some cases were using budgets submitted in their original proposal rather than the budget approved by USDOL as part of the project document for budget monitoring purposes, particularly where significant variances between the proposed and approved budgets existed. The Management and Procedures and Guidelines requires prior approval from USDOL when the budget line item variance between the proposed budget and the budget approved by USDOL exceeds \$100,000 in the aggregate or 10% of the overall budget, whichever is less. The unexplained significant variances we noted indicated that the budgetary review process was flawed and did not consider this important requirement.

Another grantee did not track and report actual expenditures versus budget figures using the recommended SF-424A (Budget Information Form) budget categories, and did not routinely prepare a budget to actual analysis according to the USDOL budget guidelines for a detailed outputs-based report. This situation contributed to underutilization of the budget without corrective steps being employed to develop an accelerated expenditure plan. The audit team found that at the end of the second project year, the grantee had spent only \$755,310 or 30% of the budgeted amount as opposed to the \$1,811,320 that the auditors projected should have been expended to support beneficiaries as of the same point in the life of the cooperative agreement.

The two construction-related findings occurred because the grantees did not obtain USDOL approval prior to incurring the expenses. One grantee used \$121,116 in project funds for construction purposes that extended beyond minor infrastructure improvements included in a proposed, but unapproved, budget. Another grantee entered into a contract for the construction of four learning centers at a cost of \$209,865; however, the construction budget was set at \$159,753. A budget revision was not submitted when it became known that the budget line would have been exceeded by more than the allowable percentage. Therefore the difference between the contract and the approved line item amount was questioned by the audit team.

The budget findings occurred primarily because the impacted projects did not have properly trained leadership staff - one project did not have a dedicated Project Manager over a five-month period - or appropriate systems were not in place to catch misclassifications and to ensure proper compliance with budget line item amounts. Furthermore, in the Africa region where the over-expenditures occurred, the auditors previously recognized the lack of physically safe school facilities available for operating programmatic activities. As such, in order to carry out their project objectives, grant recipients typically used grant funds to complete construction activities that provided the necessary facilities. The underutilization of project funding by one grantee in the Asia/MENA/Europe region

was due, in part, to a significant delay in signing subcontracts with the three non-governmental organizations it hired to carry out programmatic activities.

## What We Recommend to Resolve Budget Related Findings

A common theme among those organizations without budget-related findings included: submission of monthly expenditure reports in both the local currency and converted to U.S. dollars; the headquarters finance office was directly involved in review of the monthly budget to actual expenditures; and costs were analyzed on a budget line item basis to ensure that project obligations did not exceed or were not in jeopardy of exceeding the budgeted amounts. We recommend that grant recipients with budget monitoring issues develop similar best practices as part of their budgetary processes.

### **3. Matching Funds**

#### What Caused Findings Related to Matching Funds?

We observed that matching contributions generally were not separately identified, assigned a cost, and recorded as required per cooperative agreements with a cost share component approved as part of the project budget. On the other hand, grantees sometimes reported matching amounts for incurred costs that were ineligible or not previously approved. For example, one grantee enrolled 94 beneficiaries over the qualifying age of 18 years who were supported by matching contributions from a separate scholarship program. Because the beneficiaries did not meet the age requirements for EI program participation, the funds provided by the donor, totaling \$7,537, were not eligible for counting towards the grant recipient's required cost share.

Erroneous reporting of matching funds on the SF-269 reports diminishes USDOL's ability to timely and effectively monitor the utilization of funds in relationship to the project activities and whether the cost share contribution will be met as required. If a grantee does not meet its cost share requirement, the project may be adversely impacted and supported children may not realize the full benefit of the program.

The reporting issues related to matching funds occurred because the affected grant recipients did not use the SF-269 long form which required detailed reporting on matching contributions. The grantees did not establish sufficient quality assurance processes to ensure that expenditures incurred on a cost share basis were properly reported. Such a process would include effective tools for tracking matching funds, training staff to identify and report on matching fund activities, and assigning appropriate management personnel to periodically review and validate the results. Also, properly trained grantee staff would have known that matching contributions are controlled by the same regulatory and programmatic requirements as federal funds for the EI projects.

## What We Recommend to Resolve Matching Fund Findings

We concluded that grantees pledging matching contributions on Standard Form 424A should have in place a quality assurance system for accurate and timely reporting of eligible matching contributions. Properly trained project management and staff should be an integral part of the quality assurance process and should lead to a reduction in matching contribution reporting errors.

### **4. Disbursement Controls**

#### What Caused Findings Related to Disbursement Controls?

We noted four projects with significant issues related to disbursement controls and related questioned costs. Two projects in the Africa region and one project in the Asia/MENA/Europe region had significant deficiencies related to disbursement support and controls. Also, one project in the LAC region had not established proper recordkeeping systems to capture daily payroll activities. Our review of disbursement processes and transactions indicated that maintaining supporting documentation and properly tracking, approving and recording payroll labor hours were common issues across projects and regions. In-country employee files maintained by some projects did not reflect salary and wage information comparable to the payroll records, and timesheets or other personnel activity reports were not maintained to record project-related work allocations. Despite this common weakness, we did not note any instances of suspected fraud in the payment of labor costs and found that staff was hardworking and dedicated to the project objectives.

The auditors observed deficiencies in grant recipient disbursement controls that included:

- No written approval for expenses or a copy of the check;
- No review of expense report maximum per diem allowances for lodging;
- No verification of exchange rates used to calculate expenses;
- Omission of consultancy compensation rate from contracts; and
- No review of documentation to support purchases made.

Where we noted significant findings related to disbursements, the grant recipients did not have internal controls in place or internal controls were not enforced to obtain the documentation necessary to support the costs or to verify the accuracy of payments made. We observed procedures that needed improvement, such as grantees advancing funds to subcontractors without reviewing supporting documentation to make a reasonable determination of allowable costs. Grantees also accepted reconciliation reports, i.e., subcontractor reports that reconcile the project funds expended to subcontractor's cash balance remaining, without periodically conducting on-site reviews to ensure that the expenditures reported by subcontractors were supported by adequate documentation to confirm the costs charged to the project were allowable. And, adherence to timely submission requirements was not enforced. For example, one grantee allowed a subcontractor to submit financial reports at random intervals that covered as much as an entire year, instead of monthly as required by their contract.

## What We Recommend to Resolve Disbursement Controls Findings

The absence of supporting documentation for disbursements was substantially a function of working in countries with cash economies and limited banking infrastructure. The concept of issuing and maintaining receipts is not as commonplace as in the U.S. and, for many services, receipts are not attainable. As such, alternative means of verifying expenditures must be used in certain situations, such as physical verification or signed statements with at least two levels of management approval signatures identifying the purchase in detail. Also, we observed characteristics in some locations that mitigated inherent risks. These characteristics included the grantee having an established and ongoing presence in the country with highly qualified local management support and administrative capabilities, and adequate procedures in place and consistently applied to ensure proper documentation was obtained prior to payment of invoices. We recommend that projects with issues related to disbursement controls implement procedures that adopt similar characteristics.

## 5. Financial Reporting

### What Caused Findings Related to Financial Reporting?

Financial status reports that were untimely and contained errors resulted in four significant findings, three of which were in the Africa region and one that was for a project that encompassed both the Africa region and LAC region. In particular for one grantee, its financial status report excluded several months of subcontractor expense data because the project was regional and the subcontractors responsible for reporting their costs worked in other countries. Reports for a third project were submitted as many as 45 days past the due date and errors ranging up to over \$288,000 were not identified and corrected until after submission to USDOL. Another significant financial reporting finding within the Africa region had questioned costs of \$45,182 stemming from the grantee using an indirect cost rate for financial reports that did not correspond with the Negotiated Indirect Cost Rate Agreement (NICRA), or any other agreed upon indirect cost rate amount or percentage.

We determined that some grantees did not implement an effective system for reconciling the Financial Status Reports to actual disbursements prior to submission to USDOL. For one grantee, the financial system itself was not reliable as we observed that transactions were not properly posted and management was unfamiliar with the reporting requirements. For another grantee, the risk of financial reporting errors increased because of delays in obtaining supporting documentation from partner organizations or subcontractors. The grantee held little influence over receiving more timely information because the subcontractors generally were smaller local organizations that had received advanced funds. Finally, we noted that grantees did not verify the correct SF-269 format or NICRA was being used and did not ensure that persons responsible for preparing the report were aware of the revised reporting requirements detailed in the applicable USDOL Management Procedures and Guidelines.

## What We Recommend to Resolve Financial Reporting Findings

To improve financial reporting, grantees should implement policies and procedures related to the reporting of financial status data, including: (a) ensuring that expenditures are charged to the appropriate federal grant award; (b) ensuring data reported is complete, accurate, and valid; (c) performing periodic monitoring of financial reporting information to verify that information is current, accurate and complete; (d) establishing lines of communications such that persons responsible for preparing the financial status reports are provided timely updates and instructions for complying with changes in the report preparation and submission; and, (e) reviewing report formats to ensure that the proper form is used. It should be noted that as more examinations were conducted, fewer financial reporting errors were observed. This trend may be the result of grant recipients becoming more familiar with the reporting form, a better understanding of and improved data collection techniques used for reporting requirements, additional tools available to ensure timing reporting such as the electronic reporting system that USDOL implemented, a more robust grant recipient quality assurance review process, or a combination of these factors.

## 6. Direct Payments to Beneficiaries

### What Caused Findings Related to Direct Payments to Beneficiaries?

Direct payments to beneficiary children and families were made by six of the projects reviewed in violation of USDOL requirements, three of which were significant. Most of these findings related to payments for school-related costs that were provided directly to children, such as for purchasing school uniforms and supplies. Two of the significant findings, which occurred in the Asia/MENA/Europe region, were for this purpose and resulted in \$29,084 in questioned costs. One project in the Africa region provided approximately \$19,286 in food (such as rice, vegetable oil, onions, sugar, and salt) directly to families to offset the loss in income resulting from the withdrawal of their children from exploitive work and the costs of education. The use of project funds for the distribution of food to beneficiaries' families for resale with the intent of launching businesses from the proceeds was not submitted to USDOL for a determination of an approved income-generating project activity as required by USDOL's Management Procedures and Guidelines.

The exceptions noted for direct payments to beneficiaries, which only were observed in the earlier engagements, were caused by the grantees interpreting allowable costs according to the types of expenses the funds were used for as opposed to how the funds were dispensed. Because the grantees understood the expenditures themselves to be allowable, no further inquiries were made to determine if providing the funds directly to the beneficiaries, as a more efficient method for the children to acquire school related items, was allowable. Furthermore, the one grantee that provided food to beneficiary families considered it as an acceptable cost, similar to other indirect benefits the program allowed. Unfortunately, because the grantees did not make the necessary inquiries and ensure that staff members were properly trained to comprehensively understand programmatic requirements, incorrect methods were employed to provide benefits to supported children and their families.

## What We Recommend to Resolve Direct Payments to Beneficiaries Findings

As a result of these incidents, OCFT provided additional guidance in its Management Procedures and Guidelines, and the auditors ensured that management was fully aware of these requirements in subsequent examinations. To facilitate continued compliance with allowable expenditure requirements, we recommend that grantees provide robust management oversight of their disbursement processes and ensure that appropriate staff and personnel in disbursement decision-making capacities maintain current knowledge of allowable costs under the EI program and elicit assistance from their OCFT project manager before implementing new practices.

## APPENDIX 1 – COMMON INDICATORS AND DEFINITIONS

**Indicator: Number of children prevented or withdrawn from exploitive child labor [commercial sexual exploitation, trafficking] provided education and/or training opportunities as a result of a USDOL-funded child labor elimination projects.**

**Grantees should ensure that the children they are reporting under this indicator meet both the definition of withdrawn or prevented and the definition of direct services that supports enrollment in educational activities and/or training opportunities.**

### WITHDRAWN/PREVENTED

#### **1 – Definition of withdrawn and prevented (mutually exclusive categories), and Direct Beneficiaries**

*1.1. Children withdrawn from exploitive work, including commercial sexual exploitation and trafficking:*

This refers to those children who were found to be working in exploitive child labor (see definition 2.1 below) and no longer work under such conditions as a result of a direct project intervention. This category includes:

- (a) children who have been completely withdrawn from the unconditional worst forms of work (i.e., children who performed work that is included in ILO Convention 182 for forms (a) – (c) of Article 3, and
- (b) children who were involved in hazardous work (Article 3(d) of C.182 and the accompanying ILO Recommendation 190) but are no longer involved in hazardous work due to improved working conditions (i.e., fewer hours or safer workplaces) or because they have moved into a new, acceptable form of work. The term also includes those children whose work impeded their education (children who performed work in violation of ILO Convention 138), where the impediment has been eliminated.

To be considered as withdrawn from exploitive child labor each child must also have benefited or be benefiting from a direct educational service (as defined in Section 3.2 below) provided by the project.

*1.2. Children prevented from entering exploitive work:*

This refers to children not yet engaged in exploitive child labor but who are considered to be at high-risk<sup>2</sup> of entering such labor, for example, siblings of former working children. In order to be considered as “prevented”, these children must also have benefited or be benefiting from a direct educational service (as defined in Section 3.2 below) provided by the project.

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<sup>2</sup> A “high risk” situation refers to a set of conditions or circumstances (family environment or situation, proximity to economic activities prone to employ children, etc.) under which the child lives or to which the child is exposed that make it more likely that the child will be employed in exploitive child labor. Usually a clear definition of “high-risk” is provided in the Project Document or can be defined as part of baseline data collection.

## APPENDIX 1 – COMMON INDICATORS AND DEFINITIONS

*NOTE: Enrollment in school is not the sole consideration that defines a child as removed from or withdrawn from exploitive child labor. For example, a child who attends a DOL supported non-formal education program in the morning and works under hazardous conditions in mining during the afternoon and evening should not be counted as withdrawn/prevented. That is, if before program intervention, a child is not going to school and is working in a worst form of child labor and after program intervention the child is now enrolled in school but continues to work in a worst form of child labor that child is not, by definition, withdrawn from exploitive child labor and should not be counted in the withdrawn/prevented indicator. The process of withdrawing a child from exploitive child labor may take some time. Children should only be counted as withdrawn at the point at which the child is no longer working in exploitive child labor (this includes no longer working at all or working under improved working conditions such as shorter hours and/or safer conditions) and is benefiting from the education program(s) provided by the DOL-funded project.*

**1.3 Direct Beneficiaries** are children who, as a result of a USDOL-funded project, are (a) withdrawn or prevented from entering exploitive child labor **and** (b) are provided with a direct educational service (as defined below) that results in their enrollment in at least one of the four categories of educational activities listed below. **Note:** For a child to be counted as a direct beneficiary for the purposes of USDOL Government Performance and Results Act (GPRA) reporting, the grantee must have completed the following three (3) steps:

- 1) Assess the specific needs of each child targeted by the project in order for the child to (a) be withdrawn from or prevented from entering exploitive labor and (b) to be enrolled in an educational activity;
- 2) Develop and implement an appropriate strategy for the child that provides a direct educational service that supports enrollment in at least one of the educational activities defined below; and
- 3) Monitor and report to USDOL on the work (e.g., Is the child working in an exploitive labor situation?) and education status (e.g., Is the child still attending an educational or training program?) of each child beneficiary.

## EXPLOITIVE CHILD LABOR

### 2 – Definition of Exploitive Child Labor

**2.1. Exploitive child labor** refers to the worst forms of child labor outlined in ILO Convention 182, including work that, by its nature or the circumstances in which it is carried out, is likely to harm the health, safety, or morals of children; all other types of work by children in violation of national labor laws and international standards, such as ILO Conventions 138 and 182; and work that prevents a child from obtaining an education or impedes a child's ability to learn as outlined in ILO Convention 138.

ILO Convention 182, Article 3, defines the worst forms of child labor as:

## APPENDIX 1 – COMMON INDICATORS AND DEFINITIONS

- (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;
- (b) the use, procuring or offering of a child for prostitution, the production of pornography or for pornographic performances;
- (c) the use, procuring or offering of a child for illicit activities, in particular for the production and trafficking of drugs as defined in the relevant international treaties;
- (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.

The worst forms of child labor that fall under parts (a)-(c) are often referred to as the “unconditional worst forms of child labor” and work that falls under part (d) is often referred to as “hazardous” child labor. Grantees are encouraged to consult Recommendation 190 accompanying C. 182 for additional guidance on identifying hazardous work. Children involved in the unconditional worst forms of child labor as defined above, must no longer be working to be considered as withdrawn from exploitive work. That is, no improvements in the working conditions of children involved in slavery or slavery like practices, prostitution or pornography, or illicit activities will create an acceptable environment for children to work, even for one hour.

ILO Convention 138, Minimum Age Convention, Article 7, 1(b) is also used to identify exploitive child labor. Article 7, 1(b) states that children within a particular age range shall not participate in work that will “prejudice their attendance at school, their participation in vocational orientation or training programs approved by the competent authority or their capacity to benefit from the instruction received.”

The work conditions of children involved in hazardous work may be improved so as to make the work conditions acceptable for children. This may include, for example, reducing hours of work or changing the type of work children perform (disallowing children in agriculture from working with heavy machinery or pesticide applications). However, conditions can only be improved for children who are legal to work according to the specific laws of the implementing country(ies). If for example, a child is nine years old working hazardous child labor in a country whose minimum age is fifteen years this child should be completely withdrawn from child labor as the conditions can not be improved to make it legally acceptable for the child to work.

2.2. *Commercial Sexual Exploitation of Children (CSEC)*, which is covered by category (b) in ILO Convention 182 described above, can be more specifically defined as “sexual abuse by an adult **accompanied by remuneration in cash or in kind** to the child or third person(s).” The remuneration dynamic distinguishes CSEC from the sexual abuse of a child where commercial gain is absent, although sexual exploitation is also abuse. CSEC includes:

- Prostitution in the streets or indoors, in such places as brothels, discotheques, massage parlours, bars, hotels, restaurants, among others;
- Child sex tourism;
- The production, promotion and distribution of pornography involving children; and
- The use of children in sex shows (public or private)..

## APPENDIX 1 – COMMON INDICATORS AND DEFINITIONS

Source: UNICEF, *Child Protection Information Sheet: Commercial Sexual Exploitation* (May 2006), available from [http://www.unicef.org/protection/files/Sexual\\_Exploitation.pdf](http://www.unicef.org/protection/files/Sexual_Exploitation.pdf). See also: ECPAT International, *CSEC Definitions*, available from <http://www.ecpat.net/eng/CSEC/definitions/csec.htm>. Additional definitional aspects above provided by ILO-IPEC.

2.3 *Child Trafficking is defined* based on international standards and conventions. The ILO has developed the following criteria and guidelines to identify child trafficking. The following elements should be considered:

- *A child is a person under the age of 18 years;*
- *Recruitment, transportation, transfer, harboring or receipt, whether by force or not, by a third person or group;*
- *The third person or group organizes the recruitment and/or these other acts for exploitative purposes;*
- *Movement may not be a constituent element for trafficking in so far as law enforcement and prosecution is concerned. However, an element of movement within a country or across borders is needed - even if minimal - in order to distinguish trafficking from other forms of slavery and slave-like practices enumerated in Art 3 (a) of ILO Convention 182, and ensure that trafficking victims separated from their families do get needed assistance;*
- *Exploitation includes:*
  - a) *all forms of slavery or practices similar to slavery, debt bondage and serfdom and forced or compulsory labour, including forced or compulsory recruitment of children for use in armed conflict (ILO Convention 182, Art. 3(a));*
  - b) *the use, procuring or offering of a child for prostitution, for the production of pornography or for pornographic performances (ILO Convention No. 182, Art. 3(b));*
  - c) *the use, procuring or offering of a child for illicit activities, in particular for the production and trafficking of drugs as defined in the relevant international treaties (ILO Convention No. 182, Art. 3(c));*
  - 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 (ILO Convention No. 182, Art. 3(d) and ILO Convention No. 138, Art 3);*
  - e) *work done by children below the minimum age for admission to employment (ILO Convention No. 138, Art. 2 & 7).*
- *Threat or use of force or other forms of coercion, abduction, fraud or deception, or the abuse of power or a position of vulnerability at any point of the recruitment and movement do not need to be present in case of children (other than with adults), but are nevertheless strong indications of child trafficking*

Source: International Labor Organization's International Program on the Elimination of Child Labor (ILO-IPEC), "Child Trafficking: The ILO's Response through IPEC", Geneva, 2007.

## DIRECT EDUCATIONAL SERVICES

### 3 – Definition of direct educational services and other project interventions

3.1. *Direct educational services* may involve either (a) or (b):

## APPENDIX 1 – COMMON INDICATORS AND DEFINITIONS

(a) The provision of at least one of the following educational activities:

- 1) Non-formal or basic literacy education – This type of educational activity may include transitional, levelling, or literacy classes so that a child may either be mainstreamed into formal education and/or can participate in vocational training activities;
- 2) Vocational, pre-vocational, or skills training – This type of training is designed to develop a particular, marketable skill (e.g. mechanics, sewing, etc.); or

(b) The provision of goods and/or services (*if lack thereof is a barrier to education*) that meets the specific needs of the targeted children and results in their enrollment or retention in at least one of the four categories of educational activities listed below. Examples of goods and/or services that may meet the specific gaps/educational needs of targeted children include tutoring, school meals, uniforms, school supplies and materials, books, tuition and transportation vouchers, or other types of incentives. The four categories of educational activities that qualify for USDOL’s Education Initiative are:

- 1) Non-formal or basic literacy education;
- 2) Vocational, pre-vocational, or skills training;
- 3) Formal education - This is defined as the formal school system within the target country; or
- 4) Mainstreaming - This type of educational activity involves a project transitioning children from non-formal education into the formal education system. Generally, mainstreaming involves the provision of goods and/or services (e.g., registration fees, transportation vouchers and/or tutoring) that may assist in placement testing and enable a child to attend and stay in school

**3.2. Other project interventions** may include such activities as awareness raising and social mobilization campaigns, alternative income-generating activities and business/skills training for parents, psychosocial services for children, improvements in curriculum, teacher training or improvements to school infrastructure that are also important for withdrawing or preventing children from exploitive labor, including by improving the quality of basic education. While Grantees are encouraged to address the needs of children engaged in, or at high-risk of entering, exploitive labor and their families in a comprehensive manner, these activities will not be considered as direct educational services. Therefore, individuals benefiting solely from these interventions cannot be counted toward the project’s target number of Direct Beneficiaries or in GPRA reporting. USDOL recognizes that, in many cases, a combination of services – both direct educational services and other project interventions as outlined in this paragraph – may represent the most effective strategy for prevention or withdrawal of a child from exploitive labor. USDOL encourages grantees to utilize the most effective package of services to achieve the goal of withdrawing children from, and preventing children from entering, exploitive labor.

Grantees should be able to match a particular service or educational or training opportunity to an individual child. Therefore, project interventions such as school structural improvements, teacher

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training, construction of latrines, inclusion of child labor modules in teacher curriculum, or the provision of classroom chalkboards is not considered a direct educational service as defined above.

### RETENTION

#### **4 – Definition of retention (see also Annex A of the TPR format for an example of how to calculate retention)**

The percentage of children withdrawn/prevented through a DOL-supported educational program(s) who continue in the program (i.e. to subsequent years, periods and/or levels of the program or who remain in the program even if they are not promoted) and who continue to be withdrawn or prevented from exploitive child labor.

Retention is reported by cohort<sup>3</sup> as a ratio where the numerator and denominator are also reported.

Please be sure to use the appropriate definition of retention: those children still enrolled in the DOL-supported program (no matter what level or length of time of a program) that continue to be withdrawn/prevented from exploitive child labor over the number of children who were originally withdrawn/prevented minus those who completed.

*4.1 The numerator* of the retention ratio is the number of children in a particular cohort who, as of the end of the current reporting period, are still not working in exploitive child labor and are still involved in the DOL-supported program whether they are in the same year or a subsequent year, period, or level of the program.

*4.2 The denominator* is the original number of children that were withdrawn or prevented from exploitive child labor in a particular cohort, less those in the same cohort who have completed the program.

### COMPLETION

#### **5 – Definition of completion (see also Annex A of the TPR format for an example of how to calculate completion)**

The percentage of children withdrawn/prevented through a DOL-supported educational or training program who complete the program(s).

Completion is reported by cohort as a ratio where the numerator and denominator are also reported.

*5.1 The numerator* of the completion ratio is the number of children in a particular cohort who were withdrawn/prevented through the services provided by the DOL-supported educational program who subsequently complete the program as of the end of the current reporting fiscal year.

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<sup>3</sup> A *cohort* is defined as a group of people sharing a common demographic experience; in this case it is defined as a group of children or project beneficiaries that were withdrawn or prevented from exploitive child labor and provided direct educational services through a USDOL-funded program in a particular fiscal year.

## APPENDIX 1 – COMMON INDICATORS AND DEFINITIONS

5.2 *The denominator* of the completion ratio is the number of children in the original cohort who were withdrawn/prevented from exploitive child labor and provided education/training assistance through the program. This is the same as the total number of withdrawn/prevented children in the respective cohort.

Each Grantee is required to adhere to the definitions established in the reporting form. This allows for valid aggregation across all USDOL projects.

USDOL requires projects to assure that they are not “double-counting” on the common indicators. A child should only be counted once in each of the common indicators during a given reporting period. If during the life of the project/program, for example, a child is enrolled in two different project programs the child should be counted at the moment they are withdrawn/prevented and enrolled in the first educational or training opportunity and that child will remain in that cohort through the life of the project. In another example, a child should not contribute to the numerator or denominator of a given indicator more than once (children should not be counted in more than one cohort). USDOL recognizes that only counting children once during the life of the project does not reflect the dynamic nature of some programs but for ease of reporting, efficiency measure calculations, and other reporting requirements, DOL requests projects to only count children once for each of the indicators at a given reporting period.

## APPENDIX 2 – PROJECT DESCRIPTIONS

This section provides a description of each project we examined including the grantee's name, project country or countries, examination period, dates visited and project attributes.

### *American Institutes for Research-Mozambique*

In September 2005, USDOL awarded \$3 million to American Institutes for Research (AIR) to implement the three-year Reducing Exploitative Child Labor in Mozambique (RECLAIM) project. The project's goal is to:

- 1) Raise awareness of the importance of education for all children and mobilization of a wide array of factors to improve and expand education infrastructures;
- 2) Strengthen formal and transitional education systems that encourage working children and those at risk of working to attend school; and
- 3) Strengthen national institutions and policies on education and child labor.

The RECLAIM project's targeted areas are in Tete City and in the four districts of Tete Province: Chiuta, Chifunde, Moatize and Macanga. AIR has partnered with the Mozambican Red Cross to identify children engaged in or at risk of exploitive child labor and to help ease barriers to the formal education system. In addition, AIR offers educational opportunities through Junior Farmer Field and Life Schools (JFFLS). The JFFLS provide vocational and life skills training for vulnerable children, assisting them in working through their circumstances and securing a future for both themselves and their families.

The AIR RECLAIM project is targeting 2,600 children between the ages of 6 to 17 years. The project specifically aims to:

- 1) Identify 540 rural children, ages 12-17, for withdrawal and prevention of males and females from the worst forms of child labor (WFCL) and enroll them into JFFLS;
- 2) Remove or prevent 1,710 children, ages 7 to 17, from entering into WFCL and provide them with material assistance<sup>4</sup> needed to attend formal schools;
- 3) Identify 200 mainly female child domestic workers for withdrawal and prevention, enrollment in non-formal education and when possible provide material assistance needed to attend formal schools;

Identify 150 mainly male street children between the ages of 6 to 17 for withdrawal and prevention, and to remove barriers to educational opportunities, including providing access to formal and non-formal education services.

We conducted an independent examination of the AIR EI project in Mozambique under Cooperative Agreement E-9-K-5-0051 for the period March 1, 2006 to February 29, 2008. We traveled to

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<sup>4</sup> AIR defines material assistance as tangible items a child needs to attend an educational program, e.g. identity cards, uniforms, and various school supplies.

## APPENDIX 2 – PROJECT DESCRIPTIONS

Reducing Exploitive Child Labor in Mozambique through Education (RECLAIM) project sites in Tete City and in the four districts of Tete Province: Chiuta, Chifunde, Macanga, and Moatize. AIR works in collaboration with the Mozambican Red Cross and the Ministry of Women’s Affairs and Social Action at these locations to provide services to 2,600 child beneficiaries.

### *American Institutes for Research – Southern Africa (Botswana, Lesotho, Namibia, South Africa and Swaziland)*

In August 2004, USDOL awarded \$9 million to AIR to implement the four-year project, Reducing Exploitive Child Labor in Southern Africa through Education (RECLISA). The RECLISA project aims to withdraw or prevent at least 10,000 children from the worst forms of child labor in the Southern African countries of Botswana, Lesotho, Namibia, South Africa, and Swaziland through improving access to educational opportunities and reaching out to parents, community members, school administrators, and policy makers. Activities focus on the following areas: (1) increased public awareness; (2) improved educational opportunities, (3) improved social services, and (4) strengthened government policies. Specific activities include:

- Regional and country-level conferences on reducing exploitive child labor through education
- Support for children vulnerable to exploitive labor, including street children, children of farm workers, orphans and vulnerable children and herders, in each of the project countries
- Increased accessibility to formal schools in South Africa (Mpumalanga Province)
- Provision of alternative education in South Africa (Mpumalanga Province)
- Trafficking prevention and policy in South Africa (Gauteng Province)

AIR has partnered with the following international and local non-governmental organizations (NGOs) located in Southern Africa: KHULISA Management Services in South Africa; Africare in Namibia; the Botswana National Youth Council (BNYC) in Botswana; Save Our Sons Children’s Village Association (SOS) in Botswana; the NGO Coalition on the Rights of a Child (NGOC) and the Lesotho Association of Non-Formal Education (LANFE) in Lesotho; and Save the Children (SAVE) in Swaziland. AIR has established a regional office in South Africa to handle program implementation and support the partners.

As of the March 2007 technical progress report, the project has enrolled 6,750 children with an 80% retention rate. The RECLISA project focuses its efforts on the following districts and has identified types of hazardous and exploitive child labor associated with each area:

- Botswana (Gaborone, and Ghantsi): Cattle herding, maid work, babysitting and commercial sexual exploitation.
- Lesotho (Mohale’s Hoek, Mokhotlong, and Quthing districts): Domestic work, commercial sexual exploitation, herding, child trafficking and factory work.
- Namibia (Katima rural, Kabbe, Linyanti, Kongola, Sibinda and Katima urban): commercial and family farming, commercial sexual exploitation, cattle herding and fishing.
- Swaziland (Lowveld region): Cotton plantation work, cattle herding, domestic work, and care taking/giving.

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- Republic of South Africa (Mpumalanga Province, Gauteng, and the North West Province): Cattle herding, commercial farming, domestic work, agriculture, commercial sex, and forced marriages.

We conducted an independent examination of the AIR EI project in Botswana, Lesotho, Namibia, South Africa and Swaziland under Cooperative Agreement E-9-K-4-0046 for the period April 1, 2005 through March 31, 2007. We traveled to RECLISA project sites in Gaborone and Gantsi, Botswana; Maseru, Mohale’s Hoek and Mokhotlong, Lesotho; Sithobela and Siphofaneni, Swaziland; and Mpumalanga, Gauteng and North West provinces, South Africa. We did not visit Namibia because schools were closed and did not reopen during our visit, as initially expected. Limited procedures related to performance and disbursements were performed remotely or at Africare’s headquarters in Washington, DC.

### ***CARE-Bolivia***

In September 2002, USDOL awarded \$1.5 million to Cooperative for Assistance and Relief Everywhere (CARE) to implement the four-year project called Proyecto para la Eliminación Progresiva y Prevención del Trabajo Infantil Minero (Project for the progressive elimination and prevention of child labor in mining) or PETIM. Direct services to children were initiated in April 2003 after USDOL approved CARE’s project implementation and monitoring plans. The project’s goal is to reduce the risks of children becoming involved in the worst forms of child labor in the mining districts of Potosi and Llallagua, Bolivia by ensuring their enrollment in, retention and completion of education programs at government schools, and through literacy programs and vocational training. Major activities of the PETIM project include: (1) improving the child labor situation by organizing and mobilizing citizens to assume an active role in eradicating the worst forms of child labor through newly created organizations called Councils for Community Mobilization that initiate campaigns to educate parents of the dangers of child labor, as well as to enforce work codes that prohibit child exploitation; (2) expanding and improving parental participation in school operations, by strengthening parent teacher associations (*juntas escolares*) that have been created by the Ministry of Education Culture and Sports, reorganizing them and providing technical and financial assistance to oversee and contribute to school operations; (3) establishing Local Technical Teams comprised of a number of representatives from the education community to enforce truancy codes, ensure that all school age children are enrolled and attend school, support curricular improvements, explore new programs, bolster secondary education and offer more vocational training (at least two new occupational programs for each year of the project) to provide advanced academic and job-skills education.

We conducted an independent examination of CARE’s EI project in Bolivia under Cooperative Agreement E-9-K-2-0067 for the period October 2003 to July 2005. We traveled between September 14, 2005 and October 7, 2005, to the cities and towns of La Paz, Oruro, Potosi and Llallagua, Bolivia to observe, inquire about and assess program attributes, challenges and results. We visited non-formal education centers, vocational training programs, government schools and program field offices in and around Oruro, Potosi and Llallagua and met with students, parent committees, school and city officials and project staff to gather information on and determine the programs’ impact and project status. We conducted a debriefing with the State Department political officer in La Paz prior to our departure.

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### *CARE-Central America*

On August 12, 2004, USDOL awarded \$5.5 million to CARE to implement the four-year project under Cooperative Agreement E-9-K-4-0045. The project's goal is to combat child labor through education in Central America and the Dominican Republic.

Under *Primero Aprendo*, the Grantee's aim is to design and implement innovative approaches to: 1) provide educational opportunities (enrollment) for children engaged in, at risk of, and/or removed from child labor, particularly the worst forms; 2) encourage retention in, and completion of educational programs; and 3) expand the successful transition of children in non-formal education into formal schools or vocational programs. In collaboration with local institutions, CARE advocates at the national level for policies favoring education for children who work, and at the international level enlists the collaboration of the World Bank, the Inter-American Development Bank, bilateral donors, and other regional parties to improve support of education for child workers. The project will also create a local base of support by focusing on policy measures, best practices, and public awareness campaigns to involve parents, community organizations and school personnel in actions designed to improve educational access. Finally, the project team will support initiatives that help ensure that public ministries enforce laws pertaining to mandatory education and child labor at all levels. The countries covered by this cooperative agreement are: Nicaragua, El Salvador, Costa Rica, Guatemala, Honduras and the Dominican Republic and the number of children targeted are 1,880. The most common labor activities performed by targeted children are in agriculture through the sale of vegetables and other prepared products, and in garbage scavenging of copper, glass bottles and aluminum for recycling purposes.

The project goals are expressed as four measurable results as follows:

- Result 1: General awareness is raised among key regional, national and local actors regarding the relationship between poverty, education and child labor.
- Result 2: Best practices are effectively pilot tested and demonstrated in selected locations of participating "laboratory" countries (Nicaragua, Honduras, Guatemala).
- Result 3: Conditions are created for stimulating sustained dialogue and knowledge sharing among project countries.
- Result 4: An appropriate policy options agenda is developed and promoted among selected key institutional actors in each of the participating countries and regionally.

We conducted an independent examination of the CARE project under Cooperative Agreement E-9-K-4-0045 for the period August 16, 2004 to February 28, 2006. We traveled from April 17, 2006 to May 5, 2006 to four countries in Central America to observe, inquire about and assess program attributes, challenges and results. These countries included Nicaragua, Costa Rica, Guatemala and Honduras. We visited several school sites, met with students, parents and parent committees, teachers, and school directors to gather information on the project status and determine the impact on the targeted populations.

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### ***Catholic Relief Services-Benin***

In August 2003, USDOL awarded \$2 million to Catholic Relief Services (CRS) to implement a four-year education initiative program in Benin, West Africa under the Education First Project (EFP). Lead organization CRS/Benin, in consortium with World Education and Terre des Hommes, is implementing EFP to reduce child trafficking in Benin by increasing participation of at-risk and trafficked children in appropriate education programs. The EFP uses the following strategies to achieve this goal: (1) change family and community attitudes about the risks of child trafficking and the benefits of education; (2) support communities to provide more accessible, more relevant and quality education opportunities for at-risk and trafficked children; (3) build the capacity of communities and families to be the primary actors in identifying, recovering and reinserting trafficked children into the community, as well as, strengthen the system of recovery centers; and, (4) support governmental and other institutions in policy and program initiatives for the rights of the child, particularly in education, and protection against child trafficking.

The EFP targets children aged 6 to 14 who are at risk for both internal and external trafficking, with a special emphasis on girls. Its goal initially was to have 2,000 trafficked children and 8,000 at-risk children from approximately 100 communities benefit from the project. However, USDOL reviewed and approved a modification request to target 6,000 direct beneficiaries and 8,000 indirect beneficiaries, rather than the 10,000 beneficiaries of the original EFP project document. The direct beneficiaries include 1,500 recovered victims of child trafficking and 4,500 at-risk children. The indirect beneficiaries are primarily at-risk children who have been prevented from being trafficked or entering into exploitive labor through project supported activities, but they are not directly supported by project funds. These activities include the community level projects that focus on improving the educational environment, such as repairs to the schools' infrastructure, and income generating activities that will help pay for the community recruited teachers or other project initiatives that benefit all or part of the school population. The EFP has targeted all nine communes in the Zou department, where 20% of all trafficked children in Benin originate, and four communes in the Borgou department. Through a focus on communities of origin for trafficked and at-risk children, the following groups also benefit from the EFP: parents, village leaders and traditional chiefs, Parents' Associations, community-based organizations, primary and secondary schools, administrators, teachers, vocational education and literacy providers, local, commune, department and national level government structures, and local NGOs.

We conducted an independent examination of the CRS EI project in Benin under cooperative agreement E-9-K-3-0062 for the period of August 2003 to March 2005. We traveled to the Borgou and Zou regions of Benin, from June 13, 2005 to June 26, 2005, to observe, inquire about and assess program attributes, challenges and results.

### ***Catholic Relief Services-Ecuador***

USDOL awarded \$3 million to CRS to implement a four-year, EI project in Ecuador, entitled Support Our Youth (SOY!). The project's goal is to withdraw and/or prevent 10,320 children working or at risk of working in the banana, flower, and brick industry by providing them with scholarships, tutorial classes, and school supplies that allow them to continue their education in the formal school system.

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In addition to improving access to formal education, the SOY! project also aims to create alternative education opportunities to children working in or who are at-risk of entering exploitive labor. These initiatives include the *Sistema de Aprendizaje Tutorial* (Tutorial Learning System) program in El Oro and Los Rios, as well as vocational training programs.

The SOY! project operates in five regions in Ecuador - El Oro, Los Rios, Cotopaxi, Guayas, and Pichincha. CRS operates in these areas with the help of the following non-governmental organizations (NGOs):

- Save the Children United Kingdom – Guayas Region
- CARE International – Pichincha Region
- Fundacion Wong – Los Rios Region
- *Conferencia Episcopal Ecuatoriana*, Ecuadorian Catholic Episcopal Conferences – Awareness-raising throughout Ecuador via radio and other communications media.

Projects in El Oro and Cotopaxi are operated by CRS with the assistance of the Dioceses of Machala and Latacunga. Save the Children operates in Guayas Region with the assistance of a local organization, *Juntos Con Los Niños*.

The SOY! project also provides semi-annual sensitization workshops to parents, community members, and children at-risk of entering exploitive labor, as well as training to teachers, and infrastructure improvements to formal schools. These semi-annual workshops cover the importance of childhood education, child rights, and child labor prevention strategies. The goal of the project is to provide workshops to 6,510 parents and train 225 teachers.

We conducted an independent examination of the CRS EI project in Ecuador under Cooperative Agreement E-9-K-4-0050 for the period March 1, 2006 to February 29, 2008. We visited the grantee's project office in Quito, Ecuador and visited project sites in Cotopaxi and Pichincha. We interviewed project staff, children, teachers, parents, and community members to determine the strengths of the project and identify areas in need of improvement.

### ***Catholic Relief Services-Niger***

In September 2004, USDOL awarded \$2 million to CRS to implement the four-year Combating Exploitive Child Labor through Education in Niger project. CRS partnered with World Vision and Plan Niger in a joint effort to combat exploitive child labor in Niger by improving access to quality education, strengthening national institutions, and conducting various awareness raising activities. The project targets 17,800 children ages 6 to 18 years of age at-risk or involved in exploitive child labor as the primary beneficiaries of this project. This number consists of 14,600 at-risk primary school children (indirect beneficiaries) and 3,200 children in non-formal educational settings (direct beneficiaries). To accomplish its objectives, CRS has been working directly with local partners, the Government of Niger (GON) and communities to raise awareness of child labor issues and to address the gaps that exist in the education system.

According to the CRS project document, the three immediate causes of the child labor problem in Niger are: 1) weak national institutions, 2) a lack of awareness and mobilization, and 3) inadequate

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education systems. To address these issues, the project targeted three main areas in Niger – Dosso, Maradi and Tillaberi. This decision was based on the ability of CRS and its partners to incorporate child labor reduction activities into their existing formal and non-formal education programs, the presence of exploitive child labor, and the high percentage of people living below the poverty line in Dosso (76%), Maradi (65%), and Tillaberi (80%).

The project seeks to eliminate exploitive child labor in Niger through improving access to, quality of, and relevance of education. In particular, the project focuses on four key points:

- 1) ***Creating an enabling environment by addressing exploitive child labor at the national level.*** By contributing to the available research base on child labor and promoting the sharing of information, the project will help to equip national institutions to better address child labor and foster collaboration among the GON, multi-lateral organizations, local and international NGOs, and other key partners.
- 2) ***Changing community attitudes about the dangers of exploitive child labor and benefits of education*** through awareness raising campaigns and action plans aimed at overcoming barriers to education.
- 3) ***Including children at-risk or involved in exploitive child labor in appropriate educational structures.*** The steps necessary to improve the educational opportunities for at risk and exploited children include such things as improving school environments, supporting curriculum innovations, promoting non-formal education systems, and involving communities in the management of both formal and non-formal schools.
- 4) ***Fostering sustainability at the national, regional, and community levels.*** The project's sustainability strategy is an integral part of the program and has been instituted from the beginning of activities. The sustainability plan is based on the premise that activities will continue after the project ends, local institutions are established and function well, key partnerships are developed, and results obtained by beneficiaries are long-term and offer increased access to improved education.

The Tillaberi and Dosso regions have a high population density. However, children in these regions often migrate with their families between villages and semi-urban areas during the dry season (March to May), to earn extra revenue for their household and to move closer to available water sources. World Vision reports that many children who were once enrolled in village primary schools are now found in larger towns or mining communities where they no longer attend school. For these young people, economic issues are the primary motivating factor for their exodus. Children from these regions have been located as far away as Benin, Ghana, and Ivory Coast. These children are not only in jeopardy of becoming involved in illicit activities, but are also at increased risk of contracting HIV.

Most of the children in the Tillaberi and Dosso regions are involved in agricultural production during the rainy season. However, some children in the region are employed in agriculture throughout the year, primarily in the areas of irrigated cultivation along the Niger River where two rice crops are grown annually.

The mining community of Komabangou serves as a migration hub during difficult years (e.g., poor rainfall, food shortages, etc.) and is a focal point of migration for many who move to the area in

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hope of finding enough gold to meet their needs. Families that relocate to this area generally stay for 2 to 4 years and then return to their villages of origin. In Komabangou, boys are employed as workers in the gold mines while girls work as vendors in small shops or sell goods on foot. Both boys and girls in this area are at risk or involved in drugs, alcohol, and the sex trade.

Girls in Dosso, Tillaberi, and Maradi are all subject to early marriages. In Dosso, 67.8% of the women surveyed by Plan Niger reported being married before their first menstruation. Increasing primary school enrollment is viewed as an effective tool for combating early marriages and for allowing girls to mature into better skilled and literate mothers.

The project's primary beneficiaries are children at-risk of or involved in child labor, while secondary beneficiaries include communities and other key actors in the government and civil society. The main target groups are:

- Nomad children in the district of Dakaro, Maradi region (CRS);
- Children in rural areas of Dosso and Tillaberi regions (Plan Niger); and
- Children in the gold mining area of Komabangou, Tillaberi region (World Vision).

We conducted an independent examination of the CRS EI project in Niger under Cooperative Agreement E-9-K-4-0058 for the period December 1, 2004 through November 30, 2006.

We randomly selected seven project sites to visit in the Tillaberi and Dosso regions based on accessibility and the concentration of beneficiaries located at these sites. About 22 percent of all direct beneficiaries were located at the seven sites we chose. World Vision administers programs in Tillaberi and Plan Niger administers programs in both the Tillaberi and Dosso regions. We conducted interviews with teachers, students and community leaders, reviewed attendance records and observed school conditions. Additionally, we conducted interviews with appropriate project staff from CRS Niger, World Vision, and Plan Niger.

### ***CHF International-Lebanon***

In August 2004, USDOL awarded \$8 million to CHF International to implement the four-year Alternatives to Combat Child Labor through Education and Sustainable Services in the Middle East and North Africa (ACCESS-MENA) project. The project's goal is to withdraw or prevent 7,500 Lebanese and Yemeni children from exploitive child labor through the provision of formal and non-formal educational opportunities. The project aims to reduce the worst forms of child labor in Lebanon and Yemen through education and improved accessibility to schools for working children. CHF International has obtained the support for this proposal from key government, social, labor and private sector leaders in Yemen and Lebanon and mobilized a partnership that includes the following nationally and internationally recognized organizations: The René Mouawad Foundation (RMF), The Charitable Society for Social Welfare (CSSW) of Yemen, America-Mideast Educational and Training Services, Inc. (AMIDEAST), and Kidz Online (KOL). The ACCESS-MENA project also aims to bring together a network of children's services professionals, international organization managers, women's association representatives, labor advisors, government officials and leading

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educators from across the region who will substantially affect national policies and education/training investments that will impact working children in at least six Middle East and North African nations.

In Lebanon, ACCESS-MENA works with children, parents, employers and other stakeholder groups in three locations: 1) North Lebanon including the areas of Bab el Tebbaneh and Akkar; 2) the Beirut Suburbs of Borj Hammoud and Sin el Fil-Nabaa and 3) in the South Lebanon regions of Tyre, Nabatieh, and Sidon. In Akkar, ACCESS-MENA targets children working in seasonal agricultural sectors, while in Bab el Tebbaneh the program focuses on children working in industrial labor activities and in domestic work. In Borj Hammoud and Sin el Fil Nabaa, ACCESS-MENA builds on the existing ILO-IPEC center, expanding its capacity to serve working and at-risk children. In South Lebanon, the project focuses, in particular, on the high number of children working in the toxic chemical permeated tobacco cultivation industry.

In all the regions of the project, ACCESS-MENA targets children between the ages of 6 and 18 years old. The children enrolled in the remedial classes or direct education activities are children currently in school but at risk of dropping out. Children out of school and mostly working are enrolled in literacy classes or Accelerated Vocational Training (AVT) classes. The working sectors targeted are:

1. Small industrial, mostly family-owned businesses in the agricultural sector
2. Children of families working in cultivating tobacco (depending on the region)
3. Artisan businesses

In Yemen, specifically in the following regions: 1) Hajja including Harad, al-Mahabasha and Abs 2) Ibb including Al-Qafer, Farea al-Udein and 3) Abyan including Shugra, Zinjibar and Mudyah, ACCESS-MENA focuses on girls (especially girls in rural areas), street children, children not participating in education or work, and child agricultural workers. In rural areas, the program focuses on increasing school enrollment and attendance rates, and in particular, school access and enrollment rates for females. This strategy is intended to remove children from the most hazardous forms of agricultural work. In urban areas, ACCESS-MENA focuses on eliminating the forms of urban labor that pose the greatest danger to children's health and well being and on eliminating cost barriers for school attendance. ACCESS-MENA children are selected according to their ages in three categories:

1. Working children between the ages of 6 to 14. These children are enrolled in formal education programs and receive some social and educational support according to their identified needs.
2. At-risk children enrolled in Project Remedial and other educational and social support programs.
3. Working children between the ages of 14 to 16, enrolled in Non-Formal (Literacy and Vocational/Skills Training) programs.

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We conducted an independent examination of the CHF International’s EI project in Lebanon and Yemen under Cooperative Agreement E-9-K-4-0049 for the period August 16, 2004 to November 30, 2005. During our fieldwork, we traveled between March 14, 2006 and March 24, 2006, to the CHF International field office in Beirut, Lebanon. We were unable to travel to the CHF International field office or program sites in Yemen due to our inability to obtain country clearance. While in Lebanon, we traveled to Tripoli, Borj Hammoud, and the Akkar region to inquire about and assess program attributes, challenges and results. We visited nine literacy/remedial programs and public school sites, and met with students, teachers, parents, social workers and partner organization staff to gather information and determine the program’s impact and project status.

### *Creative Associates-Panama*

In July 2004, USDOL awarded \$3 million to Creative Associates International, Inc. (CAII) to implement the four-year DESTINO (Disminuyendo y Erradicando el Trabajo Infantil para Nuevas Oportunidades) project. The project’s goal is to reduce the number of children working in commercial agriculture by providing both non-formal and flexible education options for children engaged in or at risk of entering child labor. The program targets 6,695 children in various rural and indigenous areas of Panama. In addition, the program recruits and trains indigenous teachers and provides literacy training and new income generation opportunities for parents of at-risk and working children in the Darién province. In the indigenous Comarca Ngäbe Buglé region, the DESTINO program provides training programs in the hospitality industry and ethno-eco-tourism as well as planning assistance for a hostel that is to be built by the Government of Panama.

The DESTINO project operates in several rural areas in Panama, chosen because of their low literacy levels and their high incidence of child labor. The four areas and the primary agricultural sectors in which children work are as follows:

- Comarca Ngäbe Buglé – Subsistence agriculture, onion production
- Chiriquí – Coffee farming
- The Central Provinces – Sugar cane, melon, tomato farming
- Darién – Subsistence agriculture

The DESTINO program is operated by three local NGOs - Casa Esperanza, Fundación Tierra Nueva (FTN), and Centro de Capacitación y Desarrollo Integral (CCDI). Casa Esperanza is the largest of the three implementing partners and is responsible for operating the program’s various education centers in the central and western areas of the country by supplying food, supplies, furniture, and learning materials to the centers as well as providing training and salaries to teachers. FTN operates in the western province of Darién near the Colombian border and provides income generation activities for parents. CCDI operates literacy centers for parents in the Comarca Ngäbe Buglé. In addition, they provide planning and ethno-eco-tourism training to the community in preparation for the hostel that will soon be built in the area by the Panamanian government.

We conducted an independent examination of the Creative Associates International’s EI project in Panama under cooperative agreement E-9-K-4-0047 for the period November 1, 2005, to October 31, 2007. We visited Creative Associates’ headquarters in Washington DC, and traveled to the

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grantee's field office in Panama City, Panama to assess the program's successes, challenges, strengths, and weaknesses. We also visited 14 project sites in central and western Panama, and visited the offices of two of the three implementing partners in David, Panama.

### *DevTech-Dominican Republic*

In July of 2003, USDOL awarded \$3 million to DevTech to implement the four-year Combating Child Labor through Education in the Dominican Republic project that complements existing Time-Bound Program (TBP) efforts. The project's goal is to prevent, withdraw and rehabilitate children and adolescents who have been at risk of or involved in the three worst forms of child labor and transition or retain them in the formal schooling system or skills training program. The project aims to reduce the number of children involved in commercial sexual exploitation, dangerous agriculture and the informal economy over the course of a four-year project period. The major activities of the project include: awareness training in the communities on the risk of child labor and of the importance of education for all children, providing direct support to improve and expand the education infrastructure, enhancing access to education, strengthening formal and transitional education systems that encourage working children and those at risk of working to attend schools, and strengthening national institutions and policies on education and child labor.

We conducted an independent examination of DevTech's EI project in the Dominican Republic under cooperative agreement E-9-K-3-0054 for the period of March 1, 2004 to February 28, 2006. We traveled from April 17, 2006 to April 28, 2006 to the cities of Santo Domingo, San Francisco de Macoris, Sosua, Boca Chica, and Tireo to observe, inquire about and assess program attributes, challenges and results. We visited nonformal education centers, government schools and program field offices in and around Santo Domingo, San Francisco de Macoris, Sosua, Boca Chica, and Tireo and met with students, facilitators, subcontractors, coordinators, and project staff to gather information on and determine the program's impact and project status.

### *Education Development Corporation-Tanzania*

In April 2002, USDOL awarded \$4 million to the Education Development Center (EDC) to implement the four-year EI project. The project's goal is to reduce the incidence of the worst forms of child labor in Tanzania through improved quality, relevance and access to primary school education for children withdrawn from WFCL or at risk of entering the WFCL; increased family awareness of the importance of education and the dangers of WFCL; community support for improved educational infrastructure; mechanisms for promoting education as an alternative; and the expanded use of radio lessons to improve the quality and relevance of education. Major activities of the project include: the preparation, testing and distribution of Interactive Radio Instruction (IRI) programs and print support materials; establishment of learning centers with trained mentors; provision of education services to children; and increased district level awareness through baseline data collection, analysis, and campaigns. The project is designed to serve 15,000 children during its four year program at 150 learning centers; have 75% of the children complete level 4 of the program, and have 60% of the children enrolled in the formal school system or vocational programs after completion of level 4. The project also aims to ensure that 65% of the children demonstrate mastery of the Grades 1-4 core academic subjects of Kiswahili, English, and mathematics.

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We conducted an independent examination of the Education Development Corporation’s EI project in Tanzania under Cooperative Agreement E-9-K-2-0004 for the period of September 2003 to March 2005. We performed additional tests as necessary to support our conclusions through May 2005, the timing of our audit procedures. We traveled from May 16, 2005 to May 26, 2005, in the Arusha, and Dar Es Salaam regions of Tanzania to observe, inquire about and assess program attributes, challenges and results. We visited 15 level I, III, or IV centers at 12 sites, and met with students, mentors, and school officials to gather information and determine the program’s impact and project status.

### ***Impaq International-Turkey***

In September 2004, USDOL awarded \$6 million to IMPAQ International to implement the four-year EI project in Turkey. The project’s goal is to increase access to basic and vocational education for children engaged in or at risk of engaging in the worst forms of child labor, complement existing government activities, and to build upon current efforts of various employer organizations, trade union organizations, and NGOs operating in Turkey. The Turkey EI project targets children working in agriculture, particularly in seasonal agricultural, in six targeted provinces: Gaziantep, Şanlıurfa, Mardin, Elazığ, Ankara and Agri. These children often face harsh working environments, extreme poverty and great uncertainty in their lives. As a result, children working in seasonal agriculture are often included in the “worst forms” of child labor.

The project has targeted a total of 10,000 children. The five categories and their target numbers are:

1) ***Children working as seasonal agricultural laborers who have never been to school or have dropped out.*** These children have never been to school or have been out of school for a long time and need to be enrolled in basic education. The age range of these children is 6 to 17 and includes both boys and girls. The project targets a total of 1,000 children in this category, 550 of whom will be boys and 450 will be girls.

2) ***Children working as seasonal agricultural laborers who have dropped out of school.*** Children who have dropped out of school, usually after a year or two, are “false beginners,” and are considered a distinct group from children who have never been enrolled in school. The “false beginners” need special attention from caseworkers because they drop out both for social reasons (family poverty, etc.) and systemic failures (poor quality of education). They are more difficult to bring back into the system than those who have never been enrolled in school. The educational services will be the same for both target groups of children (those who have never been to school and those who have dropped out).

3) ***Children enrolled in formal education and at risk of dropping out.*** This category is defined as those children who do poorly at school and whose families are poor and are either engaged in seasonal agricultural work or unemployed but living in agricultural areas, and therefore, cannot meet school costs especially if the child’s achievement is not encouraging. The targeted children in this category are aged mostly 6 to 14 years, the age at which children are most vulnerable to dropping out and whose dropout would prove more difficult to remedy than those who drop out after completing the eight years of obligatory schooling. Approximately 53% of the targeted children in this category will be girls and 47% will be boys.

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4) ***Children who have completed primary education and left the system.*** Many of these children are engaged in seasonal agricultural child labor. They are aged 14 to 17 and are assumed to be 50% boys and 50% girls, an assumption to be confirmed by the TPS. These children have left the education system because they have completed basic education with no additional training opportunities. The most appropriate educational opportunity for these children is vocational training in trades where there is labor demand. The project targets 500 of these children in the six provinces, equally divided between girls and boys.

5) ***Children who go to school but miss the beginning and/or end of school year because of seasonal agricultural labor.*** Aged 6 to 14, these children are assumed to be 45% girls and 55% boys from previous research. While their families will be directed towards cash transfer programs and will benefit from training in parenting skills and income generating activities, these children themselves will be enrolled in boarding schools, boarding houses or “support training” in their home area. The project will target 2,000 children, 1,100 of whom will be boys and 900 girls.

We conducted an independent examination of the IMPAQ International’s EI project in Turkey under Cooperative Agreement E-9-K-4-0051 for the period September 30, 2004 to February 28, 2006. During our fieldwork, we traveled between April 26, 2006 and April 28, 2006, and between May 23, 2006 and May 25, 2006 and on October 5, 2006, to the IMPAQ headquarters in Columbia, Maryland. We visited the Turkey field office in Ankara, Turkey, between May 1, 2006 and May 13, 2006 and to the headquarters of IMPAQ’s partner organization, Management Systems International, on November 16, 2006. While in Turkey, we traveled to the provincial offices in Polatli and Şanlıurfa to inquire about and assess the project status, implementation of the literacy, remedial, vocational and school support programs, and the challenges being faced by the staff related to both the Turkish and provincial governments. We also were able to visit the Communications Center (operated by the Child Labor Unit of the Ministry of Labor and Social Security).

### ***International Justice Mission-Thailand***

In September 2002, USDOL awarded \$703,000 to International Justice Mission (IJM) for implementing a three-year project, with two six-month extensions, to eliminate child trafficking in Thailand. The project’s goal is to prevent, remove and rehabilitate children who have been trafficked or are at risk of trafficking by ensuring their access to educational and vocational training opportunities, as well as other services. Major activities of the project include: direct support for at-risk children including formal and non-formal education, vocational training, legal services and counseling services (direct service providers also provide health care services to the children); awareness training on the dangers of child trafficking in the sex trade; and assistance in completing, submitting and monitoring citizenship applications for the hill tribes and other communities in northern Thailand.

We conducted an independent examination of the IJM EI project in Thailand under Cooperative Agreement E-9-K-2-0076 for the period September 2003 to March 2005. We traveled between May 18, 2005 and May 27, 2005 to the Chiang Mai and Chiang Rai areas of northern Thailand to observe, inquire about and assess program attributes, challenges and results. We visited several shelters and advocacy facilities, met with students, community activists, teachers, government district officials

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and partner organization staff to gather information and determine the program’s impact and project status.

### *International Rescue Committee-Sierra Leone and Liberia*

In September 2005, USDOL awarded \$6 million to the International Rescue Committee (IRC) to implement the four-year Countering Youth and Child Labor through Education (CYCLE) project. The project’s goal is to provide direct education and skills/vocational training to 29,890 children and youth between the ages of 5 to 17, that are working in or at-risk of exploitive child labor in Sierra Leone and Liberia.

Child labor in Sierra Leone and Liberia is widespread due mainly to poverty, war and the breakdown of social services. According to the 2005 USDOL Trade and Development Act Report, in 2000, 69.1% of children in Sierra Leone between the ages of 5 and 14 were engaged in child labor. In Sierra Leone, the main forms of exploitive labor that children and youth are involved in are mining, commercial sexual exploitation, charcoal making, quarrying, diamond mining, farming, and brick making. In Liberia, the main forms of exploitive child labor are domestic service, quarrying, mining, construction, soldiering, manufacturing or rubber tapping and street vending. This work is frequently unpaid, at times can be life-threatening and exploitive, and in many instances prevents children from accessing school and other learning opportunities. In addition, both Sierra Leone and Liberia have recently emerged from long periods of war, with the majority of the conflict ending in 2002 and 2003, respectively. During the conflict, many children and youth were abducted or voluntarily recruited to serve as combatants, porters, laborers, cooks, cleaners, spies, and “wives” or sex slaves for fighting forces.

The CYCLE project uses a comprehensive, community-driven approach to identify the educational, economic and protection needs of targeted children and assist them in accessing locally available education services. It accomplishes this approach through partnerships with the African Network for the Prevention and Protection against Child Abuse and Neglect, Community Development and Empowerment through Participation Program, Special Emergency Activity to Restore Children’s Hope, Forum for African Women Educationalists and the Community Action for Rural Development.

IRC selected the targeted regions based on the following criteria:

- 1) Prevalence of exploitive child labor and children at-risk of becoming engaged in exploitive child labor;
- 2) Impact of war in terms of destruction of infrastructure and social services;
- 3) High incidence of internal migration and refugee return; and
- 4) IRC’s existing presence, logistical and organizational capacity, reputation and rapport with key stakeholders, including children and youth in these communities.

The IRC CYCLE project targets seven communities in three districts in Sierra Leone and nine communities in three counties in Liberia.

### **Sierra Leone:**

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Freetown	Aberdeen, Waterloo Rural District
Kono District	Koidu, Small Sefadu, Manjama, Koardu
Kenema District	Tongo Fields

### **Liberia:**

Montserrado County	PHP, Red Light, Chicken Soup Factory
Nimba County	Karnplay, Ganta, Tappita
Lofa County	Voinjama City, Zorzor Town, Foya

We conducted an independent examination of the IRC EI project in Sierra Leone and Liberia under Cooperative Agreement E-9-K-5-0048 for the period September 2005 to December 2006. We traveled to the IRC field offices in Monrovia, Liberia and Freetown, Sierra Leone to inquire about and assess program attributes, challenges and results. We visited 22 project sites - 11 in Liberia and 11 in Sierra Leone.

### ***International Rescue Committee-Uganda***

In August 2003, USDOL awarded \$3 million to IRC to implement the four-year ORACLE project. USDOL subsequently increased the grant to \$3.2 million in September 2006 for IRC to assist a greater number of children. ORACLE’s project objectives are to:

1. Improve awareness and attitudes among parents, teachers, children and community leaders of problems of child labor, importance of education and their roles in bringing about change, with special reference to girls’ education.
2. Improve quality of education in target districts.
3. Increase access to formal and non-formal education for vulnerable children.

“Vulnerable” children as defined by the project are those categories at risk of child labor, including, but not limited to, former child soldiers, formerly abducted children, orphans, child headed households, child mothers and those in excessive poverty. Children who have not been in school because they have been engaged full time in domestic service or working in agriculture are also targeted for support.

IRC is responsible for managing a subcontract to Associazione Volontari per il Servizio Internazionale (AVSI), as well as providing technical assistance and coordination services. IRC monitors and reports on project activities, and further ensures that ORACLE project activities are based on assessed needs and responds to strategic priorities agreed upon with the Ministry of Education and Ministry of Labor in Uganda. An education advisor coordinates the project and oversees both AVSI and IRC activities. ORACLE is implemented in the Kitgum and Pader Districts in Northern Uganda, the two districts most severely impacted by the conflict and rebel activities in the country during the past 18 years.

The IRC strategy for improving the quality of education included the provision of educational kits,

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tuition, trade start-up tool kits, school and office supplies and equipment. The implementation strategy involved:

- Withdrawal of children from child labor (face to face interaction, community campaigns, radio program and community/home visits, use of reception centers);
- Working with district officials, community parents and staff to identify and select beneficiaries;
- Enrolling children in educational programs for both formal and non formal education (primary, secondary and vocational schools, alternative learning centers);
- Providing material and psychosocial support;
- Monitoring and follow-ups to provide technical expertise;
- Working with the inspector of schools, youth officers and school staff including School Management Committees and Parent Teacher Associations to monitor children's performance and attendance and provide career guidance;
- Recruiting and training teachers to conduct alternative education and giving them incentives;
- Conducting holiday programs to reduce involvement in child labor (holiday study classes, recreation activities);
- Training staff, building their capacity (psychosocial training, security and management training, monitoring and evaluation, computer training; training in child labor issues and children's rights); and
- Providing recreational equipment such as sports and game equipment, music, dance and drama equipment for alternative education beneficiaries.

We conducted an independent examination of the IRC ORACLE project in Uganda under Cooperative Agreement E-9-K-3-0053 for the period March 1, 2005 to February 28, 2007. Our work was conducted at the IRC office in Kampala, Uganda, its field office in Lira, Uganda and at the office of its partner organization, AVSI, in Kitgum, Uganda.

### *MSI -Morocco (Adros)*

In August 2003, USDOL awarded \$3 million to Management Systems International (MSI) to implement the four-year ADROS project in Morocco. The project's goal is to improve access to quality education as a means of combating exploitive child labor in Morocco. MSI is working with the Ministry of National Education, the Secretariat of State of Literacy and Non-Formal Education, the Secretariat of State of Family, Children and the Handicapped, Ministry of Social Development, non-governmental organizations (NGOs) and other community-based organizations (CBOs) to effectively implement these goals.

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In the targeted ADROS project, MSI proposed to broaden and increase the access of *petites bonnes* (little maids) to educational opportunities and to significantly curb the practice of hiring underage domestic servants. In addition, the project devotes significant attention to raising awareness as to the prevalence of underage domestic servants and to changing societal attitudes with regard to the acceptability of this practice. While awareness and attitude change are necessary components of an effort to improve the circumstances of *petites bonnes* and curb the practice, they are not sufficient in and of themselves. Thus, MSI is using its experience in Morocco to induce families to place their female children in schools, create shelters for these girls so that they can continue on into secondary school, and foster the policy changes at the national and local levels required to support the significant improvements in girls' education in Morocco. MSI, through the ADROS project, is addressing the educational needs of children, particularly girls at risk, in the following ways:

- Promotion of changes in public awareness and acceptance with respect to the educational situation of *petites bonnes*. This includes changes in the attitudes of young girls as well as those of their rural parents and families in cities that can afford domestic servants. This is being accomplished through the development of a baseline study and collaborations with governmental officials, international organizations, and local NGOs and CBOs involved with education, youth, human rights, and the worst forms of child labor. It also includes development of various materials to be distributed through multiple media channels.
- Provision of learning opportunities within the community for the children at risk. The opportunities are provided through subcontract agreements with NGOs and CBOs. The opportunities are provided by qualified teachers in facilities provided by the subcontractors for a minimum of 6 hours weekly. The beneficiaries range in age from 9 to 15 and have varying levels of prior education.
- Collaboration with various Moroccan government organizations to develop a comprehensive strategy to educate and change the social norms, including sanctions, and the emergence of viable alternatives.

MSI structured the project so that services are delivered through local NGOs and CBOs for sustainability purposes. MSI entered into subcontracts with 28 NGOs to provide the classroom space and teachers, and enroll beneficiaries into the program. The space provided may belong to the community, an individual, the NGO, the Ministry of Education or the Ministry of Youth. The teachers are generally local individuals who have college degrees and some teaching experience and training. Beneficiaries are enrolled by the NGO/CBO. Additionally, each beneficiary completes an informational sheet with a picture in order that MSI may use this information to verify program eligibility.

MSI funds the subcontractors based upon the verified eligible beneficiaries. The funding is to be used to pay the teachers (80%) and to pay for equipment, lights, electricity, overhead or other administrative costs of the subcontractor (20%). Additionally, for each beneficiary MSI provides a packet that includes basic school supplies and workbooks. MSI provides the teachers with annual training and teacher workbooks. MSI requires that a minimum of 6 hours weekly instruction be provided by the teacher. Completion of the program requires attendance for a minimum of 200

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hours. Since the inception of the project, MSI has withdrawn over 7,300 children from the worst forms of child labor which is significantly higher than their original estimate.

We conducted an independent examination of the MSI EI project in Morocco under Cooperative Agreement E-9-K-3-0052 for the period April 2004 to March 2006. We performed additional tests as necessary to support our conclusions through June 2006, the timing of our audit procedures. We visited the headquarters office of MSI in Washington, D.C., between June 6 and June 16, 2006. We visited 28 sites and met with students, teachers, and school and community officials to gather information and determine the program’s impact and project status. We visited the in-country program office in Rabat, Morocco, and made field site visits to ADROS project locations: 11 in Marrakech, 3 in Kelaa, 5 in Rabat, and 9 in Casablanca regions, between June 6 and June 14, 2006.

### *MSI – Morocco (Dima Adros)*

In September 2007, USDOL awarded \$3 million to MSI to implement the three-year Dima Adros (“I always study”) project in Morocco. Building on MSI’s first EI project in Morocco, *Adros*, the project has expanded the geographic areas served and extended direct educational services to all of Morocco’s major sectors of exploitive child labor, including commercial sexual exploitation. The project has substantially increased efforts in rural areas, focusing on the agricultural sector for the first time. The project targets 8,000 at-risk and working children for withdrawal or prevention from exploitive labor. The following table is taken from the project document that shows the sectors targeted by the project within each of the 11 targeted districts, 6 of which are rural and 5 are urban.

<b>TARGETED SECTORS BY DISTRICT</b>										
Targeted Districts	Targeted Sectors									
	<i>(Sectors where rural children are sent to work in urban areas are so noted*)</i>									
	Construction	Waiters	Trade	Family Farms	Commercial Agriculture & Food Processing	Domestic Labor	Handicrafts and Carpentry	Mechanics, Plumbing,	Street Children	CSEC
<b>Rural Areas</b>										
<i>Timezgadiouine</i>	X -Sends	X -Sends	X -Sends	X	X -Sends	X -Sends	X -Sends	X -Sends		
<i>Sidi Issa Rezagui</i>				X		X -Sends	X -Sends	X -Sends		
<i>Ait Adel</i>	X -Sends		X -Sends	X	X -Sends	X -Sends				
<i>Skoura Lhadra</i>	X -Sends	X -Sends	X -Sends	X		X -Sends				
<i>Ait Saghrouchen</i>				X	X -Sends	X -Sends	X -Sends	X -Sends		
<i>Tassift</i>				X	X -Sends	X -Sends				
<b>Urban Areas</b>										
<i>Marrakech</i>					X	X	X	X	X	X

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<b>TARGETED SECTORS BY DISTRICT</b>										
<i>Kalaâ</i>						X		X	X	
<i>Témara</i>					X	X		X		
<i>Salé</i>					X	X		X		
<i>Rabat</i>				X	X	X	X	X		
<i>Total Number Targeted For Withdrawal Per Sector (Prevented breakdown by sector not provided)</i>	400	190	200	<b>800</b>	<b>800</b>	<b>520</b>	<b>560</b>	<b>400</b>	80	50

\*“X-Sends” indicates children who leave or are sent by families to find work in urban regions within a given sector. The rural area is a recruiting ground for urban-based child labor.

We conducted an independent examination of the MSI education initiative project in Morocco under Cooperative Agreement IL-16568-07-75-K for the period September 30, 2007 to March 31, 2009. Our fieldwork in Morocco involved travel to the project office in Rabat and project sites in the rural areas of Skoura Lhadra, Tassift, and Aït Saghrouchen, and the urban centers of Chefchaouen, Salé, Témara, Rabat, and Kelâa. We interviewed students, parents, teachers, case workers, community leaders, government officials and technicians, and project employees, inspected and assessed the status of schools, non-formal education centers and vocational training activities and reviewed project documentation and performance data. We tested for compliance with applicable regulations, USDOL guidance manuals and the cooperative agreement.

### ***Partners of America-Brazil***

In August 2003, USDOL awarded \$5 million to Partners of the Americas (POA) to implement a four-year project to combat child labor in illicit agriculture and the commercial sex industry in Brazil, with a focus on the states of Amazonas, Acre, Bahia, Paraíba and Pernambuco. The project area was revised to include only the states of Bahia, Paraíba and Pernambuco in the final approved project document. The project centered on three major components consisting of quality education, strengthening public policies and institutions that address child labor issues, and raising public awareness concerning the effects of the worst forms of child labor. Each component focuses on achieving specific goals as follows:

#### **Quality Education**

- a) Methodology of Inclusive and Integral Education (IIE) developed as Program Model;

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- b) Public schools in target areas trained in IIE and effectively implementing IIE in educational process;
- c) Public Schools' capacity increased with their Pedagogical Policy Project (PPP) based on inclusive and integral education;
- d) *Jornada Ampliada* (JA) (Extended Schooldays) and supplementary educational programs in target areas qualified in IIE;
- e) Children and Adolescents developing life goals and plans that exclude child labor.

### **Public Policies and Institution Strengthening**

- a) Multiple Governmental programs converging to address child labor with a focus in education;
- b) Model methodologies for combating child labor validated for their dissemination and application.

### **Awareness Raising**

- a) Public agencies carrying out activities to prevent and eradicate child labor, prioritizing educational interventions;
- b) School community and civil society organizations engaged in the process of transforming education as a strategy to prevent and eradicate child labor.

POA developed a plan to achieve its goals through a partnership with local non-profit organizations that were already working on child education issues in the targeted communities. The resulting project, named EDUCAR, included teaming with two major NGOs in the impacted regions of Brazil, Projeto Axe' and Serviço De Tecnologia Alternativa. It also involved other organizations, both for-profit and non-profit, to conduct census studies, compile data and provide technical assistance as needed.

We conducted an independent examination of the POA EI project in Recife, Brazil under Cooperative Agreement E-9-K-3-0060 for the period September 1, 2003 to March 31, 2005.

We traveled throughout Brazil from June 13, 2005 to July 1, 2005, to observe, inquire about and assess program attributes, challenges and results. We visited several school sites, met with students, parents and parent committees, teachers, government building technicians/inspectors and school administrators and contractors to gather information and determine the program's impact and project status.

### ***Save the Children Canada-Burkina Faso***

In August 2003, USDOL awarded \$3 million to Save the Children-Canada (STCC) to implement the four-year Training and Education Against Trafficking (TREAT) project. The project's goal is to reduce the risks of trafficking for 2,400 children in four regions of Burkina Faso by ensuring their enrollment in, and retention and completion of, education programs at Satellite Schools or Non Formal Basic Education Centers (NFBECS). Major activities of the TREAT project include: creating 20 new Satellite Schools and NFBECS, developing more practical and active curricula for

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basic education, and creating local awareness raising committees to increase knowledge about child trafficking. The project is designed to enroll 800 children in project schools in its second, third and fourth years of implementation; retain 88.5% of enrollees in Satellite School and NFBEC programs, and have 70% of the children enrolled in the first cycle of Satellite Schools complete the program. The project also aims to contribute to achieving the goals of the government's Ten Year Strategic Plan for Basic Education 2000 – 2009.

We conducted an independent examination of the STCC EI project in Burkina Faso under Cooperative Agreement E-9-K-3-0064 for the period September 2003 to November 2004. We traveled from November 29, 2004 to December 17, 2004, over 1,700 miles throughout northern, western and southwestern Burkina Faso to observe, inquire about and assess program attributes, challenges and results. We visited several school sites, met with students, parents and parent committees, teachers, government building technicians/inspectors and school administrators and contractors to gather information and determine the program's impact and project status. We met with the United States Ambassador upon our arrival in Burkina Faso to brief him on our objectives, the overall scope of work and timeframe for completion of our fieldwork. We conducted a debriefing with the Ambassador prior to our departure and acknowledged his support in obtaining further project assistance from the Burkina Faso government.

### *Save the Children-Guinea*

In September 2004, USDOL awarded \$4 million to Save the Children Federation, Inc. (STC) to implement a four-year program to combat child labor through education in Guinea under the Combating Child Labor and Exploitation through Education (CCLEE) project. A major CCLEE project goal is to provide direct benefits to 4,800 children and indirect support to 38,749 children by providing education and skills/vocational training to children and youth between the ages of 5 and 17 that are working in or at-risk of exploitive child labor throughout ten districts in Guinea which include: Mandiana, Kankan, Kerouane, Macenta, N'Zerekore, Lola, Gueckedou, Labe, Boke, and Conakry. STC committed to contributing an additional \$400,000 in cost sharing or matching funds for this project.

Child labor in Guinea is widespread due mainly to poverty. According to the USDOL Trade and Development Act Report in 2005, an estimated 48.8 percent of children ages 7 to 14 were counted as working in Guinea in 1994. Approximately 47.6 percent of all boys aged 7 to 14 years were working compared to 50.2 percent of girls in the same age group. The majority of working children were found in the informal sectors, carrying out activities such as subsistence farming, small-scale commerce, and fishing. Children also were employed in gold mines, diamond mines, granite quarries, sand quarries, and as apprentices to mechanics, electricians, and plumbers. Guinean children engaged in the worst forms of labor were found hauling granite and sand for little or no money in artisanal mining. Girls engage in prostitution as early as age 14. An estimated 40 percent of the population lives below the poverty line. Moreover, Guinea has no sustainable formal market sector; an estimated 85 percent of the population engages in small scale farming and informal

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commerce. The combination of a population living in poverty and the absence of a formal, highly regulated labor sector has made child labor pervasive.<sup>5</sup>

Child labor in Guinea is frequently unpaid, at times can be life-threatening and exploitive, and in many instances prevents children from accessing school and other learning opportunities. The CCLEE project uses a comprehensive, community-driven approach to identify the educational, economic and protection needs of targeted children and assists them in accessing locally available education services. It accomplishes this objective by using a two pronged approach. First, STC works toward strengthening local, district, and national level networks such as the guidance and support of the Ministry of Education, Ministry of Social Affairs, and the Promotion of Women and Children of the Republic of Guinea to develop and promote formal and non-formal education opportunities that specifically address the needs of children engaged in or at risk of being in exploitive labor situations. Second, STC, through partnerships with the local non-governmental organizations, Parent Teacher Associations such as the Association des Parents d'Eleves et Amis d'Ecoles and Nafa Centers (vocational education centers), provides the training and technical assistance to build the capabilities of these community institutions (formal and non-formal educational structures) so they can operate effectively.

The STC CCLEE project is built around four essential interrelated and programmatic areas:

- 1) Raising the awareness of communities, religious leaders, civil society organizations, and local government about the positive effects of education and the negative effects of exploitive child labor.
- 2) Increasing the rates of children who are withdrawn or prevented from engaging in exploitive child labor and who benefit from education.
- 3) Increasing the education access, retention, and completion rates of children vulnerable to exploitive/abusive situations- especially girls.
- 4) Strengthening transitional and non-formal educational systems that provide educational opportunities to working children and children vulnerable to exploitive work conditions.

The STC CCLEE project targets a total of 22 districts in Guinea, 10 that target areas of high prevalence of children in or at risk of exploitive child labor and another 12 that target awareness raising about exploitive child labor.

We conducted an independent examination of the STC EI project in Guinea under Cooperative Agreement E-9-K-4-0060 for the period April 2005 to March 2007. We traveled to the STC Sahel regional office in Bamako, Mali and the Guinea project field office in Kankan, Guinea to inquire about and assess program attributes, challenges and results. We visited 11 project sites in Guinea in the three districts of Kankan, Mandiana, and Kerouane.

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<sup>5</sup> Information for this entire paragraph is taken from the 2005 Department of Labor Trade and Development Act Report, page 217, reference at <http://www.dol.gov/ilab/media/reports/iclp/tda2005/tda2005.pdf>

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### *Save the Children-Indonesia*

In September 2004, USDOL awarded \$6 million to STC to implement the four-year Enabling Communities to Combat Child Trafficking Through Education (ENABLE) program in Indonesia. The ENABLE program in Indonesia is intended to reach 19,432 children and provide them with formal and non-formal education services and to address the challenges facing out-of-school children who are working in or at risk of being trafficked for hazardous labor. The assistance, which includes books, materials, supplies and tuition, is provided to increase children's access to non-formal education and contribute to preventing children in targeted sub-districts from being trafficked for hazardous and exploitive labor.

STC is partnering with the International Organization for Migration<sup>6</sup> (IOM) to implement the ENABLE program in Indonesia. The STC/IOM team, which was approved by USDOL, is working with the Government of Indonesia to strengthen local capacity to expand access to quality basic education for children at-risk of being trafficked or who have been trafficked for exploitive labor, particularly in commercial sexual exploitation or domestic service. With an emphasis on education, this program is designed to foster leadership in the Ministry of National Education (MONE) to effectively address child trafficking through its direct involvement in the program. The ENABLE approach is built around four essential, interrelated programmatic areas:

- Providing greater access to educational opportunities to more children in areas at risk for trafficking
- Providing more educational opportunities to more child victims of trafficking
- Raising public awareness about the negative effects of child trafficking
- Developing and implementing government policy (and practices) that provides education for trafficked children and those at risk of such abuse.

The ENABLE program operates in five provinces in Indonesia: West Java, East Java, DIY/Central Java, Batam/Riau islands, and West Kalimantan. These provinces, which have a high incidence of child trafficking for commercial sexual exploitation and/or domestic work, also have district and municipal governments receptive to program implementation, strong local NGO partners, and current presence of STC and IOM programs. The ENABLE program is projected to serve direct beneficiaries in the following target groups:

- Target Group 1: At risk children involved in junior secondary school
- Target Group 2: At risk children involved in non-formal education
- Target Group 3: Currently employed domestic workers involved in non-formal education
- Target Group 4: Recovered trafficking victims involved in non-formal education

IOM is predominately responsible for the Target Group 4 effort. This includes identifying trafficked victims and reintegrating those victims into non-formal education. In connection with the cooperative agreement, IOM performs the agreed upon services for STC in Indonesia and is

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<sup>6</sup> The International Organization for Migration (IOM) was established in 1953 and is the principal intergovernmental organization in the field of migration. IOM currently has 112 member countries. IOM is dedicated to promoting humane and orderly migration for all and does so by providing service and advice to governments and migrants.

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reimbursed for services and materials. IOM submits summary invoices to STC, which are processed and paid by the grantee's office in Jakarta, Indonesia.

We conducted an independent examination of the STC ENABLE program under Cooperative Agreement E-9-K-4-0048 for the period September 30, 2004 to March 3, 2006. We visited STC's headquarters in Westport, Connecticut between January 30 and February 1, 2006 and STC offices in Jakarta and Surabaya, Indonesia, between February 19 and March 8, 2006. Due to the tsunami in December 2004, STC's ENABLE program in Indonesia was halted from February through June 2005 and its staff was temporarily reassigned to the Aceh tsunami response effort (AERA program). Consequently, our review of performance was revised to (1) assess the current status of the program and accomplishments and (2) where applicable, to assess reported and actual accomplishments. To achieve these objectives, we visited district government, sub-district and village offices; primary and secondary schools; and hospitals at locations in Jakarta, East Jakarta, Gunning Kibul, Surabaya and Malang. At these locations, we observed and inquired about program operations and assessed program results.

### *Save the Children-Indonesia*

In September 2005, USDOL awarded USD 2.5 million to STC to implement the three-year Enabling Aceh to Combat Exploitation through Education (ENABLE/Aceh) project. The project's goal is to reduce the number of youth in post-tsunami Aceh, Indonesia who are at-risk of entering the Worst Forms of Child Labor by providing 10,530 children with non-formal vocational education services. In addition to preventing 10,530 children from the WFCL, the project's aim is to raise public awareness of the WFCL and to strengthen the local government's capacity to address the educational needs of at-risk youth and the issues around WFCL. The ENABLE/Aceh project has identified the WFCL in Aceh as work in brick factories, construction, as street children (begging, etc.) and fishing-related activities, in addition to plantation labor, scavenging and residential domestic work.

The project targets seven districts of Aceh for support: Sabang, Banda Aceh, Aceh Besar, Pidie, Bireun, Lhokseumawe, and Aceh Utara. Within the targeted districts, the ENABLE/Aceh project's original intent was to re-build four Community Learning Centers (CLCs) damaged by the 2004 tsunami; provide funding for equipment and materials to reactivate 13 CLCs; and provide technical support and training at 13 CLCs. The strategy is to reduce the occurrence of youth engaging in WFCL by building life and jobs skills within the at-risk population. In addition, ENABLE/Aceh aimed to increase the capacity of the 13 CLCs to 30 CLCs during the performance period by fostering community ownership and participation in the educational and vocational programs.

We conducted an independent examination of the STC EI project in Indonesia (Aceh) under Cooperative Agreement E-9-K-5-0045 for the period November 1, 2005 to October 31, 2007..

We traveled to the Enabling Aceh to Combat Exploitation through Education (ENABLE/Aceh) project sites in the regions of Banda Aceh, Pidie, Lhokseumawe, and Aceh Utara. The project sites are operated through 30 Community Learning Center's (CLC), four of which were constructed by the ENABLE/Aceh project and two of which subsequently dropped out of the project.

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### ***Save the Children U.K.-Pakistan***

In September 2002, USDOL awarded \$5 million to Save the Children-U.K. (STCUK) to implement the four-year Addressing Child Labor through Quality Education for All (ACL-QEFA) project. Direct services to children were initiated in April 2003 after USDOL approved STCUK's project implementation and monitoring plans. The project's goal is to prevent the trafficking of children into the worst forms of child labor in districts of the Punjab province of Pakistan by ensuring their enrollment in, and retention and completion of, education programs at Non Formal Basic Education Centers (NFBEs), government schools, literacy centers and through vocational training. Major activities of the ACL-QEFA project include: creating NFBEs for mainstreaming at risk children and child laborers into formal schools, operating literacy centers to provide basic skills in math, reading and writing to enable older children to enroll and successfully complete vocational training programs, providing awareness training and education about the hazards of the worst forms of child labor, and working with and mobilizing village district committees as advocates for children's education programs. The focus of these activities is in the Kasur and Sheikhpura districts in Punjab province of Pakistan.

We conducted an independent examination of the STCUK EI project in Pakistan under Cooperative Agreement E-9-K-2-0062 for the period October 2003 to March 2005. We traveled from June 20, 2005 to June 30, 2005, to Lahore and Islamabad in the Punjab province of Pakistan to observe, inquire about and assess program attributes, challenges and results. We visited 18 non-formal education centers, literacy centers, vocational training programs, government schools and program field offices in the Kasur and Sheikhpura districts and met with students, parent committees, government school officials and project staff to gather information on and determine the programs' impact and project status. We conducted a debriefing with the State Department economic advisor in Islamabad, Pakistan prior to our departure.

### ***Winrock International-Brazil, Nepal, Mali, Philippines, Kenya, Ghana***

In July 2002, USDOL awarded \$5 million to Winrock International (WI) to implement the four-year Community-based Innovations to Reduce Child Labor through Education (CIRCLE) project. In 2004, Winrock received an additional \$500,000 under the President's Anti-Trafficking Initiative to expand its CIRCLE I project activities to Sierra Leone. The project's goal is to support innovative, locally developed pilot activities that aim to reduce the worst forms of child labor and improve access to education in several countries with regional offices in Brazil (for Guatemala, Peru and Nicaragua), Mali (for Ethiopia, Ghana, Kenya, and Morocco), Nepal (for Bangladesh, Pakistan and India) and the Philippines. Solicitations for proposals are directed towards local non-profit, community-based, organizations with the capacity to prevent child labor (especially those engaged in the worst forms) through formal and non-formal educational approaches. Major activities of the CIRCLE projects include: 1) Strengthen formal, non-formal, and transitional education systems that encourage working children, and those at risk of working, to attend school; 2) Raise awareness of the hazards of child labor and the importance of education for all children; 3) Strengthen national institutions and policies on education and child labor and; 4) Ensuring sustainability and/or replication as documented by monitoring and measuring techniques for tracking impact, including numbers and stories reflecting educational persistence, completion and prevention of child labor for at-risk children.

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### *Africa Region*

In Mali, the Regional Manager oversees seven subcontracts including two in Mali, two in Ghana, one in Kenya, one in Ethiopia, and one in Morocco. WI Mali was responsible for monitoring the activities of the Environment et Developpement de Tiers Monde (ENDA) and Association pour le Developpement Actif et Participatif (ADAP) in Mali; Forum for African Women Educationalist (FAWE) and African Centre for Human Development (ACHD) in Ghana; African Development AID Association (ADAA) in Ethiopia; Association DARNA la Ferme Pedagogique des Jeunes in Morocco; and Dupoto e Maa in Kenya.

ENDA is responsible for recruiting 300 children to enter the five community schools targeted for this project and the retention of 1,600 at-risk children currently enrolled. The program includes renovating and improving the educational capacity at four community schools, constructing one school and constructing and equipping 10 learning centers. The organization proposed a matching contribution of \$1,999. This project component is for two years from February 2004 to January 2006.

ADAP was awarded a one-year contract (February 2004 to January 2005) to advocate for children's rights and provide workshops and training for village committees and educators and to discuss educational opportunities with parents of at-risk children in 15 villages. ADAP also provides advocacy support through radio announcements, t-shirts and social, educational and cultural activities. ADAP provides meals and medical visits to targeted children. The organization committed \$18,886 in matching funds for this program.

Winrock awarded FAWE a two-year contract between February 2004 and January 2006 to provide training to 20 head teachers in improved learning techniques and sensitivity towards child labor, 34 Parent-Teacher Association representatives responsible for monitoring teaching techniques in the classroom and 17 members of the Circuit Management Team for monitoring attendance. The subcontractor also was responsible for providing skills training for 60 girls in Nsaba Secondary School, books and other learning materials. FAWE committed to providing \$7,800 in matching funds for the project.

Services in the Kadjebi District of Ghana were assigned to ACHD. Its objective was to promote community solidarity in moving children from labor to schools through awareness raising of the hazards of child labor, awareness raising slogan competitions, book prizes, billboards and radio announcements. A Technical, Appraisal, Monitoring and Evaluation committee consisting of the head teacher, local priest, Queen Mother's representative, women's group, Ministry of Education, traders association, farmers association, parent/teacher association and youth representative would be created to ensure sustainability and support for child education. In addition, Child Sentinel Committees would be established in schools to promote a healthy learning environment for at-risk children. ACHD's budget had \$61,740 in matching funds during the course of the project period from February 2004 to February 2006.

ADAA was awarded a contract for \$55,005 to provide educational opportunities for 900 out of school children aged 4 to 17 in the Siruro District of Ethiopia. The subcontractor was to

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achieve this objective through the renovation of five non-formal basic education centers that provide an educational learning environment through grade level four. Eighty percent of the children were projected to transition into grade five in formal schools. The period of performance for these services as designated was January 2004 through December 2005 with a matching fund requirement of \$25,914.

Winrock allocated \$100,000 with matching funds of \$166,485 for DARNA to construct a training center and provide 36 scholarships to children removed from the worst forms of child labor and enrolled in the training center. The period of performance for this subcontract was March 2004 through September 2005.

Dupoto e Maa was awarded a \$50,000 contract with \$48,562 in matching funds to engage at-risk children in the herding region of Kajiado, Kenya. The subcontractor was responsible for targeting 7,400 at-risk children in 20 schools in the region and reducing the drop out rate by eighty percent through community intervention, teacher training and advocacy efforts that included radio airtime.

### *South Asia Region*

The regional office in Kathmandu, Nepal manages seven projects funded under the CIRCLE grant totaling approximately \$382,000. An eighth project in the Philippines for \$80,000 has been managed from a regional office established in that country since August 2004. In Nepal two projects are funded; one is run under the auspices of Child Workers in Nepal Concerned Center (CWIN) for \$113,000 and another one is run by Aasaman Nepal for \$100,000. The CWIN agreement focuses on advocacy and awareness training on the importance of child education and combating exploitative child labor. CWIN executes its strategy through development and strengthening of child rights forums and national institutions designed to promote children's education. The organization works with local villages, government and schools to identify at-risk children, facilitates the enrollment of these children in school and monitors their school progress and attendance through assigned field representatives for each district. CWIN provides teacher training for improvement of basic education and the learning environment and conducts workshops to discuss ways to promote community activism in children's education. It also stages street theater shows that dramatize the impact of child labor on the family and the associated risks of injury or death. Aasaman Nepal focuses its efforts on the Village Development Committees (VDCs) within the Sarhali district of Nepal. Its main efforts are directed toward the improvement of the existing school and social infrastructures within the VDCs. For example, Aasaman Nepal works on building government capacity through training and assignment of volunteer teachers for overcrowded classrooms, mobilizing the village communities to provide labor and materials for school structural improvements and providing tutors and bridge programs for slow learners and children being introduced into the formal school system. Aasaman Nepal tracks the progress and retention for supported at-risk children and lends support for school retention and completion through assistance with birth registration, school fees, uniforms and supplies.

Winrock/Nepal provides support for three projects in India under CIRCLE. These projects include one with Arunodhaya Center for Street and Working Children for approximately

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\$75,000, a second one for Committee for Legal Aid to the Poor (CLAP) in the amount of \$75,000 and the third one, in the amount of \$9,800, to the Center for Rural Education and Development (CRED). According to project documents, Arunodhaya concentrates its efforts on enrolling children in “child laborers schools” which are alternative schools that prepare the children for formal educational settings. Additional efforts to enhance the learning capabilities of the children involve guided learning centers that provide evening classes and tutorial assistance. The learning centers also monitor the progress of children and identify dropouts for remedial actions. Other efforts include organizing women and youth groups to promote education and working with government institutions to ensure that educational needs are met. The organization targets the city of Chennai in the southern Indian state of Tamil Nadu. CLAP operates in the Badamba Block within the state of Orissa. The focus is a combination of advocacy for children’s rights and implementation of existing child labor laws under a project named the Right Path to Education. The strategy utilizes task force teams established in each local governing area or panchayat to assist with execution of village education plans and coordination of the plans with local government and NGOs based on project documents. CLAP also is involved in the identification of target children and their families for school enrollment and child labor education purposes and strengthening of local government to enforce existing child labor laws and influence national policy concerning child labor. CRED functions within the Vadipatty block, in the Tamil Nadu state. According to project documents, its efforts are centered on building sustainable networks to promote children’s education in 10 villages. These networks include village education committees, non-formal education centers, children’s committees and self-help groups within each village. CRED identifies child laborers through a combination of household surveys and network members. The project concentrates on monitoring the progress of and linking targeted children to formal education institutions or vocational training opportunities through the network system.

Winrock/Nepal manages one CIRCLE project in Pakistan and another one in Bangladesh. The Development and Welfare Agency (DWAY) in the Bannu district of Pakistan has a subcontract to provide child education services in the amount of \$9,772. Based on project documents, this project focuses on targeting ten formal and non-formal schools to enroll and provide free education for child laborers. It includes working with and building up parent/teacher associations and community groups to reduce child labor and provide support for the children and project sustainability. Manab Unnayan Kendra (MUK) received a subcontract in the amount of \$9,988 to provide education initiative services in the Meherpur district of Bangladesh. The project focus is on creating 15 community-based learning centers in the district to provide basic education to targeted child laborers using the standard government curriculum, encouraging child laborers to enroll in formal schools after completion of non-formal education and negotiating with the formal schools to admit the children as students.

### *Southeast Asia Region*

Winrock/Nepal managed the Southeast Asia region projects until August 2004 whereupon a regional office was established in Manila, Philippines to provide oversight for the \$80,000 CIRCLE I project operated by Laura Vicuña Foundation (LVF). The project seeks to address

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the issue of child labor in the sugar farming industry around Victorias City by providing access to educational opportunities to 500 at-risk children or those already working in the worst forms of child labor including sugar plantation laborers, bar entertainers and child prostitutes. The implementation of this project includes recruitment and selection of children through meeting with village leaders and families, orientation sessions with selected children and their parents, execution of child readiness assessments and participation agreements, team building and bonding activities, child rights advocacy raising activities, installation of child protection councils, networking with local social welfare office, tutorial services for out-of-school youth in the Non-Formal Education (NFE) program and monthly performance reviews and assessments to ensure continued educational progress. The project is for the period from March 2004 through March 2006.

### *Latin America Region*

The Winrock/Brazil Regional office has subcontract agreements in Brazil (Instituto De Capacitacao Comunitaria or ICC), Nicaragua (Dos Generaciones), Guatemala (CEIPA), and Peru (La Association Mujer Familia).

Winrock initiated a child labor project in Brazil through ICC called “Tirando as Pedras do Caminho” or “Taking the stones out of the way.” ICC’s efforts in Brazil were for the period January 15, 2004 to January 14, 2005 and included a matching contribution of \$6,741. ICC was tasked with rescuing 300 children from working as stone extractors in the northern Brazilian state of Maranhão near the city of São Luís. These efforts included enrolling 50 children in the formal school system and providing computer technology classes for and monitoring all 300 rescued children over the project period.

Dos Generaciones was selected to provide child labor prevention services in the Acahualinca neighborhood of Managua in Nicaragua for the initial period February 1, 2004 through January 31, 2005. The targeted population was approximately 700 children and adolescents working at the garbage dump in the area, 300 of whom also live at the site. Dos Generaciones proposed to address this problem through the identification and promotion of alternatives to this worst form of child labor and development of special protections for the at-risk children. In addition, the subcontractor proposed to organize the community and form alliances to push for child education rights, construct strong relationships with the local and national governments for the benefit of children’s rights, and train community activists in corrective strategies for better access to education for the targeted population. Dos Generaciones’ goal is to provide school access to 500 children and educate 600 children and adolescents, 200 parents and 30 teachers so that they could effectively promote child education rights. Dos Generaciones was required to provide \$43,600 in matching funds for this project.

The Ecumenical Center for Pastoral Integration (CEIPA in Spanish) was awarded a subcontract to provide child labor prevention services in Quetzaltenango in the southwestern highlands of Guatemala between January 2004 and December 2005. The target population in this region was children and adolescents between the ages of 7 to 17 working in domestic services or the markets. The main project approach included enrolling working children in

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the formal school system at the appropriate grade, providing accelerated learning assistance through education technicians to bring children up to the appropriate level prior to enrollment, or providing academic training to adolescents in order for them to meet vocational training program requirements and enrolling them in vocational programs. CEIPA's goal was to provide assistance to 300 children with an 80 percent retention rate in public schools, academic acceleration programs for public schools and vocational training programs. CEIPA had a matching requirement of \$141,333 for this project.

In Peru, the subcontract awarded to AMF is for the period from February 2004 through January 2006. It is focused in Cajamarca in northern Peru, Lima in central Peru and Cusco in southern Peru with a target of 200 domestic child workers, 100 adolescent workers aged 14 to 18 and 280 families of these workers. The project proposed activities to include ensuring insertion into the school system and academic success through an alternative school reinforcement program, personal development and cultural appreciation through a cultural and artistic program and specific training for adolescents in labor workshops. The project also focused on facilitating attention toward the overall issue of domestic child labor in the local and regional agendas through a network of institutions (including the University of Cajamarca), raising employer consciousness through personal visits and radio broadcasts and establishing a small rotary fund for family income generation through small business. The matching funds required for this project were recorded as \$10,000.

We conducted an independent examination of the Winrock International CIRCLE I project under Cooperative Agreement E-9-K-2-0048 for the period October 2003 to March 2005. We conducted our fieldwork visits between April and August 2005. We visited the headquarters offices of Winrock International in Little Rock, Arkansas between April 25 and 28, 2005. We also visited the offices housing the organization's program management team in Arlington, Virginia between June 7 and 10, 2005. In addition, we traveled to the Winrock/Africa regional office in Bamako, Mali and the Kodjiredaja and Thio regions in that country, visited Dupoto e Maa offices in Kajiado, Kenya and programs managed by ACHD and FAWE in the Volta region of Ghana, examined documentation at the Winrock/South Asia regional office in Kathmandu, Nepal and ventured to CWIN headquarters office and Aasaman Nepal headquarters and field offices in that country. We also made a field visit to the Winrock/Southeast Asia regional office and project site in metro Manila and Negros Occidental, Philippines, respectively, and to the Latin American regional office in Salvador, Brazil and to the Dos Generaciones regional project in Managua, Nicaragua.

### *World Education-Cambodia*

In August 2003, USDOL awarded \$3 million to World Education Inc. (WEI) to implement the four-year OPTIONS program in Cambodia. WEI was to provide \$1,007,434 in matching funds. Cambodia is a country in Southeastern Asia that shares a border with Thailand, Vietnam and Laos. It has a population of almost 14 million people, of whom about 36 percent are under the age of 15. This age group is fairly evenly distributed between males and females. Literacy is defined as persons over the age of 15 who can read and write. About 85 percent of the male population is considered literate, but only 64 percent of the female population. Administratively, Cambodia is organized into 20 provinces that are further divided into districts. The lowest form of administrative unit is at the commune or village level.

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WEI administers a variety of education programs in Cambodia’s Banteay Meanchey, Kampong Cham, and Prey Veng Provinces through its OPTIONS program. The OPTIONS program is about what its name implies—offering vulnerable and exploited children, their families and their communities the option to choose their own path in life through education, information, skills training, and opportunities to build self-confidence and self-efficacy. It is about helping children and their families gain the attitudes, skills and knowledge that will guide them in assessing their circumstances, evaluating available options and making better-informed decisions. OPTIONS is about helping children develop sustainable and transferable skills and learning abilities. Because girls are the primary target of trafficking networks in Cambodia, but have the fewest options, the program places heavy emphasis on providing girls with educational opportunities for different options in life.

The goal of the OPTIONS program is to reduce the number of children, especially girls, who fall victim to trafficking and commercial sexual exploitation. The immediate objective is to ensure that children, especially girls, at risk of or removed from, trafficking and commercial sexual exploitation are educated through programs relevant to their needs. Building from a results oriented framework of five outputs, OPTIONS works with community networks to identify children who are at risk, and support these children through formal and non-formal education (NFE) interventions appropriate to each child. Children who are enrolled in school are provided support to complete primary education, and to transition into and persist in lower secondary school. Children who are out-of-school are provided support to enroll in NFE programs that can lead to re-entry into the formal school system, or to explore vocational skills training appropriate to their interests and the economic realities of their communities. OPTIONS assists children who have been trafficked and/or exploited by offering them the support of educational programs while they are in rehabilitation centers and after they have returned to their families or have been integrated into new communities. Since the program’s inception in August 2003, OPTIONS has provided educational assistance to over 14,000 children.

We conducted an independent examination of the WEI OPTIONS project under Cooperative Agreement E-9-K-3-0061 for the period April 1, 2004 through March 31, 2006. We visited, from May 15, 2006 to May 26, 2006, 12 OPTIONS sites in the Prey Veng and Kampong Cham Provinces to observe classes in session, and to meet with students, teachers, parents, working groups and scholarship committees to obtain their views on the OPTIONS program.

### ***World Education-Nepal***

In April 2002, USDOL awarded \$4 million to WEI to implement the four-year Brighter Futures project (BFP). The project’s Development Objective is to reduce the worst forms of child labor in Nepal. Its immediate objective is to ensure that children removed from or at risk of entering the worst forms of child labor are educated in relevant programs. The project targets 17,000 children in six specific sectors of worst forms of child labor as well as 63,000 children at risk of entering WFCL in 134 schools and 22 districts in the country. Three types of direct interventions are provided as educational support to children: non-formal education, school support, and vocational education/training.

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The growth of labor-intensive industries and rapid urbanization has created a fresh demand for child labor in Nepal. Children are currently engaged in the manufacture of carpets, garments and wood products, bakeries, brick making, breaking stones in quarries and for road construction. A large number of children make a living in urban centers of Nepal by “rag picking” (or recycling), which includes collecting rags, plastics, metal and glass bottles from dump sites, street corners and river banks. Child laborers also exist on a large scale in low skill jobs in the service sector. Children are employed as domestic servants, hotel and restaurant workers, bus and tempo conductors and porters. The majority of working children are *Janajatis*. The *Janajatis* are members of the 59 indigenous nationalities of Nepal who are often victims of discrimination and experience social and economic exclusion from mainstream Nepali society. Trafficking is another high-risk dimension of the child laborer. It is a means of exploitation of women and children by forcing them into the sex industry, domestic and factory labor, and illegal adoption.

The ultimate target beneficiaries in the BFP are the child laborers and children who are at the risk of being child laborers. The six-targeted sectors include children domestic workers, children porters, children working in the carpet industry, child miners, children working in recycling, and trafficked children. Group activities include:

- Children who are domestic workers or at-risk of becoming child domestics acquire basic literacy and numeric skills, new attitudes and health knowledge.
- Girls at-risk of being trafficked for sexual exploitation or exploitive labor gain skills, attitudes, and knowledge to protect themselves.
- Child domestic workers, rescued child trafficking victims, and girls at-risk are enrolled or re-enrolled in school or are connected to vocational opportunities.
- Children working as rag pickers (recyclers), porters, and in mines or carpet factories have access to non-formal education (NFE) and vocational opportunities.
- Children who are considered too old to enter formal school, work with their families and community savings and credit group to start small income generating activities.

We conducted an independent examination of the WEI BFP project in Nepal under Cooperative Agreement E-9-K-2-0003 for the period December 1, 2003 through November 30, 2005. We traveled between January 10, 2006 and January 21, 2006 to the Kathmandu, Bhaktapur, Lalitpur and Kaski districts in Nepal to observe, inquire about and assess program attributes, challenges, and results. We visited fifteen school sites, met with students, parents and Parent Teacher Associations, teachers, school management committee members, and program officers to gather information and determine the program’s impact and project status. We met with the program director and the regional staff in Nepal to brief them on our objectives, the overall scope of work and timeframe for completion of our fieldwork. We conducted an exit debriefing with the program director prior to our departure.

### ***World Learning-Peru***

In September 2002, USDOL awarded \$1.5 million to World Learning for International Development (WLID) to implement the four-year EI project in Peru. The project’s goal is to improve access to basic quality education for targeted children and includes components of awareness raising, teacher training, development and distribution of locally relevant educational materials, institutional

## APPENDIX 2 – PROJECT DESCRIPTIONS

strengthening, and mobilization of resources for education. WLID addresses numerous barriers and gaps to education confronted by children living in the areas of the project. Additionally, WLID's mission is to remove children from the dangerous aspects of gold mining and place them in a quality school setting working closely with Instituto de Fomento de una Educación de Calidad (EDUCA) and Allin Kawsay as local partners. The name of the WLID's project is EduFuturo, which means Educating Artisanal Mining Children in Peru for a Dignified Future.

WLID adopted a three-part approach designed to link educational innovations with community participation and strategic alliances. EDUCA was tasked with providing technical assistance in training teachers in innovative educational strategies to achieve more equitable access to higher quality and culturally relevant educational programs. EDUCA also assisted in increasing access to education through the development of education resource centers. Allin Kawsay works with youth groups to promote community participation in educational efforts. In the September 2004 status report, the WLID EduFuturo project director expressed that a collaborative conflict existed with EDUCA, and therefore a highly qualified local education specialist and two assistants were hired by WLID EduFuturo to replace the two EDUCA education specialists.

We conducted an independent examination of the WLID's EI project in Puno, Peru under Cooperative Agreement E-9-K-2-0066 for the period December 2003 to November 2005. We traveled, between February 4 and February 19, 2006, throughout the southern province of San Antonio de Putina, which includes the Ananea, Rinconada, Cerro Lunar and Sina districts to observe, inquire about and assess program attributes, challenges and results. Although school was out due to summer break, we learned that during 2005 WLID implemented the Useful Vacations Program to provide children with additional alternatives to working in the mines. The Useful Vacations classes were in session in each of the 4 districts visited. We visited several school sites within the aforementioned districts, and we met with students, parents and parent associations, teachers, local government officials and school administrators and contractors to gather information and determine the project status.

### *World Vision-Africa*

In September 2004, USDOL awarded \$14.5 million to World Vision to implement the 4-year Kenya, Uganda, Rwanda and Ethiopia Together (KURET) project. The project's goal is to substantially reduce and prevent the engagement of children in the worst forms of child labor in Kenya, Uganda, Rwanda and Ethiopia. The KURET project is focused on providing educational services to 30,600 children between the ages of 5 and 17 in HIV/AIDS-affected communities who have been engaged in, or are at risk of engaging in, exploitive child labor. Children in Kenya, Uganda, Rwanda, and Ethiopia are more vulnerable to the worst forms of child labor due to the impact of HIV/AIDS. The project seeks to identify strategies that address both the impact of HIV/AIDS and challenges concerning child labor. The specific objectives of the project are:

1. Increased access to education for children at risk of or removed from the worst forms of child labor.
2. Improved quality and relevance of education available to children at risk of or removed from the worst forms of child labor.

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3. Increased awareness of key stakeholders of the negative effects of child labor, the importance of education and the relationship between HIV/AIDS and education.
4. Increased support for the education of target children by government institutions, communities and households.

World Vision is responsible for overall program management and ensuring that the project objectives and results are achieved within the program's timeline and budget. The World Vision – KURET primary subcontractors are the Academy for Educational Development (AED) and International Rescue Committee (IRC), both of whom are responsible for supporting the successful implementation of the project.

The KURET project focuses its efforts on the following districts and has identified the following types of child labor associated with each area:

Kenya (Nairobi, Busia, Siaya, Maragua): Domestic service, commercial agriculture, commercial fishing, commercial boat paddling, cross-boarder trading, urban informal sector work and commercial sexual exploitation.

Uganda (Lira, Gulu, Arua): Involvement in armed conflict, commercial sexual exploitation, domestic service, and urban informal sector work.

Rwanda (Ginkongoro, Kigali Rural, Kigali Urban, Byumba, Umutara): Tea and coffee harvesting, commercial sexual exploitation, quarrying, charcoal carrying and burning, domestic work, and militia work.

Ethiopia (Addis Ababa, Benishangul, Oromiya, Amhara, SNNPR): Cotton plantation work, commercial sexual exploitation, child trafficking, seasonal work in weaving and other sectors.

We conducted an independent examination of the World Vision KURET project in Kenya, Uganda, Rwanda and Ethiopia under Cooperative Agreement E-9-K-4-0057 for the period September 30, 2004 to May 31, 2006. During our fieldwork between July 11, 2006 and July 28, 2006, we traveled to the World Vision field offices in Kampala, Uganda; Nairobi, Kenya; Addis Ababa, Ethiopia and Kigali, Rwanda. We also traveled to Gulu and Lira (Uganda), Guraghie, Ethiopia and Maragua, Kenya, to inquire about and assess program attributes, challenges and results. We visited 30 literacy/remedial programs and public school sites, and met with students, teachers, parents, social workers and partner organization staff to gather information about and determine the program's impact and project status.

### ***World Vision-Colombia***

In September 2004, USDOL awarded \$3.5 million to World Vision to implement a four-year project in Colombia. The project's goal is to reduce and prevent the engagement of children in exploitive child labor in Colombia through sustainable means. The Erradicacion del Trabajo Infantil (ETI) project is designated to target child labor in the agriculture sector and work with local officials in the localities of Funza and Madrid, near the capital city of Bogotá, to provide direct educational

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opportunities for children working or at risk of working in exploitive child labor. The project is focused on providing educational services to an estimated 4,500 working and at-risk children between the ages of 5 and 17 and their families, and indirectly benefit an additional 17,000 child laborers regionally through its intended impact on regional authorities and on labor and education policy. Other primary targeted groups include 230 education officials and teachers locally, and another 245 regionally in a more indirect manner. Children in Madrid and Funza are more vulnerable to exploitive child labor due to the lack of public funding to accommodate all children in schools and the low economic status of most families. The project seeks to identify strategies that address child labor in Colombia's central agricultural zone. The specific objectives of the project are:

- 1) Increase awareness among parents and guardians, governmental institutions and local leaders about the importance of education for children who work or those at risk of child labor.
- 2) Implementation of formal and informal pilot education programs which are appropriate for children removed/withdrawn from work or those at risk of child labor.
- 3) Increase parental support of children in their formal and informal education and to prevent child labor.
- 4) Development and support of projects in various areas for the prevention and reduction of child labor by local institutions and community organizations.
- 5) Public policies associated with child labor in rural areas are revised, applied or reformulated by key policy makers and authorities.

World Vision is responsible for overall program management and ensuring that the project objectives and results are achieved within the program's timeline and budget. World Vision works with two primary subcontractors, Fundacion Escuela Nueva Volvamos a la Gente and Centro Internacional de Educacion y Desarrollo Humano, which are both responsible for supporting the successful implementation of the project.

The ETI project focused its efforts on the districts of Madrid and Funza and the following types of child labor associated with the area: commercial agriculture, commercial/trading, household services, and construction.

We conducted an independent examination of the World Vision ETI project in Colombia under Cooperative Agreement E-9-K-4-0059 for the period April 1, 2005 through March 31, 2007. During our fieldwork, we traveled to the World Vision field offices in Bogotá, Colombia and Madrid, Colombia to inquire about and assess program attributes, challenges and results. We visited four sites: Colegio San Pedro, Colegio Departamental and Colegio Tecnologico in Madrid and the Colegio San Ramon in Funza. The site visits included formal education sites and one alternative basic education center where the acceleration program was offered. We met with students, teachers and World Vision staff to gather information and determine the program's impact and project status.

### ***World Vision-Phillipines***

In August 2003, USDOL awarded \$5 million to World Vision to combat child labor through education in the Philippines (ABK Initiative). In accordance with the terms of this agreement, the

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project is designed to improve access to quality education and to combat child labor in support of the Timebound Program in the Philippines.

World Vision's ABK Initiative program is designed to reduce child labor in six target regions, spanning the eight provinces of Bulacan, Camarines Norte, Iloilo, Negros Occidental, Negros Oriental, Cebu, Davao and Metro Manila. Target sectors for the project include prostitution, mining, pyrotechnics, deep-sea fishing, sugar cane plantations and domestic service. The number of targeted children for the duration of the program is 38,500 with a 60% retention rate.

World Vision is responsible for overall program management and for ensuring that the project objectives and results are achieved within the program's timeline and budget. Its primary subcontractors are Christian Children's Fund (CCF), Education Research Development Assistance (ERDA), and PLAN, all of whom are responsible for supporting the successful implementation of the project. World Vision works with ILO/IPEC to identify and refer children involved in child labor to its education and awareness training programs.

We conducted an independent examination of the World Vision, Combating Child Labor Through Education in the Philippines, ABK Initiative under cooperative agreement E-9-K-3-0055 for the period September 1, 2003 to March 31, 2005. We traveled from May 18, 2005 to May 22, 2005, throughout south, western and southwestern Philippines to assess program attributes, challenges and results. We visited seven (7) school sites, met with students, project staff and school instructors to gather information and determine the program's impact and project status. We also met with the 2<sup>nd</sup> Secretary of the United States Embassy, in Manila, Philippines to brief him on our objectives, the overall scope of work and timeframe for completion of our fieldwork.