

IMAC Child Labour Elimination Programme

Performance Report July 2020 - December 2020



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Executive Summary

IMAC (Independent Monitoring Association of Child Labour) is a not-for-profit organization registered since May 2002 under section 42 of the Companies Ordinance, 1984. IMAC was set up as a successor organization of the ILO-IPEC's Project to Eliminate Child Labour in the Soccer Ball Industry in Sialkot to sustain and carry forward the achievements of the ILO-IPEC's project. ILO (International Labour Organization) played a catalytic role to create IMAC. IMAC became operational on 01 March 2003 when ILO-IPEC handed over, its work place monitoring functions along with all the logistics and trained manpower to IMAC. IMAC took over the monitoring functions from ILO-IPEC and carry it out in such a way that the umbrella of ILO was removed and replaced by an independent Board of Governors comprising all the constituent members of the ILO Board of Governors that is government, employers and workers. In addition, IMAC also included representatives of two NGOs and representatives of two academic institutions on the BOG. ILO and UNICEF are represented on IMAC's Board in their technical advisory capacity.

In order to make IMAC operational ILO-IPEC provided the initial funds of US \$ 200,000 over a period of about one and a half year. In October 2004, on the request of the Sialkot Chamber of Commerce & Industry (SCCI), the Trade Development Authority of Pakistan (TDAP) pledged an amount of Pk Rs. 30 million for this programme, from its Export Development Funds, for a period of 5 years. After the completion of this programme, the TDAP agreed to provide another Pk Rs. 35.00 million for next 5 years. These funds expired in 2014. The SCCI has put in another funding request to the TDAP for another amount of Pk Rs:75 million from the EDF for next five years. However, in response to this request the EDF paid an amount of 19.6 Million for the years 2015 and 2016 whereas for 2017-19, the EDF approved a funding of Pk Rs: 37.5 Million.

Since its operationalization, the IMAC management tried to develop an environment and culture of its own – where IMAC is seen as a trustworthy monitoring organization by its clients on the one hand, and on the other hand, among the NGOs of similar nature and stature it attains a respectable and distinguished position. IMAC continued its endeavors to achieve its stipulated goals and had been quite successful in attaining a position of respect and credibility especially in the eyes of international community that matters.

The primary task of IMAC had been to monitor the work places of soccer ball manufacturers who join the child labour elimination progarmme on voluntary basis. During the reporting period, IMAC continued its regular monitoring visits to the work places of soccer ball manufacturers who were members of IMAC programme.

Since the beginning of the monitoring programme including the activities undertaken under the auspices of ILO, so far, 295,758 monitoring visits have been undertaken. However, during the reporting period i.e July 2020 till December 2020, IMAC has carried out 5,037 monitoring visits at an average of 840 monitoring visits per month.

The Covid-19 pandemic also affected the field activities of IMAC. Since the last week of March 2020 till the middle of July 2020 the work place monitoring activities remained completely suspended. After the resumption of field activities in the middle

of July 2020, it gradually gained momentum and within one month these activities were at full swing.

In addition to providing work place monitoring services to the soccer ball industry, IMAC has provided its services to some of the surgical units, leather garment and gloves units etc on their requests. In some cases, some of the international buyers directly approached IMAC to specifically monitor their production with their suppliers in Sialkot which has helped the international buyers to have confidence that the products they are buying from Sialkot are child labour free. Some of the soccer ball buyers also desired IMAC to provide additional monitoring services of their suppliers in regard to other social compliances which IMAC had done successfully. Such activities are still going on.

IMAC also enjoys the trust of the World Federation of Sporting Goods Industry (WFSGI) and FIFA. For any soccer ball manufacturer in Pakistan to become a member of WFSGI, it is a pre-requisite for them to be a member of IMAC. Similarly, to qualify for producing FIFA quality balls, it is mandatory for a soccer ball manufacturer to be in the "A" category of IMAC.

1. Introduction

In its endeavors of addressing the child labour issues in the soccer ball industry in Sialkot, Pakistan, IMAC's mandate has been to provide work place monitoring services against child labour as well as the basic working conditions at work places. The manufacturers of hand stitched balls, machine stitched balls, mechanized balls, hybrid balls etc. voluntarily join Child Labour Elimination Programme of IMAC through the Sialkot Chamber of Commerce & Industry (SCCI). They pay the joining fee as well as the monitoring fee, on pro rata basis, to the SCCI. IMAC signs agreement with SCCI wherein SCCI commits to provide necessary funding to the IMAC. The present agreement between the SCCI and IMAC is expiring in December 2020.

SCCI uses two sources to arrange the necessary funds for IMAC: 1) contribution of the participating manufacturers in shape of joining fee and pro-rata payments as per the number of balls produced every year, and 2) contributions from the Government of Pakistan through TDAP (EDF).

Prior to the IMAC, the work place monitoring in the soccer ball industry was undertaken by the ILO-IPEC. In March 2003, ILO decided to phase out of the programme and handed over its monitoring functions to IMAC. Since then, IMAC is carrying out the work place monitoring with the same fervor and zeal as it was done under the auspices of ILO.

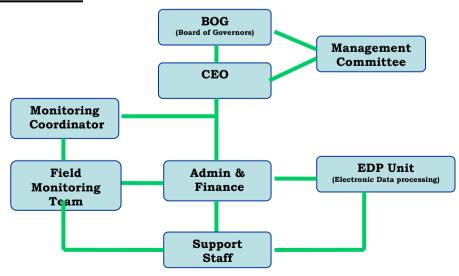
IMAC's Objectives:

IMAC's main objective was set as to ensure the "Complete and Effective Elimination of Child Labour through Work Place Monitoring & Promotion of Ethical Business that fulfils all Social Responsibilities."

Mission Statement:

As an organization IMAC aimed at becoming "an Apex Body on Work Place Monitoring for Child Labour and Social Monitoring".

IMAC's Structure



Management of IMAC

As per its Memorandum & Articles of Association, IMAC is managed by a Board of Governors and a Management Committee. The Board of Governors has representation of almost all the stakeholders i.e Government, Workers, Employers & Business Community, international community, civil society organizations i.e NGOs and academic institution. Following is list of the members of the IMAC Board of Governors

IMAC Board of Governors

S/No	Name	Organization	Status
1	Dr. Khurram Anwer Khawaja	Representative of Child & Social Development Organization (NGO)	Chairman
2	Mr. Zahid Qadeer	Representative of Trade Development Authority of Pakistan , Govt. of Pakistan	Member
3	Mr. M. Rehan Nabi	Representative of Labor & Human Resource Department, Govt. of Punjab	Member
4	Mr. Arfan Elahi	Representative of Pakistan Sports Goods Manufacturers and Exporters Association	Member
5	Mr. Majid Raza Bhutta	Representative of Sialkot Chamber of Commerce & Industry (SCCI)	Member
6	Mr. Zahoor Awan	Representative of Pakistan Workers Federation	Member
7	Ch. Muhammad Ashraf	Representative of Pakistan Workers Federation	Member
8	Dr. Nouman Idrees Butt	Representative of World Federation of Sporting Goods Industry (WFSGI)	Member
9	Sheikh Abdul Waheed Sandal	Representative of Employer's Federation of Pakistan	Member
10	Dr. Umara Rauf	Representative of Govt. College Women University of Sialkot	Member
11	Ms. Mamona Sadaf	Representative of University of Management and Technology Sialkot Campus	Member
12	Dr. Amena Hasan	Representative of Business for Social Progress (NGO)	Member
13	Mr. Mian Naeem Javed	Ex-Zila Nazim / Individual Capacity	Member
14	Mr. Nasir Mehmood Dogar	Chief Executive, IMAC	Member / Secretary
15		Representative of United Nations Children Fund (UNICEF)	Technical Advisory Capacity
16		Representative of ILO-IPEC Islamabad	Technical Advisory Capacity

The Memorandum & Articles of Association of IMAC requires its BOG to meet at least once in 15 months. During the reporting period, the BOG of IMAC held 3 meetings and dealt with the usual management as well as the policy issues.

Following is the present composition of the IMAC's Management Committee.

IMAC Management Committee

S/N	Name	Name Organization	
1	Dr. Khurram Anwer Khawaja	Representative of Child & Social Development Organization (NGO)	Chairman
2	Ch. Muhammad Ashraf	Representative of Pakistan Workers Federation	Member
3	Sheikh Abdul Waheed Sandal	Representative of Employer's Federation of Pakistan	Member
4	Mr. Zahid Qadeer	Representative of Trade Development Authority of Pakistan , Govt. of Pakistan	Member
5	Mr. Nasir Mehmood Dogar	Chief Executive, IMAC	Member / Secretary

2. Monitoring Mechanism

IMAC's Monitoring Procedures

- Soccer Balls Manufacturers' Voluntary Joining of the Programme
- Signing of an Undertaking by the joining manufacturers
- Establishment of Database
- Random Selection of Workplaces through a computer programme to be visited every morning

ID CODE

- Each participating manufacturers has been issued with an Identification code consisting of three digits which is printed inside of every ball on a specified panel
- This is done to check the possibility of any leakage or pilferage from registered stitching centres to homes and also the counterfeiting of any branded balls

Area-Based Monitoring

- While monitoring a stitching centre, complete locality is visited to identify any un-registered stitching activity
- IMAC monitors also visit those areas/ villages where no manufacturer participating in the programme has their stitching activities. This is done to identify any un-registered stitching activities in the area.

IMAC's Monitoring System

IMAC's monitoring system consists of Internal Monitoring and External Monitoring. Internal Monitoring is the responsibility of each participating manufacturer whereas the External Monitoring is carried out by the IMAC monitors.

External Monitoring

- Carried out by the IMAC monitors
- Verifies the internal monitoring information provided by the manufacturers
- IMAC has a team of 10 monitors consisting of 4 male and 6 female monitors
- Each stitching centre/ work place, available in the data base, is visited roughly once in 6 weeks
- Each visit is completely a surprise visit for the respective manufacturer and his sub-contractor
- Every morning centres to be monitored are randomly selected through a specially designed computer programme



Zones and Clusters

- For the purpose of better planning the external monitoring, the Sialkot district and its environs have been divided into nine zones
- These zones are sub divided into 39 clusters
- Clusters further divided into proximities for facilitation of monitoring teams

Criteria of a Stitching Centres

In Soccer ball industry the manufacturers participating in the CLEP are allowed to establish following kinds of centers, which are monitored by IMAC:

- MALE CENTRE: More than five male stitchers working together while being in a home/ building premises, at a rented shop, under a tree, on the roof top etc. There is compulsion of any formal work place.
- FEMALE CENTRE: Five or more female stitchers working together in the same conditions as explained above.
- COMBINED CENTRE: Five Male + Female stitchers working at a premises either in the same room or separate rooms



Management of IMAC's Monitoring System

Monitoring Criteria

Work places/stitching centres to be visited every morning are selected randomly through a specially designed computer programme. As such each visit is a complete surprise not only for the manufacturers and their subcontractors but also for the monitors themselves;

In each monitoring visit work places are monitored for any possibility of child labour involvement for which the available un-stitched/ stitched stock is also checked w.r.t the number of stitchers. This helps to monitor any leakage/pilferage of material from registered centre to homes;

In addition to monitoring for child labour, physical working conditions at work places are also monitored. These include: adequacy of working space, cleanliness and hygiene, ventilation, light, availability of drinking water and washrooms/ toilets, fire extinguishers and first aid boxes.

Management of Monitoring Results

Monitoring data obtained through the field monitoring activities is processed through a computer programme and based on a performance criteria, the manufacturers are placed in ABC categories defined in the preceding section.

ABC Performance Criteria

CATEGORY "A"

It shall contain the names of those participating manufacturers who religiously adhere to all the provisions of the programme, as enunciated in the undertaking they sign at the time of joining the programme. These provisions include undertaking 100% stitching of all hand-stitched balls (without any distinction of size, kind, value of the ball) at monitor able stitching places; prompt response to any query from IMAC; keeping the IMAC updated at all times about their stitching activities; closing, opening of stitching centers; not involving in any kind of counterfeiting/fake

Production of branded balls; instituting a strong and effective internal monitoring system etc. An important yardstick for making sure that all the stitching activities take

place at the monitorable stitching places is the variation between the internal monitoring information and the external monitoring information with reference to the actual production output and the number of stitchers at each stitching center. If the variation (difference between the number of balls produced with reference to the number of stitchers present at respective centre) is less than 30%, the manufacturer shall be placed in Category "A". If the variation exceeds 30%, the respective manufacturer shall be shifted to category "B". (Stitching capacity of a stitcher is calculated at 3.5 balls per 8 hours day. 30% variation is acceptable in case of promotional/ cheep balls where more than 3.5 balls could be easily stitched in an 8 hours day)

CATEGORY "B"

It shall contain the names of those manufacturers who are sluggish or sloppy in adhering to the provisions of the programme at times; whose names, as punishment for violation of the programme provisions, are shifted from Category "A", who are evasive or hide information or do not provide complete information; who do not employ an effective internal monitoring. The name of a manufacturer shall remain in the "B" Category maximum for a period of three months. If within three months that manufacturer does not improve his/her performance, his name shall be further downgraded to Category "C"

CATEGORY "C"

Category "C" is for those manufacturers who are not serious about the programme and habitual violators of its provisions. Any manufacturer who would deliberately or knowingly violate provisions of the programme continuously on more than three occasions shall be removed from a higher category to Category "C". Similarly, if at any stitching facility of a manufacturer, any child, under the age of 14 years, is found working, and the respective manufacturer do not take any action against those responsible for engaging the child in work, the manufacturer shall immediately be transferred to the Category "C". A manufacturer, once placed in Category "C" will remain in this category for not more than three months. If the manufacturer once placed in Category "C" does not improve his performance within three months period, recommendation shall be made to remove him from the programme.

Compendium of Punitive Actions for the Violations of the Provisions of the Child Labour Elimination Programme

ACUTE VIOLATIONS
The violations, the committing of which can make a manufacturer relegated from category "A" to "C"

Sr.	VIOLATIONS	PUNITIVE ACTIONS
1	Some child labour found at work place of a manufacturer.	The manufacturer should be asked to clarify his position & if the response is unsatisfactory, he should immediately be relegated to category "C".
2	A child is found working for a member manufacturer at an unregistered place.	The matter should be investigated thoroughly & the m/f should be asked to take action against those responsible for this act within specified time. If he fails to do so, his category should be lowered.
3	A manufacturer deliberately tries to evade monitoring by sending material outside of district Sialkot to far off areas, which are not covered under the monitoring net.	The manufacturer should be given a chance to explain his position & in case of unsatisfactory response he should be relegated to lower category.
4	A manufacturer is continuously found violating the provisions of the programme deliberately & knowingly.	The manufacturer should be given a time not exceeding two months during which he should be kept under close observation. If he is still found violating the provisions of the programme deliberately, his category should be lowered immediately.
5	No stitching centre of a manufacturer is registered with the Independent Monitoring Association for Child Labour (IMAC), but we come to know that the manufacturer has an order & he is getting the work done at unregistered places.	Fifteen days notice to revise complete information & if situation doesn't improve, he should be relegated to lowest category.

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MAJOR VIOLATIONS
The violations, the committing of which can cause the relegation of a manufacturer from category "A" to a lower category "B" or "C" depending on the gravity of the offence.

Sr.	VIOLATIONS	PUNITIVE ACTIONS
1	Excessive un-registered stitching activities of a manufacturer are often found during monitoring.	The m/f's involvement in the matter should be investigated & if it is found that these activities are being carried out with his consent, his category should be lowered.
2	A participating manufacturer not printing the IMAC ID-Code allotted to their company on any brand or quality they are producing.	The m/f should be asked to print it on every ball with a warning that if he continues with the same practice after a given time his category should be lowered.
3	A manufacturer does not respond to the queries of IMAC promptly & sometimes does not respond even after a reminder.	The m/f should be kept under observation for a period of three months during which continuous reminders at an interval of 15 days should be sent. If the situation remains the same, his category should be lowered.
4	If a proof is found that a participating manufacturer has instructed his sub-contractor's/maker's to get the balls stitched from anywhere outside the stitching centre.	After thorough investigation of the matter, if the m/f proves to be guilty his category should be lowered.
5	The internal monitoring system of a manufacturer is weak & he does not make efforts to improve it.	An effort should be made to guide him to do so & if he fails to improve it or doesn't show any interest, his category should be lowered.
6	There is more than 30% upward variation between the internal & external information of a manufacturer especially with reference to his stitching capacity.	The m/f should be asked to clarify his position & if the answer is found unsatisfactory he should be penalized in the form of lowering of his category.

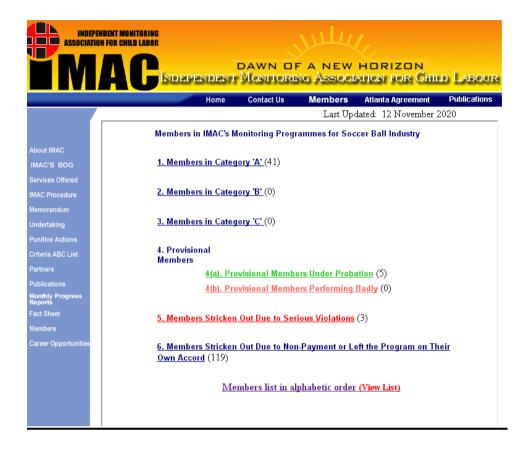
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Uploading of Monitoring results on IMAC website

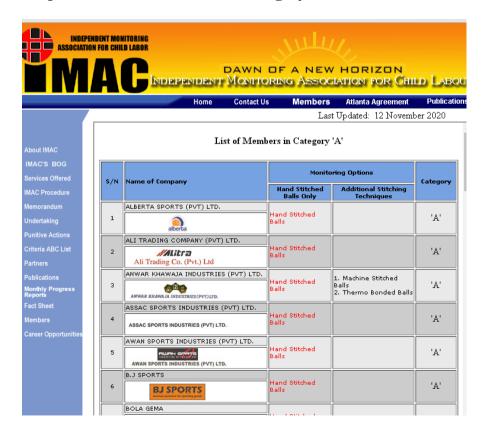
http://www.imacpak.org



ABC Performance List of members at IMAC's website:



Snapshot of List of members in Category "A".



3. Progress Achieved by IMAC during July-December 2020

Monitoring Progress

During the period under reporting, IMAC continued its regular monitoring visits to the work places of soccer ball manufacturers who had joined the Child Labour Elimination Programme, voluntarily.

During the period Jul-Dec 2020, IMAC has carried out 840 monitoring visits per month, on the average while monitoring about 1,612 stitching centres registered with IMAC and maintained a lap time of 7.68 weeks.

Table No. 1: Registered Centres Versus Centre Visits

Year	Jan-Jun 2020	Jul-Dec 2020
Average Registered Centres	1797	1612
Average Monitoring Visits	805	840
Average Laptime Covered (Weeks)	8.93	7.68
Average No. of Registered Centres Outside District Sialkot	447	397

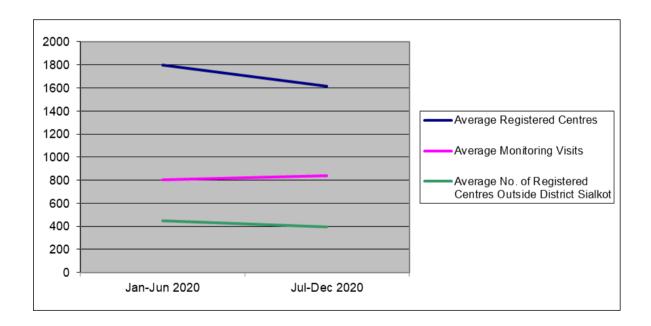


Table:2 gives details of the incremental progress of the interest/ needs of the soccer ball manufacturers in the Child Labour Elimination Programme, whereas Table: 3 and Table:4 respectively give the year wise details of the registered stitching centres and the monitoring visits to these centres.

Table No. 2: Members in Soccer Ball Project Month Wise

	Jan-Jun 2020	Jul-Dec 2020
January	44	
February	45	
March	46	
April	COVID	
May	COVID	
June	COVID	
July		46
August		46
September		46
October		46
November		46
December		46
AVG Active Members	45	46

Table No. 3: Registered Stitching Centres

	Jan-Jun 2020							Jı	ıl-Dec	2020				
	М	S	F	С	V	Total	Out of Dist	М	S	F	С	V	Total	Out of Dist
January	628	33	1253	341	3	2258	574							
February	1258	33	641	344	3	2279	581							
March	641	34	1271	348	3	2297	581							
April		LOCI	K DOW	N DUE	TO C	OVID-19	9							
May		LOCK DOWN DUE TO COVID-19)									
June		LOC	(DOWI	N DUE	то со	OVID-19)							
July								396	21	957	232	2	1608	384
August								391	21	894	228	2	1536	355
September								386	21	958	232	2	1599	405
October								393	21	982	244	2	1642	412
November								393	20	982	244	2	1641	412
December	_					_	_	397	20	983	246	2	1648	415
AVERAGE	462	23	1056	253	2	1797	447	393	21	959	238	2	1612	397

Legend:

M = Male Stitching Centre

F = Female Stitching Centre

C = Combined Stitching Centre

V = House based / Village based Stitching Centre

Out of Dist = Stitching Centres located outside District Sialkot

Table No. 4	1: Monitoring Visits Month V		Vise
	Jan-Jun 2020	Jul-Dec 2020	
January	873		
February	818		
March	725		
April	COVID-19		
May	COVID-19		
June	COVID-19		
July		856	
August		745	
September		855	
October		767	
November		893	
December		921	
<u>Total</u>	2416	5037	7453

Working Conditions in the Stitching Centres Monitored by IMAC

In addition to monitoring the work places for child labour, IMAC also looked at the conditions prevailed at the work places visited during the period under reporting. During these visits the shortcomings identified were communicated to the respective manufacturers and were followed up for rectifications. All the shortcomings identified by the IMAC monitors so far have been rectified by the respective manufacturers. Generally IMAC monitoring teams try to assess the physical conditions at the stitching centers such as sufficient sitting space for stitchers, light, sitting arrangements, ventilation/ air circulation, drinking water availability and toilets. However, while collecting the information cultural norms and social aspects are kept in view. Generally three categories are used for these assessment: 1: Excellent/ More than sufficient, 2: Good/ sufficient; 3: Poor/ insufficient/not available. The stitching centres are classified into two types i.e. *Purposely Built Centres* and *others*. The Purposely Built Centres are monitored for two additional conditions i.e. Fire Extinguisher and First Aid facilities.

IMAC regularly updates its database and the respective monthly progress reports covering each and every aspect of its monitoring are regularly published on its website for public viewing/information.

4. Successes and Future of IMAC

Successes of IMAC

Before the inception of IMAC, ILO-IPEC's Child Labour Elimination Programme only concentrated on the issue of child labour. After taking over from ILO-IPEC, IMAC not only continued this programme with the same zeal and fervor, rather made it more authentic by adding the working conditions in its monitoring list. This gave a lot of assurance to the international buyers about the status of the working conditions in the soccer ball industry. This could be evident from the fact that, despite the big odds of price competition with China and the technological changes in the soccer ball production in terms of mechanization, soccer balls export of Pakistan increased from 36 million balls in 1998 to around 100 million balls in 2006-2007. The world cup year of 2010 did not prove to be a productive year for Pakistan as there has been a slump due to various factors major being the prices as compared to the products of china. However, the World Cup i.e 2018 had been a promising year. The world cup was played with the ball manufactured in Pakistan. In view of this some buyers engaged IMAC to provide additional monitoring of their production from Sialkot which was a testimony of their confidence and trust on IMAC.

Importance of IMAC for Export Industry

In the present day export business scenario, importance of the CSR has become very critical. The consumer in the developed world has become so conscious about it that any hint of the violation of CSR or exploitation of workers can have serious consequences for producers/ suppliers. Therefore, the international buyers always look for assurances before buying any product especially from developing countries. In this regard, a continued role of IMAC has become very important. FIFA does not issue licenses to soccer ball manufacturers in Pakistan unless they become members of IMAC. Similarly international buyers, most of the time, confirm the membership of a manufacturer with IMAC before making any deal. International media has also become very conscious of the presence and role of IMAC. An event that took place in Switzerland in April 2008 is a testimony to this fact. Bank Credit Suisse – the second largest bank of Switzerland, through a sourcing company in Switzerland, made a deal with a supplier in Sialkot for the supply of 200,000 balls. This supplier was not a member of IMAC. A Swiss TV investigated the matter and found out that since the respective supplier was not a member of IMAC, therefore, its production could not be ensured as child labour free. The further investigation of the Swiss TV which was done by their journalist in Sialkot confirmed their stance. As a result, the Bank Credit Suisse had to donate one million Swiss Francs to UNICEF as a kind of compensation.

All the above stated facts show that the importance of IMAC, especially for the soccer ball industry is increasing day by day. As such its continued operations in Sialkot have become a necessity in order to continue and promote the soccer ball exports from Pakistan.

Other Endeavors of IMAC

Under the provisions of IMAC's Memorandum and Articles of Association, IMAC's mandate goes beyond soccer ball industry. As such, in addition to providing the work place monitoring services to the soccer ball industry, sometimes some manufacturers of other products such as leather jackets, gloves, bags etc approach IMAC with the request to provide them monitoring services for their products. Such manufacturers usually approach on the desire of their buyers who want their suppliers to be child labour free. IMAC, from time to time, provide its monitoring services to such manufacturers as well. At present IMAC is providing its work place monitoring services to a gloves making unit, a leather bag making unit and a surgical company. Recently IMAC has signed an agreement with an international buyer of surgical goods from Hong Kong to monitor the production of his supplier in Sialkot. This is a pilot programme which will be extended after the completion of its present term.

Future Endeavors of IMAC

IMAC would continue to providing its work place monitoring services to the soccer ball industry in Sialkot. It also intends to extend its monitoring services to other industries in Sialkot so that Sialkot becomes a symbol of child labour free production for the whole world. IMAC aims to go beyond child labour and provide monitoring services against all social compliances to ensure socially benign entrepreneurship in Sialkot which would definitely help Pakistan to retain its GSP plus status of the export industry especially for European Union countries.