



Annual Impact Report 2014



Our Impact; Achieved Together

Dear Friends,



In our work, impact means freeing people from slavery and equipping them to lead productive lives. During our first year of operation our impact was the direct and dramatic improvement in the quality of life of thousands of children, women and men.

It is for this reason that it is so important for us to measure our results, so that we can continually strive to improve them. We believe we have a responsibility to those we serve - from those enslaved to those who entrust us to make a difference with their funds - to be the best we can be. And we believe that being transparent about what we are doing and how we are doing it will help us achieve this.

Of course, the numbers only take us so far. One of the most challenging things about our work is that behind every number is a truly tragic story: of a boy from Myanmar who has been tricked then forced on to a Thai fishing boat to work 20 hour days for 18 months without touching land; of an Indian girl who has been kidnapped, raped and sold into a Mumbai brothel; of a father in Nepal who has taken out an illegal and unpayable loan that he seeks to pay off by enlisting his wife and 8- and 10-year-old children in the backbreaking work of making bricks in a kiln.

More than 30 million people are enslaved around the world. Our strategy is not to try and do everything all at once - as that's not an effective approach for such a massive problem. Rather, we have a "hotspot" strategy of targeted interventions in the countries and regions with the highest

prevalence of slavery. In these hotspots, we support local organisations working on the frontlines against this crime, measure the impact of our work, and analyse how we can replicate and scale it. Then we bring in respected academic institutions to independently assess what works and what doesn't. This way we can have a direct impact on tens of thousands of lives, and an indirect impact on hundreds of thousands - and eventually millions - by identifying, implementing, and propagating the most effective anti-slavery approaches globally.

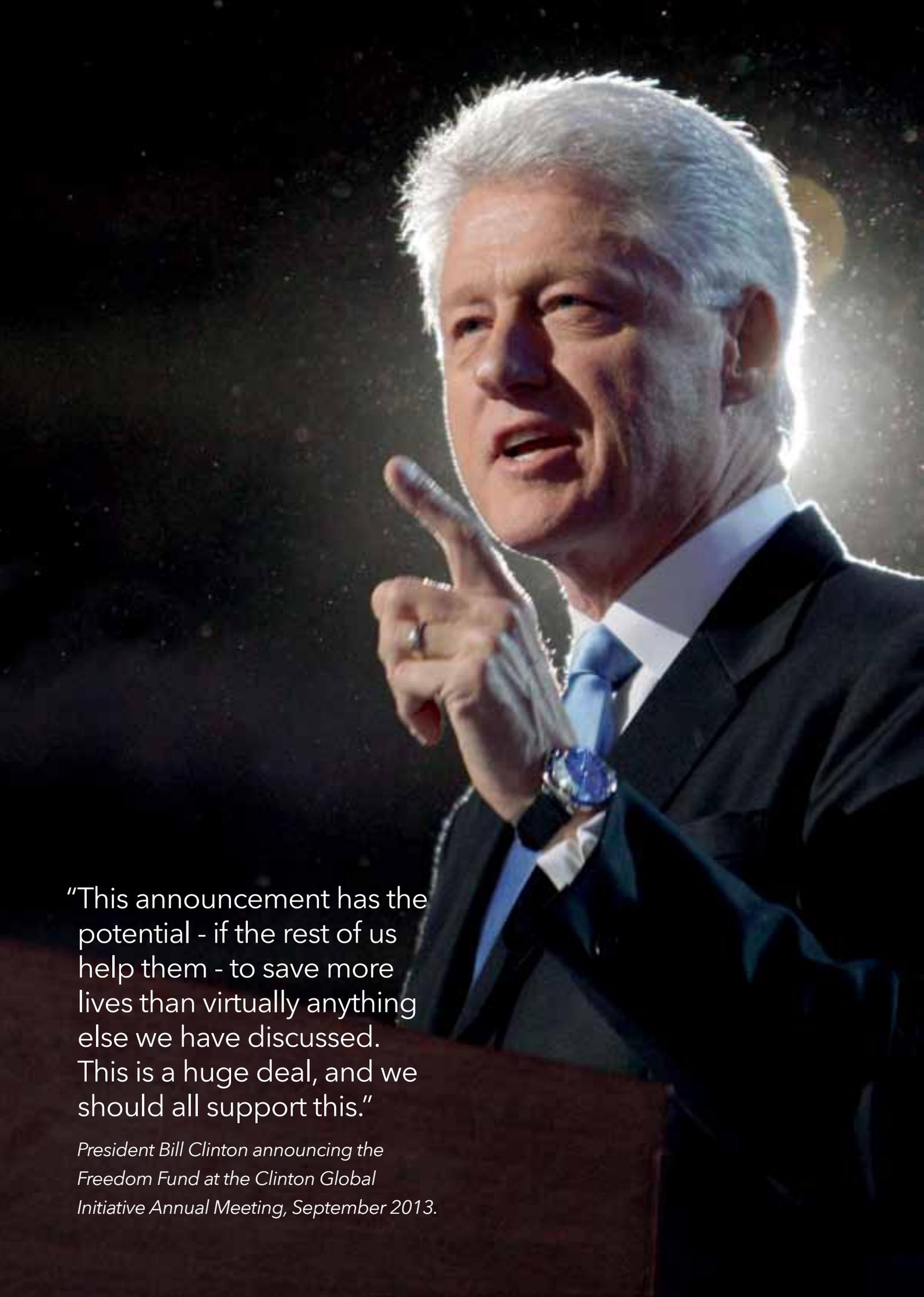
In 2014 we set up our first hotspots in Northern India and South-Eastern Nepal. This year we are setting up new hotspots in Southern India, Central Nepal, Ethiopia, Thailand, and Brazil. In Ethiopia we will work to reduce the trafficking of girls and women to the Middle East. In Thailand we'll focus on slavery in the seafood industry - an industry that supplies Americans and Europeans with inexpensive seafood at a very high cost to the environment and to hundreds of thousands of migrant workers. In Brazil, we'll help end the practice of using forced labour to destroy the Amazon forest in violation of fundamental human rights.

We hope you find this, our first Annual Impact Report, interesting and informative. And as you read the figures and analysis, I urge you to contemplate the very real and tragic stories behind them, and then visualise the millions of lives we can improve, working together.

With gratitude,

A handwritten signature in black ink that reads "Nick Grono". The signature is fluid and cursive.

Nick Grono
CEO



"This announcement has the potential - if the rest of us help them - to save more lives than virtually anything else we have discussed. This is a huge deal, and we should all support this."

President Bill Clinton announcing the Freedom Fund at the Clinton Global Initiative Annual Meeting, September 2013.

Hotspot Approach

Through our hotspot model, we work in those geographic areas where slavery has the greatest hold.

Slavery is rooted in the most marginalised and vulnerable communities, where the rule of law is weak, and it can be difficult for outside organisations to operate. We work with, and strengthen, grassroots organisations that are already making a difference. Our team makes on-the-ground visits, including to remote rural areas, to carefully assess local programs that protect those at risk of slavery, rescue and rehabilitate victims, and bring to justice those responsible.

Having identified the most effective interventions, we listen to local activists to see how we can help them expand their work and build capacity through small but transformative grants so they can, in time, operate independently of our support.

In 2014, we launched hotspot programs in Northern India and South-Eastern Nepal. With additional donor support, new programs will get fully underway in Southern India, Central Nepal, Ethiopia, Thailand, and Brazil in the coming year.



Hotspots



○ Northern India

India has the world's largest number of slaves: approximately 14 million people. In Northern India, slavery is especially common in agriculture, brick kilns and stone quarries, the commercial sex industry, and domestic work. The Freedom Fund is supporting 17 Indian community organisations in the states of Uttar Pradesh and Bihar to address all forms of slavery across 24 districts.



SLAVERY TYPE ENDEMIC

17

NUMBER OF CIVIL SOCIETY ORGANISATIONS WE ARE SUPPORTING

\$1.44m

TOTAL INVESTED

Our partners run a range of programs, providing communities with economic alternatives and information about their rights, rescuing victims from exploitative workplaces, and giving legal aid in support of criminal prosecutions of traffickers. In 2014, the Freedom Fund's average grant size for this hotspot was \$66,000. In total we provided \$1.1m in grants to our community-based partners, along with additional funding and support for performance monitoring, research and evaluation.

Since the program began in early 2014, working with our partners we have liberated over 2,000 adults and children from slavery, helped nearly 8,000 vulnerable children into school, and provided over 90,000 people with critical information about trafficking risks and rights. We also brought partners together to strengthen their network, share lessons, and develop joint advocacy plans.



Our Partners

Aangan Trust
Action Aid Association
Adithi
Bhusura Mahila Viaks Samiti (BMVS)
Centre DIRECT
Duncan Hospital
Fakirana Sisters' Society (FSS)
Guria Swayam Sevi Sansthan (Guria)
Institute for Development Education and Action (IDEA)
Integrated Development Fund (IDF)

Lakshya
Mahila Development Centre (MDC)
Manav Sansadhan Evam Mahila Vikas Sansthan (MSEMVS)
National Institute for Rural Development, Education, Social Upliftment and Health (NIRDESH)
Pragati Gramin Sansthan (PGS)
Prayas Juvenal Aid Centre (Prayas)
Tatwasi Samaj Nyas (TSN)

Research and Evaluation

While the collection of monitoring data allows us to track the breadth of our impact, the Freedom Fund is also committed to understanding why some interventions work better than others, and measuring how these results contribute to an overall reduction in slavery. In 2014, we commissioned the Institute for Development Studies, University of Sussex, to provide an independent assessment of our Northern India hotspot, and Harvard University's FXB Center for Health and Human Rights to evaluate a particularly promising intervention model of one of our partners working in Uttar Pradesh.

“The Freedom Fund has recruited the Institute for Development Studies and Harvard University to discover what is working and whether it can be scaled up fast.”

The Economist





South-Eastern Nepal

In South-Eastern Nepal, hundreds of thousands of people are enslaved in a longstanding system of bonded labour known as haruwa-charuwa. In this system, indebted labourers are forced to work for landowners under threat of physical abuse and eviction.

In one study, nearly a quarter of haruwa-charuwa respondents said that they had worked 13-17 hours a day for their landlords and nearly all had experienced violence in various forms.



SLAVERY TYPE BONDED LABOUR

Our hotspot program focuses on addressing the enslavement of this specific group. It aims to create a replicable model, which will contribute significantly to the eventual eradication of this form of bonded labour. The Freedom Fund will support local organisations that provide a range of interventions including improved access to quality education, health services, livelihood opportunities, and land rights.

The hotspot was launched in November 2014, and by year-end we had identified ten Nepalese community-based partners and made initial grant disbursements of \$226,598. We expect to disburse approximately \$1m in grants in 2015. We look forward to sharing the impact of this program as it develops.





○ Southern India

The southern Indian state of Tamil Nadu is an important centre for the country's textile industry and a hub for global garment sourcing. However, it is also a hotspot for various forms of bonded labour. Tens of thousands of girls and young women in Tamil Nadu have been recruited into exploitative employment schemes within the textile industry.



SLAVERY TYPE BONDED LABOUR

An initial investment of \$2.7m from C&A Foundation will support work in four districts to address this form of bonded labour beginning in mid-2015. C&A Foundation is the first industry partner to work with the Freedom Fund to specifically address a hotspot of bonded labour. Their investment will fundamentally strengthen the targeted communities by working with local partners to promote education, training, and income generation opportunities for survivors and families at greatest risk.

The Freedom Fund and C&A Foundation are looking for support from additional retail partners to provide funding to scale-up the project beyond the four initial districts. This program will drive change in business practices, especially further up the supply chain, which could have an exponential, industry-wide impact.

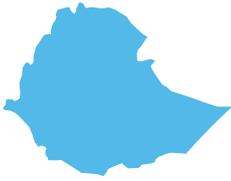
“C&A Foundation hopes other local and international partners, including other brands and retailers, will join the partnership in order to support the Tamil Nadu hotspot and effectively drive changes that result in greater freedoms for workers throughout the apparel supply chain.”

Brandee Butler
Head of Partnerships & Innovation,
C&A Foundation

What is bonded labour?

Usually, people enter bonded labour when their work is used to repay a 'loan.' Workers are often lured through fraudulent recruitment, promising high wages, housing, and opportunities to gain skills. Workers often face:

- Excessive or forced overtime
- Extremely low wages
- Verbal or physical abuse
- Unsafe working conditions
- Social isolation
- Lack of access to family



⦿ Ethiopia

Tens of thousands of Ethiopian women and girls are trafficked to the Middle East each year. Many end up in desperate situations, including finding themselves trapped in modern slavery. In 2014, the Freedom Fund prepared the groundwork for an Ethiopia hotspot program focusing on preventing the trafficking of women and girls to the Middle East and helping those women who wish to migrate for economic reasons to do so safely.

The program, which will launch in mid-2015, will involve two separate intervention sites: one in a rural district of Amhara region, a prime source area of trafficked women; and one in an underprivileged neighbourhood of Addis Ababa, an origin point and also a destination for trafficking victims returning from the Middle East, who remain highly vulnerable to re-trafficking. Through the program, vulnerable women will receive information about risks in migration, invitations to peer-support groups, skills training, and psycho-social services. Our goal through this holistic approach is to both help protect vulnerable women from being trafficked and to help reintegrate those who have been trafficked into the community.



**SLAVERY TYPE
DOMESTIC
SERVITUDE,
TRAFFICKING**

“The Freedom Fund’s innovative financing and targeted interventions will achieve measurable impact and empower an overwhelming number of lives.”

*Molly Gochman
Stardust Fund*



⦿ Central Nepal

The Freedom Fund has developed a strategy to launch a hotspot aimed at reducing the commercial sexual exploitation of Nepalese girls in the Kathmandu valley. This program is set to launch in a pilot phase in mid- to late-2015. We are seeking interested donors to expand this program beginning in 2016.



**SLAVERY TYPE
COMMERCIAL
SEXUAL
EXPLOITATION
OF CHILDREN**



○ Brazil

Slave labour in Brazil is being used to clear Amazon forests, prepare land for cattle grazing or agricultural use, extract valuable timber, and produce pig iron from trees being burned to make charcoal. This is not only a violation of human rights but also incredibly destructive to the environment. Labourers involved in this work are predominantly boys and men from low-income families. Recruited to areas far from their hometowns, and often working in very remote settings, workers are highly vulnerable to being exploited and enslaved.



**SLAVERY TYPE
FORCED
LABOUR**

In 2014 the Freedom Fund designed a robust and comprehensive hotspot program for Brazil that will concentrate donor resources in geographic regions with high prevalence of slavery and illegal deforestation. We are currently seeking donor support to carry out the program targeting this environmental and human rights travesty.



○ Thailand

Thousands of migrant workers are subjected to forced labour in Thailand's seafood industry. Trafficked into Thailand from neighbouring countries - mainly Myanmar and Cambodia - with the promise of a decent job, they are then sold into debt bondage on fishing vessels and in factories, where they are made to work in brutal conditions for little or no pay.

In 2014 the Freedom Fund designed a hotspot program to combat forced labour in the seafood industry. The program is due to launch in mid-2015 and seeks to combat bonded labour through: incentivising the private sector to take action (including European and American supermarkets that import Thai seafood); maintaining pressure on the Thai government to uphold migrant rights and reform the industry regulatory framework; and strengthening local civil society networks that can protect vulnerable workers from exploitation.



**SLAVERY TYPE
FORCED
LABOUR**



Sector Initiatives

Our sector initiatives complement our hotspot programs and coordinate actors and resources around a slavery-specific issue across sectors, industries, circumstances, or borders. They allow the Freedom Fund to tackle systemic issues like slavery in seafood or cross-border migration with new technological tools or legal initiatives, and facilitate a collaborative approach and greater combined impact.

Legal Tools

Our first sector initiative is focused on strengthening national and international legal tools to fight slavery. While slavery is illegal under international law and in every country, this is not reflected in state

practice. The Freedom Fund is supporting legal approaches that encourage legal systems to live up to their responsibility to end slavery.

Partnering with Thomson Reuters Foundation to Secure Justice for Victims

Thomson Reuters Foundation and the Freedom Fund are bringing a strategic legal focus to the fight against modern-day slavery in India. Together we mapped and analysed the legal options and tools available in India and identified where and how additional funding could be most effectively invested.

A 40-page summary report was launched at the Trust Women Conference in London in November 2014 before an audience of anti-slavery activists and potential investors. The full paper, *Putting Justice First: Legal Strategies to Combat Human Trafficking*, is due to be released in Mumbai in May 2015. The report explores strategies to: improve access to legal support through both direct funding

for non-governmental organisations and centralised legal support at the national, state and community levels; deepen legal knowledge and training; engage in strategic litigation and procedural reform; make effective use of data, technology and the media; and increase collaboration between key stakeholders.

While prosecutions alone will not bring an end to trafficking, there is immense potential to use these legal strategies to deliver justice to victims, deter potential perpetrators, and put traffickers out of business. In 2015, the Thomson Reuters Foundation and the Freedom Fund aim to identify funding partners who can help implement and scale the strategies set out in the report.

Role of International Justice

There is a significant gap between the theoretical stance of contemporary international law and the practical enforcement of its norms, which has real and tragic consequences.

The Freedom Fund, UN University, the Permanent Mission of Liechtenstein to the United Nations, and the Journal of International Criminal Justice are working together to identify what role international criminal justice can play in eradicating modern slavery. With a policy breakfast in New York in September 2014 and a further retreat in April 2015, the project partners are exploring how to more effectively enforce the norms against modern slavery. There is a particular focus on mobilising international institutions such as the International Criminal Court, the International Labour Organization, the UN Security Council, and the broader UN system so that the impact of such legal interventions can be felt around the world.

Strategic Litigation

The Freedom Fund has launched a project with the Human Trafficking Pro Bono Legal Center to examine the potential for strategic litigation to combat modern slavery. Modern slavery generates massive profits, and many governments lack the will to stamp out these abuses, or properly regulate multinationals that knowingly have forced labour in their supply chains. This project will explore ways in which we can change the cost-benefit calculations of governments and corporations when it comes to meeting their obligations to stamp out modern slavery.

Treatment of Mental Health

The mental health needs of people freed from slavery are wide-ranging and often severe. Many are traumatised due to experiencing violence themselves and witnessing violence against others.

With limited research on this issue to date, the Freedom Fund has partnered with the Helen Bamber Foundation to produce a report outlining effective treatment approaches to address the mental health impacts of modern slavery. The report will be released in 2015. We will use the report's findings to inform a comprehensive strategy to address this need, one of the greatest gaps in the global response to slavery, and one which prevents survivors from reaching their full potential.

Transparency in Supply Chains

Eradicating modern slavery requires greater transparency and accountability in supply chains. Stronger legal and regulatory frameworks are needed to help both governments and the private sector understand and fulfil their responsibilities to ensure supply chains are free from slave labour.

The Freedom Fund is supporting Focus on Labour Exploitation (FLEX) to produce an online database of national laws and regulations on individual and corporate accountability for modern slavery in eleven countries. FLEX will work with global law firms to populate this database. The purpose of the database is to deliver easily accessible and comprehensive information on laws, corporate accountability mechanisms, and civil and criminal corporate liability. It will provide a basis for accountability actions by identifying the obligations of governments and corporations, encouraging them to fully comply with existing anti-slavery regulations.



"The Freedom Fund
takes resources and
makes them go as far
as possible in bringing
about significant change."

*Alan McCormick, Managing Director
Legatum Foundation*

Community-Building and Research Initiatives

Organisations around the world are doing exceptional work to eradicate slavery but, too often, these efforts are fragmented and underfunded. The Freedom Fund aims to build a global community of activists, experts, and donors by providing the platform, knowledge, and tools for them to connect and work together more effectively.

The Global Modern Slavery Directory has 1,300 organisations and growing.

In 2014, we supported a number of important initiatives, including:

Global Modern Slavery Directory

The Freedom Fund has joined with Polaris and the Walk Free Foundation to produce the first Global Modern Slavery Directory. Launched in October 2014, the directory lists 1,300+ organisations, the locations in which they work, and the types of slavery and interventions on which they focus. In 2015, the directory will continue to expand the range of information made available to the general public.

Freedom from Slavery Forum

The Freedom Fund partnered with the Daniel Elkes Foundation and Free the Slaves to sponsor the Freedom from

Slavery Forum in September 2014.

The Forum is an annual event, which provides a unique opportunity for leaders of the anti-slavery movement to convene, share evidence-based practices and build a shared agenda as a movement. The Freedom Fund will continue to support the Forum in 2015.

South Asia Alliance

In 2014 we partnered with Free the Slaves to explore the feasibility and structure of a South Asia Alliance against slavery and human trafficking. Initial findings and recommendations are due in the first half of 2015.



The Freedom Fund's vision is a world free of slavery. Our mission is to mobilise the capital and knowledge needed to end slavery:



- We generate private funding by demonstrating how effective interventions can protect those at risk of being enslaved and free those in slavery.



- We invest in those countries and sectors with the greatest incidence of slavery.



- We analyse which interventions work best, and we share that knowledge.



- We bring together a community of activists committed to ending slavery and empowered by the knowledge of how best to do so.

Directors

Alan McCormick (Chair)

Managing Director
Legatum Foundation

Kevin Bales

Professor of Contemporary Slavery at the Wilberforce Institute for the Study of Slavery and Emancipation, University of Hull; Lead Author, Global Slavery Index, Walk Free Foundation

Andrew Doust

Vice President, Strategy
Legatum Foundation

Molly Gochman

Stardust Fund

Felicity Gooding

Chief Financial Officer,
Minderoo;
Chief Financial Officer,
Walk Free Foundation

Ed Marcum

Vice President, Investments
Humanity United

Lawrence Mendenhall

Vice President,
General Counsel and Secretary
Humanity United

Investors



Stardust Fund



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The Freedom Fund (UK)

Lighterman House
26-36 Wharfdale Road
London · N1 9RY
United Kingdom

☎ +44 20 3077 2222

www.freedomfund.org

✉ info@freedomfund.org

🐦 [@Freedom_Fund](https://twitter.com/Freedom_Fund)

The Freedom Fund (US)

Six West 48th Street
10th Floor
New York · NY 10036
United States

☎ +1 212-378-2091

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