

Tariff Act Legal Fund

Enforcing the forced labour ban



About **25 million people around the world are in forced labour**. Many are part of vast and complex global supply chains. The U.S. is the largest importer of goods that are at risk of being produced with forced labour, valued at an estimated **\$144 billion a year**.

The Freedom Fund established the **Tariff Act Legal Fund** in 2019 as part of our broader work on investigations and litigation to leverage the prohibition of forced labour under section 307 of the U.S. Tariff Act. The Tariff Act Legal Fund has helped civil society launch on-the-ground investigations to gather evidence of exploitative labour practices, which can then be used to stop the importation of at-risk goods. The Fund acts as a strong deterrent to businesses seeking to profit from forced labour, and a wakeup call to companies on the risk of forced labour in their supply chains.

After a successful first phase of the Tariff Act Legal Fund, the second phase will continue to build momentum around this important work and to increase the number of on-the-ground investigations.

Background

Section 307 of the **1930 U.S. Tariff Act** prohibits goods produced with forced labour from entering the U.S. market, using a powerful trade remedy called a “withhold release order” (WRO), which is enforced by Customs and Border Protection (CBP). Historically, enforcement of this provision has been weak and ineffective, however the closure of a legal loophole in 2016 provided an exciting opportunity for civil society to take action.

The Tariff Act Legal Fund was established with the clear goal of **enforcing the forced labour import ban**. The Fund supports civil society organisations to conduct on-the-ground investigations, linking forced labour practices with specific U.S. imports, before providing this evidence to CBP to trigger enforcement of the ban.

Our work on the Tariff Act Legal Fund to date

The Fund has built momentum around the enforcement of the Tariff Act. In the first phase of the fund we have successfully:

- Provided the capacity and resources to support civil society organisations to be able to conduct **four on-the-ground investigations**.
- Generated momentum around the enforcement of the act, demonstrated by the **15 withhold release orders issued by CBP** in 2020 (the highest number since the consumptive demand loophole was closed in 2016.)
- Triggered businesses into taking notice and action, as the disruptive impact of the mechanism has become more apparent.
- Grown the interest from civil society groups both in the U.S. and globally, into using the Tariff Act as a means to address forced labour in supply chains.

Despite these developments, civil society groups in countries with a high prevalence of modern slavery continue to lack the resources to carry out dedicated investigations on forced labour that can be traced to U.S. imports. This has an effect on the utility of the mechanism, as it relies on external groups submitting evidence to CBP that meets the specific evidentiary standards of the Tariff Act. Recent petitions that have resulted in WROs have been spearheaded by civil society groups in the Global North, who have a greater understanding of the Tariff Act along with the resources to advance this action. There is a great need to expand the enforcement action beyond this relatively narrow set of countries and sectors, to ensure that the import ban is being operationalised globally to support organisations with the most direct knowledge and evidence of forced labour.



Plans for the next phase of the Tariff Act Legal Fund

A new phase of the Tariff Act Legal Fund, managed by the Freedom Fund, will capitalise on the growing momentum around the Tariff Act to ensure that enforcement action by CBP is maintained and expanded. We will continue to coordinate and facilitate the investigations to support civil society organisations in gathering evidence as effectively and safely as possible, and to help navigate any risks.

Plans for the second phase include the following:

- Funding up to **ten new investigations** across a broad range of countries and sectors.
- Supporting our grantees to develop petitions that meet the evidentiary standards of section 307.
- Scaling our existing program by building a second, larger, pooled fund dedicated to advancing petitions.
- Working with grantees to explore complementary legal and advocacy strategies to amplify the impact of investigations.
- Utilising our specialist understanding and experience from the first phase of the Tariff Act Legal Fund to administer grants to NGOs, investigative journalists and watchdog organisations.

Collaborations

We will partner with the [Human Trafficking Legal Center](#) (HTLC) to bolster the investigations supported under the Fund and to ensure that they have a greater chance of triggering enforcement action. Having already worked closely with HTLC during the first phase of the Fund, we will integrate their recognised expertise on the Tariff Act as a technical assistance provider to grantees.

This collaboration will help to increase the impact and the sustainability of the Fund by upskilling grantees to enable them to file future petitions. We will work closely with grantees to ensure that processes are in place to identify and mitigate negative impacts to workers, such as providing support to access grievance mechanisms.

How you can support us

The Freedom Fund finances the management costs of the Tariff Act Legal Fund. We are looking to bring in additional funders to join us and help secure the **\$300,000** needed to initiate a second phase of the fund. This will be re-granted directly to fund up to **ten on-the-ground investigations** over a **12-month period**.

Your investment in the Tariff Act Legal Fund will empower some of the most innovative and impactful networks of frontline civil society actors, driving change and dismantling harmful practices from the bottom up.

Thank you for considering this proposal.

For further information, please contact:

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