

ANNUAL REPORT

2019

GLOBAL
FUND
TO
END
MODERN
SLAVERY



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LETTER FROM THE CEO

Dear Friends and Partners,

As I write this letter in mid-2020, amidst the COVID-19 pandemic, we are reminded that the most vulnerable are often impacted the most in times of crisis. GFEMS anticipates that the pandemic will continue to expose and exacerbate vulnerabilities for victims of modern slavery and at-risk populations. Now more than ever, there is a need to take aggressive steps to achieve GFEMS mission to end modern slavery by making it economically unprofitable.

GFEMS was founded with a bold vision, based on recommendations from global leaders highlighting the need for a coherent global strategy, global coordination and commitment across the public and private sectors, and mobilization of significant pooled resources. We have focused on designing and testing programs that address the supply, demand, and the enabling environments for modern slavery in high prevalence sectors and geographies. By supporting these innovative programs, with evidence on prevalence and effectiveness, our hope is to accelerate progress.

In 2020, it is rewarding to see that vision taking shape. Innovative programs are underway in multiple countries and sectors and our evidence and learning work is gathering the data needed to confirm what works. In these pages you will read about programs that combat commercial sexual exploitation of children in India and Vietnam and an innovative research project aimed at understanding the recruitment, migration, and employment experiences of workers to the Delhi

National Capital Region (NCR) or work in the booming India construction sector.

We are gaining valuable insights and lessons on what works to end modern slavery— to train and empower those most vulnerable to exploitation, to end exploitative labor in satisfying the demand for cheap goods and services, and to build the right relationships and capacity for transforming the enabling environments to end impunity.

Looking forward to next year, we have much work ahead. We will be expanding our work to multiple new countries in Asia and Africa and will be testing additional innovative models. But the need is great - more resources must be added to the pool of funds available to develop and test solutions to modern slavery.

I am immensely proud of the groundwork we have laid early in our journey and believe we are well positioned to make valuable contributions along with others to end modern slavery.

I extended a warm thank you to our donors, our partners, and our peers for their continued support of this vision and for joining GFEMS on this journey. We look forward to our continued work together and to the next chapter of the Fund.

Sincerely,
Dr. Jean Baderschneider, CEO and Chair of the Board

MISSION AND VALUES

The GFEMS Mission

To end modern slavery by making it economically unprofitable.

Our Values

Focus on our mission: We build programs and undertake research focused on ending modern slavery.

Learn Continuously: We seek out the knowledge and perspectives of others, especially those whom we seek to serve and protect.

Bet Big and Build Together: We work with stakeholders to build and develop bold transformative programs, designed to achieve unprecedented systems change, emphasizing innovation and scale.

Execute with Excellence and Integrity: We are committed to implementing with efficiency, effectiveness, and real-time adaptability, while maintaining the highest standards of business ethics and compliance.

Share What We Know: We eagerly share successes and lessons learned to bolster the field, build the evidence base and catalyze a coherent global strategy.

Create Sustainable Impact: We identify and leverage shared goals among diverse stakeholders to secure co-investment and build programs that are self-sustaining.

WHAT IS MODERN SLAVERY?

**40
Million**

estimated victims of modern slavery worldwide.

25 Million

people in forced labor globally.

16 Million

victims of forced labor working in the private sector.

150 Billion

USD in annual illicit profits.

400 Million

USD in global government spend fighting this crime

ABOUT THE ISSUE

Modern slavery is a crime of economic opportunity, generating approximately \$150B in profits for traffickers and intersecting with many global trends like migration, organized crime, and global supply chain operations.

Anti-trafficking organizations around the world are doing important work, but the field has been restricted by limited resources, short-term funding cycles, and lack of actionable data. As a result, the field has historically only been able to address fragments of the systems that make slavery so profitable.

To change this, the private sector, governments, and civil society must work together to build coordinated programs taking on entire systems perpetuating modern slavery. These programs must ensure effective rule of law to raise the cost to traffickers, implement market-based solutions to eliminate forced labor in supply chains, and create public-private partnerships to ensure rehabilitation and viable jobs for survivors. GFEMS is working hand in hand with partners around the world to design and implement holistic programs.

STRATEGIC APPROACH

Transforming the Fight Against Modern Slavery: Applying an economic lens to end systems of exploitation

GFEMS views modern slavery as a crime of economic opportunity. To end slavery for good, we must make it unprofitable.

GFEMS develops and deploys interventions within a framework addressing the supply of vulnerable populations, demand for cheap goods, services, and sexual exploitation, and the enabling environment that allows perpetrators to act with impunity. The Fund focuses on geographies and sectors with the highest prevalence, and projects with the greatest potential for replication and impact at scale.

The supply side of slavery includes vulnerable populations around the world searching for work or a way out of desperate circumstances. They are forced, deceived, or coerced into exploitative working conditions, often because they do not know of any viable alternatives. Reducing the supply of vulnerable individuals makes exploitation more costly for traffickers. Supply side interventions might include:

- Providing trauma-informed care for survivors
- Promoting awareness of rights, trafficker tactics, and the available alternatives
- Building individual capacities and ability to find viable employment through market-driven skilling and employment programs

"Reducing the supply of vulnerable individuals makes exploitation more costly for traffickers."

STRATEGIC APPROACH

The demand side of slavery is driven by the desire for cheap labor, cheap goods, and sexual exploitation. To create sustainable change in the private sector, unethical and exploitative business practices must be made uncompetitive, concrete solutions must be identified, and ethical business models need to be implemented. Demand-side interventions include:

- Developing new tools to detect and mitigate forced labor risks in deep and opaque supply chains
- Building and incentivizing uptake of ethical contracting and ethical production models
- Testing demand reduction approaches for sex trafficking.

The enabling environment for slavery is represented by inadequate justice systems and corruption that allow perpetrators to act with impunity, and corporate and cultural

"To create sustainable change in the private sector, unethical and exploitative business practices must be shown to be uncompetitive."

norms that ignore harm done to the most vulnerable. The Fund's interventions to address this environment include:

- Building the capacity of criminal justice and regulatory systems to identify, protect and secure remedies for victims; and to punish traffickers Investing in new technologies and tools to detect and disrupt trafficker operations
- Securing corporate and community buy-in by illuminating the ultimate costs of modern slavery to economies and societies and the gains from eliminating it

STRATEGIC APPROACH

Evidence for Action: Delivering on Our Values

One of the Fund's founding principles and most closely held values is the importance of generating new evidence for the field and sharing our learnings to advance our collective fight. As such, evidence for action is a key component of the Fund's strategic approach.

Modern slavery is a crime hidden by design, making data collection extremely difficult. Yet we cannot end modern slavery without a true understanding of the scale and scope of the problem. To deliver on our values, GFEMS incorporates rigorous learning and research agendas in each of our interventions. Our Evidence and Learning team collaborates with a broad range of global and local research institutions to generate actionable data on what works to end modern slavery, drive innovation, and support evidence-informed solutions.

GFEMS conducts four primary research activities:

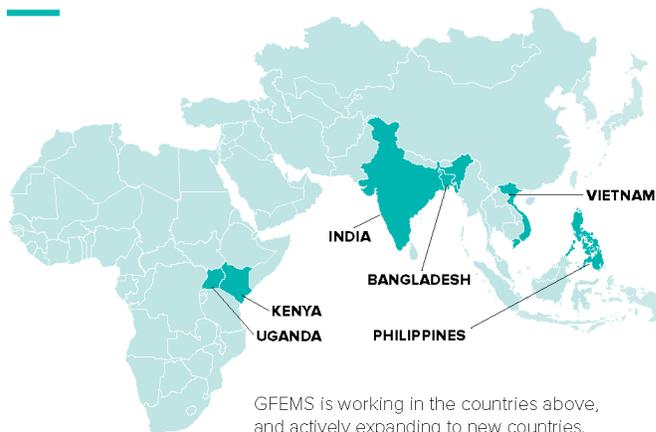
- Prevalence estimation: GFEMS supports population-based estimations of prevalence to enable assessment of medium and long-term trends over time.
- Risk Assessment: GFEMS supports the development of innovative tools to measure risk in supply chains
- Project Monitoring, Evaluation and Learning: GFEMS conducts routine data monitoring to assess progress in real-time and adapt as needed.
- Extramural Research: GFEMS supports non-project-based research to fill evidence gaps, inform future investments, or meet research needs of stakeholders.

2019 AT A GLANCE

OUR GROWING FUND

2019 marked the Fund's first full calendar year of operational programs, following the launch of our first on-the-ground efforts in late 2018. Strategically designed to combat modern slavery in targeted sectors and geographies with high potential for impact, our initial investments in India, Vietnam, and the Philippines are paving the way for greater impact in 2020.

Where We Work:



We focus on the industries and issues where we can have the most impact:

- Sex Trafficking
- Apparel and Manufacturing
- Domestic Work
- Global Finance
- Construction
- Migrant Labor

In Vietnam, we used the momentum created by passage of new anti-trafficking legislation to build interventions to tackle sex and labor trafficking. With local and international partners, GFEMS piloted models for both survivor restoration and ethical recruitment that show tremendous potential for scalability and sustainability. In India, we are building programs to align with the government's focus on skilling and safe migration for construction workers. In the Philippines, GFEMS is working with local and international partners to strengthen and expand proven programs and secure government and private sector support for ethical recruitment and improved survivor care.

With programs on the ground, GFEMS is learning what works to mobilize the funding to invest in those solutions and bring them to scale. Three additional major grants have been awarded to GFEMS by the governments of the United States, United Kingdom, and Norway. Building on interventions in India, Vietnam, and the Philippines, GFEMS recently expanded its portfolio to Bangladesh and is preparing for expansion in to East Africa.

PORTFOLIO SPOTLIGHT

Project: Advancing Rule of Law in Maharashtra

Location: Maharashtra, India

Dates: Sept 14, 2018- Aug 31, 2021

Partner: International Justice Mission

COMMERCIAL SEXUAL EXPLOITATION | INDIA

International Justice Mission (IJM), in partnership with Prerana, is expanding on demonstrated successes to strengthen investigative capabilities (particularly of online-enabled sex trafficking), ensure trauma-informed care for survivors, and improve data collection in high risk geographies across Maharashtra.

A central component of IJM's project with GFEMS is to train Child Welfare Committees (CWCs), institutions that provide care, protection, and rehabilitative services for children in need, to provide child-friendly spaces and build capacity for effective care delivery. In an expression of support for IJM's model, the government of India requested IJM develop an additional three-day training for all CWCs across the state. Further, the government proposed IJM lead a new mentorship initiative to provide more specialized support for CWCs. Under this initiative, the government is supporting six mentors to provide CWCs expert advice and guidance on processes and reporting in each of Maharashtra's six divisions.

This collaboration between government and civil society is critical for long-term sustainability.

PORTFOLIO SPOTLIGHT

Project: Safe and Sound, Ha Giang

Location: Ha Giang Province, Vietnam

Dates: Sept 10, 2018- Dec 31, 2020

Partner: Blue Dragon Children's Foundation

COMMERCIAL SEXUAL EXPLOITATION | VIETNAM

Despite the heightened risk of trafficking in Ha Giang province, no trafficking survivors reported receiving reintegration support prior to Blue Dragon's intervention. Across government, law enforcement agencies, and social service organizations, efforts to identify and provide survivor support remained fragmented, making it difficult for survivors to access needed services and resources.

Blue Dragon worked with each of these stakeholders to strengthen channels of coordination and information-sharing and supported the provincial government agencies to implement the National Referral Mechanism (NRM) –a cooperative framework through which trafficking victims are identified and referred for services- at the provincial level.

For the first time, Ha Giang authorities referred or directly provided reintegration support. Blue Dragon is now collaborating with the Vietnamese government to support NRM implementation throughout the entire province, ensuring more survivors can access the care and support they need.

RESEARCH SPOTLIGHT

Project: India Consortium for Skilling and Safe Migration

Location: National Capital Region, India

Dates: Oct. 1, 2018- March 31, 2021

Partner: Jan Sahas Social Development Society

CONSTRUCTION | INDIA

In India, construction work offers an opportunity to earn additional income for millions of internal migrants, but evidence indicates that 10 percent or more of migrant construction workers – potentially five million people- could be in forced labor.

Our partnership with Jan Sahas builds on a broader government strategy to skill more workers and ensure safer migration. Fundamental to this program is the development and implementation of a longitudinal migration tracking (LMT) system to track migrant’s labor journeys. More than 63,000 migrant workers have already been enrolled in the system and follow-up phone surveys have been administered to over 24,500 of these participants. While LMT is capturing necessary data on forced labor and exploitation, Jan Sahas is also working to reduce vulnerabilities through awareness-raising campaigns and helping migrants register for entitlements. Jan Sahas is training hundreds of social advocates or “barefoot lawyers” who will continue to support migrants to access benefit enrollments, and continues to collaborate with key government actors at each stage of program implementation, including India’s Department of Labor, to sustainably end forced labor.

LEADERSHIP

Leadership

Chief Executive Officer

Jean Baderschneider, PhD

Senior Director of Finance and Operations

Craig Sarsony

Director of Strategy and Design

Jason Wendle

Director of Grant Programs (US)

Rebecca M. Buchanan, PhD

Director of Grant Programs (Europe)

Helen Wong Taylor

Director of Strategic Partnerships

Natalya J. Wallin

Director of Evidence and Learning

Laura Gauer Bermudez, PhD

Board of Directors

Jean Baderschneider, PhD

Chair of the Board, GFEMS CEO

Ernie Allen

Former President & CEO, Nat'l Center for Missing and Exploited Children; founding President & CEO, Int'l Center for Missing and Exploited Children

Alison Kiehl Friedman

Executive Director, International Corporate Accountability Roundtable (ICAR)

Cardinal Vincent Nichols

11th Archbishop of Westminster

Ambassador John Cotton Richmond

Ambassador at Large– Office to Monitor and Combat Trafficking In Persons

Sir Rob Wainwright

Senior Partner, Deloitte

Former Executive Director, Europol

2019 FINANCIAL STATEMENTS

Statement of Financial Position

ASSETS

Cash and Cash Equivalents	\$2,963,459
Grants Receivable	\$1,064,316
Subaward Advances and Security Deposits	\$318,335
Total Assets	\$4,346,110

LIABILITIES AND NET ASSETS

Total Liabilities	\$3,871,882
Net Unrestricted Assets	\$474,228
Total Liabilities and Net Assets	\$4,346,110

Statement of Activities

REVENUE AND SUPPORT

Grants (USG and non-USG)	\$10,560,443
In-kind Contributions	\$66,176
Contributions	\$6,376
Interest Income	\$18,606
Total Revenue and Support	\$10,651,601

EXPENSES

Program Services	\$9,437,495
Management and General	\$868,101
Fundraising	\$22,587
Total Expenses	\$10,328,183

Change in Net Assets

\$323,418

*The complete audited financial statements as prepared by BDO may be viewed on our website.

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