


**Conference Proceedings**

**Finance Against Slavery  
and Trafficking  
Implementation Review  
Conference**

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**LIECHTENSTEIN** | FINANCE  
**INITIATIVE** | AGAINST  
SLAVERY &  
TRAFFICKING



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## Introduction

The Finance Against Slavery and Trafficking (FAST) Initiative is a multi-stakeholder initiative based at United Nations University Centre for Policy Research (UNU-CPR) that works to mobilize the financial sector against modern slavery and human trafficking.<sup>1</sup> Its work centres around the *Blueprint for Mobilizing Finance Against Slavery and Trafficking*, the culmination of a year-long global consultation by an expert Financial Sector Commission on Modern Slavery and Human Trafficking. The *Blueprint* provides a shared collective-action framework that different financial sector actors can implement in their own ways and at their own speeds.

In October 2021, UNU-CPR and the Government of Liechtenstein convened the first FAST Implementation Review Conference in Vaduz, Liechtenstein. The conference had two objectives: to reflect on what the FAST Initiative has achieved so far, and to look forward to where to focus attention and allocate resources in the coming years.

Over the course of two days, representatives from government, multilateral organizations, the financial sector, and survivors contributed to fruitful discussions about the achievements of the FAST Initiative and priorities for taking the agenda forward. Thematic discussions were structured around sessions focusing on each of the FAST *Blueprint* Goals, and a final outlook session that allowed participants to add emerging themes and priorities to the agenda.

### Focus on FAST Goal 1: Compliance with Laws Against Modern Slavery and Human Trafficking

Various laws and regulations already exist at the national and international levels to combat modern slavery and human trafficking. Increasing awareness of these regulations among financial sector actors and promoting compliance with them is a priority of the FAST Initiative. Due diligence legislation and corresponding accountability mechanisms need to be rolled out in more countries.

Financial Intelligence Units (FIUs) have the potential to contribute to the fight against modern slavery and human trafficking, but they must maintain a delicate balance between prioritizing privacy, security and the necessity to combat these crimes. To fight modern slavery and human trafficking, information sharing between financial institutions and law enforcement is crucial, therefore legal or policy frameworks must be in place to facilitate such sharing. In cases where this does not take place, roadblocks should be identified and addressed.

Combatting modern slavery and human trafficking also requires interventions beyond State criminal justice systems, including human rights due diligence and compliance with laws that regulate business conduct in value chains. Some participants indicated that law enforcement and FIUs lack coherence and consistency, as illustrated by a lack of cooperation between law enforcement and banks. There is a business case for banks and the private sector more generally, from both a legal and reputational perspective, that there is strategic value in taking action against modern slavery and human trafficking.

1 FAST is committed to achieving Sustainable Development Goal Target 8.7: “Take immediate and effective measures to eradicate forced labour, end modern slavery and human trafficking and secure the prohibition and elimination of the worst forms of child labour, including recruitment and use of child soldiers, and by 2025 end child labour in all its forms.”

Furthermore, to achieve this Goal, there is potential to strengthen the use of anti-money laundering legislation and sanctions regimes. Training to detect and fight modern slavery and human trafficking is crucial for both financial and regulatory actors. People need to know what to look out for in order to be able to develop, share and use relevant information. FAST has partnered with the Association of Certified Anti-Money Laundering Specialists (ACAMS) to offer a free online certificate programme that raises awareness about the financial traces left by modern slavery and human trafficking and the steps needed to mitigate address these risks.

The availability and quality of data is essential in measuring compliance. Compliance necessitates a trust-based relationship with reporting entities. Systems need to be fed the right data and such data must be shareable. But there are certain impediments to data sharing, for instance in Europe with regard to data protection regulations.

Finally, consumers themselves can play a role in holding companies to account. Consumers should be informed in a transparent way about the value chains behind different products. Raising public awareness in this way can increase pressure on companies and investors.

### Focus on FAST Goals 2 and 3: Knowing and Showing Modern Slavery and Human Trafficking Risks and Using Leverage Creatively

One metric for knowing and showing risk is how many incidences of modern slavery and human trafficking companies and investors are identifying and reporting. Seeing that number grow can be, counterintuitively, a positive sign because it indicates transparency. If companies are not finding incidences of modern slavery, they may not be looking or they may not be reporting accurately.

Investors cite a lack of data as a barrier: they do not know how to assess social performance because there is little comparable data. Furthermore, there was agreement among many participants that some investors traditionally considered social indicators as less important because they were perceived as lower risk.

FAST has already piloted various initiatives in terms of using investor leverage. One initiative, in partnership with Walk Free, is Investors Against Slavery and Trafficking Asia-Pacific, which is a coalition of investors committed to promoting effective action among investee companies in the Asia-Pacific region to find, fix and prevent modern slavery, labour exploitation and human trafficking in their value chains. Partners in this initiative say there are advocacy opportunities with this group of investor stakeholders. As knowledge partners, FAST and Walk Free can share calls for action when there are opportunities for laws and policies to strengthen the regulatory context. Furthermore, based on emerging practices from the work with the Thai Stock Exchange, conversations can be taken forward with other stock exchanges (i.e. London, New York, Singapore, Hong Kong, Japan).

According to some participants, there is appetite for a “dirty list” so that the financial industry can commit to not providing support to companies known for labour exploitation. One example of such a list is compiled in Brazil, where non-traditional data sources have been used to collect public data on modern slavery and human trafficking to providing information for academics, prosecutors, policy leaders, and other stakeholders. Such data can be used in the development of due diligence policies. Brazil’s “dirty list” must be cross-referenced by financial institutions when providing services.

#### Focus on FAST Goal 4: Providing and Enabling Effective Remedy

In the insurance industry, there is a clear trend towards more discussion of Environmental, Social and Governance (ESG) indicators, and this is a sector that can leverage its influence on other companies by refusing to insure any company found to have links to modern slavery or human trafficking.

FAST's flagship programme is the Survivor Inclusion Initiative (SII), which promotes financial inclusion for survivors of modern slavery and human trafficking by facilitating access to bank accounts and services. Since the programme began in 2019, it has facilitated over 2,000 account openings for survivors in the US, Canada and the UK.

The SII has developed guidance for banks and survivor support organizations to overcome barriers like standard documentation requirements. Many survivor support organizations are small and overburdened, so the referral process should be as easy as possible. Each bank then determines how it will handle survivor accounts once open. However, certain banks still express uncertainties around regulatory requirements and therefore indicate an interest in further guidance and training.

Representatives of banks participating in the SII are enthusiastic about furthering their involvement going forward. One bank representative noted that there is an opportunity for banks to engage in continued advocacy with regulatory authorities. A representative from another bank suggests there is a role for current SII member banks to encourage other banks to get on board and also to think about going beyond opening bank accounts.

Financial inclusion and empowerment for survivors is a question not just of access but also of equity. This means identifying what barriers exist in terms of fees (i.e. remittance transfer fees) in order to enable equitable financial access. Furthermore, when expanding banking access to unbanked persons, storing money and using it for transactions (i.e. remittances), simultaneously opens up the possibility for money laundering, so safeguards must be put in place.

Bank accounts are critical, and there is a need to expand beyond that, both in terms of financial access (i.e. credit repair, access to loans, planning for retirement) and geographic scope. FAST is in discussions to begin SII pilot programmes in Latin America and South Africa in the coming year.

Crucially, FAST is committed to involving survivors to articulate their own needs and help design responses. One survivor participant called for banks to come together to offer a reintegration process in a way that is safe for banks and for survivors and suggested that credit card companies could do the same to rebuild credit.

There are several pressing questions going forward in relation to vulnerable populations: one challenge is reaching people who do not self-identify as survivors, as well as reaching people in places where banking access/credit is not the priority, in order to determine what types of financial services would best serve them. There is also an opportunity to use the financial services being provided to survivors as preventive measures to mitigate vulnerability. The FAST Initiative plans to take work in this area forward with an overarching Vulnerable Populations Strategy.

## Focus on FAST Goal 5: Investment in Innovation for Prevention

The potential of innovation and technology to prevent modern slavery and human trafficking was an important conclusion of the original Financial Sector Commission and remain a priority for the FAST Initiative. FAST is engaging in research to further this Goal, as well as looking to existing examples.

Earth Shattering is a new FAST research initiative in partnership with the UNU Institute for Natural Resources in Africa. It considers how different actors (financial sector, private sector and government) can synchronize actions and catalyse new multisectoral responses to modern slavery and human trafficking risks, focusing on case studies of gold and cocoa production in Ghana. In particular, it looks at how COVID-19, climate and conflict increase vulnerability to exploitation. There is potential for this innovative approach and findings to be applicable in other countries and industries.

The conference also brought unique insights from organizations that are working on innovations that can prevent modern slavery and human trafficking. There is a growing demand for traceability in supply chains information, which is necessary to increase transparency. Haelixa AG is a company that traces raw materials from source to finished product across different markets and industries. Haelixa uses a novel application of DNA markers containing product information, which are applied to products to provide them with a unique traceable identity that can be forensically tested. Coupling this with blockchain technology makes the flow of information detached from the real-life product more reliable, whereas the standard chain of custody documentation is vulnerable to fraud.

Another example of new technologies highlighted was Duality Technologies, which works on using privacy enhancing technologies (PETs) to enable organizations to jointly analyse encrypted data without revealing sensitive information. There is potential for PETs to be leveraged in the fight against modern slavery and human trafficking, but in order to take full advantage of such technologies, legal changes in terms of data sharing may be necessary.

## Outlook

Going forward, FAST will continue to advance the five goals outlined in the *Blueprint*, while simultaneously expanding its work to areas not addressed therein. Conference participants identified key priorities for the future, including justice and the rule of law, the need for accountability, and mitigating vulnerability and promoting survivor empowerment. In order to make breakthroughs by 2030, there must be a true global strategy with more financial and political commitments and partnerships.

In considering the place in the broader ESG agenda, it is crucial to remember that all three thematic areas are interlinked. The social aspects are not in competition with the environmental aspects, which has tended to garner the most attention across the financial sector. Rather, all three elements are interconnected and need to be given due attention in order to achieve sustainable finance objectives.

Below are three areas that FAST has identified as priorities following the Implementation Review Conference.

### *Data Metrics, Collection and Sharing:*

Data is key in order to mobilize the financial sector against modern slavery and human trafficking, and this is true across all five Blueprint Goals. A current challenge is the diversity of measurement and reporting systems that exist. There are no streamlined international standards to measure modern slavery and human trafficking leading to disparate data that is not easily comparable. It is crucial to identify what data already exists, and what data is necessary. As social data is being gathered and analysed in different contexts around the world, there need to be key indicators necessary for modern slavery and human trafficking so that it is included in social indicators. The long-term approach to data should take into account both quantitative and qualitative indicators and collection methods.

Then, it is necessary to consider what roadblocks are preventing data from being shared effectively. An ongoing difficulty is collaboration using sensitive data, particularly in cross-border or cross-organizational work, involving financial services. Better data sharing channels must be developed between law enforcement and financial institutions.

The overarching objective is to develop a knowledge management strategy that connects the data in a way that leads to actionable insights by different stakeholders to make better decisions to prevent modern slavery and human trafficking.

### *Using existing tools:*

Existing tools can be used more strategically to combat modern slavery and human trafficking. Anti-money laundering tools can be used to identify instances of modern slavery and human trafficking, and the FAST- ACAMS training partnership is one way to increase the ability of financial professionals to recognize these risks. FAST is working on developing additional training opportunities. Additionally, participants repeatedly cited human rights sanctions regimes as an underutilized tool that can be employed to hold financial actors accountable. FAST will be pursuing new work related to mobilizing anti-money laundering and sanctions tools against modern slavery and human trafficking.

### *Furthering partnerships:*

Since its inception, FAST has been a multi-stakeholder initiative, and this is a unique strength. Among conference participants, there was consensus that anti-slavery and trafficking work cannot be done in isolation: public-private partnerships and cross-border collaboration are necessary. One area where collaboration can be strengthened is through FIUs, particularly by building capacity to share information. There is the collective energy to mobilize other global stakeholders, such as the Financial Action Task Force, to prioritize anti-slavery and trafficking. FAST will continue to play a key role catalysing action across its many stakeholders.



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