

Step 3 - Value Chain Analysis: Assessment of Drivers and Constraints for the Reduction of Occupational Injuries and Diseases

Instructions: Complete this template to showcase the analysis of the selected value chain. Include all relevant information and adapt each section to your needs. When completed, erase the instructions. For an example, please consult the case studies available here : http://www.ilo.org/wcmsp5/groups/public/-ed_dialogue/---lab_admin/documents/publication/wcms_593288.pdf

Objective: This analysis provides a view of drivers and bottlenecks for OSH improvement in the selected global supply chain (with a focus on the portion of the local value chain in the country of study which is integrated to the world market). The objective is to provide a comprehensive overview of the value chain and its market environment and to single out areas of possible performance issues as related to occupational safety and health of workers involved in the selected supply chain in the country of study. On the basis of this work, consultations with stakeholders are conducted, focusing on the areas highlighted by the analysis, in order to come up with interventions to improve OSH.

1. Executive summary

Instructions: Provide an overview of the steps taken during the research process and summarizes the result.

2. Introduction

Instructions: Provide the background for the reader's understanding of the context and objectives of the document.

- a. Background information
- b. Objectives
- c. Methodology
- d. Scope (to expand on the limitation cited in the objective above).

3. Nature and structure of the global supply chain

Instructions: Provide key information on the product, its production and its market globally and locally. It is a summary of the preliminary mapping completed during Step 2.

3.1. Overview of the industry

- a. Product description
- b. Production trends / Market trends and linkages with government Industrialization and Trade Policy/ies (other enabling policies and sector standards)
- c. Enabling environment

STEP 3 - TEMPLATE NO. 5 - Step 3 Analysis Report

This section focuses on the portion of the value chain which is located in the country of study. It provides an overview of the enabling environment in which the supply chain evolves and performs (i.e. from a commercial standpoint as well as from an employment creation and working conditions' perspective).

i. Trade

Agreements, mechanisms, processes that improve access to international markets. Existing labour provisions in trade agreements and their enforcement mechanisms. Any challenges encountered in the past and amelioration action taken.

ii. Taxation and subsidies

Existing taxation and subsidy mechanisms and their impact on the supply chain.

iii. Labour market

Trends of the labour market (demographics, trends, basic regulations and foreseen evolution that may affect the industry, skills).

3.2. The value chain and its market and institutional environment

Instructions: Provide a comprehensive description of the value chain in country as well as information on the lead firms / buyers. The nature of employment and main related occupational risks are identified and the way in which occupational risks are identified. Key market players and institutional supporting functions are identified as well as the nature of their relationships. Their respective capacities and performance are assessed. To the exception of section a below, all other sections focus on the portion of the value chain which is located in the country of study.

Provide the value chain and its system map. Provides both a visual and a description of the value chain, with the nature, number and role of each actor. It traces the transformation process up to the consumer, identifying the lead firms and international buyers and standardization institutions (including fair trade) in the supply chain. A greater level of detail is expected for the part of the supply chain located in the country of study.

Describe each stage of production of the value chain with information on:

- *Functions and work processes - A detailed description of actors in the value chain in the country of study is provided, as well as a description of their detailed functions and volume of activity. An analysis of the economic performance (i.e. productivity, sales) and constraints of actors (i.e. access to finance, inputs, logistics etc.) is provided.*
- *Employment - A description of employment patterns at each link of the chain is provided, with as detailed data as accessible (contractual situation, wage/income, hours of work, gender balance, existence of major breach of labour standards, skills levels at the different stages of the chain, existence of migrant work, etc.). An additional focus on capacities at the management level should provide information on actors' capacities.*
- *Main occupational risks and hazards and their management - A description of operations involved at each stage of the chain and the occupational risks that directly relate to those operations is provided. Information on the perception of risks by actors in the chain is provided, as well as an overview of their current mitigation strategies and their level of access to prevention and*

STEP 3 - TEMPLATE NO. 5 - Step 3 Analysis Report

protection services (access to risk identification services – from enterprise level OSH committee, labour inspection, auditors, providers of machinery or pesticides, etc., access to social security – especially health and work injury schemes, access to medical care services, etc. and linkage to the national OSH system and infrastructure and platforms for communication and accessing support).

- *Nature of inter-firm relationships - A description of the nature of market relationships in between actors is provided. The power relations within the chain are analysed and market players with a preponderant role in setting the rules of the game are identified. The influence of lead firms and international buyers at the different links of the chain is assessed with particular focus on social issues and more so on OSH buyer concerns and access to support in meeting them including technical support from higher tiers.*
- *Cost and price structure - Distribution of the value added, costs and profitability at each link of the supply chains.*

Describe supporting functions and market systems

- d. *Rules and regulations*
 - i. *Public regulatory entities*
 - ii. *Social dialogue and collective bargaining institutions*
 - iii. *Private compliance initiatives/market initiatives*
- e. *Supporting functions - Necessary conditions for OSH improvement at national level include: appropriate legal framework, effective enforcement, participatory risk management systems, data collection and analysis mechanisms fomenting preventive action, existence of employment injury insurance and effective coverage, training, information and advisory services, occupational health services etc. This section should provide information on whether those elements exist in the country and a brief description of those elements.*
 - i. *Enforcement*
 - ii. *Public support service providers*
 - iii. *Private support service providers*

4. Drivers and constraints for OSH improvement

Parts of the supply chain where deficits / good practices are likely to be concentrated, specific supporting functions that established a positive relationship on OSH with supply chain actors (or the other way around), etc.

Identify the constraints and opportunities for change. Make clear what the drivers and constraints are in the business model as well as in the regulatory environment and supporting functions for improving OSH at each stage of the value chain.

STEP 3 - TEMPLATE NO. 5 - Step 3 Analysis Report

The assessment of drivers and constraints includes:

- *Assessment of the impact on OSH of the rules governing the business model of the different categories of actors in the value chain and their interplay.*
- *Assessment of the legal framework and the public and private entities responsible for OSH promotion, prevention, protection and compensation, including the type of scheme and the overall enforcement system.*
- *Assessment of the other actors that may assume a supporting role affecting OSH awareness, practices and outcomes.*

5. Opportunities for OSH improvements

5.1. Vulnerability profiles

This section summarizes the results in terms of groups particularly vulnerable, with detailed explanation of their OSH risk exposure as well as the root cause of their specific vulnerabilities.

Identify and report the vulnerability profiles according to the exposure, sensitivity and coping capacity. Vulnerability profiles identify groups of workers that are particularly vulnerable to specific occupational risks and their consequences. Depending on the size and complexity of the business or enterprise, vulnerability profiles can correspond to the level of:

- *The enterprise, covering all activities or processes and all the workers.*
- *A specific section of the workplace, (e.g. a machine repair shop, covering a specific group or number of workers).*
- *A specific dangerous activity or process, e.g. problems with handling heavy loads, which may pose a danger to specific group, groups or numbers of workers.*

5.2. Points of entry for intervention (this section needs to be fully completed after the completion of Step 4)

Key informants, key policy developments, key commercial relationships that may influence OSH, key actors manifesting an interest / demand to work on OSH, etc.

Suggestion of a strategy for improving OSH where it is most needed, including further research and use of quantitative and mixed methods as needed for specific hazards or accidents and diseases trends in identified parts of the value chain.

6. Appendix

List of informants

Questionnaires

STEP 3 - TEMPLATE NO. 5 - Step 3 Analysis Report

Overview of current activities overseen or involving UN agencies and major development partners in the selected supply chain

Additional information as relevant