VISION ZERO FUND

STRATEGY 2019–2023

SHARED RESPONSIBILITY FOR SAFER SUPPLY CHAINS
1. INTRODUCTION

The Vision Zero Fund aims to eliminate severe or fatal work-related accidents, injuries and diseases in global supply chains (GSCs). It is an initiative of the G7, and has been endorsed by the G20. The International Labour Organization (ILO) administers the Fund, and implements its projects.

In 2016, the VZF Steering Committee adopted the strategy “Vision Zero: Achieving a world without fatal or serious occupational accidents and diseases” (2017-2021), which provided a solid basis for its inception phase. Since then, the VZF refined its strategic approach and intervention framework, established a sound governance structure and financial footing, and developed a portfolio of country projects, successfully engaging multinational corporations leading important GSCs as well as reaching some of the most vulnerable women and men working in the world’s least developed countries.

Contributions to the VZF are accepted from governments of Sovereign States, intergovernmental or non-governmental organizations, and from private sources including companies, foundations and individuals. Current and past donors include the European Commission, Germany, France, Sweden, Norway, the United Kingdom, and the United States. In 2017, Siemens became the first private sector donor to join the Fund.

The Vision Zero Fund will help prevent and reduce the unaccept-able number of workplace-related deaths, injuries and diseases. Gaining access to global supply chains can be an important part of strategies for poverty reduction. The Fund will help to make this route safer."
2. ADDRESSING A CRITICAL GLOBAL NEED: OSH IN GLOBAL SUPPLY CHAINS

According to the latest OSH global estimates, every day 1,000 people die from occupational accidents and a further 6,500 from work-related diseases. Diseases are the cause of the great majority of work-related deaths (2.4 million deaths or 86.3 per cent), in comparison to fatal occupational accidents (which make up the remaining 13.7 per cent). Together, these account for 5 to 7 per cent of deaths globally. There are 34 developing countries without an employment injury insurance system and approximately 60 per cent of the world’s labour force lacks protection if they are injured or become ill as a result of their work. In economic terms, the ILO estimates that almost 4 per cent of the world’s annual gross domestic product (GDP) is lost as a consequence of work-related injuries and diseases.

About 60 per cent of global trade today is organized within global supply chains (GSCs). While the contribution of GSCs to global economic growth and job opportunities is evident, their impact on the living and working conditions and the safety and health of workers in developing countries raises important concerns. As the ILO has noted, “failures at all levels within global supply chains have contributed to decent work deficits in the areas of occupational safety and health, wages, working time, and which impact on the employment relationship and the protections it can offer. Such failures have also contributed to the undermining of labour rights, particularly freedom of association and collective bargaining. Inflexibility, non-standard forms of employment and the use of intermediaries are common.”

While evidence indicates that supply chain relations can negatively impact or maintain poor OSH outcomes, it also suggests that they can create opportunities to ameliorate these effects and contribute to supporting improvements in arrangements and outcomes for safety and health for workers. While current efforts to improve working conditions in GSCs (such as private compliance initiatives) have resulted in some improvements, these have been episodic, unstable and uneven since they often fail to address the root causes of non-compliances.

3. THE MODEL OF SHARED RESPONSIBILITY

We recognize the joint responsibility of governments and business to foster sustainable supply chains.«

Leaders’ Declaration G7 Summit 7-8 June 2015

The VZF endorses the model of shared responsibility which consists of four critical components:

COMPONENT 1:
Facilitating industry-wide, systemic approaches that involve key public and private stakeholders:
OSH risks in certain supply chains are highly contextual and dependent on work processes. They are often common to particular products and commodities, which is why industry-specific, rather than company-specific, approaches are more effective for addressing the most serious OSH risks and challenges. The VZF uses its convening power to bring together stakeholders at country and global levels to design and develop such industry-wide strategies.

COMPONENT 2:
Gaining visibility of the full scope of OSH challenges in each industry’s entire supply chain:
Most companies define their supply chains too narrowly, restricting the scope of their efforts to address social and environmental factors to tier-one suppliers, with whom they have the greatest leverage. From the little data that exists on second, third and even lower levels of the supply chain, it is clear that the risks are much greater than in the primary tiers. The VZF has adopted a systematic approach to assess drivers and constraints for OSH improvement in GSCs that provides for a holistic understanding of a given value chain, its institutional environment, and its drivers and constraints for decent work and in particular OSH. This assessment identifies strategic entry points for improvement and serves as a basis for project development, planning and implementation.

COMPONENT 3:
Assessing the real costs and commitments required to address the most serious risks and problems:
Neither governments nor companies alone should shoulder the financial burden of addressing OSH risks along the supply chain. The model requires an honest assessment of the true costs and commitments associated with addressing identified risks, and a willingness to consider sharing the burden of meeting those costs. VZF’s assessment of drivers and constraints for OSH improvement provides a sound basis for understanding the real costs and commitments required to address the most serious OSH risks and problems, as well as key information for designing the right intervention to address these.

COMPONENT 4:
Facilitating cooperative approaches based on an equitable sharing of responsibility for action:
All stakeholders, private and public, need to assume some level of responsibility for addressing both the regulatory and financial components of the model. Shared responsibilities may be implemented and structured in a number of ways. One way is for diverse stakeholders to make financial contributions to a common fund that will be used to address the risk in question. The VZF is set up to facilitate such contributions. Another way to further the model of shared responsibility is to take advantage of various stakeholders’ knowledge, institutional capacities and leverage to help drive effective solutions. The VZF aims to formalize the commitment of stakeholders in sustainability compacts, industry-wide action plans or similar agreements, follow up on implementation, and report outcomes to internal and external stakeholders.
4. DRIVING IMPACT: THE VZF FRAMEWORK FOR ACTION

INTERVENTION 1 “LINKING RESEARCH TO POLICY”

STRATEGIC OUTCOME 1: Strengthened global, regional and national enabling environments for the promotion of safe and healthy working conditions in targeted GSCs.

VZF works to improve coordination among academics, researchers and policy institutions of knowledge on OSH in GSCs and organizes global, regional and country level, public and private stakeholders’ meetings to design and implement industry and/or country wide strategies to foster compliance with OSH standards along the targeted GSCs.

KEY PERFORMANCE INDICATORS

a) Number of industry-wide plans, statements, strategies and/or similar documents adopted by stakeholders, including those from the private sector, at global, regional and/or national level supported by the VZF, disaggregated by level

b) Number of joint initiatives by academics, research and/or policy institutions on GSCs referencing the importance of OSH that can be linked to VZF

INTERVENTION 2 “STRENGTHENING LEGAL AND POLICY FRAMEWORKS”

STRATEGIC OUTCOME 2: Improved legal and policy frameworks to promote and enforce OSH protection, prevention and compensation in targeted GSCs.

VZF carries out assessments on the drivers and constraints for OSH improvements in targeted supply chains, including their legal and institutional environment in selected producing countries. Findings are used to develop tailor-made interventions to strengthen policy makers’ capacity to collect and analyse data and reinforce the country’s legal and policy frameworks that impact OSH outcomes.

KEY PERFORMANCE INDICATORS

a) Number of laws, regulations and policies partially or completely addressing OSH and decent work gaps identified by the VZF, disaggregated by country

c) Percentage of economic units where OSH infringements detected through labour inspection were fully or partially corrected, disaggregated by country

d) Number of VZF countries with established or substantially improved systems for collection and analysis of sex-disaggregated OSH data, particularly in GSCs

e) Number of VZF countries where reforms of employment injury protection schemes aiming at improving their inclusiveness for workers in targeted GSCs were implemented

INTERVENTION 3 “ACCELERATING WORKPLACE IMPROVEMENTS”

STRATEGIC OUTCOME 3: Improved application of OSH prevention, protection and compensation mechanisms for women and men working in targeted GSCs.

Workplace level activities support country level efforts, and pilot innovative, small-scale improvement models. Through capacity development activities and technical assistance, VZF seeks to improve employers’ and workers’ capacities and mechanisms to promote OSH, and to empower workers to significantly engage in the promotion of such issues. When possible, activities are implemented jointly with other ILO initiatives such as the Flagship Programme on OSH, Better Work, and SCORE.

KEY PERFORMANCE INDICATORS

a) Number of employers in GSCs that have taken concrete and documented actions to improve OSH, disaggregated by target country and GSC

b) Number of OSH mitigation measures adopted to reduce exposure of female and male workers to occupational hazards and risks in selected GSCs in targeted countries

c) Number and Percentage of workers and employers in selected GSCs with access to injury compensation and occupational health services (OHS), disaggregated by sex and type

THEORY OF CHANGE

VISION ZERO FUND

SHARED RESPONSIBILITY FOR SAFER SUPPLY CHAINS

VISION

Zero severe and fatal work related accidents, injuries and diseases in global supply chains (GSCs)

SPHERE OF INTEREST

Reduced exposure of women and men working in targeted GSCs to occupational safety and health (OSH) hazards at the workplace

SPHERE OF INFLUENCE

Strengthened global, regional and national enabling environments for the promotion of safe and healthy working conditions in targeted GSCs

SPHERE OF CONTROL

Employers & Workers

More effective OSH prevention, protection and compensation mechanisms for women and men working in targeted GSCs

Global Stakeholders

Governments

Improved legal and policy frameworks to promote and enforce OSH protection, prevention and compensation in targeted GSCs

Outputs

Improved capacity of governments to collect and analyse data

Improve public capacity to promote and enforce OSH standards

Enhanced industry-wide, commitment to improve compliance with OSH standards

Improved coordination among academics, research and policy institutions on OSH knowledge

Outputs

Improved capacity of employers and workers’ organizations to promote OSH at the workplace

Improved mechanisms to promote OSH at the workplace

Employment of workers to engage in promotion of OSH
### 5. FOCUS: SELECTION OF COUNTRIES AND SUPPLY CHAINS

<table>
<thead>
<tr>
<th>SELECTION OF BENEFICIARIES</th>
<th>COUNTRIES</th>
<th>GLOBAL SUPPLY CHAIN</th>
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<tbody>
<tr>
<td>VZF receives requests/recommendations from:</td>
<td>Development status of the country (Least Developed Countries, Low-Income Country, Low-to-Middle-Income Country)</td>
<td>Analysis of current decent work deficits in the industry, in particular OSH deficits</td>
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<td>Assessment of relevance, need and demand for improved OSH</td>
<td>Evidence that proposed sector is part of employment-intensive GSCs</td>
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<td>Assessment of the feasibility and sustainability of the intervention</td>
<td>Relevance of sector to national and international companies’ responsible business practices</td>
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<td>Commitment and existing capacity of government and/or social partners to apply principles of ILO OSH standards and to engage in social dialogue processes;</td>
<td>Feasibility of intervention, including identification of stakeholders at global, regional and national level to be involved, their capacity, priorities and willingness to improve OSH</td>
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<td>Potential synergies and complementarities with existing ILO interventions and/or other activities already in existence or planned by development partners.</td>
<td>Opportunity for market-growth within the global market (or within specific countries)</td>
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<td>Assessment of potential impact of intervention in specific GSC on OSH conditions</td>
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Requests or recommendations are submitted to VZF in writing at vzf@ilo.org. Proposals in compliance with the criteria outlined above are presented to the Steering Committee for discussion and approval before commencing with project design.

### 6. RESEARCH

Using a highly participatory approach, VZF is in the process of developing a comprehensive, gender-sensitive knowledge strategy on OSH and GSCs that seeks to fill the most pressing knowledge gaps in the incidence of fatal and non-fatal occupational accidents and diseases in selected GSC and/or developing countries, particularly in VZF project countries. The VZF intends to establish a learning platform in order to coordinate the implementation of the strategy and disseminating related knowledge products. The development of methodologies for collecting reliable data on the incidence of occupational accidents, injuries and diseases in VZF project countries and beyond is also supported.
7. GOVERNANCE

<table>
<thead>
<tr>
<th>BODY</th>
<th>VZF STEERING COMMITTEE</th>
<th>FLAGSHIP PROGRAMME G-TAC</th>
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<tr>
<td>MAIN OBJECTIVE</td>
<td>A decision-making body that provides strategic oversight and direction to the VZF Secretariat.</td>
<td>An advisory body that provides guidance to the Flagship Programme Management team on the overall Flagship Programme.</td>
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<td>MEMBERSHIP</td>
<td>A total of 6 members coming from VZF donors (nominated by the donors to the Fund), government members of potential recipient countries serving on the ILO Governing Body, the Director of the ILO’s Governance and Tripartism Department.</td>
<td>A total of 12 members coming from the Secretariat of the Employers’ Group, the Secretariat of the Workers’ Group, partner governments where the Flagship is implemented, partner governments who are resources and/or development partners to the Programme.</td>
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<td>KEY FUNCTIONS</td>
<td>To approve the VZF work plans and reports (including progress reports and budgets), consider and approve proposals from the VZF Secretariat for new projects (including country and sector selection), and oversee the implementation of its strategy.</td>
<td>To provide advice on overall Flagship Programme effort, consider questions requested by Programme Management Team or other such issues considered by members for the further enhancement of the Programme.</td>
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<tr>
<td>CHAIR</td>
<td>Chief of the ILO’s Labour Administration, Labour Inspection and Occupational Safety and Health Branch (LABADMIN/OSH)</td>
<td>The Director of the ILO’s Governance and Tripartism Department</td>
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<td>SECRETARIAT</td>
<td>VZF Secretariat</td>
<td>Flagship Programme Management Team</td>
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<td>FREQUENCY OF THE MEETINGS</td>
<td>Twice a year, directly following the ILO GB meetings in March and November; additional meetings (as needed) via email, VC, exchange of documents.</td>
<td>Once a year</td>
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A high-level VZF Forum is convened on a regular basis to raise the political profile and visibility of the Fund and to engage stakeholders on topics central to VZF’s vision, mission and strategic direction. The event is widely publicized, specific invitees include: representatives of employers’ and sectoral organizations at both national (VZF project countries) and international level (e.g. IOE); representatives of leading firms (multinationals; global buyers) in the supply chains covered by VZF; representatives of workers’ organizations at national and international level (for example, ITUC, IUF); donors’ high-level representatives (ideally at the Director-General or Ministerial level); members of the GSC; potential new donors and partners to the Fund; representatives from the current chairs of the G7 and G20; other international organizations active in the areas of OSH, such as ISSA, WHO, OSHA, IOSH, and EU-OSHA; and prominent academics/researchers/research institutions working in the fields of global supply chains, OSH, labour inspection, and social protection.

At country level, national VZF Tripartite Project Advisory Committees are established to ensure continued national engagement and ownership, as well as relevance of project’s activities.

8. MONITORING, EVALUATION & LEARNING

Monitoring data is gathered on a continuous basis at global and country levels, allowing for a constant evaluation of planning and actual developments, which, if needed, ensures that problems are identified and corrected in a timely manner. In addition, it captures lessons learned from the projects’ design and implementation, which informs the design of new country level initiatives.

Progress reports are prepared and submitted to the Steering Committee every 12 months. Reports include a summary of the activities carried out at global and country levels, analysing progress made by the Fund towards its strategic outcomes, compiling lessons learned, and describing next steps. Reports include, where relevant, results on gender equality and women’s empowerment in a consistent and coherent manner. VZF is expected to undergo an independent “clustered evaluation” in 2020.

9. SUSTAINABILITY

The programmatic sustainability of the results to be achieved through the VZF activities has been a key consideration since the inception of the Fund. At the country level, the joint public-private commitment of businesses, government, social partners and other relevant stakeholders is one of the main eligibility criteria. Country level projects are designed through a participatory process, with key stakeholders having a lead role in the development of the assessment of the drivers and constraints for OSH improvement. By combining workplace, industry, institutional and policy interventions, VZF country-level activities ensure institutional learning and strengthened capacity, both of which are key requirements for sustainability, replication and/or scale-up.

Global level activities ensure coherence and consistency between country level interventions. Data gathered through the M&E framework help to better understand which approaches work best for preventing and reducing workplace related accidents and deaths. Research studies and tools are disseminated at both global and country levels, with the aim of improving OSH-related interventions being implemented by the ILO and other organizations.

The VZF strategy requires sustained financial support, whether financial or in-kind. Contributions to the VZF are accepted from governments of Member States, intergovernmental or non-governmental organizations, and from private sources including companies, foundations and individuals. It is envisaged that the implementation of this Strategy will facilitate the attraction of new private sector donors to the Fund, including companies and private foundations.

10. COMMUNICATIONS AND VISIBILITY

As part of this Strategy, VZF has adopted a more comprehensive and systematic approach to communication, with the following three objectives:

1. Increased awareness of global, regional, and national public and private stakeholders, as well as consumers, of the urgency of improving OSH in GSCs;
2. Increased commitment from global, regional, and national public and private stakeholders to work together to address the most pressing OSH challenges across targeted GSCs;
3. Increased visibility of the work and achievements of the VZF among global, regional, and national public and private stakeholders.
Vision Zero Fund
Labour Administration, Labour Inspection and Occupational Safety and Health Branch

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