

Preliminary Assessment Summary
Prakas on procedure and issuing label and quantity
Of using chemical certification

The regulation require the import chemical allow from ministry of industry, mine and energy before customs controlling. The ministry can control using of chemical aim to follow the law and put by safety.

The proposal regulation (Prakas) compared with other two option: importer/whole seller require the last chemical user make the Prakas and bring it to the ministry (option 2) and the importer put the insure cash (option 3).

The proposed regulation obligation cost a little less than option 2 and so much less than option 3. However this proposal regulation provide the benefit more than that 2 options. So regulation (Prakas) is the option that provide so much net benefit so it the satisfy option.

Preliminary Assessment statement

Regulation : Draft Prakas on procedure and issuing label and quantity
Of using chemical certification

Ministry : Industry, Mine and Energy

Reference no : MIME/000002

Date started : 22 March 2012

Date finished : 20 June 2012

A brief description of the proposal

This Prakas require chemical importer propose the allow certification for ministry of industry, mine and energy before all chemical certified by costoms. in order to get this certificate the companies have to show the ministry of industry, mine and energy about thire aim as below:

- Use the chemical for the objective follow the law.
- To keep the chemical follow the technical condition and in safety place that avide from steal or cause destroy the invironment.
- To throw out to much chemical or residue chemical by correct technical using.

This proposed regulation called option 1 in this whole of preliminary assessment.

Types of proposal

Law	Royal Decree	Sub Decree	Prakas	Decision	Circular	Other (describe)
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

This proposal regulation has impact on:

Business
 Social
 Environmental
 Other

1. Problem Identification

1.1. Main problems to be addressed by this proposal

Main problems		Evidence/Actualty
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Public health and safety	Yes	<p>Chemical that in the scopes of this proposal regulation can be danger for people health if incorrect using and keeping or penetrate into invironment. on the other hand keeping the chemical by safety are important in order to protect from theft take for illegal using. Chemical importer not all resposible on expense that can be occur in case of the chemical penetrate into the invironment. These diffuse factor it mean that importer can not invest on quality and safety of keeping chemical in the rate of community accept. Evidence: Control report show that there are a lot of cause occured by using chemical incorrect technical for food inovation in the market.</p>
Environmental protection and conservation	Yes	<p>Chemical in the scopes of this proposal regulation can be destroy invironment or used in order to make other element that can be destroy invironment. Chemical importer not all resposible on expense that can be occur in case of the chemical penetrate into the invironment. These diffuse factor it mean that importer can not invest on quality and safety of keeping chemical in the rate of community accept. Evidence: whole industry creat rest amount 6,939 tone every year(2004). On Aug 2009 a factory closed because throw out the poisonous into the river that make 63 tone was dided. The first water analysis showed high Amoninhak in the water and low O₂. the Basak river fisheries office make preliminary assessment on destroy of people in the area that price USD 100,000 by lost fish. 2009 report water pollution:</p>

		<ul style="list-style-type: none"> - from food industry 60% - from textile industry 25% 2003-2004 <p>danger occur from the rest of the mine production near Snong Orng village case the river change the color and 2 people and 2 cows died due to drink the water pollute in the river.</p>
social, gender equity and cultural conservation	No	
Promote competition	No	
collection of Informantion	Yes	Require chemical importer to register in order to get the certificate and provide the information to government about using, keeping and throw out the chemical or the rest of chemical.
Comply with WTO and other agreement	No	

This regulation will make better situation as follow:

This regulation will make difficult for chemical importer that haven't correct objective or safety place for keeping. This regulation will reduce chemical importing in order to produce danger product.

On the other hand this regulatory will increase government's knowledge on chemical that imported to Cambodia as using, using targeted, keeping and throw it out and government able to monitor the chemical substance that have high risk and can be quick respon to disaster of chemical substance.

2. Objective

Reduce the number of cause to public danger or environment due to incorrect management or use the chemical substance that have high risk wrong targeted.

3. Options

3.1 List any (existing) regulations that are related or similar?

1. Drug Monitoring law.
2. Environment protection and natural resources management law 1996.
3. Sub-degree on standard of Cambodia industry 2001.
4. Sub-Degree 72 on environment impact assessment process 1999.
5. Sub-Degree 27 on water pollution 2009.
6. Quality management and product safety and service law 2000.
7. Inter ministries Prakas 1121 on power delegation to ministry of industry mine and energy on issuing the certificate to chemical substance importer for using industry production.
8. Prakas 670 on work delegation chemical management and product registration.
9. Sub-Degree 209 issue on 31 December 2007 on putting for use goods prohibited and trapped define level.

Chemical substance importing in order to serve industry sector and other distribution under ministry of industry mine and energy. Those chemical substance registered by compliance mandating of some existing regulation. For chemical substance importing in order to use for pharmaceuticals under management ministry of health. For chemical substance importing and other goods that used in order to produce drugs under management ministry of interior.

Why are these regulations not enough?

The existing regulations are so much cost to business and less effectiveness. the existing regulations just mandated on chemical substance importing that high risk by not insurance the use targeted to meet objectives.

Other options

3.2 Other option able to implement (for impact assessment)

Other way in order to achieve the objective are:

Option 2- require importer have to decision Prakas on the objective of using of buyer its chemical substance. This option similar to proposal regulation but importer or whole seller self-responsible on distribution instead of ministry of industry mine and energy. This will make importer or whole seller easy to preparing plan and inventory and save time on the process of propose import certification. Ministry of industry mine and energy can get the Prakas in order to survey the buyer are they using chemical substance as confirmed in the Prakas.

Option 3- require to put the insurance cash on all chemical substance importing into Cambodia. This option will be require importer put the insurance cash to the government when import the chemical substance and the government will back provide when importer or last consumer can be show that the chemical substance used in order to produce legally goods or correctly disposal.

Price of insurance cash will encourage the chemical substance manager correctly keeping in order to insure that they are can get back the insurance cash. However importer or some consumer can throw out insurance cash if they can use the chemical substance that imported in order to produce other chemical substance that get high price.

3.3 Other option that have with the theory but can't implement

There is no option which can't implement retrieved consider.

4. Preliminary estimate of compliance Costs and Benefit

4.1. Identification of tasks and cost categories

4.2. Scopes of options

Types of cost (4.1) and scopes (4.2) there are attached on the back pages that have estimated total costs of each options.

4.3. Estimate cost of business and government

Business	Level of cost increase	confirmation(see back page)
Option 1	Not significant	From estimation total obligation cost amount 1108 million Riel. However a big part of this cost are license fee that transfer to government benefit. When you reduce this cost the obligation cost less only 448 million Riel that perhaps 0.2% of total price annual import chemical substance.
Option 2	Not significant	From estimation total obligation cost of option 2 a little higher than option 1 (351 million Riel) that are

		the so less numbers if compare with total annual price of chemical importing.
Option 3	Significant	From estimation total obligation cost 4580 million Riel equal 3% of annual import chemical substance prices.

Government	Level of cost increase	Confirmation
Option 1	Significant	This option identify to have using, keeping and correctly distribution the chemical substance. This is the less risk option to public health and environment that caused incident of incorrect using the chemical substance and keeping,disposal the chemical substance or incorrect rest.
Option 2	Significant	This option seem less effectiveness than option 1 because the monitoring less severe.
Option 3	Significant	The same option 2

4.5 Is there any competitive impact?

There is no significant impact on competition for all options.

4.6 Is there any gender impact?

There is no any gender impact.

5. Consultation

Companies	Enterprise	Method
business	Deuckwoo Co.,LTD Magnate footwear Co.,LTD	Meeting at ministry and direct visit at industrialist place.
Consumer	E Garment Co., LTD	Meeting at ministry and direct visit at industrialist place.

After survey by questioniar a workshop had prepared in the ministry of industry mine and energy by invite related private sector via so much business community include SME too. social media used in order to encourage business to participate.

The about meeting has participate from top leader of business sector(from Phnom Penh city and other provinces) other ministries representative community NGOs and other international organizations.(attendant list attached). approximately 95% of all participants are supported this proposal regulation.

6. Conclusion

6.1 Summary of cost and benefit

Options	industry sector cost	public sector cost	benefit
Option 1: Prakas	Not significant	Not significant	significant
Option 2: importer role play as MIME by provide permitting to chemical user.	Not significant	significant	significant
Option 3: deposit insurance	significant	significant	significant

6.2 DO we need to do (RIS)?

- Need
 No Need

This proposal will no need to do RIS because PA showed that the Prakas hasn't significant obligation cost to the business.

6.3 Chosen option

Described in the page 1.

Condition to judge		Reason
Do option that have minimum cost are for industry and community ?	Yes	This option(Prakas)less obligation cost if compare with other two options. In additional the results of consultation showed that most of stakeholders are supported this option.
Do this option provide the maximum benefit ?	Yes	The benefit of all options are much the same. This option coordinate ministry to collection information.

Does it the option have minimum risk for public ?	Yes	The chosen option seem less risk because the government able to monitoring directly importing.
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7. Implementation and monitoring

7.1. What measures were adopted to enhance transparency and good governance during the implementation stage?

disseminate the Prakas through enhance awareness workshop.

7.2. Should this regulation be reviewed/monitored after implementation? If so when and how should it be reviewed/ monitored?

Project will monitoring this regulation again in 3 years.

Process	Name	Position	Contact
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