

## PRELIMINARY ASSESSMENT

### Sub-decree on Managing the Classification and Labeling of Chemical Substances

#### Ministry of Environment (MoE)

Reference No. : 000017/System No. 42

Date Started : 17 May 2013

Date Finished : 11 December 2013

This Sub-decree requires that producers, vendors, businessmen, employers, importers, and distributors who involve in the manufacturing of chemicals, chemical products and chemical consumer products (not apply for pharmaceuticals, cosmetic and food products, chemical additives on food products and other materials) shall stick chemical labels on the packaging of chemicals, chemical products and chemical consumer products (information about products, symbols of hazards, warnings, possible hazards, preventive measures or how to use, producers or suppliers) which are circulated in the Kingdom of Cambodia. It is aimed at protecting human and animal health and environment from possible hazards of chemicals, chemical products and chemical consumer products.

In analysis of the government intervention to address health and environmental problems stemmed from usage of chemical substances, chemical products and chemical consumer products with little understanding of the possible dangers of those products, two options were taken into consideration: Option 1: required complying with Sub-decree and Option: education and dissemination based on volunteering and high willingness to compliance. The assessment on the above two options showed that both options was of little cost, but with great benefits. A more in-depth analysis also showed that Option 1 (Sub-decree) provided more benefits than Option 2. Therefore, the effective intervention is Option 1. Detailed analysis shall be referred to the following preliminary assessment statement. *det.*

## Preliminary Assessment Statement

### Sub-decree: Managing the Classification and Labeling of Chemical Substances

Reference no : 000017/System No. 42

Date started : 17 May 2013

Date finished : 11 December 2013

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#### A brief description of the proposal

This Sub-Decree requires that producers, vendors, businessmen, employers, importers, and distributors who involve in the manufacturing of chemical substances, chemical products and chemical consumer products (not apply for pharmaceuticals, cosmetics and food products, chemical additives on food products and other materials) shall stick chemical labels on the *std.*

packaging of chemicals, chemical products and chemical consumer products ( information about products, symbols of hazards, warnings, possible hazards, preventive measures or how to use, producers or suppliers) which are circulated in the Kingdom of Cambodia. It is aimed at protecting human and animal health and environment from possible hazards of chemicals, chemical products and chemical consumer products.

The management on the classification and labeling of chemicals as stipulated in this sub-decree shall be within the competence of each ministry/institution whose authority is granted by the government in accordance with the statute, sub-decree and provisions in force.

**Types of proposal**

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

Is this proposal regulatory in nature and does it impact on businesses?

*(Regulatory means the proposal will change behavior)*

Yes /  No

**1. Problem**

Common issues	Intended to be addressed by this regulation. <i>(Tick Yes or No)</i>	Evidence (attach notes if necessary)
Public health and safety	<input checked="" type="checkbox"/> Yes / <input type="checkbox"/> No	The demand of chemicals and chemical product consumption has progressively increased, especially when the economy is growing. The rise of chemical utilization and people’s low awareness of safe chemical use are the factors of concern over human and animal health. At the meantime, the lack of information on possible hazards or safe chemical use such as packaging without stickers or with foreign language stickers has left people, especially workers and farmers who are directly exposed.

		<p>to chemicals, facing high health risks, as well as those who use their services or products. Agricultural chemicals and chemical fertilizers imported into Cambodian markets have symbols in Khmer language for only about 5% while the other 95% is in foreign languages (Report on the Management on Chemicals in Cambodia, Page 50).</p> <p><b>Evidence:</b></p> <p>Obviously, as frequently seen in the news, workers in some factories passed out due to the inhalation of imported chemicals without Khmer language and lack of training.</p> <p>According to the Ministry of Environment's national news on the management of chemicals:</p> <ol style="list-style-type: none"> <li>1. Farmers were weak and suffered from strange illnesses and from skin diseases, resulted from the use of pesticide and without acknowledging of its effect. 90% of farmers experienced severe poisoning as a result of exposure to agricultural chemicals.</li> <li>2. Workers handling the chemical-related work are of fragile health, and respiratory and hepatic illnesses owing to a lack of caution (without the knowledge of adverse effects)</li> <li>3. Households tend to have skin diseases because they consume too much mercury products.</li> <li>4. Many poisoning cases occurred as a result of chemicals uses (mercury and cyanide) in mining industry as the users were not aware of the dangers of the above chemicals.</li> </ol>
Environmental protection & conservation	<input checked="" type="checkbox"/> Yes / <input type="checkbox"/> No	<p>A shortage of information and training gives rise to the inappropriate waste disposal and chemical utilization, polluting water, land and air. <i>det.</i></p>

		<ul style="list-style-type: none"> <li>- Excess uses of agricultural chemicals pollute water current and ultimately substantially affect water sources.</li> <li>- Chemicals sprayed and impregnated in the atmosphere are permeated into the ground during raining.</li> <li>- UNIDO assessed that some 2-5 grams of mercury was emitted into the environment to extract 1 gram of gold. The 2004's joint statement between the Ministry of Industry, Mines and Energy and OXFAM America showed that lack of awareness of the hazards of mercury and cyanide are still high.</li> </ul>
Social, gender equity & cultural conservation	<input type="checkbox"/> Yes / <input checked="" type="checkbox"/> No	
Promote competition	<input type="checkbox"/> Yes / <input checked="" type="checkbox"/> No	
Collection of information	<input type="checkbox"/> Yes / <input checked="" type="checkbox"/> No	
Comply with WTO and international agreements	<input checked="" type="checkbox"/> Yes / <input type="checkbox"/> No	International Conference held in Rio in 1992 recognized the dangers of chemical substances. In 2003, the United Nations developed a technical framework on global consistent system of classification and labeling of chemical substances.

If there is any other problem, describe and provide evidence

None

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

1. Law on Environmental Protection and Natural Resource Management (1996, MoE)
2. Law on Mineral Resource Management and Exploitation (MIME)
3. Law on Management of Factories and Handicrafts
4. Sub-decree on Standards and Management of Agricultural Materials (1998, MoE and MAFF) *sk*

### State why are these regulations inadequate?

Because the above laws and sub-decree do not state labeling of chemical substances, chemical products and chemical consumer products which have safety information label in Khmer language on the packaging. Therefore, this sub-decree requires that all chemical substances, chemical products and chemical consumer products are stuck with chemical substance label in Khmer language with information for consumers, minimizing the risks to human and animal health and environment.

Do we really need other options of intervention?  Yes /  No

### 2. Objective – What do we want to achieve?

To reduce negative impacts on health and safety of human, animal and environment possibly caused by chemical substances, chemical products and chemical consumer products because consumers are not conversant with dangers of these products.

### 3. Options - Consider all alternatives

#### 3A. Feasible alternatives (for impact analysis)

1. Sub-decree on Managing the Classification and Labeling of Chemical Substances
2. Educate and disseminate the impact of using and placing chemical substances, chemical products and chemical consumer products.

**3B.** Alternatives which are theoretically possible, but unlikely to be feasible (no further analysis is required).

Alternatives which are theoretically possible, but unlikely to be feasible.

### 4. Preliminary estimate of compliance costs and competition impacts

#### 4.1. Identification of tasks and cost-categories

*Guidelines provide a list of possible cost categories*

Options	Government	Businesses
Option 1: Sub-decree	- cost of regulatory proposals - cost of arranging workshop - cost of publication	- cost of consultation - additional labels in Khmer language <i>zll</i>

	- cost of administration	- Train staff (relevant ministries' Prakas) - equip with first aid kits (relevant ministries' Prakas) - prepare information documents on safety
Option 2: Education and dissemination	- publish advertisement pictures - Training government agencies and private sector.	- participate in training of the Ministry of environment - cost of guidelines implementation ( safety guidelines)

#### 4.2. Scope of the options

Options	Business sector	No of business	Reference/Evidence
Option 1: Sub-decree	Agriculture, industry and Health	100	estimated
Option 2: Education and dissemination	Importers, distributors, consumers	Non	None

#### 4.3. Estimate the level of compliance cost *increases* for business & government

BUSINESS		
Option	Level of incremental compliance cost	Justification
Option 1: Sub-decree	Non-significant	Total business cost (estimated in 100 businesses) is USD 20,460 and in average over USD 205 per company to implement this option. So, this cost is low if compared to the business size.
Option 2: Education and dissemination	Non-significant	The cost of USD 800 is a low amount. <del>800</del> .

GOVERNMENT		
Option	Level of incremental compliance cost	Justification
Option 1: Sub-decree	Non-significant	The compliance cost is 4.6 % of the Department of Environmental Pollution Control's annual revenue (more than one million dollars per year of the Ministry of Environment's revenue).
Option 2: Education and dissemination	Non-significant	The compliance cost is 2 % of the Department of Environmental Pollution Control's annual revenue

#### 4.4. Estimate the level of benefits

Option	Level of benefit	Reasons
Option 1: Sub-decree	Significant	The benefit is considerable because much implementation can raise consumers' awareness of negative impacts on health and environment. Therefore, they will be more cautious about utilization and follow the right instruction, avoiding negative impacts on health and environment. Understanding about adverse impacts of products which have chemical substances, distributors are highly vigilant on safely placing and re-packaging products.
Option 2: Education and dissemination	Significant	There may have substantial benefit, but it's still lower than Option 1. Some businesses may not be able to follow because they need to bear expense. Moreover, they won't be affected by the impacts because they are not direct users. If users are aware of adverse consequences, they need to find out about them. The majority of users don't buy chemical products without labels or written information which can help them be conscious of health hazards. Consequently, suppliers shall stick labels or writing on these products to attract users. <i>AA</i> .



#### 4.5. Is there any competition impact?

Non-significant

No negative impacts on competition.

#### 4.6. Is there any gender impact?

Non-significant

### 5. Consultation

The purpose of this consultation is to refine the above sections. Consult with a representative sample of stakeholders. Treat this process like brainstorming sessions or focus group interviews. Detailed consultation can take place later, if a final RIS is required.

Group of stakeholder		Method	Summary of views
Businesses	- Oreussey Market's vendors	Interviews	Previously when selling chemical fertilizer pesticide, they needed to explain about usage. Explanation is inadequate when there are many customers. Furthermore, they don't really comprehend the impacts of products with other substances. Realizing that the government has issued this Sub-decree, they express their support. They don't need to give much explanation due to the fact that there are labels or writing in Khmer which are easily understood and they, themselves, also have better knowledge.
Consumers	Consumer groups (farmers)	Interview	Support this Sub-decree because they can understand about safely using and placing products.
Gov't	- Ministry of Agriculture, Forestry and	Phone	Support this Sub-decree. <i>skl.</i>

**4.5. Is there any competition impact?**

Non-significant

No negative impacts on competition.

**4.6. Is there any gender impact?**

Non-significant

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Gov't	- Ministry of Agriculture, Forestry and	Phone	Support this Sub-decree. <i>sk</i>

	Fisheries - Ministry of Industry, Mines and Energy - Ministry of Health		
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## 6. Conclusion

### 6.1. Summary of incremental costs and benefits

Option	Costs to businesses	Costs to government	Benefits
Option 1: Sub-decree	Non– significant	Non– significant	Significant
Option 2: Education and dissemination	Non– significant	Non– significant	Significant

### 6.2. Is a RIS required?

Don't need RIS because of low cost.

### 6.3. Selected option

It is recommended to accept the sub-decree proposal (Option 1) which has low cost and provide more benefit than Option 2. Implementation, moreover, is also more effective than Option 2 which is based on volunteering and high willingness in implementation.

The Option 1 will help encourage sticking labels, like pictures or writing in Khmer on chemical substances, chemical products and chemical consumer products which circulate in the Kingdom of Cambodia and mostly written in foreign languages, making direct consumers understand about the hazards of those products.

Criterion		Reason
Is this the least cost option to industry and community?	Yes	A company is required to pay USD 205 in average.
Does this option offer the	Yes	Health and environmental problems are still major <del>st</del> .

greatest benefit?		ones. If negative impacts occur, there will have a high cost and be difficult to return to normal.
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## 7. Implementation

If a regulatory option was selected:

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

The Department of Environmental Pollution Control of the Ministry of Environment shall promulgate this Sub-decree to the relevant competent ministries. These ministries and institutions shall disseminate and ask businesses to abide by this Sub-decree and mete out punishments if any business doesn't comply with.

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

Shall annually inspect the level of implementation in the market after the Sub-decree come into force. This Sub-decree shall be reviewed in five years. *sk*

PROCESS	Name	Position	Signature	Date
Prepared by (line ministry)	Dr. CHHUN Vanvut Ministry of Environment	RIA chief MOE		18.12. 2013
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	Eng Rahnou	RIA chief		25.12.2013
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Approved by (ORIA)	Pech Sokha	Project Manager		27.12.2013
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