Risk reduction instruments

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Introduction and general framework Regulatory instruments

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Risk reduction instruments

Administrative (Legal or Regulatory Instruments)

- C&L, SDSs
- · Bans and restriction
 - Total ban for all or specific uses of the chemical
 - · Exemptions for specific areas
 - Exemptions on a case-by case basis following application (authorisation in REACH)
- Authorisation or a premarket approval system

The process should be transparent and enforceable



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Risk reduction instruments

Economic policy instruments

- Taxes
- Fees

Informative instruments – steering the marketing of products

- · Broad awareness s raising
- · Dialogues with industry
- Voluntary commitment
- · Tools for substitution

Informative instruments – steering consumption

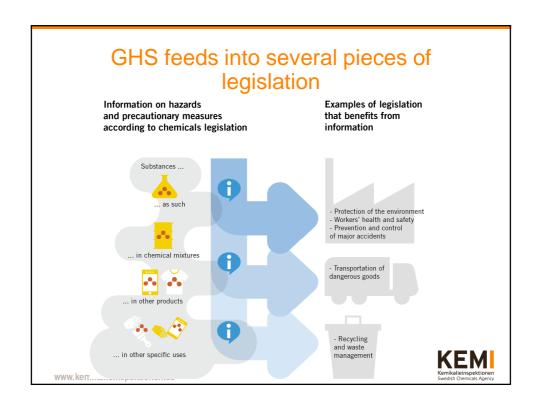
- Public procurement
- Targeted information for a specific product
- Ecolabelling



GHS

- GHS should be made mandatory for all substances and mixtures
 - Incorporated in legislation or
 - · Referenced in the legislation to a standard
 - Just refer to the "Purple Book" available in Spanish as one of the UN languages
 - Translated to the official language
- Cornerstone for risk reduction
 - Feeds in information to other pieces of legislation as well
- Sufficient for the vast majority of substances





Authority classification –binding classification

- Authorities may however allocate some resources for classification of some prioritised substances and effects
 - See the EU harmonised classification for certain prioritized substances
 - CMRs, respiratory sensitizers
 - Pesticidal & biocidal active substances
 - Others case-by-case



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Bans and restrictions

- Total ban for all production, import and use
 - Most far-reaching and is relevant for the most hazardous substances and perhaps if many sources are available
- Restrictions
 - The ban covers only specific uses of the chemical, which means that all other uses are permitted.
 - A ban with general exemptions for specific areas that are specified in the legislation.
 - A ban with a possibility to issue exemptions on a case-bycase basis, following applications from industry, for a specific use that fulfils criteria specified in the legislation.
- Remember imported articles



Bans and restrictions

- Advantages of a total ban
 - · Clear and equal to all actors
 - · Sustainable over long time
 - No high administrative costs to maintain (but enforcement)
- Disadvantages
 - May take a long time to become effective
- Advantage of a restriction (partial ban)
 - · Lower cost for industry in total
- Disadvantages
 - · New areas of use can appear
 - · Needs regular monitoring



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Bans and restrictions

A system allowing for exemptions

- Advantages
 - Allows time to adjust to a restriction or ban
- Disadvantages
 - Needs transparent legal, criteria
 - Administrative resource-demanding
 - Needs more resources for effective enforcement



Bans and restrictions

What happens after the ban/restriction?

- Need to consider the possible switch of use of substances to those with similar properties.
- Should a ban cover also several substances in a group, different salts of a metal?

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Authorisation

- Similar to a premarket approval system
- Similar to case-by- case exemptions
- Should be used only for very few substances with that might give rise to high risks but there is a reason for keeping them
- Time limited
- · Administrative resource demanding
 - For authorities
 - For industry
 - · Enforcement demanding

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Transparent processes - Dialogues

- Legislation need to be fully understandable to those affected
- Duties for industry must be clear for identifying compliance
- Reasons for requirements must be clear
- Engage companies and NGOs in the process
- Transitional time to be considered



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Enforcement

No enforcement = No law!



Risk reduction instruments Economic, informative and voluntary

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Economic policy instruments

Taxes and fees

- 'Internalise externalities in market'
 - Compensate for effects not included in pricemechanisms – e.g. environmental effects
- Requires
 - Base in legislation
 - Administrative framework to collect and enforce
- Promote substitution
- Best suited for moderately hazardous

Subsidies

Must not compromise

- Competition distortion
- WTO agreements

Is more often

More general support for research etc.

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Examples of economic policy instruments Sweden

- · Lead in petrol
- Sulphur and aromatics in Diesel fuel
 - · Introduced environmental classes
 - · Highest tax on 'dirtiest'
 - · Lowest on most 'clean'
 - Promoted technical development of production technology
- · Cadmium in batteries
- Tax on plant protection products
 - Differentiated based on risk of the PPP



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Keml study

CONSIDER USING WHEN

- good opportunities to increase the market share of better (from the point of view of health or the environment), alternatives
- increase transfer of information between different links in the supply chain
 - coupling the requirement for information gathering to the companies' tax obligation
- aimed at a significant and known flow of substances contained in defined groups of articles

NOT USE

- the area is so well regulated that an economic policy instrument would have little effect,
- the problem is expected to be solved within a five-year period
- it is possible to solve the problem more effectively in some other way
- the undesirable chemical is very hazardous



Information in relation to administrative and economic instruments

- 1. Information about different coming and current instruments (legislation, bans, restrictions, fees, taxes) via:
 - Helpdesks
 - Websites
 - Seminars
 - Printed material
- 2. Information in the supply chain (may give rise to informed choices and refusal to use some substances)
 - Obligation to classify and label all chemicals
 - Obligation to supply SDSs for all classified chemicals
 - Obligation to give information on the presence of substances with specific properties, (if such an obligation is chosen), cf the requirement to give information on the presence of substances on the EU Candidate list

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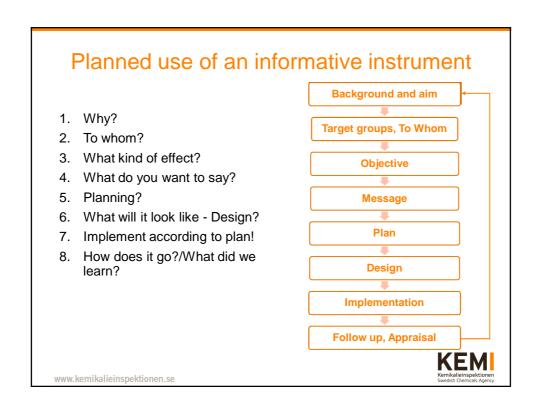
Information in enforcement

- Pre-enforcement information Informing sector associations and companies in general about selected future control activities, including what sectors and product groups that will be prioritized, can support pro-active actions among regulated companies to comply ahead of any controls.
- Broad information on Results of enforcement A tool to communicate that inspections take place. Increases deterrence (perceived risk of being controlled) for companies that were not inspected, and gives legitimacy to the regulations (level playing field etc.). It will also help customers prioritize among their requirements on suppliers.

(Can also have a steering effect)

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Information as a steering instrument

- · Why (and When)?
- In what situations is an informative instrument appropriate
 - To encourage reduction of the use and substitution of a substance or a group of substances with unwanted properties/ causing a risk to human health and/or the environment. (via selfstanding information)
 - To speed up the elimination of a specific substance or group of substances before a ban or a restriction is adopted and/or enters-into-force. A threat of regulation will speed up the substitution process.

Not suitable when there is a severe risk or when target groups are difficult to identify



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Information as a steering instrument

- To whom?
 - Who are the main target group?
 - Producing industry (including importers)?
 - Actors down the supply-chain?
 - · Other professional customers?
 - Private consumers?
 - Where is there a need for action?
 - Which branches of industry?
 - Other parts of the market?
 - Whom should you involve in the process?
 - Trade organisations?
 - NGOs?
 - Information suppliers? (Media, info companies)



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Objective - wanted effect?

- What do you want to achieve?
 - What do you want industry to do as a result of the information?
 - What do you want other actors, professional customers, private consumers, to do as a result of the information?





Information as a steering instrument – solving a specific problem

2. Information aimed at solving a specific problem

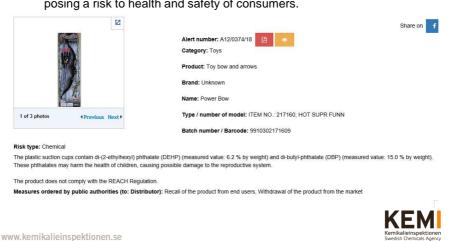
- i. Steering consumption (towards a reduced use of a specific substance, group of substances or products)
 - Ecolabelling
 - Public Procurement
 - General Information on the problem via different channels such as media, websites, brochures etc.
- ii. Steering the marketing of products
 - Dialogues with industry and other actors increase awareness and knowledge, share best practice
 - Voluntary commitments
 - Tools for substitution (see Kemls Prio for example, https://www.kemi.se/en/prio-start)



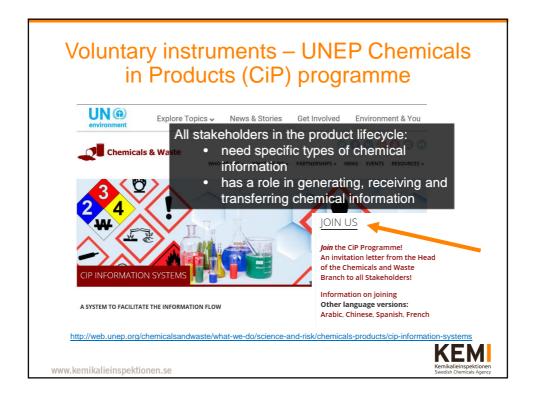
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Rapid alert system for dangerous non-food products – Rapex

 Enables quick exchange of information between 31 European countries and the European Commission about dangerous non-food products posing a risk to health and safety of consumers.



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Voluntary instruments CiP - System to facilitate the information flow

Chemicals in products information system are designed and implemented to achieve the information objectives of the Programme:

- Within supply chains, to know and exchange information on chemicals in products, associated hazards and sound management practices
- To disclose information of relevance to stakeholders outside the supply chain to enable informed decisionmaking and actions about chemicals in products
- To ensure that, through due diligence, information is accurate, current and accessible



Voluntary instruments - CiP

The programme has identified and listed some established systems

- · Best practices in information sharing
 - Build on existing systems often part of corporate social responsibility effort or sustainability initiative
- Categorized by product sector:
 - Textiles
 - · Construction materials
 - · Electrical & Electronics product
 - Toys
 - Non-sector specific



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Voluntary instruments Ecolabels – example EU Ecolabel

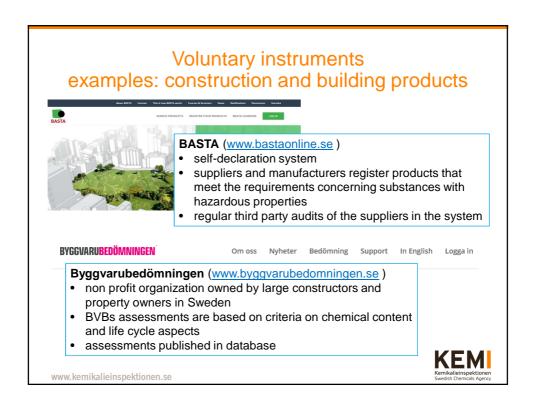
- EU Ecolabel may be awarded to products which have a reduced environmental impact during their entire life cycle
- Includes exclusions and limitations on use of specific chemical substances in different lifecycle stages



http://ec.europa.eu/environment/ecolabel/







Voluntary?



- Commitments or agreements?
 - An agreement is between two or more parties
 - Are there parties with a mandate?
 - What happens if someone does not comply?
- A commitment What's in it for me?
 - Why should an economic actor make a commitment to do more than regulatory obligations?
 - · Carrots? Sticks?
 - Customer requirements, Corporate Social Responsibility...
 - Proactive substitute the substance before it is banned or gets negative media attention
 - No risk => No prohibition

