



REACH Implementation Project 3.9-1 Preliminary study on preparing a socio- economic analysis or input for one

Results and way forward

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Outline

- Socio-economic analysis (SEA) in REACH
- RIP 3.9-1 Preliminary study on SEA
 - Aim
 - Content
 - Issues
 - Deliverables / Reports
- On-going and foreseen review in technical committees
- Next steps – RIP 3.9-2

REACH

- Registration of manufactured/imported chemical substances > 1 tonne/year (Industry)
- Evaluation of some registration dossiers
- Authorisation for use of substances of very high concern (CMR, PBT, vPvB, equivalent concern)
- Restrictions: "Safety net" (Can be initiated by Member States and the Commission)

SEA guidance needed

- Chemicals



RIP 3.9

-> Chemicals Agency to manage the system

SEA in Restriction Procedure

- A proposal for restriction (Annex XIV dossier) may include an SEA comparing the net benefits of the proposed restriction with its net costs
- Third parties are invited to submit an SEA or input to one – in response to a restriction proposals

SEA in Authorisation Procedure

- An authorisation application may include an SEA
- The SEA would influence the authorisation decision in cases where the adequate control of risks cannot be shown

RIP 3.9 Socio-economic Analysis

Objective:

- Develop guidance for the various REACH stakeholders conducting SEA or providing input for one

Relation to other RIP projects

- RIP 3.2: safety assessment – input to SEA related to risks
- RIP 4.4: preparing a restriction proposal
- RIP 3.7: preparing an authorisation application, including
 - Guidance on analysis of alternatives
 - Guidance for 3rd parties on submitting information on alternatives
 - Guidance on preparing a substitution plan

RIP 3.9

- RIP 3.9-1 Preliminary Study
 - March 2005 – Feb 2006
- RIP 3.9-2 Main study
 - Mid 2006 to Q2 2007

RIP 3.9-1 – preliminary Study on SEA

- ‘One step back’ before starting the final guidance development
- State-of-the-art in relation to SEA on chemicals
- Further investigations on a number of methodological aspects
- Need for guidance for various stakeholders
- Different guidance in relation to Authorisation and Restrictions ?
- Cases/examples



RIP 3.9-1

- Contractor: Risk and Policy Analysts Ltd. (RPA) in consortium with The Finnish Environmental Institute and BRE (UK)

Existing approaches/guidelines

- the EC's TGD for Risk Reduction Strategies;
 - the OECD's Technical Guidance on the Use of SEA in Chemical Risk Management in Decision-Making;
 - the EC' Impact Assessment Guidelines;
 - the World Health Organisation (WHO)'s Guidelines for Costs-Effectiveness of Health Interventions;
 - the US Environmental Protection Agency (EPA)'s Cleaner Technologies Substitutes Assessment (CTSA);
 - the eco-efficiency model, part of the SEEbalance[®], which has been used by the EU chemicals industry for internal decision-making
- > Have been analysed / considered
- > None fit (all) the purpose(s) of REACH
- > Key elements form these guidelines should not be reinvented

RIP 3.9-1 Some of the key issues discussed -1

- Scope of analysis / system boundaries
 - Identification of alternatives
 - Which environmental end-points to cover?
 - Which 'economic end-points' to cover?
 - Technical system boundaries. E.g. upstream effects?
 - Geographical system boundaries
 - Setting the baseline
 -



RIP 3.9-1 Some of the key issues discussed -2

- Time scale issues
 - Moving reference situation
 - Discounting
- Uncertainties
 - What do we know?, What do we know that we do not know?, What do we not know?
 - How to analyse and present what we know and what we do not know?
- How to assess and present non-financial flows?

RIP 3.9-1: Deliverables / reports

- Part A: Proposal for a framework for conducting SEA under REACH
- Part B: Background/reference report on methodological issues
- The project also conducted a questionnaire analysis on competences and expectations from MS CAs and other stakeholders. The very limited response rate did not allow any firm conclusions from that exercise.
- Accessible via the ECB web-site (see background document)



Review in Technical Committees

- RIP 3.9-1 results presented at the combined session of the Limitations Working Group (LWG) and Risk Reduction Strategy Meeting (RRSM) 9 March 2006
 - RRSM/LWG invited to provide written comments by 15 May 2006
 - on any general and/or specific issues, and
 - in particular on
 - need for guidance for the different actors/procedures
 - suggestions for improvements/clarifications of the draft framework for conducting SEAs or input for one (Part A report)
 - Issues needing more detailed explanations
 - Written comments and reports will be discussed at next LWG/RRSM in June
- > Comments to be taken on-board in RIP 3.9-2



Next steps – RIP 3.9-2

RIP 3.9-2

- The objective: to develop the (draft) final guidance document
- Draft framework from RIP 3.9-1 to be tested in practical case work
 - a number of industry organisations are positive/interested
 - Two member states have shown interest
- Cases to provide empirical knowledge on the process, guidance needs and to provide examples for the guidance
- Focus on different needs for different actors
- Finalisation of the framework

RIP 3.9-2

- Operationalisation of methodological elements

General issues to keep in mind:

- Stepwise procedure
 - Less detailed analyses for 'straightforward cases'
 - Proportionality
 - Balanced SEAs
- Transparent presentation of results, including assumptions, uncertainties, distributional issues and the overall outcome

Conclusion

- RIP 3.9-1 finalised FEB 2006
 - Draft framework
 - ‘State-of-the-art’ on methodological elements
- Final guidance to be developed in RIP 3.9-2
 - Including cases/examples
 - Focus on needs for different actors
 - Kick-off mid 2006
- Key issue is to strike the balance between being pragmatic and providing guidance that will result in meaningful SEAs.....

How far to go in the SEA...!?

- Bernard: You only need to know things on a need to know basis.
- Humphrey: I need to know everything. How else can I judge whether or not I need to know it?
- Bernard: So you need to know things, even when you don't need to know them. You need to know them not because you need to know them, but because you need to know whether or not you need to know. And if you don't need to know you still need to know so that you know that there was no need to know.
- Humphrey: Yes!

("Yes, Prime Minister" – "Man Overboard")