

November 2011

## **BIAC Chemicals Committee:**

### ***A strategic vision for the future OECD program of work***

*BIAC welcomes the fact that the OECD is engaging in discussions on the new four-year program of work on chemicals, pesticides and biotechnology (2013-2016) to be approved at the February 2012 OECD Joint Meeting. In this context, BIAC believes that it is important to have a strategic discussion on overall priorities to ensure that future activities are in line with the added value of the OECD, that they are widely supported by countries and key stakeholders and that they contribute to a longer-term vision. BIAC is pleased to contribute the following comments and looks forward to actively engaging in discussions as the future program of work of the Environment, Health and Safety (EHS) Division is being formulated.*

## **Introduction**

The OECD is a unique forum where the governments of 34 market democracies, in close co-operation with major non-member countries, work together to address the economic, social and governance challenges of globalization. The Organization provides a setting where governments can compare policy experiences, seek answers to common problems, identify best practices and work to coordinate domestic and international policies.

For over 40 years, the OECD EHS program has made a major contribution to reducing barriers to trade, optimizing the use of resources, and saving time and money for governments and industry through cooperative working on chemicals, pesticides and biotechnology. A study carried out in 2010 demonstrated that the OECD EHS program leads to cost savings of around EUR 153 million per year by seizing opportunities for work sharing and harmonization in the areas of testing and assessment. This program is as such unique at the OECD in that it has quantified in monetary terms the value and cost-savings it generates.

## **Foster close cooperation with business**

The chemical industry is an extremely diverse sector and an important part of the world economy. The output from the chemical industry is an important input to many other industry sectors and is present in countless products which are part of our everyday lives. The

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industry is committed to acting responsibly and transparently, ensuring that chemical products meet the most demanding safety requirements.

The BIAC Chemicals Committee brings together experts from the chemicals, metals, crop protection, biotechnology, biocides and nanotechnology sectors as well as downstream users. BIAC is involved in the wide range of OECD EHS activities and contributes its unique perspective and practical experience to the development of policies and programs for testing and assessment and other policy work. We believe that close cooperation with business, at all levels, including in the project development phase, expert meetings and at the strategic level, is important for the overall value of the EHS program. Business stands ready to work in partnership with governments to further deepen international cooperation and enhance efficiencies.

## **Formulate a strategic vision and set priorities**

In BIAC's view, the OECD EHS program should continue to play its role as a key forum in the global context for leadership on evaluation, assessment and management issues. The development of high quality tools and guidance on technical issues as well as the sharing and mutual assistance among members and non-members should remain the cornerstone of its future program of work. The focus should be on areas where the OECD provides a unique added value, not provided by domestic work or other intergovernmental organizations. The work should be carried out with a clear awareness of its impact and consequences for member and non-member countries. The skills and expertise of other OECD Directorates and the economic focus of the Organization should be incorporated into EHS activities whenever possible.

The OECD Joint Meeting faces a challenge in managing a large number of activities which are likely to create competing demands on the program, and difficult choices within the confines of a limited budget will have to be made. We therefore recommend establishing a process to prioritize projects, based on the OECD's core strengths and the unique value it provides and the support that is offered by a solid majority of its members. Activities and priorities should be reviewed on a regular basis, engaging all member and participating non-member countries as well as key stakeholders in a transparent review process.

## **Key business priorities**

BIAC believes that the specific value added of the core parts of the OECD EHS program lies in its concrete cost-saving effects for industry and government by harmonizing testing and assessment approaches and avoiding duplicative data requirements. Continuing budgetary pressures in many countries will create the need to look for further efficiencies. We therefore actively support OECD's technical work that promotes the cost effectiveness of policy measures by ensuring consistency and coherence in our sectors' management. As the trend toward "doing more with less" is likely to increase, the reliance on work sharing will become increasingly important. BIAC recommends that the OECD focus on and reinforce in particular those activities which create real and concrete value for its members, benefitting

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from its unique skills set, expertise and the added value it can provide compared to other organizations.

Out of the current program of work, BIAAC would like to highlight, among others, the importance of the following activities:

- **Test Guidelines:**

Creating and adopting harmonized test guidelines is a cornerstone of the OECD work on mutual acceptance of data, enabling common approaches to testing and assessment. It is a prime example of where OECD work adds unique value, saves resources, and helps build capacity.

- **Evaluation of Chemicals:**

Progress on the evaluation of existing chemicals has been a particularly successful and tangible output of the EHS program. Developing tools, resources and mutual understanding helps share the burden and avoids duplication, which in turn increases efficiencies, decreases costs and minimizes the need for animal testing.

- **Pesticides:**

The plant science industry actively supports OECD work-sharing activities that help reduce the time that authorities spend on dossier evaluation, providing greater consistency, transparency and predictability in regulatory decision-making.

- **Biotechnology:**

The OECD Novel Food Task Force and the Working Group on Harmonization of Regulatory Oversight in Biotechnology significantly contribute to the harmonization of requirements for the risk assessment of genetically modified plants, animals and micro-organisms. New activities should be undertaken to strengthen international harmonization and promote mutual acceptance of data.

- **Nanotechnology:**

The OECD has been the most proactive international body to address the safety of manufactured nanomaterials. BIAAC participates as a constructive partner in the sponsorship program and other aspects of the nanotechnology work portfolio with a view to facilitating the responsible development of nanotechnology, while fostering cooperation, trust and transparency.

- **New Chemicals:**

Streamlining the evaluation and approval of new chemical products provides economic benefit to government, industry and the public, including through the development and introduction of innovative products that improve resource efficiency and safety while meeting society's growing needs for energy, water, housing, health and transportation.

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In addition, BIAC would like to underline the importance of the following overarching considerations:

- ***Include economic considerations in chemicals policy:***

As a multi-disciplinary organization with strong economic capacity, OECD is uniquely positioned to look at the complex interactions between economic and other policies and to ensure that the economic perspective is duly reflected in the development of environmental, chemicals and other policies. BIAC suggests that the Joint Meeting consults with other Directorates as appropriate to ensure that proper consideration is applied to directions and decisions made within the Joint Meeting. Additionally, member countries would be encouraged to consult internally with their trade, economic or other ministries on specific work areas and report back on opportunities to maximize integration of economic and environmental aspects.

- ***Strengthen OECD's role in global discussions:***

In recent years, the OECD has enlarged its membership and has significantly stepped up its cooperation with key non-member economies. The OECD Joint Meeting has several non-members as full participants, and a number of non-member countries participate in the OECD Mutual Acceptance of Data (MAD) system as provisional adherents or full members. BIAC appreciates active cooperation and engagement of key non-member economies and encourages the Organization to consider this a key priority.

The OECD should also continue to play a key role in the implementation of the Strategic Approach to International Chemicals Management (SAICM) to ensure that the economic perspective is duly reflected in global discussions and that countries can benefit from valuable technical guidance and capacity building resource developed by the Joint Meeting and its subsidiary bodies.

- ***Highlight the importance of industry for green growth:***

Chemicals provide many benefits that enhance quality of life and help address global challenges, for example, by providing protection for crops and increasing yields, preventing and curing disease. Light-weight plastics and composite materials can make vehicles more efficient, reduce emissions, and provide insulation. Other materials dramatically reduce energy use in residential and commercial buildings. The products of chemistry are enabling new sources of energy, from high capacity solar cells to strong, lightweight wind turbine blades and more. At the same time, the industry is committed to continue to make progress towards reducing any negative impact on human health and the environment through responsible management.

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One of the OECD's overarching key priorities is green growth. BIAC has actively supported the OECD Green Growth Strategy, underlining that all sectors can and should make a contribution towards green growth. We encourage the OECD to continue to pay due attention to the benefits of the use of products that can make a major contribution to fostering green growth. For example, in 2009, a study carried out by McKinsey revealed that greenhouse gas emission savings enabled by the chemical industry are more than double the industry's emissions, highlighting the importance of taking a life-cycle approach and considering the positive effects of the use of chemical products.

## Next steps

BIAC sees a unique and continuing role for OECD in promoting mutual acceptance of data and international harmonization, while at the same time recommending that the Organization take on a leadership position in the ongoing discussions on global chemicals management, contributing in particular its economic perspective. In view of the above-mentioned considerations, BIAC recommends OECD to:

- Place high priority on its technical work, in particular on the harmonization of approaches to testing and the expanding number of countries that adhere to MAD;
- Play a leadership role in developing tools, databases and other resources that build capacity for technical assessment among OECD members and non-members alike;
- Focus on priority issues that are widely supported by its members and review progress and priorities on a regular basis;
- Ensure that an economic perspective is duly reflected in OECD deliberations relative to the development of environmental and other policies as well as in global policy discussions;
- Foster outreach and engagement of key non-member countries in the OECD EHS program and OECD instruments.

BIAC looks forward to continuing its contribution at all levels of the OECD EHS program and assisting the OECD and its members in bringing these programs forward.