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# **(Cost-)Effectiveness in Chemical Accident Prevention**

OECD Guiding Principles on Chemical Accident  
Prevention, Preparedness and Response

**Mark Hailwood**

**Chair, OECD Working Group on Chemical Accidents**

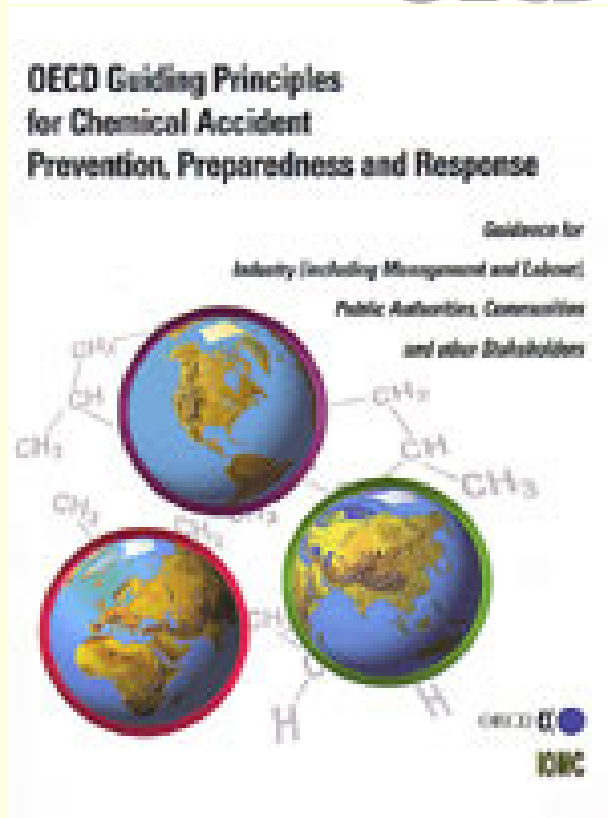
**Referat 31 – Immissionsschutz, Umwelttechnologie**



Baden-Württemberg



# OECD Guiding Principles for Chemical Accident Prevention, Preparedness and Response




**2nd Edition (2003)  
Addendum (2011)**

Chemical Accidents

[http://www.oecd.org/department/0,3355,en\\_2649\\_34369\\_1\\_1\\_1\\_1\\_1,00.html](http://www.oecd.org/department/0,3355,en_2649_34369_1_1_1_1_1,00.html)

## What is effectiveness (for authorities)?

- Inspections are carried out by sufficiently trained personnel in a planned and coordinated manner
- Assessments of safety reports are carried out in a timely fashion and provide an accurate, transparent and consistent opinion on the documents submitted.
- Deficiencies which are identified are dealt with in an appropriate manner.

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## What is effectiveness (for authorities)? (2)


- Decision making processes are transparent, consistent and fair.
- Investigations of accidents are carried out in a timely and thorough manner and the results and conclusions are communicated amongst stakeholders
- The actions of the authorities promote a high level of safety, and chemical accident prevention throughout industry.

# The OECD Guiding Principles

- Provides guidance to industry, governments, public authorities, civil society and other stakeholders.
- Chapter 3: Public authorities, considers specifically
  - Safety strategy and control framework
  - Land-use planning
  - Safety performance review and evaluation
- Emergency preparedness and Emergency Response have public authority aspects too.


## Chapter 3 – Public Authorities

- **3.a.1** Public authorities should establish a long-term strategy for reducing the risks of accidents involving hazardous substances. ....
- **3.a.2** Public authorities should develop a clear, coherent and consistent control framework ....
- **3.a.3** Public authorities should promote inter-agency co-ordination. To help ensure most effective prevention, preparedness and response, and efficient use of resources ....

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## Examples of inefficiency and ineffectiveness

- Competencies for inspection are distributed between several authorities and agencies, on-site inspections are not coordinated, information is not shared, enforcement action is conflicting.
- Inspection and enforcement processes favour large corporations vs. SMEs or state controlled enterprises vs. private sector; i.e. lack of transparency and fairness.

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## Examples of inefficiency and ineffectiveness (2)

- Assessments of safety reports do not concentrate on identifying the safety of the establishment, but more on the “style of the document”.
- Accident investigations are long, drawn out processes which are inconclusive in terms of the identification of causes and/or recommendations for prevention.



## Risks to Effectiveness

- Budget cut backs, leading to:
  - Early retirement policies, i.e. unplanned, spontaneous loss of experienced staff.
  - Retirees are not replaced or are replaced at lower qualification scales.
  - Reduced training of inspectors.
  - Increased work load (number of facilities, less time on-site) for inspectors.



## Risks to Effectiveness (2)

- Complicated and dispersed competences without sufficient coordination and cooperation.
- Poor communication between individuals and agencies.
- Lack of management oversight and responsibility within the public authorities.
- Repeated structural reorganisation.

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## (Cost)-Effectiveness

- The OECD Guiding Principles do not address cost-effectiveness of public authorities specifically.
- Is the task being carried out by the best people in the best way?
  - What is the alternative?

## (Cost)-Effectiveness (2)

- The question of whether authorities should directly charge operators or utilise general taxation funding is a political choice.
  - within Germany both practices exist.
- The “customer” is captive, i.e. cannot choose a different supplier of services.
- There is no evidence of greater benefit between charging and non-charging regimes.

**"Efficiency is doing things right.  
Effectiveness is doing the right thing."**