

## 4. Conclusions

This report estimated the net annual savings that accrue to governments and industry in OECD countries and non-member countries which adhere to the OECD system of Mutual Acceptance of Data (MAD), as a result of the work of the Environment, Health and Safety (EHS) Programme. These net savings were derived by quantifying the overall benefits (where possible) and subtracting the costs of the EHS Programme.

The programme costs to OECD governments total EUR 8.8 million a year.<sup>1</sup> These costs include the costs of experts to prepare for and attend meetings and to review and write documents as well as government funding of the OECD EHS Secretariat.

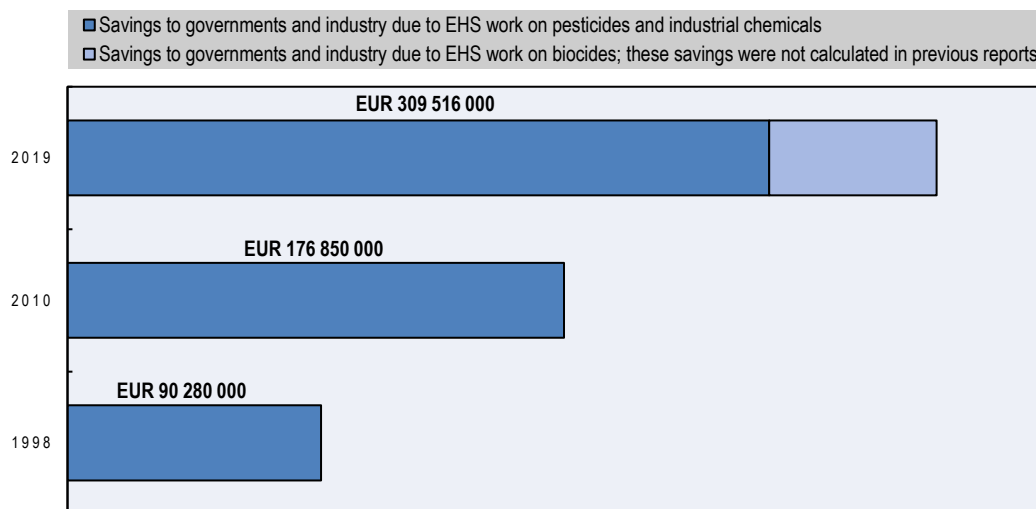
The net savings brought by the programme (i.e. after deducting costs) for harmonising the testing and assessment of new biocides, new and existing industrial chemicals, and pesticides, are estimated to be more than EUR 309 million a year (Table 4.1).

Table 4.1. **Estimated annual costs and savings of the OECD's Environment, Health and Safety (EHS) Programme**

Costs to government of participating in the EHS Programme		Savings for governments and industry resulting from the EHS Programme	
Organisation	Cost (EUR)	Activity (chemical)	Savings (EUR)
Governments	3 809 000	From no repeat testing (pesticides) (see Table 2.5)	206 937 500
		From harmonised monographs (pesticides) (see Table 2.7)	2 218 145
		From harmonised dossiers (pesticides) (see Table 2.6)	1 951 125
		From no repeat testing (biocides) (see Table 2.8)	61 250 000
Secretariat	4 545 000	From no repeat testing (new industrial chemicals) (see Table 2.3)	44 728 943
		From no repeat testing (existing industrial chemicals) (see Table 2.11)	780 570
Total (rounded)	8 354 000 (see Table 2.1)	Total (rounded)	317 870 000
<b>Net savings due to the EHS Programme = EUR 309 516 000 (rounded)</b>			

This report estimates that net savings<sup>2</sup> attributable to the EHS Programme have grown by 75% since the last report and by over 240% since the initial report (Figure 4.1 shows the absolute growth). However, it is important to note that, unlike for the previous two reports, this report includes an estimate of the significant savings from tests on biocides not being repeated due to MAD. In addition, since the last report, there has been an increase in the number of OECD member countries and non-member full adherents to MAD. This means that the reduction in duplicative testing is now spread across more countries and hence the savings are greater.

Figure 4.1. Annual net savings to governments and industry from the Environment, Health and Safety (EHS) Programme



*Notes:*

Figures have been adjusted for inflation.

Such savings are not just monetary in nature. By reducing the need for duplicative testing of chemicals due to the OECD MAD system, almost 33 000 less animals are needed every year to test new industrial chemicals. While not quantified in this report, due to the much greater amount of testing needed for biocides and pesticides, it is expected that an even more significant number of animals will not need to be sacrificed to assess the safety of these chemicals.

In developing this report, it was not possible to quantify all of the benefits of the EHS Programme's work. However, these unquantified benefits are just as real, likely and important as the quantified benefits (see Chapter 3). Some examples of work which leads (or will lead) to non-quantified benefits for governments and industry are:

- ensuring safer nanomaterials by developing harmonised tools for testing and assessment
- harmonising the safety assessment methodologies for products of modern biotechnology
- providing harmonised tools to identify the risks of endocrine disrupters
- reducing the need for national government inspections of test facilities in other countries which test chemicals
- enhancing hazard assessment methods and limiting the use of animals in chemical testing
- facilitating the exchange of information on chemical accidents to support prevention, preparedness and response
- advancing harmonisation of biocides regulations and testing
- reducing repeat testing for new pharmaceuticals

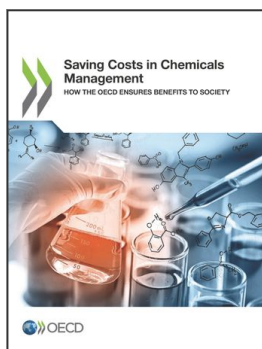
- counteracting the illegal trade of pesticides and thus reducing the chance that unregulated, unsafe and ineffective products are used on crops.

Also excluded are the benefits to industry of avoiding delays in marketing new products. According to industry sources, these could represent similar amounts to those saved by avoiding duplicative testing (for example, delays in the registration of a pesticide might lead to missed sales for a full growing season). Also excluded are the added benefits to health and the environment of governments working together to be able to evaluate and manage more chemicals than they would if they worked independently. Finally, while pharmaceuticals were not the subject of this analysis, it is expected that due to the extensive non-clinical testing required for such products, and because many of these test methods may fall within the MAD system, the benefits of the EHS Programme for these products could be extensive.

With more than 40 years of experience and a vast area of work, the EHS Programme ensures safer and more efficient chemicals policies and promotes more sustainable development in OECD member countries and key partner countries around the world. This report has demonstrated that the programmes' benefits to society amount to more than EUR 309 million and tens of thousands of animal lives saved every year, in addition to numerous non-quantifiable benefits. With the more recent parts of the EHS Programme evolving and better methodologies being developed, many of the qualitative benefits may be quantifiable in the future.

## Notes

1. These costs are significantly lower than the cost estimates in the 2010 report – EUR 15.2 million a year – due in large part to a significant increase in the use of conference calls in lieu of face-to-face meetings.
2. Due to some minor differences in data and methodologies, the comparison between the 1998 and 2010 savings is an approximation.



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