

Welcome Message

By the authority of Prakas 155-MOC/SM2010 dated September 13, 2010, a Risk Management Unit (RMU) has been established within the Cambodia Import Export Inspection and Fraud Repression Directorate General (Camcontrol), Ministry of Commerce. Under my direction, and consistent with Sub-decree No.21 A'NKR.BK dated 1st March 2006 on Trade Facilitation through Risk Management, the Unit will guide and facilitate the introduction of a risk-based approach in all of Camcontrol's activities.

The Unit will carry out its work within the framework of the Camcontrol Directorate-General Strategic Risk Management Plan (GSRMP), which calls for the development of this Procedural Manual. The Manual has the purpose of setting out clearly the path that will be followed by the Unit as it implements its mandate.

The RMU will work systematically through the goods/activities for which Camcontrol has regulatory responsibility to ensure that within a reasonable period of time a risk-based approach can be implemented throughout the organization.

At the same time, it is essential for the Unit to go about its work in a logical, coherent and consistent manner, and that its internal working processes should be transparent in order to build confidence in the competence of its analytical and advisory work. Accordingly I commend the publication of the manual, and I welcome any suggestion for practical improvements.

Phnom Penh, January....., 2011.

**Delegate of Royal Government of Cambodia
in Charge of Camcontrol Directorate-General**

MAK Pichrith

PROCEDURAL MANUAL

1- Mandate of the RMU

According to Prakas 155-MOC/SM2010 dated September 13, 2010, the Risk Management Unit has the following roles and responsibilities:

- Develop and implement the Risk Management Plan for Camcontrol DG;
- Identify the risks that the program activities of each branch are intended to control;
- Implement risk analysis (risk assessment, risk management and risk communication) under the mandate of Camcontrol, taking into account international good practices and Cambodia's international obligations;
- Propose the detailed methods for controlling the risks addressed by program activities, for implementation by Camcontrol branches;
- Jointly with program managers (departments and/or branches), establish Standard Operational Procedures (SOP) for import-export programs based on risk management;
- Provide other relevant guidance to each branch on the implementation of a risk-based approach;
- Communicate within Camcontrol and with key stakeholders about principles and practice of risk management;
- Monitor and review the implementation of Risk Management Plan and revise the plan as appropriate.

2- Structure and Management

The Risk Management Unit is under the direct responsibility of the Director General of Camcontrol.

The Unit has a permanent staff as set out in Prakas 155-MOC/SM2010 dated September 13, 2010.

3- Camcontrol Strategic Risk Management Plan (SRMP)

The Strategic Risk Management Plan sets out how CCDG's mission will be implemented over the next three years consistent with the legal mandate and the instructions given by the government as to the outcomes to be achieved. The plan identifies the main themes and strategies, and describes the broad goals and objectives, including priorities. For the period 2011-2013 a major goal is the comprehensive introduction of risk management as an organizing principle for CCDG activities.

4- Work program

The work program of the RMU is set out in its annual operational plan, which will be compiled each year in concert with the operational planning cycle followed by the whole organization. The operational plan will be consistent with the Strategic Risk Management Plan for Camcontrol.

The operational plans of the RMU will be made so that over a period of three years all significant Camcontrol programs are subjected to risk analysis so as to allow the re-design of programs to reflect a proper risk-based approach.

5- Risk analysis methodology

The RMU follows the internationally standard approach to risk analysis, embracing the three elements of risk assessment, risk management, and risk communication.

The risk analyses conducted by the RMU will normally be qualitative, and the methodology will be adapted to the particular circumstances of Cambodia. Quantitative risk analysis requires more complex methodology and much more data than is likely to be available in Cambodia. (Few countries attempt to use quantitative risk analysis, where sufficient data are available and a high degree of precision is required in the analysis.)

Risk analyses may be comprehensive or partial, according to the circumstances. (Risks can be managed by a wide range of possible measures. Often the inspection programs implemented by Camcontrol will be only part of the overall activity on the part of RGC agencies to manage risk. For example, risks associate with imported food can be subject to management by a combination of border inspection, market surveillance, factory surveillance of ingredients, education programs, and so forth.)

6- Risk analysis procedures

The typical steps to be taken by the RMU in the conduct of a risk analysis will be as follows:

Step 1: Selection of the subject for the risk analysis

Subjects for a risk analysis must be selected carefully to ensure that the analysis can be focused on a well-defined hazard or group of hazards associated with particular goods or activities, for which appropriate risk management measures can be defined.

Step 2: Identification of the interested departments and branches within CCDG, and other public and private sector stakeholders

The RMU will conduct its risk analysis work in an inclusive manner, cooperating with the relevant departments and branches of Camcontrol that implement risk management measures like inspection, and consulting with relevant private sector stakeholders. Accordingly, wherever appropriate the RMU will give notice of its intention to initiate a risk analysis of a particular topic, and keep interested parties informed of progress.

Step 3: Initial data gathering to facilitate scoping of the topic

To enable proper planning of the risk analysis, the RMU will gather relevant information that is readily available from existing statistical records in Cambodia, from the experiences of other countries, from the internet, and so on. This first data-gathering process will be relatively brief – a matter of days, or at most several weeks - and is not intended to accumulate a body of data sufficient to support a risk analysis.

Step 4: Development of a risk profile

The data gathered in Step 3 will be examined and briefly summarized in the form of a short risk profile. The profile is a preliminary risk assessment that describes the nature of the problem and its context, to provide the basis of a decision on whether a risk analysis is needed. A risk analysis will not be initiated if risks are relatively simple or already very well understood; if a management decision can reasonably be made without risk analysis; or if the issue is not of regulatory concern.

Once a decision is made to go ahead, the risk profile assists decision-making on how the detailed risk analysis to follow should be framed and organized (see steps 5 and 6 below). The risk profiling includes hazard identification, hazard characterization, exposure assessment and risk characterization, but at a rather general level.

Step 5: Precise definition of the scope of the study

On the basis of the risk profile a decision is made on the matters (commodities, activities or specific risks) that will be covered in the risk analysis.

Step 6: Development of a plan for the conduct of the risk analysis

The risk analysis will proceed on the basis of a plan, approved by the head of the RMU and (for the more important studies) by the Director General, that sets out the timetable, the team leader and the other resources to be employed, the approach to be followed, the departments and branches of CCDG that will be consulted, public information aspects (communication with stakeholders), and so forth.

The plan should be discussed with the managers of relevant departments and branches of Camcontrol that has relevant responsibilities.

Step 7: Discussion with stakeholders

For any significant risk analysis the key stakeholders will be identified and advised of the RMU's plan for the project. Their cooperation will be sought in the gathering of relevant information.

Key stakeholders may include not only groups and enterprises in the private sector but also other government agencies.

Step 8: Data gathering

Risk analysis will be based on the best available data. This will include both data that are already available and, where practicable, data generated specifically for the purposes of the risk analysis. So far as possible, data that are directly relevant to the circumstances of Cambodia will be employed, especially in relation to exposure potential (see Step 10 below), but in many instances it will be necessary to rely extensively on data from secondary sources such as may be provided by international organizations, relevant agencies of other countries, the scientific and technical literature, the Internet, or elsewhere.

Most of the necessary data for the risk analysis will be gathered at the beginning of the risk analysis, but data gathering will continue as new issues present themselves during the risk analysis process.

Step 9: Hazard identification

All hazards that may be associated with the goods or activities under consideration will be identified and clearly described.

Step 10: Hazard characterization (includes exposure potential¹)

For each hazard identified, a qualitative description will be made of the nature and extent of the adverse effects that it may cause, and the mechanism(s) by which the hazard is manifested.

For each hazard the analysis will identify the vulnerable population (in the case of a food hazard, for example, the people likely to consume the hazardous food) or type of economic or physical damage.

Step 11: Risk assessment

Risk is the probable amount of damage that will be caused by a specified hazard, and is the combination of the severity (intensity and extent) of damage and the likelihood of its occurrence.

Risk will be assessed for each hazard covered by the risk analysis, and qualitatively evaluated using the risk evaluation matrix developed by the RMU. (Attachment 1 of Matrix).

Step 12: Identification of preferred risk management options (if required)

The risk assessment will allow a judgment to be made as to whether risk is acceptably low, or alternatively must be managed to an acceptably low level by the implementation of risk management measures (Attachment 2).

In the latter case, the range of feasible risk management options will be identified, and a risk management measure or measures will be selected that limits risk as efficiently and effectively as possible, taking into account Cambodia's obligation as a Member of the World Trade Organization to achieve its appropriate level of protection (ALOP) by measures that least restrict international trade (Attachment 3).

Step 13: Draft risk analysis written

The preceding steps will be described in a draft risk analysis report that will include both a summary of the data on which the analysis is based and the reasoning of the RMU in reaching its draft recommendations for risk management action.

¹ **Exposure potential** concerns the incidence of a hazard and extent to which relevant populations are exposed to the hazard. For example, exposure potential in relation to a pesticide is proportional to the quantity of residue present in foods and the amount of these foods in the diet of consumers, especially vulnerable groups like infants, elderly people, and people with compromised immune systems etc.

Step 14: Discussion with stakeholders

As appropriate, the draft risk analysis report will be discussed with relevant stakeholders and their views taken into account.

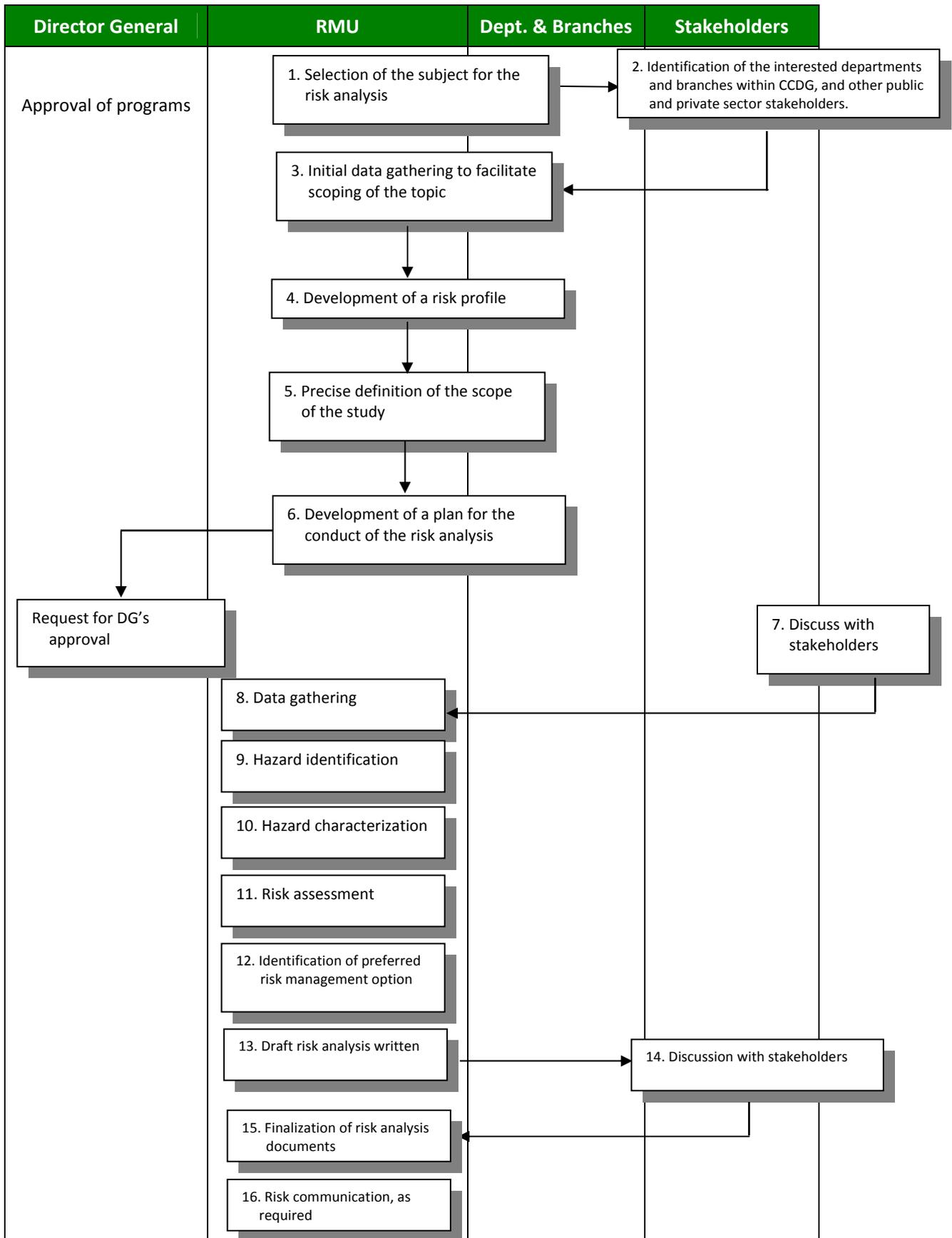
Step 15: Finalization of risk analysis document

The final report will be prepared, containing specific recommendations to the Director General for the implementation of appropriate risk management actions within the mandate of Camcontrol.

Step 16: Risk communication, as required

The responsibility for communicating with interested parties about the risk assessed and risk management programs that are implemented to control them is shared between RMU and the departments and branches of Camcontrol.

WORKFLOW OF PROCEDURE FOR RISK ANALYSIS



7- Cooperation within CCDG

In accordance with Article 3 of MoC Prakas 155 MoC/SM 2010, program managers (directors of departments) and chiefs of branches within Camcontrol Directorate-General shall cooperate with and assist the Risk Management Unit by providing advice and information related to program activities in a timely way.

The Risk Management Unit will assist program managers in the implementation of risk-based approaches based on risk analysis.

8- Cooperation with other ministries

The RMU may need to work with other Ministries, especially to seek assistance in gathering relevant data and to cooperate on risk analyses where risk management options may involve the responsibilities of agencies other than Camcontrol.

9- Reporting

The RMU will follow standard procedures for disseminating the results of its risk analyses and for reporting on its activities.

Attachment- 1

Risk evaluation matrix

		Severity			
		Low (L)	Moderate (M)	High (H)	Extreme (E)
Likelihood (Probability)	E	M	H	E	E
	H	L	M	H	E
	M	VL	L	M	H
	L	VL	VL	L	M

Attachment- 2

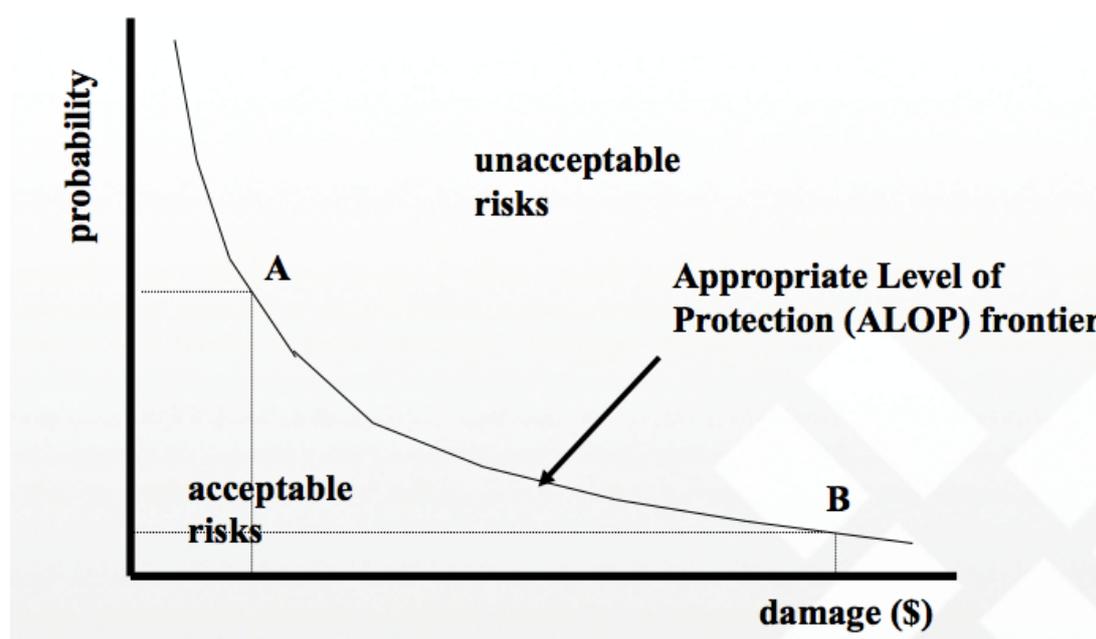
Interpretation of Appropriate Level of Protection

Under the SPS Agreement, each WTO Member is free to choose what attitude it will have to risks associated with exotic pests and diseases, toxins in foods, and so on. In effect, the choice involves a trade-off between the benefits that flow from allowing the freest possible import trade (e.g. consumers are better off if they can buy cheaper/better products from overseas) and the costs that are associated with the introduction of exotic pests and diseases, or of food safety risks, as a consequence of trade. This choice has to be made in relation to net trade benefits generally and SPS risks in aggregate, not in relation to the risks and benefits of permitting trade in a specific commodity from a specific country.

The national Appropriate Level of Protection (ALOP) is the boundary between acceptable risks and unacceptable risks.

Different countries will make different choices about where to set their national ALOP. A country that is highly urbanised and has only a small agricultural sector will have relatively less to lose from the entry of exotic pests and diseases than a country that has a large agricultural sector vulnerable to pest/disease threats. A country in which the majority of the population is engaged in subsistence agriculture has relatively little to gain from making the import of plant and animal products more free, at least from the perspective of consumers interests, by comparison with another country that has wealthy consumers and the possibility of importing plant and animal products that are cheaper than its own products. Each country must make its own decision as to where the optimum lies (in terms of the degree of restrictiveness of its SPS regime).

The concept of ALOP is illustrated by the diagram below.



No country is able to express its ALOP in a precise way, but regulatory agencies that have the responsibility for managing risks must constantly make decisions on regulatory actions that reflect a judgment on which risks are acceptable and which are not. Governments may choose to give guidance to regulatory agencies by means of a qualitative statement about national policy on acceptable levels of risk.

Attachment- 3

Cambodia's obligations under the SPS Agreement

Scope of the Agreement

SPS measures are defined in Annex A of the Agreement on the Application of Sanitary and Phytosanitary Measures. In practice, the Agreement applies to actions taken by the government of a WTO Member country to ensure the safety of food and to protect animal and plant health in that country, where such actions could adversely affect the trade of other Members of the WTO.

SPS measures can include laws, regulations, decrees by Ministers, standards², official requirements for inspection, certification, sampling, testing, and so forth.

Basic right

As a WTO Member³, Cambodia has the right to take any measure that is necessary to protect human, animal or plant life or health provided that its measures are otherwise consistent with the provisions of the Agreement.

Cambodia can decide what level of protection against SPS risks it wants to maintain, but in making that decision it should take into account the objective of minimising negative effects on trade.

Basic obligations

Cambodia's SPS measures cannot be more strict than is necessary to achieve sufficient protection of human, animal or plant life or health.

Cambodia's SPS measures must be based on scientific principles.

Cambodia's SPS measures cannot be maintained without sufficient scientific evidence, unless they are being implemented on a provisional basis while the necessary scientific evidence is being gathered and assessed.

Cambodia's SPS measures cannot favour domestically-produced goods by comparison with similar³ imported goods (so-called "national treatment"); nor can they favour goods imported from one country by comparison with similar goods imported from another country.

Use of international norms⁴

² Under the SPS Agreement a *standard* is a norm intended for mandatory application (such as a pesticide residue limit in food); under the TBT Agreement a standard is a norm that is intended for voluntary use by industry (such as a technical specification for recording video material on to a replayable disc).

³ In this context, "similar" means taking into account the degree of sanitary or phytosanitary risk associated with goods from different sources.

⁴ *International norms* are the standards, recommendations and guidelines made by certain international standard-setting bodies.

Where relevant standards, guidelines and recommendations made by the Codex Alimentarius Commission, the World Organisation for Animal Health (OIE), and the organisations that operate within the framework of the International Plant Protection Convention are available, Cambodia must base its SPS measures on these international norms except where the international norms are not strict enough to achieve the appropriate level of protection or there is a scientific justification for not using the international norm.

Cambodia's measures that are based on international norms are consistent with the SPS Agreement.

Measures not based on international norms

If there is no relevant international norm, or one is available but not strict enough to achieve Cambodia's appropriate level of protection, the SPS measure of Cambodia must be based on an appropriate risk assessment. The risk assessment must take into account risk assessment techniques developed by the relevant international organisations, which include Codex, OIE and IPPC.

When selecting the SPS measure that will reduce the assessed risk to an acceptably low level (that is, will achieve Cambodia's appropriate level of protection), Cambodia should maintain a consistent approach to risk management. A higher level of risk should not be accepted in one instance, by comparison with other situations, if the result would be discrimination against one of more trading partners or a disguised restriction on international trade.

There may be various methods by which SPS measures can reduce an assessed risk to an acceptably low level. Cambodia must choose the SPS measures that achieve its appropriate level of protection with the least negative effect on trade from other WTO Members.

Measures can be implemented without a prior risk assessment if there is not enough scientific information available. However Cambodia must take into account the information that is available when it establishes the provisional measure, and Cambodia must seek the information that is needed for a proper risk assessment and carry out that assessment within a reasonable period of time.

Equivalence

Another WTO Member that wants to export a product to Cambodia can propose that SPS measures that are different from the ones specified by Cambodia be used by the exporting Member to manage risk. Cambodia must accept such a proposal if the other Member can show that the measures it proposes to use will be just as effective in managing risk as the measures specified by Cambodia.

If Cambodia is making a claim of equivalence in respect of its exports, it must give the importing country reasonable access to the territory of Cambodia for inspection, testing and other procedures necessary to verify Cambodia's claim.

Adaptation to regional circumstances

When it is considering the risk associated with import of a particular product from another Member, Cambodia must take into account that the other country may be free of a pest or disease of concern to Cambodia, or that there are areas of the other country that are free of the pest or disease, or that a pest or disease may be present but only at low prevalence. Similarly Cambodia's assessment of risk and the SPS measures it applies should take into account the prevalence of pests and diseases within Cambodia.

Control, inspection and approval procedures

If Cambodia uses control, inspection and approval procedures to ensure that its SPS requirements are being met, these procedures must be reasonable, prompt, non-discriminatory, and transparent. Any fees imposed must be applied in a non-discriminatory way and must be no higher than the actual cost of the procedure. There should be a procedure to review complaints concerning the operation of control, inspection and approval procedures.

Transparency

Cambodia must nominate and maintain a single enquiry point to answer the questions of other Members and provide relevant documents regarding SPS measures and related matters.

Cambodia must nominate and maintain a single national notification authority to implement specified notification procedures for its measures that are not based on a relevant international norm and which may have a significant affect on the trade of other Members. In particular, proposed new measures must be notified to other Members in advance, and their comments must be taken into account.

Provincial and local governments

The national government of Cambodia is responsible to ensure that local governments in Cambodia comply with the provisions of the SPS Agreement.

Other obligations

Cambodia must participate fully (so far as its resources allow) in the work of the Codex Alimentarius Commission, the OIE and the IPPC standard-setting processes.