

**Economic and Social Council**Distr.: General  
21 September 2016

Original: English

**Economic Commission for Europe**

Steering Committee on Trade Capacity and Standards

**Working Party on Regulatory Cooperation  
and Standardization Policies****Twenty-sixth session**

Geneva, 30 November-2 December 2016

Item 5 (b) of the provisional agenda

**Report from Group of Experts on Managing Risks in Regulatory Systems (GRM)****Progress report on the activities of the Group of Experts on  
“Managing Risks in Regulatory Systems” (GRM)****Submitted by the Rapporteur<sup>1</sup>***Summary*

This document presents the main results achieved by the GRM as of September 2016, provides details of its activities and meetings and presents priorities and a plan of work for 2017. The annexes provide: the names of individuals and organizations that participate in the work of the GRM, the text of a proposed partnership for furthering the use of risk management tools in support of the Sustainable Development Goals (SDGs), and the preliminary agenda of the proposed meeting of the GRM to take place in 2017.

*Proposed decision:*

“The Working Party adopts the report of the GRM, taking note of the extension of its mandate by the UNECE Executive Committee (ECE/EX/2016/L.16). It mandates the Secretariat and the coordinators to continue to report on an annual basis on its activities. It instructs the secretariat, resources permitting, to organize a “face to face” meeting of the GRM with the participation of regulatory authorities from various sectors during the course of 2017.

<sup>1</sup> At its 20<sup>th</sup> session, the Working Party established a Group of Experts on Risk Management in Regulatory Systems and adopted its terms of reference, and requested it to report on activities to the Working Party (ECE/TRADE/C/WP.6/2010/2 para.9).



## I. General information on the Group

1. The Group of Experts on Risk Management in Regulatory Systems was established by the Working Party in 2010.
2. The Group of Experts aims at an improved management of hazards that have the potential to affect the quality of products and services, and/or cause harm or damage to people, the environment, property and immaterial assets. The Group will work towards this goal by developing and sharing best practice as regards the use of risk management tools in regulatory and managerial activities.
3. The Group functions on the basis of:
  - A broad and diversified membership, with representation of different geographical and economic regions, as well as of different areas of competence and end-users' interest;
  - Webinars organized by use of an e-mail listserver and an interactive website.

## II. Main activities in 2016

4. The main results of the activities of the Group of Experts on Risk Management in Regulatory Systems in the year to date are as follows:

### **Methodology and recommendations:**

(a) Development of a methodology and drafting of a recommendation submitted for approval by the Working Party (see document ECE/CTCS/WP.6/2016/7) aimed at providing guidance to market surveillance authorities in planning surveillance activities on the basis of a predictive risk-based assessment of products/businesses within their jurisdiction.

### **Implementation of the recommendations and field projects:**

(b) Implementing a new work strategy for the Group – transforming the GRM into a more “on-demand” group:

- Inviting regulatory stakeholders (e.g. risk management officers within line Ministries or in inter-ministerial coordinating offices) to share their needs related to the application of risk management tools in regulatory frameworks;
- Starting the preliminary arrangements for a face-to-face meeting of the GRM with the participation of regulatory authorities from various sectors. The meeting will discuss approaches for managing risks in regulatory systems in support of the Sustainable Development Goals (SDGs). Regulators and experts are invited to identify areas where risk management standards would be effective in supporting regulatory activities for the achievement of the SDGs. Based on the interest expressed so far, Goal 14 “Life Below Water” was recommended, because it covers a broad range of environmental, cultural, social and economic risks that could be effectively and efficiently be managed through risk management processes and regulatory standards. Annex 3 presents a preliminary agenda of the proposed meeting.
- Preparations for the registration of a partnership for a “Risk Management advisory” on the online platform maintained by the United Nations Department of Economic and Social Affairs (UN/DESA). The platform features multi-stakeholders' partnerships and voluntary commitments for sustainable development. The proposed GRM partnership aims at assisting Regulatory authorities and standards

development organizations in using risk management tools in support of the Sustainable Development Goals (SDGs) (see Annex III).

**Contribution to the risk management work of other international organizations and relevant stakeholders:**

- (a) Participating in development of the EU general risk assessment methodology (Action 5 of the Multi-Annual Action Plan for the surveillance of products in EU)
- (b) Participation in the review by the International Risk Governance Council (IRGC) aimed at comparing, contrasting and converging approaches to risk management and governance
- (c) Continuation of the activities of the taskforce on “UN cooperation” established under the ISO TC 292 on “Security and Resilience”

### III. Important activities prior to the current period

5. Since its establishment the Group’s most important accomplishments have been as follows:

**Methodology and recommendations:**

- (a) Two recommendations, approved at the twentieth annual session of the Working Party in 2011:
  - A general recommendation on the use of risk-management tools in regulatory systems (Recommendation “R” “Managing Risk in Regulatory Frameworks”: <http://goo.gl/HTMYBQ>);
  - A specific recommendation, which describes how regulatory processes can help prepare for and manage crisis including disasters (Recommendation “P” “Crisis Management within a Regulatory Framework” <http://goo.gl/zePK5O>)”
- (b) The publication “Risk Management in Regulatory Frameworks: Towards a Better Management of Risks”, available at: <http://goo.gl/ri6D5K>, and translated into Russian in 2014;
- (c) Development of training materials and delivery of a training session on “Risk Management in Regulatory Frameworks: Building Quality Infrastructure” for the staff of the technical cooperation unit of the United Nations Organization for Industrial Development (UNIDO);
- (d) Analysis of a number of legislative texts that regulate the electrical appliances sector in different jurisdictions from the perspective of the risk management framework (2013);
- (e) Finalization of the draft of the recommendation on improving consistency of risk management legislation (2014);

**Implementation of the recommendations and field projects:**

- (a) Development of a methodology for running field projects aimed at the implementation of the GRM recommendations within a given sector. The objectives of such projects include (2015):
  - Building capacity by regulatory stakeholders to identify and manage the risks that confront the sector in which they operate

- Promoting a shared vision by all regulatory stakeholders of optimal regulatory outputs proportionate to existing risks;
- Developing action plans to fully implement the risk management methodology into a regulatory framework and to evaluate existing regulations against the identified risks.

(b) Running risk management projects aimed at the application of the GRM recommendations in the regulatory frameworks of Nigeria and Malawi (2015).

(c) Application of the GRM recommendations to the specifics of Disaster Risk Reduction:

- Strengthening partnership with the United Nations Office for Disaster Risk Reduction (UNISDR) and other UN agencies by forming the informal group of experts on “Standards for DRR”
- participation in World Conference on Disaster Risk Reduction (WCDRR) in Sendai, Japan in March 2015;
- Establishing a partnership with ISO TC 292 on “Security and Resilience” and contributing to its activities through a taskforce on “UN cooperation” established under the TC and aiming at contributing to the implementation of the outcome of the WCDRR and other important UN outcomes.
- Contribution of an article on DRR to the August-September 2015 issue of the ISO Focus magazine ([http://www.iso.org/iso/isofocus\\_111.pdf](http://www.iso.org/iso/isofocus_111.pdf)).

(d) Application of the GRM recommendations to regulatory practice in: Australia, Brazil (presented at the Working Party’s session in 2013), Canada, New Zealand and Mongolia.

**Contribution to the risk management work of other international organizations and relevant stakeholders:**

(a) Organization of a workshop on “Disaster Risk Standards and Accountability for Business and Citizens” at the UNISDR Global Platform for Disaster Risk Reduction in May 2013;

(b) Application of the GRM recommendations to the specifics of Disaster Risk Reduction and publication of a background paper on “Standards and Normative Mechanisms for Disaster Risk Reduction” for the 2015 edition of the Global Assessment Report on Disaster Risk Reduction (GAR 2015), available at: <http://goo.gl/O5XpGp>;

(c) Strengthening cooperation with the United Nations Industrial Development Organization (UNIDO) and establishing cooperation with International Federation of Red Cross and Red Crescent Societies (IFRC).

(d) Cooperation with ISO TC 262 (Risk management) on the use of the GRM best practice;

(e) Participation in the work on the OECD Working Party on Consumer Product Safety and participation in the Workshop on Product Risk Assessment (Tel Aviv, April 2012);

(f) Awareness-raising activities, including through social media and by participating in the “First international conference on ISO 31000” (Paris, March 2012).

(g) Establishing cooperation with FERMA (Federation of European Risk Management Associations), IFAC (International Federation of Accountants) and PRMIA (International Professional Risk Management Association), UNISDR and UNIDO.

## IV. Members and representation

6. As of September 2015, thirty experts participate in the Group. Members represent the following areas of competence: planning, developing and implementing technical regulations; disaster risk reduction, business continuity and resilience management; choosing and implementing conformity-assessment procedures; cooperation among business companies and regulators; risk-management methodologies and standards and project management.

7. The work is coordinated by Messrs. Donald Macrae and Valentin Nikonov. The updated list of members is attached to the present report as an annex, and can also be found on the website.

## V. Summary of webinars and meetings

8. Bi-monthly webinars and electronic data exchange are the usual means of communication in the Group. The Group held seven webinars between August 2015 and September 2016.

9. At the twenty-fourth webinar, held on 8 October 2015, the GRM continued discussing the data gathering models and data storage tools for risk assessment within regulatory systems. Valentin Nikonov (the coordinator of the GRM) presented a model aimed at assisting regulators applying machine learning and quantitative techniques for prioritizing their activities on the basis of predictive risk analysis.

10. As a step in the realization of the “on-demand” strategy, the GRM decided to organize a face-to-face meeting of the Group and to take into account the needs and challenges of regulatory authorities in the application of the risk management tools when drafting the agenda for the event. The Group appreciated and accepted the proposal by Mr. Roland Cormier (member of the GRM) to coordinate the organization of the meeting.

11. At the twenty fifth webinar, held on 10 December 2015, the group continued discussing the possible ways of involving regulators into the work of the GRM and started discussing the draft of the recommendation on running risk management workshops for implementing the recommendation R of the GRM. The coordinator of the GRM presented the first draft of the recommendation, which was based on the results of the field project conducted in Nigeria and Malawi.

12. At the next webinar of the Group, held on 18 February 2016, Ms. Katja Modric Skrabalo, the representative of the European Commission, shared with the members of the Group the draft EU general risk assessment methodology. The comments of the members of the GRM on the proposed draft methodology covered such areas as cooperation among market surveillance authorities and customs, taking into account the probabilities of the dependent events in performing the risk assessment, the use of the term “risk management” instead of “risk assessment” and the need of the risk assessment methodology to be predictive. The representative of the EU took note of the comments and said that they would be taken into account when developing the next version of the methodology.

13. The presentation of the EU was followed by a report by Mr. Peter Morfee (a member of the GRM) on the recent developments in the New Zealand Risk Engine, a tool applied by regulatory authorities in New Zealand that provides for a predictive assessment of risks of product non-compliance (before the accidents happen and non-conformities identified).

14. At the twenty-seventh webinar of the GRM, held on 13 April 2016, Mr. Peter Morfee shared with the group the results of the application of the Risk Engine to a new

category of products (still mesh). The results showed that the methodology could be broadened and applied in other sectors and not only to the electrical equipment, as originally designed.

15. Mr. Roland Cormier presented a document “Regulatory standards in support of the UN sustainable Development Goals 2030: Workshop on Managing Risks in Regulatory Systems for Goals 14: Life below water”, that described the agenda and idea behind the proposed face-to-face meeting of the GRM. The document showed how the work of the GRM and risk management standard could assist regulators in achieving Sustainable Development Goals, focusing on Goal 14 “Life below water”. The GRM appreciated the development of the document and decided to continue working on organization of the meeting.

16. Mr. Valentin Nikonov (the coordinator of the GRM), reported on the progress in developing data gathering tools for risk assessment and focused on how the model could be applied in import compliance procedures. He also presented to the Group the recently published ISO/UNIDO/ITC Guide “ISO 31000: Risk Management: A practical guide for SMEs”.

17. At the twenty-eighth webinar of the GRM, held on 9 June 2016, Mr. Markus Krebsz and Mr. Roland Cormier (Members of the GRM) presented to the Group the marketing materials related to the face-to-face meeting, which were welcomed and approved by the Group. Mr. Cormier reported that the Director of the Institute of Coastal Research (Germany) welcomed the idea of holding the meeting at the Institute premises.

18. At the next webinar of the Group, held on 14 July 2016, the GRM decided to consider developing a recommendation on managing non-compliance risk in market surveillance, on the basis of the work carried out and presented by the Coordinator of the GRM in 2015-2016. The GRM decided that Mr. Peter Morfee, Mr. Paul Taylor, Mr. Markus Krebsz would participate in the preliminary discussion of draft of the recommendation, as it would be developed by the coordinator of the GRM. The draft recommendation was sent out for comments for the members of the Group on 4 August 2016.

19. The GRM approved the finalized invitation letter to the face to face meeting and decided to hold it in 2017. The GRM also discussed the following tasks related to organizing the meeting: setting up the dates, draw up invitations list, registering the project with the SDG partnership website. Mr. Cormier and Mr. Krebsz agreed to work further on the draft submission to the SDG website.

20. On the thirtieth webinar of the GRM, the Group approved the proposed agenda of the face to face meeting and decided on the meeting dates. The GRM also discussed the next version of the draft recommendation on the use risk management tools in prioritizing the compliance checks and approved it for submission to the Annual Session of the Working Party.

## VI. Progress in the completion of the initial plan

21. The following table provides information on when and how each of the tasks listed in the plan of work for 2015 (contained in ECE/TRADE/C/WP.6/2014/5) was performed and what the result was.

<i>Fields and tasks</i>	<i>Results/Comments</i>
Finalizing a recommendation on the implementation of the GRM best practice in	The GRM decided to develop a set of slides and templates for running the workshops instead of a

<i>Fields and tasks</i>	<i>Results/Comments</i>
sectoral projects;	recommendation.
Becoming an “on-demand” group: identifying the needs of regulatory stakeholders related to risk management and providing specific recommendations;	The GRM has been working on organizing a face-to-face meeting of the Group, open to representation of regulatory authorities.
Developing recommendations and methodologies on application of big data and machine learning technologies within regulatory frameworks;	The draft recommendation on using predictive risk management tools for prioritizing compliance procedures in market surveillance has been developed.
Promotion of GRM’s work, also through field projects and trainings;	Results of the GRM work were presented at a number of international events.
Establishing and strengthening liaisons with other risk management organizations.	The GRM commented on the draft of the EU general methodology on risk assessment.

## VII. Priorities and the plan for 2016

22. The main priorities for the GRM in the next year are as follows:
- (a) Finalizing a recommendation on the use of predictive risk management tools for prioritizing compliance procedures;
  - (b) Running a face-to-face open meeting of the GRM: becoming an “on-demand” group
  - (c) Promotion of GRM’s work, also through field projects and trainings;
  - (d) Establishing and strengthening liaisons with other risk management organizations.
23. The main risks for the successful completion of the project include:
- insufficient funding for the organization of the work and for the field work
  - insufficient involvement by member States

## **Annex I**

### **List of members (as of 30 August 2016)**

#### **Chairperson**

Kevin Knight (Chair, Technical Committee 262: Risk management, International Organization for Standardization)

#### **Coordinators**

Donald Macrae (Independent consultant)

Valentin Nikonov (Project Manager, Tochka)

#### **Active members**

1. Florentin Blanc (The World Bank Group)
2. Roland Cormier (Helmholtz-Zentrum Geesthacht, Germany).
3. Alex Dali (President, Global Institute for Risk Management Standards, G31000, France)
4. A.M. Dolan (University of Toronto, Canada)
5. Graeme Drake (Committee on conformity assessment, International Organization for Standardization ISO))
6. Paul Hopkin (Institute of Risk Management, United Kingdom)
7. Valery Hurevich, (Belarusian State Institute for Standardization and Certification (BelGISS), Belarus)
8. Markus Krebsz (Risk Reward Limited, United Kingdom)
9. Pierre Lauquin (Group for Risk Management, Nestlé)
10. Sean MacCurtain (Secretary, Committee on conformity assessment, International Organization for Standardization (ISO))
11. Justin McCarthy (PRMIA)
12. Alpaslan Menevşe, Chairman, Mirror Technical Committee ISO 31000, Turkey
13. Peter Morfee (Ministry of Economic Development, New Zealand)
14. Mikhail Rogov (RusRisk, RusHydro, Russian Federation)
15. Paul Taylor (Federation of European Risk Management Associations (FERMA), United Kingdom)
16. Simon Webb (The Nicholas Group, United Kingdom)



## ANNEX II

Partnerships for SDGS to be submitted to (excerpt)

[sustainabledevelopment.un.org/partnerships](https://sustainabledevelopment.un.org/partnerships)

### Basic information

#### **Title of partnership/commitment:**

Risk Management advisory for Regulatory Systems and standards development in support of the 2030 Agenda for Sustainable Development, its goals and targets

#### **Submitting Organization:**

The Group of Experts on Risk Management in Regulatory Systems an initiative of the Working Party on Regulatory Cooperation and Standardization Policies, United Nations Economic Commission for Europe, Geneva, Switzerland (UNECE GRM)

#### **Partners - organizations, entities, stakeholder networks involved in this initiative:**

Helmholtz-Zentrum Geesthacht, Max-Planck-Straße 1, 21502 Geesthacht, Germany (Pilot for SDG 14)

#### **Description**

What will be achieved (max 100 words)

Apply risk management tools to the achievement of the 2030 Agenda for Sustainable Development, its goals and targets, so as to protect people, the environment and infrastructure, property and immaterial assets from hazards with a potential to affect the quality of products, infrastructure, equipment and services.

This will be achieved by:

- building capacity of regulatory stakeholders to identify and manage the risks that confront the achievement of SDG's;
- promoting a shared vision by all regulatory stakeholders of optimal regulatory outputs proportionate to existing risks;
- developing action plans to fully implement risk management methodologies into a regulatory framework and to evaluate existing regulations against the identified risks.
- Coordination mechanisms, including mechanisms for evaluating impact - how will/is this initiative governed? (max 400 words)

## Annex III

**Meeting on Sustainable Development Goals and Regulatory Standards  
Group of experts on Managing Risks in Regulatory Systems  
United Nations Economic Commission for Europe (UNECE)  
Helmholtz-Zentrum Geesthacht, Geesthacht, Germany, 20-22 February 2017**

Objectives of the meeting:

- (a) Confirm that an analysis of the SGD targets is a viable approach to identify priority areas for the development of regulatory and technical standards needed to achieve the SDG's;
- (b) Identify the SDG targets that would benefit from a risk management approach to develop regulatory and technical standards; and,
- (c) Identify priority areas for the development of such regulatory and technical standards.

<i>Dates and time</i>	<i>Agenda</i>	<i>Lead</i>
<b>Day 1</b>		
09:00	Introduction and opening remarks	
09:30	Workshop structure and objectives	
10:00	Questions and discussions	
10:30	Break	
11:30	ISO 31000 Risk management standards	
12:30	Lunch	
14:00	Risk Management in Regulatory Frameworks	
15:00	Break	
15:30	International Regulatory Standards and SDG Targets	
16:30	Plenary discussions on Objective 1	
17:00	End of day	
<b>Day 2</b>		
09:00	Recap Day 1 discussions	
09:30	Approach for Goals 14 Life Below Water	
10:00	Break	
10:30	Relevant agreements and policies for Goals 14	
11:00	Scientific and policy issues emerging from Goal 14	
12:00	Lunch	
13:30	Potential standards and criteria needs for Goal 14	
14:00	International processes and capacities for Goal 14	

---

<i>Dates and time</i>	<i>Agenda</i>	<i>Lead</i>
15:00	Break	
15:30	Overview of potential SDG Targets for regulatory standards for Goal 14	
16:30	Plenary discussions on Objective 2	
17:00	End of day	
Day 3		
09:00	Recap of Day 2	
09:30	United Nations Sustainable Development Goals	
10:00	Break	
10:30	Risk management process needs for STG Target regulatory standards	
11:00	Institutional capacities for policy and standard setting needs	
12:00	Lunch	
13:30	Plenary discussions on Objective 3	
15:00	Break	
15:30	Recommendations for next steps and approaches	
16:30	End of the meeting	

---

#### Reports

UNECE. 2012. Risk Management in Regulatory Frameworks: Towards a better management of risks. ECE/TRADE/390.

[http://www.unece.org/fileadmin/DAM/trade/Publications/WP6\\_ECE\\_TRADE\\_390.pdf](http://www.unece.org/fileadmin/DAM/trade/Publications/WP6_ECE_TRADE_390.pdf)

---