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Working Party on Regulatory Cooperation and Standardisation Policies (WP.6)

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Item 5 (b) of the provisional agenda

Discussion on draft Recommendation T on

“Standards and Regulations for Sustainable Development

Recommendation T on “Standards and Regulations for Sustainable Development”

Submitted by the secretariat

Mandate

The Working Party agreed at its 25th session to continue discussion on how it could further contribute to the Sustainable Development Goals (ECE/CTCS/WP.6/2015/2, para 11).

Summary

The text of the Recommendation is presented to the Working Party for discussion and adoption.

Proposed decision

Member States approve the new Recommendation T on “Standards and Regulations for Sustainable Development”. They mandate the Secretariat to report on its implementation. They encourage the donor community to make available resources for capacity-building projects to assist Member States in its implementation

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I. Introduction

1. The Working Party on Regulatory Cooperation and Standardization Policies,
Taking special note of how Agenda 2030 now represents a cornerstone for the United Nations in all sectors of its activity,
Wishing to enhance the contribution of voluntary standards to realization of Agenda 2030,
Wishing to further strengthen cooperation between regulators and standards development bodies and the United Nations in the implementation of the 2030 Agenda **affirms that:**
 - A systematic management of the risks inherent to of the 2030 Agenda is a pre-requisite for achieving the SDG Goals;
 - A standards-based constitutes a solid basis for regulating in view of the realization of the Agenda.

II. The rationale for the recommendation

2. Sustainable Development Goals (SDGs) and targets cover a very broad range of social, economic, environmental, technical and regulatory fields that are currently managed under very different legislative and regulatory systems and jurisdictions.
3. In order to contribute to the achievement of SDGs and targets, a broad range of risks shall be effectively and efficiently managed within regulatory frameworks.
4. Many standards, UN agreements and conventions, as well as other regulatory frameworks that are already in use are relevant to achieving SDGs.
5. Implementation of the SDGs requires developing regulatory processes and building risk-based regulatory systems that would be proportionate to risks that are relevant to SDG targets in terms of regulatory requirements, conformity assessment and surveillance processes.
6. Standards and guidelines remains a challenge given the divergent use of definitions and methods. There is a lack of coherence and consistency in conceptual frameworks and methodologies with respect to management of risks in regulatory systems of the sectors linked to the SDGs, and the implementation of risk management practices through regulatory regimes, standards and guidelines remains a challenge given the divergent use of definitions, methods.
7. The use of standards by policy-makers and business would not only help integrate standards into regulatory systems, but also enhance the design of regulatory systems while providing clarity for institutions in the development of their programs in a more systematic and coherent manner.

III. General recommendation

The Working Party recommends:

8. Regulatory authorities should use risk management tools – including voluntary standards to build the regulatory frameworks that are needed to operationalize the SDGs.
9. Regulatory authorities should use the risk management approaches that are based on standardized risk management processes and harmonized definitions.

10. The SDG targets should be considered as objectives of a regulatory system, whereas the risk management frameworks defined in Recommendations P and R of the Working Party in combination with other tools and methodologies can be applied to design processes required for economic operators, consumers, communities, regulators and legislators, and other societal stakeholders to be involved in managing the risks related to the achievement of the SDG targets.

Regulatory authorities are encouraged to base the regulatory frameworks aimed at the implementation of the Agenda 2030 on the Annexed Checklist

Annex

Checklist for risk based regulatory systems for the implementation of Agenda 2030

(a) Setting regulatory objectives

1. When setting regulatory objectives, the SDG targets should be analyzed within the given national and international contexts to identify clear regulatory objectives and develop a sound implementation strategy from a regulatory and operational perspective.

2. The SDG and their targets should be reviewed regularly to identify intersections and interdependencies among them: the goal of any given SDG depends on the goals of another SDG being reached. Also, some of the SDG targets may be relevant to other targets. Results of such analysis should be considered when establishing cooperation among regulatory authorities.

(b) Risk identification and assessment in regulatory frameworks linked to SDGs

3. Regulatory authorities should use data-driven approaches in risk identification and assessment. Data and modelling play an important role in risk analysis to characterize the risks in terms of causes, events and consequences. Tolerance criteria must be established to evaluate the risks of regulatory options within the national policy context.

4. Stakeholder involvement is key in risk identification.

5. Regulatory authorities should avoid applying the approach of “looking at risk in isolation from the bodies that make decisions”. This means avoiding focusing on smaller risks that we know how to control, but focus instead on the big risks that threaten several SDG outcomes.

6. Risk management and assessment activities including key indicators should be underpinned by current scientific knowledge through formalized and independent advisory processes. Such an approach will ensure that the risks perceived by stakeholders and regulators are examined against existing scientific and technical evidence providing transparency while fostering support from stakeholders. This will enhance the science-informing policy and policy-informing science paradigms and approaches but will require exchange of best practice.

(c) Regulation development within regulatory frameworks linked to SDGs

7. In case the implementation of an SDG requires regulation, regulations, standards and guidelines should be developed from the premise that “people want to comply”. The mechanisms of implementation (e.g., regulations, standards and guidelines) must be efficiently integrated within the operations of a given sector to be effective at reaching a given objective, including through the adoption of guidelines and relevant enforcing jurisdiction.

(d) Market surveillance and enforcement

8. Enforcement is a necessary component of any regulatory system. Sufficient resources should be allocated to its planning and its execution. In the presence of regulatory failures, including high levels of non-compliance, instead of introducing new regulations, policy-makers would be well advised to analyze the regulatory system in its entirety, including the need for employee training, the difficulty of implementing regulations within daily operations, the capacity of the sector to implement the regulation, as well as the extent of intentional violations.

9. Predictive algorithms and data-driven approaches should be developed and used as a prioritization tool that would allow enforcement authorities and regulators to focus their attention on products/businesses/activities that are (1) most threaten the implementation of the SDGs when non-compliant and (2) most likely to be non-compliant (with the highest probability of non-compliance).
