Group of Experts on Risk Management in Regulatory Systems (GRM) in 2017

Progress report on the activities of the Group

Valentin Nikonov
Co-Coordinator of the GRM
Background

“The GRM 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”

“Developing and sharing best practice as regards the use of risk management tools in regulatory activities”
Background

• Broad and diversified membership – 30 experts from 13 countries, 17 active experts
• Bi-monthly webinars
• Chairman – Mr. Kevin Knight

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<th>Chairperson</th>
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<td>Kevin Knight (Chair, Technical Committee 262: Risk management, International Organization for Standardization)</td>
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<th>Coordinators</th>
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<tr>
<td>Donald Macrae (Independent consultant)</td>
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<td>Valentin Nikonov (Project Manager, Tochka)</td>
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<th>Active members</th>
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<tr>
<td>1. Florentin Blanc (The World Bank Group)</td>
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<td>2. Ronald Cormier (Fisheries and Oceans Canada, Canada)</td>
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<td>3. Alex Dali (President, Global Institute for Risk Management Standards, G31000, France)</td>
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<td>4. A.M. Dolan (University of Toronto, Canada)</td>
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<td>5. Graeme Drake (Committee on conformity assessment, International Organization for Standardization ISO))</td>
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<td>6. Paul Hopkin (Institute of Risk Management, United Kingdom)</td>
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<td>7. Valery Hurevich, (Belarusian State Institute for Standardization and Certification (BelGIS), Belarus)</td>
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<td>8. Markus Krebsz (Risk Reward Limited, United Kingdom)</td>
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<td>9. Pierre Lauquin (Group for Risk Management, Nestlé)</td>
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<td>10. Sean MacCurtain (Secretary, Committee on conformity assessment, International Organization for Standardization (ISO))</td>
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<td>11. Justin McCarthy (PRMIA)</td>
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<td>12. Alpaslan Meneys, Chairman, Mirror Technical Committee ISO 31000, Turkey</td>
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<td>13. Peter Morfee (Ministry of Economic Development, New Zealand)</td>
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<td>14. Mikhail Rogov (RusRisk, RusHydro, Russian Federation)</td>
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<td>15. Paul Taylor (Federation of European Risk Management Associations (FERMA), United Kingdom)</td>
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<td>16. Simon Webb (The Nicholas Group, United Kingdom)</td>
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<td>17. Department of technical regulation and accreditation of the Eurasian Economic Commission (Eurasian Economic Commission)</td>
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Until 2017 - briefly

Three recommendations approved:
- Recommendation R
- Recommendation P
- Recommendation S
- Recommendation on RM legislation didn’t make it to approval

The guidebook “Risk Management in Regulatory Frameworks: Towards a Better Management of Risks”

Training materials “Building risk-based regulatory frameworks”

Methodologies for running field projects

A lot of work on DRR

Field projects in more than 10 countries

Cooperation in RM with EU, ISO, OECD, IRGC, FERMA, PRMIA, UNIDO, Red Cross and others
## Plans for 2017 - accomplished

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<th>Fields and tasks</th>
<th>Results/Comments</th>
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<td>Finalizing a recommendation on the use of predictive risk management tools for prioritizing compliance procedures;</td>
<td>The recommendation was approved at the Annual Session of the Working Party.</td>
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<td>Running a face-to-face open meeting of the GRM: becoming an “on-demand” group</td>
<td>The meeting was held in February 2017, see document (...). Based on the results of the meeting, a new recommendation has been developed and submitted to the Working Party.</td>
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| 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. | A number of international organizations participated in the face-to-face meeting of the Group. |
The main deliverables - 2017

30 members and 7 webinars

Report on the meeting of the Group of Experts on Risk Management in Regulatory Systems on “Risk management in regulatory frameworks in support of Sustainable Development Goals”

Progress report on the activities of the Group of Experts on “Managing Risks in Regulatory Systems”

Recommendation T on “Standards and Regulations for Sustainable Development”
Methodologies and recommendations 2017

The first face-to-face meeting of the Group in Geesthacht, Germany (February 2017)

• A novel approach to using risk management tools within regulatory frameworks in support of the implementation of the Sustainable Development Goals of the United Nations Sustainable Development Agenda

A methodology and a recommendation

• Providing guidance to regulatory systems stakeholders on the use of risk management tools in regulatory frameworks in support of the implementation of Sustainable Development Goals

Developed a “train the trainers” module for teaching the GRM Methodology
Field projects 2017

• Supervised projects aimed at implementing the GRM recommendations within the fisheries sector in Namibia and Uganda
Cooperation 2017

A partnership for a “Risk Management advisory” on the online platform maintained by the United Nations Department of Economic and Social Affairs (UN/DESA)

Established cooperation with IEC and started a project aimed at building regulatory frameworks to address cyber-security risks

Established cooperation with the Eurasian Economic Commission

- conducted a videoconference and presented the GRM recommendations to the department of technical regulation and accreditation of the Commission.

Continued the activities of the taskforce on “UN cooperation” established under the ISO TC 292 on “Security and Resilience”
Plans for 2018

Finalizing a recommendation on the use of risk management tools in regulatory frameworks in support of SDGs

Developing recommendations on

- building risk-based regulatory frameworks to address cybersecurity risks (in cooperation with IEC).
- mitigating gender-related risks in standards development.
- building anti-bribery frameworks.

Promotion of GRM’s work, also through field projects and trainings

Establishing and strengthening liaisons with other risk management organizations
Recommendation T

Standards and regulations for sustainable development
The idea of the new recommendation

Inspired by the meeting in Germany

To provide the concept/methodology/assistance for improving regulatory frameworks in support of SDGs

To present regulatory frameworks as a major tool in the implementation of the SDGs
Introduction

• The social, economic and environmental dimensions of the Sustainable Development Goals (SDGs) and targets are currently covered by a very broad range of legislative and regulatory systems and jurisdictions.

• There exists a broad range of risks that could be effectively and efficiently managed within regulatory frameworks through risk management processes and regulatory standards, to contribute to secure the achievement of the SDGs and targets.

• Many technical standards, UN agreements and conventions, as well as other regulatory frameworks that are already in use are relevant to achieving SDGs.
The Working Party recommends

Regulatory authorities should use risk management tools – including voluntary standards to build the regulatory frameworks that are needed to operationalize the SDGs.

Regulatory authorities should use the risk management approaches that are based on standardized risk management processes and harmonized definitions.

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 can be applied to design processes.
A checklist: setting regulatory objectives

The SDG targets should be analyzed within the given national and international contexts.

Intersections and interdependencies among goals should be identified.

- The goal of any given SDG may depend on another SDG being reached
- Some interdependencies may – instead - complicate the simultaneous achievement of different goals and targets

Results of such analysis should be considered when establishing cooperation among regulatory authorities.
A checklist: risk identification and assessment

- Data-driven approaches in risk identification and assessment
- Stakeholder involvement is key
- Avoiding focusing on smaller risks that we know how to control - but focus instead on the big risks that threaten several SDG outcomes
- Current scientific knowledge through formalized and independent advisory processes
A checklist: regulation development

In case the implementation of an SDG requires regulatory intervention, regulations, standards and guidelines should be developed from the premise that “people want to comply”.

The mechanisms of implementation and awareness raising 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.
A checklist: market surveillance and enforcement

Enforcement is a necessary component of any regulatory system.

In the presence of regulatory failures - including high levels of non-compliance - instead of introducing new regulations - policy-makers would be well advised to analyse 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
A checklist: market surveillance and enforcement

Local market surveillance authorities and enforcement bodies play a vital role in the implementation of the SDGs

Responsible for enforcing all regulations, no matter by which authority and at which level it was set (e.g. including international regulations)
A checklist: market surveillance and enforcement

Focus on products/services/companies:
• Most threaten the implementation of the SDGs when non-compliant and
• Most likely to be non-compliant

Data-driven approaches/profiling non-compliance

Existing market surveillance processes
A new recommendation: what we expect

• Ensuring that regulatory frameworks linked to the SDGs will be identified

• Systematic risk management in regulatory frameworks: avoiding excessive and insufficient regulation within the SDG concept

• Managing risks that might threaten the implementation of the SDGs
A checklist: market surveillance and enforcement

When possible, predictive algorithms and data-driven approaches should be developed and used to support the existing qualitative methods as a prioritization tool that would allow enforcement authorities and regulators to focus their attention on products/businesses/activities that are dangerous when non-compliant.

These approaches should be used to complement the existing market surveillance processes.