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

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Item 5 (a) of the provisional agenda

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

WP.6 26th plenary mandated the secretariat and the coordinators to continue to report on an annual basis on its activities.

*Summary*

This document presents the main results achieved by the Group of Experts on “Managing Risks in Regulatory Systems” (GRM) as of September 2017, reports on the progress in the completion of its project plan and presents priorities and a plan of work for 2018. The names of individuals and organizations that participate in the work of the GRM can be found in the annex.

*Proposed decision:*

“The Working Party adopts the report of the GRM. It mandates the Secretariat and the coordinators to continue to report on an annual basis on its activities.

<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 (GRM) 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 of Experts 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 2017

4. The main priorities of the Group of Experts during the last year were: a) the development of new methodologies and recommendations, b) the implementation of the recommendations through field projects, and c) contribution to the work of other organizations. The 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) Developed a methodology and prepared a recommendation for approval by the Working Party (see document ECE/CTCS/WP.6/2017/8) aimed at 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.

The recommendation is based on the results of the first face-to-face meeting of the Group in Geeshacht, Germany (February 2017). The meeting worked on 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, in particular SDG 14 "Life under water". The background of the meeting, summaries of the discussions, and outputs, are described in separate report submitted to the Working Party for information (see ECE/CTCS/WP.6/2017/5).

(b) Based on the outcomes of the meeting,

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

(a) Supervised projects aimed at implementing the GRM recommendations within the fisheries sector in Namibia and Uganda.

(b) Registered 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. It aims at assisting regulatory authorities and standards development organizations in using risk management tools in support of the Sustainable Development Goals (SDGs) (see Annex 2).

(c) Developed a "train the trainers" module for teaching the GRM Methodology initially for the purposes of courses intended for regulatory stakeholders and trade support

institutions in Kyrgyzstan. The course will be available for other countries or regions following this pilot implementation.

**Contribution to the risk management work of other UNECE and Un intergovernmental bodies, international organizations and relevant stakeholders:**

- (a) Established cooperation with IEC and started a project aimed at building regulatory frameworks to address cyber-security risks.
- (b) 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.
- (c) Continued the activities of the taskforce on “UN cooperation” established under the ISO TC 292 on “Security and Resilience”.
- (d) Participation in the Oceans Conference in New York.

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

5. Since its establishment the Group’s most important accomplishments – organized under the same three priorities - 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) A specific recommendation, approved by the Working Party in 2016, 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 (Recommendation “S” “Applying Predictive Risk Management Tools for Targeted Market Surveillance”)
- (c) Published the guidebook “Risk Management in Regulatory Frameworks: Towards a Better Management of Risks”, available at: <http://goo.gl/ri6D5K>, and translated into Russian in 2014;
- (d) Developed 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);
- (e) Analysed of a number of legislative texts that regulate the electrical appliances sector in different jurisdictions from the perspective of the risk management framework (2013);
- (f) Finalized a draft of the recommendation on improving consistency of risk management legislation (2014);

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

(a) Developed 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):

- i. Building capacity by regulatory stakeholders to identify and manage the risks that confront the sector in which they operate
- ii. Promoting a shared vision by all regulatory stakeholders of optimal regulatory outputs proportionate to existing risks;
- iii. Developing action plans to fully implement the risk management methodology into a regulatory framework and to evaluate existing regulations against the identified risks.

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

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

- i. Established a 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”
- ii. Organized a workshop on “Disaster Risk Standards and Accountability for Business and Citizens” at the UNISDR Global Platform for Disaster Risk Reduction in May 2013;
- iii. Took part in the World Conference on Disaster Risk Reduction (WCDRR) in Sendai, Japan in March 2015 and organization of a Working Session on “Standards for Disaster Risk Reduction Including Building Codes” <http://www.wcdrr.org/conference/events/885>;
- iv. Established 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.
- v. Contributed an article on “Standards for 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)).
- vi. Published 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>;

(d) Applied 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) Provided comments on the EU general risk assessment methodology (Action 5 of the Multi-Annual Action Plan for the surveillance of products in EU).

(b) Took part in the review by the International Risk Governance Council (IRGC) aimed at comparing, contrasting and converging approaches to risk management and governance, specifically by participating in the Workshop on “Applying and Using IRGC Concepts” which took place in Potsdam on October 18th and 19th 2016.

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

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

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

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

(g) Established 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 2017, 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.

9. The Group held seven webinars between August 2016 and September 2017. Summaries of the discussions can be found in the webinars’ reports.

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

10. The following table provides information on when and how each of the tasks listed in the plan of work for 2016 (contained in ECE/TRADE/C/WP.6/2015/...) was performed and what the result was.

<i>Fields and tasks</i>	<i>Results/Comments</i>
Finalizing a recommendation on the use of predictive risk management tools for prioritizing compliance procedures;	The recommendation was approved at the Annual Session of the Working Party.
Running a face-to-face open meeting of the GRM: becoming an “on-demand” group	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

<i>Fields and tasks</i>	<i>Results/Comments</i>
Promotion of GRM's work, also through field projects and trainings;	for approval. 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.

## **VII. Priorities and the plan for 2018**

11. The main priorities for the GRM in the next year are as follows:

- (a) Finalizing a recommendation on the use of risk management tools in regulatory frameworks in support of SDGs;
- (b) Developing recommendations on:
  - i. building risk-based regulatory frameworks to address cybersecurity risks (in cooperation with IEC).
  - ii. mitigating gender-related risks in standards development.
  - iii. building anti-bribery frameworks.
- (c) Promotion of GRM's work, also through field projects and trainings;
- (d) Establishing and strengthening liaisons with other risk management organizations.

12. 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. Ronald Cormier (Fisheries and Oceans Canada, Canada)
  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)
  17. Department of technical regulation and accreditation of the Eurasian Economic Commission (Eurasian Economic Commission).
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