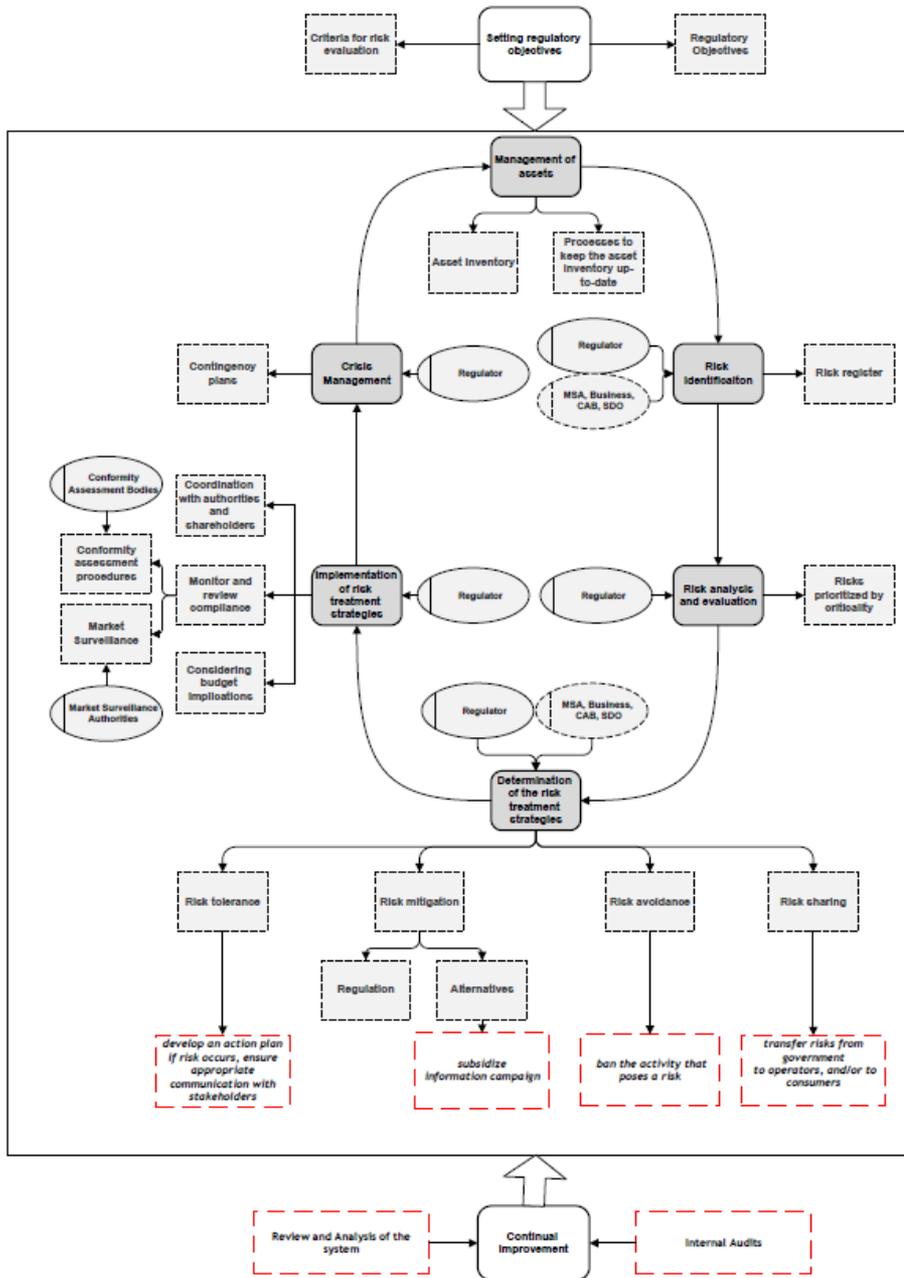
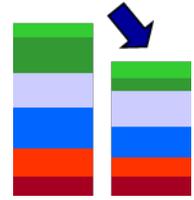


Applying the GRM Model

Donald Macrae

29th November 2017

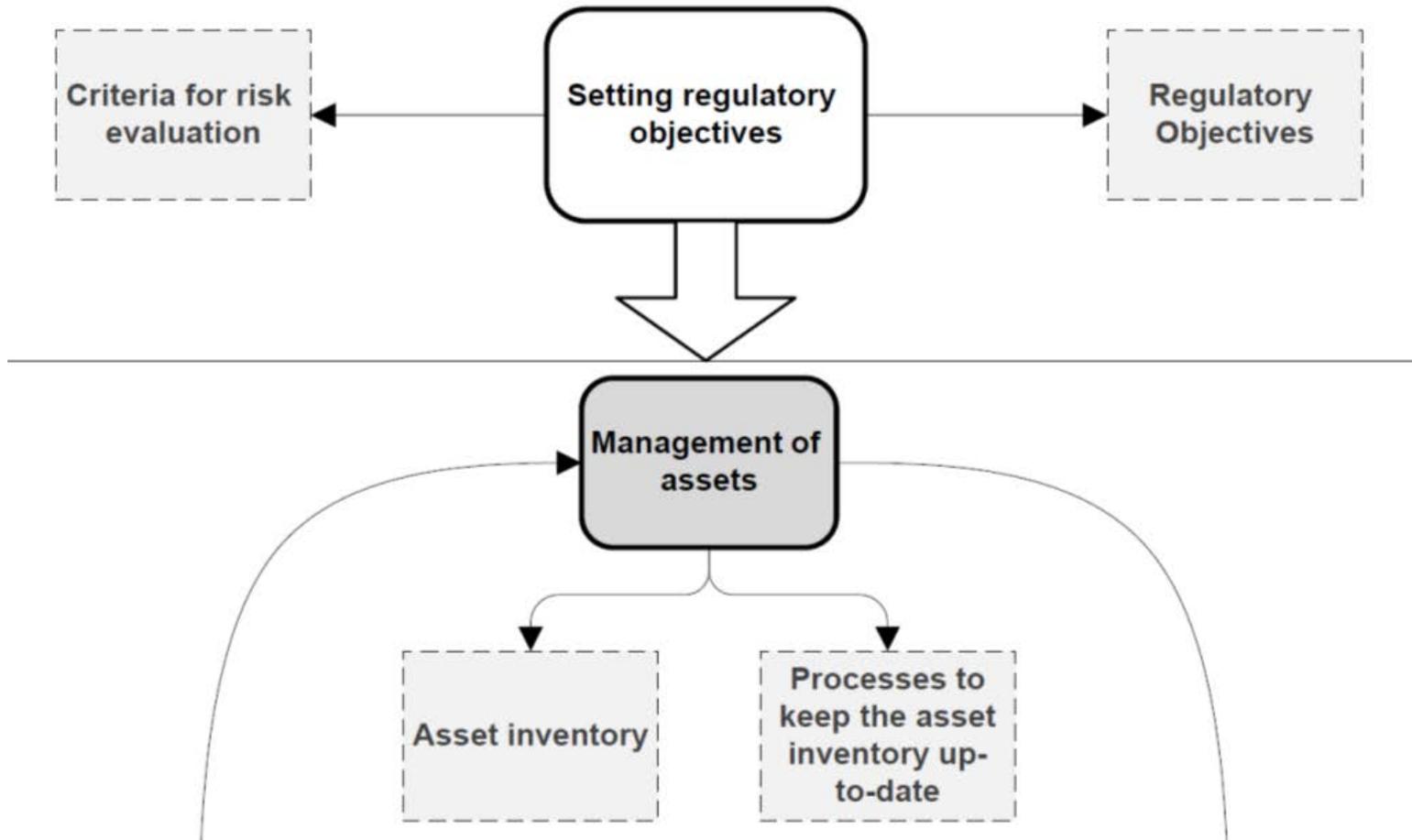
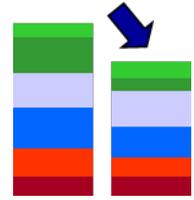
WP6, 27th Session, Geneva



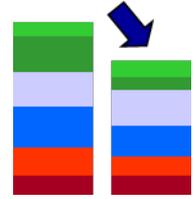
The UNECE GRM Reference Model

- Designed for regulatory frameworks.
- It works in regulatory frameworks.

The GRM Model, stage 1

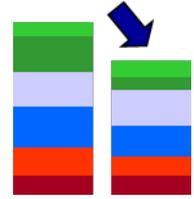


The start is where it often goes wrong!



- Many of the world's regulators have no clear idea of regulatory objectives, just process. At best, risk identification is about identifying non-compliance, not dangers.
- The starting point is identifying not dangers but what it is you want to protect. Then you identify what threatens that.
- The GRM model stresses the importance of being clear about what you value, which is connected with objectives – and lead to risk criteria.

Simple Example – Labour Safety



Value – human life and safety

Hazard – workplace accidents

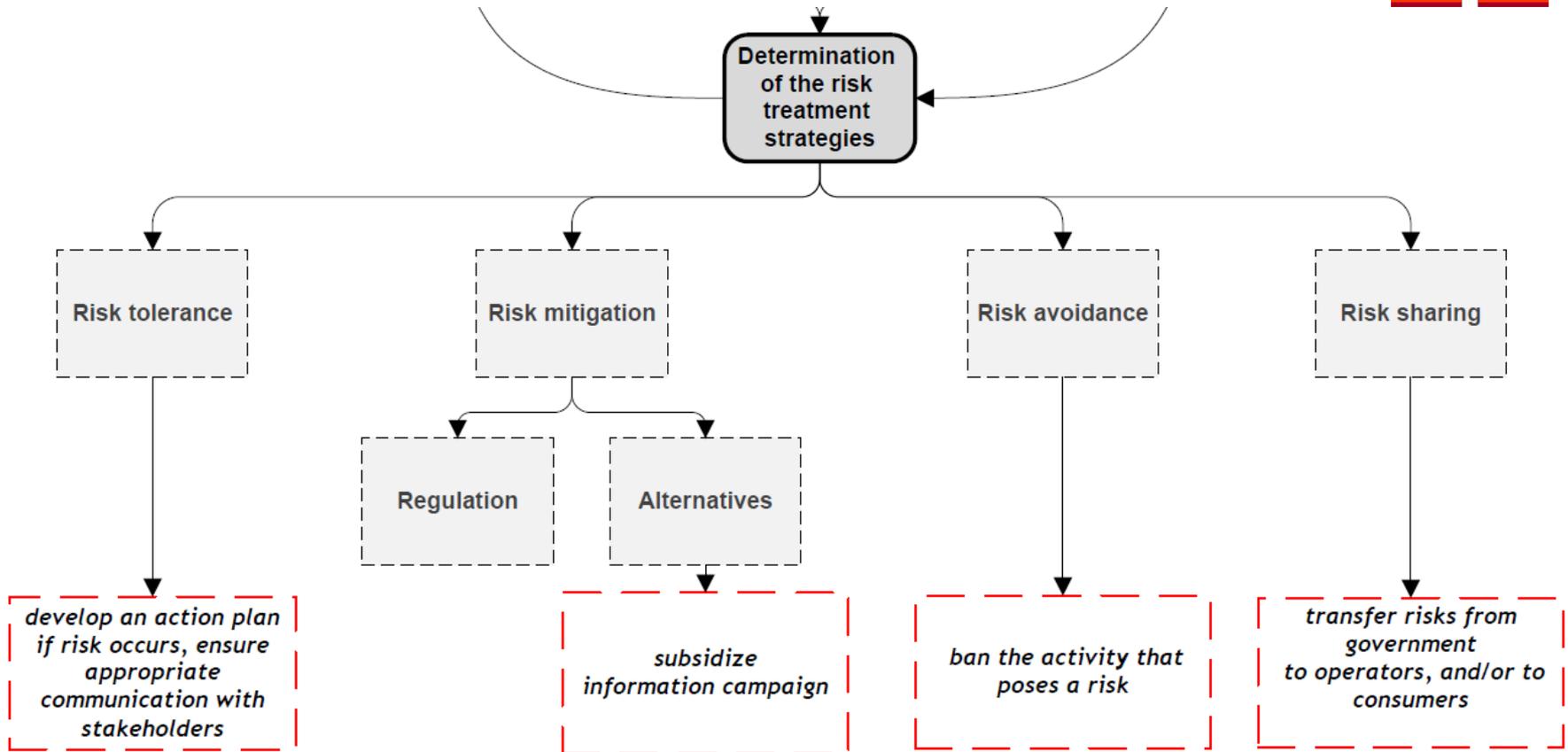
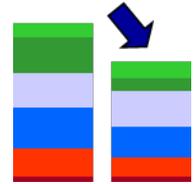
Risk – falling from height

Risk criterion – working at height.

So, a business that involves workers working at height presents a risk to be managed.

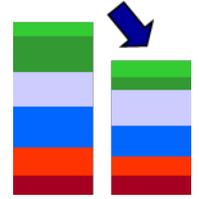


Stage 4, Risk Treatment Strategies



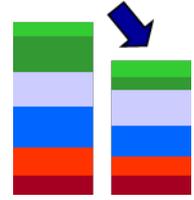
The four options - Tolerate, Mitigate, Avoid or Transfer

Regulators need to get out more!



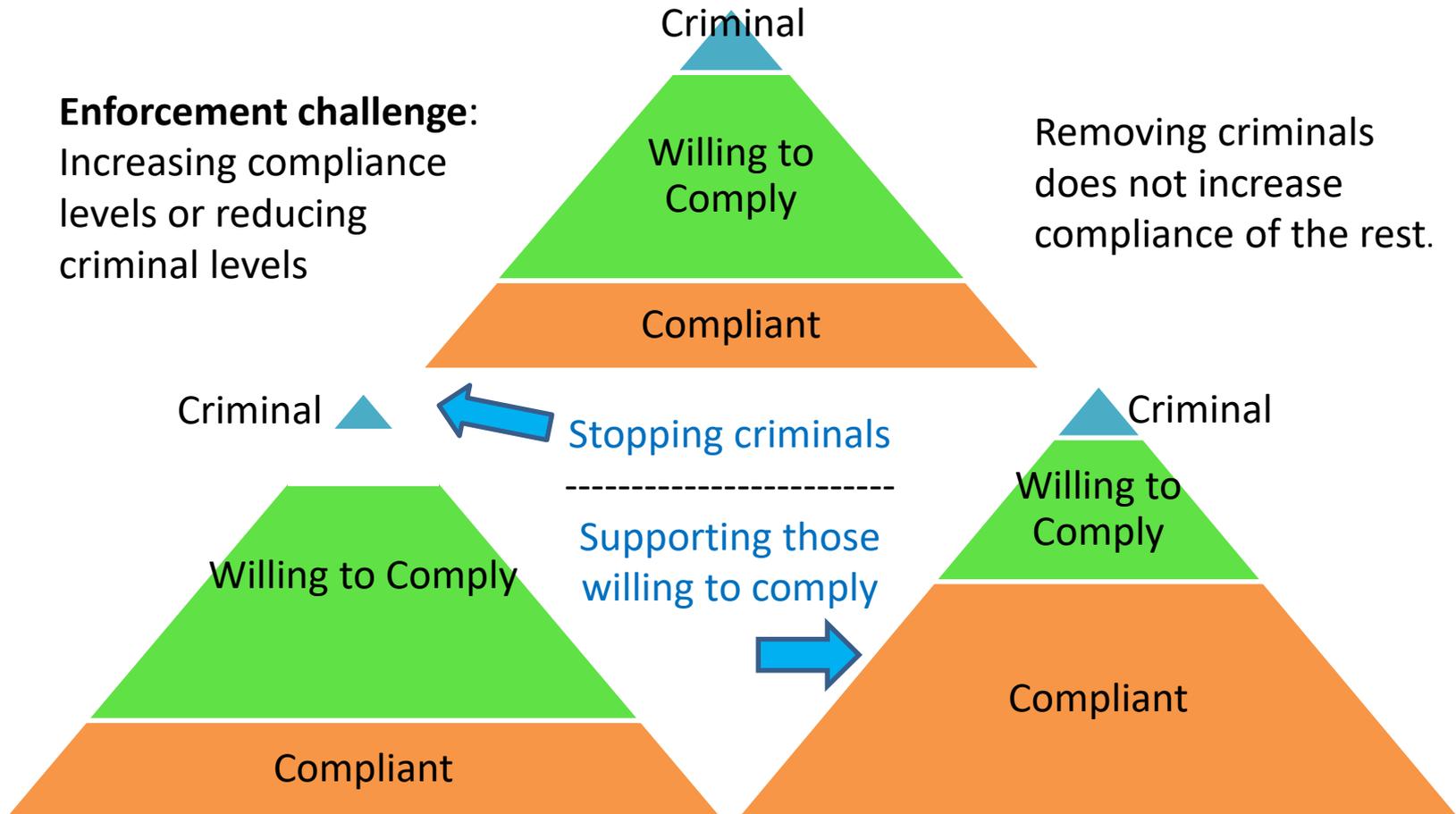
- Those regulators that only see process, rather than results, also only see one process – inspections leading to sanctions.
- But closing down a bad business does not create a good business.
- Some regulatory systems depend on enough businesses getting it right enough, in order to deliver the objectives.

Reducing bad behaviour or supporting good behaviour?

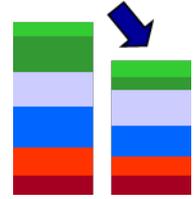


Enforcement challenge:
Increasing compliance levels or reducing criminal levels

Removing criminals does not increase compliance of the rest.



Stage 4, Risk Treatment Strategies



Tolerate



Share



Mitigate



Avoid



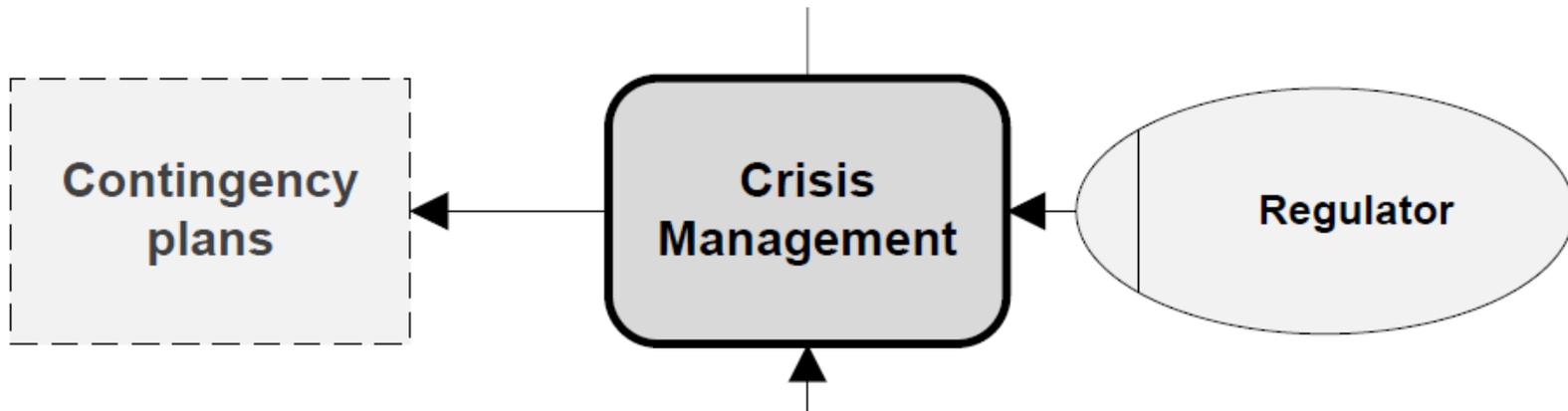
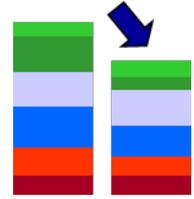
Robust enforcement of bans on products and activities

Risk-based inspection, based on High/ Medium/Low Risk objects

Compliance Management, Partnering with interested parties, e.g. willing businesses, consumers, insurers,

Tolerance Criteria, Self-regulation by Industry, Voluntary Standards, or deferring risk treatment to a later stage, e.g. contingency planning.

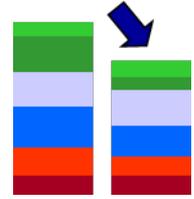
Stage 6, Crisis Management



Managing risk is not always about managing the future.

Often it is more efficient to plan for the future rather than try to change it. If it happens, you're ready. If it doesn't, you've used less resource.

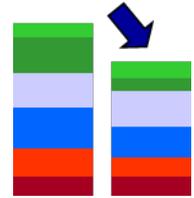
GRM Development – Recommendation T



Recommendation T builds partly on these strengths:

- Be more thorough in identifying the wider value (all SDGs) rather than just your own
- Widen the range of tools available to the regulator to deliver the regulatory objectives
- Build compliance on the basis that most businesses are willing to comply, rather than assuming confrontation





Thank you for listening

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