

GRM Progress Report 2011: What we did and what we didn't do

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Management in Regulatory Systems*

The approved plan of work

<i>Tasks and deadlines, as originally planned</i>	<i>Results/Comments</i>
Stage 1: Initiation	
Prioritizing areas of work (November 2010)	<p>In terms of processes, the list of priorities was approved only for 2011 due to uncertainty in future availability of resources. The GRM agreed to focus on the general recommendation and crisis management in regulatory systems.</p> <p>In terms of sectors, the GRM approved the following sectors as of high priority for 2012: toys, nursery equipment and cosmetics.</p>
Searching for members (January 2011)	Completed in March 2011. The list of members is available on the website of the Working Party, and as an annex to this document.
Designing the group's interactive website (January 2011)	Completed in February 2011. The GRM operates a website for internal exchange of information. A webpage on the Working Party website is devoted to the activities of the GRM and is used for external communication.
Developing a reference model for the areas approved as of the highest priorities (February 2011)	A general reference model was developed in April and approved in July 2011. Instead of developing reference models for specific processes, the GRM concentrated on integrating risk management into a regulatory system as a whole. A model for crisis management was developed and approved in July 2011.
Approving reference models within the group (March 2011)	
Fundraising (March 2011)	This task could not be completed as specified in the original plan. It will be relaunched after the annual

What we didn't do

- Fundraising



Main achievements and deliverables

- The main deliverables
 - Draft of the general recommendation “Risk Management in Regulatory Systems”
 - Draft of the specific recommendation “Crisis Management in Regulatory Systems”
 - Publication “Risk Management in Regulatory Systems: towards a better management of risks”

Main achievements and deliverables

- Membership
- Format of work:
 - Monthly webinars
 - Webinar reports
 - Interactive website
- Liaison membership in the ISO PC 262 “Risk Management
- Participation in the development of the OECD recommendation on Regulatory Policy and Governance
- Documents for the EXCOM approval

Broad and diversified membership

- 22 active members
- More than 10 countries
- Regulators, standardization bodies, private sector, conformity assessment bodies
- International organizations
- Academia

3. Mr. Alberto Alemanno (Associate Professor of Law, HEC Paris, France)
4. Mr. Lorenzo Allio (Independent Consultant on Regulatory Reform and Risk Regulation, and representative of the European Risk Forum)
5. Mr. Gabriel Barta (International Electrotechnical Commission)
6. Mr. Florentin Blanc (The World Bank Group)
7. Ms. Bo Yumin (National Accreditation Service for Conformity Assessment, China)
8. Mr. A.M. Dolan (University of Toronto, Canada)
9. Mr. Graeme Drake (Committee on conformity assessment, International Organization for Standardization ISO)
10. Mr. Valery Hurevich, (Belarusian State Institute for Standardization and Certification (BelGISS), Belarus)
11. Mr. Phil Kelly (Liverpool Business School, United Kingdom)
12. Mr. Kevin Knight (Chair, technical committee 262: Risk management, International Organization for Standardization)
13. Mr. Sean MacCurtain (Secretary, Committee on conformity assessment, International Organization for Standardization (ISO))
14. Mr. Peter Morfee (Ministry of Economic Development, New Zealand)
15. Mr. Massimo Polignano (Esaote, Italy)
16. Mr. Christophe Renard (Cotecna, Switzerland)
17. Mr. Mikhail Rogov (RusRisk, RusHydro, Russian Federation)
18. Mr. Dan Roley (Caterpillar, United States)
19. Mr. Marc Schaedeli (Group for Risk Management, Nestlé)
20. Mr. Paul Taylor (Federation of European Risk Management Associations (FERMA), United Kingdom)
21. Mr. Olivier Testoni (International Telecommunication Union)
22. Mr. Jan van Tol (Ministry of Interior and Kingdom Relations, Netherlands)
23. Mr. Simon Webb (The Nicholas Group, United Kingdom)
24. Ms. Carolyn Williams (Institute of Risk Management, United Kingdom)

Format of work: 7 Webinars

The screenshot displays a webinar interface with a purple-themed slide on the left and several control panels on the right. The slide content is as follows:

Contingency Planning

How to respond to risks that actualise and manage the lessons

Simon Webb – The Nichols Group

5 May 2011

The Nichols Group logo is visible in the top right corner of the slide area.

On the right side, there are three panels:

- Participants:** A list of attendees with their names and joining/leaving times.
- Table of Contents:** A table showing the duration of various activities.
- Video:** A video feed of Simon Webb, who is wearing glasses and holding a phone to his ear.

At the bottom of the interface, there is a progress bar showing the current time as 50:15 out of a total duration of 02:17:56.

Format of work: Webinar reports

<p>Report of the webinar</p> <p>Introduction</p> <p>The first webinar of the GRM was held on the 8th of March, 2011, to discuss the plan and organization of the list of priorities.</p> <p>The agenda and a recording of the webinar are available on the UNECE Wiki and WebEx websites.</p> <p>Moderator: Lorenza Jachia, Secretary of the UNECE WP.6</p> <p>Participants: Mr. Donald Macrae, Coordinator of the GRM; Mr. Alberto Allemano (HEC); Gabriel Barta (IEC), Ms. Catherine Crotty (Accreditation Service for Schools, UK), Mr. Kevin K. Morfee (Ministry of Economic Development, Canada), Christophe Renard (Cotec, ITU), Mr. Jan van Tol (Maastricht University), and Mr. Radaelli (University of Excellence, Institute of Risk Management)</p> <p>Brief summary of presentation</p> <p><i>Part 1: Setting the scene</i></p> <p>The Secretary of the UNECE Working Party 6 (http://www1.unece.org/rwp/working-party-6) and the agenda and recording of the webinar are available on the UNECE Wiki and WebEx websites.</p> <p>Moderator: Lorenza Jachia, Secretary of the UNECE WP.6</p> <p>Participants: Mr. Donald Macrae, Coordinator of the GRM; Mr. Alberto Allemano (HEC); Gabriel Barta (IEC), Ms. Catherine Crotty (Accreditation Service for Schools, UK), Mr. Kevin K. 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Inform the members of the GRM on the latest developments regarding the GRM comments on the OECD draft recommendation, to present the letter that was sent to the OECD on behalf of the GRM and to make sure that all comments of the GRM members have been taken into account; 5. Share information regarding government's activities in risk management; 6. Present the programme of the Annual Session of the UNECE Working Party 6 (31 October – 2 November 2011, Palais des Nations, Geneva) and of the Workshop "Traceability: A Tool for Managing Risks", which will be held during the Annual Session; to invite members of the GRM to participate in the Annual Session of the WP.6. <p>The agenda and a recording of the webinar are available on the UNECE Wiki and WebEx websites.</p> <p>Moderator: Lorenza Jachia, Secretary of the UNECE WP.6</p> <p>Participants: Mr. Donald Macrae, Coordinator of the GRM; Mr. Alberto Allemano (HEC); Gabriel Barta (IEC), Ms. Catherine Crotty (Accreditation Service for Schools, UK), Mr. Kevin K. 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Exchange information on the latest developments regarding the GRM comments on the OECD draft recommendation, to present the letter that was sent to the OECD on behalf of the GRM and to make sure that all comments of the GRM members have been taken into account; 5. To initiate the work of the GRM on the latest developments regarding the GRM comments on the OECD draft recommendation, to present the letter that was sent to the OECD on behalf of the GRM and to make sure that all comments of the GRM members have been taken into account; 6. Discuss how to share information regarding government's activities in risk management; 7. Discuss the programme of the Annual Session of the UNECE Working Party 6 (31 October – 2 November 2011, Palais des Nations, Geneva) and of the Workshop "Traceability: A Tool for Managing Risks", which will be held during the Annual Session; to invite members of the GRM to participate in the Annual Session of the WP.6. <p>The agenda and a recording of the webinar are available on the UNECE Wiki and WebEx websites.</p> <p>Moderator: Lorenza Jachia, Secretary of the UNECE WP.6</p> <p>Participants: Mr. Donald Macrae, Coordinator of the GRM; Mr. Alberto Allemano (HEC); Gabriel Barta (IEC), Ms. Catherine Crotty (Accreditation Service for Schools, UK), Mr. Kevin K. 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Websites: Confluence and WP.6

UN Workshop on Enterprise Risk Management

Dear Members of the GRM,

Thanks to Mr. Olivier Testoni from ITU, please find below the links to some of the documents that were presented at the UN Workshop on ERM.

The Workshop was held in June, 2011 and aimed at sharing experiences and exploring good practices across the UN in the field of Enterprise Risk Management.

Participants of the Workshop authorized sharing the following documents with the GRM:

1. [Presentaiton](#) "Risk Management in the Government of Canada: Reference Materials";
2. [Presentation](#) "Risk Management in Non-DoD (Department of Defense) U.S. Governmental Agencies and the International Communities";

From the Secretariat of the Treasury Board of Canada:

3. [A Guide](#) to corporate risk profiles (also available in [French](#));
4. Risk Management Capability Model - [a diagnostic tool](#) (also available in [French](#)).

We hope you will find this information helpful.

GRM Webinar on 15 July 2011: draft of the new recommendation, recording and the webinar report

Dear Members of the GRM,

We would like to once again thank you for your participation in the webinar.

Please find below the links to the presentations, drafts of both recommendations and the webinar report:

1. The [report](#) of the fifth webinar of the GRM;
2. [Introductory presentation](#) by Ms. Lorenza Jachia;
3. [Presentation by Mr. Valentin Nikonov|http://www1.unece.org/reg_coop/platform/download/attachments/327946/Webinar+15.07+General+Recommendation+1.1.pdf] on the General Recommendation;
4. Presentation "[GRM at the Annual Session](#)" by Ms. Lorenza Jachia;
5. Presentation on the [GRM comments on the OECD Draft Recommendation](#) by Mr. Donald Macrae;
6. Presentation on the [publication "Risk Management in Regulatory Systems: Towards a better Management of Risks"](#), by Ms. Lorenza Jachia;
7. [Presentation of the draft recommendation "Crisis Management in Regulatory Systems"](#), by Mr. Valentin Nikonov;
8. The [draft of the General Recommendation "Risk Management in Regulatory Systems"](#);
9. The draft of the [Recommendation "Crisis Management in Regulatory Systems"](#).

We will be looking forward to hearing your comments on the webinar report and on all other documents.

Please follow the [link](#) to listen to the recording of the webinar.

GRM Webinar on 17 June 2011: draft of the recommendation, recording and the webinar report

Websites: Confluence and WP.6

GRM highlights:

12 September 2011: The [UNECE Group of Experts on Risk Management in Regulatory Systems](#) has become a liaison member of the Project Committee 262 "Risk Management" of the International Organization for Standardization (ISO). The [ISO Project Committee 262](#) is currently developing guidelines for the implementation of the [ISO 31000 standard](#). The liaison membership will allow the UNECE GRM to participate in the standards development process, and will provide ISO/PC 262 with information on the most relevant needs of regulators and policy-makers.

01 September 2011: The GRM is happy to make available to the broad audience a copy of the translation of "Russian Risk Management Society (RusRisk, FERMA member) - HSE Moscow workshop" [Russian translation](#) of the risk-management related terms (listed in the ISO Guide 73:2009) and a [manifesto](#) "Financial Risk Management (FRM) and Enterprise Risk-Management (ERM) Convergence". In case you have any comments on the documents, please send them to grm@unece.org

29 August 2011: The GRM will participate in the meeting of [the ISO Project Committee 262 "Risk Management"](#). The Group hopes that the liaison membership (that the GRM applied for) on ISO/PC 262 would allow the UNECE GRM to better refer to and utilize ISO risk management standards in developing recommendations of the UNECE GRM, provide UNECE WP.6 delegates with information on the most recent developments in the field of risk management standardization, and to better promote the use of risk management tools in the work of regulatory stakeholders.

30 July 2011: At its webinar on 15 July 2011, the GRM approved the drafts of its first two recommendations. Two recommendations "[Risk Management in Regulatory Systems](#)" and "[Crisis Management in Regulatory Systems](#)" have now been submitted as official documents of the [21st Annual Session of the Working Party 6](#), the GRM parent body, and will be discussed at the Session. The Group has also decided to start developing a provisional plan and a methodology for running projects for implementing recommendations.

30 June 2011: [Members](#) of the UNECE Group of Experts on Risk Management in Regulatory Systems continued discussing the [draft of the General Recommendation](#) "Risk Management in Regulatory System" at its fourth webinar, which took place on 17 June 2011. The GRM will present the draft at the twenty-first session of the WP.6, which will take place on 31 October – 2 November 2011. The GRM also works on a recommendation on crisis management in regulatory systems: at the webinar the members of the Group discussed the use of alternative media in the situation of crises. The Group also approved business proposals for projects aimed at organizing trainings "Risk Management in Regulatory Systems" and a Forum related to specific risk events. Please see the [report of the fourth webinar](#) for details.

10 May 2011: At its third extended webinar, held on 5 May 2011, the Group of Experts on Risk Management in Regulatory system decided to initiate developing a specific recommendation on crisis management in regulatory system. The Group continues its work on developing a general recommendation "Risk Management in Regulatory Systems" and currently aligns the existing reference model with the concepts and terminology of ISO 31000:2009. Please see the [report of the third webinar](#) for the details.

10 April 2011: Members of the UNECE Group of Experts on Risk Management in Regulatory Systems from Australia, Belarus, China, Switzerland, the UK and other countries gathered at the second webinar of the GRM on 7 April 2011. The Group discussed the development of a general recommendation on application of risk management tools in regulatory work, approved its list of priorities and decided to organize a discussion related to crisis management in regulatory systems. Please see the report of the [second GRM webinar](#) for the details. The Group agreed on the agenda of the third webinar which will be held back to back to the WP.6 Annual Planning Meeting on 5 May 2011.

GRM general background information:

Liaison membership in the ISO PC 262 “Risk Management”

- The Project Committee was set up to develop ISO 31004 *Risk Management – Guidance for the implementation of ISO 31000*
- The GRM
 - Applied for liaison membership in ISO/PC 262
 - Participated in the first meeting of the Committee in London, in September 2012
 - The liaison membership was approved
 - Will provide input to the new standard

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POUR L'EUROPE

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21 June 2011

Dear Mr. Bounds, dear Mr. Malyshev

Thank you for your letter
Recommendation on Regulatory Policy

On behalf of the Group of Experts
(UNECE GRM <http://live.unece.org/trade/wp6/welcome.htm>)
United Nations Economic Commission for Europe
Cooperation and Standardization
<http://live.unece.org/trade/wp6/welcome.htm>
regarding the Draft, in particular on

We fully support the recommendation on regulatory risk management tools in the regulatory system. Risk management in regulatory systems would increase the level of risk management and thus lead to better and more convergence in achieving the objectives of both O

Also, as requested, we would like to provide the following:

1. The appropriate scope for regulation could be made broader than it is said, regulation is often developed. It would be beneficial for a recommendation that states the process that would systematic

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- development of a regulation, being a process of a "high management point of view, developing a regulation is one of a more general risk management process that runs through
2. Also, it would be helpful if the recommendation provides benchmarks that can be used to assess the quality of the risk
 3. 'Risk-based' collaboration among regulators and organizations. "pre" and "post" market control is crucial for efficient regulatory systems. For example, market surveillance, a control, not only helps to ensure compliance with regulations, but also provides important information. The role of conformity assessment bodies performing pre-regard is similar and not less important. We believe that risk these stakeholders should be clearly specified in the recommendation. collaboration in the risk management process be supported
 4. The description of functions of the risk management process:
 - a. Include 'the full risk management cycle', e.g. "control" function, since it is an important function of any risk
 - b. Provide more details on available risk management (tolerance, sharing, etc.);
 - c. Be aligned with terminology and approaches used in management standards, such as, e.g. ISO 31000.
 - d. Specify which regulatory stakeholders participate in the functions of the risk management process, communication among regulatory stakeholders, effective risk management and for developing regulations.
 5. Another important issue raised in the recommendation is "developing risk management guidance". Within a government a unit in place responsible for the alignment of risk management applied by various regulators. Also, the government should

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- to implement the guidelines, to evaluate their effectiveness (with participation of all the stakeholders) and to take appropriate measures to improve the guidelines.
6. To answer the question regarding managing systemic risk, a government needs in the first place to define what is a systemic risk within any given regulatory system, and to assign responsibility for the management of systemic risks. International regulatory cooperation in this domain should be reinforced.
 7. We believe that in the phrase "Governments should develop guidance on the methodologies for risk assessment, management and communication concerning the use of regulation to achieve public and environmental protection", "public and environmental protection" should be replaced with "regulatory objectives (including environmental, consumer protection, etc.) without hampering economic development and trade".

One approach for building regulatory systems based on the risk management process is described in the draft of the UNECE WP.6 recommendation "Risk Management in Regulatory Systems", which you can find attached. We believe that considering this document in finalizing OECD recommendation, as a reference or as additional source of insight, would allow OECD to address all the comments specified above and to broaden the recommendation leading to a better understanding of the role of risk management by regulatory stakeholders. At the same time, it will help OECD to provide its clients with a practical tool to successfully implement systemic risk management in their regulatory systems.

We would also like to especially support the recommendation 12 on international regulatory cooperation. UNECE WP.6 developed and implements Recommendation "L", which describes international model which sets out practical tools for promoting convergence in technical regulations. This recommendation is applied in several areas including earth-moving machinery, telecom, equipment used in explosive environments, and others. Other sectors of priority for regulatory cooperation have been identified by the GRM as follows: toys, medical equipment, and cosmetics.

We would be happy to provide you with any additional information on the comments and views presented above, and also on the work of the UNECE Group of Experts on

Other business

- EXCOM – documents to approve the Group
- Publication

Future plans

<i>Task</i>	<i>Deadline and expected Results/Comments</i>
Stress-testing recommendations and reference models	January 2012
Applying recommendations to perform legislation analysis in the sectors considered as of high priority	The task will imply analysing consistency of risk management application in the existing legislation.
Performing the field work:	June 2012
<ul style="list-style-type: none"> • Fundraising; • Running risk forums and trainings (see para 12); • Preparing reports on best practice and problems to be solved. 	Organizing risk forum and trainings can be perceived as first steps in projects for implementing of the recommendations. It will allow presenting the reference models and analyzing the changes (to the model or to the process) with stakeholders.
Developing specific recommendations (on how to perform risk management functions, such as risk identification, risk analysis and evaluation, etc.)	July 2012
	Each function of the risk management process can be a subject of a specific recommendation (similarly to one on crisis management in regulatory systems).
Running pilot implementation projects	September 2012
	Implementation projects imply performing an analysis and an audit of a regulatory system in a given sector, GRM recommendations being audit criteria.
Updating the recommendations and intergroup approval	October 2012
Approving recommendations	November 2012
Stage 4: Promotion and implementation, November 2013	
Promoting the recommendations	November 2013
Presenting the feedback	November 2013