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COMMITTEE ON TRADE

Working Party on Regulatory Cooperation and
Standardization Policies

Nineteenth session
Geneva, 24-26 November 2009
Item 3 of the provisional agenda

INTERNATIONAL CONFERENCE ON RISK ASSESSMENT AND MANAGEMENT

Provisional programme

Note by the secretariat^(*)

1. At the eighteenth session of the Working Party, delegations expressed interest in exploring the issue of risk assessment and management in the context of standards and technical regulations (ECE/TRADE/WP.6/2008/18, para. 21).
2. The International Conference on Risk Assessment and Management that will be held on 24 and 25 November 2009 at Geneva, will aim at: (a) creating increased awareness of how risk permeates economic activities and of how a positive attitude towards risk is fundamental to economic and social development; (b) offering a better understanding of the tools that are available to manage the risks; (c) sharing best practice on how these tools can be used to increase the efficiency and effectiveness of standards, technical regulations, certification and conformity assessment options and market surveillance actions; and (d) promoting the view that business and authorities are partners in managing the risks on the markets.

^(*) The present document has been submitted after the official documentation deadline by the Trade and Timber Division due to resource constraints.

3. The provisional programme (see annex) is submitted to the Working Party for information. Delegates are invited to consult the Conference website for updates: http://www.unece.org/trade/wp6/documents/2009/2009_ConferenceRisk.htm

I. BACKGROUND

4. Risk management – even long before the term was invented – has always been a companion to social and economic development. Examples of how societies organize to shield from potential hazards include the invention of vaccination, the development of the insurance industry, but also dams, fire brigades and weather forecasts.

5. A large part of human-made risks relate to products, processes and production methods. These risks directly affect the markets for consumer goods, as well as the workplace. Recent years have been marked by scores of poorly managed hazards resulting in loss of human and animal life, economic loss and environmental degradation.

6. When, then, is intervention in the management of risks warranted? One key distinction is between risks that will remain internal to an economic organization and those that may have undesirable effects on society in general and consumers or workers in particular. The first only affect business efficiency, leading to additional costs and/or decreasing the effectiveness of processes. The second have a sizable impact on safety and health and require proper responses.

7. The responses may come from public authorities, businesses, consumers and other stakeholders. Public authorities set out policies – for example, public information campaigns on nutrition – and they also develop and implement laws, administrative measures and technical regulations.

8. Businesses develop and implement product and procedural standards, including standards that focus specifically on the management of risks (enterprise risk management systems, occupational health and safety, environmental management) to systematically mitigate the risks that may affect, for example, the quality of products and thus their own brands and reputation.

9. Consumers are also taking an increasingly active role. Several magazines and television programmes, as well as Internet forums, compare similar products from competing brands.

10. At the same time, guaranteeing absolute safety is neither possible nor indeed desirable. Risk and economic development are deeply intertwined: uncertainty is inherent to entrepreneurship, and without risks, there would be no profits. In order to find the right balance between profitability and safety, professional risk management is required at all levels, including for governmental authorities.

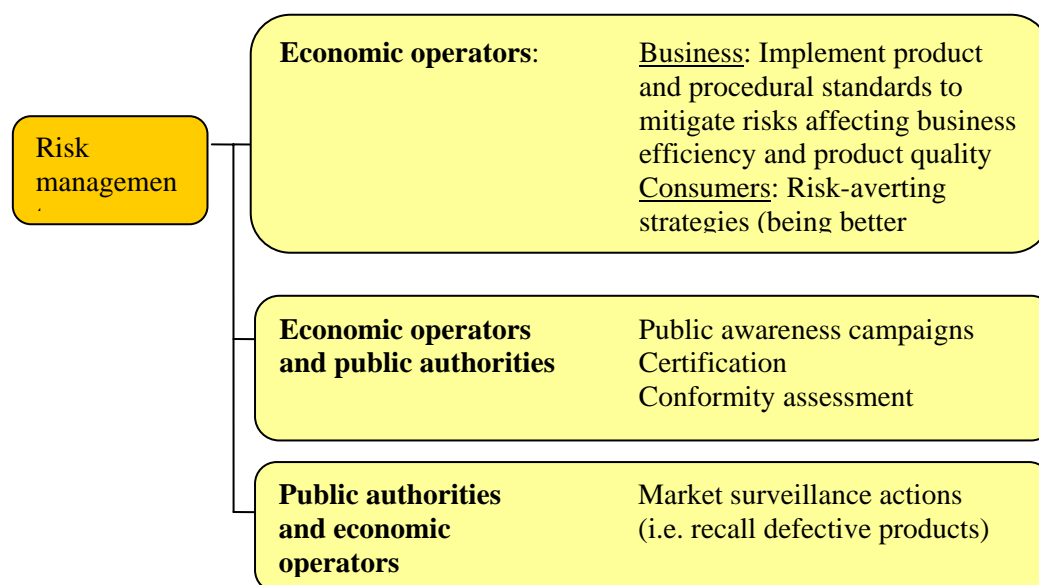
11. In any accident – from the Chernobyl catastrophe to a minor car accident or a product that fails to meet quality requirements – there is always something that leads to the undesirable event. This may be a human error – e.g. failure to follow safety guidelines - a lack of training - e.g. an incompetent driver - or insufficient business processes – e.g. poor quality control. Although there are many risks that we cannot influence, there are still many things that can be managed and changed.

II. ROLE OF TECHNICAL REGULATIONS AND NORMS

12. One important response to risks is laws, administrative measures and technical regulations, complemented by voluntary standards and norms. These are developed by authorities or by standardization bodies with the goal of changing the behaviour of economic operators. Taken collectively, these tools contribute to making products safe, organizations' processes stable and consumers better protected from hazards.

13. Standards and technical regulations are risk mitigation tools or, in other words, tools that help to minimize the probability and impact of a risk. For this reason, risk assessment and management is of critical importance in shaping an efficient regulatory framework.

14. Technical regulations and standards may address either specific types of risk - e.g. risks that occur within a particular business sector - or risks that are systemic - occurring in all economic processes. This second category of standards and technical regulation is a very broad one and includes those that require economic operators to implement processes necessary to ensure risk management.

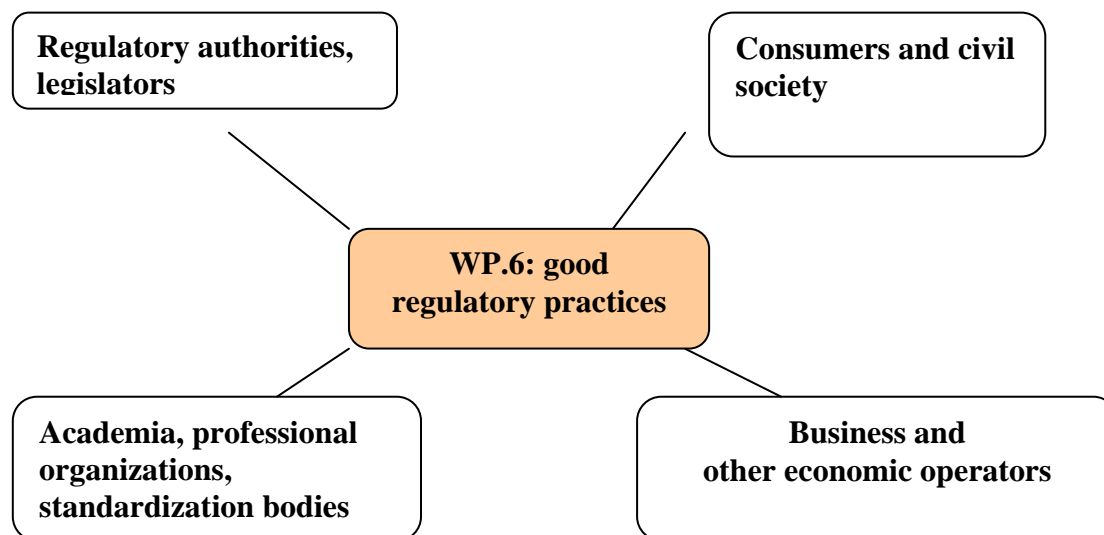


III. BRINGING NORMS AND STANDARDS TO THE WORKPLACE AND ON THE MARKETS FOR CONSUMER GOODS

15. Whatever their nature, standards and technical regulations will have no effect unless they are properly implemented. Certification, registration, and conformity assessment are among the tools used by Governments and economic operators to ensure compliance with technical regulations and standards before the product is placed on the market.

16. Market surveillance activities have the same objective, but are performed when products are already on the market. These activities - which require active cooperation with economic operators - include inspections of sales points and testing of products on sale, withdrawal from the market of goods found not to be in conformity with the regulations, and the destruction of unsafe products, among others.

17. Risks can best be managed when business operators, governmental authorities and other stakeholders work together effectively. Authorities and businesses have a shared interest in professionally managing risks - including in particular those that may have an impact on consumers and workers - though they have different roles in this process.



18. The role of the Working Party on Regulatory Cooperation and Standardization Policies (WP.6) and the added value of the international Conference is to discuss the interaction among the players involved with risks related to products, processes and production methods. The focus of the Conference will be on one of the tools available to mitigate risks, technical regulations and standards, and their implementation.

19. The expected outcomes of the Conference are:

- (a) Creating increased awareness of how risk permeates economic activities and of how a positive attitude towards risk is fundamental to economic and social development;
- (b) Offering a better understanding of the tools that are available to manage the risks;
- (c) Sharing best practice on how these tools can be used to increase the efficiency and effectiveness of standards, technical regulations, certification and conformity assessment options and market surveillance actions;
- (d) Promoting the view that business and authorities are partners in managing the risks on the markets.

Annex

PROVISIONAL PROGRAMME*

Conference on Risk Assessment and Management
to be held on 24 and 25 November 2009 at the Palais des Nations, Geneva

OPENING SESSION: KEYNOTE SPEAKERS

Risk assessment and management for economic and social development

Executive Secretary,
United Nations Economic Commission for Europe

A toolbox of standards to manage risks in the workplace and in daily life

Secretary-General,
International Organization for Standardization

Risk management as a shared responsibility: what role for WP.6?

Chairperson,
Working Party on Regulatory Cooperation and Standardization Policies

SESSION 1: APPROACHES TO RISK-BASED REGULATION: OPTIMIZING THE COST OF SAFETY

If a risk is of low impact or is improbable, a regulatory action is not needed. However, true proportionality between technical regulations and the risks they set out to mitigate can only be achieved through a systematic approach. The key instruments here are risk identification and assessment within the context of regulatory impact assessment (RIA) and more generally of good regulatory practices.

Imposing a new technical regulation and developing new standards are projects with a high degree of uncertainty, which also requires sound risk assessment and management.

Speakers in this session will address the following questions:

1. Risk analysis and management in the development and implementation of standards (especially as regards technical requirements)
2. Proportionality between risks and regulatory responses

* As of 15 September 2009.

For updates, please visit http://www.unece.org/trade/wp6/documents/2009/2009_ConferenceRisk.htm

3. Risk analysis as a tool for determining the need to regulate and the object of regulation
4. Development of a methodology for the interpretation of essential safety requirements in technical regulations through reference to harmonized standards
5. What level of safety should be set as a sensible regulatory goal? Can application of risk management in technical regulation help optimize the costs of safety?
6. How can regulatory authorities optimally manage risks internal to their own organizations?
7. How can business and regulators work together to achieve better regulations at the sectoral level?

Part A: Better regulations: sharing best practice

Scientific evidence and risks based regulation in the work of the WTO TBT and SPS Committee and as the basis for good regulatory practices:

Counsellor,

Trade and Environment, Secretariat of the World Trade Organization (WTO)

Achieving better regulatory quality: what tools can assist regulators in preparing better rules?

Economist/Policy Analyst,

Regulatory Policy Division, Public Governance and Territorial Development Directorate

Organisation for Economic Co-operation and Development (OECD)

Proportionality between risks and regulatory intervention: the experience of the European Union

Policy Officer,

Unit I/2-International Regulatory Agreements, Toys Safety, Corporate Responsibility

DG Enterprise and Industry (EC)

Determining appropriate levels of regulatory intervention: the experience of the Association of Southeast Asian Nations (ASEAN), New Zealand and Australia (pre-recorded video)

Principal Technical Advisor/Senior Policy Advisor,

Ministry of Economic Development - New Zealand

Response with responsibility: policy-making for public risk in the 21st century

Risk and Regulation Advisory Council (RRAC) – United Kingdom

System of technical regulation and standardization as an object of risk management

Director, Belarusian State Institute for Standardization and Certification,

Representative of the Belarusian National Technical University, Belarus

Part B: Better regulations at the sectoral level: the dialogue with business and academia

Risk-robust systems for large-scale economic and energy systems

Representative of the International Institute for Applied Systems Analysis (IIASA) and Russian Academy of Sciences

Use of new technologies for reducing risks within business in the energy industry

Representatives of E.ON Ruhrgas AG, Gas Technology Competence Centre

SESSION 2: MARKET FOR CONSUMER PRODUCTS: WHAT ROLE FOR RISK MANAGEMENT STANDARDS?

Hazards that affect markets for consumer products and cause widespread alarm by the general public are generally the by-product of failures within the economic operators' internal control systems. A number of risk management standards have been widely implemented by the industry, with the stated goal of mitigating risks of the markets.

This session will review the most important tools available to economic operators and their track record, and discuss how they could be used to reinforce cooperation between business and authorities for enhanced consumer safety.

Speakers will be asked to address the following questions:

1. Which risk management standards have been used the most by the industry? Have they been effective in mitigating risks? What are their weak points?
2. Which standards are currently being developed?
3. Should there be a certification process for risk management?
4. Can risk management standards be the basis for a renewed and strengthened cooperation between the authorities and the industry?
5. Can authorities directly use these standards as part of their internal controls? In what ways?

Practical implementation of standards including BS31100: risk management - code of practice

Development Manager,
Institute of Risk Management (IRM)

How can management systems standards contribute to mitigate business risks?

Managing Director,
Growth Trajectory Consulting Company

Risk management in ISO 9000 series of standards

Principal Auditor,
“Test-Saint-Petersburg” Co Ltd

Standards for management of technical risks and their applications

Deputy Director, Vniinmash

Weak points in risk management within companies

Chief Operations Officer,
Professional Risk Managers' International Association

Risk management standards for nonprofit organizations: challenges and opportunities

Executive Director,
Nonprofit Risk Management Center

How can risk assessment standards be used to strengthen cooperation between business and authorities?

Director of Risk Assurance, Morgan Crucible Company and
Federation of European Risk Management Associations (FERMA)

**SESSION 3: IMPLEMENTING TECHNICAL REGULATIONS: RISK
MANAGEMENT FOR CONFORMITY ASSESSMENT,
CERTIFICATION, AND MARKET SURVEILLANCE**

Governments face the challenge of ensuring that products on the national markets are safe. Yet, they have scarce resources to devote to controls, and the products on the market are ever more complex and diverse.

Risk management tools can be used effectively to ensure that the controls put in place by market surveillance authorities and conformity assessment bodies are planned to minimize costs and ensure the desired objectives in terms of consumer safety.

Of particular importance is the correct management of risk communication tools to ensure an effective relay of responsibilities between authorities and economic operators, as well as among the different market surveillance authorities that are responsible for different economic sectors, or different regions within one country. Risk communication is also fundamental to the exchange and consolidate data on risks at the international level.

Speakers will be asked to address the following questions:

1. Which risk assessment and management tools can be used in choosing among various conformity assessment options?
2. How can risk management improve the planning of proactive market surveillance actions?

3. How can risk management help reduce the costs of market surveillance actions?
4. What is the best practice in risk communication, as regards in particular gathering data about risks, distributing information, coordinating responses?

Evaluation, communication, participation - theory and practice of risk communication

Head of the Department Risk Communication
Federal Institute for Risk Assessment, Germany

How can risk management tools be used in conformity assessment?

General Director, AFNOR Rus

Effective risk communication: what tools can market surveillance authorities' use?

(Topic and speaker to be confirmed)

Enhancing Market Surveillance through Best Practice (EMARS)

Effective market surveillance systems and risk management: a business perspective

Senior Adviser,

European Engineering Industries Association representing the interests of the Mechanical, Electrical, Electronic, Metalworking and Metal Articles Industries (Orgalime)

Risk management at the company level: taking responsibility for products safety

Head of Human Pandemic Task Force/Risk Management, Nestlé

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