

Joint ITC-UNECE Guide on Risk Management for border agencies

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History

- ITC sent the first draft in May 2019
- The GRM reviewed the Guide: opportunities for improvement
 - Consistent description of the risk management methodology
 - Highlighting the importance of international trade for the SDGs
 - Brining together sustainable development, international trade and risk management
 - Highlighting the role of product regulators and the need for integration
- New structure of the Guide approved in March 2020
- Work in progress

Facilitating trade for business through integrated risk management

Guide for border regulatory agencies

Addressing the risks to sustainable development: ensuring efficiency and safety of international trade

A guide for integrated risk management at the border

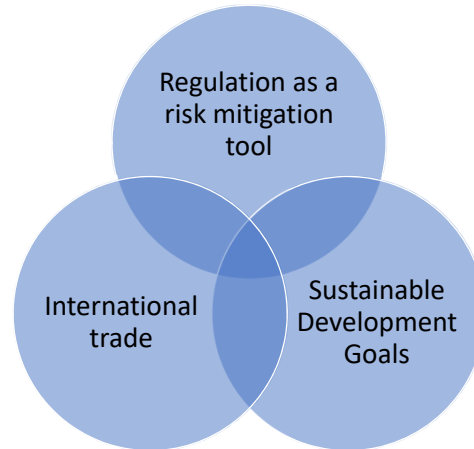
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Chapter 1: Risk management for trade facilitation and sustainable development

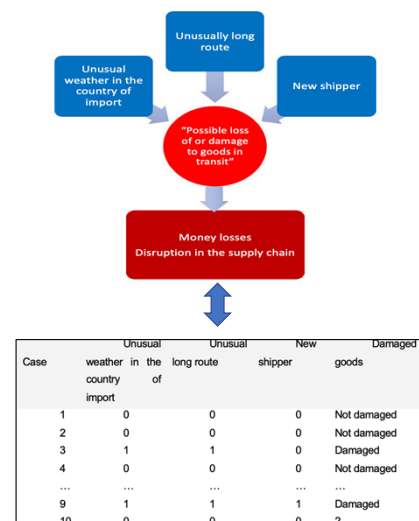
- Risk management for trade facilitation and sustainable development
 - The need for building risk-based regulatory systems in support of the SDGs
 - Risk management in trade facilitation
 - How this publication helps achieving the SDGs



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Chapter 2: Tools for choosing best actions in response to risks

- What is a risk?
- Developing a model of a risk
 - Formalizing a risk event
 - Evaluating the consequences
 - Identifying risk factors, vulnerabilities and sources of risk
 - Measuring the uncertainty: assessing the likelihood and probability
- Developing a data model of a risk
- Objectives of risk management and tips for choosing best actions in response to risks
 - Strategy
 - When it is the best response
 - When it is not the best response
- Risk management process



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Chapter 3: Guidelines for building risk-based regulatory frameworks in support of sustainable development

- Turning the SDGs into regulatory objectives and defining the risk criteria
- Identification and assessment of risks to SDGs
 - All sources
- Prioritizing risks to SDGs
- Building regulatory frameworks in response to risks
- Regulation as a risk mitigation tool
- Challenges of market surveillance and enforcement: regulatory requirements, dangerous and compliant products

SDGs and targets	Objectives of Food Safety Regulatory Framework	Objectives of Transport regulatory framework	Objectives of agricultural regulatory system
End poverty in all its forms everywhere	Ensure the availability of food for poor and vulnerable.	Ensure availability of transport for the poor and the vulnerable. Create working places.	Resilience for shocks (climate and economic).
End hunger, achieve food security and improved nutrition and promote sustainable agriculture	Increase trade in food.	Support creation of work places. Ensure efficient transport of food products.	Support new farms and economic operators in agriculture.
Ensure healthy lives and promote well-being for all at all ages	Safety of food. Safety of imported food.	Reduce emissions.	Reduce the use of pesticides.
Ensure inclusive and equitable quality education	Food in schools.	Transport to schools.	Support education in agriculture.
Achieve gender equality and empower all women and girls	Ensure gender equality in regulated businesses.		
Ensure access to affordable, reliable, sustainable and modern energy for all	Ensure sustainable use of energy in the regulated businesses.		

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Chapter 3: Guidelines for building risk-based regulatory frameworks in support of sustainable development

Risk treatment strategy	Interpretation of the strategy on a regulatory system level	Example
Risk avoidance.	Banning activities or processes where the risk can occur.	Banning the import of fruits and vegetables. Banning the use of pesticides in local production.
Sharing the responsibility for managing the risk.	Sharing the responsibility for managing the risk, including bearing responsibility if it occurs, to economic or social actors.	Making economic operators responsible for the risk. ¹⁰
Mitigating the risk.	Developing a regulatory or non-regulatory response to reduce the probability and the expected impact of a risk. Risks that are above the tolerable level should be addressed by regulatory authority.	Imposing a regulation aimed at controlling the level of pesticides in products.
Tolerating a risk.	In a regulatory context, tolerating a risk means that the regulators	Preparing a plan for the case the risk occurs.



Consequences (Probability)	Never happened before or statistical probability <0.1 or experts say "will never happen"	Happened less than 10 times last year or Statistical probability >0.1	Happened more than 10 times last year or Statistical probability >0.5 or experts say "Will definitely happen"
Food is/becomes unavailable to large populations of poor and vulnerable, or decrease in trade more than 50%, or death or group poisoning, or SDG not achieved		"Pesticides in plant products will cause non-acute poisoning".	"Systemic shortage of essential products".
Food is/becomes unavailable to less than half of the poor and vulnerable groups, or decrease in trade less than 50%, or poisoning involving more than 20 consumers, or heavy impact on at least one SDG	"Consumers will be exposed to contaminated food"; "Food importers make an agreement with to simultaneously raise prices"	"Increase in food prices".	
Several cases, when food is unavailable to poor and vulnerable, no growth in trade, poisoning involving less than 20 consumers, no impact on SDGs.	III (Tolerable risks)	III (Tolerable risks) "Devaluation of the local currency"	

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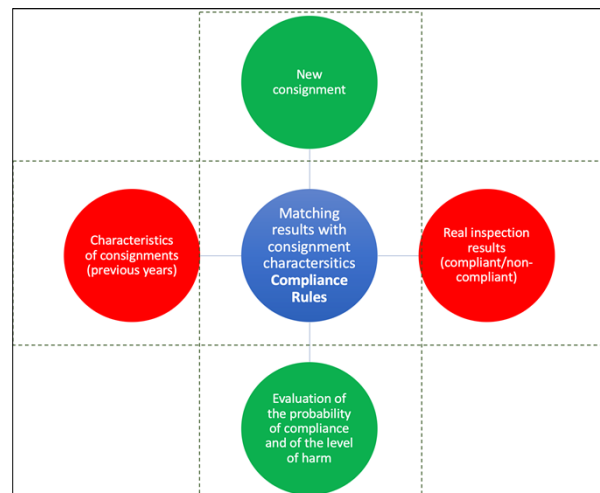
Chapter 4: Risk management in international trade

- International trade and regulatory systems
- Growing level of uncertainty within the international trade system
- Risk management principles of the international trade agreements
- Types of risks within an international trade system
 - Trade disruption
 - Customs
 - Product non-compliance
 - SPS
- Analysis of the international supply chain as a basis for risk management in trade

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Chapter 5: Building import compliance frameworks in regulatory systems

- Main challenges
- Risk management objectives of an import compliance framework
- A structure of a profiling system for shipment evaluation
- Determining risk factors for evaluating probability of non-compliance
- Developing and evaluating compliance rules
- Risk-based inspections
- **Tools for advanced data analysis and knowledge management**



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Chapter 6: Addressing the risk of product non-compliance in international trade

- Difference between the customs risks and risks of product non-compliance
- International experience in management of non-compliance risk
 - New Zealand Risk Engine
 - US FDA PREDICT
 - Australia CBIS
- Guidelines on building risk-based procedures in product compliance
 - Objectives
 - List of products
 - Probability factors
 - List of technical factors
 - Shipment evaluation
 - Risk-based inspections

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Chapter 7: Best practice in management of customs risks

- Risks within the responsibility of the customs
- Available information sources
- SRA (mix of general and customs specific tools)

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Chapter 8: Guidelines on integrating risk management processes of customs authorities and product regulators

- Principles of integration
- Description of the integrated process
- Targeting centers

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Chapter 9: Best practice in border management

- Border agency coordination
- ...
- To be developed

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Chapter 10: Roadmap for implementation

- ITC version

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Chapter 11: Compliance strategy for business

- ITC version

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