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Item 5 of the provisional agenda

Group of Experts on Risk Management in Regulatory Systems

Report on activities under the Group of Experts on Risk Management in Regulatory Systems

Submitted by the subgroup Chair

Summary

This document presents the main results achieved by the Group of Experts on Risk Management in Regulatory Systems (GRM) as of July 2022 and reports on the progress in the completion of its project plan.

Mandate

At its thirty-first session, the Working Party on Regulatory Cooperation and Standardization Policies (WP.6) mandated the secretariat and GRM to continue to report on an annual basis on these activities. (ECE/CTCS/WP.6/2021, paragraph 20, decision 6)

Proposed decision

“The Working Party adopts the report of the Group of Experts on Risk Management in Regulatory Systems (GRM). It requests GRM to continue to report on an annual basis on its activities”.



I. Introduction

1. Risk management in regulatory systems is a key aspect of reducing non-tariff barriers to trade and ensuring that the products entered onto the market are safe for consumers and the economy. Since its establishment in 2011, the Group of Experts on Risk Management in Regulatory Systems (GRM) has considered how risk management can contribute to efficient regulatory framework, essential to the achievement of WP.6 goals. GRM aims at 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. GRM works towards this goal by developing and sharing best practice as regards the application of risk management tools in regulatory activities and international trade.

2. This report provides a summary from the annual meeting of this group during the WP.6 Forum on 9 June 2022. At the annual meeting, Mr. Stephan Naundorf was elected Chair of GRM for a two-year period. GRM also held five virtual meetings between September 2021 and July 2022. Summaries of the discussions can be found in the meeting reports.¹

II. Main activities in the reporting period

3. Within this reporting period, GRM accomplished the following achievements.

(a) Following the panel discussion on circular economy during the thirty-first session, GRM revised *Recommendation T on Standards and Regulations for Sustainable Development*, which outlines best practices on applying risk management tools to building regulatory frameworks that are needed to operationalize Sustainable Development Goals (SDGs). The revised version includes additions describing best practice in the following areas:

(i) Applying risk management for addressing regulatory challenges associated with products changed under the principles of circular economy. The recommendation, inter alia, calls for building regulatory frameworks that support the implementation of circular economy principles while preserving current levels of safety.

(ii) Reviewing safety regulations for ensuring proportionality of regulatory requirements to the risks they were set out to address.

(iii) Balancing risks, as implementation of risk treatment strategies can create new risks in other areas.

(b) GRM provided substantial contributions to the finalization of the guide developed jointly with the International Trade Centre (ITC) on *Managing Risk for Safe and Efficient Trade: Guide for Border Regulators* (see ECE/CTCS/WP.6/2021/INF.1). The publication provides guidance on the implementation of a comprehensive risk management strategy to improve the efficiency of border control and import compliance to facilitate international trade. The Guide is expected to be launched at the United Nations Economic and Social Commission for Asia and the Pacific Asia-Pacific Trade Facilitation Forum on 31 August 2022.

(c) GRM has initiated the update of the common regulatory objectives on cybersecurity, in cooperation with the International Electrotechnical Commission (IEC).

4. As regards cooperation with partners, GRM, during the reporting period:

(a) Participated in the Single Window Domain meeting of the Forum of the United Nations Centre for Trade Facilitation and Electronic Business (UN/CEFACT) and introduced the *Recommendation V on Addressing Product Non-Compliance Risks in*

¹ <https://trello.com/b/1DNyW9Ef/wp6-group-of-experts-on-risk-management-grm>.

International Trade and the guide on *Managing Risk for Safe and Efficient Trade: Guide for Border Regulators*. GRM and the UN/CEFACT Single Window Domain agreed to initiate a joint project aimed at developing best practice on the application of integrated risk management in border control, in particular in building an interface between integrated risk management and Single Window.

(b) Participated in the meeting of the ECE Advisory Group on Market Surveillance (MARS Group).

III. Members and representation

5. As of 31 July 2022, forty-seven experts from thirteen countries participate in GRM of which eight are women. 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.

IV. Progress in the completion of the initial plan

6. The following table provides an update on and results of each of the tasks provided in section III.C of the WP.6 programme of work for 2022 (ECE/CTCS/WP.6/2021/10).

<i>Fields and tasks</i>	<i>Results/Comments</i>
(a) Finalize the guide jointly being developed with the International Trade Centre (ITC) <i>Facilitating Trade for Business through Integrated Risk Management: Guide for Border Regulatory Agencies</i>	The ECE-ITC guide on <i>Managing Risk for Safe and Efficient Trade: Guide for Border Regulatory Agencies</i> was finalized and is expected to be launched on 31 August 2022.
(b) Develop training materials and guidance documents on the implementation of the <i>Recommendation V on Addressing Product Non-Compliance Risks in International Trade</i>	The ECE-ITC publication includes guidance on the implementation of the Recommendation V and can be used as a basis for developing training materials.
(c) Enhance cooperation with customs agencies, national trade facilitation bodies, international organizations working in the field, with an objective to improve risk management procedures and harmonization, contribute to the risk management activities of other international organizations	GRM and UN/CEFACT have initiated a joint project aimed at improving the efficiency of risk management application in international trade procedures.
(d) Systematize risk management best practices in the following areas:	Risk management best practices in reviewing safety regulations have been systematized and included in the revised version of the <i>Recommendation T on Standards and Regulations for Sustainable Development</i> . Review of international standards on various aspects related to application of artificial intelligence and current regulatory experience in this field has been performed.
(i) Application of artificial intelligence-related technologies in regulatory systems	
(ii) Reviewing safety regulations	

<i>Fields and tasks</i>	<i>Results/Comments</i>
(e) Explore common regulatory objectives on cybersecurity including the development of guidance documents and the organization of international events on the issue	GRM has initiated the revision of common regulatory objectives on cybersecurity, in cooperation with IEC.
