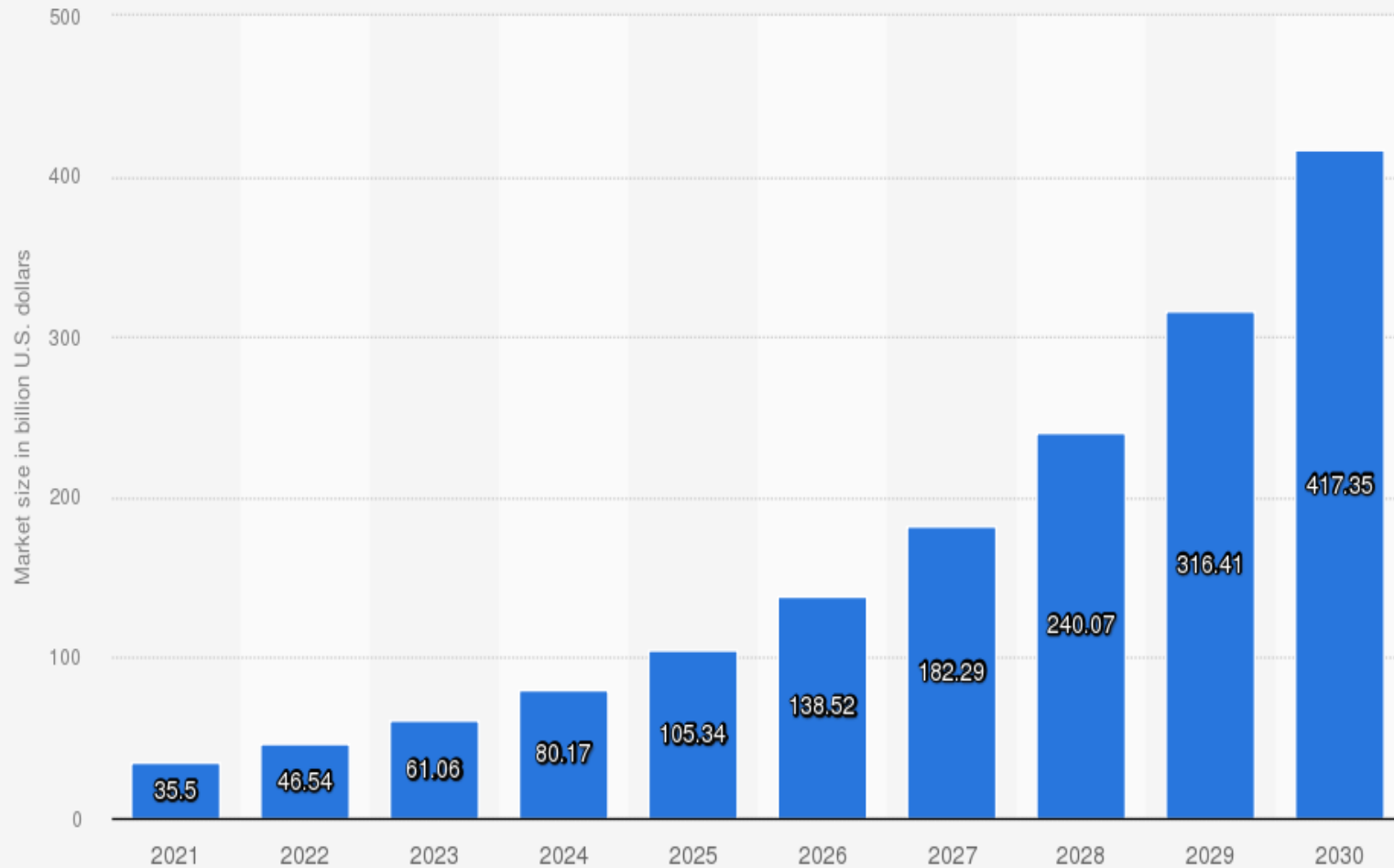


The role of legal tech in regulatory frameworks and risk management in the green trade industry

How legal tech forces influence the development of the digital trade landscape

*Jamila Mendoza,
co-coordinator of the WP.6
Group of Experts on Risk Management in Regulatory Systems*

Green technology and sustainability market size worldwide from 2021 to 2030 (in billion U.S. dollars)

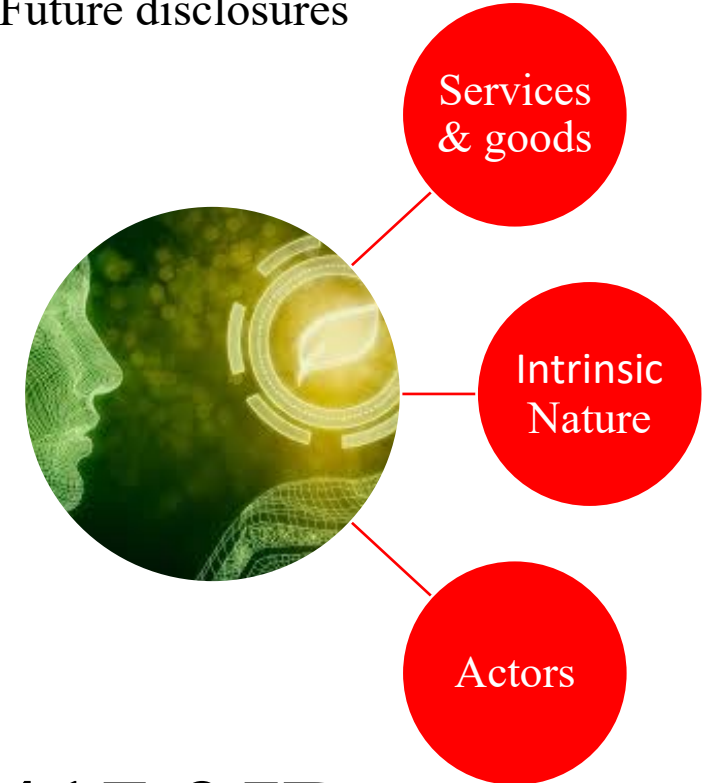


Source
Precedence Research
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Additional Information:
Worldwide; 2021

Economic trends in green trade

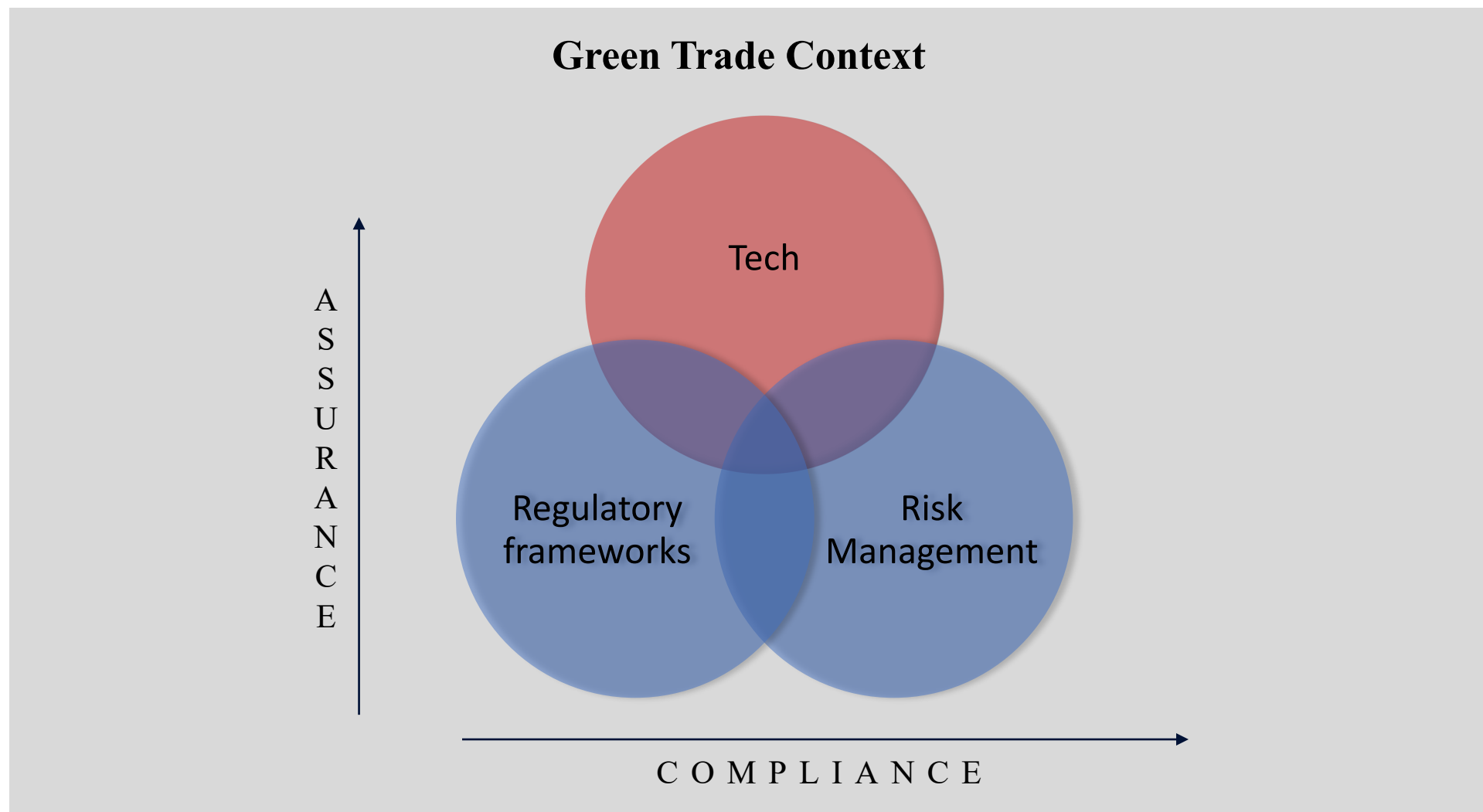
- Game change
- Investment exposure
- Future disclosures



\$ 417.35B
in 2030

New assests demands new approach to deliver the promise of value

Value chains in trade with an open eye in strategic priorities





**How can we take
action for setting
regulatory
objectives with
legal tech
verticals?**

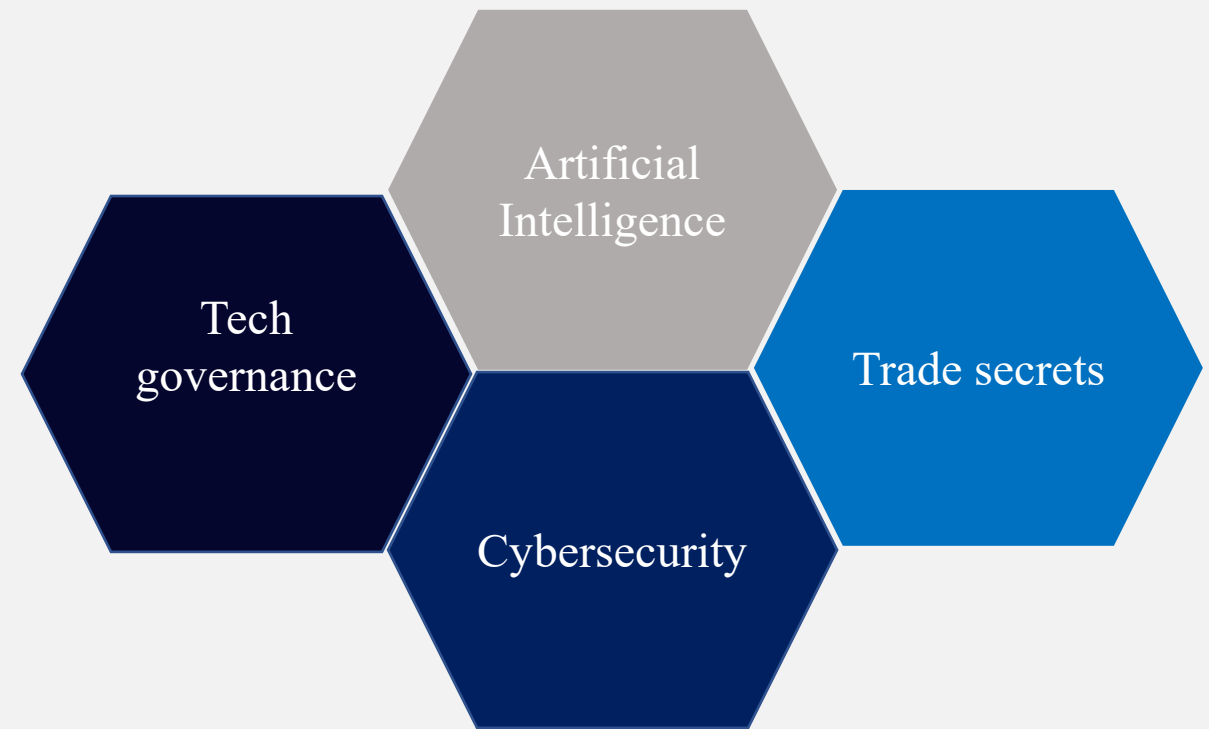
The basis of the Digital agenda

- **44%** of firms investing
- **32%** AI and cybersecurity will be part of their technology roadmaps
- **42%** are uncertain or not sure

New research shows that legal tech will have big impact in trade over the next 30 years.

- Standards and Regulations for Sustainable Development
- Risk Management in Regulatory Systems

Overall current digital trends are shaping trade



Tech tools in risk management need regulatory transformation

Case of study, trade industry

Risk Register - Excel

Risk Register

#	Risk	Impact on Project	Cost \$	Likelihood	Impact	Mitigating Actions	Contingency	Risk Owner	Deadline
101	<Identify the risk>	Brief description of risk and impact on costs, schedule etc	\$	Very Unlikely	Negligible	<Describe what is currently done on the project to reduce the impact of the risk.>	<Describe the course of action if the risk does materialize: alternate solution, reduction in functionality etc.>	Person responsible	MM/DD/YY
102	<Identify the risk>	Brief description of risk and impact on costs, schedule etc	\$	Unlikely	Marginal	<Describe what is currently done on the project to reduce the impact of the risk.>	<Describe the course of action if the risk does materialize: alternate solution, reduction in functionality etc.>	Person responsible	MM/DD/YY
103	<Identify the risk>	Brief description of risk and impact on costs, schedule etc	\$	Moderately Likely	Significant	<Describe what is currently done on the project to reduce the impact of the risk.>	<Describe the course of action if the risk does materialize: alternate solution, reduction in functionality etc.>	Person responsible	MM/DD/YY
104	<Identify the risk>	Brief description of risk and impact on costs, schedule etc	\$	Likely	Critical	<Describe what is currently done on the project to reduce the impact of the risk.>	<Describe the course of action if the risk does materialize: alternate solution, reduction in functionality etc.>	Person responsible	MM/DD/YY
105	<Identify the risk>	Brief description of risk and impact on costs, schedule etc	\$	Very Likely	Crisis	<Describe what is currently done on the project to reduce the impact of the risk.>	<Describe the course of action if the risk does materialize: alternate solution, reduction in functionality etc.>	Person responsible	MM/DD/YY
106	<Identify the risk>	Brief description of risk and impact on costs, schedule etc	\$	Very Unlikely	Negligible	<Describe what is currently done on the project to reduce the impact of the risk.>	<Describe the course of action if the risk does materialize: alternate solution, reduction in functionality etc.>	Person responsible	MM/DD/YY
107	<Identify the risk>	Brief description of risk and impact on costs, schedule etc	\$	Unlikely	Marginal	<Describe what is currently done on the project to reduce the impact of the risk.>	<Describe the course of action if the risk does materialize: alternate solution, reduction in functionality etc.>	Person responsible	MM/DD/YY
108	<Identify the risk>	Brief description of risk and impact on costs, schedule etc	\$	Moderately Likely	Significant	<Describe what is currently done on the project to reduce the impact of the risk.>	<Describe the course of action if the risk does materialize: alternate solution, reduction in functionality etc.>	Person responsible	MM/DD/YY

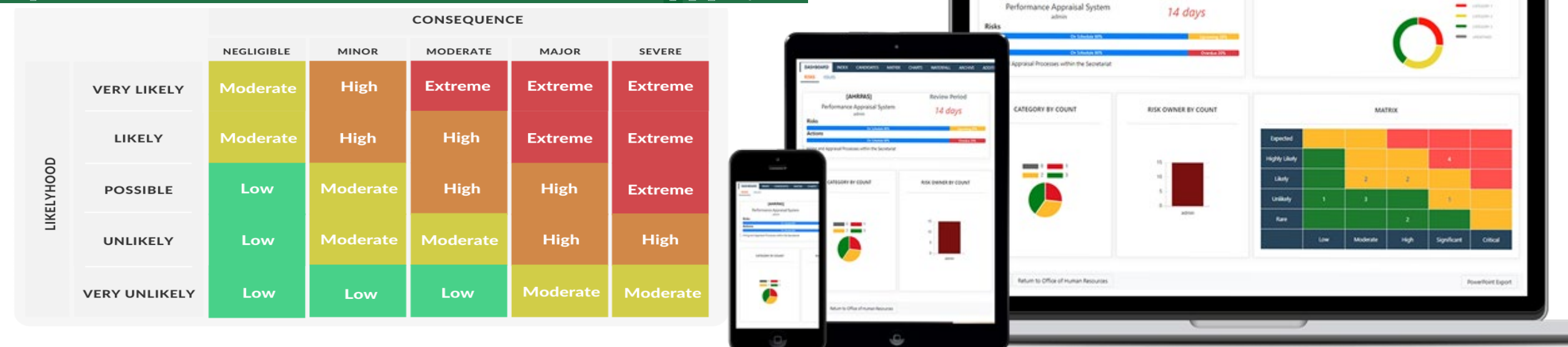
B Risk Identifier—a descriptive name or number. Use this for tracking across project documents
C Identify the risk and relevant triggers that may cause the risk to be realized
D Discuss the potential impact this risk may have on costs and/or schedule
E Identify the cost associated with this risk
F Likelihood is a measure of the probability of the event occurring: Very Unlikely, Unlikely, Moderately Likely, Likely, Very Likely
G Impact measures the effect on scope, cost, and/or schedule — Negligible, Marginal, Significant, Critical, or Crisis
H Risk Level is the resultant of Likelihood and Impact Low, Moderate, or High
I Specify planned mitigation strategies: Preventative (Implement immediately) OR Contingency (Implement if/when risk occurs)
J Identify who is responsible for undertaking each mitigation action(s)
K Identify the status of the risk: Open, Closed, New etc

Risk Log

Risk Register

Project name: Common project risks
Project manager: J Black

ID	Date raised	Risk description	Likelihood of the risk occurring	Impact if the risk occurs	Severity Rating based on impact & likelihood.	Owner Person who will manage the risk.	Mitigating action Actions to mitigate the risk e.g. reduce the likelihood.	Contingent action Action to be taken if the risk happens.	Progress on actions	Status
1	[enter date]	Project purpose and need is not well-defined.	Medium	High	High	Project Sponsor	Complete a business case if not already provided and ensure purpose is well defined on Project Charter and PID.	Escalate to the Project Board with an assessment of the risk of runaway costs/never-ending project.	Business case re-written with clear deliverables and submitted to the project board for approval.	Open
2	[enter date]	Project design and deliverable definition is incomplete.	Low	High	High	Project Sponsor	Define the scope in detail via design workshops with input from subject matter experts.	Document assumptions made and associated risks. Request high risk items that are ill-defined are removed from scope.	Design workshops scheduled.	Open
3	[enter date]	Project schedule is not clearly defined or understood	Low	Medium	Medium	Project Manager	Hold scheduling workshops with the project team so they understand the plan and likelihood of missed tasks is reduced.	Share the plan and go through upcoming tasks at each weekly project progress meeting.	Workshops scheduled.	Open
4	[enter date]	No control over staff priorities	Medium	Medium	Medium	Project Manager	The Project Sponsor will brief team managers on the importance of the project. Soft book resources as early as possible and then communicate final booking dates asap after the scheduling workshops. Identify back ups for each human resource on the project.	Escalate to the Project Sponsor and bring in back up resource.	Project Sponsor has agreed to hold briefing. Now making arrangements for a meeting room.	Open
5	[enter date]	Consultant or contractor delays	Medium	High	High	Project Manager	Include late penalties in contracts. Build in and protect lead time in the schedule. Communicate schedule early. Check in with suppliers regularly. Query '90% done'. Ask again and again if they need anything else.	Escalate to Project Sponsor and Contracts Manager. Implement late clauses.	Lead time from each contractor built into the project schedule. Late penalties agreed to and contracts signed.	Open
6	[enter date]	Estimating and/or scheduling errors	Medium	High	High	Project Manager	Break this risk into two: 'cost estimating' and 'scheduling errors'. Use two methods of cost estimation, and carefully track costs and forecast cost at completion making adjustments as necessary. Build in 10% contingency on cost and scheduling. Track schedules daily and include schedule review as an agenda item in every project	Escalate to project sponsor and project board. Raise change request for change to budget or schedule. Pull down contingency.	Contingency agreed by Project Board.	Open



Can we redefine Risk Management?



Re-thinking where we can focus

are systems working as we expect?

1



Extend legal tech elements
in recommendations

2



Digital sovereignty is
fundamental

3



Transformation is led by
tech