

**Working Party on Regulatory Cooperation and Standardization Policies (WP.6)**  
**Group of Experts on Risk Management in Regulatory Systems meeting discussion notes and actions**  
**15 February 2024, 11:00 CET**

Item	Subject	Discussion / Action
1a	Roll call	<p><b>Leadership:</b> <u>Alexia Davison</u> (Chair), Valentin Nikonov (Vice-Chair)  <b>Secretariat:</b> Lance Thompson, Tauno Kangur  <b>Members:</b> Leonid Dvorkin, <u>Lucy Salt</u>, Markus Krebsz, Peter Morfee, Philip Kelly, Simon Webb  <b>Experts:</b> <u>Alina Nica Gales</u>, Angel Escorial, Jean-Pierre Benoit, <u>Michurina Daria</u>, <u>Sophie Heading</u>, Vlcek Jiri  <b>Apologies:</b> Donald Macrae (Vice Chair)  16 participants (5 <u>women</u>)</p>
1b	Approval of the Agenda	Agenda agreed with no modifications
1c	Approval of the report of the 30 Nov. 2023 meeting	Report of the 30 November 2023 meeting approved with no modifications.
2	World Economic Forum	<p>Guest Speaker Sophie Heading, Global Risk Lead of the World Economic Forum provided an overview of the <a href="#">WEF Global Risk Report 2024</a>.</p> <p>This report is an annual tracker of macro global risk, covering economic, political, environmental, societal and technological risks over multiple time frames and draws on nearly two decades worth of original risk perception data. This data is collected from a global risk perception survey with around 1500 respondents from academia, government, civil society and private sector. This information is supplemented by a separate survey on national risk perception and then further supplemented with extensive consultations.</p> <p>Global experts are fairly pessimistic about the state of the world, particularly when looking at a longer-term period. This is caused by multiple structural shifts in geopolitical power, climate change and demography... these are the underlying structural forces; these are not the risks themselves.</p> <p>There are several risks which come out in the 2024 report: material crisis linked to extreme weather; misinformation and disinformation; societal polarization; cost of living; cyberattacks. This accumulation of risks and structural forces are corroding our resilience and our ability to adapt to the transitions.</p> <p>Extreme weather events will bring more droughts, wildfires and flooding. This may be a dominant subject in the overall two-year framework, but there doesn't seem to be consensus on the urgency of environmental risks. And this dissonance in perceptions may be affecting the political decisions on this topic. We are therefore likely to see within the next decade irreversible changes in Antarctic and Greenland icesheets, irreversible degradation to coral reefs and the collapse of permafrost. This will result in natural resource shortages and involuntary migrations. Flood damage may double as a result. Highly vulnerable countries may be seen as too high a risk to invest in or operate in. This will lead to socioeconomic tipping points, land abandonment, among others.</p> <p>Societal tensions I the most interconnected risks in the global risk network, which means that it's highly influential, both as a driver and possible consequence of a number of other risks. Misinformation / disinformation greatly influences these societal tensions (and this is a self-perpetuating problem: greater polarization leads to more misinformation and distrust in information; and more misinformation leads to greater polarisation). This can result in greater numbers of hate crimes, civil confrontation, terrorism and pressure on democratic systems over the longer term. There are higher chances of censorship and erosion of human</p>

		<p>rights. There may be a tendency for governments to control information and certain freedoms (internet, press, speech) may decline.</p> <p>Economic risks of inflation and economic downturn are new entrants in the top ten list over the past two years. This may be caused by uncertainty in major global economies like the US and China. Fears of economic downturn are widespread; it is a top-five risk in around 90% of the countries surveyed. Interest rates are likely to remain elevated event as economic growth is slowing, capital will then be the costliest for the most vulnerable countries and communities.</p> <p>Lack of economic opportunity is another high-ranking risk. There is a perception of less economic opportunity, less possible mobility. Job creation will likely be displaced to other locations, relying on available or displaced workers. In many countries, available jobs are not meeting available labour markets. This economic immobility will lead to further inequalities, eroding living standards and likely become another driver of conflict.</p> <p>Active conflict is another perceived risk (to note that the data for the 2024 report was collected before the current escalation in the Middle East). State fragility is on the rise with debt, resource stress and chronic unemployment; and these fragile states have a tendency to descend into conflict or become part of growing internationalization of conflicts.</p> <p>Cybersecurity has become a consistent top-ten risk and is increasingly a low risk, low-cost revenue stream for criminals. Organized crime networks are using technologies to adopt blended business models that diversify their sources of illicit funding. Illicit activity may be a low-ranking risk over the past decade, but it seems to be feeding into a number of the other higher risks such as inflation, economic downturn, cyber insecurity, lack of economic opportunity... and this impact is most likely underestimated.</p> <p>The overall report may seem rather pessimistic. It is looking at the downside and what could happen if the trajectory doesn't change. Over the past ten years, we can see that the risks are much more diverse and drawing from nearly every domain. These risks are all interconnected and there is greater awareness of the broad range of risks we face. The world is not necessarily riskier, but there is more awareness. All that being said, we are all better off than previous generations and progressing on nearly every human development indicator.</p> <p>In regulations responding to risks, there are typically three types of response: state driven, industry drive, safety driven. In the first, something like AI is regulated only when it could be a threat to the state itself. In the second, regulations aim to incentive innovation and industry initiatives; typically, regulations only come in when there are clear hazards that result. In the third, potential hazards are considered and regulations are established early on in order to avoid these. There is no one correct way of approaching this; actually, parts of each approach are most likely necessary.</p>
3	GRM Annual Session on 2-3 April 2024	<p>The agenda for the annual meeting of the GRM to take place on 2 and 3 April 2024 during the WP.6 Forum was presented. The procedure for the appointment of officers was underlined and is published on the <a href="#">event webpage</a>.</p> <p>The best practices in Greece, Latvia, Kosovo and Gulf States were confirmed. There will be multiple speakers for this.</p> <p>On the morning of the second day, the group will discuss the “Basics of Risk Management in Regulatory Systems” publication which is planned.</p> <p>As EU Commission has not responded to requests, it was suggested to approach CEN/CENELEC. Bureau members will consider the speakers and provide any suggestions later today or tomorrow.</p>
4	IRM & SW project update	<p>Valentin explained that four interviews have been conducted (Cameroun, Morocco, Georgia, Singapore) and there will be a few further interviews. It has been helpful. Planned for Mexico and Senegal.</p> <p>Lance will provide contacts to approach EU and US.</p> <p>Looking to draft a guidelines document hopefully within the April deadline.</p> <p>Preliminary conclusions:</p> <ul style="list-style-type: none"> <li>• IRM is being implemented or planned to be implemented</li> </ul>

		<ul style="list-style-type: none"> <li>• Commonly Customs are playing the lead role in IRM (there are cases in which SW is the lead agency)</li> <li>• There are cases in which “technological capacity” of regulatory agencies in risk mgmt. is higher than “methodological capacity”</li> <li>• Providing detailed guidance on the development and management of an IRM within a SW system would be beneficial</li> </ul> <p>They need an overall framework and not just bits of the needs of individual agencies. If we can get US &amp; EU before April, then possible to have a document for the Annual Session.</p>
5	CRA for products with AI project update	<p>Markus provided an update on the AI project.</p> <p>Topic has been within WP.6 since Nov. 2020. Lots of research after that. Moved through stages and got to two deliverables (AI paper; a chapter in the Basics of QI); Endorsement of continuing the work at WP.6 Annual Session.</p> <p>Phase 2 of the project launched with deliverables of a CRA and Declaration.</p> <p>Key questions within the Rec. L international model (scope, product requirements, standards, compliance requirements, market surveillance)</p> <p>So far two meetings of the working group. Developing currently the product requirements. The WEF made a presentation and they underlined that AI is one of the global challenges. This will be a risk-based regulation. It is difficult to come up with</p> <p>Lance explained the evolution of a CRA to be flexible.</p>
6	Update on ISO TC262	<p>18<sup>th</sup> December meeting discussed the role and vision of risk mgmt. for the next 3-5 years. Start of new project by another TC 32219 on risk and related information technology.</p> <p>An Ad-Hoc group on travel risk mgmt. created for March.</p> <p>ISO secretariat circulated a document “ISO 31000, the Case for Reform”</p> <p>There was a proposal received by German national committee sending draft of a standard ... There is a debate on the direction 31000 will take in the future...</p> <p>Perceived advantages and disadvantages in 31000.</p> <p>Definition of risk is also not yet agreed within ISO TC262.</p> <p>Valentin and Lance had a meeting with Chair of TC262 (Russell Price), there is potential for future collaboration.</p>
7	Update on events	<p>On the questionnaire on Rec.P., the reason that there may not have been responses is that countries have formal public enquiries, so they feel constrained into responding to a UN questionnaire. This topic is still on the agenda. Perhaps best to put it on the shelf and pull it out in about 9 months to see where we are.</p>
8	AOB	No further points raised.
		<p>Next GRM meeting: 2+3 April 2024 during the WP.6 Forum</p> <p>Subsequent meeting: 13 June 2024 (11:00 Geneva-time)</p>