



Lessons from Crises and Major Events

The contribution of the OECD High Level Risk Forum

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Public Governance and Territorial Development

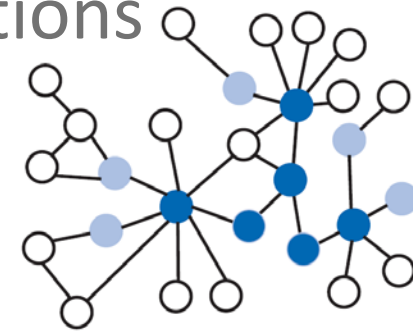
IRGC OECD International Conference 2014:

Improving Risk Regulation



CRISES ARE TIPPING POINTS FOR PUBLIC POLICIES AND REGULATORY SYSTEMS

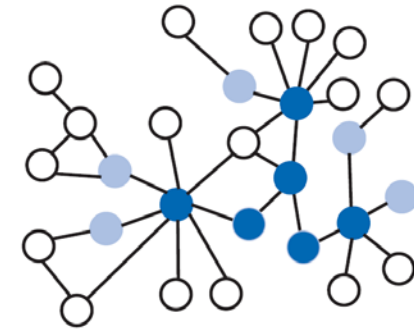
- A fact, opportunities and risks
- Need to rethink the policy tool box to prepare for major shock events, **Large-scale, novelty, complexity, trans-boundary and cascading effects**
- A context of modern vulnerabilities, **Mobility, interdependency, interconnectedness**
- Reduced capacities of national governments, new stakeholders, increased citizen's expectations





PREPARING FOR NOVELTY

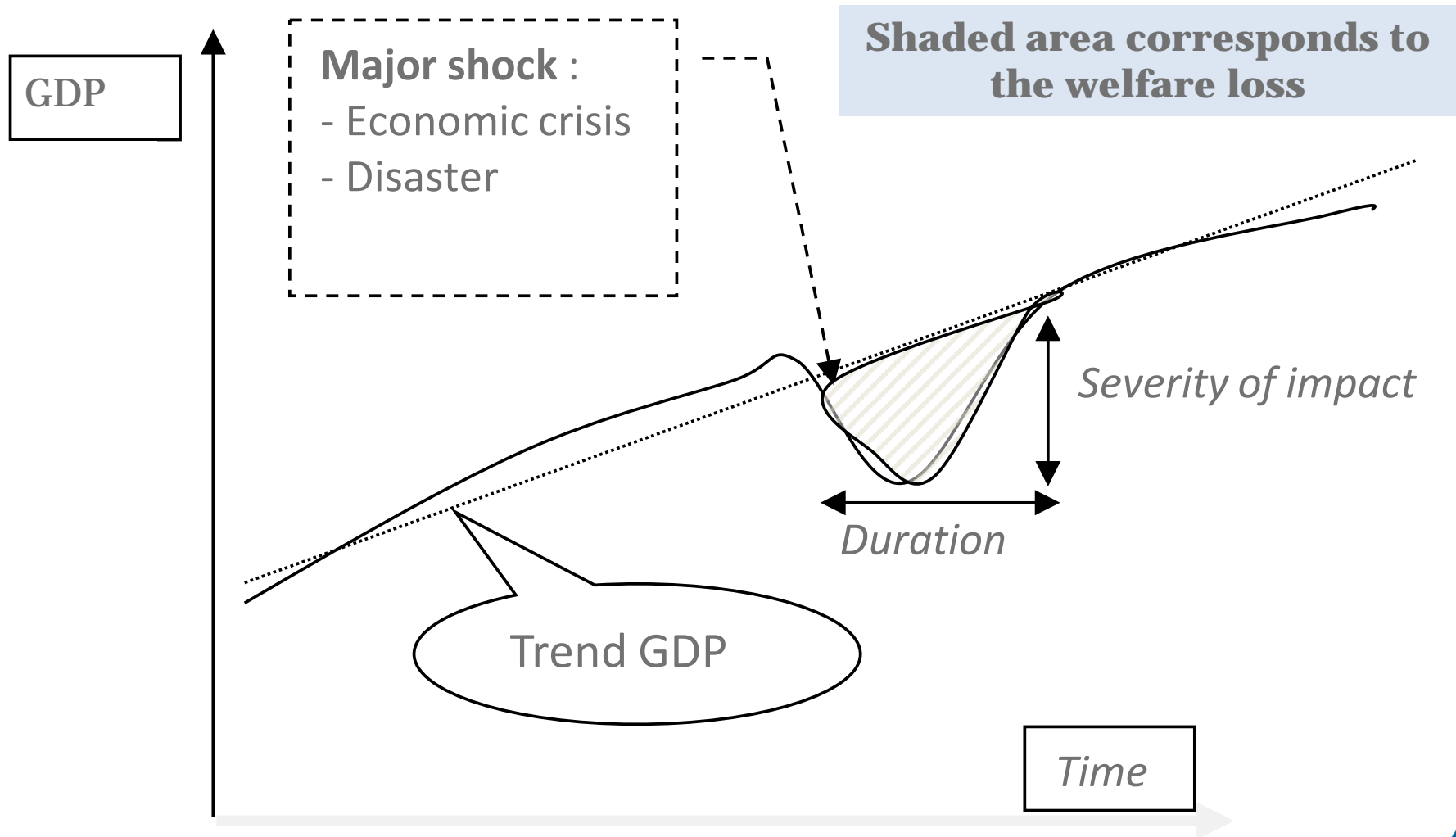
- From risk assessment based on historical events to forward looking horizon scanning, multidisciplinary approaches, and detecting emerging threats
- From command and control and Standard operating procedures to flexible and multi-purpose crisis management tools
- Multidisciplinary expertise for sense making before and during crises





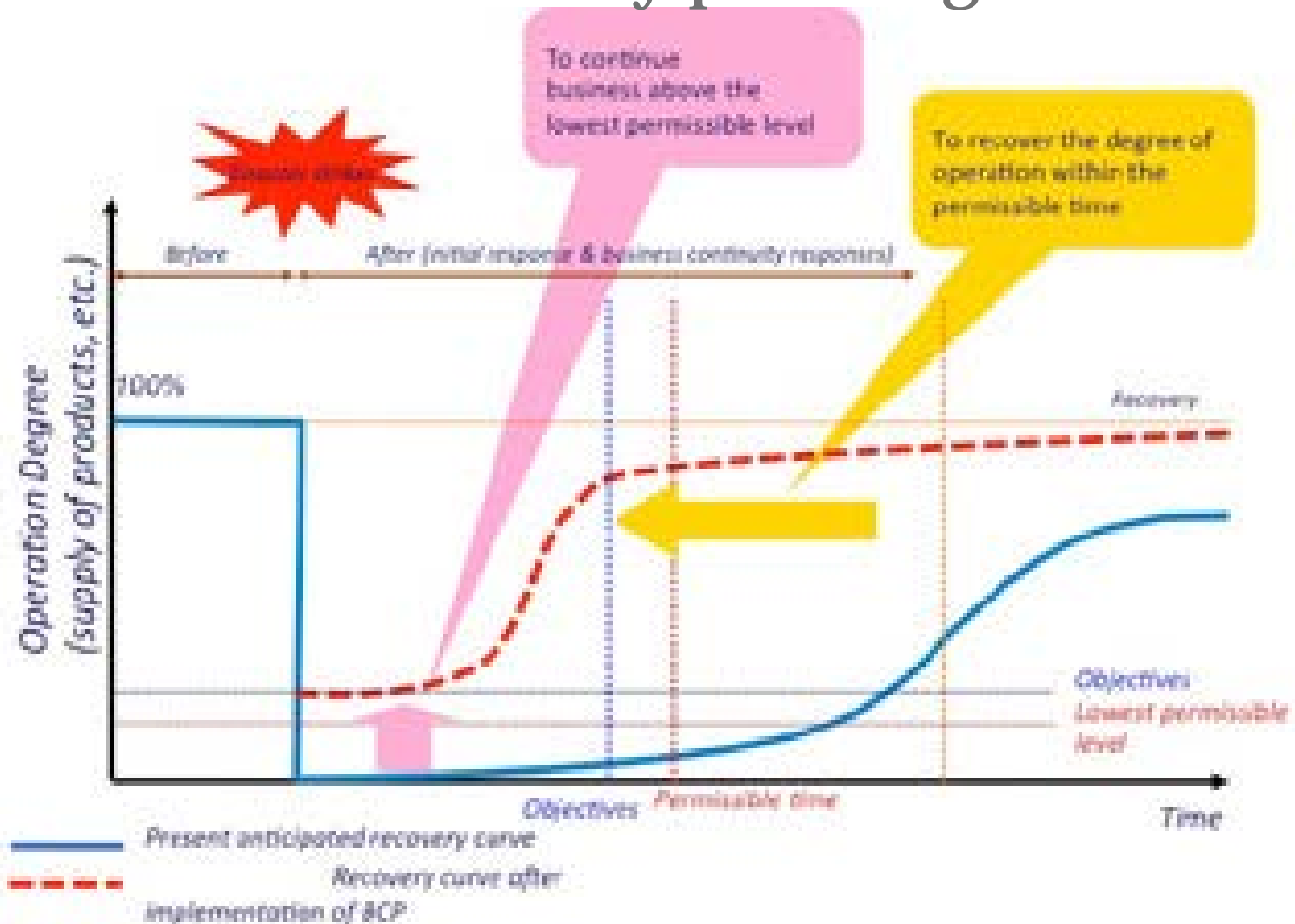
What are the policy goals ?

Minimise welfare losses





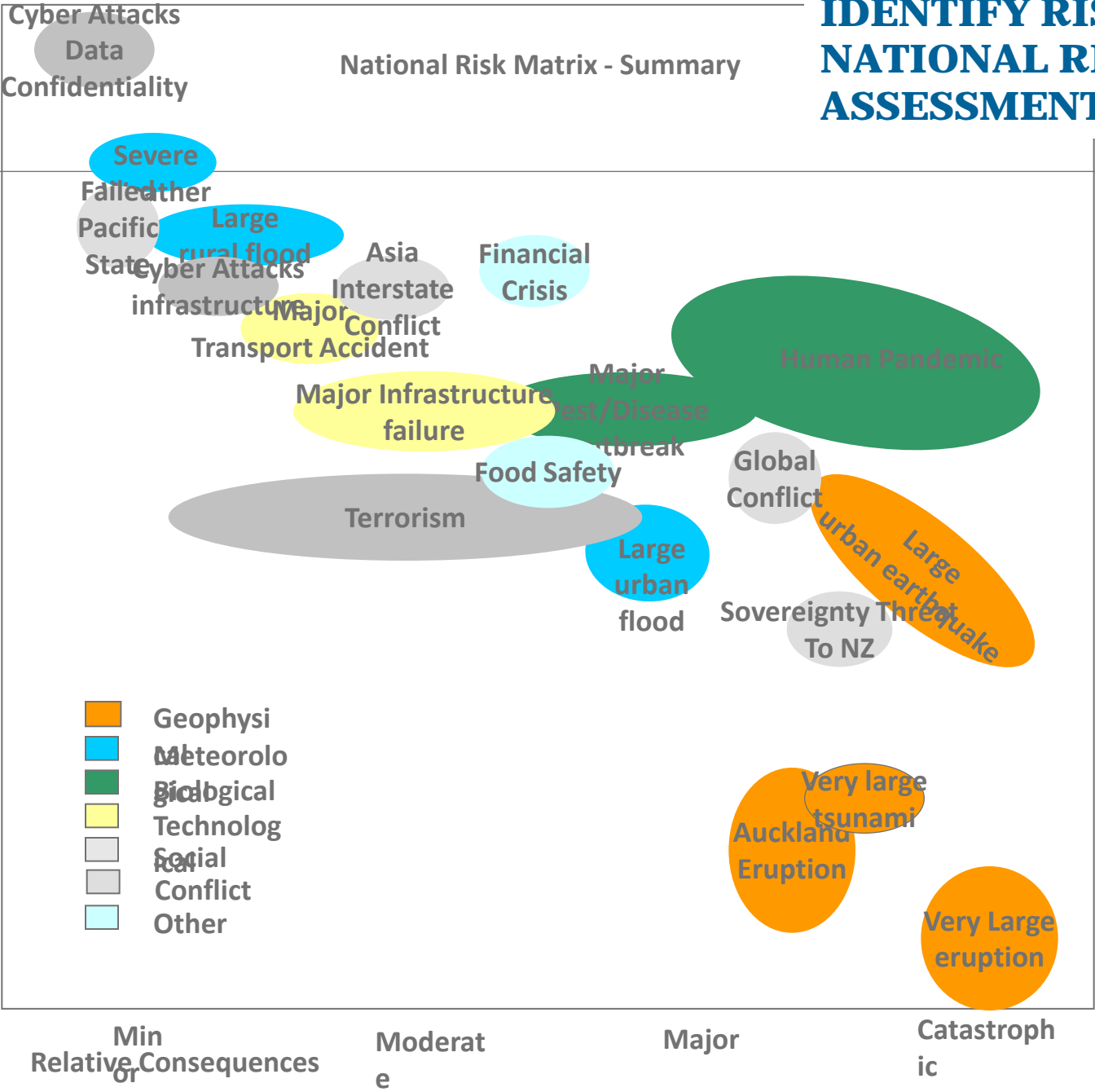
Japan: impact of regulations and business continuity planning



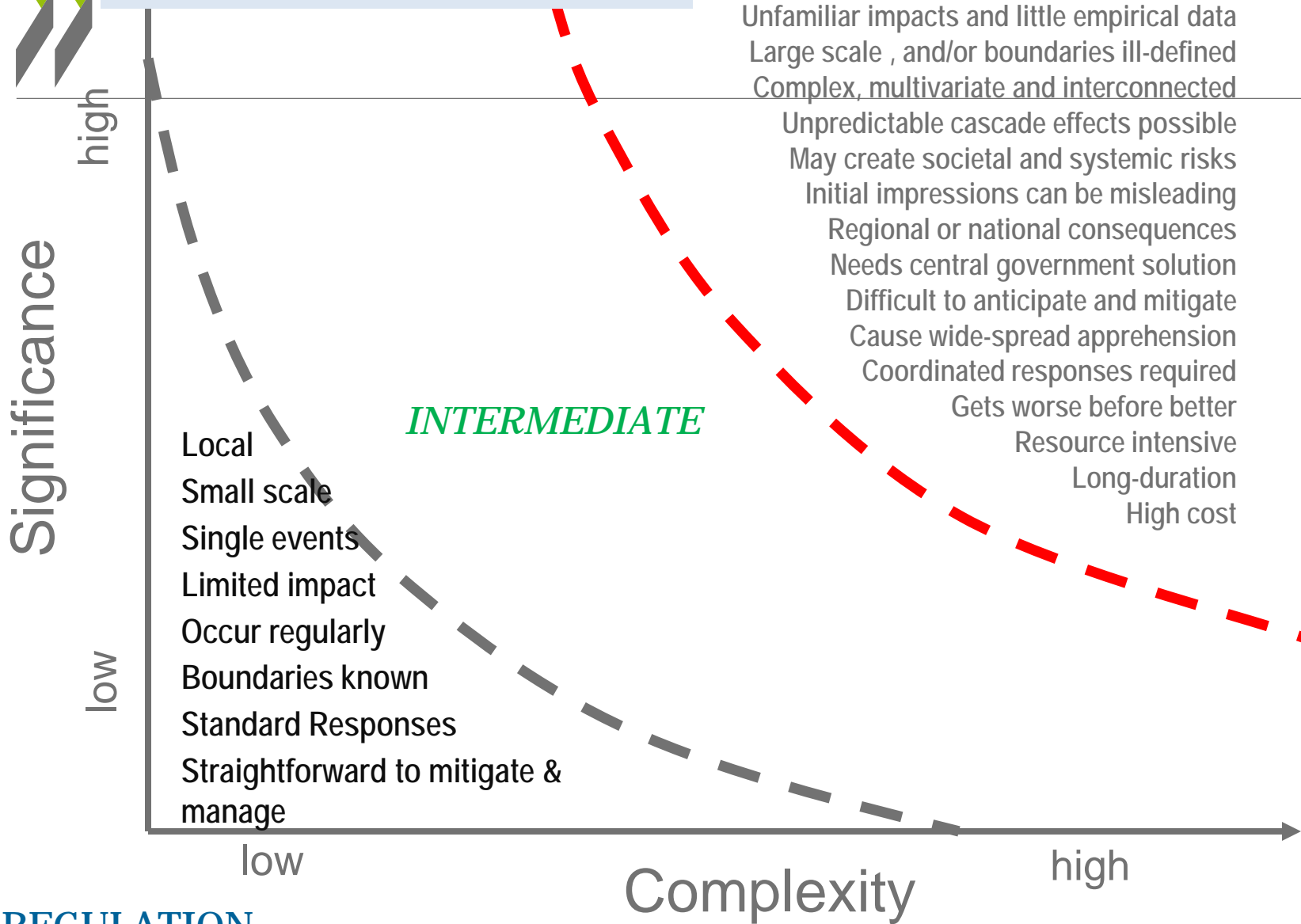
Source: Prof. Ono, Tohoku University, IRIDES, presented at OECD High Level Risk Forum workshop in Oslo Sept 2014



IDENTIFY RISKS NATIONAL RISK ASSESSMENT (NZ)



MIND YOUR RISKS !



These are characterised by:

- Unfamiliar impacts and little empirical data
- Large scale , and/or boundaries ill-defined
- Complex, multivariate and interconnected
- Unpredictable cascade effects possible
- May create societal and systemic risks
- Initial impressions can be misleading
- Regional or national consequences
- Needs central government solution
- Difficult to anticipate and mitigate
- Cause wide-spread apprehension
- Coordinated responses required
- Gets worse before better
- Resource intensive
- Long-duration
- High cost

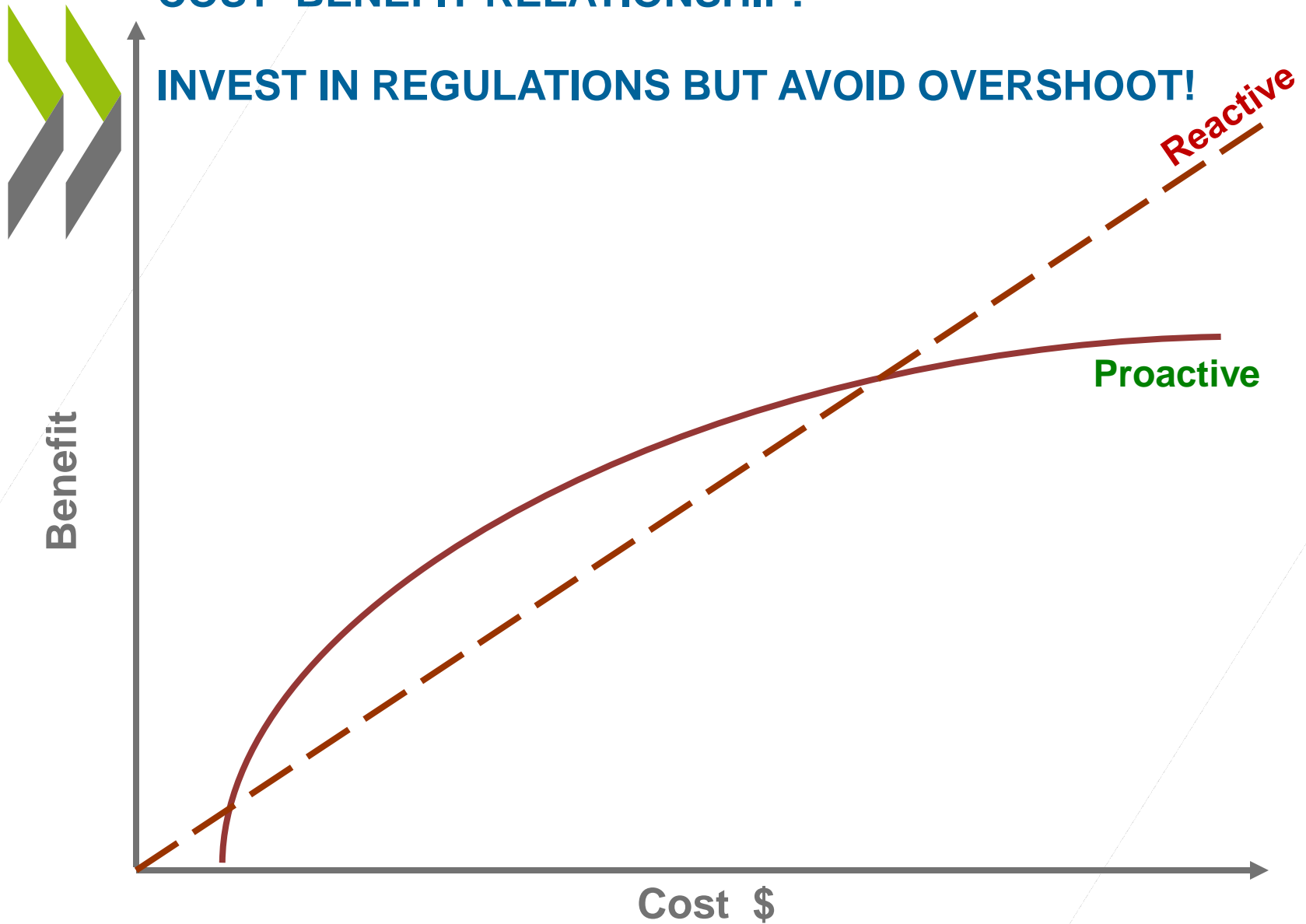
**MAJOR NEW
UNEXPECTED**

**REGULATION
STANDARD OPERATING PROCEDURES**

Source: Helm 2014

COST- BENEFIT RELATIONSHIP:

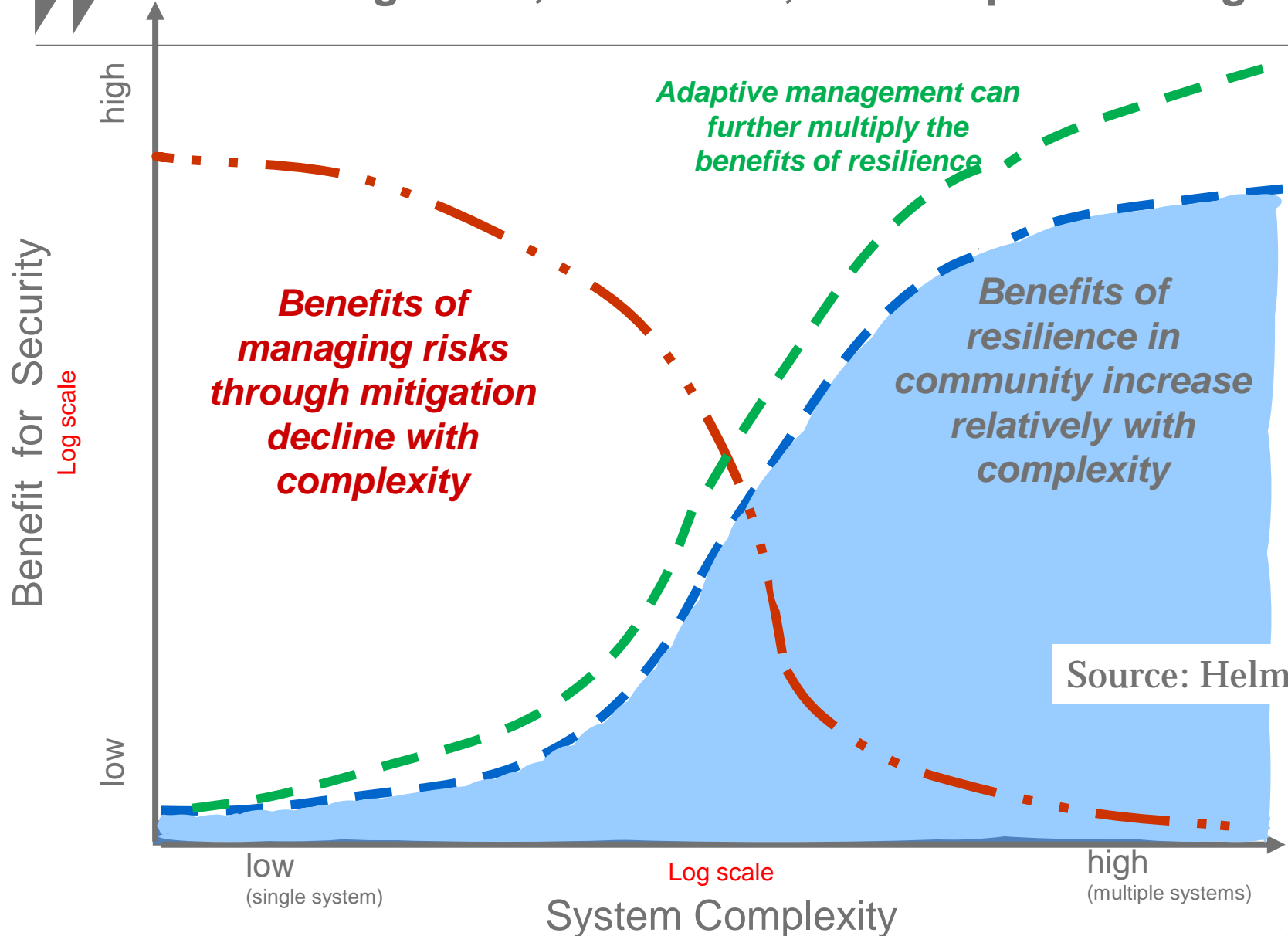
INVEST IN REGULATIONS BUT AVOID OVERSHOOT!





IDENTIFY TRADE-OFFS

Risk Management, Resilience, and Adaptive Management





The OECD Recommendation on the governance of critical risks

Objective: Ensure that governments develop robust frameworks for the governance of critical risks and their resilience to major shocks

Adopted by the OECD Ministers in May 2014

Close cooperation with the UN and the revision of the HFA

1. A holistic approach to risk management
2. Risk assessment, foresight, financing framework
3. Whole-of-society approach to prevention
4. Strategic crisis management
5. Transparency, accountability, improvement





TRANSPARENCY AND ACCOUNTABILITY IN RISK RELATED DECISION MAKING

- ✓ **Transparency** regarding the information used in risk management decisions (honest dialogue, access to information, openness)
- ✓ **Make the most of resources** dedicated to public safety national security, national preparedness and resilience
- ✓ **Continuously share knowledge, including lessons learned** from previous events, post event reviews: closing the policy cycle



LEARNING FROM CRISIS

Oslo, Sept 2014

- Japan, NZ, Norway, Netherlands, Sweden/MSB, Chile, Turkey, Acrylamide Scare, BSE)
- Role and limits of drills and scenarios (2011 Norway, MH 17 NL, Nuclear Security Summit)
- Account for perception bias, risk regulation reflex (GW)
- Leverage the power of Audits : Norway (MSJ), Turkey (NAO /10 countries under ISSAI 5510)
- No blame culture (Lofsted)
- Regulation vs urban planning (national disasters)
- Indicators and systematic review (MSB, Sweden)



CONCLUSION

- Importance of ensuring decision making under uncertainty in process oriented public sector
- Building Trust is essential
 - Clear accountability frameworks
 - Reduce regulatory overload
 - Facilitate policy implementation
- Limits of “one tool only”: Building multiple layers of resilience



THANK YOU!

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