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Organisation de Coopération et de Développement Economiques  
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English - Or. English

**PUBLIC GOVERNANCE AND TERRITORIAL DEVELOPMENT DIRECTORATE  
PUBLIC GOVERNANCE COMMITTEE**

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**INCORPORATING INFORMATION ON RISK INTO DECISION-MAKING**

**Meeting of Senior Officials from Centres of Government: Leadership in Managing Risk**

**Vienna, 28-29 September 2006**

*This document provides background information for Session 2 on Thursday 28 September from 11:00 a.m. to 12:30 p.m.*

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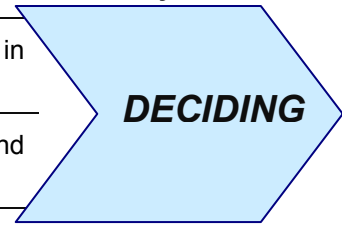
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**Session 2**  
**Incorporating information on risk into decision-making**

Session 2 keyword

<b>Aim</b>	To examine how information on risk is incorporated (or ignored) in everyday decision-making at the Centre of Government.
<b>Outcomes</b>	Clarify how Centres of Government balance expert opinion and political judgement of risk when taking decisions.

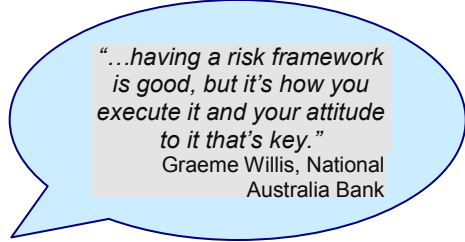


Key issues	Elements	Questions for discussion
1. Decision tools for handling risk	Incorporating risk when crafting a decision: <ul style="list-style-type: none"> <li>• Translating risk information into options for action</li> <li>• Weighing up the options: treat, transfer, terminate or tolerate risks</li> </ul>	<ul style="list-style-type: none"> <li>• How can political decision-makers be persuaded to focus on long-term, systemic or low probability/high impact risks?</li> <li>• Have Centres of Government defined thresholds at which a government decision to intervene and manage risks is triggered?</li> <li>• Failure to address risks is often due to a lack of co-ordination within government. How can CoGs help overcome these barriers? (e.g. by merging units, creating umbrella institutions, promoting integrated risk management)</li> <li>• Are the government's contingency plans and response structures coordinated with counterparts in the private sector, particularly with regard to critical infrastructures? (e.g. privately owned electricity grids or telecoms networks)</li> <li>• How do CoGs balance uncertainty, expert advice, conflicting values and interests when formulating strategies to contain, mitigate or accept risks?</li> <li>• Have Centres of Government put the resilience and reaction capacities of national risk management systems to the test? With what results?</li> </ul>
2. Improving co-ordination to manage risk	Managing risk by: <ul style="list-style-type: none"> <li>• Strengthening integrated risk management for cross-cutting risks</li> <li>• Co-ordinating with the private sector and internationally</li> </ul>	
3. Responding to risk	Getting everyone on board: <ul style="list-style-type: none"> <li>• Clarifying the respective roles of civil servants, technical experts and political advisors</li> <li>• Understanding public perceptions and tolerance of risk</li> <li>• Effective public communication on risk</li> </ul>	

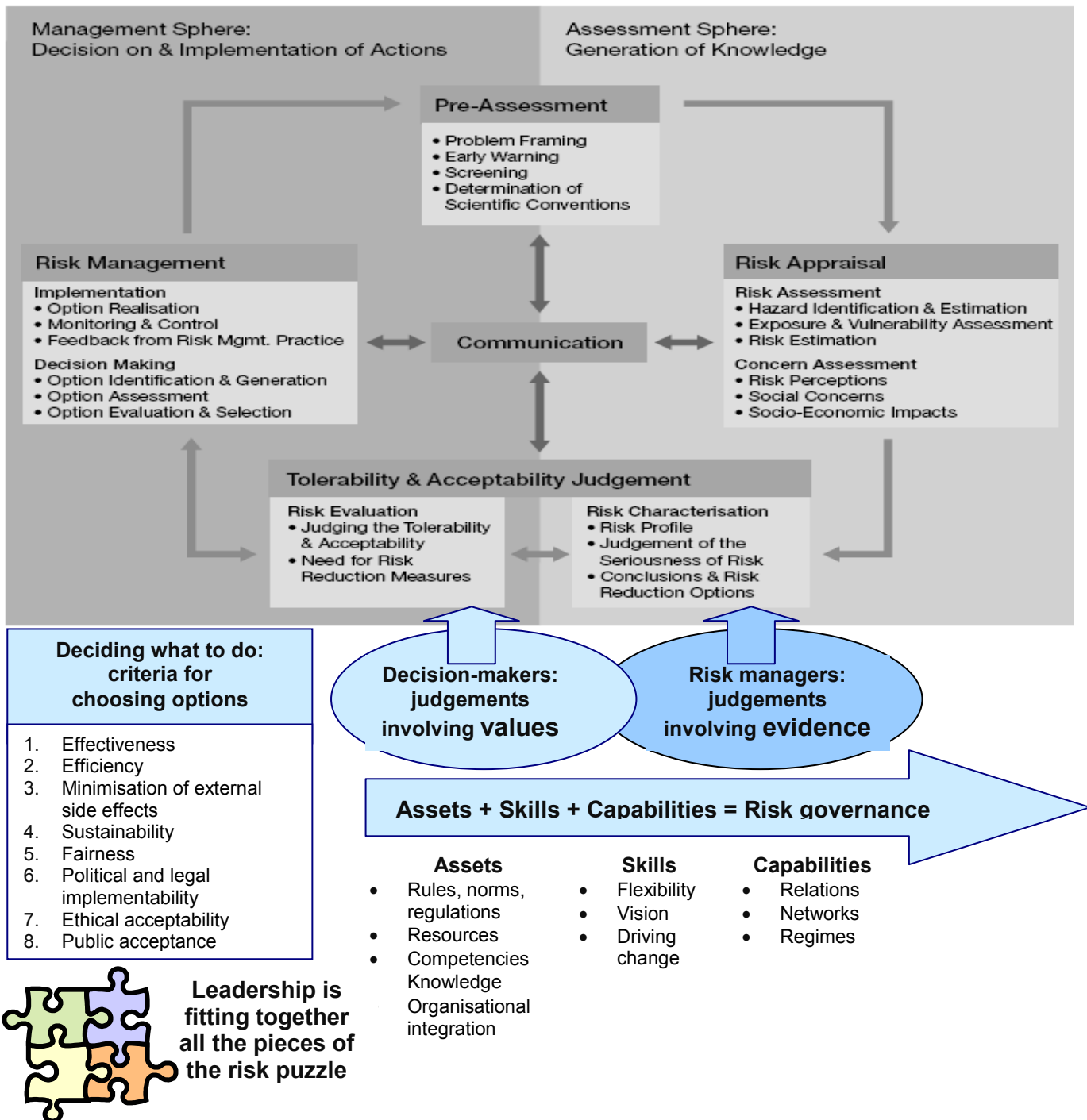
**Emerging systemic risks: an agenda for action**

1. Adopt a new policy approach to risk management
2. Develop synergies between the public and the private sectors
3. Inform and involve stakeholders and the general public
4. Strengthen international co-operation
5. Make better use of technological potential and enhance research

OECD (2003) *Emerging Risks in the 21<sup>st</sup> Century: An Agenda for Action*



**Figure I: IRGC Risk Governance Framework**



Main source: IRGC (2006) *White Paper on Risk Governance: Towards an Integrative Approach*, Geneva: International Risk Governance Council (unless otherwise noted).