Standard Summary Project Fiche – IPA centralised national programmes

Project number 19: Strengthening of the Serbian market surveillance system for non-food and food products

1. Basic Information

1.1. CRIS Number: 2009/021-765

1.2. Title: Strengthening of the Serbian market surveillance system for non-food and food products

1.3. ELARG Statistical code: 03.34

1.4. Location: Republic of Serbia

Implementing arrangements:

1.5. Contracting Authority: EU Delegation to the Republic of Serbia

1.6. Implementing Agency: EU Delegation to the Republic of Serbia

1.7. Beneficiary (including details of project manager):

The <u>Ministry of Trade and Services</u> (MTS) will be the main project Beneficiary and will take on the role of national project leader within the market surveillance management structure.

The Project Manager will be the Assistant Minister responsible for the Sector for Market Surveillance within the Ministry for Trade and Services- Ms Lidija Stojanovic (lidija.stojanovic@mtu.gov.rs)

Indirect project's beneficiaries are: Ministry of Agriculture, Forestry and Water Management, General Inspectorate and the Ministry of Economy and Regional Development, Department for Quality Infrastructure and Technical Requirements

A <u>Project Steering Committee</u> (SC) will be responsible for the overall quality of project implementation and provide strategic direction. The SC will ensure that the project outputs and goals are met in a timely fashion, approve work plans and reports, offer guidance and advise on project activities. The SC will meet on quarterly basis.

The SC will include one representative of each of the key project stakeholders:

- Ministry of Trade and Services
- Ministry of Economy and Regional Development
- Ministry of Agriculture, Forestry and Water Management (MAFWM),
- Ministry of Health
- Ministry of Finance, through its administrations Customs Administration

• the EC Delegation.

Financing:

1.8. Overall cost (VAT excluded): 2.850.000 EUR

1.9. EU contribution: 2.500.000 EUR

1.10 Final date for contracting: 2 years after signature of the FA

1.11 Final date for execution of contracts: 4 years after signature of the FA

1.12 Final date for disbursements: 5 years after signature of the FA

2. Overall Objective and Project Purpose

2.1. Overall Objective

To contribute to reduction of the exposure of consumers in Serbia to unsafe and low quality products by improving functioning of market surveillance system

2.2. Project purpose

The project purpose is to enable relevant Serbian authorities at adopting and enforcing EU legislations in the area of market surveillance, so to improve the efficiency of the structure and the effectiveness of the national system.

2.3. Link with AP/NPAA/EP/SAA

Several programming documents can be pointed out which aim at formulating strategic objectives and identifying the measures for achieving set targets of this project:

European Partnership with Serbia 2008 (EP)

The European Partnership for 2008, the part – *Internal market*, Free movement of goods, defined that Serbia should "establish a market surveillance structure and ensure proper coordination among the market surveillance authorities", and "to continue to align the legal framework on standardisation, certification, metrology, accreditation and conformity assessment with European standards."

In the agricultural sector, Serbia needs to continue efforts to strengthen administrative structures and capacity needed to formulate and implement agricultural and rural development policies, continue strengthening veterinary, sanitary, phytosanitary and food safety legislation and controls.

According to the abovementioned statement and to achieve its purpose, this project will engage in the scheduled activities representatives of the following Authorities, all involved in market surveillance:

- Ministry of Trade and Services
- The Ministry for Economy and Regional Development

- The Ministry for Agriculture, Forestry and Water Management
- The Ministry of Health
- The Custom Administration
- Other relevant authorities

Such an involvement shall by itself contribute to strengthening administration capacity of all involved institutions and improvement of their coordination.

Stabilisation and Association Agreement (SAA)

TITLE VI – Approximation of laws, law enforcement and competition rules, the article 72 defines that "The Parties recognise the importance of the approximation of the existing legislation in Serbia to that of the Community and of its effective implementation. Serbia shall endeavour to ensure that its existing laws and future legislation will be gradually made compatible with the Community acquis. Serbia shall ensure that existing and future legislation will be properly implemented and enforced".

The Article 77 concerning Standardisation, metrology, accreditation and conformity assessment:

Paragraph 1, defines that Serbia "shall take the necessary measures in order to gradually achieve conformity with Community technical regulations and European standardisation, metrology, accreditation and conformity assessment procedures";

Paragraph 2a, defines that "the Parties shall seek to promote the use of Community technical regulations, European standards and conformity assessment procedures;" paragraph 2b defines that "the Parties shall seek to: provide assistance to fostering the development of quality infrastructure: standardisation, metrology, accreditation and conformity assessment."

The Article 78 concerning Consumer Protection states that effective consumer protection is necessary in order to ensure a proper functioning of the market economy, and this protection will depend on the development of an administrative infrastructure in order to ensure market surveillance and law enforcement in this field.

Article 97 concerning Agriculture, and the agro-industrial sector prescribes that, cooperation between the Parties shall be developed in all priority areas related to the Community *acquis* in the field of agriculture, as well as veterinary and phytosanitary domains. Cooperation shall notably aim at modernizing and restructuring the agriculture and agro-industrial sector, in particular to reach community sanitary requirements, to improve water management and rural development as well as to develop the forestry sector in Serbia and at supporting the gradual approximation of Serbian legislation and practices to the Community rules and standards.

Therefore, the Project intends to develop draft laws that will transpose EU directives and regulations related to free movements of food and non food products into the Serbian legislation. Also, the Project will increase capacities of the relevant authorities to implement the newly developed legislation in Serbian community.

The National Integration Programme

In the NPI it is stated that it is necessary to further enhance the institutional framework for the efficient market surveillance structure, part of which is the Ministry of Trade and Services. The field of products safety is within the competence of the Ministry of Trade and Services.

Following the adoption of the Law on General Product Safety, the plan is to draw up by-laws which will more closely prescribe the method of establishment and work of one system of rapid exchange of information and appoint the authority responsible for unification and distribution of information related to serious hazards, as well as to other risks posed by dangerous products for health and security of consumers and other users, the method and procedure for informing the EC Commission through the RAPEX system on the serious risk that a hazardous product poses and on the measures taken.

Modernisation of market inspection will be directed towards ensuring material and technical devices. The Ministry of Trade and Services will continue to strengthen its capacities by further training of employees and procurement of equipment, related to the implementation of the Law on General Product Safety.

This Project will continue to strengthen capacities of both Ministries for Trade and Services and other authorities in order to enable full implementation of the Law on General Product Safety and its sub laws by introducing market surveillance procedures in specified fields, raising the competence of the staff, introduction of the training and qualification procedures, introducing data collection system on injuries related with products and in accordance with EU legal acts.

2.4. Link with MIPD

The project shall contribute to the achievement of the MIPD 2009-2011 objectives, under the component 2.3.1.3 Ability to assume obligations of membership:

"Supporting the development and implementation of sectoral strategies and policies compatible with EC internal market legislation and best practices in areas such as standardisation, accreditation, metrology, conformity assessment and market surveillance; food safety, veterinary and phytosanitary policy consumer protection; financial services; public procurement; protection of intellectual property rights; data protection, market regulation, etc."

Expected results for the agricultural and rural development sector, during this planning period will be; implementation of international and EU marketing standards initiated. The Veterinary, phytosanitary, wine and sanitary laboratories, inspectorates and controls at external borders further upgraded.

The Project will contribute to better implementation of the policies compatible with EU through alignment of the national legislation in area of market surveillance with the EU, as well as further upgrade of Trade, Veterinary, Phytosanitary and Food Inspectorates.

2.5. Link with National Development Plan

N/A

2.6. Link with national/sectoral investment plans

N/A

3. Description of Project

3.1. Background and justification

The work of market surveillance authorities in the Republic of Serbia is regulated by the Law on Public Administration (Official Journal of RS no. 79/05 and 101/05), and the procedure of inspection surveillance is regulated by the Law on General Administrative Procedure (Official Gazette of FRY, no. 33/97 and 31/01).

Scope of work of the responsible authorities in the field of market surveillance is regulated by the Law on Ministries (Official Journal of RS, 43/07), and specific issues of inspection surveillance in the field of trade in goods and services, trade in certain type of products (oil and oil derivates, tobacco products, medicines and medical devices etc.) are regulated by separate laws. Distinction of responsibilities between ministries is stated also in every single legal act.

The Law on Ministries prescribes that all ministries should work on preparation of technical regulations within their scope of work, but Ministry of Economy and Regional Development has coordinating role. According to that Law, Ministry of Economy and Regional Development (MERR) is responsible for the matters of standardisation, accreditation, metrology and technical regulations (creation of technical regulation for industrial products including authorization of conformity assessment bodies, notification of new tech. regulation toward WTO and EC etc). Acting as a coordinator in this field, the Ministry of Economy and Regional Development is planning to transpose all directives until the end of 2012.

According to the same Law, for the enforcement of the legislation related to market surveillance the following authorities are responsible in Serbia:

- The Ministry of Trade and Services through market inspectors in the field of control
 of quality and safety of industrial non-food products, control of origin and marking of
 products;
- The Ministry of Agriculture, Forestry and Water Management in terms of phytosanitary and veterinary-sanitary conditions in trade
- The Ministry of Health in terms of sanitary and health conditions in trade
- **The Ministry of Finance**, through its administrations (Customs Administration, Tax Administration, Tobacco Administration).

The detailed description of responsibilities related to market surveillance for each of the mentioned institutions (MEER, MAFWM, and MTS) is given within the Annex III of this Project Fiche.

The current state related to Serbian market surveillance system is characterised by the lack of coordination and communications among different authorities responsible for enforcement of legislation in this field. The relevant authorities in Serbia have been carrying out market surveillance mostly in accordance with existing legislation and particular technical regulations are not yet harmonised with relevant EU regulations.

Also, as stated in 2008 EC Progress Report for Serbia "There has been no progress in the area of market surveillance. Preparations for the establishment of an appropriate market surveillance structure in line with Community legislation have not yet started. Coordination among the market surveillance authorities is still lacking."

Serbian market surveillance system has to be brought in line with EU regulations in order to ensure <u>free movement</u> of goods and <u>safety</u> of goods. Also, Serbia needs to sustain efforts to focus on further improvements for enforcement of the *acquis* in the field of free movement of goods. In order to ensure that the legislation is enforced the <u>administrative capacity of the market surveillance authorities has to be strengthened.</u>

Surveillance bodies must therefore have the appropriate means of ensuring systematic and coordinated market surveillance; they must be transparent and able to apply effective sanctions. Also, they must have the capacity to act immediately in case of emergencies, for example by restricting the use of, or withdrawing, dangerous products.

This project aims to enhance the enforcement of the EU acquis and resolve some practical issues, mainly connected with effective functioning of Serbian Market Surveillance Authorities. The capacity of mentioned authorities will be strengthened through further alignment of the legal framework on standardisation, certification, metrology, accreditation and conformity assessment with European standards, establishment of market surveillance structure and by insurance of proper coordination among the market surveillance authorities. It is also important to constitute an internal system that enables market surveillance authorities to cooperate with the competent authorities of EU countries for the purpose of exchanging information and technical support, serving as a basis for possible future access to the European systems and promoting activities related to market surveillance.

In order to enable relevant Serbian authorities at adopting EU legislation in the area of market surveillance and to improve both structures' efficiency and national system effectiveness, the national legal framework has to be harmonised with the *acquis communeautaire* and - at the same time –administrative capacities and coordination have to be appropriately enhanced

3.2. Assessment of project impact, catalytic effect, sustainability and cross border impact

The project will directly contribute to the improvement of the quality of work of all employees of the market surveillance authorities and shall strengthen the links between the involved institutions.

It shall significantly improve the market surveillance structure and such reduce the exposure of consumers to unsafe and low quality products. The efficient market surveillance will also

have strong effects on an effective functioning of economy and improvement of quality of life of citizens in Serbia.

The sustainability will be ensured since the employees who attend the trainings will be able to deliver this training further through participation in a Training of Trainers programme. The Project will intend, where ever is possible, to promote training using mentorship and gaining experience in a practical "learning by doing" approach.

It is the responsibility of relevant Ministries to ensure that methods learnt are put in practise, the relevant EU legislations that will be drafted are adopted and therefore put into force.

Although the fragmentation of the current system of market surveillance may challenge interinstitutional coordination, the strong willingness of all involved actors in enhancing functional and operational collaborations will bring sustainability to this intervention.

3.3. Results and measurable indicators

•Result 1: National legal framework in the field of technical legislation (new and old approach directives) and in the field of quality standards and control for agricultural products and foodstuff, harmonised with the EU legislation

Indicators:

Number of laws and by-laws drafted in alignment with the Acquis

Number of drafted laws and by-laws adopted by the Ministry and submitted to the Government for adoption

Number of Commission documents translated to the Serbian language relating to market surveillance, in particular the new guidelines for the operation of the RAPEX system (to be published in Autumn 2009)

Result 1 will be achieved through implementation of activities 1.1 - 1.3.

•Result 2: Enhanced administrative capacity of all authorities responsible for market surveillance and improved coordination among them for enforcement of legislation

Indicators:

Increased number of successfully performed inspections, compulsory measures taken by authorities and/or voluntary measures taken by economic operators in respect of products posing health and safety risks to consumers compared to previous year (2009).

Number of complaints that the Trade inspection can process increased compared to 2009.

Number of complaints that the General Inspectorate of Agriculture, Forestry and Water Management can process increased compared to 2009.

National Contact Point for Rapid Alert System for foodstuffs (RASFF) in MAFWM established.

Reduced average timing for joint reaction towards market surveillance of one third compared to date.

Number of prepared, published and distributed brochures related to compliance to the placing on the market dangerous products.

Increased number of visits to the web site of Ministry of Trade and Services¹

Result 2 will be achieved through implementation of activities 2.1 - 2.6.

•Result 3: The MTS and MAFWM inspectors are capable to properly carry out market surveillance activities in accordance to the acquis.

Indicators:

Training programme designed, developed and delivered

Number of inspectors trained

Number of users of market surveillance work-flow methods and data bases

Number of trained staff on EU sampling and testing and risk assessment methods in application as a result of the training

Number of hands - on training delivered

Number of harmonised agricultural and foodstuffs testing methods practised

Result 3 will be achieved through implementation of activities 3.1-3.2.

3.4. Activities

- 1. National legal framework in the field of technical legislation (new and old approach directives, including the horizontal EU legislation on general product safety) and in the field of quality standards and control for agricultural products and foodstuff, harmonized with the EU legislation
- 1.1. Preparation of the gap analysis of the current legislation in the field of technical legislation (new and old approach directives, including the horizontal EU legislation on general product safety) and testing methodologies,
- 1.2. Preparing the transposition plan of the new and old approach directives, in particular directives concerning Lifts, Personal protective equipment, Textile, Footwear, Wood as well as relevant directives for agricultural products and foodstuff.
- 1.3. Assisting in drafting necessary legislation (by-laws, regulation), according to transposition plan for at least 5 directives selected in accordance with priorities identified in item 1.2.
- 1.4. Education and training campaign for implementation of transposed directives and guidelines for their application.

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¹ A dedicated page will be put in the: http://www.mtu.gov.rs website

1.5. Translation to the Serbian language of the Commission guidelines relating to market surveillance, in particular the new guidelines for the operation of the RAPEX system (to be published in Autumn 2009)

2. Enhanced administrative capacity of all authorities responsible for market surveillance and improved coordination among them for enforcement of legislation

- 2.1. Establishment of appropriate management system for planning, requirements, implementation, validation and monitoring of market surveillance activities within the Ministry of Trade and Services
- 2.2 Preparation of harmonised Guidelines for inspectors from all relevant authorities to perform market surveillance. This should include detailed procedures, job descriptions, work programmes, performance criteria as per different sectors or fields of inspections
- 2.3. Review of rules and procedures regarding product withdrawals from the marketplace, product recall procedures and risk assessment in accordance with the concerned and relevant Directives and guidelines for their application
- 2.4. Develop, organise and set up platforms (website, newsgroups, events, etc.) for the exchange of experience, information and best practices, programmes and actions for common projects, information campaigns, joint visit programmes and consequent sharing of information with EU countries.
- 2.5. Develop and implement public information strategy. Delivery of public campaign aiming to raise awareness of the citizens on dangerous products through dissemination of information's related to placing them on the market
- 2.6. Support to the Establishment of the National Contact Point for Rapid Alert System for foodstuffs (RASFF) in MAFWM. Design the system, recommend appropriate operational procedures, provide suggestions in terms of institutional set up, train staff to implement the system.

3. The MTS and MAFWM inspectors are capable to properly carry out market surveillance activities in accordance to the acquis.

- 3.1. Performing of training need analysis aiming to identify most appropriate methodologies and topics to be delivered to the inspectors
- 3.2. Design and delivery of training programme aimed at increasing capacity in of enforcing legislation in the field of market surveillance. Training programme should include on-the-job training related to enforcement of the relevant and concerned directives to MTS to MAFWM Inspectors; workshops and hands-on trainings and seminars on the EU best practice in the field on market surveillance; tailored trainings related to relevant sampling and testing methods in the area of control of agricultural product; training on methodology for implementation of the RAPEX system and study visits for inspectors.

The project will be implemented through 1 service contract for the EU contribution. National co-financing will be delivered through a separate contract that is the beneficiary's responsibility.

3.5. Conditionality and sequencing

Conditionality

The commitment and the mutual agreement among the institutions involved in market surveillance on the establishment of a functional market surveillance structure is the substantial prerequisite for the definition of rules ensuring proper coordination among the market surveillance authorities and avoiding overlapping and conflict of competences.

Sequencing

Activity 2.4 may start only after the completion of activity 2.1, i.e. the establishment of the management system for market surveillance within MTS, however it may be carried out in parallel with the activity 2.2 so that the experiences and information gathered may be incorporated into new Guidelines for inspectors from all relevant authorities that perform market surveillance.

Activity 2.5 should follow all the activities related to result 2, and should continue from that point throughout the remaining duration of the project.

3.6. Linked Activities

In the process of harmonisation, MTS and MERD are being supported by EU funded projects: The Policy and Legal Advice Centre (PLAC) -for Law on General Product Safety, within CARDS 2004, ZAP-for software for unsafe product, within CARDS 2006, project "Technical assistance to quality infrastructure institutions in the Republic of Serbia" within CARDS 2006 and the project which will be funded under IPA 2008 - Further development of technical requirements for products and conformity assessment in Serbia.

The Policy and Legal Advice Centre (PLAC) is a 24-month project funded by the European Union. The activities of this project are: Support to Harmonising Legislation with the EU acquis -Advice on the Formulation, Development and Drafting of Legislation in Line with the EU acquis and Performing Compatibility Checks in the field of Technical Standards (General Product Safety legislation, Construction Products legislation, Notification of technical regulations and standards), Training and Capacity Building - Organisation of a Regional Workshop on Legal Drafting Techniques, Organise Study Visits to EU Member States for Serbian Officials Concerning Legal Harmonisation.

PLAC and ZAP projects will be finished by mid 2009.

The overall objective of the project "Technical assistance to quality infrastructure institutions in the Republic of Serbia" within CARDS 2006, is to assist the Republic of Serbia in meeting the requirements of the Stabilisation and Association process in the area of free movement of goods and to assist MoERD and Serbian quality infrastructure institutions with the adoption of the polices and legislation harmonised with EU Acquis. This project also supports Ministry of Economy in transposition of Low Voltage Directive, EMC directive and Directives on notification of technical regulations – 98/34/EC, 98/48/EC.

We expect that the project IPA 2008 "Further development of technical requirements for products and conformity assessment in Serbia" will continue with activities started within CARDS 2006 project and support transposition of MID and NAWI directives and enforcement of the Machinery Directive, Low voltage Directive and Electromagnetic

Compatibility Directive (it is expected that transposition will be finalised in 2009 by the MoRD). We also expect that other new approach directives transposed by responsible ministries in 2009, will be enforced within this project and that all interested parties i.e. MoERD and other ministries in charge of transposition of directives, MTS, conformity assessment bodies etc. will be trained in that respect. Preparation of ToR of the IPA 2008 project will be done in the first half of 2009 and it is expected that IPA 2008 project will be implemented from 2010 to 2012.

The project "CARDS 2001 Integrated Border Management (IBM)" provided basic training of border veterinary inspectors, created conditions for easier and expedited trade and enhancement of international cooperation.

The EAR's "Reform of the Veterinary, Phytosanitary and Sanitary Inspection Services" project supplied prefabricated buildings, containers, refrigeration facilities and related equipment for performing veterinary and phytosanitary inspections at border inspection points

As the result of the project, the efficient, coordinated system of inspectorates for the sanitary, phytosanitary and veterinary disciplines was established and work on harmonisation with EU legislation and practice started. Also, the new Law on Food Safety has been drafted within the scope of the project.

The purpose of the <u>Technical Assistance for Serbian Food Chain Safety Laboratories</u> was to establish an effective, coordinated system of inspectorates for the sanitary, phytosanitary and veterinary disciplines, increasingly harmonised with EU legislation and practice. The project also put in place (installed) veterinary & phytosanitary BIP facilities at all planned border crossings.

Also, there are three ongoing capacity building projects within the Ministry of Agriculture, Forestry and Water Management:

- Institutional Capacity Building within the Veterinary Directorate project which component III meant to strengthen the capacity of the Veterinary inspectorate to implement and enforce current and future legal requirements;
- Institutional Capacity Building within the Phytosanitary Directorate which intended to
 prepare and initiate implementation of a detailed strategy and action plan to replace
 current plant health certificates with a unified system based on the EU plant passport
 system as well as to implement a quality control system for Inspectors and laboratory
 results used by Inspectors and
- Institutional Capacity Building of the Food-Chain Laboratories Administration with the overall objective to establish the management system for the operation of the laboratory network undertaking statutory analyses for the control of food-chain safety.

The proposed project will make continual the provision of assistance in the alignment of Serbian authorities to EU directives in the field of internal market surveillance.

Furthermore, the project has been designed in a way that should maximize the coordination between the involved institutions since the chosen approach for its implementation was to cluster activities around achievements of specific results instead of different institutions.

3.7. Lessons learned

The applied knowledge gained through the workshops and seminars given below are going to be taken into account during the design of the training programme within the Project

A number of lessons have been learned in CARDS projects which are relevant to this project. The most outstanding ones can be summarised as follows:

Within the scope of CARDS 2006 Regional project on Quality Infrastructure, in the period 14-16 May 2008, a hands-on-training on Market surveillance was organised. This provided clear understanding of the importance of coordination amongst organisations each having their role to play in the market surveillance system. The training was conducted by several authorities -the organisation with the overall coordinating responsibility for all sectors of Market Surveillance in Sweden, Swedac (The Swedish Board for Accreditation and Conformity Assessment), the sector Authority for EMC, LVD and ATEX directives, Elsäk (The Swedish Electrical Safety Board), and Intertek a leading testing and certification organisation in their role as sub contractor to the responsible Authority for market surveillance testing. Each organisation giving lectures and leading discussions in their area of expertise: The New Approach and the GPSD, EU directives and implementation, National Coordination and implementation, incl. cooperation with customs and other stakeholders, International cooperation and information exchange, RAPEX and ICSMS, Market surveillance context (New Approach, LVD, National legislation), Testing of products for market surveillance, selection of tests, Notified Body perspective as subcontractor to the market surveillance authority, Investigation methodology on non compliant products found on the market. The experience gained through this intensive training and lessons learned that were presented will be used as a practical experience in implementation of this project.

Indicative Budget (amounts in €)

Strengthening of the Serbian market surveillance system for non-food and food products			SOURCES OF FUNDING									
		TOTAL EXP.RE	IPA COMMUNITY CONTRIBUTION		NATIONAL CONTRIBUTION					PRIVATE CONTRIBUTION		
ACTIVITIES	IB	B INV EUR		EUR	EUR % (2)	Total EUR	% (2)	Central EUR	Regional / Local EUR	IFIs EUR	EUR	% (2)
	(1)	(1)	(a) = (b) + (c) + (d)	(b)		(c) = (x) + (y) + (z)		(x)	(y)	(z)	(d)	
Activities 1,2,& 3												
contract 1 (TA)	X		2,500,000	2,500,000	100%							_
contract 2 X		350,000			350,000	100%	350,000					
TOTAL IB		2,850,000	2,500,000	88%	350,000	12%	350,000					
TOTAL INV												
TOTAL PROJECT		2,850,000	2,500,000	88%	350,000	12%	350,000	0	0	0		

Amounts net of VAT

- (1) In the Activity row use "X" to identify whether IB or INV(2) Expressed in % of the **Total** Expenditure (column (a))

5. Indicative Implementation Schedule

Contracts	Start of Tendering	Signature of contract	Project Completion
Contract 1	N+1Q	N+4Q	N+13Q

6. Cross Cutting Issues

Implementation of the project will be, at each stage, in line with EU principles and standards in terms of gender equal opportunities, minimization of environmental impact and involvement of all social, ethnic and religious components of Serbian society.

6.1. Equal Opportunities

This issue will be respected in a proactive manner, so not only by ensuring access to the planned activities with no gender discrimination but through specific actions. EU principles and Serbian laws and regulations regarding equal opportunities will strictly be respected at each stage of the project. Respect of principles, laws and regulations on equal opportunities will be monitored.

6.2. Environment

The project does not have any adverse environmental impact. However the beneficiary is engaged to guarantee that planned activities (tasks) will be performed minimizing use of limited (not renewable) resources.

6.3. Minorities

The beneficiary is engaged to guarantee, at each stage of implementation of the project, that composition of the staff will respect ethnic and religious diversities. In drafting of legal documents a special attention to the most vulnerable groups of Serbian society will be paid.

ANNEX I: Logical framework matrix in	Programme name and number		
Strengthening of the Serbian market surveillance sy	stem for non-food and food products	Contracting period expires 2 years after the FA	Disbursement period expires 5 years after the FA
		Total budget : 2,850,000€	IPA budget: 2,500,000 €
Overall objective	Objectively verifiable indicators	Sources of Verification	
To contribute to reduction of the exposure of consumers in Serbia to unsafe and low quality products by improving functioning of market surveillance system	Achieved progress in law enforcement	EC Progress report Official Journal of the Republic of Serbia National programme for Integration	
Project Purpose	Objectively verifiable indicators	Sources of Verification	Assumptions
The project purpose is to enable relevant Serbian authorities at adopting and enforcing EU legislations in the area of market surveillance, so as to improve the efficiency of the structure and the effectiveness of the national system.	Selected New and Old approach directives transposed. Improvement in the enforcement of legal acts on transposition of directives and of other technical regulations. Market surveillance and conformity assessment mechanisms in place Reduced number of consumer complaints regarding unsafe products	EC Progress reports Regular reports of the Ministries Reports from relevant institutions (Trade Inspection, Public health institutions) Number of acts (directives transposed) published in official journal	Continued government commitment to accession process
Results	Objectively verifiable indicators	Sources of Verification	Assumptions
R1: National legal framework in the field of technical legislation (new and old approach directives) and in the field of quality standards and control for agricultural products and foodstuff, harmonised with the EU legislation	Number of laws and by-laws drafted in alignment with the <i>Acquis</i> Number of drafted laws and by-laws adopted by the Ministry and submitted to the Government for adoption Number of Commission documents translated to the Serbian language relating to market surveillance, in particular the new guidelines for the operation of the RAPEX system (to be published in Autumn 2009)	Government decisions Training certificates Project progress reports Memoranda of cooperation Internal documents of the ministries (book of rules) Administrative decisions ordering measures aimed at preventing or restricting marketing of unsafe products	Co-operation between institutions involved Reduction of administrative/bureaucratic barriers
		Notification of voluntary measures taken by economic operators in respect of unsafe products Brochures	
R2: Enhanced administrative capacity of all authorities responsible for market surveillance and improved coordination among them for enforcement of legislation	Increase number of successfully performed inspections, compulsory measures taken by authorities and/or voluntary measures taken by economic operators in respect of products posing health and safety risks to consumers compared to previous year (2009); Number of complaints that the Trade inspection can		

process increased compared to 2009, Number of complaints that the General Inspectorate of Agriculture, Forestry and Water Management can process increased compared to 2009; National Contact Point for Rapid Alert System for

	foodstuffs (RASFF) in MAFWM established Reduced timing for joint reaction towards market surveillance of one third compared to date; Number of prepared, published and distributed brochures related to compliance to the placing on the market dangerous products; Number of visit to Ministry web site		
R3: The MTS and MAFWM inspectors are capable to properly carry out market surveillance activities in accordance to the acquis	Training programme designed, developed and delivered; Number of inspectors trained; Number of users of market surveillance work-flow methods and data bases; Number of trained staff on EU sampling and testing and risk assessment methods in application as a result of the training; Number of on-the-job training delivered; Number of harmonised agricultural and foodstuffs testing methods practised		
Activities:		Means/Costs	Assumptions
R1 National legal framework in the field of technin the field of quality standards and control for a the EU legislation 1.1. Preparation of the gap analysis of the current leapproach directives, including the horizontal EU legimethodologies, 1.2. Preparing the transposition plan of the new and Lifts, Personal protective equipment, Textile, Footoproducts and foodstuff 1.3. Assisting in drafting necessary legislation (by-15 directives selected in accordance with priorities in the Lifts, Education and training campaign for implement 1.5. Translation to the Serbian language of the Caparticular the new guidelines for the operation of the R2 Enhanced administrative capacity of all auth improved coordination among them for enforcer 2.1. Establishment of appropriate management system and monitoring of market surveillance activities with 2.2 Preparation of harmonised Guidelines for inspective surveillance. This should include detailed procedures appending produced procedures and risk assessment in accordance with 2.4. Develop, organise and set up platforms (websit information and best practices, programmes and activities and activities and activities and activities and procedures programmes and activities and activities and procedures regarding produced as per different sectors or fields of inspections 2.3. Review of rules and procedures regarding produced procedures and risk assessment in accordance with 2.4. Develop, organise and set up platforms (websit information and best practices, programmes and activities in the result of the EU legister and procedures are garding produced as per different sectors, programmes and activities are considered as a procedure and platforms (websit information and best practices, programmes and activities are considered as a procedure and platforms (websit information and best practices, programmes and activities are considered as a procedure and procedure and platforms (websit information and best practices, programmes and activities are considered as a procedure and procedure and	Budget :2.850 MEUR EU (IPA) : 2.500.000 (one service contract) National contribution: 350.000	Adequate staffing in respective ministries/institutions Readiness of policy makers to adopt necessary legislative framework	

visit programmes and consequent sharing of information with EU countries.	
2.5. Develop and implement public information strategy. Delivery of public campaign aiming to raise	
awareness of the citizens on dangerous products through dissemination of information's related to placing them	
on the market	
2.6. Support to the Establishment of the National Contact Point for Rapid Alert System for foodstuffs (RASFF)	
in MAFWM. Design the system, recommend appropriate operational procedures, provide suggestions in terms	1
of institutional set up, train staff to implement the system	
R3 The MTS and MAFWM inspectors are capable to properly carry out market surveillance activities	
in accordance to the acquis.	
3.1. Performing of training need analysis aiming to identify most appropriate methodologies and topics to be	1
delivered to the inspectors	
3.2. Design and delivery of training programme .	

ANNEX II: amounts (in €) Contracted and disbursed by quarter for the project

IPA budget for contract 1.1. – Service contract

CONTRACTED	N+4Q	N+5Q	N+6Q	N+7Q	N+8Q	N+9Q	N+10Q	N+11Q	N+12Q	N+13Q	Total
Contract 1.1.	2.5										2.5
CUMULATED	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5
DISBURSED											
Contract 1.1.	0.5		0.45		0.45		0.45		0.4	0.25	2.5
CUMULATED	0.5	0.5	0.95	0.95	1.4	1.4	1.85	1.85	2.25	2.5	2.5

ANNEX III: Description of Institutional Framework

The Ministry of Trade and Services

According to the Law on Ministries, Ministry of Trade and Services has created a new internal structure and the Minister has passed a new Regulation on Internal Organisation and Job Systematisation. The most important novelties bear the organisational character:

- New vacancies for advisory duties concerning development, education and improvement and operational rationalisation in the field of inspection development,
- Within the Market inspection, two departments were established for coordination of inspection supervision duties in the field of trade and services, including coordination of inspection supervision in the field of *quality control of the industrial alimentary products*, *consumer protection*, intellectual property protection, prevention of unfair competition. The Sector is headed by the Assistant Minister Chief Market Inspector

Internal organisation is changed and description of jobs and working assignments is specified, that is, unified for 27 market inspection units, performing direct inspection supervision, with coordination from the Seat of the Ministry within the scope of competences, especially encompassing following priority segments of the inspection supervision: control over turnover of goods and services, quality and safety control of goods and services and consumer protection, intellectual property rights protection and prevention of unfair competition, and in those areas, special sections and groups are formed within the departments.

The main responsibility of the inspection considers supervision over implementation of laws and by-laws regulating registration of economic entities; possession of license, consent or other act of a responsible authority, when it is a requirement for performing of activity; quality of industrial and non-food products; advertising products and services; consumer protection-dealing with consumers' complaints; protection of intellectual (industrial) property rights and prevention of acts of unfair competition.

Market inspectors are authorised to file a criminal report, report on economic violation, infringement or a report to the court of honour; to seize temporarily the goods that are the subject of a felony, economic violation or infringement, to secure the evidence until the completion of court proceedings; to seize permanently the goods when they are the subject of illegal trade; to order elimination of ascertained irregularity in the trade of goods; to ban false/misleading advertising of goods and services; to order adoption of a justified consumer's complaint; to withdraw from the market and retain counterfeited products and other goods (piracy items), that violate intellectual property rights and to temporarily ban performing of activity and to pronounce a fine on the spot, when prescribed by law.

In order to procure the necessary equipment aiming to improve the quality of job performance by the market inspectors, the MTS had:

- Tender the assistance related to IT support: Contract was signed by the European Agency for Reconstruction on 19 September 2008. According to the contract the supplier began the delivery of IT equipment, among other 575 laptops and digital cameras, to the Market Inspection. Delivery/Installation of IT equipment is at the same time the precondition for implementation of training that is planned to be conducted within the ZAP project in 2009.
- Signed the contract with European Agency for Reconstruction on 19 September 2008 aiming to design and develop the software for establishing of a rapid alert system for dangerous products (an equivalent to EU RAPEX).

The field of products safety is within the competence of the Ministry of Trade and Services (legislative role). The Draft Law on General Product Safety, which regulates the safety of

products which are sold in the market, the criteria for conformity assessment of products with general safety requirement, obligations of producers and distributors, conditions and methods for providing and exchanging information related to risks for health and safety of consumers and other users, as well as supervision, was submitted to the National Assembly on August 2008 for adoption.

Following the adoption of the Law on General Product Safety, the plan is to draw up by-laws which will more closely prescribe the method of establishment and work of the Serbian system of rapid exchange of information, including theappointment of the authority responsible for unification and distribution of information related to serious risk, as well as to other risks posed by products dangerous for health and security of consumers and other users; in addition, the new guidelines for the operation of the RAPEX system (to be published in Autumn 2009) should be translated into Serbian. The prepared by-laws should be in compliance with the requirements of the new guidelines for the operation of the RAPEX system, thus, preparing a basis for possible future membership of Serbia in the RAPEX system. By-laws should avoid "doubling" the provisions of the aforementioned RAPEX guidelines; where necessary, the method of referring to the relevant provisions of the RAPEX guidelines should be preferred.

For the period 2010 – 2012, the plan is to adopt by-laws that will be in conformity with the European Commission Recommendation of 27 November 1992, calling on the member states to establish the required infrastructure for identification of hazardous products on external borders (31992H0579), and Council Regulation 339/93 of 8 February 1993 on testing of conformity with regulations on product safety in case of products imported from third countries (31993R0339) (As of 1 January 2010, the Regulation 339/93 will be replaced by the Regulation (EC) No. 765/2008/EC setting out the requirements for accreditation and market surveillance relating to the marketing of products and repealing Regulation (EEC) No 339/93).

In accordance with NPI, capacities of the Ministry of Trade and Services will be strengthened by further training of employees and procurement of equipment, relating to implementation of the Law on General Product Safety.

Ministry of Economy and Regional Development

Quality infrastructure - standardisation, accreditation, metrology and technical regulations with conformity assessment, as the key element in the area of internal market, was regulated at the level of the State Union Serbia and Montenegro, by following Laws:

- Law on Standardisation,
- Law on Accreditation,
- Law on Metrology and
- Law on Technical Requirements for Products and Conformity Assessment of Products with Such Requirements.

These framework laws were launched on October 22, 2005 and they are in force from January 1, 2006. Adoption of the framework laws and bylaws for their implementation was one of the first steps in preparations for alignment with EU in this area.

As all above mentioned legislations were adopted at State Union level, Serbia plans to adapt them to the Serbian legal system and to revise them in order to be fully operational in Serbian legal system and to fully comply with European and international rules (WTO/TBT Agreement).

Following the dissolution of the State Union of Serbia and Montenegro, Serbia has taken over responsibilities in this area and coordinating role has been appointed to the Ministry of Economy and Regional Development (MoERD). Article 9 of the Law on Ministries ("Official Gazette of RS", no. 65/08) prescribes that the Ministry of Economy and Regional Development shall carry out the activities of public administration pertaining to standardization, technical regulations, accreditation, measures and precious metals.

This area has been identified as the priority of the Government in numerous strategic documents and it was confirmed through the establishment of the Sector in charge of standardisation, accreditation, metrology and technical regulations which task is to complete the legal and institutional framework in this area.

Acting as a coordinator in this field, the Ministry of Economy and Regional Development prepared the Action Plan for drafting technical regulations with measures for their implementation, which was adopted by the Government in December 2008.

Expected results of the realisation of the Action plan are:

- accurate and operational database on technical regulations and conformity assessment bodies (register of technical regulation adopted, and in the development phase, as well as register on authorised conformity assessment bodies).
- plan of revocation of mandatory standards, and plan of adoption all necessary technical regulations, which would organise relevant areas of standards with obligatory implementation

According to the adopted National Integration Programme – NPI, Ministry of Economy and Regional Development is in charge of coordination of subgroup No.1 – Free movement of goods, and MoERD will be responsible for transposition of EU acquis for large number of industrial products i.e. great number of EU directives. According to the NPI Serbian plan is to transpose all directives until the end of 2012.

MoERD has prepared Draft Law on Technical Requirements for Products and Conformity Assessment which was adopted by the Government in October 2008 and waits to be adopted by the Parliament. This law will provide the legal framework for transposing the EU directives (new and global approach, as well as the old approach) if prescription of technical requirements and implementation of conformity assessment procedures for products is not envisaged by special laws. The draft also allows the prescription of technical requirements for the filed of non-harmonized area in the EU, i.e. preparation and adoption of national technical regulations. It is expected that new laws will be adopted by the Parliament in the beginning of 2009.

Draft Law on Standardisation was also adopted by the Government and waits to be adopted in the Parliament procedure. Both laws will be adopted under urgent procedure

Law on Accreditation and Law on Metrology will also be revised in 2009.

Transposition of the three directives is planned to be done by the end of 2009 within the MoERD activities:

- MD/Machinery Directive
- LVD/Low Voltage limits Directive,
- EMC/Electro magnetic compatibility Directive.

Working group for drafting transposing act on Machinery directive is established and it is expected that the draft will be done in 2009.

At the operational level quality infrastructure institutions are: Accreditation Body of Serbia, Institute for Standardisation of Serbia and Directorate for Measures and Precious Metals.

The Ministry of Agriculture, Forestry and Water Management

According to the Law of Ministries, the MAFWM is responsible for agricultural products and foodstuffs of animal and plant origin and mixed product, for their production, trade and quality in internal and foreign trade (including ethanol, wine, brandy and other alcoholic drinks).

The activities of inspection (surveillance) of the quality standards of agricultural produce pertaining to purchase, storage, processing and turnover (trade) and the control of the conditions for the production and trade of foodstuffs and quality thereof, fall under the responsibility of the Inspectorate General (IG) of the Ministry of Agriculture, Forestry and Water Management, and are carried out by the Veterinary, Phytosanitary and Agricultural inspectors.

The Inspectorate General of the Ministry of Agriculture, Forestry and Water Management was established by the Law on Ministries in July 2008.

In line with some EU models, Inspections are dislocated from the Directorates of the Ministry to the IG. All authorities, obligations and responsibilities, as well as internal organization of inspections remain the same as before, except the fact that inspectors are now obliged to Director of the IG. As a result of joining we achieved more efficient coordination; manage continuous chain of command and control. This makes all inspection services transparent and clearly available to the Minister.

As an executive body, the Inspectorate General controls the enforcement of the Law regulations, submits reports about undertaken operations and supervised objects. The IG proceeds to the central database all data that Directories requires.

In case of emerging of contagious diseases or any other accidental situation, Heads of Directorates orders measures while the IG monitors their execution and notifies the Directorates about the same.

Imperative of the IG is profound implementation of the standards practiced in EU, especially those regarding the field of animal health protection and food safety compliance of products of animal origin. It is also important to avoid the obstructions of international transit over the border.

The basic goals of the Inspectorate General that need to be achieved are a faster, more efficient and improved expertise of the inspection services, corruption repression, integrated border management and international trade in goods, integral control of all agricultural products and food (of both animal and non-animal origin), integral control of the entire chain of agricultural production in keeping with the principle from farm (stable) to table.

By analysing different systems of this control currently in use in the EU Member States we have come to a conclusion that this mode of operations is the most efficient one given that it ensures the coordination and control of work from one place and direct surveillance and insight of the Minister into the work of the Inspectorate General. According to this model the existing directorates would continue performing scientific aspect of their overall activities which would primarily relate to the development of legislation, international cooperation, keeping the necessary registers, adopting necessary measures from their area of expertise. Additionally, the Directorate General is an executive body implementing the adopted measures and enforcing primary and secondary legislation, producing reports on the actions that have been undertaken and reports to the directorate directors thereon (as per the area of expertise). The said directors may on the basis on the submitted reports make decisions on further measures to be undertaken.

The IG has a staff of 634 employees responsible for the already mentioned areas of inspection.

ANNEX IV: Reference to laws, regulations and strategic documents

Relevant strategies

- Strategy of Public Administration Reform;
- National Strategy for Fight against Corruption;
- Strategy of Information Society Development in the Republic of Serbia;
- National Strategy of Accession of the Republic of Serbia to the European Union;
- Strategy and Policy of Trade of the Republic of Serbia
- Agricultural Strategy of the Republic of Serbia

Relevant legislation

- Law on Registration of Economic Entities (Official Journal of RS, no. 55/04 и 61/05);
- Company Law (Official Journal of RS, no.125/04);
- Law on Private Entrepreneurs (Official Journal of SRS, no. 54/89, 9/90 Official Journal of RS, no. 19/91, 46/91, 46/91, 31/93, 39/93, 53/93, 67/93, 48/94, 53/95, 35/02, 55/04, 101/05);
- Trade Law (Official Gazette of FRY, no. 92/93, 50/93; 41/94; 29/96; 37/02 and Official Journal of RS, no. 85/05 and 101/05);
- Law on Conditions for Performing Trade in Goods, Provision of Services and Inspection Supervision (Official Journal of RS, no. 39/96, 20/97, 46/98, 34/01, 80/02 and 101/05);
- Law on Fiscal Registers (Official Journal of RS, no.135/04);
- Competition Law (Official Journal of RS, no.79/05),
- Law on Advertising (Official Journal of RS, no.79/05);
- Law on Consumer Protection (Official Journal of RS, no.79/05),
- Law on Tobacco (Official Journal of RS, no.101/05, 63/06,10/07 and 67/07);
- Law on Special Authorisation for Efficient Protection of Intellectual Property Rights (Official Journal of RS, no.46/06),
- Law on the Quality Control of Agricultural Produce and Foodstuffs in Foreign Trade ("the Official Gazette of the FRY", no. 12/95),
- Law on Wine and Brandy ("the Official Gazette of the RS", no. 70/94),
- Law on the Surveillance of Agricultural Produce of Vegetable Origin ("The Official Gazette of the RS", no. 25/96), the Law on Measures for Improving Cattle Breeding ("The Official Gazette of the RS, no. 61/91),
- Law on Requirements Regulating Commodity Trade, the Provision of Services in Commodity Trade and Inspection Surveillance ("The Official Gazette of the RS", no. 39/96,20/97 and 46/98),
- Law on Veterinary («Official Gazette of the RS», No. 91/2005)

In this field in the Republic of Serbia, the following laws also apply:

- Law on Trademarks (Official Gazette of SCG, no. 61/04 and 7/05),
- Law on Patents (Official Gazette of SCG, no. 32/04 and 35/04, and Official Journal of RS, no.115/06);
- Law on Copyrights and Related Rights (Official Gazette of SCG, no. 61/04),
- Law on Legal Protection of Design (Official Gazette of SCG, no. 61/04),
- Law on Indications of Geographical Origin (Official Gazette of SCG, no. 20/06);
- Law on Protection of Topographies of Integrated Circuits (Official Gazette of SCG, no. 61/04),
- Law on Technical Requirements for Products and Conformity Assessment of Products with Technical Requirements (Official Gazette of SCG, no. 44/05);

- Law on Standardisation (Official Gazette of SCG, no. 44/05);
- Law on Accreditation (Official Gazette of SCG, no. 44/05);
- Law on Metrology (Official Gazette of SCG, no. 44/05).
- Regulation on the manner of drafting and adoption of technical regulations and the registry of these regulations ("Official Gazette of Serbia and Montenegro", No. 17/06)
- Regulation on the manner of designation of the CAB's, registry of designated CABs, records of conformity documents, conformity signs and CABs, as well as conditions for implementation of technical regulations of other countries ("Official Gazette of Serbia and Montenegro", No. 22/06),
- Decree on Manner and Procedure of Conformity Assessment ("Official Gazette of Serbia and Montenegro", No. 22/06),
- Decision on Establishing Accreditation Body of Serbia ("Official Gazette of RS", No. 96/06).
- Decision on Establishing Institute for Standardization of Serbia ("Official Gazette of RS", No. 16/07),
- Free Trade Agreement of the Western Balkans. (CEFTA, Article 13)

In accordance with the Action Plan for harmonisation of the regulations of the Republic of Serbia with the legislation of the European Union, the Ministry of Trade and Services has done the following:

- Draft Law on Trade, currently in the stage of harmonisation with other ministries;
- Draft Law on General Product Safety, has been submitted to the Government for discussion and completion of the Bill and its submission to the Parliament procedure.
- Drafting of the Law on E-commerce is in progress.

With the aim to establish market supervision in line with EU standards, Ministry of Trade and Services drew up

- - Program for Raising Coordination Level in inspection supervision
- - Draft Decision on the Establishment of Coordinating body and
- - Project of Inter Departmental Coordination in that area.

ANNEX V: Details per EU funded contract where applicable

Contract 1.1 - Service contract for Technical Assistance

The Service contract for TA will also encompass a specific component related to a software development for the implementation of RASFF in MAFWM.

The profiles of the key and non - key experts for this contract are in the field of technical legislation, market surveillance system for non-food and food products, as well as IT, training and other expertise.

The Project leader monitors regularly the activities undertaken and results achieved during project implementation. The project leader will have the responsibility of adjusting the work schedule and activities in order to achieve the overall objective of the project.

The project leader works in Belgrade to direct and coordinate the project with the responsible members from the Ministry of Trade and Services. The Project leader is responsible for the daily management of the project in Serbia and he/she should perform the following:

- coordinates and supervises the activities of all long-term, short-term and local experts;
- ensures overall co-ordination within the project;
- organises the project implementation, especially steering the assignments of the medium- and short-term experts, training measures, conferences, internships, etc.;
- ensures avoidance of overlapping with other projects.

One **Key expert** for software development will be in charge of the implementation RASFF in MAFWM.

Long and Short-term experts provide specialised know-how for the individual tasks in this project. As a general approach, the experts will take the responsibility for the implementation of the Project and the achievement of the results, each for his/her individual mission tasks. They will also prepare the required reports and the output described. They must provide long-standing experience in all relevant fields.

Local experts should pay attention to the need to ensure the active participation of local professional skills where available. Local experts are responsible for expertise on current strategies and situation in the Serbian internal market sector, expertise in the field of technical legislation, market surveillance system for non-food and food products, as well as trainings related expertise.

National contribution of the Ministry of Trade and Services to financing of this project in the amount of 350.000 EUR, i.e. 12% of the total value of the contract will be used for financing the following activities:

2.4 Develop, organise and set up platforms (website, newsgroups, events, etc.) for the exchange of experience, information and best practices, programmes and actions for common projects, information campaigns, joint visit programmes and consequent sharing of information with EU countries.

Part of 2.5 Delivery of public campaign aiming to raise awareness of the citizens on dangerous products through dissemination of information's related to placing them on the market

Since the Ministry of Trade and Services operates under the programme budget and plans all its activities for each year separately, these activities will be mirrored in the Ministry's planned projects/activities within the Annual Operation Plan (GOP) for the duration of this IPA 2010 project.

Tendering for service contracts for realisation of these two activities will be done according to the national legislation.