STANDARD SUMMARY PROJECT FICHE

1. Basic Information
   1.1 Désirée Number: ES0005-1
   1.2 Title: MARKET SURVEILLANCE PROJECT
   1.3 Sector: Industry
      Twinning code: EE00/IB/OT-01
   1.4 Location: Estonia

2. Objectives

   2.1 Wider Objective:
   Efficiently functioning market surveillance (MS) system in Estonia operating in accordance to EU market surveillance good practice

   2.2 Immediate Objectives:
   Operational MS service carried out by institutions in the sectors under the supervision of Ministry of Economic Affairs (MoEA) according to EU requirements

   2.3 Accession Partnership and NPAA priority

   a) Internal Market

   SHORT TERM
   Free movement of goods: speed up the transposition and implementation of European standards and in particular New Approach directives, in particular a new conformity assessment act, and adoption of corresponding EN standards, introduce an accreditation system; develop the market surveillance system and pursue alignment of technical legislation.

   MEDIUM TERM
   Free movement of goods: complete the alignment of sectoral legislation and the adoption of EN standards, upgrade standardization and conformity assessment structures and globally ensure proper implementing structures for all sectors; ensure mutual recognition in non-harmonized sectors.

   b) NPAA

   Ch. 3.2.1.1. ; Ch.5.4 Energy; Ch. 7.2. Consumer Protection; Ch. 12 Administrative Capacity
   Look at Annex 6 for more detailed outlines

   2.4 Contribution to National Development Plan N/A

   2.5 Cross Border Impact N/A
3. Description

3.1 Background and justification:

Background
Estonian Market Surveillance (MS) system has to be brought into line with EU regulations in order to ensure free movement of goods and safety of goods. At the moment there are several market surveillance authorities responsible for regulation of this subject: Ministry of Economic Affairs (MoEA), Ministry of Agriculture, Ministry of Environment, Ministry of Transportation and Telecommunication.

MoEA is responsible for sectors of mining, chemical, machinery; pressure, lifting, electrical equipment, construction products and metrology. The technical Inspectorate performs the supervising and surveillance functions in these fields. The general product safety supervision (except some specific products, e.g. pharmaceutical) and notification about dangerous products is the responsibility of MoEA, and this function is carried out by Consumer Protection Board. Both MS authorities - Technical Inspectorate and Consumer Protection Board do not perform the testing activities by themselves, but use the technical competence of the 3rd part conformity assessment bodies. In some fields of inspection activities (lifts, SPV) the Technical Inspectorate use the assistance of independent accredited inspection body.

Application of the notified and/or accredited conformity assessment bodies in surveillance activities is already accepted to be the common practice by the Technical Inspectorate, and is fully in compliance with conformity assessment policy of MoEA; it is the objective to achieve the implementation of the same practice in Customer Protection Board too, and as the broad objective - in all MS authorities.

Generally, MS as the important mean to ensure and support the Conformity Assessment Policy is treated as high priority of the MoEA. The special Conformity Assessment program will be applied in Phare 2001 Program. During the year 2001 IT system design and analyses for MS system will be done and investments for that will be asked from Phare 2001 project.

MoEA has received international experience and assistance to strengthen its MS capacity (see 3.2).

Problems to be addressed

Existing MS legislation has to be harmonized with the acquis communautaire. Up-to-date MS system is missing and the existing MS institutions do not co-operate and are not able to enforce Estonian MS regulations effectively; consequently quality and safety of products can not be guaranteed for consumers. The special Government Decree Regulation of the Government of the Republic No 39 of 8 February 2000 Approval of the Conditions and Procedure for Notification of Foreign States About Hazardous Products Ascertained During the Process of Market Surveillance was adopted.

Insufficient information and communication procedure between different MS authorities could constrain the enforcement of this regulation. Thus the co-ordination and co-operation between different authorities, as well as the official market control are not effective to achieve the high degree of protection, particularly that embodied in New Approach.

1 Other ministries supervise food products, medicines, environmental safety
Most of existing government institutions responsible for MS services have old-fashioned management structures (e.g. heavy and unclear structures and reporting requirements, insufficient personnel, low policy making and management capabilities, unclear division of tasks inside the organization) which result in inefficient use of resources and low productivity.

Administrative and institutional reform in order to strengthen the administrative capacity of the above-mentioned institutions must be undertaken.

Although there is no strategic basis for development of the MS system, the MoEA has defined its priorities on the basis of highest economic effect and widest consumer circle affected by the area of surveillance. Therefore market surveillance of chemical products, construction products, pre-packed goods and type verifications need to be strengthened in the first order.

3.2 Linked activities:

Phare activities:

- Support to Establishment of Technical Inspection (Phare 1997)
  Project will end before the start of present project. The focus of the project is HRD of the Technical Inspectorate and Technical Inspection Centre in the areas of Conformity assessment and market surveillance.

  Project strengthens the capacity of the Board to fulfil the functions coming from EU directives among them market surveillance but it does not link the activities to the broader market surveillance system.

What concerns the Consumer Protection Project, then whole market surveillance system is oriented towards the market protection of ordinary consumers. Consumer Protection Project concentrates on the increasing of awareness of consumers, information provision procedures and on improving the system of receiving, handling and answering the complaints. Also, it has to be considered that from the product groups, on the basis of the today's and tomorrow's qualifications, the consumer protection officials cover mostly consumer products (like articles of food, alcohol and tobacco, sanitary and chemical products, household goods). The Consumer Protection Project concentrates on products and services, which are already placed on the market.

Consumer Protection project, on the other hand, concentrates on general national surveillance, the target groups being consumers, importers, exporters, wholesalers, manufacturers. What concerns product groups, a considerably wider range of products is under observation (electrical machines and appliances, technical consumer products, pyrotechnical products and products with chemical hazard, etc. Market surveillance project contains two vertical levels: one has national surveillance over market surveillance officials as a priority and another has surveillance on the market as a priority. The above-mentioned should give a sufficient explanation to justify the difference.

- Approximation of Legal Norms in Energy Sector - Formation of the Energy Market Inspection – (Market Surveillance project under it)

- Project Implementation Unit for Energy sector - Co-ordination of PHARE energy projects in Estonia

The Project Implementation Unit (PIU) was the co-ordinator of all PHARE energy sector projects, incl. preparation of energy strategy, institutional development, etc.


One of the main goals of the long-term energy strategy is the market liberalisation. The increased administrative capacity of Energy Market Inspection is very important in the market liberalisation process.

- Institutional Development of the Energy Sector - Institutional development and restructuring of energy sector under responsibility of Ministry of Economic Affairs and public energy utilities. Implemented during the period of 1996-1997

The result of the study was the programme for institutional development of Ministry of Economic Affairs. Energy Department was established instead of four different departments and energy market regulator -Energy Market Inspection- was set up. The next step is the administrative development of both institutions.


Project is in support of approximation of Estonian legislation in Building sector. Formation of the MS in the construction sector.

Other Donors:

- Advisory Support on the Internal Market (Phase II) – Denmark (01.09.1998-01.09.1999)
  The project has provided short-term expertise on legal acts, some of them are linked to market surveillance - consumer protection, accreditation and metrology

- 1999-2001: training in field of legal metrology and inspection (Finland, Governmental agreement between Finland and Estonia)

- 03/2000: IB + equipment (the Netherlands, NMI and MoEA of the Netherlands, for 1 accredited laboratory in Estonian Metrology Centre) In February will take place the fact finding mission to Netherlands were will be clear out what should be done during the project.

- TAIEX 03/2000 - working group on implementing market surveillance legislation.

- Under the project Support of European Integration Process in Estonia (Phare project) one seminar in implementation and practice from the viewpoint of new approach directive will be conducted.

**PHARE PRAQ III Projects on Market Surveillance**

**QI 03** Participation in European Events
• Deputy Director of Consumer Protection Board, participated in European Conference on Market Surveillance in Stockholm in October 1997.

• 6 people participated in Workshop on EMC, Machinery, Low Voltage, Product Liability and Safety Directives in Budapest in December 1997. The aim of the workshop was to provide experts with exhaustive knowledge on the implementation of the considered European Directives and to equip them so as to facilitate the introduction of the new technical legal framework into the national legislation and business culture.

• 5 people participated in Workshops on Responsibilities for Economic Operators in Relation Consumer Products and Services that were held in November 1998 in Brussels. The workshops provided the delegates an introduction to the fundamental principles of European legislation, explained via case studies and practical sessions on the implementation application on issues relating to the responsibilities of manufactures, distributors, retailers on consumer products and services and the enforcement of these by government bodies.

• 2 persons took part in “Internal Market for Industrial Products” in June 1998 in Brussels.

**EO01 and QI01** Seminar on Internal Market principles and EU conformity assessment was conducted in Tallinn in May 1997. The aim was to give participants good knowledge of requirements on product safety and liability and a good knowledge of the importance of market surveillance systems.

**TR 07** Development of the Lecture Kit on Market Surveillance
Lecture Kit on Market Surveillance was developed in July 1997 and financed by PRAQ III Program.

**TR 07** In January 1998 Conference on Market Surveillance was organised by the European Commission in Brussels, where 6 people participated from Estonia. The Conference discussed the principles of market surveillance and the policies of the European Community.

**TR 07** Evaluation of Market Surveillance systems (Phase I)
In April 1998 in the framework of the PRAQ III program project “Evaluation of Market Surveillance Systems” the mission with consultants took place for a study of existing market surveillance system in Estonia. The program for the mission consisted of a series of round table conferences addressed either a specific group and/or a specific subject related to market surveillance (such as policy-makers, industry and trade, inspection services, notified bodies, consumer organizations). In August 1998 final report on the “Evaluation of Market Surveillance Systems” in Estonia was presented to the Estonian parties, concerned. The report contained analyses of the present situation with the regard to the market surveillance system, as well recommendations for improving the current system.

**TR 07** Strengthening Market Surveillance systems (Phase II) – ongoing
The aim of the project is to provide assistance in the implementation of the recommendations contained in the report on the “Evaluation on Market Surveillance Systems “in Estonia. The methodology may include inception visits, coaching missions, training seminars at national and regional levels, etc. Period of implementation: Feb-Sep 2000.

QI - Quality Infrastructure
TR - Technical Regulations
EO - Economic operators

According to the terms of reference of PRAQ III provides assistance in the implementation of the recommendations. Hence, we shall use the results of the first stage of PRAQ III, which are in form of
suggestions and the results of the second stage as an input to the Technical Inspectorate Project. The methodological content of the second stage is inspection visits of the experts, training missions, training seminars. At the moment, there have been no practical actions. The outputs of this stage shall be used as inputs in technical surveillance project for elaborating the HRD Programme and mid- and long-term priorities and as assistance in mapping possible financial costs. Also, it should be considered that the temporal existence of PRAQ III project is Feb-Dec 2000. Hence, it is different from the time schedule of market surveillance project, which provides an excellent opportunity to transplant an output of one project into the input of another bearing in mind the quality infrastructure, technical regulation and fields of entrepreneurs.

3.3 Results:

1. MS strategy document, implementation plan, financing plan, HRD plan completed/ Decision to establish a new body or agree that existing bodies will co-operate
2. Draft legal framework for efficient horizontal MS system
3. Trained staff in MS institutions under supervision of MoEA

3.4 Activities:

The main activities will be:
1.1. Develop horizontal MS strategy document, incl. situation analysis, description of the previous research and reports, overall conception, SWOT analysis (or similar), identification of the areas of strategy implementation, identification of the needs of specific and priority sectors (e.g. concerning legal metrology, dangerous chemicals), implementation plan, financing plan, HRD plan/ Decision to establish a new body or agree that existing bodies will co-operate
1.2. Prepare procedures, job descriptions, work programmes, quality and efficiency measurement criteria etc.
2.1 Determine the legislation needed to be drafted
2.2 Draft necessary legislation
3.1 Advise MS institutions in management
3.2 Train staff

Aforementioned activities will be carried out through the following measures:

a) Twinning component

**Long-term Pre-Accession Advisor(s) (PAA) person(s) for 2x12 months**

**Tasks:**
- Advises development of market surveillance strategy and participates in MS working group (WG);
- Organizes workshops, seminars about market surveillance systems in member states;
- Analyses and drafts legal acts and sets up reports and case studies;
- Elaborates manuals, procedures, action plans, strategy plans, HR evaluation and development plans (incl. based on case studies and process analyze) in collaboration with other experts;
- Conducts training needs assessment in specialized knowledge required for implementing market surveillance;
- Arranges and conducts seminars;
- Assists preparation of secondary legislation that would correspond to the needs of EU accession
- Establishes contacts with ministries of EU member states;
• Gives advice to Chief Executive Officers of beneficiary institutions and executive officers of Industry Department on legal and institutional matters;
• Identifies needs for Technical Assistance if specific expertise can be best provided by private operators.

Profile:
Preferably 1 person for 24 mm or 2 persons from the same country each 12 mm.

Academic background (preferably legal, economic, technical) with professional experience in civil service, broad knowledge of market surveillance system; the professional experience in conformity assessment body and/or market surveillance authority is advantage. Excellent English skills and computer literacy required. Hands on approach to work. Flexible and good communicator.

A. Short- and medium-term experts, 9x(3mm)+ 1x(5mm) man months.

In fields of electrical safety, legal metrology, pre-packaged goods, type verification, machinery safety, safety of chemical products, lifts, pressure vessels, tourism services, construction products:

Tasks
• Analyse draft legislation in specialised areas and setting up reports with comments and recommendations
• Elaborate manuals, action plans (incl. based on case studies and process analyse)
• Conduct workshops, seminars about market surveillance systems in member states
• Assist in preparation of secondary legislation in specialised areas
• Advise in implementation mechanisms of legislation (procedures, registries, information flows etc.)
• Arrange and conduct seminars ( MS principles, methods, techniques, benchmarking, NA and GA legislation, MS legislation

Profile:
Academic background (preferably legal, economic, technical) with professional experience in conformity assessment body and/or market surveillance authority. Deep knowledge in his/her area of specialization (sectoral legislation of EU, New Approach and Global Approach). Preferably also comparative know-how form other EU member states is advantage. Excellent English skills and computer literacy required.

b) Technical Assistance Component

Technical assistance has a complementary role to twinning - while twinning mostly concentrates on subject matter and transfers experience of the member states, the objective of the technical assistance is to strengthen capacity of the beneficiaries to absorb and utilize the knowledge effectively. That means transfer of both international and local know-how in New Public Management and utilizing this know-how in building efficient and effective market surveillance organizations that are capable of providing good service within existing budgetary constraints.

Ministry of Economic Affairs proposes that private operators can best provide specific expertise in following areas:
1) A long term expert in institutional and human resource development

Tasks:
- assists in strategy process management
- develops work programme for management reform
- maps and evaluates human resource capabilities in beneficiary institutions
- provides strategy for human resources (HR) development (long-, medium, short-term plan)
- conducts training needs analysis (TNA) of the beneficiary staff
- designs training schedule and programmes for personnel

Profile:
Relevant academic background with at least 5 years of professional experience in HRD and management
Deep knowledge in his/her area of specialization. Excellent English skills and computer literacy required. Good communication skills. Hands-on attitude and team work tendencies.

2) A short term expert in financial management and planning

Tasks:
- conducts analysis of financial tools
- conducts workshop on financial management
- advises on maximizing effectiveness of financial planning
- writes performance reports

3) A short term expert in IT systems design

Tasks:
- maps information flows
- conducts information and data needs analyses
- identifies alternative solutions
- designs information system
- writes performance report

4) A short term expert in quality management

Tasks:
- analysis of existing quality measures
- recommendations in regard with necessary quality measures
- descriptions of internal quality standards
- writing performance report

5) A short-term expert in legal matters

Tasks:
- advises in legal constraints and introduces measures (in Estonian legal context) for organizational changes;
- writes recommendations;

6) A short term expert in image development and PR

Tasks:
- conducts image survey among co-operation partners and target groups;
- assists in setting targets for image building;
- elaborates PR policy and public awareness campaigns;
- advises public awareness and image building actions;
- writes performance report

7) A long term expert in organisational restructuring and change management 16 mm
Tasks:
- advises on management issues of the recipient authorities (structures, co-ordination, information flows, communication, procedures, objective setting, work analysis etc.), in view of the high importance of the fields as "NA" products, chemical products, pre-packed goods, type approval.
- maps and evaluates processes of the beneficiaries;
- describes means for re-engineering of processes;
- elaborates IT, communication and PR concepts (prepares TORs for short term assignments)
- provides inception report, quarterly reports and final report

Profile:
Relevant academic background with at least 10 years of professional experience in management consultancy. Excellent English skills and computer literacy is required. PAA must have generalization capacity and analytical skills. PAA should be able to adapt easily to new environment, be flexible and have hands-on attitude towards work. PAA should possess good communication skills and good command of English language.

8) A short term communication planning 2 mm
Tasks:
- maps communication targets, intensity and tools among MS institutions
- analyses internal information needs
- elaborates communication plan
- prepares performance reports

9) A short term in strategic management 1.5 mm
Tasks:
- conducts workshops on strategic planning

10) A short term in project management training 1.5 mm
Tasks:
- conducting project management training
- elaborating project management manual

11) A short-term customer needs analyses 5 mm
Tasks:
- provides methodological support in customer needs analysis
- designs regular customer feed-back and satisfaction measurement system
- provides customer orientation workshops
- writes performance reports

12) A short term expert in construction products quality management 4 mm
Tasks:
- analysis of existing quality measures
- recommendations in regard with necessary quality measures
- descriptions of internal quality standards
- writing performance report
• **Training facility** for about 50 persons, in management areas prioritized in TNA Study visits for approx. 25 persons;

• **Information materials**
The project budget also includes costs for interpretation, translation and publication of study-materials.

4 Institutional Framework

While planning the results of the project, we proceeded from the principle in which we use the outputs of the PRAQ III projects as inputs. In developing the strategy, we pay great attention to answering the following questions: which is the most rational market surveillance system, which would also be effective, in practice developed and logical in the sense of responsibility. For that reason, we assume that in case of such a 'model of Estonian market surveillance strategy', it may become necessary to concentrate and concretize responsibility, enforce the existing institutions. Also, it should be mentioned that the market surveillance could be concentrated into a single institution or establishment of new institutions could be considered.

The project may cause changes in institutional structure of market surveillance system. The desirable tendency is to concentrate MS functions into fewer governmental authorities. In this respect Technical Inspectorate may in the future hold wider scope of MS responsibilities than now. The exact institutional structure will depend on strategic solutions and thus will be clarified during the strategy process.

The project will have direct beneficiaries (recipients of expert assistance and major part of training) and indirect beneficiaries (participants in strategy process and training actions).

The PAA will work for the MoEA, Industry Department (will be there physically), but also work for the Housing and construction department; Technical Inspectorate, Energy Market Inspectorate

**Direct beneficiaries include:**

**MoEA, Industry Department:** A considerable staff change (including change of the head of the department) took place in the department in early 1999 due to low performance in the framework of the restructuring of the Ministry. Today the department 12 staff members, out of whom 8 have worked in the ministry less than a year. New staff members are comparatively young and well educated, they have all good command of English and are well motivated. The Department has 3 more vacant positions, which will be fulfilled shortly. The department as well as the Ministry are generally well equipped and apply modern communication technology. The staff is working in recently renovated facilities.

Industry Department is responsible for co-ordination of most important aspects of free movement of goods (quality infrastructure: metrology, standardization, conformity assessment, market surveillance). Department supervises the activities of Technical Inspectorate and co-ordinates the activities of independent conformity assessment bodies through the Metrology Council, Accreditation Council and other relevant bodies. Department is responsible for elaboration of legislation in all above-mentioned fields in accordance with NPAA. According to this program department will prepare drafts of acts until 30.10.2000 as follows:

- machinery safety act;
- pressure equipment safety act;
gas appliances act;
- lift safety act

Department has undertaken several initiatives to support the objectives of conformity assessment policy (including evaluation of National Quality Programme and Policy, design project of Centre of Excellence, etc). Head of department, head of the division and executive officers (in context with their job responsibilities) will work very closely with twinning experts and PAA.

**MoEA, Construction Department:** Construction Department was transferred as 1-st of Jan. 2000 from Ministry of Environment into the MoEA. A considerable staff change is taking place. Currently department employs 11 staff members, all of whom have worked for long time in the department and have gained considerable experience.

Construction department is responsible for building sector legislation, elaboration of Building Regulations, norms and standards as well as for organisation of inspection system insuring that all 6 essential requirements of the Directive 89/106/EEC shall be fulfilled in the works.

**Technical Inspectorate** – Technical Inspectorate went recently through management change, followed by positive shifts in human resource policy. Formerly the organization has suffered from lack of younger generation specialist (the average age of the staff was 57 in 1998). The more experienced staff has poor or absent language skills, which is an obstacle to understand EU directives and requirements. Some of the HRD requirements will be addressed by Phare TA project starting in November 1999. Current staff is 35. The institution has obvious lack of equipment and communication technology.

**Energy Market Inspectorate** is a comparatively new organization established in early 1998. It has currently 12 staff members, who have generally long professional experience but mostly in other fields than energy. The Director General has excellent language skills as well as international experience. However, the language skills of the rest of the staff members are average or below. The offices are in good condition and well equipped.

Indirect beneficiaries include:

**MoEA, Trade Department:** As a result of re-structuring in the Ministry the present Trade Department was formed by merging International Trade and Domestic Trade departments. The Department has 23 staff, most of who have long working experience. The command of English varies from excellent to poor. The department has good knowledge of EU integration related matters. The new department head was employed in February 2000.

Trade department is responsible for co-ordination and co-operation with Customer Protection Board and elaboration of the product safety legislation.

**MoEA, Energy Department:** As a result of re-structuring in the Ministry the present Energy Department was formed by merging three former departments. The Department has 18 staff. The command of English as well as competence in EU affairs varies from excellent to poor. Human resource changes are likely. The departments as well as the Ministry generally are well equipped and apply modern communication technology. The staff is working in lately renovated facilities.

**Consumer Protection Board** has staff of 56. The organization has had stable, experienced and committed staff and management. The Director general and department head have good command of English and thorough understanding in EU integration issues. The Board is comparatively well equipped and applies modern communication technology.

As potential partners and beneficiaries the following institutions under other ministries will be invited to co-operate:

under Ministry of Finance - Customs Board
under Ministry of Social Affairs - Health Inspection Board and Labour Safety Inspectorate under Ministry of Interior – Estonian Fire and Rescue Board

5 Detailed Budget

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<th></th>
<th>Phare</th>
<th>Support</th>
<th>Total Phare (=I+IB)</th>
<th>National Co-financing*</th>
<th>IFI*</th>
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<td>b) Technical Assistance</td>
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* See section 3.4 b) for long and short term experts tasks layout

The Ministry of Economic Affairs will reserve funds foreseen for co-financing from the State Budget 2001-2002. Estonian side will assist experts and provide seminar facilities.

6 Implementation Arrangements

6.1 Implementing Agency

CFCU will be responsible for contracting and disbursement of the Technical Assistance Component.

     PAO for both components of project is:

     Name: Mr Martin Pöder
     Title: Deputy Secretary General
     Institution: Ministry of Finance
     Address: Suur-Ameerika 1; Tallinn 15006, Estonia
     Phone: +372 6113545
     Fax: +3726317810
     E-mail: martinp@fin.ee

Ministry of Economic Affairs is responsible for the preparation of the project. Ministry will provide resources for the co-ordination, consolidation and monitoring of the project, as well as the Industry Department of the Ministry will appoint the executive officer, operating on part time, who will be responsible for collaboration and supporting of the project manager and the PAA.
PO for both components of project is:

**Name:** Mrs Signe Ratso  
**Title:** Deputy Secretary General  
**Institution:** Ministry of Economic Affairs  
**Address:** Harju St.11, Tallinn, Estonia  
**Phone:** +372 6256 310  
**Fax:** +372 6313660  
**E-mail:** sratso@mineco.ee

**Steering committee for monitoring** will be held once in a quarter and chaired by the Deputy Secretary General of the Ministry of Economic Affairs. The Ministry will appoint the members of the Steering Committee (from all beneficiary institutions - Heads of departments of MoEA: Industry Department, Energy Department, Housing and Construction Department and Trade Department, director general of the Technical Inspectorate, Consumer Protection Board and Energy Market Inspectorate). Other interested parties (see p.4, e.g. Customs Board) and representatives from CFCU and EC Delegation will be asked to appoint their representatives to steering committee as well.

6.2 Twinning

Twinning covenant will be elaborated by a Member State in close co-operation with MoEA. Daily assistance will be carried out by the twinning assistant. CFCU will be responsible for the disbursement of the twinning component.

PAA counterparts will be:

1. **Mr Oleg Epner,**  
   Head of Industry Department, MoEA  
   Tallinn, Harju Str.11  
   Phone: +372 6256 385,  
   Fax: +372 6256 404  
   E-mail: oepner@mineco.ee

2. **Mr Urmas Leitmäe**  
   General Director of Technical Inspectorate  
   Tallinn, Rahukohtu St. 2  
   Phone: +372 6446 785,  
   Fax: +372 6314 064  
   E-mail: urmas.leitmae@techinsp.ee

3. **Mr Allan Sepp**  
   Director General of Energy Market Inspectorate  
   Tallinn, Kiriku 2  
   Phone: +372 6201 901,  
   Fax: +372 6201 932

4. **Mr. Aadu Kana**  
   Deputy Director of Construction Department  
   Tallinn, Harju 11  
   Phone: +372 6442 664,
6.3 Non-standard aspects: DIS manual will be strictly followed.

6.4 Contracts
   Twinning: 0.9 MEUR
   Technical Assistance: 0.8 MEUR

7 Implementation Schedule

7.1. Start of tendering/call for proposals: September 2000
     Twinning: January 2001
     Project will be circulated to Member States in June 2000
7.2. Start of project activity: January 2001
7.3. Project Completion: December 2002

8 Equal Opportunity
Equal participation in project by women and men will be assured. Deputy Secretary-General for EU Integration and Trade in the Ministry of Economic Affairs is a woman. The Heads of Consumer Protection Board and the Tourism Board are women as well as the Head of the Energy Department. 50% of the employees of the Industry Department, and 77% of the employees of the Trade Department are women. 83% from Tourism Board staff and 71% from Consumer Protection Board are women.

9 Environment N/A

10 Rates of return N/A

11 Investment criteria N/A

10 Conditionality and sequencing

All the necessary legislation for will be elaborated by the beginning of the project.
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<tr>
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</thead>
<tbody>
<tr>
<td><strong>Wider objective</strong></td>
<td><strong>Indicators of Achievement</strong></td>
<td><strong>How, When and By Whom Indicators Will Be Measured</strong></td>
<td><strong>Assumptions and risks</strong></td>
</tr>
<tr>
<td>Efficiently functioning market surveillance system in Estonia operating in accordance to EU market surveillance good practice</td>
<td>Acquis harmonized and enforced in the field of free movement of goods</td>
<td>Negotiations on free movement of goods are concluded</td>
<td>NA</td>
</tr>
<tr>
<td><strong>Immediate objectives</strong></td>
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<td><strong>How, When and By Whom Indicators Will Be Measured</strong></td>
<td><strong>Assumptions and risks</strong></td>
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<td>Operational MS service carried out by institutions in the sectors under the supervision of MoEA according to EU requirements</td>
<td>Acquis harmonization accepted by EC</td>
<td>Evaluation conducted by independent evaluators contracted by EC</td>
<td>1.1 Functioning MS system in other sectors 1.2 Necessary acquis adopted by government 1.3 Ministries responsible for MS co-operate 1.4 Sufficient government financing for MS enforcement measures in all relevant sectors</td>
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<td><strong>Outputs/Results</strong></td>
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<td><strong>How, When and By Whom Indicators Will Be Measured</strong></td>
<td><strong>Assumptions and risks</strong></td>
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<tr>
<td>1. MS strategy document, implementation plan, financing plan, HRD plan completed/ Decision to establish a new body or agree that existing bodies will co-operate 2. Draft legal framework for efficient horizontal MS system 3. Trained staff in MS institutions under supervision of MoEA</td>
<td>1. Listed papers completed 2. Drafts of legal acts ready 3. Seminars conducted</td>
<td>1. Listed papers accepted by MoEA by the II quarter of 2001 2. Drafts of legal acts accepted by MoEA by the IV quarter of 2001 3. Monitored by steering committee based on quarterly reports</td>
<td>• (1,3) Sufficient state budget funding for implementing MS by institutions under the supervision of MoEA • (2) Political decision for harmonization of Estonian law with acquis</td>
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<td><strong>Inputs</strong></td>
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<td><strong>How, When and By Whom Indicators Will Be Measured</strong></td>
<td><strong>Assumptions and risks</strong></td>
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<tr>
<td>1.1 Develop horizontal MS strategy document, implementation plan, financing plan, HRD plan 1.2 Prepare procedures, job descriptions, work programmes, quality and efficiency measurement criteria etc. 2.1 Determine the legislation needed to be drafted 2.2 Draft necessary legislation 2.3 Advise MoEA staff in drafting legislation 3.1 Advise MS institutions in management 3.2 Train staff</td>
<td>TWINNING: PHARE: 0,9 MEUR Co-financing: 0,04 MEUR TA: PHARE: 0,8 MEUR Co-financing: 0,39 MEUR TOTAL PHARE 1,7 MEUR TOTAL Co-financing: 0,43 MEUR</td>
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<td>• (1-4) Management and staff of each individual institution committed to project • (1-4) Commitment of the MoEA to steering and co-ordination of the project is present • Relevant specialists available on the market</td>
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## TIE IMPLEMENTATION CHART ANNEX 2

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# CUMULATIVE CONTRACTING SCHEDULE

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**Project title:** Market Surveillance Project

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CUMULATIVE DISBURSEMENT SCHEDULE

Project No: ES
Project title: Market Surveillance Project

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LIST OF RELEVANT LAWS AND REGULATIONS

Metrology Act
Product Conformity Attestation Act
Explosive Substances Act
Product Safety Act
Energy Act
Technical Supervision Act
Pressure and Lifting Equipment Safety Act
Technical regulations and Standards Act
Law of Property Act
Customs Act
Chemicals Act
Building Act
Etc.
Annex 6
Reference to relevant Government Strategic plans and studies

**Estonia 1999 Accession Partnership**

*Short Term:* Free movement of goods: speed up the transposition and implementation of New Approach directives, in particular a new conformity assessment act, and adoption of corresponding EN standards, introduce an accreditation system; develop the market surveillance system.

**Estonian NPAA-1999:**

**Ch. 3.2.1.1. Horizontal Aspects**
The precondition for guaranteeing the product safety is the existence of the market surveillance institutions.

**Product Safety**
Draft Product Safety Act Amendment Act will be submitted to the Government on 31 March 1999

Following amendments shall be made to the Product Safety Act:
- Definition of a 'safe product' shall be brought completely in conformity with the definition of a 'safe product' provided in the Product Safety Directive 92/59/EEC.
- Directive 87/375/EEC shall be completely harmonized regarding products with deceptive outward appearance endangering health or safety of the consumer. Under this directive, a product is considered to be with a deceptive outward appearance when it imitates food products and it may be harmful for the health or safety of the consumers, especially for children. The directive provides obligation to prohibit marketing, manufacturing, importation and exportation of the above mentioned products. This directive is directly associated with the Product safety Directive 92/59/EEC.
- Marketing of products imitating food products and endangering the health of consumers as provided in Directive 87/375/EEC shall be prohibited.
- For the better management of market surveillance, a provision shall be added in the Act, which provides that on the presentation of a job certificate the surveillance official must have the right to take free samples for testing. In case the expert evaluation declares the product as “safe”, the market surveillance authority shall pay for the product sample.

**Ch.5.4 Energy**
Plans for 2000-2003
Should the market situation so require, support to and development of conformity assessment bodies in the area of energy-efficient equipment is envisaged. The development of the market surveillance activities of the Inspectorate will continue and the information programmes for consumers will be organised.

**Ch. 7.2. Consumer Protection**
Plans for 2000 – 2003
Estonia plans to adopt the whole acquis communautaire concerning consumer protection. That will result in increasing the capacity of market supervision.

**Ch. 12 Administrative Capacity**

*Technical supervision* (Technical Inspectorate)

2 NPAA- Estonian National Programme for Adoption of the acquis (approved by the Government on March 2’ 1999).
The Pressure – and Lifting Equipment Act was adopted by the Riigikogu on December 9, 1998 (entry into force on April 1st, 1999), according to which a non–governmental independent technical inspection institution will be established to carry out technical inspection. Due to this, the current Technical Inspectorate (TI) will be restructured and the activities, obligations and responsibilities between the new institution and public service (TI) will be divided. An inspection body will be set up on the grounds of existing supervisory sector. The new body will be manned mostly with the former employees of the Technical Inspectorate. The main responsibilities of the independent technical inspection institution will be:

- manufacture supervision of the equipment (pre-market surveillance);
- technical inspection of the equipment in use.

The activities of Technical Inspectorate as a public service institution will be:

- state supervision of safety of equipment;
- market surveillance of equipment;
- supervision as regards the quality of the independent inspection institutions;
- investigation of technical reasons of accidents;
- issuing orders as regards the measures to be taken to rectify breaches;
- processing data concerning hazardous industrial equipment

The main task for 1999 was to implement all the above-mentioned reforms, including making the new technical inspection institution operational. The reorganisation of the technical inspection system presupposes additional training of staff and practical studies for new personnel. For this purpose training programs offered by Danish Working Environment Service and Finnish Ministry of Trade and Industry in co-operation with TUKES and INSPECTA that started in 1998 will be continued also in 1999.

**Electrical safety and electric equipment**

The electrical safety department will be created under the Technical Inspectorate and it will be responsible for market surveillance of electrical equipment. Two market surveillance inspectors are planned to be recruited to meet the needs of the Technical Inspectorate. Further development of the activities of the department as well as the whole structure has been planned as well as additional training of the staff.

The amendments in the legal basis call for the changes in the supervisory administration. Until now the supervision has been carried out by the Electrical Inspectorate, whose supervisory functions at the level of the State will be transferred to the Technical Inspectorate. The development of the technical basis and know-how is equally a current issue within the Electrical Inspectorate in order to turn it into a certification and attestation body in this field.

**Plans for 2000-2003**

After the Electrical Safety Department starts operating within the Technical Inspectorate the administrative capacity of the Inspectorate regarding appropriate supervision on national level will have to be developed further. At the same time the certification and attestation institutions of this field need to be set up. Information and education programmes for consumers, producers of the equipment and importers will be organised as well.