STANDARD SUMMARY PROJECT FICHE

1. Basic Information

1.1. CRIS Number: 2003/005-026.03.01

1.2. Title: Development of testing facilities for implementation of market surveillance

1.3. Sector: Trade- Internal market

1.4. Location: Tallinn, Estonia

2. Objectives

2.1. Overall objective(s): Safety of goods ensured on the Estonian market.

2.2. Project purpose: Implementation of efficient market surveillance of goods facilitated through improved testing facilities in the essential areas regulated by EU New Approach directives.

2.3 Accession Partnership, NPAA and Regular Report priority

AP 2001
Free movement of goods: reinforce the national accreditation system and market surveillance system /.../
Consumers and health protection: Complete legislative alignment and strengthen market surveillance and enforcement authorities.

NPAA 2001
Free movement of goods 1.2. horizontal aspects - market surveillance
Plans 2002-2003: A continuance project for the Phare 2000 market surveillance project shall be applied for under Phare 2002, which is investments pursuant to the first project.

NPAA 2002
Ministry of Economic Affairs is making preparations to apply for investments in the field of market surveillance within Phare 2002. The aim of the project is to ensure an effective functioning of market surveillance through the creation of testing basis necessary for testing the products.

Comment: Since the project needed more elaboration, the project was transformed to the Phare 2003 program.

Regular Report 2001
Concerning the internal market, considerable progress has been made as regards the adoption
of framework legislation and the setting up of administrative structures related to standardisation and conformity assessment. Efforts need to be pursued to introduce a market surveillance system.

The market surveillance infrastructure is very scattered. A national market surveillance strategy is being developed to co-ordinate this. It must be finalized and implemented as a matter of priority.

Specific areas to which further attention should be paid include reorganization of the market surveillance system and reinforcing the fight against piracy and counterfeit goods, in preparations for the Common Agricultural Policy and in raising the quality of food.

**Regular Report 2002**

There are functioning market surveillance institutions for the sectors but a general market surveillance strategy is missing. It is important to continue the infrastructure development especially in the market surveillance area.

### 2.4. Contribution to National Development Plan

N/a

### 2.5. Cross Border Impact

N/a

### 3. Description

#### 3.1. Background and justification:

The task of market surveillance is to guarantee that there are only safe products on the market. This task can only be fulfilled in case the market surveillance authorities have the option to test the products that are already placed on the market as the tests form the bases for the decisions. It has to be noticed that market surveillance is a different activity from conformity assessment of a product. In contrast to conformity assessment, market surveillance takes place only after a product has already been placed on the market. Conformity assessment and market surveillance activities have to be carefully separated. It means that market surveillance authorities are not allowed to buy testing service from those conformity assessment bodies that have been involved in any conformity assessment procedure of the same product.

In order to effectively carry out the market surveillance activities, appropriate testing facilities have to be available in Estonia. At the moment Estonia does not have sufficient testing bases for all the products, that is why some tests are taken in neighbouring countries. Also it is important to remark that it is much more expensive and time consuming to make tests in neighbouring countries.

The existing laboratories are in general technically insufficient, but by the time of joining the EU they have to respond to the EU standards and Estonia needs to guarantee the testing opportunities for all the fields – locally or using facilities abroad. Equipment is also necessary for implementation of new EN test standards, supporting European harmonised technical specifications (harmonised standards etc.). Development of test bases locally in essential fields is important in the sense to guarantee quick test results, followed by quick action in the market to eliminate the availability of dangerous or not
quality products. Ordering tests from neighbouring countries takes longer time which means that meanwhile the potential dangerous product will be available on the market. However, development and maintenance of full test bases for all the fields would be very expensive and ineffective considering the small size of Estonia - some products are tested only 3 times per year while the others for 1000 times a year. Therefore a selection has to be made on the most important areas where investments into necessary testing facilities have to be made.

The Estonian Ministry of Economic Affairs and Communications proposes the following selection criteria for those fields:
- clear requirements have to be established for products both in EU and in Estonia for the fields;
- Estonian legislation in the fields has to be in compliance with the relevant EU directives;
- the requirements have to be accompanied by a clear set of standards or other specifications where the fulfilment of the requirements has been specified;
- the products that fall under the fields have to be “high-risk products” to consumers and users;
- the products have to be of those category that may endanger the consumers in their everyday life;
- the products are special as regards the size and complexity and transportation to other countries is expensive and in many cases even not possible.

On the bases of the listed selection criteria the Ministry of Economic Affairs and Communications (MoEAC) has selected the following fields to be covered under the current project:
electrical equipment and electrical installations;
pressure equipment and pressure vessels;
toys;
lifts;
gas appliances;
machinery;
hot water boilers;
non automatic weighing instruments

The market surveillance authorities that need the essential testing facilities in the mentioned fields are: Estonian Technical Inspectorate and Estonian Health Protection Inspectorate, who are the main beneficiaries of the current project.

In the current project testing equipment in the fields covered by the New Approach Directive under the jurisdiction of the Ministry of Economic Affairs and Communications will be procured (see Annex 9). In order to specify the needs for investment to the test basis the following surveys were made: 1) mapping of the accredited laboratories and their equipment was carried out by an independent freelance Estonian expert, Rein Lööne in order to find out the situation in existing laboratories (their competence and equipment). 2) a feasibility study for analysing the accredited laboratories and their equipment needs was made in co-operation with VTT Technical Research Centre of Finland (see Annex 4) in order to find out the missing testing equipment. The feasibility study was essential for the compiling of the list of investments to laboratories with price calculations. 3) a cost-benefit analysis (confidential) was made by the Economic Analysis Division of the MoEAC to find out the economical return of testing in Estonia compared to other countries.
As a result of the surveys mentioned above the final list of equipment already available in the laboratories as well as equipment to be procured under the current project was compiled (see Annex 9).

Today, in the area of market surveillance Ministry of Economic Affairs and Communications is already running a Phare 2000 market surveillance project, which started in January 2002. The Phare 2000 project includes institution building activities in the market surveillance area and will have among its results the establishment of a market surveillance strategy document, implementation plan, financing plan and HRD plan. The draft of the strategy document compiled under Phare 2000 states the needs for investments in the field of market surveillance (see Annex 7). In order to ensure an efficient functioning and implementation of the market surveillance system in Estonia, development of test bases/facilities is needed for carrying out control of ‘high-risk’ products. The market surveillance working group decided to start this new Phare project in the above mentioned institutions as they are responsible for very important fields and the project is ready for implementation under those institutions. As the result of the Phare 2003 follow-up project testing facilities will be developed to enable to carry out market surveillance in the essential fields for Estonia and to increase the safety of goods on the market.

Considering the nature of the project, no NGOs were consulted during the project preparation process. The project aims at institution building at the central government level and the NGOs are not seen as directly having a role in the project’s activities.

3.2. Linked activities:

3.2.1. Phare activities

- **ES 9620.01.02.01 Support to Establishment of Technical Inspection (Phare 1997)**
  The focus of the project is Human Resources Development of the Technical Inspectorate and Technical Inspection Centre in the areas of Conformity assessment and market surveillance (284 167 EUR)

- **PRAQ III TR07.** The objective of the project was to strengthen the Market Surveillance Systems and the enforcement capacities in the 13 Central European Countries. The following activities were carried out:
  - Development of a lecture kit on Market Surveillance, made available to the beneficiary countries and now translated in 9 countries
  - Evaluation of Market Surveillance Systems in 13 CEECs.

- **Phare ES9903.01 Institution Building of Regulatory Bodies Under Supervision of the Ministry of Economic Affairs-Metrology and Accreditation Centre (840 335 EUR).**
  The main target beneficiaries of the initiative are Estonian Accreditation Centre (EAK), Metrosert Ltd. (which is the prototype of National Metrology Centre) and the Department on Legal Metrology of the Estonian Technical Inspectorate. All institutions foresee the need to acquire external expertise in defining clear medium term strategic objectives for new organisations and to assist on developing appropriate organisation structures for implementation of the goals. 
  Immediate objective in the field of metrology:
- National measurement system aligned according to the European practice.
- Traceability routes of measurement realised and maintained, international equivalence in measurements achieved.
- Legal basis for metrology aligned with EU requirements.

- Phare 2000 Market Surveillance project ES0005-1. The last component of the present project is a follow-up project of the Phare 2000 project. The results of the 2000 project are the elaboration of a MS strategy document, implementation plan, financing plan, HRD plan completed (possible decisions including decision to establish a new body or agree that existing bodies will co-operate); Draft legal framework for efficient horizontal MS system; Trained staff in MS institutions under supervision of MoEA (Technical Inspectorate, Consumer Protection Board, Energy Market Inspectorate). The project started in October 2001 and is foreseen to be finished in December 2003. For overview of the project (see Annex 7).

3.2.2. Other projects:
- Institutional development of the construction sector testing and certification facilities – 4 Baltic- Nordic co-operation projects (years 1991-1998), co-ordinated by Finnish Technical Research Centre (VTT) and EhitusTEST, financed by Nordic Council of Ministers, Nordtest, Finnish Ministry of Trade and Industry and VTT. The final result for Estonia was accreditation of EhitusTEST in 1998 by Finnish Centre for Accreditation and Metrology (FINAS)
- Estonian/World Bank Health Project (1996-1999)
- Implementation of equipment in pesticide residue laboratories and training of chemists in the three Baltic countries (Danish Ministry of Food, Agriculture and Fisheries, 1999-2001)
- Quality improvement of microbiological diagnostics of infectious diseases and reforming the laboratory network (Danish Ministry of Health, 1997-1999).

3.3. Results¹:

1. Testing facilities according to the table (see Annex 9) in the area of health protection (according to the toys directive 88/378/EEC Safety of toys) developed and operational.

2. Testing facilities according to the table (see Annex 9) in the area of electricity (according to the directives 73/23/EEC Low voltage equipment and 89/336/EEC Electromagnetic compatibility) developed and operational.

3. Testing facilities according to the table (see Annex 9) in the area of technical inspection (according to the directives 97/23/EC Pressure equipment, 95/16/EC Lifts, 98/37/EC Safety of machinery, 92/42/EC New Hot Water boilers) developed and operational.

4. Testing facilities according to the table (see Annex 9) in the area of metrology (according to the directive 90/384/EEC Non-automatic weighing instruments) developed and operational.

¹ For the indicators please see ANNEX 1 Logical Framework Matrix.
3.4. **Activities:**

3.4.1. **Several supply contracts**

1.1 Procurement and installation of equipment according to the table (see Annex 9) in the area of health protection (according to the toys directive 88/378/EEC Safety of toys)
1.2 On-site training for 2 persons to use the equipment
   (Phare 31 500 EUR, Estonia 10 500 EUR)

2.1 Procurement and installation of equipment according to the table (see Annex 9) in the area of electricity (according to the directives 73/23/EEC Low voltage equipment and 89/336/EEC Electromagnetic compatibility)
2.2 On-site training for 3 persons to use the equipment
   (Phare 165 000 EUR, Estonia 55 000 EUR)

3.1 Procurement and installation of equipment according to the table (see Annex 9) in the area of technical inspection (according to the directives 97/23/EC Pressure equipment, 95/16/EC Lifts, 98/37/EC Safety of Machinery, 92/42/EC New Hot Water boilers)
3.2 On-site training for 4 persons to use the equipment
   (Phare 380 650 EUR, Estonia 126 900 EUR)

4.1 Procurement and installation of equipment according to the table (see Annex 9) in the area of metrology (according to the directive 90/384/EEC Non-automatic weighing instruments)
4.2 On-site training for 2 persons to use the equipment
   (Phare 72 800 EUR, Estonia 24 200 EUR)

On-site training will be conducted by the supplier of the equipment and the cost is included in the equipment costs.

For preparation of the necessary tender documentation (including technical specifications) it is planned to use co-financing facilities or technical assistance from the 2002 Phare Project Preparation, Management and Training Facility. The tender documentation should be prepared by September 2003.

3.5. **Lessons Learned**

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2 One tender will be launched for procuring testing facilities for the 4 areas. The tender will include several lots, however, the number of contracts cannot be predicted at this moment as one supplier may provide equipment for several lots.
Previous projects in the market surveillance area have mainly concentrated on strategical planning and human resource development. The current project is aimed at developing the testing basis in the mentioned area. In the frames of Phare 2000 project a good network of counterparts has been established. In planning the project consultations and co-operation with the counterparts have taken place – the transparency of the project has been assured.

The project design builds on the project management skills and experience obtained during the process of designing and implementing projects in different fields. Considering the recommendations of previous assessments Logframe Planning for each component has been carried out in order to allow objective monitoring and evaluation in the future. To ensure better direction and co-ordination of programmes it has been decided to employ a project manager who is responsible for co-ordination of the project. In the case of procurement of very specific equipment homework needs to be done in forehand about potential suppliers to secure sufficient number of proposals.

4. Institutional Framework

Project beneficiaries
Beneficiaries of the project will be the Estonian Technical Inspectorate and the Estonian Health Inspectorate. These inspectorates will also be owners of the equipment procured in the frame of the project. However, these inspectorates do not have the necessary personnel that would have the required competence to perform the tests. And considering the small size of Estonia it would not be reasonable for those two institutions to hire this kind of personnel as the competence is available in testing laboratories. Therefore it is justified and economically more reasonable to outsource the testing service together with the equipment by carrying through an outbidding. The laboratories and their needed equipment were identified as the results of the surveys carried out (see background and Annex 4). The criteria on the basis of which the testing equipment shall be outsourced were established:

1. evaluation of the current activities of the laboratory;
2. evaluation of the existing equipment of the laboratory;
3. evaluation of the human competence of the laboratory;
4. the ability of the laboratory to perform necessary tests;
5. how the laboratory makes the necessary testing services available to the market surveillance authorities (factors of evaluation: time, amount of tests and price);
6. accreditation of the laboratories shall be required as a proof of competence and capabilities.

On the bases of the above mentioned criteria Ministry of Economic Affairs and Communications together with Estonian Technical Inspectorate and Estonian Health Inspectorate selected the laboratories that demonstrate the best competence, capabilities and solutions for providing services for the market surveillance authorities (see Annex 8). The equipment shall be outsourced for those laboratories with a contract between the market surveillance authorities and the laboratory where all the conditions on the basis of which the laboratory takes an obligation to provide necessary services for market surveillance authorities shall be specified, as well as their price policy.

Ownership of laboratories
The candidate laboratories for testing equipment providing testing services for market surveillance purposes may be divided according to their legal status:
1) state owned legal persons in private law (Centre of Electrical Control; Technical Inspection Centre Ltd; Energoremont Ltd; Metrosert Ltd; Laboratory of Technical Centre of Estonians Roads Ltd);
2) market surveillance authority’s owned laboratories, who itself carries out market surveillance activities (Health Protection Inspectorate’s laboratory);
3) laboratories of state owned university in public law (Tallinn Technical University);

Pre-selected laboratories are state owned, but established in public or private law.

Shares of state owned legal persons in private law belong to state 100%. The rights of the general meeting of shareholders is performed by the minister of Economic Affairs and Communications, except Energoremont Ltd, that is 100% owned by Eesti Energia, that itself is 100% state owned company.

**Health Protection Inspectorate:**
Health Protection Inspectorate is a governmental institution, and its main task is to carry out state supervision and state coercion according to laws.

The base of the activities are formed by Public Health Act, Consumer Protection Act, Food Act, Water Act, Product Safety Act, Organic Farming Act, Tourism Act, and by other laws and governmental decrees.

Health Protection Inspectorate consists of hygienic, epidemiological, general, financial and laboratory departments and the Center of AIDS prevention. Health Protection Inspectorate has also local institutions: Public Health Services in 15 counties and Sanitary Quarantine Service.

The laboratory department has central laboratories for microbiology, chemistry, physics and virology, and laboratories in Tartu, Kohtla-Järve and Pärnu. Laboratory personnel consists of 188 persons.

Health Protection Inspectorate is responsible for supervision of
- retail and catering of food;
- cosmetic goods;
- chemical consumer products;
- building and renovating materials;
- special foods;
- baby soothers;
- toys;
- furniture for children and schools;
- furniture;
- drinking and natural mineral waters;
- packaging materials for food, drinking water and cosmetics;
- disinfectants and domestic pest repellents;
- processing of organic farming products in retail and catering enterprises;
- cosmetic, personal hygiene and accommodation services;

Other products are supervised if they may create health risks. If needed, the products are analyzed in the laboratories of the Inspectorate. Results of supervision are generalized in the annual reports and published in the annual yearbook “Health Protection”.
Contact person:

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**Technical Inspectorate**

Technical Inspectorate operates under jurisdiction of the Ministry of Economic Affairs and Communications. The main task of the Technical Inspectorate is to execute state technical inspection in mining, underground constructions, and potentially very dangerous equipment (steam- and hot-water boilers, pressure vessels, cranes, lifts and lifting equipment); it inspects the production, exploitation and storage of technologies and materials (flammables, explosives and poisonous substances), regardless of the form of the ownership, and enforces powers of the state pursuant to the procedure provided by law.

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**The location of the equipment**

Efficiently functioning market surveillance system with developed test bases will have indirect impact to all Estonian consumers as safety of goods available on the market will be increased. The Health Inspectorate and Technical Inspectorate sign the contracts for maintaining the equipment (for the draft contract to be concluded between project beneficiaries and the laboratories see Annex 10) with the following laboratories: Centre of Electrical Control, Metrosert Ltd., Thermal Engineering Department of Tallinn Technical University, Tallinn Technical University (Mechanical Laboratory), Technical Inspection Centre Ltd, Energoremont Ltd, Ministry of Social Affairs as they have better conditions to fulfil their responsibilities in the field of market surveillance.

5. **Detailed Budget**– (the indicative sum was calculated according to the previous experience in supply tenders)

<table>
<thead>
<tr>
<th>Phare Support</th>
<th>Investment Support</th>
<th>Institution Building</th>
<th>Total Phare³ (=I+IB)</th>
<th>National Cofinancing</th>
<th>IFI</th>
<th>TOTAL</th>
</tr>
</thead>
</table>

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20.08.03
<table>
<thead>
<tr>
<th>1. Several supply contracts[^4]</th>
<th>650 000</th>
<th>650 000</th>
<th>216 600</th>
<th>883 600</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Testing facilities according to the table (see Annex 9) in the area of health protection (according to the toys directive 88/378/EEC Safety of toys)</td>
<td>31 500</td>
<td>31 500</td>
<td>10 500[^2]</td>
<td>42 000</td>
</tr>
<tr>
<td>2. Testing facilities according to the table (see Annex 9) in the area of electricity (according to the directives 73/23/EEC Low voltage equipment and 89/336/EEC Electromagnetic compatibility)</td>
<td>165 000</td>
<td>165 000</td>
<td>55 000[^3]</td>
<td>220 000</td>
</tr>
<tr>
<td>3. Testing facilities according to the table (see Annex 9) in the area of technical inspection (according to the directives 97/23/EC Pressure equipment, 95/16/EC Lifts, 98/37/EC Safety of machinery, 92/42/EC New Hot Water boilers)</td>
<td>380 700</td>
<td>380 700</td>
<td>126 900[^4]</td>
<td>507 600</td>
</tr>
<tr>
<td>4. Testing facilities according to the table (see Annex 9) in the area of metrology (according to the directive 90/384/EEC Non-automatic weighing instruments)</td>
<td>72 800</td>
<td>72 800</td>
<td>24 200[^5]</td>
<td>97 000</td>
</tr>
<tr>
<td>2. Project management</td>
<td>17 000</td>
<td>17 000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>TOTAL</td>
<td>650 000</td>
<td>650 000</td>
<td>233 600</td>
<td>883 600</td>
</tr>
</tbody>
</table>

[^1]: Part of the co-financing has been allocated from state budget for 2003, the rest of the co-financing will be applied from state budget 2004 by Ministry of Economic Affairs and Communications, the budget line ‘co-financing for foreign co-operation projects’.

[^2]: Co-financing will be assured by Ministry of Social Affairs and Health Protection Inspectorate during 2003/2004, the budget line ‘co-financing for foreign co-operation projects’.

[^3]: The analysis of the testing equipment needs for market surveillance forms the basis for the current budget. Additionally to the equipment price the delivery, insurance and technical training costs have been calculated.

The national co-financing allocated for procurement of the equipment is joint co-financing, the project management cost is parallel co-financing as the project manager is planned to be hired before the start of the project.

The amounts of joint co-financing indicated in the table correspond to cash co-financing. The co-financing of expenses will be monitored by the beneficiary and the NAO. For the earmarked co-finance, a clear and verifiable set of costs will be provided. The beneficiary will define which budget lines are the source for co-finance. Flow and stock Data on co-finance will be submitted quarterly for Steering Committee, twice a year to the Sector Monitoring Working Group.

The beneficiary together with the NAO commits to sound financial management and financial control.

<table>
<thead>
<tr>
<th>National co-financing</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>Total</th>
</tr>
</thead>
</table>

[^4]: One tender will be launched for procuring testing facilities for the 4 areas. The tender will include several lots, however, the number of contracts can’t be predicted at this moment as one supplier may provide equipment for several lots.
State budget 147 000 86 600 233 600
Local municipality
International Financing Institutions

Total national co-financing 147 000 86 600 233 600

From the co-financing budget the following activities shall be carried out:

- Supply of equipment 216 600 EUR;
- Personnel costs for project management 17 000 EUR.

6. Implementation Arrangements

6.1. Implementing Agency

The implementing Agency is the CFCU of the Ministry of Finance. The CFCU will be responsible for tendering, contracting and payments. The responsibility for project preparation, implementation and control will remain in the recipient institution.

PAO for the project is:
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PO for the project is:
Name: Mrs Signe Ratso
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Project implementation

Beneficiaries of the project will be the Estonian Technical Inspectorate and the Estonian Health Inspectorate. These inspectorates will also be owners of the equipment procured in the frame of the project. The Health Inspectorate and Technical Inspectorate sign the contracts for maintaining the equipment with the selected laboratories who have better conditions to fulfil their responsibilities in the field of market surveillance.

The transfer of equipment

According to the candidate laboratories legal status the legal form transfer of the accommodation right (The ownership of the equipment stays in the hands of state authorities and the right of use of the equipment will be given to the laboratories with different legal status) of the equipment to be bought
will be chosen on the basis of State Assets Act. The method of procurement of test services will be chosen on the basis of Public Procurement Act, in the case the presumable price of the tests per laboratory will exceed 100,000 EEK per year. On the grounds of Public Procurement Act the contracting authority is entitled to use a negotiated tendering procedure without prior publication of a tender notice. As there isn’t a suitable alternative or substitute for the listed labs, services will be contracted from particular tenderers due to the absence of competition and due to technical reasons.

The ownership of the equipment stays in the hands of state authorities in any case (Technical Inspectorate or Health Protection Inspectorate). The list of equipment per institution is indicated in Annex 8.

The transfer of the accommodation right of equipment to the private legal persons’ owned laboratory as granting use for charge will be carried out in parallel to procurement of test services. Use of test equipment will be granted to laboratory on the basis of State Assets Act for charge by way of a commercial lease, tendering with preliminary negotiations (selective tender). The contract shall be concluded with the person whose bid is considered to be the best by the person who decides the transaction, taking into account the bid price as well as the established supplementary conditions.

The transfer of the accommodation right to Tallinn Technical University laboratories could be proceeded without public auction or tender with preliminary negotiations (selective tender).

The accommodation right of the equipment to the market surveillance authorities owned laboratories in public law will be transferred as granting use without bidding and without charge. No bidding for buying services from one state authority to another is necessary.

The tenders for transferring the accommodation right of testing equipment and purchasing testing services can be started after the possession right of equipment is given to competent state authority.

The following clauses will be included in the contracts that will be concluded with the above mentioned laboratories:

**Obligation to provide free service to the market surveillance authorities.** The Contracting Laboratory has the obligation to provide testing service to the Market Surveillance authorities specified in Section X without charge up to the amount of 100,000 EEK per year.

**Obligation not to perform conformity assessment.** In case the Contracting Laboratory acts or obtains the right to act as a designated body within the meaning of Conformity Attestation Act, it may not use the testing results obtained by using the testing equipment referred in clause X (needed equipment under the annex 9, in actual contract the equipment will be clearly pointed out) as a basis for issuing a conformity certificate.

The laboratories are not allowed to perform conformity assessment services with this equipment within the meaning of the relevant directives and Estonian legal acts transposing these directives.

**Explanatory Note:**
According to the Conformity Assessment Act a designated body is any conformity assessment body that has the right to act as third party organisation in conformity assessment procedures referred to in a Directive and in an Estonian legal act harmonising the Directive. As different directives use different terms while referring to those third party organisations (either notified body, approved body,
competent body, inspection body or any other body) Conformity Assessment Act states that designated body is a general term to cover all of them. The right to act as a designated body is given by a special commission in the Ministry of Economic Affairs and Communications. Only those bodies that have got the right from this Commission to act as designated body may perform conformity assessment procedures. At the moment this right has been given only to Technical Control Centre (some modules as regards to lifts, pressure equipment, simple pressure vessels and gas appliances)

**Project steering committee** will be responsible for
- monitoring the progress of the project
- recommendations for changes for better management of the project
- management of the co-financing budget
- approval of project inception, progress and final report

Steering committee will be held once in a quarter and chaired by the Deputy Secretary General of the Ministry of Economic Affairs and Communications. The Steering Committee will include all beneficiary institutions, Ministry of Finance and EC Delegation.

Ministry of Economic Affairs and Communications is responsible for overall project co-ordination and achievement of the objectives. Ministry of Social Affairs with Health Protection Inspectorate is responsible for project implementation in the area of health protection.

Ministry of Economic Affairs and Communications with Technical Inspectorate is responsible for project implementation in all the other areas in the frames of the current project.

**Local project manager** will be responsible for projects everyday management and co-ordination between all the beneficiaries and counterparts.

**Project Manager** for the project is:
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**Fax:** +372 6313029
**E-mail:** marika.tamm@mkm.ee

6.2. Twinning
N/a

6.3. **Non-standard aspects**
No non-standard aspects are foreseen. The DIS Manual will be strictly followed.
6.4. Phare Contracts
1 tender, several supply contracts cost 883.600 EUR (Phare 650.000 EUR, joint co-financing 216.600 EUR)
The final number of LOT-s will be decided in the process of the preparation of the technical specifications.

7. Implementation Schedule

7.1. Start of tendering/call for proposals
The ToRs and/ or project specifications of the different contracts shall be ready as follows: ToR-s including technical specifications should be ready by September 2003. Tendering will be launched in September 2003.

7.2. Start of project activity
March 2004

7.3. Project Completion
July 2005

8. Equal Opportunity
Equal participation in project by women and men will be assured.
At the implementation of the project there will be no discrimination on the grounds of race, sex, sexual orientation, mother tongue, religion, political or other opinion, national or social origin, birth or other status. The Estonian National legislation and ratified international conventions concerning the equal opportunities for men and women and minorities will strictly be followed.

9. Environment
The project does not have any impact on the environment as it is mainly the laboratory equipment.

10. Rates of return
The project will not provide direct economic rate of return.
The project will not provide direct financial rate of return.
Feasibility study has been completed by Finnish VTT independent experts.

11. Investment criteria

11.1. Catalytic effect:
The Republic of Estonia, as well as private companies with their own financial resources are not able to provide the level of investments for buying equipment necessary for test laboratories, but would be able to develop and maintain the equipment. Therefore, a significant investment is needed to reach the level meeting the EU requirements and to achieve efficient market surveillance.

11.2. Co-financing:
Ministry of Economic Affairs will apply from the State Budget 2003/2004 for this Phare project co-financing in the amount of 233 600 EUR. Ministry of Social Affairs with Health Protection Inspectorate ensure the co-financing for project in the amount of 10 500 EUR in 2003/2004. Ministry of Economic Affairs will sign Protocol of common intentions with the Ministry of Social Affairs before the project starts.

11.3. **Additionality:**
Phare grant does not displace other financiers, but adds value.

11.4. **Project readiness and Size:**
Feasibility study has been drafted by Finnish VTT under Phare 2000 Market Surveillance project co-financing resources (see Annex 4).

11.5. **Sustainability:**
It is necessary to have a large investment into the sector to obtain the necessary equipment. After the project the maintenance of the equipment will be secured by the beneficiaries.

11.6. **Compliance with state aids provisions**
Project will comply with Estonian Competition Law, which regulates provision of state aid in Estonia and is harmonised with EU regulations.

11.7. **Contribution to National Development Plan**
N/a

12. **Conditionality and sequencing**

Conditionalities

- The investments foreseen in a specific sector are conditional upon full alignment of legislation with the Acquis in the sector (July 2003).

- Full equipment list will be reviewed before implementation of the project in light of the market surveillance strategy resulting from the Phare 2000 market surveillance project (expected by December 2003).

Sequencing

Feasibility study for confirmation of the procurement list has been prepared and a summary has been annexed to the project fiche (see Annex 4).

The technical specifications shall be prepared using the national co-financing or the Phare Project Preparation Facility by September 2003.
Milestones of the project are as follows:

- Equipment procured
- Equipment installed
- People trained
- Equipment in use

ANNEXES TO PROJECT FICHE

1. Logical framework matrix in standard format
2. Detailed implementation chart
3. Contracting and disbursement schedule by quarter for full duration of programme (including disbursement period)
4. Reference to feasibility /pre-feasibility studies.
5. List of relevant Laws and Regulations
6. Reference to relevant Government Strategic plans and studies (may include Institution Development Plan, Business plans, Sector studies, etc.)
7. Overview of the Phare 2000 Market Surveillance project
8. The choice of the laboratories
9. List of existing and needed equipment
10. Draft contract between project beneficiaries and laboratories
**ANNEX 1**

**LOGFRAME PLANNING MATRIX FOR**

**Development of testing facilities for implementation of market surveillance**

<table>
<thead>
<tr>
<th>Programme name and number</th>
<th>Contracting period expires</th>
<th>Disbursement period expires</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total budget : 883 600 EUR</td>
<td>Phare budget : 650 000 EUR</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Overall objective</th>
<th>Objectively verifiable indicators</th>
<th>Sources of Verification</th>
</tr>
</thead>
<tbody>
<tr>
<td>Safety of goods ensured on the Estonian market.</td>
<td>Implementation of the acquis in the field of market surveillance according to the EU New Approach directives ensured by the end of 2005</td>
<td>Regular Report or relevant progress report of the European Commission EC Single Market Scoreboard</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Project purpose</th>
<th>Objectively verifiable indicators</th>
<th>Sources of Verification</th>
<th>Assumptions</th>
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</table>

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<tr>
<th>Results</th>
<th>Objectively verifiable indicators</th>
<th>Sources of Verification</th>
<th>Assumptions</th>
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<tbody>
<tr>
<td>1. Testing facilities according to the table (see Annex 9) in the area of health protection (according to the toys directive 88/378/EEC Safety of toys) developed and operational.</td>
<td>1.1 Equipment procured and installed by the end of the project 1.2 Two persons trained to use the equipment by the end of the project</td>
<td>1.1 Procurement documentation 1.2 Training/qualification certificate</td>
<td>Suppliers provide the equipment necessary for carrying out testing for market surveillance purposes.</td>
</tr>
<tr>
<td>2. Testing facilities according to the table (see Annex 9) in the area of electricity (according to the directives 73/23/EEC Low voltage equipment and 89/336/EEC Electromagnetic compatibility) developed</td>
<td>2.1 Equipment procured and installed by the end of the project 2.2 Three persons trained to use the equipment by the end of the project</td>
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and operational
3. Testing facilities according to the table (see Annex 9) in the area of technical inspection (according to the directives 97/23/EC Pressure equipment, 95/16/EC Lifts, 98/37/EC Safety of machinery, 92/42/EC New Hot Water boilers) developed and operational

4. Testing facilities according to the table (see Annex 9) in the area of metrology (according to the directive 90/384/EEC Non-automatic weighing instruments) developed and operational

<table>
<thead>
<tr>
<th>Activities</th>
<th>Means</th>
<th>Cost (EUR)</th>
<th>Assumptions</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Several service contracts</td>
<td>Investment: supply contracts (One tender will be launched for procuring testing facilities for the 4 areas. The tender will include several lots, however, the number of contracts can’t be predicted at this moment as one supplier may provide equipment for several lots)</td>
<td>31 500</td>
<td>10 500</td>
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<tr>
<td>1.1 Procurement and installation of equipment according to the table (see Annex 9) in the area of health protection (according to the toys directive 88/378/EEC Safety of toys)</td>
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<td>165 000</td>
<td>55 000</td>
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<td>1.2 On-site training for 2 persons to use the equipment</td>
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<tr>
<td>2.1 Procurement and installation of equipment according to the table (see Annex 9) in the area of electricity (according to the directives 73/23/EEC Low voltage equipment and 89/336/EEC Electromagnetic compatibility)</td>
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<td>380 700</td>
<td>126 900</td>
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<td>2.1 On-site training in for 3 persons to use the equipment</td>
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<tr>
<td>3.1 Procurement and installation of equipment according to the table (see Annex 9) in the area of technical inspection (according to the directives 97/23/EC Pressure equipment, 95/16/EC Lifts, 98/37/EC Safety of machinery, 92/42/EC New Hot Water boilers)</td>
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<tr>
<td>3.2 On-site training for 4 persons to use the equipment</td>
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</table>
4.1 Procurement and installation of equipment according to the table (see Annex 9) in the area of metrology (according to the directive 90/384/EEC Non-automatic weighing instruments)

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<th>2. Project management</th>
<th>72 800</th>
<th>24 200</th>
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<td>17 000</td>
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<td>TOTAL</td>
<td>650 000</td>
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Preconditions:
- technical specifications ready
### TIME IMPLEMENTATION CHART

**Project N°: ES**

**Project Title:** Development of testing facilities for implementation of market surveillance

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### 4. Testing facilities

Tendering and Contracting process
Procurement and installation of equipment
Training of personnel

CUMULATIVE CONTRACTING SCHEDULE (by quarters)

<table>
<thead>
<tr>
<th>CUMULATIVE CONTRACTING SCHEDULE (by quarters)</th>
<th>2003</th>
<th>2004</th>
<th>TOTAL</th>
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<tbody>
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ANNEX 3a
<table>
<thead>
<tr>
<th>Investments</th>
<th>I</th>
<th>II</th>
<th>III</th>
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<th>I</th>
<th>II</th>
<th>III</th>
<th>IV</th>
</tr>
</thead>
<tbody>
<tr>
<td>Several service contracts for procuring testing facilities³</td>
<td>650 000</td>
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**CUMULATIVE DISBURSEMENT SCHEDULE (by quarters)**

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<tr>
<td>Several service contracts for procuring testing facilities³</td>
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</table>

³ One tender will be launched for procuring testing facilities for the 4 areas. The tender will include several lots, however, the number of contracts can’t be predicted at this moment as one supplier may provide equipment for several lots.
ANNEX 4

REFERENCE TO FEASIBILITY/ PRE-FEASIBILITY STUDIES

Project No:

Project title: “Preliminary analysis of the testing equipment needs for market surveillance in Estonia”

The feasibility study “Preliminary analysis of the testing equipment needs for market surveillance in Estonia” for proposed investments is made by the Finnish Technical Research Centre of Finland (VTT) in the frames of Phare 2000 Market Surveillance project co-financing resources and is elaborated in period August 2002 - January 2003.

The aims of the analysis is to analyse the testing equipment needs for market surveillance in Estonia concerning some defined new approach directives and indicate the mismatch between the supply and demand of testing services and facilities and give proposals to future development.

The analysis is based on the written material delivered to VTT Technical Research Centre of Finland (VTT) and additional information delivered via e-mail. The lists of existing investments are delivered by Estonian organisations. The lists are commented by VTT (partially also TUKES).

The analysis covers the directives VTT has expertise or has had an opportunity to receive opinions of experts from the other organisations (TUKES).

In co-operation between VTT Technical Research Centre of Finland and Ministry of Economic Affairs and Communications of the Republic of Estonia the testing equipment needs for market surveillance in Estonia has been analysed and the necessary equipment list has been elaborated (see Annex 9).

The analysis of the given prices and the quality level of the listed equipment (average quality or over quality) will be carried separately in the frame of cost-benefit analysis.

---

4 Compulsory for all investment projects. For all investment projects the executive summary of the economic and financial appraisal, and the environmental impact assessment should be attached (compulsory). In all cases where these are not available the reason(s) for this must be stated.
ANNEX 5

LIST OF RELEVANT LAWS AND THE SECONDARY LEGISLATION THEREOF

Project No.: ES
Project title: Development of testing facilities for implementation of market surveillance

Health Protection:
- Public Health Act
- Packaging Act
- Planning and Construction Act
- Product Safety Act
- government of the Republic Regulation no. 36 of 24 January 2001 “Safety Requirements for Toys and Procedure for Conformity Attestation of Toys”

Technical Inspection:
- Energy Efficiency of Equipment Act (under this act EU Directive 96/42/EC Hot water boilers legislation will be fully transposed 1st January 2004)
- Chemicals Act
- Measurements Act (under this act EU Directive 90/384/EEC Non-automatic weighting instruments legislation will be fully transposed 1st January 2004)
- Electrical Safety Act (on the legal bases of this act the following regulations are adopted)
  - regulation of the Minister of Economic Affairs “Requirements for Electrical Equipment and Installations and for Electromagnetic Compatibility Thereof, and Procedure for Conformity Assessment and Attestation of Electrical Equipment and Installations, and Requirements for Provision of Labelling on and Information with Electrical Equipment and Installations”
- Pressure Equipment Safety Act (on the legal bases of this act the following regulations are adopted)
  - regulation of the Minister of Economic Affairs “Requirements for Pressure Equipment and Conformity Assessment and Attestation Procedures for Pressure Equipment”
- Explosive Substances Act (on the legal bases of this act the following regulations are adopted)
  - There will be a regulation harmonising directive 93/15 on explosives for civil use! Entry into force 01.05.2004
- Gas Appliances Safety Act (on the legal bases of this act the following regulations are adopted)

5 This annex is optional.
- regulation no 25 of the Minister of Economic Affairs of 28 June 2002 “Requirements for gas appliances and fittings, for supplying them with information and for affixing of conformity mark”
- regulation no 26 of the Minister of Economic Affairs of 28 June 2002 “Procedure for the assessment and attestation of conformity with the requirements of gas appliances and fittings and the conformity assessment procedures required for the assessment and attestation of conformity with the requirements”

- Lifts and Cableways Safety Act (on the legal bases of this act the following regulations are adopted)
  - regulation no 38 of the Minister of Economic Affairs of 1 July 2002 “Requirements for Lifts, Safety Components and Installations and for Their Supply with Information and Affixation with the Mark of Conformity”
  - regulation no 39 of the Minister of Economic Affairs of 1 July 2002 “Conformity Assessment and Attestation Procedures for Attestation of Conformity of Lifts, Subsystems and Safety Components”.

- Machinery Safety Act (on the legal bases of this act the following regulations are adopted)
  - regulation no. 60 of the Minister of Economic Affairs and Communications of 20 December 2002 “Requirements for Machinery and Safety Components and Procedure for Assessment and Attestation of Conformity”
LIST OF GOVERNMENT STRATEGIC PLANS AND STUDIES

The priorities laid down in the National Environmental Action Plan (NEAP) for years 2001-2003 that would directly be addressed by the project is among others:
• Activity no 10.2.2. Strengthening the capacity of the Health Protection Inspectorate with a view to enforcing noise regulations in construction, industry and transport sectors

Medium and long term action plan for 2001-2006:
Activity no 10.2.11. Maintenance of an effective Health Protection Inspectorate with a view to enforcing noise regulations in the construction, industry and transport sectors

National Environmental Health Action Plan
The National Environmental Health Action Plan is the first programme in Estonia to summarise all the environmental factors most critical to health, together with their impact on human health and targets for their improvement, which is founded on the actual situation in Estonia. The development of actions was based on the assessment of exposure of the population to hazardous environmental factors and on the environmental health risk assessment. NEHAP was approved by Government of Estonia on June 15th, 1999.

The priorities laid down in the National Environmental Health Action Plan (NEHAP) for the years 2001-2003 that would directly be addressed by the project are:

• Chapter IV: 2. Indoor Air. Housing. Settlements.
  12. Increasing the effectiveness of inspections of construction, industrial, and traffic noise
  14. Accreditation of national measurement laboratories
  15. Collation of measures standards in EU laboratories

6 This annex is optional. Government strategic plans and studies are e.g. Institution Development Plan, Business plans, Sector studies etc.
OVERVIEW ABOUT PHARE 2000 MARKET SURVEILLANCE PROJECT

Project background information:

**Wider objective** of the project is efficiently functioning market surveillance (MS) system in Estonia operating in accordance with the EU market surveillance good practice (Project fiche for ES 0005.01).

The **immediate objective** of the project is to ensure the carrying out of the operational MS service according to the EU requirements by the respective institutions in the sectors that are under the supervision of the Ministry of Economic Affairs (MoEA).

The **outputs** to be reached are the following:

- MS strategy document, implementation plan, financing plan, HRD plan completed/Decision to establish a new body or agree that existing bodies will co-operate. In addition procedures and working manuals, working plans, also quality criteria will be elaborated for each of the market surveillance institution. Also PR activities of the market surveillance institutions will be strengthened.
- Draft legal framework for efficient horizontal MS system
- Trained staff in MS institutions under supervision of MoEA

**Direct Beneficiaries:** Ministry of Economic Affairs and Communications, Technical Inspectorate, Ministry of Social Affairs, Labour Inspectorate, State Agency of Medicines, Chemicals Notification Centre, Communications Board.

**Indirect Beneficiaries:** Consumer Protection Board, Health Protection Inspectorate, Customs Board, Ministry of Finance, Ministry of Environment, Ministry of Agriculture and Energy Market Inspectorate.

**Duration of the project:** the financing memorandum of the project was signed on 24 November 2000. The project was commenced with an inception period on 2 January 2002. Project will be finalised in December 2003.

**Project budget:** 1,7 MEUR from Phare and 0,43 MEUR Estonian co-financing

**Connection with Phare 2003 project:** Phare 2000 project is totally soft project concentrated on institutional strengthening of market surveillance institutions. It is foreseen that by the end of Phare 2000 project all market surveillance institutions are very knowledge and skilled about market surveillance. Testing is part of market surveillance and it can not be carried out just with knowledge’s and skills, but physical equipment and facilities are needed for efficient market surveillance. Phare 2003 investment project was planned to complement the soft (institutional building) project.
There is NO OVERLAPPING between these two projects.

**Project progress**

**Horizontal components**

**Market surveillance strategy**

*The process of working out market surveillance strategy for Estonia consists of two parts:*

- **The Accession Stage Strategy** should be designed as some sets of portfolios, containing measures and projects required reaching the comparability and compatibility of the European market surveillance system. One project portfolio should contain the common projects for all market surveillance authorities, while other portfolios could be formed on authority basis;

- **The Member Stage Strategy** should be a positioning based strategy, meaning the idea of improving the market surveillance legislation and organisation in order to meet the needs for reaching the comparability and compatibility of the European market surveillance system. Based on this positioning, also a vision of Estonian market surveillance can be presented.

At the moment “Strategy Analysis Matrix” is ready - the most important problems, challenges, and key measures on the level of each sector and authority. Also “Draft Strategy Process Plan” elaborated and analysed by beneficiaries- an overall view on the strategic situation of Estonian market surveillance.


Draft for Estonian Market Surveillance Strategy for Non-Food Products has been elaborated in cooperation between Estonian ministries and authorities responsible for legislation, coordination and practical implementation of market surveillance and the document will be finalised by the beginning of April 2003.

In each product oriented “sector component” analyses of the present situation has been made mainly assessing the compatibility of Estonian regulations and competencies of Estonian authorities to the requirements set to a Member State of the European Union.

In each resource oriented “horizontal component” analyses of the present situation has been made mainly assessing resources of the authorities and processes of human resources management, information technology and public relations utilisation.

The Estonian Market Surveillance Strategy for Non-Food Products will be published in two versions, from which the “extensive version” is the wider, including also the most relevant European and Estonian sources of information. The extensive version will be delivered for authority use only.

The “compact version” of the strategy is drafted to be officially accepted and used in planning and programming of the authorities, in market surveillance communications and training, as well as other instances. It hopefully will be updated when necessary.

The strategy document gives general background of market surveillance in European Union as well as gives overview about institutions responsible for market surveillance in Estonia. Description of Strategic Challenges of Estonian Market surveillance institutions as well as
strategic prospects and strategy process an concept are elaborated together with all the counterparts.
The document also outlines Vision, mission, values, principles and basic strategic choices of
Estonian market surveillance.
Strategy document also includes chapters about division of authority, communications and PR
and gives overview about concrete market surveillance programs.
The document needs further development of HRD and financial components.

Document also includes an annex “Testing in Market Surveillance”, what gives overview
about existing testing bases and additional needs in the area.

**Human resource development**
The form for competence mapping was prepared in summer 2002 and delivered to the
Estonian experts. The results of the competence mapping were gathered and analysed. Overall
conclusions were drawn on the competence of the Estonian market surveillance experts, a
training needs analysis was conducted and compiled into the HRD plan. The new version of
the HRD plan contains information on how the HRD component of the project will be carried
out and what kind of training programmes, separate training and study visits will be organised.
Series of seminars on market surveillance – project has prepared and is organising training in
different market surveillance issues: (e.g. legal framework from the point of view of market
surveillance; European single market; New Approach and Global Approach; Responsibilities
in testing conformity; etc.). Under co-financing project participation in foreign seminars and
conferences is supported.

**IT-systems**
Thorough analyses have been carried out to analyse negative and positive aspects of building
up Estonian internal market surveillance system (ICSMS) versus joining international market
surveillance system. The result is that it was recommended that Estonia should start using the
ICSMS system at the end of the year 2002.

**Public relations**
The drafting of information material has been initiated for Technical Inspectorate. Deep
analyses of PR events will be carried out by March 2003.

**Sector components**

According to Terms of Reference of the project each of the sectoral components
works with following aspects:
- review of regulations
- proposals for amendments
- input to sectoral strategy
- review of working methods
- drafting of work manual
- drafting training plan
- support in work planning
- training plan and coaching
- information plan and information material

Project involves the following areas: machinery safety; lifts; gas appliances; pressure vessels; construction products; medical devices; telecommunications terminal equipment; personal protective equipment; chemical products.

All the above-mentioned activities are started and are in different development phases in different areas.

For more information please check project web-site: http://www.mkm.ee/index.html?id=1239
Where all project quarterly reports are available.
## THE CHOICE OF THE LABORATORIES

<table>
<thead>
<tr>
<th>Directives</th>
<th>Laboratory</th>
<th>Status</th>
<th>Reason for choice</th>
<th>Owner of the equipment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Low voltage equipment and Electromagnetic</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>compatibility</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.1. 73/23/EEC Low voltage equipment</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Centre of Electrical Control</td>
<td>state owned legal persons in private law</td>
<td>According to the criteria mentioned in the fiche under the point Institutional</td>
<td>Technical Inspectorate</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>framework. The number of personnel working in the lab is 16; 3 persons of them</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>working in the area of LVD and EMC</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Health Protection Inspectorate</td>
<td>state authority</td>
<td>According to the criteria mentioned in the fiche under the point Institutional</td>
<td>Health Protection Inspectorate</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>framework. The number of personnel working in the Inspectorate is 33</td>
<td></td>
</tr>
<tr>
<td>1.2. 89/336/EEC Electromagnetic compatibility</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Health Protection Inspectorate</td>
<td>state authority</td>
<td>According to the criteria mentioned in the fiche under the point Institutional</td>
<td>Health Protection Inspectorate</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>framework</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Centre of Electrical Control</td>
<td>state owned legal persons in private law</td>
<td>According to the criteria mentioned in the fiche under the point Institutional</td>
<td>Technical Inspectorate</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>framework</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
## 2. Pressure vessels and equipment

### 1.2. 97/23/EC Pressure equipment

<table>
<thead>
<tr>
<th>Organization</th>
<th>Type of Establishment</th>
<th>Details</th>
<th>Authority</th>
</tr>
</thead>
<tbody>
<tr>
<td>Thermal Engineering Department of TTU</td>
<td>laboratory of state owned university in public law</td>
<td>According to the criteria mentioned in the fiche under the point Institutional framework. The number of personnel working in the Laboratory of Thermal Technics is 9.</td>
<td>Technical Inspectorate</td>
</tr>
<tr>
<td>Technical Inspection Centre Ltd</td>
<td>state owned legal persons in private law</td>
<td>According to the criteria mentioned in the fiche under the point Institutional framework. The number of personnel working in the lab is 5.</td>
<td>Technical Inspectorate</td>
</tr>
<tr>
<td>Energoremont Ltd</td>
<td>state owned legal persons in private law</td>
<td>According to the criteria mentioned in the fiche under the point Institutional framework. The number of personnel working in the lab is 3.</td>
<td>Technical Inspectorate</td>
</tr>
</tbody>
</table>

## 3. Toys

### 3.1. 88/378/EEC Safety of toys

<table>
<thead>
<tr>
<th>Organization</th>
<th>Type of Establishment</th>
<th>Details</th>
<th>Authority</th>
</tr>
</thead>
<tbody>
<tr>
<td>Health Protection Inspectorate</td>
<td>state authority</td>
<td>According to the criteria mentioned in the fiche under the point Institutional framework</td>
<td>Health Protection Inspectorate</td>
</tr>
<tr>
<td>Tallinn Technical University (Mechanical Laboratory)</td>
<td>laboratory of state owned university in public law</td>
<td>According to the criteria mentioned in the fiche under the point Institutional framework. The number of personnel working in the Laboratory of Mechanics (metals) is 11.</td>
<td>Technical Inspectorate</td>
</tr>
</tbody>
</table>

## 4. Lifts

### 4.1. 95/16/EC Lifts

<table>
<thead>
<tr>
<th>Organization</th>
<th>Type of Establishment</th>
<th>Details</th>
<th>Authority</th>
</tr>
</thead>
<tbody>
<tr>
<td>Technical Inspection Centre Ltd</td>
<td>state owned legal persons in private law</td>
<td>According to the criteria mentioned in the fiche under the point Institutional framework</td>
<td>Technical Inspectorate</td>
</tr>
</tbody>
</table>

## 5. Machinery
## 6.1. 98/37/EC Safety of machinery

<table>
<thead>
<tr>
<th>Center of Electrical Control</th>
<th>state owned legal persons in private law</th>
<th>According to the criteria mentioned in the fiche under the point Institutional framework.</th>
<th>Technical Inspectorate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tallinn Technical University (Mechanical Laboratory)</td>
<td>laboratory of state owned university in public law</td>
<td>According to the criteria mentioned in the fiche under the point Institutional framework.</td>
<td>Technical Inspectorate</td>
</tr>
</tbody>
</table>

### 6. Hot Water boilers

#### 7.1. 92/42/EC New Hot Water boilers

| Thermal Engineering Department of TTU | laboratory of state owned university in public law | According to the criteria mentioned in the fiche under the point Institutional framework. | Technical Inspectorate |

### 7. Metrology

#### 8.1. 90/384/EEC Non-automatic weighing instruments

| Metrosert Ltd | state owned legal persons in private law | According to the criteria mentioned in the fiche under the point Institutional framework. There is no other laboratory nor the competence for metrology testing in Estonia. 44 persons are working in the metrology division laboratory. | Technical Inspectorate |
ANNEX 10

DRAFT CONTRACT BETWEEN PROJECT BENEFICIARIES AND LABORATORIES

CONTRACT AGREEMENT

Tallinn

Technical Inspectorate (hereinafter: Customer), in the person of Urmas Leitmae, Acting Director General, acting on the basis of the Statutes, on one hand, and the ………………….. (name of the laboratory), register code …………………., address ……………..(hereinafter: Contractor), in the person of ……………………., Chairman of the ……………., acting on the basis of the Statutes, on the other hand (hereinafter: Party or Parties, respectively), being governed by offer of the negotiated tendering procedure without prior publication of a tender notice (procurement No. and title of the procurement), the Law of Obligations Act and other legal acts, have concluded the following contract (hereinafter: Contract):

1. SUBJECT OF CONTRACT

1.1. The subject of the Contract is taking samples of products upon the request of the Customer by the Contractor and the result of the relevant analysis, examination, evaluation or other activity performed on samples, specimens or other objects provided by the Customer or taken by the Contractor upon the Customer's request, which will allow the Customer to determine the safety of the product, as well as to apply restrictions or other measures and to make decisions in matters concerning the placing on the market of such products, as well as the use of these as evidence in pre-court or court procedures.

1.1.1 In case the Contractor acts or obtains the right to act as a designated body within the meaning of Conformity Attestation Act, it may not use the testing results obtained by using the testing equipment referred to in clause X (needed equipment under the annex 9, in actual contract the equipment will be clearly pointed out) as a basis for issuing a conformity certificate.

1.2. The Samples and Analysis Statement prepared on the basis of the samples taken, analysis carried out, research, evaluation or other procedures conducted shall be regarded as the Services performed, the said document must include the data provided in Annex …….. to this Contract and be signed by a member of the Contractor's Board, chief engineer, or the manager of the laboratory.

1.3. The Services performed by the Contractor must comply with the ………………….. standards, valid legislative acts, and conditions stipulated for in this Contract.

1.4. The Contractor shall be obliged to inform the Customer immediately about the impossibility of performing the Services in the Contractor's laboratory. The Contractor shall have the right of using subcontractors for the performance of the Services on the Customer’s approval. Informing of the Customer by the Contractor and provision of the Customer’s approval may be done by fax or e-mail. The Contractor shall bear responsibility for the
outcome of the Services, as well as for the fulfilment of its obligations arising from this Contract.

1.5. The Customer shall be obliged to submit to the Contractor the orders for performance of the Services with an order form, which must include the data stated in Annex …….. to the Contract. The order form shall be prepared in two copies, one of which shall be submitted to the Contractor and the other shall remain with the Customer. The Contractor shall sign the copies and indicate the reception date and time of the offer for performance of the Services.

1.6. The Contractor shall ensure taking of samples or acceptance of orders for performance of the Services also beyond of the working hours provided by article 1.10 of the Contract, at weekends, at public holidays, in the evening-time, and in the night-time.

1.7. The order for taking of samples and/or provision of the Services is presented to the Contractor either:
   1.7.1 on the order form at the location of the Contractor; or
   1.7.2 in the form of a call by sending the order form by fax to the number …………….. or by e-mail, confirming the order by phone calling to the numbers ……………….. or ……………… (after working hours). The Parties shall be obliged to register all the orders and calls.

1.8. Officials belonging to the regular staff of the Customer, as stated in Annex ……… to this Contract, shall have the right of presenting offers to the Contractor and signing the order forms. The Customer shall be obliged to inform the Contractor immediately in writing about any changes in the status of these officials.

1.9. Transfer of the orders from the Customer to the Contractor for performance of the Services shall be arranged as follows, by mutual consent of the Parties:

1.9.1. The Customer shall submit the orders for performance of the Services at the location of the Contractor;
1.9.2. The Contractor shall fetch the orders for performance of the Services from the location of the Customer;
1.9.3. The Contractor shall fetch the orders for performance of the Services at the location where the samples are to be taken.

1.10. Upon submission of the orders for performance of the Services in cases provided for in sections 1.9.2. and 1.9.3. of this Contract, the Contractor shall ensure the arrival of its representative (at workdays from 8 AM to 5 PM) as follows, depending on the location of order submission and/or taking of samples:
1.10.1. In Tallinn, …………….: within ……. hours at the latest;
1.10.2. At other locations within ……………….hours at the latest;
1.10.3. ……………………………………………………………

1.11. In case of order submission outside of working hours, up to ……….. hours may be added to the terms indicated above.

1.12. If the Contractor is unable for any reason to meet the terms stated above under points 1.10 and 1.11, the Customer must be informed about it before expiry of the respective term.

1.13. The Customer shall ensure the Contractor with the orders for performance of the Services in the minimum amount of …………………….. kroons. If possible, the Customer
shall inform the Contractor about changing of the type or amount of the orders, provided that
the changes arise from actions planned by the Customer or from legal acts.

1.14. A representative of the Customer shall have the right of current monitoring of the
performance of the Services. The Contractor shall be required to inform the Customer
immediately about all problems that have arisen in the course of performance of the Services.

1.15. Chief expert of the ………………….. Department Mr./Mrs/Ms ………………….
(phone ……………., e-mail: …………………) shall be the Customer’s contact person,
who is responsible for providing the information required for performance of the Services and
fulfilment of the Contract, giving his consent to the Contractor for sub-contracting of the
Services, co-ordinating within Technical Inspectorate the cost of Sub-Contractors Services
and forwarding these to the Contractor, co-ordinating the terms of provision of Services with
the Contractor.

1.16  Mr./Mrs …………….. (telephone:………….., mobile phone…………….., e-mail
……………………) shall be the Contractor’s contact person, who is responsible for
providing the information required for performance of the Services.

2.  DELIVERY AND RECEOTION OF SERVICES

2.1. The Contractor shall be obliged to perform the Services and deliver them to the Customer
within 48 hours starting from the arrival of a sample or any other object to be analysed into the
Contractor’s laboratory. The Sub-contractors shall be obliged to deliver the Services they
have performed to the Customer within 2 weeks as a maximum.

2.2. The Customer shall have the right of requesting from the Contractor the performance and
delivery of the Services within 24 hours after submission of the order to the Contractor.

2.3. If the Contractor is unable to meet the terms stipulated in sections 2.1 and 2.2 of this
Contract for any reason, the Customer must be informed about this before expiry of the
respective term, indicating the term by which performance of the Services is expected to be
completed. The Customer must be informed by fax or e-mail.

2.4. The delivery and acceptance procedure of performed Services is described in Annex
………………

3.  PAYMENTS TO CONTRACTOR

3.1. The Customer shall be obliged to pay to the Contractor for Services performed in
conformity with the established price list presented in Annex …………………, the amount to be
paid for Services performed by the Sub-contractors shall be agreed between the Parties
separately. Annex ………………… shall be applicable in case of individual analyses. In case a lot of
samples or other objects to be analysed consists of 2 to 9 similar samples, price discount in
the amount of 10% of the price list provided by Annex ………………… shall be granted to the
Contractor. If a lot of samples consists of 10 or more samples or objects, the Contractor shall
be entitled to get 25% discount of the price list.

The Contracting Laboratory has the obligation to provide testing service to the Market
Surveillance authorities without charge up to the amount of 100 000 EEK per year.

3.2. By making changes in the established price list provided for in Annex ………… to this
Contract, the Contractor shall be obliged to follow the principles set forth in the PHARE
project “…………………….”
3.3. Payment to the Contractor for the Services performed during the last calendar month and delivered to the Customer with the Statement shall be effected within 10 calendar days after reception of the invoice issued by the Contractor.

3.3. A report shall be annexed to each invoice, stating the numbers of the order forms for performance of the Services, dates and description of Services performed against these orders during the previous calendar month, the number of work hours used for performance of each specific Service, respective prices of the Services, and the numbers of the Samples and Analysis Statements submitted to the Customer.

4. LIABILITIES OF THE PARTIES

4.1. In case the Contractor should fail to deliver the performed Services in time, the Customer shall have the right of demanding from the Contractor the payment of penalties in the amount of 0.15% of the cost of the delayed Service per each calendar day delayed. The Customer shall have the right of deducting the sum of the penalty from the sum paid to the Contractor for performance of the Service.

4.2. The Customer shall be required to present penalty claims arising from this Contract to the Contractor within 3 months at the latest from the day the right for presenting such claims manifested itself to the Customer.

4.3. In case the Customer should fail to pay the Contractor by the agreed term, the Contractor shall have the right of demanding fine for delay in the amount of 0.15% of the delayed sum per each calendar day delayed.

4.4. The Contractor shall be required to submit the possible fine claims for delayed payment arising from the Contract to the Customer within 3 months at the latest from the day the right for presenting such claim manifested itself to the Contractor.

4.5. The Contractor shall be obliged to maintain records concerning the Services performed, that will be the basis for reporting procedure provided for in the section 3.4. of this Contract.

4.6. The Contractor shall be obliged to keep all documents and reports associated with performance of the Services for 7 years.

4.7. Failure to fulfil contractual obligations or non-satisfactory fulfilment of said obligations shall not be considered breach of the Contract if caused by force majeure. Such circumstances must be verifiable, and even if the circumstances should occur, the Parties shall be obliged to take measures in order to minimize and prevent the possible damage. If the force majeure was of temporary nature, the failure to fulfil said obligations is only considered permissible for the duration of the force majeure preventing proper performance of the Services.

4.8. The Contractor shall be held responsible for accidental destruction or damaging of the samples, specimens or other objects from the moment these are transferred to the Contractor. The responsibility for accidental destruction or damaging shall be placed from the Contractor to the Customer upon receiving the confirmation from the Customer about the safe delivery of performed Services.

4.9. The Contractor shall be obliged to keep the remains of the samples, specimens or other objects in relation to which the Services were performed for 6 months after the delivery of performed Services to the Customer, except the samples of perishable products. Unused samples and specimens or remaining parts of the samples and specimens shall be returned to the Customer upon request.
5. AMENDMENT AND TERMINATION OF THE CONTRACT

5.1. The terms and conditions of this Contract may be amended only if both Parties agree to do so in writing.

5.2. The price list stated in Annex ………………. to this Contract may be modified by the Contractor once a year, on the condition that the modification notice together with a respective substantiated calculation is presented to the Customer in writing 3 months in advance.

5.3. Both Parties shall have the right of terminating this Contract, on the condition that the other party is informed about it 6 months in advance.

5.4. The Customer shall have the right of terminating this Contract for the reasons stated below:
   5.4.1. Repeated failure by the Contractor to deliver the Services by the established term;
   5.4.2. Repeated failure by the Contractor to fulfil its contractual obligations;
   5.4.3. Ungrounded forcing up of the price for performance of the Services by the Contractor.

5.5. The Contractor shall have the right of unilateral renouncing of the Contract without notifying the other Party in advance for the repeated failure by the Customer to pay for the Services performed by the set term.

6. FINAL PROVISIONS

6.1. Possible disputes arising from the performance of this Contract shall be resolved by way of negotiations. In case of failure to reach an agreement, such disputes shall be resolved in the Tallinn City Court on the basis of legal acts of the Republic of Estonia.

6.2. The Parties may delegate their rights and obligations arising from this Contract to third parties only upon written permission from the other Party.

6.3. The Parties shall be obliged not to make public the information they have acquired in connection with performance of this Contract.

6.4. The contents of this Contract are confidential, with the exception of information that must be made public in accordance with the respective legal acts.

6.5. The Contract shall enter into force upon signing of it by both Parties and shall remain into force until ………………………… (date).

6.6. This Contract has been concluded in two copies of equal legal force, one of the copies shall remain with the Customer and the other with the Contractor.

The Parties:

Customer: The Technical Inspectorate

Contractor: ………………………... (laboratory)
Annex 1 to the Contract Agreement

Samples and Analysis Statement (on an official laboratory form) must include the following information:

1. Number of the statement
2. Specific customer
3. Date and time of sample/specimen reception, number of the order form
4. Type and marking of the sample/specimen received, information concerning existence of a package and its integrity. If the sample/specimen was delivered in a package with the official Technical Inspectorate’s seal, number and integrity of the seal.
5. Registration number of the received sample/specimen in the laboratory accounting system
6. Data on Services performed, in the form of a table:

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Unit</th>
<th>Method</th>
<th>Result</th>
</tr>
</thead>
</table>

7. If an expert opinion must be provided in answer to the questions presented by the Customer, a description on how and on what basis the expert examination was conducted to get the analysis/research results.
8. Complete and comprehensive answer must be given to the Customer.
9. Position, name, and signature of the person that drew up the report. Date and time.
10. If another person than the one performing the measurement or providing the expert opinion composes the answer to the question presented by the Customer, both persons must draw up their own document. The person that drew up the answer to the Customer refers to the source document in his or her answer and annexes it to the answer, which is then sent to the Customer.

Notes.
1. The Statement shall be sent to the Customer by fax within one hour after its completion. The original must be sent by mail
2. In case the Customer requests for taking samples only, then points 1, 2 and 3 of the Samples and Analysis Statement shall be filled in as follows: date, time and precise location where the samples were taken (address, number of a vehicle/warehouse/terminal/storage/section, etc.) shall be indicated. Under point 4 the type of products from which the samples were taken, number of samples taken, Technical Inspectorate code given to each of the samples and/or the number of a Technical Inspectorate seal plus the size of samples taken shall be indicated. Under
point 8 it shall be indicated to whom the samples were handed over together with the confirmation note that the order has been fulfilled.
Annex 2 to the Contract Agreement

Order Form

SAMPLE, ON OFFICIAL FORM OF THE TECHNICAL INSPECTORATE AGENCY
(laboratory)

Technical Inspectorate Laboratory

Our No.

fax:

Order

Name of commodity: ......................................

Sample quantity: ...........................................

Purpose of examination: ................................. (the purpose must be expressed in as simple and well-defined manner as possible. If taking of a sample is requested at the location of the sample, name of the commodity is indicated, the sample quantity line is left empty and “taking of samples, location of the commodity… ....” is indicated as the purpose of examination. If the results are required urgently, add note: please send the results ASAP.

Technical Inspectorate seal: ............................ (sample seal No., exception, if it is impossible to seal the commodity because of its size or for some other reason)

Customer.................................................

name, position

........................................

signature

fax .................................
Annex 3 to the Contract Agreement

Officials of the Customer who have the right to submit orders to the Contractor

Annex 4 to the Contract Agreement

THE PROCEDURE FOR DELIVERY AND RECEPTION OF SERVICES

Delivery of the Services by the Contractor and reception thereof by the Customer shall be performed by sending the Samples and Analysis Statement to the Customer by fax and mail. The Statement shall be drawn up in 2 copies, one of which shall be submitted to the Customer and the other shall remain with the Contractor. The person who signed the Statement shall send it immediately by fax to the fax number indicated on the order form and to the Customer’s contact person. Having received the Statement by fax, the person that submitted the order shall write “Received” on it, indicate the date and his/her name, sign it and fax it immediately to the Contractor. One copy of the Statement shall be sent by mail to the Technical Inspectorate’s official that submitted the order. In case the Contractor has not received a fax confirming the reception of the Sample and Analysis Statement by 12 AM of the workday following the day when it was faxed to the Customer, the Contractor shall be obliged to request explanation from the Customer’s contact person by fax or e-mail.

Annex 5 to the Contract Agreement

Price list

<table>
<thead>
<tr>
<th></th>
<th>Cost per hour for laboratory services</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>- complicated analyses</td>
</tr>
<tr>
<td>1</td>
<td><strong>hourly rate including VAT</strong></td>
</tr>
<tr>
<td></td>
<td><strong>…….. EEK</strong></td>
</tr>
<tr>
<td>2</td>
<td>Cost per hour for laboratory services</td>
</tr>
<tr>
<td></td>
<td>- simple analyses</td>
</tr>
<tr>
<td></td>
<td><strong>hourly rate including VAT</strong></td>
</tr>
<tr>
<td></td>
<td><strong>…….. EEK</strong></td>
</tr>
<tr>
<td>3</td>
<td>Travel costs to the location of performing the services and back (upon calls)</td>
</tr>
<tr>
<td></td>
<td>rate per 1 kilometre including VAT</td>
</tr>
<tr>
<td></td>
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