

STANDARD SUMMARY PROJECT FICHE

1. Basic Information

1.1 Désirée Number: RO-2002/000-586.04.04

1.2 Title: Strengthening market surveillance and consumer protection – support to the National Authority for Consumers Protection (ANPC)

1.3 Sector: Consumer Protection

1.4 Location: Romania, Bucharest

2. Objectives

2.1 Overall Objective(s):

To support the Romanian authorities in establishing an effective and transparent system for managing the implementation of European Union technical regulations and in establishing the necessary coherent system to strengthen market surveillance with main focus on chapter 23 issues and the National Authority for Consumers Protection (ANPC) as competent enforcement authority in the field.

2.2 Project purpose:

To develop the technical capacity and the capability of ANPC inspection bodies to strengthen the market surveillance and to develop the co-operation with civil society, including the activity of information and counselling in consumer protection field.

2.3 Accession Partnership and NPAA priority

The strengthening of the administrative capacity in order to enforce the legislation in consumer protection is included in the Accession Partnership (2001).

In Chapter 4 - "Priorities and intermediate objectives", sub-chapter "Ability to assume the obligations of membership", paragraph "Free movement of goods" (page 7) is mentioned: to *"establish a market surveillance system, and prepare administration and food operators to EC principles of food safety"*, and in paragraph "Consumer and health protection" (page 12) is mentioned: to *"continue alignment of legislation, strengthen market surveillance and enforcement authorities, and in particular ensure effective implementation of the five-year strategy for the National Authority for Consumer Protection."*

The National Program for Accession to the European Union (June 2001) includes in the field of consumer and health protection, as short-term (page 263) and medium-term (page 264) priorities, the following provisions:

- To further adapt and improve the legal framework so as to gradually achieve compatibility with EU legislation and to strengthen market surveillance;
- To continue drafting of legislation on: sales of consumer goods and associated guarantees, on advertising of “health products”, consumer credit, time-share and continue harmonization of the Romanian legislation with the EU acquis on consumer protection;
- To continue training in the field of consumer protection;
- To develop an information system using databases at central and local level, to offer elements regarding the development of the risk factors for products and services offered on the market and regarding the history of some economic operators, including equipment;
- To develop and modernise laboratories (equipment);
- To increase the level of information and consultation in the field of consumer protection.

2.4 Contribution to National Development Plan

Not Applicable

2.5 Cross Border Impact (not available)

Not Applicable

3. Description

3.1 Background and justification:

At central level, the National Authority for Consumers Protection has three departments:

- Control and Market Surveillance Department (for food and non-food products and services)
- Strategies, Partnership, Harmonisation with European Legislation and Relations with Media Department,
- Finance and Human Resources Department.

The National Authority for Consumers Protection has as main tasks:

- to assure the enforcement of the laws and Government decisions in its field of activity;
- to ascertain infringements and to apply fines according to the laws;

- to draw up drafts of special regulations in the consumer protection field and to submit them for approval to Government;
- to carry out activities for information, education and consulting to consumer,
- to support the consumer protection associations;
- to receive and solve or transmit to relevant authorities (if the case) the complaints of the consumers and of the associations;
- to organise and to assure the functioning of a rapid exchange system for the information on products with high risks for consumers health and safety;
- to inform periodically the Government about its activity concerning the observance of consumers rights and interests.

The National Authority for Consumers Protection has the responsibility and powers to carry out surveillance actions in order to discover non-compliant products, as follows:

- to supervise, in order to be respected the legal provisions in consumer protection field concerning the safety of food and non-food products and services destined to the population and to defence the legitimate rights and economic interests of consumers, by making inspections on the market, to producers, importers, retailers, sellers, service performers as well as to custom houses; the Authority inspectors may have access in the places where products are manufactured, stored or marketed or where services are fulfilled including access to the documents referred to them;
- to dispose the legal extents for limiting the consequences of manufacturing, import or marketing of some food and non-food products or services that do not meet the legal stipulations concerning consumer protection, as follows:
- to stop the activity of the economic operator, to stop temporarily or definitively the marketing, manufacturing of the product or performing of the services; to withdraw products from the market or from the consumers;
- to destroy products definitively stopped from the marketing, if this is the only way to cease the danger;
- to verify if the established measures are observed;
- to perform analyses and tests in laboratories accredited according to law or in its own or in agreed laboratories;
- to perform or to finance studies and comparative tests, regarding the quality of food and non-food products and services offered to consumers, and to inform the public about these;
- to develop and to improve the national system for market products (food and non-food) and services surveillance, based also on the support of the "Inter-Ministerial Committee for Market, Products and Services Surveillance and Consumer Protection" that is co-ordinated by the National Authority for Consumers Protection.

The National Authority for Consumer Protection actively provides consumer and legal advice. A website has been established and complaints can now be submitted online. Major objectives of the National Strategy of ANPC for 2001-2004 are:

- 1) to assure the right of consumers to be informed about the main characteristics of the products and services,
- 2) to assure the right of consumers to be educated in their capacity of consumers and to get redress for the damages generated by the non-conform quality of products and services
- 3) to strengthen the market surveillance system , by setting up of the information system regarding the dangerous products notified by TRAPEX (Transitional Rapid Exchange of Information System) as well as the assessment of products' safety by laboratory testing, respectively by creating 8 mobile laboratories and by endowing the regional offices of ANPC with pre-analyses (quick analyses) equipment.

The National Strategy of ANPC contains, as well the extension of the co-operation with the civil society by offering support and advisory for consumer associations, by creating advisory centres in the municipalities – capitals of districts in co-operation with the local consumer associations and local authorities, by organising a national campaign of information for consumer rights, by creating and by implementing at national level the free phone number – TELCONS and the WEB-site and by having a weekly show at TV and Radio.

At the governmental level a programme for priority measures to accelerate the preparations for accession to the European Union for the period 2002-2004 was approved and it includes all the above mentioned provisions of the National Strategy of ANPC.

In its activity the ANPC faces problems both in the management of information at the central and local level, regarding the assessment of the risk factors of the products and services offered on the market, as well as regarding the history of some economic operators.

There are disparities in the knowledge, skills level and understanding of the staff in the county offices of the EU acquis provisions on consumer protection. This may have a negative impact in the implementation. Therefore, training needs are considerable, in order to ensure correct implementation and enforcement of the acquis provisions.

In addition, insufficient laboratory equipment does not always allow effective and timely testing of products. The relatively large geographical area of the country cannot easily be covered and therefore, mobile laboratories are considered as suitable solution to improve the surveillance activity of the NACP. The 42 county offices of ANPC lack adequate equipment in order to carry out their testing activity efficiently. Pre-analyses (quick analyses) laboratory equipment, to identify the products presenting risks for life, health and safety of consumers, can be mentioned as an important need.

As regards co-operation with civil society, the ANPC faces problems in the activity of information dissemination, counselling, and public relations activity. It is necessary

material, channels for information dissemination, adequately skilled human resources for these activities.

3.2 Linked activities:

Phare Programs 1999 (0,477 MEURO) and 2000 (0,423 MEURO) comprise a number of activities to support the development of quality infrastructure in Romania, including support for ANPC in order: to increase the ability to monitor and control the market place using a system of quick analyses of the quality of products; to organise national campaigns for education and information of consumers by seminars, radio-TV, articles in newspapers and by editing documents in consumer protection field; to develop Territorial Centres to offer information and consulting to consumers in co-operation with consumers associations.

In order to strengthen the market surveillance activity were delivered personal computers at central level and for all regional offices, printers and pre-analyses kits for laboratories.

These Phare programs contained also the supply of training equipment, but because of lack of offers, it was not possible to obtain them.

Phare RO 2002 aims continuing the activities for enforcement of the legislation, priority being given to improve the technical capacity and the capability of ANPC inspection bodies to strengthen the market surveillance by developing a system of information containing data bases at central and local level being able to be connected to the system of other central and local administration bodies. It also aims at continuing the activity of information and consulting for consumers.

3.3 Results:

The results obtained through this project follow the Strategy of ANPC for 2001-2004.

1. An improved mechanism for market surveillance including:

- ❑ An integrated software including databases at central and local level, being able to be connected to the system of the other central and local administration bodies, created.
- ❑ Improved capacity of ANCP for analyses of the risk factors and the history of some economic operators due to the improved data management and upgraded IT network,
- ❑ Efficient management of consumers' complaints established through the upgraded IT network.
- ❑ Crucial link between the central level and the regional offices established in the IT network.
- ❑ Efficient identification of the non-conform or dangerous products including foodstuffs, by creating 8 mobile laboratories and by endowing the 42 county offices of ANPC with pre-analyses (quick analyses) equipment

- ❑ Increased capacity of implementation of legislation in the consumer protection field by training and improving skills of ANPC experts.
- ❑ Staff in all county offices have acquired equal knowledge and skills related to the acquis

2. A consumer with a higher level of information and education by:

- ❑ Improved information dissemination, counselling and public relations activity of ANPC both at the central and local level, on regular basis.
- ❑ Increased support for NGOs (technical assistance to improve the activity of information dissemination and counselling for the existing “Advisory and information Pilot-centre in Bucharest; the possibility to create new centres for consumer).

3.4 Activities:

The project provides Technical Assistance and Investment Support for the National Authority of Consumers Protection (ANPC).

By the Project Preparation Facility (PPF) will be done a preparatory work for: the assessment of the ANPC needs regarding the strengthening of market surveillance, equipment needs analyses, training needs analyses for the ANPC specialists.

Technical assistance:

- Development of the existent information system (for managing information, TRAPEX system, history of some economic operators, electronic complains), containing data bases at central and local level, being able to be connected to the system of the other central and local administration bodies:
 - to analyse the existing system
 - to establish the requirements
 - to issue the improvements and technical assistance in order to be put into practice
- The establishing of the detailed equipment needs (following the PPF results) for 8 mobile laboratories and quick analyses equipment (pre-analyses) for the 42 county offices, offering the possibility to identify as quick as possible the products presenting risk for life and health of consumers.
- Designing and implementing a program for the training activities and for improving skills of ANCP experts in the enforcement of the legislation in consumer protection field, including EC principles of food safety. Developing a curriculum for training about 500 inspectors at 42 locations including courses compendium and visual aids, training of core group of 42 inspectors to become trainers for other inspectors and establishing a plan for the multiplication of training activity to the hole country, including financial means and human resources to do that. In the future it is expected that the 42 trainers will develop training courses for about 500 inspectors in 42 locations.
- Study trips for 4 days, for 4 senior officials of ANPC in Member State Agencies similar to ANPC in order to notice:

- market surveillance system
 - transposing in the national legislation of the EU directives and their implementation
 - the co-operation with different other bodies having market surveillance responsibilities
 - the activity of NGO's and their roll in taking decisions process
 - the activity of NGO's in counselling and dissemination information for consumers
- creating the mechanism to improve the activity of ANPC and its county offices regarding counselling, information dissemination , public relations activity, relations with the NGOs etc., in order to fulfil their mission in accordance to the Strategy of ANPC by:
 - identifying deficiencies in the current system (e.g. information dissemination);
 - establishing an action plan to address the problems, including future sustainability of the actions in terms of financial and human resources;
 - implementing the actions foreseen in the plan.

Investment support :

- purchasing of software and specific equipment for developing the information system, using data bases at central and local level of ANPC, to offer elements regarding the evolution of the risk factors for products and services offered on the market and regarding the history of some economic operators, TRAPEX system, electronic complains, a system being able to be connected to the system of the other central and local administration bodies.
- equipment for the activity of information dissemination, counselling, public relations activity (computers, big capacity printers, video recorder, TV set and other specific equipment including specialised software).
- specific equipment for 8 mobile laboratories and quick analyses equipment (pre-analyses) for the 42 county offices, including : thermometer, PH-meter, test-sticks for semi-quantitative determination (of vitamin C – ascorbic acid in solution, nitrite, peroxides, phosphates, heavy metals, arsen, water in petrol etc.) and other similar specific equipment,
- specific equipment for training activities and seminars (projector, overhead projector, projection screen, flipchart, white board for conferences etc.)

3.5 Lessons learned

Not Applicable

4 Institutional Framework

The ANPC was created by Government Ordinance No. 2/2001 (O.J. 10/9.01.2001) through a re-organisation of the Office for Consumer Protection. ANPC co-ordinates and achieves the strategy and policy of the Government in consumers protection field, taking

actions to prevent and to eliminate the behaviours that could endanger the health, safety and economic interests of consumers and assesses the effects on the market of the surveillance systems for products and services destined to consumers. It is also responsible of the chapter 3.23 “Consumers and health protection” in the elaboration of the National Program for Romania’s Accession (NPAR) 2001. ANPC is the public authority responsible for market surveillance (Law 11/1994, amended by Government Ordinance 58/2000) and for the implementation of the EU’s consumer protection directives, and has 42 offices for consumer protection in all the counties of the country and in the city of Bucharest, having 600 employees. Subordinated to the ANPC is the National Centre for Products Test and Appraisal – “LAREX” Bucharest, an extra budgetary unit with 9 territorial laboratories.

ANPC will continue the activity of technical assistance for the consumer associations. The “**Advisory and information Pilot-centre for consumers**” in Bucharest was created by GO 88/2000 and allocated 195 million lei in 2000 and 284 million lei in 2001.

In order to strengthen the co-operation with the civil society, the Commission for Unfair Terms and the Commission for Safety, were created. They are independent consultative bodies, including representatives of professional associations and of consumers, having the role to obtain the most documented opinions, in order to eliminate the unfair terms in contracts concluded with the consumers, respectively to obtain the most documented opinions on dangerous products.

Commission for Unfair Terms has the role to analyse and to evaluate the standard contracts for the public utilities or contracts involving a great number of consumers, in order to issue a consultative point of view. This Commission may be consulted by ANPC, by The “Inter-Ministerial Committee for Market, Products and Services Surveillance and Consumer Protection” and by the Courts of Justice. Commission for Safety has the role to analyse the complaints regarding the risks of products offered to consumers in order to evaluate and to issue a consultative point of view. This Commission may be consulted by ANPC, by The “Inter-Ministerial Committee for Market, Products and Services Surveillance and Consumer Protection” and by the Courts of Justice.

As regard the co-operation between different bodies involved in consumer protection this does exist, It is demonstrated by the activity of the ANPC on the control actions made on the basis of the established co-operation procedures.

The “Inter-Ministerial Committee for Market, Products and Services Surveillance and Consumer Protection”, has the role to develop and improve the national system for market surveillance, being an important instrument for co-operation between the Public Central Administration authorities on one hand, and the co-operation between these authorities and the civil society on the other hand. The National Authority for Consumers Protection assures the presidency and the secretariat of this committee.

According to Annex 2 (art.10) of the “Organisation and functioning Regulation of the Inter-Ministerial Committee, the representatives of non-government organisations of consumers may be invited to participate to the meetings of this Committee.

A number of 803 Consultative Councils for Consumers (from which 42 are at county level and 76 at town level) –have been created in Romania since 1994. The Consultative Councils for Consumers at county level have representatives of the state authorities (the prefect as president, ANPC at county level, Custom House Unity, Sanitary and Veterinary county department, Environmental Protection County Agency, etc.), the representatives of the industry and the representative of consumer groups as Vice-President. The Consultative Council at town level has the similar structure but at town level (the mayor as President, etc.).

Their main role is to assure the organisational and informational frame necessary to establish and to apply the consumers’ protection policy, correlative actions of the public administration authorities with those of the non-governmental organisations having attributions in this field.

Concerning the establishing and applying the consumer protection policy, the consultative council analyses the respect of consumers’ rights, the co-operation of the public administration authorities in the field of consumers’ protection and recommendations for improving this co-operation, etc.

5. Detailed Budget

in MEURO

| | Phare Support | | | | | |
|----------------------|--------------------|----------------------|---------------------|-----------------------|------|-------------|
| | Investment Support | Institution Building | Total Phare (=I+IB) | National Cofinancing* | IFI* | TOTAL |
| Technical assistance | - | 1.35 | 1,35 | - | - | 1,35 |
| Investment support | 0.65 | - | 0,65 | 0,22 | | 0,87 |
| Total | 0.65 | 1.35 | 2.00 | 0.22 | | 2.22 |

** In cases of co-financing only*

6. Implementation Arrangements

6.1 Implementing Agency:

The Central Finance and Contracting Unit –CFCU – will be the Implementation Agency and will, thus, manage and contract the funds received in respect of the programme in accordance with the Practical Guide to Phare, Ispa and Sapard contract procedures.

Implementing Authority: The implementing authority will be the National Authority for Consumers Protection.

Contact person:

Mihail MEIU – Deputy Director
 5 Georges Clemeneau street, Bucharest
 Tel.: +40-1-315 32 65
 Fax: +40-1-314 34 62
 e-mail: mihailmeiu@anpc.ro

6.2 Twinning:

N / A

6.3 Non – standard aspects:

N / A

6.4 Contracts:

- Contract 1 : Technical assistance
- Contract 2 : Investment support

7 Implementation Schedule

7.1 Start of tendering:

January 2003

7.2 Start of project activity:

April 2003

7.3 Project Completion:

December 2004

8 Equal Opportunity

In the whole process of preparation of the project, no discrimination between men and women will be made.

9 Environment:

N / A

10 Rates of return:

N / A

11 Investment criteria:

N / A

12 Conditionally and sequencing

No conditionally under this project.

ANNEX 1: LOGICAL FRAMEWORK MATRIX

| | | |
|--|---|--|
| LOGFRAME PLANNING MATRIX FOR Project | Programme name and number | |
| Strengthening market surveillance and consumer protection-support to the National Authority for Consumers Protection (ANPC) | Contracting period expires: December 2003 | Disbursement period expires: December 2004 |
| | Total budget : MEURO 2.22 | Phare budget : MEURO 2.00 |

| Overall objective | Objectively verifiable indicators | Sources of Verification | |
|---|--|--|--|
| <ul style="list-style-type: none"> To support the Romanian authorities in establishing an effective and transparent system for managing the implementation of European Union technical regulations and in establishing the necessary coherent system to strengthen market surveillance and the National Authority for Consumers Protection (ANPC) as competent enforcement authority in the field. | <ul style="list-style-type: none"> Existence of an improved level of consumers protection | <ul style="list-style-type: none"> By monitoring and reporting Progress and final assessment European Delegation | |
| Project purpose | Objectively verifiable indicators | Sources of Verification | Assumptions |
| <ul style="list-style-type: none"> To develop the technical capacity and the capability of ANPC inspection bodies to strengthen the market surveillance and to develop the co-operation with civil society, including the activity of information | <ul style="list-style-type: none"> Establish a system to develop the enforcement of ANPC inspection bodies Laboratories equipped | <ul style="list-style-type: none"> By monitoring and reporting Progress and final assessment European Delegation | <ul style="list-style-type: none"> Clarification of the role of different state bodies related to market surveillance, in order to avoid overlapping of tasks and responsibilities. |

ANNEX 1: LOGICAL FRAMEWORK MATRIX

| and counselling in consumer protection field. | | | |
|--|--|--|--|
| Results | Objectively verifiable indicators | Sources of Verification | Assumptions |
| <p>1. An improved mechanism for market surveillance including:</p> <ul style="list-style-type: none"> - analysis of the risk factors, the history of some economic operators, the managing of consumers complains and the link between the central level and the regional offices by creating an integrated soft including data bases at central and local level, being able to be connected to the system of other central and local administration bodies. - a better identification of the non-conform or dangerous products including foodstuffs, by creating 8 mobile laboratories and by endowing the 42 regional offices of ANPC with pre-analyses (quick analyses) equipment; - an increasing capacity of implementation of legislation in the consumers protection field by training and improving skills of ANPC experts. | <ul style="list-style-type: none"> • Number of trained inspectors • Developed plan of awareness campaign • Information and education level of consumers | <ul style="list-style-type: none"> • Monitoring by Delegation • By monitoring and reporting Progress and final assessment. | <ul style="list-style-type: none"> • Support from other relevant institutions • Adequate provision from state budget |

ANNEX 1: LOGICAL FRAMEWORK MATRIX

| <p>2. A consumer with a higher level of information and education by:</p> <ul style="list-style-type: none"> - a better information dissemination, counselling and public relations activity, both at the central and local level. - an increased support for NGOs, including by technical assistance for counselling centres. | | | |
|--|---|---|--|
| Activities | Means | | Assumptions |
| <ul style="list-style-type: none"> • To create an information system containing data bases at central and local level, being able to be connected to the system of other central and local administration bodies. • To set up the equipment needs. • Training activities and improving skills of ANCP experts. • To create a mechanism to improve activity of ANPC and its regional offices regarding counseling, information dissemination, public relations activity, relations with NGOs. | <ul style="list-style-type: none"> • Technical assistance contracts • Purchase of equipment | <ul style="list-style-type: none"> • Monitoring by Delegation • By monitoring and reporting progress and final assessment | <ul style="list-style-type: none"> • Effective co-operation with other institutions • The capacity to assure the necessary funds for co-financing • Timely disbursement of project funds. |
| | | | Preconditions |

ANNEX 1: LOGICAL FRAMEWORK MATRIX

- To assure the necessary financial resources from state budget.

ANNEX 2: DETAILED TIME IMPLEMENTATION CHART FOR PROJECT NUMBER RO-2002/000-586.04.04

STRENGTHENING MARKET SURVEILLANCE AND CONSUMER PROTECTION-SUPPORT TO THE NATIONAL AUTHORITY FOR CONSUMERS PROTECTION (ANPC)

| | 2001 | | | | | | 2002 | | | | | | | | | | | | 2003 | | | | | | | | | | | | 2004 | | | | | | | | | | | | | |
|----------------------|---|---|---|---|---|---|------|---|---|---|---|---|---|---|---|---|---|---|------|---|---|---|---|---|---|---|---|---|---|---|------|---|---|---|---|---|---|---|---|---|---|---|---|---|
| calendar months | J | A | S | O | N | D | J | F | M | A | M | J | J | A | S | O | N | D | J | F | M | A | M | J | J | A | S | O | N | D | J | F | M | A | M | J | J | A | S | O | N | D | | |
| activities | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Technical assistance | | | | | | | | | | | | | | | | | | D | C | C | C | C | C | C | C | C | C | C | C | C | I | I | I | I | I | I | I | I | I | I | I | I | I | I |
| Investment support | | | | | | | | | | | | | | | | | | D | C | C | C | C | C | C | C | C | C | C | C | C | I | I | I | I | I | I | I | I | I | I | I | I | I | I |
| | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | D = Design C = Contracting I = Implementation | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

ANNEX 3: CUMULATIVE CONTRACTING AND DISBURSEMENT SCHEDULE (MEURO 2.00)

**STRENGTHENING THE MARKET SURVEILLANCE AND CONSUMER PROTECTION-SUPPORT TO THE NATIONAL AUTHORITY
FOR CONSUMERS PROTECTION (ANPC)**

DATE: FEBRUARY 2002

| | 31/03/0 2 | 30/06/0 2 | 30/09/0 2 | 31/12/0 2 | 31/03/0 3 | 30/06/0 3 | 30/09/0 3 | 31/12/0 3 | 31/03/0 4 | 30/06/0 4 | 30/09/0 4 | 31/12/0 4 |
|---------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| CONTRACTED | | | 2.00 | | | | | | | | | |
| DISBURSEMENT | | | | 0.30 | 0.80 | 1.00 | 1.50 | 1.80 | 2.00 | 2.00 | 2.00 | 2.00 |

NB: 1. All contracting should normally be completed within 6-12 months and **must** be completed within 24 months of signature of the FM.
2. All disbursements **must** be completed within 36 months of signature of the FM.