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## Economic Commission for Europe

Steering Committee on Trade Capacity and Standards

### Working Party on Regulatory Cooperation and Standardization Policies session

Twenty-eighth session

Geneva, 14–16 November 2018

Item 11 (a) of the provisional agenda

**Market surveillance:**

**Update from the Advisory Group on Market Surveillance**

## Report of the Advisory Group on Market Surveillance on its activities and the sixteenth meeting in Geneva

Submitted by the Advisory Group on Market Surveillance

### *Summary*

This document contains the report of the annual meeting of the Advisory Group on Market Surveillance, held in Geneva, Switzerland on 26–27 June 2018 and is hereby submitted for adoption by the Working Party.

#### *Proposed decision:*

The Working Party adopts the report of the Advisory Group on Market Surveillance. The Working Party will submit a request for a further extension of the mandate of the Advisory Group on Market Surveillance by the ECE Executive Committee.

It also adopts its plan of work as detailed in the document.

The Working Party requests the secretariat to continue to report on an annual basis on the activities of the Advisory Group.

## I. Introduction

1. The 16th meeting of the Advisory Group on Market Surveillance was organized by the secretariat in cooperation with the Chairperson of the Group and the Working Party 6 Bureau.
2. The meeting was attended by 18 experts from seven ECE member States. The European Commission and the secretariat of the Eurasian Economic Commission were also in attendance. Individual experts also attended in their own capacity.
3. The agenda, as well as presentations made at the meeting, are available at <https://www.unece.org/index.php?id=48579>.
4. The **Director, ECE Economic Cooperation and Trade Division**, opened the meeting, making reference to the challenges that market surveillance authorities were confronting. The **Chair** of the Advisory Group on Market Surveillance introduced the meeting agenda. She emphasized the important role of the group in promoting good practices in market surveillance in the ECE region.
5. The **Secretary of the ECE Working Party on Regulatory Cooperation and Standardization Policies** placed the activities of the Advisory Group on Market Surveillance within the institutional setting of the ECE and current priorities, in particular the upcoming event on “Standards for the Sustainable Development Goals” to be held in Geneva on 26 September 2018.

## II. Market surveillance: developments at regional and sub-regional levels

6. The **representative of the European Commission** introduced the Commission’s proposal for a Regulation on Compliance and Enforcement of the European Union product legislation, COM(2017)795.
7. The proposal aimed at curbing non-compliance of products on the European Union markets, based on the key challenges (including: the fragmentation of Market Surveillance authorities, the resource constraints they were facing, the information gaps for businesses, and the low deterrence of current enforcement tools as well as the increase in online sales).
8. The proposed regulation focussed on: increased cooperation with businesses to prevent non-compliance; stronger enforcement tools that would be better adapted to e-commerce; enhanced cooperation among enforcement authorities and more effective controls on products entering the European Union market thanks to international cooperation.
9. The proposal would apply to European Union harmonised legislation covering more than 80 per cent of European Union market for industrial products. Pending adoption by the European Parliament and the European Council, the Regulation could enter into force in 2020 at the earliest. Questions by participants focussed on cooperation with customs and on effective mechanisms for the pooling of resources.
10. The **Deputy Director Department for Technical Regulation and Accreditation of Eurasian Economic Commission** introduced their approach to state control (surveillance) over compliance with the requirements of the Eurasian Customs Union’s technical regulations.
11. He explained that a draft procedure for increased cooperation among the state control (surveillance) bodies of the Union’s member states was issued. The draft had been adopted in June 2018 and would be used when unsafe products are identified on the markets.

12. He then introduced a Recommendation for the application of a risk-oriented approach in the sphere of state control (surveillance) over compliance with the requirements of the Union's technical regulations. The approach would identify criteria for risk level assessment based on the criticality of products and businesses. The approach was based on good practice developed by the ECE Group of Experts on Risk Management in Regulatory Systems and in particular ECE Recommendation S.

13. The **co-Coordinator of the ECE Group of Experts on Risk Management in Regulatory Systems** updated the meeting participants on the ongoing activities of the Group. He shared information on the progress in the development of a new Group of Experts on Risk Management in Regulatory Systems' recommendation – recommendation T “Standards and Regulations for Sustainable Development”, as well as on other initiatives run by the Group.

14. He also presented the experience of the Group in running field projects aimed at implementation of the existing Group of Experts on Risk Management in Regulatory Systems' recommendations, focusing on the application of the WP.6 Recommendation S on the use of predictive risk management tools for targeted market surveillance. Methodological approaches forming the basis of the recommendation as well as a number of case studies of its implementation in different countries were presented and discussed with the participants.

15. A **representative of the Swedish Energy Agency** presented the project “Nordsyn”: a project of the Nordic Cooperation Council aimed at increasing cooperation among the market surveillance authorities of Nordic Countries in the field of eco-design and energy labelling.

16. The cooperation had started in 2011 and is since 2018 a continuous cooperation with support from the Nordic Council of Ministers. It had allowed multiplying the outcome of market surveillance costs of each country, by securing better cooperation among authorities (i.e. by sharing market control plans, test results, results of documents' control) and has also made market surveillance actions more preventative through the development of hands-on material, such as information sheets and guidelines. The estimated impact of the project was a prevented energy loss worth 28 million euros for a market surveillance cost of around 2 million euros in the Nordic countries.

17. The **market surveillance expert for the QI Project in the Western Balkans** summarised the ongoing work in the region in relation to the development of market surveillance infrastructure in the region. Current areas of focus and development include the establishment of a virtual regional Advisory Committee group for construction products (and potentially electrical products) leading to greater cooperation and targeting of market surveillance interventions. Underpinning this will be workstreams on the development and assessment of inspectorial competence, assessment and development of intelligence collection and dissemination and greater cooperation with Customs Authorities to reduce the costs (both in terms of consumer injuries but also later interventions) caused by economic operators who place unsafe products on the market in the region. All this work will be undertaken as a two-stage process - the development of a general model and then adaptation of this model to the current infrastructure of the beneficiaries.

18. The **Secretary to Working Party 6** gave an overview of the recent capacity building events in Kyrgyzstan. To respond to the recommendation of the ECE study on Regulatory and Procedural Barriers to Trade in Kyrgyzstan, ECE launched in 2016 a project for “Strengthening the national capacity of trade-support institutions” in the country, with a focus on risk management in business and regulation, conformity assessment, and market surveillance. The project developed a training guide on regulatory frameworks and market surveillance and organized a series of workshops and a train the trainers' course in May 2018 in the capital and regions of Kyrgyzstan.

### III. The Glossary of Market Surveillance Terms

19. The **Convener of the General Market Surveillance Model** initiative introduced a proposal for the revision of the Market Surveillance Glossary, as the current version dated back to 2011 and there was a need to reflect current developments on the market and in the market surveillance authorities' approaches.

20. He introduced some of the most important proposed changes to the current document, including both new and changed definitions. The scope of the document could be enlarged, to include food products. A separate guide, containing further clarification of terms, could also be envisaged.

21. After discussion, participants expressed support for the proposal although they expressed their wish not to include food products terminology into the Glossary at this stage.

### IV. Market surveillance: experiences at national levels

22. The **representative of the Ministry of Science Industry and Technology of Turkey** spoke about the General Framework of the country's Market Surveillance System. He detailed the authorities responsible for different product groups and explained how Turkey prepares an inspection plan and conducts inspection activities. He also referred to awareness raising initiative such as the Product Safety Week as well as films for young consumers and articles in the press.

23. The **representative of the National Electrical Safety Board of Sweden** introduced the Swedish authorities joint market surveillance plan. The Plan was developed by the Market Surveillance Council, bringing together the country's seventeen market surveillance authorities, the Customs Authorities as well as the National Board of Trade. An important part of the plan concerns communication activities, as non-compliance very often depends on a lack of knowledge of applicable legislation among economic operators.

24. The **representative of the Czech Trade Inspection Authority** presented the system of market surveillance in the Czech Republic. He explained that the Czech Trade Inspection Authority had a large sphere of competence, including the New Approach and New Legislative Framework directives transposed in the Czech legislation as well as consumer protection. Cooperation with other authorities, and with Customs, was particularly important. The Czech Trade Inspection Authority had also signed cooperation agreements with the Czech Office for Standards, Metrology and Testing, the Czech Environmental Inspectorate, the Czech Telecommunication Office, the Police and the Trade Licensing Office. International joint actions (especially those under the Prosafe) are important and integral part of the market surveillance plan of the Czech Trade Inspection Authority.

25. The **Chair of the Advisory Group on Market Surveillance** introduced the market surveillance plans of the **Republic of Serbia**. She focussed in particular on the experience of Serbia as regards cooperation and information exchange, through the establishment of the System of Rapid Exchange of Information on Dangerous Products, the system for the notification on dangerous products and the establishment of a regional network. Additionally, she made reference to the priority of intellectual property rights enforcement, through the identification and destruction of unsafe counterfeit and pirated product.

26. The **representative of the Consumer Rights Protection Centre of Latvia** explained that both the Centre and the Market Surveillance Authority operated under the Ministry of Economics. The mandate of the Centre was to provide efficient protection of consumer rights and interests. The Centre had an agreement with the Customs Authority to ensure that controls would be carried out as appropriate. The agreement helped define risk profiles of products and check lists of border controls.

## V. Other developments

27. The **Assistant Director of the International Bureau of Legal Metrology** introduced a draft document regarding the pre-market conformity assessment of measuring instruments aimed at giving assurance that manufactured instruments (or production meet their approved type. The final approval of the document was foreseen for 2019.

28. The document provides considerations for countries and economies, or regional legal metrology organizations, that are planning to develop “Conformity to type” (CTT) programs in the field of legal metrology, with illustrative examples of CTT programs currently in operation. CTT should not be confused with market surveillance, but had important relation to the latter. For this reason, the development of a Market Surveillance definition for legal metrology could be a further development under this area of work. The International Bureau of Legal Metrology representative proposed that a ECE representative should be involved in the development of the International Organization of Legal Metrology document on pre-market surveillance.

29. The **representative of International Bureau of Legal Metrology** participated in the meeting also to clarify some definitions used in market surveillance activities.

30. A **member of the Working Party 6 secretariat** introduced the work being done on an online training guide on Quality Infrastructure. Also, the plans for the upcoming 28<sup>th</sup> Plenary session of Working Party 6 on 14–16 November 2018 were discussed.

31. The International Organization for Standardization (ISO) General Assembly will take place in Geneva on 24–28 September 2018. On 26 September 2018 a side event of the ISO General Assembly on Standards for the Sustainable Development Goals will be co-organized by ISO and ECE.

32. The objectives of the event are:

- Strengthening partnerships between standards bodies, policy makers, stakeholders and UN organizations;
- Raising awareness of the 2030 Agenda for Sustainable Development amongst the standards community; and
- Enhancing the usage and uptake of standards as a tool for policymakers, authorities, civil society, corporate entities, and other stakeholders.

33. With an interactive programme including panel and breakout sessions, the event will present practical approaches for standards users (for example, mapping tools created by ECE and ISO that link standards with the Sustainable Development Goals they can support), and examine four Sustainable Development Goals in detail:

- SDG 6 Clean water and sanitation,
- SDG 7 Affordable and clean energy,
- SDG 11 Sustainable cities and communities,
- SDG 13 Climate action.

34. More information on the event can be found on the event website <http://www.unece.org/sdgs-isoweek2018.html>.

## VI. Conclusions

35. The **Chair of the Advisory Group on Market Surveillance** summarized the conclusions of the meeting and presented the action items as follows:

- a) To continue the process for revision of the Market Surveillance Glossary, with wider consultation with international organisations and other stakeholders;
- b) To continue to work on the development of an online training application for education in the field of quality infrastructure;
- c) To continue to work on the updating of the database of market surveillance authorities;
- d) To continue to work on establishing contacts between global and regional Market Surveillance Networks, encouraging them to participate in the Working Party 6 activities;
- e) To continue research on training opportunities for economic operators in the market surveillance area, e-commerce, counterfeiting in the context of the implementation of recommendations for the use of market surveillance infrastructure as a mechanism for protection against the harmful effects of counterfeit goods and piracy, including education on identifying internet piracy in cooperation with the European Union Intellectual Property Office;
- f) To initiate the process of updating recommendations M relating to the use of market surveillance infrastructure as a counterfeit and piracy mechanism.
- g) To develop further guidance on the challenges of e-commerce for market surveillance authorities;
- h) To enhance cooperation with education institutions and with the ECE Working Party 6 Group on Education and Standardization, as well as with the ECE Working Party 6 Group of Experts on Risk Management in Regulatory Systems Group;

36. The **Working Party 6 Chair** thanked the group for lively and substantive discussion during the meeting and was looking forward to the annual session.

37. During consultations held after the Advisory Group on Market Surveillance meeting, the Eurasian Economic Commission has offered to host the 2019 meeting of the Group's in Moscow, at dates to be further communicated.

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