Evaluation of the Three-Year Grant Programme:

Cross-Border European Market Surveillance Actions
(2000-2002)

final report
ETU/FIF.20040404

22 Febuary 2005
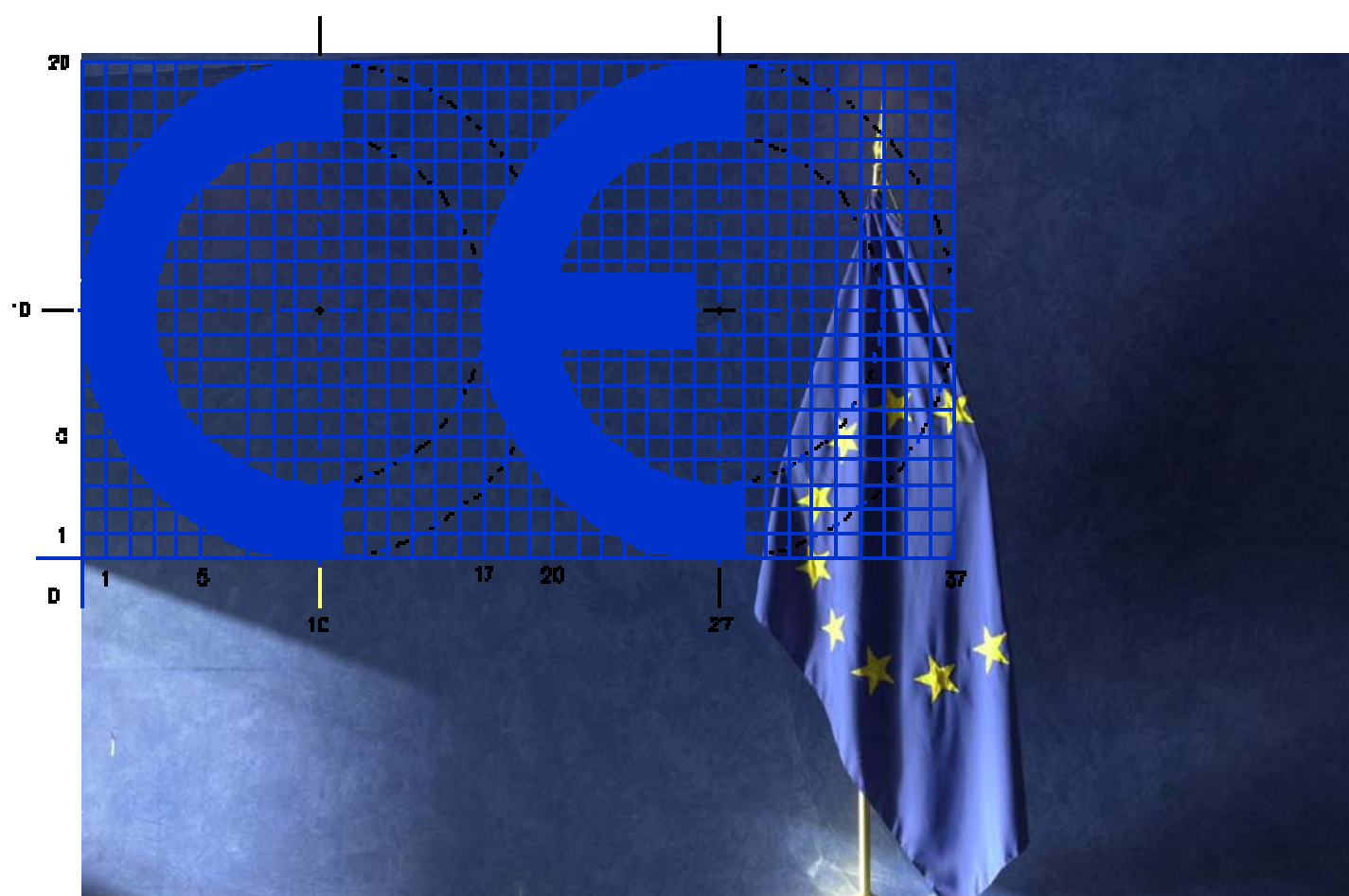
Executive Summary

Market Surveillance of industrial products generally falls under the responsibility of the Member States. This activity is crucial for a proper functioning of the internal market in order to increase confidence and transparency between administrations and thereby ensure that Community legislation is enforced effectively, efficiently and uniformly in all Member States.

The European Commission implemented a cross-border Grant Programme to strengthen Market Surveillance performed between 2000 and 2002. Six individual projects were included in this Programme.

1) *ICSMS Database* (Internet-based Information and Communication System): The objective of this project was the creation of a database, which provides information on whether or not products comply with the Commission's "New Approach" Directives.

2) *French – Italian Joint Machinery Project – Phase I*: This was the first phase of a project executed by two Market Surveillance Authorities with the objective of verifying the compliance of certain types of dangerous machinery. The project included visual checks and specific tests on equipment.

3) *Grey-Imported Construction Equipment:* Similar to the project mentioned in 2), this also verified the compliance of certain machines. However, the focus was on grey-imported equipment in the construction sector (hydraulic excavators), and regard was also had to the "noise" Directive.

4) *CAMSE* (Computer Aided Market Surveillance of E-trade): The objective of this project was the creation of a database, which helps identify products sold on the internet that do not comply with Community legislation (particularly low-voltage products).

5) *French – Italian Joint Machinery Project – Phase II*: This was a follow-on project to the one referred in 2). It verified the compliance of specific dangerous machinery in the agricultural and forest sector.

6) *European Conference on "Safe Products through Market Surveillance"* – The conference addressed the experiences and perspectives in the EU and the accession countries and was held in Berlin from 16 to 18 October 2002. The goal of this conference was to bring together all relevant parties to exchange views and promote the concept of effective and consistent market surveillance throughout the EU.

The present Ex-Post study contains an EU-wide survey of individuals involved in Market Surveillance and a posterior evaluation with regard to the significance, coherence, usefulness and effectiveness of the Programme and its various actions. Furthermore, the study addresses the direct impact of its findings on Member States that took an active part in it and the indirect impact on non-participating ones.

Analysis of the survey led to the following main conclusions:

- The objective of the Programme is very relevant: Respondents confirmed the need for Market Surveillance improvements throughout Europe and for the involvement of the European Commission in order to coordinate these efforts. Overall, the action types also seem reasonable: databases create a common source of information, joint

projects, by verifying compliance, promote the exchange of best practices, and conferences are an effective means for communicating to a broad audience and providing a forum through which Surveillance Authorities can network.

- Critical target groups/stakeholders did not participate in its actions: The survey refers to the absence of manufactures/producers and other commercial organisations from the Programme, who are very relevant stakeholders.

- The design of the Programme shows some incoherencies: The main problems were identified in the database projects. For a database to be useful in helping uniformise standards and procedures, it needs to become the European standard. This sets significant requirements for its usefulness (information content, processes supported) and ease of use (e.g. interface in various languages). However, the budget for these projects seems to have been insufficient to produce a solution, which was truly superior to existing ones. In order to ensure that a critical mass of Member States come on-board and use the databases, their specific requirements need to be taken into consideration. These projects, however, could only rely on the active participation of two Member States. Finally, some lack of coordination seems to have existed in the approval of the various proposals as the two database projects partially overlap in their specifications.

- Both the conference and the joint machinery projects seem to be useful initiatives to promote cooperation and improve the functioning of the internal market. Respondents generally considered these projects worth the time and effort invested and recommended other similar projects to be implemented in the future.

- The impact of the Programme is difficult to quantify: This observation could be related to the lack of specific dimensions against which the success of the actions can be measured.

- A greater impact from similar actions could be achieved through improved execution: Fundamentally significant potential exists in the improvement of communication (e.g. online access to project reports, availability of documentation in various European languages) and calls for proposal. These should include provision of a sufficient budget (and/or a commercial aspect) in projects that require it and involve enough countries so that critical mass is achieved (e.g. databases).

Consequently, the analysis of the surveys led to the conclusion that the "Cross-Border European Market Surveillance Actions" (2000 – 2002) were a first step that requires follow-up action in order to have a meaningful impact towards improved Europe-wide Market Surveillance.

The following recommendations should be taken into consideration for future programmes.

On the Programme level:

- The required tender process should be more specific and better adapted to the requirements of the individual projects. This means that technically demanding and high-budget projects, such as IT databases, and less demanding ones, require different procedures. The introduction of a powerful database to strengthen Market Surveillance, its development, implementation and maintenance should be part of separate European actions.

- The execution of the Programme requires the inclusion of all relevant stakeholders, including profit-making organisations. The precice definition of the target groups and of quantifiyable success measures

as well as the introduction of active dissemination of results will help to improve the impact of future actions.

- There should be a broader communication strategy by the Commission to strengthen Market Surveillance, which may include increased visibility measures for every project funded by the Commission, as well as the publication of technical articles in professional papers or during conferences, and a even more active dissemination within AdCo-Group meetings. This means also that publications shall be written at least in English; only French articles are not sufficient for an EU-wide dissemination.

On the project level:

- Professional conferences for Market Surveillances related issues are deeply needed, and a protocol should be established of intervals between conferences not exceeding three years. The conference materials should be suitable for easy citation and copying within the participating organisations.This would require written material, which would also appeal more to commercial parties' potential interest in participation and sponsorship. Explicit networking possibilities and sponsoring should be fundamental elements of future editions of the conference.

- Databases are an important support tool to disseminate information. The implementation of such a tool should be a key priority of future European Commission action to strengthen Market Surveillance. They should be powerful enough to provide clear and quantifiable time and money savings to the users and should be clearly superior to existing tools. This potential database could be a new tool replacing existing ones (including ICSMS) or could be based on the most suitable of the existing tools. It should integrate new functionality and multiple language versions as well as full and light versions. The commercialisation of such a product should be considered.

- Test and verification projects are suitable to improve Market Surveillance and EU-wide co-operation. However and as stated above, they require a significantly wider communication policy. The involvement of more than two and/or more organisations from countries that traditionally do not work together very closely may help to increase the EU-wide impact of such projects.

1.1 Recommendations

1.1.1 Overall Programme Recommendations

The following recommendations refer to the realisation of future programmes to strengthen Market Surveillance. They provide suggestions to improve their impact and efficiency that are not project-specific.

Call for Proposals

To improve the number and quality of the proposals received and ensure the highest impact of the projects executed, the following measures should be undertaken:

- *Tender process adapted to the project type:* A unique call for proposals for the entire range of projects to be included in the Programme is not an adequate means to obtaining the best proposals. Whereas the followed procedure and tender content (budgetary constraints, the definition of target groups, etc.) seems broadly to be appropriate for simple, low-budget projects, in the case of complex projects with high-budget requirements and long-term needs for follow-up/maintenance (e.g. the development of databases), separate tender processes are required and should include two-step procedures including a pre-qualification of sufficiently qualified organisations.

- *Specific definition of target groups:* Performing research work before launching calls for proposals in order to clearly define direct and indirect target groups, i.e. the ideal composition of the team to be working on specific projects in terms of skills and experiences and the individuals or institutions benefiting from the execution of the project even if not directly involved.

- *Inclusion of all relevant stakeholders in the proposals:* Target groups should not be limited to non-profit organisations, but should also include industries, life and non-life insurers, technical verifiers, and testing institutions.

- *Communication beyond the AdCo groups:* An awareness programme before launching a call for proposals (more details on communication will be outlined later) should lead to an increased interest from more Market Surveillance stakeholders and the reception of more qualified proposals in the tender process.

- *Definition of success measures for projects:* Proposals should include a set of indicators, outlined within the call for proposals, to assess the performance of the projects after implementation. With this in place participants will not only be concerned about executing the specific tasks during the project execution, but also ensuring that a meaningful and sustainable impact is achieved after it has been carried out.

Communication Strategy

In order to raise awareness about Market Surveillance in general, to increase the number and quality of proposals received and to maximise the impact of future programmes, the following communication strategy elements are recommended:

General Communication on Market Surveillance

The level of information available on European efforts to promote Market Surveillance is insufficient. Although the Commission's homepage provided information on the cross-border actions to strengthen Market Surveillance, the conclusion drawn from the surveys' analysis is that awareness on the Grant Programme and its projects is very low. One reason for this could be

that the Commission's Internet presence is not appealing enough for contacted experts to use it frequently. Another reason could be that information provided through the Internet only is not sufficient to ensure a high level of awareness. The Internet information on Market Surveillance projects can be complemented, inter alia, by speeches at professional conferences, articles for internal newsletters and technical papers for professional publications on the subject or public relations initiatives. Within this context the implementation of regular newsletters, e.g. separately for the important Commission Directorates, may be an option.

A specific piece of information that would have been useful in the execution of this study and even more important in helping the Market Surveillance stakeholders to find out counterparts within the different Member States, is an up-to-date list of Market Surveillance experts throughout Europe. Such information should be publically accessible, e.g. available and easy to find on the Commission's homepage, and should include the name of the relevant individuals, their contact information (including email), relevant responsibilities and the name of the institutions they work for. Although several such lists exist, they are not up-to-date and maintenance of such information is essential.

Communication of projects' outcomes to relevant parties

Possible measures for a better communication of the projects' and Programme's outcomes, are technical papers in professional publications written by the European Comission, providing initial, interim and final information on the Programme and its projects as well as speeches by European Commission members at professional conferences, etc.

An important requirement on the materials prepared for publishing is that they meet the needs of the reader in terms of being of adequate length, i.e. taking into consideration his/her time constraints or need for thorough information and in being available in languages that are widely spoken, including an English translation in the abridged/summary version.

1.1.2 Specific Project Recommendations

This section provides recommendations to specifically improve future editions of the three types of actions carried forth in the Grant Programme.

Conferences

The realisation of conferences should be an on-going element in Market Surveillance policy, with the 2002 "European Conference on Market Surveillance" being the first of a kind. This means that continuing conferences should be organised as soon as possible, i.e. latest 2005, in order to have a sense of continuity. The interval between conferences should not exceed three years.

As a key component of the Commissions Market Surveillance Programme, the organisation of this conference series should be a specific action with a separate tender. The clear visibility of the European Commission should be safeguarded. This can be achieved by a co-organisation by the Commission or a clear outline (in the call for proposals) of how the Commission shall be represented.

As referred to in previous chapters, conference documents should be presented in writing, eventually with a CD-ROM as add-on. Otherwise, citation is difficult which limits awareness.

Additionally, the explicit possibility of sponsorship and/or adjacent exhibition can give an impulse to industries and other stakeholders to support Market Surveillance, and additionally can help to reduce costs and to improve the conference organisation.

The surveys also identified the availability of explicit networking opportunities

as a significant driver for the impact of such events, a factor which was not sufficiently considered in this edition. Future events should include specific networking time (after-session buffet, workshops, etc.).

Databases

Databases are an important support tool to disseminate information. The implementation of such a tool should be a priority objective of future European Commission actions to strengthen Market Surveillance.

This database should be powerful enough to provide clear and quantifiable time and financial advantages to the users and prove superior to existing tools. ICSMS is currently not able to fulfil these requirements, according to the survey's feedback.

Beyond the development of a superior product, a database implementation requires training, support and on-going maintenance in order to achieve acceptance by a broad user base. The best means to achieve this cost-efficiently might be the development of a profit-making product (with or without some subsidised module) and the involvement of professional (profit-making) IT firms in its distribution and marketing. The market potential is estimated as sufficient, especially after the inclusion of the new Member States. However, European support is needed to define the objectives, establish the policy and, thus kick-off the process.

A common, single Market Surveillance database could be a totally new one replacing existing databases (including ICSMS) or could be based on the most suitable of the existing tools and incorporate new functionalities.

For the ICSMS database a new version is being developed. The successful continuation of this database without sound adaptations of the organisational framework is considered not sufficient to facilitate real improvements of Market Surveillance. European support should be only provided if the product has real chances to be widely used. To obtain such support at least three language versions, English, French and German would be required, as well as the launch of a light version, which can be implemented at low costs.

Tests and Verifications

Given the the limited impact of the Grey-Imported Construction Equipment project, sufficient care should be exerted when analysing proposals so that only potentially high-impact projects are selected. This includes checking if the product categories that are relevant and if the test designs proposed as well as the budget allocated are sufficient to achieve the proposed goals.

The French – Italian Joint Machinery Project proved a model for such projects. It was successful for participating countries and raised interest in the results in the remaining Member States. Two groups of suggestions are presented in order to further increase the impact of such studies:

Communication

Several improvements in communication are possible in various phases of the project. The fact that not many of the respondents knew of the project (and it can be assumed that the percentage of Member States unaware of the project was even higher among the countries that did not respond to the survey) leads to the conclusion that communication about the project in the AdCo group meetings only is insufficient.

After the project has been finalised, it is important that non-participating Member States are adequately informed about its outcomes. In addition to presentations in the AdCo group meetings, more detailed information should be available to interested parties. A short memo or presentation distributed to interested parties at the AdCo group meeting (and also at the conference) when the project is presented and posted online, together with a more in-depth report on the project should be included. Also, the memo/presentation

should be available in different languages (including English) as various respondents stated having significant difficulties understanding the report of the French – Italian Joint Machinery Project.

A final comment on the in-depth report of the project should be done: although the feedback on the quality of this project was generally good, respondents commented on the extremely voluminous reports produced, which, realistically, will never be read by interested, though time-restricted parties.

Project-Team Composition

An interesting fact resulting from the analysis of the surveys is the high interest about this project from Scandinavian countries. Southern states seem to be less interested in the projects' outcomes: with the exception of the participating Member States, there was no feedback from any other southern European country. This is quite surprising as Southern Member States performed the project and the types of equipment tested were reported as being more relevant to them than to Scandinavian Countries.

Given the interest of Scandinavian countries in such initiatives and given that none was directly involved in this project, the inclusion of a Scandinavian Member Country in subsequent projects is probably advisable.

As mentioned earlier, projects should also be jointly executed among institutions that traditionally do not cooperate. A survey respondent stated in a phone interview that the participation of Germany in such projects would be greatly beneficial. Although Germany is considered competent in its surveillance activities, many of its procedures are intransparent to other countries.

Finally, countries involved in joint projects should have different characters so that the issues raised and recommendations have a broad applicability across the European Community. Examples for interesting combinations are Mediterranean and Baltic or Iberian and Scandinavian organisations.