

**BEST PRACTICE IN MARKET SURVEILLANCE:  
A MEANS FOR CURBING TRADE IN COUNTERFEIT AND UNSAFE PRODUCTS  
IN COUNTRIES OF EASTERN EUROPE, THE CAUCASUS AND CENTRAL ASIA**

**United Nations Economic Commission for Europe (\$121 362)**

**Time frame: September 2009 through September 2011**

**Objective of the project**

The proposed project aims at countering the proliferation of dangerous, substandard and counterfeit products in Eastern Europe, the Caucasus and Central Asia, through capacity building and training in market surveillance techniques.

**Background**

A number of dangerous and counterfeit goods – i.e. hazardous toys, contaminated milk, falsified spare parts for cars - have caused public dismay in recent months on the markets of all UNECE countries. In the countries of Eastern Europe, the Caucasus and Central Asia this problem is particularly severe and poses a serious threat to human health and to the natural environment. It also undermines the local industry that is unable to compete against a massive inflow of cheap and low-quality goods.

Market surveillance is the main regulatory response to ensure that products placed on the market, whether produced locally or imported, conform to the relevant technical regulations. It is a crucial policy tool that protects the health of consumers and the safety of workers, by removing dangerous products from the market. It also levels the playing field for compliant businesses, by taking action against fraudulent manufactures.

Market surveillance may also be used to counter the proliferation of counterfeit or pirated goods, which were estimated to be worth more than US\$ 200 billion in the year 2005, or approximately 5-7% of world trade. Counterfeit goods undermine legitimate business, and damages economies through lost revenues, and deterred investment, especially in innovative products. Profits from the trade of counterfeit goods also often supports organized crime, drug trafficking, child labor and terrorist activity.

**UNECE Expertise**

The UNECE Working Party on Regulatory Cooperation and Standardization Policies (WP. 6) is a forum for exchanging information on developments and experiences in the areas of technical regulations, standardization and conformity assessment and market surveillance.

The Working Party started work on market surveillance issues in 2002 with a first forum, followed by a second in 2005 and a third in 2007. The last event – which was focussed on Product Safety and Counterfeiting - was attended by over 100 representatives from over 30 countries as well as the European Commission, EurAsEc, WIPO, WTO, CEN, ISO and a number of business executives.

This extensive work resulted in the adoption, in 2007, of Recommendation M on the “Use of Market Surveillance Infrastructure as a Complementary Means to Protect Consumers and Users Against Counterfeit Goods” which pioneers a novel approach in the fight against counterfeit goods, notably through the involvement of market surveillance authorities and of the intellectual property owners. Currently, the Working Party is developing an original model, based on a simple decision tree, which presents in a simple and compelling way current best practice in market surveillance policies. This model, currently at an early stage of development, will constitute the basis for a training module that will be customized for the needs of countries with economies in transition.

## **The different phases of the project**

The first phase of the project will result in the development of a model for good practice in market surveillance. The model will be supplemented by customized training material for policy makers of countries with economies in transition.

The second phase will aim at building capacity in Eastern Europe, the Caucasus and Central Asia by organizing two regional events where participants will discuss national and regional experiences in successfully fighting the proliferation of unsafe and counterfeit products.

The events will also aim at reinforcing cooperation among relevant authorities and stakeholders, by building a network at both a national and regional level, in particular as regards the exchange of information on defective or unsafe products found on the markets.

## **Relationship to the Strategic Framework for the period 2008- 2009, the internationally agreed development goals, the Millennium Development Goals, and major UN conferences and summits:**

The project supports UN MDG 8 Develop a Global Partnership for Development “Develop further an open, rules-based, predictable and non-discriminatory trading and financial system”, which includes a commitment to good governance, development and poverty reduction, nationally and internationally. It is consistent with the scope and priorities of the strategic frameworks for 2008-2009 of: UNECE, Subprogramme 6 – Trade. The project concept was also endorsed by the 2007 UNECE WP.6 International Seminar on Product Safety and Counterfeiting, as well as by the Working Party 6 last annual session in November 2008.

## **Expected accomplishments**

EA1: Development of a model for good practice in market surveillance

EA2: Improved understanding and implementation of market surveillance techniques in countries of Eastern Europe, the Caucasus and Central Asia

EA3: Reinforced cooperation among national stakeholders in fighting dangerous, substandard and counterfeit products at the country level in countries of Eastern Europe, the Caucasus and Central Asia and enhanced coordination among national market surveillance authorities of the subregions

## **Indicators of achievement**

IA1: Model of good practice in Market Surveillance (EA1) established and available on the Internet, plus the number of downloads of these documents.

IA2: Number of countries or organizations participating in the subregional workshops (EA2)

IA3: Number of documented examples of increased cooperation among national stakeholders and/or coordination at the regional and interregional level (EA4 and EA5)

## **Main activities**

The main activities of the project will include:

**A1** Preparation of the model on good practice in market surveillance

**A2** Organization of two subregional workshops in two different countries of the region on “Curbing trade in counterfeit goods by implementing good practice in market surveillance”

**Preliminary budget: 121,362 USD (including 13,962 overhead)**

**First phase: second half of 2009**

Finalization of the model of best practice in market surveillance. Finalization of the training material customized for policy makers of countries with economies in transition.

**Estimated budget: 37290 USD (including 4290 USD overhead)**

**Second phase: 2010**

Translation of the training material into Russian. Organization of the first regional conference on “Market surveillance to counter the proliferation of substandard, dangerous and counterfeit goods” in the countries of Central Asia.

**Estimated budget: 37516 USD (including 4316 USD overhead)**

**Third phase: 2011**

Organization of the second regional conference on “Market surveillance to counter the proliferation of substandard, dangerous and counterfeit goods” in the countries of Eastern Europe and the Caucasus.

**Estimated budget: 46556 USD (including 5356 USD overhead)**

**Work Plan**

Expected accomplishment	Main activity	Timeframe by activity		
		2009	2010	2011
Model of good practice in market surveillance completed, training material prepared, and both translated into Russian	Undertake two missions to complete data collection for the model	X		
	Prepare training material	X		
	Translate training material into Russian	X		
Improved ability by the authorities of the countries of Central Asia to counter the proliferation of unsafe and counterfeit products	Organization of a sub-regional conference for Central Asia countries (Kazakhstan, Kirghizstan, Tajikistan, Turkmenistan, Uzbekistan)		X	
Improved ability by the authorities of the countries of Eastern Europe and the Caucasus to counter the proliferation of unsafe and counterfeit products	Organization of a sub-regional conference for the countries of Eastern Europe and the Caucasus (Azerbaijan, Armenia, Belarus, Georgia, Moldova, Russian Federation, Ukraine)			X