

ABBREVIATIONS, ACRONYMS AND EXPLANATIONS

ADR	Alternative Dispute Resolution
COs	Consumer Organizations
CPD	Consumer Protection Department, MTTT
EC	European Commission
EU	European Union
EUD	European Union Delegation to the Republic of Serbia
EU MS	European Union Member State
KE	Key expert
LCP	Law on Consumer Protection
BC	Beneficiary country
MTTT	Ministry of Trade, Tourism and Telecommunications
NCCP	National Council for Consumer Protection
NGO	Non-governmental organisation
PSC	Project Steering Committee
RATEL	Republic Agency for Electronic Communications
ST	Short term
TNA	Training needs analysis/assessment
PL	Project Leader
RTA	Resident Twinning Advisor
SGEI	Services of General Economic Interest

STANDARD TWINNING PROJECT FICHE

1. Basic Information

1.1 Publication notice reference: EuropeAid/ 138-267/IH/ACT/RS

1.2 Programme: Instrument for Pre-Accession Assistance (IPA) 2013, (Indirect Management mode 2013/023-321)

1.3 Twinning Number: SR 13 IPA OT 01 16

1.4 Title: Further Development of Consumer Protection in Serbia

1.5 Twinning Sector: Other projects (Support to EU integration)

1.6 Beneficiary country: The Republic of Serbia

2. Objectives

2.1 Overall Objective(s):

Serbian administration effectively conducts accession negotiations and successfully manages overall EU integration and pre-accession assistance geared towards EU membership, specifically in the area of consumer protection.

2.2 Project purpose:

To put in place legislative and institutional capacities for the efficient carrying out of accession negotiations and for fulfilling the requirements of EU membership resulting in proper and effective implementation and enforcement of aligned legislation in the field of consumer protection in Serbia.

2.3 Contribution to National Development Plan/Cooperation agreement/Association Agreement/Action Plan

The Constitution of Serbia (2006), Article 90:

“The Republic of Serbia shall protect consumers. Activities directed against health, security and privacy of consumers, as well as all other dishonest activities on the market, shall be strictly prohibited.”

According to Stabilisation and Association Agreement Article 78, it is stipulated that Parties shall ensure:

- a) A policy of active consumer protection, in accordance with Community law, including the increase of information and development of independent organisations;
- b) The harmonisation of legislation of consumer protection in Serbia on that in force in the Community;
- c) Effective legal protection for consumers in order to improve the quality of consumer goods and maintain appropriate safety standards;
- d) Monitoring of rules by competent authorities and providing access to justice in case of disputes;
- e) Exchange information on dangerous products.

This [Twinning](#) project will directly contribute to further development of integrated and coherent system for Consumer protection in Serbia by enabling enforcement of legislation aligned with Union acquis in accordance [to the better regulation approach](#) and by enhancing capacities and improving cooperation among all consumer protection institutions, especially by strengthening partnership between MTTT and consumer protection organisations (NGO's)

European Partnership with Serbia 2008

Within the Section 2/Priorities of the Republic of Serbia/European standards/Internal market /free movement of goods, the EP document stipulate: Strengthening administrative capacities in the field of consumer protection.

The Project envisages activities related to strengthening the capacities of line institutions of the Government of the Republic of Serbia, as well as their mutual collaboration, and cooperation with the NGO sector.

The EC Progress report 2015 for Serbia regarding Chapter 28: Consumer and health protection

EU rules protect consumers in relation to product safety, dangerous imitations and liability for defective products. The EU also ensures high common standards for tobacco control, blood, tissues, cells and organs, patients' rights and communicable diseases.

Serbia is moderately prepared in consumer and health protection. Some progress was made, notably with the establishment of the Consumer Council. In the coming year, Serbia should in particular:

- strengthen the administrative capacity of relevant authorities for consumer protection
- work on strengthening the overall financial sustainability of the public health system.

On consumer protection, in December 2014, the Consumer Council, was set up to encourage cooperation between consumer protection organisations. NCCR is operational, but not publicly accessible. The number of complaints filed by consumers has increased. The Rulebook on the operation of alternative dispute settlement entities was adopted in August. Cooperation between the line ministries and consumer organisations needs to increase, as does cooperation between consumer protection organisations. The administrative capacity of the authorities for consumer protection and market surveillance needs to be further strengthened. On product safety-related

issues, the new law on Safety Items of General Use has not been adopted. Alignment with the General Product Safety Directive should be further improved through amendments to the law on product safety. On non-safety-related issues, the amended Law on Protection of Users of Financial Services was adopted in January, further aligning legislation with the *acquis*.

National Priorities of the Republic of Serbia for International Assistance 2014-2017 with projections until 2020 (NAD)

The activities of the Project are in synergy with the NAD Priority 3 Improve operating environment for doing business, with emphasis on evidence based policies and regulatory simplification through focusing on transposition and enforcement of the Union *acquis* in the areas of competition (incl. state aid) and consumer protection. In parallel, it will support creation of business-enabling environment through interventions in the current administrative and regulatory frameworks to help Serbia become a country where it is easy to invest, innovate and create businesses. Consequently, an easier access to the market will be provided.

National Programme for Adoption of the Acquis (NPAA)

In accordance with the NPAA (2014-2018) denoting continuous alignment with EU law through the transposition of the newly adopted EU legislation which is being drafted, the new LCP was adopted in June 2014 and entered into force in September 2014. In the same vein, the Strategy for Consumer Protection for the period 2013-2018 was adopted in July 2013 along with the Action Plan for its annual operation in the realization of the Strategy. Also according to the NPAA, the amendments to the Law on Protection of Users of Financial Services were adopted in December 2014.

Public Administration Reform (PAR) Strategy

Serbia has a comprehensive PAR strategy and an action plan 2015-17; its implementation is coordinated by the Ministry of Public Administration and local Self-Government. The European Commission assessed that Serbia should be capable of assuming the membership obligations in the medium term in almost all areas of the *acquis*, provided that the alignment and adoption of legislation is accompanied by its effective implementation and enforcement. This aspect remains a challenge in a number of sectors and is also due to current weaknesses in the policy and legislative processes, which do not fully ensure an inclusive and evidence-based approach (the better regulation approach advocated at the EU level). Rather, a considerable amount of new legislation is passed in a fast-track procedure. Accession negotiations will, therefore, require that Serbia improves the capacity of public administration, including in terms of improving the quality of policy and legal drafting processes.

Enlargement strategy

The Enlargement strategy stresses “Looking ahead, Serbia should redouble its efforts to align with the Union *acquis* with particular attention to the effective implementation of adopted legislation. In particular, Serbia will need to intensify efforts towards market opening”. Therefore, ongoing attention of the AD should be given to the harmonization with the European body of law specifically in transposing the EC and ECJ case law so as to strengthen the enforcement of competition and consumer protection rules.

The development priorities for consumer protection are currently defined by the **Strategy for Consumer Protection Strategy for the period of 2013-2018.**¹

The AP is a constituent part of the Strategy. In the AP, the measures to be undertaken, bodies competent for their implementation and the indicators of success of those measures, are defined.

Priorities (2013-2018)

The development priorities for consumer protection are currently defined by the Strategy for Consumer Protection Strategy for the period of 2013-2018.

Activities regarding **cooperation between enforcement agencies** – measures foreseen in the AP of the National Strategy:

- Improving the protection of the rights and interests of consumers amending regulations
- Better integration of consumer policy into other state's policies
- Further strengthening of the institutional framework of consumer protection
- More effective law enforcement and efficient market surveillance system in the field of consumer protection
- Strengthening consumer associations and individual consumers
- Developing a solid framework for regional and international cooperation

3. Description

3.1 Background and justification:

The Law on Ministries from 2014 stipulates that MTTT is competent in the field of consumer protection, and also holds the responsibilities within the competitiveness sector in the field of trade, the flow of goods as well as market supply and prices, competition protection, telecommunications, postal services, e-business, information society and electronic communication and inspection in the area of trade, including consumer protection and tourism. MTTT with its CPD, Department for Market Inspection and Department for Tourist Inspection constitute the key institution for the policy making and enforcement of the LCP.

In terms of legislation, the area of consumer protection is regulated by the Law on Consumer Protection ("Official Gazette of RS", no. 62/2014 and 6/16-other law), which entered into force in June 2014 as the system law, and by five bylaws. The legal framework in the field of

¹ Other relevant strategies are: Strategy for development of electronic communications in the Republic of Serbia for the period of 2010-2020, Strategy for Trade Development in the Republic of Serbia (2008), Strategy for Tourism Development in the Republic of Serbia (2006)

consumer protection is almost fully developed and harmonised with EU legislation, but for efficient consumer protection in compliance with the obligations, Serbia needs further strengthening in enforcement. This Law incorporated 15 EU Directives and was presented to the European Commission at the bilateral screening meeting on Chapter 28 – Consumer and Health Protection.² Additional legal amendments and further alignment of the consumer protection legislation (including sectoral laws) will be conducted in order to achieve full harmonization with the existing EU law (e.g. Regulation 2006/2004 and Regulation 254/2014 are not transposed into Serbian legislation) and in accordance with the newly developed *acquis* in this field - Republic of Serbia should be fully harmonized with Union *acquis* by 2018 and within this period there may be newly adopted regulations.

The quality of the legislative and policy-making process, affecting all sectors, needs to be improved. The 2015 OECD/SIGMA baseline measurement against the Principles of Public Administration highlights that "...the basic foundations for evidence-based and inclusive policy development are established. However, challenges remain with regard to implementing clear procedures within the ministries, and between the administration and stakeholders, and with regard to inter-ministerial consultation. This has led to shortcomings in translating policy development structures and procedures into high-quality policy and legislative proposals." As concerns impact assessment, the baseline notes that based on a review of six sample cases... "the analysis is not comprehensive, as not all impacts are properly addressed. For each proposal, only one policy option is provided, and costing of the identified impacts is largely absent." As concerns inter-ministerial coordination, the baseline assessment notes that it often lacks respect for deadlines, and information on opinions and reasoning for rejected items is not provided to the government. The baseline assessment highlights that even though public consultations are regulated, their scope is limited to public debate and co-operation with some selected stakeholders through working groups, which play an important role in developing proposals. Also, outcomes of these consultations are not attached to draft proposals, which are submitted for adoption.

The Twinning partner is expected to provide methodological guidance and hands-on assistance to draft at least 1 amending law in the area of consumer protection. In addition Twinning partner will also work closely with the beneficiary to identify further areas of improvement and will provide assistance accordingly.

LCP extended the competences of MTTT which now entail administrative and legal protection with an aim of recognising unfair business practice and unfair contract terms on the market, as well as imposing injunctions in a separate administrative proceeding, in order to protect collective interests of consumers. In this regard, Twinning partner is expected to conduct Training Need Analysis prior to preparation of the Training Need Plan which will include all the necessary trainings in accordance with the relevant institutions' needs and their capacities.

² The most important innovations of the Law are mentioned in Annex II – List of Relevant Laws and Regulations with other specific laws that regulate this area.

Proceedings for the protection of collective interests are initiated and conducted by MTTT, pursuant to a request of an authorised person or *ex officio* and the right to initiate proceedings for protection of collective interests of consumers (an authorised person) is granted to registered CO. From the beginning of the enforcement of the LCP, there have been 20 initiatives (out of which only 3 registered CO filed requests) for proceedings for protection of collective interests while MTTT adopted 4 decrees on the protection of collective interests. Considering that collective protection is new in the Serbian legislative system and that NGOs have been relatively passive in this matter, the relevant experience of an EU country is necessary for more effective collective protection of consumers. At least two trainings of civil servants responsible for consumer protection policy development and law enforcement in this field, representatives of CO, as well as market regulators (National Bank of Serbia, Electronic Communications Agency, Energy Agency, etc.), are of significance for further development of collective redress, as well as for monitoring of the market for the purpose of identifying unfair commercial practices and unfair contract terms in consumer contracts.

In addition, the MTTT is responsible for support to the establishment and coordination of the development of bodies for out-of-court settlement of consumer disputes and maintenance of the list of alternative dispute resolution entities, which is also a new competence stipulated by the LCP. Until now, three entities have been enlisted, but their work in mediation and arbitration is still not recognized. Furthermore, those enlisted had been issued licence for mediation by the Ministry of Justice which also maintains the Register of Intermediaries. Intermediation had previously been practised through the Mediation Centre which was closed in 2012 due to insufficient number of disputes (3.076 within the period 2006-2012). This Twinning project will provide adequate models for ADR alternative dispute resolution through comprehensive analysis and it is necessary to organize at least two trainings for stakeholders not only in ADR, but also in cross-border dispute resolution. The trainees will entail ADR bodies, intermediaries, civil servants from line ministries, consumer organisations and market regulators (NBS). Delivery of these trainings will enable capacity building of the institutions in charge of alternative resolution of consumer disputes which is precondition for setting-up of nation-wide network of out-of-court bodies for the resolution of consumer disputes, this being one of recommendations of IPA 2009 project.

Bearing in mind that the LCP regulates travel package (exercise of rights under package tour contracts and timeshare contracts) and that inspection surveillance in this matter is conducted by MTTT through tourist inspectors, it is essential to have at least two trainings which include practical examples and issues that European countries have tackled. The relevant experience should be presented to all the stakeholders – representatives of policy makers, as well as law enforcement services, consumer organisations, ADR bodies.

In order to conduct training of all enforcement actors, the focus will be placed on the horizontal aspect, on sector specific legislation e.g. telecommunications, transport, energy and health. The LCP regulates services of general economic interest (SGEI) in a separate chapter and they include electronic communication services, distribution and public supply of electricity, distribution and supply of gas, thermal energy, potable water supply, draining and treatment of precipitation and wastewater, passenger transport in public transport, etc. Notwithstanding the fact that Art. from 83 to 92 are of horizontal nature, sector specific laws are applied on specific SGEI. The MTTT's data indicate that the telecommunication services are highly ranked on the list of consumer complaints by type of goods and services. It is essential to adopt knowledge and

experience of countries with good practice in this field so as to respond properly to current and future issues. All the institutions which are involved in policy development and law enforcement in telecommunication area, such as MTTT (Department for Telecommunications, Department for Market Inspection and CPD), Electronic Communications Agency, consumer organisations and ADR bodies will be present at the trainings (at least two).

The telecommunication services are followed by the energy sector services on the list of consumer complaints. The LCP stipulates that traders providing SGEI shall set up complaint handling committees, as well as advisory bodies which must include representatives of the registered organizations, thus providing participation of consumers in decision-making processes. In order to adopt best EU practice, the organisation of at least two trainings is envisaged by this Twinning Project. The participants will include representatives of the line ministries, Energy Agency, consumer organisations and ADR bodies.

Also, the public transport services are a part of the market which is susceptible to changes. The EU expertise in this matter is of significance, particularly in cross-border issues. At least one training dedicated to this field will include representatives of line ministries, consumer organisations, ADR bodies, etc.

Additionally, the surveillance in general product safety is in competence of MTTT through Department for Market Inspection and the Ministry of Health which cooperate and undertake measures proportionate to the seriousness of the risk. Bearing in mind latest EU regulation and need to strengthen the administrative capacity of all the stakeholders with the fundamentals of EU legislation on general product safety and misleading products, at least two trainings will be targeting representatives of line ministries and consumer organisations.

Even though consumer access to justice is of great importance for consumer protection, the judiciary shows low awareness level on consumer issues and small claims procedures. Notwithstanding the fact that the LCP stipulates that a consumer is exempted from court fees if the value of his claim does not exceed RSD 500,000 (approximately 4.000 EUR) this still has no positive effects on number of solved consumer disputes in court proceedings. At least 3 trainings should be conducted by this Twinning Project for judiciary including the regions of the Republic of Serbia. Also, in order to make the trainings more effective, an empirical study on the use and efficiency of the small claims procedures and consumer claims procedures which are provided under the existing Law on Civil Procedure should be conducted. Delivery of these trainings and the empirical study will contribute to the implementation of IPA 2009 project recommendation related to effective access of consumers to justice.

Furthermore, MTTT's competences include promotion of the adoption of codes of conduct by chambers of industry and commerce and trade associations. At least three trainings (for regional chamber of commerce) and economic operators will include the harmonization of codes of conduct with the good business practice of EU countries and benefits for the traders and targeted groups will be traders through regional chambers of commerce.

Besides Ministry of Trade, Tourism and Telecommunications and in accordance with the stated issues, the other beneficiaries in further development of consumer protection rights and interests are: Ministry of Mining and Energy, Ministry of Agriculture and Environment Protection, Ministry of Health, Ministry of Justice, National Bank of Serbia, Energy Agency, Electronic Communications Agency, ADR bodies, intermediaries, consumer organisations, etc.

Although Serbia makes constant progress in this field, all the above mentioned institutions do not entirely match the needs of consumers and EU requirements. Since consumer protection is a dynamic field within modern markets, further efforts should assure full alignment of the legislation, enforcement and the functioning of the administrative set up. The present capacities of the CPD are significantly strengthened but further improvement of knowledge is crucial and necessary. For this reason, up to four study visits will be organized and delivered to Serbian consumer protection enforcement officials from the aforementioned institutions, representatives from ADRs bodies and NGOs during the implementation of this Twinning project. Having in mind the substantial number of stakeholders (see 4. Institutional Framework) and particularly the EC Progress report 2015 for Serbia (“In the coming year, Serbia should in particular: strengthen the administrative capacity of relevant authorities for consumer protection”), each study visit will be organized for at least 10 participants depending on the subject of the visit and necessary capacity building of different institutions. The indicative and non-exhaustive list of topics that should be covered by the study visits is:

- Unfair commercial practice and unfair contract terms;
- Protection of collective interests of consumers;
- Work of out-of-court dispute-settlement bodies with special focus on cross-border issues;
- Horizontal and sector specific aspects of SGEI and problem resolution;
- Financing and networking of NGOs.

Trainings and study visits envisaged by this Twinning project for different stakeholders, including consumer protection organizations, should cover IPA 2009 project recommendation referring to increasing capacity, expertise and role of non-governmental consumer organisations. Furthermore, the support for the operation of Consumer Council will be provided, as indicated in the previous project recommendations.

Another important issue in area of consumer protection is that activities conducted by different institutions are not coordinated enough. For this reason the institutional coordination is one of the priorities in ensuring comprehensive effect on consumer protection. In order to present solutions to specific issues and provide support to governmental bodies certain measures require comprehensive research. Therefore studies will be conducted on following issues such as:

- Small claim procedures;
- ADR.

The Activity that covers preparation of studies on consumer protection specific issues with recommendations and opinions for knowledge-based consumer protection policy and for sessions of NCCP relies on IPA 2009 project recommendations related to effective access of consumers to justice and development and support to of out-of-court bodies for the resolution of consumer disputes.

Apart from this, as stipulated by the LCP, NCCP shall participate in the drafting the Strategy for consumer protection and its Action plan 2019-2024, which shall be prepared in accordance with the better regulation approach. The Twinning project is expected to provide methodological guidance and hands-on assistance to perform this task.

The studies drawn up during the implementation period will also present a solid ground for drafting the future Strategy. The Strategy and the supporting Action plan developed under this Twinning project should rely on the results of the implementation of the current Strategy for Consumer protection 2013-2018. The monitoring of the implementation of the goals, activities and measures of the Strategy for Consumer Protection 2013-2018 is made on a yearly basis.

Implementation of this strategic document will be assessed during the execution period of this Twinning project.

One of the most important aspect in consumer protection, is that consumers are aware of their rights and ways to exercise those rights. In order to timely and appropriately inform public on consumer protection related issues, as well as on activities related to this Twinning project, the Communication plan will be prepared as a starting point for the communicational activities envisaged by this Twinning project. This document will:

- Promote the purpose of this Twinning project along with the activities and the results;
- Stimulate interest and needs of consumers to be more aware of their rights;
- Provide information and education on the needs for the Twinning project and benefits for Serbian society.

In that matter, Communication plan will propose awareness raising events and timetable for their realization. The communication actions will include development of TV and radio campaign directed to general public. These instruments will help in raising consumer awareness, understanding and knowledge about consumer issues in Serbia, especially in rural places and small towns where consumer awareness activities do not ordinarily reach. By providing the highest visibility, largest audience will be targeted, informed and motivated to change their behaviour patterns by making informed consumer decisions. In addition, the consumer fairs will be organized as outdoor events with the purpose of raising awareness on consumer rights. It is envisaged that at least two consumer fairs (during Consumer day) will be organised in Belgrade (one per year during the implementation of the Twinning contract)³. In addition at least two consumer fairs should be organised in other regional centres in Serbia, such as: Vojvodina, Sumadija, Western Serbia, Southern and Eastern Serbia.⁴ The idea is that consumers receive free legal advice and become more aware of their consumer rights directly from representatives of the line ministries, regulatory bodies and consumer organisations (approximately 40 participants) who will participate in the fairs. All the activities will be published on CPD's official website www.zastitapotrosaca.gov.rs which is operational from 2013. The website is administrated on daily basis, however the advancement is necessary to re-design and upgrade it in accordance with the prepared MTTT's specification and recommendations of the Twinning partner. In addition, the handbook (publication) on consumer protection for primary and secondary school students will be prepared by Twinning partner in cooperation with the responsible institutions. In that regard, the MTTT, the Ministry of Education, Science and Technological Development and consumer organisations should be consulted. Other publications will cover the issues such as collective redress which will help the authorized persons to file initiatives more efficiently and a brochure for consumers on their rights which will be distributed on Consumer fairs. The Twinning partner will be responsible for proposing topics, drafting and dissemination of publications in close cooperation with the responsible institutions.

3.2 Linked activities (*other international and national initiatives*):

³ The form, duration and organisation of Consumer days should be proposed by Twining partner from the inputs received from Beneficiary during the preparation of the TW contract.

⁴ The exact location of the consumer fairs should be shall be agreed between the TW partner and Beneficiary during the implemenation of the TW contract.

Within CARDS 2006 programme, realisation of the project “**Institutional support to the Serbian consumer protection sector**” started in September 2007 and ended in October 2010. Project goals have been achieved with success: New LCP in compliance with the recommendations of EU experts upgraded the institutional framework and level of consumer protection; CPD had been established and training were conducted for civil servants related to General Product Safety, Unfair Advertising, Consumer Credit, Cross border infringements of consumer rights. Efficiency of the inspection services in the field of protection of consumer rights had been improved.

Support from **TAIEX** was provided in 2011, by organizing two workshops in Belgrade: workshop on unfair commercial practice, contract terms and injunctions (23-24 February) and workshop on sale of consumer goods, associated guarantees, doorstep and distance selling (29-30 March).

Two **TAIEX** workshops were approved in April 2016 and will be organised in September and October 2016 on the following topics:

- Identification of cases of unfair commercial practice and unfair terms in consumer contracts;
- The role of court experts in acting on consumer complaints and court procedure.

IPA 2009 project “Strengthening consumer protection in Serbia” implementation of the project lasted from August 2011 until May 2014. The purpose of the project was to assist the Ministry of Foreign and Internal Trade and Telecommunications in progressing with the further harmonization of the Serbian consumer protection legal framework with the Union acquis, strengthen the institutional capacity of this Ministry, the out-of-court dispute-settlement bodies, the courts, consumer associations and other relevant authorities, for enforcement of the new consumer protection legislation, strengthen cooperation and coordination among public institutions and private bodies involved in consumer protection in Serbia and to increase awareness on consumer protection policy among public and private sector stakeholders.

This project provided recommendations that envisage: increase capacity, expertise and role of non-governmental consumer organisations, providing support for the operation of the Consumer Council, design and implementation of a comprehensive Roadmap for the effective access of consumer to justice and setting-up of nation-wide network of out-of-court bodies for the resolution of consumer disputes. Activities covered by this Twinning project rely on these recommendations.

IPA 2010 project “Strengthening of the Serbian market surveillance system for non-food and food products (July 2012 - January 2015). The purpose of the project was to achieve market surveillance system in Serbia able to effectively and efficiently perform its tasks and responsibilities under the new legislation for product safety and food safety, and to protect consumers against products that pose serious threats to health, safety, and the environment. A significant number of unsafe products are counterfeited and pirated. It is consisted of three components: enhancing technical capacities of the Ministry of Foreign and Internal Trade and Telecommunications and other main beneficiaries regarding alignment of national legislation with *acquis communautaire* for product safety; strategy development of MS authorities and

improving cooperation as well as coordination; enhancing MS Inspectors competence (practical, general, legal, risk assessment, inspection skills, etc.) to enforce consumer protection. Having in mind that some of the dangerous products are counterfeited and pirated products, usually unsafe for consumers, other customers and environment, exchange of information in the procedure of withdrawal of dangerous and counterfeited products is of great importance. Exchange of information on undertaken market surveillance measures and indicated dangerous products is the efficient mechanism for the enhancement of MS authorities' effectiveness, regarding consumer protection and protection of other aspects of public interest.

IPA 2011 project “Enforcement of Intellectual Property Rights” implementation started in February 2014 and finished in February 2016. The overall objective of the project is to support the implementation of sector strategies and policies compatible with EC legislation and best practices in the area of protection of intellectual property rights. The project purpose is further improvement of the business environment, fair competition, and consumer protection by strengthening of the IPR enforcement in Serbia with special focus on withdrawal, storage and destruction of pirated and counterfeited products.

IPA 2012 „Support to SME development” - implementation of this project started in May 2014 and will end in November 2016. Consumer Protection Section is one of the Beneficiaries of the project. The overall objective of the project is to enhance the competitiveness of Serbian economy through the strengthening of private sector and its performance. The project aim is to increase the productivity and competitiveness of Serbian private sector, its internationalisation and capacity to innovate, by creating a more favourable environment, customised business services and promotion of e-business in order to strengthen the efficiency, quality and accessibility of products and services as well as cutting costs and administrative procedures. Specific objectives are: 1. Improve SME performance by providing quality professional support services 2. Improve e-business environment by strengthening the legal and institutional framework.

Within the component 2 – E-commerce development (e-Consumer Promotion & Protection) envisaged activities are: National plan for e-Consumer, Development of Consumer Protection Website, National training plan on e-consumer uptake, E-Commerce crime and E-Consumers uptake.

IPA 2014 "SIGMA (Support of improvement of governance and management)" - SIGMA assistance encompasses the six core areas of good governance and public administration reforms, such as civil service and public administration organisation and functioning, policy development and coordination, PAR strategic framework and coordination, public finance management including public procurement. In this way SIGMA contributes to build up administrative capacities for the adoption and correct implementation of the Union acquis so as to create adequate conditions for integration of the Beneficiaries into the EU.

3.3 Results:

Result 1: Legislation for efficient administrative enforcement of consumer protection law prepared for adoption

The indicators for Result 1 are:

- At least 1 amending law in the area of consumer protection in line with newly developed Acquis in this field developed in accordance to the better regulation approach and adopted by the Beneficiary;
- At least 2 bylaws in consumer protection with changes and/or amendments developed in accordance to the better regulation approach and adopted by the Beneficiary.

Result 2: Professional capacities of civil servants, consumer organisations, judiciary, economic operators and regulators improved

The indicators for Result 2 are:

- Training Need Analyses conducted;
- Training Plan prepared and endorsed by the Beneficiary;
- At least 13 trainings, for at least 20 participants per training, for **civil servants** in charge of consumer protection, representatives of consumer protection organizations, market regulators and ADR bodies conducted;
- At least 3 trainings for the **judiciary** on consumer protection, for at least 20 participants per training conducted;
- At least 3 trainings for **economic operators and chambers of commerce** on consumer protection, for at least 20 participants per training conducted;
- Up to 4 study visits for at least 10 participants per each in duration of at least five days related to issues such as unfair commercial practices, unfair contract terms, services of general economic interest, protection of collective interest of consumers, ADR organized.

Result 3: Coordination between stakeholders in consumer protection field enhanced

The indicators for Result 3 are:

- At least 2 studies on consumer protection specific issues with recommendations and opinions developed for knowledge-based consumer protection policy and sessions of NCCP prepared;
- Strategy on consumer protection 2019-2024 with Action plan developed in accordance to the better regulation approach and adopted by Beneficiary.

Result 4: Public awareness regarding Consumer Protection rights enhanced

The expected result indicators are:

- Project Communication plan related to public awareness campaign developed and endorsed by Beneficiary;
- Media campaign which includes specialized TV and radio spot prepared and launched;
- Mini TV show prepared and broadcasted;

- At least 4 awareness raising fairs organized (2 in Belgrade and 2 in other regional centers in Serbia);
- At least 3 publications of at least 2000 copies each prepared and disseminated;
- MTTT's webpage on consumer protection redesigned and upgraded through web design.

3.4 Activities:

The below activities are the minimum indicative requirements to achieve the above results. The MS Twinning partner candidates will take this into account when developing their implementation methodology, based on their own and other relevant MS best practice in order to sustainably achieve the above results. In their proposals, candidates are encouraged to propose additional or modify given indicative activities.

Activities related to result 1:

- 1.1 Methodological support and hands-on assistance to drafting amendments to the Consumer Protection Law towards full alignment with the newly developed Acquis in this field;
- 1.2 Methodological support and hands-on assistance to drafting changes and/or amendments to 2 bylaws regulating consumer protection;

Activities related to result 2:

- 2.1. Conduct Training Need Analysis (TNA) of the MTTT staff as well as other relevant institutions which representatives will participate on trainings regarding the protection of collective interests of consumers;
- 2.2. Based on conducted TNA, preparation of TNA plan and develop a specific self-sustainable training program, including program design and curricula development;
- 2.3. Conduct trainings in accordance with the TNA plan with a view to enhancing capacities of civil servants in charge of consumer protection, representatives of consumer protection organisations, market regulators and ADR bodies;
- 2.4. Conduct trainings in accordance with the TNA plan to enhance the capacities of the judiciary on consumer protection;
- 2.5. Conduct trainings in accordance with the TNA plan to enhance the capacities of the economic operators and chamber of commerce;
- 2.6. Organize and conduct up to 4 study visits related to issues such as unfair commercial practices, unfair contract terms, services of general economic interest, protection of collective interest of consumers, ADR (up to 5 days, at least 10 participants per each study tour).

Activities related to result 3:

- 3.1. Preparation of at least two studies on consumer protection specific issues with recommendations and opinions for knowledge-based consumer protection policy and for sessions of NCCP;
- 3.2. Methodological support and hands-on assistance to drafting the Strategy on consumer protection 2019-2024 and Action plan, in accordance with the better regulation approach;

Activities related to result 4:

- 4.1. Develop a project Communication plan for raising awareness on consumer rights;
- 4.2. Preparation and launching of media campaign which includes specialized TV and radio spot;
- 4.3. Preparation and broadcasting of Mini TV show;
- 4.4. Organization of at least 4 awareness raising fairs (2 organized in Belgrade and 2 in regional centers);
- 4.5. Preparation and dissemination of at least 3 publications related to raising awareness on consumer protection;
- 4.6. Redesigning and upgrading of MTTT's webpage on consumer protection through web design;

The Twinning Work Plan will provide further details and give final shape to activities, results and roles proposed by this Twinning fiche.

At least two major visibility events with at least 30 participants will be organized in the course of the implementation of the project: Kick-off meeting at the start of the implementation process and the Final meeting at the end of project implementation activities. The MS will propose additional visibility activities as stand-alone events or associated with training, workshops or similar.

3.5 Means/ Input from the MS Partner Administration:

The Project Leader and RTA (Resident Twinning Adviser) shall provide support to the responsible Serbian authorities in strengthening their capacities as well as in implementation of this project. During the implementation of this project RTA will be positioned in the premises of MTTT.

3.5.1 Profile and tasks of the Project Leader

MS Project Leader:

The MS Project Leader will manage the project team of selected member state(s) and co-ordinate the implementation of activities.

Tasks of the Project Leader:

- Overall management and coordination of the project with MS, other partners and stakeholders;
- Project reporting;
- Ensuring backstopping and financial management of the project in the MS;
- Ensuring timely, effective and efficient implementation of the project and achievement of results, through proposed activities;
- Coordination of deployment of short-term experts;

- Coordination with RTAs, from the Member State side, the Project Steering Committee meetings, which will be held in Serbia every three months;
- Participation at the Steering Committee meetings (every three months);
- Assuring compatibility with EU requirements.

Profile of the Project Leader:

Requirements:

- University degree;
- High ranking official currently working in the MS administration;
- At least 7 years of professional experience in the field of consumer protection;
- Project management experience;
- Fluency in English language;
- Computer literacy.

Assets:

- Experience with Twinning rules and procedures;
- Experience in managing or assisting in management in at least 1 project;

3.5.2 Profile and tasks of the RTA

The Resident Twinning Advisor (RTA) works on a daily basis with the BC staff to implement project, support and coordinate activities in the beneficiary country.

The RTA should have adequate experience and knowledge in the field of consumer protection which will enable him/her to organize interdisciplinary team for successful implementation of the project. She/he should be an employee of the governmental competent authority for consumer protection (Ministry or Agency) in an EU Member State.

He/she will liaise with the BC Project Leader and will report to the MS Project Leader. The RTA will also be responsible for ensuring that experts' input and distribution of their working days will be used in the most efficient and effective way and in line with the agreed work plan to enable timely completion of project results. Duration of his/her secondment will be 24 consecutive months.

Tasks of the RTA:

- Responsible for monitoring project implementation and proposing corrective management actions if required;
- Project management and coordination of the activities of the team members in line with the agreed work plan to enable timely completion of project results;
- Selection, mobilisation and supervision of the short-term experts, together with the Project Leader;
- Facilitation of the contacts with peer institutions in EU member states in order to stimulate a proper exchange of information, data and experience;
- Organization of visibility events (kick-off and final event);
- Advice on related EU policies, regulation and best practice;

- Establish and maintain cooperation with all beneficiaries involved in the implementation of the project and other related projects (ensuring the avoidance of overlapping), in close coordination with the Project Leader;
- Responsible for organisation of the of the Project Steering Committee meetings and reporting on the project progress in cooperation with the Project Leader;
- Identifying and reporting to the Contracting authority, at early stage, all difficulties that may jeopardize the implementation of the project and the achievement of its results.

Profile of the RTA:

Requirements:

- University degree;
- At least 3 years of working experience in drafting and/or implementation of consumer protection legislation;
- Project management experience: managing or assisting in management in at least 2 EU funded projects (preferably Twinning);
- Proven contractual relation to public administration or mandated body, as defined under Twinning manual 5.4.5;
- Fluency in English language;
- Computer literacy.

Assets:

- Experience as team leader/RTA/KE of at least 1, preferably 2 projects, in the field of consumer protection;
- Experience in conducting trainings;
- Experience in analysing and developing consumer protection procedures;
- Experience in conducting public awareness campaigns, preferably those broadcasted through TV and Radio.

3.5.3 Profile and tasks of the short-term experts

The Twinning partner will decide on the profile, number and involvement of the short term experts during the drafting of the project work plan. STEs should be identified by the Project Leader/RTA and have to be agreed with the beneficiary institutions in the course of designing and delivery of the expected project outputs.

Main areas of expertise required by the team of short-term experts should cover the following fields (the list of fields is non exhaustive):

- Consumer protection;
- Law;
- Economics;
- Training design and delivery;
- Media and communication.

Tasks of the short- term experts:

STEs will provide specialized know-how for the individual tasks in this project. Therefore, the experts should have a relevant professional experience in administration and minimum qualifications required, as well as specific skills needed for individual task. As a general approach, the STEs will take the responsibility for the implementation of the Project and the achievement of the results, each for his/her individual mission tasks, as defined by individual ToR. They will also prepare the required reports and the output described.

Detailed profiles and tasks of short - term experts and including the duration of their assignments will be provided in the Twinning Work Plan. The indicative requirements are the following:

Profile of the short- term experts:

Requirements:

- University degree in relevant field depending of the area of expertise;
- At least 3 years of specific working experience in the field of consumer protection or other relevant field depending of the area of expertise;
- Experience in providing assistance in the capacity building initiatives in the area of consumer protection;
- Fluency in English language;
- Computer literacy;
- Proven contractual relation to public administration or mandated body, as defined under Twinning Manual 5.4.5

The concrete assignments will be subject to the preparation of the Twinning Contract and the recommendations of the Twinning partner(s).

4. Institutional Framework

The institutional framework for consumer protection in the Republic of Serbia is comprised of two segments, the first being state institutions, and the other the non-governmental sector, i.e. consumer protection organizations.

Main beneficiary:

The Ministry of Trade, Tourism and Telecommunications – holder of consumer protection policy.

Consumer Protection Department is directly responsible for the implementation of consumer protection policy. It proposes the Consumer Protection Strategy, performs activities related to the approximation of domestic legislation to the Union *acquis Communautaire*, monitoring and analysis of the application of harmonised legislation in practice, undertakes measures and activities for improving the consumer protection system, maintenance of NCCR and particularly to injunctions that aim to remove unfair business practice and unfair contract terms in consumer contracts, in order to protect the collective interests of consumers. Successful and efficient

performance of these activities require adequate and strengthen capacities, so that the newly established Department hired two lawyers in accordance with its broaden competences. The Department consists of Consumer Protection Division (Group for policy development and collective consumer protection and Group for education and improvement of cooperation in the consumer protection field) and the Group for the enforcement of consumer protection policy. CPD with 16 employees has been established in September 2014.

Market Inspection Department, which applies consumer protection measures in administrative procedure. In the Department for Market Inspection, out of 448 employees, 45 market inspectors are pre-dominantly working on the application of the LCP (prevention of unfair business practice, disrespect of guarantees and other violations of the consumers' economic interests, control of the respect of the obligation of informing consumers, displaying prices, issuing bills), while 100 market inspectors exercise control over the conformity and safety of certain groups of non-food products (market surveillance), while others are predominantly involved in the control and prevention of trade in counterfeited and pirated goods, prevention of money laundering and other forms of illegal trade. The territory coverage is ensured by 24 inner organisational units - market inspection divisions organised by districts.

Tourist Inspection Department which applies consumer protection measures in administrative procedure in the field of tourism.

Department for Tourism is in charge of successful and efficient performance of the activities related to the approximation of domestic legislation with the Union acquis Communautaire and to monitoring and analysis of the application of harmonised laws whereas the Department for Tourist Inspection with 86 civil servants, who are distributed in five divisions, is competent for the inspection surveillance in package tour contracts and timeshare contracts.

Other beneficiaries:

Ministry of Health is in charge of food safety, general product safety in production and circulation, public supply of population with hygienic drinking water and these are performed by the Department for Inspection Operations.

Ministry of Agriculture and Environmental Protection is in charge of control in the field of safety of vegetable and mixed food within the production, processing and wholesale phase, as well as control of production, circulation and quality of vine, spirit, other alcoholic beverages, ethanol, beer and non-alcoholic beverages and control of quality of feed of vegetable origin. These activities are performed through Department for Agricultural Inspection.

Ministry of Mining and Energy, Department for Electrical Energy is in charge of inspection in the field of energy and monitoring of consumer protection in the field of electrical energy.

Within jurisdiction of the **Ministry of Justice** there are regulations governing the judicial and extra-judicial dispute settlement procedures in general, and that includes consumer disputes. Therefore, the proposal of regulations governing judicial and non-judicial proceedings is in their jurisdiction.

Energy Agency is in charge of surveillance of energy market and deciding appeals, while Regulatory Agency for Electronic Communications and Postal Services decides on rights and obligations of operators and consumers and cooperates with authorities in charge of the field of radio diffusion, competition protection, and consumer protection.

Protection of financial services consumers is in the competence of the **National Bank of Serbia** which established the institute of financial services consumer protection for further exercise of consumer rights - Centre for Financial Consumer Protection and Education. This Centre, according to Article 4 (1)(11) of the Law on National Bank of Serbia, performs tasks related to the protection of rights and interests of consumers of services provided by banks, lessors, insurance companies, payment service providers and electronic money issuers and pension fund management companies. Activities are performed by acting upon consumer's, or client's notification, and by conducting mediation procedures which are performed by employed persons who are in possession of an authorised mediator licence. The Centre employs 23 persons and consists of the Division for Financial Consumer Protection, Division for Education of Financial Consumers and Information Centre. Additionally, activities of education of financial services consumers are also performed within the affiliates of the National Bank of Serbia, and 15 employees are engaged in these activities.

The National Bank of Serbia carries out activities in the field of protection of rights and interests of financial service consumers and providing information and financial education. Operations determined by the legislative framework governing the matter of the financial services consumer protection and education are carried out in the National Bank of Serbia. Within the National Bank of Serbia operations are greatly carried out in the Centre for Financial Consumer Protection and Education which is organizational part of the Administration for Supervision of Financial Institutions.

Currently, the Centre for Financial Consumer Protection and Education has 25 employees. The Centre consists of: the Division for Financial Consumer Protection, the Division for Education of Financial Consumers and the Information Centre.

The National Bank of Serbia perform activities relating to the protection of rights and interests of the consumers of services provided by banks, financial leasing providers, insurance companies and voluntary pension fund management companies, in accordance with law.

Stakeholders:

The LCP stipulates establishment of **National Council for Consumer Protection**. This obligation was stipulated by the previous Law on Consumer Protection (put into effect in 2011), but the Law in force prescribes certain novelties in regard to the composition of this governmental body. Now, there are permanent members (representatives of the line Ministry, the ministry in charge of food safety, the ministry in charge of product safety, the ministry in charge of health, the ministry in charge of energy, the ministry in charge of telecommunications, the ministry in charge of justice, the ministry in charge of finance, the ministry in charge of tourism and the ministry in charge of environment protection) and 1/3 of the members are representatives of non-governmental organisations. Other members are entities with delegated public powers, chambers of industry and commerce and independent experts in the field. Establishment of this

body is in the procedure and this governmental body will continue the work of NCCP which had its sessions until the adoption of the Law in force (September 2014). This Council strengthens the system of consumer protection and cooperation between the institutions in charge of consumer protection and other entities involved in this particular field.

The NGOs representatives in the NCCP are nominated by Consumers' Council (established in October 2014), a non-governmental body which is composed of the representatives of organizations and associations registered within the line ministry which, additionally, harmonises the opinions of the organizations and associations on all major consumer issues. Further involvement of the NGO representatives in decision-making process reflects in provisions of the LCP which stipulate obligation of providers of services of general economic interest to establish advisory bodies and complaint handling committees that shall include representatives of the registered consumer organisations/association. This is in accordance with the recommendation of the Annual Progress Report of the Republic of Serbia in the process of EU integration. Moreover, the LCP imposes that consumer protection organisations may file a request to the MTTT to initiate proceedings for the protection of collective interests of consumers.

Non-governmental autonomous organizations provide and implement consumer education, represent consumers' interests in judicial and out-of-court proceedings, consult and provide legal assistance to consumers in the exercise of their consumer rights, etc. The line ministry also maintains the Register of Consumer Organisations and Associations and currently has on its list 25 registered organisations and associations for consumer protection. The registration within the MTTT is a precondition to apply for funding of the MTTT that is granted with the aim of improving consumer protection system, and further strengthening of their capacities. In 2014, funding was allocated to consumer protection organisations from four regions: Belgrade Region (1 organisation), Region of Vojvodina (1 organisation), Region of Šumadija and Western Serbia (1 organisation) and Region of Southern and Eastern Serbia (1 organisation). The total amount of the granted funding is RSD 7 million (approximately 61.000 EUR). In 2015, RSD 15 million have been appropriated for consumer organisations. Institutionally, non-governmental sector is an important partner of the governmental sector in this field, bearing in mind their legally stipulated activities: provision of information, education, consultation and provision of legal assistance to consumers in the exercise of their consumer rights, acting on consumer complaints, conducting of independent testing and comparative analysis and publication of the results and conducting of research and studies in the field of consumer protection.

Autonomous province and local self-governments, in accordance with the LCP, support the activities of organizations/associations with regard to funding, provision of adequate office space and other necessary conditions for their operations, promote and support activities aimed at consumer protection, including provision of information, consultation and education of consumers, as well as participation of consumers' representatives in all provincial and local bodies responsible for decision-making in fields that are relevant for consumers and, finally, support the formation and operation of bodies for out-of-court settlement of consumer disputes in their respective territories.

Commercial and Professional Chambers provide support in the area of cooperation and education of economic sector and holders of consumer protection.

The **General Secretariat of the Government (GSG)**, which co-ordinates preparation of Government sessions, develops the annual work plan of the Government, monitors the fulfilment of the plan, and is responsible for co-ordinating communication activities of the Government and for the relationship with other state bodies;

The **Public Policy Secretariat of the Republic of Serbia (PPS)**, which co-ordinates development of the Action Plan for implementation of the Government Programme, monitors its implementation, and co-ordinates policy content by scrutinising draft RIAs and the quality of proposals of strategic documents and harmonisation between them.

The **Republic Secretariat for Legislation (RSL)**, which ensures legal conformity;

The **Ministry of Finance (MoF)**, which ensures the affordability of policy proposals and which provides guidance to all public administration institutions for conducting Financial and Regulatory Impact Assessments for any new law and policy document including sector strategies;

The **Serbian European Integration Office (SEIO)**, which is responsible for co-ordination of EI matters.

Project Steering Committee

PSC will be established for the direct control and supervision of the project implementation. The PSC will be responsible for the overall quality of project implementation, provide strategic direction and ensure that the project outputs and goals are met in time, approve work plans and reports, offer guidance and advise on project activities.

The composition of the PSC will be defined by the Twinning Contract. Nevertheless, the PSC will be composed of following members: MS Project Leader, BC Project Leader, RTA, RTA BC counterpart, SPO, representatives of Consumer Protection Department, Market Inspection Department, Tourist Inspection Department, Department for Tourism and IPA Unit within MTTT. Furthermore, PSC will involve representatives from different institution, such as: Ministry of Finance, Department for Contracting and Financing of EU Funded Programs (CFCU), Serbian European Integration Office (SEIO) and if needed the representatives of other key institutions involved in the project. Representatives of the EUD will be invited as observer(s). If deemed necessary, representatives of other institutions with relevant expertise or KEs who can enhance the quality of the project should be invited to join the Steering Committee Meetings as observers.

The role, responsibility and main tasks of the PSC will be as follows:

- to assess progress in achievement of objectives and results planned in the project;
- to ensure exchange of information on implementation of contracts;
- to ensure synchronization of activities within contracts;
- to ensure cooperation of relevant stakeholders;
- to discuss any critical points, risks or bottlenecks in contract implementation;

- to propose and discuss remedies in case of problems;
- to review and make recommendations on reports, submitted by the contractor;
- to closely coordinate with other EU contracts related to this field and with other relevant donors' contracts to promote synergies and integration;

Project will ensure the secretariat function of the PSC, including organization of meetings, preparing and circulating the agenda, as well as writing and distributing PSC minutes to all members. The PSC meetings should be announced at least two weeks before the actual date and all relevant papers (agenda, minutes of the last meeting, progress report and other documents to be discussed at the PSC meeting) should be circulated one week before the meetings to the PSC members. The PSC will meet on quarterly basis and ad hoc when required. It will be chaired by the BC Project Leader and in accordance with the previously circulated agenda to the PSC members.

5. Budget

Further Development of Consumer Protection in Serbia	IPA Community Contribution	National Co-financing	TOTAL
Twinning Contract	1.350.000,00 EUR	75.000,00 EUR	1.425.000,00 EUR

The beneficiary will provide the MS Twinningpartner with adequate office space for RTA and experts, meeting rooms and equipment necessary for relevant everyday activities and training foreseen in TW fiche.

Interpretation and translation costs for trainings/training materials, documentation/reports/legal acts and other project activities are estimated up to 6 % of the budget which will be calculated in the twining working plan budget.

6. Implementation Arrangements

6.1 Implementing Agency responsible for tendering, contracting and accounting including contact person and full contact details

The Implementing Agency of the project is the Central Finance and Contracting Unit (CFCU). The CFCU will be the Contracting Authority and it will be responsible for publishing tenders, concluding contracts and authorizing the Treasury to make contract related payments.

Ministry of Finance,
Department for Contracting and Financing of EU Funded Programmes (CFCU)
Sremska Street, No. 3-5
SRB – 11000 Belgrade

Ms Jelena Stojović, Programme Authorising Officer (PAO) / Head of CFCU
Phone: +381 11 20 21 - 115

E-mail: jelena.stojovic@mfin.gov.rs

Mr Darko Vasić, Coordinator of Quality Control Activities and Twinning National Contact Point

Phone: +381 11 2021 412

E-mail: twinning@mfin.gov.rs

6.2 Main counterpart in the BC

Senior Programme Officer (SPO):

Ms. Slavica Kukolj,

Head of Department for European Integration and Management of EU and other international projects in Ministry of Trade, Tourism and Telecommunications,

7 Pariska Str. Belgrade

Phone: +381 11 2020061

E-mail: slavica.kukolj@mtt.gov.rs

Project Leader counterpart:

The BC Project Leader will manage a project team at the Serbian side and will assure that the decision makers at the national level will be informed properly on the implementation of the Project. He/she will ensure close co-operation and overall steering and coordination of the project and will be responsible for drafting and signing of the reports and other documents, related to project management at the Serbian side and will chair PSC meetings.

Ms. Vesna Novakovic

Assistant minister in the Ministry of Trade, Tourism and Telecommunications

22-26, Nemanjina Str., Belgrade

RTA Counterpart:

Ms. Olivera Maric,

Chief of the Group for Policy Development and Collective Consumer Protection

Ministry of Trade, Tourism and Telecommunications

22-26, Nemanjina Str., Belgrade

6.3 Contracts

This project will be implemented through a Twinning contract.

7. Implementation Schedule (indicative)

7.1 Launching of the call for proposals (Date): July 2016

7.2 Start of project activities (Date): May 2017

7.3 Project completion (Date): May 2019

7.4 Duration of the execution period (number of months): 24 +3

8. Sustainability

The work-plan should consider the sustainability of the project and particularly how the mandatory results of the Twinning project will be maintained as a permanent asset to the project beneficiaries even after the end of the Twinning project implementation. The Twinning work plan will need to detail and put in place effective mechanism within the beneficiaries institutions to ensure optimum dissemination and consolidation of the results of the project. The sustainability issues will be further elaborated in the course of the project as a joint responsibility of the MS partner and BC institution. Besides, in the final report Twinning partners will include specific recommendations for safeguarding the achievement of mandatory results in the beneficiary administration.

9. Crosscutting issues

Cross-cutting issues will be addressed in the project so as to comply with the best EU standards and practice in that area and in a way which demonstrates how they will be dealt with within the project's framework, its activities and outputs. Upon Project completion, recommendations for further development of legislative framework will be used to officially propose changes to the LCP, relevant by-laws and new Strategy for Consumer Protection. Studies on consumer protection specific issues that will be prepared within the Project will constitute the basis for further developments of the consumer protection sector.

Knowledge and experience gained during the trainings and study visits for civil servants in charge of consumer protection, representatives of market regulators, consumer organisations and chambers of commerce will be beneficial and used in the further implementation of their respective tasks. Also the support (in the form of recommendations) provided to NCCP will improve its future operation and contribute to better coordination of consumer issues.

Furthermore, specialized TV and/or radio programmes that will be created in the scope of the Project could be further developed after the Project completion.

9.1 Equal Opportunity

The project will be implemented in a way which provides equal opportunities for participation for those within MTTT and those in other participating Line Ministries. No discrimination will be made on the basis of gender and activities such as Training needs analysis, trainings will be organised in a way which makes them accessible for both men and women. The number of men and women participating in training events will be monitored during the project and this information will be used to identify any potential discrimination.

Principle of gender equality will be implemented in all project activities and procedures of consumer protection enforcement. The project will result in procedures and measures that will implement this principle and by no means will not endanger it, throughout the project implementation and upon its completion.

9.2. Environment

The environmental impact of this project will be limited. It will not have a negative impact on the environment nor jeopardise environment, health and security in the future. The project will be delivered in the most environmentally friendly way possible, including the recycling of paper and the reduction of paper-based activities to the absolute minimum, including through distribution of project materials through uploading them on intranet/internet.

The project has no negative effect on the environment.

9.3. Minorities

The project will be implemented in a way which does not discriminate against any individual on the grounds of their gender, ethnic origin, race or religion. Training needs analysis, trainings and study visits will be organised in a way which makes events accessible for all potential participants. Information on the individuals receiving support under the project will be monitored during the project and this information will be used to identify any potential discrimination.

None of project activities and procedures of consumer protection will discriminate against any individual on the grounds of their gender, ethnic origin, race or religion. The project will result in procedures and measures that will implement the principle of equal treatment and by no means will not endanger it, throughout the project implementation and upon its completion.

9.4 Civil Society/Stakeholders involvement

Civil Society and other relevant external stakeholders play a crucial role in policy and legislative development. Support under this measure will concentrate on building capacity of various interested parties, including chambers of commerce, regional development agencies, and consumer organisations, with the aim to improve understanding of importance consumer protection for the economy of the country and for the society and efficient implementation of their significant responsibilities in the consumer protection system.

10. Conditionality and sequencing

Conditionality:

The commitment and the mutual agreement among the institutions involved in enforcement of consumer protection on the establishment of a functional structure in this area is the substantial prerequisite for the definition of rules ensuring proper coordination among the consumer protection authorities, effective implementation of the Project and avoiding overlapping and conflict of competences. The MTTT, who was in charge for drafting the National Consumer Protection Strategy, already initiated this issue, and the Action Plan which is a part of National Strategy defines the particular activities and the responsible institutions. In addition:

- MTTT must commit sufficient resources in terms of human resources throughout the life time of the project and to ensure that the outputs are sustainable in the future (for example, developed procedures will be implemented). The MTT will contribute to the project in kind, by providing premises and all the facilities (computers, telephones, printers etc.) during the lasting of the project.

- MTTT will ensure coordination of all actors to ensure project success and facilitate joint programmes/activities.
- MTTT will be responsible for ensuring that all relevant actors attend training and instruction.
- MTTT is responsible for inter-ministerial/inter-sectoral relations regarding the outputs of this project.

There are no special requirements for sequencing between the results, but certain need for sequencing between the activities within the same result should be respected:

ANNEXES TO PROJECT FICHE

1. ANNEX I: Logical framework matrix in standard format
2. ANNEX II: List of relevant laws and regulations
3. ANNEX III: Organizational chart

ANNEX I: Logical framework matrix in standard format

Further Development of Consumer Protection in Serbia		Programme name and number: IPA 2013	
Ministry of Trade, Tourism and Telecommunications		Contracting period expires: 2 years following the date of conclusion of the Financing Agreement	Disbursement period expires: 5 years following the end date for contracting
		Total budget: 1.425.000,00 EUR	IPA financing: 1.350.000,00 EUR National co-financing: 75.000,00 EUR
Overall objective	Objectively Verifiable Indicators	Sources of Verification	
Serbian administration effectively conducts accession negotiations and successfully manages overall EU integration and pre-accession assistance geared towards EU membership, specifically in the area of consumer protection.	<ul style="list-style-type: none"> • Adequate administrative capacity ensured to apply the legislation. • The administrative capacity of the authorities for consumer protection rights in terms of implementation and enforcement further strengthened. 	<ul style="list-style-type: none"> • EC Progress Report; • Strategy documents; • Internal rules and procedures; • Information on cases handled. 	
Project purpose	Objectively Verifiable Indicators	Sources of Verification	Assumptions
To put in place legislative and institutional capacities for the efficient carrying out of accession negotiations and for fulfilling the requirements of EU membership resulting in proper and effective implementation and enforcement of aligned legislation in the field of consumer protection in Serbia.	<ul style="list-style-type: none"> • Procedures and mechanisms of cooperation in place • Improvement in the enforcement of consumer protection legislation • The enforcement of the consumer protection in Serbia is enhanced and in line with the European Standards 	<ul style="list-style-type: none"> • EC Progress Report; • Reports from relevant institutions (Consumer Protection Sector, NGO...) 	<ul style="list-style-type: none"> • Adequate human and financial resources available; • Commitment of the parties involved and good cooperation among interrelated institutions and project teams; • Adequate cooperation among competent national, regional and local institutions; • Active participation of all stakeholders involved in the project implementation; • Availability of BC experts to participate in trainings; • Legislative framework in place; • Priority of the inter-sectoral working group for IPA 2013.

Results	Objectively Verifiable Indicators	Sources of Verification	Assumptions
1. Legislation for efficient administrative enforcement of consumer protection law prepared for adoption.	<ul style="list-style-type: none"> • At least 1 amending law in the area of consumer protection in line with newly developed Acquis in this field developed in accordance to the better regulation approach and adopted by Beneficiary; • At least 2 bylaws in consumer protection with changes and/or amendments developed in accordance to the better regulation approach and adopted by Beneficiary. 	<ul style="list-style-type: none"> • Records and reports of MTTT, NGO and MF; • Project reports. 	<ul style="list-style-type: none"> • R: Existing staff in consumer protection sector still dealing with a variety of other unrelated issues; • A: Staff motivated to learn.
2. Professional capacities of civil servants consumer organisations, judiciary, economic operators and regulators improved.	<ul style="list-style-type: none"> • Training Need Analyses conducted; • Training Plan prepared and endorsed by Beneficiary; • At least 13 trainings, for at least 20 participants per training, for civil servants in charge of consumer protection, representatives of consumer protection organisations, market regulators and ADR bodies conducted; • At least 3 trainings for the judiciary on consumer protection, for at least 20 participants per training conducted; • At least 3 trainings for economic operators and chambers of commerce on consumer protection, for at least 20 participants per training conducted; • Up to 4 study visits for at least 10 participants per each in duration of at least five days related to issues such as unfair commercial practices, unfair contract terms, services of general economic interest, protection of collective interest of consumers, ADR organized. 	<ul style="list-style-type: none"> • Organisation chart and job systematisation; • Records and reports of MTTT, NGO and MF; • Training reports; • Evaluation questionnaire; • Training certificates; • Reports on study visits. 	
3. Coordination among stakeholders in consumer protection field enhanced.	<ul style="list-style-type: none"> • At least 2 studies on consumer protection specific issues with 	<ul style="list-style-type: none"> • Project's Progress report; • Reports on expert visits. 	

	<p>recommendations and opinions developed for knowledge-based consumer protection policy and sessions of NCCP prepared;</p> <ul style="list-style-type: none"> • Strategy on consumer protection 2019-2024 with Action plan drafted and endorsed by Beneficiary 		
4. Public awareness regarding consumer protection rights enhanced.	<ul style="list-style-type: none"> • Project Communication plan related to public awareness campaign developed and endorsed by Beneficiary; • Media campaign which includes specialized TV and radio spot prepared and launched; • Mini TV show prepared and broadcasted; • At least 4 awareness raising fairs organized (2 in Belgrade and 2 in other regional centres in Serbia); • At least 3 publications of at least 2000 copies each prepared and disseminated; • MTTT's webpage on consumer protection redesigned and upgraded through web design; 	<ul style="list-style-type: none"> • Reports on expert visits; • Project's Progress report; • Participants' lists; • Questionnaire results; • Promotional materials. 	
Activities	Means	Specification of costs	Assumptions
<p>Activities related to result 1: Legislation for efficient administrative enforcement of consumer protection law prepared for adoption.</p> <p>1.1 Methodological support and hands-on assistance to drafting amendments to the Consumer Protection Law towards full alignment with the newly developed Acquis in this field;</p> <p>1.2 Methodological support and hands-on assistance to drafting changes and/or amendments to 2 bylaws regulating consumer protection.</p>	<ul style="list-style-type: none"> • Consultations, analyses, preparation of documentation, trainings, workshops, study visits. 	<p>Twinning project: 1.425.000,00 EUR</p>	<p>In line with the assumptions specified for results and project purpose.</p>

<p>Activities related to result 2: Professional capacities of civil servants consumer organisations, judiciary, economic operators and regulators improved</p> <p>2.1. Conduct Training Need Analysis (TNA) of the MTTT staff as well as other relevant institutions which representatives will participate on trainings regarding the protection of collective interests of consumers;</p> <p>2.2. Based on conducted TNA, preparation of TNA plan and develop a specific self-sustainable training program, including program design and curricula development;</p> <p>2.3. Conduct trainings in accordance with the TNA plan with a view to enhancing capacities of civil servants in charge of consumer protection, representatives of consumer protection organisations, market regulators and ADR bodies;</p> <p>2.4. Conduct trainings in accordance with the TNA plan to enhance the capacities of the judiciary on consumer protection;</p> <p>2.5. Conduct trainings in accordance with the TNA plan to enhance the capacities of the economic operators and chamber of commerce;</p> <p>2.6. Organize and conduct up to 4 study visits related to issues such as unfair commercial practices, unfair contract terms, services of general economic interest, protection of collective interest of consumers, ADR (up to 5 days, at least 10 participants per each study tour).</p>			
<p>Activities related to result 3: Coordination between stakeholders in consumer protection field enhanced</p>			

<p>3.1. Preparation of at least two studies on consumer protection specific issues with recommendations and opinions for knowledge-based consumer protection policy and for sessions of NCCP;</p> <p>3.2. Methodological support and hands-on assistance to drafting the Strategy on consumer protection 2019-2024 and Action plan, in accordance with the better regulation approach.</p>			
<p>Activities related to result 4: Public awareness regarding consumer protection right enhanced</p> <p>4.1. Develop a project Communication plan for raising awareness on consumer rights;</p> <p>4.2. Preparation and launching of media campaign which includes specialized TV and radio spot;</p> <p>4.3. Preparation and broadcasting of Mini TV show;</p> <p>4.4. Organization of at least 4 awareness raising fairs (2 organized in Belgrade and 2 in regional centers);</p> <p>4.5. Preparation and dissemination of at least 3 publications related to raising awareness on consumer protection;</p> <p>4.6. Redesigning and upgrading of MTTT's webpage on consumer protection through web design.</p>			
			<p>Preconditions:</p> <p>N/A</p>

ANNEX II: List of relevant Laws and Regulations

Relevant National documents:

Reference to SAA: Article 78 of the SAA

The Article 78 of the SAA refers to Consumer protection. Within this article, it is stipulated that Parties shall ensure:

- a) A policy of active consumer protection, in accordance with Community law, including the increase of information and development of independent organisations;
- b) The harmonisation of legislation of consumer protection in Serbia on that in force in the Community;
- c) Effective legal protection for consumers in order to improve the quality of consumer goods and maintain appropriate safety standards;
- d) Monitoring of rules by competent authorities and providing access to justice in case of disputes;
- e) Exchange information on dangerous products.

The Project will directly contribute to further development of integrated and coherent system for Consumer protection in Serbia by enabling enforcement of legislation aligned with Union acquis and by enhancing capacities and improving cooperation among all consumer protection institutions, especially by strengthening partnership between MTTT and consumer protection organisations (NGO's)

Strategic documents:

Strategy for Consumer Protection for 2013 – 2018, adopted by the Government on July 17, 2013. Strategy is a program planned document referring to the period 2013-2018. It consists of a vision of the national system of consumer protection till 2018 and the list of concrete measures that the Republic of Serbia must enforce in the direction of the realization of the mentioned vision.

Activities regarding cooperation between enforcement agencies – measures foreseen in the AP of the National Strategy:

- Improving the protection of the rights and interests of consumers amending regulations
- Better integration of consumer policy into other state's policies
- Further strengthening of the institutional framework of consumer protection
- More effective law enforcement and efficient market surveillance system in the field of consumer protection
- Strengthening consumer associations and individual consumers
- Developing a solid framework for regional and international cooperation

In terms of legislation, the area of consumer protection is regulated by:

1. The Law on Consumer Protection (Official Gazette of RS, no. 62/14 and 6/16-other law), as the system law, and several by laws. This law is an umbrella law and the basis for all other laws and by laws to be enacted for the purpose of regulating certain sub-areas within wide field of consumer protection.

The LCP was adopted on 21 June 2014 and its enforcement started on 22 September 2014. The most important innovations in this Law are: 14 days - right of a consumer to

withdraw from contracts concluded at distance or off-premises, 30 days - traders' obligation to deliver goods (unless otherwise is agreed), 8 days - trader's obligation to reply to consumer's complaint (previously 15 days), Trader's obligation to keep registers of received complaints, Consumer is exempted from court fees if the value of his claim does not exceed RSD 500,000. Clearer defining of responsibilities and tasks of MTTT and of consumer organisations/associations, Special power for monitoring the market and enforcing the law in the field of unfair contract terms and unfair commercial practices given to the CPS, by imposing the injunctions, Broader scope of competences and powers of Market Inspectorate within MTTT, Increased role of local self-government units in the consumer protection field, Facilitated access to justice in the terms of solving individual consumer problems and collective redress, Three organisations make an association (in comparison to the previous LCP which stipulated 50 organisations), Provisions on financing and co-financing the activities of the registered consumer organisations/associations from the state budget (co-financing the EU funded projects and international ones), 1/3 of members of NCCP shall be representatives of the registered consumer organisations/associations, Better coordination of work of consumer organisations/associations (through establishment of a new body – Consumer Council), Increased participation in decision-making process (obligation of providers of services of general economic interest to establish advisory bodies and complaint handling committees that shall include representatives of the registered consumer organisations/associations).

2. Law on Trade (Official Gazette of RS, no.53/10, 10/13)
3. Law on E-trade (Official Gazette of RS, no. 41/09, 95/13)
4. Law on Electronic Communications (Official Gazette of RS, no. 44/10, 60/1, 62/14)
5. Law on the Protection of Financial Service Consumers (Official Gazette of RS, no. 36/11, 139/14)
6. Also, other specific laws (e.g. Law on Protection of Competition, Official Gazette of RS, no. 51/09, 95/13)
7. Law on Advertising (Official Gazette of RS, no. 79/05, 83/14, 6/2016)
8. Law on General Product Safety (Official Gazette of RS, no. 41/09)
9. Law on Market Surveillance, (Official Gazette of RS, no. 92/11)
10. Law on Food Safety, (Official Gazette of RS, no. 41/09)
11. Law on Health Safety of Products of General Use (Official Gazette of RS, no. 92/11)
12. Law on Organic Production, (Official Gazette of RS, no. 30/10)
13. Law on Tobacco, (Official Gazette of RS, no. 101/05, 90/07, 95/10, 36/11, 93/12, 108/13)
14. Law on Wine, (Official Gazette of RS, no. 41/09, 93/12)
15. Law on Sanitary Surveillance (Official Gazette of RS, no. 125/04)
16. Law on Obligations, (Official Journal of SFRY, no. 29/78, 39/85, 45/89, 57/89, Official Journal of FRY, no 31/93, 22/99, 23/99, 35/99, 44/99)
17. Law on Banks (Official Gazette of RS, no. 107/05, 91/10, 14/15) etc.
18. Rulebook on the registration of consumer protection organisations and their associations and conditions of registration (Official Gazette of the Rep. of Serbia, No. 21/2015)
19. Rulebook on the contents of withdrawal form of distance contract and off premises contract (Official Gazette of the Rep. of Serbia, No. 21/2015),

20. Regulation on the contents of the standard information form for timeshare contract, long-term holiday product contract, resale assistance contract and timeshare exchange contract (Official Gazette of the Rep. of Serbia, No. 12/2015),
21. Regulation on the contents of the withdrawal form of timeshare contract, long-term holiday product contract, resale assistance contract and timeshare exchange contract (Official Gazette of the Rep. of Serbia, No. 12/2015).

Directives implemented in the Law on Consumer Protection:

1. 85/374/EEC (Liability for defective products),
2. Economic interests of consumers:
3. 2011/83/EC (Consumer rights),
4. 93/13/EEC (Unfair terms in consumer contracts),
5. 90/314/EEC (Travel packages, weekend packages and package tours),
6. 99/44/EC (Some aspects of the sale of consumer goods and associated guarantees),
7. 2002/65/EC (Distance marketing of financial services),
8. 2005/29/EC (Unfair commercial practice),
9. 2008/122/EC (Certain aspects of timeshare, long-term holiday products, resale and exchange contracts),
10. 2009/22/EC (Injunctions for the protection of consumers' interests),
11. 2013/11/EU on consumer ADR and
12. Regulation 524/2013/EU on consumer ODR,
13. Commission Recommendation 98/257/EC and
14. Commission Recommendation 2001/310/EC (Out-of-court settlement of consumer disputes)

ANNEX III: Organizational chart

