

# **Standard Summary Project Fiche – IPA centralised National and CBC programmes**

## **Development of Quality Infrastructure in Montenegro**

### **1. Basic information**

- 1.1 CRIS Number:** 2007/19300  
**1.2 Title:** Development of Quality Infrastructure in Montenegro  
**1.3 Sector:** Internal market 03.01  
**1.4 Location:** Republic of Montenegro

### **Implementing arrangements:**

#### **1.5 Contracting Authority:**

The Contracting Authority is the EC Delegation in Montenegro

#### **1.6 Implementing Agency:**

The implementing Agency is the European Commission

#### **1.7 Beneficiary (including details of project manager):**

Ministry for Economic Development  
Mr Branko Bulatović  
EU Coordinator  
Rimski trg 46  
81000 Podgorica  
Republic of Montenegro  
Email: [branko.b@mn.yu](mailto:branko.b@mn.yu)  
Tel: +382 81 234 012

#### **1.8 Overall cost:**

€ 2.33 million

#### **1.9 EU contribution:**

€ 2 million

#### **1.10 Final date for contracting:**

Two years from the date of conclusion of the Financing Agreement

#### **1.11 Final date for execution of contracts:**

Four years from the date of the conclusion of the Financing Agreement

### 1.12 Final date for disbursements:

Five years from the date of the conclusion of the Financing Agreement

## 2. Overall Objectives and Project Purpose

### 2.1 Overall Objective:

To facilitate trade and the free movement of goods with a view to improve the competitiveness of the Montenegrin economy

### 2.2 Project purpose:

To accelerate legal, regulatory and institutional reforms in the area of quality infrastructure\* in Montenegro in compliance with the *acquis communautaire* and WTO membership requirements.

### 2.3 Link with AP/NPAA / EP/ SAA

The **European Partnership document** points out the need to complete the establishment of the legal and institutional set-up of quality infrastructure, including market surveillance and certification (see more in annex 3).

The Commission's **2006 Progress Report** critically assessed the existing situation. It highlighted the early stage of preparations for alignment with the *acquis* and emphasised the importance of creating a Centre for Standardisation and a Centre for Legal Metrology (see more in annex 3).

Finally, the **draft SAA** stipulates in article 77 that Montenegro shall take the necessary measures in order to gradually achieve conformity with Community technical regulations and European Standardisation, metrology, accreditation and conformity assessment procedures (see more in annex 3).

### 2.4 Link with MIPD

The **Multi-annual Indicative Planning Document** attributes great importance to the facilitation of the free movement of goods, and therefore to upgrading those institutions involved in quality infrastructure: standardisation, metrology, accreditation and conformity assessment bodies (see more in annex 3).

---

\* Quality infrastructure refers here to all aspects of metrology, standardization, testing, quality management, certification and accreditation that have a bearing on conformity assessment (abbreviated as MSTQ). This includes both public and private institutions and the regulatory framework within which they operate.

## **2.5 Link with National Development Plan**

The Republic of Montenegro has not yet adopted a National Development Plan.

## **2.6 Link with national/ sectoral investment plans**

In the Governmental document “Economic Policy of Montenegro for 2007”, issued in December 2006, amongst its tasks and specific effects, the Government alludes to the establishment, capacity building and development of intuitions for metrology, standardization, accreditation, certification and protection of intellectual property.

## **3. Description of project**

### **3.1 Background and justification:**

Following independence proclaimed on 3 June 2006, Montenegro needs to develop its own capacity in the Metrology, Standards, Testing and Quality Infrastructure (MSTQ) which were previously covered by State Union Institutions.

On 15 March 2007, the Prime Minister and the EU Commissioner for Enlargement initialled the Stabilisation and Association Agreement (SAA). The Montenegrin government is thus faced with the need to speed up the transposition of and harmonisation with the “*acquis communautaire*”, including the part related to the MSTQ sectors (Art. 77 of the SAA).

As a member of the Yugoslavian Federation and the State Union of Serbia and Montenegro, the country has certainly not started from zero in this field, but there are some major challenges:

- Documentary standards (norms) are based on the former "JUS" standards and constitute a mixture of mandatory and voluntary standards some of which are based on EN and ISO standards. Master copies of these standards are held in Belgrade and are not yet available in Montenegro.
- The legal metrology activities are quite developed, but there is a strong need for improvement. The national traceability to the international measurement standards (etalons) is still not established. A Bureau of Metrology has been established which is responsible for the metrology activities, but it suffers from obvious shortcomings in laboratory equipment and trained staff.
- There is no system of market surveillance as it exists in EU Member States. There are only inspection services in the regulated area (10 % of the *acquis*).
- There are no evident suppliers of Certification/conformity assessment services.

The Government of Montenegro has taken some steps to improve the situation. It established a specific governmental Committee as well as a Department for Quality Infrastructure within the Ministry for Economic Development. And as well as creating the Bureau of Metrology, it plans to establish an Institute for Standardization and a Body for Accreditation. They will form the backbone of the future quality infrastructure and are envisaged as the principal beneficiaries of technical assistance under this and future IPA programmes. Managerial and other staff will be appointed to the relevant institutions by mid-2007.

### **3.2 Assessment of project impact, catalytic effect, sustainability and cross border impact**

#### *Impact*

The removal of technical barriers to trade is a precondition for the completion of the internal market. Since the adoption of the new approach in 1985, the harmonisation of European industrial standards in the 16 areas covered by European technical legislation has become an essential instrument in completing the single market. This approach was subsequently complemented by a coherent policy on certification and tests, setting out clear, consistent and transparent principles which apply to the product certification procedures to be used at Community level. The objective is to help establish a European policy on quality in cooperation with national and international standardisation bodies to enable businesses to manufacture and sell their products throughout the EU and its Associated Countries with the aid of a system for the mutual recognition of trade marks and manufacturing processes.

This action will try to develop the legal framework and administrative capacity required in Montenegro if it is, in time, to become part of that common European policy on quality. Legislation, under the new approach, should be restricted to establishing the essential requirements that products must satisfy. These requirements fix the thresholds or levels of protection for the whole of the EC in the area of health and safety.

#### *Catalytic effect*

The system for certification and testing needs to be truly open and transparent if the standard is to be supported by all major interested parties and applied in a uniform way throughout the EU and its Associated Countries by independent standardization, metrology and accreditation bodies. Delays in producing standards should be reduced; hence, the importance of stepping up the efficiency and accountability of the standardisation process that this action intends to foster.

This project, as the first in a series of other related actions in the field of quality infrastructure under future IPA national programmes, should pave the way for a national quality infrastructure system. That system must be able to provide high-quality standards and deliver them in a timely fashion, so that standards and homogeneous measures are effectively used in the Montenegrin market with the involvement of public authorities, companies and consumers. In the end, cost-benefit analysis on the extensive use of standards and technical regulations should prove its catalytic effect on increased competitiveness of the Montenegrin industry, as well as better and wider trade regimes with the EU, CEFTA, and the global economy in general (through WTO membership).

In terms of multiplier effects, many other chapters of the *acquis* require reliable quality infrastructure, not only free movement of goods but also regional development, agriculture, environment, food safety, fisheries, consumer and health protection, customs, etc. The prospect of becoming an EU Member States requires capability to measure, test and inspect with a view of enforcing legislation in all these areas. A concrete and clearly defined range of support measures for these priority areas should then be developed, tested and integrated into this project in an effective way.

### *Sustainability*

Sustainability is of vital importance in establishing quality infrastructures. In order to maintain the objectives achieved in the long term, training for senior staff and managers at the technical level must go hand in hand with awareness-raising measures at the higher political level. This includes, for example, seminars for decision-makers and visits to institutions in other countries. Similarly, the advice provided to the partner institutions calls not only for interventions at macro level, but also sample measures at micro level (businesses).

### *Cross-border impact*

Greater use should be made of the sector's potential to foster regional integration processes. Action will be demanded from the partner countries in terms of spreading and implementing regional trade agreements (CEFTA). The way to do this is through regional cooperation. The EU is already promoting the joint use of national structures that have been developed in a complementary way; it must however take account from the outset of the fact that regional coordination processes take more time.

In line with the policy of concentrating on priority areas, measures to promote the quality infrastructure must form a component of a larger sector strategy if they are to be sustainable.

## **3.3 Results and measurable indicators:**

### Results and measurable indicators in relation to **strand 1 – Overall MSTQ Policy**

There are three key results in relation to overall MSTQ policy: the enhancement of a general framework policy for the transposition of the *acquis* in this field; an increase of the awareness in the importance of MSTQ; and the reinforcement of the relevant MSTQ institutions (including adequate premises).

The measurable qualitative indicators to be used in order to appraise achievement are (i) the existence of a National Governmental Policy Strategy in the MSTQ field, including the coordination process between concerned institutions and ministries; (ii) the preparation and harmonisation of all sector specific primary and secondary legislation in the MSTQ field; (iii) a public awareness campaign; and (iv) the construction and use of an appropriate building to host the MSTQ institutions.

### Results and measurable indicators in relation to **strand 2 – Standardization**

There are two main results in this area: 1) a National Standardisation Institute up and running, able to carry out its core missions (including WTO information centre and codex information point) and the transposition of European and International Standards into National Standards; and, 2) main equipment, databases and the appropriate ICT system are available, permitting to fulfil the obligations ensuing from European Directives (notably Directive 98/34/EC as amended by directive 98/48/EC concerning standardization activities) and enhance the participation in the European standardization work.

In terms of qualitative and quantitative indicators of achievement, the project will have to prove the existence of Montenegrin standards, determine the number of EU and ISO standards being adopted and implemented, the number of standards sold, the membership affiliate status in CEN/CENELEC/ISO; and finally the existence and efficiency of an information centre.

### Results and measurable indicators in relation to **strand 3 – Accreditation and Conformity Assessment**

There are basically two results in this area: a national Accreditation Body (CAT) is up and running, able to create conditions for future international recognition of tests and calibration results; and a number of selected conformity assessment bodies (CABs) have reached the level to be accredited and to be able to become the Notified bodies necessary for the implementation of the New Approach Directives.

The project will use the following qualitative and quantitative indicators of achievement: the existence of an operational national accreditation body, the number of accredited CABs, the international recognition of tests' reports and certificates, the products' compliance with essential requirements of the New Approach Directives and the granting of CE marking.

### Results and measurable indicators in relation to **strand 4 – Metrology**

Three are the key results in relation to Metrology: 1) the National Measurement Metrology System is able to fulfil the conditions for future international recognition of calibration certificates and measurement capabilities; 2) the laboratories of the National Bureau of Metrology have reached the level to participate in inter-laboratory comparisons; and 3) the main equipment needed for the laboratories of the National Bureau of Metrology in the priorities Measurement Standards is up and running.

The measurable qualitative indicators to be used in order to appraise achievement are: i) the existence of an effective and internationally recognized National Metrology Institution, ii) the practice of traceability of measurements for relevant chosen standards, iii) effective participation in the inter-laboratory comparisons, and iv) the laboratories are suitably equipped.

## **3.4 Activities:**

### **Strand 1 – Overall MSTQ policy**

Activities under this strand will particularly focus on the expert revision/preparation of MSTQ laws, decrees, technical regulations and related documents in accordance with EU essential requirements. It will also seek to improve the inter-ministerial coordination in the MSTQ sector and related fields (i.e. market surveillance); provide training of civil servants on the related MSTQ subjects (including the relevant standards); proceed with the implementation of a quality pilot program in selected companies (e.g.. tourism and transport); and the organization and implementation of a public awareness campaign. This will be complemented by (i) some ICT equipment and translation of EU relevant texts for the Quality Department needs of the Ministry of Economic Development (see specification in annex 4) and (ii) financial support for the construction of the “Quality Infrastructure Building”.

### **Strand 2 – Standardization**

Activities will revolve around the preparation of a draft national medium and long term strategy for the development of the standardization system, including a master plan for its implementation; the review of the existing organizational structure (in particular an appropriate set of Technical Committees and their scopes), procedures and job descriptions of the National Standards Body and recommendations for its streamlining.

Training will be essential. A training needs analysis for management and staff in work practices/principles accepted by international standards bodies is the first step followed by an agreed training plan. Subsequently, training will be provided for the staff of the Standardization Body and to the members of the Technical Committees, with special emphasis on international standardization and the European New and Global Approach.

Finally, as an ancillary component, the project will procure ICT equipment including for the information centre with training particularly stressing the obligations ensuing from the EU Directive 98/34/EC as amended by Directive 98/48/EC (see annex 4).

If needed, the project will cater for assistance in preparing applications for international membership in ISO/IEC and European (affiliate) membership in CEN/CENELEC.

### **Strand 3 – Accreditation and conformity assessment**

Activities in this area will contribute to drafting a medium and long-term national strategy for the development of the conformity assessment system, including a master plan for its implementation. A review of the existing organizational structure, procedures and job descriptions of the National Accreditation Body will be carried out and recommendations issued.

Training will be also among the activities. A training needs analysis and the development of a mid to long-term training plan are envisaged. Training will then be delivered to the staff and the accreditation assessors (with special emphasis on ISO/IEC 17000, 17011 and 17025).

The provision of some equipment and data is also anticipated, as well as assistance in preparing the Institute of Accreditation for integration within EU and International appropriate structures. Two pilot conformity assessment bodies (CABs) will receive expertise, in a pilot phase, in order to upgrade the way they implement standards and enable them to apply for EU accreditation. Finally, the project will assess needs for further CABs services under future programmes.

### **Strand 4 – Metrology**

Strand 4, in a similar way as strands 2 & 3, envisages the review of legislation and harmonisation with the directives, the preparation of secondary legislation (acts, guidelines, instructions etc) related to the legal metrology area; the draft of a national medium and long-term strategy for the development of the metrology system, including a master plan for its implementation; and the review of existing organizational structure, procedures and job profiles of the National Bureau of Metrology with the corresponding recommendations.

Training will be once again critical. Following the realisation of a training needs analysis of management and staff in work practices/principles accepted by International Metrology bodies, a training plan will be defined. Accordingly, training to the staff of the Bureau of Metrology (with special emphasis on improving legal and industrial metrology development and implementation process) will be delivered.

Expertise will be applied in preparing applications for international membership in the regional and international metrology organisations. There will also be an assessment of needs in terms of human resources, equipment, certified standards (etalons) and the necessary basic literature for the upgrading of those calibration and verification activities that the Bureau of Metrology has to undertake for attaining a reasonable standard in metrology infrastructure.

In addition, equipment will be procured for the laboratories of the Bureau of Metrology, in order to enable them to participate in inter-laboratory comparisons in Measurement Standards (see annex 4).

It is anticipated that the above activities will be implemented through one service contract, one works contract and 3 supply contracts. Alternatively, if appropriate expertise cannot be sourced via a service contract, a twinning or service contract combined with a twinning light or a grant agreement with an EU member state institution (official or mandated body) following a call for proposals is envisaged whereby the Commission contribution will cover 100% of the eligible cost of the contract.

### **3.5 Conditionality and sequencing**

The project includes the following conditions:

1. Endorsement by all key stakeholders of the Terms of Reference, specifications for the individual contracts to be engaged;
2. Appointment of counterpart personnel (Institute of Standards, Bureau of Metrology and the Accreditation Body) by the beneficiary before the launch of the tender process;
3. Allocation of working space and facilities by the beneficiary for technical assistance before the launch of the tender process;
4. Arrangement by the beneficiary of all legal procedures to allow construction (e.g. construction permits).

In the event that any of the conditions are not met, certain project activities may not proceed.

### **3.6 Linked activities**

Previous assistance provided under the CARDS 2003 programme targeted State Union Institutions and supported the development of four laws, covering Standardization, Metrology, Accreditation and Conformity Assessment. A small part of this assistance was directed to Montenegrin Institutions (for instance: supply of equipment to the Office for Metrology and the Eco-toxicological Centre, including 3 balances and 1 set of weights E2, in all amounting to € 20,000). Following the dissolution of the State Union, the Institutions in Serbia have become the successors of relationships with EU institutions, and retained many of the benefits of previous assistance. Negotiations between the Montenegrin Institutions and the Serbian



Institutions are taking place to ensure the appropriate transfer of benefits (including the provision of EU translated standards and JUS full collection of standards and technical regulations).

Only a few projects, all of them EU funded, have supported the development of MSTQ, namely:

- "Policy and Legal Advice Centre (PLAC)" project which helped further develop technical regulations. The PLAC intervention terminated in April 2007 and is assumed to have provided resources to support the creation of a state register of technical regulations, the legal framework for the institutions in charge of conformity assessment, general awareness on the legal pillars for quality infrastructure, as well as on the international obligations in the field of technical regulations and standards with special emphasis on notifications under the EU and WTO procedures, particularly Technical Barriers to Trade (TBT) and Sanitary and Phytosanitary (SPS).
- Previous direct technical assistance to the Montenegrin MSTQ system was provided through a brief mission (EAR funded framework contract, worth € 27,000) to assess the situation and determine the needs for medium and longer term assistance.
- A CARDS regional project, funded under the 2002 annual budget, assisted CARDS countries in developing their quality infrastructure towards the structures of the EU in accordance with requirements of the WTO TBT agreement and the EU's Stabilisation and Association process. It provided some meaningful training at regional level in all the areas of MSTQ. A continuation of this initiative, under 2006 CARDS funding, is expected to begin in the second quarter of 2007.
- Direct technical assistance is also provided through an ongoing framework contract (app. € 177,000, "Development of quality infrastructure in Montenegro") aimed at fostering the development of administrative capacity for standardization, materials testing and metrology in Montenegro.

The action foreseen in this proposed project will take stock of all these previous technical assistance and build upon their outcomes in terms of legislation, WTO technical requirements, standards database and initial training for key staff of the MSTQ bodies, but for the first time in specialised strands according to a MSTQ sector oriented perspective and in a wider scope in relation to institutional development.

Finally, under the IPA 2007 Multi-beneficiary Programme, two actions are envisaged with implications for the domain of MSTQ, namely: *Industrial and intellectual property rights* and the *Trade Development in the Western Balkans*. The project will take into account that policy on intellectual property rights is a factor for the development of standards and the application of conformity assessment. Equally, the Regional trade-related project will work under the auspices of CEFTA and therefore the respect of the protocol on technical barriers to trade will have to be backed up by a national quality infrastructure capable to respond to international demands.

### **3.7 Lessons learned**

Although some progress has been made through previous projects, a number of challenges remain:

- *Legal Reform*: Initial timelines for the adoption of legal instruments are not always honoured, leading to delays in implementation and causing difficulties in project implementation. Agreed legal instruments are commonly subject to significant change prior to adoption. The project will pay particular attention to the assessment of this risk and undertake the necessary palliative measures in terms of adequate legislative committees and diverse stakeholders' inclusion in the form of working groups.
- *Enforcement*: In previous years, a large focus has been on establishing the legal frameworks in the country. The capacity to enforce the law, however, has received insufficient attention. This project addresses this aspect, focusing training on enforcement bodies.
- *Staff and fund availability*: Often project implementation is hampered by either insufficient staff and resources allocated to (newly established) institutions or insufficient operational funds available in the government budget to allow for appropriate implementation of the mandate of the concerned institution. The awareness raising campaign, among key policy makers and the wide public, will aim to address this shortcoming.
- *Coordination within the government*: There is a need for stronger and clearer leadership in the coordination efforts among the ministries and departments and a stronger focus on operational coordination and harmonisation of policies. The project envisages a key role for the Revision and Regulatory/Normative Bodies in implementation and therefore is likely to reinforce the government leadership with respect to the procurement entities.

#### 4. Indicative Budget (amounts in €)

Activities	TOTAL COST	SOURCES OF FUNDING										
		EU CONTRIBUTION				NATIONAL PUBLIC CONTRIBUTION					PRIVATE	
		Total	% *	IB	INV	Total	% *	Central	Regional	IFIs	Total	% *
Activity												
contract 1	1,000,000	1,000,000	50	100		0	0					
contract 2	500,000	500,000	25		100	0	0					
contract 3	500,000	500,000	25		100	0	0					
contract 4	165,000					165,000	100					
contract 5	165,000					165,000	100					
<b>TOTAL</b>	<b>2,330,000</b>	<b>2,000,000</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>330,000</b>	<b>100</b>					

\* expressed in % of the Total Cost

#### 5. Indicative Implementation Schedule (periods broken down per quarter)

Contracts	Start of Tendering	Signature of contract	Project Completion
Contract 1	Q2/2008	Q4/2008	Q2/2010
Contract 2 (supply)	Q1/2009	Q2/2009	Q3/2009
Contract 3 (work)	Q2/2008	Q3/2008	Q3/2009

Contracts 4 & 5, as per section 4 above, are not under the competence of the Contracting Authority and represent the parallel national public contribution to the procurement of supplies and works. The latter contribution is expected to cover all the necessary preliminary investment expenditure for the launching of works (e.g., permits, design, feasibility...).

## **6. Cross cutting issues**

The mainstreaming of the cross cutting issues is addressed on two levels:

- 1) How the internal policies, structure or operating procedures of the beneficiary will conform with or promote the cross cutting issues set out below.
- 2) How the project's outputs (e.g. laws, regulations, policies, action plans, etc.) will address the cross cutting issues set out below.

### **6.1 Equal Opportunity**

In general, gender needs will be considered as an analytical instrument, from programme design onwards.

Quality infrastructure has overall implications in creating a level playing field for equal opportunity (gender, disability and old age).

At project level, it is of great importance that quality infrastructure officers are aware of equal opportunity issues, and that they also possess the required knowledge to do it correctly when designing standards. Equal opportunities will therefore be a part of the training to be delivered. Likewise, the economic actors are in need of information and training on how and why equal opportunity issues will be implemented in quality infrastructure. Through the performance of training needs assessments, we will be able to ascertain the characteristics of gender equality amongst quality infrastructure officers.

### **6.2 Environment**

Equally, an action like this has overall implications in creating a level playing field for environmental considerations.

The training activities will include a specific component to address environmental issues through a) mainstreaming environmental issues within the beneficiary's mandate, b) assist the beneficiary to implement an 'internal environment assessment' to identify areas where it could improve its internal performance vis-à-vis environmental aspects.

### **6.3 Minorities**

In a multiethnic society, Montenegrin industrial standards cannot ignore the culture, history, language and religion of their national minorities and of the majority. The ability for minorities to access markets is essential for their future economic, social and political well-being. Access to standards in their own language is a further indicator of the level of minority rights protection in the country.

The beneficiary will be assisted to implement an ‘internal minority and vulnerable group assessment’ to identify areas where it could improve its internal performance vis-à-vis minorities or other vulnerable groups.

## **ANNEXES**

- 1 - Log frame in Standard Format
- 2 - Amounts contracted and Disbursed per Quarter over the full duration of Programme
- 3 - Reference to laws, regulations and strategic documents:
  - Reference list of relevant laws and regulations
  - Reference to AP /NPAA / EP / SAA
  - Reference to MIPD
  - Reference to national / sectoral investment plans
- 4 - Details per EU funded contract

# ANNEXES

## ANNEX 1: Log frame in Standard Format

LOGFRAME PLANNING MATRIX FOR Project Fiche		Programme name and number: DEVELOPMENT OF QUALITY INFRASTRUCTURE IN THE REPUBLIC OF MONTENEGRO	
		Contracting period: 2 years from the date of conclusion of the Financing Agreement	Disbursement period: At least 5 years from the date of the conclusion of the Financing Agreement
		Total budget : € 2.33 million	IPA budget: Approx. € 2 million
<b>Overall objective</b>	<b>Objectively verifiable indicators</b>	<b>Sources of Verification</b>	
To facilitate trade and the free movement of Montenegrin goods	Export rate to EU and other markets increased	National Statistics in the relevant fields	
<b>Project purpose</b>	<b>Objectively verifiable indicators</b>	<b>Sources of Verification</b>	<b>Assumptions</b>
To accelerate legal, regulatory and institutional reforms in the area of quality infrastructure in Montenegro in compliance with the <i>acquis</i> <i>communautaire</i> and WTO membership requirements	New legislation is adopted in the field of Standardization, accreditation, metrology, conformity assessment  New MSTQ institutions are established and operational  The process of the transposition of the EC New Approach Directives started	National Gazette  SAP progress reports Project reports  Tables of Concordance	Strong governmental financial and political support  EU New approach Directives are translated and approximated by competent authorities  Economic conditions are improved
<b>Results</b>	<b>Objectively verifiable indicators</b>	<b>Sources of Verification</b>	<b>Assumptions</b>
<b>1.Overall MSTQ Policy</b> ▪ A general framework policy for the transposition of the <i>acquis</i> in the field of standards, technical regulations, and quality is enhanced  ▪ The awareness of the MSTQ importance is raised  ▪ State and EU support for the setting up of the MTSQ relevant institutions including a building construction is realized  <b>2. STANDARDIZATION</b>  ▪ A national Standardization Institute with all the required functions is operational	National Governmental Policy Strategy in the MSTQ fields exists including the coordination process between concerned institutions and Ministries  All specific sector laws, decrees and decisions in the MSTQ fields are prepared and harmonized  Public awareness raising campaign conducted  Appropriate Building exists for main MSTQ institutions  Montenegrin standards exists Number of EU and ISO standards being adopted and implemented increases	Ministry of Economy data  SAP and experts Report  Data from government  Project reports, press clipping and publications  Work supervision reports    Data base of the Institute for Standardization	Ministry of Economy/Stakeholder commitment  Good coordination with other donors and initiatives in this domain  Industry commitment  Co financing of the building is voted and available within the requested delays

Results	Objectively verifiable indicators	Sources of Verification	Assumptions
<ul style="list-style-type: none"> <li>Main equipment, data bases and appropriate IT system are available and allow to perform the obligations ensuing from European directives</li> </ul>	<ul style="list-style-type: none"> <li>Number of standards sold increases</li> <li>Future CEN/ CENELEC/ISO membership affiliate status</li> <li>Appropriate equipment and IT system delivered and installed</li> <li>Implication of Montenegro's experts in European and International Standardization works increases</li> <li>Information centre is set up and operational</li> </ul>	<ul style="list-style-type: none"> <li>Standards' data bases</li> <li>Application to the CEN/CENELEC/ISO</li> <li>Data on the sales of standards</li> <li>ISO/IEC and CEN/CENELEC list of technical committees members</li> <li>Information centre annual reports</li> </ul>	<ul style="list-style-type: none"> <li>Staff and other resources available</li> <li>Appropriate technical assistance provided</li> <li>Available funds and trained staff</li> <li>Appropriate building space is available</li> </ul>
<b>3. ACCREDITATION AND CONFORMITY ASSESSEMENT</b>			
<ul style="list-style-type: none"> <li>A national Accreditation Body (CAT), able to create the conditions for future international recognition of tests and calibration results, as well as of the conformity assessment certificates</li> <li>Few selected conformity assessment bodies (CABs) have reached the level to be accredited and to be able to become the Notified bodies necessary for the implementation of the NA Directives</li> </ul>	<ul style="list-style-type: none"> <li>Operational National Accreditation body exist</li> <li>Number of accredited CABs increased</li> <li>Tests reports and certificates are recognised internationally</li> <li>Products compliance with essential requirements of the New Approach Directives improves</li> <li>Increased export rate with the EU</li> <li>CE marking</li> </ul>	<ul style="list-style-type: none"> <li>Accreditations issued (EA future membership )</li> <li>NTB removed</li> <li>Reports on trade</li> </ul>	<ul style="list-style-type: none"> <li>Selected CABs commitment to program</li> <li>Calibration labs commitment to program</li> <li>Participation in EUROMET and other projects related to metrology</li> </ul>
<b>4.METROLOGY</b>			
<ul style="list-style-type: none"> <li>National Measurement Metrology System able to fulfil the conditions for future international recognition of calibration certificates and measurement capabilities</li> <li>The laboratories of the National Bureau of Metrology have reached the level to participate in inter-laboratories comparisons</li> <li>Main equipment needed in the priorities Measurement STANDARDS at the Bureau of Metrology is available</li> </ul>	<ul style="list-style-type: none"> <li>Effective and internationally recognized National Metrology Institution exist</li> <li>Traceability of measurements for relevant chosen Standards is ensured</li> <li>Effective participation in inter-laboratory comparisons</li> <li>Appropriate equipments exists and chosen laboratories equipped</li> </ul>	<ul style="list-style-type: none"> <li>Membership (Future) in regional and international metrology organisations</li> <li>Recognition of calibration certificates in the frame of the MRA</li> <li>Tender evaluation dossiers</li> <li>Certificates of acceptance</li> </ul>	<ul style="list-style-type: none"> <li>Appropriate Building and Equipments are available</li> <li>Staff trained</li> </ul>
Activities	Means	Costs	Assumptions
<b>1.Overall MSTQ Policy</b>			
<ul style="list-style-type: none"> <li>1.1 Revision/Preparation of MSTQ laws, decrees, technical regulation and related documents in accordance with EU essential requirements</li> <li>1.2 Improvement of the inter-ministerial coordination in the MSTQ sector and related fields (i.e. market surveillance )</li> <li>1.3 Training of civil servants on the related MSTQ subjects (including the relevant standards)</li> <li>1.4 Implementation of Quality Pilot program in selected companies (i.e. tourism and transport)</li> </ul>	<ul style="list-style-type: none"> <li>Expert fees</li> <li>Incidental expenditure: travel, study tours, training costs...</li> <li>Investment grant</li> </ul>		<ul style="list-style-type: none"> <li>Realized IPA TA</li> <li>Creation of the appropriate working group,</li> <li>Strong involvement of the beneficiaries</li> <li>Industries operators involvement</li> <li>Local advertising and promotion means</li> </ul>

Activities	Means	Costs	Assumptions
1.5 Organization of public awareness campaign 1.6 Provision of IT equipment and translation of EU relevant texts for the quality department needs 1.7 Provision of support to set up the “Quality Infrastructure “ building <b>2. STANDARDIZATION</b> 2.1 Draft a national medium and long term strategy for the development of the standardization system including a master plan for its implementation 2.2 Review of existing organizational structure (in particular an appropriate set of Technical Committees and their scopes) , procedures, job descriptions of the National Standards Body and make recommendations 2.3 Conduct training needs analysis for management and staff in work practices/ principles accepted by International Standards bodies and define training plan 2.4 Provide training to the staff of the Institution for Standardization and to the members of the Technical Committees ( with special emphasis on international standardization and European New and Global Approach) 2.5 Provide ITC equipment including the data bases for information centre with appropriate training 2.6 Assist in preparing applications for international membership in ISO/IEC and European (affiliate) membership in CEN/CENELEC <b>3. ACCREDITATION AND CONFORMITY ASSESSEMENT</b> 3.1 Draft a national medium and long term strategy for the development of the conformity assessment system including a master plan for its implementation 3.2 Review of existing organizational structure, procedures, job descriptions of the National Accreditation Body and make recommendations 3.3 Conduct training needs analyses and define Training mid and long term plan 3.4 Provision of urgent training to the staff and to the accreditation assessors ( special emphasis on 17 000 , 17 011 and 17025 ) 3.5 Provision of some ITC equipment and data 3.6 Assistance in preparing the program for integration of the Institute of Accreditation within EU and International appropriate structures. 3.7 Strengthen 2 selected pilot conformity assessment bodies (CABs) with the aim to implement the relevant standards and be able to apply for the EU accreditation 3.8 Needs Assessment for further CAB services			Building construction launched in due time Standardisation Institution exist with appropriate data bases, Framework contract 2006 achieved (first support from standardization expert) Staff recruited Premises exists and are able to receive the equipment Institution already structured and staff trained Accreditation body exist and staff is recruited Staff and experts external network are in place Strong commitment of the personal internal and external to be trained Existing premises Institute already organized an staff trained Commitment of LAB possessing appropriate equipments Industries needs confirmed Framework 2007 contract realized Further IPA 2008 fund available Framework contract 2007 achieved, first support from metrology expert realized Institution of Metrology already well functioning and staff trained





## ANNEX 2: Amounts contracted and Disbursed per Quarter over the full duration of Programme

<b>Contracted</b>	01/03/2008	01/06/2008						
Contract 1.1		1,000,000						
Contract 1.2		500,000						
Contract 1.3	500,000							
<b>Cumulated</b>	<b>500,000</b>	<b>2,000,000</b>						
<b>Disbursed</b>	01/03/2008	01/06/2008	01/09/2008	30/11/2008	31/12/2008	31/05/2009	30/11/2009	
Contract 1.1		600,000		150,000		150,000	100,000	
Contract 1.2		300,000	200,000					
Contract 1.3	300,000		100,000		100,000			
<b>Cumulated</b>	<b>300,000</b>	<b>1,200,000</b>	<b>1,500,000</b>	<b>1,650,000</b>	<b>1,750,000</b>	<b>1,900,000</b>	<b>2,000,000</b>	

### **ANNEX 3: Reference to laws, regulations and strategic documents:**

#### **Reference list of relevant laws and regulations regulating quality infrastructure in the Republic of Montenegro**

- Law on Technical Rules for Products and Assessment of Conformity of Products with the Rules (OG of SRB&MNE, No. 44/2005)
- Law on Standardization (OG of SRB&MNE, No. 44/2005)
- Law on Accreditation (OG of SRB&MNE, No. 44/2005)
- Law on Metrology (OG of SRB&MNE, No. 44/2005)
- Law on the Units of Measure and Parameters (OG of FRY, No. 28/99)
- Regulation on Designating the Authorities to Take Over the Competences Conferred by the Law on the Technical Rules for Products and Assessment of Conformity of Products with the Rules (OG of MNE, No. 56/06)
- Regulation on the Method of and the Procedures for the Assessment of Conformity (OG of SRB&MNE, No. 22/2006)
- Regulation on the Amendments and Supplements to the Regulation on the Organization and the Method of Operation of the State Administration (OG of MNE, No. 60/06)
- Regulation on the Procedure for Delegating the Authorities to the Bodies for the Assessment of Conformity, on the Registry of the Authorized Bodies for the Assessment of Conformity and Records of the Documents on the Assessment of Conformity, Conformity Indications and Bodies for the Assessment of Conformity, as well as on the Requirements for the Application of Technical Standards (OG of SRB&MNE, No. 22/2006)
- Regulation on the method of Drafting and Approving Technical Requirements and on the Registry of Such Requirements (OG of SRB&MNE, No. 17/2006)
- Regulation on the Units of Measure Prescribed under the Law (OG of S&M, No. 10/2006)
- Decree on the Composition of the Board for the Quality Programme of the Government of the Republic of Montenegro (OG of RMNE, No. 46/03)
- Decree of the Government of the Republic of Montenegro on Establishing the Institute For Standardization and Accreditation (expected in April 2007)
- Action Plan for Standardization Infrastructure Development in Montenegro (expected in April 2007)
- 2007 Programme for the Improvement of Quality Infrastructure in Montenegro (Government of the Republic of Montenegro, Ministry of Economic Development – Quality Program Board, March 2007)
- Strategy for the Improvement of Quality Infrastructure in Montenegro (Government of the Republic of Montenegro, Ministry of Economic Development – Quality Program Board, April 2007)

#### **Reference to AP /NPAA / EP / SAA**

##### **EP European Standards**

*Internal market*

*Free movement of goods*

*Complete the establishment of the legal and institutional set-up on standardisation, market surveillance, certification, metrology, accreditation and conformity assessment*

*in line with the European Community acquis communautaire to create conditions favourable to trade. Start adopting European standards*

### **Stabilisation and Association Agreement (March 2007):**

#### **Article 77**

#### ***Standardisation, metrology, accreditation and conformity assessment***

1. *Montenegro shall take the necessary measures in order to gradually achieve conformity with Community technical regulations and European standardisation, metrology, accreditation and conformity assessment procedures.*
2. *To this end, the Parties shall seek to:*
  - *promote the use of Community technical regulations, European standards and conformity assessment procedures*
  - *provide assistance to fostering the development of quality infrastructure: standardisation, metrology, accreditation and conformity assessment;*
  - *promote the participation of Montenegro in the work of organisations related to standards, conformity assessment, metrology and similar functions (e.g. CEN, CENELEC, ETSI, EA, WELMEC, EUROMET etc).*
  - *Where appropriate, conclude an Agreement on Conformity Assessment and Acceptance of Industrial Products once the legislative framework and the procedures of Montenegro is sufficiently aligned on that of the Community and appropriate expertise is available.*

### **In the 2006 Commission's Progress Report, one can read:**

#### ***4.1.1. Free movement of goods***

*Although Montenegro is making progress in its preparations for alignment, no concrete timetable for the alignment of Montenegrin legislation to the Community New or Old Approach Directives exists. Preparations for alignment with the acquis in this area are moderately advanced. Besides strengthening the other quality infrastructure institutions there is a need to establish an appropriate market surveillance structure based on adequate product legislation required under the New Approach directives and phase out contradictory pre-market controls. Preparations for alignment with the acquis in this area are overall at an early stage.*

### **Reference to MIPD**

MIPD section 2.2.3.1 Main priorities and objectives:

*Upgrading internal market legislation including on free movement of goods; quality infrastructure (standardisation, metrology, accreditation and conformity assessment);*

*public procurement rules; financial control and audit; competition and consumer protection; customs and taxation; intellectual property rights; tele/electronic communications.*

MIPD section 2.2.3.2 Expected results and timeframe:

*Existence of efficient institutions, notably in the areas of financial management, audit, public procurement, protection of intellectual property rights, quality infrastructure (standardisation, metrology and accreditation); competition and consumer protection*

#### **ANNEX 4: Details per EU funded contract:**

For *TA contracts*: account of tasks expected from the contractor

*See the above section 3.4 “Activities”*

For *investment contracts*: reference list of technical specifications and cost price schedule

#### ***Technical Specification and Tentative Budget for Quality Infrastructure equipment (indicative)***

Technical analytical specifications for *metrological equipment* are presented in order to strength the capacity of the Bureau of Metrology to offer calibration services and to play a significant role in supporting Montenegro measuring system.

The laboratories that are proposed to be developed and technically reinforced in the long run are:

- Mass laboratory
- Volume laboratory
- Pressure laboratory
- Laboratory for dimensional parameters
- Temperature laboratory
- Force laboratory
- Time and frequency laboratory
- Reference materials laboratory

A detailed estimation has been carried out, based on the experience of former tender prices for identical items and on manufacturers’ estimations, as well as on inside hints from national metrology laboratories. The estimated values therefore should be considered with a variability range of  $\pm 10\%$ .

The priorities were proposed to covering the following requirements:

- Support and covering the traceability needs of the existing testing and verification bodies in Montenegro
- The limited budget (€ 400,000) for the first phase
- The requirements of the building facilities for standards accommodation
- The capability of the existing lab personnel to work with the instruments
- The requirements of the Beneficiary (Bureau of Metrology)

Priority has been given for the development and reinforcement of the following four laboratories:

- Mass laboratory
- Volume laboratory
- Temperature laboratory
- Laboratory for dimensional parameters

The above laboratories represent most of the aspects required in legal as well as in industrial metrology. With the instruments proposed for these laboratories, the Bureau of Metrology can cover many of the technical requirements of standardization as well as it will be able to undertake testing of pre-packages. It will be also capable to cover a lot of traceability needs of the existing network of testing and verification laboratories (in fact all the relevant laboratories in the country will be supported in several aspects by the Bureau of Metrology). The instruments proposed for procurement in this fiche do not need very strict accommodation and environmental conditions (with the exception of the gage block measuring system). Special training for personnel of the Bureau of Metrology is not required to operate the proposed instruments (with some minor exceptions).

The development of the following laboratories is proposed for a later phase in the IPA programme:

- Force laboratory
- Pressure laboratory
- Reference materials laboratory

In addition to the above mentioned laboratory equipment, €100,000 will be procured by IPA funds for ICT equipment earmarked for different institutions in the quality infrastructure field.

***For works contracts:***

By letter of the Minister of Economic Development of 14/05/2007, the EAR has confirmation that the Geological Institute of Montenegro is to provide the construction site and full project design for suitable facilities covering an area of 1,935 m<sup>2</sup> in order to accommodate the Public Bodies in charge of standardization, metrology and accreditation.

## **ORGANISATION CHARTS**

*Accreditation Body (planned)*

## **Explanation of the organizational chart**

MANAGING BOARD (composition: 5 members, of whom 3 representatives from ministries and 2 representatives from the accredited organizations) – takes care of the strategy and policy to be pursued by the Accreditation Authority.

The manager of the Accreditation Authority shall be responsible for the organization and functions of the Accreditation Authority. Simultaneously, the manager shall be the administrator of the Office for Development and International Cooperation. As a member of the Commission for Granting Accreditations, the manager must meet certain professional competence in accreditation practice.

The Commission for Granting Accreditations shall decide on accreditations, upon pursuing the related procedure. The Commission shall be composed of 3 members, i.e. of the Chairmen of the Committee for Laboratories, the Chairmen of the Committee for Control Organizations and the Manager of the Accreditation Authority. This Commission shall meet the required competences in order to be capable to make valid decisions.

The Commission for Supervision shall supervise legislative and financial aspects of the Accreditation Authority work. The Commission shall be composed of 3 members and shall meet once a year at minimum.

The Commission for Complaints shall examine and it shall decide, as the second instance authority, upon each and every complaint presented by the beneficiaries. The Commission for Granting Accreditations shall be the first instance authority therefore.

The Committee for Laboratories shall take care of the development of and the criteria for accrediting the laboratories for testing and calibration. This Committee shall be a permanent body composed of 3 competent members.

The Committee for Control Organizations (may have the role of the Certification Committee for a certain period of time) shall deal with the development of and the criteria for accrediting the control organizations. The Committee shall be a permanent body composed of 3 competent members.

The Office for Accreditation shall take care of the accreditation procedure. The Administrator of the Office shall simultaneously be the administrator of the Department for Laboratories. The Department for Control Organizations shall have its head. Such head shall simultaneously be the administrator of the Department for Certification.

Technical secretary shall take care of administrative tasks.

The Quality Administrator shall be in charge of quality management system within the Accreditation Authority. The Quality Administrator may be engaged upon a temporary service contract.

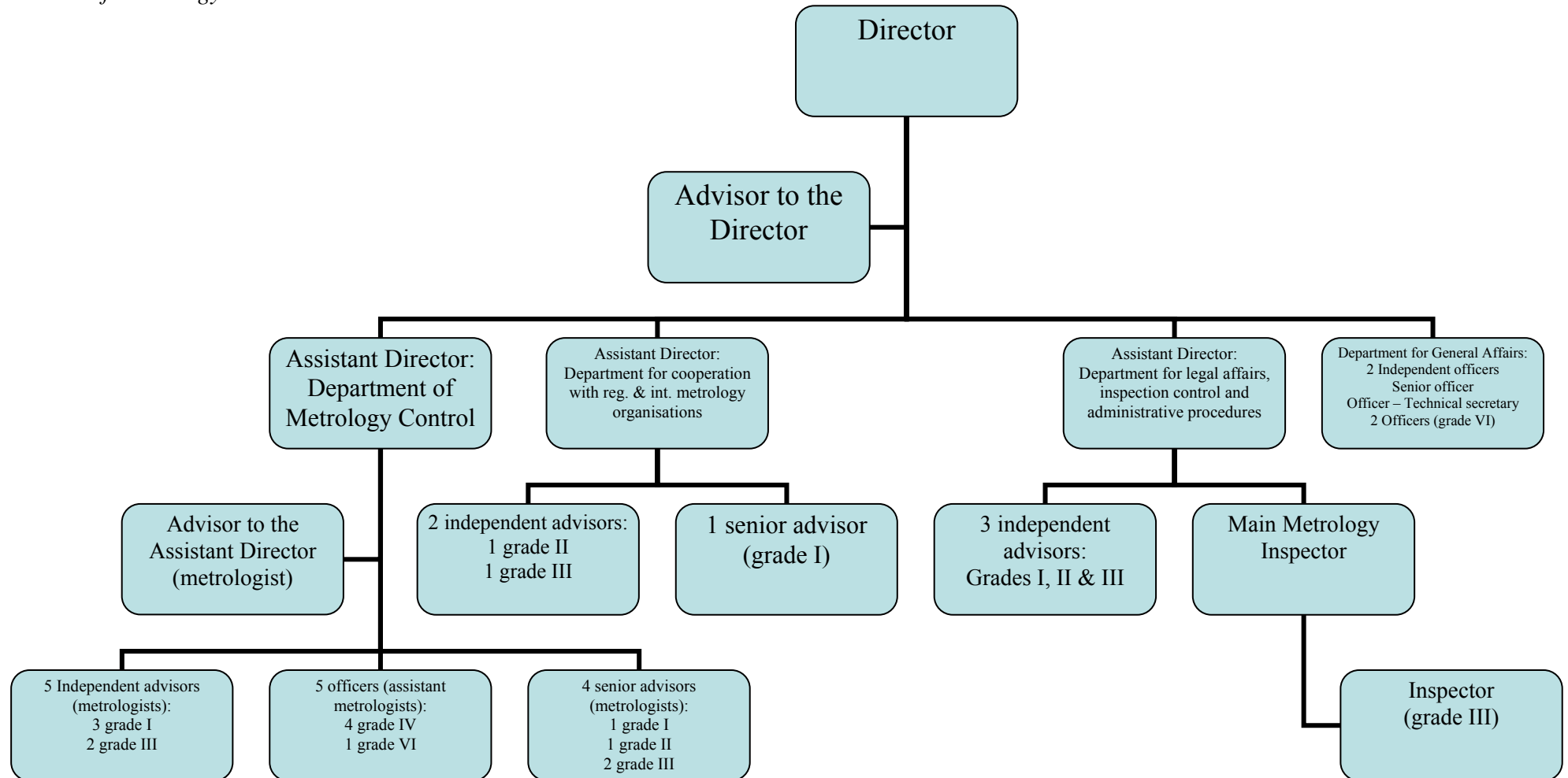
Legal and financial matters shall be dealt with by outsourced companies.





## ORGANISATION CHART

*Bureau of Metrology*



## ANNEX 6: ORGANISATION CHART

*Institute of Standards:*

