



COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 31.01.2003  
COM(2003) 42 final

**REPORT FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT AND  
THE COUNCIL**

**on the implementation and evaluation of Community activities 1999-2001 in favour of  
consumers under the General Framework as established by Decision 283/1999/EC**

## TABLE OF CONTENTS

1. Introduction .....	4
2. The Overall Financial Framework .....	4
3. Commission Actions under Decision 283/1999/EC.....	5
3.1 Consumer health and safety.....	5
3.1.1. Actions undertaken for the preparation and drawing up of opinions of the scientific committees .....	5
3.1.2. Expertise and inspections relating to controls in food, veterinary and phytosanitary sectors .....	6
3.1.3. Technical expertise to assess risks relating to non-food products .....	7
3.1.4. Use of the expertise of the Joint Research Centre.....	7
3.1.5. Dissemination of information about dangerous products and services and about potential risks .....	8
3.2. Protecting the economic and legal interests of consumers as regards products and services .....	8
3.2.1. Actions to improve co-operation between the bodies participating in market surveillance .....	8
3.2.2. Actions to ensure the respect of consumer rights in the supply of products and services .....	8
3.2.2.1. Mechanisms for improving the settlement of consumer disputes, in particular through pilot projects and setting up databases .....	10
3.2.3. Actions to ensure a level playing field in consumer transactions .....	10
3.2.3.1. The introduction of the Euro.....	11
3.2.4. Actions to monitor environmental claims.....	12
3.2.5. Development of, and support for, actions facilitating access to justice and to improve common extra-judicial procedures .....	12
3.2.6. Actions to assess the specific risks and potential benefits for consumers in the information society.....	12
3.2.7. Actions to promote data protection and the protection of privacy.....	12
3.2.8. Horizontal actions for the protection of economic and legal interests of consumers.	12
3.3. Educating and informing consumers .....	13
3.3.1. Actions to improve information to consumers.....	13
3.3.1.1. Actions to raise awareness about safety aspects of products.....	14
3.3.2. Raising awareness of consumers for the need for sustainable consumption and production .....	15

3.3.3.	Actions to improve information to consumers about specific products and services, in particular through comparative testing .....	15
3.3.4.	Actions to develop consumer education, particularly in schools.....	15
3.3.5.	Actions to develop and support European Consumer Centres.....	15
3.4.	Promotion and representation of the interests of consumers .....	16
3.4.1.	Strengthening the representation of the interests of consumers.....	16
3.4.2.	Actions to support consumer organisations in the Member States .....	16
3.4.3.	Actions to promote and co-ordinate consumer participation at the European level in standardisation.....	17
3.4.4.	Pilot projects promoting sustainable consumption models.....	17
3.5.	Other Commission Actions.....	17
4.	Financial support to European consumer organisations.....	17
5.	Co-financing of specific projects .....	19
6.	Concluding remarks .....	20
ANNEX	.....	22

## 1. INTRODUCTION

Decision 283/1999/EC of 25 January 1999 setting up a “general framework of activities to promote consumer interests and to ensure a high level of consumer protection 1999-2003”<sup>1</sup> constitutes the legal framework for several areas of expenditure on health and consumer protection. Prior to this there was no legal framework other than the Treaty and the annual Community budget defining actions eligible for Community financing.

Decision 283/1999/EC sets out the objectives, implementing arrangements and areas of activities for Community actions in favour of consumers. In its “Report on the Action Plan for Consumer Policy 1999-2001 and on the General Framework for Community activities in favour of consumers 1999-2003” of 23 August 2001<sup>2</sup>, the Commission presented an overview of the state of implementation of activities under Decision 283/1999/EC as linked to the policy objectives laid down in the Consumer Action Plan 1999-2001<sup>3</sup>.

Article 13 of the Decision stipulates that the Commission shall submit to the European Parliament and to the Council an annual implementation report, as well as an evaluation report on the first three years of implementation of activities under the general framework. This report aims to fulfil that obligation. It does therefore not cover all activities included in the Consumer Action Plan 1999-2001, but only those financed under the terms of Article 2 of the Decision.

The Commission actions financed are presented in Chapter 3 by specific area, as set out in Article 4, and within each area by activity, as listed in the Annex of Decision 283/1999/EC. The four specific areas are:

1. Consumer health and safety (Chapter 3.1)
2. Protecting the economic and legal interests of consumers (Chapter 3.2)
3. Educating and informing consumers (Chapter 3.3)
4. Promotion and representation of the interests of consumers (Chapter 3.4.)

Chapter 4 deals with the core funding of European consumer organisations and Chapter 5 with the co-financing of specific projects. Concluding remarks are in Chapter 6. The Annex sets out the state of play concerning the evaluation of these actions in detail.

## 2. THE OVERALL FINANCIAL FRAMEWORK

The decision sets a total budget for the five-year period of € 112.5 million (excluding EFTA contribution) and introduces three instruments for financing activities in favour of consumers:

- a) Commission actions (Article 2a of the Decision);

---

<sup>1</sup> Official Journal No L34/1 of 09.02.99

<sup>2</sup> COM (2001) 486 final

<sup>3</sup> COM (1998) 0696 final

b) Core funding of organisations representative of European consumers with consumer and health protection as their primary objective (Article 2b);

c) Co-financing of specific projects of consumer organisations and other independent bodies promoting consumer interests in the Member States (Article 2c).

The total commitment appropriations (without the contribution of the EFTA states) amounted to € 22.35 million for the year 1999, € 22.5 million for the year 2000 and € 22.5 million for the year 2001. In 1999, 100% of the commitment appropriations were utilised, in 2000 95% and in 2001 92%. Table 1 shows the total commitments for expenditure in 1999-2001.

Table 1. Total amounts of commitments made in 1999, 2000 and 2001 under Article 2 of Decision 283/1999/EC in €

	1999	2000	2001
Commission actions (Art. 2a)	15.022.341	15.687.971	17.306.154
European organisations (Art. 2b) <sup>4</sup>	2.778.203	1.670.185	1.545.266
Specific Projects (Art. 2c)	4.538.657	4.301.963	2.372.796
TOTAL	22.349.201	21.660.119	21.224.216

The **Advisory Committee** established in accordance with Article 9 of Decision 283/1999/EC has delivered opinions on the Commission's draft measures relating to the definition of the annual calls for projects under Articles 2 b) and c) and to the selection of beneficiaries on the basis of these calls. The Commission has also provided the Advisory Committee with information on Commission actions.

During the period under examination, a significant restructuring of health and consumer protection policy within the Commission has taken place, and the policy context has shifted accordingly. This makes it difficult to make meaningful comparisons over the years.

### **3. COMMISSION ACTIONS UNDER DECISION 283/1999/EC**

#### **3.1 Consumer health and safety**

##### **3.1.1. Actions undertaken for the preparation and drawing up of opinions of the scientific committees**

In line with the principle of science-based policy making, the entire system of scientific advice was reformed in June-October 1997 to reflect the principles of excellence, independence and transparency. Expenditure in the field of scientific advice mainly concerns the indemnities of the Scientific Committees and preparatory scientific studies.

The indemnities are paid to the members of the Scientific Steering Committee and the 8 Scientific Committees established by Commission Decision 97/404/EC<sup>5</sup> and Commission

---

<sup>4</sup> NB amounts committed in 1999 include core funding for 1999 and 2000

<sup>5</sup> Official Journal N° L 169 of 27.06.97

Decision 97/579/EC<sup>6</sup>, and to external experts advising the members on an ad hoc basis. From January 1999 through 2001<sup>7</sup>, a total number of 1144 meetings (working groups and plenary meetings of the Scientific Committees) took place. These meetings led to the adoption of around 200 scientific reports and around 400 scientific opinions by the Commission's Scientific Committees.

The payment of these indemnities enables the Commission to draw upon highly qualified independent scientists to contribute to the work of the Scientific Committees. While not intended as remuneration for the work done, the aim is to compensate scientists for the time spent in attending meetings and drafting of reports and scientific opinions. This expenditure thus contributes to the efficient work of the Scientific Committees and ensures that the Commission risk management proposals in the area of food safety and consumer protection are based on independent opinions or reports. The total amount committed for indemnity payments in 1999-2001 for all nine Scientific Committees was € 4.450.000.

The preparatory scientific studies are necessary to fill gaps in existing knowledge so that the Scientific Committees can fulfil their mission or respond to crises. The studies undertaken are short-term and highly-focused on well-defined problems that have arisen in the work of Scientific Committees. This ensures the necessary independence to investigate problems that are not examined elsewhere.

Such studies notably concerned: the health effects of hormones and hormone-like substances used in animal husbandry; hair dye ingredients and their potential risk for consumers; the quantitative assessment of the residual BSE risk in certain cattle-derived products; the use of copper in animal feed; and the harmonisation of risk assessment. The Scientific Committees were also informed about relevant research efforts funded by Community programmes such as the Fifth Framework Programme for Research and Technological Development.

In 1999 the European Commission asked three eminent members of the Scientific Steering Committee to analyze the organization of scientific advice in the light of the experience with the new system of expert recruitment and working procedures since 1997. Their report<sup>8</sup> recognized that the Commission has made major advances in the organization of scientific advice. The analysis and recommendations of the three eminent scientists have contributed to the proposals set out by the Commission in its White Paper on Food Safety of January 2000<sup>9</sup>, and to the establishment of a European Food Safety Authority.

The total commitments for this report and for preparatory scientific studies and analysis in 1999-2001 add up to about € 470.000.

Additional expenditure related to the work of the scientific committees concerns the web publication of the draft agendas of scientific committees, the minutes of their meetings and the scientific opinions adopted. In addition, scientific opinions have been published on CD-ROM and some selected scientific reports and conferences have been published in print. These publications are essential in meeting the transparency requirements on scientific advice and informing the scientific community at large. In addition, in certain cases preliminary

---

<sup>6</sup> Official Journal N° L 237 of 28.8.97

<sup>7</sup> Numbers given are for the period up to 20.2.02

<sup>8</sup> [The future of scientific advice in the EU](#) - A European Food and Public Health Authority - December, 1999 - see also Annex, 2.3.

<sup>9</sup> COM(1999) 719 final, 12 January 2000.

opinions are published on the web to seek comments from scientists around the world and to ensure that all available information has been taken into consideration.

### **3.1.2. Expertise and inspections relating to controls in food, veterinary and phytosanitary sectors**

The Commission's Food and Veterinary Office (FVO) carries out on-the-spot inspections to evaluate the food safety control systems operated by national authorities in Member States and third countries. National experts from the Member States accompany FVO inspectors<sup>10</sup> during many of their on-the-spot checks. On average, 112 different experts nominated by the Member States participated in 123 FVO inspection missions each year in 1999, 2000 and 2001.

The expenditure in this area concerns the indemnities of these national experts in FVO inspection teams. It allows the Commission to:

- call on technical expertise which it may not have among its staff of inspectors;
- improve the transparency of the FVO's activities;
- increase its inspection activity and
- facilitate an exchange of ideas and knowledge, which leads to a greater understanding of Community legislation and harmonisation of approach across the Member States.

National experts also participated in preparatory sessions prior to undertaking inspections. The total expenditure for these actions in 1999-2001 adds up to € 1.065.000.

Additional expenditure relevant to this area of actions concerns the development and maintenance of a computer system for the planning and management of inspections and the web publication of inspection reports. Inspection reports are published to fulfil transparency requirements. The comments of the authorities of the country where the inspection has taken place are published simultaneously.

### **3.1.3. Technical expertise to assess risks relating to non-food products**

Use of technical expertise to manage risks related to non-food products has centred on the preparation of the revised General Product Safety Directive and the operation of the notification systems for dangerous products. In particular, this expertise has been used to:

- \* Develop common EU guidelines for determining what constitutes a serious risk to consumer health and safety within the context of the Rapid Exchange of Information system;
- \* Assist the Commission with technical aspects of the revision of the General Product Safety Directive.
- \* Assess the risk of specific products that were subject of a risk notification within the rapid alert system (for example stepladders, pushchairs, folding chairs).

---

<sup>10</sup> See, for example, Art 4 of Commission Decision 98/139/EC of 4 February 1998 laying down certain detailed rules concerning on-the-spot checks carried out in the veterinary field by Commission experts in the Member States

The European Parliament and Council adopted the revised General Product Safety Directive in December 2001.

In addition, a Eurobarometer survey was undertaken to gather information on consumer perceptions of the CE marking of products. It highlighted that consumers often do not understand the meaning of the CE mark, and mistakenly perceive it as a quality or performance label. The Commission will address this in the forthcoming Communication on "Enhancing the Implementation of the New Approach".

Commitments for this type of expenditure over the three years added up to about € 350.000. Technical expertise to assess risks related to foodstuffs is dealt with in 3.1.1 and in 3.1.4.

#### **3.1.4. Use of the expertise of the Joint Research Centre**

The expertise of the Joint Research Centre was used to provide background scientific work to evaluate three rapid post mortem BSE tests. The results were validated by the Scientific Steering Committee. On this basis, the Commission has approved three post-mortem BSE tests as laid down in Regulation 999/2001 on the prevention, control and eradication of certain Transmissible Spongiform Encephalopathies<sup>11</sup>. The tests are widely used in all Member States and in third countries. Expenditure amounted to approximately € 1.280.000 in 1999-2001.

#### **3.1.5. Dissemination of information about dangerous products and services and about potential risks**

The Rapid Exchange of Information System covers food and non-food products. It is the main tool for exchanging and sharing information about risks to consumer health and safety between the Commission and the Member States. The number of notifications dealt with by the RAPEX system has steadily increased over the period under consideration, demonstrating that the system is satisfying a growing need.

Following an internal review, and visits to and discussions with RAPEX notification points in the Member States in 1999, significant investments have been made to improve the effectiveness of the system. Separate systems for food and for non-food notifications were developed, anticipating the future extension of the system to animal feed and to import controls on food and feed. Fax-based notification was replaced by an electronic notification system. The new Rapid Alert System for Food and Feed has become operational in 2002. Expenditure in this area amounted to some € 800.000.

Other expenditure in this area includes a meeting of experts to define and prioritise the further development of Europhyt, an electronic system for exchanging information on intercepting contaminated consignments of plants or plant products between the Member States and the Commission. The publication of the third updated edition of the Vademecum on Bovine Spongiform Encephalopathy, and the acts of the International Conference on anti-microbial resistance and its potential risk to human health were also financed.

---

<sup>11</sup> Official Journal L 147/1 of 31.05.2001

### **3.2. Protecting the economic and legal interests of consumers as regards products and services**

#### **3.2.1. Actions to improve co-operation between the bodies participating in market surveillance**

To facilitate closer co-operation between the European members of the International Market Supervision Network (IMSN), the Commission has made investments in the development of a new electronic tool for rapid information exchange about specific deceptive marketing practices and best practices in market surveillance. Experience with the system confirms that effective administrative co-operation requires more formal arrangements, such as a legislative framework, for this type of action. In its follow-up Communication to the Green Paper on Consumer Protection<sup>12</sup> the Commission undertook to present a proposal for such a legal instrument before the end of 2002.

#### **3.2.2. Actions to ensure the respect of consumer rights in the supply of products and services**

Actions in this area concern monitoring, data collection, implementation studies and opinion polls related to regulatory action, in particular:

\* To monitor the application and enforcement of consumer rights under Council Directive 93/13/EEC on Unfair Terms in Consumer Contracts<sup>13</sup> and to make relevant jurisprudence in all Member States easily accessible, the Commission set up a database of unfair contractual terms, CLAB. Expenditure in this area relates to the collection and analysis of data and to IT support to maintain and improve the user-friendliness of the database. It amounts to almost € 1 million.

The CLAB experiment still requires further development and improvement. Use of the database, while increasing, is still at a relatively low level. Indications are that the data input requires further harmonisation. An evaluation of the functioning of CLAB is planned for 2004<sup>14</sup>.

The information gathered via the CLAB database was used in the 2000 Report to the Council and the European Parliament on the implementation of the Directive 93/13/EEC. The CLAB database also provides a possible model for monitoring the implementation of all EU consumer legislation. In the Commission's view the role of national authorities in managing this type of monitoring tool should be further developed, notably within the framework of enforcement co-operation.

Additional expenditure relates to:

\* the print publication of the acts of a conference on unfair contract terms to discuss the application of the directive 93/13/EEC.

---

<sup>12</sup> to be published in the Official Journal

<sup>13</sup> Official Journal L 95, 21.04.1993

<sup>14</sup> see Annex, 5.6.

\* a study on the implementation of the General Product Safety Directive which was used as the basis for a report by the Commission to the European Parliament and the Council<sup>15)</sup> and for the Commission's proposal to recast the Directive on General Product Safety<sup>16)</sup>.

\* a preparatory study on the needs and priorities for action concerning the safety of services; the results will be used for the planned Communication on the need for action concerning the safety of services.

\* a study on health and nutritional product claims in view of a possible revision of the Misleading Advertising Directive<sup>17)</sup>; this revision has been postponed as the issue is now under examination within the context of the Green Paper on the future of consumer protection and its follow-up.

\* a Eurobarometer opinion poll on "Europeans and Services of General Interest"<sup>18)</sup> in 2000; the poll aimed to measure consumer satisfaction with access, price, quality, available information, terms and conditions of contracts and complaints handling for a number of services, including mobile and fixed telephony, electricity, gas and water supply, postal services, urban transport and inter-city rail services. In 2001 a focus group study provided further insight into these issues. Expenditure amounted to almost € 300 000.

The results were used for the Communication on Services of General Interest in Europe<sup>19)</sup> that the Commission adopted in September 2000 and the 2001 annual Commission evaluation report of services of general interests that forms part of the Cardiff Report on the functioning of Community product and capital markets. They also serve as a basis for further input into EU policy and action in this area.

\* a study to analyse the impact of the Common Agricultural Policy (CAP) on consumers and consumer prices; the results of the study served as a basis for policy input for the reform of the CAP and for a publication targeted at consumer organisations.

The Commission also contributed to a conference organised by the Finnish Presidency on services of general interest and consumers.

### **3.2.2.1. Mechanisms for improving the settlement of consumer disputes, in particular through pilot projects and setting up databases**

In 2001 more than € 1 million was invested in setting up the European Extra-judicial Network (EEJ-Net). The pilot phase of this network for settling consumer disputes out-of-court, in which Norway and Iceland also participate, was launched in October 2001. In each country a central contact point, or "clearing house" offers consumers information and assistance in accessing existing out-of-court alternative dispute resolution (ADR) systems. They provide help to consumers seeking redress in conflicts with suppliers from another EU country.

The network is expected to become fully operational at the end of 2002. In setting up the network, a maximum of synergy is sought with the existing network of European Consumer

---

<sup>15)</sup> Commission report to the European Parliament and the Council of 29 March 2000 on the experience acquired in the application of Directive 92/59/EEC on general product safety [COM(2000)140 final].

<sup>16)</sup> COM(2000)139 final of 29.3.2000

<sup>17)</sup> Directive 84/450/EEC, Official Journal L 250, 19.09.1984.

<sup>18)</sup> Eurobarometer N° 53 - October 2000

<sup>19)</sup> Commission Communication 'Services of General Interest in Europe':20.9.2000; COM(2000) 580

Information Centres. A review of this action with the Member States is planned at the end of the pilot stage in 2003<sup>20</sup>.

### **3.2.3. Actions to ensure a level playing field in consumer transactions**

In 1999 and 2001 Eurobarometer opinion polls were conducted to assess consumer confidence in financial services and their providers. The results demonstrated a low level of consumer confidence and satisfaction, and provided the necessary background information for redirecting EU policy and legislation towards better consumer protection rights in financial services. The surveys covered banking services, insurance, credit and mortgages.

A dialogue between consumer representatives and the banking sector concerning **mortgage credit** resulted in agreement on a code concerning pre-contractual information on loans for the purchase of residential accommodation. This agreement was signed on 5 March 2001. On 1 March 2001 the Commission adopted a Recommendation endorsing the Code and inviting the mortgage credit industry to comply with its provisions.<sup>21)</sup>

A debate on "**Over-indebtedness**" was held at the Consumer Council in April 2000. As a follow-up, the Commission gathered statistical data on the extent of cross-border indebtedness. The results provided input to the Commission's work on combating social exclusion. The proposed modification of the Consumer Credit Directive<sup>22</sup> will also contribute to more informed and prudent lending practices.

Expenditure for actions related to financial services adds up to about €1 million.

#### **3.2.3.1. The introduction of the Euro**

The European Commission, in particular the Health and Consumer Protection Directorate General, has worked since 1996 to identify consumers' needs and the best means to respond to them in the context of the changeover to the Euro. The main objective was to facilitate the transition to the Euro for consumers, to protect their interests and thus to foster consumer confidence and support. Although the Member States had the main responsibility for ensuring a smooth transition to the Euro, the Commission also made a significant contribution. The activities in this area were part of a wider programme of consultation, co-ordination and monitoring of all aspects related to the consumers' changeover to the Euro . They include:

\* the "Euro Made Easy" actions to develop information and training materials targeted at people likely to have difficulty in adjusting to the new currency (for example, the blind, the deaf, the elderly, the mentally-handicapped), and to set up a network for training trainers in the use of these materials. The latter were developed on the basis of the needs identified by pilot groups belonging to the target population. The resulting materials were tested through polls and qualitative studies. Staff of consumer associations and other non-governmental organisations that work with these vulnerable groups were trained to use the materials in teaching the target population about the Euro. Member States have used and reproduced the Euro Made Easy materials in their information campaigns for vulnerable groups;

---

<sup>20</sup> see Annex, 5.5.

<sup>21</sup> Commission Recommendation on pre-contractual information to be given to consumers by lenders offering home loans, C(2001) 477 final

<sup>22</sup> COM(2002)443 final of 11.9.2002

\* annual focus group studies and opinion polls to track the development of consumer attitudes and the potential difficulties perceived with respect to the changeover;

\* actions to encourage and monitor the implementation of good practice concerning dual indication of prices, bank charges and consumer information. These actions included the monitoring of the agreement between consumer and business associations on the Eurologo commitments for strengthening consumer confidence.

An evaluation of all the European Commission activities on the introduction of the Euro is underway<sup>23</sup>. In the meantime, the Eurobarometer opinion polls<sup>24</sup> have given some indications of the impact these actions have had. Almost 40% of EU citizens said they had heard about the Euro Made Easy actions targeted at specific vulnerable groups. An additional 12% said they had directly benefited from them. Almost 50% had seen the Eurologo in shops, and more than 20% said the logo gave them more confidence in the shop displaying it.

Expenditure on these actions in 1999-2001 adds up to almost € 7 million. Consumer associations and other NGOs, consultants, production and distribution companies took part in these actions.

#### **3.2.4. Actions to monitor environmental claims**

As a follow-up to a study on environmental claims undertaken in 1998, guidelines were developed for an EU system for the verification and certification of environmental claims. This work was intended to feed into legislative action as part of the planned revision of the Directive on Misleading Advertising. The revision of this Directive has been postponed and the issues concerned addressed in the Green Paper on the future of consumer protection.

#### **3.2.5. Development of, and support for, actions facilitating access to justice and to improve common extra-judicial procedures**

Actions financed to facilitate access to justice have focused on the promotion and evaluation of the European consumer complaint form for consumer disputes. Expenditure has amounted to over € 500 000. The aim of the complaint form is to bring about better communication between consumers seeking redress and businesses. A Eurobarometer opinion survey<sup>25</sup> in 1999 indicated that 7% of EU citizens had seen or heard of the form. A pilot project was conducted in 1999 and 2000 in ten Member States to encourage the use of the complaint form, to help consumers use it and to monitor a specific number of cases using the form. The evaluation of the pilot project showed that the form can be a useful instrument for communication and for settling consumer complaints as it led to a settlement in almost half of the cases.

#### **3.2.6. Actions to assess the specific risks and potential benefits for consumers in the information society**

Based on discussions with interested parties, action was taken to facilitate a stakeholder dialogue and agreement on codes of practice and associated "trustmark" schemes as a means of enhancing consumer confidence in e-commerce. Discussions centred on the feasibility of developing a clear and sound framework for accreditation and independent verification. In

---

<sup>23</sup> see Annex, 5.2.

<sup>24</sup> data quoted are from Eurobarometer 57.1 – Spring 2002

<sup>25</sup> Eurobarometer 52.1, conducted in Nov/Dec 1999

December 2001 the action resulted in a breakthrough agreement between consumer and business representatives on good business practices for selling to consumers online. The agreement paves the way for the application of EU-wide basic principles that should enable consumers and businesses to take full advantage of electronic commerce and to make better use of the internal market.

The Commission also contributed to a conference organised by the German presidency on consumers and electronic commerce.

### **3.2.7. Actions to promote data protection and the protection of privacy**

In this area DG Health and Consumer Protection has contributed to the development by other Commission services of Community policy and legislation. No expenditure has proved necessary.

### **3.2.8. Horizontal actions for the protection of economic and legal interests of consumers**

A seminar bringing together legal experts in the use of “soft law” was organised to support the work to identify best practice in the use of soft law, and to analyse how best practice in this area can be made to work for consumers in the European Union.

Two seminars were held (in Portugal and Sweden) and a study carried out on the feasibility of a general legislative framework on Fair Trading as part of the Commission's preparations for the Green Paper on Consumer Protection. The study compared national consumer legislation in the EU and the US and identified possibilities for the reform of EU legislation.

Expenditure for price index studies, for the collection of statistical data, for intra-EU comparisons of the prices of consumer goods, and for the publication “Consumers in Europe - Facts and Figures”<sup>26</sup>, which brings together key data on consumer policy, added up to about € 500 000. Additional expenditure relates to a compilation of national and EU consumer law, technical assistance in developing methodologies for assessing the impact of EU policy on consumers, a Belgian Presidency conference on Consumer Affairs and meetings with Australian and Japanese officials with a view to developing bilateral co-operation on consumer affairs.

## **3.3. Educating and informing consumers**

### **3.3.1. Actions to improve information to consumers**

The DG Health and Consumer web site has played a key role in informing consumers and other stakeholders on policy development. These include decision-makers, scientists, opinion-leaders, press and consumer and other organisations in the EU and elsewhere that act as multipliers. A new health and consumer protection web site with three subject areas was launched in July 2000. This site was updated on a daily basis (on average 200 pages per week). The construction of the food safety and animal health site was completed at the end of 2001. Preparatory work for restructuring the existing subject areas on consumer affairs and on public health was started. Services such as the daily “What’s New” e-mail notification for subscribers and the mailbox were improved.

---

<sup>26</sup> published by Eurostat, 2001

An indication of the demand satisfied by the web site is the steady increase in hits per month, from an estimated 100 000 in 1999 to 360 000 in July 2000, and to over 1 000 000 in December 2001. Subscriptions to the daily “What’s New” e-mail service launched in 1999 numbered 11 400 in December 2001. Surveys of visitors to the site conducted in 1999, 2000 and 2001 indicate a high level of satisfaction with the service provided<sup>27</sup> and useful comments for improvements were made.

The total expenditure for web site production and other IT development adds up to about € 1.3 million. Since 2001, this has also included the costs of the IT development and other support for the electronic version of the Consumer Voice Newsletter.

Consumer Voice was started mid-1998 as a consumer policy magazine and subsequently widened its scope to food safety issues. It was mailed out to some 15 000 subscribers. The multicolour print magazine with its long production and distribution schedule proved an inadequate instrument for informing a multi-lingual audience on the fast-changing policy developments in the area of food safety. Following an internal review in 2000, the print publication of Consumer Voice magazine was discontinued as of 2001. To ensure the timely information of stakeholders, opinion makers and other relays it was decided to publish a monthly electronic newsletter instead. The newsletter gives a quick overview of recent developments with links to the web site for more in-depth information.

The shift to a more frequent and electronically published and distributed publication has proved to be more cost-effective and better suited to the need for transparency in policy making. Total commitments for the Consumer Voice magazine amount to about € 700 000. The newsletter is produced with the technical support of IT staff working on the web site.

### **3.3.1.1. Actions to raise awareness about safety aspects of products**

In recent years food safety has been of major concern to consumers. A Eurobarometer survey, conducted in 1997, found that close to 68 % of European citizens were concerned about the safety of foodstuffs and demanded better information on this matter. In an effort to restore consumer confidence, the Commission has, in addition to its legislative agenda as set out in the White Paper on Food Safety, launched **information and education campaigns on food safety**.

These campaigns were run on a decentralised basis, being developed and executed nationally to facilitate the adaptation of messages and the choice of instruments to the national context. In 1998-1999 the issues of food labelling, the traceability of foodstuffs and genetically modified organisms were addressed. In 2000-2001 the focus shifted towards a more educational campaign on food hygiene directed at specific target groups.

An evaluation was made of the execution of the food safety campaigns in the first two years, 1998 and 1999<sup>28</sup>. The findings were generally positive, but also noted considerable diversity in the effectiveness of the different national campaigns. They were also used as the basis for a decision to shift the emphasis of the campaigns from information to education, to narrow down target groups and to further decentralise conceptualisation and execution.

Generally, sustained national campaigns over a number of years have shown clear benefits. Expertise in developing communication tools on food safety has been built up. The use made

---

<sup>27</sup> Results are available at [http://europa.eu.int/comm/dgs/health\\_consumer/feedback/feedback04r\\_en.html](http://europa.eu.int/comm/dgs/health_consumer/feedback/feedback04r_en.html)  
<sup>28</sup> see Annex, 2.2.

in the campaigns of practical aspects of food hygiene in the home to make consumers familiar with the concept of food safety appears to have worked well. The campaigns have generally been successful in bringing different partners (communication experts, consumer organisations, national authorities and public bodies, operators in the food chain) together around joint actions on food safety.

The true extent to which of the campaigns have helped to restore consumer confidence in food safety is difficult to assess. Many factors come into play, and they differ from country to country. There are substantial differences between countries where consumers generally trust their national food control authorities, and countries where the competence of authorities is questioned, or where responsibilities in the food chain are subject of intense debate. The incidence of food crises at national level is also a major factor. National authorities thus appear to be better placed than the Commission to decide on the future direction and follow-up to these campaigns, by building upon the existing partnerships. The amount committed for the 1999-2001 food safety campaigns is approximately € 12.6 million.

As the third European Consumer Day in 2001 focused on food safety and food quality, actions to attract media attention for this event in the Member States were integrated in the ongoing food safety campaigns. Events were organised in 13 countries and expenditure amounted to € 230 897. The media impact of these national events, the Presidency event and a conference that took place in Brussels was satisfactory.

### **3.3.2. Raising awareness of consumers for the need for sustainable consumption and production**

The Action Plan for Consumer Policy 1999-2001 did not provide for any policy development or priority for this type of activity<sup>29</sup>. Action in this area was restricted to support to environmental policy instruments for the development of awareness raising activities such as the eco-label for consumer products. Therefore there was no expenditure in this area.

### **3.3.3. Actions to improve information to consumers about specific products and services, in particular through comparative testing**

A Eurobarometer survey on labelling was conducted in 1999 to obtain information about consumer needs and attitudes on food labelling. The results were taken into consideration in the revision of the existing legislation on food labelling, and in the proposal on the labelling and traceability of genetically modified food presented in July 2001.

The role of the European Consumer Centres (see 3.3.5) in conducting comparative tests and studies on cross-border purchasing has been enhanced.

### **3.3.4. Actions to develop consumer education, particularly in schools**

The Commission has over the years financed pilot projects to promote the introduction of consumer education into the national school curricula. In 1999 about € 400 000 was spent to initiate a project of this kind in the UK, following similar projects in Greece, Portugal and Spain. An analysis of the results showed that the impact of such pilot projects tends to be restricted to the national context. The focus of the projects was mostly on the national consumer environment, rather than on the achievements at EU level and the advantages of the Single Market. The conclusion was reached, therefore, that the role of the European

---

<sup>29</sup> see Annex, 4.1.

Commission in stimulating the integration of consumer education in school curricula through pilot projects had reached its useful limits.

**"The Young Consumer Competition"** has over the years been a key action in promoting consumer education in schools. Expenditure for this contest added up to almost € 2.5 million in 1999-2001. An internal review, undertaken in 2002<sup>30</sup>, concluded that the competition as conducted over the past years is not cost-effective, but that the concept has good potential. If the organisational set up is improved, greater coverage could possibly be achieved at lower cost. This re-organisation is currently under way.

### **3.3.5. Actions to develop and support European Consumer Centres**

Following an evaluation of the operation of the 'Euroguichets' transborder consumer information pilot projects in 1997<sup>31</sup>, the Commission has re-defined the mission of the Euroguichets, as the European Consumer Centres Network. Currently, there are 14 centres in operation in 12 Member States<sup>32</sup>. Their main tasks are to:

- \* disseminate information on consumer affairs developments at EU level;
- \* carry out comparative tests and studies on cross-border purchasing;
- \* assist consumers who are experiencing difficulties in transactions.

As a result of the change of emphasis the Centres are more pro-active and form a genuine European network that facilitates close co-operation between Centres in the different countries. The introduction of a greater variety of information tools has strengthened their outreach. The number of consumer contacts has shown an upward trend in all countries. In many countries the centres are also involved in the EEJ-Net and acting as clearing houses.

The financial support provided to the Centres adds up to almost € 6 million, covering 50% of the costs. The improved co-operation with Member States in setting up and financing the Centres has allowed marked progress to be made. This co-financing arrangement with the Member States needs to be put on a more formal and secure legal footing.

## **3.4. Promotion and representation of the interests of consumers**

### **3.4.1. Strengthening the representation of the interests of consumers**

The main financial instrument in this area is the support for the activities of European consumer organisations, as defined in article 2(b) of the Decision (see Chapter 4.).

### **3.4.2. Actions to support consumer organisations in the Member States**

The main action to support consumer organisations in the Member States has focused on training of consumer association staff. The 1999 call for specific projects centred on training to disseminate expertise on food safety, product safety, financial services and other priority areas of Community policy, in particular to consumer organisations.

---

<sup>30</sup> see Annex, 3.1.

<sup>31</sup> see Annex 4.3.

<sup>32</sup> Ireland, UK, France, Portugal, Spain (2), Luxembourg, Germany (2), Finland and Austria, Sweden, Belgium, Italy

In 2001, to follow-up and reinforce this training support, the Commission decided to launch its own actions for training staff from consumer organisations. About € 850 000 was committed in 2001 for the first phase of a three-year project. This first phase is being carried out in 2002 and aims to create training material, select trainers and train these trainers in management, public relations and consumer law. In a second phase (2003/2004) residential courses will be run to allow these trainers to train the staff of consumer organisations.

Another way in which certain consumer organisations activities in the Member States are supported, insofar as they coincide with the priorities set each year, is through the co-financing of specific projects to promote the interests of consumers in the Member States. National consumer organisations were the beneficiaries of a considerable proportion of the grants for specific projects approved each year (see Chapter 5).

Certain Member States and consumer organisations tend to consider project-based co-financing an *implicit* substitute for direct financial support to weaker, smaller or poorer national consumer organisations. In practice the co-financing of specific projects has mainly worked to the advantage of the stronger, well-financed organisations. It would therefore be useful to clearly dissociate the co-financing of specific projects from support for national consumer organisations. Project financing has proved not to be an adequate instrument for this purpose.

### **3.4.3. Actions to promote and co-ordinate consumer participation at the European level in standardisation**

The main financial instrument in this area is the support for the activities of European consumer organisations, as defined in article 2(b) of the Decision (see Chapter 4).

### **3.4.4. Pilot projects promoting sustainable consumption models**

An intermediate evaluation of projects related to sustainable consumption co-financed from 1995 - 1998 concluded in 2000 that most initiatives were not very effective and had limited impact<sup>33</sup>. This type of project financing has therefore not been continued.

## **3.5. Other Commission Actions**

Expenditure on evaluations by specialised companies of actions in favour of consumers amounted to more than € 500.000 over the three years (see Annex).

## **4. FINANCIAL SUPPORT TO EUROPEAN CONSUMER ORGANISATIONS**

Article 2b of Decision 283/1999/EC provides for financial support to European consumer organisations under certain conditions. The European Commission has, over recent decades, provided operating grants to European consumer organisations in recognition of the imbalance between the human, technical and financial resources of industry and consumer representation at EU level. In setting eligibility criteria for awarding this financial support to European consumer organisations, the current Decision aimed to concentrate resources on those organisations whose core business is to defend consumer interests at European level. In addition, such organisations must be mandated to represent the interests of consumers at European level by the national organisations of at least half the Member States of the

---

<sup>33</sup> see Annex 4.1.

Community. The activities of such organisations must relate to one or more of the four areas identified in Article 4 of the Decision.

In order to provide a sound basis for judging the effectiveness of the financial support for European consumer organisations, an evaluation of funding provided to European consumer organisations was undertaken in 2000, covering six organisations that had received operating grants during the period 1995-1999<sup>34</sup>. This evaluation was completed in December 2001 and showed that the work of the European Association for the Coordination of Consumer Representation in Standardisation (ANEC) and the European Consumers' Organisation (BEUC) has the highest relevance and contributes most to the protection of consumers. BEUC in particular was found to provide the strongest representation of consumer interests at European level. BEUC receives a Commission contribution equivalent to 35 % of its total budget. National consumer organisations contribute the bulk of the remaining budget through membership fees and therefore have a major influence in setting BEUC's agenda.

With regard to EUROCOOP (European Community of Consumer Cooperatives), COFACE (Confédération des Organisations Familiales de la C.E.), ETUC (European Trade Union Confederation) and IEIC (Institut Européen Interregional de la Consommation) the findings were significantly less positive. Their contributions to consumer policy and consumer protection proved limited, and consumer protection issues not their core business. In 2001 the Commission decided to discontinue the operating grants for EUROCOOP and COFACE, because their activity reports demonstrated that representation of consumer interests is not their primary activity as required by Article 5(1)<sup>35</sup>.

A new organisation, the European Consumers' Association (AEC), founded in the spring of 2000, was granted core funding for a start-up phase. On the basis of AEC's reports on its first three years of activities an assessment will need to be made to see whether the organisation has succeeded in establishing itself as a viable organisation for representing consumer interests at European level.

To support consumer participation in standardisation at the European level, the Commission provides financial support to ANEC. ANEC was set up in 1995 following an agreement between the Consumer Consultative Committee of the European Free Trade Organisation and the European Commission. ANEC represents the interests of European consumers in the European Standardisation bodies that, amongst others, elaborate standards for the safety of products covered by the New Approach Directives. These directives define essential product safety requirements. The European Standardisation bodies subsequently elaborate, on the basis of the terms of reference set out by the Commission, detailed standards for product safety.

Initially, the Commission provided 100% financing of the ANEC's expenditure for the participation of consumer representatives in European standardisation working groups. National consumer organisations provide a considerable amount of the expertise used for this work free of charge. Apart from a 5% contribution from EFTA, ANEC has been unable to find alternative funding sources.

---

<sup>34</sup> see Annex 2.1.

<sup>35</sup> Funding of the operational costs of ETUC consumer representation activities was already discontinued in 1997. As of 1999, IEIC activities did not qualify for this type of funding, because the organisation did not comply with the eligibility requirement of representing consumer organisations in half the Member States.

As a result, the core funding provided to ANEC for representing consumer interests in the development of safety standards for consumer products has been around 95% of its running costs over the past three years. Member States representatives in the Advisory Committee have agreed to this high level of funding, while discussing alternative funding options. Until such alternatives are found, the continuity of consumer input into the EU standardisation process will be dependent on this high level of financing.

The financial support granted to cover the running costs of European consumer organisations amounted to about € 4.5 million (see Table 2).

Table 2. Annual operating grants allocated to European Consumer Organisations

Organisation	1999	2000	2001
BEUC	450.000	525.000	600.000
ANEC	803.203	830.000	830.000
EUROCOOP	100.000	90.000	-
COFACE	70.000	70.000	-
AEC	-	80.185	42.308
Total <sup>36</sup>	1.423.203	1.595.185	1.472.308

## 5. CO-FINANCING OF SPECIFIC PROJECTS

In providing detailed criteria for awarding financial support to specific projects promoting the interests of consumers in the Member States, the current Decision aimed to rationalise project financing. As provided for in the Decision, calls for projects were published annually<sup>37</sup>. Decisions on allocations were made on the basis of the criteria as outlined in the implementing Articles and with the assistance of the Advisory Committee.

Table 3. Overview of Specific Projects Applications, Allocations and Expenditure

Year	Applications	Approved	Withdrawn	Co-financed	Total €
1999	205	49	8	41	4.538.657
2000	167	36	1	35	4.301.963
2001	97	23	2	21	2.372.796

<sup>36</sup> NB: These amounts do not correspond to the total yearly amounts of commitments in Table 1 because a major part of the commitments have been made in the previous year.

<sup>37</sup> Official Journal C289/14 of 17.9.98 for 1999, C191/15 of 8.7.1999 for 2000, C116/7 of 26.4.2000 for 2001.

There has been a gradual decline in the number of applications submitted in response to the Commission's call for projects (See Table 3). This has been due largely to a stricter definition of eligible projects in the calls for projects. Another reason may be the requirement to contribute, in principle, a minimum of 50% to the total project expenditure. The main beneficiaries of this type of co-financing have been national consumer organisations and other national, European and international NGOs active in the promotion of consumer interests.

In order to improve the overall impact of co-financing specific projects, the Commission has generally sought to concentrate the available funding on fewer projects, whilst, at the same time, encouraging consumer organisations to join forces on projects of joint interest. In practice too few innovative projects or projects with a high relevance to EU consumer policy have been submitted and financed. The average size of projects remains modest (between € 200 000 and 250 000 in 2001), but has increased by comparison with previous years.

The detailed procedural rules and eligibility criteria set out in the Decision have succeeded in making the process for the allocation of project grants more transparent, but at a high administrative cost. This high cost is not matched by the added value at EU level of the projects that are co-financed. In addition, the costs of project development and of meeting the requirements for the presentation of a project are burdensome for the applicants, especially consumer organisations and other NGOs. The annual cycle of calls for projects and setting priority areas also means that sustained results are difficult to achieve. An external evaluation of specific project financing will become available in 2003<sup>38</sup>.

The co-financing of specific projects amounted to about € 4.5 million in 1999, 4.3 million in 2000 and 2.4 million in 2001 (See Table 3).

## 6. CONCLUDING REMARKS

Decision 283/1999/EC was adopted to satisfy the immediate need for a legal framework for expenditure in favour of consumers following a judgement of the European Court of Justice in 1998 (C106/96). The general impact of the Decision has been to reinforce an existing trend towards better budgetary planning and less ad hoc decision making. Before 1999 the key parameters for such decisions were laid down on an annual basis by the budgetary authority in the commentary to the budget lines for the following year. Decision 283/1999/EC has fixed a multi-annual programme of expenditure, set out clear procedures, eligibility and award criteria for financial support and defined possible areas for action for a 5-year period. This has enabled substantial progress to be made in terms of forward planning, a high level of budget utilisation as well as the increased transparency of procedures.

The historical circumstance that the Decision preceded the adoption of the Consumer Action Plan 1999-2001 and the White Paper on Food Safety of January 2000<sup>39</sup> prompted a deliberate choice to keep its scope relatively wide and its objectives very general. This flexibility has proved useful, but does not make an overall evaluation of the extent to which the objectives have been achieved easy to arrive at. The Decision, on the other hand, has provided considerable procedural detail on the co-financing of specific projects. This has resulted in greater transparency in the application and allocation process.

---

<sup>38</sup> See Annex, 5.1.

<sup>39</sup> The White Paper on Food Safety foresaw a legislative proposal to provide a “uniform legal basis to ensure adequate Community financial support of actions necessary to enhance food safety” for December 2000 (Action 79, p. 51, 52), but this proposal has since been cancelled.

Commission actions (as under Article 2a of the Decision) in favour of consumers have taken up the bulk of the expenditure over the past three years, almost 75 % of the total commitments. Amongst the most important actions financed are the Scientific Committees, scientific studies and technical support for legislative activities (for example validation of BSE tests) and improvements in rapid alert systems. Other important actions include opinion polls on consumer attitudes, food safety information and education campaigns, and actions related to the introduction of the Euro, and actions to monitor consumer rights implementation. Actions to facilitate access to justice and to extra-judicial redress, and to set up and support the European Consumer Centres Network were undertaken in co-operation with the Member States. The policy relevance of these actions was high, as in general was their effectiveness.

Almost 10% of the total commitments were for financial support to European consumer organisations, under the terms of Article 2b of the Decision. The policy relevance and effectiveness of this expenditure has improved over the past three years. The eligibility criteria for this type of financial support, as defined in the Decision, proved effective in concentrating resources on those organisations whose core business is to defend consumer interests at European level. At the same time, it also fostered new initiatives in this field. Practical experience indicates that further clarification of the criteria with regard to independence and the role of such organisations in representing consumer interests may be useful.

The third category of expenditure was the co-financing of specific projects in favour of consumer interests in the Member States. This has proved to be the least effective instrument over the past three years. Some 17% of the total commitments were used to co-finance specific projects. The evaluation and allocation process, and the monitoring of the execution of such projects demanded an administrative investment that proved disproportionate to the policy relevance and impact of the projects financed.

Experience with implementing the instruments as provided for in the Decision, particularly the specific project co-financing, also brought to the fore the question of the effective use of EU funds to strengthen national consumer organisations. The role of the EU budget in supporting national consumer organisations generally requires clarification. Consumer organisations in certain countries are weak in political and financial terms due to fragmentation, a small membership base and/or little or no financial support from their national governments. More than a decade of indirect EU support for such organisations, mainly through project co-financing, has, not surprisingly, proved insufficient to compensate for these deficiencies. More direct support for national organisations, through core funding, would, however, run counter to the principle of subsidiarity. It would, moreover, be impracticable, not least because it would require a common definition of a national consumer organisation across the EU. Financial support for the operating costs of national organisations should, therefore, remain a national responsibility.

For its part, the Commission can make a complementary contribution through its direct actions such as the ongoing training programme for the staff of consumer organisations. It can also encourage Member States to give due attention to the needs of the national consumer organisations by facilitating the exchange of best practice. The development of a formal framework for administrative co-operation, which is one of the priorities of the Commission's

new Consumer Policy Strategy<sup>40</sup>, could also open up the possibility of jointly funded initiatives to support consumer organisations.

Any future legal framework for expenditure in favour of consumers should contain a better alignment of policy and budgetary frameworks. Important shifts in the policy context, such as enlargement and new governance, and the adoption of the Consumer Policy Strategy 2002-2006 also require adjustments. On the basis of the Strategy the Commission can now more effectively define the instruments and actions needed to meet its policy objectives

---

<sup>40</sup> Official Journal C 137 of 08.06.2002

## ANNEX

### **Overview of the evaluation of actions undertaken under Decision 283/1999/EC**

#### **1. Introduction : evaluation arrangements for consumer policy actions**

DG Health and Consumer Protection has in 1999 started to develop its evaluation function, but initially budgetary allocations and human resources were limited. In September 2000 a new Audit and Evaluation Unit was created which as a priority focused on setting up an audit capacity and the reorganisation of financial circuits. In 2001 the evaluation function was reorganised to enhance the integration of evaluation as a fully integrated management tool for the execution of core activities.

Given the variety of actions covered by Decision 283/1999/EC and the very general character of its objectives, a single overall evaluation of all actions undertaken under the general framework 1999-2001 has been judged inappropriate. Instead, a choice was made to evaluate multi-annual key actions or individual actions, notably in those areas where results could serve to orient spending and policy needs and priorities. This allows for an in-depth analysis of the actions concerned.

Of the funding available under Decision 283/1999/EC, about € 500.000 were committed for the evaluation of actions by external specialised companies during the period 1999-2001. Other actions were subject to internal evaluations. The evaluation of actions is an ongoing process that will be completed by 2005 or 2006<sup>41</sup>. This annex aims to give an overview of the state of play of this evaluation process.

#### **2. External evaluations of actions undertaken under Decision 283/1999/EC :**

##### ***2.1. Operating grants to European consumer organisations 1996-1999***

The evaluation<sup>42</sup> aims to make a full analysis of the consumer policy environment in which European consumer organisations operate and to evaluate their effectiveness and relevance. The basic methodological approach included a strategic analysis of six organisations, a historical analysis of the grants in terms of desired impacts, deliverables, service scope and target groups, and comparisons.

This evaluation concerns a period when operating grants were awarded to BEUC<sup>43</sup>, ANEC<sup>44</sup>, as well as COFACE<sup>45</sup>, EUROCOOP<sup>46</sup>, IEIC<sup>47</sup> and ETUC<sup>48</sup> for representing consumer

---

<sup>41</sup> Evaluations are launched when a series of (multi-annual) actions are completed, final reports received, examined and approved. Procedures for the attribution of contracts and for the execution of actions under Decision 283/1999/EC started in January 1999. By mid 2002, a number of actions were completed, whereas others were ongoing or continuing. External evaluations are available for actions launched since January 1999 and completed by early 2001 at the latest. Internal evaluations cover actions launched since January 1999 and completed by the end of 2001 or beginning of 2002.

<sup>42</sup> Evaluation undertaken by "The Evaluation Partnership". Final report "Evaluation of Subventions 1996-1999 - European Consumer Organisations", December 2001.

<sup>43</sup> Bureau Européen des Unions de Consommateurs

<sup>44</sup> European Association for the Coordination of Consumer Representation in Standardisation

<sup>45</sup> Confédération des Organisations Familiales de la C.E.

<sup>46</sup> European Community of Consumer Cooperatives

<sup>47</sup> Institut Européen Interregional de la Consommation

interests at European level. From 1996-1998 these grants were provided on the basis of the commentary included in the annual Community budget. As of 1999 they were awarded on the basis of the eligibility criteria and procedural arrangements set out in the Decision.

The basic findings of the evaluators clearly demonstrated the usefulness and relevance of the activities of BEUC and ANEC, and seriously questioned the operating grants for the activities of the other four organisations. The evaluation further recommended the Commission examine options for :

- a) increased funding for strengthening the consumer voice in vital areas of EU policy, including matched funding from the Member States;
- b) a more operational and inclusive definition of a European consumer organisation;
- c) more EU level support to strengthen consumer representation in candidate countries, good practice development, training and network building initiatives and research efforts;
- d) increased funding for assistance by European experts in consumer affairs in areas where capacity and capabilities are stretched;
- e) the use of the European Consumer Centres Network and Eurobarometers to collect views of targeted consumer groups on European consumer organisations.

The evaluation has notably proved helpful in providing further evidence concerning the relevance and usefulness of the activities of the organisations examined. It has therefore contributed to our decision to concentrate this type of funding on organisations that have consumer representation as their core business. Funding of the operational costs of ETUC consumer representation activities was already discontinued in 1997. As of 1999, IEIC activities did not qualify for this type of funding, because the organisation did not comply with the eligibility requirement of representing consumer organisations in half the Member States. Subsequent to the findings of the evaluation, funding of operational costs of EUROCOOP and COFACE was also discontinued in 2001.

The feasibility of implementing the additional recommendations of the evaluator has been examined and taken into consideration in the preparation of and discussions with stakeholders on the revision of Decision 283/1999/EC. The Consumer Policy Strategy 2002-2006<sup>49</sup> has as one of its three main objectives to promote the involvement of consumer organisations in EU policy making. The proposal for a Decision that is to replace 283/1999/EC introduces specific new instruments to strengthen the consumer voice at Community level. Member States however have shown no preparedness to match Community funding for operational costs of European consumer organisations.

The proposal for a Decision to replace Decision 283/1999/EC includes a revised definition of a European consumer organisation. Its aim is to further increase the effectiveness of consumer representation at Community level and to further focus resources on organisations that are independent of commerce and industry and that have consumer representation as their core business. The proposal will also make provisions facilitating actions to strengthen consumer organisations in candidate countries. Actions concerning the provision of expertise, training and good practice exchange are ongoing, and will be continued and expanded as of 2004.

---

<sup>48</sup> European Trade Union Confederation

<sup>49</sup> COM(2002)208 final of 8.6.2002

It has, on the other hand, not been judged necessary to dedicate further resources to the collection of views about European consumer organisations, given that Eurobarometer surveys continuously confirm that consumers place great trust in consumer organisations.

## ***2.2. Food Safety Information Campaigns 1998-1999***

This evaluation<sup>50</sup> concerns the implementation of the first two years of the food safety information campaigns. Its purpose is to ascertain the impact, methodology, efficient targeting and reach of the different national campaigns with a view to assess their added value and examine possible ways to improve the impact of the information campaigns. The approach followed included desk research on policy and campaign documents, as well as interviews with competent EC officials, national campaign co-ordinators and the external co-ordinator's staff. The evaluators also conducted a telephone survey of a random sample of 150 respondents in 13 countries, and a written survey on a selection of teachers and pupils from 100 schools in 10 countries.

Findings were generally positive, and advocated a multi-annual approach to information actions. The execution of the campaigns integrated around three-quarters of all requirements and objectives. The overall effectiveness of the various national campaigns was found to be moderate. The evaluators also noted considerable diversity in the effectiveness of the different national campaigns. Some score significantly better than average and some proved to be disappointing. Opinions concerning the role of the external co-ordinator were divided as some campaign managers identified an added value whilst others saw none.

The key general recommendations were to clarify the decentralised approach to implementing the campaigns, and to narrow the objectives and target groups. The evaluators further gave a number of practical recommendations for the implementation of future campaigns. The key recommendations of the evaluation were used in the short term, to the extent possible, in the 2001/2002 campaign, launched in April 2001. The recommendations will be further exploited in the development of future information campaigns.

## ***2.3. Review of the Scientific Advice System 1997-1999***

In relation to the expenditure for the functioning of the Scientific Committees, the **Report of three experts of the Scientific Steering Committee**<sup>51</sup> of 1999 reviewed the existing system for the provision of scientific advice to the Commission and presented recommendations for the future organisation of scientific advice.

The report recognized that the Commission had made major advances in the organization of scientific advice. The transfer of the scientific advisory system to DG Health and Consumer Protection in 1997 resulted in the establishment of independent scientific committees working for the clear objective to protect consumer health. But in the view of the authors the system had made only a modest contribution to restoring public confidence in food safety. The scientists therefore proposed further reform of the scientific advice system, and notably the establishment of a fully independent organization for scientific advice with stakeholder involvement and more resources for risk communication. The analysis and recommendations of the three eminent scientists have contributed to the development of the proposals set out by

---

<sup>50</sup> Evaluation undertaken by 'Research voor Beleid International', Leiden. Final report "Evaluation of the European Food Safety Campaign" - March 2001.

<sup>51</sup> The future of scientific advice in the EU - A European Food and Public Health Authority' - December, 1999

the Commission in its White Paper on Food Safety of January 2000<sup>52</sup>, and to the establishment of a European Food Safety Authority.

### **3. Internal Evaluations of actions undertaken under Decision 283/1999/EC :**

#### ***3.1. Young Consumer' Contest 1999 - 2001***

An internal interim appraisal was carried out in 2002 of the implementation of the Young Consumer Contest. The aim of this action as undertaken since 1993 is to encourage young people to become more aware of consumer issues and to become responsible consumers. The event has become one of the main Community initiatives in the field of consumer education, in follow-up to a Council Resolution on Consumer Education of 1986<sup>53</sup>.

In view of the relatively slow increase in overall participation, and the actual decrease in the number of participating schools in 2002, as opposed to a steady increase in costs, an internal appraisal<sup>54</sup> was made in the spring of 2002. Its key objective was to determine the effectiveness and efficiency of the European Young Consumer Contest, notably with respect to informing and soliciting the participation of schools in the contest. It sought to determine whether the contest should be continued, and if so, in which form. It also aimed to identify options to improve the cost efficiency ratio.

The appraisal is mainly based on an analysis of the 1999 and 2000 competitions, notably of the reports of the contractors, on an informal survey conducted among consumer organisations in 1998, and a telephone interview with the main contractor responsible for the execution of the Contest in ten Member States. Its main findings underlined that the number of participants has remained limited to around 2 000 schools, and that the participation rate is not developing sufficiently to have any real impact in terms of integration of consumer affairs in the school curriculum. Overall cost effectiveness proved low, but with large differences between countries. The execution of the contest by private contractors, who are mostly not part of the national educational structures or of the consumer world, may in part account for this.

The overall conclusion of the appraisal was that the basic concept of the contest is good, but that the strategy for its execution needs to be improved. In particular, it recommended to entrust the organisation of the contest to a network of Education Ministries, with which the Directorate General for Education and Culture also co-operates. This could ensure increased participation and a better cost-effectiveness.

Accordingly, a decision was taken to continue the action under these (changed) terms in 2003, by way of experiment, and to review the results in 2004.

### **4. External evaluations of actions undertaken outside the framework of Decision 283/1999/EC :**

Evaluations undertaken in 1999 and before concerned actions financed in previous years, outside the current legal framework. While two of these evaluations resulted in decisions to discontinue the actions concerned, a third concerns an action that is still ongoing and to be continued.

---

<sup>52</sup> COM(1999) 719 final, 12 January 2000.

<sup>53</sup> See 86/C184/07, in O.J. C 107 of 23.6.1986

<sup>54</sup> Internal Evaluation of the European Young Consumer Contest, 13 June 2002.

#### ***4.1. Sustainable Consumption actions and projects 1995-1998***

At the instigation notably of the European Parliament, the Commission supported in the years 1995-1998 about 50 projects related to sustainable consumption. The evaluation<sup>55</sup> was launched to assess their utility, to decide whether these types of actions should be repeated in the future and what possible improvements are necessary. The exercise was carried out on a project-by-project basis, on the basis of project files examination and selected field visits. The methodology followed is a logical framework technique.

The findings of the evaluation of sustainable consumption activities notably underlined the need for a political decision concerning the policy contribution of DG Health and Consumer Protection in this area, in view of its core competencies and its limited human resources. It recommended that project financing and technical assistance actions on sustainable consumption be discontinued until an official policy paper setting out objectives and an action plan were adopted.

These results contributed to the identification of sustainable consumption as an area of negative priority within the framework of consumer policy. It was decided that DG Health and Consumer Protection should restrict itself to core consumer policy activities, and that environmental policy instruments are better suited to achieving sustainable consumption objectives.

#### ***4.2. Consumerland action 1995-1999***

A mid-term external evaluation of the Consumerland action was launched in 1999 in view of a proposal to allocate more funding to this activity. The action was initiated in 1995 as an attempt to use IT tools to communicate consumer information. 'Consumerland' creates a virtual world in which the European-wide aspects of consumer protection are communicated to a target group of children, adult consumers and consumer organisations. Its objective is to increase consumer confidence in exploring the advantages of the Single Market. A virtual townscape environment and three modules (Toy Shop, Food Shop and Travel Agency) were created as part of the project.

Before developing further modules, the Commission conducted an internal appraisal, and subsequently decided to carry out an external evaluation<sup>56</sup> of the relevance, efficiency, effectiveness, impact and European added value of the initiative. The approach included a review of the technical adequacy of the product, a review of the user appreciation of the product and an operational review of Consumerland as a whole. The external evaluation mainly focused on the use of the product by the three target groups. Special focus was given to the quality of the software, its user friendliness and its respond time both for CD-ROM use and Internet use.

The findings of the evaluator confirmed that the efficiency and effectiveness of the project in meeting its desired aims had been poor, and made a number of recommendations for a possible re-launch. On the basis of the results of the internal and external evaluation the Commission decided to discontinue the project.

---

<sup>55</sup> Evaluation undertaken by 'Economisti Associati', Bologna. Final report November 2001.

<sup>56</sup> Evaluation undertaken by The Evaluation Partnership, Final report "Evaluation of Consumerland informatics project", December 2000.

### ***4.3. Trans-border consumer information pilot projects (“Euroguichets”)***

This evaluation<sup>57</sup> covered a total of 17 pilot projects on trans-border consumer information that were co-financed from the consumer policy budget since 1991. It focused on the cost-effectiveness of the activities of each pilot project and its effectiveness in the national context. It also considered their location in terms of cost-effectiveness, effectiveness in the national context and the global impact on consumers in the EU.

The findings demonstrate that the overall cost/benefit ratio of the pilot project scheme is quite good. The majority of the pilot projects co-financed are evaluated as successful or partially successful; some failed to reach their targets. The evaluation proposed to enhance the Community effort for European consumer information, to extend the scope of the activities beyond trans-border regions and to set up a European-wide consumer information network with a Centre in each Member State.

These recommendations have gradually been implemented in cooperation with the Member States since 1998. In particular, the pilot projects have been reorganised into a network of European Consumer Centres. The focus of the action has shifted, towards providing an information and advice service to a wider, national audience. Additional tasks, such as price monitoring and comparisons, have been added.

## **5. External evaluations that have been launched/planned :**

### ***5.1. Co-financing of specific projects 1999-2001***

This evaluation aims to judge the implementation of the approach to project funding defined in Decision 283/1999/EEC. The instrument of project co-financing, and the detailed criteria set out in the Decision for awarding project grants, have proved unsatisfactory, in terms of return of value for money and in terms of administrative efficiency. Such problems were identified by the Commission in an internal review, by the Member States represented in the Advisory Committee, as well as by consumer organisations represented in the Consumer Committee. The external evaluation will, amongst others, serve to verify the grounds for this dissatisfaction and help to develop options for reorienting project funding.

An open call for tenders has been launched. The work is to be completed in 2003, and will be taken into account in the further decision making on the proposal for a Decision to replace Decision 283/1999/EC.

### ***5.2. Information programme “The euro: one currency for Europe, 1996-2002”***

This external evaluation will analyse the effect the Commission's communication activity had in facilitating the introduction of the Euro. It will in particular, analyse the repercussions this programme has had in the national or local, public or private communication campaigns, and therefore in the final state of preparation and confidence of consumers and business in changing to the Euro. This evaluation will also cover the actions financed by the Health and Consumer Protection budget as complementary elements of the Prince program.

An open call for tenders for this evaluation has been published in the Official Journal in August 2002 and the contract has been awarded. The work will start at the beginning of 2003.

---

<sup>57</sup> Evaluation undertaken by Wilhelm Consulting, final report “Evaluation of the transborder consumer information pilot projects”, June 1997

### **5.3. Implementation of the Consumer Action Plan 1999-2001**

The main purpose of this evaluation is to analyse the experience gained in implementing the Consumer Action Plan, with the exception of food safety actions. The evaluation is to examine the logic of the objectives of the Plan in respect of the Treaty, and the appropriateness of the actions selected to meet the objectives. It is also to verify whether the actions were implemented as planned and to give an overall qualitative analysis of their impact.

A restricted call for tenders for this external ex post evaluation has been launched.

### **5.4. European Consumer Centres Network 1998-2002**

An external evaluation of the development and functioning of the European Consumer Centres Network during the period 1998 – 2002 is planned for 2003. The network is now established in 12 Member States, and preparations for setting up new Centres in two additional Member States are well advanced. Candidate countries have already shown interest in becoming part of the network as of 2004. The evaluation will, amongst others, consider the implementation of the recommendations of the evaluation undertaken in 1997, and the evolution of the tasks executed by the Centres.

### **5.5. Review of the pilot phase of the European Extra-Judicial Network 2001-2003**

The EEJ-Network start-up and pilot phase has since October 2001 resulted in the establishment of national clearing houses participating in the network in all 15 Member States, as well as in Norway and Iceland. To consolidate the initiative, the pilot phase has been extended until end of March 2003. To review the functioning of the network, a conference with all relevant stakeholders and the Member States is planned for the spring of 2003. The Commission will subsequently present a comprehensive review report to the European Parliament and the Council, outlining the results and the future strategy for the development of the network.

### **5.6. CLAB-database 1996-2002**

To monitor the application and enforcement of consumer rights under Council Directive 93/13/EEC on Unfair Terms in Consumer Contracts<sup>58</sup>, and to make relevant jurisprudence in all Member States easily accessible, the Commission set up a database of unfair contractual terms, named CLAB, in 1996. An evaluation of the functioning of CLAB is planned for 2004. This evaluation is also meant to provide useful input for the future development of an instrument for monitoring the application and enforcement of all Community consumer protection legislation.

## **6. Ex-ante impact assessment of Consumer Policy Strategy 2002-2006**

The objectives and priorities set out in the Consumer Policy Strategy were the subject of an *ex ante* impact assessment<sup>59</sup>. The assessment report analyses the consumer policy situation at the end of 2001 to establish a base-line position. It then examines the intervention logic of the strategy and the main areas of expected impact.

---

<sup>58</sup> Official Journal L 95, 21.04.1993

<sup>59</sup> Ex ante impact assessment of the New Consumer Policy Strategy, undertaken by *Evaluation Partnership*, final report January 2002

Its conclusions broadly endorse the objectives and priorities of the Strategy. The assessment identifies a clear logic of the interventions proposed, both in terms of how its actions support the policy objectives and in terms of the areas of impact.

The assessors also support the necessity of the Community intervention in support of the policy objectives. They conclude it is unlikely that Community funds will be used for actions the Member States would have carried out themselves, and expect the actions will have a good European added value. The assessors however expressed concern about the sufficiency of the proposed actions. Future annual work programmes must therefore focus on actions that have the highest impact/resource ratio.