

CONSUMER POLICY

ANNUAL WORK PLAN 2004, INCLUDING BUDGETARY IMPLICATIONS AND SELECTION CRITERIA

(Text with EEA relevance)

I- INTRODUCTION

According to the Financial Regulation applicable to the general budget of the European Communities¹, the commitment of the expenditure should be preceded by a financing decision adopted by the institution or the authorities to which powers have been delegated by the institution (Art.75).

Decision No 20/2004/EC of the European Parliament and of the Council of 8 December 2003 establishing a general framework for the financing Community actions in support of consumer policy for the years 2004-2007², states, in its Article11, that “The Commission shall adopt an annual work programme including :

- ✓ the priorities for action under each objective,
- ✓ the breakdown of the annual budget among the types of action identified (...),
- ✓ a planned timing of the calls for tenders, the joint actions and the calls for proposals,
- ✓ in the case of calls for proposals, the selection and award criteria for actions 16, 17and 18³, the criteria for financial contributions of more than 50 % for action 18, and the indicative amount available for each of these calls for proposals, in accordance with the relevant provisions of the Financial Regulation and taking into account to the extent possible the need to set simple administrative requirements in particular in the case of small amounts of financial contributions for specific projects.”

This document aims to fulfil those obligations and present the different activities scheduled for 2004.

Decision 20/2004 sets a total budget of EUR 72 million for the current Member States (EU 15) for the period from 1 January 2004 to 31 December 2007, of which EUR 54 million covers the period until 31 December 2006. Both the Council and the Parliament have insisted on the need to make the budget allocation for 2007 provisional and subject to the Financial Perspectives post-2006.

The total budget allocation for 2004 for EU 25 is **EUR 20,2 million**.

The Decision requires that Community activities and projects under this general framework be consistent with the **Consumer Policy Strategy 2002-2006**⁴, and with other Community programmes and initiatives.

¹ Council Regulation (EC, Euratom) n°1605/2002 on the Financial Regulation applicable to the general budget of the European Communities (OJ L248/1 of 16.09.02).

² OJ L5/1 of 09.01.04

³ Actions 16 & 17: financial support given to European Consumer Organisations; Action 18: financial contributions for specific projects at Community or national level.

⁴ Communication from the Commission to the European Parliament, the Council, the Economic and Social Committee and the Committee of the Regions COM(2002)208 final.

The Consumer Policy Strategy sets out three medium-term objectives, which are implemented by a short-term rolling programme of specific actions. The three objectives are:

- a high common level of consumer protection
- effective enforcement of consumer protection rules
- involvement of consumer organisations in EU policies.

Decision 20/2004 sets out four specific areas of activities for Community actions (Art. 2) in support of these objectives:

- Protection of consumer health and safety with respect to services and non-food products;
- Protection of the economic and legal interests of consumers;
- Promotion of consumer information and education;
- Promotion of the capacity of consumer organisations to contribute at European level.

Actions related to food safety are not covered by this framework.

The types of actions to be undertaken are (Article 4):

- a) Actions directly implemented by the Commission
- b) Actions jointly financed by the Community and one or more Member States
- c) Actions which benefit from financial contributions by the Community.

II- PROGRAMMING

1. General

Budget line	15 Member States	10 new Member States	TOTAL
17 02 01 – Community activities in favour of consumers	EUR 17 000 000	EUR 2 077 778	EUR 19 077 778
17 01 04 03 – Expenditure on administrative management	EUR 1 000 000	EUR 122 222	EUR 1 122 222
TOTAL	EUR 18 000 000	EUR 2 200 000	EUR 20 200 000

The budget line “17 01 04 03 – Expenditure on administrative management” will be used for studies (i.e. technical and informatics feasibility studies related to the cooperation between enforcement authorities and to product safety), the organisation of workshops and experts meetings, information and publications, and the development and maintenance of IT tools, based on existing framework contracts. A request for the transfer of these credits from the ‘reserve’ to the operational credits, was submitted to DG BUDG in mid-January.

The additional contributions from the EFTA countries are around **EUR 440 000** (to be confirmed).

Effective participation of Bulgaria and Romania will take place when Memoranda of Understanding have been concluded with them. Discussions have already started with these two partners.

2. Non-food Scientific Committees

The estimated total amount to be financed from the Consumer Policy budget lines for 2004 is around **EUR 100 000**.

This amount will cover the indemnities of Members of the Scientific Committees, external experts, Associate Members and rapporteurs.

Following the creation of the European Food Safety Agency, the Commission is in the process of reorganising and renewing the non-food scientific committees, which were established by Commission Decisions 97/404/EC and 97/579/EC.

After the adoption of the decision⁵ on the restructuring of the scientific committees, the indemnities related to the work of the following two Scientific Committees and to co-ordination activities will be financed from the Consumer Policy budget lines:

- The Scientific Committee on Consumer products (100%)
- The Scientific Committee on Emerging risks and Newly Identified Risks (50%)
- Co-ordination activities (50%)

Pending the appointment of the new Members and Associate Members of the new Committees, the indemnities of the three existing scientific committees remaining under the responsibility of the Commission, namely the Scientific Committee on Cosmetic Products and Non-Food Products intended for Consumers, the Scientific Committee on Medicinal Products and Medical Devices and the Scientific Committee on Toxicity, Ecotoxicity and the Environment will be financed from the Consumer Policy budget lines.

3. Actions under the Consumer Policy Strategy

The actions and objectives undertaken under the Consumer Policy Strategy are mutually reinforcing. They complement each other. Together they form a critical mass of actions, which reinforce their leverage effect. The actions therefore often serve more than one objective.

Certain major actions as well as recurring grants, will be the subject of a full evaluation, e.g. the grants for European consumer organisations. The estimated allocation for evaluations to be carried out in 2004 is **EUR 650 000**. Evaluations will be carried out through open or restricted calls for tender.

The amounts set out below are indicative and there could be variations of $\pm 20\%$ for each heading.

⁵ Commission Decision n° 2004/210/EC of 3 March 2004 setting up Scientific Committees in the field of consumer safety, public health and the environment.

3.1. *The development of a knowledge-based policy*

The estimated total amount for 2004 is **EUR 3 million**.

DG SANCO will continue to develop its “knowledge-base” of statistics and other qualitative and quantitative data relating to consumers and their concerns. In particular it wishes to develop a more rigorous analysis of the economic impact of consumer policy. The development of such statistical and economic information will help to identify if and where consumer policy action is required and help correctly prioritise action for achieving specific policy aims.

It should also contribute to the better integration of consumer concerns into other policies.

This amount will be dedicated to Eurobarometers, surveys on prices, and qualitative studies as well as to the development of consumer satisfaction indices. It will be spent through calls for tender launched during the first semester and the use of DG PRESS framework contract.

3.2. *Objective 1: A high common level of consumer protection*

The total estimated amount for Objective 1 is **EUR 1 660 000**.

The main actions include technical assessments on safety standards and other work relating to the application of the General Product Safety Directive, preparatory actions for future initiatives in the legislative areas, and a compendium/comparative analysis of the Community Consumer *acquis*.

Most of the amount for this Objective will be spent through calls for tender published through out the year.

EUR 160 000 is allocated for events⁶ under EU Presidencies (“spontaneous grants”).

3.3. *Objective 2: Effective enforcement of consumer protection rules*

The total estimated amount for Objective 2 is **EUR 6,6 million**.

The main actions concern the improvement of co-operation between the Commission and the Member States' enforcement authorities, the further development of redress mechanisms available for consumers and enhancing the capacity of consumer organisations to monitor markets.

When taking a decision, the Commission will, in accordance with the provisions of Decision 20/2004, be assisted by an Advisory Committee composed of the representatives of the Member States and chaired by the representative of the Commission.

⁶ Cofinanced with the Presidency.

3.3.1. Financial contributions to Community networks that provide information and assistance to consumers (Decision No 20/2004, Action 9)

The estimated total amount for 2004 is: **EUR 5,8 million.**

This amount will be allocated to the networks of the European Consumer Centres (“Euroguichets”) and the EEJNet Clearing Houses. From now on, these bodies will be designated by the Member State or the competent authority concerned and agreed by the Commission.

There are already 17 Clearing Houses (in all the Member States as well as Norway and Iceland) and 15 Euroguichets in 13 Member States. New single structures are expected to open up in the current Member States as well as in some new Member States. This would anticipate the movement towards the merger of the two networks currently in existence.

So far in the 15 current Member States, the financial contribution has been given as a subvention of 50% of the expenditures directly linked to the project up to a maximum of 200 000 euros for a Euroguichet and to a maximum of 50 000 euros for the EEJNet Clearing Houses. National co-financing provides the remaining 50%. When structures are set up in the new Member States, they could be eligible, for the first two years of activity, for a financial contribution of more than 50% but in no case more than 70% of the total costs.

3.3.2. Financial contributions for specific joint surveillance and enforcement actions to improve administrative and enforcement cooperation (Decision No 20/2004, Action 10)

The estimated total amount for 2004 is: **EUR 800 000.**

For 2004, it is planned to award financial contributions to surveillance and enforcement authorities and other non-profit-making bodies designated by the Member States and agreed by the Commission, for joint surveillance and enforcement actions in the area of consumer product safety, involving administrative co-operation between the authorities or other bodies of several Member States in particular on risk assessment, product testing, market monitoring, collection and exchange of information on product risks and dangerous products.

The Member states will be invited to present proposals for such joint actions within the framework of the Committee established by Directive 2001/95/EC (General Product Safety).

The contribution will, in principle, be 50% and in no event exceed 70% of the total cost of the action.

3.4. Objective 3: Involvement of consumer organisations in EU policies

The total estimated amount for Objective 3 is: **EUR 5,9 million**

This total amount is allocated for:

- a call for proposals for financial support for the activities of European consumer organisations
estimated amount: EUR 2,6 million
- a call for proposals for specific projects
estimated amount: EUR 2,5 million
- calls for tender mainly related to education and capacity-building projects such as training for consumer organisations
estimated amount: EUR 800 000

3.4.1. Financial contributions to the functioning of European consumer organisations (Decision No 20/2004, Actions 16 and 17)

As indicated in Art.12 of Decision No 20/2004, the Commission will publish during the second quarter of 2004 calls for proposals for both Actions in the Official Journal of the European Union and on its Internet site describing the areas for funding and setting out the selection and award criteria and the procedures for application and approval.

The renewal of the financial contributions to eligible organisations that in the preceding year have actively and effectively represented consumer interests will *not* be subject to the rule of gradual decrease provided for in Article 6.4 of Decision 20/2004.

In accordance with the provisions of Decision No 20/2004, the Commission will, in deciding which organisations will receive a contribution, be assisted by an Advisory Committee composed of the representatives of the Member States and chaired by the representative of the Commission.

3.4.1.1. European Consumer Organisations (Decision No 20/2004, Article 7 §3, Action 16)

The estimated amount for 2004 is **EUR 1,3 million**.

Financial support for annual activities may be awarded to European consumer organisations which:

- are non-governmental, non-profit-making, independent of industry, commercial and business or other conflicting interests, and have as their primary objectives and activities the promotion and protection of the health, safety and economic interests of consumers in the Community, and
- have been mandated to represent the interests of consumers at Community level by national consumer organisations in at least half of the Member States that are representative of consumers, in accordance with national rules or practice, and are active at regional or national level;
- have provided to the Commission satisfactory accounts of their membership, internal rules and sources of funding.

The financial support may not, in principle, exceed 50 % of the expenditure involved in carrying out eligible activities. The selection and award criteria are detailed in Annex 1.

3.4.1.2. European Consumer Organisations representing consumer interests in the development of standards for products and services at Community level (Decision No 20/2004, Article 7 § 3, Action 17)

The estimated amount for 2004 is around **EUR 1,2 million**.

Financial support for annual activities may be awarded to European consumer organisations which:

- are non-governmental, non-profit-making, independent of industry, commercial and business or other conflicting interests, and have as their primary objectives and activities to represent consumer interests in the standardisation process at Community level, and
- have been mandated in at least two-thirds of the Member States to represent the interests of consumers at Community level:
 - by bodies representative, in accordance with national rules or practice, of consumer organisations in the Member States, or in the absence of such bodies
 - by national consumer organizations in the Member States that are representative of consumers, in accordance with national rules or practice, and are active at national level.

The financial contributions will not exceed 95% of the expenditure for carrying out eligible activities. The selection and award criteria are detailed in Annex 2.

3.4.1.3. Financial contribution for the Representation of the interests of European consumers in international forums, including international standardisation bodies and international trade organisations (Decision No 20/2004, Action 12)

EUR 100 000 may be allocated to this action, in the light of developments on the international scene. This action is 100% financed by the Commission. Its implementation (procedure, topics to be addressed) is currently under examination.

3.4.2. Financial contributions for specific projects at Community or national level (Decision No 20/2004, Article 7 § 4, Action 18).

A call for specific projects will be published during the first quarter of 2004. The estimated amount is **EUR 2,5 million**.

Financial support may be given to any legal person or association of legal persons, including appropriate independent public bodies and regional consumer organisations, that acts independently of industry and commerce and is directly responsible for the implementation of the projects. The selection and award criteria are set out in Annex 3.

3.4.3. Education and capacity-building projects

The estimated amount is: **EUR 800 000.**

Consumer education is becoming increasingly an integral part of a comprehensive consumer policy that aims at building consumer awareness and confidence.

The bulk of the above-mentioned amount will be dedicated to training sessions for consumer organisation professionals. A call for tender was launched in 2003 for the organisation and implementation of these training sessions. In 2004 several 3 or 4-day sessions will be organised depending on the needs expressed. They will be open to all personnel of EU and EEA consumer organisations.

Another initiative to be held in 2004 will be the updating and the translation of the education materials created in 2003. The updating will be done by the firm which produced them (“*contrat de suivi*”); the translation through a restricted call for tender (using the DGT lists).

A survey to identify needs regarding university education on consumer issues will be launched, during the 2nd quarter, through a call for tender. Further research may be undertaken.

4. Horizontal matters

4.1. *Information and Communication*

The estimated total amount is **EUR 100 000.**

The main action is the regular update of the Consumers Affairs web site, through a framework contract.

4.2. *Information campaigns*

The estimated amount is: **EUR 2 million.**

It is proposed to launch, in the 2nd quarter, a call for tenders for the organisation of information campaigns in the new Member States in co-operation with consumer organisations, in order to raise awareness of consumer rights.

5. Sub-delegations and administrative agreement

Articles 51 and 59 of the Financial Regulation and Articles 6 to 8 of the Internal Rules on the implementation of the general budget of the European Communities⁷ refer to the conditions and rules of the instrument of sub-delegation.

⁷ Commission Decision of 28 March 2003 on the Internal Rules on the implementation of the general budget of the European Communities

Some credits available on the budget lines “Consumer Protection” will be sub-delegated. DG SANCO will thus sub-delegate:

- EUR 100 000 to DG ESTAT for the project ‘Facts and figures’⁸
- EUR 175 000 to DG MARKET for the project “Scanner data on price of goods”(to be confirmed)⁹

In the context of an administrative agreement between DG SANCO and the Joint Research Centre¹⁰, contracts will be signed with the latter for the development and/or the maintenance of certain IT tools (estimated amount: EUR 100 000).

Moreover around EUR 300 000 will be sub-delegated to DG SANCO by DG ELARG from budget line 220207 “Impact of enlargement in EU border regions - Preparatory Actions” (to be confirmed) in order to organise seminars for new Member States and candidate countries, on the enforcement of consumer policy rules. This amount is added to the credits provided in this Decision. A seminar will thus be held with Romania, Bulgaria and Turkey during the second semester of 2004.

⁸ Existing sub-delegation dated on 14/11/2001

⁹ Existing sub-delegation dated on 24/02/2003

¹⁰ Administrative arrangement n° B5-1000/03/000311

**Financial contribution to the functioning of
European consumer organisations**

*Decision No 20/2004/EC of the European Parliament and of the Council of
8 December 2003, Article 7(2), action 16*

Selection criteria

The selection criteria make it possible to assess the applicant's financial standing and operational capability to complete the proposed work programme.

The applicant must have access to sound and adequate funding sources, so as to be able to maintain activities for the duration of the project for which the grant is awarded. The applicants must therefore:

- attach in support of the application a copy of the annual accounts of the organisation that they represent (last financial year for which the accounts have been closed preceding the submission of the application). For grant applications from new European organisations, applicants must produce the annual accounts of the organisations that are members of the new body (last financial year before the submission of the application for which the accounts have been closed);
- submit a detailed balanced expenditure/revenue estimated budget for the organisation;
- specify the contribution made by each member;
- attach an external audit report produced by an auditor approved for operational grant applications in excess of EUR 75 000.

Only organisations with the necessary operational resources, skills and professional experience may be awarded a grant. The following information must be provided in support of the application:

- the organisation's most recent annual activity report. For newly-constituted organisations, the curriculum vitae of the members of the management body and the annual activity reports for the member organisations of the new body;
- any references concerning participation in European Commission-funded activities, the conclusion of grant agreements, the conclusion of contracts with the Commission or other international organisations and Member States.

Award criteria

The award criteria make it possible to select work programmes that can guarantee respect for the Commission's objectives and priorities and can raise the profile of Community financing.

Work programmes submitted with a view to obtaining Community financing must therefore:

- be consistent with the objectives of European consumer policy;
- contribute to the incorporation of consumer interests in other Community policies;
- contribute to strengthening the representation of consumer organisations in the new Member States;
- reflect activities by the organisation that are intended to represent consumers' interests and express their concerns to institutions and interest groups, as well as to the media and the general public;
- reflect activities by the organisation that are intended to mobilise its members to encourage them to take a more active stance on European issues with their various partners at European and national level;
- raise the general profile of the organisation and of its activities.

The work programme must be clear, realistic and well detailed, particularly in respect of the following aspects:

- clarity of the objectives and their suitability for the desired results;
- description of the planned activities;
- schedule.

The work programme must have a good cost-effectiveness ratio and thus demonstrate the consistency between the budget and the resources used.

It must provide for assessment mechanisms and demonstrate how the result indicators used will make it possible to verify that the objectives of the work programme have been attained.

Annex 2

Financial contribution to the operation of consumer organisations at European level representing consumer interests in the development of standards for products and services at Community level

Decision No 20/2004/EC of the European Parliament and of the Council of 8 December 2003, Article 7(3), action 17

Selection criteria

The selection criteria make it possible to assess the applicant's financial standing and operational capability to complete the proposed work programme.

Only organisations that are able to guarantee their operations may receive a grant. The applicants must therefore:

- attach in support of the application a copy of the annual accounts of the organisation that they represent (last financial year before the submission of the application for which the accounts have been closed). For grant applications from new European organisations, applicants must produce the annual accounts of the organisations that are members of the new body (last financial year before the submission of the application for which the accounts have been closed);
- submit a detailed balanced expenditure/revenue estimated budget for the organisation;
- attach an external audit report produced by an auditor approved for operational grant applications in excess of EUR 75 000.

Only organisations with the necessary operational resources, skills and professional experience may be awarded a grant. The following information must be provided in support of the application:

- the organisation's most recent annual activity report. For newly-constituted organisations, the curriculum vitae of the members of the management body and the annual activity reports for the member organisations of the new body;
- any references concerning participation in European Commission-funded activities, the conclusion of grant agreements, the conclusion of contracts with the Commission or other international organisations and Member States.

Award criteria

The award criteria make it possible to select work programmes that can guarantee respect for the Commission's objectives and priorities and can raise the profile of Community financing.

Work programmes submitted with a view to obtaining Community financing must therefore:

- be consistent with the objectives of European consumer policy in respect of consumer representation in standardisation work;
- reflect activities by the organisation that are intended to represent consumers' interests and express their concerns in respect of standardisation to institutions and interest groups, as well as to the media and the general public;
- reflect activities by the organisation that are intended to mobilise its members to encourage them to take a more active stance on standardisation issues with their various partners at European and national level;
- raise the general profile of the organisation and of its activities.

The work programme must be clear, realistic and well detailed, particularly in respect of the following aspects:

- clarity of the objectives and their suitability for the desired results;
- description of the planned activities and programming.

The work programme must have a good cost-effectiveness ratio and thus demonstrate the consistency between the budget and the resources used.

It must provide for assessment mechanisms and demonstrate how the result indicators used will make it possible to verify that the objectives of the work programme have been attained.

Annex 3

**Actions providing financial support for specific projects carried out at
Community or national level in support of consumer policy objectives**

*Decision No 20/2004 of the European Parliament and of the Council of
8 December 2003, Article 7(4,) action 18*

Financial contributions in excess of 50%

Financial support cannot in principle exceed 50% of the amount of expenditure linked to the implementation of the eligible activities. However, under Article 6(5) of the legal basis applicable from 2004 onwards, a Community contribution of up to 75% may be made towards the cost of the action for certain projects to be defined by the Commission.

For the period 2004-2007 the Commission proposes to give priority to projects involving organisations from the new Member States and more specifically:

1. projects put forward by consumer associations intended to speed up the effective application of the *acquis communautaire* in the area of consumer protection in the new Member States.
2. cooperation projects between consumer associations that are active at national level, from at least half of all the Member States and including at least half of the new Member States. Priority will thus be given to major projects involving a large number of associations.

Selection criteria

The selection criteria make it possible to assess the applicant's financial standing and operational capability to complete the proposed work programme and to have assurances that the applicant has access to sound and adequate funding sources, so as to be able to maintain activities for the duration of the project.

The applicant must provide information on his qualifications and professional experience, by supplying in particular his most recent activity report, the project manager's curriculum vitae and any references concerning participation in European Commission-funded activities, agreements or contracts concluded with other international organisations and Member States.

As evidence of his financial capacity, the applicant must provide the following:

- a copy of the annual accounts of the organisation applying for the grant (or annual budget if public organisation) for the last financial year for which the accounts have been closed preceding the submission of the application;
- a certificate showing that he has own resources;
- a declaration signed by the partners who will contribute to the project funding;

- a detailed estimated budget;
- an external audit report produced by an approved auditor where the amount to be funded is more than EUR 300 000.

Award criteria

After applying the selection criteria, the Commission will make its selection on the basis of two types of criteria which will make it possible to verify the quality of both the proposed activity and the application.

In order to be selected, projects must firstly fulfil the three criteria relating to the quality of the activity and, secondly, score a minimum of 70% following the evaluation of the quality of the application.

1. Quality of the action proposed

Here the idea selected for the project is evaluated.

The project must:

- have a European dimension: how does the project contribute to European consumer policy as set out in the Strategy 2004-2006 and Decision No 20/2004?
- be consistent with other Community programmes and initiatives: the project must not come under another programme.

2. Quality of the application

Here the preparation of the project is evaluated.

Each criterion must be met and the minimum score is at least 50% of points.

The project must:

- demonstrate effective and balanced cooperation between the various partners in respect of planning and implementing activities and financial participation (20%);
- support the development of sustainable transnational cooperation, particularly through the exchange and shared use of experiences (10%);
- have a good cost-effectiveness ratio: consistency between the budget and the resources used (20%);
- be based on a clear and realistic work programme (30%): the organisation of the activity must be well detailed, particularly in respect of the following aspects:

- clarity of the objectives and suitability for the desired results;
- schedule for the activity,
- proposed methodology;

- provide for the most extensive possible dissemination of the results (10%): all proposals must contain a dissemination plan, indicating its scope and its effectiveness;
- provide for an assessment method to verify that the objectives defined at the outset have been attained (10%).

For projects put forward by consumer organisations aimed at speeding up the effective application of the *acquis communautaire* in the area of consumer protection in the new Member States, only the following award criteria need to be met:

- have a good cost-effectiveness ratio: consistency between the budget and the resources used (20%);
- be based on a clear and realistic work programme (50%): the organisation of the activity must be well detailed, particularly in respect of the following aspects:
 - clarity of the objectives and suitability for the desired results;
 - schedule for the activity,
 - proposed methodology;
- provide for the most extensive possible dissemination of the results (20%): all proposals must contain a dissemination plan, indicating its scope and its effectiveness;
- provide for an assessment method to verify that the objectives defined at the outset have been attained (10%).