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ANNEX

Work programme for 2018 for the implementation of the Union programme to support specific activities enhancing the involvement of consumers and other financial services end-users in Union policy-making in the area of financial services for the period of 2017-2020

BUDGET LINE

12 02 08 - Enhancing the involvement of consumers and other end-users in Union policymaking in financial services

Priorities of the year, objectives pursued and expected results

The **objectives of the programme** are:

- to enhance further the active participation and involvement of consumers and other financial services end-users, as well as stakeholders representing the interests of consumers and other financial services' end-users, in Union and in other relevant multilateral policy-making in the area of financial services;
- to inform consumers and other financial services end-users, as well as stakeholders representing their interests, about issues at stake in the regulation of the financial sector.

The objectives will be achieved by supporting the activities carried out by the two beneficiaries of the programme, namely Finance Watch and Better Finance.

Finance Watch and Better Finance have received Union grants between 2012 and 2017 in the context of a pilot project and a subsequent preparatory action launched upon request of the European Parliament following the financial crisis. They received first payments under this programme between May and December 2017.

The main expected results of the action to be implemented by Finance Watch and Better Finance comprise the following:

- publications of a number of research and policy papers in line with Union political agenda and priorities;
- activities engaging existing members and stakeholders (workshops, conference calls, public events, etc.), including in Member States;
- increased and diversified membership – in particular covering more Union Member States;
- increased audience of communications and outreach activities, including organisation of high-level conferences, participation in hearings, good press coverage and social media activities, and financial education and training;
- increased representation of consumers and end-users interests in the Union policy-making through regular meetings with policymakers and through participation in

expert or stakeholder groups with EU institutions and European Supervisory Authorities (ESAs) with the ultimate objective of leaving a mark on Union policy-making;

- a sustained and more diverse funding pool.

The two beneficiaries have different focus (*i.e.* different policy areas and stakeholders) and the above listed results would therefore target different policy areas and complement each other.

Finance Watch

The purpose of 2018 action grant is to support the action proposed by Finance Watch for the period January-December 2018.

To achieve the policy objectives of the programme, the action encompasses a wide range of activities to be carried out by Finance Watch, and with the support of Finance Watch members, mostly in response to ongoing or forthcoming EU financial services policy proposals. 2018 should mark a new departure with Finance Watch aiming to also develop pro-active policy proposals to be drawn from a year-long Change Finance campaign. Generally speaking, all Finance Watch activities fall under five headings: expertise and policy analysis, advocacy and public affairs, membership coordination and development, the Change Finance campaign and communications. Besides its very broad policy coverage, Finance Watch is developing a comparative advantage in sustainable finance, for which it has also secured some external financing for 2018. Last year's target to update the Finance Watch website has now moved to 2018.

Better Finance

The purpose of 2018 action grant is to support the action proposed by Better Finance for the period January-December 2018.

To achieve the policy objectives of the programme, the action encompasses a wide range of activities carried out by Better Finance and with the support of Better Finance members. As of 2018, Better Finance will seek to refocus its work programme to reflect more closely the scope of the programme as defined in Article 1.2 of Regulation 2017/826. Planned activities include yearly updates to published research on pension returns and robo-investing. Budget permitting, it would like to invest in an update of its CheckYourFund.eu online fund comparing tool, host a workshop on best practices on investor education and change its website and email provider. Better Finance's comparative advantage involves highly specialised research about investment products, in particular pensions. It is also very broadly represented in EU stakeholder groups (Commission+ESAs) and will continue in 2018.

Description of the activities to be funded by the grants awarded without a call for proposals to bodies identified by Regulation (EU) 2017/826, within the meaning of Article 190(1) of Delegated Regulation (EU) No 1268/2012

Finance Watch

The grant provides co-financing for the action carried out by Finance Watch, including the following activities:

Expertise and policy analysis:

Finance Watch has a comprehensive expertise and policy analysis programme for 2018 covering, the long-term viability of the EU financial system, including a sub-activity on green finance, proposals to make the banking system safer, more resilient and diverse, real needs of financial market end-users, fintech, pensions, insurance, consumer-friendly financial supervision and international trade agreements (including, in future, with the UK), better regulation and comprehensible statistics about finance.

Advocacy and public affairs:

Finance Watch envisages a more proactive advocacy orientation to take advantage of the Commission's own moratorium on new legislative proposals as of late spring 2018. Starting in December 2017, Finance Watch's Change Finance campaign will run for a year. A key event is planned in September 2018 to mark the tenth anniversary of the financial crisis. This new direction will also sustain Finance Watch's own strategic development. It will be supported through Finance Watch's flagship product, the *Citizens' Dashboard of Finance*, which produces data and metrics to inform citizens about the state of the financial system. On the more reactive side of advocacy work, priority areas will cover the banking package, the ESAs Review, fintech, insurance, pensions, retail finance and sustainable finance.

Member coordination and development:

Finance Watch prepares its policy outputs and coordinates with member organisations through 8 working groups, all but one (campaigning) focussing on specific financial sector policies. Member coordination also involves joint policy engagement (including wider civil society stakeholders where needed), systematic information exchanges with members, participation in member-organised events and regular bilateral meetings. Finance Watch will seek to extend its membership base through planned events, regular communication products and a strategy to expand membership involving an extra staff member in the Finance Watch Secretariat and the occasional use of local consultants (former Finance Watch staff).

Change Finance Campaign:

Based on the premise that some of the pressing causes of the 2008 financial crisis are not addressed sufficiently, Finance Watch aims to run a Change Finance Campaign in 2018 to broaden the coalition of civil society organisations campaigning for financial reform. Finance Watch will play the role of convenor/facilitator. Throughout the campaign it will seek to demonstrate connections between finance and major social goals, draw up a list of recommendations to change finance and create a shared on-line campaigning platform.

Communications

Based on its Strategic Plan 2017-2020, Finance Watch will focus in 2018 on a new orientation, explaining through a wide range of communication tools to a broader section of society how finance affects their interests and challenges e.g. links between finance and inequality. It will also use the same tools (newsletters, internet, social media, etc.) to disseminate information about its specialised activities while paying attention to use more citizen-friendly language. One pending activity not pursued in 2017 due to a challenging period of organisational change for Finance Watch is the preparation and launching of a new website. The current one has been customised to such an extent that any new update draws down heavily on resources. Capacity-building and pedagogical material are also a focus of communications activities.

Better Finance

The grant provides co-financing for the actions carried out by Better Finance, including the following activities:

Research:

The main research project for Better Finance is an on-going research on the real returns of long term and pension savings which was launched in 2013 and subsequently updated and broadened annually until now. The 2018 edition should cover 16 Member States (representing 90% of the EU population) during an 18-year period (2000-2017).

Better Finance also intends to update the comparative analysis on robo-advisors published annually since March 2016. If funds allow, Better Finance would like to update a closet index study issued in early 2017. Under the March 2017 PRIIPs regulatory technical standard, the mandatory disclosure of the 10-year past performance of UCITS funds and of their benchmarks has been removed. Consequently, Better Finance has lost its main (and free) source of data and would need to pay a private data base for access to comparable data.

Advocacy:

Better Finance has a strong presence in stakeholder or expert groups assisting the European Commission and the European Supervisory Agencies in their activities (29 experts, including 4 Vice-Chairs in 13 groups). This provides Better Finance with an efficient platform to serve members and end-users in efforts to broaden the perspectives to be considered in the preparation and implementation of EU financial services policies. Better Finance will also prepare responses to public consultations and position papers though some prioritisation will be necessary due to tight budget constraints.

Raising awareness, dissemination and financial education:

Better Finance is planning four events in 2018: its Annual International Spring Conference, an international conference on shareholder engagement and responsible investing in cooperation with its Lebanese member organisation, a bi-annual conference with its German member organisation and a small-scale event as part of the annual Invest Week in Brussels. All events will have media activities, including press conferences.

As for financial education, Better Finance has joined the Center for Financial education and Capability as an observer as well as the European Platform for Financial Education. Fiance Watch will use these partnerships to leverage its general work on financial education. A dedicated workshop with interested national members is planned for spring 2018 to discuss best practices. Its Annual International Spring Conference will also feature discussions about financial education. Better Finance needs to upgrade its website in 2018 in particular to service www.checkyourfund.eu better, showcase its flagship reports and to facilitate long-distance voting by members. It will also use social media, a bi-monthly newspaper and other communication projects to reach out to a wider audience.

Reinforcing interactions between members:

Better Finance members are dedicated European financial services user organisations themselves, and as such represent the financial services users in their respective Member States. Better Finance will continue to support its members in their activities and coordinate either through exchange of information (website, newsletters, events) or dedicated meetings

(General Assembly, Committee meetings).

Award criteria

The quality of the proposals, including the description of the action will be assessed on the basis of the following award criteria:

- Quality and relevance of the proposed action (type of activities, topics covered, timetable) to achieve the objectives provided for in Regulation (EU) 2017/826
- Cost-effectiveness and the demonstration that the budget is commensurate with the results to be achieved by using this budget.

Implementation

Directorate General for Financial Stability, Financial Services and Capital Markets Union assessed the proposals for 2018 action grant submitted by Finance Watch on 30 November 2017 and by Better Finance on 30 November 2017.

The grant programme will be implemented directly by Directorate General for Financial Stability, Financial Services and Capital Markets Union, which will monitor the implementation of the action by the grant beneficiaries as well as the use of the awarded grants, including compliance with the legal basis and with the provisions of the grant agreements. In particular, it will be verified whether both beneficiaries continue to comply with provisions of Article 3 and Article 4 of Regulation (EU) 2017/826.

Indicative timetable and indicative amount of the grants awarded without a call for proposals

Beneficiary	Date	Amount
Finance Watch	Q1 of 2018	EUR 1 100 000
Better Finance	Q1 of 2018	EUR 400 000

Maximum possible rate of co-financing of the eligible costs

Maximum rate of direct co-financing - 60 % for both beneficiaries

Moreover, in line with Article 7 (3) of Regulation (EU) 2017/826, in the event that a beneficiary receives funding from members who are themselves recipients of funding under Union financing programmes, the Commission shall limit its annual contribution to ensure that total direct and indirect Union funding for actions under this Programme to that beneficiary does not exceed 70% of the total eligible costs.