



COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 28.01.1998
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98/ 0028 (COD)

Proposal for a

EUROPEAN PARLIAMENT AND COUNCIL DECISION

establishing a general framework for community activities in favour of consumers

(presented by the Commission)

EXPLANATORY MEMORANDUM

The European Union has strengthened its Consumer Policy considerably throughout the last decade, particularly in view of entering into force of the Treaty of the Union. Further developments are foreseen in the Treaty of Amsterdam in respect of the consumer policy and protection of consumers' health.

Actions undertaken in support of the Union's consumer policy have been financed from the community budget for several decades. During this period there has been no legal basic act for financing these actions, or a formal description of eligible activities, other than the references in Article 129A following its introduction in the EC Treaty in 1992.

In recent years the need for a comprehensive basic act for financing actions in favour of the consumer policy from the Union budget has become necessary. The BSE crisis and the measures which became necessary in its wake to strengthen the protection of consumers' health in the Union, and the importance attached to food safety and consumer confidence have also given impetus to the need for a basic act.

As the process of European economic integration has advanced, it has become evident that the citizens of the Union as consumers need to have confidence that their rights and interests are protected in the new, enlarged Single Market. The interests of consumers must be taken into account in the same way as those of other economic actors. This contributes to a harmonious functioning of the single market. Increasing cross border retailing, distance selling and the development of the electronic market place are other factors of considerable significance at the European level for consumer protection.

The attached draft Parliament and Council Decision sets out the basic act for activities for financial support from the Union budget for Consumer Policy and Consumer Health Protection. It establishes a framework and consequently does not seek to describe exhaustively all possible activities arising from the provisions and objectives laid down in the Treaty.

It should not be mistaken for a multiannual programme of actions. In fact it is not possible in the field of consumer protection to anticipate precisely and for a period of 5 years, all the problems which would necessitate Community intervention.

The fundamental objectives of the Treaty dispositions under article 129A for Community actions for the Consumer Policy foresee

- measures adopted pursuant to Article 100a in the context of the completion of the internal market;
- specific action which supports and supplements the policy pursued by the Member States to protect the health, safety and economic interests of consumers and provide adequate information to consumers.

These fundamental objectives are translated into support for activities under specific areas or domains responding to concerns at the European level which are a logical corollary and completion of a single market in goods and services.

The free movement of goods and services in an open market economy requires adequate and equitable protection of the rights and interests of the citizens as consumers, users and purchasers of those goods and services.

Some of these fundamental objectives of Community consumer policy can be met by non-financial intervention, for instance by co-ordination, legislation and prevention.

But to attain certain objectives, it is often appropriate and necessary to support actions financially.

For example, to ensure that the European consumers' voice is heard and their opinions consulted on many issues requires that the European consumer organisations are in a position to participate in the consultative process. Their financial means, however, are very limited and it is appropriate and necessary to support their activities financially.

The activities corresponding to these objectives can be grouped in four areas which necessitate interventions at the European level :

- health and safety of consumers in respect of products and services made available to them throughout the Union by way of free circulation of goods and services under the single market, requiring measures for prevention and evaluation of risks to the health and safety as well as for checks and inspections ;
- protection of the economic interests of consumers in the increasing number of international transactions, advertising, as well as in the field of contracts, settlement and prevention of disputes ;
- educating and informing consumers about their rights and protection in the single market in respect of purchase of goods and services, especially in respect of cross border purchases;
- promotion and representation of consumers' interests to ensure that their voice and interests are taken into account in the preparation and implementation of Community policies and to strengthen the representation of their interests.

Without interventions of this nature it would be difficult to attain the Treaty objectives or to retain consumer confidence which would undermine seriously the functioning of the single market.

The decision proposed is a specific action of the Community with the aim of protecting the health, security and economic interests of the consumers and to ensure them adequate information; it must therefore be based on article 129A of the Treaty.

However the Treaty of Amsterdam has extended the scope of the dispositions in the EC Treaty relating to the protection of consumers and concerning public health policy (new articles 153 and 152 of the EC Treaty) ; the Commission may therefore re-examine the present proposal as soon as the Treaty of Amsterdam comes into force if this proposal is not yet adopted by that date.

The financing of these actions has to be seen in the overall budgetary context. It represents in 1998 some 21.5 million ECU, that is 0.025 % of the preliminary draft budget of 89.8 billion ECU. Though rather small, this amount supports actions and activities which are nevertheless essential for any significant or proper functioning of Consumer Policy at the European level.

It covers actions

- launched by the Commission to support, supplement and monitor consumer policy in the Member States,
- supporting financially activities of the European consumer organisations,
- supporting financially specific projects by consumer organisations in the Member States to promote consumers' interests,

The draft basic act sets out a range of activities and priorities which follow up the objectives of Article 129A. As noted above, it is not a detailed action plan but rather a framework programme of actions with priorities from which operational programmes and individual projects can be elaborated and adopted.

The Commission informed the Parliament and Council of its policy priorities in its Communications "Priorities For Consumer Policy", COM(95)519 of 31.10.1995, and "Consumer Health And Food Safety", COM(97)183 of 30.04.1997.

Concerning more precisely the question of food safety and health, it is evident that the priorities described in the proposal constitute a part of a number of actions carried out at the Community level and that these themes are also taken into account in the context of other Community policies, notably in the field of public health.

Moreover, these priorities are complemented by the necessary research work carried out under the 5th framework programme COM (97) 142) of 30.04.1997. The Community has at its disposal for this purpose the skills of the Joint Research Centre.

This basic act restricts itself to consumer policy inside the Union. However, account will be taken of the content of the additional protocols to the Europe Agreements which foresee the participation of the Associated Countries (CECs) in Community programmes in the field of consumer protection. This aspect has been highlighted once again in Agenda 2000.

The general framework of activities under the basic act outlined above will cover a period of five years from 1 January 1999 to 31 December 2003. The total budget allocation over the five years is currently estimated at 114 million ECU.

The Commission will submit a report to the Parliament and the Council on the first three years of its functioning, at the latest by 30 June 2002.

Proposal for a decision of the European Parliament and the Council establishing a general framework for community activities in favour of consumers

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community, and in particular Article 129A thereof,

Having regard to the proposal from the Commission,¹

Having regard to the opinion of the Economic and Social Committee,²

Acting in accordance with the procedure referred to in Article 189B of the Treaty,

whereas Community action helps to ensure a high level of protection of consumers and human health ,

whereas Community action in favour of consumers helps to strengthen economic and social cohesion ,

whereas this objective cannot be achieved effectively without the cooperation and participation of all the institutions and parties concerned ,

whereas the Community intends to give new impetus to its action in favour of consumers and their health in order to enable them to become a driving and innovatory force ,

whereas the Community needs to plan the actions required to achieve the objective it has set itself by grouping them together in a general framework that identifies the activities and areas of activity which must be tackled as a matter of priority ,

whereas this general framework aims in particular to bring together the initiatives carried out for the benefit of consumers in order to optimise their effects for consumers ,

whereas the Community system of information on domestic and leisure accidents had been introduced by the decision 3092/94/EEC of the European Parliament and the Council of 7 December 1994³ to cover only the period 1994 – 1997,

whereas this general framework must provide for both initiatives taken by the Community, in compliance with the principle of subsidiarity, and actions to support the organisations which work to defend consumer interests at Community or national level ,

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³ OJ no L331 of 21.12.1994 p 1

whereas this general framework for Community action does not prejudge measures which may become necessary during the period fixed, as regards the achievement of the objectives set out in Article 129A of the Treaty,

whereas the initiatives undertaken by the Community and the actions to support other private or public initiatives complement one another and must form part of an integrated approach,

whereas the implementation of this general framework should make it possible to take better account of consumers' interests in the other policies of the Community, notably in the fields of public health, research and transport,

whereas the initiatives developed in this framework should be complementary to the actions being carried out in the field of public health, concerning in particular foodstuffs,

whereas a harmonised and neutral approach to matters related to the protection of consumers and their health is indispensable and as the Community has at its disposal the skills of the Joint Research Centre,

whereas this framework is open to the participation of the associated countries of central and eastern Europe in accordance with the European Agreements or their additional protocols, and also to Cyprus in accordance with conditions to be agreed, as well as to the EFTA / EES countries on the basis of additional appropriations in accordance with the rules fixed in the Agreement on the European Economic Space,

whereas it is necessary to draw up a list of priority areas for Community action in order to help achieve maximum effectiveness throughout the planned period,

whereas it is also necessary to strengthen the bodies and organisations that are active in the area of consumer protection so that they can be a more effective driving force for making consumers aware of the priorities set by the Community,

whereas it is necessary to ensure that the interests of consumers are represented at Community level and to provide significant support to the European organisations which represent the interests of consumers effectively and actively,

whereas it is necessary, at the same time, to support organisations which are active at national or regional level by encouraging them to take part in concerted action in the areas recognised as priorities,

whereas it is therefore necessary to set out the arrangements for the financial support provided by the Community to the bodies and organisations that are representative of consumer interests, out of a constant concern for maximum transparency and for effectiveness in the use of the funds allocated by the Community,

whereas it is necessary to lay down selection criteria for the provision of financial support,

whereas it is necessary to establish effective methods for evaluation and monitoring and to make provision for informing the target groups concerned in an appropriate way,

whereas the implementation of the activities provided for under this general framework must be evaluated in the light of the experience gained in the first three years ,

whereas this decision establishes, for the whole of the planned duration, a financial allocation which constitutes the principal point of reference, within the meaning of point 1 of the Declaration by the European Parliament, the Council and the Commission of 6 March 1995, for the budgetary authority in the annual budgetary procedure.

HAVE DECIDED AS FOLLOWS:

CHAPTER I GENERAL OBJECTIVES AND APPROACH

Article 1

1. This decision establishes, at Community level, a general framework for activities for promoting the interests of consumers and providing them with a high level of protection.
2. This general framework of activities consists of actions designed to help protect the health, safety and economic interests of consumers and to promote their right to information and education and to join forces in order to protect their interests.
3. This general framework of activities shall be established from 1 January 1999 to 31 December 2003. The financial allocation for carrying out the activities planned in this general framework shall be 114 million ECU for the whole period.
Annual appropriations shall be authorised by the budgetary authority within the limits of the financial perspectives.

Article 2

These activities shall comprise:

- (a) actions taken by the Commission to support and supplement the policy conducted by the Member States, and to develop, update and monitor it;
- (b) actions providing financial support for the activities of European consumer organisations, under the conditions set out in Article 5;
- (c) actions providing financial support for specific projects to promote consumers' interests in the Member States, notably the projects presented by consumer organisations, under the conditions set out in Article 6.

Article 3

The Commission shall ensure that there is consistency and complementarity between the Community activities and projects under this general framework and the other Community programmes and initiatives, and shall lay down the priorities to be applied in the activities mentioned in Article 4.

Article 4

The actions mentioned in Article 2 shall concern the following specific areas in particular:

- (a) the health and safety of consumers;

- (b) protecting the economic interests of consumers as regards products and services;
- (c) educating and informing consumers about their protection and rights;
- (d) promotion and representation of the interests of consumers.

The Annex gives an indicative list of the activities by area.

CHAPTER II

IMPLEMENTING ARRANGEMENTS

Article 5

1. The financial support referred to in Article 2, point b), may be granted to European consumer organisations which:
 - are non-governmental, not-for-profit organisations whose main objectives are to promote and protect the interests and health of consumers and
 - have been mandated to represent the interests of consumers at European level by organisations that are representative of the consumers of at least half the Member States of the Community and that are active at national or regional level.
2. The financial support referred to in Article 2 point b), may be granted to support the activities of European consumer organisations that are planned in the annual programme of their activities, where these activities relate to one or more of the areas mentioned in Article 4.
3. The conditions for granting financial support are set out in Articles 7-9.

In addition, the financial support may not, in principle, exceed 50% of the expenditure involved in carrying out the eligible activities.

Article 6

1. Any natural or legal person or association of natural persons who/which is actually responsible for the implementation of the projects may receive the financial support referred to in Article 2 point c), where the main objectives of these projects are to promote and protect the interests and health of consumers.
2. The financial support referred to in Article 2 point c), shall be granted on the basis of the description of the project, where it relates to one or more of the areas mentioned in Article 4.
3. The conditions for granting financial support are set out in Articles 7-9.

In addition, the financial support may not, in principle, exceed 50% of the expenditure involved in implementing the project(s), excluding all operating expenses.

Article 7

The Community financial support referred to in Article 2 points b) and c) shall be granted to actions selected on the basis of the following criteria in particular:

- a satisfactory level of cost-effectiveness;
- an added value ensuring a high and uniform level of the representation of consumers' interests;
- a lasting multiplier effect at European level;
- effective and balanced cooperation between the various parties for planning and carrying out activities and for financial participation;
- the development of lasting transnational cooperation, especially by the exchange of experience to raise the awareness of consumers and economic operators and by joint utilisation of their results ;
- the widest possible dissemination of the results of the activities and projects supported ;
- the ability to analyse the situations to be covered, the means earmarked for evaluating the activities and projects and their suitability for best practice;

CHAPTER III

PROCEDURES, EVALUATION AND MONITORING

Article 8

1. Each year, the Commission shall publish a note in the Official Journal of the European Communities describing the areas for funding and setting out the selection and award criteria and the procedures for application and approval.
2. Having assessed the proposals, the Commission shall select the activities and projects referred to in Chapter II which are to receive financial support. This decision shall lead to the conclusion of a contract with the recipients responsible for implementation, concerning the rights and obligations of the parties.
3. Community assistance shall relate to the actions which should take place in the year of the financial contribution or in the following year.
4. A list of the recipients and of the actions funded under this framework shall be published each year, with an indication of the amount of the assistance.

Article 9

1. The Commission shall ensure the monitoring and supervision of effective implementation of the activities financed by the Community. This shall be done on the basis of reports using the procedures agreed between the Commission and the recipient; it shall include checks *in situ* by means of sampling.
2. Recipients shall submit a report to the Commission for each action within three months of its completion. The Commission shall determine the form and content of this report.
3. Recipients of financial support shall keep at the Commission's disposal all the documentary evidence of expenditure for a period of five years from the last payment concerning an action.

Article 10

The Commission shall see to it that the actions funded by the Community are evaluated regularly. These evaluations may be carried out by the Commission and by independent experts employed to this end.

Article 11

1. The Commission may reduce, suspend or recover financial assistance granted for an activity if it detects irregularities or learns that the activity has, without its approval, been significantly modified so that it is incompatible with the objectives of the agreed implementing arrangements.
2. If the deadlines are not met or if the state of progress of an activity warrants only partial use of the appropriations granted, the Commission shall ask the recipient concerned to provide an explanation within a given period of time. If the recipient's reply is not satisfactory, the Commission may cancel the balance of financial assistance and demand that the sums already paid be refunded immediately.
3. All incorrect payments shall be refunded to the Commission. Any sums not refunded in good time may be increased by default interest. The Commission shall determine the arrangements for the application of this paragraph.

Article 12

1. Each year, the Commission shall report to the European Parliament and to the Council on the implementation of this framework.

This report shall include the results of the evaluation of the actions, activities and projects carried out under this framework.

2. By 30 June 2002 at the latest, the Commission shall submit an evaluation report to the European Parliament and to the Council on the first three years of implementation of activities under this general framework.

Article 13

This Decision shall enter into force on 1 January 1999.

Done at

INDICATIVE ACTIVITIES BY AREA**1. CONSUMER HEALTH AND SAFETY**

- Actions undertaken for the preparation and elaboration of opinions of the Scientific Committees.
- Expertise and inspections relating to controls in the food, veterinary and phytosanitary sectors.
- Technical expertise to assess risks relating to products, notably for foodstuffs.
- Making best use of scientific and technical elements relating to consumer protection actions, notably through the use of expertise of the Joint Research Centre.
- Measures relating to consumer products causing danger to consumers.
- Dissemination of information about dangerous products and potential risks.

2. PROTECTING THE ECONOMIC INTERESTS OF CONSUMERS AS REGARDS PRODUCTS AND SERVICES

- Measures to improve co-operation between the bodies participating in market surveillance.
- Measures to ensure the respect of consumer rights in the supply of products and services, including mechanisms for settling consumer disputes, notably through pilot projects and setting up databases.
- Measures to ensure a level playing field in consumers transactions, taking into account the impact of new technologies, and the development of financial services.

3. EDUCATING AND INFORMING CONSUMERS

- Improving information to consumers about their rights and how to enforce them and raising awareness of manufacturers and consumers about safety aspects of products.
- Improving information to consumers about features of specific products and services notably through comparative testing.
- Develop the education and training of consumers, particularly in schools.
- The development of, and support for, European centres providing information and advice to cross border consumers in the Community.

4. PROMOTION AND REPRESENTATION OF THE INTERESTS OF CONSUMERS

- Strengthening the representation of consumer interests at the European and international level.
- Supporting consumer organisations in the Member States, notably where their means are limited.
- Promotion and coordination of consumer participation at the European level in standardisation
- Pilot projects promoting sustainable consumption models, notably those that are environmentally friendly.

FINANCIAL STATEMENT

SECTION I FINANCIAL IMPLICATIONS (part B of the budget)

1. TITLE OF OPERATION

Proposal for a Decision of the European Parliament and the Council establishing a general framework for Community activities in favour of consumers.

2. BUDGET HEADING INVOLVED

B5-10 Comprising lines B5-100 , B5-102 and B-5-103

3. LEGAL BASIS

Article 129A of the Treaty establishing the European Community.

4. DESCRIPTION OF OPERATION

4.1. *General objective*

The objective is to support activities designed to help protect the health, safety and economic interests of consumers and to promote their right to information and education and to join forces in order to protect their interests and guarantee a high level of protection for consumers.

4.2 *Period covered and arrangements for renewal or extension*

The framework covers a period of five years beginning on 1.1.1999. The Commission shall carry out an evaluation of the activities in the fourth year and, if appropriate, propose an extension.

5. CLASSIFICATION OF EXPENDITURE OR REVENUE

5.1 (NCE)

5.2 (CE)

6. TYPE OF EXPENDITURE/REVENUE

Appropriations to cover the funding of actions carried out on the initiative of the Commission or to provide financial support for the projects of third parties.

7. FINANCIAL IMPACT

7.1 Method of calculating the total cost of the operation

Financial year	1999 budget	2000 budget	2001 budget	2002 budget	2003 budget	Total
Total	22 000	22 500	23 000	23 000	23 500	114 000

(Amounts in thousand current ecus)

The figures represent the sum of budget headings B5-100, B5-102 and B5-103 and the indicative figures are to be finalised in the annual budgetary procedures.

As a general rule, the level of financial assistance from the Community may not exceed 50% of the expenditure actually incurred by recipients.

7.2 Itemised breakdown of cost

While it is not possible to know the result of the annual selections in advance (see point 7.1), it is nevertheless possible to make an indicative estimate of the breakdown of costs into different areas (in million ecu for the whole period) :

I. CONSUMER HEALTH AND SAFETY

37 million ECU

Product safety and health issues will be major elements of consumer policy spending in the next five years. Some examples of the type of expenditure carried out under this policy theme would be :

- Actions undertaken for the preparation and elaboration of opinions of the scientific committees. This covers both payments to members of the committees and to experts.	9 million ECU
- Payments for expertise and inspections relating to controls in the food, veterinary and phytosanitary sectors.	7 million ECU
- Technical expertise to assess risks relating to products, notably foodstuffs. Such risk assessment is essential for determining the need for Community initiatives in, for instance, the standardisation field or for the preparation of Community legislation. For such expertise the skills of the Joint Research Centre will be called upon in particular.	9 million ECU
- Measures relating to consumer products causing danger to consumers. This includes the Ehlass programme.	9 million ECU
- Dissemination of information about dangerous products and potential risks. It is intended to enhance technically and geographically the present Rapid Exchange System for Dangerous Products (RAPEX).	3 millions ECU

2. PROTECTING THE ECONOMIC INTERESTS OF CONSUMERS AS REGARDS PRODUCTS AND SERVICES **16 million ECU**

Consumers often do not have the means to protect their rights and to fulfil their role as economic agents. Examples of types of expenditure are :

- Measures to improve the cooperation and exchange of good practice between bodies associated with market surveillance. This concerns notably the monitoring at national level of the respect of economic rights of consumers.	2 million ECU
- Measures to ensure respect of consumer rights in the supply of products and services, including mechanisms for settling consumer disputes, notably through pilot projects and setting up of databases. Legal access projects cost on average 1 million ECU per year.	7 million ECU
- Ensure a level playing field in consumer transactions taking into account the impact of new technologies, and the development of financial services .	7 million ECU

3. EDUCATING AND INFORMING CONSUMERS **38 million ECU**

Among the types of expenditure under this policy aim are :

- Improving information to consumers about their rights and how to apply them (e.g. CD-ROMs) and to raise the awareness of manufacturers and consumers about safety aspects of products ; for example actions concerning unfair contract terms and food safety in 1997 and 1998 cost roughly 4 million ECU each .	18 million ECU
- Improving information to consumers about features of specific products and services notably through comparative testing.	5 million ECU
- Promote the education and training of consumers, particularly in schools.	6 million ECU
- Promote the development of, and support for, European centres providing service and information to consumers in the Community (the Euroguichet network). At present there are 10 centres at an average annual cost of 1,6 million ECU. It is intended to have one in each member State.	9 million ECU

4. PROMOTION AND REPRESENTATION OF CONSUMERS INTERESTS**23 million ECU**

Among the types of expenditure under this aim are :

- Strengthening the representation of consumer interests at the European and international level.	10 million ECU
- Support to consumer organisations in the Member States, notably where their means are limited.	7 million ECU
- Promotion and co-ordination of consumer participation at the European level in the standardisation process. The annual average cost in recent years has been 0,7 MECU.	4 million ECU
- Encouraging via pilot projects environmentally friendly and sustainable consumption patterns.	2 million ECU

TOTAL 114 Million ECU**7.3 Indicative schedule of appropriations**

	1999	2000	2001	2002	2003	2004	Total
C Commitments	22 000	22 500	23 000	23 000	23 500		114 000
C Payments:							
1999	16 000	6 000					
2000		16 000	6 500				
2001			16 500	6 500			
2002				16 500	6 500		
2003					17 000	6 500	
	16 000	22 000	23 000	23 000	23 500	6 500	114 000

(Amounts in thousand current ecus)

8. FRAUD PREVENTION MEASURES

All the proposals for grant commitments will be preceded by an assessment including financial criteria (own resources, previous links, relationships between financial partners in a given project).

Requests for final payment must be accompanied by an evaluation of the operational and financial state of the project. An *ad hoc* note will be provided by the recipient.

In addition, checks *in situ* will be planned using a sampling method. In cases of doubt, an urgent check will be carried out and, if there are any remaining suspicions, the responsible department will refer the matter to the Anti-Fraud Service, the Legal Service and Financial Control with a view to determining the appropriate action to be taken. Lastly, an overall *ex post* evaluation of all subsidised projects will be carried out in order to further improve the monitoring.

SECTION II ELEMENTS OF COST-EFFECTIVENESS ANALYSIS

9.1. SPECIFIC AND QUANTIFIED OBJECTIVES; TARGET POPULATION

The objectives are to support consumer-related activities when they concern actions in favour of consumers in the area of products and services or when they are designed to raise the awareness of consumers or to protect their health, notably by analysing the risks involved and carrying out scientific monitoring, checks and inspections.

The target population comprises people with direct responsibility for consumer interests, regardless of the scope of their activity in geographical, Community, national, regional or local terms, or even multinational or interregional terms.

The main criterion for eligibility will therefore be the ability to develop projects which have a Community dimension and/or impact, either directly or indirectly.

9.2. GROUNDS FOR THE OPERATION

Need for Community budgetary action:

As things stand, organisations working in favour of consumers are often limited to activities which are local or which take account of only some of the expectations of consumers on the subjects concerned. By providing financial support, the Community therefore considerably influences the direction of the actions, while at the same time complying with the principle of subsidiarity.

The eligible organisations which take responsibility for consumer interests are the natural partners of Community policy. By virtue of their independence and their activities at grass-roots level, they are in a position to change the behaviour not only of consumers but also of the other economic operators.

Choice of ways and means:

The BSE crisis showed that there are various factors which may affect the health and safety of consumers and hence seriously undermine their confidence.

The Community has committed itself to ensuring a high level of protection for consumers and their health and to promoting their interests. This implies a number of actions in the following areas:

- health and safety,
- protection of economic interests in the area of products and services,
- education and awareness-raising,
- consideration of consumers' interests in other policies.

Thorough and detailed knowledge of consumers' expectations is needed in order to prepare and monitor Community action in favour of consumers.

There are now a large number of players in the area of consumer affairs. It is recognised that it would be more economic to use the existing links with consumers, in other words

the contact points established by active organisations, than to develop a new structure, which would be much less cost-effective, even over a long period.

Initiatives in the area of consumer affairs currently vary considerably in terms of both activities and the means employed.

Some still carry out highly specialised activities in a limited geographical area and do not always keep accounts.

A concentration of efforts should soon lead to stricter management. The establishment of an upper limit on assistance of 50% of expenses, in principle, is in line with this objective, as is the cross-check to determine participation in the other Community programmes.

9.3. MONITORING AND EVALUATION OF THE OPERATION

A call for projects will be published annually in the Official Journal of the European Communities, indicating the priority areas to be covered and the selection and award criteria used for financing projects.

In order to involve potential recipients in the evaluation analysis, they will be provided with a standard model for presenting projects. This presentation will include performance indicators, depending on the type of action, and the method of measurement during implementation of the action and at the end thereof.

The performance indicators to be chosen may be:

- regular opinion polls (Eurobarometer),
- the progress achieved in the areas of the health, safety and economic interests of consumers,
- the ability of the representative organisations to take account of consumer interests,
- the number of legislative or non-legislative measures in the area of consumer protection,
- the number and scope of actions in the area of products and services, including in terms of awareness-raising, that make it possible to restore consumer confidence,
- the success rate of projects identified as priorities,
- the measures implemented in the Member States.

As soon as the final date for the submission of projects has expired, an assessment committee will be given responsibility for classifying the projects on the basis of the published criteria. When the annual budgetary amount to be allotted has been decided, the subsidies will be granted in decreasing order of interest.

The list of projects submitted and selected will then be published in the Official Journal of the European Communities.

During implementation, it will be possible to carry out an interim evaluation (by sampling) and an *ex post* evaluation (in all cases), as a result of the inclusion of a clause

in agreements and the production of a results sheet when payment demands are submitted.

At the end of the financial year, an overall evaluation report will be drawn up, in which the actions will be grouped together by subjects covered and the impact indicators (target population, response rate, public awareness during and after the action) will be given.

In addition, at the end of the fourth financial year, an interim report will be drawn up in order to assess the coherence of the actions carried out and the development of project coordination throughout the period concerned. This report will also mention the activities carried out by all recipients over the period.

It is on the basis of this report that the Commission will propose an extension of the general framework for activities, if appropriate.

SECTION III ADMINISTRATIVE EXPENDITURE (part A of the budget)

10. ADMINISTRATIVE EXPENDITURE (PART A OF SECTION III OF THE GENERAL BUDGET)

The effective mobilisation of the necessary administrative resources will depend on the annual Commission Decision on the allocation of resources, account being taken notably of the staff and the additional sums that have been granted by the budgetary authority.

10.1 Effect on the number of posts

The share of staff resources that may be mobilised each year for this general framework is estimated to be as follows:

		Staff to be allocated to the management of the action		of whom	
		Permanent posts	Temporary posts	by using existing resources in the DG or service concerned	by using additional resources
Officials or temporary staff	A	20	3	23	
	B	14		14	
	C	24		24	
Other resources	Seconded national experts		2	2	
	Consultants		2	2	
Total		58	7	65	

10.2 Overall financial impact of human resources per year

	AMOUNTS	METHOD OF CALCULATION
Officials	ECU 5 974 000	ECU 58 x 103 000
Temporary staff	ECU 309 000	ECU 3 x 103 000
Other human resources		
Seconded national experts	ECU 80 000	ECU 2 x 40 000
Consultants	ECU 240 000	ECU 2 x 120.000
Total	ECU 6 603 000	

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