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CORRIGENDUM

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Amended proposal for a

EUROPEAN PARLIAMENT AND COUNCIL DECISION

establishing a general framework for community activities in favour of consumers

(presented by the Commission pursuant to Article 189 a (2)
of the EC-Treaty)

EXPLANATORY MEMORANDUM

I PROCEDURE

On 28 January 1998, the Commission adopted a proposal for a decision establishing a general framework for Communities activities in favour of consumers on the base of Article 129A of the Treaty establishing the European Communities.

This proposal is designed to create 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.

The Economic and Social Committee gave its opinion on 28 May 1998 and the European Parliament, to which the proposal was submitted under the co-decision procedure, gave its opinion at the first reading on 7 October 1998 (rapporteur: M. P. Whitehead). The resolution adopted by the Parliament approves the proposal subject to 32 amendments 29 of which, were accepted in their entirety or in part by the Commission during the debate preceding the vote at the plenary setting.

II THE COMMISSION'S POSITION WITH REGARD TO THE AMENDEMENTS

Amendments 13 and 21 were rejected by the Commission on institutional and juridical grounds, amendment 14 on budgetary grounds. At the plenary sitting of the Parliament, the Commission undertook to accept amendments 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 15, 16, 17, 18, 19, 20, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31 and 32.

The proposal for decision is amended accordingly by the Commission under the terms of the provisions governing the co-decision procedure.

III THE AMENDMENT PROPOSAL

The Commission has accepted all amendments of Parliament concerning the preamble with the exception of amendment 13 relating to the Treaty of Amsterdam.

Article 2 has been completed as foreseen in amendment 15 in order to permit actions to enforce consumer policy.

Article 4 has been completed in accordance with amendment 16 to permit activities in the legal domain in the interest of consumers.

Articles 5 and 6 have been amended in line with amendments 17 and 18 concerning administrative costs to be taken into account.

Article 8 has been amended in accordance with amendment 19 setting a target date for the publication of the Commission's information note on the financing of activities under Article 2b and 2c.

Article 8, paragraph 3 has been modified as foreseen by amendment 20 in order to specify that part of the Community financing can be paid after the signature of the contract but before its implementation.

The list of activities described in the annexe of the proposal has been adapted in conformity with amendments 22 to 33.

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

(in conformity with article 189A paragraph 2 of the Treaty)

INITIAL PROPOSAL

AMENDED PROPOSAL

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,

Unchanged

Having regard to the proposal from the
Commission,¹

Having regard to the Declaration by
the European Parliament, the Council
and the Commission of 6 March 1995
on the incorporation of financial
provisions into legislative acts.

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

Unchanged

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

Unchanged

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

Unchanged

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

Unchanged

whereas consumer confidence in
products and services is essential to the
smooth functioning of the internal
market,

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

Unchanged

1

2

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 is committed to giving 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 Luxembourg European Council's declaration on food safety recognises that everything must be done to restore public confidence severely shaken by the BSE crisis, and whereas the general framework for activities in favour of consumers is essential to achieving this aim

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 ,

Unchanged

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 ,

Unchanged

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,

Unchanged

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 ,

Unchanged

³ OJ no L331 of 21.12.1994 p 1

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

Unchanged

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,

Unchanged

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

whereas the implementation of this general framework should make it possible to take better account of consumer's interests in all other relevant policies of the Community and must ensure the development of consumer participation in the standardisation process,

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,

Unchanged

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 a harmonised and neutral approach to matters related to the protection of consumers and their health is indispensable and whereas this general framework shall provide the necessary financial support to ensure the provision of high quality, independent scientific advice, globally recognised risk assessment methods and effective control and inspection methods; whereas the Community also 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,

Unchanged

whereas action under this framework shall contribute to promoting the consumer interest at international level,

whereas it is necessary to evaluate past achievements and draw up a policy priority programme to implement this general framework in order to help achieve maximum effectiveness throughout the planned period; and whereas this should include an action plan,

whereas maximum effectiveness of Community action is dependent on regular consolidation, review and updating of this general framework,

whereas the implementation of this general framework should contribute to the transposition into national law of, and monitoring of compliance with, existing Community legislation in the field of consumer protection,

whereas organisations that are active in the area of consumer protection should also be given more opportunity to contribute actively to the definition of consumer policy,

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

Unchanged

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 ,

Unchanged

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 ,

Unchanged

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

Unchanged

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 and automatic way ,

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 and systematic 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 ,

Unchanged

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. | Unchanged |
| 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. | Unchanged |
| 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 <u>114</u> million ECU for the whole period.
Annual appropriations shall be authorised by the budgetary authority within the limits of the financial perspectives. | Unchanged |

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;

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 enforce it,

Unchanged

Unchanged

Unchanged

Unchanged

Unchanged

Unchanged

Unchanged

- (d) promotion and representation of the interests of consumers.

- (e) protecting the legal interests of consumers, their right to redress and access to justice.

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:
- Unchanged
- 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.
- Unchanged

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

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.

Administrative costs related to the eligible activities are taken into account.

Unchanged

Unchanged

Unpaid work or donation in kind, if properly documented, may be taken into account, up to a level of 20 % of total eligible costs, when assessing the organisation's revenue and costs.

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:

Unchanged

- 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 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.
1. Each year, if possible before the end of July, the Commission shall publish a note in the Official Journal of the European Communities describing the areas for funding and setting out selection and award criteria and the procedures for application and approval.
 3. Community assistance, or the first part thereof, shall be granted before the beginning of the implementation of the project selected by the Commission

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. Unchanged

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. Unchanged

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. Unchanged

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.

Unchanged

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.

Unchanged

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.

Unchanged

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.

Unchanged

Article 12

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

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. Unchanged

Article 13

This Decision shall enter into force on 1 January 1999. Unchanged

Done at

INDICATIVE ACTIVITIES BY AREA

1. CONSUMER HEALTH AND SAFETY

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

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

- | | |
|---|---|
| - Measures to improve co-operation between the bodies participating in market surveillance. | Unchanged |
| - 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. | Unchanged |
| - Measures to ensure a level playing field in consumers transactions, | - Measures to ensure a level playing field in consumers transactions, |

taking into account the impact of new technologies, and the development of financial services.

taking into account the impact of new technologies, the development of financial services and the impact of the Euro.

– Measures to promote the transposition into national law and monitoring of compliance with existing Community legislation in the field of consumer protection.

– Measures to make consumers more aware of the possible benefits of the internal market and to encourage them to take more advantage of these benefits, particularly by means of comparative tests of the prices, product range and quality of goods and services in the various Member States.

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 their rights and responsibilities and how to enforce them and raising awareness about safety aspects of products and services.

Measures to encourage consumer access to and participation in the information society.

Information to consumers concerning protection of privacy and personal data.

Dissemination among producers and consumers of knowledge about product safety.

- Improvement of information and promoting consumer awareness of sustainable and environmentally sound patterns of consumption.

- Improving information to consumers about features of specific products and services notably through comparative testing. Unchanged

- Develop the education and training of consumers, particularly in schools. Unchanged

- The development of, and support for, European centres providing information and advice to cross border consumers in the Community. Unchanged

4. PROMOTION AND REPRESENTATION OF THE INTERESTS OF CONSUMERS

- Strengthening the representation of consumer interests at the European and international level. Unchanged

- Supporting consumer organisations in the Member States, notably where their means are limited. Unchanged

- Promotion and coordination of consumer participation at the European level in standardisation Unchanged

- Pilot projects promoting sustainable consumption models, notably those that are environmentally friendly

- Pilot projects promoting sustainable consumption models, notably those that contribute to choice and encourage behavioural patterns that respect the environmental and social impact of consumption and disposal.

5. PROTECTING THE LEGAL INTERESTS OF CONSUMERS

Improving common extra-judicial procedures.

The development of, and support for, measures aimed at facilitating access to justice inside the courts.

Measures to assess the specific risks and potential benefits for consumers in the information society including pilot projects to establish cross-border redress systems applicable to the information society.

Measures to promote the protection of privacy and data protection.

The development of an overall framework to regulate unfair marketing practices.

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