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

**on the implementation and evaluation of Community activities 2002-2003 in favour of  
consumers under the General Framework as established by Decision 283/1999/EC**

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## on the implementation and evaluation of Community activities 2002-2003 in favour of consumers under the General Framework as established by Decision 283/1999/EC

(Text with EEA relevance)

### 1. INTRODUCTION

Decision 283/1999/EC of 25 January 1999 sets up a “general framework of activities to promote consumer interests and to ensure a high level of consumer protection 1999-2003”<sup>1</sup>. This report gives an overview of its implementation in 2002/2003, since for reasons of administrative efficiency the reporting requirements of this decision are fulfilled biennially. The present report incorporates the results of evaluations on a number of actions, which were carried out in 2004, in order to provide additional insights into the effectiveness and efficiency of the actions executed<sup>2</sup>. The total commitment appropriations (including EFTA contribution) for 2002 amounted to about €22.5 million, and to €23 million for 2003. In 2002 more than 95 % of the appropriations were utilised<sup>3</sup>, in 2003 more than 99 % (see Annex).

### 2. PROTECTION OF CONSUMER HEALTH AND SAFETY

Expenditure in the field of scientific advice concerns indemnities for the Scientific Committees<sup>4</sup> and preparatory scientific studies. In 2002/2003 a total number of 540 meetings (working groups and plenary meetings) took place, resulting in the adoption of 381 reports and scientific opinions<sup>5</sup>, at a cost of about €1.7 million.

The Food and Veterinary Office (FVO) carries out on-the-spot checks of national control systems in the food, veterinary and phytosanitary sectors in Member States and third countries exporting to the EU. Expenditure committed for the participation in FVO inspections of national experts added up to €475.000. The development and maintenance of a computer system for the programming, planning, management and follow up of FVO inspections cost €112.880<sup>6</sup>.

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<sup>1</sup> OJ L 34 of 9.2.1999, p. 1.

<sup>2</sup> See also COM(2003) 42 on the implementation and evaluation of such activities 1999-2001.

<sup>3</sup> an amount of about €1.000.000 was transferred to other community activities with the approval of the budgetary authority in November 2002 (budget line B5304).

<sup>4</sup> Scientific committees as set up by Commission Decision 97/404/EC and Decision 97/579/EC. In May 2003, responsibilities on food-related issues were transferred to the European Food Safety Authority.

<sup>5</sup> See [http://europa.eu.int/comm/food/committees/scientific/index\\_en.htm](http://europa.eu.int/comm/food/committees/scientific/index_en.htm)

<sup>6</sup> See [http://europa.eu.int/comm/food/fvo/index\\_en.htm](http://europa.eu.int/comm/food/fvo/index_en.htm)

Data on exposure to chemicals through consumer products are necessary to assess potential risks of consumer products. The 'European information system on risks from chemicals released from consumer products/articles' and 'CHEMTest' projects develop methods and tools for such assessments, taking into account the type of product, the particular use, consumer subgroup, length of time of use, type of contact etc.<sup>7</sup> Expenditure adds up to about €3 million, including research on consumer perceptions of risks associated with chemicals.

An amount of €200.000 was reserved for technical support in the evaluation of risks in follow-up to notifications of dangerous products through the RAPEX system. This was used to assess consumer exposure to organotin, for an analysis of safety standards for ladders, and for the technical evaluation of a ballpoint pen reportedly involved in a deadly accident.

The Community Joint Research Centre (JRC) evaluated and validated test methods to detect BSE/TSE(€400.0000). Expenditure on post-market monitoring of GM food and feed, to develop detection and sampling methods, to provide scientific support for international negotiations and for a conference on GMOs and risk perception by JRC added up to about €1 million. Development of detection methods of semicarbazide in food and of appropriate indicators for the illegal use of nitrofurazone in animal produce cost €774.225. A ring trial and validation of methods to determine the presence of mycotoxins in foods and feed was undertaken to ensure that future legislative limits can be adequately verified (€450.000).

€416.000 was dedicated to preparatory work for a Community Reference Laboratory on analytical methods for the authorisation of feed additives<sup>8</sup>. An evaluation of the proficiency of EU laboratories at classifying and detecting feed samples containing processed animal proteins cost €53.000. Results<sup>9</sup> were used in drafting Commission Directive 2003/126/EC. The JRC further started research into a possible link between permanent hair dye use and bladder cancer (€920.000).

The rapid information exchange system (RAPEX) ensures fast data transmission with national authorities about products that could pose an immediate risk for consumer health. In 2002 and 2003, work on a new system for these exchanges was completed, for food and non-food products<sup>10</sup>. Costs for the existing and the new system added up to about €700.000, including training courses for Member State officials.

To help producers and distributors notify dangerous products under the General Product Safety Directive, guidelines explaining the criteria for notification, a standard form and procedure were developed. A trial was undertaken to ensure their coherent use across the EU (€60.000). Extensive consumer surveys were launched (€1.5 million) on how consumers use and understand safety information, instructions and warning symbols provided by manufacturers on products most commonly

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<sup>7</sup> See [http://europa.eu.int/comm/consumers/cons\\_safe/prod\\_safe/chem\\_risks/index\\_en.htm](http://europa.eu.int/comm/consumers/cons_safe/prod_safe/chem_risks/index_en.htm)  
<sup>8</sup> as required by Regulation (EC) No 1831/2003 on additives for use in animal nutrition, O J L 268, 18.10.2003, pp. 29-43.

<sup>9</sup> Results are available at [http://europa.eu.int/comm/food/food/biosafety/bse/bse50\\_en.pdf](http://europa.eu.int/comm/food/food/biosafety/bse/bse50_en.pdf)

<sup>10</sup> See weekly overviews of notifications at [http://europa.eu.int/comm/food/food/rapidalert/index\\_en.htm](http://europa.eu.int/comm/food/food/rapidalert/index_en.htm)  
and [http://europa.eu.int/comm/consumers/cons\\_safe/prod\\_safe/gpsd/rapex\\_en.htm](http://europa.eu.int/comm/consumers/cons_safe/prod_safe/gpsd/rapex_en.htm)

involved in consumer accidents. This is to help set priorities for improving safety labelling requirements.

A study (€194.060) was undertaken to identify the most cost-effective approach for an EU-wide data collection system of service related accidents and risks. An assessment was made of the effectiveness of measures to prevent accidents in fairgrounds and amusement parks (€96.500). Technical expertise was also used to collect data about the risks presented by potentially dangerous sports and leisure activities. The outcome (€44.460) confirmed the lack of knowledge on services related injuries and the need for Community action<sup>11</sup>. An evaluation of the technical guidelines of the Recommendation 86/666/EEC on fire safety in hotels resulted in proposals for revised guidelines. Technical assistance was acquired to update the inventory of the national rules governing fire safety in hotels<sup>12</sup>. Total costs were €120.000.

Directive 96/23/EC<sup>13</sup> on residues in live animals and animal products requires an annual monitoring report. A database for presenting national data on sampling and residue testing was developed (€99.884) to improve input for this report. A report for use in the review of the Novel Food Regulation 258/97/EC<sup>14</sup> cost € 10.000. A database on food additives was developed at a cost of €39.730<sup>15</sup>.

### 3. PROTECTION OF ECONOMIC INTERESTS OF CONSUMERS

To make jurisprudence on consumer rights<sup>16</sup> easily accessible, a database of unfair contractual terms<sup>17</sup> is published. Data collection, analysis and IT support for this cost €902.689. A € 150.000 appraisal of the application in the Member States of Directive 98/6 on price indications was made for a report to the Council and the European Parliament<sup>18</sup>. Expenditure for an electronic tool for rapid information exchange about deceptive marketing practices within the framework of the International Consumer Protection Enforcement Network added up to €79.515.

A survey of fees for cross border payments in retail banking across the EU to verify compliance with Directive 97/5/EC<sup>19</sup> demonstrated that transfer costs and fees are decreasing, but that many banks do not comply with the consumer information obligations (€550.000). A survey of mortgage credit suppliers on the uptake and effectiveness of the Voluntary Code of Conduct on Pre-contractual Information for Home Loans showed low levels of compliance with the Code<sup>20</sup> (€370.172).

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<sup>11</sup> See [http://europa.eu.int/comm/consumers/cons\\_safe/serv\\_safe/reports/index\\_en.htm](http://europa.eu.int/comm/consumers/cons_safe/serv_safe/reports/index_en.htm)

<sup>12</sup> See [http://europa.eu.int/comm/consumers/cons\\_safe/serv\\_safe/fire\\_safe/index\\_en.htm](http://europa.eu.int/comm/consumers/cons_safe/serv_safe/fire_safe/index_en.htm)

<sup>13</sup> Council Directive 96/23/EC of 29 April 1996 on measures to monitor certain substances and residues thereof in live animals and animal products, OJ L 125, 23.5.1996, pp. 10 – 32.

<sup>14</sup> OJ L 43, 14.2.1997, pp. 1 -6.

<sup>15</sup> to be published on [http://europa.eu.int/comm/food/chemicalsafety/additives/index\\_en.htm](http://europa.eu.int/comm/food/chemicalsafety/additives/index_en.htm)

<sup>16</sup> Directive 93/13/EEC, OJ L 95, 21.4.1993, p. 29.

<sup>17</sup> See [http://europa.eu.int/comm/consumers/cons\\_int/safe\\_shop/unf\\_cont\\_terms/index\\_en.htm](http://europa.eu.int/comm/consumers/cons_int/safe_shop/unf_cont_terms/index_en.htm)

<sup>18</sup> to be published at: [http://europa.eu.int/comm/consumers/cons\\_int/safe\\_shop/price\\_ind/index\\_en.htm](http://europa.eu.int/comm/consumers/cons_int/safe_shop/price_ind/index_en.htm)

<sup>19</sup> OJ L 43, 14.2.1997, p. 25.

<sup>20</sup> See [http://europa.eu.int/comm/consumers/cons\\_int/fin\\_serv/loans/index\\_en.htm](http://europa.eu.int/comm/consumers/cons_int/fin_serv/loans/index_en.htm)

Consumer attitudes on access to justice were polled in 2003 (€441.772). Results show that most consumers never have a problem with the products and services they buy. Awareness of out-of-court conflict resolution is very diverse from one country to another<sup>21</sup>. A workshop discussed notification criteria and implementation of Commission Recommendations 98/275/EC and 2001/310/EC on Alternative Dispute Resolution (ADR) (€25.950).

The European Extra-Judicial Network (EEJ-Net) facilitates cross-border access to ADR bodies. National clearing houses were set up in 15 Member States, Norway and Iceland, at a cost of almost €2 million. An assessment of the network (€159.500) concluded there is a strong rationale for continued financial support, but that objectives should be defined more clearly. Consensus in favour of a merger of the EEJ-Net with the European Consumers Centres network emerged in June 2003. An evaluation of the budgetary implications of a merger found that a 'one-stop-shop' network will benefit consumers and allow for economies of scale, while resource allocation should be needs and activities-based. In December 2003, work started on a common web-based case handling system for the networks (€103.000).

Expenditure on surveys of consumer attitudes to financial services added up to €1.168.068. Results<sup>22</sup> show that consumers feel relatively powerless and are concerned about the respect of their rights. Qualitative research confirmed that cross-border demand and supply of financial services remain very rare. A survey on the Euro (€500.00) confirmed that consumers have no problem using it, but that perceptions of Euro-induced inflation are general<sup>23</sup>. An inventory/analysis of simplified or standardised financial services products cost €418.920<sup>24</sup>. An inventory (€150.000) of national measures to address excessive debt problems of consumers proved that scope for a EU action is limited, and that cross-border over-indebtedness cases rare.

About €1 million was spent to prepare legislative proposals on unfair commercial practices and administrative and enforcement cooperation in consumer protection. They include a comparative analysis of national legislation on fair commercial practices, an ex-ante impact assessment of options for their harmonisation and surveys of consumer and business attitudes to cross-border shopping. National experts and stakeholders met to discuss key aspects of the proposals<sup>25</sup>. Greek Presidency events on national experiences in cross-border enforcement of consumer protection rules were supported. An opinion poll (€464.482) surveyed consumer confidence in cross-border shopping<sup>26</sup>. €379.400 was spent to develop consumer satisfaction indices in support of EU consumer policy-making, to allow meaningful comparisons of consumer satisfaction with products and services between sectors, Member States and over time. €173.835 were contributed to a study of prices of

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21 Results at [http://europa.eu.int/comm/consumers/redress/reports\\_studies/index\\_en.htm](http://europa.eu.int/comm/consumers/redress/reports_studies/index_en.htm)

22 Results are available at:

[http://europa.eu.int/comm/consumers/cons\\_int/fina\\_serv/cons\\_experiences/index\\_en.htm](http://europa.eu.int/comm/consumers/cons_int/fina_serv/cons_experiences/index_en.htm)

23 Results are available at [http://europa.eu.int/comm/consumers/cons\\_int/fina\\_serv/euro/index\\_en.htm](http://europa.eu.int/comm/consumers/cons_int/fina_serv/euro/index_en.htm)

24 Results are expected in 2005.

25 Results are available at

[http://europa.eu.int/comm/consumers/cons\\_int/safe\\_shop/fair\\_bus/green\\_papcomm/studies/index\\_en.htm](http://europa.eu.int/comm/consumers/cons_int/safe_shop/fair_bus/green_papcomm/studies/index_en.htm) and at

[http://europa.eu.int/comm/consumers/topics/facts\\_en.htm](http://europa.eu.int/comm/consumers/topics/facts_en.htm)

26 Results are available at [http://europa.eu.int/comm/consumers/topics/facts\\_en.htm](http://europa.eu.int/comm/consumers/topics/facts_en.htm)

consumer goods in the internal market<sup>27</sup>. An impact assessment of the Consumer Action Plan 1999-2001 (€115.000) served as input for policy development.

A 2003 poll surveyed consumer confidence in electronic commerce and trust marks in e-shopping (€381.416)<sup>28</sup>. A further €145.400 was used to analyse the use of trustmarks in e-commerce and their success criteria. Contributions were made to an Irish Presidency conference on on-line consumer confidence and to an Italian Presidency conference on perspectives for consumer policy.

Polls of consumer opinions on Services of General Interest in 2002/2003 measured satisfaction with access, price, quality, information, terms and conditions of contracts, customer service and complaints handling for a number of services, including mobile and fixed telephony, electricity, gas and water supply, postal services, urban transport and rail services. Total costs amount to €444.084. In 2003, a qualitative study, at a cost of €690.567, provided further insights<sup>29</sup>.

Expenditure to support activities on contract law (studies, workshops) added up to €266.000.<sup>30</sup>

Reports were commissioned on the integration of consumer interests into the revision of the regulation on merger control and the guidelines on horizontal mergers, and on Common Agricultural Policy reform and consumers interests<sup>31</sup>.

#### 4. EDUCATION AND INFORMATION

The Health and Consumer policy web site<sup>32</sup> was revised in 2002/2003. Visits to the website peaked at 2.774.321 in October 2003. A visitor survey indicated a high level of satisfaction with the site. Subscribers to the daily 'What's New' e-mail service increased with 50% over the two years. The Consumer Voice Newsletter<sup>33</sup> was sent out regularly to over 10.000 subscribers. Total expenditure for technical support for web site, e-mail service and newsletter adds up to about €1 million. A further €72.500 was spent on print publications.

The national food safety education campaigns were completed by the end of 2002. An evaluation (€200.000) showed that most of the campaigns proved relevant to national needs and effective in terms of output, but ineffective in increasing food safety awareness and in stimulating public debate. This was mainly due to low budgets and lack of quantified objectives. The 'Euro Made Easy' training materials for vulnerable consumers were positively evaluated in terms of strategy, design, and distribution<sup>34</sup>.

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<sup>27</sup> See [http://europa.eu.int/comm/internal\\_market/score/docs/score13/score13-printed\\_en.pdf](http://europa.eu.int/comm/internal_market/score/docs/score13/score13-printed_en.pdf) and

<sup>28</sup> [http://europa.eu.int/comm/internal\\_market/score/docs/score13/prices-paper\\_en.pdf](http://europa.eu.int/comm/internal_market/score/docs/score13/prices-paper_en.pdf)

<sup>29</sup> Results are available at [http://europa.eu.int/comm/consumers/topics/facts\\_en.htm](http://europa.eu.int/comm/consumers/topics/facts_en.htm)

Results are available at

[http://europa.eu.int/comm/consumers/cons\\_int/serv\\_gen/cons\\_satisf/index\\_en.htm](http://europa.eu.int/comm/consumers/cons_int/serv_gen/cons_satisf/index_en.htm)

<sup>30</sup> See [http://europa.eu.int/comm/consumers/cons\\_int/safe\\_shop/fair\\_bus\\_pract/cont\\_law/index\\_en.htm](http://europa.eu.int/comm/consumers/cons_int/safe_shop/fair_bus_pract/cont_law/index_en.htm)

<sup>31</sup> See [http://europa.eu.int/comm/consumers/reports/reports\\_en.htm](http://europa.eu.int/comm/consumers/reports/reports_en.htm)

<sup>32</sup> See [http://europa.eu.int/comm/dgs/health\\_consumer/index.htm](http://europa.eu.int/comm/dgs/health_consumer/index.htm)

<sup>33</sup> See [http://europa.eu.int/comm/dgs/health\\_consumer/library/pub/index\\_en.html](http://europa.eu.int/comm/dgs/health_consumer/library/pub/index_en.html)

<sup>34</sup> Evaluation of the information programme for the European citizen 'The Euro-one currency for Europe'

An evaluation of EU food labelling legislation and of consumer needs and demands with respect to labelling and information on food products was undertaken to see if legislative or other adjustments are necessary (€140.000)<sup>35</sup>.

The European Young Consumer Competition of 2002 (€574.500) was substituted in 2003 with the production and distribution in secondary schools of 560.000 copies of a European Consumer Diary, a school agenda informing about consumer rights. The cost amounts to about €1.250.000. The development of on-line interactive education tools (€825.000) aims to provide teaching material on consumer rights for adult education courses.

The European Consumer Centres Network consists of 15 centres in 13 Member States<sup>36</sup>. They inform and assist consumers in pursuing cross-border complaints. The EU contribution to the network added up to nearly €5 million in 2002/2003. An evaluation of the network in 2003 (€184.405) found that less than half of the complaints are of a genuine cross-border nature. It recommends clearer objectives and exclusive focus on cross border issues with a clear EU dimension. Funding should be more performance and demand oriented. A merger with the EEJ-Net will give more effective service and be more cost-efficient.

Workshops of consumer association experts on consumer protection aspects of EU chemicals legislation<sup>37</sup> cost €85.915. To improve organisational capability, staffs of consumer associations were trained in management, public relations/lobbying and EU consumer legislation (€280.223). About €160.000 were spent on a database facilitating communication with and between consumer organisations, and as contributions to seminars about consumer representation issues organized by the Spanish Presidency.

## 5. EUROPEAN CONSUMER ORGANISATIONS

Grants for operating costs in 2003 and 2004<sup>38</sup> were attributed to the European Association for the Coordination of Consumer Representation in Standardisation (ANEC) and the European Consumers' Organisation (BEUC). The European Consumers' Association (AEC) received support in 2002, but did not succeed in becoming a viable representative of consumer interests at European level.

## 6. SPECIFIC PROJECTS

In 2002 and 2003, a total of 44 specific projects were co-financed<sup>39</sup>. The main beneficiaries were national consumer organisations and other NGOs. The number of applications, the number of approved projects and the total amount committed has stabilised. The average size of projects decreased and the administrative cost

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<sup>35</sup> See [http://europa.eu.int/comm/food/food/labellingnutrition/foodlabelling/comm\\_legisl\\_en.htm](http://europa.eu.int/comm/food/food/labellingnutrition/foodlabelling/comm_legisl_en.htm)

<sup>36</sup> See [http://europa.eu.int/comm/consumers/redress/compl/euroguichet/index\\_en.htm](http://europa.eu.int/comm/consumers/redress/compl/euroguichet/index_en.htm)

<sup>37</sup> See [http://europa.eu.int/comm/consumers/cons\\_safe/prod\\_safe/chem\\_risks/index\\_en.htm](http://europa.eu.int/comm/consumers/cons_safe/prod_safe/chem_risks/index_en.htm)

<sup>38</sup> Operating grants as committed in 2002-2003 included €939.065 and €1.172.790 for BEUC, €940.887 and €1.092.500 for ANEC and €75.442 for AEC.

<sup>39</sup> Of 54 applications in 2002, 22 specific projects were approved and 20 co-financed for a total of €2.748.841; of 65 applications in 2003, 22 were co-financed for a total of €2.794.705.



increased (including about €50.000 for external experts). An evaluation of 97 specific projects financed in 1999-2001 shows that the projects may have reached a variety of targets and multipliers but above all increased the project organisers know-how, public recognition and networking capacity. Potential impacts on consumers or the level of consumer protection were not measurable or rare. Recommendations are to focus more on EU policy objectives, to increase transparency and to better disseminate project results.

## 7. CONCLUSION

Expenditure was in 2002 and 2003 more policy-driven than in 1999-2001. This is largely due to the clear objectives and more coherent approach of the Consumer Policy Strategy 2002-2006. Actions to build a knowledge-base for policy making increased in importance. Efforts to improve the efficiency of the European Consumer Centers and Extra-Judicial networks led to a decision to merge the two into a single structure and to better focus their activities on cross-border consumer problems. Evaluations and critical assessments led to a substantial reorientation of information and education actions. They will be evaluated to measure if they deliver improved impact. Specific projects appear to be more effective as a means of supporting national consumer organizations and other NGO's than as a policy tool. New instruments to support consumer associations, such as capacity building actions deserve to be given a higher priority.

## ANNEX

*Table 1: Total amounts of commitments made 2002/ 2003 under Decision 283/1999/EC in €*

	<b>2002</b>	<b>2003</b>
Commission actions (Art. 2a)*	16.240.612	17.883.792
European organisations (Art. 2b)	1.995.394	2.265.290
Specific Projects (Art. 2c)	2.748.841	2.794.705
<b>TOTAL committed</b>	<b>20.984.847</b>	<b>22.943.787</b>

(\* including grants to Council Presidency events and administrative credits)