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

**on the implementation of Community actions in support of consumer policy 2004-2005
as established by Decision 20/2004/EC**

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(Text with EEA relevance)

1. INTRODUCTION

Decision 20/2004/EC of 8 December 2003 sets up a general framework for actions in support of consumer policy for the period 2004-2007. This report gives an overview of its implementation in 2004 and 2005 to fulfil the requirement of an interim report as required in Article 13¹.

The annual commitment appropriations (including EFTA contribution) for 2004 and 2005 amounted to about €20.6 million (about €19.5 million in operational and €1.1 in administrative credits). As of 2005, Bulgaria and Romania also fulfilled the criteria for participation and contributed in December 2005 €157.907. In 2004, 93% of the operational and 85% of the administrative credits were utilised, in 2005 the execution rate was about 97% for both.

The Commission adopted the 2004 work programme, as foreseen in Article 11 of the Decision, on 31 March 2004, and an amended version in December 2004. The 2005 programme was adopted on 5 April 2005 and amended on 17 February 2006.

This report provides an overview of the expenditure as committed for each of the objectives as in Article 3, and per action as listed in the Annex of the Decision. The Advisory Committee of the Member States was consulted on the annual work programmes, and on the implementation of actions 9, 10, 16, 17 and 18.

2. ACTIONS TO PROMOTE A HIGH COMMON LEVEL OF CONSUMER PROTECTION

2.1. Action 1: Scientific advice, risk analysis etc. relevant to consumer health /safety

In 2004 and 2005 about €280.000 was committed for meetings of the Scientific Committee on Consumer Products and as a contribution to other scientific committees dealing with consumer issues. This amount was used to convoke 137 meetings which resulted in the adoption of 55 reports and scientific opinions.

As part of ongoing efforts to gather knowledge about the effect of chemicals on human health, in particular through consumer products, the second phase of the

¹ For practical reasons, it was decided to submit this report after the execution of the 2005 budget was closed, so as to present a pluriannual report for the full budget implementation in 2004 and 2005.

CHEM RISK and CHEM TEST projects was funded with €500.000. An additional €41.371 were spent on an assessment of indicators of repro-toxic effects resulting from exposure to chemical products.

2.2. Action 2: Preparation of legislative and other (self) regulatory initiatives

As part of the preparations for the revision of the existing consumer protection legislation, almost €500.000 was spent on an annotated compendium/database and comparative analysis of the implementation of the consumer acquis in the Member States. This includes a review of relevant jurisprudence, as well as the identification of gaps or weaknesses in the acquis, and of any remaining barriers to trade. Results will be available in autumn 2006.

Fourteen workshops were organized to discuss different issues related to the Common Frame of Reference on European Contract Law, at a total cost of €358.000. An additional €40.000 was used to co-finance a UK Presidency conference on these issues. A further €163.000 was contributed to other conferences organized by the Council Presidency on topical issues for consumer policy. In November 2005, the new Consumer Policy Network of senior officials, discussed consumer policy strategy options for 2007-2013 (€21.000).

2.3. Action 3: Monitoring and assessment of market developments with an impact on the economic and other interests of consumers

A focus group study, costing about €450.000, was undertaken to assess consumers' attitudes and expectations of product labels and the information they provide, both food and non-food. A study at a cost of €264.200 was launched to prepare comparative price surveys of services to consumers in EU countries. Its purpose is to develop a methodology and to identify the most relevant services for such price comparisons. Results will be made available in 2006. About €2.000 were used to gain access to databases on prices. A brainstorming on consumer detriment with expert economists was organized in March 2005 (€26.200).

2.4. Action 4: The collection and exchange of data and information that provide an evidence base for the development of consumer policy and for the integration of consumer interests in other EU policies

To support policy development and a stronger consumer focus in key EU policy areas impacting consumer interests, about €2.1 million was committed for surveys of consumer perceptions and opinions on financial services, services of general interest (SGIs) and passenger rights. In 2005, about €440.000 were spent to repeat the focus groups on SGIs to follow the evolution in this area. A further amount of about €650.000 was earmarked to a survey of consumer perceptions and behaviour in cross-border shopping. About €1.25 million was spent on a survey to measure consumer satisfaction with specific services in all EU countries, about €403.000 on an analysis of consumer detriment. An analysis of national rules and case law on unfair commercial practices in new Member States was commissioned (€90.000) to complement previous studies.

Views on passenger rights provided input for further steps towards passenger rights in EU transport policy. Perceptions on SGI were fed into the 2005 Report

“Evaluation of the performance of network industries providing services of general interest”. Surveys data of preceding years were brought together and published in “Consumers in Europe – Facts and figures” (€56.000). This report and results of surveys are published on the Europa website.

3. ACTIONS TO PROMOTE EFFECTIVE ENFORCEMENT OF CONSUMER PROTECTION RULES

3.1. Action 5: Coordination of surveillance and enforcement actions

Some € 220.000 was spent on a feasibility assessment and creation of a mock-up prototype for a database and IT system to support the implementation of Regulation 2006/2004 on consumer protection cooperation. Results were presented to the Member States and system development has started in 2006.

3.2. Action 7: Monitoring and assessment of the safety of non-food products and services

Within the framework of measures supporting the implementation of the General Product Safety Directive, a comparative inventory of approaches and methods for the safety assessment of consumer products was undertaken. The inventory will be finalized in 2006 and compare health and safety risk assessment approaches for consumer products as used by surveillance and enforcement authorities as well as testing and certification bodies in EU and EEA countries. Funds were also allocated to the development of an IT application for use by producers and distributors to fulfil their obligation to notify dangerous products to national surveillance authorities as required by the Directive. The basic application will be tested early 2006 and is expected to become fully operational later in the year. Workshops with RAPEX contact points in November 2004 discussed the guidelines for notification of dangerous products. Expenditure in this area added up to €376.850.

An inventory and comparative analysis of national measures transposing Directive 2001/95/EC on General Product Safety and their practical implementation was undertaken at a cost of €200.000. Its results will support the verification of transposition and enforcement in 2006. A study to develop options and create a prototype for an information exchange IT system between national authorities that are part of the network as set up by Article 10 of the Directive was undertaken at a cost of €207.345. Results were presented to Member States in October 2005, further decisions will be taken in 2006. In March 2005, a conference with Member States discussed the programming of market surveillance activities (€125.000). An expert meeting in August 2005 discussed options for improving the Injury Database (€6000). A feasibility study was subsequently launched, at a cost of about €100.000. Technical assessments supporting product safety standard development were started for child-resistant lighters, child safety gates and ladders (about €48.000). A further €70.000 was committed for technical informatics support to the RAPEX system.

3.3. Action 8: Monitoring of Alternative Dispute Resolution Schemes

A comparative analysis of means of redress available to consumers in EU Member States, the USA, Canada and Australia was launched at a cost of €185.400.

3.4. Action 9: (Joint Action) Financial contributions for public or non-profit bodies constituting Community networks that provide information and assistance to consumers

A total of almost €4.7 million were contributed to the consumer help networks in 2004 as part of joint actions with national authorities. This covers contributions to the transition phase of the EEJ-Net in 2004 in 15 Member States, Norway and Iceland (almost €737.000), as well as to the first year of the integrated European Consumer Helpnet for 2005 and its extension to 6 new Member States (Czech Republic, Poland, Estonia, Lithuania, Cyprus and Latvia.). In 2005, about €4 million was earmarked to the Helpnet, including new offices in Malta and Slovakia, IT tool and logo development. The merger of the networks has resulted in a single, centralized service for consumers with cross border shopping problems, and higher cost-efficiency.

3.5. Action 10: (Joint Action) Financial contributions for specific joint surveillance and enforcement actions

In 2004, a joint action with German, Austrian, Belgian, Estonian and Luxembourg authorities was co-financed at €110.000, to develop a new web based Information and Communication System for Market Surveillance. It aims i.a. to facilitate the input of safety test results of products by industry and the analysis of statistical data. The work is to be completed by the end of 2006. In 2005, a joint action with 15 Member States was co-financed at a cost of over €1 million to develop best practice in various areas of market surveillance.

A joint surveillance action to set up an on-line registration system for accidents and injuries due to the ingestion of non-food objects by children aged 0-3 was co-financed (€77.128) with the Italian, German, Cypriot, Finnish and French authorities. This action, called “Susy Safe”, will collect data from consumer associations and national market surveillance authorities, try to identify the type of products involved in the injuries, evaluate the impact of socio-economic disparities on the injury risk, and address consumer education issues. First results are expected early 2007.

4. ACTIONS TO PROMOTE PROPER INVOLVEMENT OF CONSUMER ORGANISATIONS IN EU POLICIES

4.1. Action 13: Training for staff members of regional, national and European consumer organisations and other capacity building actions

About €1.3 million were spent on eighteen training sessions for consumer associations in 2004 and 2005. More than 400 of their staff, 50% of which came from new Member States, Romania and Bulgaria, were trained in management, lobbying and EC law. Participants indicated a high level of satisfaction with the training courses in ex post evaluations. These sessions fulfil a particular need in improving the capacity and skills of staff of associations in new Member States. Workshops for consumer associations experts on chemicals in consumer products and on product safety monitoring were organized in 2004 (€87.500).

4.2. Action 14: Information actions about consumer rights

Almost €2 million was spent on an information campaign on consumer rights and promoting consumer associations in Poland, which was launched on 16 May 2005 in Warsaw by Commissioner Danuta Huebner. The Polish consumer association has reported a substantial increase in sympathisers and enquiries of consumers. In 2005 over €2 million was earmarked for launching similar campaigns in the Czech Republic, Slovakia and Slovenia. About €130.000 was committed for surveys to measure the impact of these campaigns.

An additional amount of €126.000 was earmarked to maintenance and updating of the consumer affairs pages on the europa web site. €25.000 were spent on reprinting of Consumer Policy Strategy, the print publication of the survey on consumer opinions on services of general interest, stocking, distribution and illustrations for publications. €50.000 was committed for the publication of a brochure on the new rules on unfair commercial practices.

4.3. Action 15: Consumer education, including the actions targeted at young consumers, and the development of on-line interactive consumer education tools

In 2004 and 2005 €3.2 million were spent on the second and third editions of the European Consumer Diary, targeted at young consumers of 16-18 years. About 940.000 copies were produced and distributed of the 2005/2006 edition. National and regional authorities are contributing to the third edition of the Diary (2006/2007), which will reach over one million youngsters. The results of an evaluation of the first years of the Diary carried out in 2005 were largely positive. Almost €400.000 was earmarked to adaptation of the web-based consumer education tools for adults, developed in 2005 for EU-15, for new Member States, and €1.800 to an experts meeting about this. About €50.000 was earmarked to a needs analysis for the development of European Integrated Masters Degrees in consumer issues.

4.4. Action 16 and 17: Financial contributions to the functioning of European consumer organisations

Grants for operating costs were allocated to the European Association for the Coordination of Consumer Representation in Standardisation (ANEC, about €1.2 million in 2004, €1.3 in 2005) and the European Consumers' Organisation (BEUC about €1.2 million in 2004; €1.25 in 2005). With respect to previous years, these grants increased to allow for the integration of consumer associations from new Member States at EU-level.

5. ACTIONS TO PROMOTE SEVERAL OBJECTIVES

5.1. Action 18: Financial contributions for specific projects at Community or national level in support of consumer policy

Following the call for proposals in 2004, a total of 15 specific projects were co-financed for a total amount of about €2.3 million. The main beneficiaries were national consumer organisations and other NGOs. Five projects benefited from 75% co-funding reserved for new Member States. The 2005 call for proposals

strengthened the requirements for cross national partnerships and put more emphasis on dissemination of results. Four projects were selected for co-financing at an estimated total of about €2.35 million. Two of them focus on capacity building of consumer associations in new Member States. Contracts will be signed once detailed budget checks are completed and final budgets approved. The attribution of financial contributions was decided within three months of the deadline for submission and the list of projects funded published on the Europa website.

An internet forum was created to facilitate networking and the search for partners. It proved useful as a tool for answering requests for clarification accessible to all, but did not give notable results on partner search. External costs for the evaluation of the project applications added up to €6.000. In follow-up to recommendations of the Assembly of Consumer Organisations, an ad-hoc working group of the European Consumer Consultative Group met in February 2005 and discussed ways to improve specific projects (€ 4.000).

5.2. Action 19: Evaluation of actions undertaken under this framework.

€149.730 was spent on an assessment of the CLAB database on unfair contract terms. The results question the cost-efficiency and effectiveness of the database as operated. No further expenditure has been programmed for CLAB. About €85.000 was committed for an evaluation of financial contributions awarded to European consumer organisations in 2000-2003. Results will become available in 2006. In 2005, €230.000 was spent on an evaluation of the European Consumer Diary and on an assessment of the impact of the EU Consumer Policy Strategy 2002-2006 on national consumer policies.

No actions were financed under action 6, 11 and 12.

6. CONCLUSION

Decision 20/204/EC aimed to make expenditure strictly subject to consumer policy objectives. Amongst the actions financed, actions to build a knowledge-base for policy making are increasing in importance, and are to a large extent exploited to support the integration of consumer interest into other EU policy areas. New joint actions with the Member States were launched, notably on market surveillance. The merger of European consumer help centres increased cost-efficiency, and their execution as joint actions with the Member States has provided a more secure financial basis. New initiatives in consumer information and education were launched and substantial energy was devoted to facilitating higher quality specific project applications. New instruments to support national consumer associations, such as capacity building actions have been given a higher priority. At the current stage, it is early to evaluate most of the new experiences as results will only become available over the next two years.