









DG XXIV

Consumer Policy and Consumer Health Protection







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Pending the entry into force of the Treaty of Amsterdam, DG XXIV endeavoured in 1998 to give consumer policy a "horizontal" dimension, by incorporating it properly into the definition, application and implementation of all other policies and activities of the European Union.

The work undertaken generally in 1998 in the field of consumer policy shows that consumer policy cannot be geared solely to protection but must be elaborated with due regard to considerations encompassing economic and legal interests, competition, the production, safeguarding, marketing and the distribution of goods, scientific research, etc.

The rationale underlying this new concept of consumer policy stems from the way in which society is being shaped and driven by technological innovation and change in the markets, and by the rapid development of products and their inter-linkage with services.

DG XXIV's response to this situation has been to launch and support the activities covered by this report, the main aim being to create a general framework within which the consumer is able to play an active role in the emerging internal market.

DG XXIV's attention is now turning towards new challenges arising from the action plan for consumer policy 1999-2001, giving consumers a greater say in matters and providing a high level of health and safety, while taking economic interests fully into account.

Only thus can the consumer play an active role in society, whether on an individual, associative or institutional basis; this will pave the way for wider consumer involvement through effective participation in the production process and in the economic, social and political spheres.

Horst Reichenbach Director-General











1. Risk Assessment Unit Activity Report

The activities of the Risk Assessment Unit in 1998 may be classified in four categories: drafting of concept papers, contributions to international negotiations, development of risk assessment programme, and communication of risks.

1.1. Concept papers

Three concept papers have been drafted and are currently being discussed for finalisation in 1999.

1.1.1. Guidelines for application of the precautionary principle (17 October 1998)

This document was prepared at the request of Mrs Bonino. It proposes a definition of the precautionary principle and six guideline principles for its application. It was widely distributed to consumer organisation representatives and representatives of professional bodies. It is currently being discussed at interdepartmental level and should be the subject of a communication from the Commission.

1.1.2. Risk analysis

Preparation of a summary document proposing a framework for food safety risk analysis. This document should be one of the unit's contributions to the discussions in DG XXIV and serve as input for a more general document on risk analysis to be completed in 1999.

1.1.3 Food safety objectives

Reflection paper on the concept of food safety objectives, drawing on the deliberations of several international committees. Based on an initial working document prepared by the unit, this paper highlights the need to scrutinise the contrasting philosophies that appear to exist today, as well as their implications for European rules on food hygiene and international trade.

1.2 International negotiations

1.2.1 Codex Alimentarius

Participation in the Codex's Committees on General Principles and Food Hygiene. This included attending the concertation meetings with the Member States and interdepartmental meetings for preparation of the Community position on the items on the agenda, notably as regards the application of the precautionary principle and the legitimate role of factors other than scientific ones in the Codex's decisions, and on items relating to the development of guidelines for assessing microbiological risks and the principles and guidelines for managing microbiological risks.

1.2.2 WTO Sanitary and Phytosanitary Committee

The unit participated in the meetings of the WTO Sanitary and Phytosanitary Committee in Geneva and helped coordi-

nate the Commission's positions with the Member States on the re-examination of the terms of the Agreement and its operation, as well as the various disputes arising from Community legislation (such as aflatoxins) or third countries (BSE, histamine, dairy products, etc.). The unit made a technical contribution to the dossiers.

1.2.3 World Health Organisation

The unit represented the Commission at the international meeting on microbial resistance to quinolones organised by the WHO with a view to assessing the risk associated with the growing resistance of micro-organisms to this category of antibiotics, which are used in both human and veterinary medicine.

1.2.4 Other international activities

The unit also contributed to and participated in the work of the Ad Hoc Expert Group on genetically modified organisms at the OECD, the TRUSTNET seminars (concerted with DG XII), and bilateral meetings between the Commission (DG III and DG XXIV) and the US Food and Drug Administration.

1.3 Risk assessment

1.3.1 Assessment of hormones risk

The unit was invited to work on the hormone dossier in the Interdepartmental Group piloted by the Secretariat General and with the Secretariat General's agreement. More specifically, the unit was given two missions:

- assess and finance studies approved by the group in the sum of ECU 2.7 million, prepare the case files for the CCAM (Consultative Committee for Purchases and Contracts) and sign contracts with the various laboratories involved;
- organise the taking of 300 samples of imported meat and liver at the border posts, with the cooperation of the Food and Veterinary Office and the veterinary services of the Member States concerned; finance the analyses performed by their reference laboratories.

The unit also helped prepare several documents and letters for the dispute settlement body, the Codex, the JECFA, the Canadian and US authorities and the mandate vested in the Scientific Committee on Veterinary Measures relating to Public Health, which was designated by the Scientific Steering Committee to perform the supplementary risk assessment.

In addition, the unit participated in the Washington Conference hosted by the National Cancer Institute (16-17 March 1998) on the carcinogenic role of oestrogens, which cast fresh light on the links between natural hormones and cancer.

1.3.2 Transmission of cholera via imported food

This risk assessment, which the unit performed at the request of DG XI, made it possible to prepare a strategy document in response to international criticism (SPS, FAO and WHO) of the European Community's policy concerning certain food imports from third countries in which cholera epidemics are ongoing. This document was approved by the Cholera Working Group of the Scientific Committee for Food (on veterinary measures relating to public health).

1.3.3 ICPS – Risk assessment in respect of chemical products

The unit participated in risk assessment work at this international meeting, at which delegations from all over the world presented their assessments.

1.3.4 Analysis of certain reports by the scientific committees

One of the unit's tasks is to analyse scientific evaluation reports and critically examine the form and substance of such reports whenever their conclusions are liable to be challenged.

Thus the unit examined a certain number of reports from the Scientific Committees concerning the evaluation of Carbadox and Olaquindox in animal feed, phthalates in children's toys and endocrine disruptors.

1.4 Risk communication

The unit acted as a contact point for the media by coordinating daily urgent media questions concerning consumer problems. This task is consistent with the unit's objectives: to be flexible and respond promptly to emerging problems. In addition, the unit collaborated closely in drafting approximately 30 press releases, giving a more consumerist angle to the texts issued to the media.

The unit also presented papers on risk analysis at the 25th International Congress of the International Dairy Federation (Risk analysis in the international framework) and the 5th FEDESA Forum (Risk assessment and risk management for the food chain, a way to build consumer confidence). It also presented DG XXIV's position at the European Parliament's Consumer Forum Intergroup in Strasbourg on endocrine disruptors.

2. Community Action in Consumers' Interest (Directorate A)

2.1 General remarks – Consumer policy

1998 was a year of consolidation and development, with progress being made in the specific sectors described below. Highlights include information society developments, improved integration of consumer interests into other Community policies, the adoption of a directive for the protection of consumers in respect of distance selling of financial services, a directive on injunctions, the integration of consumers' interests into Community agriculture and food policy, the preparation of practical measures for the introduction of the euro, and important initiatives to strengthen the overall levels of safety for food and consumer products.

2.2 Specific sectors

These political developments were complemented by moves to consult external organisations, especially consumer organisations, on consumer-related issues arising from the development of the Information Society. Two 'Round Table' discussions were held in 1998:

• in May, on 'the Consumer and the Information Society', to identify the principal concerns of consumers;

• in September, to stimulate debate on 'The Future of Consumer Organisations in the Information Society'

2.2.1 Policy development

The unit with responsibility for consumer policy development only began its work at the beginning of 1998. However, it has already started developing more systematically and thoroughly the principles of consumer policy, the way these principles can be integrated into other Community policies, and how the impact can be evaluated. To this end a review of Community consumer policy since the 1970s was carried out and the fruits of this review set out in a DG XXIV working document 'Consumer Policy: past achievements' (SEC (1998) 564). This was briefly discussed by the Consumer Council of April 1998.

Following on from this, the Commission Consumer Policy Action Plan 1999-2001 (COM (98) 696) was adopted by the Commission in December 1998. This sets out the Commission's analysis of the overall context of consumer policy, establishes the Commission's objectives for 1999-2001 and provides a detailed list of measures and initiatives that the Commission as a whole (not just DG XXIV) intends to take over the period. The action plan will be the frame of

reference for all of DG XXIV's work over the next three years.

The improved integration of consumer interests into other Community policies was pursued first and foremost through formulation of the action plan and the requisite extensive consultations with nearly all the other Commission departments. Another high-priority area was the need to integrate consumer concerns into the many Community developments affecting services of general interest (water, energy, telecommunications, the audio-visual sector, postal services and transport). In particular, DG XXIV has worked to ensure that the various Commission initiatives on telecommunications, postal services and air transport have taken consumer interests into account better than ever before. Work has also started, in cooperation with other Commission services, on developing consumer satisfaction indexes at EU level.

2.2.2 Information Society

The Information Society continues to exert a growing influence on Commission policy initiatives.

Of the various legislative proposals, the proposal for a European Parliament and Council Directive on certain legal aspects of electronic commerce in the internal market (COM (1998) 586 final) was the most important as far as its potential impact on consumer policy is concerned. DG XXIV was actively involved in the consultations leading to the adoption of this draft directive.

1998 was also marked by the approval, on the initiative of the Austrian Presidency on 3 November, of a Council Resolution on 'The Consumer Dimension of the Information Society' (OJ C 23, pp. 1-3 of 28 January 1999). The Resolution noted the main issues of concern to consumers in the Information Society and emphasised the need for the existing principles of consumer policy to be applied in the Information Society. In terms of Community policy, it acknowledged that the principal means of ensuring that the interests of consumers are taken into account must be action to integrate the consumer dimension into all relevant EU policy initiatives concerning the Information Society. It also invites the Commission to assess consumer related legislation in any new circumstances arising from the information society, to identify possible loopholes and report back to the Council, where necessary, with proposals for action. DG XXIV will not fail to follow this up.

2.2.3 Protection of economic interests

During 1998, protection of consumers' economic interests was a major theme of DG XXIV, with noteworthy progress being made on two legislative proposals in particular.

On 23 April 1998, the Consumer Council definitively adopted a directive – Directive 98/27/EC of the European Parliament and of the Council (OJ L 166/51 of 11 June 1998) which provides that independent public bodies or consumer organisations – "qualified entities" – may bring an

action for an injunction, i.e. bring proceedings before the courts or administrative authorities with a view to terminating any infringement of the European directives in the specific fields enumerated in the directive: misleading advertising, contracts negotiated away from business premises, consumer credit, television broadcasting, package holidays, drugs advertising, unfair terms in consumer contracts, timeshares and distance selling.

This new departure in Community law provides for remedies – in the country in which the infraction originated – for public bodies and consumer organisations, irrespective of where they are established in the EU, on the basis of the principle of mutual recognition, which thus continues to play a key role in the operation of the single market.

The way this proposal progressed reflects a high degree of interinstitutional convergence and all the European institutions cooperated in a constructive spirit: this is the first time a consumer policy directive was definitively adopted within a mere 27 months of the proposal being presented.

The Member States have to transpose the Directive within thirty months of the date of its publication in the Official Journal of the European Communities.

In the context of the first reading of the Directive on the sale of consumer goods and associated guarantees, the European Parliament approved a legislative resolution on 10 March 1998. The Commission then presented an amended proposal. On 24 September 1998 the Council adopted a common position, on the basis of which the European Parliament has begun the second reading.

On 17 December 1998, the Consumer Council adopted a resolution on operating instructions for technical consumer goods (OJ C 411 of 31 December 1998, p 1). On the basis of existing standards and regulations at Community, national and international level, the resolution provides guidance on how to draft good operating instructions for such products as 'white goods' (household appliances with white enamel housings, like fridges and washing machines), do-it-yourself equipment, electrical and electronic goods for home and portable entertainment, and telecommunications terminal equipment.

Based on the advice of the Consumer Committee of 24 September 1998, a call for tenders was published for a study on the legal and economic problems likely to confront consumers in connection with the 'millennium bug'. This is part of the consideration being given by the Commission to this issue on the strength of Communication COM (98) 102 of 25 February 1998 on the Year 2000 Computer Problem.

The unit provided input on matters originating in other Commission departments, in particular the initiatives on commercial communications and electronic commerce, intellectual property, data protection and the information society, and the protection of minors on the internet, in association with the draft White Paper on Commerce. There was also participation, with the Secretariat General and other

Commission services, in the Council Working Group on a proposal for a European Convention on the law applicable to non-contractual obligations, 'ROME II'. The unit was also consulted on individual competition cases handled by the Directorate General for Competition.

2.2.4 Agriculture, food products and health

One of the Directorate-General's top political priorities remains the integration of consumer concerns and consumer interests into Community legislation in the field of agriculture and food products. The monitoring and audit activities of the Member States' systems and the Rapid Alert System designed to bolster consumer confidence have also been reinforced.

DG XXIV continues to contribute systematically to Community food law (agricultural products; processed food) and legislation on animal feed or the treatment of animals entering the food chain or intended for human consumption. Analysis of the input received from the consumer organisations during the consultations on the Green Paper on food law, enabled DG XXIV to push forward the deliberations in the Commission, notably in the fields of labelling, hygiene and controls. This work should eventually lead to a communication from the Commission, following up the Green Paper.

DG XXIV also conducted a study on consumers' needs as regards food labelling. This study revealed that current legislation largely meets consumer expectations. It also confirmed the need to review certain points.

DG XXIV has launched a study on methods of detecting genetically modified maize and soya in food. These methods should enable economic operators to comply with their obligations to inform consumers about the presence of genetically modified organisms in food.

As regards agricultural policy, DG XXIV reinforced consumer pressure for the adoption of a common and defensible position on the reform of the Common Agricultural Policy. DG XXIV's initiative, which led to the adoption of an opinion by the Consumer Committee on this reform in December 1998, is a first step towards giving consumers a greater say in shaping this policy.

Food control activities in the context of Directives 93/99/EEC (official control) and 93/43/EEC (food hygiene) have been intensified. Particular attention was paid to the question of aflatoxins in Iranian pistachios and radioactive contamination of certain imported mushrooms.

In cooperation with the Member States, and in application of Directive 93/99/EEC, DG XXIV implemented its programme for evaluating the Member States' official food control systems as provided for in Directive 89/397/EEC. At end 1998, the control systems of 12 Member States had been subjected to a detailed evaluation, in particular as regards imports of food of plant origin, and recommenda-

tions will shortly be issued, on completion of the programme in its entirety.

DG XXIV also coordinates a Union-wide monitoring programme devoted to certain sensitive issues. Work in this area has made it possible to identify, in collaboration with the Member States, the problem of monitoring the use of food additives and detecting ochratoxin A (a carcinogenic substance) in coffee, which will be the subject of special investigations.

As regards the Rapid Alert System, the proliferation of alerts, notably as regards food imported from third countries, testifies to the credibility and effectiveness of the action at Community level. A vademecum has been prepared in collaboration with the Member States so as to improve the performance of the system, notably by harmonising the interpretation of the applicability criteria.

Analysis of the notifications makes it possible to focus protective measures on sensitive points or products. This is an important source of information for the Food and Veterinary Office in laying down control priorities.

2.2.5 Financial Services and the Euro

2.2.5.1 Financial services

In this area, three of the themes identified in the 1997 Commission Communication "Financial services: Enhancing consumer confidence" dominated in 1998:

- Finalisation of a proposal for a directive on distance marketing of consumer financial services;
- Continuation of the Dialogue between the financial services industry and consumers on consumer information in relation to mortgage credit;
- Updating of the consumer credit directive.

The Commission adopted a proposal for a directive on distance marketing of consumer financial services on 14 October. This builds on the structure and mechanisms found in the general directive on distance selling, 97/7/EC, but is adapted to reflect the specific features of financial services. With the Single Market becoming more integrated following the introduction of the Euro, and with all the opportunities for cross-border sales of financial services offered by electronic means of trading, the proposal aims for full harmonisation of the proposed provisions. Negotiations on the directive were preceded by a presentation at the Consumer Council on 3 November.

The Dialogue made useful progress on a number of practical points. The underlying idea, i.e. negotiation between interested parties as a flexible complementary approach to market regulation, is, however, a challenge to traditional concepts. It also involves a number of risks, notably in terms of the quality (impact/enforcement and effectiveness) of regulatory activity. The Dialogue thus requires much consi-

deration and reflection by all parties involved, including the Commission.

Preparation of a new consumer credit directive was adversely affected by the workload on the other two dossiers (and on electronic commerce, see below), as well as by a change of staff in charge; rapid progress is, however, being made and a proposal is likely to be forthcoming early in 1999.

2.2.5.2 Euro

The main objectives were:

- To contribute to the Commission recommendations on the practical aspects of the introduction of the Euro;
- To conclude the dialogue between consumers and the distributive, tourism and craft trades;
- General consumer information, including training of staff of consumer associations to act as multipliers;
- Specialised information and awareness-raising projects targeted at vulnerable sections of the population.

The three recommendations adopted by the Commission in April 1998 reflect ideas developed by DG XXIV in association with working groups of consumer and psycho-sociological experts: equal treatment for operations in Euro and national currencies, including the conversion without charge of incoming and outgoing payments in either currency during the transition period; voluntary and clear dual display of prices; national observatories to monitor non-compliance with the rules and to give an early warning of unforeseen problems.

An agreement was signed on 30 June 1998 between representatives of consumers and of the professional bodies for commerce and the distributive, tourism and craft trades. This agreement covers voluntary (but controlled) rules on transparency and fair trading in commercial practices, staff training in Euro issues, and information and dual display of prices. A logo has been developed to show that businesses are complying with the agreement.

General information and education projects included a special issue of the DG XXIV magazine "Consumer Voice" on the subject of the "Euro" and a series of seminars for staff of consumer organisations to make them more effective training and information multipliers.

Specialised projects involved representatives of the poor and the socially excluded, the aged, and certain groups with physical disabilities, the key objective being to gauge how the target groups perceive and understand monetary issues, with the ultimate aim of formulating a dedicated information strategy. Experience gathered from these projects, and from the working groups referred to above, has allowed DG XXIV to exert substantial influence on consideration by the European Parliament and national authorities of the issues involved in preparing the general public for the introduction of the Euro.

2.2.5.3 Electronic commerce

Notwithstanding the above, the dominant feature in the workload over the past nine months or so has been the way in which electronic commerce (including e-money and e-signatures) has gained in importance. Developing consumer policy views and promoting these both inside and outside the Commission has become a substantial task of the financial services unit, placing the work on electronic commerce on a par with the unit's other two work areas.

2.2.6 Consumer safety and the environment

Important initiatives were taken to improve the overall levels of safety for products used by consumers. For instance, discussions were taken up on a possible revision of the Directive on general product safety, with a view to strengthening the legal requirements and facilitating and speeding up the operation of the Directive (e.g. notification procedures). For this purpose, three meetings were held with Member States and representatives of consumer organisations and a study on the practical operation of the Directive was launched.

Discussions on the national application of the Directive and on co-operation between enforcement agencies were taken up by way of the discussion document on the "Enforcement of European Consumer Legislation" discussed by the Council in May, a conference organised by the British Presidency in June, and subsidised enforcement exercises under the PROSAFE cooperation procedure.

In addition to the three standardisation mandates and one study mandate on consumer product safety issued the previous year, a further mandate for the revision of the standard on the safety of lighters was given to the appropriate European standardisation organisation. Ongoing support was given to ANEC¹ for coordinating consumer participation in standardisation.

Seventy-three notifications, of different types, on dangerous products under the Directives on general product safety and dangerous imitations, were dealt with during the year; in addition, a number of notifications were issued for information purposes only. The emergency committee under the Directive met four times during the year to deal with problems with specific products and aspects concerning the operation of the Directive.

Cooperation with third countries became increasingly important, both in the context of the enlargement process and through different forms of cooperation with other countries. Cooperation took the form of education and information concerning the EU systems, discussions on specific safety risks and ways of extending the notification systems.

ANEC - European association for the coordination of consumer representation in standardization

The EHLASS system² (the Decision on which had expired in 1997) was run as a pilot project during 1998; measures were taken to improve the system as such and the use of incoming data, with a view to integrating the system into the Community programme on injury prevention, scheduled for 1999.

Some of the specific safety problems discussed under the Directive were phthalates used as softeners in plastic toys and child-care articles, and laser pens. On the phthalates issue, the Commission issued a specific recommendation to the Member States.

The recommendation invited the Member States to test the release of phthalates from the products in question and to take the necessary measures in order to ensure a high level of child health protection. Three opinions on this subject were received from the Scientific Committee on Toxicity, Ecotoxicity and the Environment (SCTEE), and collaborative work is in progress with the Commission's Joint Research Centre (JRC) on phthalate migration test methods.

Some problems were dealt with by way of non-legislative instruments, e.g. risks related to carbon monoxide poisoning and the "toxic-shock syndrome".

On the environment front, the 1996-1998 work programme on sustainable consumption was completed. Information

campaigns to stimulate a public debate on sustainable consumption were run in Greece and Italy.

Pilot programmes to test the quality of drinking water started in eight Member States.

In co-operation with DG XXIV's Food and Veterinary Office (FVO), the pilot project to test the quality of organic and non-organic food was developed and launched.

Information about the checking and verification of green claims in the Member States was gathered by means of a questionnaire. A study on green claims was completed and comments were gathered from stakeholders with a view to developing policy options.

With respect to chemicals, water and air legislation, a collaborative procedure was established with Directorate B and the Risk Evaluation Unit to ensure compliance with scientific data on environmental and health aspects in Community measures.

DG XXIV participated actively in the development of Commission initiatives on fair trade as part of the socially responsible consumption effort.

3. Scientific Health Opinions (Directorate B)

3.1 Initiatives

During 1998, the tasks for the newly created Scientific Committees were twofold. Not only did they have to fulfil their role of providing the scientific basis for Commission initiatives, they also had to develop their identity and working methods based on the principles set out in the Commission Communication of April 1997 on Consumer Health and Food Safety.

The Scientific Steering Committee and the eight specialised Scientific Committees issued a total of 132 opinions during 1998.

In addition, the following initiatives were taken:

- Internal procedures for each Committee, reflecting the main principles of the "fresh start" on Consumer Health and Food safety, namely independence and transparency;
- A methodological approach to the evaluation of risks in each Committee, which not only strengthens the scientific basis of the opinions but also, thanks to the common structure under this approach, makes them clearer and easier to understand;

- Stronger support for the Committees: both scientific (provided by each committee's secretariat), and administrative;
- To achieve maximum transparency (another aspect of the "new approach"), the scientific opinions were posted on the Internet shortly after adoption by the Committees.

The workload for the independent members of the Scientific Committees (scientists who are appointed in their personal capacity) was considerable, stretching their capacity to its limits. There is a clear need to develop more effective working procedures, though not at the expense of scientific soundness.

Experience in 1998 has likewise shown how necessary it is to consider extending mandatory consultation of the Scientific Committees to those areas of Community legislation having an impact on consumer health and food safety which are not covered by the present system. The aim would be to ensure that any proposed action is based on independent scientific advice which is publicly available.

Improving the working methods of the Scientific Committees, viewed against the background of the possible extension of mandatory consultations, will be a major issue for 1999. Preparatory work began at the end of 1998.

² EHLASS - European Home and leisure Accident Surveillance System

3.2 The work of the committees

Within Directorate B, unit B1 is responsible for running the Scientific Steering Committee and for certain horizontal tasks related to the monitoring and dissemination of scientific opinions, while units B2 and B3 are each responsible for the management of four of the eight specialised Committees.

3.2.1 Unit B1: "Monitoring and dissemination of scientific opinions"

Besides being responsible for delivering scientific opinions on multidisciplinary issues, including multidisciplinary aspects of BSE (bovine spongiform encephalopathy), the Scientific Steering Committee (SSC) coordinates the work of the Scientific Committees and, where necessary, harmonises their working procedures.

Because of the urgency of the matter and its potential major effects on public health, most of the SSC's efforts have concentrated on addressing the risks for humans and animals related to transmissible spongiform encephalopathies (TSE), especially bovine spongiform encephalopathy (BSE). In 1998, the SSC adopted opinions on 17 questions related to TSE/BSE.

In general terms, the most important of these opinions were on:

- the BSE risk (general);
- · specified Risk Materials (SRMs);
- · the BSE risk for specified geographical areas;
- the UK Date Based Export Scheme;
- · BSE in sheep;
- the safety of gelatine, meat-and-bone meal, tallow, dicalcium-phosphate, hydrolysed proteins and organic fertilisers; and
- possible links between organo-phosphates used as pesticides and BSE.

A major effort has been made to pinpoint criteria and to develop a methodology for evaluating the geographical BSE risk. A "Handbook" for the assessment of the geographical BSE risk in Member States and third countries was produced.

Unrelated to BSE was the opinion on possible health hazards linked to exposure to electromagnetic fields.

The SSC addressed a number of other aspects of its mandate, including:

- An initiative aimed at the introduction in all Committees
 of harmonised procedures for risk assessment, based on
 current practice within each Committee. The objectives
 are to establish common ways of approaching risk assessment issues; to introduce, where possible and relevant,
 standardised threshold and reference values; and to adopt
 common principles for the development and use of models
 for assessing human exposure risk, etc.
- The multidisciplinary aspects of the use of antimicrobials.

The SSC established a specific working group, composed of experts from each of the Scientific Committees, with a wide-ranging mandate aimed at providing an overall framework and common basic principles to serve as the scientific basis for policy making in this complex field. More specific aspects of the use of antimicrobials, e.g. in animal feed, in plant protection or for therapeutical use, are handled by the relevant specialised Committee.

 A working group was set up to start developing scientific approaches to emerging health issues, including the application of the precautionary principle, and ways and means of addressing perceived, but not scientifically verified, risks and of dealing with uncertainties related to a scientific opinion, e.g. insufficient data and the soundness of assumptions.

3.2.2 Unit B2: "Management of Scientific Committees I"

Unit B2 is responsible for running the following four committees:

- · Scientific Committee on Plants (SCP);
- Scientific Committee on Medicinal Products and Medical Devices (SCMPMD);
- Scientific Committee on Cosmetic Products and Non-Food products (SCCNFP);
- Scientific Committee on Toxicity, Ecotoxicity and the Environment (SCTEE).

3.2.2.1 Scientific Committee on Plants (SCP)

The Committee issued opinions on genetically modified (GM) plants, plant protection products and pesticide residues in food products.

The opinions adopted on GM plants were primarily under Directive 90/220/EEC on the deliberate release into the environment of genetically modified organisms; this requires a risk assessment to be made before a product containing or consisting of genetically modified organisms (GMOs) can be placed on the market. The objective of the assessments was to evaluate possible risks to human health and the environment connected with the release of the GMOs. These opinions took into account the genetic modifications as well as safety and environmental aspects. The plants covered by the evaluations included maize, cotton, potato, fodder beet and rape, and the main traits involved were herbicide tolerance and insect resistance. The Committee decided, on the basis of its experiences with the evaluation of GM plant dossiers, to publish a guidance document to help notifiers prepare such dossiers for consideration by the Scientific Committee on Food (SCF). The Committee said it intended to publish similar guidance documents periodically as the need arises.

The opinions on plant protection products involved the examination of five new and/or existing active substances against the background of their inclusion in Annex 1 to Directive 91/414/EEC on the marketing of plant protection products.

The Committee also considered the data requirements in carrying out risk assessments on microorganisms for use as plant protection products.

The Committee also issued two opinions on pesticide residues in foodstuffs with regard to the implementation of the Community legislation. These opinions dealt with the updating of maximum pesticide residue limits and the implications of residue variability in fruit and vegetables for consumer risk assessment.

3.2.2.2 Scientific Committee on Medicinal Products and Medical Devices (SCMPMD)

In its first year of operation, the Committee worked on a number of subjects such as the toxicity of colouring agents used for medical products, guidelines on the concept of "similarity" for the purposes of legislation on orphan medical products, starting materials used in human and veterinary medical products, etc.

Several reports on the above subjects were adopted, but the following two are of particular importance:

• Risk quantification for Creutzfeldt Jakob Disease (CJD) transmission via substances of human origin. The opinion takes the view that there is no evidence of CJD transmission from one individual to another by way of human tissues, cells or products derived from them other than cornea, dura mater and growth hormone. Epidemiological studies detected no link between CJD and the administration of blood and blood products. As a precautionary measure, however, the recommendation is to continue excluding from blood donation individuals who have, or are at risk of getting, CJD.

The above statement does not apply to new-variant CJD due to the limited experience with this disease.

Are there alternative products to intestines of animal origin for use as surgical sutures? The Committee's opinion is that there are synthetic alternative products to catgut suture that provide equal, or even better, clinical performance than catgut, and that there are no clinical indications for the preferred use of catgut.

Regarding the continued commercial supply of catgut sutures, the Committee believes that, given the bovine and ovine origin of the material, and given that intestines are classified as tissues of medium infectivity, special measures are needed to deal with the risks from transmissible spongiform encephalopathy (TSE).

3.2.2.3 Scientific Committee on Cosmetic Products and Non-Food Products (SCCNFP)

The Committee continued its activities on adapting to technical progress the Annexes to Council Directive 76/768/EEC on the approximation of the laws of the Member States relating to cosmetic products.

One important task was to adopt opinions on sixteen substances prohibited under Directive 76/767/EEC; this did not involve prior consultation of the Committee as provided

for in the Directive.

Other priorities were SCCNFP input to the first updating of the cosmetic ingredients inventory and moves to evaluate the applicability in terms of cosmetic ingredients of alternative methods to animal testing, validated by the Scientific Committee of the European Centre for the Validation of Alternative Methods (ECVAM Scientific Advisory Committee).

3.2.2.4 Scientific Committee on Toxicity, Ecotoxicity and the Environment (SCTEE)

The majority of opinions adopted by the SCTEE related to Directive 76/769/EEC on the limitations on marketing and the use of certain dangerous substances and preparations.

The opinions included an assessment of the risks to health and the environment of the following compounds: (i) Tin; (ii) Arsenic; (iii) Pentachlorophenol; (iv) Creosote containing less than 50 ppm benzo-[a]-pyrene; (v) Chrysotile asbestos and substitute fibres (2 opinions).

The SCTEE adopted four opinions under Directive 92/59/EEC on General Product Safety, all related to the subject of phthalates (migration from soft PVC toys and child-care articles).

Another important opinion concerned the practical implications of the proposed modification to the Council Directive establishing a framework for Community action in the field of water policy. This included consideration of a procedure for selecting priority substances with a view to establishing a Community list of priority substances.

Finally, four opinions were adopted on Council Regulation (EEC) 793/93 on the evaluation and control of the risks of existing substances and the results of risk assessments on (i) 2-(2-butoxyethoxy) ethanol; (ii) 2-(2-methoxyethoxy) ethanol; (iii) Alkanes; C10-13, chloro and (iv) Benzene, C10-13-alkyl derivs.

3.2.3 Unit B3: "Management of Scientific Committees II"

Unit B3 is responsible for running the following four Scientific Committees:

- Scientific Committee on Food (SCF);
- Scientific Committee on Animal Nutrition (SCAN);
- Scientific Committee on Animal Health and Animal Welfare (SCAHAW);
- Scientific Committee on Veterinary Measures relating to Public Health (SCVPH).

In addition to running these four committees, Unit B3 is responsible for the organisation and management of a Commission scheme to identify and evaluate well developed, post-mortem BSE tests which could be considered for Community recognition. Having one or more excellent tests would do a lot to restore consumer confidence, as well as achieving the primary aim of protecting consumer health.

This is a unique, difficult and challenging exercise. It requires the preparation of large numbers of coded samples of brain and spinal cord obtained from animals known to be free from or infected with BSE. Laboratory work started in late 1998; provided no major practical problems are encountered, results may be expected for the spring of 1999. The work is being carried out in close co-operation with the Commission's Joint Research Centre, the Institute for Reference Measurements and Methods, in Geel, Belgium.

Unit B3 also provides secretariat services for the Scientific Steering Committee's multidisciplinary working group on antimicrobial resistance; this involves a very broad scientific examination of the use of antimicrobials in human and veterinary medicine, in animal husbandry and in plant health protection.

3.2.3.1 Scientific Committee on Food (SCF)

The SCF's work has been dominated by the mandatory requirement in foodstuff legislation to consult the Committee on proposals for health-related measures. During 1998, the Committee expressed opinions on a number of food additives and more than 80 individual substances for use in the manufacture of plastics for food packaging.

The SCF re-assessed Ochratoxin A, a naturally occurring, fungal toxin with carcinogenic properties, low levels of which may be found in such products as cereals, coffee beans and pulses. The Committee also addressed the general adequacy of toxicological databases for pesticides in terms of fixing individual limits for these substances in food intended for infants and young children.

The SCF examined the potential risk from vegetables imported from regions where cholera is endemic and whether it was safe to have the bacterium Aeromonas in certain natural mineral waters. It also responded to an urgent question on the irradiation of eight specific irradiated food products. The Committee addressed the possible adverse effects of \(\mathcal{B} \)-carotene as reported in clinical and chemo-preventive trials designed to assess the protective effect of \(\mathcal{B} \)-carotene supplementation for smokers. The SCF concluded its consideration of the applicability of the ADI (Acceptable Daily Intake) concept to additives used in food intended for infants.

The Committee embarked on a comprehensive examination of the safe upper levels of intake for vitamins and minerals in the context of food fortification and supplements.

Four new reports, incorporating 28 SCF opinions adopted in 1995 and 1996, were published by the Commission in 1998 (Series 38 to 41).

3.2.3.2 Scientific Committee on Animal Nutrition (SCAN)

The primary task of the SCAN is to assess the safety of feed additives with respect to animal, human and environmental health.

During 1998, the Committee issued opinions on the following antibiotics used as feed additives: tylosine, spyramicine and virginiamycine, and as growth promoters: carbadox and olaquindox. The opinions stemmed from questions arising

from the application of safeguard clauses which permit a Member State to suspend temporarily the use of a product that it considers to be dangerous. The SCAN also expressed opinions on a series of micro-organisms for improved feed digestibility and on enzymes used in animal feeds.

The SCAN is currently examining, inter alia, the feed additives dimetridazole, diclazuril, narasin and a further series of enzymes and micro-organisms.

3.2.3.3 Scientific Committee on Animal Health and Animal Welfare (SCAHAW)

This Committee is divided into two sub-Committees, one dealing with animal health, the other with animal welfare. Opinions are adopted by the Committee in plenary session and cover both issues.

3.2.3.3.1 Animal health

The Committee adopted an opinion on the definition of Newcastle disease. This is a serious disease which occurs in poultry; it has considerable trade implications.

Other opinions concerned standards for eradication programmes for Scrapie, a disease that occurs in sheep and is related to BSE, and new research developments in Swine Vesicular Disease. This disease, which only occurs in pigs, can be similar to Foot and Mouth Disease but often presents itself as a very mild clinical condition.

The Committee likewise adopted two opinions relating to Bluetongue, an insect-borne disease that occurs in warmer parts of the world, such as Australia, the USA and Asia. Incursions of the disease have also occurred in Greece. The reports dealt in particular with problems relating to imports of live animals from infected regions.

3.2.3.3.2 Animal welfare

A major report was adopted on the welfare aspects of the production of foie gras from ducks and geese. The report concluded that current production methods are detrimental to the animals' welfare.

A report was also adopted on the animal welfare acceptability of the use of certain mixtures of carbon dioxide for stunning poultry at slaughter.

3.2.3.3.3 Ongoing work

The Committee is currently producing a report on the animal health and welfare aspects of the use of Bovine somatotrophin (BST). This is in co-operation with the Scientific Committee on Veterinary Public Health, which is examining the public health aspects. BST is a hormonally active substance used in some countries to increase the milk yield in dairy cows. Its use in the EU is currently prohibited until the year 2000.

Considerable efforts in 1998 were devoted to the following topics on which reports are expected to be adopted in the near future: emergency vaccination against Foot and Mouth Disease; possible links between Johnes Disease in animals and Crohns Disease in man; standards for tests for the diag-

nosis of tuberculosis, brucellosis and enzootic bovine leukosis in cattle; Classical Swine Fever surveillance and control in wild boar; welfare of chickens kept for meat production.

3.2.3.4 Scientific Committee on Veterinary Public Health (SCVPH)

The SCVPH worked in close cooperation with the SCF on hygiene questions relating to food of animal origin. Special attention was given to zoonosis in general and to food-borne infections and intoxications in particular.

The Committee adopted two opinions on the detection of Trichinella spiralis larvae in meat. Trichinellosis is a world-wide zoonotic disease caused by an intestinal roundworm in various animal species whose larvae (trichinae) migrate to and become encapsulated in muscles. One report referred to ways of detecting this zoonotic agent in pork, while the other referred to its detection in horsemeat.

Opinions were also delivered on allergic reactions to ingested Anisakis simplex (a nematode parasite in fish) and on the risk of spread of BSE infectivity through cross-contamin-

ation of different tissues by using pneumatic stunning for slaughtering ruminants.

The SCVPH provided comprehensive reports on two major issues: the scientific aspects of new US regulation on "Pathogen reduction, Hazard Analysis and Critical Control Point (HACCP) Systems, final rule" and the benefits and limitations of antimicrobial treatments for poultry carcasses.

Substantial progress was made on assessing potential risks from the use of Bovine Somatotrophin (BST). The SCVPH is concentrating on the public health aspects while the Scientific Committee on Animal Health and Animal Welfare (see above) is addressing the animal health and animal welfare aspects.

Other major questions under examination include the evaluation of microbiological criteria and temperatures for the storage and transport of products of animals intended for human consumption, cooling of carcasses during transport and the review of current meat inspection procedures. Members of the Committee also provided assistance for working groups of other Scientific Committees, e.g. on BSE-related issues and Johnes / Crohn's Disease.

4. Resources and Coordination (Directorate C)

4.1 Legal base

The European Parliament and Council have adopted the decision establishing a general framework for Community activities in favour of consumers. This will create the legal framework for Community funding of consumer policy action for the period 1999-2003. The framework has been complemented by the more detailed Priorities Programme.

The decision describes the activities potentially eligible for Community funding:

- · Action taken by the Commission;
- Action to support European consumer organisations;
- Action to fund specific projects, in particular those presented by European consumer organisations.

The decision includes funding for the next five years of € 112.5 million.

It lays down (non-cumulative) criteria for measures which may be eligible for Community support. It describes the selection, follow-up and monitoring procedures.

The decision also contains a list of broad policy themes which may be considered for Community funding.

4.2 Budget coordination and management of resources

4.2.1 Organisation of DG XXIV

In September 1998, DG XXIV's organisational structure underwent important changes to reflect the new working

practices of the Food and Veterinary Office and to enable it to carry out its expanded role in the most effective manner possible. The recruitment of the Office's necessary new staff continued.

4.2.2 Staff levels

DG XXIV now has 341 officials (including posts allocated for 1999), 83 of whom work in Ireland.

4.2.3 Budgetary management

The 1998 budget was implemented in particularly difficult circumstances. Following the judgment handed down by the Court of Justice, certain of DG XXIV's activities were either temporarily (Ehlass programme, subsidies) or definitively (Best Practice conference, access to justice form) blocked. Because of the belated adoption, on 21 December, of the legal base by the legislative authority, it was not possible to re-launch the blocked activities. DG XXIV nevertheless used up 93.6% of the appropriations under title B5-1.

DG XXIV also received research appropriations, of which 99.5% were used up.

Because of the delays in utilising the commitment appropriations, as a result of the Court of Justice's judgment, the utilisation of payment appropriations is less than forecast, viz. 86% of appropriations under B5-1. This corresponds to an increase in the rate of payment of approximately 20% by comparison with 1997.

4.2.4 Evaluation

During 1998, DG XXIV launched an external ex-post evaluation of Access to Justice pilot projects. The call for tender

for the evaluation of European Consumer Organisations did not meet with a satisfactory response and the evaluation will now be carried out in 1999. For ex-ante evaluations of 1998 subsidies, most of the DG XXIV personnel participated and made a good contribution. In line with the Commission's new policy on subsidies, the average size of projects financed increased from ECU 87 000 in 1997 to ECU 110 000 in 1998, and the number of projects selected dropped from about 100 to 60 in 1998. Other in-house evaluations/scrutiny resulted in the decision not to continue financing development of the COLINE database¹ and in improvements for CLAB² and Consumerland. Following the 1997 European Consumer Infocentres ("Euroguichet") external evaluation exercise, 8 offices or outstations were closed and 2 new ones opened in Member States which previously had none. In addition, the European Consumer Infocentres network and a network operating under an Access to Justice project dealing with similar themes were merged to boost efficiency and make savings.

4.2.5 Information technology

DG XXIV's new responsibilities have had a major impact on the organisation of its computer platform, which has had to be adapted to take on board and develop the Information Technology (IT) systems designed to assist the policies of the Directorate-General.

The main feature was the changeover from Windows 3.11 to Windows NT. This was completed in February 1998.

As regards developments, DG XXIV has inherited a certain number of projects from DG VI, but only the EUROPHYT project remains a priority.

As regards the other IT systems, the reorganisation of the Directorate-General has had an impact on determining priorities and the resources allocated to the projects. There was a study on the introduction of a new system for planning and managing veterinary inspectors' missions (IMS24).

In addition, there has been an increase in requests for the major external information systems: EUROPHYT, CLAB-EUROPA and CONSUMERLAND, where two new modules have been developed (the food shop and the travel agency).

4.3 Legal matters

4.3.1 Transposition of directives and infringement procedures

4.3.1.1 Procedures for non-implementation

Seven procedures for failure to implement the Timeshare Directive were pending at the beginning of the year. Two of these (against France and Finland) were closed once the countries had notified their implementing measures. In the other five cases (Belgium, Italy, Greece, Spain and Luxembourg), the dossiers have been filed with the Court of Justice.

The file concerning the failure by Spain to implement the Directive on Unfair Contract Terms was closed upon notification of a new law to transpose this directive.

4.3.1.2 Implementation monitoring

Directive 94/47/EC (Timeshare): Pre-procedural contacts were made with Member States that have already transposed the Directive. Following this, Portugal adopted a new law on timeshare contracts in order to fully implement the Directive. A formal notice has been addressed to Sweden.

Directive 93/13/EC (Unfair Contract Terms): Formal notices were addressed to Italy, Greece, France, Sweden and Ireland. Reasoned opinions were addressed to the Netherlands, Italy, Greece, Portugal and Sweden.

It was decided to appeal to the Court of Justice concerning the incorrect transposition of the Directive by Belgium. The appeal was, however, not filed because Belgium adopted a new law to conform with the Directive.

Directive 90/314/EEC (Package Travel): Formal notices were addressed to Italy, Germany, Finland and Greece. The German authorities notified a decree covering some provisions of the Directive that had not been notified before. Finland amended its law and eliminated of the problem that had prompted the formal notice. These two files were therefore closed.

An infringement procedure pending against the UK was closed after the UK had amended its law to allay the concerns expressed by the Commission in a formal notice letter. A reasoned opinion was sent to Italy.

Directive 98/6/EC (Price Indication): A procedure pending against Luxembourg was closed following the adoption of the new comprehensive Price Indication Act.

4.3.2 Enforcement

The working paper on the enforcement of European consumer legislation, which was produced by DG XXIV, adopted by the Commission on 27 March 1998 (see 1997 annual report, 3.3.4) and presented at the Consumers' Council on 23 April 1998, prompted the following action by DG XXIV.

4.3.2.1 IMSN

Under the International Marketing Supervision Network (IMSN) banner, action is centred on strengthening co-operation between the EU network members in order to create a useful means of exchanging information and to improve ways of solving problems between national bodies belonging to the group. For this purpose, three meetings of a restricted group were held in Cork (on 6 March), in Dublin (6 July) and in Brussels (31 August).

A site for the EU group of IMSN members is being created within DG XXIV's Website on the Europa server. The main feature of the site will be the data-base (access to which will be limited to the members of the group) that will store all information stemming either from bilateral contacts between the members or from the notification of best practices or other information of general interest for the group.

³ COLINE - the database for jurisprudence and legislation in the Member States on consumer protection and consumer rights

CLAB - the database for jurisprudence in the Member States on unfair contract terms and conditions

4.3.2.2 The Action Plan for the Single Market

Under the Action Plan for the Single Market, improvements are being made to the network for administrative co-operation between national authorities responsible for the implementation of Single Market legislation in order to provide a more detailed list of contact points (both in the Member States and within the Commission) for the implementation of consumer legislation.

4.3.2.3 The Edinburgh Forum

The UK Presidency and Commission Forum on "Working together to improve the enforcement and application of EU consumer protection law" was held in Edinburgh on 11/12 June 1998. It was organised by the UK's Department of Trade and Industry and funded by DG XXIV, and brought together some 100 specialists in the field of consumer rights protection (officials from EU and EFTA countries, MEPs, consumers' associations, officials from DG XXIV). Discussion focused on the Commission's paper on enforcement.

4.3.3 Enlargement

One of the priorities for consumer policy in 1998 was to assist Central and Eastern European countries (CEECs) in developing consumer policies. This was covered by specific multicountry Phare programmes on consumer policy, backed by Phare programmes for each country; Europe Agreements with CEECs; TAIEX⁵; and preparatory work on pre-accession and bilateral contacts.

DG XXIV commented on the National Programmes for the Adoption of the Acquis (NPAA) presented by the applicant countries under the Accession Partnerships. DG XXIV has also taken an active part in the Europe Agreement multi-disciplinary sub-committees, which provide a forum for discussion on all subjects covered by the Europe Agreement and the Accession Partnerships at least once a year, and more often if necessary.

In order to achieve an effective consumer policy in the CEECs, the European Commission has signed a contract worth ECU 2 million for a new Phare Consumer Institutions and Consumer Policy Programme in 13 Phare countries (the 10 applicant countries plus Albania, Bosnia-Herzegovina and Macedonia) over the period 1998-2000.

The analytical examination ("screening") of the acquis communautaire within DG XXIV consisted of two multilateral exercises (in June for the "ins" and in October for the "pre-ins") and the bilateral screening exercises with the "ins" (25 June - 2 July). The goal of the bilateral exercises in the field of consumer protection is to establish how much of the acquis communautaire has been implemented.

An updated regular report on consumer protection developments was written, based on a country-by-country report prepared by DG XXIV. For agriculture, a similar report was drafted by DG VI with the assistance of DG XXIV.

TAIEX helps the Associated Countries (10 CEECs and Cyprus) in their preparations for integration into the Single Market. In 1998, TAIEX, with the assistance of DG XXIV,

organised three workshops on enforcing EC consumer protection legislation-related issues at national and sub-national level. Two of these were multi-country seminars and one workshop was the result of an Estonian request. DG XXIV took part in two workshops organised by CEN (the *Centre européen de normalisation*) under the PRAQ programme⁶ on the responsibilities for economic operators in relation to consumer products and services in the ten CEECs. A working group organised by TAIEX at the request of the Polish authorities met in December.

4.3.4 Access to justice

The Commission adopted, in 1998, a "Communication on the out-of-court settlement of consumer disputes" (COM(98)198 final), containing two features designed to improve access to justice for individual consumers: a Recommendation laying down the principles applying to out-of-court procedures for the settlement of consumer disputes, and a consumer complaint form.

4.3.4.1 The Recommendation on the outof-court settlement of consumer disputes

The Recommendation (98/257) on the out-of-court settlement of consumer disputes aims to ensure that out-of-court bodies offer parties a minimum number of quality guarantees such as independence, transparency, effectiveness and legality.

In the wake of this Recommendation, the Commission created a database (already accessible on DG XXIV's Website) to provide the public with information on procedures which can supply the quality guarantees required by the Community text. Member States were asked to provide the Commission with the names of the bodies responsible for the out-of-court settlement of consumer disputes which they consider to be in conformity with the Commission's Recommendation. Using the above database, the Commission's aim is to build confidence between the out-of-court bodies in the different countries and encourage networking and collaboration with a view to resolving cross-border disputes.

4.3.4.2 Workshop on ADR (Alternative Dispute Resolution)

A workshop was organised (16-18 December), bringing together representatives from different national ADR systems, universities and consumer associations. The various ADR systems were presented and future developments discussed, with special reference to cross-border litigation and networking. A final report of the seminar will be drafted.

4.3.4.3 Pilot Project Form

The Commission's communication "on the out-of-court settlement of consumer disputes" also contains a European complaint form for the consumer.

To launch this scheme and find out how effective it is, a call for tender was published. Ten contractors have been selected to coordinate the processing of a specific number of individual disputes using the form. The countries covered are

⁵ TAIEX - The Technical Assistance Information Exchange Office

⁶ PRAQ - Regional Programme on Quality Assurance

Austria, Spain, Finland, France, Greece, Italy, Luxembourg, the Netherlands, Portugal and Sweden. The Commission will use each organisation's records of the disputes using the form to draw up a table of European consumer complaints and decide how the form could be improved.

4.3.4.4 European Consumer Infocentres (see also point 4.4.2 "Consumer Information")

In 1998, DG XXIV decided to integrate the cross-border disputes processing network into the European Consumer Infocentres (or "Euroguichet") system.

The new specifications, established in the first part of the year and presented to the Euroguichets at their annual meeting on 23 July 1998, included a chapter on handling cross-border disputes. A software package has been developed and made available to the Euroguichets to allow standard information on litigation to be collected and processed. This information will allow DG XXIV to produce a comprehensive report on the Euroguichets' results (including use of the Consumer Complaint Form).

4.3.4.5 Grants/Projects

During 1998, DG XXIV funded three "joint projects" (i.e. undertaken jointly by several consumers' associations) aimed at eliminating unfair terms from consumers' contracts, and seven projects whose main objective is to inform and assist consumers and evaluate the means of protection afforded by national legal systems.

4.3.5 Other Subjects

4.3.5.1 Product liability

DG XXIV took charge of the follow-up to the amended Directive 85/374 on product liability, for which DG XV has primary responsibility. DG XXIV took part in inter-service meetings, as well as in European Parliament committee and plenary sessions. DG XXIV is presently preparing its contribution to the Green Paper, which will be launched in 1999 to initiate a structured discussion on a more thoroughgoing revision of the Directive.

4.3.5.2 International Conventions

In connection with the revision of the Brussels Convention of 27 September 1968 on Jurisdiction and the Enforcement of Judgements in Civil and Commercial Matters, DG XXIV took part in meetings of the Council's Ad Hoc Group which started in the autumn of 1997, as well as meetings and interservice consultations within the Commission. DG XXIV's principal concern is to widen the scope of specific provisions in favour of consumers and ensure that coverage extends to transactions made through information society resources.

DG XXIV is also involved in the work of the Council's Ad Hoc Group which began in the early summer of 1998 to put in place a Rome II Convention on extra-contractual obligations.

4.3.5.3 Electronic commerce

Following the proposal for a Directive on electronic commerce drafted by DG XV, DG XXIV has been engaged in reflection and negotiation efforts to clarify the application of

rules on home country control, the instruments relating to jurisdiction and the law applicable to contracts concluded with consumers.

4.4 Development of consumer information, education and representation

4.4.1 Consumer representation

The Consumer Committee met four times. Besides holding discussions on consumer- related issues, it also adopted two opinions on specific questions at its own initiative. The opinions were drafted by two Working Groups of experts, under the Consumer Committee, which met three times. The first opinion was on the effects for consumers of the Year 2000 "bug" and the second was on the reform of the Common Agricultural Policy. These opinions were distributed widely within the Commission and the other Community institutions, as well as to the general public.

The Consumer Committee played an active role in the Transatlantic Consumer Dialogue, which took place for the first time in September in Washington. An executive committee of four people was elected for the TACD from among the Consumer Committee members.

Consumer representation in consultative committees of other services or departments within the European Commission was further strengthened. Consumer representatives are present, together with other interested groups, such as industry, trade unions, environmentalists, etc.

The list of fax and e-mail addresses of consumer organisations, via which the Commission regularly disseminates consumer policy information concerning initiatives, policy decisions and plans that may be of interest to consumers, has been expanded. The list now features approximately 125 addresses of recognised consumer organisations in the European Union and around 20 in the Central and Eastern European Countries. Information is sent out at least once a week.

The technical installation of a direct telephone Hotline for consumer associations was finalised and will start operating in 1999.

The Annual Assembly for all the 125 European Union consumer associations met for the first time in November 1998 in Brussels. The most important achievement of this Assembly (which is not a formal consultative forum) was the fact that it was the first time ever that consumer associations from the whole of Europe (including twelve candidate countries) were reunited in one room. The principal aim was to give these associations direct access to the European Commission and for the Assembly to develop as one of the main ways of informing and debating with consumer associations about European Union policies relevant to consumers. The Assembly was preceded by a seminar for consumer representatives from twelve countries presently applying for membership of the European Union.

The Commission distributed a questionnaire to all the European consumer associations during the Assembly and, on the basis of the replies, has established an overview of the general situation regarding consumer representation in the Member States and the main national consumer associations.

4.4.2 Consumer information

The network of European Consumer Infocentres ("Euroguichets") has been expanded to include two new bodies, situated in the United Kingdom (NACAB) and Austria (VKI) respectively. The existing infocentres were strongly urged to do their utmost to optimise the management of their resources. The objective of the network's activity as a whole has been redefined: in future, the infocentres must not devote themselves exclusively to cross-border problems, but must also address consumer problems with a European dimension that may arise anywhere in their country. Furthermore, a reform has been implemented with a view to merging the infocentre network with the network of centres responsible for addressing problems of access to justice. Finally, the infocentres now hold an annual assembly, and regular contacts via teleconferencing have been initiated.

A large-scale consumer food safety information campaign has been launched in the 15 member countries, in association with local partners – national authorities, consumer organisations, and private firms. This decentralised approach makes it possible to tailor the message to national requirements.

DG XXIV's information bulletin "INFO-C" has been replaced by a new consumer magazine called "Consumer Voice". The first issue was published in July. A second issue followed, as well as a special issue on the euro and consumers. "Consumer Voice" is published in a single version that includes contributions in English, French and German.

This year for the first time DG XXIV published an annual report on its activities (1997), intended for the general public.

A new Internet site has been launched. Consisting of 2,200 pages it is already one of the most popular Commission sites, with 80,000 visitors per month. Currently, its presentation is being improved and access is being made more user-friendly.

The electronic Consumer Helpline for individual consumers, which is the "mailbox" of DG XXIV's web site, is an increasing success. In 1998, 591 messages were received. They all received a reply; in the majority of cases within one week.

4.4.3 Consumer education

The 1998-99 European Young Consumer Competition is under way. Competitors must produce a brochure or video intended to explain the euro to their entourage. At the same time, a new approach is being considered for the future, in particular by introducing a more pedagogic perspective. These innovations will be implemented as from the 1999-2000 New European Young Consumer Competition.

The group of national experts on consumer education held a meeting. Currently, discussion centres on ways of restricting membership of this group to genuine specialists in consumer education, so that they can provide us with more cogent advice on defining and implementing our action in this area.

The implementation of pilot projects to introduce consumer education into the school curricula in Greece, Portugal and Spain was supervised by DG XXIV.

Non-action:

A first release of the CD-ROM "Consumerland" was tested. However, owing to a lack of resources, it has not been possible to follow through this action. It will be resumed next year and other shops will be added to the CD-ROM.

4.5 Relations with the other institutions

In the context of its relations with the other institutions, DG XXIV has been monitoring the examination of the dossiers at the European Parliament and the Council, notably as regards the proposal for a Directive on the sale of consumer goods and associated guarantees, the application and enforcement of European consumer law, the Directive on injunctions to protect consumers' interests, and the proposal for a Decision establishing a general framework for Community activities in favour of consumers.

4.6 International relations

In 1998, the bulk of activities in this field arose from:

- the 1996-1998 Priorities Programme taking into consideration consumer policy in relation to developed countries, countries with transition economies and developing countries;
- initiatives taken either by other DGs or together with them;
- co-operation Agreements including a consumer policy and consumer health protection chapter such as the agreement made with Mexico, Mercosur, Chile, NIS countries (former Soviet Union).

The most important event was the launching of the Transatlantic Consumer Dialogue in Washington DC in September 1998, a Forum of over 60 consumer groups from the US and the EU to discuss and present recommendations on current trade and economic issues to the EU and the US governments. This new Forum is a further step towards the recognition, by governments, of the formal role civil society must be allowed to play in the transatlantic decision-making process.

Another successful event was the first Euro-Mediterranean Forum that took place in October 1998 in Bari, (Italy) within the framework of the MEDA Programme.

In Africa, with a pilot project financed from DG XXIV's budget on access to water and hygiene, consumer policy was used as an instrument of development policy. DG XXIV was also successful in introducing consumer policy in the negotiation directives with the ACP countries

As regards Asia, our main activity has been with Japan, with a third high-level meeting on Consumer Policy in Tokyo. It was agreed by both the Japanese and the Commission to intensify and strengthen the dialogue started in 1992.

Finally, progress has been made on the drafting of a Memorandum of Understanding between the Commission and Australia on Consumer Policy.

5. • The Food and Veterinary Office •

The Food and Veterinary Office (FVO) was established on 1 April 1997 when it became part of the Directorate-General for Consumer Policy and Consumer Health Protection. Prior to that, it had been known as the Office for Veterinary and Phytosanitary Inspection and Control and was attached to the Commission's Directorate-General for Agriculture.

This re-location was to be matched by an expansion of the Office's inspection tasks and a considerable increase in its staff (from a starting figure of some 60 to a final level of around 200).

The Office's principal mission is to monitor and control how Member States and third countries implement EU legislation on food safety, animal health, plant health and animal welfare, and to contribute towards the maintenance of confidence in the safety of food on sale to the European consumer. It fulfils its mission by carrying out a programme of inspections to monitor the performance of competent authorities, including on-the-spot inspections of individual establishments in both Member States and third countries.

The overall goal of the FVO is to develop a harmonised approach to control and inspection activity for all parts of the food chain, based upon the careful targeting of inspection resources. Within this framework, inspection activity is currently making the transition to an audit approach in assessing food, animal and plant health control systems operated by Member States and third countries, complementing the existing on-the-spot checks.

In addition to the performance of its mission programme, the FVO's activities in 1998 were dominated by further recruitment in view of its expansion and a consequent overall reorganisation of its structure, and the introduction of new operational procedures, partly to reflect the new approach described above.

5.1 Organisation and resources

5.1.1 Re-organisation of the FVO

It was recognised that a management structure which was suitable for a small Office was not necessarily appropriate for the new, much-expanded Office.

During the summer of 1998, an internal review was undertaken to identify the best structure to allow the Office to introduce agreed new working practices and to manage the influx of new staff. The recommendations of this review were implemented on 1 October 1998. The resulting structure of the FVO can be described as follows:

(i) There are still three technical Units. Their responsibilities have been re-assigned along thematic rather than geographical lines, largely on the basis that a geographical set-up (as originally foreseen in Commission Communication (97)183 final) would require a substantial repetition of expertise in the FVO. The distribution is as follows:

Unit 1 Foods of Animal Origin (Mammals)

Unit 2 Foods of Animal Origin (Birds) and Plant Health

Unit 3 Foods of Animal Origin (Fish) and Foods of nonanimal origin

A detailed directory of the new FVO structure, together with the names, functions and contact details for the senior staff, is available on the DG XXIV website⁷.

Each unit is divided into two or more operational groups, each led by a senior inspector (group leader).

Some of these groups, i.e. those covering border inspection posts, TSEs and residues and laboratories, cover technical sectors that cut across the above division of duties between the Units (so-called "horizontal" groups). These can therefore be called upon by all the Units, either to form part of an inspection team, or to carry out specific missions in their respective fields of expertise.

In addition, a number of **geographical contact points** are being established within the Office and linked to the Units. In particular, they will have the following main tasks:

- To develop and maintain files on the countries for which they are responsible, so as to provide an advisory and information service for the whole of the Office;
- To act as an initial contact point for general inquiries regarding particular countries (although inquiries relating to specific missions would be dealt with directly by the relevant Unit).

It should be emphasised that, although there is a geographical contact point in each Unit, it does not follow that the Unit's control and inspection responsibilities are limited to the countries concerned. Rather, the idea is to ensure "crossfertilisation" across the Units.

(ii) In certain areas of the world, resident inspectors are maintained and strategically posted to represent and carry out duties on behalf of the Office, both on a routine basis and in assisting inspection teams in carrying out specific controls in the area concerned. As such, resident inspectors are/will be placed in Washington (covering Canada, the USA and Mexico), Montevideo (covering South America), and Bangkok (covering the Indian sub-continent, large parts of Asia, and Oceania). They will also play an important role in terms of the geographical knowledge of their specific areas.

The Liaison Section remains in Brussels, so that there is an initial contact point for enquirers and it can form the link with the main Office in Dublin. Equally important, the section is responsible for the follow-up of mission

http://europa.eu.int/comm/dg24

reports within the Commission. In its liaison capacity, the section will maintain contacts with the scientific committees, and will ensure representation in working groups, standing committees, in inter-service consultation, and in contacts with outside enquirers.

- (iii) A Quality and Planning Section (QPS) has been established in the Office. Its primary role is to develop and introduce the new working practices, to handle planning and training, and to monitor the manner in which the Office is working by carrying out internal audits. The latter is a pre-requisite for bodies seeking to comply with international quality standards.
- (iv) The whole of the Office is supported by an Administrative "Antenna". Amongst other things, this section is responsible for (infra)structural (including informatics), personnel, and budgetary matters, and for the introduction and training of staff.
- (v) It should be emphasised that the Office will continue to cover the same animal health, public health, plant health, food safety and animal welfare areas as before the reorganisation. As recruitment continues, new staff will be attributed to the different groups in a way that will allow them to respond to the Office's control and inspection priorities.

5.1.2 Resources, recruitment and training

In view of the planned expansion of the Office, a very important aspect of developments in 1998 has been the recruitment of new inspection staff. Two entry examinations were held during the earlier part of 1998, which attracted considerable interest from a very wide range of candidates. Recruitment of new inspection staff is now in hand and it is hoped that this process will make considerable progress during the first part of 1999.

At the time of writing, a total of 102 officials were employed in or directly associated with the FVO, including the Administrative Antenna (17 staff); of these, 83 are located in the Dublin office, the remainder for the time being based in Brussels. This in comparison with 47 staff in Dublin in January 1998.

Great importance is being given to training the new staff and to acquainting the longer-established inspectors with the new working methods. Despite an extremely limited budget and the lack of specialised training staff, the Office managed to provide a total of 857 man days of training to its own staff. This comprised general introductory training, technical training (notably courses on the use of audit techniques and ISO 9000 systems, leading to internationally recognised qualifications for the successful inspectors), language learning and computer training.

This process is continuing, an in-depth examination of further internal training needs for the Office having recently been completed. On this basis, a comprehensive training programme for the FVO will be developed and implemented in the course of 1999.

Additionally, a training information system (database) developed by the administrative antenna was in hand by the end of 1998.

5.2 Operation

The Commission's first communication in April 1997 pinpointed the following action as being necessary if the FVO was to operate successfully:

- the introduction of controls over the whole food chain ("plough to plate");
- the increased use of audit techniques to monitor the performance of competent authorities, especially in Member States;
- the development of a risk assessment based system for improved identification of mission priorities.

In February 1998, the Commission issued a second communication (COM(98) 32 final) on Food, Veterinary and Plant Health Control and Inspection. This Communication further developed the thinking on the distribution of responsibilities for food safety throughout the food processing chain, whilst re-emphasising the Commission's commitment to the new control and inspection approach.

At the same time, it was recognised that, if consumer confidence was to be restored, the Office's findings would have to be available more openly. With this in mind, it was decided to publish copies of reports, together with any comments from the authorities of the country visited, on the DG XXIV Internet site. In order to provide a clear legal base for this action, existing Decisions on the performance of "on-the-spot checks" in the veterinary field were amended. These were published in February 1998, as Decision No 98/139/EC for Member States, and No 98/140/EC for third countries. It is the intention to extend this to all sectors covered by the FVO.

The first mission reports were placed on the DG XXIV Internet site during the summer. By the end of 1998, more than 50 reports had been posted. This practice clearly demonstrates the Commission's commitment to transparency in its control and inspection findings, and has led to a number of follow-up queries, both from the media and from official services. Articles, closely based on the mission reports, have appeared in the international press, notably in respect of certain third countries.

The transfer of the Office to Ireland, which was originally decided in October 1993, took place on 1 September 1997. Splitting the Office between Brussels and Dublin has posed a number of operational problems. Managing the mission programme, and the inspection staff themselves, has been difficult. Furthermore, the processing of mission reports has, on occasion, been significantly delayed by the physical separation of inspectors and the Office's senior management. Steps are being taken to minimise the impact of these problems.

As part of the ongoing development of the FVO, a series of initiatives have been taken. The Decisions mentioned above introduced new deadlines for the processing of reports at all

stages, the aim being to minimise the delay between the completion of the mission and the report being made available to the public. Secondly, the FVO introduced a first Manual of Operations in April 1998, and a subsequent series of standard letters to accompany reports. Work is well under way on an amended version of the Manual, taking account of developments and experience gained and on the preparation of further detailed written operational procedures. Standardised report layouts will be developed at a later stage to ensure that mission findings are presented in a uniform manner and without any undue delays.

A database has been developed which contains all the necessary information to allow the progress of both the mission programme and individual missions to be monitored.

Finally, the FVO presented to the Member States, in December 1998, as part of its statutory obligations, its planned mission programme for the first half of 1999.

5.3 Preliminary results of the mission programme

Whilst much effort has been given over to reorganising the FVO and implementing the new approach, inspections have continued in both Member States and third countries. The

FVO completed some 230 missions in 1998, involving some 360 inspectors. National experts from Member States were involved in roughly 100 of these missions.

The original mission programme for 1998 was only partly achieved, due to certain resource difficulties and also to the need to respond to a series of health emergencies.

Systems have now been put in place which will allow future mission programmes to be more responsive to the priorities identified for the FVO. This is recognised as a very important area in the restoration of consumer confidence and is given particular attention within the FVO.

The decision to publish report findings is already producing positive results, with competent authorities being forced to face up to the potential consequences of inspectors' recommendations. This can be clearly seen in the improvements in many of the third countries visited. Furthermore, considerable success has been achieved in getting competent authorities to recognise the need to make their current control systems more effective in certain sectors. The positive response in both cases, albeit after some very difficult negotiations, is a clear sign that improvements can be made on the strength of well prepared and presented inspection reports.

Within the Community itself, Member States have made progress in their BSE risk management, and inspection reports have made a major contribution to this.

6. BSE Follow-Up Reports

In 1998, DG XXIV continued to implement and co-ordinate the follow-up to the commitments made by the Commission vis-à-vis the European Parliament with regard to BSE, in particular in light of the European Parliament's resolution of November 1997 on the Commission's final consolidated BSE report⁸.

As part of these commitments, a special report was presented in January 1998. Two biannual BSE follow-up reports were subsequently presented to the Council, the European Parliament, the Economic and Social Committee and the Committee of Regions, in May and November 19989.

These reports reflected the state of achievement of an extensive work programme included in the above-mentioned final consolidated report. By the end of 1998, this work programme was almost entirely completed (with the exception of a few points, such as, in particular, the European Union's full membership of the WHO and the OIE¹⁰).

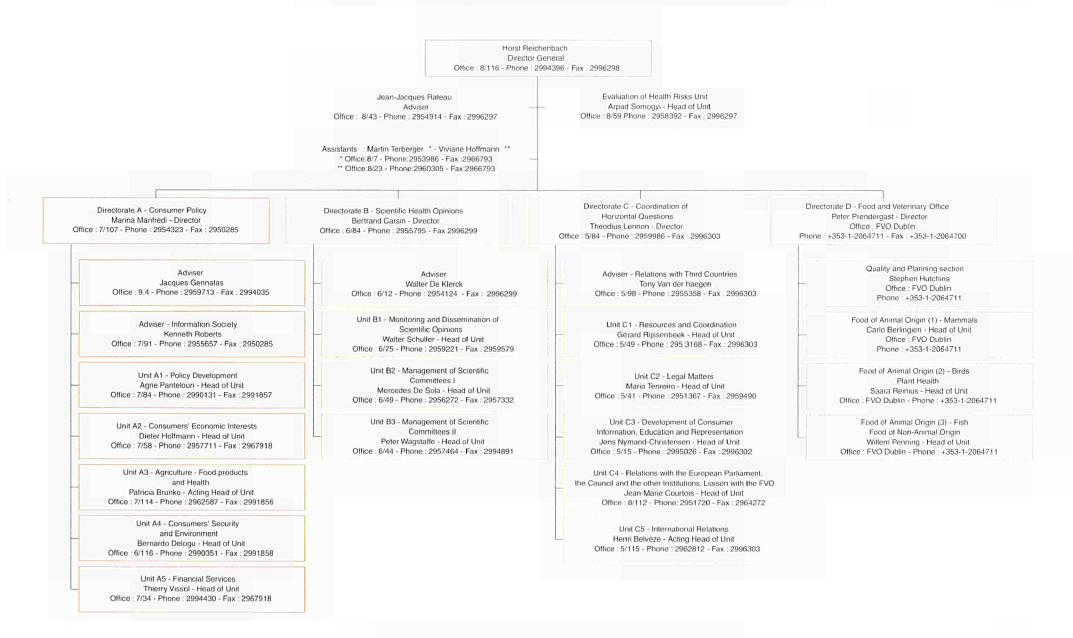
An updated version of the "BSE Vademecum" designed to address consumers' concerns was published in October. Together with the European Parliament, DG XXIV co-organised a conference on food safety — "Lessons from the BSE crisis" — at the end of 1998.

Final consolidated report to the Temporary Committee of the European Parliament on the follow-up of recommendations on BSE); COM(97) 509 final

⁹ COM(1998) 282 and COM(1998) 598final

¹⁰ OIE - Office International des Epizooties

Directorate General XXIV Consumer Policy and Consumer Health Protection





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Second bi-annual BSE follow-up report es da de fr it nl pt fi

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