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(Acts whose publication is obligatory)

DECISION No 20/2004/EC OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL
of 8 December 2003
establishing a general framework for financing Community actions in support of consumer policy
for the years 2004 to 2007
(Text with EEA relevance)

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community, and in particular Article 153 thereof,

Having regard to the proposal from the Commission,

Having regard to the opinion of the European Economic and Social Committee ⁽¹⁾,

Acting in accordance with the procedure laid down in Article 251 of the Treaty ⁽²⁾,

Whereas:

- (1) Consumer policy makes a crucial contribution to two of the Commission's strategic objectives laid down in the Commission communication on the strategic objectives 2000 to 2005 'Shaping the new Europe' ⁽³⁾, namely promoting a new and economic social agenda in order to modernise the European economy and ensuring a better quality of life for Europe's citizens.
- (2) The consumer policy strategy 2002 to 2006 establishes three key objectives. These will be implemented through actions included in a rolling programme to be reviewed regularly by the Commission.
- (3) The objectives and actions in the consumer policy strategy should steer the allocation of funds for actions implemented under this framework. In addition, activities intended to integrate consumer interests into other areas of activity in accordance with Article 153 of the Treaty should be given high priority together with the three key objectives of the consumer policy strategy.

- (4) In line with the consumer policy strategy, consumer policy within the scope of this framework should cover the safety of services and non-food products, and the economic interests of EU consumers. Actions related to food safety are not covered by this framework.

- (5) The general objectives of the European Union include, according to Article 2 of the Treaty on European Union, the achievement of balanced and sustainable development. In line with the Johannesburg Declaration on Sustainable Development, the plan of implementation of the World Summit on Sustainable Development and the Cardiff process, actions should be taken in order to achieve sustainable development.

- (6) This framework should provide for actions by the Community, in accordance with the principle of subsidiarity as laid down in Article 5 of the Treaty, to support and build the capacity of organisations and bodies which work to promote consumer interests at Community, national or regional level.

- (7) In addition to the actions contained in this framework, the Commission should also ensure that consumer organisations and other relevant non-governmental organisations can contribute to the implementation of the consumer policy strategy through their involvement in the work of the European consumer consultative group as set up by Commission Decision 2003/709/EC ⁽⁴⁾.

- (8) This framework should provide for actions jointly undertaken by the Commission and one or more Member States to implement the objectives of consumer policy.

⁽¹⁾ OJ C 234, 30.9.2003, p. 86.

⁽²⁾ Opinion of the European Parliament of 24 September 2003 (not yet published in the Official Journal) and Council decision of 1 December 2003.

⁽³⁾ OJ C 81, 21.3.2000, p. 1.

⁽⁴⁾ OJ L 258, 10.10.2003, p. 35.

(9) It is of general European interest within the meaning of Article 108(1)(b) of Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽¹⁾, hereinafter referred to as 'the Financial Regulation', that the health, safety and economic interests of consumers, as well as consumer interests in the development of standards for products and services, be represented at Community level.

(10) This Decision lays down, for the entire duration of this framework, a financial framework constituting the prime reference, within the meaning of point 33 of the Inter-institutional Agreement of 6 May 1999 between the European Parliament, the Council and the Commission on budgetary discipline and improvement of the budgetary procedure ⁽²⁾, for the budgetary authority during the annual budgetary procedure.

(11) To improve the effectiveness and impact of the activities of European consumer organisations and of consumer organisations representing consumer interests in the development of standards for products and services at Community level, financial contributions for eligible organisations may be subject to framework partnership agreements for the duration of this framework.

(12) In order to improve administrative efficiency, and the effectiveness and impact of specific projects, calls for specific projects should be published at least every two years and support should be provided for up to a maximum of 75 % of the cost of the eligible expenses for implementing the projects.

(13) The Agreement on the European Economic Area (hereinafter referred to as 'the EEA Agreement') provides that the countries of the European Free Trade Association participating in the European Economic Area (hereinafter referred to as 'EFTA/EEA countries') should, *inter alia*, strengthen and broaden cooperation within the framework of the Community's activities in the field of consumer protection.

(14) This general framework should be open to the participation of associated countries, in accordance with the conditions laid down in the respective bilateral agreements establishing the general principles for their participation in Community programmes.

(15) In order to increase the value and impact of this framework, continuous monitoring and regular evaluation of the actions undertaken should be carried out, with a view, where appropriate, to making necessary adjustments.

(16) The measures necessary for the implementation of this Decision should be adopted in accordance with Council Decision 1999/468/EC of 28 June 1999 laying down the procedures for the exercise of implementing powers conferred on the Commission ⁽³⁾,

HAVE DECIDED AS FOLLOWS:

Article 1

Scope

1. This Decision establishes a general framework for Community actions in support of consumer policy, hereinafter referred to as 'the framework', for the period set out in Article 5(1).

2. The actions to be undertaken under this framework shall supplement the actions undertaken by and in the Member States to protect the health, safety and economic interests of consumers and to promote their right to information and education and to organise themselves in order to safeguard their interests.

Article 2

Areas of action

The actions to be undertaken under this framework shall concern the following specific areas:

- (a) protection of consumer health and safety with respect to services and non-food products;
- (b) protection of the economic and legal interests of consumers;
- (c) promotion of consumer information and education;
- (d) promotion of the capacity of consumer organisations to contribute at European level.

Article 3

Objectives of the actions

The actions to be taken under this framework shall help to achieve the following general objectives:

- (a) a high common level of consumer protection, in particular through the establishment of common consumer protection rules and practices and the integration of consumer interests into other Community policies;
- (b) effective enforcement of consumer protection rules, in particular through market surveillance, administrative and enforcement cooperation, consumer access to information about services and non-food products and consumer access to mechanisms for the resolution of complaints and disputes and

⁽¹⁾ OJ L 248, 16.9.2002, p. 1.

⁽²⁾ OJ C 172, 18.6.1999, p. 1. Agreement as amended by Decision 2003/429/EC of the European Parliament and of the Council (OJ L 147, 14.6.2003, p. 25).

⁽³⁾ OJ L 184, 17.7.1999, p. 23.

- (c) proper involvement of consumer organisations in the development of consumer policy and other Community policies affecting consumer interests.

Article 4

Types of action

1. The actions to be taken under this framework are listed in the Annex by objectives.
2. Actions 1 to 8, 11 to 15 and 19 are directly implemented by the Commission.
3. Actions 9 and 10 are jointly financed by the Community and one or more Member States, or by the Community and the competent authorities of the third countries participating pursuant to Article 9.
4. Actions 16, 17 and 18 benefit from financial contributions by the Community.

Article 5

Funding

1. The financial framework for the implementation of this Decision for the period from 1 January 2004 to 31 December 2007 is set at EUR 72 million, of which EUR 54 million shall cover the period until 31 December 2006.
2. For the period following 31 December 2006, the amount proposed shall be deemed to be confirmed if it is consistent with the financial perspectives in force for the period commencing in 2007.
3. The annual appropriations shall be authorised by the budgetary authority within the limits of the financial perspectives.

Article 6

Financial contribution

1. The Community contribution to joint actions 9 and 10 will, in principle, be 50 %, and in no event exceed 70 %, of the total cost of the action. The Commission shall set out clearly which joint actions will be eligible for a financial contribution of more than 50 %.
2. The financial contributions for action 16 shall not exceed 50 %, of the expenditure for carrying out eligible activities.
3. The financial contributions for action 17 shall not exceed 95 % of the expenditure for carrying out eligible activities.

4. The renewal of the financial contributions for actions 16 and 17 to eligible organisations that in the preceding year have proved actively and effectively to represent consumer interests shall not be subject to the rule of gradual decrease.

5. The financial contributions for action 18 will, in principle, be 50 %, and in no event exceed 75 %, of the eligible expenses for implementing the project. The Commission shall set out clearly which specific projects will be eligible for a financial contribution of more than 50 %.

Article 7

Beneficiaries

1. The financial contributions for joint actions 9 and 10 may be awarded to a public body or a non-profit-making body designated by the Member State or the competent authority concerned and agreed by the Commission.
2. The financial contributions for action 16 may be awarded to European consumer organisations which:
 - (a) are non-governmental, non-profit making, independent of industry, commercial and business or other conflicting interests, and have as their primary objectives and activities the promotion and protection of the health, safety and economic interests of consumers in the Community;
 - (b) have been mandated to represent the interests of consumers at Community level by national consumer organisations in at least half of the Member States that are representative, in accordance with national rules or practice, of consumers and are active at regional or national level, and
 - (c) have provided to the Commission satisfactory accounts of their membership, internal rules and sources of funding.
3. The financial contributions for action 17 may be awarded to European consumer organisations which:
 - (a) are non-governmental, non-profit-making, independent of industry, commercial and business or other conflicting interests, and have as their primary objectives and activities to represent consumer interests in the standardisation process at Community level, and
 - (b) have been mandated in at least two thirds of the Member States to represent the interests of consumers at Community level:
 - by bodies representative, in accordance with national rules or practice, of national consumer organisations in the Member States, or
 - in the absence of such bodies, by national consumer organisations in the Member States that are representative, in accordance with national rules or practice, of consumers and are active at national level.

4. The financial contributions for action 18 may be awarded to any legal person or association of legal persons, including appropriate independent public bodies and regional consumer organisations, that acts independently of industry and commerce and is actually responsible for the implementation of the projects.

Article 8

Exclusions

Applicants or tenderers and contractors who are found guilty of making false declarations, or are found to have seriously failed to meet their contractual obligations, shall be excluded from the award of further contracts as set out in Article 96 of the Financial Regulation.

Article 9

Participation of third countries

The framework shall be open to the participation of:

- (a) the EFTA/EEA countries in accordance with the conditions established in the EEA Agreement;
- (b) the associated countries, in accordance with the conditions laid down in the respective bilateral agreements establishing the general principles for their participation in Community programmes.

Article 10

Consistency and complementarity

1. The Commission shall ensure that the actions implemented under this framework are consistent with the consumer policy strategy.

2. The Commission shall ensure that there is consistency and complementarity between the actions implemented under this framework and other Community programmes and initiatives.

Article 11

Work programme

The Commission shall adopt an annual work programme including:

- (a) the priorities for action under each objective;
- (b) the breakdown of the annual budget among the types of action identified in Article 4;
- (c) the planned timing of the calls for tenders, the joint actions and the calls for proposals;

- (d) in the case of calls for proposals, the selection and award criteria for actions 16, 17 and 18, the criteria for financial contributions of more than 50 % for action 18, and the indicative amount available for each of these calls for proposals, in accordance with the relevant provisions of the Financial Regulation and taking into account to the extent possible the need to set simple administrative requirements in particular in the case of small amounts of financial contributions for specific projects.

Article 12

Publication and procedures

1. The Commission shall publish the following in the *Official Journal of the European Union* and on the Internet site of the Commission:

- (a) a call for proposals for actions 16 and 17 and
- (b) a call for proposals for action 18 describing the priorities for action to be undertaken, at least every two years.

2. At an early stage in the evaluation process of applications for financial contributions, the Commission shall inform the applicants if they are not eligible or if their application does not provide the information that is necessary to verify the application's conformity with the selection criteria.

3. The Commission shall, within three months of the deadline for the submission of applications, decide on the attribution of financial contributions for actions 16, 17 and 18.

4. A list of the recipients of financial contributions and a list of the actions funded under this framework shall be published each year on the Internet site of the Commission with indication of the amounts.

Article 13

Monitoring and evaluation

1. The Commission shall ensure effective and regular monitoring of the actions undertaken under this framework and shall present to the European Parliament and to the Council a midterm report on the implementation of this framework by 31 December 2005. The Commission shall inform the European Parliament annually if the decision-making procedure concerning applications for actions 16, 17 and 18 exceeds the three-month period as set out in Article 12(3).

2. The Commission shall present to the European Parliament and to the Council an evaluation report on actions carried out under this framework before submitting a proposal for its possible renewal, and in any case by 31 December 2007 at the latest.

*Article 14***Implementation of measures**

1. The Commission shall be responsible for the management and implementation of this Decision in accordance with the Financial Regulation.
2. The measures provided for in Article 4(3) and (4) and in Article 11 shall be adopted in accordance with the procedure referred to in Article 15(2).

*Article 15***Committee procedure**

1. The Commission shall be assisted by a Committee.
2. Where reference is made to this paragraph, Articles 3 and 7 of Decision 1999/468/EC shall apply, having regard to the provisions of Article 8 thereof.

3. The Committee shall adopt its rules of procedure.

*Article 16***Entry into force**

This Decision will enter into force on the third day after its publication in the *Official Journal of the European Union*.

Done at Brussels, 8 December 2003.

For the European Parliament

The President

P. COX

For the Council

The President

F. FRATTINI

ANNEX

THE ACTIONS REFERRED TO IN ARTICLE 4 LISTED BY OBJECTIVES

Objective (a) A high common level of consumer protection

- Action 1:** Scientific advice, risk analysis including comparative assessment and assessment of risk reduction options relevant to consumer health and safety regarding non-food products and services.
- Action 2:** Preparation of legislative and other regulatory initiatives and promotion of self-regulatory initiatives, including, *inter alia*:
- 2.1. Comparative analysis of markets and regulatory systems
 - 2.2. Legal and technical expertise for policy development on the safety of services
 - 2.3. Technical expertise for the development of standardisation mandates for products and services
 - 2.4. Legal and technical expertise for policy development on the economic interests of consumers
 - 2.5. Workshops with stakeholders and experts.
- Action 3:** Monitoring and assessment of market developments with an impact on the economic and other interests of consumers, including, *inter alia*, price surveys, inventory and analysis of consumer complaints and surveys of changes in the structure of markets.
- 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, including, *inter alia*, surveys of consumer and business attitudes, collection and analysis of statistical and other relevant data.

Objective (b): Effective enforcement of consumer protection rules

- Action 5:** Coordination of surveillance and enforcement actions, including, *inter alia*:
- 5.1. Development of IT tools (e.g. databases, information and communication systems) for enforcement cooperation
 - 5.2. Training, seminars and exchanges of enforcement officials for joint enforcement actions
 - 5.3. Planning and development of joint enforcement actions
 - 5.4. Pilot joint enforcement actions.
- Action 6:** Development of easily and publicly accessible databases covering the application of and case-law on consumer rights deriving from Community consumer protection legislation, including the completion and improvement of the database on unfair contract terms.
- Action 7:** Monitoring and assessment of the safety of non-food products and services, including, *inter alia*:
- 7.1. Reinforcement and extension of the scope of the RAPEX alert system, taking developments in market surveillance information exchange into account
 - 7.2. Technical analysis of alert notifications
 - 7.3. Collection and assessment of data on the risks posed by specific consumer products and services
 - 7.4. Development of the consumer product safety network as provided for in Directive 2001/95/EC ⁽¹⁾.
- Action 8:** Monitoring of the functioning and assessment of the impact of alternative dispute resolution schemes, in particular of on-line schemes and their effectiveness in settling cross-border complaints and disputes, as well as technical assistance for the further development of the European extrajudicial network system.

⁽¹⁾ Directive 2001/95/EC of the European Parliament and of the Council of 3 December 2001 on general product safety (OJ L 11, 15.1.2002, p. 4).

- Action 9:** (Joint Action) Financial contributions for public or non-profit bodies constituting Community networks that provide information and assistance to consumers to help them exercise their rights and obtain access to appropriate dispute resolution (the European consumer centres network and the clearing houses of the European extrajudicial network, under the conditions set out in Article 7(1).
- Action 10:** (Joint Action) Financial contributions for specific joint surveillance and enforcement actions to improve administrative and enforcement cooperation on Community consumer protection legislation, including the General Product Safety Directive, and other actions in the context of administrative cooperation, under the conditions set out in Article 7(1).

Objective (c): Proper involvement of consumer organisations in EU policies

- Action 11:** Provision of specific technical and legal expertise to consumer organisations to support their participation in, and input into, consultation processes on Community legislative and non-legislative policy initiatives, in relevant policy areas, such as internal market policies, services of general interest and the 10-year framework programme on sustainable production and consumption, as well as to support their contribution to market surveillance.
- Action 12:** Representation of the interests of European consumers in international forums, including international standardisation bodies and international trade organisations.
- Action 13:** Training for staff members of regional, national and European consumer organisations and other capacity building actions, including training courses in project development and project application procedures, Internet forum on specific projects, workshops and meetings to promote project partnership.
- Action 14:** Information actions about consumer rights conferred by consumer protection legislation and other Community consumer protection measures, particularly in the new Member States, in cooperation with their consumer organisations.
- Action 15:** Consumer education, including the actions targeted at young consumers, and the development of on-line interactive consumer education tools on consumer rights in the internal market and on cross-border transactions.
- Action 16:** Financial contributions to the functioning of European consumer organisations, under the conditions set out in Article 7(2).
- Action 17:** Financial contributions to the functioning of European consumer organisations representing consumer interests in the development of standards for products and services at Community level, under the conditions set out in Article 7(3).

Objectives (a), (b) and (c):

- Action 18:** Financial contributions for specific projects at Community or national level in support of consumer policy objectives as defined in Article 3, under the conditions set out in Article 7(4), including, amongst others, financial contributions for:
- specific projects undertaken by consumer organisations and aiming to accelerate the effective implementation of the *acquis communautaire* on consumer protection in the new Member States,
 - specific projects promoting the cross-border exchange of information and best practice concerning the integration of consumer rights into other policies.
- Action 19:** Evaluation of actions undertaken under this framework.
-