

Consumer programme 2014-2020

2011/0340(COD) - 09/11/2011 - Legislative proposal

PURPOSE: to establish a Consumer Programme for the period 2014-2020.

PROPOSED ACT: Regulation of the European Parliament and of the Council.

BACKGROUND: it has become more and more apparent that consumer policy is one area which can make a telling contribution to meeting the Europe 2020 objectives. In Europe there are 500 million consumers and consumer expenditure amounts to 56% of EU GDP. The more consumers are able to make informed decisions, the greater the impact they can have on strengthening the Single Market and stimulating growth.

However, empowerment is not only a question of consumer rights but of building an overall environment that enables consumers to make use of those rights and benefit from them.

The Communication '[A budget for Europe 2020](#)' of 29 June 2011 allocated funds to the Consumer Programme for the period 2014-2020, and this proposal aims at establishing a Consumer Programme for the period 2014-2020, as a successor to the 2007-2013 Programme of Community Action in the field of consumer policy.

The new Consumer Programme will support the general objective of future consumer policy placing the empowered consumer at the centre of the Single Market.

The actions under the new Programme are grouped in the following four categories:

- to consolidate and enhance product Safety through effective market surveillance throughout the EU;
- to improve consumers' education, information and awareness of their rights, to develop the evidence base for consumer policy and to provide support to consumer organisations;
- to consolidate consumer rights in particular through regulatory action and improving access to redress including alternative dispute resolution;
- to support enforcement of consumer rights by strengthening cooperation between national enforcement bodies and by supporting consumers with advice.

IMPACT ASSESSMENT : the impact assessment considered four options:

- **Option 0** corresponds to the **absolute minimum actions** to be financed resulting from the legal obligations imposed by the Treaty and the existing EU acquis in the field of consumer protection.
- **Option 1** corresponds to the **baseline scenario**. Under this option, the majority of actions conducted under the 2007-2013 Programme are pursued, with some adaptation. Some actions are substantially reduced or no longer implemented because they are no longer relevant, while some new actions are launched with a limited level of ambition (for instance on redress). It corresponds to a budget equal to or lower than the one provided under the current Programme.

- **Option 2** corresponds to a **more ambitious approach** in line with Commission priorities (Europe 2020, Single Market Act) and the on-going reflection on the future of consumer policy. The budget under this option is around EUR 25 millions annually.
- **Option 3** would require a **budget increase compared to the current Programme** for some additional actions such as the development of a public consumer product safety Database, and in matters of redress: setting up a fund to support the financing of cross-border redress actions.

The impact assessment has concluded that **option 2 is the best option** from a cost/benefit point of view.

LEGAL BASIS: Article 169 TFUE.

CONTENT : the aim of the Consumer Programme is to contribute to protecting the health, safety and economic interests of consumers, as well as to promote their right to information, education and to organise themselves in order to safeguard their interests. The Programme will complement, support and monitor the policies of Member States.

The actions will support the following four specific objectives:

Objective 1 - safety: to consolidate and enhance product safety through effective market surveillance throughout the Union. This objective will be measured in particular through the activity of the EU rapid alert system for dangerous consumer products (RAPEX).

Objective 2 - information and education: to improve consumers' education, information and awareness of their rights, to develop the evidence base for consumer policy and to provide support to consumer organisations.

Objective 3 - rights and redress: to consolidate consumer rights in particular through regulatory action and improving access to redress including alternative dispute resolution. This objective will be measured in particular through the recourse to alternative dispute resolution to solve cross-border disputes and through the activity of a Unionwide on-line dispute resolution system.

Objective 4 - enforcement: to support enforcement of consumer rights by strengthening cooperation between national enforcement bodies and by supporting consumers with advice. This objective will be measured in particular through the level of information flow and cooperation within the Consumer Protection Cooperation Network and the activity of the European Consumer Centres.

The description of the indicators is provided in **Annex II**, and the Commission will be empowered to adopt delegated acts to modify the indicators.

Eligible actions: the proposal sets out the selected areas for actions which are of three kinds:

Actions corresponding to legal obligations imposed by the Treaty and the existing EU acquis in the field of consumer protection on the EU and Member States. This involves financing the maintenance and proper functioning of the RAPEX Network, of the CPC Network of enforcement authorities and of the cosmetics databases.

Actions which are not or could not be undertaken at national level because of their EU-level character:

- assisting consumers on cross-border issues by co-financing the operation of the Network of European Consumer Centres (ECCs) and by supporting the development of a Union-wide on-line dispute resolution system dealing also with cross-border cases;
- developing cooperation with international partners to deal with the impact of the globalisation of the production chain on product safety;
- supporting the production of EU-level comparable consumer markets data for benchmarking between Member States and input into EU-level policy-making;
- ensuring EU-level representation of consumer interests by financially supporting EU-level consumer organisations.

Actions complementing and enhancing the efficiency of measures undertaken at national level:

- coordination and co-financing of joint actions in the field of product safety and of consumer rights enforcement;
- supporting awareness-raising campaigns on consumer issues with Member States and other stakeholders and working with intermediaries to contribute to the provisions of clear, transparent and reliable information to consumers;
- supporting the training of national consumer organisations, which would be much more costly at national level without economy of scale;
- providing a platform for exchange and sharing of good practices in the field of consumer education.

A more detailed description of the content that those actions may have is included in Annex I.

Participation of third countries in the Programme: participation in the Programme shall be open to the participation of:

- the countries of the European Free Trade Associations participating in the European Economic Area;
- third countries, in particular acceding and candidate countries as well as potential candidates, and countries to which the European Neighbourhood Policy applies.

Types of intervention and maximum level of co-financing: financial contributions by the Union may take the form of either grants or public procurement. The proposal describes in detail the types of intervention in relation to eligible actions. Grants for the functioning of consumer organisations at Union level may be awarded to European consumer organisations, which comply with certain conditions set out in the proposal as well as grants for eligible actions.

Financial framework and co-financing: the financial envelope for the implementation of the Programme shall be EUR 197,000,000 from 2014 to 2020. The rate of co-financing depends on the type of action being financed, Grants for functioning range from **50% to 95%** of eligible costs in certain cases. Grants for action range from **50% to 70%** of eligible costs.

Administrative and technical assistance: the financial allocation for the Programme may also cover expenses pertaining to preparatory, monitoring, control, audit and evaluation activities which are required for the management of the programme and the achievement of its objectives; in particular, studies, meetings of experts, information and communication actions, including corporate communication of the political priorities of the Union, expenses linked to IT networks focusing on information processing and exchange, together with all other technical and administrative assistance expenses incurred by the Commission for the management of the Programme.

Methods of implementation: the Commission shall implement the Programme. In order to ensure uniform conditions for the implementation of this Regulation, implementing powers will be conferred on the Commission in respect of the adoption of annual work programmes. Those powers should be exercised in accordance with Regulation (EU) No 182/2011 of the European Parliament and of the Council.

Consistency and complementarity with other policies: the Commission shall, in cooperation with the Member States, ensure overall consistency and complementarity between the Programme and other relevant Union policies, instruments and actions.

Evaluation and dissemination of results: standard clauses for monitoring, control, dissemination and anti-fraud measures are inserted in the proposal.

Report: no later than mid-2018, an evaluation report shall be established by the Commission on the achievement of the objectives of all the measures (at the level of results and impacts), the efficiency of the use of resources and its European added value, in view of a decision on the renewal, modification or suspension of the measures.

Repeal: [Decision No 1926/2006/EC](#) of the European Parliament and of the Council is repealed from 1 January 2014.

BUDGETARY IMPLICATIONS: the financial appropriations for implementing the Programme over the period from 1 January 2014 to 31 December 2020 will amount to **EUR 197 millions** in current prices.

DELEGATED ACTS: in order to amend certain non-essential elements of this Regulation, the power to adopt acts in accordance with Article 290 TFEU is delegated to the Commission in respect of the adaptation of the indicators set out in Annex II. The Commission, when preparing and drawing up delegated acts, should ensure simultaneous, timely and appropriate transmission of relevant documents to the European Parliament and Council.