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INFORMATION NOTE

from:	General Secretariat of the Council
to:	Permanent Representatives Committee/Council
Subject:	Proposal for a Regulation of the European Parliament and of the Council on a consumer programme 2014-2020 – Outcome of the European Parliament's first reading (Strasbourg, 13 to 16 January 2014)

I. INTRODUCTION

In accordance with the provisions of Article 294 of the TFEU and the joint declaration on practical arrangements for the codecision procedure ¹, a number of informal contacts have taken place between the Council, the European Parliament and the Commission with a view to reaching an agreement on this dossier at first reading, thereby avoiding the need for second reading and conciliation.

In this context, the rapporteur, Mr Robert ROCHEFORT (ALDE-FR), on behalf of the Committee on Internal Market and Consumer Protection, presented one compromise amendment (amendment 93) to the proposal for a Regulation. This amendment had been agreed during the informal contacts referred to above.

¹ OJ C 145, 30.6.2007, p.5

II. VOTE

When it voted on 14 January 2014, the plenary adopted the compromise amendment (amendment 93) to the proposal for a Regulation. The Commission's proposal as thus amended and the legislative resolution constitute the Parliament's first-reading position¹, it reflects what had been previously agreed between the institutions. The Council should therefore be in a position to approve the Parliament's position.

The act would then be adopted in the wording which corresponds to the Parliament's position.

¹ The text of the amendment adopted and the European Parliament's legislative resolution are set out in the Annex. The amendment is presented in the form of a consolidated text, where changes to the Commission's proposal are highlighted in *bold and italics*. The symbol "■" indicates deleted text.

Consumer programme 2014-2020 ***I

European Parliament legislative resolution of 14 January 2014 on the proposal for a regulation of the European Parliament and of the Council on a consumer programme 2014-2020 (COM(2011)0707 – C7-0397/2011 – 2011/0340(COD))

(Ordinary legislative procedure: first reading)

The European Parliament,

- having regard to the Commission proposal to Parliament and the Council (COM(2011)0707),
 - having regard to Article 294(2) and Article 169 of the Treaty on the Functioning of the European Union, pursuant to which the Commission submitted the proposal to Parliament (C7-0397/2011),
 - having regard to Article 294(3) of the Treaty on the Functioning of the European Union,
 - having regard to the opinion of the European Economic and Social Committee of 28 March 2012¹,
 - having regard to the opinion of the Committee of the Regions of 4 May 2012²,
 - having regard to the undertaking given by the Council representative by letter of 23 October 2013 to approve Parliament's position, in accordance with Article 294(4) of the Treaty on the Functioning of the European Union,
 - having regard to Rule 55 of its Rules of Procedure,
 - having regard to the report of the Committee on the Internal Market and Consumer Protection and the opinions of the Committee on Budgets and the Committee on Legal Affairs (A7-0214/2012),
1. Adopts its position at first reading hereinafter set out;
 2. Calls on the Commission to refer the matter to Parliament again if it intends to amend its proposal substantially or replace it with another text;
 3. Instructs its President to forward its position to the Council, the Commission and the national parliaments.

¹ OJ C, 181, 21.6.2012, p. 89.

² OJ C 225, 27.7.2012, p. 217.

P7_TC1-COD(2011)0340

Position of the European Parliament adopted at first reading on 14 January 2014 with a view to the adoption of Regulation (EU) No .../2014 of the European Parliament and of the Council on a multiannual consumer programme for the years 2014-2020 and repealing Decision No 1926/2006/EC

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular Article 169 thereof,

Having regard to the proposal from the European Commission,

After transmission of the draft legislative act to the national parliaments,

Having regard to the opinion of the European Economic and Social Committee¹,

Having regard to the opinion of the Committee of the Regions²,

Acting in accordance with the ordinary legislative procedure³,

¹ OJ C 181, 21.6.2012, p. 89

² OJ C 225, 27.7.2012, p. 217.

³ Position of the European Parliament of 14 January 2014.

Whereas:

- (1) The Commission Communication of 3 March 2010 entitled 'Europe 2020 – A strategy for smart, sustainable and inclusive growth' ('Europe 2020') calls for citizens to be empowered to play a full part in the *internal* market, which requires the strengthening of their ability and confidence to buy goods and services cross-border, in particular on-line.
- (2) The Union *contributes to ensuring a high level of consumer protection and* to placing consumers at the heart of the internal market by supporting and complementing Member States' policies in seeking to ensure that citizens can fully reap the benefits of the internal market and that, in so doing, their safety and *legal* and economic interests are properly protected by means of concrete actions.

- (3) *The multiannual Consumer Programme for the years 2014-2020 ('the Programme') should help ensure a high level of protection for consumers and fully support the ambitions of Europe 2020 as regards growth and competitiveness by integrating specific concerns identified in Europe 2020 on the digital agenda for Europe in order to ensure that digitalisation actually leads to increased consumer welfare, on sustainable growth by moving towards more sustainable patterns of consumption, on social inclusion by taking into account the specific situation of vulnerable consumers and the needs of an ageing population, and on smart regulation inter alia through consumer market monitoring to help design smart and targeted regulations.*
- (4) *The Commission Communication of 22 May 2012 entitled 'A European Consumer Agenda – Boosting confidence and growth' (the 'Consumer Agenda') sets out a strategic framework for Union consumer policy in the years to come by supporting consumer interests in all Union policies. The aim of the Consumer Agenda is to create a strategy in which political action will efficiently and effectively support consumers throughout their lives by ensuring the safety of the products and services made available to them, by informing and educating them, by supporting bodies that represent them, by strengthening their rights, by giving them access to justice and redress and by ensuring that consumer legislation is enforced.*

- (5) *The recent economic downturn has exposed a number of shortcomings and inconsistencies in the internal market, which have had adverse implications for consumers' and citizens' confidence. Whilst it is necessary to acknowledge the budgetary constraints under which the Union is currently operating, the Union should nevertheless provide adequate financial means to enable the targets of the Programme to be reached and should therefore support Europe 2020.*
- (6) *The elimination of remaining unjustified and disproportionate barriers to the proper functioning of the internal market and improving citizens' trust and confidence in the system, in particular when buying cross-border, are essential for the completion of the internal market. The Union should aim to create the right conditions to empower consumers by providing them with sufficient tools, knowledge and competence to make considered and informed decisions and by raising consumer awareness.*

- (7) This Regulation takes into account the economic, social and technical environment and the concomitant emerging challenges. In particular, actions funded under the Programme will seek to address issues linked to globalisation, digitalisation, *the growing level of complexity of decisions that consumers have to make*, the need to move towards more sustainable patterns of consumption, population ageing, social exclusion and the issue of vulnerable consumers. Integrating consumer interests into all Union policies, in accordance with Article 12 of the Treaty on the Functioning of the European Union (TFEU), *is a* high priority. Coordination with other Union policies and programmes is a key part of ensuring that consumer interests are taken fully into account in other policies. In order to promote synergies and avoid duplication, other Union funds and programmes should provide for financial support for the integration of consumer interests in their respective fields.

- (8) *The Programme should ensure a high level of protection for all consumers, devoting particular attention to vulnerable consumers, in order to take into account their specific needs and strengthen their capabilities, as called for in the Resolution of the European Parliament of 22 May 2012 on a strategy for strengthening the rights of vulnerable consumers¹. In particular, the Programme should ensure that vulnerable consumers have access to information on goods and services, in order to have equal opportunities to make free and informed choices, especially since vulnerable consumers may have difficulties in accessing and comprehending consumer information, and therefore risk being misled.*
- (9) *The Programme should in particular take into account children, including by working with stakeholders to ensure their commitment to responsible advertising towards minors, in particular to combating misleading online advertising.*

¹ *OJ C 264 E , 13.9.2013, p. 11.*

- (10) Actions should be laid down in **the Programme**, providing a Union framework for their funding. In accordance with Article 54 of **Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council¹**, this Regulation is to provide the legal basis for those actions and for the implementation of the Programme. This Regulation builds on and continues the actions funded under Decision **No 1926/2006/EC** of the European Parliament and of the Council².
- (11) It is important to improve consumer protection. To achieve that general objective, specific objectives should be set as regards safety, consumer information and education **and support for consumer organisations at Union level**, rights and redress as well as enforcement in respect of consumer rights. The value and impact of the measures taken under the Programme should regularly be monitored and evaluated **to facilitate smarter policy design in the interest of consumers. In order to evaluate consumer policy and particularly the precise impact of the measures taken**, indicators should be developed, **the value of which should however be considered in a wider context.**

¹ Regulation (EU, Euratom) **No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules** applicable to the general budget of the European Union and repealing Council Regulation (EC, Euratom) **No 1605/2002** (OJ L 298, 26.10.2012, p. 1).

² Decision **No 1926/2006/EC** of the European Parliament and of the Council of 18 December 2006 establishing a programme of Community action in the field of consumer policy (2007-2013) (OJ L 404, 30.12.2006, p. 39).

- (12) *It is important to enhance consumer confidence. In order to achieve that objective, it is necessary to strengthen the scope for action, particularly through appropriate financial support to Union-level consumer organisations and European consumer centres, taking into account their major role in providing information and assistance to consumers about their rights, supporting consumers in consumer disputes, in particular with regard to access to appropriate dispute resolution mechanisms, and promoting consumer interests in the proper functioning of the internal market. Those organisations and centres should have the capacity to enhance consumer protection and confidence by taking action on the ground and tailoring aid, information and education to the individual.*
- (13) It is necessary to provide for the eligible actions by which those objectives are to be achieved.
- (14) It is necessary to define the categories of potential beneficiaries eligible for grants.

- (15) *A financial reference amount for the Programme, within the meaning of point 17 of the Interinstitutional Agreement of 2 December 2013 between the European Parliament, the Council and the Commission on budgetary discipline, on cooperation in budgetary matters and on sound financial management¹, is included in this Regulation, without the budgetary powers of the European Parliament and the Council, as set out in the TFEU, being thereby affected.*
- (16) *In the spirit of the principles of sound financial management, transparency and flexibility in the implementation of the Programme, the continuation of the executive agency should be permissible if all the requirements set by Council Regulation (EC) No 58/2003² are met.*

¹ OJ C 373, 20.12.2013, p.1.

² Council Regulation (EC) No 58/2003 of 19 December 2002 laying down the statute for executive agencies to be entrusted with certain tasks in the management of Community programmes (OJ L 11, 16.1.2003, p. 1).

- (17) *Expenditure of Union and Member States' funds in the area of consumer safety, education, rights and enforcement should be better coordinated in order to ensure complementarity, better efficiency and visibility, as well as to achieve better budgetary synergies.*
- (18) The Agreement on the European Economic Area provides for cooperation in the field of consumer protection between the ■ Union and its Member States, on the one hand, and the countries of the European Free Trade Association participating in the European Economic Area, on the other. Provision should also be made to open the Programme to participation by other countries, in particular the neighbouring countries of the ■ Union and countries which are applying for, are candidates for or are acceding to, membership of the ■ Union.

- (19) In the context of the implementation of the Programme, ***and given the globalisation of the production chain and the increasing interdependence of markets***, cooperation with third countries not participating in the Programme should be encouraged, taking into account any relevant agreements between those countries and the Union.
- (20) ***The*** power to adopt acts in accordance with Article 290 ***TFEU*** should be delegated to the Commission in respect of the adaptation of the indicators set out in Annex II ***in order to take into account changes in the legislative framework in the area of consumer protection, and in respect of amending Annex I by removing specific actions concerned in order to take into account the results of an evaluation report by the Commission.*** It is of particular importance that the Commission carry out appropriate consultations during its preparatory work, including at expert level. The Commission, when preparing and drawing up delegated acts, should ensure the simultaneous, timely and appropriate transmission of relevant documents to the European Parliament and to the Council.

(21) In order to ensure uniform conditions for the implementation of this Regulation, implementing powers should 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 Council¹. Given that the Programme does not set out criteria for the safety of products but aims at providing financial support to tools for the implementation of product safety policy, and given the relatively small amount concerned, it is appropriate that the advisory procedure apply.

¹ Regulation (EU) No 182/2011 of the European Parliament and of the Council of 16 February 2011 laying down the rules and general principles concerning mechanisms for control by Member States of the Commission's exercise of implementing powers (OJ L 55, 28.2.2011, p. 13).

- (22) The financial interests of the Union should be protected through proportionate measures throughout the expenditure cycle, including the prevention, detection and investigation of irregularities, the recovery of funds lost, unduly paid or incorrectly used and, where appropriate, *administrative and financial* penalties *in accordance with Regulation (EU, Euratom) No 966/2012*.
- (23) Since the objectives of this Regulation cannot be sufficiently achieved by the Member States due to the cross-border nature of the issues involved, but can rather, by reason of the greater potential of Union action, **■** be better achieved at Union level, the Union may adopt measures in accordance with the principle of subsidiarity as set out in Article 5 of the Treaty on the European Union. In accordance with the principle of proportionality, as set out in that Article, this Regulation does not go beyond what is necessary in order to achieve those objectives.
- (24) Decision No 1926/2006/EC *should* be repealed.

(25) It is appropriate to ensure a smooth transition without interruption between the programme of Community action in the field of consumer policy (2007-2013), established by Decision No 1926/2006/EC, and this Programme, in particular regarding the continuation of multi-annual measures and the evaluation of the previous programme's successes and areas that need more attention. Furthermore, it is appropriate to align the duration of this Programme with that of the multiannual financial framework for the years 2014-2020 laid down in Council Regulation (EU, Euratom) No 1311/2013¹. Therefore, this Programme should apply as from 1 January 2014. As of 1 January 2021, the technical and administrative assistance appropriations should cover, if necessary, the expenditure related to the management of actions not completed by the end of 2020.

HAVE ADOPTED THIS REGULATION:

¹ Council Regulation (EU, Euratom) No 1311/2013 laying down the multiannual financial framework for the years 2014-2020 (OJ L 347, 20.12.2013, p. 884).

Article 1

Multiannual consumer programme

This Regulation establishes a multiannual consumer programme for the period from 1 January 2014 to 31 December 2020, (the 'Programme').

Article 2

General objective

The *general objective* of the Programme is to *ensure a high level of consumer protection, to empower consumers and to place the consumer at the heart* of the internal market, *within the framework of an overall strategy for smart, sustainable and inclusive growth*. The Programme will do so by contributing to protecting the health, safety and the *legal* and economic interests of consumers, as well as to promoting their right to information, education and to organise themselves in order to safeguard their interests, *and supporting the integration of consumer interests into other policy areas*. The Programme *shall* complement, support and monitor the policies of Member States.

Article 3

Specific objectives and indicators

1. The general objective referred to in Article 2 shall be pursued through the following specific objectives:

- (a) Objective ***I - Safety***: to consolidate and enhance product safety through effective market surveillance throughout the Union.

This objective will be measured in particular through the activity ***and effectiveness*** of the EU rapid alert system for dangerous consumer products (RAPEX).

- (b) Objective ***II - Consumer*** information and education, ***and support to consumer organisations***: 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, ***including taking into account the specific needs of vulnerable consumers***.

- (c) Objective **III - Rights** and redress: to *develop and reinforce* consumer rights in particular through *smart* regulatory action and improving access to *simple, efficient, expedient and low-cost* 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 Union-wide *online* dispute resolution system, *and by the percentage of consumers taking action in response to a problem encountered.*

- (d) Objective **IV - 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 *the effectiveness of the* cooperation within the Consumer Protection Cooperation Network, the activity of the European Consumer Centres *and how well known they are to consumers.*

High-quality consumer information and participation is a cross-sectoral priority and, therefore, shall be expressly provided for, whenever possible, in all sectoral objectives and actions financed under the Programme.

2. The description of the indicators is set out in Annex II.
3. The Commission shall be empowered to adopt delegated acts in accordance with Article 15 to adapt the indicators set out in Annex II.

Article 4

Eligible actions

The specific objectives referred to in Article 3 shall be achieved by means of the eligible actions set out in the following list **■** :

- (a) under objective **I - Safety**:
 - (1) scientific advice and risk analysis relevant to consumer health and safety regarding non-food products and services including support for the tasks of the independent scientific committees established by Commission Decision No 2008/721/EC^{*1*};

^{*1*} Commission Decision No 2008/721/EC of 5 August 2008 setting up an advisory structure of Scientific Committees and experts in the field of consumer safety, public health and the environment and repealing Decision 2004/210/EC (OJ L 241, 10.9.2008, p. 21).

- (2) coordination of market surveillance and enforcement actions on product safety with regard to Directive No 2001/95/EC of the European Parliament and of the Council¹, and actions to improve consumer services safety;
 - (3) maintenance and further development of databases on cosmetics;
- (b) under objective **II – Consumer** information and education, **and support to consumer organisations**:
- (4) building **and improving access to** the evidence base for policy-making in areas affecting consumers, **for designing smart and targeted regulations and for detecting any market malfunctioning or changes in consumers' needs, providing a basis** for the development of consumer policy, **for the identification of the areas most problematic for consumers** and for the integration of consumer interests into other Union policies ;
 - (5) support **through financing of Union level** consumer organisations **and through capacity building for consumer organisations at Union, national and regional level, increasing transparency and stepping up exchanges of best practices and expertise**;

¹ Directive No 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).

- (6) enhancing the transparency of consumer markets and consumer information, *ensuring consumers have comparable, reliable and easily accessible data, including for cross-border cases, to help them compare not only prices, but also quality and sustainability of goods and services;*
 - (7) enhancing consumer education *as a life-long process, with a particular focus on vulnerable consumers;*
- (c) under objective **III – Rights** and redress:
- (8) preparation by the Commission of consumer protection legislation and other regulatory initiatives, monitoring the transposition by Member States and the subsequent evaluation of its impact, and the promotion of co-regulatory and self-regulatory initiatives *and monitoring the real impact of those initiatives on consumer markets;*

(9) facilitating access to *dispute resolution mechanisms for consumers, in particular to alternative dispute resolution schemes, including through a Union-wide online system and the networking of national alternative dispute resolution entities, paying specific attention to adequate measures for vulnerable consumers' needs and rights*; monitoring of the functioning and the effectiveness of dispute resolution mechanisms for consumers, ■ including through the development and maintenance of relevant IT tools, *and the exchange of current best practices and experience in the Member States*;

(d) under objective *IV – Enforcement*:

(10) coordination of surveillance and enforcement actions with regard to Regulation (EC) No 2006/2004 of the European Parliament and of the Council¹;

¹ Regulation (EC) No 2006/2004 of the European Parliament and of the Council of 27 October 2004 on cooperation between national authorities responsible for the enforcement of consumer protections laws (OJ L 364, 9.12.2004, p. 1).

- (11) financial contributions for joint actions with public or non-profit bodies constituting Union networks which provide information and assistance to consumers to help them exercise their rights and obtain access to appropriate dispute resolution, including out of court online resolution schemes (the European Consumer Centres Network).

Where applicable, the eligible actions set out in the first paragraph of this Article are further specified in Annex I by listing under them specific actions.

Article 5

Beneficiaries eligible for grants

1. Grants for the functioning of consumer organisations at Union level may be awarded to European consumer organisations which comply with all of the following conditions:
 - (a) they 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, economic and legal interests of consumers in the Union;

(b) they are mandated to represent the interests of consumers at Union level by organisations in at least half of the Member States that are representative, in accordance with national rules or practice, of consumers, and that are active at regional or national level.

2. Grants for the functioning of international bodies promoting principles and policies which contribute to the objectives of the Programme may be awarded to organisations which comply with all of the following conditions:

(a) they 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, economic and legal interests of consumers;

- (b) they carry out all of the following activities: provide for a formal mechanism for consumer representatives from the Union and third countries to contribute to political discussions and policies, organise meetings with policy officials and regulators to promote and advocate consumer interests with public authorities, identify common consumer issues and challenges, promote consumer views in the context of bilateral relations between the Union and third countries, contribute to the exchange and dissemination of expertise and knowledge on consumer issues in the Union and third countries, and produce policy recommendations.
- 3. Grants for the functioning of Union-level bodies established for the coordination of enforcement actions in the field of product safety may be awarded to bodies recognised for this purpose by Union legislation.
- 4. Grants for action to Union-wide bodies for the development of codes of conduct, best practices and guidelines for price, product quality and sustainability comparison may be awarded to bodies which comply with all of the following conditions:
 - (a) they are non-governmental, non profit-making, independent of *industry, commercial and business or other* conflicting interests, and have amongst their primary objectives and activities the promotion and protection of consumer interests;

(b) they are active in at least half of the Member States.

5. ***Grants for the organisation of Presidency events concerning consumer policy of the Union may be awarded to national authorities of the Member State holding the Presidency of Council configurations, other than that of Foreign Affairs or to bodies designated by that Member State.***
6. Grants for action to Member States' authorities responsible for consumer affairs and to corresponding authorities of third countries may be awarded to authorities notified to the Commission in accordance with Regulation (EC) No 2006/2004 or Directive 2001/95/EC by a Member State or by a third country referred to in Article 7 of this Regulation, ***or to non-profit-making bodies expressly designated by those authorities for that purpose.***
7. Grants to enforcement officials from Member States and third countries may be awarded to officials from authorities notified to the Commission for the purposes of Regulation (EC) No 2006/2004 and of Directive 2001/95/EC by a Member State or by a third country referred to in Article 7 of this Regulation.

8. Grants for action may be awarded to a **body** designated by a Member State or a third country referred to in Article 7 **which is a non-profit-making body selected through a transparent procedure or a public body**. The designated body shall be part of a Union network which provides information and assistance to consumers to help them exercise their rights and obtain access to appropriate dispute resolution (European Consumer Centres Network). **A framework partnership may be established as a long-term cooperation mechanism between the Commission and the European Consumer Centres Network and/or its constitutive bodies.**
9. Grants for action may be awarded to complaint handling bodies established and operating in **the Member States of** the Union and in countries of the European Free Trade Association participating in the European Economic Area, which are responsible for collecting consumer complaints, or attempting to resolve complaints, or giving advice, or providing information to consumers about complaints or enquiries, and which are a third party to a complaint or enquiry by a consumer about a trader. They shall not include consumer complaint handling mechanisms operated by traders and dealing with enquiries and complaints directly with the consumer or mechanisms providing complaint handling services operated by or on behalf of a trader.

Article 6

Financial *Framework*

1. The financial *envelope* for the implementation of the Programme *for the period from 1 January 2014 to 31 December 2020 shall be EUR 188 829 000* in current prices.
2. *Annual appropriations shall be authorised by the European Parliament and the Council within the limits of the multiannual financial framework.*

Article 7

Participation of third countries in the Programme

Participation in the Programme shall be open to:

- (a) the countries of the European Free Trade Association participating in the European Economic Area, in accordance with the conditions established in the Agreement on the European Economic Area;

- (b) third countries, in particular acceding and candidate countries as well as potential candidates, and countries to which the European Neighbourhood Policy applies, in accordance with the general principles and general terms and conditions for their participation in Union programmes established in the respective Framework Agreements, Association Council Decisions or similar agreements.

Article 8

Types of intervention and maximum level of co-financing

1. In accordance with Regulation (*EU*, Euratom) No **966/2012**, financial contributions by the Union may take the form of either grants or public procurement or any other interventions needed to achieve the objectives referred to in Articles 2 and 3 of this Regulation.
2. The grants by the Union and their corresponding maximum levels shall be as follows:
 - (a) grants for the functioning of consumer organisations at Union level, as defined in Article 5(1), not exceeding 50 % of the eligible costs;
 - (b) grants for the functioning of international bodies promoting principles and policies which contribute to the objectives of the Programme, as defined in Article 5(2), not exceeding 50 % of the eligible costs;

- (c) grants for the functioning of Union level bodies established for the coordination of enforcement actions in the field of product safety and recognised for this purpose by Union legislation, as defined in Article 5(3), not exceeding 95 % of the eligible costs;
- (d) grants for action to Union-wide bodies for the development of codes of conduct, best practices, guidelines for price, product quality and sustainability comparison, as defined in Article 5(4), not exceeding 50 % of the eligible costs;
- (e) *grants for the organisation of Presidency events concerning consumer policy of the Union to national authorities of the Member State holding the Presidency of Council configurations, other than that of Foreign Affairs or to bodies designated by that Member State, not exceeding 50 % of the eligible costs;*
- (f) grants for action to Member States' authorities responsible for consumer affairs and to the corresponding authorities in third countries participating pursuant to Article 7, as defined in Article 5(6), not exceeding 50 % of the eligible costs, except in the case of actions of exceptional utility ■ , in which case the contribution by the Union to the *eligible* costs shall not exceed 70 %;

- (g) grants for the exchange of enforcement officials from Member States and third countries participating pursuant to Article 7, as defined in Article 5(7), covering travelling and subsistence allowances;
- (h) grants for action to bodies designated by a Member State *or a third country referred to in* Article 7, as defined in Article 5(8), not exceeding 70 % of the eligible costs;
- (i) grants for action to national consumer complaint bodies, as defined in Article 5(9), not exceeding 50 % of the eligible costs.

3. *Actions shall be considered as of exceptional utility within the meaning of point (f) of paragraph 2 where:*

- (a) *as regards grants awarded to the authorities and notified to the Commission for the purposes of Regulation (EC) No 2006/2004, they involve at least six Member States or they concern infringements which cause or are likely to cause harm in two or more Member States;*

- (b) *as regards grants awarded to the authorities responsible for consumer product safety, they involve at least ten Member States taking part in the European network of Member States' competent authorities for product safety referred to in Article 10 of Directive 2001/95/EC or they contribute to the implementation of market surveillance activities in the field of consumer product safety that have been provided for in a Union legal act.*

Article 9

Administrative and technical assistance

- I. 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, *inter alia* corporate communication of the political priorities of the Union insofar as they are related to the general objective of this Regulation ■ , together with all other technical and administrative assistance expenses incurred by the Commission for the management of the Programme.

2. *The total amount allocated to cover the expenses pertaining to preparatory, monitoring, control, audit and evaluation activities and for technical and administrative assistance referred to in paragraph 1 shall not exceed 12 % of the financial envelope allocated to the Programme.*

Article 10

Methods of implementation

The Commission shall implement the Programme by means of the management modes referred to in Article 58 of Regulation (EU, Euratom) No 966/2012.

Article 11

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, *in particular under the 2014-2020 Multiannual 'Rights, Equality and Citizenship' programme*¹.

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¹ *Regulation (EU) No 1381/2013 of the European Parliament and of the Council establishing a Rights, Equality and Citizenship programme for the period 2014 to 2020 (OJ L 354, 28.12.2013, p. 62).*

Article 12

Annual work programmes

The Commission shall implement the Programme by *means of annual work programmes. The annual work programmes shall implement the objectives set out in Articles 2 and 3, and the actions set out in Article 4 and further specified in Annex I, in a consistent manner.*

The Commission shall adopt annual work programmes in the form of implementing acts in accordance with the advisory procedure referred to in Article 16(2) of this Regulation. Those implementing acts shall set out the elements provided for in Regulation (EU, Euratom)

No 966/2012 and in particular:

- (a) the implementation *of* the actions, *in accordance with Article 4 of and Annex I to this Regulation, and* the *indicative* allocation of financial resources;

█

- (b) the time schedule of the planned calls for tenders and calls for proposals.

█

Article 13

Evaluation and dissemination ■

1. At the request of the Commission, Member States shall submit to it information on the implementation and impact of the Programme.
2. ***The Commission shall:***
 - (a) ***by 30 September 2017:***
 - (i) ***review*** the achievement of the objectives of all the measures (at the level of results and impacts), ***the state of play regarding the implementation of the eligible actions set out in Article 4 and the specific actions referred to in Annex I, the allocation of funds to the beneficiaries in accordance with the conditions set in Article 5***, the efficiency of the use of resources and its European added value, ***taking into consideration developments in the area of consumer protection***, with a view to a decision on the renewal, modification or suspension of the measures;

- (ii) *submit the evaluation report on the review undertaken to the European Parliament and the Council;*
- (b) *by 31 December 2017, if appropriate, submit a legislative proposal or, subject to paragraph 3, adopt a delegated act.*

The evaluation *report* shall additionally address the scope for simplification, its internal and external coherence, the continued relevance of all objectives, as well as the contribution of the measures to the Union priorities of smart, sustainable and inclusive growth. It shall take into account evaluation results on the long-term impact of the predecessor programme.

The longer-term impacts and the sustainability of effects of the Programme shall be evaluated with a view to feeding into a decision on a possible renewal, modification or suspension of a subsequent programme.

3. *For the purposes of taking into account the situation whereby the evaluation report under paragraph 2 concludes that the specific actions set out in Annex I have not been implemented by 31 December 2016 and cannot be implemented by the end of the Programme, including when those specific actions are no longer relevant for the achievement of the objectives set out in Articles 2 and 3, the Commission shall be empowered to adopt delegated acts in accordance with Article 15 to amend Annex I by removing the specific actions concerned.*
4. The Commission shall make the results of actions undertaken pursuant to this Regulation publicly available.

Article 14

Protection of the financial interests of the Union

1. The Commission shall take appropriate measures ensuring that, when actions financed under this Regulation are implemented, the financial interests of the Union are protected by the application of preventive measures against fraud, corruption and any other illegal activities, by effective checks and, if irregularities are detected, by the recovery of the amounts wrongly paid and, where appropriate, by effective, proportionate and *dissuasive administrative and financial* penalties.

2. The Commission or its representatives and the European Court of Auditors shall have the power of audit, on the basis of documents and on-the spot checks, over all grant beneficiaries, contractors and subcontractors who have received Union funds *under this Regulation*.
3. The European Anti-fraud Office (OLAF) may carry out *investigations, including* on-the-spot checks and inspections ■ in accordance with the procedures laid down in Regulation (EU, Euratom) *No 883/2013 of the European Parliament and of the Council¹ and Council Regulation (Euratom, EC) No 2185/96²* with a view to establishing whether there has been fraud, corruption or any other illegal activity affecting the financial interests of the Union in connection with a grant agreement or grant decision or a contract *funded under this Regulation*.

¹ *Regulation (EU, Euratom) No 883/2013 of the European Parliament and of the Council of 11 September 2013 concerning investigations conducted by the European Anti-Fraud Office (OLAF) and repealing Regulation (EC) No 1073/1999 of the European Parliament and of the Council and Council Regulation (Euratom) No 1074/1999 (OJ L 248, 18.9.2013, p. 1).*

² *Council Regulation (Euratom, EC) No 2185/96 of 11 November 1996 concerning on-the-spot checks and inspections carried out by the Commission in order to protect the European Communities' financial interests against fraud and other irregularities (OJ L 292, 15.11.1996, p. 2).*

4. Without prejudice to *paragraphs 1, 2 and 3*, cooperation agreements with third countries and *with* international organisations, *contracts*, grant agreements and grant decisions, resulting from the implementation of this Regulation shall *contain provisions* expressly *empowering* the Commission, the European Court of Auditors and OLAF to conduct such audits *and investigations, according to their respective competences*.

Article 15

Exercise of the delegation

1. The power to adopt delegated acts is conferred on the Commission subject to the conditions laid down in this Article.
2. The power to adopt delegated acts referred to in Article 3(3) *and Article 13(3)* shall be conferred on the Commission for the duration of the Programme **■**.
3. The delegation of power referred to in Article 3(3) *and Article 13(3)* may be revoked at any time by the European Parliament or by the Council. A decision to revoke shall put an end to the delegation of the power specified in that decision. It shall take effect on the day following publication of the decision in the *Official Journal of the European Union* or at a later date specified therein. It shall not affect the validity of any delegated acts already in force.

4. As soon as it adopts a delegated act, the Commission shall notify it simultaneously to the European Parliament and to the Council.
5. A delegated act adopted pursuant to Article 3(3) *and Article 13(3)* shall enter into force only if no objection has been expressed either by the European Parliament or by the Council within a period of two months of notification of that act to the European Parliament and the Council or if, before the expiry of that period, the European Parliament and the Council have both informed the Commission that they will not object. That period shall be extended by two months at the initiative of the European Parliament or of the Council.

Article 16

Committee procedure

1. The Commission shall be assisted by a committee. That committee shall be a committee within the meaning of Regulation (EU) No 182/2011.
2. Where reference is made to this paragraph, Article 4 of Regulation (EU) No 182/2011 shall apply.

Article 17

Transitional measures

1. Article 6 of Decision No 1926/2006/EC shall continue to apply to actions covered by that Decision which have not been completed by 31 December 2013. Therefore, financial allocation for the Programme may also cover technical and administrative assistance expenses necessary to ensure the transition between the measures adopted under Decision No 1926/2006/EC and the Programme.
2. If necessary, appropriations may be entered in the budget beyond 31 December 2020 to cover expenses provided for in Article 9, to enable the management of actions not completed by 31 December 2020.

Article 18

Repeal

Decision No 1926/2006/EC is repealed with effect from 1 January 2014.

Article 19

Entry into force and date of application

This Regulation shall enter into force on the ■ day following that of its publication in the *Official Journal of the European Union*.

It shall apply from 1 January 2014.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at ...,

For the European Parliament

For the Council

The President

The President

ANNEX I – Types of actions

Objective I - Safety: to consolidate and enhance product safety through effective market surveillance throughout the *Union*

1. Scientific advice and risk analysis relevant to consumer health and safety regarding non-food products and services *including* support for the tasks of the independent scientific committees established by Decision [2008/721/EC](#) ¹.
2. Coordination of market surveillance and enforcement actions on product safety with regard to Directive [2001/95/EC](#) , and actions to improve consumer services safety:

- (a) development, **modernisation** and maintenance of IT tools (such as databases, information and communication systems) **in particular so that the efficiency of existing systems can be improved by increasing the potential for data export, statistical sorting and extraction, and facilitating the electronic exchange and use of data between Member States;**
- (b) organisation of seminars, conferences, workshops and meetings of stakeholders and experts on risks and enforcement in the area of product safety;
- (c) exchanges of enforcement officials and training **focusing on integrating a risk-based approach;**
- (d) specific joint cooperation actions in the area of the safety of non-food consumer products and services, under Directive 2001/95/EC;
- (e) monitoring and assessment of the safety of non-food products and services, including the knowledge base for further standards or the establishment of other safety benchmarks, **and clarification of the traceability requirements;**

- (f) administrative, enforcement *and product traceability* cooperation, *and development of preventive actions*, with third countries other than the ones falling under Article 7 of this Regulation, including with those third countries which are the source of the majority of products notified in the Union for non-conformity with Union legislation;
 - (g) support to bodies recognised by Union legislation for the coordination of enforcement actions between Member States.
3. Maintenance and further development of databases on cosmetics
- (a) maintenance of the Cosmetic Products notification Portal set up under Regulation (EC) No 1223/2009 of the European Parliament and of the Council¹;
 - (b) maintenance of the database on cosmetics ingredients to support the implementation of Regulation (EC) No 1223/2009.

¹ Regulation (EC) No 1223/2009 of the European Parliament and of the Council of 30 November 2009 on cosmetic products (OJ 342, 22.12.2009, p. 59).

Objective II – *Consumer information and education, and support to consumer organisations: 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, also taking into account the specific needs of vulnerable consumers*

4. Building *and improving access to* the evidence base for policy-making in areas affecting consumers, *for designing smart and targeted regulations and for detecting any market malfunctioning or changes in consumers' needs, providing a basis* for the development of consumer policy, *for the identification of the areas most problematic for consumers* and for the integration of consumer interests into other Union policies, including:
 - (a) Union-wide studies and analysis on consumers and consumer markets *in order to design smart and targeted regulations, to detect any market malfunctioning or changes in consumers' needs;*

- (b) development and maintenance of databases, *in particular to make the data collected available to stakeholders such as consumer organisations, national authorities and researchers*;
 - (c) development and analysis of national statistical and other relevant evidence.
Collection, in particular, of national data and indicators on prices, complaints, enforcement, redress will be developed in collaboration with national stakeholders.
5. Support *through financing of Union-level* consumer organisations *and through capacity building for consumer organisations at Union, national and regional level, increasing transparency and stepping up exchanges of best practices and expertise*
- (a) financial contributions to the functioning of *Union level* consumer organisations representing consumer interests in accordance with Article 5(1) of this Regulation;
 - (b) capacity building for regional, national and European consumer organisations, notably through training *available in various languages and throughout the Union* and exchange of best practices and expertise for staff members, in particular for consumer organisations in Member States *where they are not sufficiently developed or* which demonstrate a relatively low level of consumer confidence and awareness as evidenced by monitoring of consumer markets and the consumer environment in the Member States;

(c) *greater transparency and more exchanges of good practice and expertise, in particular through enhanced networking, assisted by the setting up of an online portal for consumer organisations to provide an interactive exchange and networking area and make materials produced during training courses freely available;*

(d) support to international bodies promoting principles and policies which are consistent with the objectives of the Programme.

6. Enhancing the transparency of consumer markets and consumer information, *ensuring consumers have comparable, reliable and easily accessible data, including for cross-border cases, to help them compare not only prices, but also quality and sustainability of goods and services*

(a) awareness-raising campaigns on issues affecting consumers, including through joint actions with Member States;

(b) actions enhancing the transparency of consumers markets with regard to, for instance, retail financial products, energy, digital and telecommunications, transport;

- (c) actions *facilitating* consumers' access to relevant, *comparable, reliable and easily accessible* information on *goods, services and markets, particularly on prices, quality and sustainability of goods and services, whether this be offline or online, for instance through comparison websites and actions ensuring the high quality and trustworthiness of such websites, including for cross-border purchases;*
- (d) actions enhancing consumers' access to information on sustainable consumption of goods and services;
- (e) support to events concerning consumer policy of the Union which are organised by the *Member State holding the Presidency of Council configurations, other than that of Foreign Affairs* on issues in line with established Union policy priorities;
- (f) financial contributions to national complaint bodies to assist with the use of a harmonised methodology for classifying and reporting consumer complaints and enquiries ■ ;

- (g) support to Union-wide bodies for the development of codes of conduct, best practices *and* guidelines for price, quality, *and* sustainability comparison, *including through comparison websites*;
- (h) support for communication on consumer issues, including *by encouraging the dissemination by the media of correct and relevant information on consumer issues*.

7. Enhancing consumer education *as a life-long process with a particular focus on vulnerable consumers*

- (a) development of an interactive platform for exchange of best practices and *materials for lifelong* consumer education *with a particular focus on vulnerable consumers that have difficulties in accessing and comprehending consumer information, in order to ensure that they are not misled*;

- (b) development of education measures and materials *in collaboration with stakeholders such as national authorities, teachers, consumer organisations and those active at grass-roots level, in particular by making use (e.g. collection, compilation, translation and diffusion) of materials produced at national level or for previous initiatives, on various media including digital*, on e.g. consumer rights including cross-border issues, health and safety, Union consumer legislation, sustainable *and ethical* consumption *including Union certification schemes*, financial *and media* literacy.

Objective III – Rights and redress: to *develop and reinforce* consumer rights in particular through *smart* regulatory action and improving access to *simple, efficient, expedient and low-cost* redress including alternative dispute resolution

- 8. Preparation *by the Commission* of consumer protection *legislation* and other regulatory initiatives, *monitoring the transposition by Member States and the subsequent evaluation of its impact*, and the promotion of co-regulatory and self-regulatory initiatives *and monitoring the real impact of those initiatives on consumer markets*, including:
 - (a) studies *and smart regulation activities such as* ex-ante and ex-post evaluations, impact assessments, public consultations, evaluation *and simplification* of existing legislation;
 - (b) seminars, conferences, workshops and meetings of stakeholders and experts;

(c) development and maintenance of easily and publicly accessible databases covering the implementation of Union legislation on consumer protection ;

(d) evaluation of actions undertaken under the Programme.

9. Facilitating access to **■** dispute resolution mechanisms for consumers, in particular *to* alternative dispute resolution schemes, including *through a Union-wide online system and the networking of national alternative dispute resolution entities, paying specific attention to adequate measures for vulnerable consumers' needs and rights; monitoring of the functioning and the effectiveness of dispute resolution mechanisms for consumers*, including through the development and maintenance of relevant IT tools *and the exchange of current best practices and experience in the Member States*

(a) development and maintenance of IT tools;

(b) support for the development of a Union-wide *online* dispute resolution system and its maintenance, including for associated services such as translation;

- (c) *support for networking of national alternative dispute resolution entities, and for their exchanging and disseminating good practice and experiences;*
- (d) *development of specific tools to facilitate access to redress for vulnerable people who are less inclined to seek redress.*

Objective IV – Enforcement: to support enforcement of consumer rights by strengthening cooperation between national enforcement bodies and by supporting consumers with advice

10. Coordination of surveillance and enforcement actions with regard to Regulation (EC) No 2006/2004, including:
- (a) development and maintenance of IT tools, such as databases, information and communication systems;
 - (b) actions to improve cooperation between authorities as well as coordination of monitoring and enforcement such as exchanges of enforcement officials, common activities, trainings for enforcement officials and for members of the judiciary;

- (c) organisation of seminars, conferences, workshops and meetings of stakeholders and experts on enforcement;
 - (d) administrative and enforcement cooperation with third countries which are not participating in the Programme *and with international organisations*.
11. Financial contributions for joint actions with public or non-profit bodies constituting **Union** networks which provide information and assistance to consumers to help them exercise their rights and obtain access to appropriate dispute resolution, including out of court online resolution schemes (European Consumer Centres Network), *also covering*:
- (a) the development and maintenance of IT tools, such as databases, information and communication systems, necessary for the proper functioning of the European Consumer Centres Network;
 - (b) *actions to raise the profile and visibility of European Consumer Centres*.

ANNEX II

Indicators in accordance with Article 3 of *this Regulation*

Objective I - Safety: *to* consolidate and enhance product safety through effective market surveillance throughout the *Union*

Indicator	Source	Current situation	Target
% of RAPEX notifications entailing at least one reaction (by other Member States)	RAPEX	43 % (843 notifications) in 2010	Increase of 10 % by 2020
Ratio number of reactions / number of notifications (serious risks)*	RAPEX	1,07 in 2010	Increase of 15 % <i>by</i> 2020

** a notification can trigger several reactions from authorities of other Member States*

Objective II - Consumer information and education, *and support for consumer organisations*: 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 , *also taking into account the specific needs of vulnerable consumers*

Indicator	Source	Current situation	Target
Number of complaint bodies <i>and number of countries</i> submitting complaints to the ECCRS	ECCRS (European Consumer Complaints Registration system)	<i>33 complaint bodies from 7 countries in 2012</i>	<i>70</i> complaint bodies <i>from 20 countries by 2020</i>
█	█	█	█

Objective III - Rights and redress: to *develop and reinforce* consumer rights in particular through *smart* regulatory action and improving access to *simple, efficient, expedient and low-cost* redress including alternative dispute resolution

Indicator	Source	Current situation	Target
% of <i>those cases dealt with by the ECCs and not resolved directly with traders which were subsequently</i> referred to alternative dispute resolution (ADR) ■	Annual ECC report	9 % in 2010	75 % by 2020
Number of cases dealt with by an <i>Union-wide online</i> dispute resolution (ODR) system.	ODR platform	17 500 (complaints received by ECCs related to e-commerce transactions) in 2010	100 000 by 2020
<i>% of consumers who took action in response to a problem encountered in the past 12 months:</i>	<i>Consumer Scoreboard</i>	83 % in 2010	90 % by 2020

Objective IV - Enforcement: to support enforcement of consumer rights by strengthening cooperation between national enforcement bodies and by supporting consumers with advice

Indicator	Source	Current situation	Target
Level of information flow and cooperation within the CPC Network: - number of requests to exchange information between CPC authorities - number of requests for enforcement measures between CPC authorities - number of alerts within the CPC network	CPC Network Database (CPCS)	annualised averages 2007-2010 129 142 63	- increase of 30 % by 2020 - increase of 30 % by 2020 - increase of 30 % by 2020
<i>% of enforcement requests handled within 12 months within the CPC network</i>	<i>CPC Network Database (CPCS)</i>	<i>50 % (reference period 2007-2010)</i>	<i>60 % by 2020</i>
<i>% of information requests handled within 3 months within the CPC Network</i>	<i>CPC Network Database (CPCS)</i>	<i>33 % (reference period 2007-2010)</i>	<i>50 % by 2020</i>
Number of contacts with consumers handled by the European Consumer Centres (ECC)	ECC report	71 000 in 2010	Increase of 50 % <i>by 2020</i>
<i>Number of visits to the websites of the ECCs</i>	<i>ECC-Net Evaluation Report</i>	<i>1 670 000 in 2011</i>	<i>Increase of 70 % by 2020</i>

These indicators might be *considered in conjunction with general context and horizontal* indicators.