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**REPORT FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT, THE  
COUNCIL, THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE AND THE  
COMMITTEE OF THE REGIONS**

**on the mid-term evaluation of the Consumer Programme 2014-2020**

{COM(2019) 490 final}

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## Glossary

<i>Term or acronym</i>	<i>Meaning or definition</i>
ADR	Alternative Dispute Resolution
BEUC	Bureau Européen des Unions de Consommateurs
CHAFEA	Consumers, Health, Agriculture and Food Executive Agency
CPC	Consumer Protection Cooperation
DG COMP	Directorate-General Competition
DG DIGIT	Directorate-General Informatics
DG ESTAT	Directorate-General Eurostat - European statistics
DG FISMA	Directorate-General Financial Stability, Financial Services and Capital Markets Union
DG GROW	Directorate-General Internal Market, Industry, Entrepreneurship and SMEs
DG JRC	Directorate-General Joint Research Centre
DG JUST	Directorate-General Justice and Consumers
DG SANTE	Directorate-General Health and Food Safety
DG TAXUD	Directorate-General Taxation and Customs Union
ECCG	European Consumer Consultative Group
EEA	European Economic Area
EFTA	European Free Trade Association
GDP	Gross Domestic Product

MF	Multiannual Financial Framework
ODR	Online Dispute Resolution
NGOs	Non-governmental organizations
RAPEX	Rapid Alert System for dangerous non-food products
REFIT	The Commission's Regulatory Fitness and Performance programme
SMEs	Small and medium-sized enterprises
TFEU	Treaty on the Functioning of the European Union

## **1. INTRODUCTION**

### **1.1. PURPOSE OF THE EVALUATION**

The present evaluation covers the mid-term evaluation of the Consumer Programme 2014-2020. The legal act establishing the Consumer Programme contains a legal obligation to perform an evaluation<sup>1</sup>.

The Consumer Programme 2014-2020 builds on and continues the actions funded under the Consumer Programme 2007-2013. The most successful elements of the previous Programme have been maintained in the new Programme. The results of the mid-term evaluation fed into the design of the post-2020 Multi-annual Financial Framework.

The purpose of the mid-term evaluation of the Consumer Programme 2014-2020 is to review the achievement of the objectives of all the measures (at the level of outputs, results and impacts, the latter to the extent possible), 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 of the Regulation, the allocation of funds to the beneficiaries, the efficiency of the use of resources and the programme's European added value, taking into consideration developments in the area of consumer protection and other consumer-relevant EU policies, with a view to a decision on the renewal, modification or suspension of the actions.

The evaluation addresses the scope for simplification, the programme's internal and external coherence including possible synergies/complementarities with other EU programmes, the continued relevance of all objectives, as well as the contribution of the measures to the Union priorities of smart, sustainable and inclusive growth. The longer-term impacts and the sustainability of effects of the programme have been evaluated to the extent feasible given that the programme is still being implemented with a view to feeding into a decision on a possible renewal, modification or suspension of a subsequent programme in terms of scope, nature and cost.

### **1.2. SCOPE OF THE EVALUATION**

The evaluation reviews the state of play regarding the implementation of all the measures and their effects at the level of outputs, results and impacts and of the eligible actions set out in Article 4 and the specific actions referred to in Annex I of the Regulation.<sup>2</sup>

The evaluation considers the implementation of the Programme in all EU Member States (taking account of the date of accession), as well as in Norway and Iceland.

The evaluation period is the period covered from 2014 until 2017. While some of the actions committed at the end of the period are also included in the evaluation for

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<sup>1</sup> The mid-term evaluation of the Consumer Programme 2014-2020 is a legal obligation according to Article 13(2) of Regulation (EU) No 254/2014 on a multiannual Consumer Programme for the years 2014-2020. According to this Regulation, by 30 September 2017, the Commission shall submit the evaluation report on the review undertaken to the European Parliament and the Council.

<sup>2</sup> Due to the timing of the 2014-2020 mid-term evaluation, some final deliverables or data, in particular for the legal commitments signed in 2016 and 2017, were not available at the time of evaluation.

budgetary purposes, they are not taken into the consideration for the evaluation questions.

This evaluation covers some aspects related to the management of actions carried out by the Consumers, Health, Agriculture and Food Executive Agency, (hereafter referred as "CHAFEA"). Such management of actions have only been taken into account to the extent that they may be relevant for the evaluation of the financial programme as defined by the evaluation questions, in particular with regards to the efficiency and effectiveness, and scope for simplification aspects.<sup>3</sup>

## 2. BACKGROUND TO THE INTERVENTION

### 2.1. POLICY CONTEXT

Article 169 of the Treaty on the Functioning of the European Union requires the EU to contribute to protecting the health, safety and economic interests of consumers through actions in the field of consumer protection and also to take consumer protection requirements into account in defining and implementing other Union policies and activities. This can be achieved as a part of the efforts to build a proper functioning internal market in which both consumers and business benefit equally. In addition, the EU may adopt measures to support, supplement and monitor the policy pursued at national level to promote consumers' rights to information, education and to organise themselves.

With consumer spending accounting for 56% of the EU GDP, consumers can play a crucial role in achieving the EU goals of stimulating economic growth, employment and competition. The overarching objective of consumer policy is therefore to empower Europe's 500 million consumers by providing them with the tools necessary for their active participation in the market, by making products and services markets work for them, by facilitating the exercise of their power of choice and ensuring that their rights are properly enforced.

Against this background, the EU has put in place over the past 60 years a set of consumer rights and policies that aim to achieve this objective, either through horizontal instruments or sector-specific legislation. Recent efforts to keep this framework up-to-date and fit to address evolving markets include the review of the Consumer Protection Cooperation Regulation<sup>4</sup> as well as the REFIT/Fitness Check<sup>5</sup> of Consumer and

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<sup>3</sup> The work and management of the agency *per se* are not in the scope of the evaluation, but they are subject to a separate evaluation exercise.

<sup>4</sup> Regulation (EU) 2017/2394 of the European Parliament and of the Council of 12 December 2017 on cooperation between national authorities responsible for the enforcement of consumer protection laws and repealing Regulation (EC) No 2006/2004.

<sup>5</sup> Results of the Fitness Check of consumer and marketing law and of the evaluation of the Consumer Rights Directive: [http://ec.europa.eu/newsroom/just/item-detail.cfm?item\\_id=59332](http://ec.europa.eu/newsroom/just/item-detail.cfm?item_id=59332)

Marketing Law, which led to the adoption in April 2018 of the New Deal for Consumers<sup>6</sup>.

To implement its consumer policies, the European Commission set out its strategic vision for an EU consumer policy during the reference period of the evaluation in the Consumer Policy Strategy for the years 2007 – 2013<sup>7</sup> and later in the European Consumer Agenda<sup>8</sup> adopted in 2012. Under the current Commission, the Juncker Commission's Priorities provide a framework for the EU consumer policy, in particular the following priorities: (1) “A Connected Digital Single Market”; (2) “A Deeper and Fairer Internal Market with a Strengthened Industrial Base” and (3) “A Resilient Energy Union with a Forward-Looking Climate Change Policy”. These documents lay down the policy priorities to support consumers' interests.

For the period covered by this evaluation, the practical realisation of these priorities was underpinned by funding from the EU budget granted through the multi-annual Consumer Programme 2014-2020.

## **2.2. DESCRIPTION OF THE INTERVENTION AND ITS OBJECTIVES**

The Consumer Programme 2014-2020 with an amount of EUR 188.8 million for the years 2014-2020 was established by Regulation (EU) No 254/2014 of the European Parliament and of the Council of 26 February 2014<sup>9</sup>. It was adopted to support the implementation of the policy priorities set out in the European Consumer Agenda - Boosting Confidence and Growth.

This programme aims to help citizens fully enjoy their consumer rights and actively participate in the Single Market, thus supporting growth, innovation and meeting the objectives of Europe 2020. In particular, actions funded under the Programme 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.

The programme builds on the actions funded under the previous programme covering the period 2007-2013. It ensures a smooth transition and a continuation of the multiannual measures while taking into account the mid-term evaluation of the previous programme's successes and areas requiring more attention.

By and large the actions to be financed under the Consumer Programme 2014-2020 show a large degree of continuity with the previous programme. They have however been re-organised under four key objectives (as opposed to two broader objectives focusing on consumer protection and effective application of consumer protection rules under the

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6 [http://ec.europa.eu/newsroom/just/item-detail.cfm?item\\_id=620435](http://ec.europa.eu/newsroom/just/item-detail.cfm?item_id=620435)

7 COM/2007/0099

8 COM(2012) 225

9 <http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32014R0254&from=EN>

previous programme) with a view to reflect the main priorities of the 2012 Consumer Agenda and notably a stronger focus on access to redress and enforcement, as follows:

1. Objective I — Safety: to consolidate and enhance product safety through effective market surveillance throughout the Union.
2. 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.
3. 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.
4. Objective IV — Enforcement: to support enforcement of consumer rights by strengthening cooperation between national enforcement bodies and by supporting consumers with advice.

Only two actions of the Consumer Programme 2007-2013 do not feature in the Consumer Programme 2014-2020, namely the financial contribution to ANEC, which represents consumer interests in standardisation, and was transferred to Regulation (EU) No. 2015/2012<sup>10</sup> at the end of the 2007-2013 Consumer Programme and is now under the administration of DG GROW and the Financial contributions for the development of integrated European Master Degree courses in consumer issues which were intended to provide initial support for the selected academic consortia and were explicitly non-renewable grants.<sup>11</sup>

The implementation of the 2014-2020 Consumer Programme also takes account of the guidance provided by the following Juncker Commission priorities: a deeper and fairer internal market, a connected digital single market, and a more resilient Energy Union. Furthermore, the Programme supports the consumer-relevant policy contribution to Sustainable Consumption/Circular Economy initiatives planned in 2017, in particular in the context of the EU Circular Economy Action Plan.

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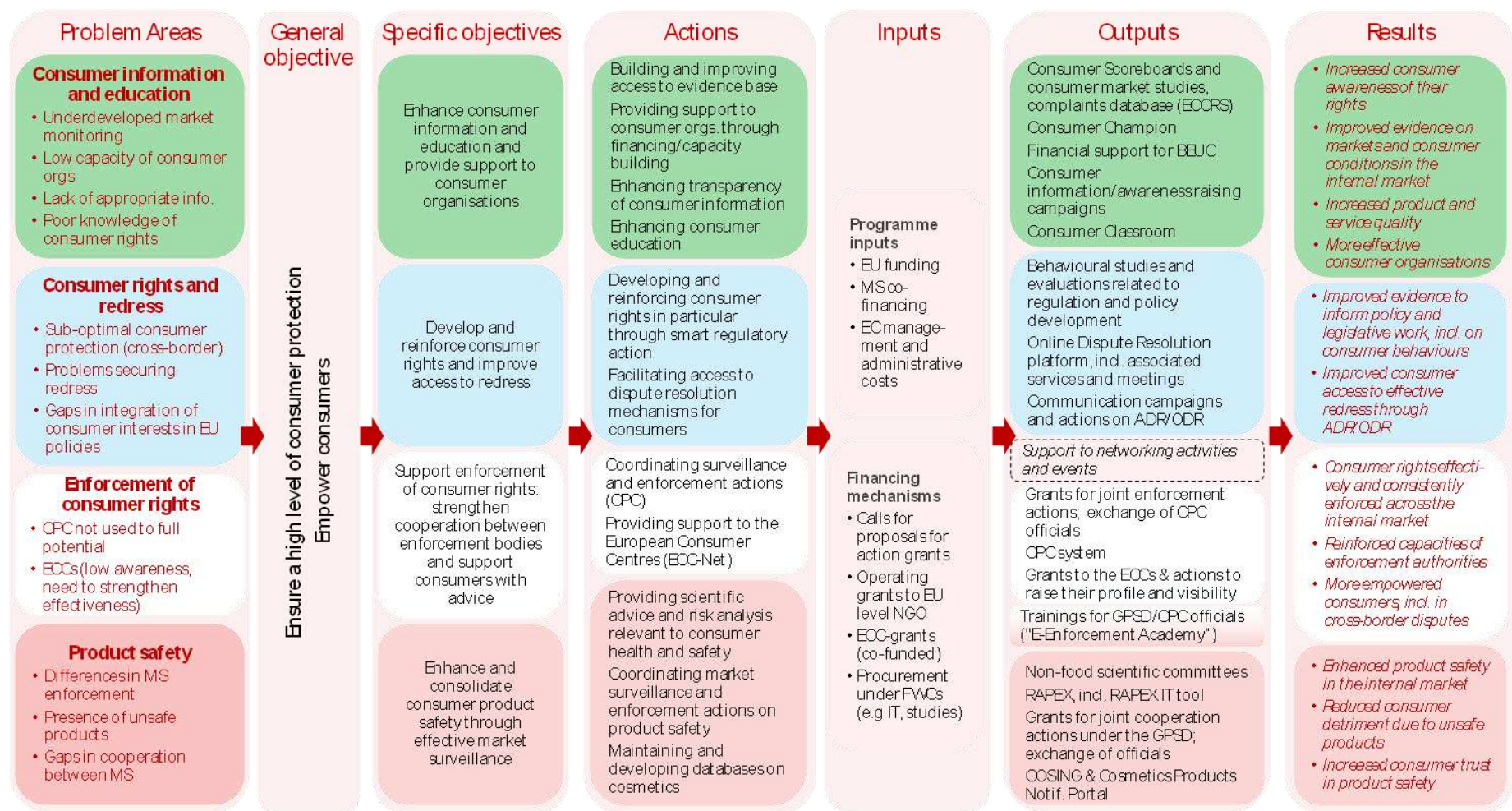
10 Regulation (EU) No 2015/2012 of the European Parliament and of the Council of 25 October 2012 on European standardisation, amending Council Directives 89/686/EEC and 93/15/EEC and Directives 94/9/EC, 94/25/EC, 95/16/EC, 97/23/EC, 98/34/EC, 2004/22/EC, 2007/23/EC, 2009/23/EC and 2009/105/EC of the European Parliament and of the Council and repealing Council Decision 87/95/EEC and Decision No 1673/2006/EC of the European Parliament and of the Council

11 European Commission/Ecorys UK, Evaluation of consumer education, information and capacity building actions: Final report (2011) (p.104)



The intervention logic underpinning the Consumer Programme 2014-2020 can be found hereafter.

**Figure 1: Consumer Programme 2014-2020 – Intervention logic**



The programme aims to achieve the above described objectives by providing financial support to actions that support and complement Member States' policy. For instance, while the enforcement of consumer rights is the prerogative of national authorities, the programme contributes to enhance the effectiveness of national enforcement by facilitating the cooperation between enforcement authorities in Member States.

### **2.3. BASELINE AND POINTS OF COMPARISON**

As clarified in the previous section, even though the Consumer Programme 2007-2013 was organised around two broad objectives as opposed to the four more targeted objectives of the current programme, both programmes aim at addressing similar challenges in a continuous way. As such, the baseline for the Consumer Programme 2014-2020 is the situation at the end of the Consumer Programme 2007-2013:

- As regard Objective I - product safety: whilst product safety was not a self-standing objective under the previous programme, both the mid-term evaluation of the Consumer Programme 2007-2013 and the impact assessment of the Consumer Programme 2014-2020 highlighted the continued existence of problems in the area of product safety. Product safety became a stand-alone objective of the Consumer Programme 2014-2020 notably with a view to address differences in the enforcement of product safety legislation between Member States as well as their difficulties in working together in the absence of a clear pan-European enforcement framework and against the background of the increasing globalisation of production chains and the rise of e-commerce.

- As regard Objective II - Consumer information, education and support to consumer organisations: while actions covered by this objective under the current programme were spread across the two general objectives of the Consumer Programme 2007-2013, both the mid-term evaluation of the latter programme and the impact assessment of the Consumer Programme 2014-2020 concluded that problems continued to exist in the area of consumer information, education and support to consumer organisations, justifying the need to keep the focus on these areas. The impact assessment of the current Programme also noted that consumer markets monitoring was still relatively underdeveloped, in particular with respect to the understanding of 'actual' consumer behaviour and decision-making processes<sup>12</sup>. Uneven capacity between consumer organisations in different Member States was also noted as a problem in the impact assessment for the current Programme. also in addition it reported that less than half of EU consumers (44%) felt 'confident, knowledgeable, and protected' as consumers<sup>13</sup>; a situation confirmed by the 2013 Consumer Scoreboard<sup>14</sup> and a 2011 Consumer Empowerment Survey<sup>15</sup>. The consumer information and education tools funded under the previous Consumer Programme were also considered to be inadequate<sup>16</sup>.

- As regard Objective III – Rights and redress: The mid-term evaluation of the Consumer Programme 2007-2013 and the impact assessment for the current Consumer Programme identified a number of continuing problems related to consumer rights and redress. Both noted that consumer rights were still inadequately protected, especially in a cross-border

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12 Impact assessment of the Consumer Programme 2014-2020, p. 13

13 Impact assessment of the Consumer Programme 2014-2020, p. 14

14 European Commission, Consumer conditions scoreboard 9th edition (2013)

15 European Commission/TNS Opinion & Social, Special Eurobarometer 342: Consumer Empowerment (2011)

16 European Commission, Consumer Policy: Ex-post and Mid-term Evaluations Final Report (2011), p. 173; Impact assessment of the Consumer Programme 2014-2020, p. 15; European Commission/Ecorys UK, Evaluation of Consumer Education, Information and Capacity Building Actions: Final Report (2011)

context, with the result that consumers feel less confident shopping cross-border than domestically.<sup>17</sup> The impact assessment for the current Programme noted that consumer awareness about means of redress was insufficient, and that vulnerable consumers (especially the less educated and the elderly) were particularly reluctant to seek redress, even though they are no less likely than the general population to experience problems.<sup>18</sup> The mid-term evaluation of the Consumer Programme 2007-2013 concluded that additional steps had been taken between 2011 and 2013 to address these problems, i.e. the development of the Online Dispute Resolution (ODR) platform and the funding of a study on consumer vulnerability, but that the problems identified above remained relevant at the start of the Consumer Programme 2014-2020<sup>19</sup> justifying the need to keep the focus on these areas.

- As regard Objective IV – enforcement: The mid-term evaluation of the Consumer Programme 2007-2013 and the impact assessment for the current Programme concluded that problems continued to exist in the area of enforcement of consumer rights, particularly in a cross-border context, justifying the need to keep on focusing on enforcement. The mid-term evaluation notably highlighted that such problems of poor enforcement resulted in EU consumers being less effectively protected when shopping cross-border than domestically, especially with respect to online sales.<sup>20</sup> The ECC-Net was also not considered to be reaching its full potential in cross-border enforcement, principally due to low awareness among consumers<sup>21</sup>.

### **3. IMPLEMENTATION / STATE OF PLAY**

#### **3.1. PROGRAMME MANAGEMENT**

The programme identifies priorities and for each priority the type of actions that are eligible for funding<sup>22</sup>. These actions are listed in the respective legal act establishing the programme, notably in the annex.

The programme has been implemented by means of annual work programmes adopted by the Commission with the assistance of an advisory Committee formed by representatives from Member States<sup>23</sup>. Each annual work programme sets out the actions to be undertaken in a given year, including the allocation of financial resources, as well as the selection and award criteria and criteria for the percentage of EU financial contributions. The actions have been implemented mainly by calls for tender and calls for proposals.

The beneficiaries of the financial support are public bodies and private non-profit-making bodies in the Member States, including officials responsible for enforcing consumer protection legislation (e.g. exchanges of officials), or European consumer organisations, higher education institutions, students or teachers. The Programme is monitored through a series of indicators set out in Annex II of the legal act establishing it.

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17 European Commission, Consumer Policy: Ex-post and Mid-term Evaluations Final Report (2011), p. 171-172; Impact assessment of the Consumer Programme 2014-2020, p. 15

18 Impact assessment of the Consumer Programme 2014-2020, p. 16

19 See section 7 and the conclusions of Part 2 of this study.

20 European Commission, Consumer Policy: Ex-post and Mid-term Evaluations Final Report (2011), p. 115-116, 171-172

21 Impact assessment of the Consumer Programme 2014-2020, p. 16 (fn 13)

22 See Articles 2 and 6 of the 2007 -2013 Programme and Articles 4 and 9 of the 2014 – 2020 Programme

23 The committee is an advisory committee as defined by Regulation (EU) No 182/2011

Since 2008 an important part of the multi-annual programmes is implemented by an executive agency established in Luxembourg, currently referred to as the "Consumers, Health, Agriculture and Food Executive Agency (CHAFFEA)"<sup>24</sup>. For each annual work programme, the Agency and Directorate-general for Justice and Consumers jointly agree what actions will be implemented by the agency.

### 3.2. STATUS OF IMPLEMENTATION

The implementation of the Consumer Programme 2014 – 2020 is ongoing: most of the related performance indicators expected for 2014, 2015 and 2016 have been achieved. The 2014, 2015 and 2016 annual work programmes, with a budget of EUR 21.9 million, EUR 22.5 million and EUR 23.7 million respectively, were executed, with a final rate of implementation of 98,3%, 99% and 99,52% respectively. The implementation of the work programmes proceeded as planned except that the absorption of the budget by the Member States was lower than expected and the unused budget has been channelled to awareness raising campaigns.

Please find here below the main results in terms of implementation activities per objective. Further information is included in the section on the effectiveness criterion.

#### Objective I

In the table below, both indicators for the evaluation period 2014-2017 for Objective I are presented. The percentage of RAPEX<sup>25</sup> notifications entailing at least one reaction by other Member States amounted on average to 43% in the 2014-2017 period (46% in 2017), thereby in the last year almost reaching the target set for 2020. The *ratio* of the number of reactions to the number of serious risk notifications already reached the envisaged target, with an average of 1.58 in the 2014-2017 period (1.66 in 2017).

**Table 1: Indicators defined in the Regulation<sup>26</sup> for Objective I**

Rapid Alert System for dangerous non-food products (RAPEX)			
<b>Indicators provided in Regulation</b>	According to Article 3(1)(a) the objective will be measured in particular through the activity and effectiveness of the EU rapid alert system for dangerous consumer products (RAPEX).		
	As specified in Annex II of the Regulation, relevant indicators are:		
	<u>Indicator:</u>	<u>Baseline (2010) provided in Regulation</u>	<u>Target in Regulation (by 2020)</u>
	% of RAPEX notifications entailing at least one reaction	43% (843 notifications)	Increase of 10% by 2020
			46% (2017) <sup>j</sup>

24 For more details on the executive agency please refer to : <http://ec.europa.eu/chafea/about/about.html>

25 Article 12 of the General Product Safety Directive (2001/95/EC) (GPSD) establishes the European Rapid Alert System for dangerous products to ensure that information about dangerous products withdrawn from the market and/or recalled from consumers anywhere in Europe is quickly circulated between Member States and the European Commission, so that appropriate action can be taken everywhere in the EU.

26 Regulation (EU) No 254/2014 of the European Parliament and of the Council of 26 February 2014 – thereafter ‘the Regulation’.

	(by other Member States)		[47.5%]	
	Ratio number of reactions/number of notifications (serious risks)*	1.07	Increase of 15% by 2020 [1.23]	1.66 (2017) <sup>h)</sup>

The table below shows that interviewees assessed activities under the previous Programme on average with 3.8, and activities under the current Programme with 3.9, a stable assessment with a slight positive trend. In both Programs, largely the same activities were funded (except the E-Enforcement Academy, and the databases on cosmetics, which were only funded under the current Programme).

**Table 2: Overview of progress made during evaluation period (stakeholder assessment of activities - Objective I)**

Indicator	Baseline (annual average 2011-13)	Evaluation period (annual average 2014-17)	Progress made
Effectiveness of activities funded under Objective I (on a scale of 1 to 5)	Largely effective (3.8) <sup>a)</sup>	Largely effective (3.9)	<b>O / +</b> (slight positive trend)
Benefits achieved (on a scale of 1 to 5)	Moderately achieved (3.1) <sup>a)</sup>	Moderately achieved (3.3)	<b>O / +</b> (slight positive trend)

++ = significant progress made; + = progress made; **O** = stable; – = negative trend.

Notes: Averages calculated on basis of the available annual data.

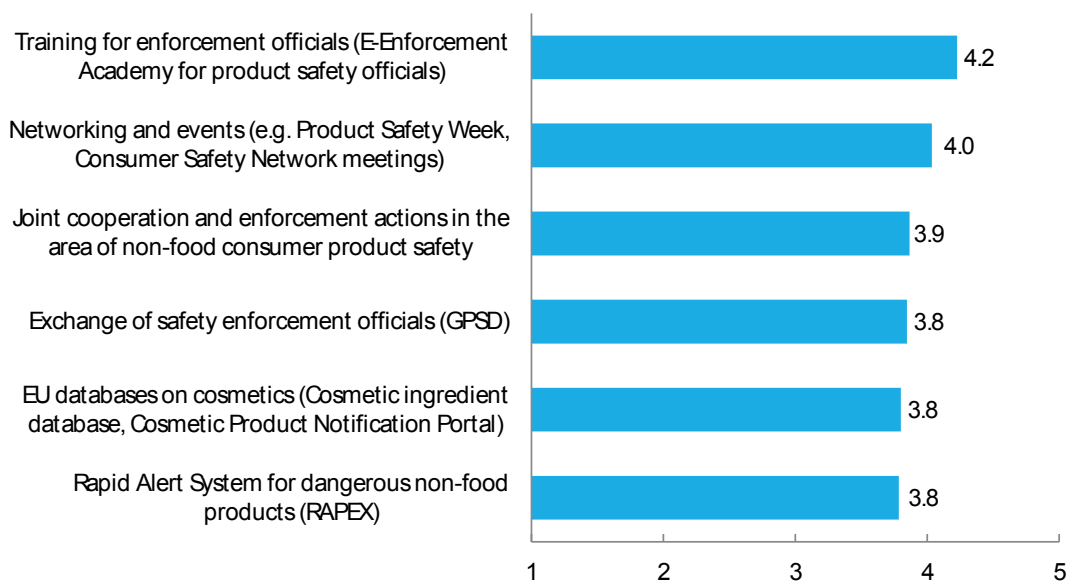
a) Baseline value for whole Programme period CP 2007-2013 )

Regarding the positive assessment by stakeholders per activities under Objective I,<sup>27</sup> *Training for enforcement officials* received the highest average rating in terms of effectiveness (4.2) 28, followed by *Networking and events* (4.0), then in descending order the joint actions, exchange of officials, the EU database on cosmetics, and RAPEX (3,8), see below.

Figure 1: To what extent have these activities been effective in consolidating and enhancing product safety through market surveillance in the European Union? CP 2014-2020. Average assessments on a scale of 1 (Not at all effective) to 5 (Very effective)

27 For details, please see in section on effectiveness criterion.

28 On a scale from 1 to 5, with 5 being the best mark possible.



Source: Civic Consulting, stakeholder interviews, question 3. N=22, 55, 45, 26, 15, 70 (in the order of activities from top to bottom). Not included were interviewees who answered “don’t know” or who did not provide an assessment because they did not participate in or use the output of the listed activities.

As well positive is the perception of the benefits that most of these activities have achieved in the Member States with better information on unsafe products for enforcement authorities achieving the highest average score (of 4.0), followed by better trained enforcement officials (3.7), better cooperation with enforcement authorities (3.6), better information for consumers (3.5), improved market surveillance and enforcement (3.4) and better information for businesses (3.4), see table below.

**Figure 2: Please assess to what extent these activities have achieved the following benefits in your country – CP 2014-2020.**





Source: Civic Consulting, stakeholder interviews, question 4. N=63, 45, 53, 71, 64, 47, 36, 53, 28 (in the order of activities from top to bottom). Not included were interviewees who answered “don’t know” or who did not provide an assessment because they did not participate in or use the output of the listed activities.

## Objective 2

The only target set for Objective II on consumer information and education that concerns the **European Consumer Complaints Registration System-ECCRS** has been achieved, and even surpassed. The indicator, i.e. the number of complaint bodies and number of countries submitting complaint data to the complaint database increased from 37 complaint bodies representing 13 countries in 2014 to 73 complaint bodies representing 20 countries in 2015.<sup>29</sup>

**Table 3: Indicators provided in Annex II of the Regulation (Objective II)**

ECCRS and related support measures				
Indicators provided in Regulation <sup>30</sup>	<u>Indicator:</u>	<u>Baseline (2012) provided in Regulation:</u>	<u>Target in Regulation (by 2020):</u>	<u>Interim status: (2015)<sup>g)</sup></u>
	<i>Number of complaint bodies and number of countries submitting complaints to the ECCRS</i>	<i>33 complaint bodies from 7 countries</i>	<i>70 complaint bodies from 20 countries</i>	<i>73 complaint bodies from 20 countries</i>

Interviewees considered the activities funded under Objective II of the current Programme on average to be largely effective, as was already the case for the previous Programme. A slight downward trend is noted, but mostly due to the ECCRS, which is the only new activity under Objective II of the current Programme, and assessed lowest. This is illustrated in the figure below:

<sup>29</sup> DG JUST 2014, 2015 Activity Reports, including Annexes; see fact sheet CP2014-20 Action 6 (sources g, h)

<sup>30</sup> Annex II of the Regulation (EU) No 254/2014 of 26 February 2014 on a multiannual Consumer Programme for the years 2014-20; see fact sheet CP2014-20 Action 6

**Table 4: Overview of progress made during evaluation period (stakeholder assessment of activities - Objective II)**

Indicator	Baseline (annual average 2007-13) <sup>a)</sup>	Evaluation period (annual average 2014-17)	Progress made
Effectiveness of activities funded under Objective II (on a scale of 1 to 5)	Largely effective (3.8)	Largely effective (3.7)	– / <b>O</b> (slight negative trend)
Benefits achieved (on a scale of 1 to 5)	Moderately achieved (3.2)	Moderately achieved (3.2)	<b>O</b>

++ = significant progress made; + = progress made; **O** = stable; – = negative trend.

Notes: Averages calculated on basis of the available annual data.

a)Assessment concerns the whole Programme period 2007-2013

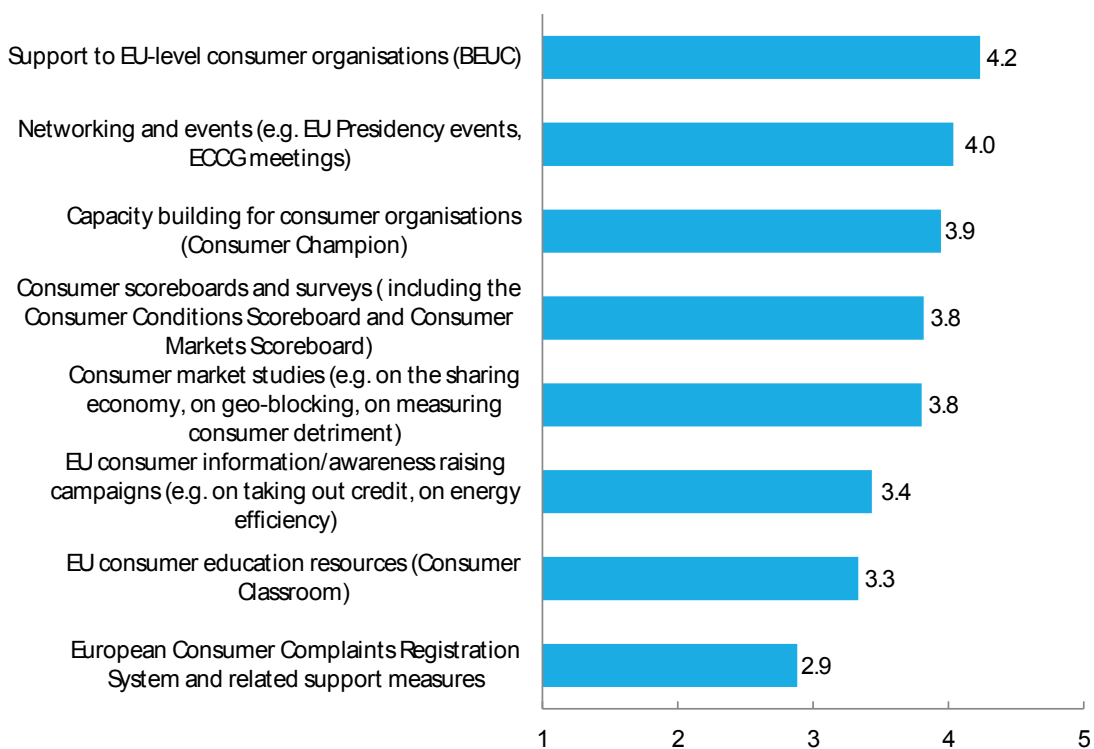
The activities that were considered to be the most effective in reaching Objective II were *Support to EU-level consumer organisations (BEUC)* (average rating of 4.2), *Networking and events* (4.0), the *Consumer Champion Programme* (3.9) and *Consumer scoreboards/market studies* (both 3.8). As mentioned above, the ECCRS has received the lowest average assessment (2.9) by stakeholders in terms of its effectiveness (i.e. slightly less than "moderately effective"), and second lowest (3.0) in terms of benefits achieved.<sup>31</sup>

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<sup>31</sup> Illustration of the reasons of such an assessment are provided in the section on the effectiveness criterion.



**Figure 3: To what extent have these activities been effective in improving consumer education/information, developing the evidence base for consumer policy and providing support to consumer organisations? CP 2014-2020.** Average assessments on a scale of 1 (Not at all effective) to 5 (Very effective)

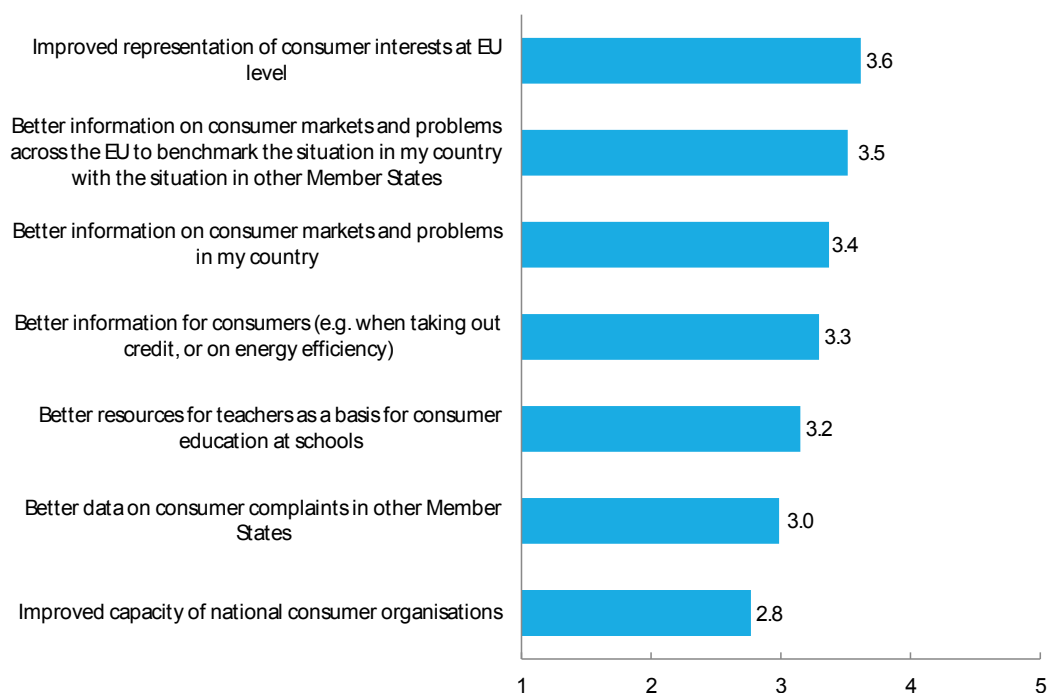


Source: Civic Consulting, stakeholder interviews, question 6. N=51, 83, 36, 77, 76, 53, 39, 34 (in the order of activities from top to bottom). Not included were interviewees who answered “don’t know” or who did not provide an assessment because they did not participate in or use the output of the listed activities.

In terms of benefits, *Improved representation of consumer interests at EU level* and *Better information on consumer markets and problems across the EU to benchmark the situation in my country with the situation in other Member States* were rated, on average, with the highest level of achievement (3.6 and 3.5). *Improved capacity of national consumer organisations* was ranked the lowest in terms of level of achievement (particularly among consumer organisations)<sup>32</sup> with an average assessment of 2.8. These benefit ratings tally with assessments made regarding effectiveness – notably the high average rating for support to BEUC is reflected in the high average rating of improved representation of consumer interest at the EU level, see Figure below:

<sup>32</sup> “Improved capacity of national consumer organisations” received an average assessment of 2.5 from consumer organisations.

**Figure 4: Please assess to what extent these activities have achieved the following benefits in your country – CP 2014-2020. Average assessments on a scale of 1 (Not at all achieved) to 5 (Fully achieved)**



Source: Civic Consulting, stakeholder interviews, question 7. N=81, 93, 94, 78, 53, 77, 65. (in the order of activities from top to bottom). Not included were interviewees who answered “don’t know” or who did not provide an assessment because they did not participate in or use the output of the listed activities.

### Objective III

As shown by the table below, the target set in the Regulation regarding the number of complaints registered on the ODR platform could be reached, despite the limited period of time that the platform has been operational (since 2016):

**Table 5: Indicators provided in Annex II of the Regulation - ODR Platform**

Indicators provided in Regulation <sup>33</sup>	<i>Indicator:</i>	<i>Baseline (2010) provided in Regulation:</i>	<i>Target in Regulation (by 2020):</i>	<i>Interim status:</i>
	<i>Number of cases dealt with by a Union-wide online dispute resolution (ODR) system</i>	<i>17 500 (complaints received by ECCs related to e-commerce transactions)</i>	<i>100 000</i>	<i>55 002 (2017)</i>

<sup>33</sup> Annex II of the Regulation (EU) No 254/2014 of 26 February 2014 on a multiannual Consumer Programme for the years 2014-20; see fact sheet CP2014-20 Action 9.

**Table 6: Indicators provided in Annex II of the Regulation – consumer action in response to a problem**

Indicators provided in Regulation	<u>Indicator:</u>	<u>Baseline (2010) provided in Regulation:</u>	<u>Target in Regulation (by 2020):</u>	<u>Interim status:</u>
	% of consumers who took action in response to a problem encountered in the past 12 months	83%	90%	69% (2016)

Despite the introduction of ADR mechanism and ODR platform, the percentage of consumers taking action (i.e. complaining) in response to a problem encountered has actually declined from the baseline level of 83% in 2010 to 69% in 2016.<sup>34</sup>

Unresolved cases referred by ECCs to ADR bodies in 2016 constituted 18%, as shown in the table below. Although this proportion represents a doubling of the baseline value provided in 2010 (9%), the Regulation target of 75% by 2020 will not be reached, if a similar trend remains.

**Table 7: Indicators provided in Annex II of the Regulation – cases dealt with by the ECCs which were subsequently referred to ADR**

Indicators provided in Regulation	<u>Indicator:</u>	<u>Baseline (2010) provided in Regulation:</u>	<u>Target in Regulation (by 2020):</u>	<u>Interim status:</u>
	% of those cases dealt with by the ECCs and not resolved directly with traders which were subsequently referred to ADR	9%	75%	18% (2016)

Activities funded under Objective III in stakeholders' views were considered on average moderately effective under both Programmes (see table below).

<sup>34</sup> Note however that the wording and response options for this question in the Consumer Scoreboards was changed substantively between 2011 and 2012, limiting the comparability between these periods. For further explanation see par. 3.2 implementation status under Objective II.

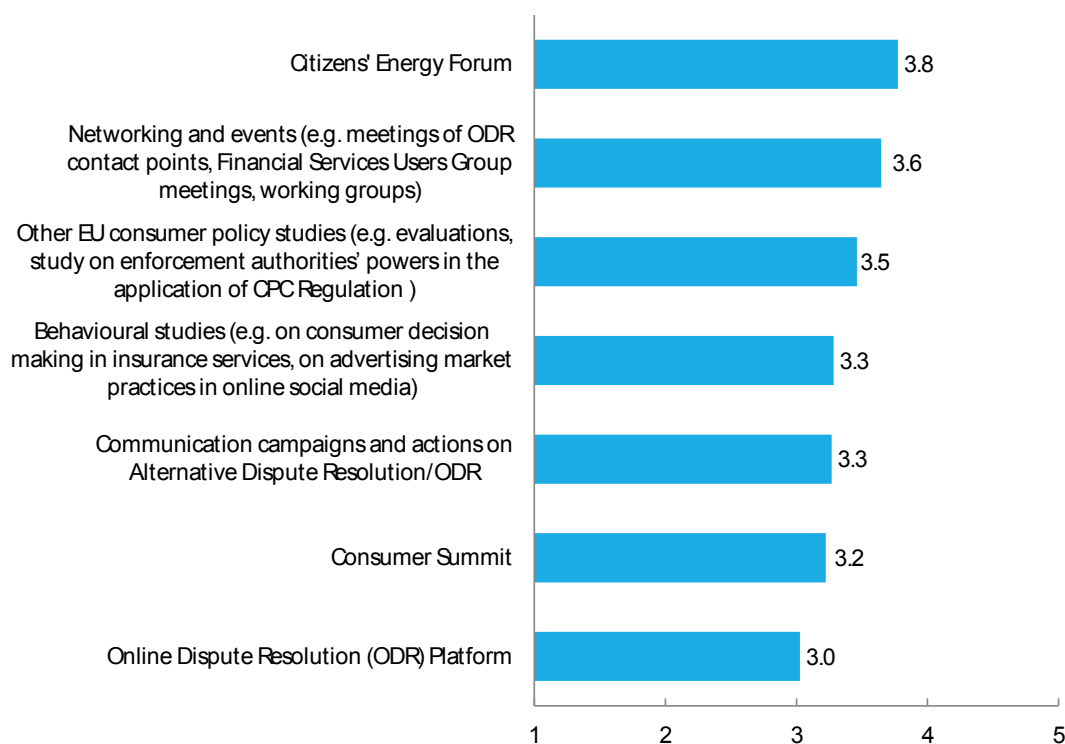
**Table 8: Overview of progress made during evaluation period (stakeholder assessment of activities – Objective III)**

Indicator	Baseline (annual average 2011-13)	Evaluation period (annual average 2014-17)	Progress made
Effectiveness of activities funded under Objective III (on a scale of 1 to 5)	Moderately effective (3.4) <sup>a)</sup>	Moderately effective (3.4)	○
Benefits achieved (on a scale of 1 to 5)	Moderately achieved (3.2) <sup>a)</sup>	Moderately achieved (3.1)	○

++ = significant progress made; + = progress made; ○ = stable; – = negative trend.

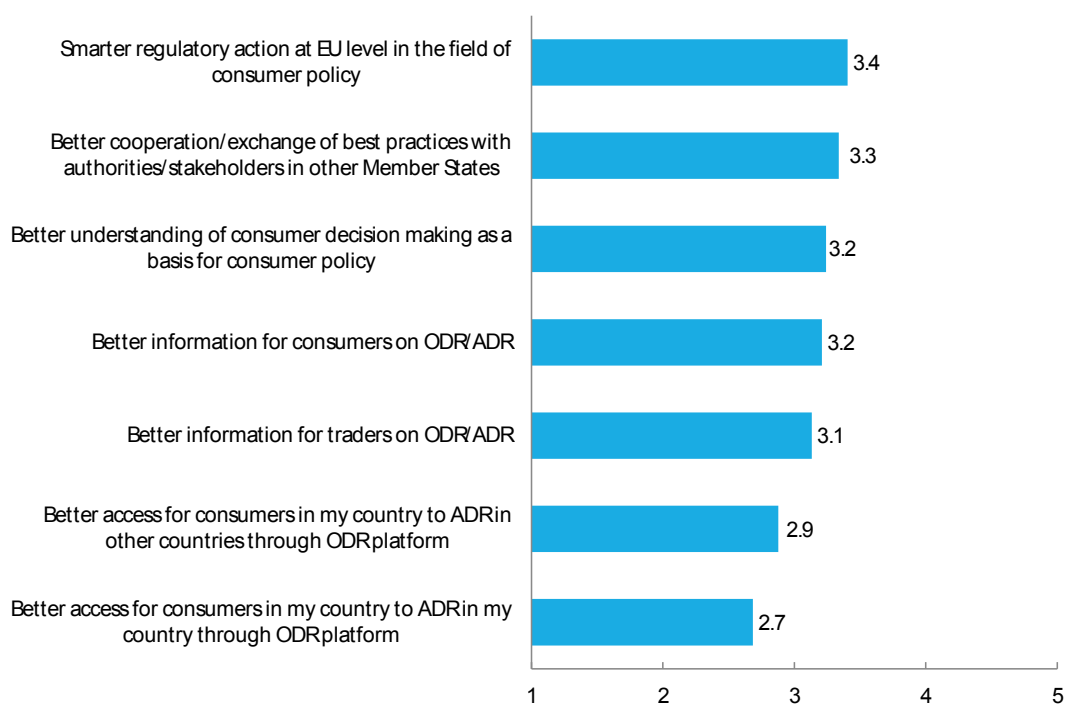
Notes: Averages calculated on basis of the available annual data. a) Baseline value for whole Programme period CP 2007-2013. ODR platform and communication campaigns on ADR/ODR were only funded under the 2014-2020 Programme, so that these activities are not assessed regarding CP 2013-2020.

Regarding the effectiveness of these activities in developing and reinforcing consumer rights through smart regulatory action and improving access to simple and low-cost redress, see below:



Source: Civic Consulting, stakeholder interviews, question 9. N=31, 76, 76, 53, 71, 85, 78 (in the order of activities from top to bottom). Not included were interviewees who answered “don’t know” or who did not provide an assessment because they did not participate in or use the output of the listed activities.

**Figure 5: With regard interviewees' views on benefits achieved by activities in their country:**

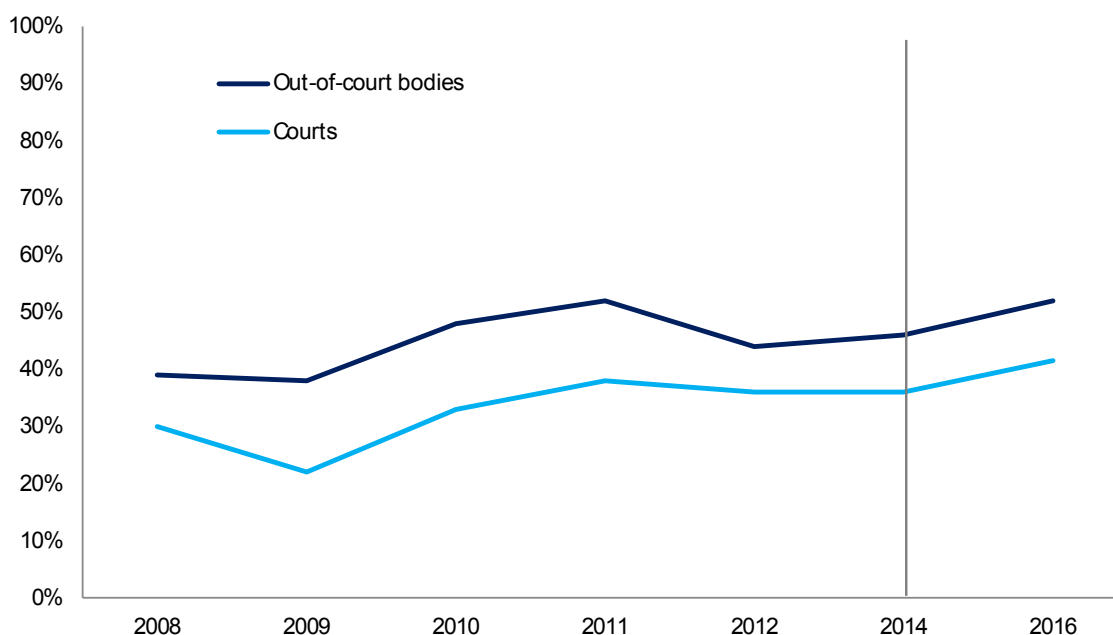


Source: Civic Consulting, stakeholder interviews, question 10. N=84, 83, 87, 95, 91, 82, 89 (in the order of activities from top to bottom). Not included were interviewees who answered "don't know" or who did not provide an assessment because they did not participate in or use the output of the listed activities.

It is interesting to note that consumers increasingly - from 39% in 2008 to 52% in 2016 - consider it easier to settle disputes with traders through out-of-court bodies than through the courts<sup>35</sup>, indicating an improvement in the accessibility of ADR during the evaluation period (see below).

<sup>35</sup> See par 3.3 Status of Implementation under Objective III

**Figure 6: Percentage of consumers who agree that it is easy to settle disputes with retailers and service providers through an out-of-court body or through the courts (EU average), 2008-2016**



Source: Own compilation based on year-over-year differences indicated in the Flash Eurobarometer 397 and the Commission's 2016 survey of consumers' attitudes toward cross-border trade and consumer protection. The vertical line represents the beginning of the Consumer Programme 2014-2020. Question text: How strongly do you agree or disagree with each of the following statements. In (our country) ... It is easy to settle disputes with retailers and service providers through an out-of-court body (i.e. arbitration, mediation or conciliation body) / It is easy to settle disputes with retailers and service providers through the courts. Shown above are those who 'Agree' and 'Strongly agree' with these statements.

#### **Objective IV**

As for the three indicators related to information exchange within the CPC network<sup>36</sup>, two (information requests, and enforcement requests) showed a substantial increase from the 2011-2013 baseline period to the year 2017, whereas the third one on alerts remained stable (see below Table 9).<sup>37</sup> Requests for enforcement measures reached in 2017 the highest number since the Network's inception (198), meeting already the target for 2020. For the additional indicators of the timely handling of information and enforcement requests<sup>38</sup>, the targets set in the Programme could be reached.<sup>39</sup>

<sup>36</sup> See Commission Work Programme 2018 "An agenda for a more united, stronger and more democratic Europe", COM/2017/0650 final.

<sup>37</sup> Requests for enforcement measures reached in 2017 the highest number since the Network's inception (198), meeting already the target for 2020. The 2017 number of alerts is still slightly below (but close to) the 2020 target

<sup>38</sup> According to the Operational Guidelines for coordinated enforcement within the CPC Network, requests for information should be handled within 3 months and requests for enforcement measures within 9-12 months. Impact Assessment 2016, p. 15.

<sup>39</sup> In the CPC Network, significant fluctuations in the types and numbers of request in different years can be observed, which likely depend on external circumstances, and the preferences of enforcement

The final two indicators in the Regulation to measure achievement of Objective IV concern the activity of the ECCs and how well known they are to consumers. The targets in the Regulation in this respect have been surpassed, which may be due to the exponential growth of the Internet and of users' access to online services, which contributes to an increase in online traffic in general, and also in cross-border B2C transactions (as well as related problems).

As shown in the above table, one of the targets for 2020 is 106 500 contacts with consumers, which was surpassed already in 2016. It can be projected that by 2020 the ECC-Net will reach even higher volumes. The other indicator concerns the number of visits to the websites. The projected number of website visits in 2017 at more than 8.5 million is already three times the targeted number for 2020. It can be concluded that the targets set by the Consumer Programme for the ECC-Net have already been more than met.

**Table 9: Overview of progress made during evaluation period (indicators set in the Regulation – Objective IV)**

Indicator	Baseline (annual average 2011-13) <sup>b)</sup>	Evaluation period (annual average 2014-17)	Targets in Regulation (by 2020)	Progress made
Number of requests to exchange information between CPC authorities	80	101 (2017: 80)	168 <sup>a)</sup>	<b>O / +</b> (stable if only 2017 is considered)
Number of requests for enforcement measures between CPC authorities	139	165 (2017: 198)	185 <sup>a)</sup>	<b>++</b> (target already achieved in 2017)
Number of alerts within the CPC Network	58	54 (2017: 78)	82 <sup>a)</sup>	<b>+</b> (target nearly achieved in 2017)
% of enforcement requests handled within 12 months within the CPC Network	47%	50% (2017: 24%)	60%	<b>O / –</b> (Negative trend, if only 2017 considered)

authorities for particular types of requests. When considering the overall information flow on basis of the annualised averages, the total number of requests per year has overall increased by 16% (from the baseline value of 277 requests per year for the period 2011-2013 to a total of 320 requests per year during the 2014-2017 period), which confirms an increasing information flow through the network and the trend towards achieving the related targets.

% of information requests handled within 3 months within the CPC Network	33% <sup>c)</sup>	45% (2017: 23%)	50%	+ / – (Negative trend, if only 2017 considered)
Number of contacts with consumers handled by the ECCs	74 182	99 756 (2016: 111 563)	106 500 <sup>a)</sup>	++ (target already achieved in 2016)
Number of visits to the websites of the ECCs	2 335 000 <sup>d)</sup>	5 579 663 (2017: 8 542 936)	2 839 000 <sup>a)</sup>	++ (target already achieved)

++ = significant progress made; + = progress made; ○ = stable; – = negative trend.

Notes: Averages calculated on basis of the available annual data. a) In Annex II of the Regulation, this target is provided as a specified percentage increase compared to the baseline value provided therein. For convenience reasons, the table provides the target in absolute values, calculated on the basis of the Regulation baseline and the target set. b) Note that baseline data has been updated. The baseline used in the Regulation is mostly the annualised average 2007-2010 (see Part 2 of this report for the related data). c) Average 2007-2010, no data available for 2011-2013. d) Average for years 2011 and 2013.

Stakeholders considered the activities implemented in the first four years of the current Consumer Programme under Objective IV to be largely effective, with a slight positive trend, when comparing them to the assessment of the 2007-2013 Programme.

**Table 10: Overview of progress made during evaluation period (stakeholder assessment of activities – Objective IV)**

Indicator	Baseline (annual average 2011-13)	Evaluation period (annual average 2014-17)	Progress made
Effectiveness of activities funded under Objective IV (on a scale of 1 to 5)	Largely effective (3.7) <sup>a)</sup>	Largely effective (3.8)	○ / + (slight positive trend)
Benefits achieved (on a scale of 1 to 5)	Moderately achieved (3.4) <sup>a)</sup>	Largely achieved (3.6)	+

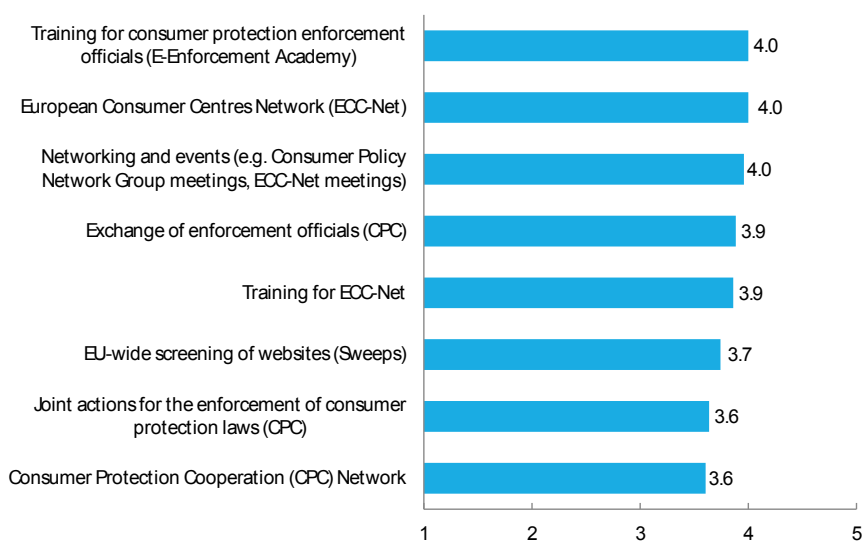
++ = significant progress made; + = progress made; ○ = stable; – = negative trend.

Notes: Averages calculated on basis of the available annual data.

The activities that were considered to be the most effective in contributing to Objective IV were *Training of consumer protection enforcement officials*, *European Consumer Centres Network* and *Networking and events* (all with an assessment of 4.0). Other activities were assessed slightly lower, but still as largely effective (with ratings between 3.9 and 3.6), see Figure below:



**Figure 7: To what extent have these activities been effective in supporting enforcement of consumer rights by strengthening cooperation between national enforcement bodies and by supporting consumers with advice?**



Source: Civic Consulting, stakeholder interviews, question 12. N=26, 67, 73, 26, 43, 58, 55, 71 (in the order of activities from top to bottom). Not included were interviewees who answered “don’t know” or who did not provide an assessment because they did not participate in or use the output of the listed activities.

Regarding the perceived benefits of the specific enforcement-related activities in their own countries, the highest rated were *Better advice for consumers in cross-border cases in the EU*, *Better training of ECC-staff* and *Other benefits*.

**Table 11: Overview of progress made during evaluation period (indicators for potential wider effects – Objective IV)**

Indicator	Baseline (annual average 2011-13)	Evaluation period (annual average 2014-17)	Progress made
Percentage of consumers who trust public authorities to protect their rights as a consumer	60%	65%	+
Percentage of consumers who agree that in general, retailers and service providers in their country respect the rules and regulations of consumer law	62%	73%	+
Percentage of consumers who encountered at least one problem that they considered legitimate to complain about (Eurobarometer data)	2012: 25%	21%	+
Percentage of retailers who agree that the public authorities actively monitor and ensure compliance with consumer legislation in their sector	75%	66%	–

++ = significant progress made; + = progress made; 0 = stable; – = negative trend.

Notes: Averages calculated on basis of the available annual data.

## 4. METHODOLOGY

### 4.1. SHORT DESCRIPTION OF METHODOLOGY

The evaluation was carried out between October 2017 and April 2018. The evaluation was supported by a study carried out by an external contractor. This evaluation also builds on the mid-term evaluation of the Consumer Programme 2007-2013 and the Impact Assessment for the current Programme, notably as regards the definition of the baseline.

For the purpose of this evaluation a broad range of reports, academic literature and other documentation on the actions and activities funded under the Consumer Programme were collected, reviewed and processed.

To ensure a coverage of interests as broad as possible, a wide variety of stakeholders were consulted for the evaluation. The consultation process combined targeted

consultation of stakeholders through interviews, an open public consultation (in combination with the broader consultation process for the preparation of the post 2020 funding programmes) and discussions with stakeholders at network meetings taking place during the period of the evaluation.

182 interviews were conducted by the contractor with stakeholder organisations in all 28 Member States, Norway and Iceland, and at the EU level. Stakeholder interviews covered ministries in charge of consumer policy or consumer agencies, the national authorities responsible for enforcement of consumer legislation and other national authorities responsible for policy and enforcement of relevant legislation, national representatives of the Consumer Safety Network (CSN) or RAPEX contact points, national consumer organisations and European Consumer Centres. The evaluation team also contacted national business organisations and reached out to relevant EU level business organisations, as well as ANEC and BEUC, for interviews.

A public consultation took place from 10 January 2018 until 9 March 2018 as part of a consultation on EU funds in the area of Investment, Research and Innovation, SMEs and Single Market preparing the post 2020 funding programmes.

The evaluation team also participated in six meetings with relevant EU networks<sup>40</sup>

Annex 2 of this document contains the results and uptake of all consultation activities.

In addition, eight case studies were developed focusing on four specific actions<sup>41</sup> and cross-cutting activities<sup>42</sup> financed by the Consumer Programme. The selection of action-specific case studies was done on the basis of several criteria, including the need to cover all Programme objectives and to look into these key actions that involve considerable financial resources, which are essential for identification of main results and assess their effectiveness and which have not yet been evaluated separately. In addition, the case studies on cross-cutting activities were selected notably to cover specific policy areas, to identify synergies/complementarities with other EU programmes and to provide key insights for addressing specific evaluation questions (for instance as regards the coherence of the Consumer Programme with other EU policies/priorities).

Finally, the information collected from the various sources for each action has been consolidated and presented in fact sheets which are structured as follows:

- Specific objective and eligible actions;
- Description of activities;
- Amounts committed during Programme period;
- Specific activities funded during Programme period;

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40 European Consumer Consultative Group (ECCG) (twice), Consumer Financial Programme Committee (CFPC), Consumer Policy Network (CPN), Financial Services User Group (FSUG) and Consumer Protection Cooperation Network (CPC)

41 Coordination of market surveillance and enforcement actions on product safety (Action 2); Capacity building and training: for consumer organisations (Consumer Champion, Action 5) and for CPC/GPSD enforcement officials (E-Enforcement Academy, Actions 2 and 10); Facilitating access to ADR/ODR (Action 9); and Coordination of surveillance and enforcement actions with regard to Regulation (EC) No 2006/2004 (Action 10).

42 Digital Single Market; Energy consumers and sustainable consumption; Evidence base for EU consumer policy; Convergence to a high level of consumer protection between different Member States.

- Outputs and results of activities;
- Excerpts from previous assessments/evaluations;
- Stakeholder assessment of the effectiveness of activities under the action;
- Key sources.

#### **4.2. LIMITATIONS AND ROBUSTNESS OF FINDINGS**

At the moment of the evaluation, the majority of financed actions were still at the early stage of the implementation providing limited data on results of actions and impacts of the programme. Therefore the mid-term evaluation of the programme mostly relied on stakeholder assessments on the implementation and outputs of actions financed under the Consumer Programmes.

Where possible, findings from interviews were triangulated with quantitative analysis of outputs and actions. To the extent possible, the analysis of evaluation questions was informed by a comparison with a baseline situation (end of the previous programming period).

### **5. ANALYSIS AND ANSWERS TO THE EVALUATION QUESTIONS**

#### **5.1 EFFECTIVENESS**

##### ***Objective I Product safety***

##### *Key findings*<sup>43</sup>

The Consumer Programme 2014-2020 has made substantial progress in achieving Objective I compared to the baseline period. Activities have contributed to improved information exchange and cooperation between Member States, thereby reducing differences in enforcement across the EU.

The Rapid Alert System for dangerous non-food products-RAPEX<sup>44</sup> has grown into an effective and important pillar of the EU market surveillance architecture that is internationally recognised and appreciated by its main target groups across the EU. Activities to support EU wide market surveillance and enforcement measures, such as joint actions, training and networking are considered to be effective by the main target group, national authorities. They lead to coordinated approaches to common problems, direct contacts between authorities from different countries and exchange of best practices. They also support Member States' authorities in addressing new challenges (e.g. through the E-Enforcement Academy).

The activities implemented under the Programme have therefore been largely effective in consolidating and enhancing product safety through market surveillance in the EU, according to the results of the evaluation and in line with stakeholder assessments. The choice of actions builds upon and continues previous Consumer Programmes, and is appropriate for achieving the Programme's Objective I.

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<sup>43</sup> The « Key findings » per objective are taken from the main outcomes of the mid-term evaluation of the Consumer Programme 2014-2015.

<sup>44</sup> As presented in the fact sheets on the actions and the case studies conducted under the evaluation of the Consumer programme (PAG 199 & 296).

Key factors that influence level of achievements related to the objective are limited staff and financial resources for market surveillance and enforcement in Member States, as reported by interviewees. Stakeholders cited the continued presence of unsafe products on the market as well as emerging risks, e.g. from new, technically complex products or from e-commerce with third countries, as evidence that market surveillance needed to continuously adapt to new challenges.

While consumer and retailer perception of the level of product safety and enforcement depend on various factors, results from EU-wide surveys can provide some indication of potential wider effects of the Programme in the absence of more objective measures. Consumer trust in product safety has increased during the Programme period, in parallel to the efforts in enforcing product safety in recent years, both at national and EU levels. Also, roughly three quarters of retailers agree that public authorities actively monitor and ensure compliance with product safety legislation in their sector. Retailers' assessment of enforcement activities by authorities fell somewhat around the time of the start of the Consumer Programme 2014-2020 and has remained stable since then.

Overall the perception of stakeholders regarding the effectiveness of actions implemented in the first four years of the current Consumer Programme, compared to their assessment of the 2007-2013 Programme sees a slight positive trend<sup>45</sup>. Equally positive was the perception of the benefits that most of these activities have achieved in the Member States.

Outputs and results of each of the activities have been triangulated with the assessments of stakeholders made in the interviews conducted in all Member States, Norway and Iceland, and the results of previous specific evaluations, where available. Progress towards Objective I during the evaluation period (the first four years of the current Consumer Programme, i.e. 2014-2017) have been screened through key indicators compared with the baseline situation before the implementation of the Programme, drawing on the results of the ex-post evaluation of the previous Consumer Programme 2007-2013.

### *Specific actions under Objective I*

The Rapid Alert System for dangerous non-food products (**RAPEX**) is a tool for national authorities and EU institutions to facilitate rapid information exchange and to implement market surveillance. It also serves through its website as a source of information on unsafe products for the wider public. For the period under evaluation, more than 60% of interviewed business associations, ECCs and national authorities expressed their appreciation of RAPEX as an effective and important tool for market surveillance.

Only about one in ten of the interviewees considered the system to be rather not effective, mostly consumer organisations.<sup>46</sup> Limitations of RAPEX include delays in notification, and language issues (the system is in English only).<sup>47</sup>

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45 See Par. 3.2 Status of implementation under Objective I

46 However, the majority of consumer organisations still considered RAPEX to be at least moderately effective, see detailed interview results in the Annex to the Evaluation report.

47 See also Ex-post evaluation of the application of the market surveillance provisions of Regulation (EC) No 765/2008, Final Report, May 2017, p 175-176.

The effectiveness of RAPEX is also illustrated by the measures taken in response to notifications under the RAPEX system by economic operators or authorities, such as withdrawal of products, sales bans, and corrective actions, removal of dangerous products from the market or import into the EU prevention. More than 2 000 voluntary and compulsory measures were reported in 2016 alone. In the same year, the number of reactions was almost double the number of notifications. This means that national authorities are systematically following-up notifications that are circulated in the system.<sup>48</sup>

RAPEX has been instrumental in bilateral and multilateral collaboration of the EU with respect to product safety. Based on RAPEX data, the Commission shares information on dangerous products with the OECD Global Recalls portal.<sup>49</sup> Also, as China is the main country of origin for products that are subject to notification, a specific module (RAPEX China) allows for the swift flagging of notifications concerning unsafe products from China.<sup>50</sup>

The Consumer Programme 2014-2020 defines for the first time indicators that relate to particular activities, as well as associated baselines and targets to measure progress for each of its objectives.<sup>51</sup> For Objective I, the targets for the two indicators that relate to RAPEX have been reached<sup>52</sup>. It can be said, therefore, that so far, the results for the first years of the Programme indicate a positive trend<sup>53</sup>

Under Action 3 of the Consumer Programme, the maintenance and further development of two **databases on cosmetics**, Cosmetic Ingredient Database-COSING and Cosmetic Products Notification Portal-CPNP are funded. The former is the European Commission's database for information on cosmetic substances and ingredients and includes all data since the adoption of the Cosmetics Directive in 1976.<sup>54</sup> The CPNP is a free of charge online notification system created for the implementation of Regulation (EC) No 1223/2009 on cosmetic products for the purposes of market surveillance, market analysis, evaluation and consumer information, and to Poison Centres or similar bodies established by EU countries (for the purposes of medical treatment).<sup>55</sup>

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48 Most of the reactions in 2016 concerned follow-up actions to voluntary measures, indicating that distributors, manufacturers or importers in Europe follow each other by recalling the dangerous products notified in the system. RAPEX Annual Report 2016.

49 <https://globalrecalls.oecd.org/front/index.html#/recalls?scrollTop=129432>

50 The absolute number of notifications involving products from China decreased from 1262 in 2015 to 1069 in 2016, see RAPEX Annual Reports 2015, 2016, 2017. Note, however, that the available evidence does not allow to draw a causal link between RAPEX China and the decline in Chinese product notifications. This could also reflect e.g. Chinese investment in moving up the global value chain, or improvements in product safety for other reasons.

51 Annex II, Regulation (EU) No. 254/2014 of the European Parliament and the Council of 26 February 2014 on a multinational consumer programme for the years 2014-20.

52 For details, see Table 1 in Chapter 3.2 Status of Implementation

53 In addition to the indicators listed in the Regulation, additional indicators for outputs and results of the actions funded have been identified, see Chapter 3.3. State of Implementation

54 Cosmetic substances and ingredients contained in Cosmetics Regulation (EC) No 1223/2009 of the European Parliament and of the Council; Cosmetics Directive 76/768/EEC (Cosmetics Directive), as amended; Inventory of Cosmetic Ingredients as amended by Decision 2006/257/EC establishing a common nomenclature of ingredients employed for labelling cosmetic products throughout the EU; Opinions on cosmetic ingredients of the Scientific Committee for Consumer Safety.

55 See fact sheet CP 2014-20 Action 3 in the Annex of this report.

The positive assessment of COSING's effectiveness by stakeholders (average score of 3.8) is in line with data on the use of COSING, which confirm that the database is frequently accessed (almost 1 200 000 views per month, making it the by far most visited database of DG GROW).<sup>56</sup> For CPNP, as of December 2017 more than 1 600 000 products have been notified in the CPNP by 42 208 organisations, underlining the practical importance of the database.

**The Joint cooperation and enforcement actions** aim to promote and coordinate administrative cooperation for the application of Directive 2001/95/EC.<sup>57</sup> These actions cover from assessment of risks posed by non-food consumer products and product testing to market surveillance operations and co-operation with customs authorities, and others. Specialised laboratories are selected to test products and assess risks. Such actions often lead to submission of notifications in RAPEX.

In the period 2014-2016, five joint actions have been undertaken each year. For instance, in the 2014 joint action on acoustic toys, around 2 190 different models of acoustic toys were inspected, so they directly contributed to consolidating and enhancing product safety through market surveillance across EU borders, and such effectiveness is enhanced through the availability of RAPEX as a notification system, so that also non-participating countries benefit from the actions.

All stakeholder groups considered joint actions to be effective (average score of 3.9), with ministries and national authorities providing the highest score (4.2). Interviewed ministries and national authorities appreciated the coordinated approach to common problems, the opportunity to join forces and to establish direct contacts with surveillance authorities from different countries, as well as the exchange of knowledge. Limited staff/financial resources for market surveillance and enforcement were most commonly indicated as a factor influencing a low level of achievement of product safety-related benefits.

**Networking activities and events** related to product safety took place to exchange experiences between Member States and support the implementation of the other activities, i.e. the Consumer Safety Network, the CSN permanent subgroup of RAPEX contact, the 2016 edition of the International Product Safety Week hosted by DG Justice and Consumers in Brussels.

The interviewed stakeholders considered networking and events to be effective, with ministries and national authorities being the most positive and emphasised the usefulness of networking and events for the exchange of best practices as well as improving coordination with their counterparts in other Member States.

**The Exchange of safety enforcement officials** include visits, coordination of enforcement or investigations, and small workshops. Despite scarce resources as a limiting factor, the number of exchanges almost tripled from 19 in 2014 to 56 in 2017, which can be considered an encouraging number showing a positive trend. This is a development that supports the positive assessment by national authorities.

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<sup>56</sup> For comparison, the second most visited database is NANDO (New Approach Notified and Designated Organisations Information System), with an average of 500 000 views per month.

<sup>57</sup> 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. 4-17* <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32001L0095&from=EN>

In total, officials from 21 EU and EEA states took part in exchanges. The top three Member States of beneficiaries have been Poland (36 officials), Bulgaria (26 officials), and Croatia (10 officials). The top three hosting Member States have been Poland (23 officials), Malta (18 officials), and France (14 officials).

The **E-Enforcement Academy** is a new activity under both Objective I (Action 2) and Objective IV aimed at boosting both the Consumer Protection Cooperation (CPC) and the consumer product safety networks (CSN) abilities to conduct online investigations by means of high-quality trainings and learning materials. 23 product safety officials from different countries participated in webinars, and 12 officials attended master classes<sup>58</sup>.

In spite of this limited number of participants so far, interviewees (mostly ministries and authorities) gave the E-Enforcement Academy the highest ranking in terms of effectiveness in this Programme area, (average score of 4.2). In order to maximise its potential, together with consolidation for the initial phase, it could be assessed whether more training activities conducted more frequently and in-person could attract further participants to the E-enforcement Academy.

Two non-food **scientific committees**, the Scientific Committee on Consumer Safety (SCCS)<sup>59</sup> and the Scientific Committee on Health, Environmental and Emerging Risks (SCHEER)<sup>60</sup> provide advice feeding into the work of EU standardisation bodies and into the knowledge base to further improve consumer product safety in the EU, in particular on cosmetic products. From April 2013 to March 2016, the SCCS and SCHEER adopted 87 documents during a total of 306 meetings.<sup>61</sup> An evaluation of the functioning of the Scientific Committees concluded that the *“opinions of the Scientific Committees have generally been fully responsive to the information needs of the relevant Commission Services, although with some variations between SC [Scientific Committees] also depending on the nature of the questions addressed.”*<sup>62</sup>

## ***Objective II - Consumer information and education, developing the evidence base and support to consumer organisations***

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58 Whereas the capacity for the knowledge-sharing webinars was set at 30 participants per webinar, participation numbers are reported as: 21; 10; 5; 5 and 7 for webinars 1-5 respectively. 58 Participation in the coaching webinars with a capacity of 25 participants per webinar has been 6, 4, 7 and 2 participants in the four basic seminars and 12 and 4 participants in the two advanced webinars, respectively. These numbers suggest that the E-Enforcement Academy has not yet fully attracted the interest of enforcement officials.

59 It provides opinions on health and safety risks (chemical, biological, mechanical and other physical risks) of non-food consumer products (e.g. cosmetic products and their ingredients, toys, textiles, clothing, personal care and household products) and services (e.g. tattooing, artificial sun tanning)

60 The SCHEER, on request of Commission services, provides opinions on questions concerning health, environmental and emerging risks. In particular, the Committee provides opinions on questions concerning emerging or newly identified health and environmental risks and on broad, complex or multidisciplinary issues that require a comprehensive assessment of risks to consumer safety or public health and related issues not covered by other European Union risk assessment bodies

61 During the term 2013-2016, the SCCS adopted 60 opinions in the following areas: Hair dyes (23 opinions); Fragrances (3 opinions); Cosmetic ingredients (26 opinions); and Nanomaterial in cosmetics (8 opinions). In addition, 3 joint opinions were adopted with SCENIHR and SCHER (Synthetic Biology I, II and III) as well as 6 memoranda and statements. Subsequently, in the period of April 2016 to January 2018, the SCCS has adopted 13 opinions in the following areas: Cosmetic ingredients (7 opinions); Hair dyes (5 opinions); Nanomaterials (1 opinion).

63 <http://www.consumerchampion.eu/>



### *Key findings*

The Consumer Programme has been largely effective in developing the evidence base for consumer policy, as consumer scoreboards and market studies have led to policy uptake at EU level, and are useful for benchmarking purposes at the national level. Also, support to the EU-level consumer organisation *Bureau Européen des Unions des Consommateurs-BEUC* is considered to be effective, and the organisation made an important and consistent contribution to representing consumer interests at the EU level.

The *Consumer Champion*<sup>63</sup> training courses for consumer professionals are considered to be valuable and highly appreciated, while the online learning courses and interactive platform are under-used. Capacity of consumer organisations at the national level often remained insufficient in spite of these training measures, mostly due to a lack of resources rather than to drawbacks of the activities *per se*. Consumer awareness campaigns funded under the Programme have achieved mixed results, with the campaigns' targets in terms of hits or impression achieved, but little long term impacts being discernible.

The targets set for this objective in the Regulation are already met, they relate to only one activity funded under this objective, the European Consumer Complaints Registration System. However, in spite of positive indicator values, interviewees emphasised the efforts needed for providing complaints data and suggested that the system needed improvement/changes.

Key factors that influence the level of achievements related to the Programme objective are often external in nature: in the area of consumer information and education they include limited staff and financial resources available for this purpose in Member States, but also the limited integration of consumer education into national curricula; in the area of capacity building of consumer organisations they include resource constraints of the target organisations, which cannot appropriately be addressed by the provision of training alone.

### *Specific actions*

**The consumer rights information activities** under Actions 5 and 6 of the Consumer Programme 2014-20<sup>64</sup> have included information campaigns on consumer credit, on energy efficiency (communication campaign targeting energy poor households), and in 2014 consumer rights awareness activities in Croatia (consumer advice services in support of an EU information campaign).<sup>65</sup>

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63 <http://www.consumerchampion.eu/>

64 Activities have been focused either on Member States that have joined the EU recently, or for new consumer rights that are subject to harmonised rules, or sectors with significant cross-border trade or high consumer detriment

65 In the twelve months of implementation of the consumer rights awareness campaign in Croatia (Oct 2014-Oct 2015), 23 press releases generated 351 media articles and the display campaign generated close to 38 million impressions. The Facebook campaign generated nearly 5 million impressions, with 16 368 followers by its end. A subsequent Eurobarometer survey of the country's consumers concluded that 64% found the information they received about consumer rights useful, and three quarters indicated they had seen or heard information messages in the media related to key messages (from the Evaluation of the information campaign "Raising consumers' awareness when they take out credit", 2016).

The specific evaluation of the 2014 campaigns concluded that, while their messages were considered easy and informative, the increase in awareness after the campaign was relatively small overall (2% to 5%).<sup>66</sup> The evaluation of the second wave reported that "*stakeholders perceived that the budget was quite limited and that it would, therefore, have been challenging to make a lasting impact on large numbers of the target group*".<sup>67</sup>

Although the stakeholders' assessment was slightly better than "moderately effective" (3.4) in contributing to Objective II, some national consumer organisations argued that such a contribution could be improved if they were given a larger role in these campaigns (campaigns have been principally carried out by specialised media agencies). The benefit assessment concerning *Better information for consumers* was equally moderate (3.3). This was mainly due to limited staff/financial resources for consumer information, and insufficient capacity of consumer organisations at national level.

**Capacity building and support to consumer organisations** (Action 5) consists of financial support to EU-level consumer organisations, and capacity building measures for national organisations.<sup>68</sup> The financial support to BEUC was last independently evaluated in 2013 for the 2007-13 contributions.<sup>69</sup> The findings of the evaluation confirmed the organisation's significant contribution to EU policy-making and representing consumer interests, found it to be reasonably efficient and well-functioning, and recommended improvements in its performance monitoring system (key performance indicators are now in place).

Interviewees, in particular consumer organisations, considered the support to BEUC as the most effective activity under Objective in terms of information, education and networking hub for national consumer organisations. This activity received the highest average score for effectiveness of all activities under this objective from interviewed stakeholders (4.2), while its *Representation of consumer interests* at EU level was equally rated with the highest level of achievement amongst benefits listed (3.6). Not surprisingly, consumer organisations gave the highest average assessment rating (4.5).

BEUC also manages as leader of a consortium the **Consumer Champion** capacity-building programme, which builds on the work of the previous *TRACE* programme,<sup>70</sup> and consists of courses at the local level in the Member States as well as e-learning courses and an online networking platform. Despite statistics growth in user numbers between 2014 and 2017,<sup>71</sup> BEUC itself noted overall that the online platform did not have the

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66 ICF, Evaluation of the information campaign "Knowing your rights with regard to consumer credit" (2014); see fact sheet CP 2014-20 Action 6 (source m)

67 The awareness-raising campaign on energy efficiency targeting energy poor households is ongoing, so its outputs and results were not yet available at the time of writing

68 *Financial support to EU-level consumer organisations* in fact refers currently only to the Bureau Européen des Unions des Consommateurs-BEUC, which operates a multi-annual strategy under-pinned by a multi-annual framework programme and monitored by means of a number of key performance indicators. BEUC which receives a yearly core grant that constitutes just over a third of its total operational budget. In 2016, the EU operational grant of 1.750.000 E. represented 38% of the operational BEUC budget and 32% of its total budget. For more details see fact sheet action 5.

69 Evaluation of EU financial contributions to EU-level consumer organisations (BEUC) 2007-2011, prepared by Van Dijk Management Consultants, 16 October 2013; see fact sheet action 5 (source n)

70 See fact sheet for Action 5, CP2007-13

71 – for example, the number of visitors increased from 1 247 to 40 066 and the number of registered organisations increased from 852 to 1 096. According to the latest available data, 542 e-learners are using

success expected, because of difficulty of navigating it, language obstacles, overall culture in the consumer movement (preference for face to face networking) and competition with other platforms (BEUC's own internal member platform).<sup>72</sup>

On the other hand, local courses were appreciated within the Consumer Champion programme, as they provide space for networking with other consumer stakeholders in the country, they are in the national language and focus on country's specificities.<sup>73</sup>. However, the impact of the Consumer Champion on the *Improved capacity of national consumer organisations* ranked the lowest in terms of level of achievement, particularly among consumer organisations. The likely most significant factor limiting the level of achievement is the lack of resources of consumer organisations.

In Consumer education areas, the **Consumer Classroom** website had 277 241 unique users, 25 048 registered users (out of which 6 721 were teachers), 223 ready-to-use teaching resources collected from across the EU, 544 lessons created by users, and had built 78 partnerships across Europe with consumer organisations, school associations and other interested NGOs, and also organised an annual school competition bringing student from different Member States together to compete on topical consumer issues. Local courses were the most appreciated by participants (mostly from consumer organisations), as they provided space for networking with other consumer stakeholders in the country, are in the national language and focus on country's specificities. The effectiveness of the Consumer Classroom also depends on the national situation that determines its uptake in the education system.

**Improving evidence base for policy-making** (Action 4), including for designing smart and targeted regulations and for detecting any market malfunctioning or changes in consumers' needs. It accounts for the largest share of the Programme resources spent under this objective (about 40%) also through the funding of consumer scoreboards and market studies.

Based on the results of the scoreboards<sup>74</sup>, the Commission identifies markets that do not function well and which may require further in-depth research. Ten studies were carried out within the period 2014-2020, including on measuring consumer detriment in the EU, on pre-contractual information and billing in the energy market, on sharing economy and on residential prosumers in the European Energy Union.<sup>75</sup>

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the 6 online modules, which are available in 14 languages, on consumer law (levels I and II), energy, financial services, telecoms and digital services.

72 Furthermore, the e-learning modules, as stated by members of the European Consumer Consultative Group (ECCG) in meetings, did not respond to the needs of local professionals, were too EU-oriented and the format was too time-consuming for often-overloaded volunteer professionals .BEUC, Consumer Champion evaluation and way forward – Concept note (2017); Consumer Champion website report; see fact sheet CP 2014-20 Action 5 (source o) and p

73 21 courses have been organised in 9 Central European and Southern European countries, resulting in 279 trained consumer professionals in these countries

74 Consumer Markets Scoreboard: Refinement, Further development and Analysis of Micro-data (2015), JRC/DG Justice and Consumers; see fact sheet CP2014-20 Action 4 (source c)

75 [http://ec.europa.eu/consumers/consumer\\_evidence/market\\_studies/index\\_en.htm](http://ec.europa.eu/consumers/consumer_evidence/market_studies/index_en.htm); for full details see fact sheet CP2014-20 Action 4 (source d).

Scoreboards and market studies' effectiveness is evidenced through policy uptake of their results at the EU and national levels<sup>76</sup>:

- Findings of the Consumer Markets Scoreboard can help national policymakers to benchmark their national situation against other countries.
- Scoreboards have informed the European Semester exercise evaluations and impact assessments, and indicators in the strategic planning of DG Justice and Consumers;
- The findings of market studies fed into policy and other Commission initiatives. The 2017 Study on measuring consumer detriment in the EU fed into the REFIT (Regulatory Fitness and Performance Programme,<sup>77</sup>

These activities have, therefore, been effective in informing the consumer policy process. Alike the majority of interviewees considered both scoreboards and market studies to be effective in developing the evidence base for consumer policy and useful also at the national level.<sup>78</sup> Several consumer organisations complained that policymakers at the EU and national level did not sufficiently take the evidence base into account when making consumer policy decisions. There were also reported shortcomings in some instances with regard to the planning and timeliness of the evidence produced.

**The European Consumer Complaints Registration System (ECCRS)**<sup>79</sup> - based on a harmonised methodology for classifying and reporting consumer complaints and enquiries - aims to provide a broad evidence basis on consumer issues and enable comparisons across the Member States.<sup>80</sup>

ECCRS data has fed into the preparatory work for some initiatives and studies, often for triangulation purposes, including for e.g. the Study on measuring consumer detriment in the EU, the Evaluation of the Consumer Rights Directive and the Consumer Scoreboards (since 2012).<sup>81</sup> The number of complaint bodies and countries submitting complaints data to the ECCRS also increased from 37 complaint bodies representing 13 countries in 2014 to 73 complaint bodies representing 20 countries in 2015,<sup>82</sup> thereby meeting the targets set in the Regulation for 2020.

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76 case study on the evidence base for EU consumer policy in Annex I summarises the evidence identified in this respect

77 Activity Report 18th Meeting Consumer Markets Expert Group (CMEG), Thursday 29th September 2016; See fact sheet CP2014-20 Action (source i).

78 "Better information on consumer markets and problems across the EU to benchmark the situation in my country with the situation in other Member States" received average assessments of 3.6 from ministries and national authorities, second highest in terms of benefit. See also the detailed interview results for more details, in Annex VI of this report. Authorities use them e.g. for publications and as a basis to further monitor their own markets when the results are poor (e.g. Norway), for development of national policy (e.g. Lithuania), or for impact assessments (Finland).

79 in 2010, the European Commission issued a recommendation on the use of a harmonised methodology for classifying and reporting consumer complaints and enquiries Recommendation of 12.5.2010

80 [http://ec.europa.eu/consumers/consumer\\_evidence/data\\_consumer\\_complaints/index\\_en.htm](http://ec.europa.eu/consumers/consumer_evidence/data_consumer_complaints/index_en.htm); see fact sheet CP2014-20 Action 6 (source n)

81 Communication with the European Commission, DG Justice and Consumers (2017) (source p)

82 See implementation status 3.3 under Objective 2. DG JUST 2014, 2015 Activity Reports, including Annexes; see fact sheet CP2014-20 Action 6 (sources g, h)

This contrasts, however, with the views of stakeholders, who gave the ECCRS on average the lowest assessment for any of the activities funded under this objective.<sup>83</sup> This divergence can be explained by the fact that the targets are quantitative, and focus on inputs, while stakeholder assessments instead refer to motivation, contents and usability of results, which have been indicated to be limited so far. Also, the ECCRS was assessed lowest in terms of affordability of the costs borne by each organisation relative to the benefits it received. It can therefore be concluded that in spite of the achievement of the related targets, the ECCRS needs further review.

### ***Objective III Consumer rights and redress***

#### *Key findings*

The funded activities such as the ODR platform, awareness campaigns on ADR/ODR and related networking and events complement each other and have been an appropriate choice to reach the objective. Also, behavioural and other policy studies have contributed to creating a fundament for evidence-based consumer policy and legislation.

The ODR platform has been relatively successful in attracting consumers to register their complaints. The target for 2020 in terms of complaint numbers is likely to be achieved. However, the platform has been less effective in reaching its aim to improve access to ADR, with so far 2% of the registered complaints reaching an ADR body. Possible reasons include the early stage of implementation of the ODR platform, a limited awareness of consumers and traders of the platform, and the reluctance of traders to settle their disputes via ADR.

The main benefit of the ODR platform appears to be that traders contacted through the platform often informally solve the problem directly with the affected consumers without any involvement of an ADR scheme. Positive trends with respect to accessibility of and consumer satisfaction with ADR can be observed based on EU survey data. They possibly reflect ongoing efforts in Member States to improve ADR systems and a broader recognition of ADR as an efficient means of redress.

Behavioural studies are an essential tool to support evidence based policymaking that considers how real consumers interact in real markets with real companies, complementing evidence from legal and economic studies. However, as for Objective II, stakeholders think that policymakers do not make sufficient use of these studies, or that the studies could be better promoted. Several studies have however fed directly into the development of EU consumer policy initiatives, with the practical value of the studies being confirmed by stakeholders.

#### *Specific actions*

The actions funded under this objective are targeted to address the problems - as summarised in the baseline and in the 2011 impact assessment of the Consumer

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<sup>83</sup> Most interviewees who commented on the ECCRS suggested that it needed considerable improvement. It was mentioned by a number of interviewees, for example, that the classification used is too complicated or not practical at the national level. It was reported that the management and maintenance of the database is resource intensive on the Commission as well and that due to recent capacity constraints, the data provided by Member States can temporarily not be further processed by the Commission for use in the database.

Programme 2014-2020 - concerning *Sub-optimal protection of consumer rights, Regulatory fragmentation of consumer legislation, Problems faced by consumers when trying to secure redress, and need to further improve the integration of consumer interests in EU policies*:<sup>8485</sup>.

Facilitating access to alternative dispute resolution mechanisms for consumers through an European **Online Dispute Resolution-ODR platform**, as well as related awareness campaigns and networking activities under Action 9 account for roughly half of the Programme resources spent under this objective.<sup>86</sup>

From 15 February 2016 to 15 February 2017, 1.9 million people visited the ODR platform<sup>87</sup>. On average the website received over 160 000 visitors per month and the number of complaints registered on the ODR platform is already slightly more than halfway to its 2020 target after the first 22 months of the ODR platform's existence.

The Commission's 2017 report on the functioning of the ODR platform indicates that in 85% of the cases, complaints were automatically closed within 30 calendar days after submission, meaning that the consumer and the trader failed to agree on a competent ADR body.<sup>88</sup> Only less than 1% of the complaints that were lodged through the ODR platform reached a final outcome through an ADR procedure. However, the survey report shows that around 44% cases (including automatically closed cases) are settled directly by the parties following the contact via ODR platform<sup>89</sup>.

It can be stated, therefore, that the ODR platform has been successful in attracting consumers to register their complaints; however, its impact on improving access to ADR is difficult to assess and quantify. Further close monitoring and a more in-depth assessment in some years will be needed to improve access to ADR.<sup>90</sup> Traders' willingness to engage in it may depend on a number of factors, such as a very slow judicial system or high litigation costs that act as an incentive for traders to not to engage in ADR, since they do not have much to fear as consumers will not normally go to court. Another factor is the costs of ADR proceedings<sup>91</sup>.

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84 COM(2011) 1320 final, Impact Assessment accompanying the document Proposal for a Regulation of The European Parliament and of the Council on a consumer programme 2014-2020, p 13-15.

85 These problems were also emphasised in the mid-term evaluation of the previous Programme, which concluded that the 2004-2007 and 2007-2013 Programmes had been increasingly successful in the integration of consumer policy into relevant EU policies, and suggested pursuing efforts in this field, while addressing emerging challenges such as digitalisation. The report also referred to the need to make progress regarding access to redress, and consumer awareness about the means of redress

86 Report from the Commission to the European Parliament and the Council on the functioning of the European Online Dispute Resolution platform established under Regulation (EU) No 524/2013 on online dispute resolution for consumer disputes, COM(2017) 744 final (henceforth: 'ODR report')

87 Action 9 under Objective III of the Consumer Programme 2014-2020 concerns 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

88 As of February 2017, about 2500 complaints were registered on the platform on a monthly basis.<sup>88</sup> The most complained-about sectors were consumer clothing and footwear (11.5%), airline tickets (8.5%), and information and communication technology goods (8%).

89 European Commission, ODR report (2017)

90 See table in par. 3.2 Implementation status under Objective III

91 In Germany, for example, in some ADR schemes the trader has to bear costs even if it wins the case entirely, which may act as a disincentive to participate in the first place. It is also possible that traders

Awareness of the ODR platform, and of ADR, is a prerequisite of their use. Therefore, communication activities on ADR/ODR have included **awareness-raising campaigns** on social media, high-level events with traders, and enforcement activities (web-scraping) to determine the level of traders' compliance with the ODR Regulation.<sup>92</sup> In addition, in 2017 the Commission contracted a web-scraping study of EU Traders' website to examine the current state of compliance of online traders in the EU with the ODR Regulation. More than 20 000 web shops across the EU were examined and findings showed that traders' compliance with their obligation to include the ODR link depends on the size, country and sector of a trader.<sup>93</sup>

The increasing confidence in cross-border e-commerce and satisfaction with ADR, therefore, is a beneficial environment for the activities funded under the Consumer Programme, especially the ODR platform, in which increasing consumer demand for such a tool can be expected<sup>93</sup>

Within the framework of the Consumer Programme 2014-2020, the Commission financed six **behavioural studies** between 2014 and 2017<sup>94</sup>: stakeholders in general appreciated the approach of basing consumer policy and legislation on evidence, and considered behavioural studies as effective and potentially helpful for policymaking. However, remarks were raised on the actual limited use of these studies by policy-makers.

A case study on the evidence base<sup>95</sup> identified however a number of examples where it is expected that the results of the studies contribute to a better understanding of consumers' behaviour in the market, support the enforcement of consumer protection rules in the online environment, and inform policy options to enhance consumer protection in the online environment or contribute to activities by different Commission services (e.g. DG ENV, GROW, ENER, JRC).

Among the other studies, three have informed the development of EU consumer policy initiatives, namely the study which contributed to the recast of the CPC Regulation<sup>96</sup>, the consumer market study on guarantees, which fed into the proposals on digital contracts and informed the REFIT of the Consumer Sales and Guarantees Directive 1999/44/EC<sup>97</sup> and the study on transparency of online platform into the New Deal for consumers<sup>98</sup>.

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consider ADR as a last resort option, and prefer their own complaint handling mechanisms. An ongoing campaign by the European Commission addressed to traders is expected to provide further insights on traders' attitudes towards ADR and their motivations

92 By the end of 2016, awareness-raising campaigns on ADR/ODR had a Facebook reach of 21 million users and a Twitter reach of 9 million users compared to an overall target of 10 million people. The two waves of the ODR video campaign achieved a total of 12.8 million views (compared to a campaign forecast of 3 million views) and 285 623 website clicks (compared to a campaign forecast of 132 000 views).

93 See par 3.3 Status of Implementation under Objective III

94 Study on consumers' decision-making in insurance services; Behavioural study on food choices and eating habits; Behavioural study on advertising market practices in online social media; Behavioural study on the transparency of online platforms; Behavioural study on consumers engagement in the circular economy; and Behavioural study on digitalisation of financial services.

95 See Annex I (PAGE 269) to the evaluation report.

96 Regulation (EC) No 2006/2004

97 See the activity report of the 17th Meeting Consumer Markets Expert Group (CMEG), Wednesday 17th February 2016.

98 COM/2018/0184 final and COM/2018/0185 final and - 2018/090 (COD)

Other studies are ongoing, in order to support smart regulatory action, such as ex-ante and ex-post evaluations, impact assessments, public consultations, and the evaluation and simplification of existing legislation.<sup>99</sup>

Among other activities, the **Citizens' Energy Forum** was considered to be largely effective (average rating 3.8) as a “space for concertation and exchange of policy views”<sup>100</sup>. The recommendations that came out of the Forum were widely used by the Commission when proposing the ‘Clean Energy Package for all Europeans’. Also two working groups on consumer policy have been convened within the framework of the Citizens' Energy Forum, including the Vulnerable Consumer Working Group.<sup>101</sup> Stakeholders considered that the Citizens' Energy Forum made a notable contribution to consumer policy and legislation at the EU level, in particular noting that the recommendations that came out of the Forum were widely used by the Commission when proposing the ‘Clean Energy Package for all Europeans’.<sup>102</sup>

Other networking activities and events include meetings of the Financial Services User Group (FSUG)<sup>103</sup> providing advice to the Commission in the preparation and implementation of legislation or policy initiatives affecting the users of financial services.<sup>104</sup> The Multi-Stakeholder Groups (MSGs) on Environmental Claims and on Comparison Tools set up as the result of the Consumer Summit brought together industry representatives, NGOs and national authorities with the aim to improve compliance with the Unfair Commercial Practices Directive 2005/29/EC (UCPD) in these two areas. The MSG on Comparison Tools' Key Principles for Comparison Tools have fed into the UCPD Guidance and have also been referenced in the Communication on Online Platforms and the Digital Single Market published on 25 May 2016.

Interviewees unanimously found these networking activities and events very useful, and attributed a multiplier effect to them in that information gained through these activities is passed on to the relevant services at the national level. The results of the evaluation also confirm that considerable outputs and results were produced, which fed into the policy process.

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99 See Objective III, Action 8 in Annex I of the Regulation (EU) No. 254/2014 of the European Parliament and the Council of 26 February 2014 on a multinational consumer programme for the years 2014-20.

100 The Citizens' Energy Forum was established in 2007. It meets on an annual basis in London and is organised with the support of Ofgem, the UK regulatory authority for electricity and gas.

101 Established in 2012, it feeds the discussions in the Citizens' Energy Forum and support the implementation of EU energy legislation relating to vulnerable customers. The working group met regularly and released a Guidance Document on Vulnerable Consumers in November 2013 as well as a Working Paper on Energy Poverty. Conclusions of the 8th meeting of the Citizens' Energy Forum, London, 23-24 February 2016; see also the Citizens' Energy Forum website: <https://ec.europa.eu/energy/en/events/citizens-energy-forum-london>.

102 In the first three years of the Programme, the FSUG held 25 meetings, issued 35 opinions and 12 additional studies or papers on issues affecting the users of financial services. See the detailed interview results in Annex VI of this report for further details.

103 See Decision 2010/C 199/02. This decision was recast in 2017 by Decision C(2017) 359.

104 From 2014 to 2016, the FSUG issued 35 opinions as well as 12 additional studies or papers on issues affecting the users of financial services



## ***Objective IV: Enforcement***

### *Key findings*

The Consumer Programme 2014-2020 is on track to achieve Objective IV, as is evidenced by significant progress made in reaching most of the targets set in the Programme. The activities funded complement each other well and have been largely effective in supporting enforcement of consumer rights by strengthening cooperation between national enforcement bodies and by supporting consumers with advice.

Activities related to the *Consumer Protection Cooperation Network-CPC* have grown in importance and seen improvement in terms of effectiveness. A new knowledge exchange platform (IT tool) has also been added to support collaborative work and to share results with the wider CPC Network. However, there are still differences between Member States in making use of the CPC System and to engage in enforcement requests, with a significant drawback in achieving Objective IV being the often long response times in the network.

Exchanges of enforcement officials are an appreciated activity that has seen increased participation, but that is unevenly used by Member States. Also, the E-Enforcement Academy has received a high assessment of effectiveness, although participation in its first year in operation has remained lower than planned, especially in web-based modules.

The European Consumer Centres-ECCs have established themselves further during the current Programme as an important institutional component of EU consumer law enforcement policy. The output of the ECC-Net is significant, and the quality and timeliness of the ECCs' services is also assessed positively in the recent specific evaluation, despite disparities in this respect between ECCs in different Member States. The main challenge for the ECCs is still their visibility.

EU survey data shows that in parallel to the implementation of activities under the Consumer Programme, trust of consumers that public authorities protect their rights, and that retailers generally respect consumer rights has increased. This correlates with a slight reduction of problems experienced by consumers. Two thirds of retailers consider public authorities to actively monitor and ensure compliance with consumer legislation in their sector. However, this percentage has decreased over the last years.

With some resemblance to the situation discussed regarding product safety, limited staff and financial resources of consumer protection authorities in the Member States are considered key factors influencing the level of achievements related to the Programme objective; other key factors include the rapid innovation of products and services, as well as new distribution channels that make effective consumer protection more difficult. While this development offers many advantages for consumers as well as for businesses, there are also increased risks for widespread infringements of consumer rights and difficulties with enforcement of consumer rights. The Digital Single Market Strategy therefore highlighted the "*need for more rapid, agile and consistent enforcement of consumer rules for online and digital purchases to make them fully effective*".<sup>105</sup> More

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105 See Impact Assessment, p. 6 with reference to Commission Communication "A Digital Single Market Strategy for Europe" COM (2015) 192 final; see also Upgrading the Single Market: more opportunities for people and business, COM/2015/0550 final.

recently, effective enforcement of consumer rights was made a central part of the New Deal for Consumers launched by the European Commission.

The 2011 mid-term evaluation of the 2007-2013 Programme and the impact assessment for the current Programme from the same year had concluded that problems continued to exist in the area of enforcement of consumer rights, particularly in a cross-border context and suggested to further increasing the coordination within the CPC Network and enforcement authorities. The role of effective and efficient enforcement of EU consumer law has become particularly prominent with the advance of digitalisation and the Internet and the rapid growth of online business-to-consumer trade.

### *Specific actions*

While the responsibility for enforcement of EU consumer law and policy lies primarily with the EU Member States, the 2004 CPC Regulation<sup>106</sup> established the **Consumer Protection Cooperation Network (CPC)** of public enforcement authorities responsible for consumer law enforcement in the Member States (so called national competent authorities, or NCAs) in cases of cross-border consumer law infringements.

Under the CPC<sup>107</sup> system (CPCS), the main platform through which exchanges of information and enforcement requests between competent authorities are taking place, the database initially suffered from a technical problems as well as a lack of experience and understanding on the part of authorised users.<sup>108</sup> Then, it has improved,<sup>109</sup> and a recently introduced CPC knowledge exchange platform complementing the database was considered to be an effective innovation.<sup>110</sup>

Several interviewees in the current Programme evaluation emphasised the role of the CPC Network for developing a common understanding of the CPC Regulation and a more harmonised approach to implementation.<sup>111</sup> Overall, the CPC Networks is therefore considered by stakeholders to be largely effective.

The CPC Regulation also includes a provision on coordinated market surveillance and enforcement activities in cases of intra-Community infringements that harm the interests of consumers in more than two Member States (Article 9). EU-wide screenings of websites, commonly known as **sweeps** are carried out. So far, four sweeps were funded under the Consumer Programme 2014-2020.<sup>112</sup>

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106 When in this section the term CPC Regulation is used, the Regulation (EC) No 2006/2004 is envisaged and not the new Regulation EU/2017/2394.

107 Report from the Commission to the European Parliament and to the Council on the application of Regulation (EC) No 2006/2004, Brussels, 2.7.2009 COM(2009) 336 final (hereinafter: First Commission Report), p. 4.

108 See Part 2 of the evaluation of the Consumer programme, which provides an ex-post evaluation of the activities under the Consumer Programme 2007-2013

109 For instance, including machine translation of documents in the functionalities of the system was considered to be an upgrade that could facilitate the communication between NCAs, if technically feasible.

110 Under the new CPC Regulation 2017/2394 repealing Regulation (EC) No 2006/2004 (New CPC Regulation) that entered into force on 17 January 2018 and shall apply from 17 January 2020 - the Commission will have to set up and maintain a database that is able to provide safe environment for exchanges for new processes provided for in the new CPC Regulation.

111 A view which was confirmed during the already mentioned meeting of the CPC Committee with the evaluation team on 22 February 2018 by several participants.

112 See fact sheet for CP2014-20 Action 10. No number of screened websites was available for 2017.

The effects of sweeps assessed through a follow-up screening showed that the level of compliance among traders with EU consumer law has increased considerably,<sup>113</sup> indicating the effectiveness of the sweeps. Sweeps enable authorities to obtain information on the processes and problems in other Member States and to take actions *ex officio*.

The so-called **Joint Actions** require the concerned traders to cease unfair commercial practices in areas of common interest across the EU. The CPC Network has so far concluded three coordinated enforcement actions under the current Consumer Programme.<sup>114</sup> Joint actions have been assessed as effective and were considered to represent a “further step in enforcement cooperation” in earlier, specific evaluations.<sup>115</sup>

The added value of common enforcement actions has been evidenced and underlined also in the studies that prepared the review of the CPC Regulation.<sup>116</sup> This joint approach enhances legal certainty and the chances of achieving compliance and offers a more cost-effective solution and received positive assessment by stakeholders. Both limitations in the legal framework provided by the CPC Regulation<sup>117</sup> as well as practical difficulties, have however influenced the achievement of the Programme objectives. Problems of coordination of joint actions were reported for the leading Member States in ensuring the participation of other Member States together with costs of accounting and reporting<sup>118</sup>

The functioning of the CPC-Network is supported through training activities, which include the **exchange of CPC enforcement officials and the E-Enforcement Academy**. The exchanges of officials have taken off slowly, but are gradually expanding. Compared to the first years after the entry into force of the CPC Regulation, the total number of exchanges has seen a threefold increase - from 62 CPC exchanges for the years 2009-2013 to 196 CPC exchanges for the years of 2014-2017 – though it remains still limited with an uneven Member States’ engagement<sup>119</sup>.

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113 For the 2014 sweep, 46% of checked websites were found to be in compliance with EU consumer law before the sweep, and 82% in compliance after the sweep. For the 2015 sweep the numbers are 37% websites in compliance before the sweep and 88% after. No comparable data is yet available for the 2016 and 2017 sweeps. See fact sheet for CP2014-20 Action 10; Fourth Commission Report, p. 12; Impact Assessment, p 42.

114 On in-app purchases in online games in 2014, on car rentals in 2015 and on contract terms of social media service providers in 2016.

115 See Fourth Report, p. 5.

116 See Third Report, p. 5; Impact Assessment. With the rapid growth of online trade and the emergence of large business actors acting on a global scale, the same infringement often affects consumers in several Member States. Therefore, a joint action by some, or all, of the CPC authorities in cooperation with the Commission has the advantage of greater authority and leverage and avoiding parallel actions.

117 In terms of legal impediments, it has been pointed out that the role of the Commission in these actions was not clarified in the CPC Regulation. The rights and obligations of participating Member States were likewise not set out in detail. Therefore, the new CPC Regulation 2394/2017 outlines with greater care the procedural steps and the role of different actors in the action and strengthens the role of the Commission (see in particular Chapter IV).

118 Impact Assessment, p. 103-104, External Evaluation, p. 103.

119 A few Member States, such as Estonia, Sweden, the Netherlands and Belgium have been particularly active in sending officials, i.e. using the exchange scheme as beneficiaries. In a similar manner, there are some countries that figure prominently in the statistics as hosts of enforcement official exchanges, such as the UK, Sweden, the Netherlands and Spain. There are also countries that make little or no use of the scheme.

Such exchanges are considered important and useful for enhancing knowledge and understanding about the system of consumer protection and enforcement practices in other Member States. Among the factors reducing the interest in exchanges and their usefulness, language barriers, lack of time and resources on the part of both sending and receiving authorities are included.<sup>120</sup>

The E-Enforcement Academy (*see also references under objective I*) seeking to build capacity and improve enforcement with particular focus on online infringements caters to the needs of both the CPC Network and the Consumer Product Safety Network.<sup>121</sup> Total participation in on-site and virtual events (webinars) in 2017- starting year - amounted to 155 persons, below the actual capacity of the training activities.<sup>122</sup> Although the E-Enforcement Academy has not yet fully attracted the interest of enforcement officials.<sup>123</sup>

The second main action funded under the Consumer Programme is the network of **European Consumer Centres (ECCs)** set in each of the 28 EU Member States, as well as in Norway and Iceland. The ECCs support consumers in exercising their rights in relation to cross-border issues by giving free advice and practical assistance. Each ECC is co-funded by the Commission and the Member State where the centre is based.

Despite these common requirements, the ECCs differ considerably in size, capacity and institutional characteristics. These differences are at least partly related to the different institutional organization of consumer protection in the respective countries.<sup>124</sup>

The 2017 specific evaluation of the ECC-Net systematises information on average times for answering information requests and for handling complaints by individual ECCs across the Member States. The performance of ECCs is further analysed through consumer satisfaction surveys and mystery shopping tests. The overall evaluation in the Draft Status Report is positive, in line with the view of the stakeholders interviewed for this Programme evaluation. The Status Report provides detailed assessments of the ECC performance regarding:

- *Information provision*, in 2016 the ECCs handled 44 000 information requests, which took them on average approximately five days each.<sup>125</sup>
- For the *handling of complaints*, the ECCs managed to improve the time it takes to deal with complaints, despite a substantial increase in the number of complaints handled (the volume almost doubled since 2007).<sup>126</sup> In terms of the outcome of complaints, in 2015, 51% of the shared cases (cases handled with the involvement of traders) were resolved amicably. For around one third of the disputes in 2015

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120 See the results of the interviews, Annex VI.

121 Impact Assessment, p. 11.

122 The number of participants from the CPC Network has been consistently higher than the respective number for the CSN Network, Participation in the master classes has been higher than in the webinars.

The highest turn out is reported for the two CPC enforcement workshops in Brussels with 20 and 13 participants respectively, with a capacity of 30 participants per workshop

123 Among these countries are Bulgaria, Croatia, Czech Republic, Greece, Germany, Italy and Romania.

124 in some Member States the ECC is hosted by the public authority responsible for consumer protection, whereas in others they are affiliated to consumer associations or a foundation

125 See Draft Status Report, p. 45.

126 In 2016 it took on average 79 days to handle a normal complaint (down from 114 in 2015).

and 2016, no solution could be found. Around 16% of these cases were transferred to ADR bodies.<sup>127</sup>

- Enhancing ECCS' *visibility* is on the whole positively assessed. However, in spite of meeting and surpassing the targets set in the Consumer Programme and despite the promotional efforts on the part of the ECCs, their overall visibility is still considered rather low.

The Status Report emphasises the existence of significant differences in the *level of services* provided by ECCs across Member States. These differences are visible in all aspects of the activities of the Centres.<sup>128</sup>

The three types of exchanges known as information requests, alerts and enforcement requests, respectively<sup>129</sup> as well as time limits for handling of information and enforcement requests have been used in the Regulation on the Consumer Programme as indicators for measuring the level of information flow within the CPC Network.<sup>130</sup>

In a summarised way, it can be said that two of the indicators measuring the level of information flow within the CPC Network (i.e. related to information requests, enforcement requests) show a substantial increase from the 2011-2013 baseline period to the year 2017, whereas the third one (alerts) remains stable.<sup>131</sup>

As for the timely handling of information and enforcement requests, the targets set in the Programme for information requests is on track to be reached. The targets set by the Consumer Programme for the ECC-Net have already been more than met

### *To what extent do the activities and outputs of the actions match the objectives of the programmes?*

The intervention logic of the Consumer Programme 2014-2020 and the answers to the effectiveness questions have indicated that the activities and outputs related to the activities under the Consumer Programme on the whole match the stated objectives for each Programme area. No activities or outputs have been identified that would not match

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127 See Status Report, p. 56-57.

128 For instance, the gap between countries with respect to the number of complaints and number of information requests is very significant in the case of some ECCs, also when considered in proportion to population size. The Status Report also notes significant cross-country differences in the timeliness and quality of service

129 There are three types of exchanges between participating authorities: information upon request (Article 6), information without request (Article 7) and request for enforcement action (Article 8).

130 To measure achievements of Objective IV, the regulation defines five indicators, of which the first consists of three sub-indicators (bringing the total number to seven. See table.in par. 3.3. Status of Implementation under Objective IV

131 In the CPC Network, significant fluctuations in the types and numbers of of request in different years can be observed, which likely depend on external circumstances, and the preferences of enforcement authorities for particular types of requests. When considering the overall information flow on basis of the annualised averages, the total number of requests per year has overall increased by 16% (from the baseline value of 277 requests per year for the period 2011-2013 to a total of 320 requests per year during the 2014-2017 period), which confirms an increasing information flow through the network and the trend towards achieving the related targets.

one of the four specific objectives and the set of specific actions set out in Annex I of the implementing Regulation (EU) No 254/2014 related to these objectives.

## **5.2 EFFICIENCY**

### **5.2.1. Which were the costs and the benefits of the actions?**

Of the EUR 188.8 million earmarked for the seven-year period from 2014 to 2020, a total of EUR 95.4 million (50,53%) had been committed as of the end of 2017.

The types of costs involved in the actions undertaken under the programme consist mainly of:

- Operational costs of actions under the four objectives;
- costs of actions that cover multiple objectives, such as travel and subsistence for monitoring execution of actions, events, meetings, support staff for IT system maintenance, etc.

The quantification of Programme costs in the external evaluation focuses on direct Programme costs and co-financing contributions of beneficiaries, for which unambiguous data is available. Other costs are not considered.

Regarding benefits of the programme, the external programme evaluation has provided limited quantified data and mostly refers to a more rich qualitative assessment of the benefits of the programme by stakeholders.

Benefits can be categorized as follows:

- Benefits for direct beneficiaries (national authorities, consumer associations)
- Direct and indirect benefits for EU consumers
- Direct and indirect benefits for businesses operating in the single market
- Direct and indirect benefits for national authorities
- General social and economic benefits

### **5.2.2. Justification of cost distribution and prioritisation**

The distribution of funding 2014 - 2017 between objectives was:

*Objective I:* EUR 13.1 million

*Objective II:* EUR 35.1 million

*Objective III:* EUR13.0 million

*Objective IV* EUR 30.2 million

Approximately 4% of the budget was used to fund cross-cutting activities, such as travel costs for events, meetings, support staff for IT system maintenance, etc.

### 5.2.3. Proportionality of cost vs benefits

The external evaluation did not provide sufficient information to calculate the proportionality of costs vs benefits.

### 5.2.4. Factors influencing efficiency

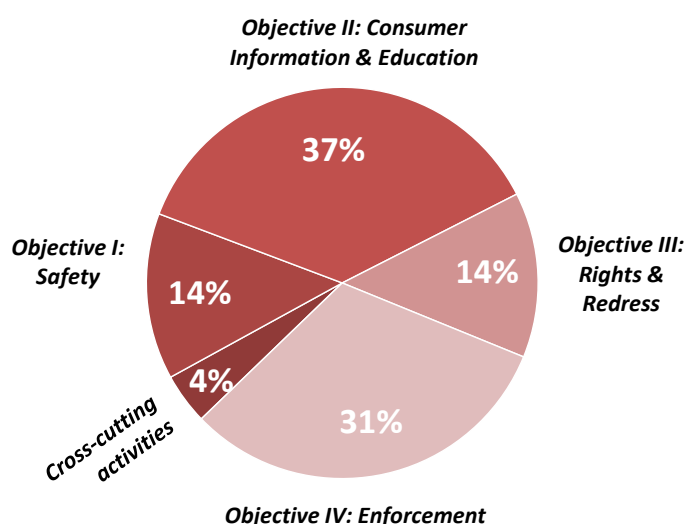
The external evaluation found that stakeholders and beneficiaries consider that the actions/activities are clearly defined, that the annual work programmes are transparent and the Programme is well structured. The evaluators did not identify any major gaps, inconsistencies or overlaps between the activities funded.

Potential for efficiency gains identified in the mid-term evaluation of the Consumer Programme 2007-2013 in the Programme implementation were addressed through simplification of procedures for the financing of the exchange of officials and ECC net.

For the Consumer Programme, EUR 188.8 million were earmarked for its implementation over the seven-year period from 2014 to 2020, of which a total of EUR 95.4 million (50, 53%) had been committed as of the end of 2017. The following figure presents the breakdown of funds committed under the Consumer Programme between 2014 and 2017 per objective.

### 5.2.5 Efficiency per objective

**Figure 5: Proportion of funds committed under the Consumer Programme 2014-2020 by objective, 2014-2017**



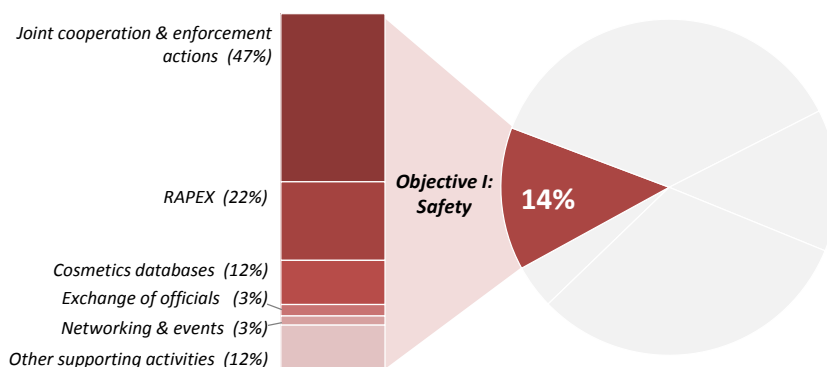
Source: Civic Consulting, based on 2014-2017 budget data provided by DG Justice and Consumers.

As shown in the figure, the two objectives that received the highest share of funding between 2014 and 2017 were *Objective II: Consumer information, education and support for consumer organisations* (EUR 35.1 million) and *Objective IV: Enforcement*

(EUR 30.2 million). Activities funded under *Objective I: Safety* and *Objective III: Rights and redress* consumed EUR 13.1 million and EUR 13.0 million, respectively. Approximately 4% of the budget belongs to the ‘Administrative’ budget line, which is used to fund cross-cutting activities, such as travel costs for events, meetings, support staff for IT system maintenance, etc.

EUR 13.1 million, or 14% of the funds committed under the Consumer Programme between 2014 and 2017, were spent on activities related to **Objective I**. The following figure shows a detailed breakdown of the funds committed under this objective between 2014-2017 by main activity.

**Figure 6: Breakdown of funds committed under Objective I by type of activity, 2014-2017**



In the four years under consideration, the amount committed for RAPEX totalled EUR 2.9 million, or 3.0% of total Programme costs. Given that the number of notifications in the RAPEX system was 8 658 in this period, the average Programme cost per notification was EUR 335 (equivalent to EUR 10.8 per notification and participating country), which appears very proportionate.

According to stakeholders, the Consumer Programme achieved the benefit of better information on unsafe non-food products for enforcement authorities with a high average rating of 4.0 (on a scale of 1 to 5). This was the highest assessed benefit discussed with stakeholders regarding product safety.

During the evaluation period, the amount committed for joint cooperation and enforcement actions in the area of non-food consumer product safety was EUR 6.2 million, equalling 6.5% of total Programme costs. This amount covers 70% of the budget for such actions as co-financing requirements apply.

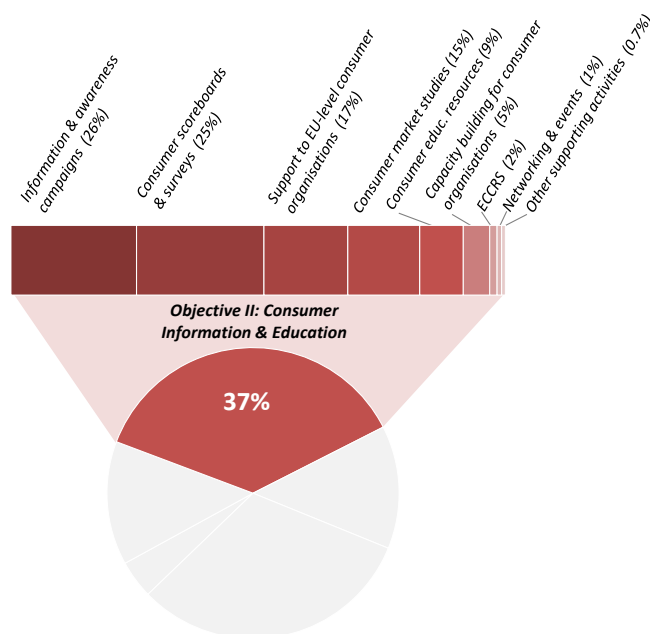
Five joint actions on product safety have been undertaken each year that led to enforcement actions on many of the products tested. Stakeholders noted that joint actions provided participants with good knowledge of new products and new market surveillance methods and enabled them to share experiences on best practices and apply similar approaches in the Member States as well as save resources and test products which they would otherwise not have been able to test.



Although the external evaluation did not provide sufficient quantitative assessment, it has to be reported that the implementation of such joint actions was considered as rather burdensome by national authorities participating, requiring for the coordination, management and reporting on the action significant resources from participating national authorities/the coordinating authority, which raised questions of efficiency over the last years. In response, under the Consumer Work Programme 2017, the financing modus of these joint actions was changed from action grants to procurement. This is expected to also address the need to support more flexible and more strategic activities and a better communication of joint action results as well as the need to have as many national market surveillance authorities on board as possible.

**EUR 35.1 million (37%)** of the funds committed under the Consumer Programme between 2014 and 2017 were spent on activities related to **Objective II**, which aims 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. The following figure shows a detailed breakdown of the funds committed under Objective II of the Consumer Programme between 2014-2017 by main activity.

**Figure 7: Breakdown of funds committed under Objective II by type of activity, 2014-2017**



In the four years under consideration, support to the EU-level consumer organisation BEUC totalled EUR 5.9 million (slightly below EUR 1.5 million per year), equalling 6.2% of total Programme costs committed.

According to stakeholders, outputs and results appear to be proportionate to spending levels. The Consumer Programme achieved the benefit of an improved representation of consumer interests at EU level (average score of 3.6 on a scale of 1 to 5). A consistent funding of BEUC has led to successful functioning of the organisation, which has grown and found other sources of funding (with the Commission's core grant under the

Consumer Programme constituting just over a third of the organisation’s total funding). No inefficiencies were identified.

During the evaluation period, the amount committed for consumer rights and information campaigns was EUR 9 million, or 9.5% of total Programme costs. As media campaigns require a large amount of resources, the costs allocated appear in principle to be proportionate to the activities undertaken or planned, although the data on outputs and results is too fragmented to draw detailed conclusions for the campaigns funded.

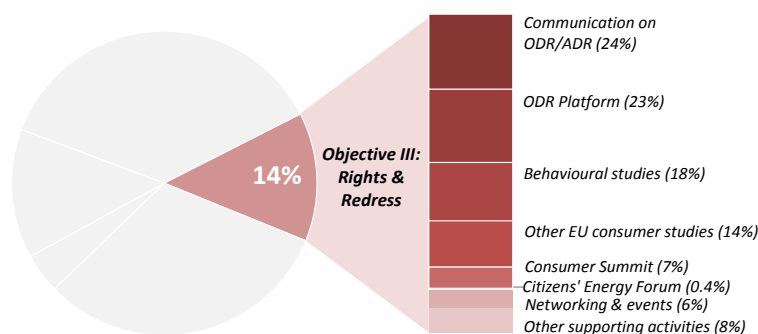
Two separate evaluations for the two waves of the consumer credit campaign were conducted, which both found mixed results in terms of efficiency, mainly questioning the extent to which the right people (the target group) had been reached.

Important financial resources were allocated to the consumer organisations capacity building project “Consumer Champion” and the consumer education project “Consumer Classrooms”. The Consumer Champion project has ended at the beginning of 2018. A new project supporting capacity building of consumer organisations will be implemented in 2019-2020, it will keep some elements of the Consumer Champion which were most successful, especially the local courses.

The Consumer Classroom project as well ended in December 2018. The Commission is considering further activities in consumer education to be carried out. The efficiency of this project targeting primarily teachers is less easy to evaluate as it is complex to assess the change in the knowledge of pupils and the value of the participation of the pupils and teachers in a European project supplementing a variety of national efforts.

Of the funds committed under the Consumer Programme between 2014 and 2017, **EUR 13.0 million, or 14%**, were spent on activities related to **Objective III**. The following figure shows a breakdown of the funds committed under Objective III of the Consumer Programme between 2014-2017 by main activity.

**Figure 8: Breakdown of funds committed under Objective III by type of activity, 2014-2017**

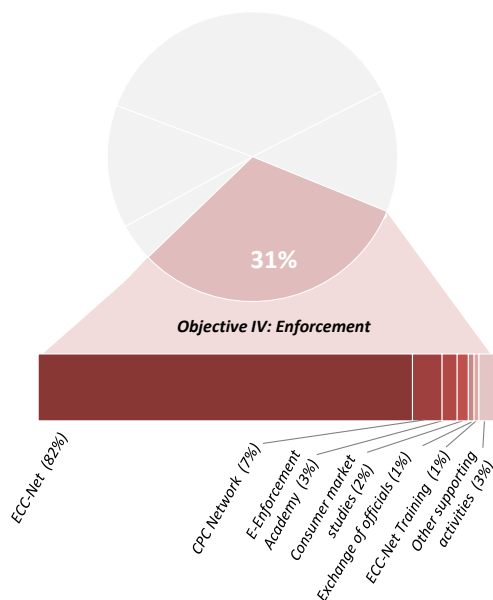


During the evaluation period, the amount committed for six behavioural studies on consumer decision-making was EUR 2.4 million, equalling 2.5% of total Programme costs. Due to the large amount of resources required for behavioural research and the complexities of the testing involved, the costs can be considered to be proportionate to the activities conducted or planned.

**EUR 30.2 million, or 31%** of the funds committed under the Consumer Programme between 2014 and 2017, were spent on activities related to **Objective IV**. The following

figure shows a detailed breakdown of the funds committed under Objective IV of the Consumer Programme between 2014-2017 by main activity.

**Figure 9: Breakdown of funds committed under Objective IV by type of activity, 2014-2017**



In the evaluation period, the amount committed for the ECC-Net was EUR 24.8 million, equalling 26.0% of total Programme costs. The level of co-financing for ECCs is 50% in most Member States and goes up to 65% in some cases.

The 2017 status review of the ECC-Net found that it had in many ways contributed to a higher level of consumer protection in the internal market, and confirmed through stakeholder interviews that the costs for running the ECC appear to be adequate as well as “the added-value of ECCs in relation to their costs”. However, the status review noted that the level of achievement varied greatly between ECCs.

Overall, consumer education and information (including the evidence base) and enforcement together account for two thirds of the total amount committed under the Consumer Programme between 2014 and 2017, in line with their key importance for a welfare-enhancing consumer market. Stakeholders assessed that the distribution of funds among the four Programme areas (product safety, consumer education/information, consumer rights and redress, and enforcement) has been largely justified given the benefits achieved (average score of 3.7 on a scale of 1 to 5). It is notable that the assessment diverged considerably by stakeholder group, with higher average assessments given by ECCs and ministries/national authorities, who are also major direct beneficiaries of Programme activities.

Beyond considering the allocation by Programme area/objective, it is also of interest to analyse the allocation of funding to main activities. During the evaluation period, the activities that received the largest amount of funding (EUR 2 million or more) were:

- European Consumer Centres Network (ECC-Net) – EUR 24.8 million;
- EU consumer information/awareness raising campaigns – EUR 9.0 million;
- Consumer scoreboards and surveys – EUR 8.9 million;

- Joint cooperation and enforcement actions in the area of non-food consumer product safety – EUR 6.2 million;
- Support to EU-level consumer organisations (BEUC) – EUR 6.0 million;
- Consumer market studies – EUR 5.1 million;
- EU consumer education resources (Consumer Classroom) – EUR 3.1 million;
- Communication campaigns and actions on ADR/ODR – EUR 3.1 million;
- Online Dispute Resolution (ODR) Platform maintenance – EUR 3.0 million;
- Rapid Alert System for dangerous non-food products (RAPEX) – EUR 2.9 million;
- Behavioural studies – EUR 2.4 million;
- Consumer Protection Cooperation (CPC) Network (IT tool and support to enforcement coordination) – EUR 2.0 million.

It can, therefore, be concluded that the total amount allocated to the ECC-Net is much higher than the support to public enforcement in the areas of consumer rights and product safety. The Commission finances 50% of the ECCs networks' activities, which is decisive for the activity and the very existence of the ECC-Net, at least according to the current model of co-funding. The 2017 Status Report concluded that the costs for running the ECC-Net are proportionate to the added value of its services to consumers.<sup>132</sup> At the same time, the ECCs are facing the challenge of ensuring a comparable service content and quality across the network.<sup>133</sup>

Regarding enforcement, the EU provides a framework for enforcement cooperation as well as the IT tool used by authorities to exchange information and requests to take enforcement measures. For the CPC Network the support includes the design of up-to-date IT tools and co-ordination actions (e.g. sweeps, meetings), while the CPC entities themselves are national enforcement authorities and hence no staff costs of the national administrations are covered.

The funds allocated to the CPC Network have so far been modest (not all budgeted funds for CPC activities are taken up) compared to other activities funded under the programme (EUR 2.0 million in the period 2014 to 2017). As several stakeholders have stated, it is remarkable that so much enforcement cooperation and joint actions have been achieved nonetheless. The modest funding of the CPC Network has been partly preconditioned by the narrow basis for common actions under the current CPC Regulation.

In the interviews conducted for the evaluation of the programme, the most mentioned factor contributing to low achievements of benefits with respect to enforcement in both the consumer law and product safety field were limited staff/financial resources of authorities. An even more pronounced situation is the limited capacity of consumer organisations in many Member States in spite of their importance for private enforcement of consumer law.

Concerning the funds allocated to consumer information and awareness campaigns and consumer education, the total amount committed in the period 2014 to 2017 (EUR 15.2 million) is equivalent to EUR 3.75 million per year, or EUR 125 000 per year and country covered. Even with very effective measures and targeting of resources on

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<sup>132</sup> Status Report, p. 79 ff.

<sup>133</sup> Status Report, p. 79.

specific Member States or issues, these resources may not allow for lasting impacts to be achieved when targeting large consumer groups or teachers/pupils across Europe. It could be reconsidered in the future whether to prioritize consumer information and education to achieve the larger scope and more lasting impact.

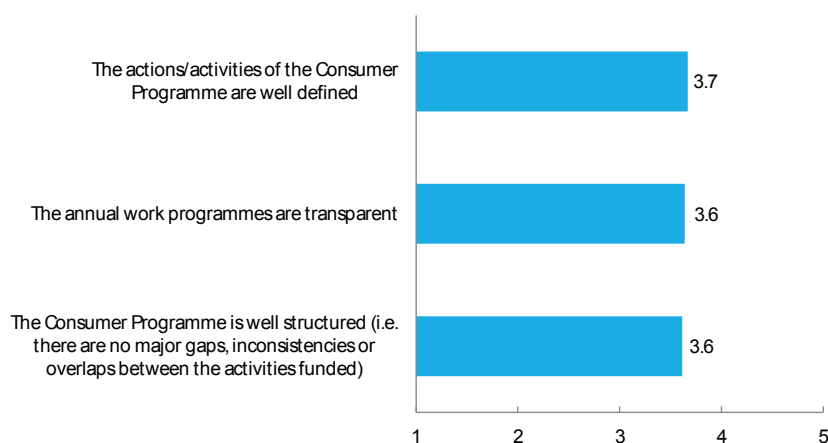
With expenditures under the Consumer Programme being equivalent to less than 5 Eurocents per citizen and year, there is room for improvement in terms of budgetary investment to further meet the challenges posed by the overall goal to reach a high level of consumer protection in an internal market of more than 500 million citizens. This is also confirmed by the external evaluation study, which shows that in spite of the slightly greater support provided by the Consumer Programme to the more recently acceded and southern Member States, most indicators do not indicate that these efforts have led to tangible results in terms of increased convergence, confirming the limitations of what can be achieved with the resources currently allocated for this purpose.

Regarding the design of the Consumer Programme, several aspects were considered in detail:

- The extent to which the actions/activities of the are well defined;
- The extent to which the annual work programmes are transparent.

The evaluation found no indication of major deficiencies in the definition of Consumer Programme actions/activities. The second aspect is more subjective in character, i.e. it refers to the perception regarding transparency of the annual work programmes.

**Figure 10: Please indicate whether you agree or disagree with the following statements regarding the Consumer Programme 2014-20.**



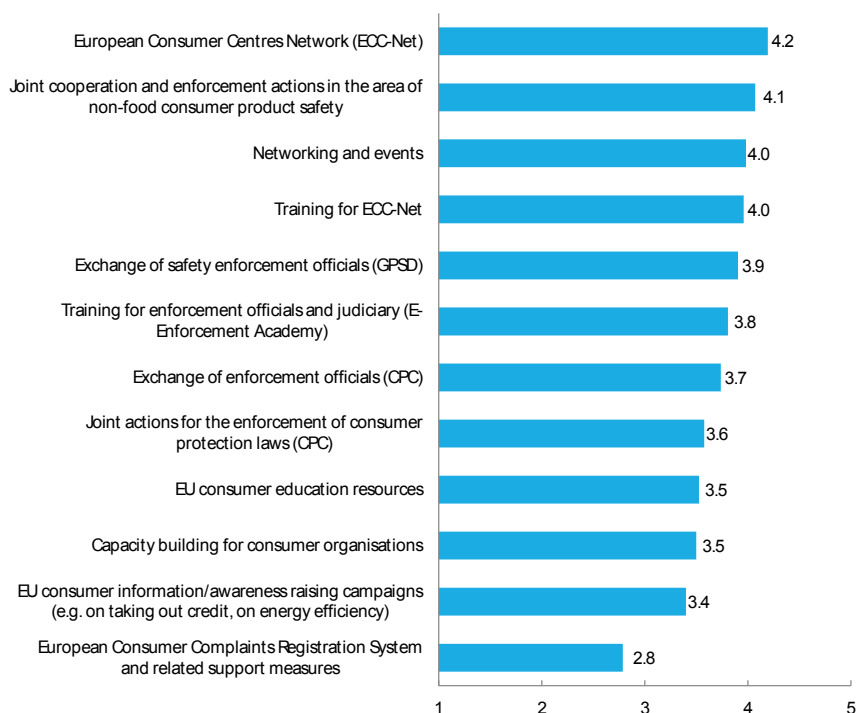
Source: Civic Consulting, stakeholder interviews, question 19. N=109, 94, 101 (in the order of items from top to bottom). Not included were interviewees who answered “don’t know” or who did not provide an assessment.

Interviewees agreed the most with the following statements: *The actions/activities of the Consumer Programme are well-defined* (3.7), *the annual work programmes are transparent* and *the Programme is well structured* (both 3.6). The ECCs and ministries/national authorities provided the highest assessments.

About two-thirds of stakeholders interviewed indicated their organisation has incurred costs for participating in specific activities or applying for funding under the current

consumer programmes (69%). Of those that incurred costs, a large majority found these costs to have been affordable given the benefits they received (see the following figure). For most activities, ministries/authorities and/or ECCs found them more affordable than consumer organisations (except for Consumer Champion and the complaints database, which consumer organisations found on average more affordable).

**Figure 12: If you have answered 'Yes', please assess the extent to which the costs borne by your organisation have been affordable given the benefits you received – CP 2014-2020.**



Source: Civic Consulting, stakeholder interviews, question 27. N=36, 28, 54, 25, 21, 26, 19, 26, 19, 16, 20, 14 (in the order of items from top to bottom). Not included were interviewees who answered “don’t know” or who did not provide an assessment. Note: interviewees were asked to only assess the activities under the Consumer Programmes for which they incurred costs for participating or for applying for funding under the Consumer Programme, and to not consider costs due to specific legal obligations on Member States, e.g. related to participating in the RAPEX system, the ODR Platform, etc.

*ECC-Net, joint cooperation and enforcement actions in the area of non-food consumer product safety and training for ECC-Net* received the highest average affordability assessments by interviewees (4.2, 4.1 and 4.0). The activity that was ranked the lowest in terms of affordability was *European Consumer Complaints Registration System and related support measures*, with an average assessment of 2.8, reflecting the limited benefits received from this activity according to stakeholders.

Finally, regarding the question as to whether significant differences in costs or benefits between Member States are observed, this evaluation did not find evidence in this respect. However, the existing institutions in Member States matter for achieving the benefits of the various activities financed under the Consumer Programme. Allowing for good functioning of the institutions involved in the challenging task of protecting consumers is a crucial factor for enhancing the impact of many of the activities.

### 5.3 RELEVANCE

This section is examining the appropriateness of the Programme's objectives to consumers' needs. In essence it covers the question as to what extent the objectives of the Programme have proven to be appropriate to consumer problems and needs, and more in particular to the specific needs of different consumer groups.

Ministries, national authorities and ECCs mostly considered the objectives and the related activities to have been appropriate to consumer needs, while both consumer organisations and business associations were split in their assessment, with most consumer organisations assessing the Programme to be in line with their needs slightly lower, i.e. at 3.0.

While a large majority of consumer organisations assessed the Programme positively in terms of relevance, a quarter of them (6 of 24 interviewed organisations) considered the objectives and related activities not to be entirely appropriate to address consumers' needs.

Relevance to needs of specific consumer groups, such as vulnerable consumers: this was the least highly assessed item by stakeholders. The average score of 3.2 is close to the midpoint of the assessment scale, due to the fact that a majority of stakeholders provided a 'moderate' assessment of relevance. Again, consumer organisations provided the lowest assessment (on average 2.7). It was remarked that activities had mainly indirectly targeted children (notably through the Consumer Classroom), while other categories of consumers with special needs, such as the elderly population had been neglected.

Thus it seems, from the qualitative evidence gathered for this evaluation, that addressing vulnerability across the various activities of the Consumer Programme remains a challenge, and except for certain well-defined areas, such as activities targeted at fuel poverty, more targeted actions would be needed.

Relevance to the needs of the stakeholder community and to other consumer-relevant EU policies: all four objectives of the 2014-2020 Consumer Programme were considered to be still highly relevant by the interviewed stakeholder organisations. "Enforcement of consumer rights", "product safety", "consumer rights and redress" all received an average assessment of 4.4, and "consumer education, information and support to consumer organisations" received an average assessment of 4.3. ECC interviewees tended to provide the highest relevance assessments for all four objectives.

With markets in some sectors evolving at a rapid pace, evidence gained points to an increased need to adapt the Programme's objectives linked to the enforcement of consumer rights.

Emergence of new needs that might necessitate an adjustment of objectives: evaluation respondents were asked to judge how well adapted they considered the Programme's interventions to economic, technological, scientific, social, political or environmental advances. Over two-thirds of interviewees indicated that new needs have emerged that necessitate an adjustment of the Consumer Programme with respect to each of the four Programme areas. The Programme areas for which the most interviewees indicated a need for adjustment were "consumer rights and redress" (78% of interviewees) and "enforcement of consumer rights" (77% of interviewees). For the product safety and

consumer information and education parts of the Programme, over two-thirds of interviewees (71% and 68%, respectively) indicated that this is the case.

The most commonly cited new needs related to the challenges of keeping up with new innovations in products, services, and markets. Many mentioned increasingly complex value chains and the connected risks for consumer harm originating from traders based outside the territory of the EU. The necessity of enhanced cooperation with enforcement authorities in big trading partners, such as US and China was also emphasized.

Also mentioned was the need for new approaches to deal with connected products and the Internet of Things as well as product safety concerns related to 3D printing. Evaluation respondents highlighted challenges related to online platforms and data protection as well as adapting to new sales channels and marketing techniques, and suggested that specifically targeted consumer education and/or capacity building activities for consumer organisations would be needed in these areas. A cross-cutting theme was also the need to improve redress mechanisms for consumers, especially in a cross-border context, including the need for collective redress mechanisms, with multiple interviewees citing the recent Volkswagen scandal as an example.

There is, therefore, considerable consensus that new needs have emerged due to economic, technological, scientific, social, political or environmental advances, which will have to be considered when designing actions and activities under any new Programme. This is also underpinned by recent large-scale issues for consumers created by problems such as the "Diesel-gate", dual quality standards of foodstuff, or massive flight cancellations.

New programme activities will also have to take into account the impact of further digitalisation of consumer markets on consumer protection, in particular to ensure the equal treatment of all consumers across the Single Market.

The feedback from stakeholders shows that the four objectives and priorities of the Consumer Programme 2014-2020 are still relevant and meet key consumer needs.

#### **5.4 COHERENCE**

This section analyses how and if different actions within the Consumer Programme are coherent and work together and to what extent have the priorities of the Consumer Programme produced synergies, focus and coherence between the funded actions which improve the overall performance of the programme.

As regards overlaps and inconsistencies, the Consumer Programme 2014-2020 minimises them by design through the use of a hierarchical (or 'tree') structure: four specific objectives, which are linked to eleven specific actions, under which a total of approximately 30 main activities are funded. No overlaps or inconsistencies were identified in the framework of the analysis of the implemented actions/activities by the evaluation study. The feedback from stakeholders corroborated this.

The evaluation study found that when analysing the coherence between objectives and actions, no gaps appear to exist – all elements of the objectives are reflected in the related actions. On the other hand, when analysing the coherence between actions and the main activities funded certain gaps were identified at this stage of Programme implementation:



1. In relation to Action 2 (*Coordination of market surveillance and enforcement actions on product safety, and actions to improve consumer services safety*) of the “Objective I – Safety” there was so far no funding of activities that specifically focus on services safety;
2. In relation to Action 6 (*Enhancing the transparency of consumer markets and consumer information*) of the “Objective II – Consumer information and education, and support to consumer organisations” there was so far limited implementation of activities that enhance the transparency of consumer markets and consumer information, to help them compare not only prices, but also quality and sustainability of goods and services;
3. In relation to Action 7 (*Enhancing consumer education as a life-long process with a particular focus on vulnerable consumers*) of the “Objective II – Consumer information and education, and support to consumer organisations” the focus on consumer education targeting vulnerable consumers has so far been limited to one group only (children, through the Consumer Classroom)<sup>134</sup>;
4. In relation to Action 9 (*Facilitating access to dispute resolution mechanisms for consumers, including through a Union-wide online system and the networking of national alternative dispute resolution entities*) of the “Objective III – Rights and redress” no activities regarding networking of national alternative dispute resolution entities took place so far<sup>135</sup>;

As regards the actions of Objective IV, no potential gaps have been identified.

In spite of these potential gaps, all levels of the intervention (objectives, actions, activities) are consistent and coherent. This is the general view of stakeholders, which largely consider the Consumer Programme to be well structured (no major gaps, inconsistencies or overlaps between the activities funded).

The 2014-2020 Consumer Programme was considered by interviewees to be largely coherent with EU consumer policy in general as set out in Consumer Agenda and the Commission’s communications on sectorial topics with the consumer interests therein (with average assessments of 3.8 on a scale of 1 to 5). For instance, programme actions proved to be coherent with Retail financial services, services of general interest, passenger rights, and gas and electricity. Consistently, stakeholders reported on the use of evidence bas gathered under the programme (market studies, behavioural studies, consumer scoreboards, etc.) for DSM-Digital Single Market initiatives and in some respect with the EU Circular economy package. As for the latter, due to direct connection to sustainable consumption and its increasing importance and visibility, further enhancement of synergies with consumer policies should be pursued. The potential synergies with other programmes, such as LIFE, Rights, Equality and Citizenship (REC), and Connecting Europe Facility are identified.

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134 However, the Awareness Raising campaign on Energy Efficiency prepared in 2017 and launched in 2018 in CZ, RO, EL and PL addresses this gap by providing a.o. information targeting consumer groups in situations of energy poverty and/or poverty.

135 However in June 2018, the Commission will host the ADR Assembly 2018, which will bring together representatives of all EU certified ADR entities, ADR competent authorities, ODR contact points, European Consumer Centres, consumer organisations, business associations, key retailers and other ADR/ODR stakeholders.

## 5.5 EU ADDED VALUE, COMPLEMENTARITY, SUSTAINABILITY

This added value of the EU intervention is confirmed by the views of 89% of national stakeholders who considered that the same consumer policy and protection results would *not* have been achieved in their countries via initiatives funded only at national/regional level, and without the EU interventions through the 2014-2020 Consumer Programme. In addition, 88% of national stakeholders considered the programme actions had a moderate or great impact on the development of national consumer-related policies (average rating of 3.7. out of 5). ECCs, ministries/ authorities and business associations saw a more pronounced impact, than consumer organisations; none of the stakeholders saw no impact at all (Table below).

**Table 10: In your view, to what extent have the Consumer Programmes' actions impacted on the development of national policies in the consumer field? CP 2014-2020. Average assessments on a scale of 1 (Not at all) to 5 (To a great extent)**

Stakeholder type	1 (Not at all)	2	3	4	5 (To a great extent)	Average assessment
Business association	--	1	1	3	1	<b>3.7</b>
Consumer organisation	--	7	10	7	3	<b>3.2</b>
European Consumer Centre	--	1	3	13	5	<b>4.0</b>
Ministry or national authority	--	3	17	21	8	<b>3.7</b>
Other	--	1	3	3	1	<b>3.5</b>
<b>All stakeholders</b>	--	<b>13</b>	<b>34</b>	<b>47</b>	<b>18</b>	<b>3.6</b>

*Sources: Civic Consulting, stakeholder interviews, question 21. N=112. Not included were interviewees who answered "don't know" or who did not provide an assessment.*

Almost all interviewees who expressed an opinion considered that the EU intervention through the Consumer Programmes provided an added value beyond what could have been achieved by their respective Member States acting alone. For example, evidence from follow-up analyses of sweeps shows that compliance with EU consumer law after sweeps are considerably higher than before. The impact of joint actions bringing business practices into conformity with EU law is significant. Training of national enforcement officials is a prerequisite to enforcing EU consumer law.

The ECC-Net assistance to consumers with cross-border purchase problems help make the single market work for consumers and in collecting data on cross border trade issues

for single market and consumer policy development. National action to achieve this is not undertaken by any Member State.

Without funding from the Consumer Programme the following actions funded under the Consumer Programme are certain or likely to cease

a) Objective I – Product Safety :

- RAPEX coordination function and joint product safety actions would not take place without EU funding as this burden is unlikely to be taken over by any single MS.

b) Objective II

- evidence base: without an evidence base EU policy development and compliance with better regulation would not be possible. National studies would fill this gap only to a very limited extent and only in the limited number of Member States who dispose of research funding and capacity. Moreover, no or little comparability of information/data between Member States would be possible without an EU active role.

- Operational grant for EU level consumer organisation: stopping this action would mean that a coordinated consumer voice will not be heard at EU level, that consumers from most Member States would not be represented at EU level and that their interests are less likely to be taken into account in many fields of EU level policymaking affecting consumers, ranging from consumer policy to health, energy, environment, food safety, trade etc. EU level consumer representation would then be exclusively of consumers in countries with a strong consumer movement and a function of the financial and human resources such national organisations can afford to dedicate to EU level consumer representation. More importantly, stopping this operational grant would create an even stronger imbalance in the representation of consumer interests as compared to business interests.

- Capacity building : Member States with higher levels of skills and professionalism expect the EU to take on this role and are unlikely to provide this kind of systematic support to authorities and organisations in all of the other Member States, beyond occasional bilateral exchanges.

- EU level awareness raising of (cross-border) consumer rights: information and advice about consumer rights is available at national level in all Member States for national consumers, but mostly does not cover cross-border perspective of EU awareness raising campaigns. Consumer rights awareness raising campaigns are overall a useful tool to illustrate the benefits of the EU for its citizens in their daily lives. Not undertaking such action would be a missed opportunity to positively influence public opinion about the EU.

c) Objective III

Without studies, surveys, and other actions aimed at informing policy development, compliance with Better Regulation principles would not be possible.

Funding for ODR platform functioning and improvement is an obligation upon the Commission and the platform cannot function effectively without supporting actions promoting ADR.

#### d) Objective IV

Without EU enforcement cooperation interventions, national governments and enforcement authorities would need to put more resources into domestic enforcement, or not enforce these rules for lack of resources, or enforce them in different ways to the detriment of legal certainty and harmonisation in the Single Market.

Several stakeholders expressed the view that a withdrawal of the EU support for the ECC network would mean its work in their country would be discontinued, given financial constraints and pressures of policy prioritisation at the national level. The overall value and effectiveness of the network would significantly decrease in case several MEMBER STATES would withdraw.

The following actions could be undertaken by the MEMBER STATES, but would focus on national priorities. In practice many MEMBER STATES would not have the funding and, thus, any action at all would, therefore, be unlikely to be taken.

Building and facilitating exchange of online consumer education and information resources for use by teachers and schools in the MEMBER STATES and by national consumer authorities and organisations is an activity that exists in some MEMBER STATES and will be undertaken for national audiences, but that is and will likely not be undertaken by other MEMBER STATES. The necessity of such resources and efforts will increase with the need to build consumer trust for example in data protection and artificial intelligence

Intermittent and/or decreasing project funding at the national level and the absence of project funding at EU level for national consumer organisations (which was available under the previous Consumer Programme) has meant that many national consumer organisations without a strong membership base have seen their level of activity since 2007 stagnate or decrease. Efforts under the Programme to increase their level of professionalism and skills have given positive results, insofar as they were able to employ permanent staff. Its impact will only be ensured if that staff can be retained.

Discontinuation of both support for EU level consumer organisations, EU capacity building for national consumer organisations and EU level consumer education, information and awareness raising is likely to lead to a "**dual quality**" in consumer representation, education and information and might well risk creating negative perceptions of the EU.

It can be surely stated that, the Programme complements national policies through research and policy development, enforcement coordination and cooperation, coordination of market surveillance and enforcement actions on product safety and the ODR platform.

This complementarity is confirmed by stakeholders (average agreement of 3.3 on a scale of 5); they also indicated that complementarity should be improved by dedicating more attention to early detection of new marketing practices and exchange of experiences and best practices in national policy development.

Moreover, the Programme supplements the policies of some of the Member States in areas where such Member States have no or a very limited level of activity, such as capacity building, awareness raising and consumer education; these actions are either focused on such Member States to aim help bring consumers in such Member States to a similar level of awareness of consumer rights or consumer education as in other Member States, or build EU-level resources that are more intensively used by target groups in certain Member States, such as Consumer Classroom, capacity building and training actions.

Finally, the programme monitors national policies through studies and surveys such as consumer scoreboards, stakeholder networks, transposition-checks.

Stakeholders considered the effects of the Consumer Programme 2014-2020 to be likely to last after the end of the Programme, in particular in the area of product safety, enforcement and consumer rights and redress. Materials produced and processes set up with resources from the programme would provide a starting point for further national activities.

However, stakeholders also considered that to ensure a continued effect, most actions of the Programme require continued support beyond 2020. It is essential to consolidate research, enforcement and data-gathering networks and structures and enable them to address newly emerging concerns, in particular for actions based on legislative obligations (ODR platform, CPC) or provide input into market monitoring activities and legislative work (ECC, ECCG, CPN, CMEG).

The following effects would materialise if the funding were to be withdrawn:

a) Objective I – product safety

Withdrawal of funding for RAPEX and of updating/evaluating the EU legislative framework (i.e. with no market studies) would have an immediate effect on the quality of monitoring of product safety and mid-term effect on the effectiveness of the legislative framework.

b) Objective II

Withdrawal of evidence base actions would negatively affect foresight activity immediately and policy making within 2 years. Also, withdrawal of the operational grant for EU level consumer organisations would lead to an immediate reduction in the level of activity of EU level consumer organisation(s).

It is generally recognized that education and information activities need to be maintained to ensure continued impact, otherwise any negative impact would be apparent even at a short time (in few years)...

### c) Objective III

- The quality of EU policy making would be lowered if funding for market and behavioural research to identify market failures, consumer detriment and policy remedies would be discontinued. Such research is not conducted in a systematic way in a majority of the Member States for lack of human and financial resources and skills, and where it is conducted (Germany, Denmark, France, The Netherlands, the United Kingdom) it is undertaken only or mainly to monitor national markets without a comparative or cross-border perspective.

### d) Objective IV

The positive effects from successful activities under the enforcement objective of the current Consumer Programme, such as better compliance of businesses with EU consumer laws and enhanced consumer confidence, may be expected to last for some time. But newly emerging issues or scandals have the potential to undermine consumer trust faster than it can be rebuilt. And the opportunity and need for joint action is likely to increase with the digitalisation and increased cross-border nature of consumer markets. Therefore continuous joint enforcement action at EU level and cross-border consumer assistance will be more necessary in the future than the past.

Overall, it is unlikely that many of the activities currently carried out within the framework of the Consumer Programme will be readily taken over by Member States or by market actors in the absence of continuous Union commitment and support for these activities. Several stakeholders underscored the low priority accorded to consumer policy at the national level and the decisive effect that the commitments under the EU Consumer Programme exerts for strengthening consumer law enforcement at the national level.

Seen from this perspective, the infrastructure for coordinated enforcement provided by the CPC Network, RAPEX and the Consumer Safety Network appears indispensable. Whereas some well-functioning bilateral or regional forms of cooperation would probably continue to exist, fully developed frameworks for EU-wide enforcement cooperation without the leading and coordinating role of the Commission are not likely to persist.

## **5.6 SIMPLIFICATION AND BURDEN REDUCTION**

This chapter looks into the possibility of the simplification and burden reduction in managing the funding both from the Commission's and beneficiaries point of view.

The programme management has been somehow complicated by the fact that the Consumer policy directorate has been transferred to the DG Justice and Consumers from DG SANTE in the Commission's reorganisation of 2015 while some funding activities remained under the responsibility of DG SANTE or have been transferred to DG GROW. This has been the case for the management of the scientific advice on consumer health and the database on cosmetics under Objective I of the Consumer Programme. Sharing the programmes' funding between different DGs and policies on the other hand could be

the simplification measure provided there is a good governance and decision making structure.

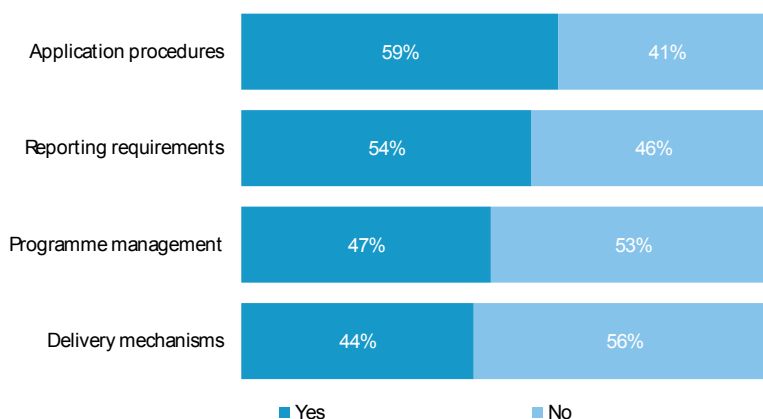
The consumer programme does not fund the functioning of the national consumer organisations and their projects, which would be the main object for the administrative burden and complexity (the major beneficiaries of funding are consortia that are awarded the contracts under the competitive procurement procedures). Under the Consumer programme, the number of grants awarded and their amounts are rather small (not more than 40 grants with the average value of EUR 250 000). The tool used by CHAFEA is the Grant Management tools of the Research family DGs which has been designed for the grants of significant value and for large consortium. This is a complex IT tool designed for all stages of the grant management – application, contracting, and project management and reporting. It caters for the big number of applications, competitive selection, etc. It requires specialist knowledge for both the beneficiaries and CHAFEA's staff.

The grants under the Consumer programme are awarded to known and pre-selected beneficiaries (ECC centres and a single European Consumer organisation) with some of them having limited resources to master this complex tool. Hence, it is to be considered whether, in order to achieve further simplification, a less complex IT tool should not be introduced aligned more to the specificities of these grants and beneficiaries.

A less complex financing mechanism could be envisaged for funding enforcement cooperation. The current funding model and approach does not gather enough funding requests from the national enforcement authorities. While this could be also the result of resources issue and priorities, more flexible arrangement, including the funding of the staff costs, could prove to be more effective as far as cross-border enforcement cooperation actions are concerned.

To further explore potential inefficiencies in programme design, management and delivery, regarding the scope for simplification in a future Consumer Programme, the highest proportion of interviewees saw a potential for simplification regarding application procedures (59%), reporting requirements (54%) and a slightly lower number considered that programme management (47%) and delivery mechanisms (44%) as summarised in the following figure.

**Figure 11: Do you see any scope for simplification in a possible new Consumer Programme?**



Source: Civic Consulting, stakeholder interviews, question 24. N=74, 68, 62, 62 (in the order of items from top to bottom). Not included were interviewees who answered “don’t know” or who did not provide an assessment.

Specific issues raised included:

- The application system for grants managed by CHAFEA (which was developed for managing much larger grants under the Horizon2020 Programme) is considered to be too complicated for the amounts involved;
- The duration of ECC grants on an annual basis is considered to be too short a period for the administrative burden involved;
- The grant reporting requirements were considered in some cases to be overly complex and burdensome;

The re-imbusement of travel costs regarding the exchange of officials was considered to be too late, as advance financing was not always available in authorities' budgets, thereby reducing the number of participants in such exchanges, especially from less well-resourced authorities. Significant efforts have already been made regarding the simplification of procedures. For example, the model for the allocation of funding to national ECCs was recently reformed, replacing a system of annual grants with so called ‘Framework Partnership Agreements’ for consecutive periods of three years. This change is expected to be a step towards increasing cost-efficiency as it reduces the administrative costs and provides better opportunities for long-term planning of activities.

It should also be emphasised that certain requirements originate in the EU Financial Regulation and the related Rules of Application which limits the scope for changes. There might be potential for further reduction of administrative burdens in the choice of procedures, and by combining several activities into single framework contracts, with higher budgets and longer durations that should be explored. The Consumer Programme 2014-2020 funds about 30 separate activities, in some cases the individual disbursements being as low as several thousands Euro. This in particular true for the scheme for the exchange of officials.



Feedback from stakeholders stressed the need for strong coordination between the Commission services and the executive agency CHAFEA that was entrusted with the management of part of the Consumer programme. Important efforts to improve coordination are being made already, however an ongoing evaluation of the agency should provide additional insights in how information exchange and coordination procedures can be strengthened, where needed.

## **6. CONCLUSIONS**

The midterm evaluation of the Programme shows a general satisfaction of the stakeholders in terms of relevance and effectiveness of the activities. According to the interim results, highest scores in terms of effectiveness were provided regarding the following actions funded by the programme: exchange of enforcement officials, E-enforcement academy (training programme for enforcement agencies), and support to BEUC, the European Consumer Centres, the RAPEX system, and funding of stakeholders events or other activities that foster networking.

Where lower levels of achievements in effectiveness are reported, the reasons and influencing factors seem to relate mostly to new market challenges driven by fast and often unpredictable societal and technological changes. In addition, there are specific limitations in the Member States that affect an optimal uptake, such as constraints on staff/financial resources as well as in some cases the skills of NGOs or authorities. Finally the production of evidence (studies, scoreboard etc.) is widely accepted as an effective instrument; however question marks remain regarding the timeline of studies compared to the needs of the policy.

Comparing the value of actions funded and benefits received, it is confirmed that the most efficient was the funding of the European Consumer Centres, the EU wide consumer organisation BEUC and the actions by the enforcement authorities. Less efficient were consumer information and education actions and awareness raising activities as it is considered that the modest amounts spent might have a very limited impact and produce low benefits, which could warrant exploring other forms of funding or redesigning the activities and if this fails possibly diverting this expenditure to other actions.

Overall the objectives and priorities of the Consumer Programme are assessed as being still fully relevant and should be continued. Additional priorities could be given to sustainable consumption, to activities that contribute to a uniform and high level of consumer protection throughout the EU, including the support of consumer organisations in their role as consumer watchdogs, separately or jointly with the Member States.

In terms of coherence, there seems to be little overlaps with other EU policies and other EU programmes, but a potential for increasing synergies with other programmes for instance in funding the actions of market surveillance authorities, financing and procuring studies, especially in the area of circular and green economy or digitalisation of markets.

Regarding programme activities administrated/implemented by CHAFEA, there seems to be room for improvement regarding administrative burdens related to the programme delivery and also scope for simplification, including as regards grants for joint actions and exchange of officials as well regarding the IT tools applied to awarding and managing the grants.

Suggestions for changes to the programme include the need for more flexibility (i.e. a less prescriptive programme), a wider variety of financing instruments used (projects of the consumer organisations, projects run by partnerships or the consumer organisations and public authorities), improved responsiveness to the emerging issues, including the funding of projects of international organisations and projects with third countries (especially in the area of administrative cooperation and enforcement).

Most stakeholders flagged the need to reinforce the support to certain types of activities, such as the development of relevant market information for enforcement purposes, the development of adequate testing facilities, skills and expertise for the capacity building of the enforcement authorities as well as the consumer organisations who would act as the qualified entities under the Directive on representative actions for the protection of the collective interests of consumers.

National consumer organisations could be more involved in information activities and ways of improving their longer term sustainability could be explored.

National and/or regional consumer policy has over the past ten years to a large extent been driven by EU legislative, enforcement and surveillance activity, as well as consumer and market research, awareness raising and capacity building, education and training, and best practice networking initiatives and activities supported by the Consumer programme. Without the Consumer Programme funding the consumer issues, notably in digital markets, platform economy and enhancement of consumer redress would not have been addressed. In many countries, and in most, if not all, of the more recent Member States, and where consumer policy has become a self-standing policy mainly as a consequence of EU membership, activities supported by the programme have been the main driver of policy development and enforcement.