

The Consumer Voice in Europe

## DOES THE 2021-2027 MFF SAFEGUARD AN AMBITIOUS EU CONSUMER POLICY?

BEUC analysis of the different EU financial tools for protecting  
consumers and promoting their interests



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EC register for interest representatives: identification number 9505781573-45



Co-funded by the European Union

Ref: BEUC-X-2018-085 - 27/09/2018

## A. Context

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On 8 June, the Commission published its proposals for different funding programmes under the 2021-2027 Multi-annual Financial Framework (MFF). While the financing of the Consumer Programme is included in the Single Market Programme, there are many entries within the other programmes that may have implications on consumer policy.

## B. Some background information

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The consumer programme in the current MFF **represents 0,017 %** of the overall budget. This is one of the smallest, although successful programmes. This translates into the EU spending on average **each year 5 (five) eurocents** for each EU consumer.

In the future MFF, this part is brought back to 0,016 % of the overall budget, with additional lines dedicated to standardisation and specific protection of consumers of financial services.

These figures need to be combined with possible funding synergies stemming from other programmes, that are however not consumer specific. It is key that additional means are granted for a roll-out of an ambitious policy, especially in the context of the digitalisation of the economy.

## C. Objective of this document

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In this document, we analyse the opportunities and challenges linked to the different tools contained in the Commission proposals for the next MFF from the perspective of consumer protection and empowerment. Where relevant, we provide recommendations to the co-legislators to adapt the provisions for an enhanced outcome for consumers.

## D. The MFF from the consumer perspective – in a nutshell

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BEUC:

- welcomes the Commission proposal for the next MFF and **calls for its swift adoption under this legislature** in order to provide legal certainty on the smooth development and where relevant expansion of EU consumer relevant policies.
- **strongly supports the Consumer Programme** as it is proposed under the Single Market Programme, and in particular the objective to enhance enforcement of consumer rights at EU and national level.
- reiterates its analysis that the Consumer Programme is one of the smallest of the EU budget and that despite of this, it has delivered many tangible benefits for EU consumers. It should be considered to increase its funding, and in any case to **safeguard the current funding** proposed in case of budgetary negotiations on shifts between programmes.
- **welcomes** the highlight in the Single Market Programme on **competition policy**, which is also a crucial tool for preserving consumer interests across markets.
- **is concerned** that a major policy development – the **digitalisation of our lives** – has been approached in the MFF without any due consideration of the need to adopt a consumer/citizen centric approach, neither in the Consumer Programme nor in the Digital Europe Programme.
- Welcomes continued **support to an EU health policy**
- Welcomes the continued strong support to achieve the EU’s climate objectives.
- Welcomes the investment, research and innovation programmes but is **concerned about the inclusion of societal concerns and civil society stakeholders** in the design and implementation phase of these programmes and the projects that would be funded thereunder.

## E. How do the different programmes deliver to consumers?

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### 1. The MFF: welcome enabler of synergies between EU programmes – but lack of clarity when it comes to a consumer centric digital Europe

The overall structure of the proposals submitted by the Commission departs from previous programmes. It can be challenging to identify where current budget lines are relocated in the future programmes. Also, it is difficult to assess whether they have or not been subject to a reduction or increase, as they can have been redistributed over different programmes depending on their links to other budget lines.

However, overall, the simplification of procedures, and the possibility to design synergies, if confirmed in practice, are welcome developments. This is the case between the consumer programme and both the Digital Europe and Justice, Rights and Values Programmes, but also between the Competition Programme and the Digital Europe Programme.

The new structure of the MFF is however not assertive enough in highlighting the synergy between the consumer programme and the Digital Europe Programme. For the EU to deliver to its citizens, it is key that the digital programme will be rolled out with a consumer/citizen centric approach. While digitalisation is a key element of the MFF, there is reference to the need to digital consumer rights neither in the consumer programme, nor in the Digital Europe one. This should be corrected.

## **2. The Single Market programme: welcome approach for an ambitious consumer policy**

### **a. BEUC welcomes that the budget for the Consumer Programme is upheld in its current form and calls for safeguarding this stability**

Both the financial implications of Brexit and the discussions on the future of the EU have raised fears that consumer policy would be downgraded in the future financial programme. This is not the case, on the contrary. The Consumer Programme in its current form has been evaluated very positively and the official documents acknowledge that there is no appetite to fundamentally touch upon this programme, as it contributes to citizens' empowerment and the better functioning of the Single Market. This is even more impressive when putting it into the context of a very modest budget within the overall EU budget : during the period 2014-2020, the consumer programme represented 0,017 % of the total EU budget, in the 2021-2027 MFF proposal, it would be 0,016%. This means that the EU spends each year, for each consumer, 5 eurocents.

Therefore, it is key, in the upcoming institutional negotiations around the MFF, where budgetary shifts between different programmes are to be expected, to immunize the consumer programme from such shifts and to at least safeguard the current budget lines.

Moreover, from the perspective of an ambitious EU consumer policy that delivers tangible benefits to its citizens, it is legitimate to even call for an increase in the budgets available for the roll out of the consumer programme. Given the new structure of the MFF, BEUC acknowledges that consumer relevant funding is available under other programmes, which reflects the "consumer integration principle" : consumer policy is an integral part of all other policies. It is important, when rolling out the MFF, to ensure that in these programmes, consumer policy elements are sufficiently included in the decision-making process around budget allocation.

### **b. BEUC welcomes the confirmation of a possibility for EU funding of its advocacy and capacity building work**

The evaluation of the Consumer Programme undertaken by the Commission services highlights that the work undertaken by BEUC and its network is highly valued as a strong voice of the consumer perspective. The possibility for BEUC to continue to benefit from EU funding is therefore confirmed, which we welcome as a strong acknowledgement of the added value that we contribute to EU policy making, but also as a support for the sustainability of our organisation.

**c. BEUC welcomes the simplification of the grant application procedure**

We also welcome that, as the Commission wishes to simplify procedures, the operating grant that could be awarded to BEUC could be processed without a call for proposal, via the channel of "designated beneficiaries".

**d. BEUC welcomes additional activities foreseen under the New Deal for Consumers, in particular related to enforcement of consumer rights**

An important condition for an effective consumer policy is its implementation and in particular the enforcement of rights that it provides to consumers. The Commission demonstrates its understanding of this condition and creates an additional budget line for the implementation of the New Deal for Consumers, making funding available for the training and support to national consumer organisations/qualified entities to participate to enforcement.

**e. BEUC welcomes the recognition of the need to provide support to national consumer organisations.**

As already mentioned under item 4, it is an important relief for the consumer movement in the EU that the Commission recognises the difficulties faced by consumer organisations in some countries. The proposal made by the Commission to make EU funding available to national organisations is welcome.

The Commission also states that it intends to closely work together with the Member States to support national consumer organisations, which is another way of acknowledging the legitimacy of the consumer movement in those Member States that are more reluctant than others to include consumer representatives in their policy making structures and processes. Consumer organisations have an important watchdog role to play as to the well-functioning of markets. A good illustration of this is the dual quality of goods, an issue strongly debated in the recent months at EU level. As a matter of fact, markets where products of inferior quality were most frequently found are those where consumer organisations cannot fully roll out their market watchdog mission due to largely inadequate resources,

**f. BEUC welcomes the creation of the competition programme**

BEUC welcomes that the European Commission has proposed to allocate resources to guarantee that the European Commission and the national authorities are up to the challenges brought by the digitalisation of markets. In this regard, we welcome that competition policy is prioritised in its need to adapt to the data economy, notably relating to Artificial Intelligence, algorithms and big data, but also as a major tool that must better serve its ultimate beneficiaries: consumers. In particular, BEUC would like to highlight the importance of widening outreach activities to allow more citizens to reap the full benefits of fair competition in the single market. European and national consumer organisations could play a supporting role in such activities through dissemination activities and trainings to create a culture of compliance in Europe.

**g. BEUC welcomes the focus points identified by the Single Market Programme**

The Commission provides also important indications on what it considers to be priority areas for future action:

- Significant budget is allocated to ensuring a high level of food safety and to supporting sustainable food production and consumption. We welcome that

activities for preventing food waste and combating food fraud are included in the list of eligible actions to implement this objective. These are areas where consumer organisations can play a key role, provided they are adequately resourced.

- Training and capacity building are considered to be key tools.
- A special reference is made to market surveillance within the EU but also when imported from third countries.
- The importance of sustainability in consumption is also highlighted.
- Statistics tools are considered to be key to assess problems and solutions.

### **3. The Justice, Rights and Values Programme**

#### **a. BEUC welcomes close synergies and calls for inclusion of consumer organisations among civil society stakeholders**

In several instances, the Single Market Programme refers to the close synergies with the Justice, Rights and Values Programme. It is key, also from the consumer perspective, that these two programmes are rolled out in a coordinated way and that consumer organisations are clearly considered to be part of the civil society organisations that the programme managers would reach out to.

### **4. The Programme for Environment and Climate Action (LIFE)**

This programme includes different priorities that are very relevant from the perspective of a sustainable consumer policy, in particular its subprogrammes respectively for a Clean Energy Transition and for a Circular Economy and Quality of Life.

#### **a. BEUC welcomes the outreach to consumers as stakeholders in a circular economy**

The Commission acknowledges that the circular economy needs a mentality shift and provides that the Programme should contribute to the transition to a circular economy model through financial support targeting a variety of actors (businesses, public authorities and consumers), in particular by applying, developing, and replicating best technology, practices and solutions tailored to specific local, regional or national contexts, including through integrated approaches for the implementation of waste management and prevention plans.

#### **b. BEUC welcomes the involvement of civil society in the energy transition**

The Commission admits that the improvement of governance on environmental, climate change and related clean energy transition matters requires involvement of civil society by raising public awareness, consumer engagement, and broadening of stakeholder involvement, including non-governmental organisations, in consultation on and implementation of related policies. In order to increase consumer engagement and ensure a consumer-driven energy transition, actions improving energy efficiency in homes and promoting the uptake of smart energy solutions and renewable technologies by small consumers should be prioritised.

**c. BEUC welcomes the recognition of the need of engagement of civil society to achieve sustainable solutions**

The Commission repeatedly refers to the need for involvement of and engagement with civil society representatives in order to design, implement, monitor and enforce EU policies in the area of sustainable production and consumption.

## **5. Digital Europe Programme**

**a. A missed opportunity to build a people-centric digital transformation**

The Digital Europe Programme, although addressing major challenges towards digital transformation and technology shifts, such as artificial intelligence, cyber-security, lack of digital skills, etc, unacceptably fails to include the citizen/consumer perspective. Where both public sector and businesses are targeted to help them more easily uptake digital solutions and new technologies, the interests, needs and expectations of citizens and consumers have been ignored.

### **What is missing in the Digital Europe Programme:**

- **Additional general objective subparagraph in article 3:** support measures that empower and protect citizens and consumers throughout Europe's digital transformation. Article 3 of the proposed Regulation establishes that the main objective of this programme includes bringing the benefits of the digital transformation "to European citizens", but this part of the objective is not correspondingly substantiated in terms of empowerment and protection of citizens and consumers. The Specific Objectives should then reflect that with their own operational objectives as detailed below.
- **Artificial Intelligence (Article 5) needs consumer-centric operational objectives.** This programme should be used to build capacity amongst civil society organisations that monitor the development of AI in Europe and defend the citizen/consumer viewpoint.
- **Cybersecurity and Trust (Article 6) needs consumer-centric operational objectives.** This programme should be used to build capacity amongst civil society organisations that monitor the myriad of cyber-security challenges in Europe and defend the citizen/consumer viewpoint.
- **Advanced Digital Skills (Article 7) needs consumer-centric operational objectives.** This Specific Objective has operational objectives designed for students, IT professionals and the workforce, but not for consumers. Consumers too should be part of these training programmes.
- **Deployment, best use of digital capacities and interoperability (Article 8) needs more consumer-centric operational objectives.** This Specific Objective should also include capacity building programmes for businesses and public administrations about how to develop their services in best respect of consumers' interests.

## 6. InvestEU programme

### a. **BEUC welcomes consolidation of different investment programmes**

InvestEU is the successor to a multitude of previous programmes and this consolidation, with its simplification and streamlining qualities is welcome. While the programme will finance social investment and skills, including “vulnerable people”, it would be important to provide a specific reference to consumers in vulnerable situations.

### b. **Need for more focus on consumer concerns, needs and expectations: without consumer trust, there will be no digital transformation**

Many of the priorities identified in the programme have strong relevance from the consumer perspective (sustainable infrastructure, i.e. transport, circular economy, smart grids; investment into digital transformation, i.e. artificial intelligence, research & innovation...). In this context, strong signals for the roll out of the programme such as the affirmation of the “energy efficiency first” principle, would help enhancing its relevance. On the other hand, consumer concerns, needs and expectations are not included in the current proposals, nor are consumer representatives engaged in the management of the programme, neither at agenda setting nor at implementing/monitoring level. There is an urgent need to correct this loophole to build the conditions for enhanced consumer trust in the digital transformation.

## 7. European Social Fund Plus

### a. **BEUC welcomes the commitment to a continued health programme**

The ESF+ programme is relevant from the consumer perspective, as it includes the funding of the EU health programme. Its priorities correspond to the expectations towards the EU in terms of its contribution to sustainable healthcare systems within the upcoming digital transformation.

We welcome that in this programme, the added value of EU wide coordination of health policies is acknowledged. More fundamentally, the recognition that investing in people’s health is an investment for a thriving EU economy is an important approach from the perspective of people-centric policy making.

We also understand that health initiatives can be funded in addition by other programmes, such as Horizon Europe, Digital Europe, Connecting Europe, InvestEU, which is a welcome approach.

## 8. Research and innovation Programme (Horizon Europe)

### a. **Topics identified in the different clusters are relevant, but more clarity needed on who decides concrete content and objectives**

The clusters listed in the Programme resonate considerably with currently identified consumer concerns (Artificial Intelligence, digitalisation of societies, energy transition, etc). It would be a strong contribution to EU consumer policy if EU research teams were dedicated to address these challenges in a consumer centric manner.



However, the Programme lacks clarity on the respective roles of industry and civil society representatives in shaping the agenda and rolling out the programmes and projects. It would be crucial to provide for clear and meaningful participation of civil society organisations (CSOs) in this agenda setting process.

In order to contribute to societal relevance of these research programmes, it would be good to also include where relevant, as does the food cluster, the need for funded projects to include actions facilitating behavioural change.

**b. BEUC worried about merging societal challenges and industrial competitiveness into one pillar**

We share the concerns expressed by several civil society organisations which criticise the move to include “industrial competitiveness” in the objectives and name of the future 2<sup>nd</sup> pillar “global challenges”<sup>1</sup>. There is a genuine risk of diversion of funds and limited prioritisation of societal impact of projects funded by the programme.

Consumer organisations have often been critical about R&I in the food and agriculture sector, which is generally at odds with consumers’ needs and expectations. From our perspective, benefits for consumers/society should be central to innovation.

Therefore, we call on EU decision-makers to reinstate an independent pillar on ‘Global Challenges’ which would be “*co-programmed with citizens and civil society, acknowledging them as key stakeholders in identifying and addressing societal challenges and ensuring a needs-based R&I priority setting. In particular, a roadmap is urgently needed on how Horizon Europe will overcome barriers to CSO and citizens engagement*”.

**c. Need for build-in safeguards to public policies to deliver to the public interest**

It is key for all initiatives funded by the Horizon Europe programme to build in safeguards and conditionalities to ensure that public funding of these projects also deliver to the public interest. To this end, it is crucial to establish management structures and procedures that guarantee impactful participation of civil society representatives in all stages of the decision-making process within this programme, but also within the different projects that will be allocated.

In the area of health, the Horizon Europe programme should in particular ensure that publicly funded medical research is conducted according to public health needs through an inclusive priority-setting process. New conditionalities should also be introduced to guarantee public return on new health technologies, studies and findings that derive from projects funded under Horizon Europe.

**d. BEUC calls for funding opportunities for meaningful CSO engagement in research agendas and projects.**

Many of the research topics that are managed under the EU research programme are relevant for consumer organisations. However, the preparation of project proposals is a very complex process and represents for consumer organisations with their limited resources a disproportionate investment with regard to the competition that is present in such procedures. We would encourage a generalised two step approach, where projects are shortlisted on basis of a less exhaustive proposals.

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<sup>1</sup> <http://www.qhadvocates.eu/en/industrial-competitiveness-as-societal-challenge-ensuring-accountability-and-societal-impact-in-horizon-europe/>

Consumer organisations are agents of change. That is only one of the reasons why we are very often invited to be part of projects (as partner or member of external advisory boards) as the voice of consumers. As much as we would like to contribute to shaping the research agenda, we lack resources to get involved in EU-funded projects. It is crucial to address this issue to provide for funding opportunities (and obligations within research projects) for meaningful contribution of civil society organisations to research programmes, as of their inception.

Reference to the need for meaningful engagement is made in Recital 26 of the Horizon Europe Programme, that states that *“with the aim of deepening the relationship between science and society and maximising benefits of their interactions, **the Programme should engage and involve citizens and civil society organisations in co-designing and co-creating responsible research and innovation agendas and contents**, promoting science education, making scientific knowledge publicly accessible, and facilitating participation by citizens and civil society organisations in its activities. It should do so across the Programme and through dedicated activities in the part 'Strengthening the European Research Area'. The engagement of citizens and civil society in research and innovation should be coupled with public outreach activities to generate and sustain public support for the Programme [...]”*. But nowhere else in the proposal do we find a reference to citizens or CSO organisations.

END



*This publication is part of an activity which has received funding under an operating grant from the European Union's Consumer Programme (2014-2020).*

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