

Standard Summary Project Fiche

Project Fiche 2003.004-341.06.01

1. Basic Information

Objective 6 - Consumer protection

- 1.1 CRIS Number: 2003.004-341.06.01
- 1.2 Title: Strengthening Administrative Capacity of the National Consumer Rights Protection Council and Promotion of Activities of Public Consumer Organisations
- 1.3 Sector: Internal Market
- 1.4 Location: National Consumer Rights Protection Council under the Ministry of Justice, Vilniaus str. 25, LT-2001, Vilnius, Republic of Lithuania

2. Objectives

2.1 Overall Objective:

The overall objective of this **1,29 MEUR** institution building and investment project, of which **0,049 MEUR** is provided as national co-financing, is to strengthen consumer protection in Lithuania in line with relevant EU *Acquis* according to EU Member States best practices.

2.2 Project Purpose

The project purposes are as follows:

- To approximate Lithuanian legislation to the Directives and other legal regulations concerning the new consumer protection *Acquis* according to the best practices of EU member states.
- To improve administrative capacity of the National Consumer Rights Protection Council and ensure its and other market surveillance institutions' effective operation and performance of consumer protection.
- To develop and implement National Strategy on Consumer Protection comprising coherent strategies on: consumer protection, consumer education, information exchange and co-operation between state, public, and private sectors.

2.3. Accession Partnership and NPAA Priority

The Accession Partnership 2001 states the *requirement to align and further strengthen the market supervision institutions, strengthen the National Consumer Rights Protection Council.*

The National Program for the Adoption of the *Acquis* of 2001 May foresees the developing and strengthening of the following main aspects of the consumer protection system:

- Strengthen *the National Consumer Rights Protection Council under the Ministry of Justice, in order to protect economic interests of consumers* (3.23-S4),
- Train *specialists in the field of consumer protection and improve their professional qualifications* (3.6.2-P-A8),
- Draw up *consumer education programme* (3.23-D1).

3. Description

3.1. Background and Justification

Legislation and institution building

In its Regular Report of 2002 the EU Commission recorded that Lithuania has achieved a fair level of alignment with the *acquis* in the area of consumer protection. However it emphasized that in order to complete preparations for membership, Lithuanian's efforts need focus on completing alignment with the consumer protection *acquis* and on strengthening the administrative capacity of the main bodies in charge of enforcing legislation.

In the framework of the institution building, it is intended to complete the legislative alignment and enforcement of implementation of the consumer protection policies, the overall co-ordination of which is the responsibility of the National Consumer Rights Protection Council.

As a consulting institution **the Consumer Protection Commission** was established under **the National Consumer Rights Protection Council** on 28 November 2001. The Council approved composition of the Consumer Protection Commission on 19 March 2002. The members of the Consumer Protection Commission are representatives of the Ministry of Health, Ministry of Economy, Ministry of Agriculture, Ministry of Communications, Competition Council, State Food and Veterinary Service, State Non Food Products Inspectorate under the Ministry of Economy and other interested State bodies, 4 representatives of Non-Governmental Consumer Protection Organisations and 2 representatives of business organisations. The Chairman of Council is in charge of the Consumer Protection Commission.

Strategies

To make the Council operate effectively and to improve its and other market surveillance institutions' administrative capacities, at the end of the year 2002 an all embracing National Strategy for Consumer Protection, including a strategy for the Council's public relations and human resources' management, will be approved by the Resolution of the Government. Representatives of the Council, the State food and veterinary service, the State Non-food Inspection, the Competition Council, the State Tourism Department and other state institutions', members of NGOs (Lithuanian National Consumer Federation, Lithuanian Institute of Consumers, the Centre of Consumer Rights Protection) have been involved to the drafting of the Strategy. The main objective of the Strategy is to ensure high level of consumer protection conforming the requirements of the EU. The priorities of the Strategy are:

- Development of consumer protection legislation,
- Strengthening institutional system of consumer protection,
- Consumer education,
- Strengthening the role of consumer NGOs protecting consumers.

To strengthen Lithuanian capacity and experience in this field, the expertise and good practice of the EU member states is necessary for the implementation of Strategies.

Training

As consumer protection policies are new in Lithuania, the Council's, the State non-food inspection's, the State food and veterinary service's staff, members of consumer NGOs need training on the main issues in this field. Training is also required for solving problems arising in areas of consumer education:

- advertising research;
- unfair terms specified in the contracts;
- safety and quality of goods;
- e-commerce;
- other consumer rights related issues.

As consumer protection policy in Lithuania will be promoted, consumers will become educated and will know their rights. At the same time number of cases will increase significantly. So it is necessary to provide special training for judges, especially training on unfair terms specified in the contracts.

The new staff of Consumer Education and European Consumer centres' will need specialized training.

Co-operation with NGOs

During conferences on the consumer rights issues in Brussels advice was given to Lithuanian officials to integrate consumer protection NGOs in formal network before establishing working practices and co-operation. Recognising the importance of collaboration with NGOs the Council seeks to analyse activities of all the most influential Lithuanian public consumer protection organizations.

The Council prepared the Public Agreement between Council and NGO's that was signed by NGOs. This Agreement should raise the protection of consumer rights to a level of higher quality, exchange of information, established working practices and co-operation themselves, solving main problems in consumer protection area together.

Also the Council was co-operating with NGOs preparing this project fiche. NGOs were asked to submit their suggestions on what kind of support from EU is needed for them and for consumer protection policy in Lithuania. The most reasonable and needful proposals were involved to the project fiche.

Development of websites

There is a lack of the consumer information system that is both integrated and comprehensive. This is an urgent priority to take action in this area. It is necessary to create the website for the Council, which should include information about NGOs. The website will provide consumers with full time access to the information about their rights and consumer protection institutions. There is both the lack of a systematic basis for the gathering and analysis of national data on the market for consumer goods and services as well as consumer advertising. There is also strong need to introduce an integrated exchange of information. The development of a joint server (linking the Council, State Food and Veterinary Service and Non-food Inspectorate) will enable to institutionalize the continuous co-operation and information exchange between Lithuanian consumer protection state authorities.

The established Council's website, joint state consumer protection authorities server will contribute to the effective exchange of national consumer protection information.

Information exchange with the EU and MS system

In the Guidelines of the National Consumer Protection Council, approved by Government Resolution of 1 January 2001, it is foreseen that the Council organizes information exchange with the EU and MS.

In order to implement this function it is necessary to establish a separate Rapid Exchange of Information on Dangers Arising from Consumer Protection (RAPEX) system. Also national

contact point ('Clearing house') has to be set up in order to become a part of European extra-judicial network (EEJ-Net), which is complemented by FIN-NET. Also a system for implementation the Injury Prevention Program (based on former EHLASS) has to be established.

Experience and knowledge of MS experts is needed in order to implement these provisions.

Consumer education

The requirement was stressed in the Commission's Regular Report of 2001 to develop a program for the education of consumers. The work group, composed of representatives of state institutions and members of NGOs, has prepared a draft for the National Consumer Education program which will be approved by the end of year 2002. The experience of a market economy in Lithuania has shown that education of consumers is especially important for the protection of their rights. The Project will help to overcome this weakness. This Project will:

- prepare for the education of a demanding consumer, who knows his rights, to introduce consumer education into the general education system;
- foster consumption culture.

To realize these purposes, it is essential to develop an action plan "Including Consumers Education into the State Education System" and to establish a Consumer Education Centre. The main tasks will be to develop and perform various educational programs for the consumer, to develop curricula on consumer protection for schools, the commercial sectors and adult education. Consumer Education Centre also will be responsible for the distribution of information on legislation and case law at the Lithuanian level part concerned, distribution of the results of comparative tests and develop cross-border studies, providing the assistance and advice for the authorities, especially local, Non-Governmental Consumer Protection Organisations, business organisations, other bodies and consumers.

It is foreseen that the action plan "Including Consumer Education into the State Education System" will include topics about consumers rights, the duties of sellers and service providers, the ways of obtaining restoration of consumers rights, about production safety, the features of food and non-food products, about the market mechanism and so on.

As an important part of implementing of the Council's and Consumer Education Centre's main functions is travelling to all parts of the country.

Technical specification for supply component

Provision of necessary equipment will enable the Council and two market surveillance institutions to perform its functions.

Currently there are no technical possibilities for monitoring of advertising on TV and radio in Lithuania. The Council is responsible for the control of content of advertisements (for example advertising and children, guns, food) and advertisements of alcohol and tobacco. Lithuanian Radio and Television Commission monitors time of advertising on TV. For the realization of these tasks, special equipment is necessary. Because of specification of these functions, both institutions need different equipment to perform their functions. For this reason the equipment to control and monitor content of advertisements would be delivered to the Council.

Equipment and facilities for RAPEX system are needed because the Council is authorized to exchange information with the EU and MS.

Also equipment and facilities for development of websites are necessary.

The establishment of Consumer Education Centre will also require investments for the procurement of the necessary equipment

The proposed project will enlist the support of one or more EU public consumer protection offices to accelerate this work. It will help completing the legal basis of the consumer

protection in Lithuania, streamline the operations of the Council and other market surveillance institutions (State Food and Veterinary Service and Non-Food Inspectorate).

The project will catalyse a major Accession-driven programme of reforms. Without the project, results of the intended reforms would be accomplished only much later.

3.2. Linked activities

The reforms of the consumer protection and market surveillance systems has been supported and financed basically by the national Government. The Council has started its operation just in the beginning of 2001 and has not benefited from PHARE support or from any bilateral assistance projects.

Support by providing theoretical knowledge on consumer protection issues has been mainly received by participation of the Council's specialists in several conferences in Brussels.

Council prepares the FEU-Programme project "Institutional Building of Market Surveillance Authorities". It is expected to start in the beginning of the year 2003. FEU-Programme and PHARE project have interfaces and complement each other in areas of assistance in implementing *Acquis*, implementing the National Strategy for Consumer Protection, promoting work of consumer protection institutions, consumer education and information.

The EU Consumer Policy Strategy 2002-2006 foresees establishment of the European Consumer Centers Network (ECC-network). It is emphasized that the Commission would like to see one European Consumer Centre (Euroguichet), as soon as possible, in the candidate countries. The object of Euroguichet is to stimulate consumers to take advantage of the possibilities offered on the internal market. Consequently European Consumer Centre in Lithuania to join ECC-network will be set up. Assistance in creating legal basis for Lithuanian ECC will be provided by the above mentioned FEU project.

Council was involved into preparation of the National Conference on Market Surveillance. The conference took place in Vilnius on 03/04 October 2002 organised by PHARE project "Twinning and training package to strengthen the Administrative and technical capacity to promote the free movement of goods". The chairperson of the Council Rosita Petrauskiene presented the view of legal basis on market surveillance in Lithuania.

One of the non-governmental consumer organisations, Lithuanian National Consumer Federation, implements project "Enforcement of patients rights" supported by PHARE.

3.3 Results

After the completion of the Project it is intended that:

- National and EU legislation concerning consumer rights protection *Acquis* analysed, Lithuanian legislation revised and necessary amendments drafted;
- National Strategy for Consumer Protection, including strategies for the Council's public relations and human resources' management implemented;
- Training packages for the Council's, State Food and Veterinary Service's, Non-food Goods Inspection's and consumer protection NGOs' specialists, covering legal matters, matters of advertising, unfair contracts' terms, e-commerce, and other consumer rights related issues, developed and implemented; approximately 100 staff of the Council, State Food and Veterinary Service and Non-food Goods Inspection will graduate of the training programmes;
- Special training for judges provided;

- Co-operation system with the Council and NGOs established;
- State consumer rights protection institutions and consumer NGOs closely collaborating;
- The system and data processing equipment for NGOs operations and for close collaboration between each other as well as with the Council and State Food and Veterinary Service and State Non Food Inspectorate provided;
- Consumer Education Centre established and operational;
- Established 'Clearing House' in order to join EEJ-Net and FIN-NET;
- The system for implementation Injury Prevention Program established;
- Action plan "Including of Consumers Education into the State Education System" developed; new curriculum & modules introduced for school;
- Council equipped and facilitated to perform effective control of advertising;
- In the installed network of joint server and RAPEX system the Council and two market surveillance institutions are enabled effectively co-operate and make immediate interchange of information;
- The Council's website created and can be easily accessed by consumers on the internet.

3.4 Activities

3.4.1 Twinning package

The following activities will be executed under a Twinning arrangement:

Legislation

The EU legal experts will assist in:

- Revision, analysis and comparison of national and the EU consumer legislation;
- Drafting proposals for amendments;
- Improving the translation of national legislation into English.

Strategies

Analysis and revision of the Council's functions, institutional features, existing situation of consumer rights protection and violations in Lithuania, newly created consumer rights protection system's features, preparation of recommendations for implementing National Strategy for Consumer Protection in line with new *Acquis*, according to best EU Member States practices.

Implementation of developed strategies by appropriate tools will allow the public relations function within the Council, all concerned institutions and NGOs to operate effectively.

Training package

Training needs analysis, development and implementation of the training packages for the Council's and market surveillance institutions' staff on:

- The analyses and evaluation of the EU *Acquis*, to perform the approximation of the national legislation to the EU consumer protection *Acquis*;
- Support in development of consumer rights protection policies and implementation strategies, taking notice of the "best practice of EU MS in this field, making investigations and development;
- Strengthening administrative capacity of institutions related to Co-ordination and implementation of protection of consumer rights;
- Activities in the exchange of information with the EU and Member States;
- Implementation of RAPEX system;
- Co-operation with and promotion of activities of consumer NGOs.

Special training for judges, especially on unfair terms specified in contracts, will be provided.

Co-operation with NGOs

Analysis of current situation concerning NGOs activities and interrelations and preparing of guidelines for the collaboration between the state institutions: the Council, the State Food and Veterinary Service and the State Non-food Inspectorate, other state institutions, NGOs (mentioned in Annex 6), private sector, business organisation.

This part of the project will evaluate methods for their integration and will create close connections with them with the assistance of the EU Member States' experts.

Information exchange with the EU and MS system

Legal basis for functioning of Rapid Exchange of Information System on Dangers Arising from Consumer Protection (RAPEX), 'Clearing house' and European Consumer Centre will be created. A system for implementation the Injury Prevention Program will be established in Lithuania.

The establishment of RAPEX system will provide the possibility to strengthen the effective exchange of information and co-operation between the Lithuanian and EU MS consumer protection authorities. Performing the function of information exchange, the Council will co-operate with the State Non-food Inspection as this institution has relevant experience.

Becoming a part of European extra-judicial network (EEJ-Net), which is complemented by FIN-NET, and establishment of the national contact point ('Clearing house') will help the consumer with information and support in making a claim to an appropriate out-of-court alternative dispute resolution system.

Consumer education

Preparation of legal basis for the creation of the Consumer Education Centre. Analysis and preparation of proposals for teaching methods and curriculum development and introduction into State education system according to EU MS' practice; proposals for strengthening of consumer education and information, proposals for research methods.

Technical specification for supply component

Supporting development for:

- Equipment and facilities necessary to perform effective control of advertising;
- Equipment and facilities for the Council and two market supervision institutions, servers and RAPEX system, database management.

Scope of the twinning (task of the PAA)

One PAA with good administrative skills and good knowledge of written and spoken English for 18 months. The PAA will be responsible for the Overall Management Co-ordination, implementation-development of the Strategy, co-ordination of STA and all reports associated with the project. He/She would have minimum 5 years of experience in a similar institution related with consumer protection and will possess the best combination of following qualifications:

- Knowledge of EU consumer rights protection *Acquis* (all regulations and requirements in this field);
- Practical experience in approximation of national legislation to the EU *Acquis* in consumer rights protection field; practical experience in drafting and applying legal acts in the national legal system;

- Practical experience elaboration of proposals for the establishment of institutional and operational structures for the implementation of consumer rights protection policies and elaboration of national strategies in this field;
- Practical experience in the determination of trainings needs, preparation and implementation of training packages including co-ordination of establishment of operational rules and methods,
- Practical experience in co-operation and promotion of consumer NGOs.

Short and medium term experts

PAA will get support from Short-term experts' inputs of 28 person/months. Duration will be directed at the implementation and development of consumer rights protection policies with a view of strengthening of the administrative capacities of the Council and other two market supervision institutions. More specifically the short-term expert team should assist the following:

- Support in transposition, implementation and enforcement of the Acquis;
- Support in implementing National strategy for consumer protection and National Consumer Education program;
- Development of training for the Council's, market surveillance institutions' and NGOs specialists;
- Co-operation with NGOs;
- Information exchange;
- Assistance in creating legal basis for the Consumer Education Centre;
- Education of consumers;
- Education of producers, importers, sellers and service providers.

Operating environment of the twinning

The Council will be the counterpart institution for the twinning project. To ensure smooth operations, it will provide office accommodation and the usual office equipment for the Project.

3.4.2 Technical assistance

Training Component

Training needs analysis, development and implementation of the training packages for state institutions and NGOs consumer protection specialists in:

- Organization and management of information and public relations,
- Carrying out analysis of consumer out-of-court appeals,
- Carrying out analysis of consumer out-of-court appeals concerning advertising intended to consumers, unfair terms specified in the contracts,
- Establishment of system for consumers' opinion research,
- Consumer protection on financial services,
- E-commerce.

Training requires the participation of experts with experience in the area of:

- Information and public relations;
- Consumer out-of-court appeals, especially appeals concerning advertising intended to consumers and unfair terms specified in the contracts;
- Consumers' opinion research;
- Consumer protection on financial services;

- E-commerce.

All experts should have experience in training of personnel.

Development of websites

Establishment Council's, Consumer Education Centre's websites.

3.4.3 Supply Component

The procurement and supply of the equipment will be based upon review and specifications finally elaborated in the framework of Twinning project. As starting point an indicative list of equipment would include: equipment and facilities necessary to examine advertising, computers with needed software installed, servers, RAPEX equipment and network accessories, internet websites, facilities, etc. Indicative list of the investment component is given in the Annex 4.

3.5 Lessons learned

The Council was established on May 2001 and it did not receive any support from the EU or any bilateral project.

In its Regular Reports (2001, 2002) Commission highlighted needs for:

- Completing Lithuanian legislation harmonization with the consumer protection *Acquis*;
- Strengthening of the administrative capacities of the consumer protection institutions:
 - Increasing the staff of the Council,
 - Providing specific training to the Council's staff.

Because harmonization of legal acts has to be completed before project's activities start, this project will assist in approximation Lithuanian legislation to the new consumer protection *Acquis*.

The number of the Council's staff has been already increased to 20 and it is also expected to increase during the year 2003. Necessary equipment and facilities for increased personnel will be provided by the Supply component. The new staff needs specialized training on the main issues of consumer protection and the project will help to accomplish this requirement.

4. Institutional Framework

The Project will be co-ordinated by the National Consumer Rights Protection Council under the Ministry of Justice, which is the main beneficiary institution and is responsible for co-ordination of implementation of the consumer protection policies. The Project will support key elements of the consumer protection policy. Other beneficiaries will be State Food Veterinary Service (SFVS), State Non Food Inspectorate and Lithuanian consumer protection NGOs. Competition Council, State Tourism Department and other state institutions related to consumer protection will also benefit from the project.

Implementation and co-ordination of the project will be assured by the Steering committee composing of all above mentioned beneficiaries. The NAC and the EC Delegation in Lithuania will be observers in this committee.

The National Consumer Rights Protection Council was established on 24 October 2000 and the Government Decision adopted the Statute of this Council on 18 January 2001. The Council is a State institution under the Ministry of Justice.

Structure of Council:

The Council comprises Chairman and four Members. According to the provided financial resources it is foreseen to have 8 experts and 2 attending staff in the Council. The whole number of Council's staff is going to be 20 persons by the end of the year 2002.

The Council together with the State food and veterinary service as well as with the State Non Food Inspectorate under the Ministry of Economy are responsible for the supervision of the implementation of the Law on Consumer Protection and the Law on Product Safety and the fulfilment of provisions related to the use of advertising, set by the Law on Advertising.

In the Commission Regular Report 2001 there has been noted the need for further efforts regarding support for activities carried out by public consumer organisations. During recent years six non-governmental consumers' organisations have started their activities. List of organisations' and description of their activities are provided in Annex 6.

5. Budget (in Million Euro)

Project Components	Investment Support	Institution Building	Total Phare (= I + IB)	National Co-financing	IFI	TOTAL
Twinning		0,9	0,9			0,9
Technical assistance		0,195	0,195			0,195
Supply Contract	0,146		0,146	0,049		0,195
TOTAL	0,146	1,095	1,241	0,049		1,29

The Phare amount is binding as a maximum amount available for the project. The ratio between the Phare and national co-finance amounts is also binding and has to be applied to the final contract price.

The national co-financing commitment is a tax-excluded net amount.

6. Implementation Arrangements

6.1. Implementing Agency

PAO: Zilvinas Pajarskas
Director of Central Financing and Contracting Unit under the Ministry of Finance

Address: J.Tumo-Vaižganto 8A/2 Telephone: 370 5 2685367
2600 Vilnius Fax: 370 5 2225335
Lithuania e-mail: info@cfcu.lt

6.2 Twinning

The Twinning Team will primarily be located at the National Consumer Right Protection Council. The Counterpart of the PAA will be:

- Edita Gumbinienė, a member of the National Consumer Rights Protection Council, tel. +370/5/2626772, e-mail edita@tic.lt, nvtat@tic.lt
- Marekas Mociulskis, a member of the National Consumer Rights Protection Council, tel. +370/5/2626771, e-mail mariusm@tic.lt

- Vytautas Vaivada, a senior specialist of the European integration and international relations division, National Consumer Rights Protection Council, tel. +370/5/2626783, e-mail vytautasv@infolex.lt

6.3 Non-standard aspects

There are no non-standard aspects in the implementation of this project. PRAG and Twinning Manual will be applied fully. The project has 3 components: 1 Twinning Arrangement of a total value of 0.9 MEUR, Technical assistance and 1 Supply Component.

6.4 Contracts

There will be three components with the following values:

Value of Twinning Covenant – 0.9 MEUR.

Value of Technical assistance – 0.195 MEUR.

Value of Supply Component – 0.195 MEUR, of which 0.049 MEUR is national co-financing.

7. Implementation Schedule

Component	Start of Tendering	Start of Project Activity	Project completion
Twinning	2Q/03	4Q/03	1Q/05
Technical assistance	3Q/03	1Q/04	3Q/04
Supply	3Q/03	1Q/04	3Q/04

8. Equal Opportunity

The institutions involved in the project execution will observe equal opportunity of men and women in its recruitment and human resources development. The beneficiary will also ensure equal access of men and women to the project activities and results.

9. Environment

The investment component of this project relates to institution Building activities.

10. Rates of Return

The investment components of this Project all relate to Institution Building activities.

11. Investment Criteria

The investment components of this Project all relate to Institution Building activities.

12. Conditionality and sequencing

The National strategy for consumer protection has to be approved by the Government before the project can start. Also the project is conditional to the availability of local co-financing.

The project will be sequenced as shown in the Implementation Schedule.

All legislative issues should be first priority of Project in order to harmonize it with new EU *acquis* according to the best practices of the EU member states.

If MS would not be able to carry out consumer education activities, it will be allowed to subcontract this part of the Twinning.

Annexes to Project Fiche

1. Logframe Matrix
2. Detailed Implementation Chart
3. Cumulative Contracting and Disbursement Schedule for the Project
4. Feasibility study and equipment
5. Lists of relevant EU and Lithuanian legislation
6. List and description of Lithuanian consumer protection NGOs

LOGFRAME PLANNING MATRIX FOR Project: Strengthening Administrative Capacity of the National Consumer Rights Protection Council and Promotion of Activities of Public Consumer Organizations		Programme Name and number:	LI 2003-X-XX
		Contracting Period Expires: 2Q/2005	Disbursement Period Expires: 2Q/2006
		Total Budget: €1, 29. Million	Phare Budget: €1,241 Million
Overall Objective To strengthen consumer protection in Lithuania in line with relevant EU <i>Acquis</i> according to EU Member States best practices	Objectively Verifiable Indicators: Performance indicators defined in Directives No. 98/27/EC, 85/577/EEC, 87/102/EC, 93/13/EEC, 94/47/EC, 99/44/EC and 92/59/EEC equal or better than in comparable member states by the year of 2006	Source of Verification <ul style="list-style-type: none"> The Council's statistics and reports 	
Project Purpose <ul style="list-style-type: none"> To approximate Lithuanian legislation to the Directives and other legal regulations concerning the new consumer protection <i>Acquis</i> according to the best practices of EU member states. To improve administrative capacity of the National Consumer Rights Protection Council and ensure its as well as other market surveillance institutions' effective operation and performance of consumer protection. To enforce coherent strategies on consumer protection, consumer education, and co-operation between state, public, and private sectors in this field. 	Objectively Verifiable Indicators: <ul style="list-style-type: none"> Enacted Lithuanian national legislation by the end of the project National Strategy for Consumer Protection and consumers education action plan applied in practice by the beginning of the year 2004 Consumer education system introduced into State education by the end of the project 	Source of Verification <ul style="list-style-type: none"> <i>Official Journal</i> and international reports The Council's statistics and reports Beneficiaries' reports Public opinion and business surveys Equipment audit 	Assumptions <ul style="list-style-type: none"> Continued Government commitment to the process of reform in the pre-accession period.
Results <ul style="list-style-type: none"> National and EU legislation concerning consumer rights protection <i>Acquis</i> analysed, Lithuanian legislation revised and necessary amendments drafted National Strategy for Consumer Protection, including strategies for the Council's public relations and human resources' management implemented Training packages for the Council's, State Food and Veterinary Service's, Non-food Goods Inspection's and NGOs' specialists, covering legal matters, matters of advertising, unfair contracts' terms, e-commerce, and other consumer rights related issues, developed and implemented Special training for judges provided Situation concerning the consumer NGOs' activities in Lithuania analysed and integrated co-operation system with the Council and between each other established Consumer's Education Centre established and operational, fully equipped and facilitated to carry out day-to-day functions; action plan "Including of Consumers Education into the State Education System" developed The 'Clearing House' is founded in order to join EEJ-Net and FIN-NET; the system for the Injury Prevention Program created Special equipment for the control of advertisements transmitted on TV and radio, joint server for the Council and two market supervision institutions, RAPEX system and website for the Council 	Objectively Verifiable Indicators <ul style="list-style-type: none"> Review of Lithuanian legislation conducted and necessary recommendations documented by the first half of 2004 Approximately 100 the Council's, State Food and Veterinary Service's, Non-food Goods Inspection's and NGOs specialists trained Approximately 80 judges on unfair terms specified in contracts trained State consumer rights protection institutions and consumer NGOs closely collaborates by exchanging information, information about all institutions and NGOs is provided in the Council's website Regulations of the Consumer Education Centre adopted and 10 specialists employed; new curriculum & modules prepared and pedagogues trained at State schools at the second half of the year 2004 The 'Clearing House' is created and 3 specialists employed; operational rules for subscribing EEJ-Net and FIN-NET created 	Source of Verification <ul style="list-style-type: none"> Reports by CFCU, PAA, and SPPS project leaders. The Council's annual reports Manuals and training programmes Handing-over notes 	Assumptions. <ul style="list-style-type: none"> Governmental support and finance for implementation of the strategy Support by other relevant institutions Trained officers can be retained within the system.

	<ul style="list-style-type: none"> Operational rules for implementing Injuries Prevention Program created Council's website can be easily found by consumers in the internet by the first half of 2004 Operational rules of RAPEX system created and approved by competent institutions All supplies delivered in time and at the right levels of quality, as planned 		
Activities <ul style="list-style-type: none"> Analysis, revision, and translation of national and EU legislation and necessary amendments concerning consumer rights protection <i>Acquis</i> Analysis and revision of: <ul style="list-style-type: none"> the Council's functions and institutional features, existing situation of consumer rights protection as well as their violations in Lithuania, newly created consumer rights protection system's features, work order and preparation of recommendations for implementing the national strategy in line with the <i>Acquis</i> and human resources management as well as public relations procedures Training needs analysis, development and implementation of training packages Analysis of current situation concerning NGOs activities and interrelations and preparing of guidelines for the collaboration between concerned state institution, NGOs and private sector Activities in information exchange with the EU and MS: <ul style="list-style-type: none"> Establishing legal basis for 'Clearing house', RAPEX system Establishing the system for implementing Injury Prevention Program In consumer education it is needed: <ul style="list-style-type: none"> Preparation of legal basis for the creation of the Consumer Education Centre Analysis and preparation of proposals for teaching methods and curriculum development and introduction into State education system according to EU MS' practice Specification and procurement, installation and training for use of equipment and facilities for: <ul style="list-style-type: none"> advertisements' transmitted on TV and radio control, RAPEX system, websites, facilities for the Consumer Education Centre. <p>Provision of appropriate tools will allow the public relations function within the Council, all concerned institutions and NGOs to operate effectively</p>	Means <ul style="list-style-type: none"> 1 Twinning arrangement for 1 PAA for 18 p/m and short-term experts for 28 p/m of training and advice 1 TA for 7 short-term experts for 11 months of training 1 supply contract 	Source of Verification Supply contracts signed	Assumptions <ul style="list-style-type: none"> Local co-finance available when required Adequate staff recruited Twining partners available Successful start and smooth implementation of the project

- | | |
|--|---|
| | <ul style="list-style-type: none">• National strategy for consumer protection approved• Co-financing available |
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Detailed Implementation Chart for the Project
Strengthening Administrative Capacity of the National Consumer Rights Protection Council and
Promotion of Activities of Public Consumer Organisations

Year	2002						2003												2004												2005				
Month	7	8	9	10	11	12	1	2	3	4	5	6	7	8	9	10	11	12	1	2	3	4	5	6	7	8	9	10	11	12	1	2	3	4	5
Twinning																																			
Technical assistance																																			
Supply																																			



Design

Tendering

Implementation

CUMULATIVE CONTRACTING AND DISBURSEMENT SCHEDULE (Phare Contribution only)

Strengthening Administrative Capacity of the National Consumer Rights Protection Council and Promotion of Activities of Public Consumer Organisations

	Date												
	2003			2004				2005				2006	
	30/06	30/09	31/12	31/03	30/06	30/09	31/12	31/03	30/06	30/09	31/12	31/03	30/06
Contracting													
• Twinning			0.9										
• Technical assistance				0.195									
• Supply				0.146									
Total contracting (cumulative)			0.9	1.241									
Disbursement													
• Twinning			0.54	0.6	0.66	0.72	0.78	0.84	0.9				
• Technical assistance				0.156	0.156	0.156	0.195	0.195	0.195				
• Supply				0.09	0.09	0.13	0.146	0.146	0.146				
Total disbursement (cumulative)			0.54	0.846	0.906	1.006	1.122	1.183	1.241				

Reference to Feasibility/Pre-Feasibility Studies (*Investment Projects*)

Indicative list of the investments to be financed under the Project:

	Total Budget
Supply Component	
<i><u>Council</u></i>	
2 servers	20 000
Hardware and software, datawarehouse, network equipment, maintenance equipment	40 000
Special equipment for control of advertising	20 000
<i><u>Market surveillance institutions</u></i>	
Hardware and software	30 000
<i><u>RAPEX</u></i>	
Hardware and software, Fire wall, server, special equipment	30 000
<i><u>Consumer Education Center</u></i>	
Server, hardware and software	20 000
Facilities for consumer education	35 000
TOTAL	195 000

Relevant EU Legislation

Directive/Regulation	Subject
European Parliament and Council Directive 98/27/EC	On injunctions for the protection of consumers' interests
European Parliament and Council Directive 99/44/EC	On certain aspects of the sale of consumer goods and associated guarantees
Council Directive 85/577/EEC	To protect the consumer in respect of contracts negotiated away from business premises
Council Directive 87/102/EC	On the approximation of the laws, regulations and administrative provisions of the Member States concerning consumer credit
Council Directive 93/13/EEC	On unfair terms in consumer contracts
European Parliament and Council Directive 94/47/EC	On the protection of purchasers in respect of certain aspects of contracts relating to the purchase of the right to use immovable properties on a timeshare basis
European Parliament and Council Directive 98/6/EC	On consumer protection in the indication of the prices of products offered to consumers
Council Directive 2001/95/EC	On general product safety

List of Relevant Laws and Regulations

1. The Law on the Protection of Consumer Rights, adopted on 19 September 2000;
2. The Civil Code Book VI, adopted on 18 July 2000, in force from 1 July 2001;
3. The Law on Product Safety, adopted on 1 June 1999, in force from 1 January 2000, amended on 5 July 2001;
4. The Law on Advertising, adopted on 18 July 2000, in force from 1 January 2001;
5. The Law on Food, adopted on 4 April 2000;
6. The Law on Tourism, adopted on 19 March 1998.

List of Relevant Laws and Regulations under Preparation or Planned to be Drafted

1. Draft Law on the Amendments to the Law on Consumer Protection
2. Draft Government Resolution on the Immediate Provision of Information Relating to Products which are Unsafe and Dangerous to the Health of Consumers to the EU Commission
3. Draft Law on Amendments to the Law on Advertising

List and description of Lithuanian consumer protection NGOs

During recent years six new non-governmental consumers organizations have started their activities:

1. Lithuanian Consumer Association;
2. Lithuanian National Consumer Federation;
3. Lithuanian Consumer Union;
4. The Centre of Consumers' Rights Protection;
5. Lithuanian Institute of Consumers;
6. Consumers and Human Rights Protection Association;

Lithuanian Consumer Association (LCA) founded in 1989 is a public organisation. Its functioning is based on the principles of The Constitution of the Republic of Lithuania, the Law on Consumers Protection, and other legislation of the Republic of Lithuania and Association statute. LCA protects the rights of consumers of goods and services, also their economical and social interests.

LCA unites the citizens who respect the statute of the Association and who are the members of one of 13 territorial sections. LCA is a juridical person and has account in banks.

LCA organisation structure consists of:

- Council of 27 members;
- Board of 7 members;
- President;
- Vice-president.

The main aims of LCA are to inform and consult consumers, to present and protect their interests in the governmental institutions. LCA organises conferences, seminars, publishes brochures, supplies sellers and service suppliers with the suggestions and recommendations on the quality of goods and services.

LCA is cooperating with these institutions: National Consumers Rights Protection Council, Competition Council, State food and veterinary service, State non-food inspectorate under the Ministry of Economy, State prices and energy control commission. LCA is also cooperating with consumers organizations from Estonia, Germany, Great Britain, Latvia, Norway, Poland and Sweden.

LCA is the member correspondent of the international consumer organisation – The Consumers International.

LCA is going to establish new consumer consultation centres in other four Lithuanian towns (Kaunas, Šiauliai, Panevėžys, Alytus) and step by step to include consultation system in whole territory of the Republic of Lithuania.

Lithuanian National Consumer Federation (LNCF) is a non-government, non profit consumer organisation ensuring consumer access to information and redress, protecting consumers rights and representing consumers interests in their relation with the government and businesses. It was established in May 2000.

LNCF implements foods project “Enforcement of food market in Lithuania”. The Consumers International has chosen LNCF as a partner to implement global food project. That project will last for 3 years.

Lithuanian Consumers' Union (LCU) is an NGO established in September, 2000.

Now it has 25 members, residing in different places of Lithuania. LCU cooperates with experts (lawyers and economists) who are working for LCU as volunteers.

The Statute of LCU provides for the main areas of activity of this organization. Priorities of LCU are:

- representation of consumers' interests in legislation process (at national and local level). Members of LCU participated at debates in Parliamentary committees or submitted written opinion to them concerning draft laws related with consumer protection (Draft law on Amendment of the Law on Tobacco Control, Draft Law on Amendment of the Law on Consumer Protection, etc.). For example, some of LCU proposals concerning consumer protection were included to Draft Law on Compulsory Insurance of Civil Liability of Owners of Motor Vehicles. Since Government of Lithuania has not approved action plan on consumer protection yet, LCU experts are drawing draft of this plan which will be submitted to other NGO's and to the Governmental institutions;
- representation of consumers in setting up disputes with sellers and producers. LCU experts give consultations and advise to those consumers, whose rights were infringed by sellers or manufacturers. Nevertheless, LCU needs more financial support and human resources to strengthen it's position as a representative in consumer disputes;
- information and education of the consumers, particularly in the light of changes related with acceptance of the EU consumer protection rules. LCU experts are involved in public lectures about consumer protection. These lectures are presented in schools, NGO's, businessman organizations, etc.

Central office of LCU is in Kaunas. LCU seeks to become national-wide organization, therefore establishment of Vilnius and Palanga divisions must be established. After that other territorial divisions will be established.

LCU has submitted applications for grants to Open Society Fund Lithuania in order to execute several projects related with (1) establishment of Consumer information Centre in Kaunas (together with Kaunas Lawyers' Collegium), (2) anti-corruption programs (together with Legal Research and Projects Centre).

The Centre of Consumers' Rights Protection (the Centre) is a non-profit public organization, acting all over Lithuania, founded in December 2000. The main office of the Centre is in Vilnius. The Centre can join to the unions of public organizations, international public organizations.

The structure of the Centre:

- The Supreme body of government is the **General meeting of Members**.
- The activity of organization between the members meetings is under competence of the **Board** of 5 members.
- The **Board** of the Centre is leaded by the Chairman.

9 employees work in the Centre at the moment without payment.

The Centre has founded his 3 territorial sections in Naujoji Akmene, Vilkaviškis and Ignalina. Lawyers consult and represent consumers in these towns.

The Centre analyses conditions of protection of the consumers rights and proposes various suggestions to institutions preparing the draft laws. The Centre also gives suggestions to the government institutions for improvement of the consumers' rights protection and public information system, prepares the programmes of the education of consumers.

At this moment activities of the Centre are turned to the development of organization structure and training of new employees of this organization.

The biggest and most actual problems in the founding of new territorial sections are absence of premises, technical equipment.