



**DIRECTORATE FOR SCIENCE, TECHNOLOGY AND INDUSTRY
COMMITTEE ON CONSUMER POLICY**

**DSTI/CP(2010)4
For Official Use**

Cancels & replaces the same document of 02 March 2010

**DRAFT PROGRAMME OF WORK AND BUDGET FOR 2011-2012
CONSUMER POLICY**

14-15 April 2010

Attached is the draft programme of work and budget for the Committee on Consumer Policy for 2011 and 2012. Delegates are asked to review the document and make any suggested changes (including further proposals) to the Secretariat, as soon as possible. The Annex to the document contains a voting sheet which delegates should use to indicate their priorities. This should be forwarded to the Secretariat (Peter.Avery@oecd.org), by 19 March 2010.

Contact: Peter Avery; Tel: +33 1 45 24 93 63; E-mail: peter.avery@oecd.org

JT03279541

SUMMARY AND ACTION POINTS

Summary

1. The Committee had a preliminary exchange of views on its programme of work and budget (PWB) for 2011 and 2012 at its 78th Session in October 2009 [see DSTI/CP(2009)24 and DSTI/CP/M(2009)2, paragraphs 31 and 32]. At the meeting, delegations agreed that work on e-commerce and consumer economics should have high priority and that care should be taken not to overextend the resources that were likely to be available to the Committee, both at the Secretariat and national delegation levels.

2. The Secretariat prepared the current draft, in consultation with the Bureau, taking into account comments and suggestions made by stakeholders. Given current constraints, it will be necessary to narrow the focus of the final proposal significantly. Delegates are therefore asked to examine each proposal closely and identify those parts that should have priority.

Action points

3. Delegates are asked to review the proposed draft PWB, and:

- Submit to the Secretariat any written comments they wish to share with the Committee, as soon as possible.
- Provide a preliminary ranking of the Output Results to the Secretariat (peter.avery@oecd.org), **by 19 March 2010**. A ranking sheet is contained in the Annex to this document.

4. A summary of the rankings will be provided to the Committee prior to its April 2010 meeting.

5. At the April 2010 meeting, the Committee will discuss the draft PWB. It is proposed that the Secretariat would then prepare a revised version, in consultation with the Bureau. The revised draft would be circulated to the Committee, with a request for approval *via* the written procedure.

DRAFT PROGRAMME OF WORK AND BUDGET FOR 2011-2012 CONSUMER POLICY

I. Introduction

1. This paper provides a proposal for the Committee on Consumer Policy's programme of work and budget (PWB) for 2011-2012. It includes a series of "fact-sheets" that describe five proposed core areas of work (Output Results). Delegations should note that the proposed work items are not listed in terms of priority. This will be established by delegations, based on their responses to the voting sheet contained in the Annex to this document. These sheets should be completed and sent to the OECD Secretariat (to Peter Avery, e-mail: Peter.Avery@oecd.org) by **19 March 2010**.

2. At the CCP's 79th Session in April 2010, delegations will be invited to discuss the programme further and agree on its final form. It is suggested that the Secretariat would then prepare a revised draft and circulate it to the Committee, for approval *via* the written procedure.

3. Once the Committee has agreed, the proposed PWB will be submitted to the Secretary General who will consider it in the context of all work proposals and priorities across the Organisation. He will then draft a PWB for the Organisation as a whole and submit it to the Budget Committee for review. The Organisation-wide PWB should be finalised and adopted by the Council by the end of 2010.

II. Related activities across the OECD

4. The CCP's PWB should be seen in the broader context of the programmes of work of a number of bodies served by the Directorate for Science, Technology and Industry (DSTI), which are responsible for the relevant Output Areas of the Organisation's work programme. These include:

- The Committee on Industry, Innovation and Entrepreneurship (CIIE).
- The Committee for Information, Computer and Communications Policy (ICCP).
- The Committee for Scientific and Technological Policy (CSTP).

5. A separate document [DSTI(2010)2] providing an overview of all the Output Results carried out in the Output Areas served by the DSTI, has been posted on OLIS. This document offers delegates an opportunity to grasp the broader context and, if desired, express their interest in the planned activities of other bodies in this group. It is hoped that this will help delegates identify opportunities for horizontal work, complementarities and synergies.

6. In addition to synergies with DSTI, the work of the CCP is often closely linked to work being carried out by other OECD bodies, including the Competition Committee, the Committee on Financial Markets, the Investment Committee, and the Environment Policy Committee. When opportunities arise, the CCP will explore ways to work with such bodies in areas of mutual interest. In terms of issues, this could include e-commerce, corporate responsibility, green growth and sustainable consumption, financial services, and innovation. In addition, new opportunities are likely to arise in work being undertaken in other areas including trade and energy.

III. PWB proposals

A. Protecting and promoting consumer interests in the Internet economy

7. The 2008 Seoul Ministerial Declaration invited countries to reassess their policy instruments pertaining to consumer policy. Accordingly, in 2009, the Committee launched a review of the 1999 OECD *Guidelines for Consumer Protection in the Context of Electronic Commerce* (“the E-commerce Guidelines”). Two events were organised in that context including: *i*) a joint meeting with the International Consumer Protection and Enforcement Network (ICPEN) on 1 April, and *ii*) a three-day conference on *Empowering E-consumers: Strengthening Consumer Protection in the Internet Economy*, hosted by the US Federal Trade Commission on 8-10 December, in Washington, D.C. A report prepared as background for the conference identified trends, opportunities and a number of consumer challenges in e-commerce [DSTI/CP(2009)20/FINAL].

What needs to be done?

8. The e-commerce landscape has evolved dramatically over the past decade, with greater participation of children and the elderly, new forms of transactions (C2C), growth in interactive frameworks (social networking), development of new business models (behavioural advertising, mobile commerce), and expansion in the products and services offered to consumers (including digital content products). Despite these developments, e-commerce has not yet reached its full potential, in particular across borders. Emerging and ongoing challenges will need to be identified and addressed, with a view to strengthening consumer protection and enhancing confidence online. During 2010, the Committee will complete its work plan for strengthening e-commerce policy instruments. This will include identifying those areas for priority consideration, taking the suggestions made at the 2009 Washington conference into account (see Box 1).

Box 1. Suggestions made at the 2009 Washington conference

Areas to examine included:

- Expanding the scope of the E-commerce Guidelines to capture new forms of online activities such as C2C transactions, mobile commerce, social networking and other forms of participative activities, as well as non-commercial illegitimate activities (including identity theft and malware).
- Reinforcing payment protection, in particular in the mobile commerce area.
- Examining the applicability of consumer protection laws to participative activities (including social networking, blogging, endorsements and testimonials).
- Identifying trends and consumer challenges arising from C2C transactions and clarifying the rights and responsibilities of all the parties involved in such transactions (including consideration of the role of Internet intermediaries).
- Educating consumers about their rights and responsibilities in e-commerce.
- Examining the interaction between the E-commerce Guidelines and related OECD instruments. This would include the 2003 Cross-border Fraud Guidelines, the 2007 Recommendation on Consumer Dispute Resolution and Redress, and the 1980 Guidelines on the Protection of Privacy and Transborder Flows of Personal Data.
- Promoting transparency. The Guidelines' principles relating to consumer information disclosure would be strengthened in light of technology developments, and, in particular, new product offers, such as digital content products. In that regard, clarification could be made regarding:
 - Unfair contract terms: an Annex could be included in the Guidelines to provide examples of instances where contract terms could be seen as potentially unfair.
 - Consumer rights and obligations in purchasing digital content products (including consideration of consumer information on the restrictions of the use of digital content products, interoperability issues, and remedies).
- Safeguarding vulnerable consumers, with a particular focus on advertising targeting children.
- Developing more effective dispute resolution and redress mechanisms.
- Enhancing enforcement co-operation.
- Stepping up efforts to fight cyber fraud.

9. The work will be carried out in co-operation with other OECD bodies, including, principally, the Committee for Information, Computer and Communications Policy (ICCP). The co-operation could include joint work on privacy, Internet intermediaries, protecting children and communication services (*i.e.*, pricing and bundling practices).

10. Collaborative work will also be carried out with other organisations including the International Consumer Protection and Enforcement Network (ICPEN), the United Nations Conference on Trade and Development (UNCTAD), the International Organisation for Standardisation's Committee on Consumer Policy (ISO-COPOLCO), the Asia-Pacific Economic Forum (APEC), and the United Nations Commission on International Trade Law (UNCITRAL). Such collaboration will be key to, in particular, reaching out to non-member economies.

Possible outputs

11. Outputs would include analytic work (reports), workshops and the development or modification of policy instruments. Possible outputs could include:

- 1 report on selected policy issue (by 2011: II).
- 1 workshop on policy issue/instrument (by 2011: III).
- 1 policy instrument draft (by 2011: IV).
- 1 report on selected policy issue(s) (by 2012: II).
- Finalisation of one policy instrument (by 2012: III).
- Revision of e-commerce guidelines (by 2012: IV).

B. *Promoting consumer product safety*

What needs to be done?

12. In 2008 the OECD initiated work on consumer product safety. An analytic report on the challenges facing product safety authorities was prepared as background for a Roundtable that was held in October of that year. Following the Roundtable, the Committee explored, in collaboration with other international organisations and stakeholders, ways to enhance information sharing on consumer product safety issues across borders. Analytic research was conducted and workshops held with a view towards developing adequate mechanisms and principles. This work is expected to be completed in 2010.

13. The Committee's work on product safety in 2011 and 2012 could take a number of forms, ranging from monitoring and discussing emerging issues at Committee meetings, to exploring ways to implement the recommendations for strengthening information sharing. In carrying out its work, the Committee would continue to co-operate with other international organisations working on related issues, including the Asia-Pacific Economic Co-operation forum (APEC), the International Consumer Product Health and Safety Organization (ICPHSO), the International Consumer Product Safety Caucus (ICPSC), the Organisation of American States (OAS), the UNECE-Working Party on Regulatory Co-operation and Standardisation Policies (WP 6), the International Standards Organisation Committee on Consumer Policy (ISO-COPOLCO), the International Standards Organisation Committee on Conformity Assessment (ISO-CASCO).

14. It should be noted that the Committee's work on product safety will be a major discussion item at the 79th session in April. The results of this discussion will likely have implications for the Committee's subsequent discussion of the programme of work.

15. Possibilities for work could include:

- a) Portions of committee meetings could be set aside for discussion of product safety issues, notably on enhancing information-sharing mechanisms and data harmonisation; these could take place at each meeting, or one time per year.
- b) Periodically (one time per year or once every two years, for example), a workshop on product safety issues could be organised on a selected topic.
- c) Analytic reports could be prepared on selected issues.
- d) The Committee could play a major role in carrying out the recommendations for improving information sharing.
- e) The Committee could develop policy instruments related to product safety.

16. The carrying out of any further work could take place within the Committee. Alternatively, some parties have expressed interest in possibly establishing a formal working party on product safety that would report to the Committee. The working party would be funded from voluntary contributions which would greatly reduce, if not eliminate, the impact on Part I funding for the Committee (*i.e.* the general funding agreed by Council to support work the Organisation's work on consumer policy).

Possible outputs

- Implementation of the short-term recommendations for improving information sharing (short-term goals by 2011:III)
- 1 workshop possibly held jointly with other stakeholders (by 2011: III).
- 1 report (by 2012: II).
- Development of a policy instrument (by 2012: IV).

C. *Developing and refining approaches to consumer policy making*

What needs to be done?

Consumer policy toolkit

17. The consumer policy toolkit, completed in 2010, provides a framework for improving the development, implementation, and enforcement of measures to address consumer problems. During 2011 and 2012, it will be used to examine ways to respond to challenges in important markets. This could include (i) telecommunications (including broadband and related Internet services), (ii) energy (electricity and gas), and/or (iii) financial services. Reviews in these areas would be co-ordinated with other relevant bodies, including, for example, the International Energy Agency (IEA), the OECD Committee on Financial Markets, and the ICCP. In addition, further attention will be paid to deepening knowledge about the nature and use of different tools and the methods that can be employed to evaluate the effectiveness of policies. Finally, the toolkit will be reviewed in 2012 to determine how it could be further refined.

Policy instrument review

18. Over the past five years, the Committee has developed policy instruments in a number of areas. These instruments are subject to review on a periodic basis. Instruments where reviews are prescribed during the 2011-12 period include:

- The 2007 OECD Recommendation on Consumer Dispute Resolution and Redress.
- The 2009 Policy recommendations on consumer education.

19. In addition, the Committee will be completing its review of the 2006 OECD Spam Recommendation in 2011.

Evaluating consumer market conditions

20. The development of more robust methods to collect and share internationally comparable information on consumer market conditions will continue, building on the indicators work that began in 2009. The work will focus on the following four areas, in support of other elements of the Committee's work: *i)* general indicators, *ii)* e-commerce indicators, *iii)* product safety indicators, *iv)* green growth indicators. In addition, work will begin on developing techniques for improving measurement of consumer detriment.

Possible outputs

Toolkit

- 1 Roundtable/workshop on a selected market (by 2011: III).
- 1 report on a selected policy instrument (by 2012:IV)
- Initiate review of toolkit (by 2012: IV).

Policy instrument review

- Complete spam review (by 2011: II).
- Initiate consumer dispute resolution review (by 2011: III).
- Initiate consumer education policy guideline review (by 2012: IV).

Evaluating consumer market conditions

- 1 report identifying areas where statistical indicators are needed to improve policy making in key areas (by 2011: II).
- 1 report on how consumer detriment is being measured and how it could be improved (by 2012: II).
- 1 workshop on meeting the challenges of measuring consumer detriment (by 2012: IV).
- Initiation of development of principles for measuring consumer detriment (by 2012: IV).

D. Promoting green growth

What needs to be done?

21. The choices that consumers make have significant environmental implications. Governments can influence these choices through education and related policies that position consumers to make more informed decisions that take environmental considerations into account. Building on the results of the Committee's work on green claims (i.e. *Enhancing the value and effectiveness of green claims*), the aim of the committee's work in 2011 and 2012 will be to identify the policy tools which are most effective in promoting green growth and how they can best be employed. The project will also draw on the Committee's work on the consumer policy toolkit, industry-led regulation and consumer education. It will be carried in co-operation with, other OECD bodies including the Environment Policy and Education Policy Committees, and the IEA. It will also be pursued in the light of work being carried out in other international organisations including the United Nations Environment Programme, International Standards Organisation, and the International Chamber of Commerce.

Possible outputs

- 1 report on challenges/barriers to promoting green consumption (by 2011: IV).
- 1 workshop on policy measure effectiveness (by 2012: II).
- Initiate development of consumer policy guidelines to promote green growth (by 2012: IV).

E. ICCP/CCP global forum on enhancing international regulatory enforcement co-operation to protect users on-line

Background

22. As indicated in document DSTI(2010)2, the Secretary-General has highlighted the need for the Organisation to reach a more global audience, to address the multi-dimensional nature of country agendas and to contribute to whole-of-government, coherent responses. Recently, he called for the OECD to make the best possible use of the PWB exercise for 2011-2012 to adapt the Organisation to the new demands it is facing from OECD member countries and from other *fora* such as the G-20, and to cooperate more closely with the G-8, the EU, and APEC. It is in this context that the following proposal for an ICCP/CCP joint global forum on enforcement is being proposed.

Proposal

23. The Seoul Declaration calls for increased co-operation of governments and enforcement authorities in the areas of improving cyber security, spam, and the protection of privacy, consumers, and minors. The global reach of the Internet means that the more global in scope this co-operation is, the greater its likely effectiveness. There is a substantial overlap in the types of challenges facing authorities in each of the relevant disciplines, highlighting the need for horizontal exchange. The seriousness of interdisciplinary problems facing users on-line is increasing. Spam is one obvious example, involving consumer protection, privacy, and communications regulators, but responsibility for related problems like data breach, identity theft and malware can likewise be shared across the regulatory spectrum.

24. This global forum would gather governments and enforcement authorities from around the world for a cross-disciplinary exchange on regulatory enforcement co-operation issues. Building on long-standing OECD work on cross-border enforcement co-operation in the areas of cross-border fraud, spam

and privacy, participants could share experiences and good practice across disciplines and foster better horizontal co-ordination among authorities around the world charged with protecting online users.

Possible outputs

- One conference, a background report, conference proceedings, and the development of a global contact list for regulatory enforcement co-operation.

IV. Global relations

25. OECD committees constitute the members' principal conduit for policy dialogue with non-members. Consistent with the Organisation's framework for global relations, a DSTI-wide strategy is being developed to support STI committees in their actions to further engage with non-member economies, and in particular to further mainstream work with Brazil, China, India, Indonesia, and South Africa (the BIICS) into their activities. STI committees are being asked to consider a number of actions as they develop their PWBs [see DSTI/2010)2, paragraphs 26-32].

V. Budget

26. The work proposals presented, together with the resources required to support regular Committee meetings, would require an estimated 138 person-months of Secretariat resources (see Table), which significantly exceeds current staffing levels; these are direct staff costs and do not include management and administrative support. In this respect, the Committee is currently supported by two A3 posts (one of which is funded from the Part I budget and one of which is funded from the voluntary contribution made by Japan) and one A4 post (which is funded by Part I of the budget). This totals 64 person months (48 months supported by Part I funding and 24 months by a voluntary contribution). Two additional staff members are supported by temporary funding which will not be available in 2011 or 2012.

Draft programme of work: Estimated person months required to complete the full draft PWB, by intermediate output result

Intermediate output result	Estimated person months
A. Protecting and promoting consumer interests in the Internet economy	
• 2 reports on selected policy issues	8
– If survey needed	6
• 1 workshop on policy issue/instrument (including background paper)	5
• 1 development of policy instrument	5
• Contributions to UNCITRAL, ISO, ICPEN, APEC (etc.) work on e-commerce	5
• Revision of e-commerce guidelines (other than above)	12
B. Promoting consumer product safety	
• Implementation and support of short-term recommendations	15
• 1 workshop (including background paper)	5
• 1 report on selected issue	4
– If survey needed	3
• 1 development of policy instrument	5
C. Developing and refining approaches to consumer policy making	
• 1 toolkit roundtable/workshop (including background paper)	5
• 1 report on selected policy instrument	4
• Initiation of toolkit review	1
• Complete spam review	2
• Conduct and conclude review of dispute resolution recommendation	10
• Initiate consumer education policy review	1
• 1 report on statistical indicators	4
• 1 report on consumer detriment	4
– If survey needed	3
• 1 workshop on consumer detriment	3
• Initiate development of principles on consumer detriment	1
D. Promoting green growth	
• 1 report on challenges/barriers to promoting green consumption	4
– If survey needed	3
• 1 workshop on policy measure effectiveness	3
• Initiate development of consumer policy guidelines	1
E. Global forum	
• 1 forum (in collaboration with ICCP)	4
Other	
• Organisation and support of Committee meetings, outreach, communication, administrative requirements, etc.	8
• Horizontal activities with other OECD committees (not elsewhere mentioned)	4
Total	138

27. The programme of work that is proposed for 2011 and 2012 will have two components. That portion of the programme that can be supported by one A3 and one A4 will be presented as clear text. All

DSTI/CP(2010)4

other portions will be presented as a grey area, indicating that the work would only be carried out if supplemental funding (*i.e.* voluntary contributions) is provided.

ANNEX
CONSUMER POLICY PROGRAMME OF WORK 2011-2012
PRELIMINARY PRIORITY VOTING SHEET

Please return the form to the Secretariat (peter.avery@oecd.org) **by 19 March 2010**.
Please feel free to provide any comments.

COUNTRY:

Proposed work item	Priority⁽¹⁾	How much of the Committee's time and resources would you like to see devoted to each activity over the two years of the PWB? (The total for all areas should equal 100%)
Protecting and promoting consumer interests in the Internet economy		
Promoting consumer product safety		
Developing and refining approaches to consumer policy making		
Promoting green growth		
ICCP/CCP global forum on enforcement		

⁽¹⁾ Please order from "1" to "5". The highest priority item should be assigned "1", the second priority, "2", etc.