ADMINISTRATIVE ARRANGEMENT

N° JUST/2017/CONS /AA/CO03/0078

<u>BETWEEN</u>

DG Directorate General for Justice and Consumers (DG JUST)

<u>AND</u>

DG JOINT RESEARCH CENTRE (DG JRC)

Following the request from President Juncker to address the issue of dual quality food in an appropriate and urgent manner;

According to the Council conclusions of 26.04.1994 (J.O. C 126 of 7.05.1994 p.1) on the role of the JRC;

According to the Commission Notice C(2017) 6532 final on the application of EU food and consumer protection law to issues of Dual Quality of products – The specific case of food;

It is necessary to develop a project entitled "Technical support for the development and implementation of a harmonised approach for testing quality related characteristics of branded food products";

DG JUST entrusts the DG JRC, Directorate F with the execution of the above mentioned project under the following Administrative Arrangement:

1)	The present Administrative Arrangement is established between DG JUST which is represented,
	for the purpose of stening this Administrative Arrangement, by
	Consumers, and the Joint Research Centre, heremarter referred to as the "JRC", represented for
	the purpose of signing this arrangement by the
	Health, Consumer & Reference Materials.

2) The purpose of this Administrative Arrangement is to provide support for the effective application of the Food Information Regulation (1169/2011) and the Unfair Commercial Practices Directive (2005/29/EC) with particular regard to the Commission Notice C(2017) 6532

final on the application of EU food and consumer protection law to issues of Dual Quality of products – The specific case of food.

- 3) The work to be realised under the execution of the above mentioned project phase I "Technical support for the development of a harmonised approach for testing quality related characteristics of branded food products" and phase II " Application of the approach to a set of products" is described in Annex I, 'Technical Specifications' to the present Administrative Arrangement.
- 4) The JRC shall perform the work, defined in Annex I 'Technical specifications', within 24 months counted from the date on which the last party signs this arrangement.
- 5) Any delay in the performance of the work must be immediately notified to DG JUST in charge of the monitoring of the Project.
- 6) The JRC Directorate F shall make available the personnel necessary for the performance of the project.
- 7) The cost of the work performed by the JRC is estimated at 1 000 000 EURO. It shall be totally financed by the operational budget of DG JUST and transferred to the JRC, in accordance with point 8).
- 8) The credits necessary to cover the expenditure related to the performance of this work shall be made available to the JRC for services rendered when these services have been performed to the satisfaction of the DG JUST according to the Commission's accounting rules on the internal invoicing. The sums shall be transferred from the budget line 33 04 01 of DG JUST to the Legal Entity File (LEF) number 6999999009 mentioning the Recovery Order (RO) number. The JRC will produce a debit note for each payment. Payments shall be made in accordance with the payment plan mentioned below and subject to any special provision (e.g. linked to approval of reports) as specified in Annex n.1:
 - A first payment of 100 000 EURO after acceptance of the report as specified under point 4.2 of Annex 1
 - A second payment of 500 000 EURO after acceptance of the report as specified under point 4.7 of Annex 1
 - A final payment of the balance after acceptance of the final report as specified under point 4.8 of Annex 1
- 9) Any modification of the present Arrangement and its annexes shall be the subject of a written agreement having the same form of the present arrangement.
- 10) The title of the project as quoted under point 2 and the number of the present Arrangement shall appear on any report, correspondence or cost statement concerning the same subject.
- 11) Ownership of any results as well as of any intellectual property (IP) rights thereto, whether generated or obtained in performance of the Administrative Arrangement, shall be regulated by the provisions established in Article 18 of the Staff Regulations.
- 12) JRC shall be responsible for the decisions related to the afore-mentioned IP rights in accordance with applicable Commission internal rules and policies. Without prejudice to any prevailing legal principles such as confidentiality and data protection, the terms of this Administrative

Arrangement do not derogate to any Commission policies regulating the use of Commission documents or of other forms of results in so far as applicable to the subject matter herein.

13) All the correspondence concerning the present Arrangement shall be in written form and shall be forwarded to the following addresses:

for DG JUST

A. For administrative matters

European Commission
DG Justice and Consumers
Unit 04 – Programme and financial management
Email: JUST-04-CFT@ec.europa.eu

B. For technical matters

European Commission
DG Justice and Consumers

Unit E3 - Consumer enforcement and redress



for the JRC

A. For administrative matters
European Commission
Joint Research Centre



B. <u>For technical matters</u> European Commission Joint Research Centre



14) The following documents form an integral part of this arrangement.

- Annex I; Technical Specifications

For DG JUST

For the JRC





EUROPEAN COMMISSION DIRECTORATE-GENERAL JOINT RESEARCH CENTRE

DIRECTORATE-GENERAL JUSTICE AND CONSUMERS

ANNEX I

TECHNICAL SPECIFICATIONS FOR THE ADMINISTRATIVE ARRANGEMENT No JUST/2017/CONS/AA/CO03/0078

Technical support for the development and implementation of a harmonised approach for testing quality related characteristics of branded food products

1. BACKGROUND AND CONTEXT

Several Member States have carried out comparative tests on branded food products placed on their markets and on neighbouring markets. They found that a significant number of products differ in certain quality related characteristics (amount of ingredients used, sensory properties).

Following the Summit of the Visegrad Countries of 2 March 2017, the Commission has addressed the issue of quality differences of branded foodstuffs at the Council of Agriculture Ministers on 6 March 2017 and at the European Council of 9 March 2017. At the last Council of Agriculture Ministers of 17 July 2017, Commissioner Jourová updated the Ministers on the actions taken by the Commission to address the problem of dual quality of foodstuffs. In a letter sent by Commissioners Jourová, Bieńkowska and Andriukaitis to the Member States the European Commission's commitment to do all it can to restore people's confidence in the fairness of the operation of the EU Single Market was emphasised. Among the measures to be carried out in this area is the gathering of reliable and comparable evidence on dual quality food practices. Dual food quality is a cross-border issue. Individual Member States alone have difficulties to gather cross-border evidence from other Member States. The findings of national studies can be contested as they use different scientific methodologies and cannot be always compared. Harmonised sampling, testing and data interpretation is need to create a robust and reliable evidence base for informing a policy debate how to ensure that consumers can base a purchasing on information that is comprehensive, accurate and helpful for making a transactional decision.

2. OBJECTIVES

The purpose of the Administrative Arrangement is the development and implementation by the JRC of a harmonised sampling, testing and data interpretation protocol which can be used for the objective assessment of compositional and sensory difference between branded food products offered on the EU Internal Market.

3. Tasks

In agreement with DG JUST, JRC will provide technical assistance related to the:

Phase I:

- Creation and steering of a technical expert group composed of representatives
 of EU Member States authorities dealing with the control of the food chain,
 industry representatives, and representatives from consumer advocacy groups,
 European Commission services and Members or the EU Parliament Committee
 on the Internal Market and Consumer Protection. This group shall oversee the
 development of a harmonised sampling, testing and data interpretation approach
 aimed at evaluating whether food products offered in several EU Member States
 have been differentiated.
- 2. **Installation of working groups** to elaborate certain aspects of the harmonised approach related to sampling, chemical and sensory testing.
- 3. Elaboration of a harmonised sampling, testing and data interpretation protocol, which is agreed among the relevant stakeholders. This protocol shall form the basis for market surveys related to differentiated food products offered in the EU Member States.

Phase II

4. Implementation of the harmonised sampling, testing and data interpretation protocol under the JRC's coordination and logistics. An indicative number of 100-500 food products is likely to be analysed. The analysis will include both sensory and chemical testing of food products by contracted testing laboratories and the JRC will ensure the quality and comparability of the results throughout the testing process.

4. TIMEFRAME AND DELIVERABLES

The work under this Administrative Arrangement will run for 24 months.

An inception meeting will be organised, following the signature of the AA, between DG JUST and the JRC for the clarification of tasks, setting out the main approach, structure, methodology and tools. Moreover, tasks should be adapted in line with the concrete needs of DG JUST.

	Phase I	
1	October 2017	Launch of Technical Expert Group with approximately 50 people to discuss the main elements of a harmonised testing, sampling and data interpretation approach.
		Launch call for participation in specific working groups to deal with sampling, sensorial and chemical testing issues.

2	December 2017	Report describing (a) the mapping of international brand owners, their brands and the presence of brands in several EU Member States; (b) the mapping of consumer complaints in several EU regarding differentiated food products; (c) list of branded products where food business operator claim that they are identical throughout several EU Member States.
3	January 2018	Working group reports regarding sampling, sensorial and chemical testing issues.
4	March 2018	Agreed and harmonised protocol for sampling, testing and data interpretation for evaluating differences of branded food.
5	Phase II	Implementation of the harmonised protocol under the JRC's coordination and logistics
6	May 2018	Selection of contract laboratories and start of testing campaign.
7	December 2018	Interim report on the progress of tests.
8	September 2019	Report on the outcome of the harmonised testing under the JRC's coordination and logistics.

5. BUDGET

DG JUST will provide financial support to this work. The cost of this Administrative Arrangement amounts to EUR 1 000 0000,-. The budget planning covers costs associated with JRC staff, workshops, direct costs and overheads. The indicative breakdown of costs is described below, prepared according to JRC financial procedures and within the framework of the overall budget available.

	BUDGI	ET*	
PHASE I		EURO	
Staff costs		€ 93.053	
Workshops		€ 100.000	
Overhead		€ 34.749	
Su	b-total	€ 227.802	
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PHASE II		
Staff costs	€ 144.563	
Direct costs (tests to relevant external laboratories including meeting costs)	€ 509.843	
Overheads	€ 117.792	
Sub-total	€ 772.198	
TOTAL	€ 1 000 000	

^{*}Note: The above cost breakdown is indicative and transfer of resources across cost categories is possible, provided that the objectives and deliverables of the Administrative Arrangement are fully met.

DG JUST entrusts the JRC with the execution of the project and the JRC shall make available the human resources necessary for its performance.