



# PROJECT REPORT

Project Title: CONSUMER SOCIETY AND CITIZEN NETWORKS  
Project Number: TACIS 2005-7/115-406  
Country: Ukraine  
Implementing Partner: UNDP Ukraine



**"It is very important that consumer organisations be "watch-dogs" of the market; consumer organisations should enhance their representativeness and structures nationwide, and play a more pro-active role in public control on consumer policy".**

Ms. Meglena Kuneva, European Commissioner for Consumers, Meeting with Consumer Society and Citizen Networks Project and its national partners.

Kyiv, 14-15 September 2007.



**"NGOs are often better at giving information and advice to consumers - consumers trust them to be independent and objective".**

Mr. Julian Edwards, International consultant, World consumer rights day, Ukraine, 15 March, 2007



**"Informed consumer is a top priority for the state and consumer organizations. To achieve this, consumer CSOs have to work hard to remove the information asymmetry, and establish the balance between market players – business and consumers".**

Dr. Heinz Willnat, Head of European and International affairs, German Institute of comparative testing Stiftung Warentest. International consumer forum, Ukraine, 11-13 March, 2009

# I. PROJECT FACTS

**Objective:** To enhance the role of the civil society in sound economic governance in Ukraine according to EU standards

**Specific objectives:**

1. To raise the competence of relevant target groups in consumer issues.
2. To enhance the citizens' access to information on goods' and services' safety and quality and to supply them with tools for exchanging such information.

**Results:**

1. Capacity building programme for consumer protection CSOs delivered, covering: service package for consumers, independent comparative testing of products, consumer satisfaction measurement, training for CSOs' lawyers.
2. Optional course on product safety issues is introduced in secondary schools.
3. Mandatory course on consumer affairs is introduced in the BA curriculum in Economics in Ukrainian Universities.
4. Capacity building programme for media, focusing on how to reflect the issues of product safety and execution of consumer rights.
5. Capacity building programme for judiciary on hearing and ruling cases on consumer rights violation.
6. Promotion of consumer friendly business practices.
7. Sustainable consultative, information, resource both physical and on-line, for citizens, other consumer protection CSOs, entrepreneurs and public administration bodies. Active in, but not limited to the following areas: development and maintenance of Web resource; independent testing of products, delivery of training to various categories of audiences, implementation of information campaigns on consumer issues.
8. Consumers' information Web resource created and functioning in a sustainable and continuously developing manner.
9. Baseline and end-of-project surveys of consumers' behaviour carried out and their results published.
10. Comprehensive information campaign on products' safety delivered.

**Project starting date:** 12 April 2006

**Project duration:** 44 months

## II. RESOURCES

Total project budget	is EUR 3,150,000
TACIS financing	is EUR 3,000,000
UNDP financing	is EUR 150,000

## III. LESSONS LEARNT

The issue of consumer policy development is very acute in Ukraine though politically it is not a priority. As it often happens in such situations the development starts from the grassroots level (Kiev City Administration adopted Consumer Protection Policy for 2007-2010, consumer CSOs in Lviv are provide with premises by the city administration and are actively cooperating with Polish consumer organisations, etc) . One of the very important roles the project like CSCN can play is to **consolidate local practices** and assist in their transition into policies and procedures at the level of the country.

Many consumer organizations expected the project to give grants for their individual activities in most cases also aimed at remedy of the situation in cases when the rights were already violated. It was a challenge to make them understand the mission of the project which is to develop proactive ways of consumer protection through raising awareness and actualization of the issue in minds of individual consumers. According to numerous addresses of the Ukrainian consumer NGOs the project was also expected to lobby amendments to the current Law of Ukraine "On Consumer Rights Protection", which CSCN has no legal instruments to do.

Another lesson learnt by the project is a specific understanding of **independent testing in Ukraine**. Ukrainian consumers as well as consumer CSOs perceive independent testing related to defective products that have already caused problems to consumers. The concept of comparative testing of the lines of products aimed at informing consumers and supporting their choices in the market is new to Ukraine and **needs to be promoted both to consumers and to CSOs**.

The main lesson from the historic development of consumer organizations is that there is no single template for success. The consumer agenda is very wide and tough decisions have to be made about setting priorities, both for the consumer problems to concentrate on and the kind of work to be done. The decisions have to be as practical as possible. Majority of the Consumer CSOs in Ukraine are inconsistent and opportunity driven in their policies and actions, lack specialization, rarely cooperate with each other and thus are short of professional capability to deal with existing challenges. This is caused by the lack of sustainable financing and support from the government.

The **accessibility of services provided to Ukrainian consumers** both by state institutions and consumer CSOs is rather low as is awareness about availability of such services and ways to refer to them. This results in low membership base of CSOs that does not provide for their stability and sustainable provision of services to their clients. Building CSOs capacity for campaigning and public relations will increase

awareness of the services available and referrals and thus clients' base for Ukrainian CSOs. Experience from EU organizations will be invaluable here.

Taking into account the financial situation and **increased danger of unsafe and low quality goods** appearing in the market, the awareness work and consolidation of journalists working in consumer area is of utmost importance.

There is **no valuable statistics of consumer complaints** collected anywhere in Ukraine. At the same time such statistics in EU countries serve a basis for strategic decisions making. Collecting such statistics through the call centre is a valuable contribution for consolidation of consumer movement.

## IV. RESULTS

### INDEPENDENT CONSUMER TESTING

A brochure on basic principles and methodology of organizing independent consumer testing was drafted by local experts with support from international experts representing German Stiftung Warentest. Series of trainings was conducted for mass media representatives, consumer organization leaders and CSO activists delivered. 2 study tours for consumer organizations and mass media representatives were organized in December 2008 and April 2009 to the German Institute of Consumer testing Stiftung Warentest, German federation of consumer organizations etc. Testing of quality and safety of wheelchairs and city infrastructure, accessibility of public services for people in wheelchairs was conducted in March 2009.

All-Ukrainian contest "Youth tests quality" identified the best research in the field of testing in two categories from 12 to 14 years - «Green consumption» and from 15 to 17 years - «Youth tests quality». The contest was conducted in partnership with the Ministry of education and science of Ukraine. The contest aimed at increase of consumer awareness among young people, orientation on the modern market of consumer goods and services and fostering of educated consumer behaviour. Altogether the contest accumulated more than 700 works from all regions of Ukraine. Contest for 2010 has already been announced to be conducted under the auspices of the Ministry of Education of Ukraine.

### CAPACITY BUILDING OF CONSUMER CSO'S

The Project conducted a number of events oriented at institutional and operational enhancement of interested Ukrainian Consumer CSOs.

An information-sharing study tour of Ukrainian consumer activists to Sweden, December 2006

Study tour to the German Institute of Independent Consumer Testing Stiftung Warentest, December 2008.

Training seminar for leaders of consumer organizations focusing on:

- ethics of cooperation between business and consumer CSOs;
- fundraising and work with international donor organizations;
- IT skills;
- CSOs management, ethics of cooperation between consumer protection organizations, government and business;

- consumer information campaigns;
- consumer consultancy;
- strategic planning;
- mediation and ADR;
- series of regional seminars for CSOs' leaders and municipal workers on consumer rights protection with total number of 400 participants.

The project conducted 3 international consumer forums dedicated to the World Consumer Rights Day, with around 150 participants each. Consumer Forum Memoranda were signed by the most active representatives of CRP to witness their commitment to contribute to building the national consumer policy. Over **400 consumer activists** have benefited from training and networking activities aimed at enhancing of consumer movement in Ukraine.

## CLASS ACTION

A guide on theoretic basis and best practices of implementation of class action in Europe was developed, collecting and analyzing Ukrainian database of legislation regulating group suits procedures. A number of trainings on implementation of class action for representatives of consumer civil society organizations were conducted with international experts.

## CONSUMER EDUCATION IN UKRAINE

Based on the assessment of the level of coverage of basic consumer issues by secondary school curriculum the project developed a Consumer Essentials course for secondary schools. 5 Teachers trainings were conducted in a number of regions of Ukraine. The course materials were printed in the amount of 7000 copies. More than **3000 schools** volunteered to take part in monitored piloting of the course already.

Consumer essentials course for Higher School was developed to complement the bachelor's programme of Economics. The course includes a textbook for students and an internet compatible multimedia software for distance learning course on consumer basics. Around **50 universities** took up the course in 2008.

## CONSUMER SATISFACTION MEASUREMENT

Measurement of consumer satisfaction index was undertaken in the field of telecom, retailers, banks and insurance in cooperation with Stockholm school of economics. Following recommendations made in course of project activities review the project is currently envisaging development of a simplified methodology of which could be sustainably implemented on Ukraine realia.

## CAPACITY BUILDING PROGRAMME FOR MEDIA

The project developed a programme of monthly training events for journalists. Over 15 hands-on trainings covering various issues related to quality and safety of a particular group of products were conducted for regional and national mass media representatives with field visits to testing laboratories and production sites.

Study tour to London, was conducted in December 2007 as a know-how transfer for representatives of Ukrainian mass media. Another study tour to Berlin, took place in December 2008 and focused on consumer policy, consumer education,

consumer advocacy and independent testing.

With around 1000 journalists trained, the scale of **consumer information has increased five-fold** over three years of Project's work with mass media.

Consumer journalism contest "Truth for People" was the first Ukrainian contest of this kind designed to foster development of a high-quality coverage of consumer issues in Ukrainian mass media, improve access to trustworthy and objective information on quality of goods and services on Ukrainian market.

The contest was executed in the following nominations:

- The best TV programme;
- The best radio programme;
- The best printed article;
- The best internet article.

The winners were awarded by a study-tour to the German Institute of Independent Consumer Testing, Stiftung Warentest.

## CAPACITY BUILDING OF JUDICIARY

The Project developed a number of publications to serve as information materials for judges and practicing lawyers which deal with consumer cases:

- "Best practices in consumer advocacy", 2006;
- "Court practices in consumer issues" 2007;
- "Consumer's self-protection", 2007;
- "Handbook on preparation to hearing of cases of consumer rights violation", 2008;
- "Guide to public utilities and state housing services sector", 2009.

## CONSUMER FRIENDLY BUSINESS PRACTICES

Several sectors of Ukrainian business had to undergo a survey conducted in 2008 investigating their **friendliness to consumers**, they were: mobile operators, retailers, car makers/dealers, insurance, banking sector, product manufacturers, and producers of food and beverages.

Results of survey were open to discussion during round-table events with representatives of CSOs and leaders of business associations on how to promote best European consumer practices and to improve cooperation between producers, businesses and CSOs. Trainings on consumer affairs were held for sales assistants of a big Ukrainian retailer.

Another event is an international webinar "CSR – bridge to consumers" 2009.

## CONSUMER CONSULTATIVE CENTER

The Charity fund «Centre of Consumer Initiatives» was created for Ukrainian consumers within the framework of the joint EU-UNDP project "Consumer Society and Citizen Networks" as non-member organization, that will operate as an information, training, legal advice centre and a "consumer voice" for consumer problems settlement and providing consumers with consulting services. The Centre operates a fully staffed **national telephone consultative line**.

## CONSUMER INFORMATION WEB RESOURCE

Consumer Portal, [www.consumerinfo.org.ua](http://www.consumerinfo.org.ua), the first Ukrainian independent web resource, was launched in 2007. Wap-version was designed to complement an on-line version that can be accessible directly from mobile phones. The Portal contains consumer news section, RAPEX notifications data-base, data-base of food additives, contacts of consumer rights protection CSOs and state bodies, consumer Forum, results of independent testing, samples of consumer complaints to respective bodies, and other consumer agenda.

The Consumer Portal enjoys **3000 unique visitors per day**.

## STUDY OF CONSUMER BEHAVIOUR

Comprehensive study was held three times to assess the tendencies and consumers perception and attitude towards purchase of FMCG goods, and awareness of mechanisms of their protection have been conducted by GfK.

General level of activism lay at about 5% of respondents, though the latest research showed that **two times more consumers are aware of their rights**. Currently, the most active consumers in Ukraine are generally women and consumers between 50 and 59 years of age.

The barriers that prevent consumers from protection of their rights are mostly emotional.

## CONSUMER AWARENESS CAMPAIGN

**"New Ukrainian consumer"** is the name and quintessence of the awareness campaign that has been designed to urge Ukrainian consumers to act more responsibly in choosing the products they buy and take on active position in protecting their violated consumer rights in case of buying faulty goods or services.

Period of implementation September 2008 – May 2009, renewed September 2009.

- series of TV and radio programmes on national TV and radio channels;
- direct television and radio advertising, subway posters;
- Direct Mail, posters in metro stations, metro carriages;
- Outdoor advertising ~ 6000 3\*6m posters of 21 image.

Statistics of November-December media intervention shows that more than **32 mln. Ukrainian consumers** saw the TV-ads, with the average contact frequency of 14 times. 8.5 mln people contacted the advertising in metro stations and carriages.

Consumer programme "Spozhytyv" (roughly translated as "A positive consumer"). Series of TV programmes for consumers run on one of the national channels of Ukraine, Channel 5, covering the issues of consumer rights protection, independent testing, dangerous products and consumer news. **"Spozhytyv" is among top-10** of weekend morning prime-time programmes.

## ANTI JUNK-FOOD CAMPAIGN

2008-2009 in partnership with Consumers International the Project conducted outdoor and mass media campaign targeting unfair advertising of unhealthy food for younger generation, launched in the framework of the global anti-junk-food campaign conducted by Consumers International. The campaign urged people to limit consumption of junk-food.

# PROJECT TEAM



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