

Recommendation of the European Ombudsman in case 1069/2019/MIG on sponsorship of the Presidency of the Council of the European Union

Recommendation

Case 1069/2019/MIG - **Opened on** 15/07/2019 - **Recommendation on** 06/01/2020 - **Decision on** 29/06/2020 - **Institution concerned** Council of the European Union (Recommendation agreed by the institution) |

Made in accordance with Article 3(6) of the Statute of the European Ombudsman [1]

This case concerns the sponsorship of the Presidency of the Council of the EU. The complainant considered that the Council should regulate or prohibit sponsorship.

The Council argued that the sponsorship of the Presidency is the sole responsibility of the Member State government responsible for the Presidency, and that it could therefore not address the matter.

The Ombudsman notes that the Presidency is part of the Council, and must operate in a neutral and impartial manner. When the Presidency organises a meeting or another activity, whether in Brussels or in its home Member State, the wider European public is bound to perceive this activity as linked to the Council and the EU as a whole.

As such, the Council's stance that it has no responsibility when it comes to sponsorship of the Council Presidency, which ignores the risk of reputational damage to the neutrality of the Presidency, constitutes maladministration. The Ombudsman therefore makes a recommendation that the Council issue guidance to Member States on the issue of sponsorship of the Presidency to mitigate the reputational risks to the EU.

[1] Decision of the European Parliament of 9 March 1994 on the regulations and general conditions governing the performance of the Ombudsman's duties (94/262/ECSC, EC, Euratom): <https://eur-lex.europa.eu/legal-content/GA/TXT/?uri=CELEX:31994D0262> [Link].

Background to the complaint



1. Every six months a different Member State holds the Presidency of the Council of the European Union. [1] During that period, the Member State [2] :
 - organises and chairs meetings of the Council;
 - makes proposals to achieve agreement amongst the Member States on draft policy and legislation;
 - represents the Council in its relations with the other EU institutions and bodies; and
 - negotiates on behalf of the Council to reach agreements on legislative files with the European Parliament.
2. The Council and the Member State holding the Presidency share responsibility for costs linked to holding a Council Presidency. This means that a Member State holding the Presidency may incur expenses that are not covered by the EU budget.
3. It has become increasingly common that Member States seek commercial sponsorship to cover the costs of holding a Council Presidency. This sponsorship often involves allowing companies to present their names and logos alongside official Council Presidency logos and to state that they “support” the Council Presidency.
4. During the first six months of 2019, Romania held the Council Presidency. A number of private companies sponsored the Romanian Presidency, including automobile manufacturers, a telecommunications company, energy companies, a brewer’s association and a soft drinks company.
5. The complainant, the non-profit organisation *foodwatch* , took issue with the sponsorship by the soft drinks company, and the issue of sponsorship of the Presidency of the Council in general.
6. In June 2019, it complained to the Council about its failure to regulate such sponsorship.
7. The Council informed the complainant that it could not address or comment on the matter as, it argued, the issue was solely the responsibility of the Member State in question.
8. Dissatisfied with the Council’s reply, the complainant turned to the Ombudsman.

The inquiry

9. The Ombudsman opened an inquiry into whether the Council was justified in refusing to address the issues raised by the complainant. The inquiry looked into the commercial sponsorship of the Presidency of the Council in general (and not the specific example of sponsorship during the Romanian Council Presidency).
10. In the course of the inquiry, the Ombudsman received the reply of the Council on the complaint and, subsequently, the comments of the complainant in response to the Council's



reply.

Arguments presented to the Ombudsman

11. The complainant argued that commercial sponsorship of the Presidency of the Council may lead to reputational damage and conflicts of interest, and could undermine public trust. It argued that sponsors may have business interests concerning issues that are the subject of policy- or law-making deliberations during the term of a Presidency. The complainant also stated that the requirement that Member States holding the Presidency of the Council be neutral should be interpreted broadly and should include the public interest.

12. The Council stated that the Presidency is formally part of the Council. However, it distinguished between: (i) the Presidency's activities under the Council's Rules of Procedure, which are essentially activities *of the Council* and in relation to which the Presidency has a duty to be neutral and impartial; and (ii) *other activities* of the Presidency, which are not formally part of the Council's activities, such as informal meetings of ministers or cultural events. The latter, the Council contended, are financed by and fall within the responsibility of the Member State concerned. The Council thus argued that the management or organisation of these *other activities*, including possible sponsorship, does not fall within its remit and that it could not take action in relation to these activities.

13. The Council also took the view that there are safeguards in place that could alleviate the complainant's concerns, namely the Presidency's duty to be impartial and neutral, and the fact that certain meetings are financed by the Council and held on its premises.

14. The complainant replied that the Presidency's duty to be neutral and impartial extends to all its activities, and that the public does not make a distinction between the different types of activities the Presidency organises.

The Ombudsman's assessment leading to a recommendation

15. The Ombudsman notes that, although it is held by a Member State, the Council Presidency is functionally a part of the Council and thus of the EU administration.

16. The Presidency has an important and influential role to play in the EU policy- and law-making process. For example, it proposes compromise positions on draft policies and legislation to the Member States and it negotiates, on behalf of the Council, with the European Parliament to agree draft legislation. Regarding non-legislative proposals, it may also decide whether Council deliberations are held in public or which new proposal should be prioritised. [3] Thus, it exercises power on behalf of the Council. In exercising this power, the Presidency is required to be neutral and impartial.



17. Given the Presidency's role, there is a risk that commercial sponsorship could be perceived, by the wider public, as giving a sponsor some influence over EU policy- and law-making. The European Parliament has raised similar concerns. [4]

18. The distinction the Council draws between different categories of activities that the Presidency organises may be useful for clarifying, from an internal administrative perspective, whether certain expenses are the responsibility of the Council or the Member State holding the Presidency. However, such a distinction is not perceptible or relevant to the wider public. When the Presidency organises a meeting or another activity, the public is bound to perceive this activity as, in some way or another, linked to the Council and the EU administration as a whole. That the public would do so is understandable, expected and unavoidable.

19. It is good administration to take due account of this reality by taking prudent and reasonable measures - beyond the "safeguards" mentioned by the Council - to eliminate, or at least to mitigate, the reputational risks involved.

20. It falls to the Council to seek to mitigate the risks associated with commercial sponsorship. The Council already provides the Member States with practical, procedural and strategic advice on the Presidency. The Council could extend this advice to include **guidance** to the Member States on the issue of commercial sponsorship. Such guidance could, for example, relate to the transparency of commercial sponsorship or the use of the EU logo.

21. The Ombudsman finds that the Council's stance that it has no responsibility when it comes to commercial sponsorship of a Council Presidency and its consequent inaction amounts to maladministration. The Ombudsman therefore makes a corresponding recommendation below, in accordance with Article 3(6) of the Statute of the European Ombudsman.

Recommendation

On the basis of the inquiry into this complaint, the Ombudsman makes the following recommendation to the Council:

The Council of the EU should issue guidance to Member States on the issue of sponsorship of the Presidency, to mitigate the reputational risks to the EU.

The Council and the complainant will be informed of this recommendation. In accordance with Article 3(6) of the Statute of the European Ombudsman, the Council shall send a detailed opinion by 6 April 2020.

Emily O'Reilly

European Ombudsman Strasbourg, 06/01/2020



[1] In accordance with Article 16(9) of the Treaty on European Union.

[2] See Handbook of the Presidency of the Council of the European Union, page 9:
<http://www.mvep.hr/files/file/2018/181212-handbook-of-the-presidency-02-2018-1.pdf> [Link].

[3] In accordance with Article 8 of the Council's Rules of Procedure:
<https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32009D0937> [Link].

[4] See European Parliament resolution of 23 October 2019 with observations forming an integral part of the decision on discharge in respect of the implementation of the general budget of the European Union for the financial year 2017, Section II – European Council and Council (2018/2168(DEC) [Link]):

http://www.europarl.europa.eu/doceo/document/TA-9-2019-0040_EN.html#title2 [Link].