Ombudsman achieves friendly solution to 100 000 EUR payment dispute

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After the intervention of the European Ombudsman, **P. Nikiforos Diamandouros** , the European Commission settled a payment dispute with an Italian company. This followed a complaint from the company about an EU project to supply water for returnees and displaced persons in Liberia.

The Commission admitted shortcomings in its project management and accepted the Ombudsman's friendly solution proposal. It even went further and granted additional compensation payments to the complainant. As a result, the Italian company received more than 100 000 EUR.

Mr Diamandouros commented: "The Commission's response to the friendly solution proposal in this case was exemplary. It not only admitted mistakes but took constructive steps to correct them. This case shows how the Ombudsman's intervention can help the Commission to resolve problems effectively."

Background

In 2001, the Italian company signed a contract with the Commission in the framework of the European Development Fund. The contract concerned an EU project to supply water for returnees and displaced persons in Liberia, the total expenditure for which amounted to more than 1,5 million EUR.

At the end of the contract, the company and the Commission disagreed over final payments, including management fees for a project account. The complainant turned to the Ombudsman claiming that the Commission should pay an outstanding sum of 160 000 EUR. In his proposal for a friendly solution, the Ombudsman suggested that the Commission reconsider its refusal to pay.

The Commission admitted errors in its project management. It accepted the Ombudsman's friendly solution proposal and even granted compensation payments to the Italian company. As a result, the overall final payment was more than 100 000 EUR. For its part, the complainant withdrew its allegations against the Commission.

To read the full decision, please go to:

http://www.ombudsman.europa.eu/cases/decision.faces/en/3707/html.bookmark [Link]