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Ombudsman helps Commission achieve friendly solution: EUR 100 000 reimbursed to NGO

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The European Ombudsman, P. Nikiforos Diamandouros, has helped settle a dispute between the European Commission and a Belgian NGO concerning an EU project in the Democratic Republic of the Congo (DRC). Because it experienced difficulties in obtaining proper invoices from local contract partners, the NGO asked for and received written consent from the Commission's contact person to use a simpler cost reporting method. However, following an audit, the Commission recovered EUR 150 000 from the NGO, arguing that certain costs were not sufficiently documented. After the Ombudsman's investigation, the Commission refunded more than EUR 100 000 to the NGO.

EU project for micro-businesses in the Democratic Republic of the Congo

From 2004 to 2005, the Flemish NGO *Vluchtelingenwerk Vlaanderen* carried out a project helping migrants in the DRC to set up micro-businesses. The total costs of the project amounted to more than EUR 750 000, of which the European Commission covered more than EUR 500 000. The NGO successfully implemented 59 micro-business projects.

During the project, the NGO asked the Commission to accept a simpler cost-reporting method, because it had experienced difficulties in obtaining proper bills or invoices from local entrepreneurs in the DRC. The Commission's contact person agreed in writing.

In 2008, the Commission carried out an audit of the project which found that there were no supporting documents for certain costs. It then issued a recovery order for EUR 150 000 against the NGO. *Vluchtelingenwerk Vlaanderen* turned to

the Ombudsman in 2010, arguing that the recovery order was neither justified nor proportionate.

The Ombudsman proposed a friendly solution, in which he asked the Commission to verify whether the NGO had complied with the alternative cost-reporting method agreed to in writing by the Commission's contact person and, if so, to consider reimbursing the corresponding amount to the NGO.

The Commission accepted the Ombudsman's proposal and refunded more than EUR 100 000 to the NGO. The Ombudsman commended the Commission's willingness to review the file. The NGO thanked the Ombudsman for helping to solve the problem.

The full decision is available at:
<http://www.ombudsman.europa.eu/en/cases/decision.faces/en/11409/html.bookmark>