Corporate Europe Observatory

Annual Review 2013
Corporate Europe Observatory (CEO) is a research and campaign group working to expose and challenge the privileged access and influence enjoyed by corporations and their lobby groups in EU policy making. This corporate capture of EU decision-making leads to policies that exacerbate social injustice and accelerate environmental destruction across the world.
Corporate Europe Observatory - Highlights 2013

This year CEO enjoyed some significant victories in its campaigning against the undue influence of big business lobbyists. We continued exposing eye-opening examples of the privileged access enjoyed by corporate lobbies, analysing their influence on the EU policy-making processes and advocating for specific and concrete reforms to prevent this.

One of the major events of 2013 was the launch of the EU-US free trade negotiations to set up a Transatlantic Trade and Investment Partnership (TTIP) and the resulting need to challenge the threats emerging from corporate capture of these talks. Once again, EU elites prefer to prepare this international agreement in secret, afraid opposition will be too strong otherwise. New mechanisms are being shaped to integrate big corporations' control of our future laws to the detriment of the general public interest.

The Dalligate scandal continued to reveal the complex and intricate relations that the powerful tobacco lobbies have with EU Commissioners, MEPs and high-level officials. The tobacco industry unleashed a massive lobbying offensive towards MEPs to water down the new tobacco directive, undermining efforts to increase public safety. We, along with other NGOs, created intensive pressure to re-balance the corporate dominance of a large number of expert groups advising the Commission. This doesn't mean the problem has been solved, but very important progress was made this year. We also worked hard on other fronts of the European lobbycracy, on issues such as revolving doors, conflicts of interest, and lack of transparency, all of which endanger our democracy and need to be more and better regulated.

2013 was also the year of broken promises. Five years after the fall of Lehman Brothers investment bank that provoked one of the worst financial and economical crises on our continent, the Commission and the ECB have continued imposing undemocratic austerity measures which favour the interests of the wealthiest at the cost of millions of European citizens' quality of life. The EU response to the crisis remains under the heavy influence of corporations pushing for neoliberal measures, and we have exposed their intensive lobbying against any attempts to reform the financial markets and tackle tax evasion. Nevertheless, a major victory was gained with the exclusion of water privatisation from the EU's concession directive.

Finally, 2013 ended with the international summit on climate change, the COP19 in Warsaw, which was the most corporate captured in UN history. We covered the events on the spot, exposing this capture and creating a big momentum among the civil society by walking out of the conference and by denouncing it collectively.

CEO team members in 2013
Lobbycracy

Working with the Alliance for Lobbying Transparency and Ethics Regulation (ALTER-EU), CEO has successfully raised awareness of the extent of the problem, and the democratic deficit of, the lobbycracy. We campaigned to convince the EU institutions to improve standards.

Highlighting conflicts of interest

Together with ALTER-EU we put pressure on the European Parliament to go for strict transparency and ethics rules in the implementation of the Code of Conduct for MEPs. When the EP discussed these rules in early 2013, there was a big risk that MEPs would not have to disclose travel and hospitality paid by lobbyists unless it was a very large amount, but in the end, due to an outcry in the media, any such gifts worth more than 150 euro now need to be disclosed.

Together with other NGOs (such as Friends of the Earth Europe) we have submitted several complaints against MEPs with second jobs that created conflicts of interest. However the European Parliament (EP) leadership did not take our complaints about these conflicts of interest very seriously. This lax approach is partly a result of the fact that in a July 2013 ‘users guide’ the Parliament redefined the rules so it is now considered sufficient if conflicts of interest are disclosed in the MEPs’ financial declarations. This is an unacceptable weakening of the Code of Conduct that requires MEPs to act to avoid conflicts of interest.

In the autumn, we helped expose a new scandal, involving a senior Belgian MEP, Louis Michel, who submitted no less than 150 privacy-unfriendly amendments to the EU’s new data privacy legislation, amendments that turned out to be drafted by industry lobbyists. The Michel scandal provoked debate about the influence of industry lobbyists, including the widespread habit of MEPs submitting amendments written by industry. It was an important moment for us once again to advocate for the Code of Conduct to be properly implemented.

Just before the year ended we had a major victory in our campaign as the European Commission removed Michel Petite from the Commission’s ethics advisory panel. This followed a letter from the Ombudsman that was part of her inquiry into a complaint launched by CEO and two other NGOs in early 2013 against the re-appointment of Michel Petite to the ethics advisory panel (after new documents had shown Petite worked for tobacco company Philip Morris and had lobbied his former Commission colleagues for weaker tobacco rules). The Ombudsman in her final ruling also called for wider changes to the Commission’s ethics advisory panel.

The Commission’s corporate advisors

Throughout this year we have collaborated very intensively with MEPs who are in the joint working group of the European Commission and Parliament dealing with the problem of industry-dominated advisory groups (so-called ‘expert groups’). This working group was set up after the European Parliament agreed to un-freeze the Commission’s expert group budget line in exchange for the Commission promising to fix the industry-domination in these groups. We worked with these MEPs to develop strong measures to prevent this undue corporate influence and published blogs and other updates to build further pressure on the Commission. At the end of the year we published an in-depth report exposing the (lack of) progress which was well covered by important media across Europe. The report clearly showed that the European Commission is not doing enough to fulfil the promises it made to MEPs.
One of the specific expert groups we have focused on in recent months is the group created to tackle tax evasion, set up by EU Commissioner Algirdas Semeta. The Platform for Tax Good Governance is dominated by companies that advise their clients on tax avoidance and evasion, as well as by lobby groups with an interest in avoiding effective tax measures. We organised a creative stunt outside the Commission building to coincide with the first meeting of the Platform and wrote an open letter to Commissioner Semeta. Five MEPs followed up with parliamentary questions about the group although, despite good media coverage, no changes to the composition of the group were made. However, CEO continues to work with allies inside the Platform to push for changes and expose what is happening.

We have continued to build a close network on the issue of expert groups with a large number of organisations, including and beyond the ALTER-EU coalition – with good results. In May a joint letter to the Commission from NGOs such as the European Federation of Financial Services Users, Transport & Environment, BirdLife, BEUC (the European coalition of consumer groups), European Public Health Alliance (EPHA), and Friends of the Earth Europe (FoEE) called for stronger measures against industry-dominated expert groups and asked for a face-to-face meeting. The Commission responded positively and on July 16th we met Commissioner Sefcovic as well as many high level Commission staff within relevant DGs to discuss these issues. Since then, ALTER-EU and allies have continued to meet bilaterally with some of the worst-performing DGs in this regard to point out specific reforms that could be implemented.

In November, CEO was part of an ALTER-EU delegation that met with the new European Ombudsman, Emily O’Reilly. This was an extremely encouraging meeting, during which it became clear that O’Reilly wants to change the political culture in the EU institutions and challenge not only lack of transparency but also the lack of democratic accountability. She intends to launch an own-initiative inquiry into the industry-dominance of new expert groups, following the evidence presented by ALTER-EU in the November report.

**Lobby transparency**

The repercussions of the Dalligate scandal – in which John Dalli, former EU Health Commissioner, was forced to resign in a scandal over allegations of cash-for-influence – continued developing week by week. CEO worked closely with MEPs in demanding that the truth is told and that lessons are drawn, including much stricter rules around lobbying. Our access-to-documents requests helped throw light on the scandal and the Commission’s problematic handling of the case and we helped organise a successful workshop in the European Parliament, on lessons from Dalligate, including stricter rules to prevent corporate lobbies from undue influence (with about 20 MEPs represented).

We have also worked very hard with ALTER-EU on making optimal use of the opportunity of the review of the lobby register. In the first few months of the year, we had an important victory as the Commission had to agree to a comprehensive review process with MEPs fully involved. This first victory was the result of close cooperation with MEPs and the cyber-action on the website of TV channel ARTE in which citizens were asked to vote online about whether lobby transparency should be mandatory or not, to which 89.4% agreed. CEO participated in three ‘stakeholder meetings’ on the register review (representing ALTER-EU, with FoEE) and jointly published a report ‘Rescue the Register’ which showed with hard facts how the register fails because it’s voluntary.

In the run-up to the start of the register review, we have submitted a substantial number of complaints against companies and industry lobby groups that violate the register's transparency
rules and/or the code of conduct for lobbyists. One of the complaints was successful: after complaining against the European Privacy Association, the group felt forced to register as a corporate lobby group (not a think tank) and to disclose that it was funded by Yahoo, Microsoft and other multinational corporations, something it had previously kept hidden. Several of the complaints we submitted to the EU's transparency register secretariat focused on the use of the Parliament building by industry front groups. An example is our complaint against Polish energy firm PGNiG, which has been using a 'citizens coalition' - Responsible Energy Coalition Citizens (RECC) – as a front group to lobby against restrictions on shale gas and which had the privilege of holding a pro-shale gas exhibition and reception inside the Parliament, directly outside the plenary room, on the day of a key plenary vote on the future of shale gas in Europe.

Revolving Doors

The EU's revolving door problem – in which politicians move into industry positions and vice versa – remains a major campaign priority. The final vote on the Commission staff regulations happened in June 2013 and resulted in a one-year cooling-off period before they are able to take up lobbying jobs, and several other new restrictions being introduced for high-level Commission staff. We had advocated a longer cooling-off period and wider curbs, but the outcome is still an important breakthrough. The principle of explicitly limiting revolving door moves into lobbying jobs is now established and we can build on this to demand stricter rules and procedures. In February, the Ombudsman opened an investigation into the Commission's handling of revolving door cases, following our complaint. The Ombudsman's investigation resulted in confirming a systemic problem and in a lot of critical media coverage.

We have continued to expose a large number of new revolving door cases on our revolvingdoorwatch website. Media coverage has kept the issue on the political agenda throughout the year and we are expecting extra revolving-door-related activity in 2014 after the European elections, when some Commissioners will be leaving and some Parliamentarians will not be re-elected.
EU response to the crisis

The EU's neoliberal policies in response to the financial crisis face increasing criticism, but despite their obvious failure the EU reacts by imposing more of the same (austerity, privatisation, and neoliberal reforms), either via the Troika, or via recently adopted EU rules on economic policy.

Corporate groupings like BusinessEurope and the European Roundtable of Industrialists are taking advantage of the crisis to demand further deregulation, to break down labour rights and have even called for a moratorium on any new regulation that would not be in favour of business.

CEO has managed to put the spotlight on this phenomenon throughout the year, both through research and by supporting efforts to make alliances across borders in Europe between social movements. Throughout 2013 we have published a dozen reports and articles alerting people to new developments of concern in the EU's neoliberal crisis policies, ranging from an in-depth analysis of EU initiatives like the Two-Pack and the Competitiveness Pact to articles on the role of lobby groups in this neoliberal push. In order to promote those to a wider audience we realised two campaign videos. In addition, on several occasions we have produced tutorial material on the EU's crisis policies.

In the course of the year, CEO was part of three major initiatives, all of which have led to a higher level of cooperation between social movements in Europe on the issues mentioned above.

In March we took the lead in organising the 'For a European Spring' action days, which included a demonstration in Brussels' EU quarter, focusing on big banks and industry lobby groups that are exploiting the economic crisis. Several hundred people joined a peaceful occupation of the headquarters of DG EcFin, the Commission department responsible for the EU's crisis policies.

Later in the year, CEO helped organise the Alter Summit - an initiative which comprises trade unions and other social movements from all over Europe. The Alter Summit took place in Athens in early June and was visited by approximately 3.000 people.

Finally, with the Transnational Institute we co-hosted strategy meetings of the 'EU in Crisis' network in Brussels and Amsterdam and a large number of public debates in Brussels, Dublin, Copenhagen, Vienna, Namur, Athens, and elsewhere.

The financial lobby

Five years after the bankruptcy of investment firm Lehman Brothers, and the beginning of the worst economic crisis in decades, the EU has not delivered on promises of strong regulation of the financial sector. In September, CEO (with FoEE) spearheaded an initiative of social movements and NGOs to denounce the lack of political will to put financial markets under firm democratic control.

CEO has worked all year to document this situation in various ways, while focusing on the role of the financial lobby in Brussels in watering down attempts to improve regulation.

The highlights include:
• In February the EU Ombudsman released his decision on a complaint we filed in June 2012. The complaint was directed against the President of the European Central Bank, Mario Draghi, for his membership of an organisation of high profile bankers from both the private and public sector, the Group of Thirty (G30). The EU Ombudsman ruled that
conflict of interest rules were not breached. This unfortunate decision enables the European Central Bank to associate even more closely with the financial lobby.

- **Food speculation** has become a major problem in many countries around the globe over the past five years or so, but once again decision-makers failed to properly reform financial markets by adopting a weakened package of new rules on investments and investors called MiFID & MiFIR (Markets in Financial Instruments Directive and Regulation). CEO has been part of a network to promote effective reform in the area, though in 2013 only sporadically.

- Corporate lobby groups and the European Commission also worked hard and effectively to stop the implementation of the famous financial transaction tax and avoid real measures to tackle tax evasion. CEO has done research on the issue.

- Last, but not least, CEO has followed the development of new rules on banks in the European Union – including the banking union – resulting in a series of articles on the matter.
Agribusiness

Corporate Europe Observatory's work on the agribusiness lobby in Brussels focuses on attempts by the biotech, food, animal feed, agrofuel, and pesticide industries to weaken regulations and to boost subsidies. In 2013, CEO continued to focus on stopping the industry influence at the European Food Safety Authority (EFSA), as well as to work on GM crops and other lobbying issues in the agricultural sector.

Among the many articles published in 2013, the most successful was 'Pesticides against pollinators' which exposed the aggressive lobbying by Syngenta and Bayer against a ban on neonicotinoids (pesticides that harm bees). The article got very extensive media coverage and helped delegitimise the industry's position, which helped achieve the first-ever EU ban on neonicotinoids.

We have also worked on the Commission's controversial new proposal for EU seeds regulation. After publishing our findings in 'Closing in on our seeds', we submitted a complaint against a Commission official with a serious conflict of interest (who was seconded to the Commission from the French seed industry).

Conflicts of interest at the European Food Safety Authority

As a result of the demonstration and counter-conference at the European Food Safety Authority (EFSA) in Parma in November 2012, we continued campaigning together with other groups, such as international farmers' union La Via Campesina, to radically reform the agency in 2013. We attended several formal meetings with top officials from this agency and the Commission's health and consumer department (DG SANCO), and we advocated for new rules to prevent conflicts of interest, revolving door habits, undue industry influence in expertise, etc. As part of keeping up the pressure for change, we met with the MEPs who are deciding on EFSA's budget approval and we have done extensive media outreach. Our campaign got a further boost at the end of May when the Ombudsman in a final ruling slammed EFSA for failing to act against a revolving door case where the EFSA official responsible for the GMO panel moved to biotech firm Syngenta to become its head of lobbying. In October we published an in-depth report titled, 'Unhappy meal. The European Food Safety Authority's independence problem'. The report showed that over half of the 209 scientists sitting on the agency's panels have direct or indirect ties with the industries they are meant to regulate. The report received excellent media coverage (including in Le Monde, New York Times, Der Spiegel and Science) and created new momentum, also among MEPs, for stricter rules to prevent industry influence over EFSA's decisions.

Stop the crop

In early spring 2013 we launched a new campaign together with other active groups, to stop Genetically Modified crops and expose the heavy lobbying and influence of agribusiness. A film was released in March, as well as a Stop the Crop website in several languages which is regularly updated with stories and alerts to organise actions in order to prevent future authorisation of GM crops for cultivation in the EU. We have also organised demonstrations, for instance outside the Commission building where a key meeting on GMO risk assessment took place. From autumn onwards, Stop the Crop mobilised strongly for people to voice opposition to the authorisation of Pioneer's GM maize 1507.
Europe’s trade lobby

CEO continued to work on EU trade and investment policy in 2013, highlighting the damaging impacts of the EU's agenda to break open new markets through free trade deals.

Our lawsuit against the European Commission at the European Court of Justice entered a crucial phase in 2013. Since 2011 we have been suing the Commission for withholding information over the ongoing EU-India free trade talks from the public, even though the same information had already been shared with corporate lobby groups. A public hearing took place in Luxembourg in January and a ruling was finally delivered in June. The ruling was very disappointing: the court concluded that the Commission had neither violated EU transparency rules nor discriminated against us. But a lot of the media coverage and public feedback was sympathetic to CEO's attempt to challenge the Commission's close links with big business lobbies and the secrecy over the EU's trade negotiations, at the expense of the wider public interest. This encouraged us to appeal the ruling at the EU's highest court in July. The appeal is ongoing.

All through 2013, we organised public debates and published dozens of follow-up articles on the report ‘Profiting from injustice’, which we had released with the Transnational Institute in late 2012. The report highlights the role of law firms, arbitrators and third-party funders in the lawsuits filed by corporations against governments on the basis of international investment agreements. It received a lot of high-level support throughout the year, most prominently from Ecuador's President Correa who mentioned the report during an assembly of the World Inter-Parliamentary Union in front of 1500 MPs. The report was also picked up in in-depth media reports on the issue around the world (see, for example, the English subtitled version of a report on German public TV).

In summer, we started our work on the proposed EU-US trade deal (Transatlantic Trade and Investment Partnership, TTIP). By the end of the year we had published several in-depth articles highlighting the risks of the proposed agreement ('A transatlantic corporate bill of rights', 'Regulation – none of our business?'), myth-busting guides to the Commission's propaganda about the negotiations as well as articles revealing how the Commission has put big business in the drivers' seat. For example, we revealed that, to prepare the negotiations, the Commission had 135 meetings with stakeholders behind closed doors – 119 of which were with big business lobbyists (almost 95%). We also published leaked negotiation texts and the Commission’s leaked PR strategy to counter the growing criticism of TTIP. This work on TTIP inspired Parliamentary questions to the European Commission, mass media reports (for example, on German public TV, in the Guardian and the New York Times) and many other civil society groups engaging in the work against TTIP. We also co-organised several public debates on the issue in Brussels, spoke at Parliamentary hearings and helped organise the first European-wide strategy and campaign meeting on TTIP that took place in Brussels in December.

Finally, 2013 saw the launch of the Alternative Trade Mandate during 3 inspiring and energising days of discussion, networking and action in Brussels at the end of November. The Alternative Trade Mandate is a proposal to make EU trade and investment policy work for people and the planet, not just the profit interests of a few. It was developed by more than 50 civil society groups from all over Europe over the past years. CEO was one of the groups initiating the process and an active member in the working group developing the proposal for a more transparent, democratic and accountable European trade policy ('Is this what democracy looks like?').
Energy and climate

This year was marked by the 19th edition of the annual Conference of Parties of the international negotiations on climate change (COP19 at the UNFCCC), which saw unprecedented levels of corporate influence and collusion with decision-makers. Determined to undermine efforts to tackle climate change, industries and their lobby groups, hand in hand with EU institutions and rich Northern governments, have also pushed hard to promote new systems of commodification of nature and to water down other regulations and legally-binding objectives. For example at the end of this year, a compromise was found between the Commission, the Parliament and the Council to postpone the regulation of f-gases (very potent greenhouse gases used in refrigeration), showing once again the undue influence of industry undermining pro-environmental EU policies and the potential phase-out of such products. This last-minute agreement put an end to a 2-year lobby battle where the Parliament’s decision got annihilated by some member states.

Commodification of nature

Since the creation of the EU's emissions trading system in 2005, the so-called EU ETS, its inefficiency in reducing CO2 gas emissions from industry has been proven several times. As a result in February we launched a declaration signed by over 140 groups calling for the ETS to be scrapped. The statement received a lot of media attention and has had a big impact in making the critique of the ETS very visible, as well as its concrete alternatives. Before the vote in the Parliament on ‘backloading’ (an attempt to relaunch the ETS) we published an ETS myth-busting briefing and a letter was sent to MEPs before the vote. An NGO network now exists that will take forward the campaign for effective climate policies to replace the ETS.

In parallel we were researching the Commission's preparations for an EU-wide system of biodiversity offsets trading, focusing on the industry-dominated expert group that was drafting the first proposal. The final report was highly contested between those taking part, but a draft Directive is still expected early 2015. However, there is little public activity at the moment from the Commission as all energy is being focused on the European Parliamentary elections and the change of the Commission, expected to be completed by November 2014.

UN climate summit in Warsaw (COP19)

Four years after the catastrophic failure of the UNFCCC talks in Copenhagen in 2009, the UN climate summit took place in Warsaw, Poland, a country with a government well-known for its dependence on coal and for pushing for shale gas. CEO was present to investigate and challenge the corporate capture of this COP19. A series of articles and a 'COP19 Guide to Corporate Lobbying' were published, revealing with specific examples how polluters were given privileged access during the climate talks. We organised actions and workshops in the conference centre and outside, and mobilised around 140 organisations to sign a statement denouncing the collusion of corporations and the organisers of this summit. All of this reached a large audience via media coverage and social media. Finally in cooperation with some Members of the European Parliament a new report was released with important suggestions for how to protect climate policy-making from fossil fuel industry lobby influence, inspired by the approach of the UN's tobacco control treaty. This report followed an open letter signed by many climate NGOs addressing the secretariat of the UNFCCC with this demand.
**Lobby tours**

CEO continued to offer its ever-popular lobby tours in 2013, guiding around 40 groups of students, journalists, activists and concerned citizens, with a total number of more than 800 participants, on a tour of key lobby haunts in Brussels' EU quarter. On top of the regular themed tours on climate, bioengineering, finance and trade, others focused on specific legislative issues such as the tobacco directive and the transparency register for the Parliament and Commission.

Following up the publication in 2011 of our new edition of the *Lobby Planet, CEO's guide to Brussels' lobbyists*, we finalised a Spanish version which was successfully launched in Brussels with most of Spanish journalists based in the capital. The French version is planned for 2014.

Facing a significant increase of tour requests which unfortunately we can not always respond to positively, in early 2014 we are planning to release a virtual tour available online for anyone to discover the EU lobby bubble on their own. Further work on mapping lobbying offices in the Brussels EU quarter is under progress, such as this [map](#) jointly prepared with the *New York Times*.

**Public events**

We organised about 15 public events, from seminars to press conferences, presenting and disseminating our findings and recommendations to promote a democratic process in Europe free from undue corporate influence. CEO staff also spoke at more than 45 other public events in cities across Europe during 2013, including in Brussels, Athens, Köln, Amsterdam, Vienna, Budapest, Dublin, Frankfurt, Copenhagen, Namur, Berlin, Düsseldorf, Paris, Timisoara, Warsaw, Gent, and many more.

**Get involved and help us !**

Corporate Europe Observatory (CEO) is a research and campaign group working to expose and challenge the privileged access and influence enjoyed by corporations and their lobby groups in EU policy making. We work with partner organisations and coalition networks, but we also welcome help and support from the wider public in opposing the overwhelming influence of corporations in EU institutions and agencies. [Find out more about our work and get involved.](#)