

SPEECH TO THE BRUGES GROUP BY CAROLINE BOIN

Friends of the EU: The Costs of a Taxpayer-Funded Green Lobby

Introduction: Environment, NGOs and the EU



Over the past decades, political decision-making has gradually shifted to supranational bodies such as the EU and the UN. Environmental regulation is no exception. It is now estimated that around 80 per cent of national environmental legislation in EU Member States comes from the EU. And so, it should be no surprise that NGOs of all kinds have shifted their attention to focus on supranational bodies.

Since the first green NGO was set up in Brussels in 1974, numerous environmental NGOs now operate in Brussels. Many of the large actors – Friends of the Earth, Greenpeace, WWF – have established “European branches” – with the main aim of lobbying to green policymaking. Many of these NGOs pride themselves on keeping the EU in check. They scrutinise the EU and member state governments, and when necessary, publicly shame them.

But some of the most vocal European NGOs are actually not as far removed from the EU machinery as it seems. The EU funds many green NGOs operating in Brussels whose main purpose is to influence EU policy-making.

To put it bluntly, the EU uses taxpayer’s money to pay NGOs to lobby it.

The Green 10

SLIDE: Green 10

My investigation into this self-serving cycle focused on one source of funding – a programme run by the Directorate-General for the Environment, part of the European Commission.

Over its 12 years of existence, it has handed out over €60 million to environmental NGOs.

The main beneficiaries of this fund have been “The Green 10” – a coalition of ten NGOs who push for an “environmental” agenda in EU policy-making.

The coalition has been operating as early as 2002. Together, they claim to represent over 20 million people. Their website is littered with mentions of democracy, representativeness, grassroots support...

But the balance sheets of the Green 10 members tell a very different story.

The Green 10's Balance Sheets

SLIDE: Funding

All but one of the Green 10 get money from the European Commission. 8 members of the Green 10 get over one-third of their income from the European Commission. Five of those members get more than half of their funding from the Commission.

The only real exceptions are WWF's European Office who gets a relatively lower 15% of its income. And Greenpeace who claims to receive no support from any government or the EU.

For the remaining 8, we aren't talking small sums. In one year, Friends of the Earth Europe received about €700,020 from the Commission - about half of their income. That same year, the European Environmental Bureau received nearly €900,000, about half of their income from the Commission.

Lobbying

One of the main activities of the Green 10 is lobbying. Many of them have voluntarily registered on the Commission's and European Parliament's lobbyist registries. However, two of the Green 10 members have failed to register as lobbyists. And another member only registered once our report came out and shamed them. All rather embarrassing when you consider that the Green 10 was one of the main supporters of a lobbying registry, in the name of "transparency".

SLIDE: funding w/ lobbying

Just how much do the Green 10 spend on lobbying the EU? Well, not all of them have released figures. But aside from Greenpeace, there's a nice correlation between how much money they get from the EU and how much they spend on lobbying the EU.

So, take WWF – they receive 650,000 and spend just under that.

Friends of the Earth Europe receive roughly 700,000 and spend about 700,000.

The winner is the European Environmental Bureau – It receives just about 900,000 each year from the EU, and then spends 750,000 on lobbying the EU.

Propaganda by Proxy

So why does the EU fund the Green 10?

Well, it seems it has more to do with supporting propaganda that legitimises EU actions, rather than promoting the wider public good. EU representatives admitted in an interview that funding NGOs has helped influence public opinion – especially when it comes to controversial issues like climate change. So, the Commission basically delegates PR work to supposedly independent NGOs.

This is propaganda by proxy.

EU Regulation of Pesticides.

This controversial regulation will come into force in 2012 and will likely remove many pesticides from the EU market, on highly precautionary basis. NGOs like many other stakeholders lobbied hard at the EU-level.

One of the leading advocates of tough regulation of pesticides was the European Office of the Pesticide Action Network. PAN-Europe boasts that it is responsible for making 66 amendments to EU legislation of pesticides. Yet it is less eager to remind us that it received over €80,000 – more than half of its annual income – from the European Union. And they too only signed up to the EU's lobbyist registry once our report came out and shamed them.

Money to Lobby for Yet More Money

But NGOs don't just push for narrow environmental interests – they are engaged in a self-serving cycle in which they use the EU's money to lobby the EU for *yet more* funds and influence.

SLIDE: increase in funds

So, it was NGOs that lobbied the EU to increase funds for environmental NGOs through the Commission. Funding went from €2.3 million in 1998 to €8.7 million in 2009.

It was also NGOs who lobbied so that they could obtain as much as 70% of their income from the EU – up for the 50% which was previously allowed.

Probably the best example is the EU's Cohesion Fund. The Green 10 tried to hijack this €350 billion fund, which represents one-third of the EU's budget. The Green 10 members pushed for a "greening" of the budget, something which would directly benefit them.

Their self-serving demands included:

- a seat for an environmental NGO on every single committee involved in project decisions
- the reimbursement of expenses, including everything from accommodation to photocopying costs to training workshops.

Though the Green 10 failed to obtain their most self-indulgent demands, they are already lobbying ahead of the next budget.

The point here isn't about NGOs, or green NGOs. The point is that any organisation which has a direct interest in the EU's budget decisions should not be allowed to sit on the committees which are making these decisions.

In fact, the Cohesion Fund is renowned for corruption and misspending of funds.

NGO involvement in EU policy-making: serious issues

NGO dependency on the EU for funds raises serious questions as to their independence. Over the years, funds from the EU to the Green 10 have substantially increased. Since 1998, Birdlife Europe's funding increased by a whopping 900%, while Friends of the Earth Europe's funding increased by 300%.



So, instead of becoming self-sustaining, they are still dependent on EU funds. In fact, three of them are more dependent on EU funds today than they were five years ago.

Their impartiality is clearly at stake – there is a danger that these groups become “incorporated”, that they end up censoring themselves as they become part of the system they originally intended to monitor.

The second concern concerns democratic accountability. Serious problems arise from any attempt to democratise an institution by undemocratic means.

By funding specific NGOs, the EU interferes with and corrupts civil society. The main beneficiaries are large, mainstream, Western European NGOs. Eastern European, smaller, grassroots organisations – the kind that are more likely to carry out local environmental projects rather than lobbying – are largely overlooked.

The EU argues that environmental NGOs provide a “necessary balance” to the interests of other actors, namely industry, business, trade unions. But the assumption that NGOs and business are in constant opposition is simplistic: recent coalitions have shown that some businesses have very similar interests to green NGOs. For example, big businesses often collude with environmental groups to push through heavy regulations that will damage smaller business competitors.

Even if there is a genuine opposition between business and environmental interests, giving NGOs extra funding and influence doesn't make sense. If business has undue interest through corruption or rent-seeking, the problem should be addressed. But pushing one narrow interest to counter another is not a solution.

EU's green agenda: impact on developing countries

As many of you know, the agenda supported by environmental NGOs and EU politicians is not innocuous or without controversy. By their own admission, many green group proposals want to radically “change people's lifestyles and ways of doing business.”

The negative impacts of the EU's green policies on European citizens, business and even the environment have been well documented. Whether it's the regulation of carbon emissions, with its huge costs to taxpayers and industry. Or the billions we hand out to grow biofuels that don't reduce emissions and push up the price of food.

But there are other victims of the EU's green agenda: those in developing countries who are indirectly being denied crucial tools for development and welfare because of the EU's green policies. Unfortunately, as long as the EU continues to legitimize unfounded fears, the use of GMOs, insecticides and other important technologies will remain limited.

To look at a few examples:

DDT

Probably the most catastrophic example of draconian EU laws harming developing countries is that of the insecticide DDT.

One of the most cost-effective ways to reduce malaria is through indoor spraying of DDT. This has been shown to reduce malaria rates by 50 to 80 percent, and was widely used in rich and poor countries alike after WWII. Scientists, public health authorities such as the World Health Organisation, all recognise that DDT should be used against malaria.

Unfortunately, the EU's tough rules on pesticide residues have meant that many African countries have been reticent to allow the use of DDT, for fear of losing access to its lucrative export market.

Take Uganda, for example. The EU issued vague threats, suggesting that, if Uganda uses DDT, that it may impose trade sanctions against the country's agricultural exports. Uganda's farmers responded by lobbying their government, for fear of losing their export markets.

These sorts of threats directly harm millions of people across Africa. The only people it would benefit are European farmers and European chemical companies, who are – surprise, surprise – amongst the first to argue that DDT is dangerous.

Beyond these threats of market loss, the EU has also been a keen support of regulating chemicals in international agreements. And of course, it has funded environmental groups like the WWF who actively work to ban DDT.

EU ban on pesticides

It's not just DDT – just last year, the EU passed a ban on a wide range of pesticides that had been used for years in Europe without any evidence of harm.

If EU farmers are denied the use of useful pesticides by their own politicians, then they and politicians argue that crops grown with those same pesticides and imported into the EU should also be regulated and banned.

And so farmers overseas have to meet the EU's stringent standards. It means that they are obliged to stop using useful pesticides: soon after the EU's legislation on pesticides, Malaysia announced that it would review which pesticides it used.

It means that they have to spend a lot of time and money to meet constantly-changing standards: a recent EU 'traceability and feed and food controls regulation' could cost Kenya US\$400 million of export earnings per year.

GMOS

Probably the most famous example of the EU exporting its overcautious green regulation is that of genetically modified organisms.

The EU's regulations on GM imports are extremely strict – it tolerates only a ridiculously finite amount of GM presence in shipments. The result is that countries dependent on Europe for food exports and revenue are frightened of adopting GMOs. Almost all Asian and African countries have adopted regulations on GMOs similar to the EU's

The price they pay? Lower yields and higher malnutrition. Europe can afford the luxury of banning GM – however in African countries, such a technological breakthrough could mean the difference between life and death for millions.

Conclusion

And so, whether it is the funding of green groups, or the EU's strict regulation of pesticides and GMOs, we see the law of unintended consequences.

EU politicians fund NGOs, these NGOs then lobby for more influence and more power, and EU politicians cave in. NGOs are keen to obtain more funding from the EU but then find themselves uncomfortably close to those they were meant to scrutinise. Environmental groups support precautionary regulation of chemicals, GMOs, new technologies, on ethical grounds. And yet, it is those same regulations that keep poverty and malnutrition prevalent.

My final point will be one on perspective:

While we in the West worry about GMOs, using too many chemicals, about what climate change could do to us in future... Poor people around the world worry about not having enough food, about getting water that isn't disease-ridden, about how they will protect themselves from hurricanes and floods.

We worry about using too much energy because of climate change. Meanwhile, 1.6 million people die each year because they have had to burn wood or animal dung for heat or to cook.

Before the EU and member state governments bans new technologies because of hypothetical, unproven risks, they should stop to consider the very real effects these precautionary policies will have on the poor.