

Brussels think tanks persist in funding secrecy ExxonMobil covertly funds EU climate skeptics

Corporate Europe Observatory (CEO), December 2006

Appendix: Overview of Survey Results

1. Think tanks

CEO's survey in 2006, was designed to test the extent to which EU think tanks are willing to disclose data about their sources of finance. It follows a similar survey in 2005. The responses received highlight that there has been little improvement in the financial transparency of EU think tanks. Perhaps more worrying is the fact that, despite initiatives such as the European Transparency Initiative (ETI) under the auspices of the Commission, think tanks do not feel compelled to disclose this kind of information when requested. Although the picture varies across the board as the presentation of results below indicates. Due to the lack of data offered by the think tanks under survey, CEO was forced to supplement the survey with additional research which is also presented below.

Table 1: Think tanks transparency – a summary of responses

Name	Contact person	Transparency 2005	Transparency 2006	Lobbyists accredited to EP
Bruegel	Not contacted	Detailed information online	Detailed information online	Jean Pisani-Ferry Nicolas Veron
Centre for European Policy Studies	Staffan Jerneck	Names of donors, membership fees, no amounts	Names of donors, membership fees, no amounts	Marco Incerti, Staffan Jerneck, Karel Lannoo
Centre for European Reform (1)	Charles Grant		Names, no figures	None
Centre for the New Europe		None	None	None
European Enterprise Institute		None	None	Not anymore
European Policy Centre	Hans Martens	Fairly detailed, but not complete	Fairly detailed, but not complete	Carlos Buhigas Schubere, Guillaume Durand
Forum Europe (1)	Giles Merritt	Not included	No information, with the argument that Forum Europe is a 'private company'.	None
Friends of Europe	Geert Cami	Aggregate amounts only	Aggregate amounts, corporate members and fees	Geert Cami Nathalie Furrer Giles Merritt Heidi Vironen
Health Consumer Powerhouse		None	None	None
Institut Economique Molinari	Péter Mihók	None	None	None
Institut Hayek	Johan	'only from few	'only from few	None

	Hjertqvist	membership fees'	membership fees'	
Institut Thomas More Brussels	Jean-Thomas Lesueur	None	None	None
International Council for Capital Formation	Margo Thorning	Sent a list of funders	None	Not anymore
International Policy Network	Julian Morris	Refused to disclose. ExxonMobil reports donations	Only total budget figure disclosed.	None
Lisbon Council	Ann Mettler	None	Names of corporate donors on website, no figures	Paul Hofheinz Ann Mettler
Notre Europe	Ute Guder	Not included	Almost complete disclosure	None
Security and Defence Agenda (formerly New Defence Agenda)	Giles Merritt	Partners mentioned, but no details	List of partners, no figures	None
Stockholm Network	Helen Disney (privately owned) Tim Evans	No names or figures	List of corporate donors, but no figures	None
Tech Central Station (now TCSDaily.com)	Craig Winneker	Some names, no amount	None	None
The Center (1)	Paul Adamson	Not included	None	Bertrand Deprez Sian Mary Hughes Simon O'Connor Alin Stanescu

Bruegel is one of the few EU think tanks that publishes its accounts, and a full membership list that consists of EU member states and corporations.¹ Corporations pay a fixed membership fee of €50,000. In 2005, member states contributed €1.1m, and corporations €1.0m.² Bruegel's membership is made up of 15 EU Member States and 287 multinationals such as RWE, Suez, Novartis, IBM and BP. Bruegel's research priorities are set by the board, the majority of its members are from the banking/investment sector.³ Bruegel's director Nicolas Veron comments that "...Ultimately, our independence has to be judged on the content of our publications, but we have also chosen to provide a higher degree of transparency on our governance and funding than is the case with most other think tanks."

Also other mainstream think tanks like the **European Policy Centre (EPC)** and **Notre Europe** were forthcoming with information. From EPC's 2006 budget (€2.7m)⁴, 31% comes from membership fees, mainly from multinational corporations.⁵ Less clear is the 31% (€837,000) that correspond to "Programmes", as contributions are not disclosed in this case.⁶ EPC's Annual Report provides details on membership and financial highlights.⁷ **Notre Europe**, founded in 1996 by Jacques Delors, sent us a funding overview, showing that most of the total budget of nearly €800,000 is provided by the European Commission, France, Luxembourg, the Japan External Trade Organisation and the European Parliament. Some donations are earmarked for certain projects, and this is indicated. Members of the Board, including numerous (former) EU politicians and diplomats⁸, also pay small fees.

Other think tanks such as the **Centre for European Policy Studies (CEPS)** and **Centre for European Reform** do publish budgets and membership lists, but refrain from stating membership fees, or naming others that have contributed to their activities. Therefore it is unclear who contributes what.

The **Stockholm Network** now operates as a limited company, according to director Helen Disney on a non-for-profit basis. Last year, Stockholm Network declined to name any of its funding sources. The 2005 Annual Report shows a significant change. "In the spirit of disclosure and transparency", a list of 80 contributors (individuals, companies and foundations like think tanks) is included. However, the amount given is not disclosed. Stockholm Network's aggregate turnover for 2005 is estimated at around £500,000. In its annual report, the number of pharmaceutical industry supporters stands out (this includes, Pfizer, IFPMA, Merck). As Stockholm Network is a network of think tanks, many of those (including US based Heritage Foundation) feature on the list. Another grouping of supporters is formed by PR firms like Hill & Knowlton and Luther Pendragon.

The funding sources of **Friends of Europe** and the **Security and Defence Agenda** are not readily available. However, drawing on other sources and piecing this together with limited responses received by CEO, a partial picture is revealed.

To begin with, in response to CEO's survey, Friends of Europe's Director Geert Cami, stated that corporations, international and EU institutions, foundations and governments that make contributions are credited in the think tank's publications, and on the website. Membership fees constitute the other source of income revenue. According to Cami⁹, looking at the 2005 budget (which totalled slightly in excess of 1 million euros):

- Just over 60% (€649,625) comes from the membership and sponsorship fees of 170 corporations and trade associations.
- 28% comes from EU or government sources
- 11 % from foundations, NGOs or other think tanks, that pay lower membership fees.

In terms of fee structure, one can be a 'regular' (€1,350 or €550 for SME's, foundations, NGOs) or a 'VIP' member (€5,500) with both options offering "unparalleled networking opportunities at Friends of Europe's cocktails and events to meet senior decision makers in all sectors" and "possibility to directly communicate with key heavy hitters such as EU Commissioners, EC Directors General, MEPs or Ministers."¹⁰ VIP membership gives other extras such as "Table for 4 persons at Friends of Europe's evening debates, table displaying corporate logo and a bottle of champagne." Friends of Europe's website provides a list of 'partners' who sponsor debates and reports. Sponsors of these events have the "guaranteed possibility to send a speaker to a debate or a separate written contribution to a report." When asked about these membership deals Cami affirms that Friends of Europe keeps full control over these activities, and "makes sure that all qualitative criteria of what is expected of an independent think tank are respected"¹¹

In a similar way, the **Security and Defence Agenda** relies on corporate and institutional memberships, and sponsorships of roundtables and international conferences. Director Giles Merritt informed CEO that the annual budget adds up to almost €300,000, which comes from "...some 40 companies, governments, foundations, thinktanks and international organisations. Each event or publication clearly indicates the sponsoring partners on all documentation."¹² The list of 'members and partners' includes 28 companies such as EADS, Lockheed Martin, Thales, and Boeing.

The fee paid by each company and institution is not known. In his communication, Merritt emphasised again that SDA in his view has to be seen as a neutral platform in the debate on security and defence issues, whose meetings "can in no way be seen as a lobbying exercise in relation to any EU institution or government". Last year, CEO criticised this 'neutrality', referring to the range of paid services that (then called) New Defence Agenda offers to its members

(including BAE Systems, Dassault Aviation, EADS, Lockheed Martin, Thales and other arms producers).¹³

Forum Europe, founded by Merritt, hosts the Security and Defence Agenda. Its funding sources are not disclosed, as Merritt argues “..Forum Europe is indeed not a think tank, but an international conference organising company.”¹⁴ Forum Europe is said to offer logistical and marketing services like catering, sound, registrations, and mailings to governments, institutions, NGOs, trade associations and companies, for their conferences.

The **International Policy Network (IPN)** made it clear that the CEO survey was not a priority for them.¹⁵ Eventually, however, scant information was supplied which showed that IPN has over 160 donors, most of whom private individuals. The money donated by these donors adds up to “a little over US\$1.5 million”. IPN says not to receive money from any government.¹⁶ In 2005, IPN refused to disclose any information.

As in 2005, the **Centre for the New Europe**, failed to disclose any information. A promise to supply something more detailed than the current data on their website, was not forthcoming.¹⁷ For CNE’s part their sources of funding remain secret and would be the picture presented here if it was not for the fact that in the 2005 ExxonMobil’s accounts there is a \$50,000 donation to CNE.¹⁸ The **European Enterprise Institute (EEI)** does not publish any funding information, except a statement on conditional grants¹⁹, and did not reply to e-mail and phone requests for information. This is despite their claim through an EEI spokesperson in 2005, that they would publish their sources of funding at the end of that year.²⁰ Others who failed to respond to the survey and do not disclose financial income data elsewhere are “do-tank” **Health Consumer Powerhouse**²¹, **Institut Économique Molinari**, (whose only response this year consisted of their general funding policy)²², **Institut Thomas More** and the **International Council for Capital Formation (ICCF)**.

Furthermore, ICCF’s lack of response to the survey was a step backwards.²³ In 2005, Managing Director Margo Thorning at the very least provided a list of the “corporate underwriters” of the American Council for Capital Formation (ACCF), the ACCF Center for Policy Research and the ICCF. In 2005, Thorning also informed CEO that ICCF “does not provide information on the size of individual grants”.²⁴

The London-based **Lisbon Council** also failed to provide financial data. As in 2005, co-founder Ann Mettler, promised more information, but failed to deliver. The group’s website does now include a list of corporations that have provided financial support in the past: “Accenture, Allianz Group, Roland Berger Strategy Consultants, Electronic Data Systems (EDS), ExxonMobil, IBM, ING Group, Kapp Netherlands, Microsoft, Morgan Stanley, Oracle, Royal Dutch/Shell Group, Swift, Tesco and Umicore.”²⁵

2. Financial transparency of corporations supporting think tanks

As part of the 2006 survey, CEO approached 22 of the biggest transnational corporations represented with lobbying offices in Brussels²⁶ and requested an overview of their funding relations with think tanks and other groups focused on EU policy making.²⁷ This complimented existing survey results because funding from large corporations is a key income source for the majority of think tanks under analysis. In summary, the level of response from the 22 companies, was low:

- 13 either did not reply or replied with a refusal to take part: BAT, Dow, ExxonMobil, Ford, Microsoft, Monsanto, Pfizer, Suez
- 4 provided partial information: Bayer, GlaxoSmithKline, Lufthansa, RWE, Syngenta
- 2 gave a clear (but very basic) picture of their financial relations with think tanks: BASF, DuPont
- 3 replied by indicating they do not support any think tanks with a major focus on EU issues: BAE Systems, BNFL, Repsol YPF

Table 2: Corporate transparency around think tanks funding

Never Replied (36 %)	Replied by refusing to participate (23 %)	Replied providing partial information (18 %)	Replied providing complete information** (23 %)
British American Tobacco Dow Exxon Mobil Ford Microsoft Monsanto Pfizer Suez	Bayer GlaxoSmithKline Lufthansa RWE Syngenta	BP Daimler Chrysler Shell Unilever	BAE Systems BASF BNFL Dupont Repsol YPF

*: Reasons given were “not interested”, “no time to reply” or “no data available”. Reply from Bayer was that they did not have the requested information.

** : BAE Systems, BNFL and Repsol YPF informed CEO that they have no relations with think tanks working on EU-policy.

BP and **Shell** also join the growing list of companies that refused to provide the names of the think tanks they support. When pushed by CEO, Shell did not reply at all. Meanwhile BP explained their position as follows: “On disclosure of memberships, fees, etc., I must say I regard this as a matter for the think tanks and associations concerned.” They continued, by explaining that their “activities as a company are governed by a comprehensive code of conduct”.²⁸ In this code, under the heading “Governments and communities”²⁹ BP claims to be transparent in their dealings with governments, communities and other representatives of civil society with a legitimate interest in their operations. Transparency is not mentioned when it comes to their relationship with governments and the policy-making process through third parties such as lobbyists. However, BP did declare their participation in several European Policy Centre (EPC) Programmes. Shell, as they failed to respond to CEO’s survey, could not therefore inform us of their involvement in two CEPS Task Forces (one of them regarding EU Climate Strategy).³⁰

Assistant to the Director General Europe of **BAE Systems** told us that their company has no relationships with think tanks focussed in EU policy making.³¹ However, in their 2005 Annual Report, the London based Center for European Reform includes BAE Systems as one of their members.³² In the case of **Daimler Chrysler**, its representative failed to mention their participation in CEPS Task Force “Completing the Doha Round of WTO Negotiations”.³³

Unilever’s European Public Affairs Director³⁴ was keen to distinguish how they used think tanks. In his opinion, the company does not support think tanks in a lobbying role, but uses them to find out the view of other stakeholders, bring business-partners into the discussions, and strengthen networks with stakeholders. As demonstrated throughout this report, think tanks do not operate as lobbyists in a straight-forward way. Network meetings are often designed with political influence in mind. Understanding how the kind of methods outlined by Unilever’s representative can define the policy agenda is important in order to grasp how and why this activity must be regulated. Unilever’s representative noted how its Corporate Social Responsibility (CSR) report includes information on relations with civil society organizations, but does not mention this support for think tanks. The Unilever spokesperson indicated that this might be something to improve in the future.

The Head of the Brussels Office of **BASF European Governmental Affairs** indicated an intention to join the Commission’s ETI because “a system organized by the EC makes sense, but we hope that it won’t be very bureaucratic”.³⁵

- ¹ Corporate members are: Areva, BP, DaimlerChrysler, Deutsche Bank, Deutsche Börse, Deutsche Post, Deutsche Telekom, EADS, EMI, Euronext, Fortis, General Electric, Goldman Sachs, Hellenic Petroleum, IBERDROLA, IBM, Nokia, Novartis, PriceWaterhouseCoopers, Renault, RWE, San Paulo IML, Siemens, Suez, Telecom Italia, Telefonica, Thomson, and UniCredit HVB Group.
- ² http://www.bruegel.org/Files/media/PDF/About/Governance/EN_Annual_Report_2005.pdf
- ³ See <http://www.bruegel.org/Public/board.php?ID=2041>
- ⁴ 2006 EPC Budget can be disaggregated as follow: 32 % from *Strategic Partners*, the King Baudouin Foundation and the Compagnia di San Paolo; 31 % from *Membership*, comprising 400 organisations from all stakeholder groups; 31 % from *Programmes*; 4 % from an EU Grant; and 2 %, *Other*.
http://www.theepc.be/en/ae4.asp?TYP=ABOUT&LV=224&see=n&PG=AE/EN/direct_in&AI=35
- ⁵ Even though precise aggregate figures are not available, the sum of 87 corporate members (Platinum, Gold, Silver and Bronze) fees would represent 83% of 2006 income from membership fees, and 93% including also Business and Professional Associations members.
- ⁶ "Most of the money comes from Foundations (mostly in Europe and in Asia) for specific programmes (so different from our two strategic partners), and from national governments and government agencies (for example the Finnish, Swedish and US governments), from projects with the European Commission (for example a project on Corporate Responsibility with an NGO (...)), and from other international organisations, mostly within the UN family, but also some European organisations (...). We have some very small membership contributions for some programmes and task forces, but although this is important morally, it is not significant financially." Email from Hans Martens, 8 June 2006.
- ⁷ <http://www.theepc.be/PDF/AN2005.pdf>
- ⁸ http://www.notre-europe.asso.fr/rubrique.php?id_rubrique=107&lang=en
- ⁹ Email from Geert Cami, 29 June 2006.
- ¹⁰ <http://www.friendsofeurope.org/>
- ¹¹ Email from Geert Cami, 29 June 2006.
- ¹² Email from Giles Merritt, 12 June 2006.
- ¹³ "Corporations can become "Conference Initiators" for the price of €25,000, a "Tailor-made Discussion Paper" comes at the price of €30,000, whereas sponsoring an "Exclusive Press Dinner" for "top journalists and policy makers" comes at the bargain price of €6,000.", see: [Transparency unthinkable? Financial secrecy common among EU think tanks](#), Corporate Europe Observatory, July 2005.
- ¹⁴ Email from Giles Merritt, 30th June 2006.
- ¹⁵ Telephone conversation with Julian Morris, 20 June 2006.
- ¹⁶ http://www.policynetwork.net/main/content.php?content_id=43
- ¹⁷ "The Centre is financially supported by interested individuals, foundations and corporations. (...) The Centre does not seek and would not accept donations from any political party, faction or government". <http://www.cne.org/about2.htm>.
- ¹⁸ [Public Information and Policy Research: 2005 Worldwide Living Report](#). Exxon Mobil Foundation.
- ¹⁹ EEI "welcomes private contributions to its activities", but states that it does not solicit nor accept donations on an expressed or implied condition of donor control or influence over any EEI work, statement, program or other product. However, EEI "will respect donor requests to dedicate or earmark a contribution for the purpose of supporting one of its areas". <http://www.european-enterprise.org/items/supportus/>
- ²⁰ [Transparency unthinkable? Financial secrecy common among EU think tanks](#), Corporate Europe Observatory, July 2005.
- ²¹ Email from Director Johan Hjertqvist, 18 May 2006: "We are no think-tank but an analysis and information company". Mr. Hjertqvist's reply in 2005 advised that "You will find the information you are looking for in our annual reporting to the Patent and Registrations Office in Sweden." *Ibid.* CEO 2005
- ²² Email from Péter Mihók, 4 July 2006: "IEM accepts donations from any individual, organisation, think tank, corporation or other type of association willing to contribute to a scientific economic research on current french public policy issues. The IEM members are contributing too to our funding. IEM does not accept neither state funding or subsidies nor contributions from political parties. All contributions or donations are for the general funding of the organisation and not for particular project or purpose." and "In order to respect the privacy of our donors, we do not publish their names and we leave them the opportunity to disclose or not the fact that they support our organisation"
- ²³ Telephone conversation with Margo Thorning, 20 June 2006
- ²⁴ [Transparency unthinkable? Financial secrecy common among EU think tanks](#), Corporate Europe Observatory, July 2005.
- ²⁵ http://www.lisboncouncil.net/index.php?option=com_content&task=view&id=5&Itemid=51
- ²⁶ On 14 July 2006 the 22 corporations covered in this survey had the following persons registered as accredited lobbyists at the European Parliament:
BAE Systems: GILES William R; BASF AG - EU BÜRO: KLUSSENDORF Jan-Uwe, SCHARF-EHRENBERG Juliane, STUCKMANN Claudia, COLEMAN Johanna; BAT - BRITISH AMERICAN TOBACCO: MARCQ Violaine, TONNAER Antoon; BAYER - EU LIAISON OFFICE: HERZOG Ingrid, JORNS Axel, BNFLIVENS Richard; BP EUROPE: DRAZIC Olivera, HATON Emmanuel; DAIMLER CHRYSLER: BLESCH Barbara, DECEUNINCK-JOHN Ute, GLATZ Hanns, ULMER Berthold; DOW EUROPE: VON WESTERNHAGEN Christina, BIANCHINI Martina; DUPONT: none; EXXON MOBIL: DE PALMA Guiseppe, KELECOM Baudouin; FORD OF EUROPE GmbH: SCHNEIDER Wolfgang Georg; GLAXO SMITH KLINE: ASARLIDU Beata, EARNSHAW Sarah L., WOOD Josephine Jane; LUFTHANSA: none; MICROSOFT: HEIJNEN Mireille; MONSANTO: none; PFIZER EUROPE: GICQUEL Erwan Y.; REPSOL: DE BENITO CAVERO Miguel, VANDEN BERGHE Benedicte, GARCIA RECIO Tomas; RWE THAMES WATER: BRAACK Johanna, VON CHRISMAR Ottilia; SHELL INTERNATIONAL LTD: CASINO DIAZ Maria Sonia, MARTIN Ivan; SUEZ LYONNAISE DES EAUX S.A.: MOUREY Florence; SYNGENTA INTERNATIONAL: GRACIET Bernard, RUSSOTTO Remy; UNILEVER: HUISMAN Trijntje, LAROCHE Charles, PRESTON Catherine.
Source: European Parliament. [Lobbyists accredited to the European Parliament](#), accessed 14 July 2006.
- ²⁷ "the information we request is an overview of your funding relations with think-tanks, lobby groups and other organizations aiming to influence EU policy making for the last financial year (including memberships, sponsorships,

donations and other types of financial support). We were unable to find this information on your website. In addition, please indicate if donations are restricted/earmarked to a particular project or purpose". Fragment of the invitation emailed to the mentioned corporations to participate in CEO's 2006 Survey.

²⁸ Emails from Howard Chase, Director BP European Government Affairs, 26 June 2006 and 28 June 2006.

²⁹ http://www.bp.com/liveassets/bp_internet/globalbp/STAGING/global_assets/downloads/C/coc_en_gov_comm.pdf

³⁰ "Implementing of the Second Round Allocation" and "Towards a coherent EU Climate Strategy for Beyond Kyoto: Technology challenges and solutions". In [CEPS Activities Report 2005](#).

³¹ Phone conversation, 4 July 2006

³² See: http://www.cer.org.uk/pdf/annual_report_2005.pdf

³³ *Ibid.* CEPS.

³⁴ Phone conversation with Miguel Veiga-Pestana, 29 June 2006

³⁵ Phone conversation with Stella Reyntjens, 29 June 2006.