

# **Pulling the strings of African business**

**How the EU Commission orchestrated support from African business for EPAs**

**Corporate Europe Observatory**

**23 March 2009**

Today (March 23<sup>rd</sup>) sees the start of a marathon ballot in the European Parliament in Strasbourg on the EU's push for Economic Partnership Agreements (EPAs) with countries from Africa, the Caribbean and the Pacific. The two-day vote will include several resolutions plus votes on the assent to the two agreements signed with governments so far.

Information obtained by CEO through access-to-documents requests shows that the EU Commission not only relied on arm-twisting Southern governments to push these agreements forward. DG Trade also put considerable energy into orchestrating African business support for its own negotiating aims.

This included setting up the Business Trade Forum EU-Southern Africa and co-drafting with the European employers' federation, BusinessEurope, a pro-EPAs position for the EU-Africa Business Forum. African businesses were over-ridden by this political joint venture between European big business and the Commission.

## **Setting up a lobby-forum to lobby yourself**

In March 2007, BusinessEurope (then UNICE), Eurochambres, the European Services Forum (ESF) and a couple of African business groups launched the Business Trade Forum EU-Southern Africa (BTFES, also called the EU Southern Africa Business Council, ESBC)<sup>1</sup>. The aim of the forum was to co-ordinate bi-regional business input into the EPA negotiations between the EU and the South African Development Community (SADC).

But the initial impulse for the lobby group did not come from the private sector, but from DG Trade's EPA negotiator with SADC, Ivano Casella. He asked a former DG Trade official, then working as a consultant in Botswana, Nick Charalambides, to bring together the relevant business groups on the African side.

In an email to Charalambides, Casella clarified what he expected from the future forum: "This is a lobbying process; it means that there is no legal obligation for negotiators to take agreed and representative joint business positions on board, but the better they are formulated and targeted the greater the incentive for politicians and bureaucrats to integrate them. It is (almost) a full time job! Believe me and it is not easy... but they have to learn it. It has worked in Mercosur (where negotiators effectively took on board some of the MEBF specific requests on trade facilitation and investment), so no reason it shouldn't work here<sup>2</sup>."

Once Charalambides had started work, Casella made sure that the EU delegation in Botswana provided business participants with travel funds for a preparatory confe-

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<sup>1</sup> The founding members were BusinessEurope, the ESF, the Association of European Chambers of Commerce and Industry (Eurochambres), the European Business Council for Africa and Mediterranean (EBCAM), Private Investors in Africa (PIA), the Associated SADC Chambers of Commerce and Industry (ASCCI), SADC Employers Groups/Business Unity South Africa (SEG/BUSA) and the Southern Africa Confederation of Agriculture Unions (SACAU).

<sup>2</sup> Email from Ivano Casella to Nick Charalambides quoted in an email from the latter to Casella, dated 1 August 2005. Obtained through access to documents requests under the EU information disclosure regulation.

rence in Brussels in September 2005<sup>3</sup>. He also helped draft the paper, which laid out the structure and core objectives of the future forum and asked his Botswana contact “to ‘test’ it among your business contacts”<sup>4</sup>. According to this paper, the purpose of the future business forum was to offer business executives a unique input into the EU-SADC trade negotiations by enabling them to “speak to governments with one voice”. This promised to be more effective “than each side acting on its own – often with conflicting demands”<sup>5</sup>.

So, the supposedly “business-driven”<sup>6</sup> Business Trade Forum EU-Southern Africa was in fact the child of DG Trade, who was keen to have a bi-regional business voice backing up its own position in the EPA negotiations. Later on, DG Trade asked the European employers’ federation BusinessEurope to take the lead in fostering more bi-regional initiatives as the “driving force of our regional EPAs” and added: “DG Trade will obviously be supportive of UNICE on these initiatives”<sup>7</sup>.

### **Bringing BusinessEurope on the right track**

DG Trade was also active in setting up the EU-Africa Business Forum in 2006 and drafting the declaration for its first gathering in Brussels in November 2006. It even gave feedback to a draft of BusinessEurope’s (then UNICE’s) own position on the issue – criticising it for being “too vague, not business oriented” enough and for mentioning too many EPA-critical positions.

For example, DG Trade heavily attacked the reference to the African Union’s Nairobi Declaration on EPAs, which it dismissed as “one of the worst anti-EU Africa Union documents which shouldn’t certainly become the reference for EU business support”<sup>8</sup>. The declaration indicates that alternatives to EPAs should be explored, to which DG Trade simply commented: “no way – no alternatives to EPAs!”<sup>9</sup>.

Despite this involvement, DG Trade appeared less keen on the EU-Africa Business Forum and in an email to BusinessEurope suggested that the pan-African initiative would not foster deeper business contacts or enhance corporate interests because the objectives for business were not as concrete as in the forums, which included only specific African regions such as the Business Trade Forum EU-Southern Africa<sup>10</sup>.

In these exchanges, DG Trade appears to have been pushing business to a more extreme position, and so manufacturing strong business support for EPAs. But big business was also active in pushing their agenda. In an email to two DG Trade officials dated 05 October 2006, BusinessEurope’s Adrian van den Hoven lectured them on how to proceed with preparing the EU-Africa Business Forum: “We need to find an African business association to take on the responsibility on the other side. I

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<sup>3</sup> Ibid.

<sup>4</sup> Email from Ivano Casella to Nick Charalambides quoted in an email from the latter to Casella, dated 29 July 2005. Obtained through access to documents requests under the EU information disclosure regulation.

<sup>5</sup> Concept Paper on the Establishment of an EU-SADC Business Forum. Obtained through access to documents requests under the EU information disclosure regulation.

<sup>6</sup> Ibid.

<sup>7</sup> Email from Ivano Casella to Adrian van den Hoven, International Relations director of Business Europe (then UNICE), dated 26 September 2006. Obtained through access to documents requests under the EU information disclosure regulation.

<sup>8</sup> [Nairobi Declaration on Economic Partnership Agreements](#), issued at a conference of the African Union ministers of trade, 12-14 April 2006, Nairobi.

<sup>9</sup> Email from Ivano Casella (DG Trade) to Adrian van den Hoven (UNICE) on behalf of Peter Thompson (DG Trade), dated 26 September 2006. Obtained through access to documents requests under the EU information disclosure regulation.

<sup>10</sup> Ibid.

would recommend either the panafican employers or the African roundtable. Just call them and tell them they have to do it"<sup>11</sup>.

Are other pro-EPAs bi-regional business initiatives like the Cariforum-EU Business also the Commission's brainchild? Do the pro-EPA positions of the EU Africa Business Summit also result from a political joint venture between big business and the Commission? It is not yet known, but Corporate Europe Observatory has filed respective access-to-documents requests. In any case, DG Trade's past involvement in the Business Trade Forum EU-Southern Africa and the EU-Africa Business Forum shows that DG Trade did not wait for business to come forward with a business position on EPAs. DG Trade has actively orchestrated an EU-African corporate consensus to legitimise its own EPAs agenda. This might have been just as important for pushing the agreements through as arm-twisting Southern governments.

### **Don't give assent, return to sender!**

The EU Commission claims that EPAs are about development and poverty eradication. But they are more about opening markets for large EU corporations, about securing them access to raw materials, protecting their intellectual property rights and limiting opportunities for ACP countries to regulate their economies in the interest of their people and the environment. And they have been forced on ACP governments as several of them have repeatedly testified. This is why the ambassador of Guyana to the EU, H.E. Patrick Gomes, has asked the trade committee of the European Parliament in December 2008 to "urge the EU-Member states to thoroughly re-examine all the EPA agreements".<sup>12</sup>

Given that this re-examination has not taken place and given that EPAs appear to be the result of EU bullying tactics against ACP governments and manipulation of the ACP business community, Parliamentarians should not support the EPAs that have already been signed, but should send these agreements back to Brussels.

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<sup>11</sup> Email from Adrian van den Hoven (UNICE) to Peter Thompson and Kristoffer Klebak (both DG Trade), dated 05 October 2006. Emphasis in original. Obtained through access to documents requests under the EU information disclosure regulation.

<sup>12</sup> See: Patrick Gomes, [Statement to Committee on International Trade Hearing on the Economic Partnership Agreement CARIFORUM-EC](#), 4 Dec 2008.