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Mr. Olivier Hoedeman
'Worst EU Lobbying' Awards 2008
Corporate Europe Observatory
Friends of the Earth Europe
LobbyControl and Spinwatch

31 October 2008

Dear Mr. Hoedeman,

We have seen that you included this organisation in your list of the worst EU lobbying award which we feel is very unfair as our objective is the opposite of what you accuse us of.

Firstly we are a not-for-profit organisation based on a Code of Principles which underpins all the business and parliament schemes that operate in parliaments around the world. The Code is designed to prevent the type of misuse of this mechanism which you described. As you will see from the Governance Regulations of the EBPS, a considerable thought has gone into ensuring that the scheme is not used for the interests of any one major multi-national or indeed sector of the economy. Neither pursuit for financial gain was a purpose of setting up the EBPS. Lobbyists are businesses either with shareholders or owners for whom the objective is a healthy profit. It occurs at glance at the IABP's audited accounts, membership structure and management pay, that financial gain is not the objective of IABP and member national schemes.

Secondly, the EBPS was not set up by multinationals. It was established by the IABP, at initiative of the European Parliament, as a transparent mechanism for MEPs and officials to learn about business and the EU economy. This is done at no expense to EU tax-payers. IABP publically invited companies into the scheme and has been working hard to get a sufficient number of corporate members on board. In fact, not all member companies of EBPS are multinationals, there are SMEs in membership and as it was announced we were going to institute the SME and rural economy membership as part of our second phase development.

The 'business and Parliament' concept was developed in 1977 by Parliamentarians and business people to strengthen legislative process while providing safeguards against inappropriate lobbying. In 1997, the international association (IABP) was formed by the national schemes as a further safeguard to strengthen the accountability through the annual accreditation and to ensure that schemes are developed at best practice.

Few legislators in the advanced democracies have any knowledge of many aspects of business realities yet they are called on to produce legislation which is meant to be effective and take into account consideration of wide range of groups in society. Equally those in the business world - employers and employees, from micro-business to multi-national generally have a very superficial view and understanding of the need for legislators to balance the different interests of society in arriving at legislative outcomes. This is the bridge all these Schemes in parliaments throughout the world attempt to provide in a way which is transparent, which is not for partisan or any special interest and is truly for the public benefit.

Full Member: Belgium, Finland, Spain, Sweden, United Kingdom

Associate Members: New Zealand, N. Ireland, Scotland, Wales, Wallonia

Emerging Democracies Offices: Armenia, Georgia, Moldova

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It is very short-sighted and in a sense naïve, without due inquiry and research, to call the scheme and a whole 'business and Parliament' concept, which has served many Parliaments for 30 years, a "lobby group". We have been consistently open and transparent. You can read information on any of the programme undertaken or interaction taking place between MEPs and company representative on the web-site. Why would we do so if we are lobbyists?

Every programme is approved by the cross-party board of MEPs and screened against IABP Code of Principles. If you read more of the Governance Regulation and Code of Principles you will see that in fact EBPS is very much a "transparency mechanism" – something created to ensure effective legislative process taking into consideration the transparency criteria.

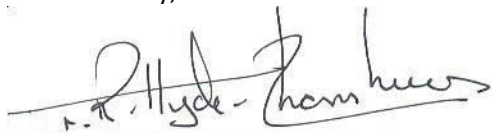
Please, read the enclosed article on Integrity and Transparency of the EBPS, which answers some of the questions you have raised and fleshes out several interesting points about what we do and how it is different from any form of lobbying being it appropriate or inappropriate forms of lobbying.

It is just very sad and a pity that what supposed to be a project to curb bad lobbying practices was used against something which pursued practically the same goal. I do not think the way EBPS was identified as a "candidate for award" was thoughtful, logical and fair. May be your initiative was meant to be an effective and useful one, but looking at the ways it related to our case, it looks more like a witch-hunting and has strong element of McCarthyism.

We feel it is very unfair for you to classify us as a candidate for the award and obviously take it very seriously as our integrity and reputation is fundamental to the Association and all the member schemes. We are more than prepared to discuss with you the accusations made, but we would urge you to take EBPS out of the list of candidates for the award as soon as possible.

We would be willing to build a dialogue with you, if necessary, to improve the way we operate and take on board your vision of how interaction between Parliaments and economic operators should take place. We strongly believe that current EU lobbying practices should be a subject of public debate and a very open investigation, but 'attacking us' by this bad publicity is very much misleading and deceptive – something which you yourselves oppose.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Fredrick Hyde-Chambers", with a long horizontal stroke extending to the right.

Fredrick Hyde-Chambers OBE
Secretary General

TRANSPARENCY AND INTEGRITY OF THE IABP'S EUROPEAN BUSINESS AND PARLIAMENT SCHEME.

The European Business and Parliament Scheme of the International Association of Business and Parliament is an integrity programme which the European Parliament and EU enterprises subscribe to in order to enhance mutual understanding through a transparent dialogue. The IABP's mechanism is an alternative to lobbying as it features the following:

1. Any activity within the IABP's European Business and Parliament Scheme serves the objective of "informing" legislators and legislative process rather than "advocating" or "lobbying" a particular policy view or a corporate interest. It may seem a small difference between informing and advocating, but looking into the subject carefully one can identify a fundamental distinction. Informing is about being open and showing the realities of a situation whereas advocacy is promoting particular point of view with an objective. The EBPS operates according to the Association's guidelines which restrict Member companies from promoting any policy or using the exercise for lobbying. Those who breach this rule are subject to sanctions defined in the IABP's Governance Regulations for the European Business and Parliament Scheme.

2. The IABP's European Business and Parliament Scheme promotes a link between parliamentary and business practitioners rather than with professional representatives or lobbyists. Brussels has 15,000 professional lobbyists of various categories whose job it is to be professional and paid advocates for particular companies, sectors and NGOs to promote a particular policy view. The IABP's European Business and Parliament Scheme is about showing business realities to Parliamentarians and political realities to those in business developing transparent relationships between MEPs, parliamentary officials and company practitioners ranging from CEOs to those on the shop floor - people who possess first-hand knowledge and understanding of business realities. The International Association of Business and Parliament has nothing against lobbying, we believe that appropriate and equitable lobbying is an integral part of a democratic system, but the EBPS is a non-lobbying mechanism and aims to build a good understanding between decision makers and businesses. The IABP's European Business and Parliament scheme allows Parliament to go beyond the network of professional advocates around Brussels institutions and understand practitioners, who rarely interact with elected representatives. Sometimes we compare speaking with practitioner versus paid representatives with the situation in a court with a "defendant" and an "advocate".

3. Transparent and rules-based engagement: the relationship between politicians and businesses is a sensitive area and there is invariably public suspicion about the relationship in any form; yet Parliaments have to legislate for increasingly complex economies in a way which takes into consideration environmental, employment, social and other aspects of society. On one hand, Parliamentarians can instinctively avoid any engagement with business seeing it as a risky area, on the another hand there is a clear need to understand business and economic issues if informed judgments about a policy and legislation are to be made. The IABP's European Business and Parliament scheme is conducted on the basis of the Association's 'business and Parliament concept', which is an ethics-based integrity system developed and promoted internationally by the IABP. This mechanism has both internal and external systems of accountability. For example the 15 participating states regularly report on their practice and refine the Code of Principles which defines a business and parliament scheme and which is the basis of the European Business and Parliament Scheme.

From the company's point of view the IABP's European Business and Parliament Scheme is an integrity programme which reflects good corporate governance. It demands from a company openness and willingness to allow its personnel to share their practical experience with parliamentarians. This in itself makes a statement about the company and its confidence in itself and its transparency; the company's active contribution to corporate citizenship. Its personnel equally have an opportunity to understand and see the realities of parliamentary life through a sharing of experience with parliamentary practitioners. It is a clear company investment in good governance.

From Parliament's point of view, the IABP's European Business and Parliament Scheme is a parliamentary resource, similar to the library, training unit or research department, which serves the whole Parliament as an institution rather than specific political groups. Operating within the Parliament, the IABP's European Business and Parliament Scheme is a strictly non-partisan and apolitical initiative, which has the sole obligation of serving the needs of Members and Officials while legislating for the issues of business and the economy.

The most frequently asked questions related to the integrity and transparency of the IABP's European Business and Parliament will help to further explain what the scheme is about:

1. Are you stealth lobbyists?

No, the IABP's 'business and Parliament model' is a non-lobbying mechanism as explained in the introduction above. All its activities are conducted openly and transparently. Every interaction which takes place between EBPS member companies and MEPs is registered and published on the EBPS web-site www.businessandparliament.eu. Before these programmes take place, they are approved by the cross-party Board of MEPs and participants sign undertaking forms, which ensure that activities are conducted according to the Code of Principles. These measures, in addition to monitoring and well-defined sanctions against cases of misconduct, make the EBPS a rigorous mechanism for transparent and effective dialogue.

2. Why do you operate inside the Parliament building?

Those business and parliament schemes which provide fixed weeks in the year for programmes for Members can operate outside the Parliaments they serve. Those schemes, like the European Business and Parliament Scheme which is a parliamentary resource serving the professional needs of 783 MEPs and over 300 officials on a daily basis, need to be readily accessible for users. It has been established to support Members in their judgments on economic policy and legislation. In addition it is very important that Parliament has an ownership of this resource and makes its own in-kind contribution to the scheme.

3. How do you ensure that your programmes are not misused by MEPs or businesses?

The IABP fully realizes the risk of its integrity mechanism, the European Business and Parliament Scheme being misused by either political or business interests. Although the IABP's European Business and Parliament Scheme operates on the assumption that participants will honor the IABP principles and commitments they give, the Parliamentary Board of the EBPS there are well-formulated rules for avoiding conflicts of interest or situations which can create such a perception. Clause 6.2 of the Governance Regulation says: "In the case of the violation of the Code of Principle by either a Parliamentarian or company is reasonably thought by others took place, the IABP secretariat is responsible to conduct a neutral inquiry and report its findings to the MEP Board. If the participant found to have breached the IABP Code of Principles then the MEP Board may have various sanctions according to the seriousness of the case. This can vary from formal warning to cancellation of the membership." The credibility of the whole scheme relies on it maintaining its integrity.

4. How EBPS is financed and what the company money is for?

IABP's European Business and Parliament Scheme is financed by a well-regulated system of company membership subscriptions. See details on the EBPS web-site section "Companies". It requires staff with particular expertise and skills to ensure that programmes are tailored appropriately and that the integrity of the process I maintained Funding is required for staff salaries, operating costs and programmes taking place throughout the EU. Reciprocity is observed across all aspects of EBPS, including the finance. Therefore, the Parliament also provides the resources such as in-kind contribution of office space, as well as financial support, which comes from the already allocated travel allowances of MEPs. Revenues generated from company subscriptions and expenses related to management of the EBPS form an integral part of the Financial Statements of the IABP. These are externally audited, approved by the Annual General Meeting

of IABP and presented on the IABP web-site and are available through Companies House in London where the Association is registered as a not-for-profit company.

5. Promoting good corporate governance values, how well EBPS itself is governed?

The European Business and Parliament Scheme is managed and administered by the International Association of Business and Parliament (IABP) an international association of independent business and Parliament schemes which operate worldwide according to the IABP Code of Principles. The IABP is a not for profit association registered in London. The IABP's European Business and Parliament Scheme operates under the oversight of the MEP Advisory Board bringing together representatives of major political groups in the Parliament to ensure that it is responsive to Parliaments needs and that Parliament itself has a stake in ensuring the integrity of the process. The IABP's Governance Regulation describes the principles and processes which ensure transparent and effective governance of the European Business and Parliament Scheme. Read more in EBPS Governance Regulations on the web site www.businessandparliament.eu.

6. Why there are no such schemes for other groups of interest, like NGOs, employee representatives or environmental pressure groups?

In fact over the past thirty years because of the value of the model Spain has developed such a scheme for magistrates and the UK - for the Armed Forces and Parliament, the Police and Parliament and the Voluntary Sector and Parliament. There is of course much greater suspicion about the relationship between politicians and businesses and the economy is fundamental to every area of human activity. This is why a special mechanism of integrity was initially devised for business and Parliament. The European Commission created the Enterprise Experience Programme for its officials to understand the issues of SME sector. The programme is collaborating with business and Parliament schemes within the IABP framework.