

*Brussels, 8 December 2023*

Dear Commission President Ursula von der Leyen,

CC Commissioner Thierry Breton, Commissioner Didier Reynders, Commissioner Josep Borrell and Commissioner Maroš Šefčovič

CC Minister María Reyes Maroto Illera, Minister José Manuel Albares Bueno, Minister Pierre-Yves Dermange, and Minister Hadja Lahbib

CC CSDDD Rapporteur Lara Wolters, CRMA Rapporteur Nicola Beer, AFET Chair David McAllister

**Subject: Strengthening the EU's efforts to tackle corruption**

We are writing to you ahead of International Anti-Corruption Day to express our concerns about the European Union's failure to take the issue of corruption seriously, particularly as it relates to the extractive sector and the growing risks posed by the boom in demand for critical raw materials.

These risks are growing because low-carbon infrastructure requires significantly more mineral inputs than fossil-fuel based systems. History has shown that a boom in demand for commodities also leads to a boom in corruption, as private and public sector actors alike look to cut lucrative deals whilst prices soar. To further complicate this picture, critical raw materials are typically concentrated in countries with poor governance records, with 94% of rare earth elements and 70% of cobalt reserves found in countries that score poorly on [Transparency International's Corruption Perception Index](#).

Failing to address corruption in the mining sector can lead to decades of delay and disruption to supply chains, as much as 26 years in the case of the [Simandou iron ore project](#), years we can ill afford to waste if we are to deliver the European Green Deal. Corruption also leads to significant adverse human rights and environmental impacts, disproportionately impacting women, youth, and Indigenous Peoples, by undermining key safeguards and diverting vital public money towards private hands. The Business and Human Rights Resource Centre have found a growing number of corruption-linked allegations of [human rights abuses](#) in the critical raw materials sector, while evidence has already emerged of mining-related corruption [allegations](#) in countries where the EU has signed Strategic Partnerships.

The EU is not immune from these impacts. A recently announced corruption probe linked to proposed lithium projects in Portugal, reaching the highest levels of the [government](#), should be a wake-up call; the risks of corruption in the mining sector will have a significant impact on wellbeing, prosperity, and trust for European citizens.

While these risks have been acknowledged by key international organisations such as the [Organisation for Economic Cooperation and Development \(OECD\)](#) and the [International Energy Agency \(IEA\)](#), as well as leading European politicians, this is not translating into policymaking. While policy approaches that reduce the overall demand for critical raw materials can play a crucial role in easing this pressure, concerted action focused on corruption is still urgently needed.

To address these concerns, we make the following recommendations:

- **Ensure that the Corporate Sustainability Due Diligence Directive (CSDDD) addresses the pressing issue of corruption and governance impacts.** Corruption enables, obscures, and inhibits accountability for the worst human rights and environmental [impacts](#), yet the CSDDD fails to cover ‘adverse governance impacts’. While the Parliament’s position included key international anticorruption instruments, the UN Convention against Corruption (UNCAC) and the OECD Anti-Bribery Convention, in the Annex setting out the normative scope of the due diligence obligations of companies, there is no guarantee that these will be retained in the final text. It is crucially important that these are retained in triologue negotiations, at a minimum, to ensure that the CSDDD can fulfil its purpose and formally establish a nexus between corporate social responsibility, corruption, and the protection of human rights and the environment.
- **Strengthen anti-corruption provisions in the European Union’s approach to sourcing critical raw materials.** We welcome the Critical Raw Materials Act (CRMA)’s recognition of corruption in sustainability criteria for strategic projects, however outsourcing the mechanism for assessing these criteria to third-party certification schemes risks undermining this approach. These schemes must have multi-stakeholder governance and measures to address corruption, as outlined in the Parliament’s version, as minimum criteria to be included in Annex IV. While we also welcome recognition of the need to address corruption in Strategic Partnerships, more [transparency](#) and space for civil society engagement is essential to realise this ambition. Lastly, the Commission should ensure that companies with a track record of corruption and corporate misconduct are unable to access EU funds for CRM-related projects.
- **Introduce a targeted anti-corruption sanctions regime.** As shown by the US Global Magnitsky Act, a targeted sanctions regime is a powerful complementary tool to legal and judicial anti-corruption measures. The absence of such regime in the European Union is resulting in corrupt individuals and entities, that have no access to US markets due to sanctions imposed by the United States, currently using the European market and currency to carry out their illicit activities. This poses a serious reputational risk for the EU, as well as an issue for the efficiency of its economy and single market. While we welcome the [Proposal](#) for a Directive on combating corruption and the intention to develop a framework that will include a new sanctions regime for corruption, actual progress on the latter is essential to ensure that corrupt actors associated with the mining sector do not abuse the European market.

At the EU Raw Materials Week in November, Director-General Kerstin Jorna announced that “Europe means business now.” As civil society organisations working on anti-corruption, human rights, and environmental issues, we urge EU officials to think carefully about the type of business that they wish to encourage. It is essential that we learn from the mistakes of the mining sector’s scandal-ridden past and its implications for European companies across the supply chain. To achieve cleaner energy, the European Union must prioritise cleaner politics and cleaner business.

Yours sincerely,

ACT Alliance EU

Al-Nahrain Foundation for supporting Transparency and Integrity

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Business and Human Rights Resource Centre

Cameroon Anti Corruption Youths Movement

Children and Young People Living for Peace (CYPLP)

Couto Dornelas Diz Não às Minas

Earthworks

Engineers Without Borders Canada

European Emergency Circle

European Environment Bureau

Fomento de Vida- FOVIDA

Frontida Zois Initiative (FZI)

Ghana Anti-Corruption Coalition (GACC)

Global Legal Action Network (GLAN)

Global Witness

Good Governance Africa

HEDA Resource Centre

Indigenous Russia

International Society for Peace and Safety

Investor Advocates for Social Justice (IASJ)

Mars As Drine

Mineral Inheritors Rights Association

Movimento Não às Minas- Montalegre

National Whistleblower Center

Natural Resource Governance Institute (NRGI)

NGO "Terra-1530"

Nouveaux Droits de l'Homme Congo Brazzaville

Oxfam International

PCQVP-Mali

Plateforme Démocratie, Paix, Élections et Développement Durable (Plateforme DPEG)

Progress Integrated Community Development Organization (PICDO)

Povo e Natureza do Barroso

Public Eye

Publish What You Pay

Publish What You Pay Madagascar

Resource Matters

Sensitisation Against Hazard And Crime Initiative

SETEM Catalunya

SIRGE Coalition

StopCorrupt Luxembourg

The Future We Need

The Sentry

TI-Israel

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Transparency International France

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