

139587/EU XXVII.GP
Eingelangt am 03/05/23



EUROPEAN
COMMISSION

HIGH REPRESENTATIVE
OF THE UNION FOR
FOREIGN AFFAIRS AND
SECURITY POLICY

Brussels, 3.5.2023
JOIN(2023) 12 final

**JOINT COMMUNICATION TO THE EUROPEAN PARLIAMENT, THE COUNCIL
AND THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE**

on the fight against corruption

1. INTRODUCTION

Corruption is highly damaging to society, to our democracies, to the economy and to individuals. It undermines the institutions on which we depend, diluting their credibility as well as their ability to deliver public policies and quality public services. It acts as an enabler for organised crime and hostile foreign interference. Successfully preventing and fighting corruption is essential both to safeguard EU values and the effectiveness of EU policies, and to maintain the rule of law and trust in those who govern and public institutions.

Corruption is an impediment to sustainable economic growth, diverting resources from productive outcomes, undermining the efficiency of public spending and deepening social inequalities. It hampers the effective and smooth functioning of the single market, creates uncertainties in doing business and holds back investment. Corruption is by its nature difficult to quantify, but even conservative estimates suggest that it costs the EU economy at least EUR 120 billion per year¹. The negative effects of corruption are felt worldwide, undercutting efforts to bring good governance and prosperity, and to meet the United Nations Sustainable Development Goals.

Effective anti-corruption policies are an essential part of the enabling environment required for the rule of law, alongside on respect for judicial independence, free and pluralistic media, a transparent and high-quality public administration, and a free and active civil society. A constant commitment to *prevention*, maintaining a culture of *integrity* and the active *enforcement* of anti-corruption legislation, including effective prosecution of corruption crimes, is needed to keep corruption in check. This approach is also reflected in EU external action on anti-corruption underpinned by support to the rule of law and public financial management of partner countries.

Global corruption indices put many EU Member States among the countries seen as the least corrupt in the world². However, as also set out in the Rule of Law reports, there are many issues to address and corruption remains a concern for people across the EU, as shown by Eurobarometer data. In 2022, almost seven in ten Europeans (68%) believed that corruption was widespread in their country and only 31% were of the opinion that their government's efforts to combat corruption are effective. In addition, over half of the companies based in the EU (51%) think that it is unlikely that corrupt people or businesses in their country would be caught, or reported to the police or prosecutors³.

In the 2022 State of the Union address, President von der Leyen set out the need for decisive action against corruption. The EU can play a major role: not only in the way it manages its own work, but also through ongoing efforts to integrate measures to prevent corruption into the design of EU policies and programmes, and by actively supporting Member States' work to put strong anti-corruption policies and legislation in place.

Today the Commission has adopted two targeted proposals to strengthen EU law in this area. First, the Commission is proposing a directive to update and harmonise EU rules on the

¹ This estimate is based on the work of specialised institutions and bodies, such as the International Chamber of Commerce, Transparency International, UN Global Compact, World Economic Forum, and Clean Business is Good Business, which suggest that the loss of economic wealth due to corruption amounts to 5 % of GDP at world level. Another estimate suggested that the costs of corruption were between EUR 179 billion and EUR 990 billion per year in the EU (The Cost of Non-Europe in the Area of Corruption study by RAND Europe, 2016).

² See for example 2022 Transparency International Global CPI: <https://www.transparency.org/en/cpi/2022>.

³ Special Eurobarometer 523 on Corruption (2022) & Flash Eurobarometer 507 on Businesses' attitudes towards corruption in the EU (2022).

definitions of and penalties for corruption offences, to ensure high standards against the full range of corruption offences, to better prevent corruption and to improve enforcement⁴. Second, the High Representative of the Union for Foreign Affairs and Security Policy, with the Commission's support, is proposing to complement the Common Foreign and Security Policy (CFSP sanctions) toolbox of restrictive measures (sanctions) with a dedicated CFSP sanctions regime to fight corruption when and where acts of corruption seriously affect or risk affecting the fundamental interests of the Union and the objectives of the CFSP as set out in Article 21 of the Treaty on European Union⁵. The High Representative is therefore submitting a proposal for a Council Decision and, jointly with the Commission, a proposal for a Council Regulation for a thematic framework for CFSP sanctions targeting corruption, to complement our internal and external policy actions to fight corruption.

The Commission will step up its action and the anti-corruption proposals presented today represent a milestone in the fight against corruption at national and EU level. This Communication shows how these building blocks will accompany a broader effort to build a comprehensive and systematic strategic approach. This needs to bring together existing work and develop new directions and new tools at both EU and Member State level, also feeding into a clear commitment to tackling corruption at the global level. Success will depend on a joint and continuous effort at EU, national, regional, and local level, involving public authorities, civil society, and the private sector, as well as international organisations. This will not only make the public aware of the consequences of corruption, but it will also give citizens and businesses the confidence to challenge it.

2. WHAT IS CORRUPTION?

Corruption is commonly referred to as the abuse of entrusted power for private gain⁶. While the nature and scope of corruption may differ from one country to another, no country can call itself corruption-free. As a global problem with major cross-border implications, it is the subject of a dedicated United Nations Convention, the United Nations Convention against Corruption (UNCAC). The Convention is the only legally binding universal anti-corruption instrument and offers definitions of different manifestations of corruption, embracing crimes from petty bribery to major political scandals. The EU, and all Member States, are parties to the Convention. Combating corruption has also been a major theme for the Council of Europe⁷, with instruments including the Council of Europe Criminal and Civil Law Conventions on Corruption. In addition, the Organisation for Economic Cooperation and Development (OECD) works on measures to prevent corruption, and has established legally binding provisions to criminalise the bribery of foreign public officials in international business transactions⁸.

⁴ Proposal for a Directive on combatting corruption COM (2023) 234.

⁵ Proposal of the High Representative of the Union for Foreign Affairs and Security Policy to the Council for a Council Decision concerning restrictive measures against serious acts of corruption (HR(2023)108) and Joint Proposal for a Council Regulation on restrictive measures against serious acts of corruption (JOIN(2023)13).

⁶ There is no single legal definition of corruption due to the various forms it can take.

⁷ Criminal Law Convention on Corruption plus the Additional Protocol to the Criminal Law Convention on Corruption (CETS 191), and a Civil Law Convention on Corruption (CETS 191). The work of the Council of Europe also includes Twenty Guiding Principles against Corruption (Resolution (97) 24), as well as Recommendations covering areas such as the responsibilities of public officials and party financing.

⁸ The 1997 OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions. The work on prevention includes the OECD Principles for Transparency and Integrity in Lobbying and the OECD Recommendation on Public Integrity.

A political and institutional system based on integrity, transparency and accountability in public life is the best guarantee against corruption. Public services are also more resilient to corruption when there is a strong public service culture and fair remuneration. All public authorities need to guard against the risk of corruption. While corruption is first and foremost a crime, and specific acts of corruption are defined in national and international law, failings in integrity, conflicts of interest or serious breaches of ethical rules can also signal corruption risks. This is why effective anti-corruption approaches often build on measures to enhance transparency, ethics and integrity, as well as regulating areas such as conflict of interest, lobbying and revolving doors. Public bodies should seek the highest standards of integrity, transparency and independence as an important part of tackling corruption more broadly.

Corruption is integral to almost every organised crime activity, with 60 % of organised crime using corruption to infiltrate the public or private sectors⁹. The EU Security Union Strategy¹⁰ and the 2021-2025 EU Strategy on organised crime¹¹ recognised this connection and pointed to the particular risk of corruption in specific sectors, including healthcare, transportation, construction, waste management, aerospace and defence, agriculture, food, labour, and social protection. A recent report shows that corruption is the main enabler to infiltrate ports and logistics chains, with criminal networks seeking to form corruption networks in multiple locations to facilitate crimes such as drugs trafficking¹².

In some of these sectors, corruption in the private sector is also an important risk and has been the focus of action, as corrupt private-to-private transactions affect the entire supply chain, distort markets, undermine competition, and increase costs to companies. This is part of a substantial body of regulation, legal compliance and due diligence programmes, as well as softer tools, that aim at fostering a general culture of ethics and integrity in business, which contribute to the broader anti-corruption framework at EU as well as global level¹³.

3. THE EU ANTI-CORRUPTION FRAMEWORK

The work of the EU in helping to prevent, detect and combat corruption at all levels can build on a strong basis of measures already in place. This should also serve as the basis for a process of developing a more comprehensive strategic approach, including new workstreams and new approaches to match the scale of the challenge and to keep up with evolving corruption risks. As recognised in the Rule of Law reports, a strategic anti-corruption framework offers an important opportunity to translate political commitment and vision into concrete actions. Anti-corruption strategies can ensure that individual legislative or institutional loopholes are not addressed in isolation, and that anti-corruption provisions are mainstreamed in all relevant policy sectors. This calls for an **EU anti-corruption strategy**. To be effective, this needs to be developed on a strong foundation of consensus and broad consultation, in particular with the European Parliament and Member States. It also needs to be accompanied by specific and measurable objectives, clear-cut budget and staffing and well-defined responsibilities.

Preparing such reforms can greatly benefit by expertise and experience-sharing at EU level. A first step in the process will be to set up an **EU network against corruption**. Since 2015, an

⁹ See: https://www.europol.europa.eu/cms/sites/default/files/documents/socta2021_1.pdf.

¹⁰ COM(2020) 605 final.

¹¹ COM(2021) 170 final.

¹² Joint report of Europol and the Security Steering Committee of the ports of Antwerp, Hamburg/Bremerhaven and Rotterdam (2023) Criminal networks in EU ports, Risks and challenges for law enforcement.

¹³ UNCAC covers corruption in both the private and the public sector. Additional international initiatives that provide business ethics guidance come from the World Economic Forum, the [United Nations Global Compact](#), the [Alliance for Integrity](#), Transparency International, the OECD and the G20.

EU anti-corruption experience-sharing programme has offered anti-corruption practitioners from Member States a forum where they can seek inspiration and learn from legislative, institutional and policy reforms in other Member States. This work will be extended and deepened through a network to act as a catalyst for corruption prevention efforts across the EU. It will be tasked to develop best practices and practical guidance in various areas of common interest. It will also support a more systematic gathering of data and evidence that can serve as a solid basis for anti-corruption actions and for monitoring the success of these actions. The network will build on experience of working not only with law enforcement and public authorities, and bring together all relevant stakeholders, including practitioners, experts and researchers, as well as representatives of civil society and international organisations.

3.1 Addressing corruption as a crime

While the EU has criminal legislation in place to fight corruption, it is fragmented, outdated and limited in scope. The main EU criminal anti-corruption legislation is the 1997 Convention on the fight against corruption involving officials¹⁴ and the 2003 Council Framework Decision on combating corruption in the private sector¹⁵, both of which pre-date the Treaty of Lisbon. They have been complemented by more recent instruments, such as the Directive on the protection of the EU's financial interests by means of criminal law¹⁶ ('PIF Directive'), and the proposed Directive on asset recovery and confiscation¹⁷.

The proposal for a Directive adopted in parallel to this Communication **establishes rules on definitions and penalties for corruption offences**¹⁸. It extends the list of corruption offences to cover misappropriation, trading in influence, abuse of functions, as well as obstruction of justice and the illicit enrichment related to corruption offences, beyond the more classic bribery offences. It also sets out consistent penalty levels, as well as aggravating and mitigating circumstances. Aggravating circumstances could be applicable, for example, when the offender holds a high level public office or is responsible for law enforcement. Mitigating circumstances could include situations where the offender identifies other offenders or assists in bringing them to justice. For the first time at EU level, the proposal brings together public and private sector corruption in one legal act. It also sets out clear monitoring and reporting requirements to help enforcement.

Action on corruption begins with **prevention**, and creating a **culture of integrity**, in which corruption is not tolerated. The proposed Directive requires Member States to take action such as information and awareness-raising campaigns as well as research and education programmes, and to encourage civil society and community-based organisations to participate in anti-corruption efforts. It also requires them to ensure that key preventive tools such as an open access to information of public interest, effective rules for the disclosure and management of conflicts of interests in the public sector, effective rules for the disclosure and verification of assets of public officials and effective rules regulating the interaction between the private and the public sector are in place. It provides a coherent set of rules to

¹⁴ Convention on the fight against corruption involving officials of the European Communities or officials of Member States of the European Union.

¹⁵ Council Framework Decision 2003/568/JHA of 22 July 2003 (OJ L 192, 31.7.2003, p. 54-56).

¹⁶ Directive (EU) 2017/1 371 of 5 July 2017 on the fight against fraud to the Union's financial interests by means of criminal law.

¹⁷ COM(2022) 245 final.

¹⁸ The proposed Directive is based on Articles 82(1)(d), 83(1) and 83(2) of the Treaty on the Functioning of the EU.

better tackle corruption in the EU and to improve coordination of actions at national and EU level.

The proposal will also strengthen **enforcement**. The Rule of Law reports have shown that efficient criminal justice systems with the right tools to fight corruption are key to upholding high standards. The Directive will facilitate an effective fight against corruption across the EU, providing minimum rules to tackle the complex web of interrelated activities that feed on corruption in today's societies. It will address key factors in effective anti-corruption work, including capacity, specialisation and access to the relevant investigative tools, as well as obstacles to effective investigation and prosecution such as burdensome and opaque procedures for lifting immunities or excessively short limitation periods covering corruption offences.

3.2 Mainstreaming anti-corruption into EU policy design

The fight against corruption has a central place in the EU's internal and external policies. In its work, the Commission has always sought to provide for anti-corruption safeguards, closing potential loopholes, ensuring that transparency and clarity reduce the space in which corruption can thrive, and that the institutions and bodies responsible for implementing EU policies at all levels adhere to high standards of independence and integrity. Coordination of key players in the EU also helps both to minimise the risk of corruption damaging EU policies, and to support action at national level and worldwide. Enforcement measures that ensure corruption comes to light and is punished are an effective deterrent. EU policies and programmes therefore include a wide range of measures not only to deter and detect corruption, but also to strengthen the effectiveness of action to investigate and sanction corruption when it occurs. The proposed Directive will further strengthen this framework.

Building a culture of integrity and transparency

A political and institutional system based on integrity, transparency and accountability in public life is the best guarantee against corruption. This is why effective anti-corruption approaches often build on measures to enhance transparency, ethics and integrity, as well as regulating areas such as conflict of interest, lobbying and revolving doors.

Experience, including from the Rule of Law reports, shows that at both national and EU level a strong response to corruption builds on systems to prevent and address conflicts of interests; establishing transparency and lobby registers; and setting up viable mechanisms for the disclosure and verification of public officials' assets and interests.

Transparency is not only central to political accountability – it is also essential in building integrity. A system based on transparent decision-making and implementation is crucial in closing off the opportunities for corruption. Digital transactions and the publication of financial and other data by public bodies also make corrupt exchanges more difficult. Strong and clear ethical frameworks, with the structures and institutions required to function well, are powerful tools. There is also an important international dimension: as part of the upcoming Defence of Democracy initiative¹⁹, the Commission will come forward with legislation on the transparency of the representation of foreign interests, to limit the risk of covert interference in democratic processes at EU and Member State level.

Over the past decades, important integrity and anti-corruption standards have been developed in these areas. The functioning of key institutions and the development of strong anti-

¹⁹ https://ec.europa.eu/info/law/better-regulation/have-your-say/initiatives/13744-Transparency-of-covert-interference-by-third-countries_en.

corruption and integrity frameworks has greatly benefited from the work of organisations like the Group of States against Corruption (GRECO), and the Venice Commission of the Council of Europe, the OECD, and the United Nations Office on Drugs and Crime (UNODC). Building on these standards, integrity policies and policy reforms must however be tailored to the context if they are to be successful. Recommendations in the Rule of Law report seek to support Member States in enacting such reforms and strengthen integrity rules, prevent conflicts of interests, enhance lobbying transparency, regulate and enforce rules on ‘revolving doors’ between public and private functions and have in place effective asset and interest disclosure systems.

Preventive policies to address corruption risks

Like all crime, corruption feeds on opportunity. EU policy design seeks to narrow the potential for corruption, by identifying risks and creating the necessary tools to address them. One of the first tasks of the new EU network against corruption will be to map **common high-risk areas** by 2024. The Commission will lead this work in close consultation with Member States. It will form an important component in the development of future EU initiatives on fighting corruption.

This will build on work already undertaken in areas of manifest risk. **Public procurement** — which represents 14 % of EU Member States’ GDP — has been a particular focus. A major reform in 2014²⁰ strengthened safeguards on conflict of interest, with mandatory exclusion of tenderers on grounds of past corruption. Full electronic procurement has been mandatory in the EU since 2018 and work continues to build a culture of transparency, with publication of all public procurement contracts and with an obligation for Member States to report cases of corruption linked to EU procurement. Open competition in a transparent environment conducted by trained professionals is key to shutting down opportunities for corruption.

Corruption thrives where it cannot be identified or proven. Corrupt practices are frequently associated with tax fraud, tax evasion and tax avoidance. Transparency rules in **tax legislation** help detect such practices. Updates to the rules on administrative cooperation in direct taxation²¹, and Value Added Tax²², are intended to step up the exchange of information between Member States, which helps to identify corruption before formal criminal enquiries are launched.

A particular problem in identifying corruption is when shell companies and other opaque and complex corporate vehicles²³ are used to conceal transactions and the identity of beneficial owners. The **EU Anti-money Laundering Directive** has been regularly revised and

²⁰ Directives 2014/23/EU, 2014/24/EU and 2014/25/EU of 26 February 2014 (‘the Concessions Directive’, the ‘Classical Directive’, and the ‘Utilities Directive’).

²¹ Directive 2011/16/EU on administrative cooperation (the ‘DAC’) and its amendment. A further proposal to amend the DAC (‘DAC8’ – COM(2022) 707) is currently ongoing. The proposal provides that tax information that is exchanged under the DAC between Member State tax authorities can also be used for other purposes, for example for anti-money laundering and anti-corruption purposes as well as purposes covered by an act based on Article 215 of the Treaty on the Functioning of the EU. This will facilitate the cooperation between relevant authorities of Member States and a more effective fight against corruption.

²² Council Regulation (EU) No 904/2010 of 7 October 2010 on administrative cooperation and combating fraud in the field of value added tax set up Eurofisc, a network of Member States to fight against cross border VAT fraud, able to request information from OLAF and Europol. Further improvements on the cooperation of tax authorities with EU institutions and bodies are envisaged as announced in the Action Plan for fair and simple taxation.

²³ On 22 December 2021, the Commission proposed a key initiative to fight against the misuse of shell entities for improper tax purposes, COM(2021) 565 final.

strengthened²⁴ to introduce mandatory registers of beneficial ownership of corporate and other legal entities²⁵. These registers help uncover conflicts of interest, expose high-level corruption, and support investigations into illicit flows of money. The Directive also has an important preventive value, as it requires obliged entities from the private sector to conduct greater customer due diligence in cases where higher risks are identified, for example in relation to politically exposed persons²⁶. The anti-money laundering package proposal of July 2021 further strengthens the EU framework to defend the integrity of its financial system and the internal market²⁷.

Initiatives to combat specific risks of organised crime also help to limit the opportunities for corruption. An example is **trafficking in cultural goods**, where the December 2022 EU Action Plan against Trafficking in Cultural Goods²⁸ provides a comprehensive framework for the EU and the Member States to advance prevention, detection and criminal justice response to cultural goods trafficking.

Preventing corruption by design requires **independence and impartiality in national bodies set up under EU law**, whether national competition authorities, public procurement review bodies, or regulators. This brings together the EU and national levels in a single culture of prevention and integrity. For example, competition legislation sets minimum guarantees of independence for national authorities enforcing EU competition rules²⁹. These include rules on conflict of interest and protection against dismissal. Internal market legislation setting up rules for national regulatory and safety authorities in areas such as electronic communications, media, electricity, gas, food and feed, the single European railway area and railway safety requires Member States to guarantee that the bodies concerned are functionally independent and exercise their powers in an impartial and transparent way.

Identifying and mapping areas of risk is key to effective anti-corruption action. Corruption activities are constantly evolving and adapting to new opportunities, and patterns differ across Member States. No sector or area of activity is safe from corruption risks, but **common high-risk areas** deserve particular attention – usually those involving management of significant public funds or access to permits or to a critical service. Sectors such as healthcare, construction or urban planning are therefore vulnerable, and sudden increases in public investment can create new corruption-related risks. Areas with a risk of high criminality such as ports, which are pressure points for organised crime groups trafficking drugs, also need constant monitoring.

²⁴ Directive 2015/849 of 20 May 2015, amended by Directive 2018/843 of 30 May 2018. This is complemented by Directive 2018/1673 of 23 October 2018 on combating money laundering by criminal law, which harmonises definitions and sanctions of money-laundering criminal offences, including corruption as a predicate offence.

²⁵ Collection of beneficial ownership data has also been made compulsory for control and audit purposes in a number of basic acts, such as the regulation setting up the Recovery and Resilience Facility or the Common Provision Regulation. This is also part of the proposal for the upcoming review of the Financial Regulation

²⁶ Under the anti-money laundering legislation, a 'politically exposed person' (PEP) is an individual who is or has been entrusted with a prominent function. As PEPs hold positions that can be abused for the purpose of corruption/bribery and the laundering of the subsequent illicit funds, they are considered as posing a higher risk and shall therefore be subject to additional due diligence measures.

²⁷ The package consists of proposals for a new Anti-money Laundering Directive (COM(2021)423); for an Anti-money Laundering Regulation (COM(2021)420); for a Regulation establishing an Anti-money Laundering Authority (COM(2021)421) and for a recast of the 2015 Transfer of Funds Regulation (COM(2021)422). The package is currently under inter-institutional negotiations.

²⁸ COM (2022) 800 final.

²⁹ Directive (EU) 2019/1 of 11 December 2018 to empower the competition authorities of Member States to be more effective enforcers and to ensure the proper functioning of the internal market (Article 4 'Independence').

Examples of how emerging areas for action can be tackled include **investor residence and citizenship schemes** (‘golden visas’ and ‘golden passport’ schemes) which the Commission has warned can be used to hide financial crimes, including bribery and corruption³⁰. The Commission considers investor citizenship schemes, under which citizenship of a Member State, and thus Union citizenship, is systematically awarded in exchange for pre-determined payments or investments, and without a genuine link with the awarding Member State, to be in breach of EU law and has taken action against Member States maintaining such schemes³¹. Sport is another example of an area relatively recently identified as high risk, where organised crime groups seek profit through **match fixing** through corruption and extortion³².

Detecting corruption

While internal and external control mechanisms and authorities in the public sector – as well as active and resourceful law enforcement bodies – are best placed to detect signs of corrupt activities, society as a whole has a key role to play in bringing corruption to light.

Many prominent recent cases have been revealed thanks to people speaking up when they encounter wrongdoing in the context of their work. The key role of **whistleblowers** in defending the public interest is recognised in the 2019 Whistleblower Protection Directive³³. This Directive contributes to the fight against corruption in many key EU policy areas, such as public procurement, financial services, the protection of the EU’s financial interests, environmental protection, transport safety, public health, and nuclear safety. It establishes effective standards of protection against retaliation for whistleblowers unveiling illegal activities. It requires Member States to set up clear internal and external reporting channels that can guarantee confidentiality for whistleblowers in both public and private sectors, as well as defined feedback and follow-up. Effective implementation of the Whistleblower Protection Directive is a key step in building strong enforcement of anti-corruption rules. The proposed Directive would take this a step further by extending the protection to people reporting corruption offences. This will encourage people to report corruption offences without fearing retaliation and improve the effectiveness of anti-corruption investigations.

Journalists play a particularly important part in uncovering corruption. However, many journalists and media organisations face harassment and other threats when speaking up on issues of public interest and exposing corruption. The Commission recently proposed measures to improve their safety³⁴ and better protect them from abusive litigation³⁵. The 2022 proposal for a European Media Freedom Act³⁶ sets out important provisions to strengthen media independence. Safeguards against political interference in editorial decisions through independence requirements, adequate stable funding of public service media, and rules on the transparency of media ownership and the allocation of state advertising will allow media to better exercise their important societal role, including in maintaining oversight and exposing

³⁰ COM(2019) 12 final of 23 January 2019.

³¹ In March 2022, in the context of the Russian invasion of Ukraine, the Commission recommended that Member States immediately assess whether past naturalisations of Russian or Belarusian nationals, which were based on an investor citizenship scheme, should be withdrawn because the person concerned is subject to the Union restrictive measures or because it significantly supports the war in Ukraine. The Commission also recommended that Member States take immediate action to address the risks posed by investor residence schemes (C(2022) 2028 final of 28 March 2022).

³² In 2019, the Commission published a study on ‘Mapping of corruption in sport in the EU’, which set out the links between doping and match fixing and corruption.

³³ Directive (EU) 2019/1937 of 23 October 2019 on the protection of persons who report breaches of Union law.

³⁴ C(2021) 6650, 16 September 2021.

³⁵ COM/2022/177 final and C/2022/2428 of 27 April 2022.

³⁶ COM(2022) 457 final.

corruption. The proposal also sets out measures to protect the independence of editors and on disclosing conflicts of interest.

The **private sector** is also an important partner in fighting corruption. In the financial sector, private entities have due diligence obligations which help to protect the EU financial system. They need support in their efforts to identify and report cases of laundering the proceeds of corruption, and the EU anti-money laundering framework seeks to enhance private sector entities' understanding of the risks and strengthen their detection and reporting capabilities. This is backed up with information from Financial Intelligence Units and law enforcement authorities on corruption typologies, trends and risk indicators. To foster a culture of integrity, the 2022 Corporate Sustainability Reporting Directive³⁷ sets out obligations for private sector entities within its scope to include in their management reports information related to business ethics and corporate culture, including anti-corruption.

Cracking down on corruption

Investigating, prosecuting and sanctioning corruption is largely the responsibility of law enforcement in Member States. Monitoring under the Rule of Law reports reveals challenges in the investigation, prosecution and adjudication of corruption cases, and the proposed Directive on combatting corruption by criminal law addresses specific weaknesses. The fight against corruption needs independent and efficient justice systems, equipped with sufficient financial means, adequate human resources and the opportunity to make full use of digital tools, to effectively apply and enforce anti-corruption legislation, based on impartial investigations and prosecutions. Effective, proportionate, and dissuasive sanctions for corruption and due recovery and confiscation of the proceeds of these crimes support the credibility of justice and law enforcement and act as deterrents.

Stepping up **cooperation between EU and national levels** can deliver a stronger response to corruption. Harmonised rules on offences and sanctions, rules on judicial cooperation in criminal matters based on the principle of mutual recognition, and the work of specialised agencies and bodies such as Eurojust, Europol, the European Anti-Fraud Office (OLAF) and the European Public Prosecutor's Office (EPPO) contribute to detecting, investigating and prosecuting corruption.

The Commission has taken important steps to equip Member States with better tools for depriving criminals of **illicitly gained wealth**, including assets obtained from corruption crimes³⁸. The mutual recognition of freezing orders³⁹ makes freezing and confiscating criminal assets across the EU quicker and simpler. More recently, in May 2022 the Commission proposed a Directive on asset recovery and confiscation⁴⁰ to ensure that profits stemming from criminal activity, including corruption, can be effectively traced, identified, frozen, managed and confiscated⁴¹.

Other EU legislation supporting **law enforcement against corruption** includes the newly adopted e-evidence package, reflecting the increased use of electronic communication channels by criminals and organised crime structures. This will allow national authorities to request

³⁷ Directive (EU) 2022/2464 of 14 December 2022.

³⁸ COM(2021) 170 final.

³⁹ Regulation 2018/1805 of 14 November 2018 on the mutual recognition of freezing orders and confiscation orders.

⁴⁰ Proposal for a Directive on asset recovery and confiscation; COM(2022) 245 final.

⁴¹ Together with the proposed Directive on the criminalisation of the violation of restrictive measures, the Asset Recovery and Confiscation Directive will allow for the confiscation of assets of individuals and entities circumventing EU restrictive measures imposed due to Russia's war against Ukraine.

electronic evidence for criminal cases directly from service providers in other Member States. Corruption is amongst the offences for which it will be possible to use European Production and Preservation Orders. The European Arrest Warrant⁴² already allows for a swift cross-border surrender procedure between judicial authorities of Member States for criminal prosecution or the execution of a custodial sentence, including in corruption cases. The work of law enforcement, in particular Asset Recovery Offices and anti-corruption authorities, is also facilitated by the possibility to access and use financial and bank account information⁴³.

The EU's work to combat fraud supports anti-corruption efforts

The EU and its Member States share responsibility for protecting the EU's financial interests⁴⁴. Very often action to combat fraud – where people try to secure illicit gains from the EU budget – also helps action against corruption – where public power is being misused for the same purpose.

The EU **Financial Regulation**⁴⁵ includes general provisions on fraud prevention and detection, setting out rules on public procurement and the award of funding, to minimise the risks of corruption affecting EU funds. This includes rules on the avoidance of conflict of interests⁴⁶. The Commission's current **Anti-Fraud Strategy**⁴⁷ provides a framework for the coordinated application of the rules protecting the EU budget from fraud, corruption and other intentional irregularities. For the implementation of the EU budget, different tools are in place to ensure strict controls are carried out, adapted to whether financial programmes are implemented in direct management by the Commission, in indirect management, or in shared management with Member States. Tools such as the early detection and exclusion system (EDES) help to detect fraudulent or unreliable economic operators and disqualify them from obtaining EU funds. A recent proposal to revise the Financial Regulation⁴⁸ would also improve the quality of data on the recipients of EU funding (including their beneficial owners), including through the compulsory use of a single integrated IT system for data-mining and risk scoring provided by the Commission. The proposal would also extend the EDES to new areas of spending⁴⁹.

Rigorous **ex-ante assessments** help ensure that entities implementing EU funds have effective internal control systems in place to notably prevent fraud and corruption. Anti-fraud and anti-corruption safeguards are key requirements of the **control systems for EU funds at national level**⁵⁰, and Member States have an obligation to prevent, detect, correct and report on irregularities, which may be linked to corruption. **Audit bodies** also have an important role to play in ensuring that effective systems are in place to detect and prevent corrupt practices. The European Court of Auditors and the Commission's Internal Audit Service complement

⁴² Council Framework Decision of 13 June 2002 on the European arrest warrant and the surrender procedures between Member States (2002/584/JHA).

⁴³ Directive (EU) 2019/1153 of 20 June 2019 laying down rules facilitating the use of financial and other information for the prevention, detection, investigation or prosecution of certain criminal offences.

⁴⁴ Article 325 of the Treaty on the Functioning of the European Union.

⁴⁵ Regulation 2018/1046.

⁴⁶ See also Commission Notice "Guidance on the avoidance and management of conflicts of interest under the Financial Regulation" 2021/C 121/01, OJ C 121 of 9 April 2021.

⁴⁷ COM(2019) 196 final. As part of the internal control framework, the Commission has designed an Anti-Fraud Strategy at corporate level (CAFS) as well as tailored anti-fraud strategies in each of its departments, which applies to all management modes of the EU programmes and funds.

⁴⁸ COM(2022) 223 final.

⁴⁹ Notably shared management, which accounts for more than 70% of the EU budget and the Recovery and Resilience Facility. The Commission has also set up a variety of tools to prevent, detect and investigate the possible misuse of EU funds, such as the risk-scoring tool Arachne or the Irregularity Management System.

⁵⁰ Regulation 2021/1060 and Regulation 2021/2116.

Member State and programme-specific audits, and clawback mechanisms are applied to all EU funds affected by corruption.

As well as preventing corruption in EU funds, the EU has also developed a strong institutional architecture to help identify and prosecute any corruption linked to the EU budget. This includes OLAF, the EPPO, the coordinating role of Eurojust, and the analytical capacity of Europol, all in close cooperation with national authorities. The EPPO has been operational since June 2021⁵¹, and is responsible for investigating, prosecuting and bringing to judgment the perpetrators of, and accomplices to, criminal offences affecting the EU's financial interests, including corruption that can damage the EU budget. Within this scope, it undertakes investigations and exercises the functions of prosecutor in the competent courts of the participating Member States.

The proper functioning of investigation and public prosecution services in tackling corruption is key to ensuring that the rule of law is upheld. The **general regime of conditionality**⁵² protects the EU budget from breaches of the principles of the rule of law that affect or seriously risk affecting the budget. This includes systemic failures by Member States to address corruption. Under this Conditionality Regulation, the Council may, on a proposal of the Commission, suspend commitments or payments or adopt other measures if breaches of the principles of the rule of law in that Member State⁵³ affect or seriously risk affecting the sound financial management of the EU budget or the protection of the EU's financial interests in a sufficiently direct way.

4. SUPPORTING THE FIGHT AGAINST CORRUPTION IN MEMBER STATES

Corruption comes in many forms and corruption patterns are different across Member States, at national and local level, and across different sectors. And while certain common rules, standards and good practices are necessary to fight corruption, effective policy responses need to be adapted to specific challenges, risks and needs. The EU is therefore undertaking tailor-made initiatives to support each Member State in its fight against corruption at national level.

EU support for national anti-corruption reforms

The EU is making its own contribution to the development and sharing of best practices through the annual **Rule of Law report cycle**. Since 2020, the Commission has been monitoring anti-corruption developments at national level as one of the central aspects of the rule of law. Since 2022, the reports also include recommendations for each country, aimed at supporting Member States in their efforts to take forward ongoing or planned reforms, encouraging positive developments, and helping to identify where improvements or follow-up to recent changes or reforms may be needed.

The country assessments in the annual Rule of Law reports show how each Member State works to prevent corruption, adapting laws to keep pace with new trends and drawing on lessons learned; how they build a culture to combat corruption; and efforts to improve enforcement. Through recommendations and the follow-up to each report, the Commission

⁵¹ Council Regulation (EU) 2017/1939 of 12 October 2017 implementing enhanced cooperation on the establishment of the European Public Prosecutor's Office. 22 Member States are currently part of the enhanced cooperation and participate in the EPPO.

⁵² Regulation (EU, Euratom) 2020/2092.

⁵³ Possible breaches of principles of the rule of law under the regulation include situations where national authorities investigating and prosecuting corruption do not function properly, where national measures to prevent and sanction corruption are insufficient, or where there is lack of effective and timely cooperation with OLAF or with the EPPO.

engages at technical and political level with Member States to offer expertise, help them overcome the challenges identified and take forward the necessary reforms. The process also offers valuable common insights, highlighting specific themes which can be taken forward in the new network.

The fight against corruption, together with the independence and efficiency of the justice system and the quality and inclusiveness of the law-making process, are also part of the **European Semester**. Given their economic significance and direct impact on the business environment, investment, economic growth and jobs, the assessments in the European Semester reports include the challenges some Member States face from corruption. Specific examples have included more effective protection for whistleblowers, strengthening the anti-corruption framework by setting up new independent control bodies, more stringent control procedures, systematic controls of asset declarations, creating independent avenues to pursue corruption cases, and stricter conflict of interest rules and their enforcement.

Country-specific recommendations under the Semester have guided concrete reforms and investments in several Member States to improve their capacity to fight corruption. These are reflected in concrete milestones in the national **recovery and resilience plans**. Specific reform commitments taken in these plans by several Member States will ensure the prevention, detection and correction of conflict of interests, corruption and fraud relating to the use of public funds.

The Commission also makes use of sectoral programmes to support anti-corruption efforts in the Member States. The **Technical Support Instrument** provides tailor-made technical expertise to help Member States build administrative capacity and design and implement reforms, many of which have focused on increasing their defences against corruption. Examples of reforms supported by the Technical Support Instrument include embedding transparency and accountability in national structures, technical support for the design and implementation of ethical guidelines and anti-corruption and anti-fraud strategies, and support for transposing and implementing EU laws on anti-corruption.

Under the **Internal Security Fund**, the EU also funds a range of anti-corruption actions. These aim mainly to reinforce coordination and cooperation between law enforcement authorities and between other national authorities, including with key bodies such as Europol and relevant international organisations. Examples include capacity building for national anti-corruption authorities as well as support for projects carried out by civil society organisations. The **Union Anti-Fraud Programme** offers support to Member States to counter fraud, corruption and any other illegal activities affecting the Union's financial interests. Specifically, the programme helps national authorities strengthen their investigative capacity and includes a training section.

Example: The 'Speak Up Europe' project aims to empower Europeans to speak up about misconduct in public, private and civil society organisations. It encourages safe channels for reporting corruption and provides technical, legal and advocacy assistance. The Commission also funds national projects. In Austria, this included a programme by the Federal Bureau of Anti-Corruption to spread awareness in both government and civil society. In Lithuania, the Special Investigative Service was supported in 2021 to launch an e-learning platform with professional anti-corruption education training material for civil servants and for others interested in creating an anti-corruption environment.

Supporting judicial and law enforcement authorities

Cooperation between law enforcement authorities can make a major contribution to investigating and prosecuting corruption. **Eurojust** fosters judicial cooperation between

Member States in the fight against corruption. In 2021, it supported Member States in 326 corruption cases, set up 11 joint investigation teams and held 13 case-specific coordination meetings. Anti-corruption policies are highlighted in the European Judicial Training Strategy for 2021-2024⁵⁴ for training justice professionals on EU law. The European Judicial Training Network organised several anti-corruption seminars in 2023. In its first 7 months of activities in 2021, the **EPPO** investigated 40 cases of corruption affecting the EU budget. In 2022, the number increased to 87.

The connections between corruption and organised crime mean that **Europol** actively supports Member States in the fight against corruption by carrying out strategic analysis and providing support to criminal investigations and criminal intelligence operations. Europol has a European Financial and Economic Crime Centre to provide operational and analytical support to Europol partners and Member States when investigating financial and economic crime, including corruption, and when freezing and seizing criminal assets.

Example: Europol's European Financial and Economic Crime Centre supported the Spanish Civil Guard (Guardia Civil) and National Police (Policía Nacional) to identify corruption amongst police and customs officers facilitating the trafficking of drugs into the EU. This corruption scheme aimed to facilitate the shipment of hundreds of millions of euros' worth of cocaine and hashish into Western Europe. The Centre supported the investigation with actionable intelligence and analytical support, as well as direct operational support.

5. EU INSTITUTIONS AND THE FIGHT AGAINST CORRUPTION

The credibility of the EU's action to tackle corruption in EU policies, and to support the efforts of Member States, rests on the effectiveness and reputation of its own institutions, bodies, offices and agencies. Since the 1990s, the EU has built up a set of rules and processes designed to minimise the risk of corruption by its own staff and at political level. It has sought to put in place a set of ethical, integrity and transparency rules helping to prevent corruption, as well as new bodies to pursue any cases. However, recent events have served as a reminder that the EU institutions are not immune to corruption and that this framework must not only be applied with rigour and consistency, but also be continually updated. The EU institutions and the Member States should be held to the same standards, drawing on the same commitment to preventing corruption, a culture of integrity and enforcing demanding rules.

Within the EU institutions, there is a **zero-tolerance policy** towards corruption. The foundation for preventing corruption is a strong ethical, integrity and transparency framework. The EU Staff Regulations⁵⁵ establish the individual ethical obligations for EU staff members. They contain specific rules for areas such as conflicts of interest, favours and gifts, honours and decorations, outside activities and public office, activities of spouses, obligations after leaving the service, confidentiality, reporting of possibly illegal activities, whistleblowing and disciplinary sanctions. Each EU institution, body, office and agency has a responsibility for applying the legal framework to its staff and ensuring compliance. This includes regular updates of internal rules, actions to raise awareness, providing advice to staff and sanctioning breaches of rules. Under the Staff Regulations, staff can face disciplinary sanctions for breaches

⁵⁴ COM(2020) 713 final.

⁵⁵ Staff Regulations of Officials of the European Union and the Conditions of Employment of Other Servants of the European Union (Regulation No 31 (EEC), 11 (EAEC), laying down the Staff Regulations of Officials and the Conditions of Employment of Other Servants of the European Economic Community and the European Atomic Energy Community).

of rules and institutions, bodies, offices and agencies can decide to set up dedicated, specialised internal services for investigation and disciplinary matters⁵⁶. Obligations under the Staff Regulations apply in addition to those under the EU Financial Regulation⁵⁷.

In order to allow for public scrutiny and give citizens and other interest groups the possibility to track lobbying activities at EU level, in 2021, the European Parliament, Council and Commission adopted a new joint framework for their cooperation on the transparency register⁵⁸ to further promote the ethical and transparent representation of interests at EU level⁵⁹. It sets out a code of conduct with ethical rules and principles to be observed by registered interest representatives and is supplemented by internal transparency measures in the institutions concerning meetings and other interactions with lobbyists.

As regards **Members of the EU institutions**, namely Members of the European Parliament, the President of the **European Council**, the European Commission, the Court of Justice of the EU, the European Central Bank and the Court of Auditors, the Treaties set the different frameworks for the individual ethical obligations, and sanctions in case of breaches, of the Members of each institution.⁶⁰ These are usually complemented by more detailed rules, notably rules of procedure or codes of conduct⁶¹, which vary between the different institutions. These ethical frameworks require regular updates to further increase transparency, integrity and accountability in the EU institutions. The Commission will therefore propose to establish an inter-institutional ethics body that will set strong common standards as well as measures to reinforce transparency.

A core task of the **European Anti-Fraud Office (OLAF)** is to carry out administrative investigations into fraud, corruption or any other illegal activity affecting the EU's financial interests. The EU institutions agreed in 1999 to extend OLAF's mandate to cover all cases of serious misconduct committed by EU staff or by members of the EU institutions, bodies, offices and agencies, regardless of any impact on the EU's financial interests. This includes for instance serious matters relating to the discharge of professional duties or breaches of the code of conduct. Other institutions and bodies can join this Agreement, but some obstacles are encountered in terms of the practical application as regards OLAF's access to information or premises of some institutions. Within its general powers to deal with cases of

⁵⁶ The Commission set up its Investigation and Disciplinary Office of the Commission (IDOC) in 2002 to enforce ethics and integrity in the Commission. It investigates facts which may constitute breaches of the Staff Regulations, and carries out disciplinary procedures to be adjudicated by a Disciplinary Board in cases of serious misconduct. Sanctions are set out in the Staff Regulations.

⁵⁷ See Section 3.2.

⁵⁸ Interinstitutional Agreement of 20 May 2021 between the European Parliament, the Council of the European Union and the European Commission on a mandatory transparency register.

⁵⁹ Under the Interinstitutional Agreement, the registration of interest representatives in the transparency register is a necessary precondition for carrying out certain types of interest representation activities. The Agreement also sets out a code of conduct which contains the ethical rules and principles to be observed by interest representatives that sign up to the transparency register.

⁶⁰ Article 223(2) TFEU; Article 15(5) and (6) TEU for the President of the European Council; Article 245 TFEU for the Members of the Commission; Article 6 of Protocol No. 3 on the Statute of the Court of Justice of the EU for the Members of the Court; Article 11 of Protocol No. 4 on the Statute of the European System of Central Banks and the European Central Bank; Article 286 TFEU for the Members of the Court of Auditors.

⁶¹ As for Commissioners, the Code of Conduct for the Members of the Commission (C(2018)700, OJ C 65, 21.2.2018, p. 7) clarifies their obligations deriving from the Treaties, in particular as regards the principle of independence, possible conflicts of interests and their obligation to discharge their duties in the general interest of the Union. An Independent Ethical Committee advises the Commission on the compatibility with the Treaties of former Commissioners envisaged post-office activities and any ethical question related to the Code. According to Article 245 TFEU, if obligations are breached, the Court of Justice may, on application by the Council or the Commission, rule that the Member concerned be compulsorily retired or deprived of a pension or other benefits in its stead.

maladministration by EU institutions, the European Ombudsman also has an important oversight role.

National courts are competent to deal with cases related to criminal offences, including corruption and fraud, committed by staff or Members of the institutions. Such cases can be brought to court either by national prosecutors or, when the EU's financial interests are affected, by the EPPO. If Members or staff benefit from immunity in respect of acts performed in an official capacity, the EU institution concerned must waive this immunity when such waiver is not contrary to the interests of the Union and its decision is subject to the control of the Court of Justice of the EU.

6. BUILDING A COMMON CULTURE TO CHALLENGE CORRUPTION

A collective, whole-of-society culture based on zero-tolerance to corruption is a strong expression of the European commitment to rule of law and high standards of integrity in public life. Fostering these values is an essential complement to more immediate action on prevention, detection and prosecution. Creating such a culture requires action on many fronts: from building ethics and integrity into the expectations of individual young people through their education, to facilitating exchanges between actors at national and European levels to strengthen understanding of the challenges and make them more determined to act. Close and regular coordination with all relevant public authorities, multilateral organisations, civil society, media and the private sector are essential.

Partnering with the private sector, civil society, research and academia, media as well as citizens can help to create a culture of integrity through a **whole-of-society approach**. The Commission will prioritise awareness-raising campaigns and civic education programmes, emphasising the crucial role that individuals play in supporting a culture of integrity, including through exploring how those following such programmes could act as ambassadors for integrity as multipliers. The Commission will also map existing EU funding opportunities in the anti-corruption area to give them more visibility and coherence.

The **Erasmus+** programme includes anti-corruption themes in its work on education, training, youth and sport in Europe. Anti-corruption efforts are addressed under different policy priorities, such as civic engagement and responsible citizenship. The EU supports for example the Erasmus Mundus Joint Master Degree in Sports Ethics and Integrity at university level and Erasmus+ has supported innovative approaches to anti-corruption education in schools in Hungary, Italy and Slovenia. The **Framework Programmes for research and innovation** are also supporting research and collecting evidence on new forms of corruption with a view to developing innovative solutions for the benefit of anti-corruption authorities and practitioners.

Civil society has a key role to play, not only as watchdogs to identify potential risks or cases of corruption, but also as catalysts for fostering and maintaining an anti-corruption culture, through awareness-raising, educational and advocacy work. In many Member States, civil society organisations are important partners in the implementation of national anti-corruption strategies. This role can be expanded. An example is the 'integrity pacts' that have been developed as a tool to prevent corruption in public procurement, based on a commitment of the contracting authority and bidders to comply with best practice and maximise transparency. This work is monitored by a third actor, usually a civil society organisation. Integrity pacts are being promoted in the EU financial programmes for 2021-2027 and Member States are being encouraged to gradually build integrity pacts into their programmes.

A free and plural **media** and an environment in which journalists can work free of harassment or intimidation is essential for ensuring that the media can do its job as watchdog. The

Commission supports actions that promote a free, diverse and pluralistic media environment. These include support for collaborative and cross-border journalism, monitoring risks to media pluralism, mapping violations of media freedom and defending journalists under threat. For example, since 2021, the EU has funded a Europe-wide rapid response mechanism for violations of press and media freedom and maintained an emergency support fund for investigative journalists and media organisations.

7. ANTI-CORRUPTION IN EU EXTERNAL POLICIES

Building anti-corruption actions into external policies is an important part of efforts to promote good governance and prosperity worldwide. A coherent approach between internal and external anti-corruption policies is important for the EU's credibility. The EU promotes human rights, democratic governance, the rule of law and the fight against corruption policies as a priority in its external action⁶². The High Representative, supported by the Commission, is today putting forward a proposal for the establishment of a horizontal CFSP sanctions framework. More generally, in its external actions, the EU supports legal and policy reforms to build anti-corruption institutions and oversight bodies, and to strengthen civil society, whistleblowers, human rights defenders and independent media as watchdogs against corruption. Strong integrity standards in the EU's own programmes help to promote high standards among partners. The fight against corruption is also part of the political and security dialogues with third countries and international organisations conducted by the High Representative on the Union's behalf. The EU supports international cooperation in this field, working with like-minded partners to raise standards⁶³.

Use of common foreign and security policy (CFSP) sanctions to target corruption

Beyond the implementation of existing international anti-corruption legal instruments, an important debate is currently ongoing at EU level on the use of **CFSP sanctions** to tackle systematic or widespread corruption in non-EU countries when this corruption seriously affects or risks affecting the EU's fundamental values and interests or when action is needed to achieve other CSFP objectives, such as supporting democracy and the rule of law. So far, a CFSP sanctions regime has only been designed to enable the EU to target corruption outside of the EU in two specified third countries⁶⁴. A horizontal, thematic framework (not limited to a specific geographic context) addressing corruption would add an extra dimension and more flexibility to the Union's sanctions⁶⁵ toolbox. The High Representative is therefore submitting a proposal for a Council Decision and, jointly with the Commission, a proposal for a Council Regulation for a thematic framework for CFSP sanctions targeting corruption, to complement our internal and external policy actions to fight corruption.

⁶² Following from Article 21 of the Treaty on the European Union, respect for the rule of law and the universality and indivisibility of human rights and fundamental freedoms are founding values of the EU and fundamental principles guiding the EU's action in its external relations.

⁶³ For example: OECD Network on Governance (GovNet) and Anti-Corruption Task Team (ACTT), Summit for Democracy Cohorts, IFIs and multilateral organizations, EU Member State and Team Europe initiatives.

⁶⁴ See Council Decision (CFSP) 2021/1277 of 30 July 2021 concerning restrictive measures in view of the situation in Lebanon and Council Regulation (EU) 2021/1275 of 30 July 2021 [concerning restrictive measures in view of the situation in Lebanon](#). See also Council Decision (CFSP) 2023/891 of 28 April 2023 concerning restrictive measures in view of actions destabilising the Republic of Moldova and Council Regulation (EU) 2023/888 of 28 April 2023 concerning restrictive measures in view of actions destabilising the Republic of Moldova.

⁶⁵ The Union has adopted thematic restrictive measures to tackle serious human rights violations and abuses, combat terrorism, the proliferation and use of chemical weapons, and cyber attacks threatening the Union or its Member States, see for example EU Sanctions Map available at <https://www.sanctionsmap.eu>.

The proposal for **the establishment of a horizontal CFSP sanctions framework** will complement and enhance the Union’s capacity to tackle serious acts of corruption, by giving it a tool to adopt restrictive measures when those acts seriously affect or risk affecting the fundamental interests of the Union and the objectives of the Common Foreign and Security Policy. Passive or active bribery of a public official or the embezzlement or misappropriation by a public official could constitute such serious acts of corruption, especially in a country that appears on the EU list of non-cooperative jurisdictions for tax purposes, or a country that suffers from strategic deficiencies in its national regimes on anti-money laundering and countering terrorism financing that pose significant threats to the financial system of the Union.

Anti-corruption as a priority in the EU’s enlargement and neighbourhood policies

In the **enlargement process**, alignment with existing EU law, adherence to the rule of law and anti-corruption reforms largely determine the pace of candidate countries’ progress towards accession to the EU. These are also priorities of the **Eastern Partnership**, under which anti-corruption strategies are supported to promote high standards of integrity and transparency in public bodies, and to strengthen anti-corruption agencies, investigative capacity, justice reforms and civil society.

Regular monitoring of anti-corruption and related reforms under the annual ‘Enlargement package’ includes a detailed assessment of the state of play in each candidate and potential candidate country, including guidelines on future reform priorities. The Commission reviews the legislative and institutional framework linked to both prevention and repression, with emphasis on the actual track record of proactive investigations, indictments and court rulings (particularly for high-level corruption). In 2022, the Commission also rolled out a round of peer review missions focusing on the fight against corruption, organised crime and money laundering. The latest analytical reports on Ukraine, Moldova, and Georgia⁶⁶ assess their capacity to assume the obligations of EU membership, and the fight against corruption is a priority of these reports. One important issue is ‘de-oligarchisation’, aiming to eliminate the excessive influence of vested interests in economic, political, and public life.

Positive steps have included a **new e-platform** for the systematic collection of data on organised crime and high-level corruption, which can be used to help assess the progress of each partner country in upholding the rule of law. The aim of the platform is to empower national authorities of candidate countries and potential candidates to mainstream data collection and enable the aggregation of data and identification of trends supported by the use of a dashboard based on Key Performance Indicators (KPI) identifying trends and anomalies⁶⁷.

Example: The EU contributes almost EUR 6 million to a project implemented by the Organization for Security and Co-operation in Europe to monitor serious corruption and organised crime trials, identifying systemic issues and providing recommendations to strengthen rule of law in the Western Balkans.

Promoting anti-corruption reforms in the EU’s external action and trade relations

The **2020-2024 EU Action Plan on human rights and democracy** has a strong focus on the rule of law and includes anti-corruption lines of action. Political, human rights and sectoral policy dialogues are among the tools used to implement these actions. This is reflected also in

⁶⁶ 2 February 2023, [Analytical reports on Ukraine, Moldova, and Georgia \(europa.eu\)](#).

⁶⁷ The dashboard will report on the Key Performance Indicators to allow comparisons between countries. The final version of the e-platform will be available to the Commission from June 2023.

funding under the Global Europe/Neighbourhood, Development and International Cooperation Instrument (NDICI) programme.

The EU promotes democratic governance and the rule of law through thematic, bilateral and regional programmes, and support for improved public finance management. Support focuses on public administration reform and sound public financial management, capacity-building for law enforcement and judicial authorities, establishing a robust legal framework in line with international standards, and establishing and strengthening specialised anti-corruption bodies, as well as providing support to civil society, the media, whistleblowers, and human rights defenders. Broader support for the rule of law in key institutions and for improving the business and investment climate also benefits the anti-corruption framework. Policy dialogues play a key part, supported by the shaping of EU financial support. EU budget support is an important tool for improving transparency and accountability at country level with corruption being one of the risks analysed in the context of these funding operations⁶⁸.

Measures are under way to strengthen the **anti-corruption dimension in all development** areas. As well as the targeted programmes above, this includes operational guidelines to provide in-depth guidance to EU Delegations working outside traditional governance areas, including sectors targeted by the EU's Global Gateway Initiative. This rests on a broader Team Europe approach to the corruption threat, working together with Member States and International Financing Institutions (IFIs) and building on international standards and best practice. A number of global thematic programmes also support anti-corruption and the rule of law. The Team Europe Democracy (TED) initiative – bringing together 14 Member States – includes support to rule of law with a focus on accountability. The EU also partners with civil society to prevent corruption and promote open government.

A recent evaluation of EU support to rule of law and anti-corruption in partner countries⁶⁹ concluded that the EU has been less visible and successful in fighting corruption than in promoting the rule of law, and recommended that the EU assume global leadership in the fight against corruption. One of the benefits of a clear and robust EU anti-corruption framework, anchored in UNCAC, will be to serve as a benchmark in its partnerships with other countries outside the EU.

EU trade policy also supports the fight against corruption. Since 2015, anti-corruption provisions are included into of the EU trade agreements with non-EU countries. Autonomous trade tools such as the EU General Scheme of Preferences (GSP) also include provisions aimed at addressing corruption. Under the GSP, additional market access (GSP+) can be provided to developing countries that ratify and effectively implement key international agreements, including the UNCAC. The EU monitoring process under the GSP rules involves exchanges of information, dialogue and visits to the country as well as the publication of regular progress reports.

Supporting anti-corruption work in multilateral fora

The EU leads by example in the fight against corruption, promoting the values of respect for democracy, human rights and the rule of law by pushing forward the fight against corruption on the global agenda. To assist Member States and amplify the EU's voice, the EU will

⁶⁸ In the implementation of external funds, corruption is among the grounds under which all co-financing agreements signed with partner countries can be suspended or terminated.

⁶⁹ [Evaluation of the European Union support to rule of law and anticorruption in partner countries \(2010-2021\) - Publications Office of the EU \(europa.eu\)](#)

intensify its efforts to facilitate and coordinate positions in multilateral fora, alongside its work as a party to UNCAC.

The review process of the implementation of UNCAC by the EU is well under way, with the Commission coordinating. In December 2020, the Commission adopted a Communication on **the review of the European Union under the Implementation Review Mechanism of the UNCAC**⁷⁰ outlining the steps for cooperation among the EU institutions, bodies and agencies participating in the review process from July 2021. In September 2022, the EU submitted and published its self-assessment for the first cycle of the review mechanism. The Commission is committed to promoting transparency and the involvement of civil society in the review process and will support the completion of the review under the first cycle by 2024.

Building on previous action in 2021 by the secretariats of GRECO, the OECD and the UNODC, the EU will contribute to the international debate on how to best improve synergies and streamline reviews of implementation of anti-corruption measures. The experience of the EU's Rule of Law report cycle and the ongoing EU review under UNCAC will help to ensure a strong EU participation at the upcoming UNCAC Conference of State Parties in December 2023.

The EU currently has an observer status with **GRECO** and this offers an important expert forum and a valuable complement to the work of the annual Rule of Law report cycle. GRECO has proved itself a highly valuable source of expertise and a driver of reform. The Commission will further step up its engagement with GRECO by establishing a more regular and formal dialogue, including by inviting GRECO to have a standing involvement in the network. In parallel, the Commission will continue discussing with the other institutions the possibility of moving toward full participation of the EU in GRECO.

8. CONCLUSION: LOOKING FORWARD

Integrity, transparency and the fight against corruption are clear political commitments of the Union. The current set of proposals will further strengthen the fight against corruption in the EU, raising the standards of EU law to ensure better prevention and fight against corruption as well as providing for an international sanctions mechanism. The Commission invites the European Parliament and the Council to give swift consideration to the proposed Directive on combating corruption by criminal law. The Commission and the High Representative invite the Council to give swift consideration to the proposal to establish a new framework of CFSP sanctions targeting corruption.

The proposals accompanying this Communication will complement the constant efforts made to deepen anti-corruption across a wide range of areas. These efforts include regular updates to the framework to promote integrity and guard against the risks of corruption, maintaining strong anti-corruption provisions in all relevant horizontal and sector-specific legislation. Ensuring that corruption prevention is adequately mainstreamed into the design of new policies and programmes, and the evaluation of existing ones, will continue to be a priority for the Commission. This will be informed by the new strand of work to map corruption-related risks in high-risk sectors.

Corruption cannot be fought in isolation. Cooperation and exchange of experience, and a constant dialogue between Member States and the EU level on how to develop and apply

⁷⁰ COM(2020) 793 final.

reforms and tools to prevent, detect and prosecute corruption, are key ingredients for making anti-corruption efforts a success on the ground. By establishing **the EU network against corruption**, the Commission will give new impetus to corruption prevention efforts across the EU.

Fighting corruption benefits society as a whole, and individual citizens should be fully engaged in this work, alongside civil society organisations and the private sector. The Commission will prioritise awareness-raising campaigns and civic education programmes, as well as **map existing EU funding opportunities for anti-corruption actions**, with a view to provide more visibility and coherence and to improve their impact.

Fighting corruption within the EU's borders is important for the credibility of EU action in the international arena. As well as the extension of the sanctions regime, deepened engagement in multilateral fora such as UNCAC and GRECO will help the EU's contribution in building strong and coherent understanding of why effective integrity and anti-corruption policies are so central to security and prosperity worldwide. The EU will continue its work to fight against corruption and promote good governance and the rule of law as one of the major priorities of the enlargement process and the EU's external relations more generally.

The workstreams set out in this Communication represent a major EU commitment to further efforts to combat corruption and to work towards a comprehensive and strategic approach with **an EU Anti-corruption Strategy**. This will be an essential part of how the EU can ensure a democratic and prosperous future equal to EU citizens' expectations.