

(English version)

**Question for written answer E-003069/24
to the Commission
Kathleen Van Brempt (S&D)
(19 December 2024)**

Subject: Export credit agencies/development finance institutions and their role in lithium mining projects in Argentina

The Commission recently initiated the enhanced coordination of export credit and development finance, covering projects including a lithium mining project in Argentina ⁽¹⁾.

It is known that lithium extraction in regions such as salt flats requires significant amounts of water, which can impact local water resources, agriculture and ecosystems. Additionally, there have been concerns from Argentinian civil society about the socioeconomic implications of such mining activities, particularly regarding local community involvement, the distribution of wealth and the rights of indigenous people. Moreover, there are concerns about the adequacy of due diligence and transparency measures within export credit agencies ⁽²⁾.

This raises the following questions:

1. To what extent are these projects aligned with EU development objectives, including reducing poverty, addressing inequality and promoting human rights?
2. Can the Commission clarify which development banks, export credit agencies and EU companies have shown interest in this project, and whether any agreements have been signed for the allocation of EU funds?
3. Additionally, will the Commission's Directorate-General for International Partnerships plan to carry out an independent study, including consultations with civil society, to assess the potential risks associated with export credit and development finance for critical raw materials projects before such projects receive EU public funds?

Submitted: 19.12.2024

**Answer given by Mr Sikela on behalf of the European Commission
(26 February 2025)**

The Commission is supporting the sustainable development of critical raw material value chains, aligned with its commitment to achieving the Sustainable Development Goals.

The EU-Argentina memorandum of understanding ⁽¹⁾ and roadmap of activities aim to advance sustainable critical raw materials (CRM) value chains by emphasising environmental, social and governance standards.

Additionally, the Commission promotes civil society engagement and transparency through initiatives such as the Responsible Business Conduct ⁽²⁾ in Latin America and the Caribbean programme.

The Commission has also launched a project ⁽³⁾ that will utilise Copernicus data to monitor environmental implications of lithium operations in salt flats.

A working group on CRM has been established, bringing together companies, financial institutions, and Member States. A pipeline of projects with EU interest is being developed.

The selection criteria for such projects include sustainability. Environmental and socially adverse impacts need to be minimised and prevented, and human and indigenous people's rights need to be respected. No funding agreements have been signed yet.

The Commission is finalising a study aimed at gathering first-hand information on civil society's needs in Argentina's lithium-mining regions.

This assessment will guide further EU engagement and support EU investments in Argentina's critical raw materials sector, ensuring they respect ecosystems, local rights, and the well-being of local communities and indigenous people.

Finally, financing institutions funding projects are subject to due diligence in line with international and EU standards.

¹ https://www.europarl.europa.eu/doceo/document/E-9-2023-003355-ASW_EN.html.

² https://www.bothends.org/uploaded_files/document/The_foreign_financiers_of_Argentina_s_lithium_rush.pdf.

⁽¹⁾ https://single-market-economy.ec.europa.eu/publications/memorandum-understanding-eu-argentina-sustainable-raw-materials_en

⁽²⁾ <https://www.ohchr.org/en/special-procedures/wg-business/joint-project-responsible-business-conduct-latin-america-and-caribbean>

⁽³⁾ <https://www.copernicuslac-chile.eu/en/noticia/chile-european-union-launch-monitoring-system-andean-salt-flats-south-america/>