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Role of EU development policy in transforming the extractive industries for sustainable development in developing countries

European Parliament resolution of 13 December 2023 on the role of EU development policy in transforming the extractive industries for sustainable development in developing countries (2023/2031(INI))

(C/2024/4169)

The European Parliament,

— having regard to Article 208(1) of the Treaty on the Functioning of the European Union (TFEU), which states in particular that 'Union development cooperation policy shall have as its primary objective the reduction and, in the long term, the eradication of poverty' and that the 'Union shall take account of the objectives of development cooperation in the policies that it implements which are likely to affect developing countries',

— having regard to Articles 3 and 21 of the Treaty on European Union (TEU),

— having regard to the UN resolution entitled 'Transforming our world: the 2030 Agenda for Sustainable Development', adopted at the UN Sustainable Development Summit in New York on 25 September 2015, and to the 17 Sustainable Development Goals (SDGs) included therein,

— having regard to the Agreement adopted at the 21st Conference of the Parties to the UN Framework Convention on Climate Change (UNFCCC) – COP21 in Paris on 12 December 2015 (the Paris Agreement),

— having regard to the UN Declaration on the Rights of Indigenous Peoples, adopted by the UN General Assembly on 13 September 2007,

— having regard to the UN Guiding Principles on Business and Human Rights,

— having regard to the Ten Principles of the United Nations Global Compact,

— having regard to the International Labour Organization (ILO) Convention No. 169 on Indigenous and Tribal Peoples,

— having regard to the eight fundamental ILO Conventions, as defined under the ILO Declaration on Fundamental Principles and Rights at Work,

— having regard to the Minamata Convention on Mercury,

— having regard to the Convention on Biological Diversity, in particular Decision COP VIII/28 – Voluntary guidelines on biodiversity-inclusive impact assessment,

— having regard to the UN Environment Programme (UNEP) Guidelines for Social Life Cycle Assessment of Products,

— having regard to the European Investment Bank (EIB) eligibility, excluded activities and excluded sectors list,

— having regard to the joint statement by the Council and the representatives of the governments of the Member States meeting within the Council, Parliament and the Commission of 30 June 2017 on the New European Consensus on Development – 'Our world, our dignity, our future' ([1]),

([1]) OJ C 210, 30.6.2017, p. 1.

— having regard to Regulation (EU) 2021/947 ([2]) of the European Parliament and of the Council of 9 June 2021 establishing the Neighbourhood, Development and International Cooperation Instrument – Global Europe, amending and repealing Decision No 466/2014/EU of the European Parliament and of the Council and repealing Regulation (EU) 2017/1601 of the European Parliament and of the Council and Council Regulation (EC, Euratom) No 480/2009,

— having regard to the joint communication from the Commission and the High Representative of the Union for Foreign Affairs and Security Policy of 1 December 2021 entitled 'The Global Gateway' (JOIN(2021)0030),

— having regard to the Commission communication of 11 December 2019 entitled 'The European Green Deal' (COM (2019)0640),

— having regard to the proposal of 16 March 2023 for a regulation of the European Parliament and of the Council establishing a framework for ensuring a secure and sustainable supply of critical raw materials and amending Regulations (EU) 168/2013, (EU) 2018/858, 2018/1724 and (EU) 2019/1020 (COM(2023)0160) (Critical Raw Materials Act),

— having regard to the new Partnership Agreement between the European Union and members of the Organisation of African, Caribbean and Pacific States (OACPS) (post-Cotonou Agreement),

— having regard to its resolution of 26 February 2014 on promoting development through responsible business practices, including the role of extractive industries in developing countries ([3]),

— having regard to its resolution of 14 March 2023 on Policy Coherence for Development ([4]) (PCD),

— having regard to Rule 54 of its Rules of Procedure,

— having regard to the opinion of the Committee on International Trade,

— having regard to the report of the Committee on Development (A9-0322/2023),

A. whereas the extractive industries can be defined as encompassing different activities from extracting raw materials (fossil fuels, minerals and aggregates), processing them and converting them into products and services for use by consumers, according to the United Nations ([5]);

B. whereas large-scale mining (LSM) and artisanal and small-scale mining (ASM) operations have traditionally coexisted, the type of employment and local value provided varies significantly, as ASM largely operates with high degrees of informality, labour intensity and illegality, poor occupational health, safety and environmental standards, and relatively low levels of capital investment, mechanisation and recovery of minerals, providing jobs and income for unskilled workers often in remote and rural areas, while LSM are usually heavily mechanised and formally regulated, contributing to the national economy, but with little positive impact on local communities; whereas according to the UNEP, artisanal and small-scale mining in protected areas and critical ecosystems (ASM-PACE) project estimates that ASM produces approximately 10 % of the world's gold, 15-20 % of its diamonds, 20-25 % of its tin and tantalum and 80 % of coloured gemstones ([6]); whereas ASM often involves women, thereby increasing their vulnerability, owing to the lack of access to, use of and control over resource-rich land and other productive resources and finance;

C. whereas non-renewable mineral resources play a dominant role in 81 countries that collectively account for a quarter of world GDP, half of the world's population and nearly 70 % of those living in extreme poverty, according to the World Bank ([7]);

([2]) OJ L 209, 14.6.2021, p. 1.
([3]) OJ C 285, 29.8.2017, p. 87.
([4]) Texts adopted, P9_TA(2023)0071.
([5]) UN, 'Transforming Extractive Industries for Sustainable Development', May 2021, p. 3.
([6]) UNEP, 'Mineral Resource Governance in the 21st Century. Gearing Extractive Industries Towards Sustainable Development', p. 81.
([7]) World Bank, 'The Growing Role of Minerals and Metals for a Low Carbon Future', June 2017, p. 26.

D. whereas the extraction and processing of natural resources accounts for approximately half of total greenhouse gas (GHG) emissions and more than 90 % of global biodiversity and water stress impacts ([8]);

E. whereas the decision as to whether natural resources are exploited, which resources are involved and how this is done comes under the sovereignty of each country;

F. whereas the extractive industries should play a crucial role in the development of many resource-rich developing countries, by providing public revenues from mining and mining-related operations (from concessions, taxes and direct and indirect spending in the country of operation), employment opportunities and infrastructure, which have the potential to reduce poverty and support economic growth and social development at national and local level, if certain factors are present;

G. whereas the extractive industries can also have severe negative social, economic, environmental and institutional impacts at local, national, regional and global level, by contributing to human and labour rights violations, gender-based violence, forced labour, child labour, forced displacement, poverty, pollution, water use competition, the loss of biodiversity, deforestation, the destruction of cultural and spiritual sites, harassment of human and environmental rights defenders, the disruption of the social fabric, corruption, volatility in commodity prices, illicit financial flows, tax fraud and evasion, and armed conflicts, as well as pose many challenges owing to the 'enclave' nature of the extractive industry, with few links to the local economy; whereas the extractive industries often affect the rights of indigenous communities, and environmental and social impact studies can play a crucial role in protecting these rights;

H. whereas the newest and adapted technologies and digitalisation can strongly limit the – by nature – invasive impacts of the extractive industries;

I. whereas according to the International Energy Agency (IEA) ([9]), around half of global copper and lithium production was concentrated in areas already suffering from high water stress; whereas, in addition, a majority of current and potential excavation locations are located in rural and indigenous areas;

J. whereas the negative social and environmental impact of the extractive industries risks becoming more severe in the future, given the trend towards mining lower-grade ores, which will lead to larger amounts of waste, as well as higher energy and water demands; whereas this is particularly worrying for marginalised and vulnerable people in developing countries, where the impacts of climate change are already increasing water scarcity; points out, furthermore, that as easily accessible reserves become depleted, exploration is moving to remote and often fragile areas, as in the case with deep-sea mining;

K. whereas an analysis by the World Bank ([10]) states that 44 % of all operational mines are located in forests, inducing a significant impact on deforestation, as well as on indigenous people and local communities who depend on forests for their livelihoods;

L. whereas the right to information, participation and remedy are internationally protected human rights enshrined in multilateral agreements, addressing environmental decision-making in particular, which are of particular importance in the case of mining;

M. whereas the extractive industries can positively or negatively affect several UN Sustainable Development Goals (SDGs) in a direct or indirect way, in particular SDG 1 (no poverty), SDG 3 (good health and well-being), SDG 6 (clean water and sanitation), SDG 7 (affordable and clean energy), SDG 8 (decent work and economic growth), SDG 13 (climate action), SDG 15 (life on land) and SDG 16 (peace, justice and strong institutions);

N. whereas the SDGs are universal and thus require coherence from the EU in its internal and external action; whereas the European Union has been shown to negatively impact developing countries' progress towards the SDGs through its consumption of resources, the so-called spillover effect ([11]);

([8]) International Resource Panel, Global Resources Outlook 2019.
([9]) IEA, 'The Role of Critical Minerals in Clean Energy Transitions', World Energy Outlook Special Report, 2021, p. 128.
([10]) World Bank, 'Forest-Smart Mining: Identifying Factors Associated with the Impacts of Large-Scale Mining on Forests', 2019.
([11]) Sustainable Development Solutions Network (SDSN), 'Europe Sustainable Development Report', 2022, available at: https://s3.amazonaws.com/sustainabledevelopment.report/2022/europe-sustainable-development-report-2022.pdf.

O. whereas Community Development Agreements (CDAs) can provide a means of strengthening and advancing a sustainable and mutually beneficial relationship for governments, companies, and communities, as well as a means of preventing conflicts and increasing transparency and accountability; whereas CDAs are considered by the World Bank as best practice for extractive agreements ([12]); whereas the 10 Mining Principles of the International Council on Mining and Metals (ICMM) encourage its members to carry out proper stakeholder engagement and contribute to the sustainable development of host countries and communities ([13]); whereas the Initiative for Responsible Mining Assurance (IRMA) Standard for Responsible Mining has been developing best practices on what responsible mining could look like;

P. whereas resource-rich developing countries often suffer from the 'resource curse', as an abundance of natural resources has so far not led to their economic development owing to, inter alia, poor regulations, corruption, a lack of transparency and accountability, and an overdependence on revenues from the extractive industries and a subsequent lack of economic diversification; whereas Africa, in particular the sub-Saharan region, has become a classic case of the 'resource-curse', despite being home to 30 % of the world's mineral reserves, 8 % of the world's natural gas and 12 % of the world's oil reserves ([14]);

Q. whereas developing countries have often faced challenges in collecting sufficient revenue from extractive activity owing to weak or regressive tax systems, a lack of institutional resilience, inadequate long-term planning, unsustainable debt burdens, illicit financial flows, corruption and tax evasion;

R. whereas developing countries which export raw materials are heavily dependent on tax revenues from these exports;

S. whereas accelerating the efforts to address climate change and dealing with the rapidly rising demand for the raw materials indispensable to achieving the green and digital transitions, as well as the sustainability and diversification requirements in place in the EU, raises both challenges and opportunities for the extractive industries sector to become sustainable and for resource-rich developing countries; whereas the EU can set frameworks for the extractive industries sector in developing countries in such a way as to better harness this demand in line with SDGs by increasing their fiscal space and boosting public expenditure, as well as their role in the international community, while reducing their GHG emissions; whereas developing countries need to decrease their reliance on the extractive industries and expand their economies into future-oriented sectors such as net-zero emissions technologies to broaden their revenue sources;

T. whereas Article 3(5) TEU obliges the Union to, inter alia, 'contribute to peace, security, the sustainable development of the Earth, solidarity and mutual respect among peoples, free and fair trade, eradication of poverty and the protection of human rights'; whereas, in accordance with Article 21(1) TEU 'the Union's action on the international scene shall be guided by the principles which have inspired its own creation', including democracy, the rule of law and the universality and indivisibility of human rights and fundamental freedoms;

U. whereas the EU's political commitment to PCD was reaffirmed in the 2017 New European Consensus on Development, which identified PCD as a 'crucial element of the [EU's] strategy to achieve the SDGs and an important contribution to the broader objective of Policy Coherence for Sustainable Development (PCSD)';

V. whereas EU development policy should support developing countries in transforming their extractive industries to ensure they contribute to sustainable development in line with the SDGs and the Paris Agreement;

([12]) World Bank, 'Mining Community Development Agreements Source Book', 2012, available at: https://openknowledge.worldbank.org/server/api/core/bitstreams/8161b734-e57b-572c-863a-851103471a5f/content.
([13]) https://www.icmm.com/en-gb/our-principles/mining-principles/mining-principles.
([14]) UNEP, 'Our work in Africa', https://www.unep.org/regions/africa/our-work-africa.

W. whereas the activities of the extractive industries are taking place in the global context of the Paris Agreement which aims to keep the global temperature rise this century well below two degrees above pre-industrial levels and make finance flows consistent with low GHG emissions and a climate-resilient pathway, as well as in the European context of the European Climate Law ([15]) stipulating climate-neutrality in the EU by 2050 and a 55 % CO_2 reduction by 2030 compared to 1990 levels, the 'Fit-for-55' regulation package comprising, among others, binding efficiency and circularity targets, and in the context of the revised and extended European Emissions Trading System;

X. whereas the EU has recently adopted or will adopt legislation to enhance corporate social responsibility and responsible business conduct that will have an impact on the extractive industries operating in developing countries, such as the Conflict Minerals Regulation ([16]), the Corporate Sustainability Reporting Directive ([17]), the forthcoming Corporate Sustainability Due Diligence Directive ([18]), the forthcoming Forced Labour Products Ban Regulation ([19]) and the Critical Raw Materials Act;

Y. whereas the Impact Assessment Report accompanying the document Proposal for a Regulation of the European Parliament and of the Council establishing a framework for ensuring a secure and sustainable supply of critical raw materials and amending Regulations (EU) 168/2013, (EU) 2018/858, 2018/1724 and (EU) 2019/1020 ([20]) (European Critical Raw Materials Act) does not adequately assess the social, environmental, human rights and economic impacts of the proposal on developing countries (as prescribed by Better Regulation tool #35 and SDG tool #19) and on the livelihoods of local indigenous communities, including women and girls ([21]);

Z. whereas the EU's commitment to a just transition extends globally and to the need for profound reforms in the financial, governance, social and environmental dimensions of the extractive sector;

AA. whereas minerals are unevenly distributed across the globe, which has a huge impact on the Global South; whereas an analysis ([22]) found that in 2019, 79 % of global metal ore extraction originated from five of the six most species-rich biomes;

AB. whereas the High Seas Treaty ([23]) adopted in June 2023 provides for a framework to protect the high seas from the impacts of the extractive industries and establishes the sharing of benefits from marine genetic resources between developed and developing countries; whereas the EU has pledged EUR 40 million as part of a Global Ocean Programme in order to help developing countries in the implementation of the treaty;

Enhancing EU development policy

1. Recalls that the EU is the largest donor of development aid in the world, mainly channelled through international organisations and Member States; stresses, therefore, the importance of mainstreaming sustainable development principles across all EU external action, in particular in policies related to the extractive industries, in line with the EU's legal obligation to ensure policy coherence for development, as laid down in Article 208 TFEU;

([15]) Regulation (EU) 2021/1119 of the European Parliament and of the Council of 30 June 2021 establishing the framework for achieving climate neutrality and amending Regulations (EC) No 401/2009 ad (EU) 2018/1999 (OJ L 243, 9.7.2021, p. 1).
([16]) Regulation (EU) 2017/821 of the European Parliament and of the Council of 17 May 2017 laying down supply chain due diligence obligations for Union importers of tin, tantalum and tungsten, their ores, and gold originating from conflict-affected and high-risk areas (OJ L 130, 19.5.2017, p. 1).
([17]) Directive (EU) 2022/2464 of the European Parliament and of the Council of 14 December 2022 amending Regulation (EU) No 537/2014, Directive 2004/109/EC, Directive 2006/43/EC and Directive 2013/34/EU, as regards corporate sustainability reporting (OJ L 322, 16.12.2022, p. 15).
([18]) Proposal of 23 February 2022 for a directive of the European Parliament and of the Council on Corporate Sustainability Due Diligence and amending Directive (EU) 2019/1937 (COM(2022)0071).
([19]) Proposal of 14 September 2022 for a regulation of the European Parliament and of the Council on prohibiting products made with forced labour on the Union market (COM(2022)0453).
([20]) SWD(2023)0161.
([21]) https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex%3A52023SC0161.
([22]) Luckeneder, S., Giljum, S., Schaffartzik, A., Maus, V. and Tost, M., 'Surge in global metal mining threatens vulnerable ecosystems', *Global Environmental Change*, Volume 69, 2021.
([23]) Agreement under the United Nations Convention on the Law of the Sea on the Conservation and Sustainable Use of Marine Biological Diversity of Areas beyond National Jurisdiction, 19 June 2023.

2. Calls for the EU to promote a partnership between equals between the EU and the developing countries significantly dependent on the extractive industries; underlines that all EU projects in extractives in developing countries should create win-win situations, including for local communities, and should place people-centred and environment-centred development at the heart of their objectives and all operational policy frameworks; to this effect, stresses that the EU should support low-income resource-rich countries to move away from the enclave nature and the extractivist model of the mining sector, and to provide developing countries with sufficient policy space to do so, including through the use of international trade tools in order to achieve resource-based industrialisation at local level; further stresses that projects must be carried out in a fair and climate-friendly way and not at the expense of the environment, human rights and peace, using the most innovative methods available; points out that sustainable investment facilitation and the EU's overall trade and investment strategy have to encourage investment opportunities in developing countries, in order to achieve the SDGs; asks the Commission to make sustainability a priority of raw material sector projects under the Global Gateway Initiative and to facilitate access to finance accordingly;

3. Stresses the importance of integrating sustainable extractive industries into the local economy, in order to develop local high added value industrial capacity for developing countries; believes that developing countries have the right to use export taxes and legitimate trade restrictions to develop their own industrial base and to use the resources of export duties from the extractive industries for human development and the strengthening of public services such as education and health; calls for the EU to review restrictions on export taxes in its trade agreements with developing countries;

4. Underlines that the EU and its Member States must respect, and request their partner countries to respect, the needs of local populations and indigenous peoples, in particular indigenous peoples' right to free and informed consent prior to the approval of any extractive project affecting their lands or territories, in line with the UN Declaration on the Rights of Indigenous Peoples (UNDRIP) and ILO Convention No. 169 on Indigenous and Tribal Peoples; points out that mining increases the risk of land grabbing, in a context where the governments of developing countries often fail to recognise indigenous peoples' and communities' customary rights to the lands they inhabit; calls for compliance with the Food and Agricultural Organization (FAO) Voluntary Guidelines on the Responsible Governance of Tenure of Land, Fisheries and Forests, to avoid land grabbing resulting from the extractive industries; stresses that the promotion of the rights of indigenous peoples and their traditional practices is important to achieving sustainable development and combating climate change;

5. Urges the EU to enhance its support for resource-rich developing countries in reducing their dependency on the extractive industries and in diversifying their economies, which are sensitive to economic shocks and price volatility, by promoting sustainable alternatives;

6. Considers that the EU should support resource-rich developing countries in capturing and managing their revenues from the extractive economy in an effective and transparent manner in order to achieve inclusive and sustainable development for the benefit of their populations and the advancement of the SDGs;

7. Invites the Commission to strengthen its dialogue and cooperation with civil society organisations, trade unions, local communities and indigenous peoples in developing countries directly affected by extractive industries, in order to promote their rights and ensure their meaningful engagement and active participation in decision-making processes, particularly with regard to designing and assessing the impacts of Global Gateway flagship projects; underlines that civil society actors should have formal representation on the governance board of the Global Gateway; welcomes the announcement of the launch of the Global Gateway Civil Society and Local Authorities Dialogue Platform to ensure that a meaningful dialogue takes place when selecting and supporting Global Gateway projects;

8. Calls for the convening of a Global Gateway Monitoring Group (GGMG) to provide robust and effective oversight of all Global Gateway projects and their respect for the principle of PCD, composed of civil society actors, in particular, those representing indigenous peoples, Members of the European Parliament, representatives of the Member States and other relevant experts; stresses that the GGMG should compile an annual report on the impact of Global Gateway projects on human rights, the environment, civil liberties, peace, inequality and poverty reduction; calls on the President of the Commission to invite the chair of the GGMG to all meetings of the Governance Board; underlines that the GGMG should have access to all documents and minutes of the meetings of the Business Advisory Group, Governance Board and Civil Society and Local Authorities Dialogue Platform;

9. Calls on the Commission to strengthen the capacity of civil society actors to engage effectively in decision-making processes, including by providing training and support in areas such as legal literacy, negotiation skills, environmental impact assessments and project monitoring;

10. Calls for the EU to support capacity-building efforts in developing countries, including through technical assistance to relevant stakeholders, such as government officials, the judiciary and law enforcement agencies, to strengthen their legal and regulatory frameworks for extractive industries, including measures to increase governance and transparency, combat corruption, revenue mismanagement, tax fraud and evasion and illicit financial flows, improve labour, human rights and environmental standards, and strengthen law enforcement; recalls that some of the natural resources that feed some of the world's most enduring and brutal conflicts pass through supply chains linked to companies operating in developed countries, namely in the EU; highlights the need, therefore, to ensure effective access to justice for victims of the social or environmental misapplication of legislation by multinational companies operating in developing countries;

11. Calls for the Commission to put forward an EU Code of Conduct on Responsible Investment in Extractive Industries in Developing Countries that would be voluntary for businesses and development finance institutions, drafted with inputs from industry and trade unions, as well as from civil society organisations and from representatives of indigenous communities and local communities; considers that the code should articulate clear commitments and tailored guiding principles for investment in developing countries in compliance with, inter alia, due diligence processes as defined by EU legislation and existing international standards, guidelines and initiatives such as the UN SDGs, the UN Guiding Principles on Business and Human Rights, the UN Global Compact, the Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises, the ISO 26000 standards and the Extractive Industries Transparency Initiative; stresses that the free, prior and informed consent of indigenous peoples and local communities and local sustainable development should be the overarching objective of the code; believes that the code should cover, at a minimum, commitments on:

(a) stakeholder involvement; considers that where a third country has not legislated for mandatory CDAs, European businesses should implement them as a prerequisite for doing business; considers that the agreements should be negotiated within the framework of multi-stakeholder platforms meaningfully involving indigenous people and local communities, complying effectively with the principle of free, prior and informed consent and should be made publicly accessible;

(b) transparency, including proactive environmental, social and governance (ESG) reporting on projects in developing countries, in line with the principle of double materiality, as well as the publishing of contracts and financial transactions, including detailing the payments made to host governments; underlines that all public information should be provided in a clear and understandable manner to hold the relevant actors accountable;

(c) the rule of law and preventing corruption, including compliance with legal frameworks, anti-corruption measures, transparency in financial transactions and whistleblower protection;

(d) human rights issues, such as the use of forced and child labour, workers' rights, displacement, discrimination, indigenous rights, women's and girls' rights, education, health and safety, as well as safe working conditions;

(e) environmental protection, performance and impact, including pollution prevention measures, sustainable use of natural resources and measures and resources to ensure proper recycling and waste management of raw materials;

(f) local content and economic diversification, including opportunities for adding local value, skills development and technology transfer to promote economic diversification and inclusive growth in partner countries;

(g) conservation and biodiversity;

(h) capacity-building initiatives, including training programmes and knowledge-sharing platforms to enhance the understanding of responsible investment practices in the extractive industries;

(i) grievance mechanisms and safeguards to address human rights violations and environmental impacts caused by the extractive industries, including the establishment of independent monitoring bodies, complaint mechanisms and adequate remedies;

(j) a monitoring and reporting framework to ensure compliance with the code, involving periodic reporting, independent third-party verification and public disclosure of performance indicators;

12. Condemns forced labour and child labour; calls for more effective action to protect and support victims of forced labour and child labour, and for a systemic solution that takes account of all factors, namely poverty, inequality, a lack of access to education, and social acceptance of child labour;

13. Urges the EU to redouble its efforts to combat child labour in the extractive activities and support programmes providing educational opportunities and alternative income-generating prospects, in order to remove children from those activities in the framework of the 'Global Challenges' thematic programme of Neighbourhood, Development and International Cooperation Instrument (NDICI) – Global Europe;

14. Calls for the EU to increase technology transfers, knowledge sharing and capacity building in relation to sustainable resource management in developing countries, particularly in areas related to environmental management, responsible mining practices and sustainable resource use in the extractive industries sector;

15. Invites the Commission to support incentives and capacity-building programmes, particularly those involving women, for developing countries taking steps to formalise the ASM sector and integrate it into the rural and national economy in order to improve labour conditions and the livelihoods of local communities, as well as to stop the illicit financial flows often responsible for corruption and armed conflicts; recalls that ASM is a highly gendered activity; calls for the EU to support the formation of women's mining cooperatives and associations in order to improve women's participation, bargaining power, working conditions and economic independence; highlights the threat to food security and the environmental and health risks associated with unregulated ASM activities in rural areas and the fact that according to the UNEP, many ASM activities occur on global commons of forested lands in critical ecosystems that were not previously used;

16. Notes with concern that for a majority of resource-rich developing countries, mining, oil or gas exploitation has not translated into broad-based economic, human and social development; underlines that addressing the 'resource curse' or 'paradox of plenty' involves not only economic diversification, but also strengthening institutional resilience, upholding the rule of law and increasing third countries' fiscal space to facilitate sustainable development; stresses that the EU should proactively encourage domestic resource mobilisation in partner countries, such as direct taxation, and make it possible to apply export taxes on commodities, insofar as this is WTO-compatible and not applied in a discriminatory manner; calls on the Commission and the Member States to commit to scaling up concessional finance in parallel to the Critical Raw Materials Act; reiterates that the ceilings in Heading 6 of the multiannual financial framework (MFF) must be increased accordingly in the context of the upcoming MFF review;

17. Recalls that the impacts of mining can extend for years beyond the closure of the mine itself, given that mine wastes are toxic, and therefore disruptive to the environment, biodiversity services and associated livelihoods; accordingly, calls for effective mineral resource governance throughout the life cycle of mining operations, which requires, among others:

— recognition of the rights of free, prior and informed consent of indigenous people and local communities; their access to information for effective public participation in decision-making, and the assurance that persons exercising their rights are not penalised, persecuted or harassed;

— full transparency of the mining sector in relation to revenues and contracts, in line with Extractive Industries Transparency Initiative (EITI) requirements, including on environmental transparency;

— addressing the social impacts of mining and mitigating them through an approach driven by an 'avoid, mitigate, restore' principle;

EU actions at multilateral level

18. Calls on the Commission to propose a G20 initiative on making extractives work for local sustainable development in resource-rich developing countries; stresses that the initiative should be tailored to each context and could comprise, inter alia, financial support, debt assistance, debt relief and cancellation, capacity building in governance, taxation and anti-corruption; calls on the Commission to act as a mediator in debt relief talks to give developing countries the financial space to transform non-sustainable extractive industries and to attract sustainable extractive industries, as well as to adhere to sound environmental and social standards; calls on the Commission to support the reform and expansion of the Debt Service Suspension Initiative to include vulnerable middle-income countries, many of which are dependent on extractives, and to operationalise a long-term Debt Swap Mechanism (DSM) to facilitate debt-for-climate and nature swaps; stresses the need to end tax havens as conduits for illicit financial flows in the extractive sector;

19. Calls for the EU to promote inclusive and transparent multi-stakeholder partnerships at regional and international level, by facilitating dialogue and collaboration between governments, civil society organisations, the private sector and international institutions in order to promote sustainable development in the extractive industries, fostering inclusive decision-making processes; emphasises that the current context of growing global demand for critical raw materials and increasing geopolitical instability means there is a need to step up efforts to ensure a stable, adequate and diversified supply of critical raw materials; stresses, however, the need to move away from a culture of extractivism to a resource governance system that takes into account, inter alia, the rate of depletion, the availability of substitutes, efficiency, recycling and the sustainability of consumption; welcomes the partnership between the EU and the UN Interagency Framework Team for Preventive Action, which aims to support national and local stakeholders to improve land and natural resource management for conflict prevention and better coordination;

20. Notes with deep concern that if not managed and mitigated properly, increased demand for critical raw materials will lead to negative environmental and social impacts, particularly for sectors that show a strong dependence on ecosystem services (such as agriculture, nature-based tourism and fisheries); stresses the need to prioritise sustainability, efficiency and circularity at multilateral level and to reduce demand for virgin materials, in particular to address the challenges of climate change, water stress and pollution and loss of biodiversity;

21. Reaffirms the urgent need for a UN binding treaty on business and human rights to regulate the activities of transnational corporations and other business enterprises, which lays down clear human rights obligations, due diligence requirements and provisions for access to remedy, in line with the UN 'Protect, Respect and Remedy' Framework; asks, therefore, the Commission and the Member States to play an active role in the current negotiations on the instrument which should encourage corporate actors and investors in the extractive sector to assume their responsibilities with regard to human and labour rights, and respect for the environment;

22. Reiterates its call for the EU to seek further international agreements on providing climate financing, clean technology transfer and capacity building for developing countries in order to reduce GHG emissions originating, in particular, from the extractive sector;

23. Calls on developing countries to upgrade their regional cooperation, developing or adopting common environmental, social and labour standards and norms for the extractive industries sector;

24. Asks the EU to support, in particular, the Member States of the African Union in further implementing the Africa Mining Vision, a policy framework adopted in 2009 to ensure that the continent utilises its mineral resources strategically for broad-based socio-economic development, aiming to update the framework in order to embrace the SDGs and the climate change agenda, as an opportunity for sustainable development on the continent; underlines that EU support should comprise capacity building, financial support, clean technology transfers and sustainable supply chain management;

25. Calls for the EU to support regional, international and global initiatives to improve transparency and accountability in the use and management of extractive resources, including the EITI, which promotes transparency and accountability in countries rich in oil, gas, and mineral resources, the Extractives Global Programmatic Support, a World Bank multi-donor trust fund for the inclusive and sustainable implementation of EITI in resource-dependent developing countries to support poverty reduction and boost inclusive, sustainable growth and development, the Kimberley Process, which prevents the flow of conflict diamonds, and the Voluntary Principles on Security and Human Rights;

26. Calls for the EU to support developing countries in building their capacity to negotiate fair and transparent contracts with extractive industry companies; welcomes, in this regard, the EU financial support given to the G7 Connex Initiative, which enhances developing countries' negotiating expertise on the extractive sector, so that investment contracts are conceived so as to promote sustainability and development;

27. Asks the Commission to increase its support to the European Partnership for Responsible Minerals, a multi-stakeholder partnership created to enhance the impact of the EU Conflict Minerals Regulation, by financing more development projects aimed at improving local mining practices, particularly in ASM, bringing better social, environmental and economic conditions for mine workers and local mining communities;

28. Asks the Commission to consider closer cooperation with the World Bank given its knowledge of the extractive sector and its support of developing countries for the sustainable and green transition processes;

29. Calls for the EU to provide developing countries with financial support and technical assistance to help them in implementing the Kunming-Montreal Global Biodiversity Framework and the UN High Seas Treaty;

Strengthening the EU policy and legal framework

30. Welcomes the fact that the EU has taken steps to develop binding regulations in the area of corporate due diligence, such as the Conflict Minerals Regulation, the Corporate Sustainability Reporting Directive, the draft directive on Corporate Sustainability Due Diligence and the draft regulations on prohibiting products made with forced labour and on Critical Raw Materials, which should, all together, directly or indirectly, play a part in the transformation of the extractive sector in developing countries;

31. Asks the Commission to use the 2023 review process of the Conflict Minerals Regulation, which since 2021 has obliged EU companies to source their imports of tin, tantalum, tungsten and gold responsibly and to ensure that their supply chains do not contribute to funding armed conflict, as an opportunity to assess thoroughly the impact of the regulation on the ground and the possibility to include further mandatory measures and cover other minerals; underlines the need to meaningfully include civil society organisations and the affected communities throughout the review process;

32. Welcomes the upcoming signature of the new Partnership Agreement between the EU and the members of the OACPS, as it provides a strengthened and modernised framework for cooperation with ACP countries, which contains specific references to the extractive industries, such as the promotion of transparency, accountability and responsible management of extractive industries and the strengthening of corporate social responsibility and responsible business conduct in order to achieve inclusive and sustainable growth and development; recalls, in this context, that sustainability entails compliance with due diligence processes, as defined by EU legislation and the OECD Guidelines for Multinational Enterprises, as well as with the FAO Voluntary Guidelines on the Responsible Governance of Tenure of Land, Fisheries and Forests, where land tenure rights are concerned;

33. Calls on the Commission to better assess the impact of EU development assistance on sustainable development in the extractive industries sector in order to ensure effective and accountable use of EU financial resources;

34. Calls on the Commission to mainstream sustainable development and development cooperation considerations into all EU trade and investment agreements with developing countries, by including provisions that ensure respect for human rights, environmental protection and the equitable distribution of revenues from the extractive industries;

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35. Instructs its President to forward this resolution to the Council and the Commission.