



2023/2031(INI)

19.7.2023

OPINION

of the Committee on International Trade

for the Committee on Development

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

Rapporteur for opinion: Emmanuel Maurel

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SUGGESTIONS

The Committee on International Trade calls on the Committee on Development, as the committee responsible, to incorporate the following suggestions into its motion for a resolution:

- A. whereas extractive industries are a cornerstone of economic added value, and are capital and labour intensive; whereas for many developing countries natural resource extraction accounts for a significant proportion of GDP; whereas extractive industries could have the potential to contribute to economic prosperity in developing countries, but are often linked to environmental pollution, destruction of nature and the violation of International Labour Organisation (ILO) standards; whereas extractive industries have a significant impact on the environment and local and indigenous populations; whereas this underlines the need for coherent strategies, embedded in a strong due diligence approach, to harness their development potential.
- B. whereas developing countries largely function as exporters of unprocessed raw materials and the value creation is concentrated in economically developed countries;
- C. whereas mining resources, in particular, critical raw materials, are key inputs in net-zero technologies, and will be indispensable to decarbonisation and reaching the objectives of the European Green Deal and Paris Climate Agreement; whereas, in order to maintain its competitiveness while accomplishing the green and fair transition, the EU must guarantee access to these materials for its undertakings while ensuring stringent environmental, governance, social and human rights standards; whereas there is momentum for mobilising the investment needed for this green transition in mineral-rich developing countries, such as new transport and digital infrastructures, in order to develop and diversify regional value chains;
- D. whereas achieving the Sustainable Development Goals (SDGs) by 2030 will require multi-stakeholder engagement between governments, development partners, industry, non-governmental organisations and local communities;
- E. whereas developing countries that export raw materials are heavily dependent on tax revenues from the export of said materials;
- F. whereas commodity price volatility during the COVID-19 pandemic caused severe economic damage to developing countries dependent on the tax revenues from extractive industries;
- G. whereas a diversified economy makes developing countries more resilient to external shocks;
- H. whereas the green transition has the potential to generate quality and green jobs that can significantly contribute to poverty eradication and social inclusion both in advanced and developing countries;
- I. whereas the pre-COVID-19 USD 2.5 trillion annual SDG financing gap corresponded to about USD 500 billion for low-income countries and USD 2 trillion for other

developing countries;

- J. whereas the investment gap in developing countries amounts to USD 4.2 trillion per year in order to make the SDGs reachable;
1. Calls for the creation of a sustainable and circular mining model, which exercises due diligence with regard to the EU's legislation, including Directive 20XX/XX/EU on corporate sustainability due diligence and the Organisation for Economic Co-operation and Development (OECD) Due Diligence Guidance for Responsible Business Conduct; requests that fair trading practices and working conditions, including for artisanal and small-scale miners, are ensured in accordance with the highest international labour rights standards on matters such as health, safety and remuneration, including those laid out in Regulation 20XX/XX/EU on prohibiting products made with forced labour; calls on the Commission and Member States to establish mutually beneficial climate and critical raw materials partnerships with developing countries that place people-centred and environment-centred development at the heart of their objectives and all operational policy frameworks; calls for better coordination with national export credit agencies in order to align their activities with the priorities of the European Green Deal;
 2. Calls on the Commission, the Member States and partner countries to ensure that climate partnerships and sustainable investment facilitation agreements align with the national determined contributions of the partner countries;
 3. Calls on the Commission to ensure that while facilitating investments, there is no race to the bottom in subsidies in partner countries, leading to a lowering of ILO and environmental standards;
 4. Considers that this model should allow balanced and transparent sharing of the sector's added value among all stakeholders, as enshrined in the global Extractive Industries Transparency Initiative, while ensuring predictability and continuity of access for European extractive companies to mineral reserves in partner countries; stresses the need for meaningful engagement with stakeholders including information exchanges involving the private sector, civil society and trade unions, especially in the critical raw materials sector;
 5. Reiterates that regional value chains and the strengthening of intra-regional trade has a positive effect on surrounding countries and strengthens their resilience, especially during external shocks;
 6. Considers that this model must uphold the needs of local populations and indigenous peoples, ensure compliance with all ILO conventions, including Convention 169, minimise its direct and indirect impact on the environment when it comes to exploitation and provide partner countries with wide-ranging information, including on the subjects of technological transfer, and extensive detail on the requirements that the Green Deal projects and upcoming EU legislation entail; urges the Commission to extend its efforts to support capacity building in the legal, governmental and fiscal capacities of partner countries; reiterates that flexible transitional arrangements are needed for developing countries to comply with international obligations; stresses that the United Nations Declaration on the Rights of Indigenous Peoples' principle on free, prior, and informed consent needs to be respected in all cases; considers that community

development agreements can help achieve this objective; 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 by helping to mobilise higher levels of investment in hard and soft infrastructures with the lowest possible environmental impact and promote inclusive and sustainable development, poverty reduction and the creation of local employment, notably for small and medium-sized enterprises and the supply chain associated with extractive industries; stresses that a transition also requires public investments in hard and soft infrastructures;

7. Considers that this model must take account of the needs of local populations, ensure compliance with all ILO conventions and reduce its direct and indirect impact on the environment in the area of exploitation, using the most innovative methods available;
8. Calls on the Commission and the Member States to ensure that when selecting and supporting Global Gateway projects, social dialogue is an integral part of the institutional framework for policy-making and implementation at all levels;
9. Calls for this model to be applied in the value chain to any supplier undertaking in the EU, including those from third countries;
10. Considers that the principle of a minimum corporate tax on undertakings established in G20 and OECD countries should also apply to undertakings in the sector when those undertakings operate in every country signatory to the G20-OECD agreement; calls for regulation mechanisms to reduce speculation and price fluctuations in extractive industry products, in order to ensure predictability and sustainability throughout the production and supply chain;
11. Considers that a sustainable and circular mining model should uphold the policy space for developing countries to take measures that may increase domestic resource mobilisation, such as export duties and legitimate export restrictions, when not applied in a discriminatory manner and allowed by World Trade Organization rules;
12. Calls on the EU to encourage trading partners to also promote sustainable resource management in their trade and investment relations, through cooperation in international forums and the sharing of best practices.

INFORMATION ON ADOPTION IN COMMITTEE ASKED FOR OPINION

Date adopted	19.7.2023
Result of final vote	+: 33 -: 2 0: 2
Members present for the final vote	Barry Andrews, Anna-Michelle Asimakopoulou, Tiziana Beghin, Saskia Bricmont, Jordi Cañas, Daniel Caspary, Arnaud Danjean, Roman Haider, Christophe Hansen, Heidi Hautala, Danuta Maria Hübner, Danilo Oscar Lancini, Bernd Lange, Thierry Mariani, Margarida Marques, Gabriel Mato, Emmanuel Maurel, Carles Puigdemont i Casamajó, Samira Rafaela, Catharina Rinzema, Inma Rodríguez-Piñero, Katarína Roth Nevedálová, Helmut Scholz, Joachim Schuster, Sven Simon, Kathleen Van Brempt, Marie-Pierre Vedrenne, Jürgen Warborn, Iuliu Winkler
Substitutes present for the final vote	Marek Belka, José Manuel García-Margallo y Marfil, Enikő Győri, Javier Moreno Sánchez
Substitutes under Rule 209(7) present for the final vote	Clara Aguilera, Francisco Guerreiro, Mikuláš Peksa, Lucia Vuolo

FINAL VOTE BY ROLL CALL IN COMMITTEE ASKED FOR OPINION

33	+
NI	Tiziana Beghin, Carles Puigdemont i Casamajó
PPE	Anna-Michelle Asimakopoulou, Daniel Caspary, Arnaud Danjean, José Manuel García-Margallo y Marfil, Christophe Hansen, Danuta Maria Hübner, Gabriel Mato, Sven Simon, Lucia Vuolo, Jörgen Warborn, Iuliu Winkler
Renew	Barry Andrews, Jordi Cañas, Samira Rafaela, Catharina Rinzema, Marie-Pierre Vedrenne
S&D	Clara Aguilera, Marek Belka, Bernd Lange, Margarida Marques, Javier Moreno Sánchez, Inma Rodríguez-Piñero, Katarína Roth Neved'alová, Joachim Schuster, Kathleen Van Brempt
The Left	Emmanuel Maurel, Helmut Scholz
Verts/ALE	Saskia Bricmont, Francisco Guerreiro, Heidi Hautala, Mikuláš Peksa

2	-
ID	Danilo Oscar Lancini, Thierry Mariani

2	0
ID	Roman Haider
NI	Enikő Győri

Key to symbols:

+ : in favour

- : against

0 : abstention