



CIRAN

POLICY BRIEF

Community Development Agreements:

A legal framework for
balancing critical raw
materials development with
local community interests



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Executive Summary & Key Messages

The Challenge:

CRMA implementation faces fundamental social acceptance barriers that threaten European cohesion and undermine strategic autonomy objectives.

One Solution:

Community Development Agreements (CDAs) provide a proven legal framework to articulate and formalise expectations between local government, mining companies, and affected communities.

Key Benefits:

No legislative changes required at EU or national level.

Addresses institutional trust deficit through participatory governance.

Accommodates diverse community and regional development needs.

Creates binding commitments extending beyond mine closure.

Call to Action:

Encourage Member States to champion CDA development by providing local authorities and project developers with guidance, resources, and incentives to establish these agreements as fundamental tools for reconciling European strategic autonomy with participatory governance and community consent.

The Problem: Why Traditional Approaches Fail

Statistical Context:

Europe's dense population and decades-long focus on nature protection create unprecedented challenges. Research from the Horizon Europe CIRAN project reveals that **85% of EU critical raw material deposits are located either within environmentally protected areas or within 5km proximity**—creating an apparent conflict between resource security and conservation objectives.

Regulatory Context:

Current environmental protection regulations and international agreements de facto provide for a layered protection according to the relative value that is attributed to a particular site or eco-system. With adequate justification, extraction beneath protected sites is possible, while certain sites remain agree 'no go' areas.

Trust Deficit:

Opposition to mineral projects typically stems from disconnection between EU-level policy priorities and local interests, aligning with broader Eurosceptic sentiment, institutional distrust, and perceptions of inequality. Rising nationalism and anti-EU sentiment amplify resistance to projects perceived as serving distant Brussels priorities.

European Cohesion Risk:

Resource-rich regions—often located in underdeveloped areas—may feel they carry concentrated environmental and social burdens whilst serving broader EU strategic objectives. Without meaningful benefit-sharing mechanisms, CRMA implementation risks deepening territorial disparities and undermining European solidarity.

European Resilience Risk:

Continued stagnation of domestic mining capacity affects both strategic autonomy and European credibility in global markets. Public opposition has emerged as the decisive factor determining project success, rather than technical or economic feasibility.

Current Gap:

Traditional approaches relying predominantly on technical assessments, expert consensus, and promises of economic development have proven markedly insufficient in addressing legitimate societal concerns about environmental impacts and community autonomy. A transparent justification mechanism as part of a participatory process is required.

Case Examples:

- **Serbia (Jadar lithium project):** Rio Tinto's project capable of supplying 90% of Europe's current lithium needs was halted in 2022 due to environmental protests and community opposition that were incited by permitting processes that were perceived as being intransparent and corrupt⁰¹.

01 Resisting Green Extractivism in Serbia: How Europe's Biggest Lithium Mine Got Cancelled – Undisciplined Environments

- **Portugal:** Despite long-standing lithium production, social opposition threatens new responsible operations⁰²⁰³.
- **France:** Community resistance delays redevelopment of existing kaolin operations for underground lithium mining at Échassières⁰⁴.

Community Development Agreements: How They Work

Definition:

CDAs are formal multi-party contracts between government authorities, mining companies, and affected communities that create binding frameworks for equitable development whilst requiring no changes to national legal frameworks.

Legal Framework:

These agreements operate within existing constitutional and administrative law structures, establishing legally binding commitments through contractual mechanisms rather than legislative changes.

Key Components:

Employment Support: Guaranteed hiring quotas, skills training programmes, and workforce development initiatives that create sustainable livelihoods extending beyond mine operation periods.

Benefit-Sharing Mechanisms: Transparent cash flow-sharing formulas, community development funds, and infrastructure investments that ensure tangible returns to hosting regions.

Environmental Protection Guarantees: Binding commitments to environmental standards exceeding regulatory requirements, including biodiversity enhancement and ecosystem restoration that extends beyond project boundaries. Within environmentally protected areas, CDAs can facilitate expanded conservation efforts through habitat corridors, buffer zone creation, and enlarged protected area designations funded by project revenues.

Community Participation Rights: Meaningful involvement in decision-making through representative monitoring bodies with genuine authority over project implementation and modification.

Dispute Resolution Procedures: Independent mediation, arbitration mechanisms, and accessible grievance procedures designed to address power imbalances and ensure fair resolution of conflicts.

Local Decision-Making: CDAs bring decision-making authority to hosting communities, creating resilience for mining projects whilst ensuring coherence with regional development frameworks and local priorities.

Flexibility: The contractual nature allows adaptation to diverse local expectations, cultural values, and economic circumstances across different EU regions.

02 Portugal has failed to respect citizens' rights over contested lithium mine – Portugal Resident

03 Portugal: Government approves lithium mine despite opposition from local population and environmental activists – Business & Human Rights Resource Centre

04 Exploitation de lithium dans l'Allier : une mine responsable est-elle possible?

Evidence & Success Stories

Canada (Raglan Mine, Quebec):

Glencore's nickel operation includes revenue-sharing with Inuit communities, guaranteed employment quotas, and environmental co-management. Results include 20% Inuit workforce, CAD \$2 billion in community benefits over 25 years, and enhanced environmental protection exceeding regulatory requirements⁰⁵.

Australia (Pilbara Region):

Rio Tinto's iron ore operations include native title agreements providing employment, training, business development, and cultural preservation support. Outcomes demonstrate 12% Indigenous workforce participation and over AUD \$1 billion in community investments⁰⁶.

Mongolia (Oyu Tolgoi):

Comprehensive CDA between government, Rio Tinto, and local communities resolved initial disputes through benefit-sharing mechanisms, environmental monitoring, and capacity building programmes. The agreement enabled project progression whilst addressing community concerns about water resources and traditional livelihoods⁰⁷⁰⁸.

Measurable Outcomes:

- **Reduced Project Delays:** Projects with CDAs experience 40-60% fewer permitting delays and legal challenges.
- **Enhanced Environmental Compliance:** Independent monitoring achieves 95%+ compliance with environmental commitments.
- **Economic Impact:** Direct community benefits averaging 2-5% of project revenues, plus multiplier effects.

Environmental Results:

Biodiversity net positive outcomes, groundwater protection exceeding baseline requirements, and ecosystem restoration extending beyond operational footprints.

Social Impact:

Community empowerment through governance participation, cultural preservation programmes, and sustainable economic diversification reducing dependence on mining revenues.

05 Raglan Agreement: Raglan Mine and Its Inuit Partners Celebrate 30 Years of Collaboration

06 YMAC – Pilbara groups reach agreement with Rio Tinto

07 Oyu Tolgoi communities | Global

08 Unearthing Benefits and Mitigating Adverse Environmental Impacts at Mongolia's Oyu Tolgoi Mine: | Peter A. Allard School of Law

Policy Recommendations & Next Steps

For EU Institutions:

Legislative Integration:

- Consider incorporating CDA frameworks as an optional criterion for Strategic Project designation under the CRMA, recognising community consent mechanisms as valuable assets for EU-supported mineral developments.
- Incorporate justification mechanisms based on a balanced needs assessment for extraction projects beneath protected areas into the CRMA.

Develop EU Guidelines:

Create comprehensive CDA best practices handbook addressing diverse European institutional contexts, legal frameworks, and cultural considerations across Member States.

Funding Mechanisms:

Establish dedicated funding streams within the European Competitiveness Fund for CDA development, implementation, and monitoring, recognising community engagement as essential infrastructure for strategic autonomy.

For Member States:

Pilot Programmes:

Launch CDA demonstration projects in 3–5 mining regions across different Member States during 2026–2027, testing adaptability to varying legal and cultural contexts.

Integration with Permitting:

Advise Member States to evaluate the benefits of including CDA frameworks within national mining permitting processes, recognising that community agreements can enhance the robustness and social acceptance of final project approvals for strategic mineral developments.

Monitoring Frameworks:

Establish independent evaluation mechanisms tracking CDA implementation effectiveness, community satisfaction, and environmental outcomes to inform best practice development.

Timeline:

- **Q1 2026:** Complete EU CDA guidelines development.
- **Q2 2026:** Launch Member State pilot programmes.
- **Q3–Q4 2026:** Implement demonstration CDAs in selected regions.
- **Q1 2027:** Evaluate pilot outcomes and refine frameworks.
- **2027–2028:** Scale successful models across EU mining regions.

Implementation Support:

The CIRAN project (www.ciranproject.eu) provides research foundation and stakeholder engagement methodologies for CDA development across European contexts.



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