



Addressing **Illegal Gold** Mining in the Amazon Region:

From Recognition of the Problems
and Challenges to Collective Action.

A Roadmap for Policy Action
as Part of COP16 Biodiversity.

October 2024
Cali, Colombia

Presentation

As part of the United Nations Biodiversity Conference of the Parties (COP16) held in Cali, Colombia, in October 2024, leading civil society organizations from Colombia, Brazil, Peru, and the United States developed a series of policy recommendations to better address, mitigate and prevent the harms caused by illegal gold mining in the Amazon region. These recommendations were presented on October 23, 2024 at an event titled *Illegal Gold Mining in the Amazon: A Transnational Environmental Crime*.¹

The strength of the recommendations stems from the expertise, diversity, and reach of the organizations that have developed them,

which include groups dedicated to environmental protection, anti-money laundering, human and climate security, the territorial rights and autonomy of Indigenous peoples, and the prevention of illegal gold. In Colombia, the Amazon Alliance for Reducing the Impacts of Gold Mining (AARIMO)² collaborates with multiple stakeholders focusing on Indigenous and local communities to deepen understanding of the effects of illegal gold mining in the Amazon, advance governance-enhancing solutions, and strengthen public policies. In the United States, the Financial Accountability and Corporate Transparency (FACT) Coalition is an alliance of more than 100 U.S. organizations working to combat the harms caused by money laundering, corruption and tax evasion through effective public policies. In Brazil, the



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¹ This Side Event was organized by FACT Coalition, Igarapé Institute, the Observatorio de Minería Ilegal y Actividades Vinculadas en Áreas Claves de Biodiversidad (OMI), and the Alianza Amazónica para la Reducción de los Impactos de la Minería de Oro (AARIMO) with the support of the Gordon and Betty Moore Foundation.

² AARIMO is a coalition comprised of WWF Colombia, the Frankfurt Zoological Society Colombia, Gaia Amazonas Foundation, the Amazon Conservation Team, la Fundación para la Conservación y el Desarrollo Sostenible - FCDS, and the National Natural Parks of Colombia.

³ OMI includes the following organizations and experts: Asociación para la Conservación de la Cuenca Amazónica (ACCA), Asociación Peruana para la Conservación de la Naturaleza, Centro de Innovación Científica Tecnológica (CINCLIA), Conservation Strategy Fund, Derecho, Ambiente y Recursos Naturales (DAR), Asociación Ecosistemas Andinos (ECOAN), Fundación para la Conservación y el Desarrollo Sostenible (FCDS), Frankfurt Zoological Society, Instituto del Bien Común, Naturaleza y Cultura Internacional, Fundación Peruana para la Conservación de la Naturaleza, Servicios Educativos, Promoción y Apoyo Rural, Sociedad Peruana de Derecho Ambiental (SPDA), Yunkawasi, Natural Resource Governance Institute (NRGI), Amazónicos por la Amazonía, César Ipenza & Manuel Bernaldes.

Igarapé Institute contributes to enhancing public, digital, and climate security both nationally and globally. Meanwhile, in Peru, the Observatory on Illegal Mining³ (OMI) provides a space for participation and coordination among 14 civil society organizations that monitor legal frameworks, potential threats and impacts in order to prevent and mitigate the socio-environmental impacts caused by illegal mining. Together, these organizations represent, through their coalitions, over 120 civil society groups across four countries that are deeply concerned with the environmental, societal, and financial impacts of illegal gold.

The policy recommendations outlined in this document represent the main priorities discussed at the event *Illegal Gold Mining in the Amazon: A Transnational Environmental Crime*. We believe that now is the time to critically evaluate and propose alternatives to halt the devastating effects of illegal gold mining in the Amazon to contribute to achieving the goals of the Global Biodiversity Framework. The policy recommendations outlined here are not intended to exclude other approaches, nor do they encompass the entire policy strategies of AARIMO, FACT Coalition, OMI, and the Igarapé Institute.



Introduction

Illegal gold mines are spreading throughout the Amazon, encroaching on remote areas. This is causing a wide range of harmful impacts on the environment, wildlife, public health, economies, development, and the rule of law. Most critically, it is marginalizing and endangering hundreds of Indigenous communities and their livelihoods, including those living in voluntary isolation⁴. Illegal gold mining⁵ is also causing damage to critical ecosystems that are essential for the health and future of our planet.⁶

Under the control of national armed groups and cross-border criminal organizations, illegal gold contributes to issues such as extortion, corruption, and serious human rights violations in the Amazon.⁷ This problem is further exacerbated by the intersection of illegal gold mining within an ecosystem of environmental and non-environmental crimes, including human trafficking, money laundering, drug trafficking, wildlife trafficking, and illegal logging.⁸ With the progressive increase in the international price of gold in recent decades,⁹ armed groups have turned to gold mining as a way to finance their activities and laun-

der money from drug trafficking.¹⁰ In Peru, it is estimated that 69% of the municipalities located in the Amazon border regions have illegal armed groups operating in them.¹¹

Illegal gold mining operations span across the borders of all countries in the region.¹² These operations result in devastated landscapes, including disturbed soil, deforested areas, and altered river courses. Additionally, mercury is dumped into the water, posing significant threats to fish and the Indigenous and local communities that rely on fish consumption as their primary diet.¹³ Scientific evidence shows alarming concentrations of mercury among entire Indigenous communities in the Colombian Amazon¹⁴ and complementary studies warn of the harmful effects on the nervous systems, cardiovascular system, urinary system, immune system, skin, and lungs.¹⁵ Recent studies in Indigenous communities in the Upper Amazonian region of Peru indicate that high levels of mercury are associated with decreased cognitive functioning.¹⁶ These elevated levels are severely affecting these communities' health and compromising their well-being and survival.¹⁷

As countries convene in Cali for the United Nations Biodiversity Conference of the Parties (COP16), illegal gold mining in the Amazon must be addressed. The growing and alarming combination of environmental crimes associated with illegal gold mining is compromising our ability to reverse biodiversity loss in the Amazon biome, which comprises more than 10% of the species diversity on Earth and is home to over 47 million people, including 2 million Indigenous peoples, local communities and other rights holders, who depend on nature.¹⁸



⁴ Responding to Illegal Mining and Trafficking in Metal and Minerals. United Nations, 2023.

⁵ Although there is no universally accepted definition of illegal mining and the exact extent of the crime is difficult to estimate, the term refers to mining activity that is: (a) carried out by a person, natural or legal, or a group of people without complying with the requirements of applicable laws or administrative regulations that govern these activities; or (b) carried out in areas where the exercise of such activities is prohibited or using prohibited equipment, devices or chemicals (Responding to Illegal Mining and Trafficking in Metal and Minerals. United Nations, 2023). We recognize that not all large-scale gold mining is legal, and by the same token, not all small-scale mining is illegal.

⁶ Illegal Gold Mining Across the Amazon. MAAP # 197, 2023.

⁷ Illegal Gold that undermines forest and lives in the Amazon: an overview of irregular mining and its impacts on indigenous populations. Igarapé Institute, 2021.

⁸ Igarapé Institute. The ecosystem of environmental crime in the Amazon: an analysis of illicit rainforest economies in Brazil.

⁹ Entre el 2014 y el 2023 los países amazónicos andinos exportaron más de 3.000 toneladas de oro de alta pureza de origen desconocido. Según el análisis de exportaciones Perú, Ecuador, Colombia y Bolivia exportaron por lo menos 3.080 toneladas de oro de origen desconocido en la última década. Estas cantidades son el resultado de las discrepancias entre lo que los países declaran producir formalmente (y por lo tanto, conocer el origen del mineral) y lo que finalmente sale exportado. La cifra más amplia la tiene Perú, que concentra el 92% de esa cantidad (2.849 toneladas). Ojo Público, 2023.

¹⁰ Amazon Underworld, 2023. available at <https://amazonunderworld.org/>

¹¹ Minería ilegal y mercurio en la Amazonía. Fundación para la Conservación y el Desarrollo Sostenible FCDS, 2023.

¹² Igarapé Institute. Guidance Note on Combating Environmental Crime: Lessons from Fighting Illegal Gold Mining in the Amazon Basin.

¹³ Amazon Underworld, 2023

¹⁴ Because mercury can pass the placental barrier, women of childbearing age are at particularly high risk of passing the mercury to developing fetuses, resulting in intergenerational impacts to communities (Aldous, A.R., et al. Ecotoxicology, 2024).

¹⁵ Mercury as a Global Pollutant: Sources, Pathways, and Effects. Driscoll, et al. Environ. Sci. Technol. 2013.

¹⁶ Impairment in Working Memory and Executive Function Associated with Mercury Exposure in Indigenous Populations in Upper Amazonian Peru. Silman, et al. Int. J. Environ. Res. Public Health 2022.

¹⁷ Contenido de mercurio en comunidades étnicas de la subregión planicie en la Amazonía colombiana. Parques Nacionales Naturales de Colombia & Universidad de Cartagena. 2018.

¹⁸ The Amazon is close to the point of no return. COP16 is a critical opportunity to act. World Economic Forum, 2024.



The issue of illegal gold mining in the Amazon is of global concern and action is urgently needed. As we continue to analyze the environmental, social, cultural, and economic impacts of illegal gold mining in the Amazon, action is needed at the local, cross-border, and international levels in seven priority areas:

1. Promote shared responsibility.
2. Strengthen governance in cross-border areas.
3. Advance collective, community-led actions under a basin approach to address mercury contamination.
4. Combat illicit finance.
5. Establish a minimum legal and regulatory framework for the gold supply chain across the Amazon countries.
6. Strengthen due diligence and financial monitoring along the gold supply chain.
7. Promote a shift towards a sustainable development model focused on societal well-being and the productive conservation of the environment.

Recommendations

The harms associated with illegal gold in the Amazon region have been well-documented. As countries worldwide gather for the United Nations Biodiversity Conference of the Parties (COP16) in Cali, we urge them to move beyond discussing the problem and commit to concrete actions that will address these challenges and contribute to the achievement of the Global Biodiversity Framework. Specifically, we recommend:

1. Promoting Shared Responsibility:

Illegal gold is frequently framed as a problem of producer countries. Less emphasis is placed on countries that import illegally-sourced gold or provide a safe haven for the illicit proceeds accompanying it. Going forward, this must change. Illegal gold is a shared challenge that countries of origin, transit and destination must work to address. For producer countries, the environmental, human and economic costs of illegal gold mining should be readily apparent. For destination countries, it should be noted that illegal gold threatens the integrity of their financial systems, pads the pockets of transnational criminal networks, and significantly undermines security and

governance at a regional and international level.¹⁹ Destination countries can assume greater responsibility by maintaining strong communication with producer countries to address the problem, prosecuting cases of illegal gold within their country, setting clear minimum standards for the private sector, ensuring that their mint or central bank has robust due diligence procedures for the purchase of gold, educating financial institutions and other stakeholders on risks, and requiring travelers to declare gold when they enter the country.

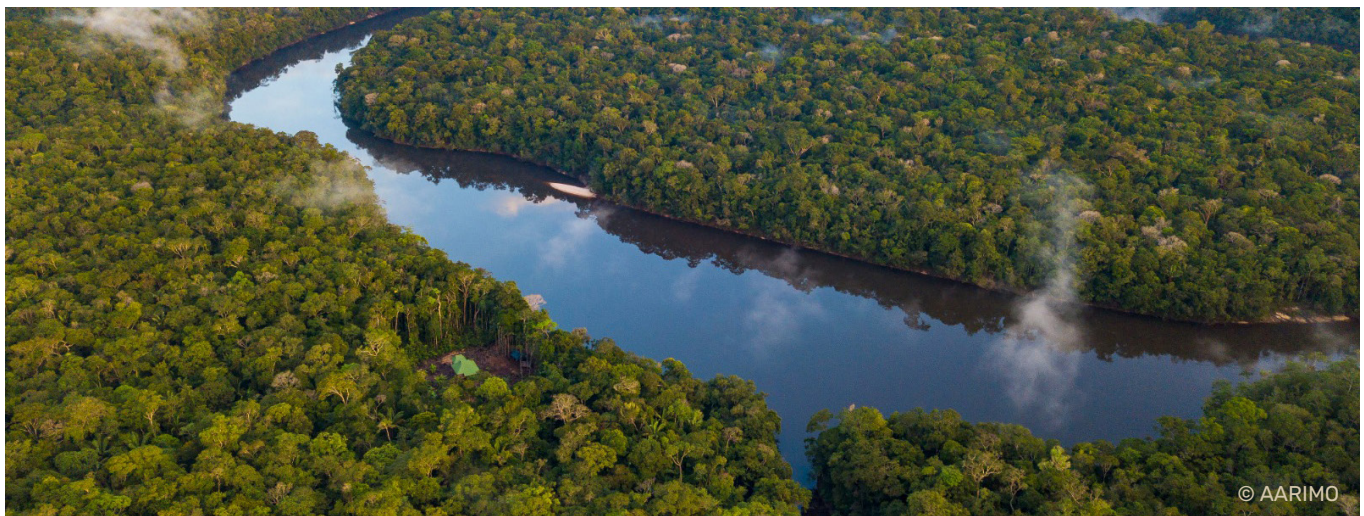
2. Strengthening Governance in Cross-Border Areas:

We urge local and national governments to strengthen collaboration and investment in border regions. Monitoring illicit activities in the gold supply chain, such as mercury and fuel trafficking in shared river systems, remains a major challenge. Strengthening governance in these areas will help address these problems, reducing violence, corruption, and the influence of international criminal networks.

To begin with, we propose establishing a Joint Coordination Mechanism to improve cross-border cooperation. This should include standardized protocols for joint operations, facilitating smoother collaboration during enforcement actions. Such coordination will make it increasingly difficult for illegal actors to rebuild their operations and enable better oversight of key areas, ensuring that enforcement efforts are aligned with each country's jurisdiction.

In addition, we recommend implementing a Cross-Border Early Warning System to detect and respond to illegal mining activities before they escalate. Real-time information sharing between countries will allow for more efficient interventions.

Moreover, engaging in regular joint training exercises and enhancing communication channels between key authorities will strengthen the capacity of Amazon countries to effectively respond to threats posed by illegal mining networks. These training sessions should emphasize an-



¹⁹ In 2023, the largest purchasers of gold from countries in the Amazon region included Switzerland, India, the United Arab Emirates, the United States, Italy, China, the United Kingdom, Turkey, Germany, and France. United Nations Trade Data available at <https://comtradeplus.un.org/>; 2023 import data for gold (7108) by CIF value coming from countries in the Amazon region for which data is available (Brazil, Peru, Colombia, Ecuador, Bolivia, Guyana, Suriname).

ti-corruption measures, equipping local enforcement agencies with the skills and integrity needed to resist potential bribes and collusion with illegal actors.

An integral component of this strategy is the active involvement of local communities. Communities must be equipped with the tools, resources, and support necessary to defend their territories against illegal mining. Collaborating with local actors—especially in remote and vulnerable areas—will bolster institutional presence and create a stronger deterrent against illegal activities. Enhanced institutional support will not only improve security but also empower these communities to take a proactive role in safeguarding their land, fostering long-term resilience against external threats.

We also urge national governments to enhance inter-agency coordination within their borders, particularly with regional and local governments, which play a vital role.

3. Advancing Collective, Community-Led Actions to Address Mercury Contamination in the Amazon Watershed:

The health of rivers is crucial for preserving ecological integrity as well as the well-being of the peoples of the Amazon region.

To begin with, we encourage governments to dedicate resources and political will to ensure the real and effective participation of Indigenous peoples of the Amazon in addressing mercury contamination. It is necessary to strengthen collaboration and work with Indigenous authorities to address the impacts of this toxic substance. This should include developing platforms, tools and technologies to collect, exchange and share information on mercury contamination. Indigenous communities need support to measure, evaluate and monitor the dynamics of mercury within their territories. This collaboration will also serve to rapidly increase public awareness of the risks associated with mercury.



Moreover, we call on governments to allocate resources to support a collaborative effort aimed at addressing mercury from a basin-wide perspective. This effort must fully acknowledge and include the crucial connection between Indigenous communities and the rivers of the Amazon, with decisions and actions that must be framed in culturally appropriate approaches and guarantee their active and effective participation. The ecological health of rivers in the Amazon relies on the Indigenous and local communities, who possess extensive knowledge of the effects of mercury and illegal gold mining. As a result, they are best

equipped to propose solutions that ensure the restoration and recovery of the affected Amazonian basins. Now, more than ever, we must empower their leadership, enabling them to share their experiences, successes, and failures in addressing illegal gold mining in their territories. They require tools and technologies to document the impacts of gold mining operations, share and raise awareness about these findings with other communities along the rivers, strengthen their capacity to take actions for preventing the expansion of these activities, and promote changes that will contribute to the restoration of their rivers.



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4. Combating Illicit Finance: To be successful, efforts to address illegal gold must also address the challenges associated with illicit finance. Countries should recognize that illegal mining is a financially motivated crime. Illegal mining generates up to US\$48 billion a year internationally,²⁰ and up to US\$7 billion dollars a year in Latin America.²¹ We should be concerned about the massive scale of these illicit proceeds and with who benefits. According to one study, illegal mining represents one of the largest sources of income for non-state armed groups, including terrorist groups, contributing to conflict.²² Of course, illicit proceeds from illegal gold mining are frequently moved, stored and/or laundered in third countries. Research has documented how weaknesses in the U.S. anti-money

laundering framework have allowed proceeds from illegal mining in the Amazon region to enter the U.S. financial system.²³ In this regard, Recommendation 1 regarding shared responsibility among countries or origin, transit and destination is vitally important. Countries should take measures to tackle illicit finance linked to illegal gold by requiring companies to declare who really owns them, a key measure to address the problems posed by shell and front companies.²⁴ They should also ensure that all environmental crimes are predicate – or underlying – offenses for money laundering, an important tool for prosecutors. Finally, they should ensure that national risk assessments for money laundering and terrorism financing consider the risks posed by illegal gold as well as mercury trafficking.

²⁰ See “The Devastating Impact of Illegal Gold Mining in Latin America,” INTERPOL, 28 April 2022, available at <https://www.interpol.int/News-and-Events/News/2022/The-devastating-impact-of-illegal-gold-mining-in-Latin-America>

²¹ Organized Crime and Illegally Mined Gold in Latin America, The Global Initiative against Transnational Organized Crime, April 2016, pg. 73, available at <https://globalinitiative.net/wp-content/uploads/2016/03/Organized-Crime-and-Illegally-Mined-Gold-in-Latin-America.pdf>

²² The World Atlas of Illicit Flows, INTERPOL and the Global Initiative, 2018, pg. 44, available at <https://globalinitiative.net/wp-content/uploads/2018/09/Atlas-Illicit-Flows-FINAL-WEB-VERSION.pdf>

²³ Dirty Money and the Destruction of the Amazon: Uncovering the U.S. Role in Illicit Financial Flows from Environmental Crimes in Peru and Colombia, The FACT Coalition, October 2023, available at <https://thefactcoalition.org/report/dirty-money-and-the-destruction-of-the-amazon-uncovering-the-us-role-in-illicit-financial-flows-from-environmental-crimes/>

²⁴ The technical term for this is beneficial ownership.

5. Establishing a Minimum Legal and Regulatory Framework for the Gold Supply Chain Across the Amazon Countries:

Establishing a minimum framework for the gold supply chain across Amazon countries is essential to combat illegal activities. This will enable authorities to investigate and prosecute crimes more effectively, closing regulatory gaps that currently allow unsustainable and illegal practices to thrive. This framework should be based on assessing differences in regulatory, control, and enforcement mechanisms across countries, providing policymakers with a solid foundation to implement more effective solutions against illegal gold mining.

6. Strengthening Due Diligence and Financial Monitoring in the Gold Supply Chain:

To enhance due diligence and financial monitoring in the gold supply chain, it is essential to establish recognized standards that prioritize environmental protection and responsible mining practices, particularly in biodiverse and high-risk areas like the Amazon. This approach should involve thorough environmental risk assessments to identify potential impacts of mining activities alongside initiatives to enhance the traceability of gold from source to consumer. Suppliers must undergo systematic evaluations to ensure compliance with recognized environmental and social standards, fostering responsible and sustainable mining practices.

At the same time, it is important to recognize that certain sensitive areas, such as protected zones in the Amazon, require additional safeguards to limit or prevent mining. These regions are not only vital for

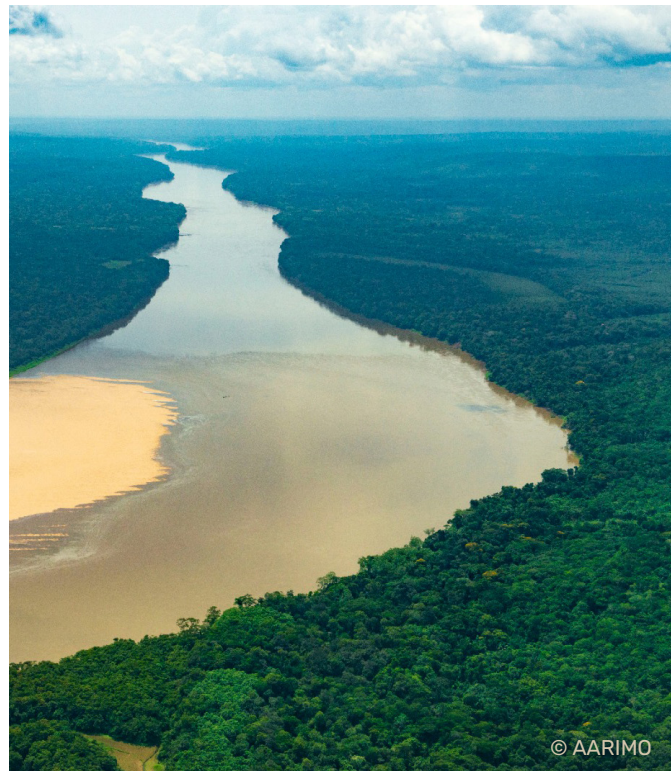
biodiversity but are also home to Indigenous populations whose lands and livelihoods are directly threatened. Strengthening protections in these areas is essential to safeguarding both the environment and the human rights of Indigenous communities. In addition, promoting higher standards in other mining regions will help ensure that development is carefully assessed to prevent harm and uphold the rights of local populations.



The implementation of financial monitoring to detect suspicious activities linked to illegal mining is also essential. This requires close collaboration between financial institutions and regulators to address illicit practices that harm the integrity of the gold market.

Guidelines such as the OECD Due Diligence Guidance and the UN Guiding Principles are essential tools for mitigating risks, protecting human rights, and upholding environmental standards. By following these frameworks, companies can strengthen the legitimacy and sustainability of their operations. Ultimately, these measures empower private sector actors to support the long-term integrity of the gold supply chain while fostering ethical mining practices and protecting critical ecosystems.

- 7. Promoting a Shift Towards a Sustainable Development Model Focused on Societal Well-being and the Productive Conservation of the Environment:** Illegal mining converges with other illegal activities to create criminal ecosystems that replace the role of the State and control local communities. To effectively combat illegal gold mining, investing in both law enforcement efforts as well as economic alternatives is essential. It is important to develop comprehensive strategies to address the structural causes that enable illegal mining, mitigate the environmental, economic and social impacts, and hold those who are directly and indirectly responsible accountable. This approach requires strengthening coordination between different stakeholders in the judicial branch to combat crime convergence, ensuring the interoperability



of information between regulatory and enforcement agencies, and encouraging a cultural shift in judicial systems towards more meaningful consequences for those who commit environmental crimes.

Public-private social inclusion initiatives should focus on technical assistance and income generation, professionalizing operations and offering viable economic alternatives to nature crimes and gold mining. Understanding the profit chain of the illegal gold market is key to developing solutions that can compete and reduce dependency on illegal mining, ultimately improving the quality of life for local communities. Efforts must be made to foster sustainable development and economic growth in the Amazon while preserving the region's forests; sustainable development approaches should focus on social well-being as well as productive conservation of the environment.



Observatorio de minería ilegal
y actividades vinculadas en
Áreas Claves de Biodiversidad