



# REPORT

**Addressing Illegal Gold Mining: International Policy Priorities**

**Online**

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## Chatham House Addressing Illegal Gold Mining: International Policy Priorities

### Context:

On November 18th, the **Chatham House Africa programme**, in partnership with the World Gold Council, organized a panel discussion on the global landscape of **Artisanal and Small-scale Gold Mining (ASGM)**. The panel of experts addressed the criminal exploitation associated with the industry and introduced policy measures to support the sector's formalization. The panel took place in London and was followed online.

The panel of speakers included the **Rt Hon Dominic Raab**, former deputy prime minister of the United Kingdom (2021-2022), the **Rt Hon Helen Clark**, President at Chatham House, **Marcena Hunter**, Director of Extractives, Global Initiative Against Transnational Organizational Crime, **Luca Maiotti**, Policy Analyst, OECD Centre for Responsible Business Conduct, **Brad Brooks-Rubin**, Partner at Arktouros PLLC, and **Ahmed Soliman**, Senior Research Fellow at the Africa Programme, Chatham House. The panel was moderated by **Reade Levinson**, Investigative Reporter at Reuter News.

### Introduction: Keynote Speeches

The panel started with two keynote speeches that introduced the current context and landscape of **Artisanal and Small-scale Gold Mining (ASGM)**.

As explained in the introductory remarks, artisanal and small-scale gold mining is an important source of income globally and represents a significant source of revenue for many communities around the world. However, the activities of mine workers often lead to minimal prosperity due to a lack of safety controls, the presence of criminal groups, political instability, and corruption. **Policy and international action** are essential to tackle the networks driving corruption and illegal exploitation, however, data scarcity in the gold mining sector represents an obstacle in fostering efficient and sustainable solutions.

Gold is the 7th most traded product in the world, accounting for **2% of all world trade**. On the other side, artisanal mining represents **20% of total gold production** and employs **20 million people globally**. Despite its significant economic and trade value, 85% of gold production takes place outside **formal legal frameworks**, consequently, artisanal miners often suffer from poor working conditions, inadequate wages, heavy metal poisoning, and mine collapses.

### The link between Illegal mining and systematic violence

Beyond facing detrimental work conditions, artisanal mining communities are also harmed by the lack of **sustainable and safe supply chains**, attracting unsafe exploitation by **mercenaries and terrorist groups**. The smuggling routes created by criminal organizations not only rob entire nations and communities of wealth, but also have adverse impacts on the environment.

Therefore, illicit profits generated from ASGM sustain criminal organizations with a history of violence and exploitation, allowing for systematic political instability to persist in various regions of Africa (Burkina Faso, Mali, Sudan, Ghana, South Africa), and South America. To showcase an example, in the Central African Republic (CAR), high level government officials grant access to



illegal gold mines to mercenaries in exchange for military security. In Sudan and the Sahel, terrorist groups such as Al-Qaeda use gold to fund their activities and seize power in different territories.

### **ASGM: Key Players and Main Challenges**

Half of Africa's commercial gold production is undeclared, with the primary destinations of ASGM exports being the **United Arab Emirates (UAE), Switzerland, China, and India**. In particular, in the UAE, gold represents a significant source of economic growth, comprising 7% of the kingdom's GDP. Therefore, as the above-mentioned countries continue to import ASGM output, they actively contribute to the financing of terrorist organizations, fueling the instability and violence of various regions.

While the formalization of artisanal mining and its integration into the legal supply chains system has been identified as a key factor to combat illegal gold smuggling and criminal activity, the **lack of transparency in paper-based systems and the financial barriers** faced by rural communities represent a significant barrier in achieving this change. Moreover, **the growing attractiveness of the yellow metal as a source of illegal financial income** in recent years has fueled the expansion of gold-related criminal networks, increasing the difficulty in combating corruption and crime in the sector.

### **Policy Recommendations**

The panel of speakers highlighted the key role of the **ICC, the UN, and Interpol** in reducing terrorist organizations' profits through the **implementation of sanctions, the freeze of assets and the disruption of illicit financial flows**. **Transparency and due diligence** were also emphasized as being key in combating corruption and crime in the sector. For that, better collaboration between banks and governments was deemed to be essential. A call was also made to treat countries such as the UAE, Turkey, Russia, and China, as well as other middle actors, as active forces in conflict-driven mining contexts, stressing the importance of their participation in international dialogues.

Lastly, the panelists underlined the importance of **combining legal frameworks with community empowerment and resilience-building** to combat organized crime effectively, alongside the use of seized gold proceeds to directly benefit communities affected by criminal activities.