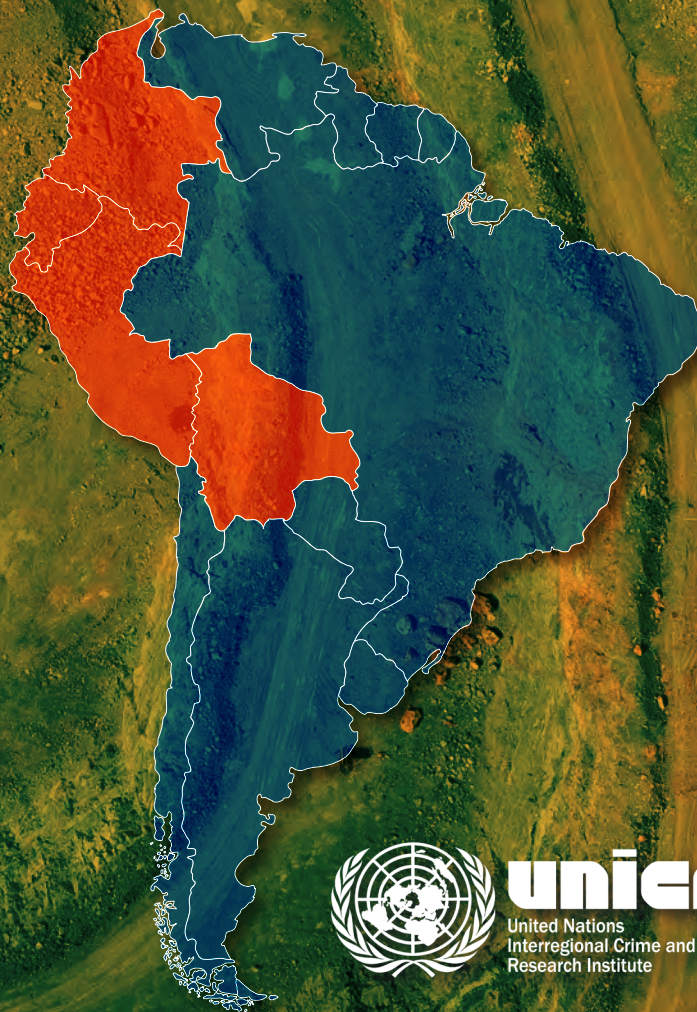


EXECUTIVE SUMMARY

Minerals Crime in the Andean– Amazon Region: Regional Cooperation as a Governance Response



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Illegal gold mining in the Andean–Amazon region has evolved from localized illegal extraction into a systemic, transnational phenomenon embedded within global supply chains. It has converged with organized crime, money laundering, corruption, and human rights abuses to become a multidimensional security threat affecting economic security, the integrity of financial systems, and the rule of law. Record gold prices exceeding USD \$5,000 per ounce in early 2026, combined with rapidly rising demand for critical energy transition minerals (CETMs), have intensified both the profitability of illegal extraction and the urgency of governance responses.

This report examines how regional cooperation can help address the structural limits of fragmented national responses to minerals crime. Using the Andean Community (CAN) and its Ad Hoc Committee on Illegal Mining (CAMI) as a case study, the analysis shows that existing supranational frameworks offer legally grounded and politically viable spaces for coordinated action that no single CAN Member Country can replicate alone. The analysis draws on desk research and practitioner evidence gathered through the High-Level Strategic Meeting (RANE) held in Lima, Peru, in October 2025, convened jointly by the Secretaría General de la Comunidad Andina, the Peruvian Ministry of Foreign Affairs, United Nations Office on Drugs and Crime (UNODC), and United Nations Interregional Crime and Justice Research Institute (UNICRI). The four-pillar analytical framework developed in the report is intended to inform broader dialogue on minerals crime governance beyond the Andean context.


— KEY MESSAGES

Seizures and arrests at extraction sites often displace criminal activity rather than dismantling it.

Criminal networks in illegal gold mining operate as decentralized, adaptive systems that reconfigure rapidly under pressure – shifting routes, actors, and structures across territories and jurisdictions. Seizures and arrests at extraction sites often produce displacement rather than disruption. Criminal operations depend not only on illegal miners but also on legal actors – mining cooperatives, transport providers, customs officials, and financial intermediaries – who may act as complicit enablers. Durable impact requires sustained pressure across the enabling infrastructures of illegal gold mining – financing, inputs, logistics, commercialization nodes, and financial flows – rather than extraction sites alone.

Gold and critical energy transition minerals require distinct governance approaches.

Illegal gold mining continues to present the most mature and visible manifestation of minerals crime in the Andean–Amazon region, reflecting established illicit extraction economies and entrenched cross-border trafficking networks. At the same time, governance risks are increasingly apparent in sectors involving critical energy transition minerals, particularly copper, tin, and zinc, where production is often traded as polymetallic concentrates through complex supply chains



in which regulatory oversight remains limited. In these supply chains, the primary vulnerabilities differ structurally from those associated with gold. Misclassification of mineral content, under-valuation at the point of export, and illicit insertion at port-level nodes present distinct challenges. Strengthening anticipatory regulatory frameworks for these minerals represents a time-sensitive governance priority for the region.



The financial dimensions of minerals crime remain insufficiently addressed.

Shell companies, layered structures, nominee arrangements, and trade-based money laundering allow criminal proceeds to be recycled even when mining operations are disrupted. Where illegal mining is not recognized as a predicate offence for money laundering, financial investigations, mutual legal assistance, and asset recovery mechanisms cannot be deployed, even when criminal proceeds are evident. Performance metrics focused on seizures rather than financial disruption leave criminal networks economically intact.



Traceability systems are only as strong as the governance surrounding them.

Several CAN Member Countries have developed government-led data collection, supply chain transparency and traceability tools, and this existing capacity confirms that the primary regional challenge is not a shortage of technology. It is a connectivity gap: national systems are often not designed to communicate with each other, making it impossible to detect anomalies that only become visible when production, export, and import data – both within and across countries – are compared simultaneously. Document-based compliance systems alone are insufficient where minerals are produced and traded in weak governance areas or cross multiple jurisdictions before reaching international markets. Traceability supports accountability only when it is interoperable within agencies of the same country and across borders, not when it operates as a parallel formal compliance exercise disconnected from enforcement.



The building blocks for an effective regional response already exist – the challenge is connecting them.

The governance gap in addressing minerals crime in the Andean region is not primarily a function of missing legal instruments or insufficient political commitment. The Andean Community possesses a supranational legal architecture, an operational political coordination platform in CAMI (an ad hoc committee on illegal mining), and nationally developed data collection and traceability tools. The central challenge is translating these existing elements into a coherent regional system, through aligned definitions, linked data, integrated financial investigations, and sustained coordination across the full supply chain. Criminal networks are already operating as regional systems; the governance response must match that scale.

— RECOMMENDATIONS

The report identifies four interdependent pillars for effective regional action and advances the following priority recommendations:

PILLAR 1 POLICY HARMONIZATION

- * Advance minimum common standards on definitions of illegal mining and critical minerals to close the regulatory grey zones that enable cross-border arbitrage.
- * Promote convergence in recognizing illegal mining as a predicate offence for money laundering, consistent with FATF standards, across all CAN Member Countries.
- * Develop shared regional typologies and risk classifications for gold, polymetallic concentrates, and selected CETMs.
- * Reorient mineral supply-chain governance from an extraction-centric focus toward an integrated approach covering processing, transport, commercialization, and export, with an emphasis on supply chain due diligence obligations in the trading sector in accordance with OECD standards.
- * Integrate safeguards for human rights, Indigenous Peoples' rights, and environmental protection into harmonized frameworks to ensure the legitimacy and sustainability of enforcement actions.

PILLAR 2 INSTITUTIONAL AND OPERATIONAL COORDINATION

- * Move from ad hoc cooperation toward routine, sustained cross-border coordination mechanisms, building on existing CAN/CAMI structures and the standing platform model of CCPI-Amazon.
- * Adopt structural investigation models prioritizing criminal organizations, facilitators, and command-and-control structures over site-based enforcement.
- * Institutionalize joint investigation teams or equivalent standing arrangements with clear mandates, protocols, and sustainable resourcing.
- * Strengthen comprehensive control of critical inputs, including mercury, cyanide, explosives, fuels, and heavy machinery, through mandatory registries, technical marking, GPS tracking, and differentiated quota systems.
- * Develop common operational risk indicators for high-risk corridors, ports, and processing nodes to enable shared early-warning systems across CAN Member Countries.
- * Incorporate community-based monitoring and local early-warning systems as complementary inputs to enforcement in remote areas, alongside robust protection mechanisms for environmental defenders and Indigenous leaders.

PILLAR 3 FINANCIAL INTELLIGENCE INTEGRATION

- * Systematically integrate parallel financial investigations into all operations targeting illegal mining and minerals trafficking.
- * Strengthen cooperation between financial intelligence units, tax authorities, prosecutors, and mining authorities on asset tracing, beneficial ownership analysis and disclosure, and trade-based money-laundering detection.
- * Rebalance performance metrics toward financial disruption, asset recovery, and decapitalization alongside arrests and mineral seizures.
- * Expand regional typology work on mineral-linked illicit financial flows through GAFILAT and CAMI cooperation.
- * Use production-export discrepancies and ghost production indicators as systematic triggers for financial scrutiny.
- * Support specialized training for financial investigators, prosecutors, and judges on complex corporate structures and cross-border asset recovery linked to mineral trade.

PILLAR 4 INTEROPERABLE TRACEABILITY INFRASTRUCTURE

- * Develop minimum regional data standards allowing comparability across mining cadastres, customs systems, and fiscal registries, prioritizing interoperability over uniformity.
- * Prioritize mid-stream nodes, including processors, traders, and export points, in risk-based traceability approaches.
- * Advance mandatory beneficial ownership transparency for licence-holders and mineral traders by fully implementing and extending EITI Requirement 2.5 across CAN Member Countries, and by ensuring that beneficial ownership registries are interoperable with financial intelligence units, customs, and tax authority systems.
- * Pool access to high-cost forensic tools, including mineral fingerprinting, isotopic analysis, satellite monitoring, and trade data analytics, through regional cooperation rather than project-based deployment.
- * Promote harmonized sampling, laboratory, and chain-of-custody protocols to strengthen evidentiary admissibility across jurisdictions.
- * Advance interoperable traceability systems that combine physical marking, secure digital infrastructure, and data management tools to preserve provenance information across the supply chain, including at stages where material becomes difficult to distinguish through documentation alone. These systems should be embedded in nationally governed platforms and connected regionally.



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