

World Gold Council

In particular, thank you very much for all the work that you, your colleagues, and your team have put into this event. I think it is truly exceptional what your team has produced and the wide range of interests and agencies that have been mobilised. So, thank you very much for that, and we, as the World Gold Council, are delighted to be a part of this with you.

At this time, I need to speak to you about the formation of the Global Coalition for Action on Artisanal and Small-Scale Mining. We deliberately did not call it a coalition for action against illegal mining because we did not want it to be focused only on punishments and penalties, but also on how we can elevate standards within the sector. And I think the context is that, as the people ensuring this have mentioned, at the turn of the century, small-scale mining accounted for 4% of production—that is \$250 per ounce. We do not actually know for certain what the size is. We say there could be 20 million small-scale miners. And these livelihoods are really important. But we do not know if it is even 20 million, because there are many people who do not want to be accounted for.

One of the things that we, as a global coalition, are looking to do is to try innovative approaches using big data, satellite technologies, among others, to tackle the data-related challenges, so that we can have a little more confidence about the actual size of the sector. Knowing its dimensions can help to better understand the scale of the problem, because, at the moment, we have \$2,750 per ounce. We have an illicit economy of \$100 to \$120 billion. Some of that is going into the pockets of the miners, but it would be a better thing if it could be in an organised manner. However, a large portion is also going into the pockets of malign actors, who are trying to undermine the stability of countries and systems of governance, and who do not care about the environment. We are partners with the IGF, and, although they are not here today, also with the World Bank. We started talking about a year ago about why the situation is getting worse with legal money, why the scale is increasing, and the impacts on the environment and governance are worsening. And why are we failing to advance?

In part, I think we have come to the conclusion that we are still treating this, in some ways, as a subsistence phenomenon. The way this phenomenon has been managed needs to change; it needs a higher priority and must be addressed with all the complexity and on all the necessary fronts. Because there are malign forces corrupting public services. We heard in the last presentation about political financing, issues related to organised crime, terrorism, armed groups, human trafficking, drug use. And due to the use of gold as a parallel currency, it is also enabling many other things. This is not happening because gold is bad, but rather because of the people who are doing these bad things.

We have been trying to bring this to the attention of some of the international community through the G7. As my CEO said, they would take this agenda to the G20, the BRICS, the European Union, looking at the flows in and out and the impacts to take a step forward in how these issues are being addressed. I was very impressed with comments such as “illegal mining kills,” which, ultimately, is true. And about there being an epidemic of criminal activity. We need to make this scenario vivid. That is why we are partners with the IGF and the World Bank. We have launched, or it is in the process of being launched, an initiative: the Global Coalition. And the three partners are like the engine room. But on the board will be the OECD, the UN Office on Drugs and Crime, the London Bullion Market Association, the UN Environment Programme, the central banks purchasing group, the Alliance for Responsible Mining, representatives of small-scale miners and a separate grouping of governments, including Brazil, the United Kingdom, and Switzerland, among others. We also need to work out how to mobilise the voice through an international organisation of the miners themselves, as nothing will work if we do not understand their perspectives. Additionally, we are looking to develop a secretariat. And, in terms of the implementation of the coalition, there are two main axes.

First: to create countries where global or national coalitions, which are part of the global coalition, will be established. At the moment, if we look at the actors I mentioned, we are in the coalition. And, then, thinking about the national level, many of them are doing things at that level, but not necessarily talking to one another. There are many efforts happening under the leadership of governments, and we need to see all this effort better coordinated, more coherent, holistic. Thus, national coalitions involving, bringing together all the key governmental and law enforcement agencies, industry and private sector, local governments, civil society groups and the miners, to identify synergies, share good ideas faster, realise where people are doing things wrong, because many people are doing similar things without communicating.

This is one of the strategies we are trying to implement. And we very much hope to see Brazil at the forefront of this process. Because, among other things, Marina and I are extremely impressed with the commitment and energy dedicated to tackling the issues of illegal mining.

And, secondly, there will be several thematic working groups. One of the fronts is to look at issues such as traceability, processing plants, supply chain infrastructure. And the second one, which is difficult to structure, has just had its first design workshop, led by Marina, on law enforcement and how to bring together a set of actors, including Interpol, UNODC, OECD, the Organisation of American States, the Financial Action Task Force, the Voluntary Principles on Security and Human Rights, among others. The idea is to think about how to create an infrastructure that facilitates the sharing of experience, as not all these forces are experts in gold-related crimes. How can we help foster the exchange of knowledge, ensuring also that, when issues go beyond the national level, we

do not lose the traceability of the crime? That is another major objective we are pursuing. I have been a little indiscreet today because this is only due to be launched at the annual IGF meeting in November. There are still one or two decisions to be made, but I believe we can state this with some degree of confidence. And we think we have a lot to learn from Brazil and, hopefully, other members of the coalition will also have things to offer Brazil by way of support.

Mariana Ruete, IGF

It is very important for us, as the IGF, who work with governments, to know that it is the governments who will lead the work in the countries. The most important message is that this is a global coalition. The idea is to bring global resources to action in the countries—it is very important that it is action. The idea is to bring resources to the mining operations, to where the challenges are for each of the countries. For us, the leadership of each government is very important in indicating to us where those challenges lie and where they need support.

So, these two days have been very good as a variation for us, but it will be very important for the government to indicate to us where the challenges are, where resources are needed. And the idea of the coalition is to bring together all the organisations that are working in silos around the theme of mining, around illegal mining, and also to bring the opportunity for those global organisations to say: "In Brazil, this is needed." Someone needs to work on that challenge and bring attention to these countries. That is the idea of the coalition. If Brazil is the first country, then it will be able to have a bit of power, because that means saying: "Please, let resources be allocated here." So, we hope to be able to help in the future. We hope that now, in October, Brazil will be approved as the first country and published as such.

Casa da Moeda (Brazilian Mint)

We had the opportunity to hear directly from the various institutions that participate in the market. This is incredible because it enables us to strengthen our conviction regarding the challenges we face—which are not few—and also the very significant opportunities. We have some highly important values that will need to be reconciled, such as environmental value, public security value, the issue of organised crime, the social issue which is very important for the garimpeiros (artisanal miners), and the economic importance. All these challenges that are imposed together truly motivate us to work towards a solution.

We believe that the Casa da Moeda is very well-positioned to take on a part of this work. That is, we are not in a position to carry out inspection work, for example. But we have over 300 years of experience in certifying things securely; we have the experience of validating things and controlling value. So, I think this puts us in a very privileged position for the development of this tracking system, which is our intention.

Now, one aspect that is very important for us to be aware of is the limitations of this work and the necessities. That is, this work will enable tracking, but for it to be effective, the data must be used not only by the agency but also by the various actors involved. So, in reality, in an excellent scenario for this implementation, these pieces of information would be shared with all relevant public sectors so that they can effectively use the information. Without the information, we will not get anywhere.

However, in addition to producing the information, we will need all participants to align with us, even in the elaboration and formatting of the tracking, so that we can build a tracking system that is usable—something that will not remain static in a database, in a 'big data' environment, with that gigantic amount of data. Our intention is truly to build this tracking base so that it is something that is used, something that both human intelligence and artificial intelligence can utilise. Naturally, with artificial intelligence, the trend is that we build very large databases, which are sometimes very difficult to achieve. Our vision is that, if the participants of this system are willing to use the information, we will truly be able to take a significant qualitative step in this segment within a relatively short period of time. I hope that we can contribute so that this very important segment becomes a little more transparent, has slightly better governance, and basically, that is our expectation.

Brazilian Mining Agency

This marks the close of a journey that has proven to be highly productive and rich, with its nuances of complexity. We have received some valuable lessons here; we have been provided with data, information, and figures, and we have managed to obtain a very comprehensive panorama of the problem we must confront—a problem we need to tackle with serenity, intelligence, using our installed capabilities and the capacities we need to develop for this confrontation.

We clearly perceive the complexity. This is not a problem of today, nor is it exclusive to Brazil. It is a problem that spans other locations, other regions, and other countries. And similarly now, we have a broader global perception concerning these situations that affect this important economic activity, which, as I said on the first day, even has a cultural tone within the country. The term *garimpo* (artisanal mining) also carries this component. *Garimpo* comes from *grimpa*, which means hilltops, from a time when some people would flee there to extract gold away from the gaze of the state owners of the past. Thus, the expression *garimpo* comes from there, a term that is quite cherished, even though the activity itself is often execrated. However, it is provided for and enshrined in the National Constitution itself. We even have a law here in Brazil called the *Estatuto do Garimpeiro* (Artisanal Miner's Statute). So, we have an entire legal and judicial framework that addresses how to carry out this exploitation of the activity, which must be genuinely legal. And we obviously have these deviations of conduct that have been occurring and

the introduction of other illicit activities that circulate within it, which were very well highlighted here over these two days.

I believe we succeeded, and I register this with great joy because we managed to build this event; we secured this support and enthusiasm from the World Bank, the IGF, and the World Gold Council. With the Casa da Moeda (Brazilian Mint), we also constructed this agreement, an agreement that substantially signals a demonstration that we have every intention of deploying the apparatus of the Brazilian State. We had the Polícia Federal (Federal Police), the COAF, and several other bodies and institutions here that can and must interact and form our national coalition so that we can face this challenge.

Therefore, this is a confrontation not only of the afflictions but, above all, of improving the quality of mining activity in Brazil. This is important so that we can have new horizons for a more robust, more respected market—a product that can truly transit worldwide and is known as a product that will not be stained by any drop of blood. So, this is important for us as a country and is important for the global industry. The expression 'global coalition' is very apt within the framework we have seen here.

I would also like to make a few acknowledgements here: Dr. Frederico Bedran, who has been studying the subject since his time at the MME (Ministry of Mines and Energy) and is now at a stage where he is executing good actions in this regard and helped us to build this event; our teams from the Brazilian Mining Agency, especially our master of ceremonies, journalist, and communications advisor; and Luiz already made a reference which I will follow up on, and I am very saddened by the absence of my chief of staff, Andreia, and Marina, who have always been highly engaged, but both succumbed to domestic difficulties and have been affected by health problems and are on leave. However, I wish they were here to see how their commitment was fundamental for reaching this point.

So, it was a victorious, rich journey, and I believe everyone has woken up to the necessity of collaborative contribution; the construction of positions; the idea of collective construction remains present here so that we can take the next steps. Brazil, the Brazilian Mining Agency, is committed to the Global Coalition because we know our role, we know the importance that the country and our gold industry have for the world itself. Therefore, we must compose, be together to increasingly find solutions to improve this business and activity environment, taking care of people, taking care of the environment, and, very well nicknamed, Responsible Gold. We are responsible for ensuring that gold is responsible.