



Gold and Grief in Venezuela's Violent South

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Principal Findings

What's new? Venezuelan crime syndicates and Colombian guerrilla groups are creating new threats across southern Venezuela as they compete for control of the region's valuable mineral resources. Tensions and violence have spiked in recent months, and could worsen in the midst of Venezuela's presidential crisis.

Why did it happen? The ongoing economic crisis has driven many impoverished Venezuelans into working in the illegal mining sector. Armed state and non-state actors, Colombian guerrillas foremost among them, have also expanded in this resource-rich region. Fast-declining oil production has turned gold mining into a vital source of revenue.

Why does it matter? The presence of organised crime and guerrilla groups harms communities, diverts scarce resources and prompts sky-high murder rates. Their expansion and cross-border operations, especially into Colombia, risk destabilising the entire region at a time of extreme uncertainty in Venezuela.

What should be done? Providing humanitarian care for affected populations, preserving communications between neighbouring armed forces, and restarting peace talks with rebels in Colombia are essential next steps. Sanctions targeting gold exports are counterproductive and should be abandoned in favour of stronger due diligence on mineral trading.

Executive Summary

Far from Venezuela's centres of power where the fight to decide the country's political future is being waged, the vast tropical regions to the south are exposed to acute risks of intensifying conflict. Rich in gold and rare metals, Bolívar and Amazonas states have caught the eye of officials pressed to compensate for declining oil revenues and general economic collapse. At the same time, violent criminal groups have asserted control over mining communities, often in league with authorities. More recently, Colombian guerrillas and former rebels have crossed the Orinoco River to seize their share of the largely illegal mining industry. The riches and rebel proliferation in the south complicate prospects for a peaceful transition in Caracas by reinforcing military resistance to political change and stoking risks of cross-border violence and low-intensity warfare. Humanitarian attention for populations in the south, regular communication between neighbouring armed forces, renewed efforts to make peace with the guerrillas and cleaning up the gold trade will prove vital to easing tensions and protecting vulnerable Venezuelans.

Local, largely indigenous communities at the frontline of the spread of illegal mining and expansion of criminal or rebel groups now face the greatest hardships. Exposed to terror meted out by armed outfits seeking to enforce obedience, with homicide rates in some mining towns reaching extraordinary highs, these residents also face the effects on their health and environment from mercury spill-offs and a malaria epidemic. Extreme isolation and an oppressive state and security force presence silence many of these communities. These tensions surfaced on 23 February, when Venezuelan security forces killed at least three protesters and forced an indigenous mayor into exile during an attempt to bring humanitarian aid from Brazil.

Venezuela as a whole plunged into a deeper crisis on 23 January when, in the wake of presidential elections widely deemed unfair, National Assembly chairman Juan Guaidó laid claim to the post of interim president. The U.S., Canada and several Latin American and European states endorsed the move, but incumbent Nicolás Maduro is unlikely to relinquish power easily. In this already tense climate, entrenched financial interests and instability in the south could undermine the prospects of a peaceful change of leadership. Illegal mining profits are one of the armed forces' most coveted revenue streams; their desire to protect that income reinforces their loyalty to Maduro and gives the government an economic lifeline.

Armed groups exploiting the isolated terrain and limited government presence in the southern regions present other risks of violence. Cross-border movements of the Colombian guerrilla National Liberation Army (ELN) or dissident factions of the Revolutionary Armed Forces of Colombia (FARC) operating in the mining regions could provoke a flare-up between Colombian and Venezuelan armed forces. Given the animosity between the two states and Venezuelan support for the ELN, Bogotá may well perceive future ELN attacks on Colombian soil as a strike ordered by Caracas.

Should foreign forces intervene in Venezuela to depose Maduro at Guaidó's request, these rebel groups could be drawn to supporting the cause of the incumbent government and, in the very worst case, perpetuate a low-intensity conflict. At the same time, loyalties on the ground in southern Venezuela are volatile and unpredict-

able. Eyewitness testimonies point to regular collusion between non-state armed groups operating protection rackets in and around mines and officers from Venezuela's National Guard and regional military command. Former military and intelligence officers allege that complicity with these operations reaches the top ranks of the government and armed forces, where international gold sales from the "Mining Arc" are coordinated. But factional rivalries plague all of these illicit relations. Last November, the ELN and National Guard engaged in a skirmish that killed four guardsmen. Fighting between the ELN and Venezuelan criminal groups, known as *sindicatos*, is also common, and has driven both groups closer to mining areas on the Guyanese border.

Awareness of the potential for worsening violent unrest in Bolívar and Amazonas should inform regional and international policy toward Venezuela, especially in the event of a change in leadership. Colombian and Venezuelan armed forces stationed on the frontier should acknowledge the grave risks that cross-border rebel movements pose to regional peace and preserve channels of communications to clarify suspect incidents and prevent skirmishes involving non-state armed groups from escalating. Although peace talks between the Colombian government and the ELN fell apart following the bombing of a police academy in Bogotá in January that killed 22 people, Colombia should be ready to renew negotiations if signs emerge that the guerrillas are willing to embark on serious talks.

Outside powers and the Venezuelan opposition should also curb calls for a foreign military intervention in Venezuela, which only serve to galvanise these groups to fight foreign armies and protect their patrons within the Maduro government. Colombian authorities should entirely discount the possibility of a military incursion into Venezuela to strike the ELN given that it would expose civilians to even greater levels of violence.

Meanwhile, the south is in urgent need of humanitarian aid, as well as a major health assistance program aimed at containing its malaria epidemic. The gold mining industry, which sits at the heart of the region's health and environmental risks, as well as its profusion of armed groups, also merits a concerted international response. Sanctions on gold exports, as proposed last year by the U.S., would in all likelihood increase traffickers' control over the trade. Weaning gold away from the circuits of criminals and corrupt officials will instead require a gradual transformation of southern Venezuela's mining enclaves, based on the enforcement by OECD member states of international due diligence guidelines on gold and coltan trading.

The contest for the presidency in Venezuela has raised fears that the country could succumb to chaotic and violent disintegration. With no place more vulnerable to this fate than the southern regions, what happens in Bolívar and Amazonas constitutes an acid test of whether this deeply polarised country can exit its crisis in peace.

Bogotá/Caracas/Brussels, 28 February 2019

Gold and Grief in Venezuela's Violent South

I. Introduction

An ongoing fight for the presidency, appalling economic hardship and the flight of millions of migrants and refugees command most international attention to Venezuela. By contrast, developments in the country's remote and sparsely populated southern regions, bounded by the Orinoco River, the Brazilian savannah and the jungle border with Guyana, tend to go unnoticed. But criminal violence, state repression, extreme scarcity and contraband smuggling in the southern mining regions pose acute security challenges and a serious threat to regional stability.

At the root of the south's predicament is a national economic meltdown. Venezuela's oil production has halved since 2014, driving the state to exploit other sources of revenue.¹ On 26 February 2016, President Nicolás Maduro created a new legal framework for mining, including the creation of the "Orinoco Mining Arc", described as a "complex and ambitious strategic plan to attract investments".² He announced \$5.5 billion in mining deals in 2016.³ Two years later, in an address to the UN General Assembly, Maduro claimed that Venezuela has potentially the world's largest gold reserves. The country also has plentiful deposits of the valuable metal coltan, diamonds and even uranium.

But the Venezuelan state and foreign investors are not the only parties fuelling the mining rush. Organised criminal networks and illegal armed groups have staked control over different parts of the region, where they command obedience in most of the mining towns and over an estimated 300,000 miners.⁴ Importantly, not all of these groups are Venezuelan, but increasingly feature Colombian guerrillas and dissident rebels who are expanding their presence along a largely unmonitored border in the wake of their faltering peace processes.⁵ Their activities will have a significant

¹ "Monthly Oil Market Report," Organization of the Petroleum Exporting Countries (OPEC), 12 December, 2018. For more on the origins and uses of mining as a rent-seeking activity, see Luis Llambí, "Rentier States and Neo-Extractivism: Venezuela's Orinoco Mining Arc Program", paper prepared for the Emancipatory Rural Politics Initiative 2018 conference; and Edgardo Lander and Santiago Arconada Rodríguez, "Venezuela: un barril de pólvora", *Nueva Sociedad*, no. 269, May 2017.

² "Venezuela invertirá ingresos de la minería en Misiones Sociales", *Telesur*, 5 August 2016.

³ "Venezuela says signs \$5.5 bln mining deals with companies", *Reuters*, 26 August 2016. Since then, a variety of international investors in the Arc have been publicly announced, though no concrete legal business projects have got underway.

⁴ Corina Pons and Maria Ramirez, "How Venezuela turns its useless bank notes into gold", *Reuters*, 10 February 2019.

⁵ FARC dissidents are breakaway groups that oppose the peace deal signed between the guerrillas and the Colombian state in November 2016. Dissident groups also feature new recruits, sometimes coming from other organised crime outfits. A number of former FARC fighters that demobilised joined dissident groups at a later stage when implementation of the peace agreements started to falter. An estimated 6,500 demobilised FARC combatants have left the Colombian camps meant to help reintegrate them into civilian life. See Crisis Group Latin America Report N°67, *Risky Business: The Duque Government's Approach to Peace in Colombia*, 21 June 2018; Adriaan Alsema, "Colombia's FARC members massively deserting reintegration process and rearming", *Colombia Reports*, 14 November 2018.

impact on regional peace and security; one of these guerrilla groups, the National Liberation Army (ELN), detonated a car bomb in the parking lot of a police academy in Bogotá on 17 January 2019, killing 22 and wounding dozens more. In response, Colombian President Iván Duque terminated already suspended peace talks with the ELN,⁶ clearing the way for a renewed counterinsurgent offensive against a group that straddles the border with Venezuela and enjoys support and protection from parts of the Venezuelan government.

Meanwhile, the massacre in October 2018 of sixteen miners near the town of Tumeremo in the southern Venezuelan state of Bolívar crudely illustrated the intensity of violence involving armed groups around mining areas.⁷ But this was not the only mass killing in the region. Media reports indicate that twelve massacres have occurred in Bolívar state since 2016, with 107 killed.⁸ The true figure is sure to be much higher; many murders go unreported because they take place in remote places, often inhabited by indigenous people, with limited transport or communication infrastructure. Victimised communities fear speaking to outsiders, even when relatives go missing.

More than two years after Maduro's Mining Arc decree, the promised big investors and mining firms have so far stayed away. The spread of violent actors in the region and the ravages of wildcat mining operations are harming indigenous territories and their fragile ecosystems. Indigenous groups, sometimes armed, have fought back against the incursions of mining operations. Non-state groups and state forces are clashing more frequently. And as the illegal mining bonanza expands, the border regions of Guyana, Brazil and especially Colombia are becoming more exposed to violence and unrest from southern Venezuela. Against a backdrop of heightened tensions and withering diplomatic relations between Venezuela and its neighbours, the turmoil in these border areas have now become a potential flashpoint for future conflict.

Field research for this report included over 100 interviews with experts, community leaders, military officers and former and current miners and mineral traders along the Venezuela-Colombia border. A two-day workshop with 15 indigenous representatives from Venezuela in late 2018 helped pinpoint the main risks of conflict and instability in the country's mining regions.

⁶ Duque announced a day after the bombing that the government was reinstating arrest warrants against the members of the ELN's delegation to the peace talks in Cuba. "Cuba, Colombia face standoff over extradition request for ELN rebels", Reuters, 19 January 2019.

⁷ At least sixteen were killed in the shootout started by ELN guerrillas in Bolívar state, supposedly in retaliation for a previous shootout in August 2018 where thirteen people were killed. The first known mining-related massacre occurred in March 2016, when 28 people were killed in the mines near Tumeremo.

⁸ Carlos D'Hoy, "107 personas han sido asesinadas en 12 masacres en Bolívar desde 2016", *Runrun.es*, 17 October 2018.

II. Illegal Armed Groups in Southern Venezuela

Local criminal groups, Colombian guerrilla and dissident insurgent factions, and corrupt elements of the security forces control vast areas south of the Orinoco River. Due to Venezuela's fast shifting politics and the economic attractions of mining, the landscape of armed actors has transformed in recent years. Collaboration between armed state and non-state actors is sometimes overt but usually hard to detect.

A. Criminal Groups and Colombian Guerrillas

The main criminal organisations in Bolívar state are either *sindicatos* (literally “unions”) or gangs run by so-called *pranes*. A *pran* is the boss of a criminal group normally dedicated to drug trafficking and extortion who often runs his operations from prison. The *sindicatos*, meanwhile, emerged from the construction workers' unions in Bolívar's two main cities, Puerto Ordaz and Ciudad Bolívar. According to workers, construction unions regularly obtained labour contracts in the building industry through intimidation and extortion, and were already operating as organised crime outfits before the economic crisis caused the industry to contract.⁹

The *pranes* and *sindicatos* have in effect merged into one single criminal phenomenon, although violent clashes between competing groups still flare up. Venezuela's economic woes have forced them to diversify their portfolio of illicit activities, in turn prompting their expansion and aggravating disputes over territorial control. “Right now, the *pranes* don't need to get their weapons from the government because they have enough gold to buy their own weaponry,” says a NGO representative.¹⁰ The military has allegedly sometimes armed the *sindicatos*, who operate in alliance with state security forces that in return receive payments in gold, but at the same time these criminal gangs have become more independent and harder to control as they gain ground and expand their political and economic influence.¹¹

⁹ Crisis Group interviews, Venezuelan Observatory of Violence, 13 December 2018; local journalist, 15 February 2019. *Sindicato* leadership extorted both workers and contractors in the construction sector. Contractors were threatened with paralysis of their building projects if they did not pay protection money, while workers were given jobs in exchange for similar payments. Mining became an alternative for these groups after the downfall of the construction sector.

¹⁰ Crisis Group interview, NGO representative in Bolívar state, 22 December 2018. All weapons in Venezuela derive from the state, which controls imports and productions. “From there on, a dyke is broken and criminal gangs, *pranes*, armed *sindicatos* and all criminal factions are served”, said a representative of the NGO Control Ciudadano. Crisis Group interview, senior official of Control Ciudadano, 7 January 2019.

¹¹ Crisis Group interviews, Venezuelan Observatory of Violence, 13 December 2018; NGO representative in Bolívar state, 22 December 2018; opposition deputy Américo de Grazia, 7 January 2019. The government has not publicly addressed accusations about the relationship between state forces and *sindicatos*. On two occasions in November 2018, Maduro accused opposition lawmakers Américo de Grazia and Andrés Velasquez of getting their money from “gold mafias” that should be “extinguished and disappeared”. Both opposition lawmakers categorically denied their involvement and denounced Maduro for threatening their lives. On the issue of alliances with state forces, Crisis Group interviews between July and December 2018 with miners, indigenous leaders, local journalists, ex-intelligence sources, academics, a former FARC combatant and NGO workers confirmed that Venezuela's armed forces are deeply involved in illegal mining economies and reap the illicit

To the west of Bolívar, bordering Colombia and Brazil, is the state of Amazonas, which historically has provided a point of entry into Venezuela for Colombian leftist guerrilla groups, namely the Revolutionary Armed Forces of Colombia (FARC) and the National Liberation Army (ELN). These groups operated in the country before the late President Hugo Chávez came to power in 1999, but have gained a much firmer foothold over the past two decades as a result of their ideological affinities with the governments of Chávez and Maduro and evermore overlapping economic interests. Official Venezuelan tolerance of Colombian guerrilla groups, however, predates the mining boom in the south of the country. An early indication of the state's leniency came in 2005, when National Guard Lt. Colonel José Humberto Quintero was jailed for capturing FARC leader Ricardo González, the group's so-called "foreign minister".¹² In doing so, the Venezuelan government signalled that the guerrillas could operate with impunity.¹³

The FARC, once Colombia's biggest insurgency until it laid down its arms in 2017, found in Venezuela both a safe haven for evading Colombia's armed forces and a new territory to expand lucrative drug trafficking and illegal mining activities.¹⁴ On taking office and especially after regaining power after a failed coup attempt in 2002, President Chávez allowed Colombian guerrillas to cross into Venezuela more easily.¹⁵ In a 2008 address to parliament carried live on television, Chávez insisted that neither the FARC nor the ELN was a terrorist group but "genuine armies" and "insurgent forces with a political goal".¹⁶ Despite Chávez's call later that year for the guerrillas to demobilise, the FARC continued to make use of Venezuela as a strategic rear-guard, moving fighters, weapons and kidnapping victims across the border.¹⁷

benefits from these by taxing mineral production, trafficking of the minerals and extorting related economies such as prostitution, food and fuel transport. See also Antulio Rosales, "Beyond Oil but in the Wrong Direction: Resisting the Orinoco Mining Arc", Washington Office on Latin America, 27 June 2016.

¹² The National Guard is one of the four components of Venezuela's armed forces. They report directly to the president and their units are spread across the country. They are charged with preserving internal order and defending the nation against any threat. National Guardsmen are conspicuously present throughout the whole country and operate many checkpoints that can be found on all major road networks.

¹³ "Humberto Quintero, torturado y sentenciado en un tribunal ilegal, es el número 5 de los Caracas Nine", Human Rights Foundation, 16 January 2008.

¹⁴ Ramón Rodríguez Chacín, a former Venezuelan interior minister, was accused by the U.S. Department of the Treasury in 2008 of financing weapon purchases by the FARC. Colombian intelligence services reported that Chacín was the intermediary between the Venezuelan government and Colombian guerrilla groups FARC and ELN, at least from the early 2000s. See "Por apoyo a Farc, E.U. congela bienes a ex ministro venezolano Ramón Rodríguez Chacín", *El Tiempo*, 12 December 2008. The then Venezuelan ambassador in the U.S., Bernardo Álvarez, dismissed the allegations as "non-corroborated" and said that the Colombian government was trying to build a case in the media against Venezuela that would serve its own political purposes. Simon Romero, "Venezuela still aids Colombia rebels, new material shows", *The New York Times*, 2 August 2009.

¹⁵ "FARC en Venezuela, Un huésped incómodo," Programa de Cooperación en Seguridad Regional, December 2010.

¹⁶ "Chávez: las FARC 'no son terroristas'", *La Nación* (Argentina), 12 January 2008.

¹⁷ In June 2008, Chávez declared that "the guerrilla war has passed into history". "Chávez: la guerrilla pasó a la historia", BBC Mundo, 9 June 2008. "FARC en Venezuela, Un huésped incómodo," Programa de Cooperación en Seguridad Regional, December 2010.

The ELN, Colombia's second largest guerrilla group with an estimated 2,000 fighters inside that country, has been crossing regularly into Venezuela for decades.¹⁸ The ELN operates in at least thirteen out of Venezuela's 24 states, while several of its leaders live in Venezuela.¹⁹ According to Fundaredes, a Venezuela-based NGO, the ELN controls radio stations, influences school curriculums and is closely connected to local politicians.²⁰ Despite taking part in peace talks from 2017 to January 2019, it has also reinvented itself in Venezuela, absorbing new recruits and shifting from a guerrilla force that embraced armed resistance against Colombia's ruling elites to one with many core operations in Venezuela.²¹ "The Colombian guerrillas are not border guerrillas," said a local NGO director. "Though they have camps throughout the border region, their activity in Venezuela is nationwide".²² An ELN camp even reportedly exists in the Sierra de San Luis, located between Lara and Falcón states, within 30 kilometres of the Caribbean coast. This foothold could grant them control over trafficking routes toward the Dutch Caribbean.²³

¹⁸ See Crisis Group Latin America Report N°68, *The Missing Peace: Colombia's New Government and Last Guerrillas*, 12 July 2018. Crisis Group interview, senior ex-ELN leadership, October 2018. Carlos Velandia, a former ELN commander, wrote in an article for press agency EFE that about 70 per cent of the ELN has for 40 years been operating across and along the border with Venezuela. ELN territorial strongholds have been located along the Venezuelan border since the group's creation in 1964 and their spheres of influence reached into Venezuela from their early days. "Intervención militar desataría guerra en Venezuela: exguerrillero del ELN", *El Espectador*, 1 October 2018. Socorro Ramírez, a Colombian political scientist, argues that the ELN's historic presence in Venezuela developed through two phases: Colombian illegal armed actors started to operate in border areas and conduct attacks in Venezuela (1983-1995), and conflict intensified as these groups fought for territorial control and for access to trafficking corridors, affecting local populations (1996-2003). Socorro Ramírez, "Colombia y sus vecinos", *Nueva Sociedad*, no. 192, July-August 2004.

¹⁹ According to Rocío San Miguel, head of the watchdog NGO Control Ciudadano, "the Colombian guerrilla has a consolidated presence throughout Venezuelan national territory." Crisis Group interview, 7 January 2019. *InsightCrime* mentions twelve states where ELN is present, but omits to include Delta Amacuro. "El ELN opera en 12 estados de Venezuela", *InsightCrime*, 13 November 2018. "ELN, el nuevo enemigo", *Semana*, 17 February 2018; "Pablito: el fiel de la balanza en el Eln", *Verdad Abierta*, 9 January 2015.

²⁰ Crisis Group interview, Javier Tarazona, director of Fundaredes, November 2018. Various reports from Fundaredes discuss the ELN presence on the Venezuelan side of the border and its involvement in various aspects of daily life. For more information about the ELN's expansions on both sides of border regions, see Crisis Group Report, *The Missing Peace*, op. cit.

²¹ Estimates of the size of the ELN's presence in Venezuela vary, but all exceed the group's numbers in Colombia. Many of these combatants are reportedly Venezuelan. Guerrilla fighters have been seen in military uniforms and plainclothes, and do not always identify themselves as ELN nor wear the traditional ELN garb of green fatigues and a red and black armband. Often they are uniformed and sport logos of Fidel Castro, Hugo Chávez or Che Guevara. Crisis Group interviews with NGO representatives, indigenous leaders and miners, July-December 2018.

²² Crisis Group interview, Javier Tarazona, director of Fundaredes, November 2018. In the aftermath of the January car bombing in Bogotá, the Venezuelan Foreign Ministry announced that their intelligence services had not found any evidence of the ELN's presence in Venezuela. "Gobierno de Maduro niega presencia de ELN en Venezuela", NTN 24, 20 January 2019. Colombia's foreign minister, Carlos Holmes Trujillo, was quick to respond, insisting Venezuela come up with a "concrete response" instead of "evasive positions". See "Colombia pide a Venezuela respuesta concreta sobre presencia del ELN en su territorio", *El Espectador*, 21 January 2019.

²³ *Ibid.*

B. *Expansion along the Resource-rich Frontier*

Venezuelan crime syndicates control large swathes of resource-rich territory in Bolívar state and run illegal mining operations up to the border with Guyana, where *sindicatos* recently murdered Guyanese miners.²⁴ Intimidation and extreme violence have become the preferred means for ensuring local communities obey the gangs.²⁵ *Sindicatos* have also operated along the Brazilian border, where they have clashed with indigenous self-defence groups trying to protect their lands.²⁶ Yet in spite of their rapid expansion, the *sindicatos* are under threat from competitors coming from Colombia. According to a senior former commander, the ELN now earns about 60 per cent of its income from mining and mining-related activities in Colombia and Venezuela, while a dissident FARC front known as Acacio Medina derives more than half its revenues from mining operations inside Venezuela.²⁷

The ELN in particular has increased its footprint across Venezuela's mining areas. Local miners report that it taxes illegal mining operations and related activities, such as the transport of supplies to the mines.²⁸ The ELN also subcontracts other armed actors for its operations, making it difficult to know exactly how extensive the guerrillas' activities are.²⁹ But numerous witnesses to the mining business testify that the ELN now controls an east-west corridor across the main mineral regions of southern Venezuela, consolidating its authority in some mining areas as it seeks to spread to others.³⁰

Sindicatos still run most of the mines in Bolívar state, but have recently lost ground to the ELN in the municipalities of Cedeño, Sifontes, Piar, Sucre, Angostura and Roscio. On the day of the presidential election in Venezuela, on 20 May 2018, the guerrillas reportedly seized a large number of mines in a central region of Bolívar state from the *sindicatos*, who had left them almost deserted while they mobilised

²⁴ Matt Youkee, "Guyana's border towns threatened by violent gangs as Venezuela crisis deepens", *The Guardian*, 2 August 2018.

²⁵ Crisis Group interviews, Venezuelan Observatory of Violence, 13 December 2018; indigenous leader, November 2018; miner who worked in Bolívar state, Guaviare, September 2018.

²⁶ Crisis Group interview, indigenous leader, Caracas, October 2017. Close to the Brazilian border, in the proximity of the town Icabarú, 170 miners (many of them armed) were pushed out by the local indigenous defence network in September 2017.

²⁷ Crisis Group interview, senior ex-ELN leadership, October 2018; military intelligence reports, unpublished, 2017.

²⁸ Crisis Group interviews, Colombian and Venezuelan miners, Guainía, October 2018.

²⁹ Crisis Group interview, Venezuelan Observatory of Violence, 6 November 2018.

³⁰ Crisis Group interview, indigenous leaders, October 2018; indigenous leader, November 2018; Colombian and Venezuelan miners, Guaviare, Guainía and Vichada, September and October 2018. Representatives of indigenous communities in Amazonas say that the ELN operates within most communities. An indigenous leader and former miners in Bolívar state also confirm a takeover of mines in the state. One former miner explained that she was impressed by the military uniforms of the Colombian guerrillas and their many female soldiers when they presented themselves in the mines of Sipao, Bolívar state, early in 2016. Jesús Mantilla, chief of REDI Guayana, the integrated armed forces command in southern Venezuela, denied the presence of the Colombian guerrilla in Bolívar state during a press conference in November 2018. See María Ramírez Cabello, "Jefe de REDI Guayana: 'En Venezuela no existe guerrilla'", *Correo del Caroní*, 22 October 2018.

voters for Maduro. Armed guards left behind were killed in the takeover.³¹ The group also operates along the border with Guyana, where it has reportedly established corridors for financial and logistical support over the past decade, and has sought contact with communities in the Gran Sabana municipality, close to Brazil.³²

In Amazonas state, indigenous community leaders report the presence of FARC dissidents and ELN guerrillas in all seven state municipalities, two of which border Brazil and five Colombia, where they are deeply involved in mining activities. Mining in Amazonas state has been illegal since the 1989 Decree 269, covering the Alto Orinoco-Casiquiare Biosphere Reserve and other national parks, but it still dominates the region's economy. The three main Venezuelan towns bordering Colombia along the Orinoco River – Puerto Páez (Apure state), Puerto Ayacucho and San Fernando de Atabapo (both Amazonas state) – are all reported to feature a strong ELN presence. A number of sources identify a combatant called Alex Bonito as the guerrillas' local leader.³³

FARC dissidents of the Acacio Medina Front, meanwhile, control the area of Puerto Colombia-San Felipe, on the Colombian side of the Rio Negro, and operate in the Rio Negro municipality on the Venezuelan side of the river.³⁴ FARC dissidents also reportedly run the mines of Yapacana in Amazonas. According to a former combatant from the FARC's 16th front, which used to operate mainly in the Vichada, Guainía and Vaupés departments, the group became familiar with the Yapacana mines while they were taxing illegal coltan and gold mining operations in the Guainía region of Colombia in 2007.³⁵ Colombian intelligence sources maintain that the 16th front did not demobilise in 2017 after the peace agreement because the illegal mining business had become so lucrative.³⁶ Several Colombian and Venezuelan miners who travel from the mines to sell their gold in Puerto Inírida, in the Colombian state of Guainía, say the ELN is also present in and around the Yapacana mines. The two armed groups seem to operate through a loose alliance, along with members of the National Guard based in the area.³⁷

³¹ Crisis Group interviews, Venezuelan NGO representative, November 2018; NGO representative Bolívar state, 22 December 2018; opposition MP Américo de Grazia, 7 January 2019.

³² Crisis Group interviews, phone interviews with a Venezuelan NGO representative and an indigenous leader; indigenous leader, November 2018; Colombian and Venezuelan miners, Guaviare, Guainía and Vichada, September and October 2018; senior ex-ELN leadership, October 2018.

³³ Crisis Group interviews, indigenous leaders, October 2018; Venezuelan human rights lawyer, November 2018.

³⁴ Crisis Group interview, senior Colombian intelligence officer, 29 August 2018; Crisis Group interviews, indigenous leaders, October 2018.

³⁵ Crisis Group interview, ex-FARC 16th Front combatant, September 2018.

³⁶ Crisis Group interview, Colombian military intelligence, October 2018.

³⁷ Crisis Group interviews, miners in Guainía, September 2018; former Venezuelan senior intelligence officer, November 2018. Maduro has never acknowledged the existence of an alliance between the state and guerrilla groups in the mining areas, and has instead blamed "mafiosos" and *pranes* connected to the political opposition and Colombian paramilitary groups for unrest and violence in resource-rich areas. See "Maduro amenaza con "extinguir" a Américo de Grazia y Andrés Velasquez", *Tal Cual*, 2 November 2018. Venezuela's Defence Minister General Vladimir Padrino López denied that parts of his military ally with the ELN. See "Venezuela niega que militares del país pertenezcan a la guerrilla colombiana del ELN", EFE, 20 February 2018.

The activities of dissident group Acacio Medina, comprised of former members from nine FARC fronts and reportedly led by Géner García Molina (alias Jhon 40), sheds light on how these groups operate.³⁸ In addition to mines, Acacio Medina controls 30-40 gold dredging boats on the Río Negro in south-eastern Guainía.³⁹ For each boat, the dissidents receive an estimated ten grams of gold a month in taxes, the market value of which is roughly \$400. A criminal network involving Acacio Medina, allegedly operating alongside military officers and a prison guard, flies out 15-20kg of gold to Colombia a week, according to intelligence sources.⁴⁰ Using the rivers Guaviare, Guainía and Inírida that cross the border between Venezuela and Colombia, Acacio Medina also allegedly moves weapons, cocaine and money in coordination with dissident fronts based in the border areas.⁴¹ Drug corridors run from the Guainía and Vichada departments in Colombia to Brazil and Venezuela, using river networks and clandestine airstrips along the banks from which planes reportedly leave for international destinations.⁴²

For FARC dissidents and ELN members sceptical of peace with the Colombian government, Venezuela will likely remain a safe haven as long as the government in Caracas does not change, despite Bogotá's impassioned protests. Some FARC fighters who demobilised in 2017 are believed to have joined dissident groups that operate along Colombia's eastern border and in Venezuela.⁴³ Several ELN combatants also left for Venezuela after Iván Duque was elected president in June 2018 and once peace talks came to a standstill in September.⁴⁴ Both Colombia's high commissioner for peace, Miguel Ceballos, and foreign minister, Carlos Holmes Trujillo, reiterated at the start of 2019 and before the Bogotá bomb attack that a peace deal with the ELN would remain impossible if Venezuela continues to harbour the guerrilla group, especially its members facing international arrest warrants.⁴⁵

³⁸ Crisis Group interview, senior Colombian intelligence officer, 29 August 2018.

³⁹ Dredging boats remove material from the riverbeds and extract gold from sediments. Large amounts of mercury are used in the process and are often discharged into the river.

⁴⁰ Crisis Group interview, field officer, Colombian intelligence, Bogotá, 31 August 2018.

⁴¹ Crisis Group interview, senior Colombian navy official, 8 September 2018.

⁴² "Trayectorias y dinámicas territoriales de las disidencias de las FARC", Fundación Ideas Para La Paz, April 2018; military intelligence reports, unpublished, 2017.

⁴³ "Las disidencias de las FARC: un problema en auge", Fundación Ideas Para La Paz, 10 April 2018; María Antonieta Segovia "La disidencia de la guerrilla colombiana penetra el Amazonas venezolano", Armando Info, 11 February 2018.

⁴⁴ The Venezuelan government, without mentioning guerrilla groups, has blamed the Duque administration for spill-over effects from Colombia's internal conflict. See "Padrino López sobre ataque en Amazonas: Colombia busca crear un conflicto en la frontera", Noticias 24, 5 October 2018.

⁴⁵ President Duque's conditions for resumption of talks with the ELN following the suspension of the process in September 2018, which he reiterated after the Bogotá bombing in January 2019, include an end to criminal activity and release of all kidnapping victims. "Gobierno dice que si Eln tiene presencia en Venezuela no es posible continuar diálogos", *El Espectador*, 4 January 2019. As mentioned above, in the aftermath of the January car bombing in Bogotá, the Venezuelan Foreign Ministry announced that their intelligence services had not found any evidence of the ELN's presence in Venezuela. "Gobierno de Maduro niega presencia de ELN en Venezuela", NTN 24, 20 January 2019.

C. *Illegal Business and Social Control*

Lucrative mining operations are not the only draw for criminal groups seeking to make money in southern Venezuela. Easily recruited adolescents from remote and poor indigenous communities, a drugs corridor toward Caribbean, North American and European markets, and corruptible local security forces converge to create a climate conducive to many forms of illicit activity.

The *sindicatos* control a broad portfolio of illegal activities including extortion, money laundering and drug trafficking, and impose their own strict rules over these rackets and the communities where they operate.⁴⁶ In a village near the mines of Las Claritas, locals wait in front of an empty cockfighting arena to visit the crime boss and ask for favours or for him to settle disputes. The *sindicato* resolves local conflicts with an iron fist, imposing fines or disciplinary measures that include forced community labour.⁴⁷ The *sindicatos*' capacity for armed violence is also striking. In the mining town of El Dorado, Bolívar state, one particularly violent *sindicato* attacks other groups led by competing *pranes* with shows of overpowering force. "They are an elite group that manage parts of the population. In El Dorado, for example, they have about 400 [members] on motorcycles and about 120 to drive the motorboats. If they attack, they do so in groups of 100 to 150".⁴⁸

The *sindicatos* and guerrillas have troubled relationships with the miners themselves. Miners who formerly worked in Amazonas and Bolívar said they preferred the guerrillas to the *sindicatos* and the National Guard.⁴⁹ All criminal groups and guerrillas levy taxes on mineral extraction and transport, calculating the amount miners owe based on the size of their operations. Miners in turn usually make payments in gold. *Sindicatos* summarily execute those who fail to pay the agreed quota, whereas the guerrillas tend to give a miner more time to make the payment.⁵⁰ A recent case of a 19-year old army deserter who stole from the mines close to El Callao, Bolívar state, illustrated the gruesome punishments *sindicatos* mete out. The young man was found alive with his hands amputated, eyes gouged out and tongue cut off.⁵¹ However, the guerrillas also reportedly resort to beatings and public executions, including for such crimes as bringing a mobile phone to the mines. Drugs and alcohol are prohibited in mines under guerrilla control, with the exception of a small party that is thrown at the Yapacana mines every fortnight.⁵²

⁴⁶ See Crisis Group Latin America Report N°65, *Containing the Shock Waves from Venezuela*, 21 March 2018. Their main presence is in Bolívar state, but several mines in Delta Amacuro state are also under their control.

⁴⁷ Observations from a field visit, June 2017.

⁴⁸ Crisis Group interview, indigenous leader, November 2018.

⁴⁹ Crisis Group interviews, miners that worked in Venezuela, Guainía, October 2018.

⁵⁰ Ibid.

⁵¹ "Le amputaron las dos manos, sacaron los ojos y cortaron la lengua en mina de El Callao", *Carao-ta Digital*, 14 January 2019.

⁵² Crisis Group interviews, miners that worked in Venezuela, Guaviare and Guainía, September and October 2018.

III. State Policy and Illicit Linkages

In 2016, President Maduro announced that 150 multinationals from 35 countries had expressed interest in investing in the Orinoco Mining Arc.⁵³ But any company wishing to operate in the designated area must form a joint venture with a state company, which controls a majority stake. This means foreign firms have to work in partnership with the Venezuelan military top brass, which runs the country's public mining companies. So far, no major deal with foreign firms has materialised following the Venezuelan government's initial press declarations announcing new investments in the region, and most mines remain under the control of non-state armed groups.

Boosting the mining industry in Venezuela's southern regions was problematic from the outset. Maduro signed the Mining Arc decree without consultation with or approval by the opposition-controlled National Assembly, as required under the Constitution. Indeed the Assembly voted to repeal the decree in June 2016, on the grounds that it had not been consulted, and argued that the 112,000 square kilometre mining zone overlaps with several protected areas such as forest reserves and national parks, including a UNESCO World Heritage Site, the Canaima National Park.⁵⁴ Nor did the government carry out obligatory socio-environmental impact studies or consult with indigenous communities beforehand, in accordance with Venezuela's constitution.

A. *The Mining Arc and the Military*

Active or retired military officers are involved in about 30 per cent of state companies in Venezuela, and are present on all boards of directors of state firms dedicated to mining.⁵⁵ One of these is CAMIMPEG, a military mining, oil and gas company created in 2016. Defence Minister Gen. Vladimir Padrino López announced in August 2016 that the armed forces would not only protect mining infrastructure but also participate in local economic development projects through a "civil-military union".⁵⁶ In practice, this has taken the form of Military Economic Zones.⁵⁷ These "zones", which include the Orinoco Mining Arc, provide greater freedom for the military to engage in business activity.

Several sources said that parts of the armed forces, especially the army and the National Guard, use their political influence to enrich themselves through illegal mining, with eyewitnesses reporting that guardsmen and soldiers charged miners a percentage of gold production and demanded extortion payments on routes to and

⁵³ "Maduro: Que 150 empresas de 35 países inviertan en Venezuela es una demostración de confianza", PSUV, 24 February 2016.

⁵⁴ The National Assembly voted to repeal the Mining Arc decree on 14 June 2016.

⁵⁵ "Empresas propiedad del estado en Venezuela", Transparencia Venezuela, September 2017; "La sangrienta fiebre del oro", Transparencia Venezuela, July 2018.

⁵⁶ Through the creation of CAMIMPEG, the military is also legally allowed to participate in the commercialisation of minerals.

⁵⁷ "Fanb firme con la 'logística de seguridad' en el #ArcoMinero", *Efecto Cocuyo*, 6 August 2016.

from the mines.⁵⁸ In El Callao, Venezuela's historic mining town, an official working for state mining company Minerven admitted that the firm gets its gold from illegal mining projects, which are allegedly run by *sindicatos*.⁵⁹ Miners from both Bolívar and Amazonas states explain that a tax in gold needs to be paid to the National Guard.⁶⁰ The Guard also operates at least three checkpoints to "tax" merchandise transported by river to the Yapacana mines, where payments are made in Colombian pesos or U.S. dollars. On the way back, extortion fees are paid in gold. One former Venezuelan army general has said that the military facilitates clandestine flights transporting minerals to Caribbean destinations by taking them off the radar.⁶¹ Meanwhile, Colombian coltan traffickers buying in Venezuela need to deal directly with a National Guard commander, according to a local trader.⁶²

The government responded to reports of illegal mining by arresting Minerven's vice-president Doarwin Alan Evans for gold trafficking on 25 June last year.⁶³ His arrest formed part of a wider operation called *Manos de metal* (metal hands), in which Venezuelan prosecutors targeted 39 gold traffickers.⁶⁴ Critics of the government, however, have argued that this sudden crackdown was not aimed at counter-ing illegal gold exports but on installing loyal operatives in crucial positions along the supply line.⁶⁵

⁵⁸ All consulted miners confirmed the deep involvement of Venezuelan state forces in illegal mining. Crisis Group interviews, miners who worked in Venezuela, Guainía and Guaviare, September and October 2018. Clíver Alcalá Cordones, a retired army general, former military commander in the Mining Arc region and former close aide to Chávez who strongly opposes the Maduro government, echoes these allegations, explaining that the entanglement goes years back. Crisis Group interview, Cliver Alcalá Cordones, Bogotá, 19 November 2017. See also the second bulletin about the Mining Arc, "Desarmando al Arco Minero", published by Plataforma contra el Arco Minero del Orinoco and Centro de Estudios de la Realidad Latinoamericana (CER-Latinoamericana), with a series of essays explaining the origins of the relations between the state and the *sindicatos*. A feature article by the BBC mentions that miners are extorted by the army, which has also allegedly perpetrated various massacres that were later framed as violent clashes with local gangs. See Daniel García Marco, "Venezuela: la distorsionada economía que crea el oro en el lugar más rico (y violento) del país", BBC, 17 August 2018.

⁵⁹ Crisis Group interviews, Minerven personnel, El Callao, October 2017. Minerven has refused to answer requests to comment on these allegations. A report by Reuters explains that the Venezuelan Central Bank (BCV) buys its gold from mines "with virtually no regulation or state investment". See Corina Pons and Maria Ramirez, "How Venezuela turns its useless bank notes into gold", Reuters, 10 February 2019.

⁶⁰ Crisis Group interviews, miners that worked in Venezuela, Guainía and Guaviare, September and October 2018.

⁶¹ Crisis Group interview, Cliver Alcalá Cordones, Bogotá, 19 November 2017. See interview: www.youtube.com/watch?v=aPtRA5nM_ow&t=2s.

⁶² Crisis Group interview, mineral trader, 22 October 2018.

⁶³ "Detienen a vicepresidente de Minerven por supuesto tráfico de oro", *Tal Cual*, 21 June 2018.

⁶⁴ Crisbel Varela, "Saab anunció que operación Manos de Metal dictó 39 órdenes de aprehensión", *El Universal*, June 21 2018.

⁶⁵ Crisis Group interview, opposition MP Américo de Grazia, 7 January 2019.

B. *Protection Rackets*

Miners pay protection fees or “taxes” in relatively small quantities of gold, but make frequent instalments. These amounts increase considerably when the ELN or the *sindicatos* pay off government officials. Mineral traders report that senior authorities take kilograms of gold as bribes. They say, for example, that top military officers in Amazonas state receive at least 20kg in gold every month (valued at about \$800,000) to allow illegal mining in Yapacana.⁶⁶ This helps explain why senior army positions in the region, especially in Bolívar state, are among the most popular postings in Venezuela. These generals are often rotated, helping to foster expectations and buttress loyalty to the government in senior military circles.⁶⁷

Gold from Amazonas state, says a former Venezuelan intelligence officer, ends up via extortion payments in the hands of regional heads of the security forces and intelligence bureaus.⁶⁸ Failures to pay expected kickbacks have caused tensions between the National Guard and the guerrillas, according to miners in Yapacana, with one witness reporting an incident where guerrilla fighters shot directly at a Venezuelan army helicopter in a bid to make it crash.⁶⁹ Armed indigenous communities also threw the National Guard out of the Alto Orinoco municipality after tiring of repeated abuses and extortion demands.⁷⁰

Seizing on reports of deep state involvement in the illegal gold trade, and aiming to further undermine the Maduro government, the U.S. has taken action. Following Venezuela's export of 21 tonnes of gold to Turkey in 2018, for example, Washington claimed via an executive order on 1 November that gold exports were being used to enrich Venezuela's political and economic elite at the cost of increasing violence and human rights abuses in the country's south, and would be considered liable for future sanctions.⁷¹ However, no sanctions have yet been applied. Turkey has been

⁶⁶ Crisis Group interviews, gold merchant, September 2018; journalist, November 2018. Various members of the opposition-controlled National Assembly have declared that ELN activities in mining regions are being supported by parts of the Venezuelan state. Maritza Villaroel, “Comisión de Política Interior investigará masacre de Tumeremo”, *Prensa AN*, 23 October 2018. The government has not responded directly to these allegations, but in the “metal hands” operation of 2018 did purportedly crack down on gold traffickers.

⁶⁷ Crisis Group interview, senior security expert for Control Risks, Bogotá, September 2018. In an interview with the news agency Bloomberg, director of the watchdog NGO Control Ciudadano Rocio San Miguel explains that the participation of military officers in state mining companies also fuels loyalty to the government. See Andrew Rosati, “The bloody grab for gold in Venezuela's most dangerous town”, *Bloomberg*, 9 April 2018.

⁶⁸ Crisis Group interview, Venezuelan former senior intelligence officer, November 2018.

⁶⁹ Crisis Group interviews, Colombian and Venezuelan miners, Guainía, October 2018.

⁷⁰ Minerva Vitti, “Indígenas de San Fernando de Atabapo toman tres puntos de control por abuso militar”, *Revista SIC*, 5 April 2018.

⁷¹ U.S. National Security Advisor John Bolton has mentioned that corrupt networks are involved in Venezuelan gold transactions. See Justin Sink and Jonathan Levin, “Trump orders sanctions on Venezuela gold to pressure Maduro”, *Bloomberg*, 1 November 2018. The U.S. fears that exports to Turkey will undermine international sanctions against Venezuela. See Zia Weise, “The Turkey-Venezuela mutual admiration society”, *Politico Europe*, 18 December 2018. President Maduro branded the proposed sanctions “illicit”, and insisted that revenues would be used for “public health, housing for the people and for the happiness of citizens”. “Maduro dice seguirá vendiendo oro pese a ‘persecución’ de EE UU”, *Diario las Américas*, 9 November 2018.

named as the main known purchaser of Venezuelan gold, and food products for use in state-subsidised rations boxes have reportedly been transported from Turkey to Venezuela as part of the arrangement.⁷²

However, and although gold smuggling is associated with crimes that harm local communities, imposing sanctions on state gold exports could be misguided. Because most gold already leaves Venezuela via contraband routes, sanctions would probably only increase the volume of smuggled gold and thereby the revenues of organised crime networks, guerrillas and corrupt government officials. Gold can be trafficked to neighbouring countries where it would receive a certificate of origin, which would be an illegal but effective way to circumvent any sanctions.⁷³

⁷² Corina Pons and María Ramírez, "How Venezuela turns its useless bank notes into gold", Reuters, 10 February 2019.

⁷³ Crisis Group interviews, miners, indigenous leaders and gold merchants, Guaviare; Guainía and Vichada, August, September, October and November 2018.

IV. Social and Humanitarian Effects

Limited state presence and scant economic opportunities are the norm across southern Venezuela, as well as in the adjacent Colombian departments of Vichada and Guainía. These conditions make the regions propitious for illicit activity, while also exposing many communities, particularly of indigenous peoples, to dire humanitarian and environmental risks.

A. Poverty and Isolation

The October 2018 Orinoco River floods, which almost washed away indigenous communities on the riverbanks and inundated urban centres, laid bare the vulnerability of many local people to natural disasters and the difficulties in mounting any emergency response.⁷⁴ Infrastructure is a rarity. There is no road access to Puerto Inírida, capital of Guainía department, and the road to Puerto Carreño, capital of Vichada, is only passable in the dry season. Main rivers and hundreds of tributaries serve as the principal routes for transport and communication, with limited state control over movements of goods and people.⁷⁵

Apart from the few jobs available with municipal and departmental authorities, formal employment is virtually non-existent.⁷⁶ Before the onset of the mining boom, the inhabitants of Guainía lived off rubber plantations, the trade in the teeth and skin of wild cats and coca cultivation.⁷⁷ In 2017, the Amazonian regions of Colombia saw a 6 per cent increase in coca cultivation, though local government sources argue this underestimates reality and satellite imaging cannot detect much of the region's coca.⁷⁸ FARC dissident factions associated with coca growing have grown in size on both sides of the Guaviare River, between Puerto Inírida and Barranco Minas.⁷⁹

The lack of fuel in Venezuela has greatly aggravated these harsh economic conditions.⁸⁰ Remote communities which used to be accessible by water can no longer

⁷⁴ Over 3,500 families were affected by the floods in the Guainía and Vichada departments, according to Colombia's National Unit for Disaster Risk Management (UNGRD). "UNGRD atiende a las familias damnificadas por las inundaciones en el Guainía", UNGRD, 17 July 2018. More than half of Guainía was flooded. Urban centres were evacuated because of the rising water level, crops were destroyed, and the risks to public health rose. In this part of Colombia, towns in the midst of jungles are always located along rivers, making populations especially vulnerable to climate change that causes water levels to rise.

⁷⁵ Crisis Group interviews, senior Colombian navy officers, Guaviare, Guainía and Vichada, September and October 2018.

⁷⁶ Crisis Group interviews, government officials, Puerto Carreño and Puerto Inírida, September and October 2018.

⁷⁷ Crisis Group interview, indigenous leader, Puerto Inírida, 18 September 2018.

⁷⁸ "UNODC's Coca Cultivation Survey Report for Colombia", UN Office on Drugs and Crime, 19 September 2018.

⁷⁹ Crisis Group interview, representative local government, 17 September 2018.

⁸⁰ Venezuela's collapsing oil sector does not provide enough for its own population. Refineries are working at less than half their capacity while Venezuela has numerous obligations to its international clients. Additionally, the heavily subsidised fuel that is available is often trafficked to Colombia or taken to the mines where it is used in mining equipment. Alessandro Di Stasio, "Claves para entender por qué hay problemas con la gasolina en Venezuela", *Efecto Cocuyo*, 20 September 2017.

be reached due to the difficulties of sourcing fuel for small boats. Indigenous people stranded in Puerto Ayacucho have been unable to return to their communities in months, and are often dependent on sporadically available seats on military flights.⁸¹ Fuel is frequently acquired in Colombia, where it is far more expensive than in Venezuela, and transported to the mines where its value increases significantly. Even the expensive fuel bought in Colombia can be sold at twice the price in mines in Venezuela.⁸² In addition, each barrel of 55 gallons heading to the mines was taxed US\$6 by the ELN in 2017; levies have reportedly risen since then.⁸³

A similar diversion toward the mines affects the supply of medicines, which suffer chronic shortages across the country.⁸⁴ A former Venezuelan intelligence officer with excellent knowledge of the region explained:

All the food was transported to the mines [and] became scarce in [the rest of Amazonas]. I was told that you could find everything that was missing in the mines, everything. All the medicines you would normally have in a pharmacy are available there.⁸⁵

However, the medications available have not stopped the malaria epidemic among miners due to incorrect dosage levels and a lack of expert medical attention.

Public resentment over the economic hardships and difficulties of travelling or transporting goods in southern Venezuela, exacerbated by the presence of numerous military checkpoints, have provoked a series of protests.⁸⁶ In Bolívar state, the main road between Venezuela and Brazil was blocked for more than a week in October last year as the population protested a lack of food and the occupation of indigenous territories by miners.⁸⁷ If food is available, local supermarket owners often demand gold as payment.⁸⁸ The Venezuelan government hands out boxes of basic food supplies at well below market price, but the supplies are regarded as inadequate and the allocation system also serves as a means of political control.⁸⁹ Indigenous representatives in Amazonas state, for example, complain that food boxes were withheld after they failed to participate in the 2017 election for a National Constituent Assembly.⁹⁰

⁸¹ Crisis Group interviews, indigenous leaders, October 2018.

⁸² Crisis Group interview, merchant, Vichada, September 2018.

⁸³ Crisis Group interview, representative of the Human Rights Ombudsman's Office, October 2018.

⁸⁴ Nationwide, medicine shortages in retail pharmacies are calculated at 85 per cent and 88 per cent in hospitals. "Emergencia humanitaria compleja en Venezuela – Derecho a la salud", Civilis and other civil society organisations, September 2018.

⁸⁵ Crisis Group interview, Venezuelan former senior intelligence officer, November 2018.

⁸⁶ Crisis Group interviews, indigenous leaders, October 2018.

⁸⁷ María Ramírez Cabello, "22 comunidades indígenas apoyan protesta con cierre de la troncal 10 al sur de Bolívar", *Correo del Caroní*, October 16 2018.

⁸⁸ Kejal Vyas, "Desperate Venezuelans dig up paradise in search of gold", *The Wall Street Journal*, 20 November 2018.

⁸⁹ Government-subsidised food boxes, called CLAP boxes, in theory contain essential food products and are promoted by the government as a measure to guarantee food scarcity. The opposition argues that government supporters are prioritised in the handouts, however, and that the food products are often of inferior quality and contain few nutrients. For more insights on how the system behind the CLAP boxes functions, see "Los CLAP: La dominación se entrega puerta a puerta", *Transparencia Venezuela*, 2016.

⁹⁰ Crisis Group interview, indigenous leader, Vichada, October 2018.

More recently, they report that government officials are pressing them to sign a paper saying they do not want to receive humanitarian aid from abroad.⁹¹

Tensions between indigenous communities and security forces in Bolívar state underlie the extreme violence used to block efforts to bring humanitarian aid into Venezuela from Brazil on 23 February, which led to the deaths of three protesters in the area of Gran Sabana and the flight into exile of the indigenous mayor of the border town Santa Elena de Uairén. Security forces were reportedly dispatched to the area alongside dozens of buses filled with pro-government militia, known as *colectivos*.⁹²

B. Health and the Environment

Mining has had an especially devastating impact on indigenous communities. The mercury used to extract gold from ore contaminates the earth and aquifers, so much so that in 2017 a test population living along the Guainía, Inírida and Atabapo rivers was found to have about 60 times the maximum recommended level of mercury in their blood.⁹³ In Venezuela, 92 per cent of the indigenous women surveyed in the Caura river basin had mercury levels above the 2-milligrams-per-kilo limit established by the World Health Organization (WHO), and 37 per cent of women among Yé'kuana and Sanema peoples faced childbirth complications related to mercury exposure.⁹⁴

The damage to public health from mining extends far beyond indigenous communities. Venezuelans from all regions of the country travel to the mining zones searching for means of survival and, if possible, riches. When they return to their families they bring with them not just a few grams of gold, but also infectious diseases, a problem made worse by the collapse of Venezuela's health service. Even primary health care modules set up in poor neighbourhoods or rural areas under Chávez have mostly shut down due to a lack of funds, and at least 26,160 doctors have emigrated due to the economic crisis.⁹⁵

In 1961, according to the WHO, Venezuela became the first country to eradicate malaria in densely populated areas, and by the 1980s the disease had almost been eradicated nationwide. But due to inadequate prevention efforts and a lack of prophylactic medicines, a malaria epidemic has returned: there were officially 242,976 cases of malaria in 2016 and 406,289 in 2017.⁹⁶ In Bolívar state alone, more than 200,000 cases were registered in 2017 – more than 10 per cent of the local population. Nationwide it is estimated there were 600,000 cases in the year to November 2018.⁹⁷

Malaria in the Amazon is linked to mining and deforestation, especially in the municipalities of Sifontes, El Callao, Angostura, Sucre, Gran Sabana and Cedeño, all

⁹¹ Crisis Group interview, indigenous leader, 9 February 2019.

⁹² Crisis Group interviews, indigenous leader, 24 February 2019. See Clavel Rangel et al, "Venezuelan blood is being spilled": tension flares near border with Brazil", *The Guardian*, 25 February 2019.

⁹³ Tatiana Pardo Ibarra, "En Guainía, la gente tiene 60 veces más mercurio que el permitido", *El Tiempo*, 11 September 2017.

⁹⁴ Red Ara, "La Contaminación por mercurio en la Guayana Venezolana: Una propuesta de Diálogo para la acción", 2013.

⁹⁵ "FMV informó que 26.160 médicos han salido de Venezuela", *El Nacional*, 29 October 2018.

⁹⁶ "World Malaria Report 2017", World Health Organization, November 2017.

⁹⁷ Marielba Núñez, "La malaria convirtió el país en amenaza", *El Nacional*, 11 November 2018.

of which are in Bolívar state and overlap with the Mining Arc. Deforested mining pits full of stagnant waters are excellent breeding grounds for malaria-carrying mosquitos. Miners sleep in makeshift camps and hammocks around these infested waters. One investigation by a local NGO calculated that malaria causes 21 per cent of the deaths in Amazonas and 25 per cent of those in Bolívar state.⁹⁸ The absence of subsidised malaria medication has created a black market in malaria pills, for which payment is often made in gold.

“The plague was dropped on us,” a local leader in Ature municipality, Amazonas, said.⁹⁹ One community in the municipality with close to 600 members sees up to 80 people a week needing treatment. In a nearby community, more than half of the 2,000 inhabitants suffer malaria. Ature shares a border with the Colombian department of Vichada, which together with Guainía is receiving an increasing number of malaria cases as migrants and refugees carry the disease to the neighbouring country. There are currently over a million Venezuelan refugees in Colombia, and Foreign Minister Carlos Holmes Trujillo has said that in the worst case scenario, by 2020 there will be four million. Close to 95 per cent of foreigners crossing the border with malaria are Venezuelans, and 55 per cent of Venezuelans infected with the disease entered the country through Guainía or Vichada.¹⁰⁰

C. *Community Life and Criminal Control*

Mining is also changing indigenous ways of life. “From the moment the indigenous don’t protect themselves, everything is lost,” one indigenous leader said.¹⁰¹ On both the Venezuelan and Colombian sides of the border, school truancy is rising with the exodus of adolescents heading to work in the mines. Mining hotspots expose girls to sex work. Young and sometimes underage girls perform sex work for three to four grams of gold – roughly \$50 to \$60, given the lower value of gold in mining towns – while adolescent boys risk their health and lives performing dangerous mining-related tasks or exposing themselves to contaminating substances.¹⁰² FARC dissidents reportedly force young people to go work in the mines. “You’re coming with us. If not, your families will be military targets,” is what young and often indigenous recruits for the mines are told by the guerrilla dissidents, according to a senior official in the Catholic Church’s social services wing.¹⁰³

Meanwhile, across parts of southern Venezuela, crime syndicates and guerrilla groups are assuming ever greater influence over community life. The FARC has always had a large social base among indigenous communities, which the former guerrillas often targeted for indoctrination. The ELN and FARC dissidents continue to recruit in these communities and have reportedly interfered with local educational programs, handing out teaching materials that idealise the guerrillas.¹⁰⁴ They have

⁹⁸ “Impacto de la minería ilegal en Bolívar, Delta Amacuro y Amazonas”, Kapé Kapé, 2018.

⁹⁹ Crisis Group interview, indigenous leader, October 2018.

¹⁰⁰ “Boletín Epidemiológico N°13”, Colombian Health Ministry, 9 November 2018.

¹⁰¹ Crisis Group interview, indigenous leader, Puerto Inírida, 19 September 2018.

¹⁰² Crisis Group interview, field official Colombian intelligence, 31 August 2018.

¹⁰³ Crisis Group interview, representative of Pastoral Social, 31 August 2018.

¹⁰⁴ “Boletín 002 – Guerrilla colombiana penetra en escuelas venezolanas de la frontera”, Funda Redes, April 27 2018.

even carried out public works. In Colombia's Vichada department, a former FARC fighter claimed the guerrillas built about a thousand kilometres of roads, some of them fit for motor traffic.¹⁰⁵

In Bolívar state, the guerrillas have approached communities facing problems with the *sindicatos* to offer "protection" against violent criminal gangs.¹⁰⁶ The ELN also offers weapons, along with military and political training. In Amazonas, a teacher said some of her students lived in a nearby ELN camp, where they receive food and shelter.¹⁰⁷ There are camps all over the region, of which four are located near the Amazonas state capital, Puerto Ayacucho.¹⁰⁸ Strategies to bring communities under control also include handouts by the ELN of state-subsidised food packages in at least 40 municipalities in five different states, including Bolívar and Amazonas.¹⁰⁹ Meanwhile, political education in the communities continues. Five ELN-run radio stations operate in border areas with Colombia.¹¹⁰

Strict rules laid down by the ELN guerrillas or the FARC dissidents may bring a certain level of order to mines under their control, but at a high cost. Many community leaders have reportedly been killed in recent years. Alcohol and drug consumption are not tolerated and are punishable by death. The presence of the ELN in the Amazonas state capital of Puerto Ayacucho has contributed to a massive rise in the homicide rate. The city of 41,000 inhabitants saw 38 murders in 2014 and 236 in 2016.¹¹¹ Puerto Páez, in Apure state, which also borders Colombia, has experienced a similar rise, which has been attributed to the guerrillas' campaigns of "social cleansing".¹¹² Meanwhile, mining communities run by the *sindicatos* register staggering homicide rates per 100,000 inhabitants: these include El Callao (620 per 100,000 people in 2018), Roscio (458) and Sifontes (199). The 2018 national homicide rate in Venezuela was calculated at 81.4 per 100,000, the highest in Latin America and the Caribbean.¹¹³

¹⁰⁵ Crisis Group interview, ex-FARC 16th Front combatant, September 2018.

¹⁰⁶ Crisis Group interview, indigenous leader, November 2018.

¹⁰⁷ Crisis Group interview, indigenous leader, October 2018.

¹⁰⁸ Crisis Group interview, Venezuelan human rights lawyer, November 2018.

¹⁰⁹ "40 municipios en la frontera venezolana reciben el CLAP de manos del ELN", FundaRedes, 19 October 2018. Officially the state "subsidises" the food boxes, but investigative reports suggest the subsidy is in fact seized by profiteers who buy the food abroad and sell it at inflated prices to Venezuelan state authorities. For more information consult the project "Detrás de los Clap" by ArmandoInfo.

¹¹⁰ "Boletín 002 – Guerrilla colombiana penetra en escuelas venezolanas de la frontera", FundaRedes, 27 April 2018.

¹¹¹ Crisis Group interview, Venezuelan former senior intelligence officer, November 2018.

¹¹² Crisis Group interviews, Venezuelan former senior intelligence officer, November 2018; indigenous leaders, October 2018; Venezuelan NGO representative, October 2018. For more information about the Colombian guerrillas' presence in Puerto Ayacucho, see María Antonieta Segovia, "La disidencia de la guerrilla colombiana penetra el Amazonas venezolano", Armando Info, 11 February 2018.

¹¹³ "Informe OVV de Violencia 2018", Venezuelan Observatory of Violence, December 2018. "In-Sight Crime's 2018 Homicide Round-Up", InSight Crime, 22 January 2019. Killings often take place when rival gangs compete with each other for access to the mines, in various cases with military involvement, but summary executions occur frequently and street crime is rampant. *Sindicatos* started to take control over mining areas – sometimes from now defunct state mining companies – in the municipalities of El Callao, Roscio and Sifontes from 2010 on, which led to a dramatic increase

V. International Risks and Responses

Colombian territory bordering southern Venezuela has largely been free of violence due to its low population density and swathes of impenetrable jungle. But the rarity of clashes does not signal the absence or inactivity of non-state armed groups. After serving for many years as a low-key trafficking corridor, the border region now faces heightened risks of conflict owing to the increasing cross-border movement of irregular armed groups at a time of deep mistrust and severed communication between the neighbouring states.

A. *Armed Competition and Cross-border Activity*

The growing presence of guerrilla units drawn to the mines of southern Venezuela has alarmed Colombian armed forces in the region. Sources in the military report that they have increased their defensive presence along the frontier.¹¹⁴ Colombian concerns extend not merely to the concentration of guerrilla units in the area, but also incursions across the border by Venezuelan military forces. The National Guard has entered Colombia on a number of occasions, for reasons that remain unclear. In September 2018, for example, the National Guard entered the area called El Mantuero, Vichada department, vandalising community facilities and stealing merchandise.¹¹⁵

Meanwhile, volatile and sometimes competitive relations between parts of the Venezuelan military and armed groups in mining zones generate their own violent frictions. In one notable incident, the ELN killed several National Guardsmen on 1 November 2018 to retaliate for the arrest of their leader, Luis Felipe Ortega Bernal, also known as “Garganta”.¹¹⁶ In the aftermath of these clashes, several more skirmishes took place in Amazonas, Venezuela.¹¹⁷ Evidence suggests that the relationship between Venezuela’s armed forces and Colombian guerrillas is highly unstable. In the mines in and around Yapacana, local residents also report occasional clashes between FARC dissidents and the Venezuelan army.¹¹⁸

in homicide rates. See Vanessa Moreno Losada, “Estudio en el Arco Minero revela relación entre el auge del sector aurífero y la violencia”, *Efecto Cocuyo*, 27 October 2017.

¹¹⁴ Crisis Group interview, Colombian Army official, November 2018.

¹¹⁵ “Militares venezolanos habrían ingresado ilegalmente a territorio colombiano”, *El Colombiano*, 14 September 2018. In November 2018, the National Guard entered Cacahual, Guainía, wearing military clothes and automatic guns. In this instance they entered a Colombian community to exchange fuel for food products. “Investigan nueva incursión de militares venezolanos en Guainía”, *Noticias Caracol*, 14 November 2018.

¹¹⁶ Héctor Ignacio Escandell Marcano, “Capturan en Amazonas a Luis Felipe Ortega Bernal, presunto líder del ELN”, *Radio Fe y Alegría Noticias*, 4 November 2018. Garganta was arrested and taken to the military prison Ramo Verde in Los Teques, in the proximity of Caracas. It is not known whether the Venezuelan prison authorities kept him there. Garganta has been identified as Luis Felipe Ortega Bernal, who has an Interpol Blue Notice issued against him and is, according to the Colombian police, part of the ELN leadership. Venezuela denies the presence of the ELN on national soil and Defence Minister Padrino declared that “Colombian paramilitaries” had been arrested without mentioning the ELN guerrillas. “Vladimir Padrino confirma muerte de tres guardias por enfrentamientos con el ELN”, *El Espectador*, 5 November 2018.

¹¹⁷ Crisis Group interviews, indigenous leaders, human rights lawyers and journalists, November 2018.

¹¹⁸ Crisis Group interviews, indigenous leaders, September and October 2018.

These clashes suggest that not all parts of the Venezuelan government or security establishment are content to tolerate or abet the expansion of the ELN or FARC dissidents. Indeed, future clashes among the *sindicatos*, Venezuelan armed forces and Colombian guerrillas remain likely, especially because the military appears to have withdrawn support for most of the *sindicatos* while state backing for the Colombian guerrillas is far from uniform. Local leadership of the armed forces rotates frequently, and not all military officers deployed to the region are on good terms with the guerrillas. Meanwhile, alleged incursions into *sindicato*-controlled mining areas by the Venezuelan armed forces or intelligence units have reportedly left behind a trail of killings with no recorded arrests.¹¹⁹ According to retired army general Cliver Alcalá Cordones, “these orders to kill are not given by the chief of the region. When this occurs, it is because the order came from Caracas”.¹²⁰

Guerrilla groups are also operating close to Venezuela’s eastern border with Guyana. Venezuelan opposition deputy Williams Dávila ran into an ELN roadblock in August 2018 near Isla Anacoco, an area administered by Venezuela near the region of Esequibo, which is part of Guyana but claimed by Caracas.¹²¹ According to a former senior ELN figure, the group has been active in the disputed border area between Venezuela and Guyana for about ten years.¹²² They control two river routes used for smuggling into Guyana from San Martín de Turumbán and five nearby mines.¹²³ Besides bordering Guyana, this area is located about 170 kilometres from the Brazilian border. “They are indoctrinating locals, they enter and recruit,” an indigenous leader stated.¹²⁴

Violent *sindicatos*, displaced by the ELN from mining areas in Bolívar, have also shifted toward the Venezuela–Guyana border, causing alarm among Guyanese authorities. On 13 November, a Guyanese policeman was shot by a member of a *sindicato* while travelling on the Cuyuní River.¹²⁵ With Guyanese Defence Forces deployed in the area, future skirmishes with the *sindicatos* or the ELN are a real possibility.

B. Strategic Defence and the ELN

With years of combat experience in Colombia and an acquired mastery of guerrilla warfare, the ELN’s presence in Venezuela serves the strategic interests of parts of the state and the armed forces, especially given the possibility that an outside power might organise a military intervention to remove Maduro or his government. Precisely what such a foreign military intervention might consist of and how it would fare is uncertain, but an army of trained guerrillas at the very least could increase the chances of protracted low-intensity conflict, especially in the dense jungle regions of south-

¹¹⁹ Crisis Group interview, local journalist, 19 January 2019.

¹²⁰ Crisis Group interview, retired Venezuelan army general Cliver Alcalá Cordones, 17 January 2019.

¹²¹ Crisis Group interview, Venezuelan deputy Williams Dávila, 18 October 2018.

¹²² Crisis Group interview, senior former ELN leaders, October 2018.

¹²³ Crisis Group interview, indigenous leader, November 2018.

¹²⁴ Crisis Group interview, indigenous leader, November 2018.

¹²⁵ Denis Chabrol, “Sindicato shoots Guyanese policeman on Guyana–Venezuela border”, *Demerara Waves*, 13 November 2018.

ern Venezuela where the ELN is creating a social support base in the communities.¹²⁶ In the event of an external military intervention, the ELN has said it is committed to defending the Venezuelan government.¹²⁷

Moreover, the end of peace talks between the guerrillas and the Colombian government entails the risk of an outright resumption of violent hostilities between Bogotá and the insurgency, with the focus of Colombia's political leaders and armed forces likely to shift toward the ELN presence in Venezuela. If the two sides fail to restart negotiations, the ELN could well intensify offensive activities while making use of a much stronger base in Venezuela, where the group can now count on money, resources, manpower, weapons and a safe haven. In fact, the group is now closer to achieving the "continental guerrilla force" they have long sought to create, with combatants present in at least four different countries: Colombia, Venezuela, Ecuador and Guyana (near the border with Brazil). This allows the ELN to claim the mantle of Latin America's largest guerrilla group.¹²⁸

Despite the many obstacles to restarting peace talks with the ELN, returning to negotiations is now even more urgent. The guerrillas' safe haven in Venezuela makes it virtually impossible for Colombian forces to defeat the group militarily without either the cooperation of the Venezuelan government – likely requiring a change in power in Caracas – or an unbidden incursion into Venezuelan territory. Any attempt by Colombian forces to intervene in southern Venezuela against the ELN would be extremely perilous, and risk provoking greater violence and harm to civilians given the guerrillas' presence in and control over communities, while also pushing the rebels further into border areas adjoining Guyana and Brazil. Unless the offensive also addresses the drivers of the illegal mining boom and the vulnerabilities of local people, rival armed groups may also seek to take advantage of the offensive against the guerrillas to establish their own rule over more mining areas with violence.¹²⁹ So while conditions are not currently favourable, Colombia and international partners should not rule out future talks with the guerrillas.

Armed forces in these two countries also need to take urgent steps to avoid becoming drawn into a bigger fight as a result of cross-border movements and attacks from guerrillas or other armed groups. Preserving lines of communication between the heads of armed units stationed on the border will be essential. At the same time, foreign powers should refrain from threatening military intervention in Venezuela as this provides further incentives for the Maduro government to strengthen its links to Colombian armed non-state actors and to encourage them to remain close to the border areas so that they can react in the event of such an intervention.

¹²⁶ For a detailed consideration of the possibilities and risks of a U.S. military intervention in Venezuela, see José L. Delgado, "Venezuela, a 'Black Swan' Hot Spot", *Military Review* (January-February 2019).

¹²⁷ At its V Congress in December 2014, the ELN passed a resolution ratifying its determination to "defend Venezuela's Bolivarian revolution in the event of a violent imperialist aggression".

¹²⁸ "En intervención militar, Eln apoyaría a Venezuela", *La Opinión*, 20 September 2018.

¹²⁹ Marjolein van de Water, "Interim-president Juan Guaidó: 'Onze strijd zal snel uitmonden in herstel van onze vrijheid'", *de Volkskrant*, 4 February 2019. Self-proclaimed interim Venezuelan president Juan Guaidó told a Dutch newspaper that the ELN uses revenues from mineral extraction in Venezuela to acquire weapons so they can perpetrate attacks in Colombia. Maduro's government has denied the presence of ELN in Venezuelan territories.

C. *Conflict and Migration*

Venezuelan refugees and migrants can be found in informal settlements in the Colombian towns of Puerto Carreño and Puerto Inírida, although the main migrant flows into Colombia continue to take place further north.¹³⁰ Even though their families have fled Venezuela, men return to the nearby mines in Amazonas to work while their kin remain in Colombia. Inhabitants of these Colombian neighbourhoods complain frequently about threats from illegal armed groups, underage girls becoming sex workers, and lack of access to decent health care.¹³¹

These refugees and migrants endure hardship in Colombia's southern border towns but stress that they cannot go back to Venezuela, especially those who have been forcibly displaced by armed groups. People who worked in the Venezuelan mines and fled to Colombia say it has become too violent. "Everybody wants to be boss," a former miner explained, in relation to the violence, adding that the guerrillas had taken over several mines in Bolívar where she had previously worked under the *sindicatos*.¹³² Indigenous leaders opposed to Maduro's government or to the presence of the guerrillas are subjected to violence and even assassination. Some indigenous groups in Bolívar and Amazonas have armed themselves, or been given weapons by the state, to fend off violent intruders, creating yet more armed actors.¹³³

In light of the escalating violence in the region, the growing number of armed actors and their effects on migration and refugee flows, the Colombian government, with the support of foreign donors, should attend to humanitarian needs along the southern border. Furthermore, the practical difficulties in resuming peace talks between the Colombian government and the ELN should not lead Bogotá to neglect the imperative of averting a resumption of hostilities between the two that would worsen the humanitarian crisis.

D. *Cleaning Up the Gold Trade*

Foreign powers need to find alternatives to imposing sanctions on gold exports, which – as noted – boosts trafficking and criminal control over the trade. At present, much of the gold extracted in southern Venezuela is smuggled into neighbouring countries and islands in the Caribbean region and subsequently legalised there, thereby changing the gold's reported country of origin.¹³⁴ As a result, companies importing gold from Latin America and the Caribbean cannot simply rely on official customs documents as proof that gold has not been mined illegally in Venezuela.

¹³⁰ According to a senior Colombian government official, around 2,000 Venezuelans enter Norte de Santander department per day without returning, not including illegal border crossings. Daily border crossings in that department are frequently above 30,000, but most buy goods in Colombia and return to Venezuela a few hours later. Crisis Group interview, senior Colombian government official, 20 January 2019.

¹³¹ Crisis Group interviews, Venezuelan refugees, Guainía, October 2018.

¹³² Crisis Group interview, former miner, September 2018.

¹³³ Crisis Group interview, indigenous leader in Vichada, October 2018; phone interview with an indigenous leader, November 2018.

¹³⁴ Lisseth Boon and Lorena Meléndez, "Fuga del oro venezolano: La ruta de un saqueo oficial", *Runrun.es*, January 2019.

One possible alternative approach would be to encourage countries in which gold is traded to take additional steps to ensure that mineral trading companies and all firms connected to the business adhere to strict due diligence guidelines. These include supply chain checks based on international standards from the Organisation for Economic Co-operation and Development (OECD) such as those enshrined in the Dodd-Frank Act for U.S. companies, signed into law in July 2010, and the EU supply chain due diligence obligations concerning minerals from conflict-affected and high-risk areas, which enter fully into force in 2021.¹³⁵

Due diligence guidance from the OECD provides an international benchmark for efforts to clean up mineral supply chains. Currently, 35 OECD member states and eight non-members, including Colombia¹³⁶ and Brazil, have signed up to these guidelines, which set down standards for mineral trading firms and mandate regular reports and independent audits from signatory countries.¹³⁷ These standards are voluntary commitments that companies are encouraged to adopt, however, and individual member states decide whether to make them legally binding or not. So far, they have been introduced into law by the U.S. through the Dodd-Frank Act, and by countries where natural resources have been linked to conflict and human rights abuses, such as the Democratic Republic of Congo, Rwanda and Burundi.

Supply chain due diligence can be an effective alternative to unilateral sanctions if implemented in full and rigorously applied. It would not prevent companies buying and trading gold from Venezuela or other countries in Latin America, but would require those doing so, as well as associated financial institutions and commodity exchanges, to show they are employing appropriate care to ensure they know the legal origin of the minerals and are not funding armed groups, sanctioned regimes or human rights abusers. Although these measures would not transform Venezuelan gold production instantly, they would place pressure on major parts of the supply chain to halt these abuses.

¹³⁵ The OECD guidelines can be consulted in the third edition of the “OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas”, OECD, 2016. For the text of the EU-legislation, see: Regulation (EU) 2017/821 of the European Parliament and of the Council of 17 May 2017 laying down supply chain due diligence obligations for Union importers of tin, tantalum and tungsten, their ores, and gold originating from conflict-affected and high-risk areas. The U.S. Dodd–Frank Wall Street Reform and Consumer Protection Act was passed in 2010.

¹³⁶ Colombia signed an accession agreement to the OECD in May 2018, but is not yet a full member.

¹³⁷ “OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas”, OECD website, accessed 18 February 2019. Crisis Group interview, Global Witness official, digital communication, 13 February 2019.

VI. Conclusion

Security in southern Venezuela has deteriorated alarmingly in recent years as various armed state and non-state actors compete over access to natural resources and prey on local populations in their struggle for power and territorial control. Venezuela's armed forces, the most visible state presence in the region, have not merely failed to avert this violence but, according to numerous eyewitness accounts, have abetted and profited from the pillaging of minerals across a land corridor starting at the Colombian border and extending to Brazil and Guyana. Alienated from the state and impoverished in the wake of Venezuela's economic collapse, many local people have been drawn into the clutches of armed groups and the lifeline that illicit mining provides.

Against a backdrop of total estrangement between the incumbent Venezuelan government and its neighbours Colombia and Brazil, cross-border movements of guerrillas with links to Venezuelan security forces pose clear dangers for regional stability. Threats of an invasion from outside powers exacerbate border tensions and, if carried out, could inflict greater suffering on civilians and plunge the region into violent fighting between rival armed factions. The brittle and volatile alliances among various armed actors in southern Venezuela heighten these risks. Frequent clashes among them and shifts in their power and support base expose the region – and the border areas with Colombia and Guyana in particular – to unexpected spikes in armed violence, and to the forced displacement of local populations.

Even as the political crisis in Venezuela unfolds, neighbouring countries and concerned foreign states should seek to mitigate both the threat of a broader regional crisis and the dangers local communities face. This means that, whatever their political differences, both neighbouring countries and the Venezuelan government should acknowledge the risks of border violence and the potential for worsening regional hostilities; as a result, they should seek to maintain stable channels of communication between their armed forces and between top political officials. It also means that UN agencies should respond to worsening conflict, human rights abuses and health risks, and tend to the humanitarian needs of residents and refugees across southern Venezuela and adjacent border areas. Venezuela for its part should stop impeding international aid agencies wishing to assist vulnerable populations, while Colombia should not close the door on future talks with the ELN. A military intervention aimed at striking the guerrillas' Venezuelan bases, which could inflame already heightened tensions, must be avoided.

Lastly, the U.S. should refrain from imposing sanctions on gold production and exports aimed at punishing and financially isolating Venezuelan government and military elites. Nor is it realistic in current circumstances to propose the immediate creation of a legal mining sector: all minerals leaving Venezuela are linked to illicit activities to some degree. Instead, OECD member states that are already signatories to initiatives aimed at reducing the trade in minerals from conflict zones should introduce proper due diligence standards into law. These should apply to all companies involved in trading minerals leaving Venezuela and countries in Latin America and the Caribbean through which illegal Venezuelan minerals pass, with the aim of encouraging the gradual establishment of legal mining practices in the country.

The fate of Bolívar and Amazonas is inextricably linked to Venezuela's political future and questions of whether and when it will exit its current quagmire. But the suffering and extreme isolation of local communities, as well as the threats that mining riches and armed factions pose across the region, should put the south at the centre of concern for the future of Venezuela.

Bogotá/Caracas/Brussels, 28 February 2019

Appendix A: Map of Venezuela



Appendix B: Map of the Orinoco Mining Arc



Appendix C: Map of Non-state Armed Groups Involved in Mining



Appendix D: About the International Crisis Group

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