

The Commission on Crime Prevention and Criminal Justice

Establishing a framework regarding the illegal
smuggling and transportation of natural
resources



Forum	The Commission on Crime Prevention and Criminal Justice
Issue:	Establishing a framework regarding the illegal smuggling and transportation of natural resources
Student Officer:	Natalie Plaza Cardenas
Position:	President

Introduction

Natural resources such as oil, coal and copper play a highly important role in society as they are the bases from which other forms of capital are made. They are the input in the production process that stimulates economic growth. The distribution of resources around the world is uneven as natural resources depend highly on physical factors such as land, climate and altitude, which change depending on the location. Thus trade in natural resources is crucial for nations that do not have a multitude of exports and for countries that have no local supply of resources.

The problem stems from the fact that individuals and organizations illicitly smuggle these natural resources for economic gain. Environmental crimes are now one of the most profitable types of transnational criminal activity (Greve). Additionally, the estimated revenue made from this type of criminal activity is 258USD billion every year.

The environmental black market has several causes such as multilateral environmental agreements which have loopholes that allow for evasion to occur (Natural resources-related Trade — Illicit trade). Furthermore, the growth of transnational corporations combined with minimal budgets to regulate trade allows for more environmental crimes to occur.

In LEDC's, governments are not equipped with the necessary tools to regulate the exploitation of their natural resources which can lead to corruption, illegal smuggling and even violent conflict. Furthermore, there are long-lasting effects on the species that are targeted for their valuable parts such as causing them to become endangered species.



Definition of Key Terms

Natural resources

Natural resources are materials or substances that are naturally occurring in nature. These resources can be used to create capital that satisfy peoples wants and needs thus being crucial for economic growth. The 2 types of natural resources are renewable and non-renewable. Non-renewable natural resources cover fossil fuels which include oil, coal, natural gas. In addition, it covers living natural resources include animals, fish and plants. Renewable natural resources include solar energy and hydropower. Smuggling is done with non-renewable natural resources.

Environmental crime

Environmental crime is an illegal act that has a direct negative impact on the environment. An example of one of these crimes is the poaching of elephants for ivory. This falls under the category of illegal wildlife trade. Ivory is a natural living resource that is non-renewable.

Smuggling

Smuggling refers to the illegal transporting of goods, people or substances into or out of a country (“Smuggle Verb - Definition, Pictures, Pronunciation and Usage Notes | Oxford Advanced Learner’s Dictionary at OxfordLearnersDictionaries.com”). In this context, it refers to the illegal transporting of natural resources.

Poaching

Poaching is the act of capturing and killing animals usually without permission on someone else’s land (Cambridge Dictionary).

Black Market

A platform where goods or services are exchanged illegally. Black market transactions occur in order to avoid government prices and controls (“Black Market”).



General Overview

Natural resources are extremely important in order for economies to function. The environment and its resources have an essential role in sustaining human welfare. Moreover, they contribute to fiscal revenue, income and poverty reduction. Non-renewable natural resources are becoming more and more scarce. The quality, availability and quantity of natural resources are in decline. This means that they are extremely scarce to some segments of the population. (“Environmental Scarcity and the Outbreak of Conflict”) As natural resources become more scarce the demand also increases and it makes having access to them more expensive. Lack of legislation, law enforcement, mafias, corruption and conflict are all driving factors of the smuggling of these resources.

Illegal wildlife trade

The leading area of illegal natural resource trade is the trafficking of wildlife. Wildlife trafficking includes poaching, trading and taking parts such as elephant tusks from protected species. It can take many forms as it can involve whole bodies, specific parts or the skins of the creature. This is then sold as food, pets, leather and medicine among other things. Ivory, tiger bones, and other wildlife products have very high commercial value. 10 to 20 billion USD a year is the estimated total commercial exchange which shows how highly profitable it can be for criminals to engage in these sorts of activities. Illegal wildlife trade has significant impacts on species as it puts tens of thousands of them at risk of becoming extinct. Poaching and other forms of overexploitation is the second-largest direct threat to many species after habitat loss (“Unsustainable and Illegal Wildlife Trade”). Poaching has been partly responsible for the extinction of the western black rhino (Platt).

Illegal smuggling of timber

The second highest rate of criminal activity relating to natural resources is done in illegal logging. Illegal logging occurs when timber is harvested, processed, transported, bought or sold while violating national or international laws (“What Is Illegal Logging? | FLEGT”). It has a detrimental impact on the world's remaining forests, on the species who find habitat in those forests and on the people who live in the forests and are reliant on the resources that it provides.

Illegal waste trafficking



The global population continues to grow and standards of living have also continued to grow which leads to more goods being consumed thus creating more waste. The term waste covers a wide spectrum of things such as discarded material, household items and agricultural waste. The high costs affiliated with legal waste management is exploited by criminals as they make a profit from illicit trafficking and disposal. Illegal activities surrounding waste occur such as transporting waste on the black market. Waste is sometimes classified as second-hand goods illegally in order to not be governed by international waste organizations. Many developing countries rely on the import of second-hand materials for raw materials but due to the lack of concrete requirements from international and national regulations, it is hard to detect which waste is hazardous and illegal and which is not. The illegal trading of waste happens majoritarily from Europe and The United States with the intent of reaching destinations in Asia and Africa.

Mineral trafficking

Extreme wealth can be adhered from exploring and exploiting rights to mineral deposits. This has resulted in corruption done by senior government officials who have undermined governance and have done so for personal economic gain (“The Paradox of Plenty: Mineral Trafficking, Conflict and Crime | Global Initiative”). Billions of USD worth of gold is being smuggled out of Africa each year. United Arab Emirates (UAE) is the connecting block between Africa and the markets in Europe and the United States. In 2016, 15.1 billion USD worth of gold had been imported into UAE. Large amounts of the gold that was exported out of African states such as Libya and Ghana have not been traced back to the records of exports which shows that large amounts of gold are being smuggled out of Africa with no taxes being paid back to the states that produce them (Lewis).

Illegal smuggling of oil

Oil is a very sought after natural resource. Due to this oil smuggling has become a very common crime. In Africa alone, 100 billion USD is made by criminals a year due to theft, bunkering and corruption. Bunkering is when crude oil is stolen through practices such as breaking pipelines and organized attacks on oil installations. One of the most serious cases of bunkering was in the Niger Delta in Nigeria (African Natural Resources Center African Development Bank Illicit Trade in Natural Resources in Africa - a Forthcoming Report from the African Natural Resources Center).



Major Parties Involved

China

Rhinos are one of the animals that are targeted and poached by poachers as on the black market each kilogram can bring in revenue from 30,000 USD to 60,000 USD. Since 1977, international rhino horn trade has been banned. Despite this trade ban the poaching rate of rhinos has increased largely since 2007 following the high demand (Cheung et al.) in Asia. China is the highest consumer of illegal rhino horn. The United States Agency for International Development (USAID) conducted a survey with 1800 people which inferred that 16% had purchased rhino horn in the past. From the 16% 8% had purchased rhino horn in the last 12 months. Since October of 2018 China has legalized domestic trade in rhino horn and tiger bone with limited conditions ("China's Domestic Trade in Rhino Horn | Save the Rhino International"). Future overall demand is estimated to increase as with the economic and population growth occurring in Asia. Furthermore, the survey conducted by USAID suggests that current demand is much greater than the supply of the rhino horn and tiger bone.

DRC (Democratic Republic of Congo)

DRC is a resource-rich country. Illicit smuggling has been a factor holding DRC back from reaching stability and being able to develop. Dating back to the late 1800s individuals with power such as foreign and local agents and politicians have been exploiting resources such as diamonds, gold and ivory. DRC gained independence in 1960 but was not able to start developing as the independence leader was assassinated in 1961 destabilizing the country. Afterwards, other events continued to enable the countries development such as Joseph Mobutu being brought to power via a coup in 1994 and a high influx of Rwandan refugees fleeing the Rwandan genocide in 1997. One key law that greatly influenced mineral smuggling was the one implemented by Mobutu in 1981 which legalised artisanal mining which made mineral trade much more liberal. Neighbouring countries discovered this and supplied unregulated trading which allowed mineral smuggling to easily occur (ISSAfrica.org). To this day smuggling networks are well connected between states and is prompted by demands from international markets. Furthermore, there are groups that link the market chain from mines to jewellery stores. Many of these operations occur in the black market. These networks aid political elites and individuals with power. This has caused 98% of the gold produced in DRC



to be smuggled out. Additionally, DCR is reported to have one of the highest levels of illicit trade of timber in the forestry sector. 80% of trade is done illicitly.

Nigeria

Nigeria is the most affected country by oil smuggling in the world. An estimated 1.5 billion USD is lost a month through illegal oil schemes. The government's efforts to stop illicit trade have had little impact. While the needed amount of petrol is 54 million litres a day data from the Nigerian National Petroleum Corporation (NNPC) shows that only about 45 million litres are circulated within the country. The other 7 million litres are smuggled out and transported to neighbouring countries. Illegally tapping petroleum pipelines and stealing oil is done by locals and is a small-scale operation as the final destination is Cameroon, a neighbouring country. A more advanced scheme is one that includes taking more than the maximum crude oil amount and then falsifying shipping documents by altering the states volume and delivery terms (ENACTAfrica.org).

Zimbabwe

Zimbabwe has been at the forefront of exploitation in regards to their natural resources. Political elites and powerful military have secretly been exploiting Zimbabwe's most precious natural resources such as diamonds and gold. In the 1990s alluvial diamonds were discovered by De Beers, a South African diamond company. In 2006 the African Consolidated Resources (ACR), a resource exploration and development company took over the exploration rights. This did not last long as in late 2006 the Zimbabwean government took back the rights to the area through the Zimbabwe Mining Development Corporation (ZMDC). At first senior officials encouraged citizens to mine diamonds but then after two years, the ruling party changed the laws and rules. After this, miners who had suddenly become "illegal" were violently removed by Zimbabwe's security forces. People who lived in the area were forced out of their homes and relocated. The government partnered with private investors to mine the diamonds. The diamond companies had promised 50 million USD but in the end, only paid 400k USD.

UN involvement, Relevant Resolutions, Treaties and Events



- Encouraging Strengthening of Kimberley Process, Recognizing Diamond Certification Scheme's Key Role in Peacebuilding, Development (document A/74/L.39)
- Tackling illicit trafficking in wildlife, 20 September 2019 (A/RES/73/343)
- Tackling illicit trafficking in wildlife, 16 June 2016 (A/RES/70/591)

Previous Attempts to solve the Issue

One form of smuggling natural resources is poaching and illegal wildlife trade. There are many natural resources in wildlife such as ivory. One country that was able to achieve zero poachings is Nepal. Firstly, Nepal made conserving its biodiversity a priority and created ten national parks, three wildlife reserves, and six conservation areas that together cover more than 13000 square miles. Furthermore, using organizations such as National Tiger Conservation Committee helped improve enforcement which aided in stopping poaching and lowered wildlife crime. Moreover, in 2008 Nepal gave one-third of the country's forests to local communities to run which had many benefits for the community as they were given jobs and for the wildlife. In addition, Nepal used technology as a tool to combat poaching as they adopted unmanned aerial vehicles to further supervise and prevent poaching operations ("How Nepal Achieved Zero Poaching").

The Kimberly Process Certification Scheme (KPCS) was created in 2003 to regulate the diamond industry and to fight against conflicts that arose from the diamond trade. The diamonds industry leaders and human rights groups were trying to ensure that diamond purchases were not profiting from violent rebel groups. They created a process to which "conflict diamonds" were recognized and removed from legitimate trade. The issue with this was that there were loopholes in their definition of "conflict diamonds". In Zimbabwe diamonds from the Marange field were mined using mass-murdering campaigns and torture camps. By their definition, Zimbabwe's trade of diamonds did not fit this term as Zimbabwe's government was the one controlling the mining operation and not a rebel group. Although the situation was unacceptable because of the loophole in the KPCS's definition this situation kept occurring (Nichols).

Possible Solutions



In order to tackle the issue of smuggling natural resources the roots have to be targeted. The main problems come from lack of legislation, lack of law enforcement and corruption.

Firstly, nations could place stricter laws in order to prevent natural resources from entering the black market and from being smuggled. This could be done by active bilateral and multilateral collaboration on cross-border investigations. National police forces, custom agencies and other authorities could work collaboratively and take greater measures in order to ensure that more environmental crimes are detected. An independent third party being used in this collaboration could help keep unbiased and combat anti-trust.

Secondly, technology could be used as a tool to further combat the smuggling of natural resources. track-and-trace systems could be implemented and further developed in order to prevent the smuggling of goods.

Thirdly, as corruption is a root cause of this overarching issue more financial investigations could be carried out. Public and private cooperation could help change natural resource smuggling from a low-risk, high-reward game to a high-risk, low-reward game.

Bibliography

Works Cited

African Natural Resources Center African Development Bank Illicit Trade in Natural Resources in Africa - a Forthcoming Report from the African Natural Resources Center., 2016.

“Black Market.” *Investopedia*, 2021, www.investopedia.com/terms/b/blackmarket.asp. Accessed 15 Aug. 2021.

Cambridge Dictionary. “Poach.” @*CambridgeWords*, 11 Aug. 2021, dictionary.cambridge.org/dictionary/english/poach. Accessed 14 Aug. 2021.



“Combating the Illicit Trade in Natural Resources Together.” *Basel Institute on Governance*, 2021, baselgovernance.org/news/combating-illicit-trade-natural-resources-together. Accessed 14 Aug. 2021.

Works Cited

Cheung, Hubert, et al. “China’s Legalization of Domestic Rhino Horn Trade: Traditional Chinese Medicine Practitioner Perspectives and the Likelihood of Prescription.” *Frontiers in Ecology and Evolution*, vol. 9, 21 Apr. 2021, www.frontiersin.org/articles/10.3389/fevo.2021.607660/full, 10.3389/fevo.2021.607660. Accessed 20 Aug. 2021.

“China’s Domestic Trade in Rhino Horn | Save the Rhino International.” *Save the Rhino*, May 2020, www.savetherhino.org/thorny-issues/chinas-domestic-trade-in-rhino-horn/. Accessed 20 Aug. 2021.

“Dictionary.” *Www.dictionary.com*, 2021, www.dictionary.com/browse/natural-resource. Accessed 14 Aug. 2021.

Economics, Introductory Chapter:, et al. “Introductory Chapter: Economics, Natural Resources and Sustainable Development.” *Emerging Issues in Economics and Development*, 13 Sept. 2017, www.intechopen.com/chapters/56599, 10.5772/intechopen.70399. Accessed 14 Aug. 2021.

ENACTAfrica.org. “State Collusion Perpetuates Oil Smuggling across Nigeria-Cameroon Borders - ENACT Africa.” *ENACT Africa*, 26 Mar. 2021, enactafrica.org/enact-observer/state-collusion-perpetuates-oil-smuggling-across-nigeria-cameroon-borders. Accessed 14 Aug. 2021.



“Environmental Scarcity and the Outbreak of Conflict.” *PRB*, 2020, www.prb.org/resources/environmental-scarcity-and-the-outbreak-of-conflict/#:~:text=Environmental%20scarcity%20refers%20to%20the,such%20as%20freswater%20or%20soil.&text=Structural%20scarcity%3A%20Unequal%20access%20to,large%20segments%20of%20the%20population.. Accessed 15 Aug. 2021.

Eikelboom, Jasper A.J., et al. “Will Legal International Rhino Horn Trade Save Wild Rhino Populations?” *Global Ecology and Conservation*, vol. 23, Sept. 2020, p. e01145, [www.sciencedirect.com/science/article/pii/S2351989420306867#:~:text=International%20rhino%20horn%20trade%20has,first%20\(Ayling%2C%202013\).&text=Moreover%2C%20the%20poaching%20rate%20of,1\),,](http://www.sciencedirect.com/science/article/pii/S2351989420306867#:~:text=International%20rhino%20horn%20trade%20has,first%20(Ayling%2C%202013).&text=Moreover%2C%20the%20poaching%20rate%20of,1),,) 10.1016/j.gecco.2020.e01145. Accessed 20 Aug. 2021.

Glavič, Peter, and Rebeka Lukman. “Review of Sustainability Terms and Their Definitions.” *Journal of Cleaner Production*, vol. 15, no. 18, Dec. 2007, pp. 1875–1885, www.sciencedirect.com/science/article/abs/pii/S0959652607000029, 10.1016/j.jclepro.2006.12.006. Accessed 15 Aug. 2021.

Greve, Ellen. “EEB: Environmental Crimes Cost Billions and Sanctions Must Reflect This.” *Impel.eu*, 5 Mar. 2020, www.impel.eu/eeb-environmental-crimes-cost-billions-and-sanctions-must-reflect-this/. Accessed 15 Aug. 2021.

“How Nepal Achieved Zero Poaching.” *Panda.org*, 2011, tigers.panda.org/news_and_stories/stories/how_nepal_achieved_zero_poaching/. Accessed 15 Aug. 2021.



Lewis, David. "Exclusive: Gold Worth Billions Smuggled out of Africa." *U.S.*, 24 Apr. 2019, www.reuters.com/article/us-gold-africa-smuggling-exclusive-idUSKCN1S00IT. Accessed 15 Aug. 2021.

Natural resources-related Trade — Illicit trade. "Illicit Trade." *Illicit Trade*, 2014, illicittrade.org/natural-resourcesrelated-trade. Accessed 13 Aug. 2021.

Nichols, Julie. "A Conflict of Diamonds: The Kimberley Process and Zimbabwe's a Conflict of Diamonds: The Kimberley Process and Zimbabwe's Marange Diamond Fields Marange Diamond Fields Recommended Citation Recommended Citation." *Denver Journal of International Law & Policy Denver Journal of International Law & Policy*, vol. 40, 2012, core.ac.uk/download/pdf/304688363.pdf.

Platt, John R. "How the Western Black Rhino Went Extinct." *Scientific American Blog Network*, 13 Nov. 2013, blogs.scientificamerican.com/extinction-countdown/how-the-western-black-rhino-went-extinct/. Accessed 15 Aug. 2021.

"Smuggle Verb - Definition, Pictures, Pronunciation and Usage Notes | Oxford Advanced Learner's Dictionary at OxfordLearnersDictionaries.com." *Oxfordlearnersdictionaries.com*, 2021, [www.oxfordlearnersdictionaries.com/definition/english/smuggle#:~:text=%E2%80%8Bsmuggle%20something%2Fsomebody%20\(%2B,out%20of%20a%20country%2C%20etc..](http://www.oxfordlearnersdictionaries.com/definition/english/smuggle#:~:text=%E2%80%8Bsmuggle%20something%2Fsomebody%20(%2B,out%20of%20a%20country%2C%20etc..) Accessed 14 Aug. 2021.

"Smuggle Verb - Definition, Pictures, Pronunciation and Usage Notes | Oxford Advanced Learner's Dictionary at OxfordLearnersDictionaries.com." *Oxfordlearnersdictionaries.com*, 2021, www.oxfordlearnersdictionaries.com/definition/english/smuggle#:~:text=%E2%80%8B



Bsmuggle%20something%2Fsomebody%20(%2B,out%20of%20a%20country%2C%20etc.. Accessed 14 Aug. 2021.

“The Paradox of Plenty: Mineral Trafficking, Conflict and Crime | Global Initiative.” *Global Initiative*, 29 Dec. 2017, globalinitiative.net/analysis/the-paradox-of-plenty-mineral-trafficking-conflict-and-crime/. Accessed 14 Aug. 2021.

“Unsustainable and Illegal Wildlife Trade.” *Panda.org*, 2018, wwf.panda.org/discover/our_focus/wildlife_practice/problems/illegal_trade/. Accessed 15 Aug. 2021.

“What Is Illegal Logging? | FLEGT.” *Www.euflegt.efi.int*, www.euflegt.efi.int/illegal-logging.

“Why Is Resource Efficiency Important?” *European Environment Agency*, 2020, www.eea.europa.eu/themes/waste/resource-efficiency/why-is-resource-efficiency-important. Accessed 15 Aug. 2021.



