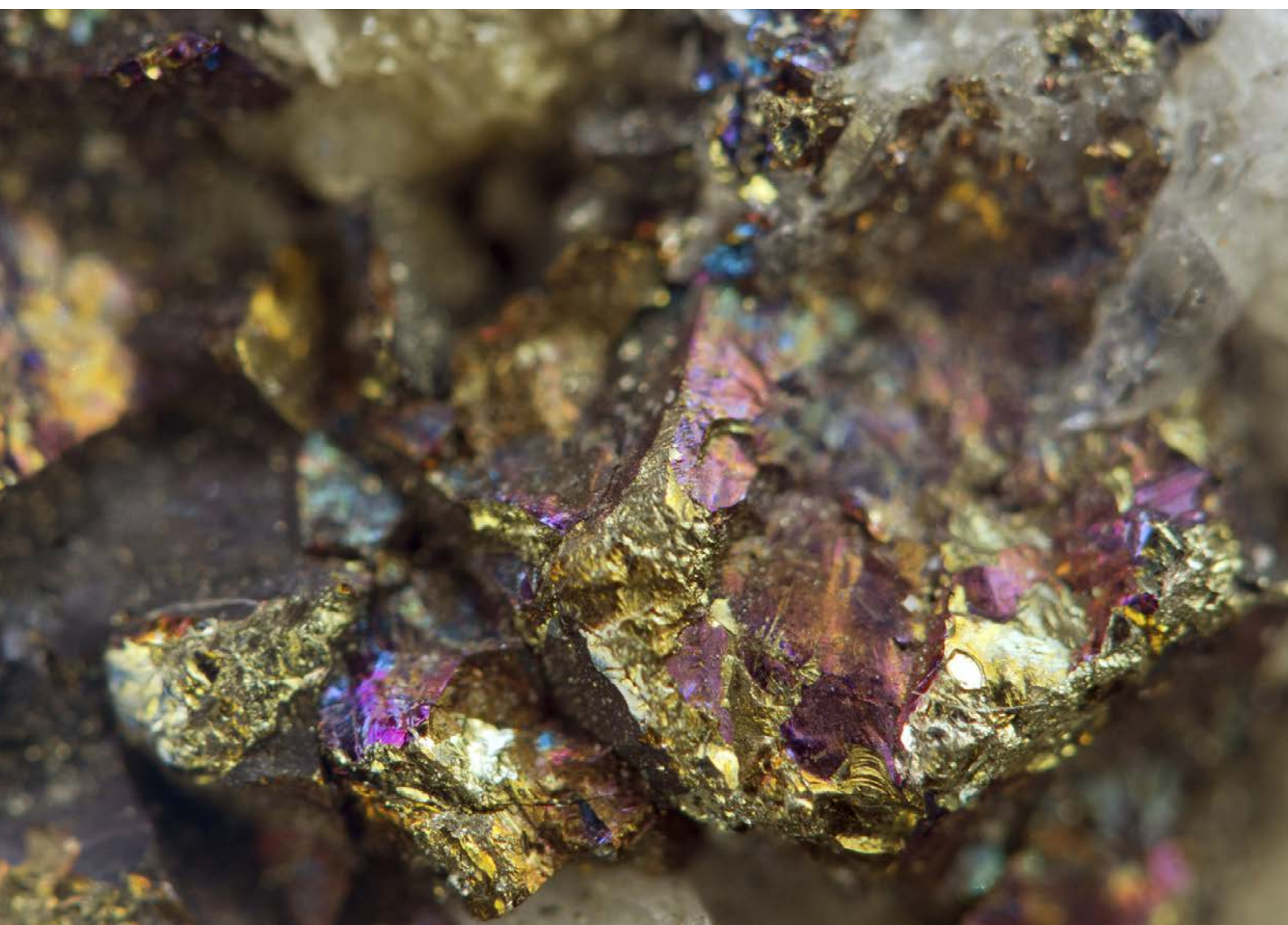


DUE DILIGENCE IN COLOMBIA'S GOLD SUPPLY CHAIN

GOLD MINING IN CHOCÓ



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About the OECD Due Diligence Guidance for Minerals

The OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas (OECD Due Diligence Guidance) provides detailed recommendations to help companies respect human rights and avoid contributing to conflict through their mineral purchasing decisions and practices. The OECD Due Diligence Guidance is for use by any company potentially sourcing minerals or metals from conflict-affected and high-risk areas.

About this study

This report is the third of a series of assessments on Colombian gold supply chains and the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas in the Colombian context. It analyses conditions of mineral extraction and related risks in Colombia's Choco region.

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Find out more about OECD work on the minerals sector: mneguidelines.oecd.org/mining.htm



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Executive summary

- **Although Chocó is Colombia's second largest producer, gold exploitation has left few dividends for the majority of its population, one of the poorest in the country.** By 2015, 35% of Colombia's total gold panners (*barequeros*) were registered in Chocó, representing a big challenge for the Colombian authorities.
- **Most of the current gold exploitation is under the control of armed, illegal actors, Marxist rebels and organised crime syndicates.** Indeed, the strengthening of the criminal actors through gold mining has fed other illegal activities like the sowing of drug crops, arms trafficking and human smuggling.
- **In 2015 gold production in Chocó was 15.547 tonnes, representing 26,3% of Colombia's total production** (SIMCO, 2016). According to estimates, 90% of the gold produced in the department comes from alluvial operations, and gold production represents about 15 percent of Chocó's GDP (Goñi et al, 2014).
- **Chocó is a highly strategic region for drug trafficking due to its geographic location close to Panama, its Pacific coast, and the entangled network of rivers in the middle of the jungle flowing both to the Pacific and Atlantic Oceans.** With the rise in the prices of commodities, illegal armed groups became increasingly interested in the traditional mineral wealth of Chocó, and progressively diversified their sources of income from cocaine and arms trafficking, to include illegal mining.
- While a multitude of factors contribute to social and economic conflict in large parts of Chocó, **gold mining and conflict dynamics clearly overlap.** According to the Ministry of Defence, illegal armed actors and criminal organisations are present in all of municipalities where unauthorised small-scale gold mining activities are taking place. As in the rest of Colombia, gold has become a major source of conflict financing for illegal armed groups present in Chocó.
- There is a close **relationship between drug trafficking and illegal mining** in Chocó. In 2015 1,489 hectares of coca were registered in Chocó (UNODC, 2016). Historically Chocó has not seen significant drug crops, but over the last five years this has exponentially grown. The gold allows drug traffickers to launder money as well, further strengthening the illegal armed groups and criminal economies.
- **The relationship between illegal armed groups and mining, as well as the drug business revolves around territorial control, which in turn explains the continuing clashes between guerrilla groups and BACRIM;** whoever controls the territory, controls access roads, mineral resources, movement corridors and access to local communities. For these reasons, criminal groups also seek to influence the political and administrative decisions of this region, taking advantage of the historical neglect of the state in Chocó.
- **There is a traditional and continuing practice of children being involved in the informal and illegal mining sector.** The line between family employment and the worst forms of child labour became increasingly blurred. There are now not only extended families working together in mining operations, including minors, but also more systematic exploitation like child prostitution by illegal actors.
- **War crimes and serious violations of international humanitarian law are not a new phenomenon in Chocó.** For decades, the region has been at the heart of Colombia's civil conflicts, suffering massacres, high levels of homicides, and displacement. Illegal actors have

continued to strengthen their hold over Chocó, financed in no small part by illegal gold mining. Violence against the indigenous and Afro communities has also continued unabated.

- For decades, **clashes between illegal armed groups have gravely affected the local population in Chocó and tens of thousands have been forced to flee their homes.** Much of the violence generating this displacement has been motivated by the desire of illegal actors to control areas where alluvial gold deposits lie.
- **In Chocó the guerrilla groups and the BACRIM largely prefer to extort from whoever works in the areas they control, rather than operating mines themselves.** In urban areas, their modus operandi is very similar. Both the guerrillas and BACRIM have established their own network of urban militia to monitor and “tax” transactions related to informal mining, while extorting traders and transporters (Ombudsman office, 2014:25).
- **Chocó has long suffered from various forms of corruption, including administrative, political, and security-related** (Bonet, 2007; ABColombia, 2015, Tierra Digna, 2016). The security forces are reported to be accomplices in the illegal mining industry.
- Since 2010, **coercive action against illegal mining, particularly in areas where it is a source of financing for illegal armed groups and criminal organisations, has become a priority for the government,** and law enforcement agencies have moved quickly to seize machinery such as bulldozers and dredges.
- **In recent years the government has tried to regulate artisanal mining.** In 2012, authorities reported 243 applications for the legalisation of mining titles in Chocó (Ombudsman office, 2015:60). In 2013, fifteen mining titles (covering more than 7000 hectares) were granted to local communities in the Chocó municipalities of Condotó and Río Oro.
- **The process to legalise mining operations is seen as highly bureaucratic with criteria almost impossible for informal miners to fulfil.** This pushes the informal sector into the arms of the illegal actors, as they do not have legal papers to support their operations and cannot complain to the authorities if they are extorted or threatened. Also they can only sell their gold illegally, as they cannot provide the certificates of origin necessary to legalise their production.
- **In conclusion, the gold mining sector in Chocó faces tremendous legal, social, political, and security problems.** During the last decade, traditional artisanal gold miners have been replaced by small-scale miners who have inundated the department’s river beds with backhoes and dredges. Moreover, mining titles granted to junior multinational companies during the last 20 years overlap with collective indigenous and afro Colombian territories, resulting in disputes over land rights.
- **Despite isolated attempts to implement due diligence processes in gold exploitation in Chocó, widespread poverty, high levels of corruption and established patterns of money laundering, difficult access to mining sites, and the presence of illegal armed groups and criminal organisation have rendered these efforts unreliable.**
- **The peace agreement signed in late 2016 between the FARC and the Colombian government will be particularly challenging to implement in Chocó.** It is still unclear whether the demobilisation of the FARC will aggravate the social conflicts or regulate the social order in gold mining communities.

Introduction

Chocó has a reputation for having the worst of all worlds in terms of mining. There are abundant alluvial deposits of gold along the rivers that wind through virgin jungle in this one of the wettest places on earth. Along these tributaries, the evidence of illegal and uncontrolled mining is clear, showing scars of upturned soil and pits poisoned with mercury. Most of the current exploitation is under the control of armed, illegal actors, Marxist rebels and organised crime syndicates. Indeed, the strengthening of the criminal actors through gold mining has fed other illegal activities like the sowing of drug crops, arms trafficking and human smuggling.

Gold mining along Colombia's Pacific coast has existed since colonial times. Today, Chocó is Colombia's principal platinum producer (99% of national production) and second for gold and silver (respectively 30% and 25% of total production). Mining is the principal economic activity in the department by far and the principal employer of *Chocoanos* (Colombia's Central Bank, 2015).

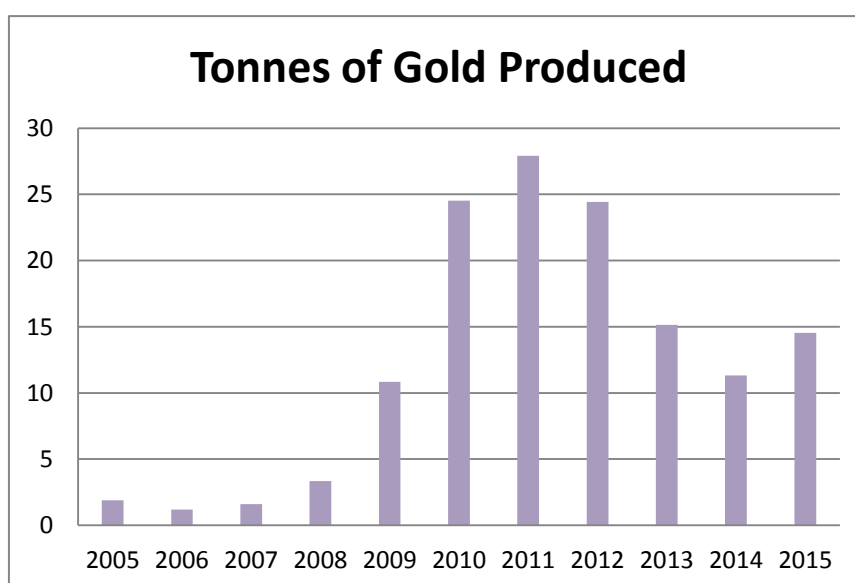
Encompassing 46,530 square kilometres, some four percent of the country, Chocó has but 500,000 inhabitants, some one percent of Colombia's population. Chocó is largely isolated from the rest of the country, with its capital the only place linked by road with the rest of the country. The main transport artery for the department is the lush jungle, home to some of the greatest biodiversity in the world, but that has little land for intensive agriculture. This is one of the poorest areas of the country, with 37.1% of the population living in extreme poverty and another 62.8% living below the poverty line, according to Colombia's National Administrative Department of Statistics (DANE, 2015). While a multitude of factors contribute to social and economic conflict in large parts of Chocó, gold mining, along with drugs and criminality, is often the only route out of poverty for the local communities. However, little money actually stays in the communities. The criminal actors and their mining allies carry away the lion's share of the earnings, which make their way to Medellín and beyond.

The gold mining sector in Chocó

With the arrival of the first slaves from Africa in the Chocó region during the 16th century, the mining sector - principally gold, silver and platinum - expanded during the Spanish colonial period, converting this remote and inhospitable region into Colombia's second most important mining region (Mosquera, 1978; Bonet, 2007). After Colombia became independent in 1810 and with the abolition of slavery in 1851, the mining sector slowed, until the arrival of foreign companies, like US Granger Mining Company at the end of the 19th century and then the British Anglo Colombian Gold Development a few years later. Both companies merged in 1916 to become the *Compañía Minera Choco Pacifico*, which benefited from World War I and World War II and expanded its activities in the Chocó department. It was sold in 1974 to national investors (Leal, 2009; Mosquera, 2013, Land Restitution Unit, 2014:28-29).

In 1920, mining concessions covered more than half of the department's territory (Leal, 2009; Land Restitution Unit, 2014:28) and between WWI and WWII, Chocó represented more than half of Colombia's total mining exports (Tierra Digna, 2016). During most of the 20th century, the mining sector in Chocó operated in two ways: traditional ancestral artisanal mining and the large-scale mechanised mining.

Figure 1: Gold Production in Chocó

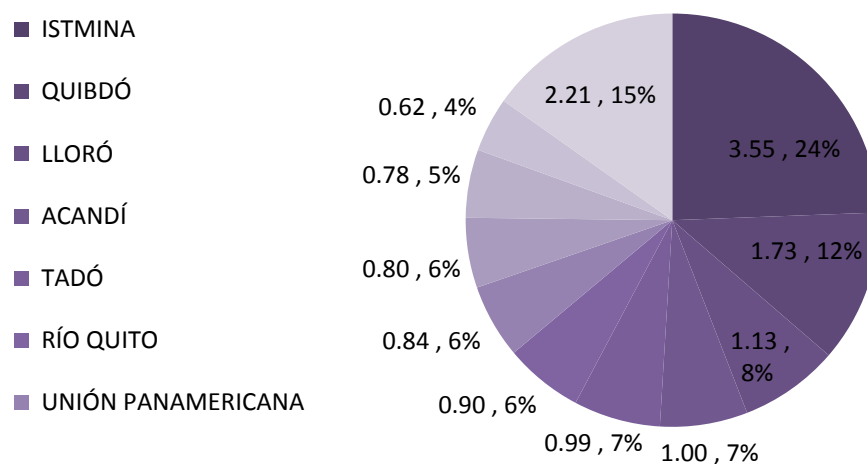


Source: Colombian Mining Information System (SIMCO), 2016

In the early 1980's, Chocó department experienced an increase of its gold production with the arrival of colonists from other regions (mainly from Bajo Cauca in Antioquia and Cundinamarca) equipped with bulldozers, backhoes or mechanical diggers. As semi-mechanised small-scale mining expanded in the department, registered production reached a peak of 3.1 tonnes in 1990 and then dropped to a low of 197kg in 1997. As in most of other Colombian gold producing departments, production increased again steadily in the wake of the rise in international gold prices, reaching a ten year high of 27.9 tonnes in 2011 (SIMCO, 2016). In 2015 production was 15.547 tonnes, representing 26.3% of Colombia's total production (SIMCO, 2016). According to some estimates, 90% of the gold produced in Chocó comes from alluvial operations, and gold production represents about 15 percent of Chocó's GDP (Goñi et al, 2014).

Figure 2: Percentage of departmental gold production

Gold Production by Municipality (Tonnes)



Source: Colombian Mining Information System (SIMCO), 2016

In 2015, 76% out of Chocó's 30 municipalities reported gold production, 40% of the total production being concentrated in just two municipalities: Istmina with 27% of the total production and Quibdó with 13% (SIMCO, 2016). According to an official report, those municipalities are highly dependent economically and socially on gold. Istmina, for example, depends on gold for 80% of its revenue (Comptroller office, 2014: 76).

However, the data is not hugely reliable, as a few years earlier, Istmina and Quibdó registered very little gold production. As the two biggest urban centres in Chocó, it is perhaps not surprising that these two municipalities would be the places where gold is sold and registered. Where the gold was actually extracted is another question.

False declarations of gold production are reportedly also common in Chocó. On the one hand, data suffers from over registration, as fake declarations of gold production are used to launder money from drug trafficking (OECD, 2016). But data is also the victim of under registration, as part of the gold extracted in Chocó is not officially registered in the department, but turns up in places like Medellín (interview with Chocó's Secretary of Environment in Quibdó).

Mining titles and collective territories

In 1991, Colombia's new Constitution gave new rights to the indigenous and Afro Colombian populations. New laws were subsequently passed and in 1993, Law 70, which regulated the Communal Councils of the Afro-Colombian communities, established that the state would deliver communal land in rural areas along tributaries feeding into the Pacific and in these areas the communities would dedicate themselves to their traditional methods of sustenance, including artisanal mining.¹ Today the Afro Colombian and indigenous communities make up 75.68% and 11.9% of the population of Chocó (DANE, 2012) and their communities spread across 96% of the department (Tierra Digna, 2016).

Chocó currently has fifteen "Afro Colombian community mining areas" (*zonas mineras de comunidades negras delimitadas*), totalling 310,920 hectares, out of the 361,510 that exist in Colombia. There is also one indigenous mining zone in the reservation of Alto Andágueda Emberas Katios, with an area of 6,535 hectares. Moreover, according to Law 70, all mining activities are prohibited in forest reserve areas, yet many concessions have been granted within the limits of the Pacific forest reserve located in Chocó. Finally, in Colombia there also exist Strategic Mining Areas (for more information see Due diligence in Colombia's Gold Supply Chain, OECD, 2016), 17 of 519 of these being located in Chocó. However, in Chocó as elsewhere, many of those strategic mining areas overlap with ancestral collective territories, and have been granted without prior consultation with local communities, which has created enormous resentment in these communities. In 2015 a report from the Ombudsman office revealed that, out of the 165 mining concessions registered in Chocó, two overlapped with indigenous mining zones and 51 with Afro Colombian mining areas (Ombudsman Office, 2015:143).

Gold mining actors in Chocó

As mentioned earlier, the highly dynamic nature of the gold mining sector in Chocó and the high levels of unauthorised small-scale and subsistence mining operations often result in unreliable data. The 2011 mining census undertaken by the government revealed that out of 527 mining units identified in Chocó, 507 (99.6%) were dedicated to gold mining, 43.5% had less than six employees (85% had less than 22 employees), and 99.2 % operated without any mining title. Only four were operating with a mining licence (Ministry of Mines, 2011).

Artisanal and Small-Scale Miners (ASM)

Local communities in Chocó have survived for generations through the practice of artisanal mining of gold. This traditionally did not involve the use of heavy machinery and has had minimal environmental impact. For the most part this has been the panning for gold (*barequeo*) with the digging of trenches alongside streams and rivers with significant alluvial gold deposits. Today, however, the use of heavy machinery and dredgers is the norm, and even the smallest operations will see the use of several backhoes diverting streams and excavating the beds, leaving pits poisoned with mercury. And the local communities will often only play a periphery role. Outside miners will arrive with the heavy machinery, whose cost is beyond the means of the locals. They will pay the local communities a pittance to allow them to work in their areas and will allow the local miners to pan from scraps in the wake of the mechanised extraction. In some cases, the local communities will not even get that and the illegal miners will work with the FARC, the ELN or the criminal armed groups (BACRIM), who will be paid to allow access and to protect operations. In these cases, the locals may well simply be indentured labour, working the machinery for the outside miners, working under the supervision of armed men risking death should they fail to perform their work adequately (interviews with local miners and local authorities).

In 2011, the mining census identified 260 artisanal processing plants (*entables*) and nearly 6,000 miners working in the Chocó department, 95.3% of whom belonged to ethnic communities (Ministry of Mines, 2011). In 2012, according to the Mining Federation of Chocó, *Federación Minera de Chocó*, (FEDEMICHOCÓ), more than 350 artisanal and small scale mining companies were registered with the Federation, employing more than 6,800 miners and contributing indirectly to another 4,000 jobs.² According to other interviews carried out for this study, however, Chocó could have an estimated mining population of 55,000, of which 50,000 are practicing artisanal mining (*barequeros*). At the end of 2015, 40,139 had registered in their municipalities, out of which 11,778 for Istmina only. However, local sources consulted for this study estimate that many more have not registered. Others employed in the mining sector include gold scrap collectors (*chatareros*) or those who transport gold bearing rocks from small-scale mines to artisanal processing plants or formal smelters (*arrieros*). There is no reliable data to count them in Chocó.

In recent years, the government has tried to regulate artisanal mining. In 2012, authorities had reported 243 applications for the legalisation of mining titles in Chocó (Ombudsman office, 2015:60). In 2013, fifteen mining titles (covering more than 7000 hectares) were granted to local communities in the Chocó municipalities of Condotó and Río Oro. These gave opportunities to 2,000 families affiliated to the Communal Councils in these municipalities (Semana.com, 2013a). However, the vast majority of these families, which live off this, continue without any kind of regulation. They are still working in areas where there are no legal titles, thus continuing to engage in unauthorised mining and providing a challenge to the government policy to halt the illegal exploitation of gold.

The appeal of Chocó for illegal mining comes from its isolation from the rest of the country, the abundance of rivers and access to maritime routes for drugs and arms, particularly access to the Gulf of Urabá. These act as the strategic corridors for illegal armed groups to move weapons, contraband, illegal migrants, drugs, money, and of course gold. Added to this is the ease with which gold can be used to launder proceeds from other illegal activities.

Illegal and informal mining in Chocó is done with dredges, bulldozers and backhoes. This activity is not limited to remote areas of the department, well beyond the eyes of the state and the security forces. It takes place across the department, including within site of the departmental capital of Quibdó (Semana.com, 2013a).

In 2013, a Chocó police chief estimated that more than 800 backhoes and 50 “dragon dredges” were operating illegally in the department (Semana.com, 2013b). Today, considering the number of machinery wholesalers who flourished in Quibdó and Istmina, local experts and police officers estimate that the figure could be much higher (interview with local experts and police officers in charge of fighting illegal mining).

Owners of backhoes and “dragon dredges” take advantage of ancestral knowledge of artisanal miners to operate (interview with local experts). In the last two years, some foreign miners known as the “Brazilians” have massively invested in small-scale semi-mechanised mining in Chocó (interview with local expert). Coming from Brazil and operating illegally alongside local communities, they also operate with the agreement of the illegal armed groups (interview with local expert). There is no reliable data regarding their numbers, but some police sources told the authors of this report that they own hundreds of dredges and that their presence goes back to 2009/2010.

The challenges for Chocó in terms of illegal mining are immense. Law 70 of 1993 obliges the state to give priority to community councils and indigenous reserves when granting permits and mining rights, something which it has largely failed to do to date (interview with the *Foro Interétnico Solidaridad Chocó – FISCH*). Another challenge facing the department is that illegal armed actors and certain local communities are engaging in gold extraction in areas where there has not historically been artisanal mining, like in the middle and lower Atrato. Here the communities have traditionally survived from agriculture. Now a mining culture of fast money has taken hold, with the inevitable environmental consequences making a return to subsistence farming difficult, if not impossible. This culture is spreading across Chocó, threatening the cohesion and fabric of the Afro Colombian communities and fomenting a culture of illegality (interview with the *Foro Interétnico Solidaridad Chocó – FISCH*).

Large-scale companies

Over the last decade, Chocó has again attracted the attention of important gold mining companies. Between 2002 and 2012, mining authorities delivered 47 mining titles within the department, representing more than 180,000 hectares.³ In 2012, 15 multinational companies held 83 mining concessions totalling 209,000 hectares, in Quibdó (72,050 hectares), Riosucio (28,423 hectares), Carmen de Atrato (26,391 hectares), Bagadó (18,115 hectares), Medio Atrato (14,933 hectares), Acandí (11,638 hectares), Lloró (11,472 hectares), Tadó (10,683 hectares) and Sipí (7,519 hectares) (Chocó 7 días, 2012). Although none of the large-scale mining companies which hold mining titles have begun the exploitation phase in Chocó, Anglo Gold Ashanti has already been granted 94,899 hectares in mining titles (Ombudsman Office, 2015:56).

Other companies have been granted the rights in Chocó to mine gold, platinum, nickel, copper, zinc, silver, iron, lead, sand, clay, gravel shale and limestone. Among them, Mineros S.A., Continental Gold (Las 2 Orillas, 2013), Muriel Mining Corporation, Exploraciones Chocó Colombia S.A., Anglo American Colombia Exploration, y Rio Tinto Mining and Explotarion Colombia (Instituto de Investigaciones Ambientales del Pacífico).

Just in the municipality of Istmina the following companies have been granted mining concessions: Votorantim Metais, Cerro Matoso S.A., Cooperativa Agrominera del Rio Suruco, Coco Hondo S.A.S., COPDICONC, and the Consejo Comunitario Mayor del Alto San Juan. Under review, pending approval are requested for mining title, Sociedad Minera Vulcano S.A., Compañía Minera ENCOL S.A., International Business Ltda, Mineral Corp Ltda, and the Consejo Comunitario Mayor de Novita, among others (INDEPAZ, 2015).

Today mining concessions and requests for mining exploration cover more than 50% of Chocó's territory (Ombudsman Office, 2015:55), although, according to the Ministry of Mines, various companies are reported to have renounced their mining titles. However, because of the obligation to consult with indigenous and Afro Colombian populations before initiating any exploration and exploitation, many of the mining projects are facing legal challenges; this goes a long way to explaining why most of the medium and large-scale mining projects with mining licences in Chocó have not yet begun extraction. The lack of security guarantees and the presence of illegal actors are the other main reasons.

Local traders

No international traders, refiners and smelters are present in Chocó. However, a large number of small-scale traders (*compra ventas*) operate in the department, most of them located in biggest urban centres in Quibdó and Istmina. According to Chocó's governor's office, in 2012, 28 local traders operated in the department (Chocó's Governor's Office, 2012). However, local sources believe many more remain unregistered, some of them operating without any formal offices (interview with local expert). According to a report from Fedesarrollo, a local economic think-tank financed by the Inter-American Development Bank, 54% of the gold is sold to small scale traders, 33% to national and international traders, 9% to cooperative association and 3% to refiners (Goñi et al, 2014).

Until 1991, Colombia's Central Bank (*Banco de la República*) maintained a monopoly on the purchase of gold in the country. However, with the passage of Act 9 of 1991, the process of gold commercialisation became more flexible, allowing private actors to buy and sell gold. Today the Central Bank still has three offices in Chocó - two in the departmental capital of Quibdó and another in Istmina - but with the opening up of the gold sector, small traders have flourished in the department and the Central Bank has seen its purchases of gold reduced drastically.

According to the owner of a gold store in Quibdó, there is little respect for formalities, such as requesting a certificate of origin (RUCOM) from those selling gold. It is simply bought and sold with no record. This allows criminal actors to buy and sell gold largely without restriction and facilitates money laundering (interviews with local small-scale gold traders).

Another gold trader in Quibdó, from Medellín, stated that he bought up to a kilo of gold every week, but insisted that the seller provides a certificate of origin. This allowed him to sell directly to the main buyers, both national and international, in Medellín, without problem. He acted as an agent for the major buyers operating out of Medellín, catering to a rather different market the first gold trading house consulted, which bought from artisanal miners to sell onto brokers (interview with local small-scale gold trader in Quibdó).

However, both traders admitted that they paid extortion and that in their opinion, operating in Chocó was impossible without payments to illegal armed groups. According to local sources, most of the local gold traders are connected to a small group of owners, many from Antioquia, who also own pawn shops (*casa de empeño*), small refineries, and other local businesses, such as petrol stations etc. Some of these owners allegedly have top level political connections and have created environmental NGOs to enhance their image and legitimacy (interview with a local source). At the beginning of 2015, however, one local trader in Quibdó was shut down following the Goldex scandal (OECD, 2016).

Most of the gold from Chocó gets shipped to Medellín, with Cali the second destination, some by land, some by air (interview with local small-scale gold trader in Quibdó). Here is where some of the

country's biggest smelters are. What is hard to determine is what percentage of the gold going into these smelters comes from legal sources. If the gold comes from Chocó, the chances are that it does not have a certificate of origin, not all necessary taxes were paid and that some of the production has fed the coffers of Colombia's illegal actors. Unsurprisingly, Chocó does not report any official gold export (SIMCO, 2016). Yet once Chocó gold leaves the smelters of Medellín and Cali it enters the international gold market.

Links between gold mining, conflict and criminal elements

Gold mining and conflict dynamics in Chocó clearly overlap. According to the Ministry of Defence, illegal armed actors and criminal organisations are present in all of municipalities where unauthorised small-scale gold mining activities are taking place in the department (Ministry of Defence, 2015). As in the rest of Colombia, gold has become a major source of conflict financing for illegal armed groups present in Chocó (OECD, 2016).

Chocó is one of the strongholds of the BACRIM, the heirs of the paramilitary groups, which have a presence in 25 municipalities, ie more than 80 per cent of the department (INDEPAZ, 2015). FARC rebels (the 57th, 34th and Aurelio Rodríguez Fronts as well as the Libardo García Mobile Column) and the ELN (Cimarrón, Ché Guevara, Manuel Hernandez y Cacique Calarcá Fronts) are also present across Chocó, often cohabiting with the BACRIM and sharing the proceeds from the gold industry as well as drugs and arms trafficking.⁴ There are clear territorial divisions over who extorts from which operations and agreements to avoid conflict (interview with police officers).

Only in 2014 the FARC, the ELN, the Urabeños and the Rastrojos, who between them dominate illegal mining in Chocó, razed 10,000 hectares of forests and poisoned the ground with large amounts of mercury and cyanide which filtered into eight major rivers in the department, creating unprecedented ecological damage and threatening the health of local communities for generations to come. Prostitution and drug consumption also affect the social fabric of these vulnerable communities (INDEPAZ, 2015).

There is a close relationship between drug trafficking and illegal mining in Chocó. In 2015 1,489 hectares of coca were registered in Chocó (UNODC, 2016). Analysts and local police believe that gold has strengthened the armed groups in the department and allowed them to diversify their criminal portfolio. Historically Chocó has not seen significant drug crops, but over the last five years this has exponentially grown. The gold allows drug traffickers to launder money as well, further strengthening the illegal armed groups and criminal economies.

Whereas state presence is weak in Chocó, the illegal armed groups are extremely effective at both drug trafficking and illegal mining. Thus, the communities in part welcome the illegal actors, not only the development of gold mining to feed them and their families, but to provide justice and security, not matter how warped (INDEPAZ, 2015).

The relationship between illegal armed groups and mining, as well as the drug business revolves around "territorial control", which in turn explains the continuing clashes between guerrilla groups and BACRIM; whoever controls the territory, controls access roads, mineral resources, movement corridors and access to local communities. For these reasons, criminal groups also seek to influence the political and administrative decisions of this region, taking advantage of the historical neglect of the state in Chocó.

Prevalence of OECD Guidance Annex II Risks in Chocó

Serious abuses associated with the extraction, transport and trade of gold

The worst forms of child labour

There is a traditional and continuing practice of children being involved in the informal and illegal mining sector. In 2001, a report from the International Labour Organisation on artisanal gold mining conducted in the municipality of Condotó (Chocó) revealed that the percentage of children working in gold extraction in this municipality was much higher than anywhere else in Colombia (International Labour Organisation, 2001:22). According to this study, 62.7% of the children living in Condotó used to work in gold mining, compared to 37% in Andes (Antioquia) and 6.6% in Marmato (Caldas). The involvement of children in artisanal gold mining operations was, and is, a familiar tradition in Chocó. Whole families, including children, take part in traditional alluvial mining as a way of subsistence. As in other departments, municipal mining booms lead families to taking their children out of schools to assist in mining activities.

With the expansion of mechanised gold mining and the growing involvement of illegal armed groups in mining activities during the 2000s, gold mining was gradually taken over by the illegal armed groups. As a result, the line between family employment and the worst forms of child labour became increasingly blurred. There are now not only extended families working together in mining operations, including minors, but also more systematic exploitation like child prostitution by illegal actors.

Recent reports have flagged the recruitment of children by illegal armed actors or criminal organisations for activities directly or indirectly related to mining. In 2014 a report from the Ombudsman office revealed that Afro-Colombian and indigenous children from Chocó were the most affected, pointing out that in some communities, children and young people had fled their villages for fear of being recruited forcefully (Ombudsman office, 2014:91). In 2014 another report from the Comptroller mentioned an increase in the number of *casa de citas* (brothels) in municipalities like Istmina with child prostitutes providing services to the miners (Comptroller office, 2014).

Cases of child prostitution accompanying the mining industry have been documented by journalists as well. There have been reports of child prostitution in mining areas, such as illegal mining camps in Bajo Atrato, Carmen del Darien and Tado (Bedoya, 2013). In mining areas, prostitutes nicknamed “*guisas*” provide sexual services and other forms of labour to workers.

While large-scale companies have strict ethics codes for their employees and sanctions are often imposed for misconduct, these standards are often hard to monitor outside of the company premises and during the employees’ free time. It has been reported that some of these brothels were mobile base camp set up during weekends to cater for demand (Bedoya, 2013). Many of those local brothels are controlled by criminal networks linked to illegal mining, or pay extortion to illegal armed actors (interview with local sources). However, child prostitution in Chocó is sometimes known to take place with the consent of parents, as the extra income goes towards supporting the poverty-stricken family.

The fear of reporting and the poor capacity of state institutions in Chocó also explain why the number of registered cases of abuses is very low compared to other Colombian departments. In 2013, the Ministry of Labour reported “only” 279 cases of the worst forms of child labour in Chocó (compared to 12,465 in Antioquia), out of which only three were related to mining activities (Ministry of Labour, 2013).

War crimes or other serious violations of international humanitarian law, crimes against humanity or genocide

War crimes and serious violations of international humanitarian law are not a new phenomenon in Chocó. For decades, the region has been at the heart of Colombia's civil conflicts, suffering massacres, high levels of homicides, and displacement. According to the Ombudsman office: "In the case of Chocó, the humanitarian crisis affecting native peoples is structural, mainly due to political and economic interests that have historically existed in the territory, together with the action of illegal armed groups, which has plunged the population in marginalisation and discrimination" (Ombudsman office, 2014:16).⁵

From the 1980s onwards, the situation deteriorated. The expansion of drug trafficking and illegal mining generated new disputes between rival guerrilla and the paramilitary groups for the control of strategic movement corridors for drug exportation and mining sites in Chocó. In 1995-1996 the AUC set up a "Mining Front", which transformed itself into the Pacific Bloc (*Bloque Pacífico*), in the heart of the Chocó jungle, to protect the interests of gold miners and gold traders from the San Juan and Quibdó region, and to retake control of the Quibdó-Medellin and Quibdó-Pereira highways (Verdad Abierta, 2016).

The expansion of the AUC's Pacific Bloc provoked a strong reaction from both the ELN and FARC, exacerbating violence all around the department of Chocó. On 2 May 2002, in the midst of a battle between the FARC and the paramilitaries, the FARC's 57th front fired a homemade mortar into the church of Bojayá, where the local community had taken refuge from the fighting. 79 people were killed, 48 of them children. The demobilisation of the AUC's *Bloque Pacífico* on 23 August 2005 did little to alleviate violence. The place of the paramilitaries was taken by a new generation of illegal actors, the so-called BACRIM of the *Machos*, *Rastrojos*, *Renacer*, *Nueva Generación* and the *Urabeños*.

Between 2008 and 2013, although there was a reduction in murders in Chocó, the Ombudsman office registered 1,961 threats to the population with a sharp increase from 2011 (Ombudsman office, 2014). As in other departments, human right violations evolved according to the intensity of fighting between those groups over control of territory and the illegal economies within. Agreements between the illegal actors are constantly evolving depending on criminal earnings. In March 2014 an article from InSight Crime reported an alliance between FARC's 34th front and the *Urabeños* regarding gold mining activities (Insight Crime, 2014). At the same time, other reports also mentioned alliances between the FARC and the ELN against operations by the military and between the ELN and the *Urabeños* over control of mining activities (Ombudsman office, 2014).

When those alliances break or change, the most affected are civilians, especially ethnic communities, and although the rate of selective killings decreased from 2012, forced displacement, restrictions to mobility, victims of antipersonnel landmines and extortion remained a constant (Ombudsman office, 2014). The illegal actors have continued to strengthen their hold over Chocó, financed in no small part by illegal gold mining. The violence against the indigenous and Afro communities has also continued unabated.

Forced displacement

For decades, clashes between illegal armed groups have gravely affected the local population in Chocó and tens of thousands have been forced to flee their homes. Much of the violence generating this displacement has been motivated by the desire of illegal actors to control areas where alluvial gold deposits lie.

According to the office of the UNHCR in Colombia, between 1997 and 2010, 199,203 people had been victims of forced displacement in Chocó.⁶ In 2011, three additional mass displacements occurred in the middle of the Baudó river basin, meanwhile in 2012 another exodus of indigenous communities was reported from the River Purriche, north of Baudó. In 2013, the Ombudsman office reported that, four of the 25 Colombian municipalities with the highest expulsions were in the department of Chocó (Quibdó with 1,624 people, Litoral de San Juan with 1,539 people, Riosucio with 754 people and Bajo Baudó with 699 people) (Ombudsman office, 2014:45-46). In 2014, more than 3,000 Embera indigenous were forced to leave their home because of the clashes between the ELN and the so called Gaitanistas Self-Defence of Colombia (*Autodefensas Gaitanistas de Colombia* – AGC, perhaps better known as the “*Urabeños*”) armed group in the region of Baudó (Ombudsman office, 2014:44). The last example of forced displacement occurred in May 2016, when more than 6,000 people fled their home and another 7,000 were confined because of the combats between illegal armed groups around the Baudó, Atrato and San Juan riverbanks (ACNUR, 2016).

In 2009, a ruling from Colombia’s Constitutional Court confirmed the relationship between mining activities and forced displacement in Colombia, most specifically in the Pacific coast of Nariño although the same applies to Chocó (Auto 005/2009):

“According to the numbers of the Colombian Mining Information System of the Ministry of Mines and Energy, the exploitation of gold has gained momentum in the municipalities along the Pacific in recent years. However the gravest problem that the Afro communities face in their territories is the illegal extraction of their natural resources by external actors, of which there are no exact or accurate registries... There is a grave absence of data on the illegal exploration and exploitation of these resources in the ancestral lands of the Pacific of Nariño, which, however, constitute an important factor for displacement in this region.”⁷

Another section of the ruling stated:

“Apparently some economic actors have allied themselves with irregular illegal actors to generate, within the indigenous communities, acts of violence that eliminate or displace the indigenous people from their ancestral territories, clearing them out to implement these productive projects. This derives from, essentially, the existence of commercial interests in the natural resources of these territories. In some parts of the country it is clear that the links between actors in the armed conflict and economic interests is one of the principal causes of forced displacement.”⁸

This judicial ruling led many indigenous and Afro-Colombian communities to reclaim their ancestral rights to recover their land. In Chocó, an emblematic case was that of the indigenous Embera Katíos from the High Andágueda reserve, who had been victims of numerous displacements because of the armed conflict and of the presence of mining companies in their territories. On 4 February 2013, a judge concluded the following:

“The armed conflict, forced recruitment and forced displacement have dismantled the reservation in such a way that it is not possible to find an organised community, because of the violence. (...) The situation had been taken advantage of by actors outside of the community to exploit the territory on the cost of the reservation.”⁹

Mining companies denied any causal link between their operations and the internal armed conflict. However, although it was recognised that there was neither evidence of a direct relationship between the presence of mining companies and the armed conflict, nor between those companies and forced displacement, the judge concluded that the companies had indirectly benefited from the

armed conflict to obtain their mining titles, because it had been impossible to carry out a proper prior consultation, and for that reason, their mining titles were suspended.¹⁰

Direct or indirect support to non-state armed groups

Chocó is a highly strategic region for drug trafficking due to its geographic location close to Panama, its Pacific coast, and the entangled network of rivers in the middle of the jungle flowing both to the Pacific and Atlantic Oceans. With the rise in the prices of commodities, illegal armed groups became increasingly interested in the traditional mineral wealth of Chocó, and progressively diversified their sources of income from cocaine and arms trafficking, to include illegal mining.

In 2011, the municipality of Novita, in the south of the department, reported the highest gold production in Chocó, while it also accounted for 45% of the department's coca crops (Semana.com, 2013b). In 2015, the UNODC office in Colombia revealed that 44% of alluvial gold mining from Colombia's Pacific region coincided with territories currently affected by coca crops and that, in 2014, 13,600 hectares of virgin forest from the Pacific region had been destroyed in order to conduct mining activities, more than three times the land cleared to grow coca during the period 2012-2013 (UNODC, 2015).

Like in other departments of Colombia, in Chocó the guerrilla groups and the BACRIM rarely operate mines. They largely prefer to extort from whoever works in the areas they control, rather than operating the mines themselves. However, the line is often blurred between operating mines directly and extorting miners and mining communities. In some cases, those groups own the mining equipment. But in most cases, the armed groups negotiate with the owner of the heavy machinery or dredgers to allow them entry to their zones of influence and charge them a monthly "tax" to continue operating. There have been some cases registered of illegal actors charging a percentage of the gold collected. They will also charge to "escort" gold shipments out of the department to where it is sold or smelted (INDEPAZ, 2015).

According to local sources, guerrilla groups or BACRIM control everything that moves along the rivers and tributaries, deciding who enters and who exits the indigenous and Afro Colombian communities. "In this department, not a single mechanical digger or anything else moves without the blessing of the ELN, FARC, *Rastrojos* or *Urabeños*, stated a Police source. "To enter the jungle, set up a machine or extract gold is not possible without them knowing" (El Tiempo, 2014).

Other sources also accused the guerrilla of manipulating the communities.

"When the government attacks illegal mining, the guerrillas send the local communities to protest. They put local leaders at the head of the protest and threaten them if they don't obey. The problem is that the state doesn't understand the situation and considers those local miners as accomplices of the guerrilla" (interview with local miners).

In urban areas, their modus operandi is very similar. Both the guerrillas and BACRIM have established their own network of urban militia to monitor and "tax" transactions related to informal mining, while extorting traders and transporters (Ombudsman office, 2014:25).

Extortion

According to the Ombudsman office, "extortion is one of the most widespread crimes in Chocó. In 2013, 157 people reported to the Attorney General's Office for having been victims of extortion, with the towns of Quibdó and Itmina the most affected" (AGO, 2014). "Everything is subject to

extortion, from timber to backhoes and “dragon dredges. The day they wash the gold, they keep 12% of the production and the community 9%” said local sources.

Another source of revenue for the guerrillas and the BACRIM comes from the extortion of service providers to small-scale miners. Hundreds of operators of backhoes, “dragons” and bulldozers operating all around the department are required to pay extortion fees of between US \$1,500-2,500 per month in order to enter certain areas. In areas like Noguá, they are reported to charge up to US \$3,000 for each backhoe mechanical digger (Semana.com). According to police estimates, in 2014, in Chocó alone, the BACRIM, the FARC and the ELN obtained as much as US\$6.6 million a year each from extortion (El Tiempo, 2015). But more recent estimates are much higher. One local source interviewed by the authors believes that FARC’s 34th front alone, could obtain as much as COP3.400 million (US\$1.16 million) a month just from illegal mining activities.

Bribery and fraudulent misrepresentation of the origin of gold

Chocó has long suffered from various forms of corruption, including administrative, political, and security-related (Bonet, 2007; ABColombia, 2015, Tierra Digna, 2016). In fact, Chocó is thought to be one of the departments which has lost the most from its budgets, especially those related to health, education and minority groups, to corruption.

In July 2014, an officer from the Comptroller’s office, who was investigating the false filing of \$13,000 million pesos (just over US\$4 million) in royalties from the municipality of Bajo Baudó by twelve fake gold production and trading companies, was murdered in Quibdó. The municipality of Bajo Baudó had received a \$1,100 million pesos (US\$290,000) in tax returns from the tax agency, the DIAN (*Dirección de Impuestos y Nacionales de Colombia*) in relation to the declaration that large quantities of gold were mined in the region, despite none being produced there (El Tiempo, 2014).

According to the editor of the local newspaper, “Chocó 7 días”, there are similar on-going investigations against other local politicians, related to cases involving international gold traders (interview with local journalist). Due to the weakness of the state presence in many mining municipalities in Chocó, small-scale corruption by government officials has also become widespread.

The security forces are reported to be accomplices in the illegal mining industry. Coming by road from Medellín, backhoes are then moved along the River Atrato, Chocó’s main transport artery, passing through checkpoints of the navy, army and the police. “Every check point has its own price”, which means everybody solicits bribes to allow the equipment to reach illegal mining sites. According to a representative from the Mining Federation of Chocó (FEDEMICHOCO), this is the reason for which the areas with the highest state presence also suffer the worst environmental pollution (interview with a representative from FEDEMICHOCO).

In addition, there are claims that military officials are bribed by illegal gold miners in return for turning a blind eye to their operations. There is said to be a relationship between the BACRIM and the security forces. The security forces are accused of not providing protection to miners in rural areas with a high presence of criminal groups, leaving them open to extortion and intimidation (interview with a representative from FEDEMICHOCO).

Low salaries have also allegedly led certain individuals within the security forces to turn to petty crime (interview with Quibdó’s Secretary of Finance). In March 2016, the passengers of a boat docking in Quibdó were robbed by a group of people dressed in military uniforms. According to the municipal finance secretary, one of the perpetrators was later released by authorities because he was a soldier.

To combat these practices, the National Police has been implementing a series of new measures. In mining municipalities, low ranking police officers are rotated regularly to minimise the risks of them taking bribes. In addition, elite national police units, dedicated to fighting criminal mining now have the capacity to conduct operations to destroy machinery, cease gold and capture miners linked to illegal armed actors or criminal organisations without relying on local officers (OECD, 2016). Since 2010, coercive action against illegal mining, particularly in areas where it is a source of financing for illegal armed groups and criminal organisations, has become a priority for the government, and law enforcement agencies have moved quickly to seize machinery such as bulldozers and dredges.

Between August 2010 and July 2016, Ministry of Defence figures show that security forces intervened against more than 90 illegal mines in Chocó, captured 250 suspects, confiscated 259 machines and vehicles (backhoes, bulldozers, dredges), destroyed 54 backhoes and 8 “dragons dredges”, and seized 26 kilos of gold produced illegally (Ministry of Defence, 2016).

Money laundering

As in the rest of Colombia, the world of local gold traders is difficult to monitor in Chocó. As mentioned above, many of the buyers are satellites of gold traders established in Medellín and their owners are generally involved in all sort of local business, from petrol stations to restaurants.

According to Fedesarrollo, 99% of gold transactions in Chocó are paid in cash (Goñi et al, 2014:26). Therefore, local traders have significant capital and liquidity to support their operations with little paper trail, increasing suspicion that many could be financed by drug trafficking organisations directly. Furthermore, in the late 1990s and early 2000s, members of paramilitary groups operating in Chocó invested in local gold traders. To further complicate matters, money from drug trafficking was used to purchase gold in neighbouring Panama before being brought back illegally to Chocó and declared as local production. Recent investigations around fake gold production and trading companies in Chocó, in relation with the C.I. Goldex case, suggest that those practices have not disappeared (interview with local prosecutors).¹¹

Formalisation processes and due diligence: relevant initiatives and perspectives

In Chocó, the public perception is that the security forces do not distinguish between informal miners trying to earn a living and those working with criminal groups (interview with local journalists). At the same time, the process to legalise mining operations is seen as highly bureaucratic with criteria almost impossible for informal miners to fulfil. This pushes the informal sector into the arms of the illegal actors, as many miners do not have legal papers to support their operations and cannot complain to the authorities if they are extorted or threatened. Also, they can only sell their gold illegally, as they cannot provide the certificates of origin necessary to legalise their production.

According to a survey from Fedesarrollo conducted in 2012, 69% of the miners interviewed in Chocó did not know about the formalisation programmes conducted by the government, and out of the 31% of the miners who had heard about, only 12% responded that they would be interested in participating (Goñi et al, 2014:64).

Recently, the mining community in Chocó and the government of Colombia have generated different proposals to contain illegal mining and permit sustainable development in the region, based on principles of institutional strengthening to minimise corruption.

The Mining Federation of Chocó proposes the creation of an extractive mining model in accordance of the International Labour Organisation Law 21. The idea is to have a licence, with some element for heavy extraction for family level production, but with a strong control of the state. The proposal is that people can have permits to mine in local areas with monitoring and taxing by the state to sustain the community and that they ensure that no mercury or toxic chemicals are used. This way the miners can be included, can become partners in the project, with a permanent state presence, guiding the miners in how to correctly invest any profits. The regional secretary for economic development explained that a pilot project is currently being developed consisting of an alliance between communal mining title holders, the municipal councils, and local private companies that act as their financial partners, providing funding and extra capacity for the exploitation of minerals in the area. This scheme is being considered in four areas of Chocó, including Baudó, Atrató and San Juan. The initiative implies close monitoring by the state in order to ensure that the private company does not wrest control of the project and its benefits from the community, which will have to be proactive and become more independent with time. This project furthermore requires the granting and formalisation of a mining title to the community, without which they will have little authority in negotiating such a deal with any private partner.

A precedent can be found in Medio Atrató, in the Río Paraná area, where the community is reportedly working directly with a local private mining company that manages machinery used in extraction, some of which is owned by the municipal council. The municipal council receives a percentage of the profits from the mining activities and employs the local population. The private company in question is owned by a member of the community who learned the trade while working for another company, before founding his own. Similar cases can be found in other communities.

A list of communities in which such a business model could take root, as well as mining companies that would make suitable partners -- local and, in time, multinational -- could be drawn up in support of this type of project. Such a scheme would encourage local communities to abandon informal forms of mining for formal options. It could also help isolate the criminal and illegal armed groups from the business. However, this has to overcome current cultural norms by which communities reject the long term benefits of legality for the fast results of informal or criminal activity. The generation of immediate income from legal projects could facilitate this transition, as could the offering of incentives to the community - the granting of a mining title, for example - in return for completing certain requisites, such as documentation to support production, more environmentally-friendly extraction, the reforestation of mining areas or the education of miners and their families.

Conclusion

Although Chocó is Colombia's second largest producer, gold exploitation has left few dividends for the majority of its population, one of the poorest in the country. By 2015, 35% of Colombia's total gold panners (*barequeros*) were registered in Chocó, representing a big challenge for the Colombian authorities.

The gold mining sector in Chocó faces tremendous legal, social, political, and security problems. During the last decade, traditional artisanal gold miners have been replaced by small-scale miners who have inundated the department's river beds with backhoes and dredges. Moreover, mining titles granted to junior multinational companies during the last 20 years overlap with collective (indigenous and afro Colombian) territories, resulting in disputes over land rights.

Despite some inter-institutional attempts to implement due diligence processes in gold exploitation in Chocó, widespread poverty, high levels of corruption and established patterns of money

laundering, difficult access to mining sites, and the presence of illegal armed groups and criminal organisation have rendered these efforts unreliable.

The peace agreement signed in late 2016 between the FARC and the Colombian government will be particularly hard to implement in Chocó. It is still unclear whether the demobilisation of the FARC will aggravate the social conflicts or regulate the social order in gold mining communities. The risks of recidivism by members of the FARC's 57th and 34th fronts, the presence of the ELN, the Usuga clan/Gulf clans and other criminal outfits make it hard to predict whether miners will be able to sever their links with non-state actors.

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NOTES

¹ Congreso de la República de Colombia. “LEY 70 DE 1993”. 27 August 1993. Available at: <https://www.minagricultura.gov.co/Normatividad/Leyes/70-1993.pdf>

² Gobernación del Chocó, 2012. Available at : <http://www.choco.gov.co/noticias.shtml?apc=ccx-1-&x=1005>

³ Juzgado Primero Civil de Circuito Especializado en restitución de Tierras de Quibdó. Medida Cautelar de Protección de territorios indígenas del 4 de febrero de 2013. Available at: http://www.google.com.co/url?sa=t&rct=j&q=&esrc=s&source=web&cd=1&cad=rja&uact=8&ved=0ahUKEwio mdHZ0MTOAhVCdR4KHZmjB5kQFggaMAA&url=http%3A%2F%2Fwww.verdadabierta.com%2Fdocumentos%2Fnegocios-ilegales%2Ftierras%2F1082-restitucion-etnica-medida-cautelar-de-choco&usq=AFQjCNGePAPpBk7h5iKHqQWZhOUb8Jtl_g

⁴ The 34th Front operates between Chocó and Antioquia, in the municipalities of Bojayá, Rio Sucio, Curvaradó, Medio Atrato, Quibdó. To the north is the 57th Front, operating along the border with Panama, between Acandí y Quibdó, including Unguía, Riosucio, Carmen del Darién. Meanwhile the ELN operates in Lloró, Tadó, Santa Rita, Bagadó, Nóvita, Sipi, all along the San Juan river to the Bajo Baudó, and along the Baudó river near Nuquí and Bahía Solano (interview with Army officials).

⁵ “Para el caso del Chocó, la crisis humanitaria que viven los pueblos ancestrales es estructural, debido principalmente a los intereses políticos y económicos que históricamente han existido sobre el territorio, sumado a la acción de los grupos armados ilegales, que ha sumido a la población en la marginalidad y la discriminación”.

⁶ In 1997 and 2002, the department registered its highest rates of forced displacement with 51,322 registered victims in 1997, and 41,097 people displaced in 2002 (Victims Unit, 2012). In 2003, an entire village disappeared when its 150 inhabitants abandoned their home after the assassination a community leader (Verdad Abierta, 2016). In 1999, the Major Community Council for the Popular Peasant Organisation of the Alto Atrato (*Consejo Comunitario Mayor de la Organización Popular Campesina del Alto Atrato*) had over 30,000 inhabitants divided between the municipalities of Lloró, Bagadó, Atrato and Certegui. Thirteen years later, 20,000 had fled their homes because of the internal armed conflict, and in 2011, the Community Council had only 12,000 inhabitants (Land Restitution Unit, 2014). In 2009, more than 700 people, mainly indigenous and Afro Colombian from the Alto Baudó fled their homes because of the fierce combats between the ELN and the security forces.

⁷ Constitutional Court, Ruling 005 of 2009: “Según las cifras del Sistema de Información Minero Colombiano del Ministerio de Minas y Energía, la extracción de oro ha adquirido mucha fuerza en los municipios del Pacífico en los últimos años. Sin embargo, el problema más grave que afrontan actualmente las comunidades afrodescendientes en sus territorios es la extracción ilegal de sus recursos naturales por parte de agentes externos, de la cual no se tienen registros ciertos ni exactos. (...) Hay una ausencia grave de datos sobre la

exploración y explotación ilícita de estos recursos en las tierras ancestrales del Pacífico nariñense que, sin embargo, se ha constituido como un importante factor de desplazamiento en esta región.” Available at : http://www.mintic.gov.co/portal/604/articles-3487_documento.pdf

⁸ Constitutional Court, Ruling 005 of 2009 : (...) *Aparentemente algunos actores económicos se han aliado con los actores armados irregulares para generar, dentro de las comunidades indígenas, actos de violencia que eliminan o desplacen a los indígenas de sus territorios ancestrales, despejando así el camino para la implementación de estos proyectos productivos. Ello se deriva, esencialmente, de la existencia de intereses comerciales extensivos en los recursos naturales de sus territorios. En algunos lugares del país es claro que se han vinculado los actores del conflicto armado con intereses económicos, vinculación que es una de las principales causas de desplazamiento forzado*”. Available at : http://www.mintic.gov.co/portal/604/articles-3487_documento.pdf

⁹ Juzgado Primero Civil de Circuito Especializado en restitución de Tierras de Quibdó. Medida Cautelar de Protección de territorios indígenas del 4 de febrero de 2013, p. 15. *“El conflicto armado, los enfrentamientos, el reclutamiento, el desplazamiento forzado han deshabitado el resguardo de manera tal que no es posible encontrar una comunidad organizada por la situación de violencia. Situación que viene siendo aprovechada por los actores ajenos a la comunidad, para explotar territorio en detrimento del resguardo.”*. Available at: http://www.google.com.co/url?sa=t&rct=j&q=&esrc=s&source=web&cd=1&cad=rja&uact=8&ved=0ahUKEwio mdHZ0MTOAhVCdR4KHZmjB5kQFggaMAA&url=http%3A%2F%2Fwww.verdadabierta.com%2Fdocumentos%2Fnegocios-ilegales%2Ftierras%2F1082-restitucion-etnica-medida-cautelar-de-choco&usg=AFQjCNGePAPpBk7h5iKHqQWZhOUb8Jtl_g

¹⁰ Juzgado Primero Civil de Circuito Especializado en restitución de Tierras de Quibdó. Medida Cautelar de Protección de territorios indígenas del 4 de febrero de 2013, p. 17. *“Por eso el interés de este despacho en la suspensión tanto de las solicitudes como de las licencias que se encuentran vigentes, resulta de esa incursión de la explotación minera sin el lleno de los requisitos al resguardo indígena, y que tiene como foco de incidencia la situación de violencia y condiciones de víctimas de la comunidad EMBERA KATIOS, ocasionándose la imposibilidad de las comunidades indígenas que han sufrido las consecuencias del conflicto armado de: fijar sus prioridades de desarrollo; ser consultados e intervenir en la discusión de las afectaciones por las explotaciones autorizadas por la autoridad minera y llegar a acuerdos sobre el monto de indemnizaciones o compensaciones derivadas de las afectaciones de dichas actividades”*. Available at: www.google.com.co/url?sa=t&rct=j&q=&esrc=s&source=web&cd=1&cad=rja&uact=8&ved=0ahUKEwio mdHZ0MTOAhVCdR4KHZmjB5kQFggaMAA&url=http%3A%2F%2Fwww.verdadabierta.com%2Fdocumentos%2Fnegocios-ilegales%2Ftierras%2F1082-restitucion-etnica-medida-cautelar-de-choco&usg=AFQjCNGePAPpBk7h5iKHqQWZhOUb8Jtl_g

¹¹ Between 2011 and 2013, authorities identified a legally constituted international gold trader that reported purchases of gold from inexistent suppliers either to justify the fact that the company was sourcing gold from illegal miners or to provide smaller gold traders, possibly owned by criminal organisations, with the necessary support for transactions that allow them to justify proceeds and launder money from drug trafficking operations. See for example, *Semana.com*, “Goldex, la historia detrás de la empresa de oro más grande del país”, 21 January 2015. Available at : www.semana.com/nacion/articulo/goldex-captura-zar-del-oro-lavado-de-activos-historia-de-la-empresa/415422-3

DUE DILIGENCE IN COLOMBIA'S GOLD SUPPLY CHAIN

Gold mining in Chocó

This report is the third of a series of assessments on Colombian gold supply chains and the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas in the Colombian context. It analyses conditions of mineral extraction and related risks in Colombia's Choco region.

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