ARTISANAL GOLD MINING

OBJECTIVE

Combatting illegal activities, including illegal mining, and providing alternative incomes through the licit economy are paramount for a sustainable peace. In response, USAID/Colombia’s Artisanal Gold Mining activity is the agency’s largest and most ambitious effort to promote responsible mining, alternative livelihoods, and environmental rehabilitation.

Since 2006, gold mining in Colombia has increased by over 300 percent, and illegal and informal gold mining is a growing challenge. In fact, the scale of mining has grown faster than the institutional capacity to adequately regulate and control mining activities. According to the Government of Colombia (GOC), illegal gold mining has replaced drug trafficking as the primary source of income for organized crime, armed groups, and illicit actors. This only adds fuel to the violence as illegal mining finances criminal organizations and their activities. Nationally, 38 percent of Colombia’s territory that is affected by illegal mining is also affected by illicit coca cultivation.

In 2016, the National Mining Agency estimates that 80 percent of the nearly 68 tons of gold produced in Colombia was done so by illegal and informal actors. This informal/illegal mining caused widespread deforestation and mercury contamination, posing a threat to public health, and cost the GOC tens of millions of dollars in lost tax revenues. As a result, addressing illegal mining has become a central concern in Colombia’s peace process. Implemented by Chemonics, USAID’s Artisanal Gold Mining program will run from September 2015 – September 2020 in the departments of Antioquia and Chocó, where 60 percent of gold produced in Colombia originates.
COMPONENTS

MINING LEGALIZATION AND FORMALIZATION

Artisanal Gold Mining seeks to strengthen the GOC’s capacity to enforce gold mining legislation, and enhance the participation of artisanal gold mining associations and Afro-Colombian and indigenous communities in mining formalization programs. Mining legalization and formalization will reduce the environmental impacts and criminal activities associated with illegal mining as well as increase royalties, taxes, and social security by over $28 million.

MERCURY REDUCTION

Colombia is the world’s largest mercury polluter per capita due to mercury’s use in separating gold from other properties. As a result, the department of Antioquia has the highest urban per capita airborne mercury pollution in the world. During the formalization process, technical assistance will help participating mines eliminate 55 tons of mercury from the production process.

ALTERNATIVE LIVELIHOODS

It is estimated that only 20 percent of existing mining are feasible for legalization/formalization. Artisanal Gold Mining will provide assistance to generate alternative livelihoods for those communities that cannot or should not be involved in gold mining. In Antioquia, honey production will provide improved livelihoods for 450 families, representing an income of USD $400 per month for each family. The activity will build, distribute, and stock 12,000 beehives, producing 30 kilograms (kg) of honey per beehive per year at a market price of USD $2.5/kg. This represents an increase of 2.26 percent of the agricultural GDP of the six municipalities that make up the Bajo Cauca region. In Chocó, annatto production will provide improved livelihoods for 600 families on 1,200 hectares, generating 2.5 tons per hectare per year, representing a monthly income of USD $625. This is more than twice the current minimum salary in Colombia (USD $280).

REHABILITATION OF DEGRADED LANDS

Illegal mining leaves behind a legacy of abandoned, degraded mining sites. Artisanal Gold Mining seeks to rehabilitate 11,500 hectares of highly degraded land using reforestation with Acacia magnum in Antioquia, and assisted natural regeneration in Chocó. In Chocó, six agreements have been signed with Afro-Colombian Community Councils to rehabilitate 8,220 hectares of an estimated total of 45,000 hectares of degraded land. In Antioquia, eight projects with private investors, local governments, and communities will rehabilitate 3,280 hectares of an estimated total of 22,000 hectares of degraded land.

EXPECTED RESULTS

- Legalize and formalize 135 artisanal mining operations.
- Legalization of USD $155 million of gold.
- Increase payments in royalties, taxes, and social security by over USD $28 million.
- Eliminate 55 tons of mercury from the production process of supported mines.
- Rehabilitate 11,500 hectares of degraded land.
- Diversify incomes of 13,800 families, providing alternative livelihoods to mining.