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| Responsible business conduct |

































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Table of Contents



The OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected



|  |  |
| --- | --- |
|  |  |

|  |  |
| --- | --- |
|  |  |



Gold mining in Colombia dates back to the fifth century B.C. and flourished until the sixteenth

for only 17% of the total production (ANM, 2015).

**Figure 1: Different types of mining in Colombia**



In addition to being informal, most of the gold is produced by small and mid-scale miners. Based on

*Compra-ventas*

**Figure 4: The Gold Supply Chain in Colombia**



Principal illegal armed groups and criminal organisations16

Police contends that the proceeds from illegal mining could be close to surpassing those from drug

Paisas, Rastrojos, ERPAC (divided in two smaller factions) and Aguilas Negras. They have shown great

that some of those same routes are being used to bring equipment and supplies in for illegal mining

settled traditional informal miners over mining sites. Although legally constituted companies are

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| **Trade based money laundering** |

looking into cases of suspicious purchases through gold traders operating in free trade areas

**Figure 5: Typology based on case of an international trader investigated for operations between 2011 and 2013.**



This section examines the so-called ‘Annex II risks’ which are the risks companies should consider

These types of operations are usually found in areas where a particular group has established

where the amount is based on percentages (Guiza, 2010; Massé and Camargo, 2012; Indepaz, 2012;

vulnerable to infiltration – or in some cases established by members of illegal armed groups,

Financing illegal armed groups and serious human rights abuses

their purchases and pay royalties, it is difficult to trace if reported amounts coincide with gold

**Figure 6: Illegal armed groups, criminal organisations and their relations to the gold sector**

Entry points for promoting the OECD Due diligence Guidance

still do not fit the requirements, and it could take time before they can apply to government



Authorities acknowledge that security remains a concern when implementing formalisation

and royalties by companies and institutions. Already efforts like a new royalty payment tracking

grown exponentially,” and that neither the police nor local mayors had the necessary capacity to

**Figure 7: Prosecutions for illegal gold mining**

detailed risk assessments for operations in the mining and oil sectors. While not available to the



While it is apparent that the supply chain in Colombia faces a number of risks and challenges,

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|  |  |

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|  |  |



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