A Cerrejón employee surveys the large coal-mining trucks in the company’s workshop.
Within that plan, the government has committed itself to investing in both the hydrocarbons and mining sector, a sector that has no mineral production in order to have a more balanced distribution of royalties.

DISTRICT PROVINCE

Before the reform, 80 percent of royalties derived from the mineral, gas, or oil producing provinces went to the National Royalty Fund that invested in other regions (the equivalent of 70 percent of the population). By 2015, this will be flipped if the government’s policies are implemented. The Ministry of Environment, which is the state’s planning and environment agency, has been setting priorities and saving the area from environmental destruction.

On July 1, 2012, Santos approved a law strengthening the government’s influence over mining in the Amazon region. Government officials estimate that the first round of bidding will begin in 2013 on 2.5 million hectares. The Ministry of Environment, however, implemented a two-month extension of mining in the Amazon in August 2012 to conduct environmental studies and save the area from exploitation.

In November 2012, Santos approved a law establishing a consultation mechanism to allow local communities to participate in and save the area from exploitation. In June 2013, Santos approved a law that established a consultation mechanism for the purposes of consultations or agreements that must be reached in order to exploit natural resources and to conduct environmental studies.

The 1991 Colombian Constitution laid the groundwork for consulta previa under Article 33. The article requires that the activities in natural resource extraction in Indigenous lands must not affect the cultural, social or economic integrity of Indigenous communities and grants the government the authority to promote the participation of community representatives in those activities. Later that year the congress adopted LEO 169 as Law 23, requiring the government to establish and maintain consultative processes that consider the interests of Indigenous communities when the exploitation of natural resources takes place. Under the law, the government must work with Indigenous communities to develop projects that respect the rights of local ethnic communities and to ensure that the environmental, social, and economic benefits of the activities are shared with Indigenous communities.

Three Countries, Three Different Trajectories

COLOMBIA

A Chevron crane monument at the entrance to the mine.

It’s a course that will be made easier for communities in Colombia's increased focus on the export of primary products. The global commodity boom occurred after the country already had a diverse economy, including a healthy manufacturing economy and export base. As a result, even after the global commodity boom of the late 1990s and early 2000s, hydrocarbons only accounted for just over 5 percent of Colombia’s GDP, and mining approximately 2 percent—less than either Chile or Peru. But, like both countries, foreign direct investment makes a significant portion of the investments in both the hydrocarbons and mining industries, averaging around 27 percent of the total investment in the sectors between 2005 and 2011.