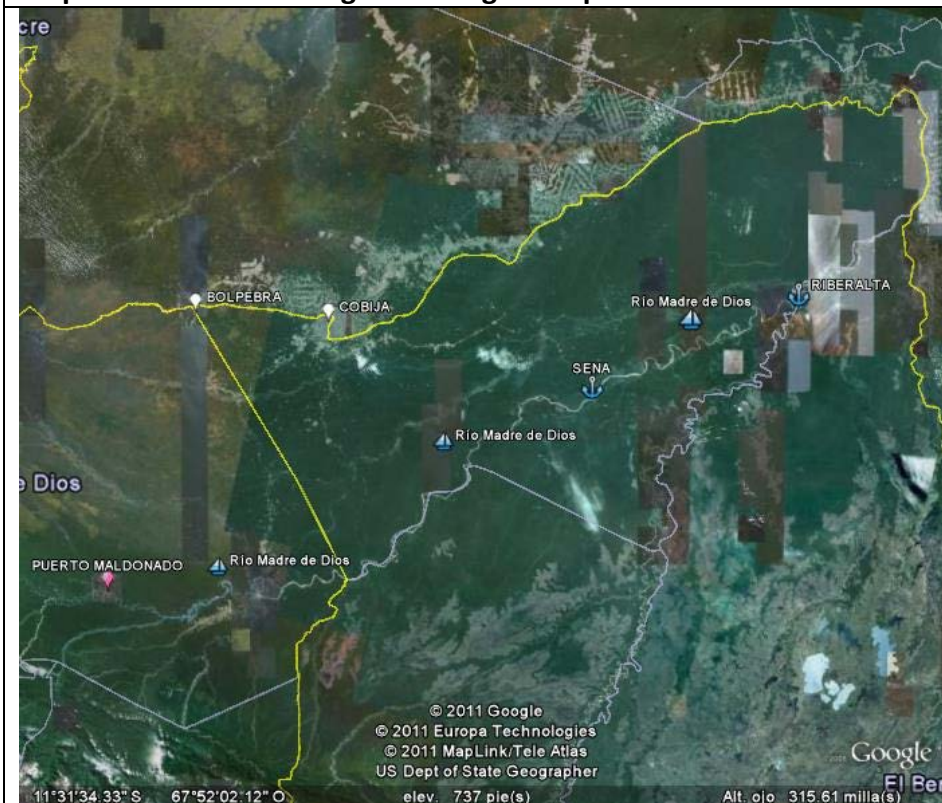


## Fact sheet

### Small scale gold mining in Bolivia

General information	
Population Size/density	9/10 million (> 1 million abroad), population density national level: 8 per km <sup>2</sup>
GNP per capita	4.700 US\$ (2009)
% of population below poverty line	59%
Child Mortality	Under five: 125 in 1990, 84 in 2000, 65 in 2005, per 1000 births
Legal minimum wage	± 879 bolivianos (117 US\$) (new measure by the government, February 2011)

#### Map of locations where gold mining takes place



#### History of Small- scale gold mining

Gold mining is old in Bolivia – the Spaniards already *loved* the country for its gold, silver and other minerals. Gold constitutes only a modest share of the country’s mining produce. Traditionally, most mining took place in the highlands, where larger-scale mining predominated and predominates. In the lowlands, gold mining has for a long time been a micro-activity, including families living near a river doing it on ‘free days’. During the last 10 years, and especially during the last 3 years, small scale

alluvial gold mining boomed. The departments of Pando, Beni and Santa Cruz in particular saw increased activity. Some of it is *cooperativista* and applying somewhat more updated and medium-scale technologies, much of it is informal, *ad hoc*, illegal and volatile.

<b>Socio-economic aspects of small scale gold mining</b>	
(Estimated) number of persons involved in ssm	400,000 – 500,000
Number ssm miners/Number of people involved through secondary activities related to gold mining	80,000/320,000
Number of medium/large mining companies (registered and unregistered)	2 (in gold mining)
Civil society actors involved in ssm	320,000
% ssm migrant miners	High....
% ssm miners who are women	A rough estimate: 6%
% ssm miners who are children under the age of 16	According to information of the <i>Instituto Nacional der Estadísticas</i> , approximately 13.000 children and adolescents work in traditional and gold-mining, that would be about 16% of the 80.000 ssm miners )
Annual gold production total	6,394 KF (according to 'Mining Metalurgical Yearbook', Ministry of Mining, Bulletin 234, La Paz, Bolivia, 2010; FK = Fine Kilograms)
Annual gold production medium scale mining (MSM)	2,430 KF
Annual gold production small-scale mining	3,964 KF (small mining and cooperatives)
Proportion gold mining revenues in GNP / export	?

### **Are certain ethnic groups more than others involved in small scale mining?**

About five indigenous peoples live in Pando: the Esse Ejja, the Machineri, the Cavineño, the Tacana and the Yaminahua About the aminahua we know that they are about 630 individuals, living at 90 kilometers of Cobija, in the province of Nicolás Suarez, municipality of Bolpebra. Their mother-tongue is Pano, They live from gathering, hunting, fishing. They can be reached, depending on the season, through the Acre river or by road. Of the Machineri we know they are about 155 individuals, also living in the municipality of Bolpebra, in the province Nicolás Suarez. Their mother-tongue is Arawak, they also live from gathering, hunting and fishing. Their territory can be reached through the Acre river. Their territory is constantly being assaulted because the Bolivian government is attempting to impose its national sovereignty in this border region.

Of other ethnic groups living in gold-mining affected regions in the country we know little. Various of these groups, however, do suffer the consequences of small-scale gold-mining in their region, not in the least in the socio-economic sphere – after all, also these groups strife for a better life and might therefore seek for their own benefit. However, the relationships between these groups and the miners are quite diverse: from symbiotic through reciprocal through unequally reciprocal to outright hostile. .

### **The gold market chain: where is small scale mined gold traded?**

Because the yellow metal production is largely informal and illegal, its market chains remain obscure and definitely informal. Normally *in situ*, the gold is sold to an intermediate which in turn sells it to a larger trader. Next it is sold to the gold shops located in a larger city, where the gold is melted, refined and purified using acids,. Subsequently it is sold or exported to large corporations or goes to large jewelry manufacturing corporations. During these operations the pay of taxes is evaded. In our case region, much gold is allegedly exported informally to Peru.

<b>Environmental aspect of small scale mining</b>	
Annual area deforested due to small-scale and large-scale gold mining	No data exist
Annual import of mercury for mining and other purposes	No data exist
Annual mercury use	No dependable data exist
% of mercury recovery	A rough estimate: 10 %

<b>Effects of gold mining on the watershed(s) and its resources</b>
<p>The gold mining in general produces various impacts on the physical and social surrounding during all of its stages, during geological reconnaissance, prospection, exploration, and also in the production, beneficiation and closure of the mines.</p> <p>Environmental impacts caused by small mining in water are the alteration of water resources, unnecessary filling of ravines with tailings, change of river courses, deterioration of water quality, mercury contamination, heavy metals, cyanide, fine solids, acid waters, lubricants, sewer waters, etc. On the exact 'how's' and 'what's' of our case region we have no information.</p>

<b>How is mining titling arranged?</b>
<p>In general, the procedure is like this: The mining operator or petitioner applies for entitlements on the squares or grids he wants to work to SERGEOTECMIN (National Service of Geology and Mines Technical). SERGEOTECMIN checks if the areas are free, then submits a request to COMIBOL (Bolivian's Mining Corporation) like a project profile which should define the type of operator and operation. Then the project profile is reviewed by the lawyer team and the Board, which finally authorizes the contract and signs it for one year. In order to have the mining title, the operator must pay the rental fees of squares for one year and has to comply with other paperwork.</p> <p>Until 2005, concessions were usually given out to both <i>cooperativas</i> (see below) and national and international mining enterprises. After 2005, mining has officially become a state-business again; natural resources are considered national patrimony. Pre-existing concessions however are respected, albeit that the state, gradually, aims at becoming partner in all mining activities, to be able to exert better control. In practice however, old mining titling procedures also continue.</p>

<b>Who has access to mining lands?</b>
Any natural or legal person, complying with administrative procedures, can be a petitioner to obtain access to mining lands (squares area delimited 500x500 meters)

<b>National environmental legislation, particularly with regard to gold mining</b>
<p>New legislation is in the making, accompanied by the need to include old legislation, by controversy and a lack of efficiency and effective control.</p> <p>More in detail: In 1992, Bolivia promulgated the Environmental Law (Law Nº 1333) that included provisions in order to protect and prevent impacts to the air and water quality, regulated waste handling, soil contamination, forest management and environmental impact. This Law was adapted in 1995 with six Regulations for Environmental Management, Control and Environmental Prevention, Atmospheric contamination, water contamination, for activities with Hazardous Materials and for handling Solid Residues.</p> <p>At sectoral level, in March 1997 the Mining Code (law 1777) was promulgated and in July of that year the Environmental Regulation for Mining Activities (ERMA) came into being. The first one currently is being modified and the result will be the New Mining Law to be enacted maybe the first half of 2011 by the Bolivian Congress.</p> <p>In the New State Constitution, the local population has a right to participate to previous consultation, and in the environmental management of the mining activity. This is hitherto often respected in the breach.</p> <p>Specifically with regard to gold mining there is hardly or no regulation in the ERMA law, nor in the new bill.</p>

### **National policy regarding gold mining, small scale and large scale**

Bolivia's current government puts much emphasis on 'sovereignty', e.g. as a reaction against perceived historical looting and 'selling out' by 'white-mestizo' power-holders. Additionally, the topic of the environment is a big issue, referring to the country's indigenous 'nature-friendly-cosmologies'. The efficiency of the policies is however a controversial issue.

New legislation is in the making, accompanied by various problematic issues:

- a) the implementing and controlling capacity of state entities is weak;
- b) the law-making capacity of the state is hindered by authorities frequently being removed from their functions, confusion about goals, uneven balance between 'ideology-politics' and 'expertise', etcetera;
- c) this, according to some, brings about an overstated hostility towards foreign private investors;
- d) allegedly, there is too much governmental sympathy for *cooperativismo*, a legacy in Bolivia mining dating from the demise of state-owned mining in the 1980s. Today, the cooperative miners are a support for the government. For the government it is therefore hard to displease them, even if many believe this type of mining is often irresponsible, environmentally damaging mining and paying low wages to their workers.
- e) finally, most state attention goes to large scale mining in the highlands (tin, silver, lead, bismuth, among others), and not to the relatively isolated small scale gold mining regions.

### **Legal organization of gold mining industry (formal)**

To be studied

### **Actual organization of gold mining industry (informal)**

Basically a legal organization of gold mining industry is formally registered in the Bolivia's Trade Register under a type of company and name or business name. It has a NIT, Tax Identification Number in order to pay the taxes, a NIM Mining Identification Number in order to pay royalties. Furthermore it is registered in the SENARECOM (National Service of Register and Marketing of Minerals). For export purposes it must be register in the SENAEX (National Service of Checking Exports).

To formal procedures the organization has the Company Constitution, and must nominate a Legal Representative through a testimonial and is member of National Association of Medium Miners. Finally, the organization has an Operation Permit, an Environmental Permit that includes Certification about the Soil Use authorized by the Municipality and a License for Activities with Controlled Substances.

The gold mining industry in Bolivia presents three sectors: private enterprises, cooperatives and informal groups (individual people). In Bolpebra, the latter predominates.

### **Existence and severity of gold mining related conflicts**

To be studied. Preliminary info is: there appears to be little or no conflicts between (individual) miners from different national origin. Conflicts do exist between the richer/wealthier/better supplied miners and the poor ones. Conflicts between the miners and authorities are potentially strong, but have so far not really become manifest because of state absence. The latter conflict is complicated by the fact that an old law stipulates that frontier-inhabitants are entitled to cross the border and enter 5 km into the neighboring country – without specifying whether or not economic activity is allowed in that area. Finally, conflicts may arise because of the fact that Bolivia is the only remaining country in the region allowing *dragas* to operate. A recent raid in Peru destroying *dragas* working there will influence the involvement of this issue.

### **References**

- <http://www.mbendi.com/indy/ming/gold/sa/bj/p0005.htm#Companies>
- <http://www.infomine.com/countries/bolivia.asp>