



Mining Royalties Data in Colombia

DATA AT WORK FOR THE VOICE OF THE PEOPLE

December 2020

IN PARTNERSHIP WITH



Creating Markets, Creating Opportunities

About IFC

IFC—a member of the World Bank Group—is the largest global development institution focused on the private sector in emerging markets. We work in more than 100 countries, using our capital, expertise, and influence to create markets and opportunities in developing countries. In fiscal year 2020, we invested \$22 billion in private companies and financial institutions in developing countries, leveraging the power of the private sector to end extreme poverty and boost shared prosperity. For more information, visit www.ifc.org.

© International Finance Corporation 2020. All rights reserved.

2121 Pennsylvania Avenue, N.W.

Washington, D.C. 20433

Internet: www.ifc.org

The material in this work is copyrighted. Copying and/or transmitting portions or all of this work without permission may be a violation of applicable law. IFC encourages dissemination of its work and will normally grant permission to reproduce portions of the work promptly, and when the reproduction is for educational and non-commercial purposes, without a fee, subject to such attributions and notices as we may reasonably require.

IFC does not guarantee the accuracy, reliability, or completeness of the content included in this work, or the conclusions or judgments described herein, and accepts no responsibility or liability for any omissions or errors (including, without limitation, typographical errors and technical errors) in the content whatsoever or for reliance thereon. The boundaries, colors, denominations, and other information shown on any map in this work do not imply any judgment on the part of the World Bank concerning the legal status of any territory or the endorsement or acceptance of such boundaries. The findings, interpretations, and conclusions expressed in this volume do not necessarily reflect the views of the Executive Directors of the World Bank or the governments they represent.

The contents of this work are intended for general informational purposes only and are not intended to constitute legal, securities, or investment advice, an opinion regarding the appropriateness of any investment, or a solicitation of any type. IFC or its affiliates may have an investment in, provide other advice or services to, or otherwise have a financial interest in some of the companies and parties named herein.

All other queries on rights and licenses, including subsidiary rights, should be addressed to IFC Communications, 2121 Pennsylvania Avenue, N.W., Washington, D.C. 20433.

The International Finance Corporation is an international organization established by Articles of Agreement among its member countries, and a member of the World Bank Group. All names, logos, and trademarks are the property of IFC and you may not use any of such materials for any purpose without the express written consent of IFC. “International Finance Corporation” and “IFC” are registered trademarks of IFC and are protected under international law.

Mining Royalties Data in Colombia

DATA AT WORK FOR THE VOICE OF THE PEOPLE

IN PARTNERSHIP WITH



Creating Markets, Creating Opportunities



Contents

- 4** | Acknowledgements
- 5** | Figures and Tables / List of Acronyms
- 6** | About the From Disclosure to Development Program

- 7** | Foreword

- 9** | Introduction

- 11** | About this Report

- 12** | What Data Do People Want?

- 13** | Data is Available—But It’s Not Enough!

- 17** | Data and Information for Action

- 23** | A Data Assessment of the General System of Royalties

- 35** | Conclusion

- 36** | Annex A: Natural Resource Data Assessment Methodology
- 37** | Annex B: Open Data Initiatives in Colombia
- 38** | References
- 39** | Endnotes

ACKNOWLEDGMENTS

This discussion paper was prepared by Michelle Jacome and Amanda Diaz, Sustainable Infrastructure Advisory, IFC. Carlos Cante, IFC Consultant, provided insights and advice. Luis Alberto Velez Pretelt, a consultant to IFC and the World Bank conducted research for the national level analysis. The paper was prepared under the guidance of Alla Morrison, From Disclosure to Development (D2D) Program Manager; Fernando Ruiz-Mier, Senior Operations Officer; and Veronica Nyhan Jones, Manager, Sustainable Infrastructure Advisory, IFC.

This publication would not have been possible without the generous, and thoughtful sharing of experience by numerous contributors, including industry representatives, academic researchers, and peer reviewers. They include Jose Insuasti (Ministry of Mines and Energy, Government of Colombia); Jose Ignacio Noguera (Gran Colombia Gold Corp); Santiago Cardona (Mineros S.A.); Leila Kazemi (Columbia Center on Sustainable Investment); and Ana Carolina Gonzalez (Ford Foundation).

The authors would like to thank their partner Transparency and Accountability Initiative, especially Michael Jarvis, Executive Director, and Elizabeth Dodds, consultant, for the expertise and support provided during this assessment. The team would also like to acknowledge the contributions of Jorge Florez, Manager Fiscal Governance, Global Integrity, and Guillen Calvo, Managing Director and Laura Gaitan, consultant, INSUCO.

Within IFC, the authors thank Elizabeth Martínez de Marcano, and Juan Gonzalo Flores for supporting the effort in Colombia. From the World Bank, the team would like to thank Sven Renner, Program Manager EGPS Trust Fund for his contributions to the field missions in Colombia. They also thank Gabriela Eslava Bejarano, for her research assistance; Barbara Karni, for editing the report and Rikki Campbell Ogden for designing it. The team also gratefully acknowledges the generous support of the BHP Foundation.

FIGURES AND TABLES

FIGURE 1 Distribution of royalties under Colombia’s General System of Royalties	27
FIGURE 2 Cycle of the General System of Royalties in Colombia	29
TABLE 1 National-level stakeholders consulted during the assessment	24
TABLE 2 Subnational-level stakeholders consulted during the assessment	25
TABLE 3 Open Data Assessment and Sources of the GSR	32

LIST OF ACRONYMS

D2D	Disclosure to Development
DNP	Departamento Nacional de Planeación (Department of National Planning)
EITI	Extractive Industries Transparency Initiative
GESPROY	Project Management System
GSR	General System of Royalties
ICT	information and communications technology
IFC	International Finance Corporation
M&E	monitoring and evaluation
OCAD	Órganos Colegiados de Administración y Decisión Regional (Regional Collegiate Bodies of Administration and Decision)
SECOP	Sistema Electrónico de Contratación Pública (Electronic System for Public Contracts)
SIA-OBSERVA	Sistema Integral de Auditoría Observa (Integral System of Auditing Observatory)
SICODIS	Sistema de Información y Consulta de Distribuciones de Recursos Territoriales (Information and Consultation System of Territorial Resource Distributions)
SIMCO	Sistema de Información Minero Colombiano (Colombian Mining Information System)
SIRECI	Sistema de Rendición Electrónica de la Cuenta e Informes (System of Electronic Reporting of the Comptroller’s Office)
SIVICOF	Sistema de Vigilancia y Control Fiscal (System of Fiscal Surveillance and Control)
SSCE	Sistema de Seguimiento, Control y Evaluación (Monitoring, Control, and Evaluation System)
SUIFP	Sistema Unificado de Inversiones y Finanzas Públicas (Unified System of Investments and Public Finances)
TAI	Transparency and Accountability Initiative

About the From Disclosure to Development Program

This discussion paper is a product of the From Disclosure to Development (D2D) program, led by the Sustainable Infrastructure Advisory team of the International Finance Corporation (IFC). The program, launched in 2017, is funded by the BHP Foundation and implemented in collaboration with the World Bank. It builds on more than a decade of IFC and World Bank experience in natural resources transparency and open data. For the past 13 years, IFC's transparency projects in Latin America have aimed to help local governments and communities become more transparent and effective in the use of mining revenues. The World Bank provided investment and advice to more than 50 countries on the design and implementation of national and subnational open data and data innovation programs.

The program's goal is to enhance benefit sharing with communities from investment in natural resources through effective disclosure and data-use practices. D2D develops and tests new approaches, partnerships, and platforms aimed at improving the ways in which companies and governments disclose data, so that communities and other stakeholders can use it to inform their decisions and actions.

Open data is a critical ingredient of transparency in the 21st century. Without transparency, there cannot be accountability or effective sector governance. Without transparency—both actual and perceived—it is easy for companies to lose the trust of communities, which can lead to a loss of their social license to operate and put investment projects at risk.

To bridge the information asymmetry in the sector and give voice to communities, D2D works to improve the disclosure and use of open data through capacity building; multi-stakeholder dialogue; and data-driven innovation activities with youth, infomediaries, and digital entrepreneurs. In its first phase (2017–19), the program piloted the following activities in Colombia, Ghana, Mongolia, and Peru:

- research on natural resources data challenges and opportunities
- engagement of stakeholders around innovative uses of open data
- capacity building on data literacy
- multi-stakeholder dialogues for improving access to and the use of natural resources data

Phase 2 of D2D (2020–22) expanded to two additional countries: Guinea and Sierra Leone. The program will continue to build on the research findings and promising pilot interventions of Phase 1. Phase 2, also scales successful approaches that helped improve people's access to and capacity to use information and data for informed participation and decision making related to natural resources investment. D2D will continue to:

- improve capacity of infomediaries to use natural resource data
- test and scale new approaches and solutions to effective disclosure
- facilitate national and global multi-stakeholder dialogues on best practices
- improve production of gender data in mining and its use to empower women

The D2D program uses lessons learned from in-country activities to contribute to global efforts to improve transparency in the natural resources sector through more effective disclosure and use of data. It works with partners such as the Transparency and Accountability Initiative (TAI), the Extractive Industries Transparency Initiative (EITI), Global Integrity, and others. For more information about the D2D program, please contact Alla Morrison, Program Manager, at amorrisson@ifc.org.



Foreword

ELIZABETH MARTÍNEZ DE MARCANO
Country Manager, Andean Region

Responsible mining can drive economic development, job creation, and poverty alleviation in Colombia. But it is not always clear how the sector can bring economic and social benefits to citizens, particularly marginalized populations in mining communities.

Disclosure of timely, accurate, and relevant information about mining operations can help communities better understand the mining cycle and its potential benefits and risks. Use of disclosed data to generate fact-based insights can inform public debate; spark multi-stakeholder dialogue by companies, governments, and communities; and help leaders make informed decisions about mining investments that benefit communities.

In Colombia, the government and mining companies disclose significant amounts of financial and procurement data. Commendable progress has been made through the Extractive Industries Transparency Initiative (EITI), the National Open Data Portal, and digital platforms like Maparegalias. However, simply disclosing data is not enough. For data disclosure to be effective, it must be accompanied by meaningful and timely analysis, and the data must be packaged in ways that are engaging, easy to share, and understandable by all citizens.

Effective data disclosure is about the right information being made accessible to the right people at the right time through the right channels. For more than a decade, IFC has worked with governments, companies, and communities in Latin America to promote accountability and transparency. Now, through the From Disclosure to Development (D2D) program, it seeks to help natural resources and infrastructure clients improve their information disclosure practices, in order to enhance benefit sharing and promote sustainable development practices.

This discussion paper consolidates the findings of the natural resource data assessment conducted at the national and subnational level (in Antioquia) in Colombia. It identifies challenges and opportunities for more effectively disclosing and using mining data and information in ways that benefit communities. The document's recommendations are important for anyone working to improve transparency and accountability in the natural resources sector. They provide entry points and opportunities for multi-stakeholder collaboration in Colombia that can improve open data practices, knowledge sharing, and community voice and participation in the prioritization of public investment projects.

IFC believes that commitment to transparency and accountability from companies and governments can help bolster benefit sharing and increase the long-term profitability of investments. Such a commitment cannot happen without access to data and information. Disclosures must go beyond compliance and reporting and focus on what really matters: connecting people who are often left on the margins of decision making and providing them with actionable information that can create long-term value for all stakeholders.



Introduction

Investments in natural resources hold vast potential to contribute to sustainable economic growth and improve the lives of billions of people. But the abundance of natural resources does not always translate into widespread wealth distribution or growth. In some settings, it exacerbates inequalities, conflict, and corruption. Indeed, at least 1.8 billion people live in poverty in resource-rich countries.

For more than a decade, greater disclosure of information and data on natural resources has been at the heart of efforts to leverage transparency in this sector. Dramatic increases in the volume of publicly available data have been made, but most of this data remains unused. “Zombie transparency”—massive but unused amounts of disclosed public and private sector data—threatens to jeopardize progress in informing and empowering citizens to participate in decision making—and may even prompt rollbacks of existing disclosure efforts.

The Disclosure to Development (D2D) Program, led by the International Finance Corporation (IFC), in partnership with the BHP Foundation, seeks to enhance benefit sharing from investments in natural resources through the effective disclosure and use of information and data. To understand disclosure challenges and opportunities in Colombia, IFC’s Sustainable Infrastructure Advisory (SIA) partnered with the Transparency and Accountability Initiative (TAI)¹ (supported by Global Integrity) to conduct this assessment with D2D.

The assessment focuses on the disclosure and use of data on mining royalties in Colombia. This sector is a priority for the country’s development. In 2019, it generated COP 2.5 billion (about \$763 million) in royalties, which are invested in development projects across the country. Mining contributed 1.62 percent to Colombia’s GDP in 2019 and continues to be a vital tool for regions that have historically depended on its supply chain.

Colombia has been recognized as a leader in transparency in the natural resources sector. It is the first country in the Americas to reach the highest level of progress in implementing the Extractives Industries Transparency Initiative (EITI) Standard.² Data disclosure is supported by Colombia’s national policy on digital government and open data, which includes a law on access to information and identifies the government agencies in charge of executing the digital and open data strategy. Colombia also has an active civil society committed to transparency in the natural resources sector that is capable of conducting analysis and engaging in political advocacy. This civic space is supported by frameworks and institutionalized areas for dialogue, such as the Civil Society Bureau for Transparency in Extractive Industries (Mesa de la Sociedad Civil para la Transparencia en las Industrias Extractivas), in which civil society and academia participate. Colombia has also legislated citizen participation mechanisms that provide a space for indigenous communities and other minorities to express their views on mining projects at different stages of the supply chain.





These developments, as well as the launching of several online platforms by the government, are encouraging.³ But challenges persist in the effective use of data by stakeholders, and communities continue to express the need for more timely, relevant, and contextualized information.

Many factors affect the effective disclosure and use of mining data:

- A complex royalty system makes it difficult to link companies' royalty payments with local development projects and results.
- The information published does not always correspond to the data needed by local civil society organizations, activists, community leaders, and decision makers.
- Small scale and informal mining in Colombia limits the government's capacity to regulate operations, collect royalty payments, and prevent negative environmental and social impacts.
- Data management is not centralized and relies on systems and procedures that are not interoperable, leading to concerns about the quality, consistency, timeliness, and accuracy of the data.
- Inequalities and power asymmetries characterize the governance of natural resources and the distribution of benefits across government levels. They are exacerbated by the threat of corruption and the role of armed groups, which are sometimes linked to illegal mining, generating further security threats.

About this Report

The objectives of this assessment are to:

1. Understand the policy setting around management and data disclosure of mining royalties in Colombia.
2. Identify disclosure practices by relevant government agencies and industry related to mining royalties in Colombia.
3. Identify challenges and opportunities in the use of data related to mining royalties (data demand) and current practices of data reuse by users.⁴
4. Understand specific challenges in the disclosure of mining data and its use at the subnational and municipal levels.
5. Develop action-oriented recommendations for relevant government agencies, private sector actors, civil society, and donors, in order to improve open access and the use of mining royalty-related data so that it better addresses communities' information needs.



What Data Do People Want?

Both, national and local stakeholders indicated interest in obtaining access to information on nine issues:

1. economic and social benefits (employment, contracts, subsidies, health, education, infrastructure and basic services)
2. production totals, by resource and site level
3. revenue allocation, distribution, and management by site
4. royalty allocations to Indigenous and Afro-Colombian populations
5. environmental and social impacts assessments
6. exploration licenses
7. companies' social investments, local development agreements and corporates social responsibility contributions
8. beneficial ownership
9. mining closure and rehabilitation plans

Civil society groups, community leaders, and media interviewed emphasized the need to access timely and accurate data on production totals by mining site. They expressed concerns about the government's ability to control mining production and the veracity of payment reports. Community leaders indicated that this data is the necessary baseline for them to be able to exert effective social controls and demand accountability from companies and authorities.

Community leaders and subnational-level civil society groups also expressed concern about the overall relevance of the information that is available. One community leader stated that “information is only truly appreciated by communities and the general public if it contributes to knowledge about economic and social development. Otherwise, it just becomes a curious fact, not understood and not adding value to people's lives.”

Colombia has made progress in disclosing mining information on these nine topics that are in

demand. However, the dispersion and fragmented nature of the datasets and lack of timeliness in disclosure raise questions about the use of mining investments. The lack of a comprehensive approach to data collection, analysis, and dissemination of the already available information brews mistrust among stakeholders, worried about mismanagement of revenue and corruption.

The team collected inputs using various qualitative research methods, including interviews, desk review of regulations and policy documents, focus group discussions, and roundtable exercises.⁵ These inputs were used to analyze the information flow and disclosure practices (supply side) of mining royalty data and the information desired or needed by relevant stakeholders (demand side).

On December 26, 2019, before the final review of this assessment, the Colombian Congress approved Legislative Act 05 of 2019, which proposed changes in the governing and allocations structures of the General System of Royalties (GSR). This assessment was therefore updated in September 2020, when Congress enacted this legislation into Law 2056, to ensure that its insights and recommendations continue to be relevant and actionable.



Data is Available—But It's Not Enough!

Accessing and understanding information and data on mining royalties is not easy in Colombia. Recurring questions raised by the people interviewed for this assessment included the following:

1. Which agencies are responsible for allocating mining royalties?
2. Who is responsible for overseeing and executing the use of the allocated revenues?
3. How are royalty percentages determined?
4. What institutional arrangements, policies, and rules govern the production and dissemination of mining royalty data?
5. Where can I access mining royalty data and information?
6. How can I use this data and information to participate in decision-making and accountability processes in my community?

Government agencies have made royalty information publicly available to citizens, but access to quality open data and information remains a challenge for communities, local governments, academia, civil society, and the media, for many reasons:

1. **Data is dispersed across multiple systems and governed or managed by different government agencies.** Government digital platforms are not interoperable and lack the ability to draw datasets or information from other publicly available sites on which data is disclosed by the government. Only a limited number of datasets are published in open format, making it difficult to download them. Few datasets follow best practices in disclosure, and most lack metadata which are key for understanding the type of information accessed in the dataset. The only agency publishing datasets in open format is the National Mining Agency, through Colombia's Open Data portal, and this data is not widely accessed by community or municipal stakeholders

as a result of the lack of familiarity with the platform, limited access to Internet connectivity and limited capacity to use the data.

2. **Open data has not permeated down to the municipal level.** Local authorities are not familiar with the concept of open data, often confusing it with and publicly available information. They are often unaware of open data portals and digital platforms on mining royalties or perceive them as a complex sources of information. Accessibility to these digital tools is also limited by sporadic connectivity in rural areas, the high costs of mobile data plans, electricity restrictions, and preferences for data or information that is not digital.
3. **Requests for information mechanisms are complex and not standardized across government agencies.** Communities are sometimes unaware of their rights to demand access to information or data via established mechanisms—mechanisms put in place to ensure the fundamental right, backed by the Constitution of Colombia, that everyone has the right to submit requests to the authorities and obtain prompt resolution. Media, academia, civil society and industry representatives indicated that requesting access to data or information from government authorities is not standardized; processes are conducted on an ad hoc basis. One of the primary challenges for data journalists is the delay in response, which prevents them from performing timely reporting for communities.
4. **Data disclosed by government agencies is aggregated at the national level, making it difficult for local stakeholders to use.** Communities want social, demographic and site-level data that provides useful information for decision making, including data that is disaggregated, so that they can determine the impact of specific mining investments on women, youth, or Indigenous communities.

5. Companies prefer to collect their own data when developing baselines to build corporate social responsibility plans. There is limited access to granular, timely, good-quality data on local social and demographic indicators on government platforms. As a result, companies allocate significant resources to collecting data and surveying. The data they produce are not made public and may duplicate efforts of government entities. Companies believe that their data collection processes create “an informational link with communities” that can help reduce mistrust and provide open spaces for discussion around mining.

Reach Out, Listen To, and Include the End-User for Effective Data Use

The Colombian government has improved access to data on natural resources through existing digital platforms. Use of this data for analysis and information dissemination is low, however, for several reasons:

- 1. There is a mismatch between the information published and the data stakeholders find useful.** Communities are interested in knowing how royalties and tax payments are allocated at the municipal level and how they are used. They are particularly interested in understanding how public investment projects are prioritized, planned, and executed. They are also interested in data about delivery of essential services, environmental issues (licensing and prior consultation), and social investments made by companies at the municipal level. Civil society and community leaders noted that although fiscal and revenue allocation datasets are useful, they need other social and economic information that can contextualize the impact of mining operations and inform decision-making processes.
- 2. Potential users have concerns about the quality, timeliness, and accuracy of the data.** The datasets produced have missing data points, lag time in reporting practices in platforms like EITI⁶ and open data portals is long, and errors in validation are common. The lag time not

only makes data less useful, it is also a source of mistrust, particularly by grassroots advocacy groups, which raised doubts about the accuracy of the production and price values reported by companies and used to calculate royalty payments. Digital entrepreneurs expressed concerns about manual data cleaning and missing data points when integrating data from different platforms. The inconsistent quality across platforms limits the potential use and value of the data.

- 3. Communication strategies are not in place to promote the use of data portals or disseminate the information they provide.** Municipal authorities are unaware of the function of existing tools. They expressed a lack of interest in “tools that are imposed by the national government that do not provide relevant information about my municipality.” Indigenous and community leaders expressed that they have not been included in the process of development or objective of these platforms by local authorities and could therefore not comment on the utility or validity of the information presented. Thus far efforts to make data available are supply driven, with limited regard to what end-users need or are interested. Usefulness of these platforms are limited because the end-user has not been the starting point in their design.
- 4. Capacity to use data varies by actor.** Lack of digital literacy is a potential barrier for the wider use of data. Subnational actors are willing to try platforms like the Open Data Portal and Maparegalias, but they perceive them as complex and believe that they lack the skills to draw insights from the data. To address this gap, the Ministry of Information and Communications Technology (ICT) offers online training to government agencies, local officials, journalists, students, and citizens on data use and analysis. These trainings aim to improve the use of disclosed data, emphasizing the goal of “disclosing with a purpose.”
- 5. The monthly reports issued by the Department of National Planning (DNP) on GSR allocations are not widely disseminated.** Media, academia, and civil society representatives at the national level describe these reports as extremely useful. They include easily digestible information about public investment projects,



resources, and project approval dates, and execution status, among other information. However, the absence of a comprehensive subnational-level DNP communication strategy limits outreach, forcing municipal actors to seek alternative sources of information to satisfy their demand. For example, civil society groups request information directly from the local government's communication offices. These offices play a critical role in disseminating information on web pages, through social networks (including WhatsApp), through face-to-face meetings, on posters, and in printed material about mining royalties. They also respond to requests for information by media outlets, providing short information bites that often do not respond to the information needs of broader audiences.

6. Media lacks the time, resources, and capacities to conduct data-based analyses that could be used to communicate to the masses. Journalists who are interested in analyzing about mining revenues are present mostly at the national level and tend to target technical audiences. They indicated that mining stories cannot keep up with the simplicity of near real-time reporting that is now prevalent given the speed of information through online channels. In the few instances in which local media is engaged in data journalism, it is usually a result of sponsorship by mining companies or the local government, diminishing the independence of the analysis.

Governance and Legislative Structures: A Must-Have for Data Disclosure and Use

Enabling conditions facilitate access to and use of data by providing a clear roadmap and governance structure of what data is produced, who is responsible for it, and how it should be disseminated to benefit the public. Clear governance and legislative structures can help dissipate confusion about mining resource allocation. Safe civic space, in which an active civil society is freely able and interested in using the data is also key in adding value to the data disclosed. Since joining EITI, in 2014, Colombia has made significant progress in improving natural resources disclosures and the use of data for transparency in decision making on mining investments. Despite its efforts, however, the GSR is complex, and the information that each step generates can be difficult for local actors and communities to understand.

1. The GSR makes it difficult to link royalty payments made by companies to local development projects and results. The recently approved law is expected to improve this linkage by facilitating direct royalty allocations, public investment project approval and execution, and participatory mechanisms of producing municipalities. The new law directly allocates 25 percent of mining royalties to producing

municipalities, representing a 14 percent increase from the Legislative Act 05 from 2011. However, it is too soon to determine whether this new regulation will help communities make the linkages to mining investments. Companies and local officials agree that there is value in exploring new mechanism for royalty management like Works for Royalties (*Obras por Regalías*).⁷ Under this framework, companies could work directly with the regions and deduct the cost of investment projects from their expected royalty payments. This mechanism could expedite social investment at the subnational level through agreements between private companies and local administrations to undertake projects. Industry representatives noted that this mechanism could help build trust and bridge the disconnect between mining revenues and territorial planning, which communities often fail to relate to public works and royalties. The framework could also help dissipate the perception from communities that decision making is solely centralized.

- 2. The Ministry of Mining and Energy and the DNP are incorporating new community engagement strategies that include all stakeholders, from the initial phases of a mining project.** The initiative “There is room for all” (*Todos cabemos*) provides a space for multi-stakeholder dialogue at the subnational-level for industry, civil society, and local governments. This effort is intended to better align social investment with local development plans and meet the needs of the communities. Assessment participants also highlighted the role of citizen audits in facilitating collaboration between government and civil society as well as mechanisms for social control that ensure the achievement of local development plans.⁸
- 3. According to community leaders and representatives of industry and civil society, local authorities are not interested in disseminating information about the resources allocated to their municipalities.** Data is viewed as a potential way to identify inefficiencies in resource management of local authorities. Community leaders indicate that mayors with political aspirations lack the social and political maturity to acknowledge the value of

data and are concerned that opposition candidates will use information against them.

- 4. Mining companies do not want to set unrealistic expectations in communities about the companies' role in reporting contributions to social investment projects.** Companies stressed the need to avoid being slotted into a role that belongs to local authorities. Some industry representatives expressed apprehension about pushing for further data disclosure when existing efforts have not yet significantly improved community relations or social license to operate. They expressed particular concerns about disclosing local content figures, which could generate conflict among recipient municipalities.
- 5. Some companies have adopted their own data collection strategies.** It focuses on supporting the institutional strengthening of local authorities for the execution of royalties and providing training on necessary skills to communities, in order to improve the quality of the public investment projects submitted for financing approval.
- 6. Interest in data is shifting from simple disclosure of information to how the data can be used and connected to the development needs of municipalities.** However, authorities have limited capacity to use data that would inform them in the development of public investment projects. National and subnational entities lack staff that are devoted exclusively to managing, analyzing, and drawing useful insights from data to inform the design of public investment projects and territorial development planning. Consequently, investment resources often remain unimplemented, affecting communities' perception about the absence of the resources and projects and local officials' lack of accountability.
- 7. A post-conflict dynamic influences transparency initiatives.** It creates a sensitive environment for dialogue about access to information. Local leaders and other infomediaries fear that raising questions or disseminating information could put them in danger, limiting their interest in data and access to information.

Data and Information for Action

The following recommendations seek to improve access to and the use of data and information on mining royalties.⁹ They are intended primarily for government agencies, mining companies, and civil society working to improve transparency and accountability in the natural resources sector.

Some of these recommendations may also represent opportunities and entry points for collaboration by international donors interested in funding activities that promote the use of public and open data to increase the voice of communities and participation in the prioritization of public investment projects.

Representatives from industry, national and local governments, and civil society organizations validated the following recommendations and suggested priority actions that can lead to more complete and useful information in the hand of end-users. The recommendations are listed in three categories:

- **Tier 1:** Actions that can be taken immediately or within the short term and are essential in providing access to existing information.
- **Tier 2:** Actions that can be adopted in the medium term and that require new data disclosure, the strengthening of existing capacities, and/or adaptation of current natural resources data practices. These actions are essential in promoting best practices in disclosing natural resources data and promoting its use.
- **Cross-cutting:** Actions that cut across Tiers 1 and 2.

► TIER 1 RECOMMENDATIONS

1. **Reorient the public information strategies in the platforms managed by the DNP to focus on end-users' needs**
 2. **Use innovative approaches in citizen participation programs to promote open data use and improve the dissemination of information**
 3. **Increase the capacity of municipal authorities to understand and use the GSR to help align resources to territorial planning**
-

1. Reorient public information strategies in the platforms managed by the DNP to focus on end-users' needs

Disclosure and effective use of existing open data platforms could be improved by focusing on end-user information needs. Governments and companies could conduct rapid-data and information assessments that inform data collection and disclosure. A comprehensive review of previous requests for information and insights provided via helpdesks and other feedback mechanisms within the platforms could provide valuable information on improving existing data infrastructure. This approach could help existing data platforms:

- collect and disclosed disaggregated subnational and project-level information that is timely and relevant to communities
- identify gaps in the datasets that are most useful to end-users (for example, data on environmental and social impacts)
- bridge the gap between the data that is disclosed and the data that is needed by citizens
- promote the use of the disclosed data through targeted awareness campaigns (especially at the subnational level)
- identify the right channels to disseminate information more broadly to citizens

Opportunities

Using new digital tools could allow companies and governments to collect and engage with real-time data to assess community perceptions and sentiments. Mobile phone-based perception pulse surveys could help the government ensure that previous data infrastructure investments such as Maparegalias, SIMCO, SICODIS, and other data portals continue to provide information on

the issues and topics that are most important to mining communities and useful for local authorities. Maparegalias, for example, could incorporate information and data related to decisions and characteristics of the public investment projects selected by the regional and national OCADs. Information includes progress on their approved budget, timelines, execution, actual costs and jobs and procurement opportunities—all high-priority issues for mining communities, civil society, the media, and companies that Maparegalias does not cover. The recently enacted Law reduces the number of OCADs and requires budgetary cycle reporting on public investments projects. Maparegalias can draw on the data generated in these OCADs to centralize and standardize disclosures in these areas.

2. Use innovative approaches in citizen participation programs to promote open data use and improve the dissemination strategies of information

Innovative approaches to promote open data engagement can include:

- participatory data collection and monitoring
- data challenges and competitions on the development of digital tools and technologies that create opportunities for communities (targeting women, youth, and Indigenous populations) to engage more directly with the mining value chain
- edu-tainment strategies (community theater, comics, comedians, games)

Initiatives that support the use of open data as a tool for community engagement and innovation, can improve trust, enhance the credibility of accountability mechanisms, fuel innovation in data-based solutions for service delivery and information, and bridge the information asymmetry among stakeholders in the mining value chain.

Opportunities

Incorporating new data use approaches for accountability can build upon initiatives such as visible audits,¹⁰ citizen audits, and donor-funded data and transparency initiatives.¹¹ Supporting initiatives like these can provide citizen oversight groups with the necessary access to data, information, and tools/skills to monitor public investments across the mining project lifecycle. This approach could also

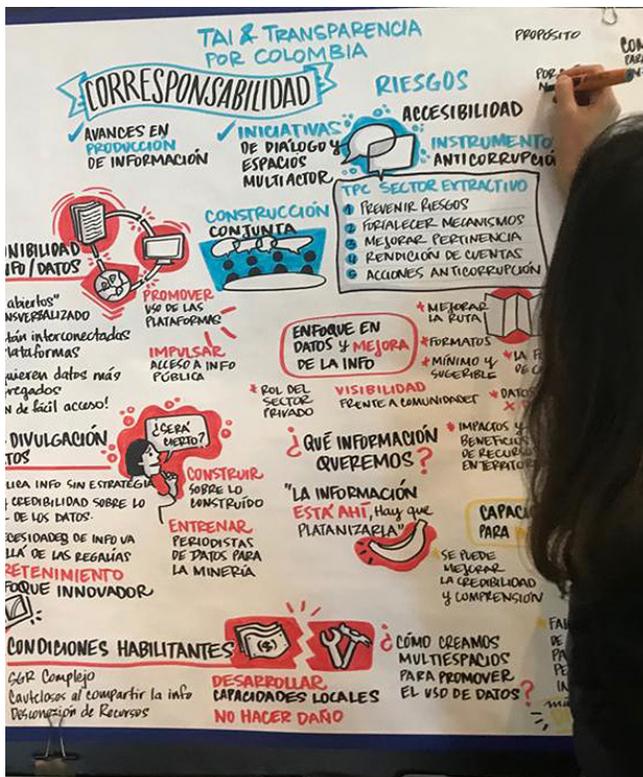
build multi-stakeholder alliances of government, companies, civil society, digital entrepreneurs, and communities to develop new ideas on how to use and disseminate relevant open data and information.

Digital entrepreneurs in Colombia have developed several open data tools and apps. Although their work has not focused on mining royalties, many digital entrepreneurs interviewed for this report expressed interest in working on the topic. Companies and governments could engage digital entrepreneurs to help them transform data and reports into interactive apps and tools that could help share data and information in a more consumable way. Tools like Queremos Datos, by DataSketch, could be adapted to facilitate access to information on royalties and promote the use of data for innovative solutions to information challenges.

The GSR's Allocation for Science, Technology and Innovation Fund could pilot the use of these new approaches by incorporating open data use as a requirement to accessing royalty funds. The Innovation Directorate of the DNP could also enhance incentives and promote spaces for collaboration between government agencies managing data platforms and infomediaries (digital entrepreneurs and media) to create and adopt open data tools focused on addressing the information challenges identified in this assessment.

3. Increase the capacity of municipal authorities to understand and use the GSR to help align resources to territorial planning

Lack of capacity to understand and use the GSR emerged as a recurring gap across municipal stakeholders. A mandated capacity-building approach from the Governing Committee could facilitate decision-making dynamics between central and local authorities and improve relations between the industry and the community. The new Law requires that the Governing Committee provide clear directive to municipal authorities on how the changes in the GSR will be implemented. A uniform capacity building strategy across municipalities can provide better understanding of the GSR, help align resources with territorial planning and find synergies for companies' social investments that could contribute to medium- and long-term development plans.¹²



Opportunities

Government, in partnership with companies, civil society organizations, and data and transparency initiatives, could deliver capacity building on the GSR cycle, including budgeting timelines; the agencies responsible for each stage of the cycle; the availability of feedback mechanisms; request for information rights; and where and how to access data about resource allocation, disbursements, and expenditures. Simplification of the GSR stages and visual representations of the timelines, allocations, and stakeholders would clarify the essential components of the system, improving the dynamic between central and municipal authorities and making the process more transparent for citizens. Also, a clear visual representation of the timelines and deadlines for citizen participation and the implementation of accountability mechanisms as required by the new Law could be useful for municipal authorities, who are responsible for guaranteeing citizen oversight and participation.

Another key area for municipal leaders is the need for capacity building in the formulation, approval, allocation, and monitoring of public investment projects that are aligned with local

development plans. With the Law 2056 of 2020, it will be important for data transparency initiatives to determine which participatory space is most appropriate, given that the technical advisory committees in the OCAD’s process of prioritization and approval of public investment projects are not included in the legislation and are replaced with new mechanisms.

It is also important to build on the initiatives that civil society organizations such as Transparencia por Colombia (TPC) and Foro Nacional por Colombia (FNPC) have developed to empower communities to participate in an informed and effective manner around on prioritizing and overseeing these projects. Additional capacity building is needed to reinforce the participation of women and marginalized groups in the process.

TIER 2 RECOMMENDATIONS

1. Strengthen collaboration between the Ministry of Mines, the DNP, the Ministry of ICT, and the Transparency Secretariat to pilot an open data approach in the mining sector
2. Build the capacity of national and subnational infomediaries
3. Build informed communities through networks of schools and teachers

1. Strengthen collaboration between the Ministry of Mines, the DNP, the Ministry of ICT, and the Transparency Secretariat to pilot an open data approach in the mining sector

The mining sector has an opportunity to leverage the open data national initiative and become a pioneering sector in the push for open data in the national agenda. Most of the information systems and platforms in place already produce data in some structured format. The data is not presented in an open format or a systematized manner, however. The effort could start by identifying datasets that meet the specified needs of stakeholders, disclosing them in an open format, and making sector-specific commitments on boosting access to public information through a comprehensive multi-government agency approach to make systems interoperable and open.

Opportunities

The Ministry of Mines and Energy, the DNP, the National Mining Agency, and other agencies in the sector could collaborate with the Ministry of ICT and the Secretariat of Transparency to develop the capacities of relevant staff to work with open data, data and information management, and information visualization of data and disclosures. The sector could be used as a pilot for the roll-out of the open data requirements, standards, and management at the subnational level, increasing the capacity for data use by local authorities while addressing the information needs of local stakeholders and communities.

Colombia has been recognized internationally as one of the countries in the region that has made the most progress on transparency and access to information. The Ministry of Mines and Energy, in collaboration with the Secretariat of Transparency and the Ministry of ICT, could promote the national open data initiative to be rolled-out in the mining sector, emphasizing an open data reporting culture. These commitments could be framed within the next action plan of the Open Government Partnership, which requires collaboration between the government and civil society, and/or through implementation of the EITI at the subnational level.

Improving knowledge about mining governance, processes, challenges, and contributions should be considered part of the systematized approach to open data implementation in the sector. Using open data to spark fact-based dialogue and awareness campaigns about the sector is critical for demonstrating the value of using open data on mining.

2. Build the capacity of national and subnational infomediaries

Skill gaps of infomediaries in government, industry, civil society, the media, and academia need to be identified. Once they are, governments and industry could collaborate with civil society, donors, and multilateral organizations to fund training and the delivery of capacity building.

Civil society organization have tested capacity building programs aimed at facilitating access to mining information. Governments, jointly with academia and other interested partners, can build on the lessons from experiences tested and expand trainings to include data analytics, visualization and



dissemination strategies that assist local authorities and communities in decision making. Supporting the capacity building of infomediaries could also facilitate the development of digital content that could help reach new audiences like youth and digital natives. This facilitates broader and faster dissemination of information through social media platforms (WhatsApp, Facebook, Twitter, TikTok and other applications). At the same time, the use of traditional media outlets and offline dissemination channels remains important for people who do not have access to online resources.

Opportunities

EITI Colombia is designing pilot training at the subnational level to improve the capacity of local authorities in accessing, analyzing, and using data on existing platforms, such as Maparegalias. This initiative could be a starting point to socialize and build the capacity of local leaders in open data concepts and the value of the use of data. Subnational engagement could also help EITI identify community information needs and reorient disclosure practices to meet the information demands of communities. Efforts could include the promotion of voluntary disclosure of complementary datasets by companies on environmental and social impact, information most relevant for communities.

Promoting data journalism, like the initiative led by Consejo de Redacción, a network of investigative journalist, for example, is key to improving journalists' ability to capture different opinions and provide fact-based reporting using data. Other media outlets like La Silla Vacía, Cuestión Pública, and Agenda Propia, have expressed interest in working with royalty data. Implementing a natural resources

data curriculum could improve the infomediaries' knowledge of the sector, provide context on the challenges and benefits, and transfer the necessary data analytical skills to capture fact-based stories that inform their target audiences.

3. Build informed communities through networks of schools and teachers

During the validation process in Bogota and Medellin, respondents highlighted the role of teachers and schools. Some suggested that students can become effective infomediaries if educated in a fact-based culture from an early age. Unlike most local authorities, teachers and professors have sustained relationships with communities. They act as transformative agents in the development of informed and engaged citizens.

Opportunities

Engaging with the Ministry of Education and the Ministry of ICT could open a path for behavioral changes to access to information and the use of open data and digital tools or technologies for information dissemination on mining operations. At the subnational level, young people often unwittingly become infomediaries at an early age by facilitating access to information to older family members.



Early understanding of open data concepts, rights in access to information, and basic analytical skills (for example, discerning misinformation from facts) could significantly affect how communities consume mining information.

► CROSS-CUTTING RECOMMENDATIONS

1. **Develop an integrated data and transparency strategy for coordination across government agencies for the GSR cycle**
 2. **Build on what has already been done**
 3. **Adopt a “do no harm” approach to project design**
-

1. Develop an integrated data and transparency strategy for coordination across government agencies for the GSR cycle

The various efforts aimed at providing information lack coordination, and there is a need for a shift from disclosures that are supply-driven to disclosures that are focused on the demands and needs of end-users. The goal of effective disclosure is for data to help end-users make decisions and take actions to improve their well-being. A disjointed approach to data disclosure can lead to “zombie transparency,” diminishing the value of data and opportunities disclosures can bring.

Opportunities

One of the primary objectives of the new Law is to reduce the bureaucratic hurdles of the GSR cycle and make the management of mining royalties more effective for departments and municipalities. The GSR's Governing Committee has the opportunity to take leadership and devise a strategy that connects different disclosure efforts in support of this objective. The strategy could help make disclosure priorities clear by, for example, guaranteeing citizen participation by placing the end-user at the center of all data production. It could also incorporate best international open data practices; use new technologies to improve platforms; deliver capacity building using standardized data curriculums for users; and strengthen collaboration between public, private, and civil society organizations to deliver useful content for end-users.

2. Build on what has already been done

Interoperability is critical to communication between systems and institutions. In Colombia, vast amounts of information on mining royalties are hosted in different systems. Data is difficult to use because platforms lack interoperability. Developing standardization guidelines across platforms, improving data collection strategies and metadata structures, adding functionality to operational platforms that can extract/pull from one another, and graphically presenting data relevant to communities are areas for improvement and collaboration by government agencies.

Opportunities

Entities such as the DNP, which manages Maparegalias; the Ministry of Mines and Energy, which manages the EITI report and website; and SIMCO could collaborate on improving interoperability, with the support of the Ministry of ICT. For example, an application programming interface associated with existing platforms could improve access to and the level of analysis of data on mining royalties. Data users could pull datasets not only on mining royalties but also on economic, social, and environmental indicators from Colombia's Open Data Portal. Better interoperability could also reduce the need for requests for information.

Participatory data collection initiatives already in place could be replicated. Corantioquia, the regional environmental authority of Antioquia, for example, implements the Piragua initiative, in which riverside inhabitants periodically monitor the quality and quantity of the Cauca River. This approach has not only improved the collection of standardized data on water usage and quality, it has also improved trust, by allowing citizens to see data on mining projects' environmental performance.



3. Adopt a “do no harm” approach to project design

Sensitivities exacerbated by the armed conflict until 2016 and ongoing security concerns continue to affect relations between communities and industry, donors, civil society organizations, and the authorities, especially for social leaders. The perception of transparency as a positive change agent is evolving, but accessing information is sometimes considered risky, especially for local leaders and journalists. Projects at the municipal level should therefore take a “do no harm” approach, when designing capacity-building activities and training programs.

A conflict-sensitive approach based on “do no harm” principles focuses on a two-way interaction between a project and the context in which it operates. Conflict sensitivity involves acting with the understanding that any initiative conducted in a conflict-affected environment will interact with that conflict and that such interaction will have consequences that may have positive or negative effects. The aim is to avoid causing inadvertent harm or exacerbate existing conflict.

A Data Assessment of the General System of Royalties

Understanding the landscape of the GSR and the stakeholders generating and disclosing data is fundamental to the effectiveness of the recommendations made above. This section provides an analysis of the national and subnational institutional setting and frameworks of the GSR and an open data assessment. Practitioners are encouraged to keep in mind the underlying objectives of this report—to seek the opportunities to build on the disclosure infrastructure that already exists and identify new entry points for action in benefit of the end-user of the information.

Who Does What? Access to and Use of GSR Data

This assessment distinguishes three categories of stakeholders in the GSR framework related to data roles in the revenue management cycle (actors can play multiple roles).

- 1. Data producers** are responsible for collecting, managing, and disseminating data.
- 2. Data users** use data for specific purposes. They generate insights that can inform decision making. Infomediaries analyze and adapt data to make information and knowledge accessible to wider audiences.¹³
- 3. End-users** are everyday consumers of information. They seek information to guide decisions, serve advocacy purposes, or better understand the impacts of mining activities on their daily lives.

Within this framework, the assessment identified seven key actors in the information cycle of the GSR: government, industry, infomediaries, civil society, academia/think tanks, the media, and digital/social entrepreneurs. Tables 1 and 2 list the organizations and stakeholders in each category consulted during the assessment.

National Policy, Institutional Setting, and the General System of Royalties

The institutional components that govern the allocation of natural resources revenues in Colombia, and the data generated in the process, create a complex setting for the average data user.

The National Constitution of Colombia of 1991 established that royalties be assigned primarily to departments and municipalities whose territories are exploited for non-renewable natural resources, or that have ports. Funds not directly assigned to mining departments or municipalities were to be allocated to the Mining Royalties Fund (Fondo Nacional de Regalías).¹⁴

In 2011, the Colombian government proposed a reform aimed at addressing the uneven distribution of revenue allocation and compensation regimes for the most vulnerable territories. Through Legislative Act 05 of 2011, the reform was approved and dictated the creation of the GSR Law 1530 of 2012.

The aim of the GSR was to distribute resources more effectively to municipalities. But civil society, industry, and the media expressed concerns that the system was too difficult to navigate and resulted in an unequal distribution of resources between

TABLE 1 National-level stakeholders consulted during the assessment

Producers of data		Users of data	
<p>Public sector / government institutions</p> 	<ul style="list-style-type: none"> ▶ Department of National Planning ▶ Extractive Industries Transparency Initiative (EITI) ▶ Ministry of Finance ▶ Ministry of ICT (Open Data Portal)* ▶ Ministry of Mining ▶ National Mining Agency 	<p>Civil Society</p> 	<ul style="list-style-type: none"> ▶ Asociación Ambiente y Sociedad ▶ CSIR Córdoba ▶ Foro Nacional por Colombia ▶ Fundación Corona ▶ Open Contracting Partnership ▶ Pares—Fundación Paz y Reconciliación ▶ Transparencia por Colombia
<p>Companies (Industry)</p> 	<ul style="list-style-type: none"> ▶ AngloGold Ashanti Colombia ▶ Cerrejón ▶ Cerro Matoso ▶ Colombian Mining Association ▶ Drummond Ltd. 	<p>Academia / Think Tanks</p> 	<ul style="list-style-type: none"> ▶ Centro de Pensamiento Estratégico Internacional (CEPEI) ▶ Colombian Mining Observatory, Universidad del Rosario ▶ Colombian Municipal Federation (FCM) ▶ Data Visualization Research Group, Universidad de los Andes ▶ Fedesarrollo ▶ Mining-Energy Law Department, Universidad Externado ▶ Red de Municipios en Entornos Mineros (REMEM)
<p><i>*Note: The Ministry of ICT is the agency responsible for the management of the Open Data Portal, which contains information on royalties produced by other relevant agencies, such as the National Mining Agency.</i></p>		<p>Media</p> 	<ul style="list-style-type: none"> ▶ Consejo de Redacción ▶ Cuestión Pública ▶ La Silla Vacía ▶ Semana Sostenible
		<p>Digital / social entrepreneurs</p> 	<ul style="list-style-type: none"> ▶ Data Sketch ▶ Seamos Democracia Digital ▶ SikuaniNet ▶ ViveLab
		<p>Grassroots advocacy groups</p> 	<ul style="list-style-type: none"> ▶ Aida Americas ▶ Observatorio Colombiano de Políticas Públicas ▶ Red de Justicia Tributaria

TABLE 2 Subnational-level stakeholders consulted during the assessment

Producers of data		Users of data	
<p>Public sector / government institutions</p> 	<ul style="list-style-type: none"> ▶ CORANTIOQUIA (Environmental Authority) ▶ Institute of Development of Antioquia (IDEA) ▶ Mayor’s Office Amagá ▶ Mayor’s Office Segovia ▶ Secretary of Mines of Antioquia 	<p>Civil Society</p> 	<ul style="list-style-type: none"> ▶ Alliance for Responsible Mining (ARM) ▶ Asociación Agroindustrial de Trabajadores del Bajo Cauca* ▶ Asociación Agrominera de Puerto Claver* ▶ Asociación de Juntas de Acción Comunal de Amagá* ▶ Asociación de Mujeres Gestoras y Ahorradoras de El Bagre* ▶ Asociación de Pequeños Mineros de Amagá* ▶ Asojuntas El Bagre* ▶ Asotramiagroa ▶ Dialogue Group on Mining in Colombia (GDIAM) ▶ Indigenous Mining Association of West Antioquia ▶ Jericó Bishop’s Office ▶ Merceditas Corporation ▶ Organización Seguridad y Nuevo Ambiente en el Trabajo SENUAT* ▶ Plataforma Municipal de Juventud El Bagre* ▶ Santa Rosa de Osos Bishop’s Office ▶ Veedores Municipales de Amagá*
<p>Companies (Industry)</p> 	<ul style="list-style-type: none"> ▶ Continental Gold ▶ Grancolombia Gold ▶ Minas San Fernando* ▶ Mineros S.A ▶ SUMICOL Corona 	<p>Academia / Think Tanks</p> 	<ul style="list-style-type: none"> ▶ Colombian Mining Professional Association ▶ IGNEA Research Group, National University, Medellin Branch ▶ Minerals and Materials Department, National University, Medellin ▶ Research Group GEMMA, National University, Medellin Branch ▶ Research Group on Strategic Resources and Environmental Studies, Universidad de Antioquia
		<p>Media</p> 	<ul style="list-style-type: none"> ▶ Canal Comunitario Amagá TV* ▶ Canal Oro Visión TV* ▶ Colombia Gold Letter ▶ Cosmovisión ▶ Despierta Antioquia ▶ El Colombiano ▶ Fundación de La Voz de Amagá* ▶ La Silla Paisa ▶ Periódico el Suroeste ▶ Radio Comunitaria La Voz de Amagá*
		<p>Digital / social entrepreneurs</p> 	<ul style="list-style-type: none"> ▶ Esri Colombia ▶ Makaia ▶ Ruta N

*Note: Municipality of El Bagre or Amagá.

producing and nonproducing municipalities. In addition, different perceptions about how much centralized control was needed and what impact the GSR was having on improving the efficiency of investments and reducing corruption exacerbated tensions between national and local stakeholders. Inefficiencies in the execution of resources resulted in more than COP 1.9 billion of unspent royalty revenue in 2018.

These issues sparked a legislative effort to reform the GSR, with a focus on increasing direct allocations for producing municipalities, which often experience the direct impacts of oil and mining activities. These municipalities often claimed that resources were tied up in the planning and approval of public investment projects.

On December 26, 2019, the Colombian Congress approved Legislative Act 05 of 2019. This act modified Article 361 of the national Constitution, reallocating the distribution structure of the GSR. In September 2020, Congress enacted this legislation, replacing the previous governing law. The GSR retained its primary objective of creating equitable conditions for the distribution of revenues from natural resources investments. The new law added complementary objectives related to a clean energy transition and protection of environmental and human rights, and it created an approval structure for investment projects that support the peace agreement.

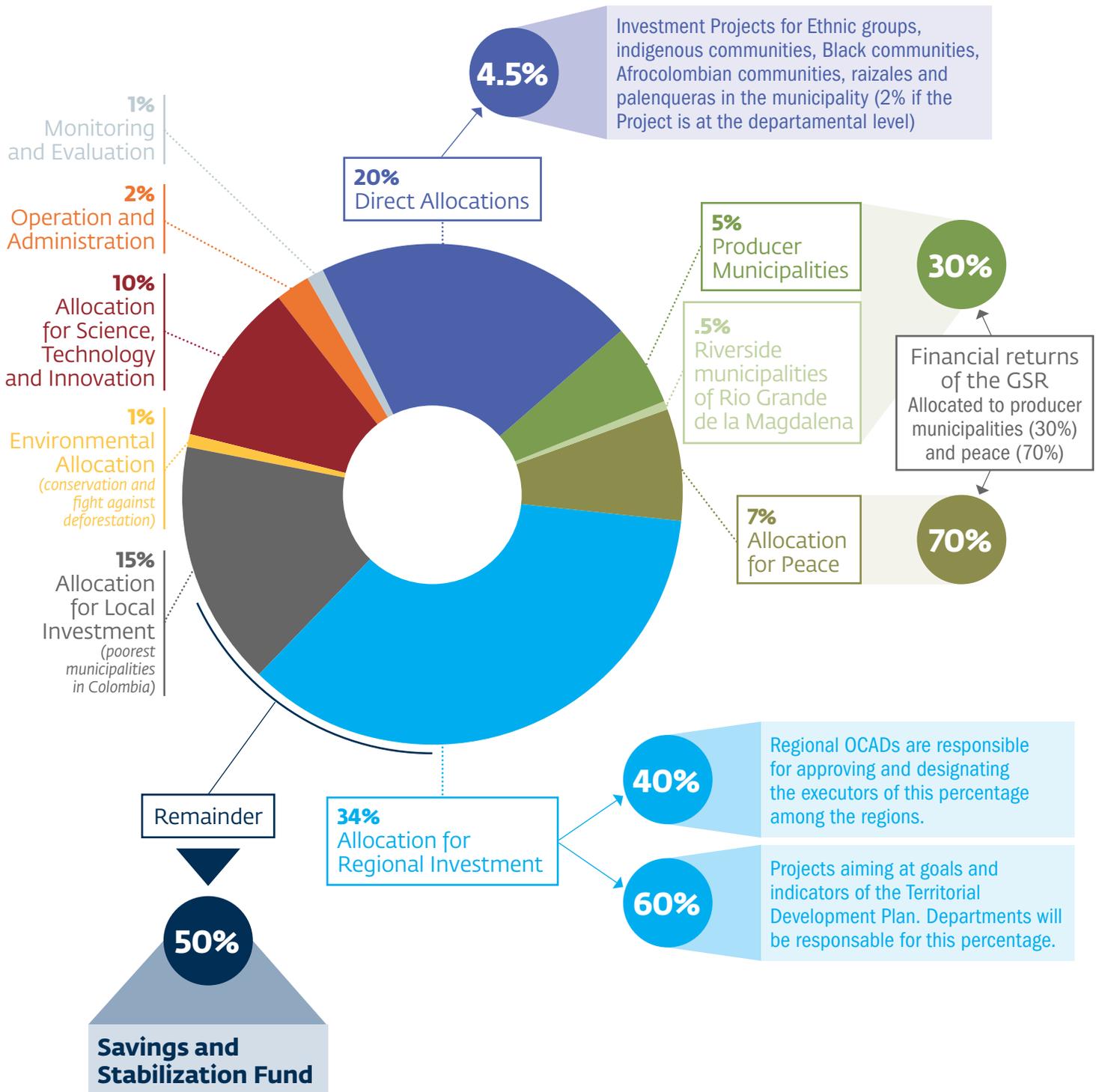


The GSR now includes nine funding mechanisms:

- **Direct allocations** are made to municipalities in which nonrenewable natural resources are exploited or through which they are transported.
- **Allocations for local investment** include allocations to finance high-impact projects targeting the poorest municipalities in Colombia.
- **Allocations for regional investment** aim to improve the competitiveness of the economy and promote the social, economic, institutional, and environmental development of municipalities by financing projects that respond to regional needs.
- **Environmental allocations** support the conservation of strategic environmental areas and the national fight against deforestation.
- **Allocations for science, technology, and innovation** aim to increase scientific, technological, and innovation capacity by promoting business development and the competitiveness of regions through investment projects.
- **Allocations to the riverside municipalities of the Rio Grande de la Magdalena** fund investment projects in these municipalities.
- **Allocations for operations and administration** fund the supervision of the exploration and exploitation of deposits, geographic mapping, monitoring and evaluation (M&E) of environmental licensing of projects, and other activities.
- **Allocations for M&E** fund mechanisms to ensure the efficient and effective use of GSR resources.
- **Allocations for peace** fund investment projects that implement the Final Agreement for the End of the Conflict and the Construction of a Stable and Lasting Peace, including projects for reparations to victims.

Budgeting of the GSR is biannual, starting in January and ending in December of the following year. The GSR distribution cycle is annual (beginning in January), based on production information from the previous year and the biannual budget. The new law dictates that resources be distributed in January (DNP 2019). Figure 1 shows how GSR resources are distributed.

FIGURE 1 Distribution of royalties under Colombia's General System of Royalties



Source: Department of National Planning of Colombia 2019.



The GSR's new allocation of resources increases the share of direct allocation of royalties received by both producer and port departments and municipalities, reduces allocations for administrative and operational costs of the GSR, and modifies the governance model of prioritization and approval of local investment projects (which some stakeholders saw as a bottleneck in the previous GSR regulation). This new governance structure reduces the number of Collegiate Bodies of Administration and Decision from 1,152 to 8 regional and national bodies. It also gives producing municipalities and departments more autonomy, through direct allocation, avoiding previously cumbersome bureaucratic and approval processes.¹⁵

As one of the law's objectives is to promote citizen participation and good governance, it mandates that information be made publicly available. In addition, entities executing GSR resources need to guarantee citizens' participation in the social control, formulation, prioritization, execution, and evaluation of investment projects.

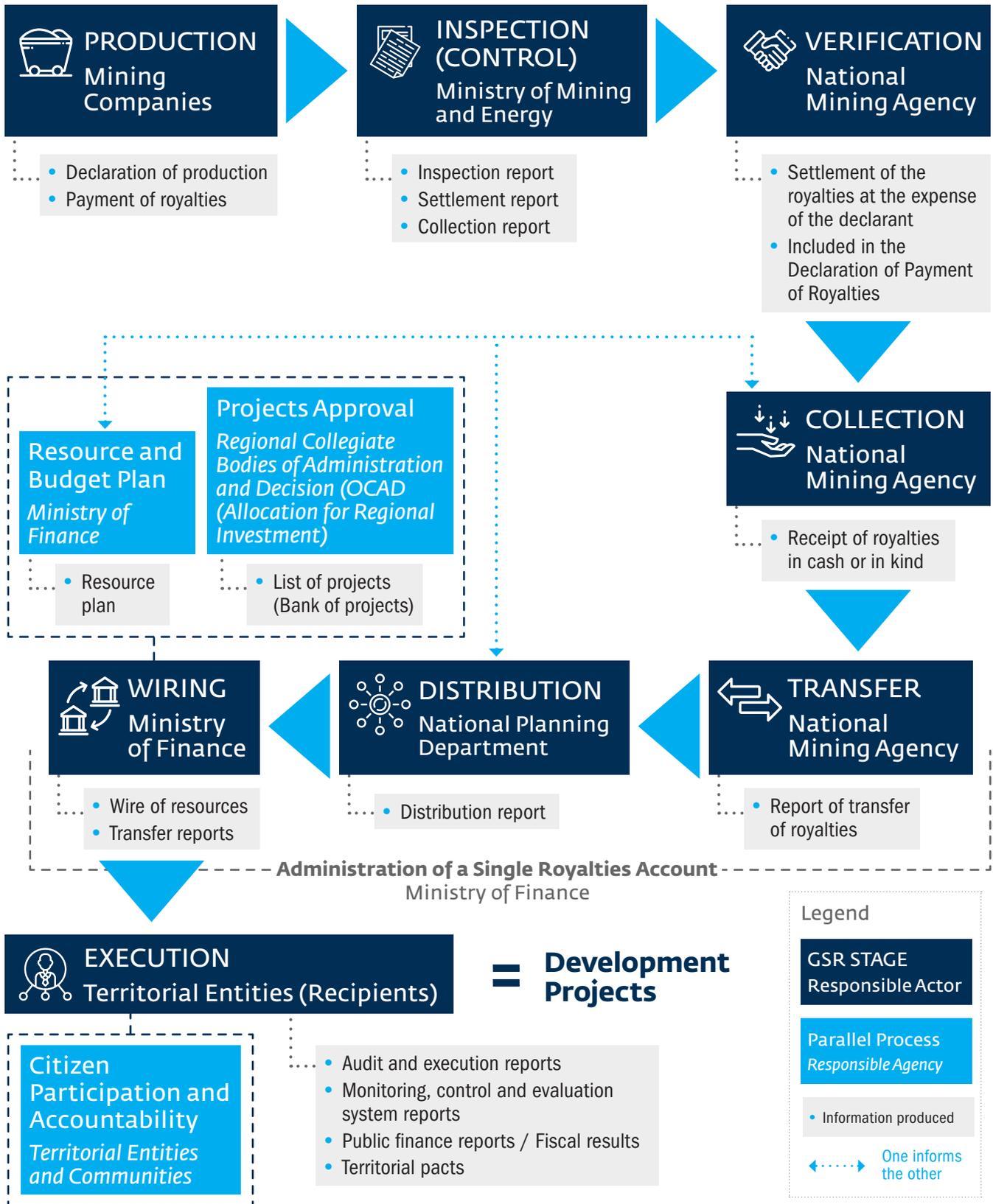
For investment projects financed by the GSR, municipal and departmental administrations must publish projected investments, baseline indicators and goals, results, physical and financial execution of progress, and the designated executing entities on their web page, bulletin boards, and other spaces where citizens can access the information.

Figure 2 illustrates the stages of Colombia's GSR cycle, including: the generation, distribution, and

allocation of mining royalties. The government entities responsible for monitoring the revenue and the information generated at each stage are as follows:

- **Production:** Mining companies declare the output they produce, which determines royalty payments.
- **Inspection (control):** The Ministry of Mines and Energy/National Mining Agency review the production documents of each mining title and carry out sporadic field visits to verify and confirm production.
- **Verification:** The National Mining Agency reconciles royalty payments presented by companies in their Declaration of Royalty Payments
- **Collection:** The National Mining Agency receives royalties paid by the company in cash or in kind.
- **Transfer:** The National Mining Agency transfers all royalties collected to a single government account managed by the Ministry of Finance.
- **Distribution:** The Department of National Planning (DNP) allocates resources to recipients and develops the Resources and Budgeting Plan.
- **Wiring:** The Ministry of Finance disburses resources to GSR beneficiaries. For the allocation for regional investment, disbursement is contingent on project approval, which involves the formulation and presentation of projects at the subnational or municipal level.
- **Execution:** Mayors' and governors' offices implement approved public investment projects and deliver services to communities.

FIGURE 2 Cycle of the General System of Royalties in Colombia



Source: Adapted from the Department of National Planning of Colombia 2019. Note: Figure is current as of September 2020.

Subnational Policy and Institutional Setting

Two municipalities in Antioquia whose budgets are highly dependent on royalties were selected for this assessment: El Bagre, a town of about 50,000 people that mines gold, and Amagá, a town of about 30,000 people that mines coal. The Department of Antioquia was chosen for the analysis because it has the largest number of public investment projects financed with royalties since establishment of the GSR. Antioquia is a traditional mining region, with a diversity of minerals, ranging from precious metals and coal to industrial materials. It is the only one of Colombia's 32 departments with a Secretary of Mines, the authority responsible for granting and monitoring nearly 1,400 mining titles. It is home to mining companies of various scales.

At the municipal level, there is historical tension between the national government, as the administrator of underground resources, and subnational governments, as land use regulators. Communities claim that the central mining authority makes decisions without consensus from the municipalities.

Since 2012, municipalities across Colombia have used various participatory mechanisms recognized in the national constitution and legislation, such as public consultations and municipal agreements, to try to ban mining. Public consultations on mining activities were first used in the municipality of Piedras (Tolima) in 2012. Since then, more than 10 municipalities in different regions of Colombia have held public consultations, and more than 30 others have proposed them. Through this participatory mechanism, citizens vote on the development of mining activities in their municipality.

Other municipalities promoted municipal agreements as participatory mechanisms. The municipal council debates, votes on, and approves these agreements related to matters on mining operations and revenue distribution. Civil society organizations and community leaders in Antioquia, however, have questioned whether these agreements are effective participatory spaces for local communities since they are implemented sporadically and the legally-binding nature of them is uncertain given that they tend to not be enforced by central authorities.

These participatory mechanisms have also allowed some contradictions to emerge. In the municipality of Jericó, for example, the local government tried to ban the exploitation of copper through a municipal council vote. At the same time, the municipality was allowed to submit proposals for public investment projects to be financed by royalties, without being a producer municipality. This situation reflects the worldwide phenomenon known as NIMBY (Not in My Back Yard)—the opposition of communities to the development of certain activities in their surroundings without opposition to the activities in other areas that generate revenue they can benefit from. In Colombia, this phenomenon has been gaining strength in the phrase “yes to mining, but not here” (*minería sí, pero no aquí*), as stated by a local religious representative.

Public consultations and municipal agreements opened a legal debate about the competencies of municipalities over their land and the tensions with the national government's legal mandate as the owner of the subsoil. Several litigation petitions were brought to both the Constitutional Court of Colombia and the State Council, which led to different court rulings in the matter.

Municipalities also question how the revenue generated by mining royalties is distributed and invested. According to industry representatives in Antioquia, after the creation of the GSR in 2012, producing municipalities of the region indicated to them that they were unclear about revenue distribution, as there was a significant reduction of direct royalty transfers to the producing departments and municipalities. Producing municipalities' per capita income fell by 78 percent between 2012 and 2018 according to the Department of National Planning.¹⁶ Further exacerbating this uncertainty, community relation managers from mining companies also indicated that communities do not link social infrastructure construction, such as schools and hospitals; the financing of the regional pension system; or the protection of sensitive ecosystems to direct revenue allocations derived from the payment of royalties through the GSR.

Legislative Act 05 of 2011 mandated the creation of technical advisory committees as a participatory mechanism through which communities can consult and provide feedback on the prioritization of public

investment projects to be financed by royalties. Civil society representatives of El Bagre and Amagá claim that this mechanism is ineffective, as requests are not legally-binding and the Regional Collegiate Bodies of Administration and Decision (OCADs) often disregard them. As a result, communities do not feel that their voices are heard or that they can partake in local investment decisions. Further complicating matters, more than half of all Colombian municipalities have deficiencies in planning, contracting, and executing public investment projects and related reporting, according to a report by the Comptrollers' Office (2017).

The new Law includes a chapter on citizen participation, transparency and common provisions for royalty allocations of the GSR. This new text requires that municipal entities that execute royalty resources guarantee citizen participation and social control throughout the public investment project cycle. Entities are required to conduct public hearings to allow this participation to take place. As a result, decision-making and participation mechanisms for prioritization and approval of public investment projects have become part of the territorial planning process. However, implementation of these mechanism falls under the discretion of mayors and governors. Although the new Law does not explicitly mention technical advisory committees it does establish specific timelines, for citizen participation for social control in the formulation, prioritization, execution and evaluation of public investment projects.

In an unprecedented step in revenue management of natural resources investments in Colombia, the new Law ensures the participation of representatives of ethnic communities on the Governing Committee of the GSR (the highest governing body) and the regional OCADs, which are also responsible for decision making about public investment projects. It mandates that municipalities and departments with income from direct allocations allocate 4.5 percent and 2.0 percent of their biennial budgets, respectively, for investment projects with a differential focus on Indigenous, Black, Afro-Colombian, Raizal, and Palenquera communities. The Law also requires the creation of a new inclusive decision-making body for the prioritization and approval of public investment projects financed with mining revenue.¹⁷ This body will review projects presented by delegates of the

National Area for Free, Prior and Informed Consent (Espacio Nacional de Consulta Previa), the High-Level Consultative Commission (Comisión Consultativa de Alto Nivel), ethnic community councils, and other groups representing ethnic communities. Representatives will be able to assess the feasibility of projects and designate project executors.¹⁸

Disclosure of Information and Data on Mining Royalties

The GSR process generates a significant amount of information and data. Progress on information disclosure about mining royalties has been supported by the national policy on digital government and open data, including implementation of Law 1712 of 2014 on Transparency and the Right to Access Public Information. These regulations have laid the foundation for the formulation of guidelines and tools used to implement policies on digital and open data strategies. The Ministry of Information and Communications Technology (ICT), the Secretariat of Transparency, and the Ministry of Mines and Energy are mandated to disclose information and data on mining. Data governance across entities remains complex, however, and access to data relevant for subnational actors continues to be limited.

The concept of open data and how it can be used to add value to accountability, trust building, and participatory decision making in natural resources investments is still nascent. There is limited use of open data in analysis that can help communities understand the impacts and benefits of mining in their everyday lives. The open data that is used is often complex, and dissemination strategies are not effective at the community level. Focus group discussions indicate confusion by most stakeholders, who generally equate open data with available and public information and are largely unaware of the technical characteristics necessary for data to be classified as open data.¹⁹ At the subnational level in particular, stakeholders are not familiar with open data concepts or digital platforms.

Table 3 describes the GSR's information flows, as they relate to the steps outlined in figure 2.

TABLE 3 Open Data Assessment and Sources of the GSR

Stages	Information or data produced	Public?	Source	Open data?	5-star Open Data deployment scheme
 PRODUCTION	Declaration of production	Yes	Company websites, production and sustainability reports	No	★
	Payment of royalties		<u>Maparegalias</u> , managed by Department of National Planning	No	★
 INSPECTION	Inspection, settlement, and collection reports	Yes	<u>SIMCO</u> , managed by Energy Mining Planning Unit of Ministry of Mines and Energy	No	★
			<u>National Mining Agency</u> , linked to National Open Data Portal	Yes	★★★
			<u>Maparegalias</u> , managed by Department of National Planning	No	★
 VERIFICATION	Budget, self-reported payment, collection, and transfer of royalties	Yes	Economic Transparency Portal, managed by Ministry of Finance	No	★
 COLLECTION					
 TRANSFER					
 DISTRIBUTION	Distribution of resources	Yes	<u>SICODIS</u> , managed by Department of National Planning	No	★★
	Indicative balance of GSR investment resources for project financing				
	Budget plan of GSR				
 WIRING	Wire disbursement to beneficiaries	No	Portal de Transparencia Economica, managed by Ministry of Finance	No	★
		Yes	<u>Maparegalias</u> , managed by Department of National Planning	No	★
	Resource plan (10-year projection disaggregated by source of income)	Yes	<u>SICODIS</u> , managed by Department of National Planning	No	★★
	List of projects proposed (preapproved bank of projects)	No	<u>SUIFP</u> (projects are entered into the system once they are approved)	No	★
	Bank of projects approved	Yes	<u>Maparegalias</u> , managed by the Department of National Planning	No	★
	Project value			No	★
 EXECUTION	Physical and financial progress of projects	No	<u>GESPROY</u> (part of the SSCE/GSR), managed by Department of National Planning	No	★
		Yes	<u>Maparegalias</u> , managed by the Department of National Planning	No	★
	Progress reports	Yes	<u>SSCE/General System of Royalties</u> , managed by Department of National Planning	No	★
	Quarterly reports on monitoring, control and evaluation, and the Royalty Project Management Index*			No	★
	Public finance reports/fiscal results of GSR			Yes	Published reports and websites

*Index assesses performance of entities in the GSR in two areas: administration (transparency with information reporting, system actions) and project management (efficiency and effectiveness).

TABLE 3 (CONTINUED) The 5 Stars of Open Data

★	Data is available on the web (in whatever format) under an open license. Users can access it, print it, store it locally, and share and publish data as needed.
★★	Data is available as machine-readable and structured. Users can directly process it to aggregate it, perform calculations, visualizations, and publish.
★★★	Data is available in a non-proprietary open format like CSV. Users, in addition to the previous benefits, can manipulate data without the need to own any proprietary software to use.
★★★★	Data is available with the characteristics mentioned above but is also available in open standards like RDF and SPARQL to query data.
★★★★★	Data is available with all the characteristics mentioned above but is also linked to other data to provide context. Users can discover more data while consuming the data, ultimately increasing the value of your data.

The framework is available at <https://5stardata.info/en/>

The star ratings are an assessment by the IFC team informed by the research findings of this report. The ratings are based on the Tim Berners-Lee 5-star deployment scheme methodology which uses the open data ecosystem approach. The team used a modified approach given that most of the data available in the GSR cycle is made available online, but datasets do not operate under open license and cannot therefore be formally classified as open data.

Other websites also compile partial or cross-cutting data across the GSR cycle or other independent sources on mining royalties. They include the following:

- **National Open Data Portal:** This portal includes data published by government institutions as part of Colombia’s open and digital government strategy. Its 109 datasets related to mining royalties can be used to conduct research, develop applications, create data visualizations, and perform other data-related activities. Datasets include base mineral prices for royalty settlement, historical data on budget execution of the GSR’s administrative

unit, projects executed with royalties by the governors’ or mayors’ offices, and details on GSR transfers to municipalities.

- **EITI website:** This site provides all of the information used to prepare the EITI report, including full government disclosure of revenue management and payments from companies to the government. It allows users to visualize the production, GDP, social and economic contributions, and other indicators. The site is somewhat interactive, but data cannot be downloaded and is not presented in a structured format which would allow it to be extracted and released in a machine-readable format. EITI offers an online training program on Colombia’s mining industry and on citizen participation mechanisms and transparency.
- **Terridata:** This platform, managed by the DNP, was created to strengthen public management based on demographic, economic, environmental, and land use indicators at the municipal, departmental, and regional levels. It is intended for use by the public sector, to support the definition of goals and baselines, as well as the design and targeting of programs and projects to academia as an input for its analysis and research; and to citizens as an informative tool for participation and social control mechanisms. Although the platform contains limited information on mining royalties and expenditures, it has the potential to be a key input for planning and formulation of public investment projects financed by royalties. Information can be downloaded as a PDF or Excel file.
- **Océano:** This platform, hosted by the Comptroller’s Office, cleans and analyzes data on the management of state contracts, in order to identify corruption risks for the auditing teams. It is fed by all open data sources on contracts in Colombia, including SECOP, SIA–OBSERVA, SIVICOF, and SIRECI. Océano has conducted some analysis of the mining sector based on open data sources. The results are for internal use by the Comptroller’s Office only, but that office has started to collaborate with the DNP.

Annex B lists other open data initiatives that are relevant to the mining sector.



The complexity of the GSR cycle directly impacts the accessibility of information for the general public. As shown in Table 3, and reaffirmed by several focus group discussions (especially by civil society and academia), information is dispersed, making it difficult for users to find the exact data they are looking for and piece it together to get a full picture. The GSR system and various digital platforms generate much information, but data users tend to lack the knowledge of the royalty governing process and which government entities are responsible for what information. Request for information procedures (*derechos de petición*) are also unclear for citizens and local level authorities, limiting accessibility and use. At the subnational level, citizens and the authorities usually need to request additional information from sources other than ones listed in Table 3 because of the level of aggregation disclosed, which renders it irrelevant for local actors.

All interviewees consulted for this assessment recognized the digital platform *Maparegalias* as one of the most important tools for the disclosure of information on royalties and the accountability of the sector. The platform publishes information on the entire cycle of royalties, including public

investment projects approved and in execution, and reports on their implementation. Although this platform provides rich information, the data available is not downloadable and is not structured as open data. Some users observed that some of the data is not updated, forcing users to look for other sources of information that are more difficult to consult, such as SECOP, chambers of commerce, or Superintendences of Industry and Commerce. At the subnational level, stakeholders indicated that information made available through these platforms does not respond to citizens' concerns (about local investments, contracts, environmental impact, and formalization of small-scale mining, for example) and that the language is not clear to all potential users.

National level stakeholders use the websites of the EITI, the National Open Data Portal, the National Mining Agency, Banco de la República, the National Administrative Department of Statistics, the Energy and Mining Planning Unit, the Ministry of Mines and Energy, the Comptrollers' Office, and the DNP to search for relevant datasets on mining revenue allocation, social and environmental impacts of mining operations, public investments and local economic development. However, information is presented in PDF files containing graphs and tables, or in Excel files that are not in machine-readable formats, making the data difficult to use for analysis or data visualization.

Companies also generate information and data outside the GSR. They publish data and information on their websites and through quarterly production and sustainability reports on the monthly and total amount of royalties paid and social investment in their areas of operations' and influence. Similar to the disclosure challenges of the government data, this data is not open.

The dispersion of mining data poses a challenge for its use, however an arguably greater challenge, from the perspective of the data user, is the lack of coordination among the existing disclosure efforts. Datasets and information are presented in different ways, using different standards and lack direction towards user demand.

Conclusion

The findings of this assessment are intended to highlight the value of natural resource data as a tool for transparency and accountability. Disclosure of data is critical for transparency and improved governance, however it is insufficient, and it is not the end-goal. Effective use of data for accountability is a fundamental to ensure that stakeholders can ask the right questions, make informed decisions about mining investments, and ensure that the benefits of these investments are shared among those who need them most.

The practical recommendations presented at the beginning of this report will help government, industry and civil society stakeholders enhance the value of natural resources data disclosed in the GSR cycle for Colombian citizens. Despite progress in disclosure efforts, the GSR still needs a vision and strategy that unify transparency and data in order to provide complete, relevant, and actionable information to end-users. This report suggests priority actions in support of this goal for the short and medium to long-term.



Annex A

Natural Resource Data Assessment Methodology

The assessment was based on the revenue management data and information challenges and opportunities methodology. This methodology provides guidelines to better understand the disclosure and use of data on natural resources by:

- identifying stakeholders
- reviewing policies and institutional frameworks governing the sector
- conducting a data diagnostic
- analyzing stakeholders
- developing actionable recommendations for industry, government, civil society organizations, and donors.

Following the methodology, the team collected inputs using various qualitative research methods, including interviews, desk review of regulations and policy documents, focus group discussions, and roundtables exercises. These inputs were used to analyze the information flow and disclosure practices (supply side) of mining royalty data and the information desired or needed by relevant stakeholders (demand side).

The assessment was conducted in three stages. The first stage, which took place in early 2019, consisted of a scoping mission and preliminary desk research to identify key stakeholders. The team then conducted individual consultations with relevant actors at the central level, mainly from the government, to understand the sector's information and data ecosystem. Based on the information collected and analyzed, it formulated hypotheses about the perceived challenges of and barriers to data disclosure and use.

The second stage, which took place in mid-2019, included activities at both the national and subnational levels. During this period, the team conducted semi-structured interviews and focus group discussions. The interviews and focus groups included questions about the participants' level of knowledge of royalties and their role in accessing, adapting, using, and disseminating royalty data and information.

A local firm collected inputs on the data and information landscape in two municipalities in Antioquia.²⁰ This exercise helped identify key stakeholders and tailored the design of the focus group questions. Levels of participation and engagement varied across focus groups,²¹ the IFC, TAI, and Global Integrity teams therefore conducted subsequent interviews to capture other opinions of stakeholders that did not participate in the focus groups.²²

In the third stage, which took place in late 2019, the team presented its findings and recommendations to stakeholders in Bogota and Medellin. These interactions provided an opportunity to validate findings; obtain feedback about the recommendations proposed by the team; and identify opportunities for collaboration by industry, government (national and local), and civil society.

This assessment was updated in September 2020, when Congress enacted Law 2056.

Annex B

Open Data Initiatives in Colombia

Colombia has many initiatives on open data. In addition to the ones cited in the body of the report, they include the following:

- **Queremos Datos (We want Data)**, led by DataSketch, is a tool for requesting, monitoring, and publishing access to information requests submitted to public institutions. Responses to all information requests are published in an online repository in open format.
- **Infraestructura Visible**, led by the Universidad de los Andes and developed by DataSketch, is an information hub that collects, analyzes, and centralizes information from government agencies working on current and future infrastructure projects in Colombia. The digital platform makes data accessible in open format and includes simple data-analytic tools that allows users to create and download reports. The platform operates under creative commons licensing CC-BY-SA.
- **Red Ciudades Cómo Vamos (Network of Cities How Are We Doing?)**, led by Fundación Corona, operates in 50 municipalities, where it monitors quality of life through 250 indicators evaluated annually. The initiative conducts perception surveys, the results of which are made available in open data formats through the platform Ciudadatos. The initiative's work is not linked to mining or royalties. An attempt to adapt the program to royalties failed after the program was unable to access information
- **ViveLab**, a data and technology laboratory of the Universidad Nacional, seeks to collaborate with academia, government, and citizenship for the optimization of open data platforms. Its main partners are the Ministry of ICT and the Mayor's Office of Bogota. ViveLab conducts assessments of public institutions regarding open data; runs citizen marathons for searching and using data; and sensitizes public officials about open data (formats, quality standards, good practices, and so forth).
- **The Public Innovation Team** in the Directorate of Innovation and Business Development of the DNP enables experimentation as a cross-cutting approach in public policy implementation. The team's aim is to create public value and move towards a government capable of addressing complex public challenges in more effective and efficient ways. It promotes open data as an interinstitutional management tool. This team has led several open data-related initiatives, such as hackathons.

References

- Brújula Minera. 2019. <https://www.youtube.com/watch?v=MksIvsQIP1w>.
- Comptroller's Office. 2017. *State of Finance Report 2016: Results of the General System of Royalties as of December 2016*. Bogotá.
- DNP (Department of National Planning). 2019. *Guía de Distribución de los Recursos del Sistema General de Regalías entre Fondos y Beneficiarios*. Bogotá. <https://colaboracion.dnp.gov.co/CDT/DNP/SR-G01%20Gu%C3%ADa%20de%20distribuci%C3%B3n%20del%20sistema%20general%20de%20regal%C3%ADas%20entre%20fondos%20y%20beneficiarios.Pu.pdf?>
- DNP (Department of National Planning) and UNDP (United Nations Development Programme) and Transparencia por Colombia. 2017. *Las Auditorias Ciudadanas: Una Forma de Vigila las Regalías*. Bogotá. <https://www.contraloria.gov.co/documents/621871/891538/Cartilla+Auditoria+Ciudadana+2017+.pdf/c0f08ebd-3bc5-4f7f-a837-a03a3c19633c>.
- IFC (International Finance Corporation). 2019. *Data in Action: Natural Resources for People and Progress*. Washington, DC. <https://www.commddev.org/>.

Endnotes

- ¹ The Transparency and Accountability Initiative (TAI) is a donor collaborative working toward a world where citizens are informed and empowered, governments are open and responsive, and collective action advances the public good. More information at: <https://www.transparency-initiative.org/>. Global Integrity is an independent, nonprofit organization supporting progress toward open, accountable and effective governance in countries and communities around the world. More information at: <https://www.globalintegrity.org/>
- ² In 2018, Colombia satisfactorily met requirements in seven areas: oversight by the multi-stakeholder group; legal and institutional framework, including allocation of contracts and licenses; exploration and production; revenue collection; social and economic spending; outcomes and impact; and compliance and deadlines for implementing countries.
- ³ Platforms include the Sistema de Información Minero Colombiano (SIMCO), managed by the Energy Mining Planning Unit of the Ministry of Mines and Energy; the Sistema de Información y Consulta de Distribuciones de Recursos Territoriales (SICODIS), managed by the Department of National Planning; the Sistema de Seguimiento, Control y Evaluación (SSCE), formerly known as the Sistema de Monitoreo, Seguimiento, Control y Evaluación (SMSCE), managed by the General System of Royalties and coordinated by the National Department of Planning; Maparegalías; MapaInversiones; and an improved local EITI website.
- ⁴ Data reuse refers to the use of open data for purposes other than its original intent. It can be effective only if the dataset is structured, includes metadata, and is comprehensible to any researcher who uses it.
- ⁵ For a summary of the D2D assessment methodology, please refer to Annex A and see Data in Action: Natural Resources for People and Progress. The process was designed by IFC’s Sustainable Infrastructure Advisory team to assess access to and use of natural resources–related data given a particular country context or scope of interest. It emphasizes open formats to understand how better access and use of this data can generate informed dialogue that drives local development.
- ⁶ Companies disclose data to EITI on a voluntary basis and therefore does not guarantee the accounting of all royalties collected in the country.
- ⁷ Law 1942 of December 27, 2018, ratified by President Iván Duque.
- ⁸ For more information on citizen audits, see DNP, UNDP, and Transparencia por Colombia. 2017.
- ⁹ The assessment team presented 10 recommendations to stakeholders at validation meetings in Bogota and Medellin. Participants proposed three additional recommendations, which are now included in this report. In the final analysis of the assessment the 13 recommendations were consolidated into the 10 presented in this section.
- ¹⁰ Visible Audits is a citizen participation program designed by the National Government to control and monitor royalty investments in the departments and municipalities of Colombia.
- ¹¹ The annex provides additional information on initiatives on data, transparency, and innovation.
- ¹² A similar approach was used in Peru, through implementation of IFC’s project “Improving Municipal Investment Projects.” Initiatives like this could be tailored for the Colombian context.
- ¹³ From the terms “information” and “intermediary.” An information provider that gathers and organizes large volumes of data from multiple sources and presents it to a “target audience.” An infomediary can be a government, private sector, nongovernmental organization, civil society organization, academic institution, or media-type entity.
- ¹⁴ The Legislative Act 05 of 2011 eliminated the Mining Royalties Fund. Its liquidation took several years.

- 15 To access royalty allocation funds, municipalities are expected to submit proposals for public investment projects to the Regional Collegiate Bodies of Administration and Decision (Órganos Colegiados de Administración y Decisión Regional [OCAD]). These entities are responsible for evaluating, reviewing feasibility, and approving and designating project implementers/executors for 40 percent of regional development funds.
- 16 Per capita income that mining regions received from direct allocations of royalties fell from an annual average of COP 791 million in 1995–2011 to COP 174 million in 2012–18 (in constant 2019 prices), according to the Legislative Act 365 of 2019.
- 17 Law 2056 of 2020 also includes funds for the administrative functions of the decision-making body.
- 18 Project executors can include community councils of ethnic communities or Indigenous Resguardos—special legal and social political entities that comprise one or more indigenous communities with territorial rights, privileges, and governance.
- 19 Open data is data that can be freely used, reused, and redistributed by anyone, subject only, at most, to the requirement to attribute source and share alike under the original open licensing agreements . For more information, see <https://opendefinition.org/od/2.1/en/>.
- 20 El Bagre and Amagá were selected because of their long-standing history as mining municipalities; diverse extraction methods and types of materials produced (El Bagre extracts gold and Amagá coal); the presence of formal medium- to large-scale mining companies; and the revenues each municipality receives through the General System of Royalties. In 2019, El Bagre received COP 7.185 million and Amagá about 2.149 million.
- 21 The team encountered difficulties finding a similar number of participants across groups. The civil society group was larger and more engaged than other groups; the media group was smaller.
- 22 Global Integrity conducted independent consultations with grassroots activist groups concerned with mining and TAI met with other civil society organization and donor partners. Inputs were shared with the IFC team to inform the assessment.

IMAGE CREDITS

Cover | Top: Maria Navarro / IFC; Bottom left and right: Charlotte Kesi / World Bank

Interior | Page 2: Iwan Bagus / IFC; Page 8: Iwan Bagus / IFC; Page 9: Jessica Belmont / World Bank; Page 10: Amanda Díaz Ramírez; Page 11: Michelle Jacome / IFC; Page 12: Carlos Cante / IFC; Page 15: Dominic Chavez / IFC; Page 19: Michelle Jacome / IFC; Page 20: Carlos Cante / IFC; Page 21: Dominic Chavez / IFC; Page 22: Courtesy of Fierro & Consultores; Page 26: Julio Pantoja / IFC; Page 28: Michelle Jacome / IFC; Page 34: Amanda Díaz Ramírez; Page 35: Dominic Chavez / IFC

IFC
2121 Pennsylvania Avenue, N.W.
Washington, D.C. 20433 U.S.A.

CONTACTS

Alla Morrison | D2D Program Manager | amorrison@ifc.org

Michelle Jacome | Operations Officer | mjacome1@ifc.org

Fernando Ruiz-Mier | Senior Operations Officer | fruizmier@ifc.org



Creating Markets, Creating Opportunities