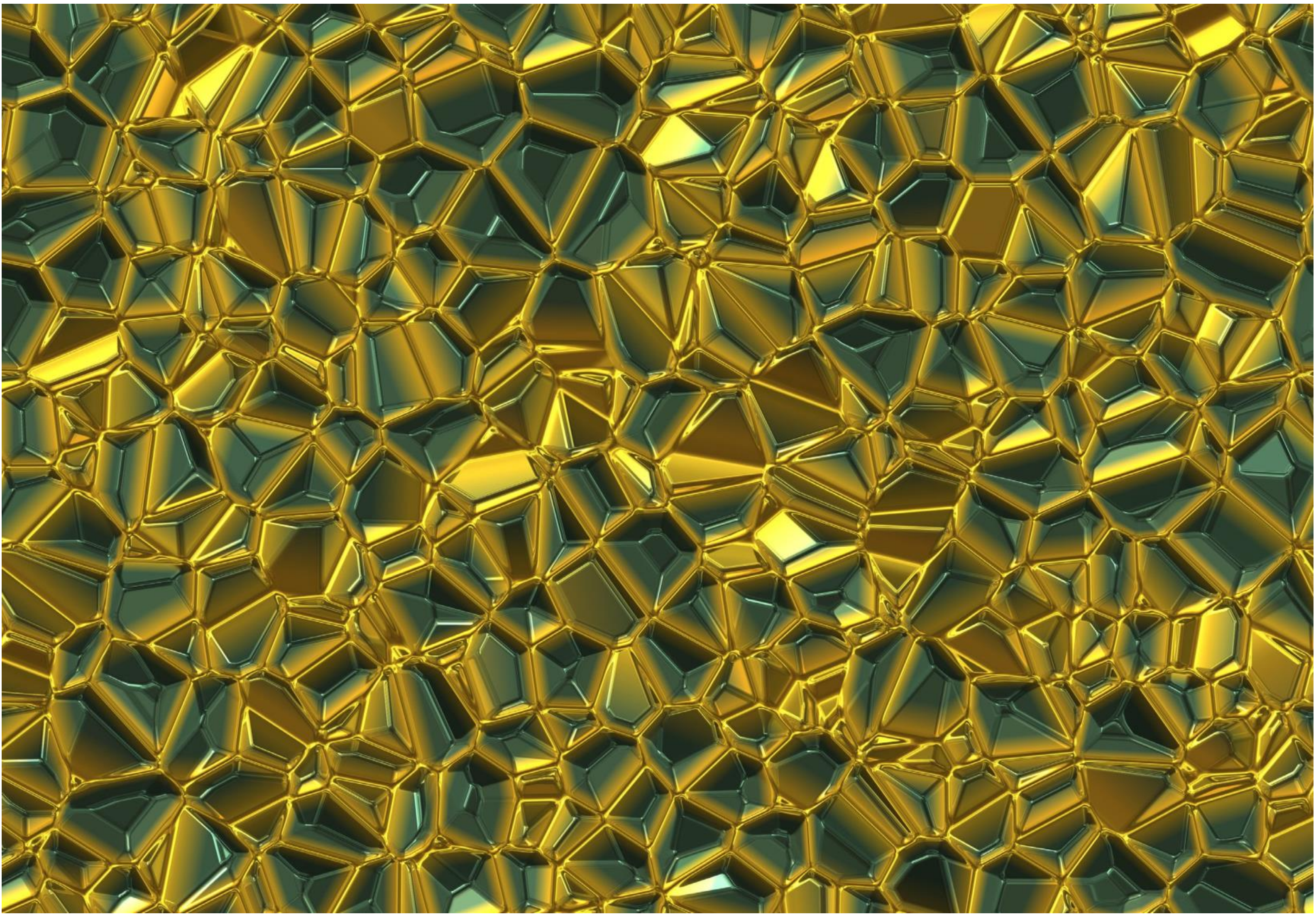
RESPONSIBLE BUSINESS CONDUCT

Gold at the crossroads

Assessment of the supply chains of gold produced in Burkina Faso, Mali and Niger



The Organisation for Economic Co-operation and Development (OECD)

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The OECD Due Diligence Guidance

The OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas (hereinafter "the OECD Guidance") provides step-by-step recommendations endorsed by governments for global responsible supply chains of minerals in order for companies to respect human rights and avoid contributing to conflict through their mineral or metal purchasing decisions and practices. The OECD Guidance may be used by any company potentially sourcing minerals or metals from conflict-affected and high-risk areas, and is intended to cultivate transparent, conflict-free supply chains and sustainable corporate engagement in the minerals sector. The OECD Council adopted the Recommendation on the OECD Guidance on 25 May 2011, based on a proposal from the Development Assistance Committee (DAC) and the Investment Committee. More information on the OECD's work in the mining sector can be found at: http://www.oecd.org/corporate/mne/mining.htm

The Liptako–Gourma Authority (LGA)

The LGA, created in December 1970, is an inter-governmental organisation, composed of Mali, Niger, and Burkina Faso, whose principal mission is to encourage, implement and co-ordinate, at the level of the three countries, any initiatives which will contribute to the region's harmonious and integrated development. In recent years, the Member countries of the LGA have made efforts to structure, organise and formalise artisanal and small-scale mining, especially for gold.

Notes on this study

This study was prepared by Roberto Sollazzo based on research carried out in 2018 in the form of an analysis of the literature available on the subject and interviews carried out in Burkina Faso, Niger, Mali and France with key stakeholders in the production and trading of gold, and with representatives of the countries concerned and international organisations. The overall aim of the study is to promote the responsibility of economic actors, and the traceability and transparency of supply chains of gold ores produced in the LGA Member countries.

The **Inter-Governmental Action Group against Money Laundering in West Africa (GIABA)** reviewed and provided input in the document. The GIABA is responsible for facilitating the adoption and implementation of Anti-Money Laundering (AML) and Counter-Financing of Terrorism (CFT) in West Africa.

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List of abbreviations

AFEMIN	Malian Association of Women Miners (Mali)
ANEEMAS	National Agency for the Supervision of Artisanal and Semi-mechanised Mining (Burkina Faso)
AQIM	Al Qaeda in the Islamic Maghreb
ARM	Alliance for Responsible Mining
ASM	Artisanal and Small-scale Mining
BCEAO	Central Bank of West African States
BNAF	National Gold Anti-Fraud Brigade (Burkina Faso)
CENTIF	National Financial Intelligence Unit
CONAPEM	National Corporation of Small-scale Miners (Burkina Faso)
CSO	Civil Society Organisation(s)
EITI	Extractive Industries Transparency Initiative
EU	European Union
FATF	Financial Action Task Force
FCFA	Franc of the Financial Community in Africa
FEMIMA	Malian Federation of Women Miners (Mali)
FNOM	National Federation of Malian Gold Miners (Mali)
GSIM	Jama'a Nusrat ul-Islam wa al-Muslimin / Group for the Support of Islam and Muslims (terrorist group)
INSD	National Institute of Statistics and Demography (Burkina Faso)
ISGS	Islamic State in the Greater Sahara (terrorist group)
iTSCi	ITRI Tin Supply Chain Initiative
LBMA	London Bullion Market Association
LGA	Liptako–Gourma Authority
MINUSMA	United Nations Multidimensional Integrated Stabilization Mission in Mali (Mali)
OECD	Organisation for Economic Co-operation and Development
ONASSIM	National Office for the Security of Mining Sites (Burkina Faso)
SOPAMIN	Société du Patrimoine des Mines du Niger (Niger)
SYNORARTRAB	National syndicate of artisanal and traditional gold miners of Burkina (Burkina Faso)
UN	United Nations
UNICEF	United Nations Children's Fund
UNIDO	United Nations Industrial Development Organization
WAEMU	West African Economic and Monetary Union
WANEP	West Africa Network for Peacebuilding
WGC	World Gold Council

Foreword

The OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas (hereinafter "the OECD Guidance") provides step-by-step recommendations endorsed by governments in order for companies to respect human rights and avoid contributing to conflict through their mineral or metal purchasing decisions and practices.

The OECD Guidance is applicable to all the areas around the world where mineral resources are produced and traded. Since the launch of the programme to implement the OECD Guidance in 2013, most of the focus has been placed on Central Africa. Nevertheless, since 2015, activity has spread to Latin America and, more recently, West Africa.

Since the start of 2016, the OECD has been working with the Liptako–Gourma Authority (LGA) to advocate the implementation of the recommendations of the OECD Guidance within its three Member countries (Burkina Faso, Mali, Niger). The LGA, created in December 1970, is an inter-governmental organisation whose principal mission is to encourage, implement and co-ordinate, at the level of the three countries, any initiatives which will contribute to the region's harmonious and integrated development. In recent years, the Member countries of the LGA have made efforts to structure, organise and formalise artisanal and small-scale mining, especially for gold.

For the purpose of developing a regional action plan, the OECD, with the support of the LGA, commissioned this assessment of the supply chains of gold produced in Burkina Faso, Mali and Niger. The overall aim of the study is to promote the responsibility of economic actors, and the traceability and transparency of supply chains of gold ores produced in the LGA Member countries.

This study examines the current state of the gold supply chains in the three LGA Member countries, notably by mapping the actors involved (in production, trade and export) in both the private sector (formal and informal) and the public sector. The study covers industrial production as well as artisanal and small-scale mining and identifies the different risks associated with the gold sectors in the three countries within the meaning of Annex II of the OECD Guidance. Given the climate of insecurity created by the activity of terrorist groups in the Sahel, the study pays particular attention to any potential links which may exist between the production and trade of gold in the region and the funding of the activities of these groups, on the territory of the LGA Member countries and at the regional and international level.

The study proposes a series of strategic recommendations for promoting the regional development of responsible gold supply chains in line with the recommendation of the OECD Guidance, and for encouraging due diligence in the Liptako-Gourma countries.

Executive summary

Artisanally-mined gold in the three countries could be equivalent to 50% of industrial production

Gold production is the main driver of exports in Burkina Faso and Mali and accounts for a substantial proportion of government income there. In contrast, the extractive sector in Niger is dominated by oil production and uranium mining. The 12 industrial gold mines currently in operation in Burkina Faso produced 45.5 tonnes of gold in 2017, while the nine industrial mines in Mali produced 49.6 tonnes. In Niger, the Samira gold mine, the only one in the country, produces 1.5 tonnes of gold a year. Altogether, industrial production of gold in the three countries thus amounted to 96.6 tonnes.

None of the three countries can provide an overall estimate of the amount of gold produced by artisanal and small-scale mining (ASM). Because precise data is hard to obtain, such estimates vary very widely according to the country and the person interviewed.

- According to Burkina Faso's National Institute of Statistics and Demography, the country's 500 to 700 ASM sites produce 9.5 tonnes of gold a year. However, analysis of atmospheric mercury emissions and the author's own interviews suggest an amount of around 20-25 tonnes.
- In Niger, ASM sites in the Tillabéri administrative region in the south-west of the country produce around two tonnes of gold per year. Adding the gold produced since 2014 in the Djado and Aïr regions north of Agadez gives a total of around 10 tonnes per year.
- Mali, where some 300-350 sites are in operation, reports ASM production of around four tonnes per year. However, Malian customs estimate that at least 20 tonnes of artisanally-mined gold leave the country each year, mostly illicitly, via Bamako international airport. The authorities in charge of the sector mention production of 30 to 50 tonnes, though they are unable to support these estimates.

ASM production in the three countries as a whole could range between 15 and 85 tonnes per year, with a likely estimate putting the figure at around 50 tonnes, which would represent more than 50% of legally reported industrial production in 2017. At the average gold price in 2017[i], this production would have a market value of USD 2.02 billion. The vast majority is exported illicitly.

Recent estimates reckon that around 1.5 million people could be directly employed in ASM in Mali (400,000), Niger (450,000) and Burkina Faso (200,000), with 6.1 million being at least partially dependent on the sector (Hilson, 2016), out of an aggregate population in the three countries of nearly 60 million. On that basis, 10% of the population of the three countries concerned would be indirectly linked to ASM.

[i] USD 1257.09 per troy ounce (https://www.bullionvault.com/gold-news/gold-bullion-price-2017-123020171)

The risk of human rights violations as well as money-laundering and tax evasion on a massive scale are significant features of ASM

Vulnerabilities in the sector include the risk of bribery, fraudulent misrepresentation, money laundering and non-payment of tax as well as practices that violate human rights, such as child labour, forced labour, prostitution and widespread sexual violence. There are estimated to be more than 100,000 children at ASM sites in Burkina Faso, Niger and Mali. However, most sources indicate that children rarely work underground, their contribution being limited to related activities such as carrying water and processing ore.

Another finding of the study is that the involvement of customary police in the oversight of informal mining, especially in Mali and Burkina Faso, can lead to extortion and illicit control of mining and trading. The involvement of government security forces was also noted, though to a lesser extent.

In one of its key conclusions, the study emphasises that ASM gold is very widely used as an alternative currency to circumvent West African exchange-control regulations and the requirement to repatriate foreign currency. There are no controls relating to the origin of funds in connection with the activity of collectors and dealers in the three countries and operators are not subject to any background character checks. The recommendations of the Financial Action Task Force (FATF) on due diligence applied to dealers in precious metals, which include a requirement to keep and conserve up-to-date records of transactions, do not feature in the laws of the three countries studied.

A recent upsurge in terrorist interference in gold production and dealing

A number of non-state armed groups operate in the three countries studied, especially within the region bordered by the Mopti-Niamey line and the Niger River loop. A series of reports in recent months indicate an increase in incidents linked to the activity of these groups around both ASM sites and industrial gold mines in the region.

In Burkina Faso, the Ansarul Islam terrorist group is applying constant pressure in the Sahel region, where a number of industrial mines are located. To give one example, on 24 September 2018 three employees of the Inata gold mine, near the Malian frontier, were abducted by a group of men strongly suspected by the authorities to be linked to terrorist organisations based in Mali. Ansarul Islam is suspected of being the perpetrator of several attacks and raids on ASM sites in the Soum region. In Niger, Islamic State in the Greater Sahara has claimed several attacks in the Tera/Tillabéri region, where the Samira industrial mine and the majority of active ASM sites are located. Transnational criminal gangs, mostly made up of Libyans or Chadians, operate in Djado and Aïr, a vast and difficult-to-control desert region where most ASM gold is mined. In Mali, industrial mining and ASM are located in the south-west, outside the direct sphere of action of non-state armed groups. However, several reports indicate that ASM activities are starting up around Kidal and Tessalit, in areas where the presence of groups affiliated to Jama'a ul-Islam is attested.

Although the study has identified a number of instances of interference in gold mining and trading by non-state/terrorist armed groups, its scale still needs to be determined more precisely. Investigations on the ground are needed to find out the extent to which mining operations in these areas are likely to contribute to the financing of non-state armed groups. Such investigations could be carried out with the help of the intelligence services and regional and international peacekeeping missions currently deployed in the region.

ASM is an opportunity for development and stabilisation in areas of production

In the three countries, the study has highlighted ASM's contribution to local economic development, especially in isolated rural areas. More unusually, it has identified the opportunities brought by ASM to northern Niger in particular, a once economically enclaved region where productive activity was hampered by a deteriorating security situation. The unexpected expansion of ASM and activities to support production clearly seems to have offered local people alternatives to unemployment, banditry or rebellion against the government (Grégoire and Gagnol, 2017).

Generally speaking, since around 2010, West African states seem to have taken a pragmatic view of artisanal and small-scale gold mining, previously regarded as creating problems and holding back the development of the mining industry. Attempts to regulate and formalise artisanal mining and the trade in artisanal gold are under way in the three countries studied.

Overview of recommendations

The study proposes four sets of recommendations to forestall the risks identified while it was being carried out and to maximise the opportunities for economic and social development that ASM represents.

1. Continue to promote, circulate and implement the OECD Guidance recommendations.

National and international public institutions and the private sector can play a key role in promoting initiatives on transparency, accountability and traceability in mining production at regional level. Some initiatives are already being rolled out and would benefit from greater support from all stakeholders.

2. Continue and strengthen national and regional action to formalise and legalise ASM.

As the study notes, many programmes to support the legalisation and formalisation of ASM are under way in the three countries. They should be encouraged and harmonised as broadly as possible. The initiatives should be carried out in consultation with miners and should involve national and international private sector players to ensure that they are sustainable and financially profitable. It is also crucial that capacity-building and empowerment initiatives at production sites should be backed up by measures to regulate the financing of operations to extract, purchase and export gold.

In addition, in order to improve recognition of the economic and social impact of ASM at the regional level, steps to gather reliable information on the size and extent of the sector should be encouraged and supported. That information could feed into the framing of public policy at the national and regional level and for the development of international development assistance programmes.

3. Develop a regional approach to the management of gold mineral resources within the framework of existing African initiatives and in liaison with the relevant international programmes.

Measures to harmonise export taxes at a level that encourages legal trading should be strongly encouraged. Discussions should take place with financial-sector players at the regional level to put forward constructive responses to the limitations of a banking system that incites players from outside the mining sector to subsidise illicit and informal gold production in order to meet the challenges of financing their own operations.

4. Incorporate ideas and initiatives to promote the formalisation of ASM into counter-terrorism and peace-building strategies in the Sahel region.

As the partners in the Sahel Alliance launched on 13 July 2017 rightly point out, efforts to ensure the region's security will be fruitless if they are not backed up by a long-term commitment to development. Given the large numbers involved in ASM and how widespread the activity is in the three countries, the initiatives taken by the international community to provide long-term responses to the challenges posed by persistent poverty in the Sahel region could also usefully incorporate measures focusing on support for the formalisation of ASM.

An overview of gold mining in the region

The industrial and artisanal/small-scale mining sector, especially gold production and trading, represents a significant slice of the national economy in the three countries studied. According to the most recent conciliation reports from the Extractive Industries Transparency Initiative (EITI) published in 2017 and 2016:

- in Burkina Faso, gold mining accounted for 95% of total revenues generated by the mining sector in 2015, representing 138,714 million FCFA (€211,468,130)[ii];
- in Mali, gold mining accounted for 90% of total revenues generated by the mining industry, representing 180,861 million FCFA (€275,720,817);
- in Niger, where the mining sector is dominated by uranium (only 706 kg of gold were exported in 2014, including 64 kg of artisanal gold), gold mining accounted for 30% of total revenues generated by the mining sector (with oil accounting for the remainder), representing 162,044 million FCFA (€247,034,485), though the value of gold exports (2.9% of the total) is negligible in comparison with uranium (51.7%).

Extractive industries[iii] in the three countries account for 62-65% of total exports (83.43% in Niger), 16-17% of government revenue (22.6% in Niger) and 6-7% of GDP (10% in Niger), but only 0.22% of local employment.

Gold-mining regions, types of mine and production

Burkina Faso
Industrial gold mining in Burkina Faso is concentrated in the Sahel (Essakane and Inata mines), the Centre-North (Bissa and Taparko mines) and the Mouhoun Loop (Semafo mine). The country also has 500 to 700 officially listed ASM sites nationwide, though according to the National Institute for Statistics and Demography the south-west and north of the country account for 75% of ASM production (INSD, 2017). ASM has been practised in Burkina since the 1970s and 80s and led to the discovery in 1984-85 of the Essakane mine in Oudalan province, operated industrially since the 1990s.

Since the 2010s, Burkinabe prospectors have learnt how to use cyanide to treat mineralised scrap, which had previously been bought and processed by specialist companies. This considerably increased the productivity of ASM. To give an example, the concentration of gold in tailings not processed by ASM operators has fallen from 10-15 grams of gold per cubic metre to 4-6 grams (interviews with specialist processors of tailings in Burkina Faso, 2018). Burkinabe prospectors also visit sites in Mali and Niger to carry out cyanide processing, albeit not without causing accidents and incidents that sometimes kill livestock and poison groundwater.

[ii] 1 euro = 655.957 FCFA (fixed exchange rate).

[iii] Burkina Faso and Mali are compliant members of the Extractive Industries Transparency Initiative (EITI). Niger was suspended from EITI in 2017 due to insufficient progress in implementing reforms in the sector and subsequently announced its withdrawal (RFI, 2017). The EITI reports for Burkina Faso and Mali also include the contribution of artisanal and small-scale mining. The EITI report for Niger excludes ASM on account of its informal structure.

Several estimates have been made in recent years of ASM's real annual contribution to gold production in Burkina Faso, ranging from 9.5 tonnes (INSD, 2017) to 30 tonnes (Assemblée Nationale, 2016). The prospectors and dealers interviewed estimate annual artisanal production at around 15 to 20 tonnes, while calculations based on atmospheric mercury emissions (AMAP/UNEP, 2013; COWI, 2016) estimate production at 20-25 tonnes a year. However, dealers' officially recorded exports of artisanal gold in 2017 amounted to only 236 kg (interview with Aneemas, 2018).

According to several sources, 1-1.2 million people are directly employed in the sector (including around 300,000 diggers), representing 10% of the labour force (interviews with Conapem, Synorartrab, industrial producers, 2018), whereas the INSD study puts their number at just 140,000 (INSD, 2017). Recorded industrial production in 2017 amounted to 45.5 tonnes and the mines and quarries minister, Idani Oumarou, estimated that the country's industrial output of gold could rise to 55 tonnes in 2018 (Reuters, 2018). Since 2009, gold has replaced cotton as Burkina Faso's leading export commodity.

Niger

Most gold in Niger is produced in Liptako, in the Tillabéri administrative region in the south-west, where the country's only industrial mine, the Samira mine, is located. Gold prospection started in 1984 as a means of generating income after a particularly severe drought and is currently practised officially at 69 sites in the region. The government sought to regulate the activity in the 1990s by setting up multidisciplinary teams drawn from the mines administration, the health service and the security forces. This official oversight of ASM sites in Liptako lasted until 2016, when it was suddenly halted, partly due to a lack of financial resources but also because the security forces were needed to support anti-terrorist operations (interview with the Tillabéri regional director of mines, 2018).

Mali

Gold production in Mali is concentrated in the regions of Kayes (Sadiola, Tabakoto, Yatela, Loulo and Kodieran mines), Koulikoro and Sikasso (Syama, Kalana and Morila mines) in the south-west of the country, near the borders with Senegal, Guinea and Côte d'Ivoire. Most ASM sites are also located in these regions, the most densely populated in the country (Grégoire, 2015). According to the National Geology and Mines Directorate, more than half the identified gold reserves (approx. 1,000 tonnes) have already been extracted (interview with the National Geology and Mines Directorate, 2018).

In addition to these two regions, semi-industrial mines operate in the Sikasso region and dredge placer mining has spread on the Niger River and the Falémé and Bagoué Rivers, at the border with Senegal and Côte d'Ivoire respectively.

Gold has been extracted in Mali using traditional methods since the 11th century. The activity has been modernised since the 2000s, with the use of metal detectors and motorised equipment (mainly hydraulic pumps and mechanical crushers and grinders). Statistics on artisanal gold in Mali contained in the most recent EITI report indicate production of 4 tonnes from around 300 sites (EITI, 2017), whereas customs authorities estimate that 20 tonnes of artisanal gold were exported, mostly illicitly, via Bamako international airport in 2017 (interview with Malian Customs, 2018; Reuters, 2017). Technicians from the mines ministry, the Mali chamber of mines and the ASM federation estimate artisanal production at 30-50 tonnes a year, without being able to produce evidence to support their estimates (interviews, 2018; Agence Ecofin, 2018). Industrial production amounted to 49.6 tonnes in 2017 (Agence Ecofin, 2018).

Box 1: ASM sites in the Djado and Aïr region
A chance discovery of gold in 2014 in the Djado and Aïr region in the north of the country attracted a rush of several thousand prospectors, most of them Nigeriens from the Toubou ethnic group but also including foreigners from Libya, Chad and Sudan. Although prospection in Niger is traditionally seasonal and stops during the rainy season to ensure the survival of agriculture, the prospectors who have settled in the north are focused solely on gold extraction, including with mechanical methods (Grégoire and Gagnol, 2017). Corruption, banditry and the security threat associated with the uncontrolled rush caused the Nigerien authorities to order the closure of the Djado sites towards the end of 2016 (interview with Dempec, 2018).

Several thousand miners are currently operating another site at Tchibarakaten, at the Algerian border. Unlike Djado, it is tolerated by the Nigerien authorities, who acknowledge the difficulty of controlling such a remote area and consider that prospection there is more a factor of socio-economic stability than a security concern (interviews with Sopamin and Niger National Police, 2018; Grégoire and Gagnol, 2017). Sites in Aïr, also discovered in 2014, are still active. It is difficult to estimate the production of these hard-to-reach ASM sites in the north of the country, so we will accept the estimate made by Grégoire and Gagnol (2017) of 10 tonnes a year.

The Nigerien authorities estimate the population of the northern ASM sites at around 70,000 people (interview with the Criminal Police, 2018). The economic boom brought by gold prospection has enabled several municipalities in the Agadez and Arlit region to invest in infrastructure. At Agadez, several hotels which had closed because of the economic stagnation caused by insecurity in the years after 2010 have now reopened (hotel managers, 2018). Sources in the security services consider that the economic revival that the region is experiencing as a result of gold mining makes the people more resistant to the urge to revolt against the government (armed rebellions took place in 1991-1995 and 2006-2009) and the temptation to join the terrorist groups active in the area (interviews with the Criminal Police and Interpol, 2018). As an example the sources cite the plan for a Toubou rebellion in 2016, said to have been postponed in order not to destabilise the economy in the Agadez region.

Mining laws in the three countries – focus on ASM

The dominant legislative framework in West Africa has greatly favoured the establishment of industrial mines and has tended to marginalise ASM, often seen by lawmakers as causing problems and holding back the development of the mining industry[iv]. Since the 2010s, however, governments have gradually taken a more constructive approach to ASM, reflected in attempts to regulate and formalise the activity.

Burkina Faso

The marketing of gold produced artisanally in Burkina Faso is regulated by Act 028-2017 and its implementing decree no. 2017-433 of 9 June 2017, which inter alia creates the National Gold Anti-Fraud Brigade (BNAF), and by the decree of 23 January 2017, which sets the tax on gold exports via Aneemas at 200,000 FCFA (€305) per kilo. These texts state that any individual wishing to pursue an activity in artisanal or semi-mechanised mining or the processing of mining waste, tailings or spoil must be authorised to do so by means of a card issued by Aneemas identifying them as an artisan miner of gold and other precious materials. The texts grant duly authorised legal entities under Burkinabe law the right on the entire national territory to buy, own, process, transport and sell in Burkina Faso and to export gold and other precious materials produced by artisanal and semi-mechanised means.

[iv] The AMLA website https://www.a-mla.org/ lists all the prevailing mining legislation on the African continent.

Niger

In Niger, the 2017 Artisanal Mining Act introduced new mining rights relating to artisanal and semi-mechanised mining and the processing of tailings and spoil. The reform was the result of the Council of Ministers' acknowledgment of the failure of the government policies implemented hitherto[v].

Artisan miners must now apply for an individual card in order to operate. Local buyers must also be identified by a "gold-buying intermediary" card, while dealers need a licence to market substances derived from artisanal mining (statutes, 2017). One aim of the reform is to ensure better control over the production and marketing of artisanal gold, especially following recent discoveries of gold in the north of the country. The new law also reduces the export tax to 60,000 FCFA per kilo for consignments of more than 50 kg.

Mali

In Mali, the 2012 mining code recognises traditional and mechanised artisanal mining. It also confers the management of mining resources on local authorities, albeit without devolving the necessary powers and resources for their operation and supervision (Keita, 2017). For example, local authorities are supposed to issue permits for non-mechanised artisanal mining up to a depth of 15 metres but in fact most Malian prospectors do not apply for them because the authorities do not effectively control the territory (interview with FNOM, 2018). In addition, the local government code makes no mention at all of the regulation of prospection (Keita, 2017). The ministry of mines has given FNOM the task of issuing site access cards, valid for one year at a cost of 100,000 FCFA, but the decision has been challenged by the chamber of mines, which issues its own ID cards at sites. To add to the confusion over interpretation of the law, municipalities also claim to issue their own site access cards (interviews with FNOM, chamber of mines, decentralisation ministry, EITI Mail, 2018).

In compliance with the directive regulating foreign exchange within the West African Economic and Monetary Union (WAEMU), any person holding mining rights in Burkina Faso, Mali or Niger is required to repatriate the proceeds of the sale in another country of minerals produced in those countries.

Description and organisation of players

The OECD Due Diligence Guidance applies to all the players in the minerals supply chain who are likely to supply or use minerals from conflict-affected or high-risk areas (OECD, 2016). This study focuses on upstream players and operations – production, internal trading, exports and (in Mali only) refining – in the three countries that are its subject.

[v] "Despite the efforts made to organise artisanal mining since the 1980s, the results with regard to control of production, marketing and government revenue have been mixed" (Council of Ministers communiqué of 30 June 2017).

Box 2: Mining rights and mine operators in Burkina Faso, Mali and Niger

Burkina Faso

Burkina Faso has issued 701 gold prospection permits, 99 of which were valid on 1 March 2018. Industrial mine operators (the Canadian firms Iamgold, Semafo, Endeavour and Avocet and the Russian firm Nordgold) hold 43 permits altogether. The Australian companies Ampella, Birimian and Perseus Gold hold 48 permits, followed by Burkinabé operators. The French firm C.S.O. Sarl and the American firm ACC International Holdings hold 6 and 9 permits respectively (Bumigeb database, 2018).

Mali

There are 528 currently valid permits in Mali. The South African firm Mali GoldFields holds 8 permits in Yanfolila and 11 in Kanagaré. Endeavour, Iamgold and Rand Gold are actively involved in gold prospection, along with the British company Cora Gold, which has 15 permits. The Australian firms Birimian and Oklo each have 6 permits (mining registry, 2018).

Niger

Turquie Afrique Développement and the Nigerien firm Jabalpur Gold Resources Sarl hold prospecting permits in the Tillabéri region, named “Tiambi” and “Gourmande” respectively (Niger Inter, 2017).

Production: industrial and artisanal and small-scale mining

Industrial mining is well developed in Burkina Faso and Mali, where 9 and 12 mines respectively are in operation. The gold-mining industry is still in its infancy in Niger, where there is only one industrial mine, Samira, operated by Société Minière du Liptako.

The EITI reports for the three countries studied give a detailed overview of industrial gold production but contain insufficient information about ASM; that is why this study focuses on the ASM sector in particular. In all three countries, modern ASM using mechanical equipment (hydraulic pumps, grinders and crushers) and chemicals (mercury and cyanide), and sometimes explosives, has replaced traditional methods, limited to the mining of outcropping placer deposits. Driven by the need to finance the growing costs of ASM, elaborate forms of organisation have emerged at over half the sites in the three countries, where individual prospectors had previously worked for themselves.

The key person in this new form of organisation, which appears in all three countries, is known as the “pit owner”, who provides food and basic care for teams of diggers, each generally having four members. However, being the pit owner does not automatically mean having mining rights or a permit, given that over half the ASM sites in the three countries remain informal.

When a new shaft is opened, the owners call on temporary workers (called “djobs” in Niger), paid in a certain number of sacks out of the total produced, or “pit people” to remove the bulk of the earth before reaching the gold vein. The teams of diggers then go to work, filling up to 12 or 13 70-kilo sacks with ore, then make way for another team, if the pit owner can finance more than one.

The pit owner gets half the sacks, generally keeping back one for the owner of the land on which the site is located and one for the site police, though these handouts remain informal and are based on tacit accords. The other half are divided between the members of the digging teams. Thus, out of a production of, say, 12 sacks of ore, the village or the owner of the land where the mine is located will get one sack, as will the security staff, the pit owner will keep five and the other five will be divided between the members of the team.

The sacks are then taken to the processing areas, which are often situated in the immediate vicinity of the shafts or in the miners' dwellings, despite legislation that requires a clear separation between shafts, processing areas and dwellings. Processing costs – about 6,000 CFCA (€9) per sack – are high and surprisingly uniform in the three countries. Miners are often affiliated to federations or trade unions, though these organisations are unable to secure their members a fairer share of revenues than that offered by the predominant model of prefinancing by a sponsor. The only plan to create a miners' cooperative to modernise production and pool operating and processing costs observed in the course of this study is at Gombeledougou in Burkina Faso, supported by the Alliance for Responsible Mining (ARM, 2016).

Table 1: How the profits of an ASM site are shared

Team members	Team cost of living (FCFA per week)	Processing costs per sack (FCFA)	Sacks per week	Grams of gold per sack	Grams per week	Price/gram on-site (FCFA)
4	25-50,000	6,000	12	Approx. 2	Approx. 25	18-20,000

Sacks for "security"	Sacks for traditional authorities	Share out of remaining sacks (owner / team)	Net profit for the owner[vi] (FCFA/week)	Net profit for the diggers (FCFA/week)
1	1	5 / 5	125-145,000	150-170,000

Miners operate sites from a gold content of barely 1.5 g per sack of ore and produce on average five per day, six days a week (80% of them do not work on Friday). Mining campaigns last for 8 to 9 months and are suspended during the rainy season so that miners can return to work the fields, without which there would be food shortages.

About 60% of pit owners are financed in turn by the buyers or dealers (*comptoirs*) who employ them. In this case, each link in the supply chain generates a profit of around 50 FCFA (€0.075) per gram of gold bought, or 0.3% of the final price, on which the financers take a margin of around 2.5-3%. In this model, the distribution of the profit margin is therefore clearly biased in favour of the downstream financers, to the detriment of the upstream producers.

[vi] The calculation of net profit includes the team's living costs mentioned in the first line of the table. The diggers' profit is shared between all the team members.

Box 3: Dredge mining

Malian law allows dredge mining for gold in watercourses. The mining registry lists 60 permits for dredge mining gold (on-line consultation, 2018[i]), mostly in the Kangaba Circle upstream of the Niger River. Riverside communities allow dredging because the miners pay an annual fee of 125,000 FCFA to the customary authorities and 25,000 FCFA to the municipality, but there are estimated to be at least four times as many illicit sites as licensed dredging operations (interview with former Director of Geology, 2018).

Most dredgers are of the traditional type, with a diver to guide the suction tube in the water, and are generally operated by Malians or nationals of other countries in the sub-region. As a result of rising demand for this type of equipment in recent years, "made in Bamako" dredgers are starting to be made locally, using engines from Mercedes cars, which are very common in Mali (interview with a traditional dredger operator in Bamako, 2018). There are also some modern bucket-chain dredgers, most of which belong to Chinese or Indian operators (interviews with FNOM, Scomine and a dredger operator, 2018). An estimated 400 dredgers are currently in operation on the Falémé River, a tributary of the Senegal River, which marks the border between Senegal and Mali, and 150 on the Bagoué, a relatively small watercourse at the frontier with Côte d'Ivoire.

Dredging has a very adverse impact on the Niger and Senegal river basins because it silts up the river beds and reduces the flow of the two rivers, especially in downstream countries like Niger. On 2 March 2018, the National Water Commission (CNE) compared the current situation of the Niger and Senegal Rivers with that of 1984, the year of the worst drought ever experienced in Mali, and called for a ban on dredge mining for gold (Maliactu.net, 2018)[i].

Trading: financers and buyers

Buyers (known as "collectors") in Burkina Faso and Niger buy the gold crushed by miners on-site, taking into account the weight loss during smelting due to impurities. For that reason, gold at the mining site is measured not in grams but in units other than those of the international system, especially the "*engros*", an old 25-FCFA coin which corresponds to a measure of 6 grams (but in fact weighs 8). Likewise, measures of fractions of a gram are used, such as the "*allumette*" (matchstick), sold at the price of a tenth of a gram but which in fact corresponds to an eighth of a gram. On average, therefore, collectors pay miners a price 20% less than the actual quantity bought, even though the weight loss on smelting is no more than 4-7%.

This difference explains why the prices asked by miners on-site are often considerably higher than the market price ("fixing"[vii]), given that an "*engros*" sold for 150,000 FCFA (€228.60), at a theoretical price of 25,000 FCFA (€38) per gram, corresponds in fact to a value of 18,750 FCFA (€28.50) per gram (interviews with traders in the sub-region, 2018).

In Mali, gold is bought at mining sites in grams, but here again, through negotiation or rigged weighing-scales, collectors manage to pay 20% less than the regular price for the quantity they actually buy (interviews with FNOM and dealers, 2018). In the three countries studied, collectors on-site therefore rig prices by buying on average 20% more gold than they pay the miners for.

[vii] The London Gold Fixing Price is the price of a gram of 24-carat gold, published twice a day (at 10:30 am and 3:00 pm London time) by the London Bullion Market Association (LBMA), available on the website http://www.lbma.org.uk/precious-metal-prices.

Dealers: refiners and exporters

Powdered gold is smelted by dealers in Ouagadougou, Niamey and Bamako. In Burkina Faso and Niger, the dealers determine the price of gold according to the value of a carat at the international fixing price. The fixing price on 5 March 2018 of 22,800 FCFA (€34.75) per gram of 24-carat gold (99.99% pure) corresponds to 950 FCFA per carat per gram (950 FCFA x 24k = 22,800 FCFA). The price of a gram of 92% pure gold (22k, the average quality extracted by artisanal miners in the three countries studied) is thus 20,900 FCFA (€31.90) per gram. The dealers generally buy gold for around 20,350 FCFA (€31) per gram, but some may pay as much as 20,680 FCFA (€31.50), generating a gain of 550,000 FCFA (€850) per kilo of gold exported (2.5% profit), which may fall to 220,000 FCFA (€335).

Dealers' margins in Mali range from 530,000 to 640,000 CFCA (€800-975) per kilo exported, representing a profit of nearly 3%.

In Niger, unlike in Burkina Faso or Mali, there are no professional gold dealers. As in the other two countries, the activity is carried on by merchants of various kinds, who often also provide currency exchange services[viii]. Nonetheless, existing gold supply chains in Niger are well-established at production sites and take up most of the available artisanal gold. To give an example, Sopamin, the public company created to manage the state's participations in the mining sector, is trying to compete with these gold-buying networks but has not been able to find enough people willing to sell to it (interview with Sopamin, 2018).

In Burkina Faso, the tax on gold exports is 450,000 FCFA (€686) per kilo, and 200,000 FCFA (€305) for gold exported via Aneemas. In Niger, the export tax is 120,000 FCFA (€183) per kilo, or 60,000 FCFA (€92) for consignments of more than 50 kilos, but exporters must pay an additional customs duty of 350,000 FCFA (€533.50). In Mali, the tax on artisanal gold exports is 465,000 FCFA (€709) per kilo, with an exemption for the first 500 grams of each export.

Table 2: Taxes on gold exports (FCFA per kilo)

	Tax	Exemptions	Other taxes	Total tax (exemption)	Dealers' profit before tax
Burkina Faso	450,000	200,000 (via Aneemas)	25,000 (Bumigeb)	475,000 (225,000)	550,000
Niger	120,000	60,000 for exports of more than 50 kg	350,000 (customs)	470,000 (410,000)	550,000
Mali	465,000	Exemption for the first 500 grams of each export		465,000 (232,500 if a single kilo is exported)	530 – 640,000
Togo	30,000				

[viii] On this point, a 2016 study notes that gold is also used as a means of payment in West Africa, enabling economic agents to circumvent official banking and foreign-exchange channels (Alliance for Responsible Mining, 2016), *Supply Chains of Artisanal Gold in West Africa*, http://www.responsiblemines.org/wp-content/uploads/2018/04/Publication-supply-chains-artisanal-gold-west-africa_-ENGL_-baja.pdf).

On 27 October 2017, the Nigerien Council of Ministers signed an agreement with Afrior for the installation and operation of a gold refining operation in the Niamey region, within a six-month period and at a cost of 1 billion FCFA. The Council estimated the spinoff of the investment at 300 million FCFA a year for the duration of the agreement, plus the hiring of 300 workers, mostly Nigerien (press release, 2017).

Two gold refineries are in operation in Mali, that of the local operator Marena Gold Mali, with a production capacity of 50 kg of raw gold per day, and the Kankou Moussa refinery (KMR), built and operated since January 2016 by the Italian company Swiss Bullion Co (Africa Intelligence, 2017). The Kankou Moussa refinery has a capacity of 100 kg per day and sources gold powder from three ASM sites in Mali; it is working with the Italian precious metals shipper Ferrari in the medium term to target the industrial production of small and medium-sized producers such as the mine operated by Wassoul'Or (Africa Intelligence, 2016). The Kankou Moussa refinery is also working with the Malian Federation of Female Artisanal Miners (Femima) to promote alternative methods to mercury for amalgamating gold flakes (interview with Femima, 2018).

The refineries in Bamako currently continue to operate at chronic under-capacity (interviews with the Mali chamber of mines, 2018). The Kankou Moussa refinery, for example, processes no more than 30 kg of raw gold per day (Africa Intelligence, 2016 and 2017).

Final destinations and transit countries

One way of estimating the production of artisanal gold not reported in the statistics, which is often exported illicitly, is to compare the existing statistics (UN Comtrade, 2018; EITI reports, 2017, 2016) for exports reported by producing countries and those for imports into destination or refining countries. This simple check shows, for example, a striking difference of 67 tonnes of gold that the United Arab Emirates reported importing from Mali in 2015 but that went unrecorded in the Malian statistics. This difference may include both non-reported and illicitly exported national ASM production and gold produced by other countries, also probably exported illicitly (Martin and Helbig de Balzac, 2017). The difference in 2016 was only 27 tonnes, which seems to suggest that illicit trade in gold from other countries had stopped passing through Mali[ix] and that only domestically produced artisanal gold continued to be exported. Two thirds of industrially produced gold is exported to refiners in South Africa and a third to Switzerland.

Togo, despite having no gold mines, nevertheless exported 48.7 tonnes of gold between 2014 and 2016, mostly to the United Arab Emirates (24 tonnes over the period), Lebanon (15.8 tonnes) and Switzerland (8.7 tonnes). Several reports (ARM, 2017; Guéniat and White, 2015) and interviews by the author (in Ouagadougou and Niamey, 2018) highlight Togo's role as a hub for the illicit trade in gold from Burkina Faso, Niger and other countries of the sub-region, due to its low tax on gold exports (30-45,000 FCFA per kilo compared with an average of 450,000 FCFA in the other countries).

[ix] There is not at present any reliable explanation for the reduction in gold flows through Mali from 2016. A joint mission of the World Bank and the International Monetary Fund in mid-December 2015 suggested that the Ebola epidemic could have had an impact on the region's economy, because the three countries all produce raw materials (Le Monde, 2016, *Comment Ebola a asphyxié l'économie*); a slowdown in ASM in Guinea could also have limited the supply of gold to the Malian market. The sudden increase in Mali's export tax is another plausible hypothesis.

Following the publication in 2015 of a report by the Swiss NGO Berne Declaration (Guéniat and White, 2015), official statistics for gold imports by Switzerland[x], which had reported 15 tonnes of gold from Togo in 2013 and 7 tonnes in 2014, have not reported any imports from that country since then. In contrast, Switzerland reported 6 more tonnes of gold imported from Burkina Faso in 2016 than the quantities exported to Switzerland by the country's industrial mines. That difference corresponds to the quantity that Switzerland reported having imported from Togo before publication of the Berne Declaration report. Apart from this difference concerning Switzerland, Burkinabe export statistics for 2015 and 2014 match the quantities imported by the rest of the world, which seems to lend strength to the argument that artisanal gold produced in Burkina Faso transits via third countries, especially (though not only) Togo. 80% of Burkina Faso's industrially produced gold is refined in Switzerland, the remainder in South Africa.

The gold produced at the Samira mine in Niger is exported to Switzerland (National Directorate of Geology and Mines, 2018). Cross-analysis of the statistics shows that the United Arab Emirates imported 4.3 and 4.8 tonnes of gold from Niger in 2016 and 2015 respectively. For information, the country is estimated to produce around 12 tonnes of artisanal gold a year.

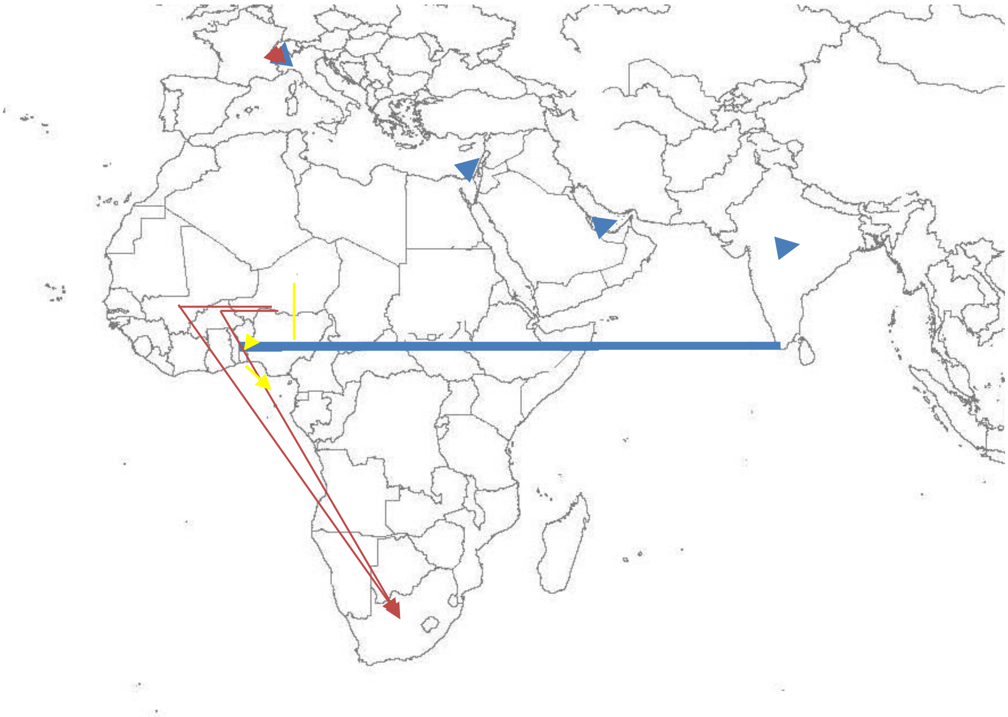
India, which imported 3.2 tonnes of gold in 2016, as well as 13.2 tonnes from Burkina Faso between 2014 and 2016, is becoming a significant destination for West African gold.

Gold exports to the United Arab Emirates and Lebanon sometimes appear in the three countries' export statistics, but associated with dollar values that are considerably lower than the market price ("official values"), generally USD 10-12,000 per kilo[xi]. For example, Togolese statistics estimate the value of exported gold at USD 1,700 per kilo (which justifies the imposition of an export tax of about USD 50 per kilo, equivalent to 3% of USD 1,700). However, the corresponding import declarations indicate a gold value that corresponds to the international market price.

[x] Switzerland is by far the leading importer of gold from Burkina Faso, accounting for 100 out of a total of 123 tonnes officially exported by Burkina Faso between 2014 and 2016.

[xi] Niger's official statistics in 2016 reported a value of barely USD 81 per kilo for gold exported to the United Arab Emirates (two tonnes).

Figure 1: Destinations of gold from Burkina Faso, Mali and Niger



Key: The red arrows show the export destinations of the industrial mines operating in the three countries (Switzerland and South Africa). The blue arrows show the export destinations of ASM gold (United Arab Emirates, India, Lebanon and Switzerland). The yellow arrows show the traffic in gold from Burkina Faso and Niger to Togo.

Based on data from UN Comtrade, 2018; interviews, 2018; Alliance for Responsible Mining, 2018; Guéniat and White, 2015. Initial map: Google Maps.

Risks within the meaning of Annex II of the OECD Guidance

This section will look at the extent to which the supply chain is exposed to the categories of risk identified in Annex II of the OECD Guidance, namely:

Serious abuses of human rights associated with the extraction, transport or trade of minerals, such as child labour (including its worst forms), prostitution and widespread sexual violence, forced labour, degrading treatment and torture.

Direct or indirect support to non-state armed groups: for example, in cases where such groups control mine sites or transportation routes or points where minerals are traded, illicitly tax or extort money or minerals at points of access to mine sites, along transportation routes or at points where minerals are traded, or illicitly tax or extort intermediaries, export companies or international dealers.

Direct or indirect support to public or private security forces that control, illicitly tax or extort money at mine sites, along transportation routes or from upstream actors in the supply chain.

Bribery, fraudulent misrepresentation, money laundering and non-payment of tax.

Serious abuses associated with the extraction, transport or trade of minerals

Open conflicts more or less exist in the three countries studied between industrial gold mines, prospectors and local communities. Prospectors, arguing a presence on gold-mining sites that long predates the arrival of industrial firms, complain that the establishment of industrial mines on land they were mining has cut off their sources of income. Local communities feel cheated by the level of compensation offered for the destruction of agricultural land and the relocation of whole villages.

Working conditions at artisanal mines in the three countries studied are often dangerous, especially when gold rushes attract thousands of people who settle in the most precarious conditions. This situation is often at the origin of violent clashes with local communities, who sometimes attack prospectors to chase them off their land or to settle disputes often relating to theft, encroachment on farmland or failure to respect moral codes (Bohbot, 2017). This is compounded by conflicts and score-settling between miners following pit incidents, overlapping claims in galleries operated by rivals, money issues or theft and accidents linked to the handling of chemicals or explosives (Nigerdiaspora.net, 2016).

Security at mining sites is handled in the traditional manner by a more or less recognised customary police[xii], but they are often overtaken by events. The government security forces sent to oversee such sites, overwhelmed by the sheer number of people taking part in gold rushes, can do little more than ensure that score-settling remains within certain limits, rather than tackle the root problems. Several complaints by miners of arbitrary seizures of gold by security forces and active and passive bribery, locally called *tracasseries* (hassle), have been flagged up. Government security forces intervene in all three countries when sites are closed, as in Djado and Liptako in Niger in 2015 or Kobada in the Kangaba Circle in Mali in 2014. In the latter case, press reports indicated that the gendarmerie and national guard had summarily expelled 40,000 illicit miners who were refusing to stop work during the rainy season (from 15 May to 30 October[xiii]), killing one and injuring eight (Maliweb.net, 2014; Bamada.net, 2014; Afribonemali.com, 2014).

Almost all the sources interviewed confirmed the presence of children at mining sites. The figures are worrying: there are easily more than 100,000 children at such sites in Burkina Faso, Niger and Mali. The main consequence of this is that the children do not attend school. Several projects to create mobile classrooms to reach children at mining sites have ended in failure (interviews with Unicef in Ouagadougou, EU delegation in Mali, civil society organisations, Sopamin and the Criminal Police at Niamey, 2018; International Labour Office, 2009). Sometimes children who have registered for school leave to join their friends at mining sites. Most often they merely follow their miner parents, who move around with all their family members. Most sources indicated that children rarely work underground, their contribution generally being limited to related activities such as carrying water or processing ore (which often involves handling toxic or harmful products such as mercury).

According to a large number of those interviewed, widespread sexual violence, including against children, is also frequent at mining sites in the three countries. In Mali, associations of women miners indicate that women account for about half the workforce employed at ASM sites, especially for grinding and crushing mineralised ore and supplying provisions to miners, but do not get a fair share of the revenues (interviews with Femima, Afemin and Scomine, 2018).

[xii] In Mali, the individuals who secure mining sites are called *Tomboloma* and are often regarded by the authorities as a kind of militia, unlike the *Dozo*, who have a recognised role as customary police. The same distinction is made in Burkina Faso between the *Koglweogo*, who are mostly located in the north of the country, and the *Dozo*. The *Dozo* interviewed during the study expressly stated that they do not want the *Koglweogo* to settle in the south of the country. The *Dozo* are at the origin of a traditional hunting confraternity in Burkina Faso, Mali and the north of Côte d'Ivoire.

[xiii] The rainy season is called *hivernage* in several West African countries. To reduce the risk of landslides, drowning and other accidents, which increases considerably with the rains, the authorities in the three countries order the suspension of operations at ASM sites during the period. In Mali, the suspension is regulated by interministerial order 2014-1663MM-MIS-MEEA-MDV of 6 June 2014 (signed by the Ministers of Mines, the Interior and Security, the Environment, Water and Sewage, Decentralisation and Urban Affairs), prohibiting gold prospecting during the winter months, which run from 15 May to 30 October of each year.

Direct or indirect support to non-state armed groups

In order to better understand the potential links between gold production and trading in the region and the possible direct or indirect support such activities can give to non-state armed groups operating in Mali, Niger and Burkina Faso, the following is a brief overview of the main identified armed movements in the Sahel.

The security situation in Mali, Niger and Burkina Faso

On 25 January 2017, recognising that the Liptako-Gourma region was becoming a sanctuary for terrorist groups and international criminal gangs, the authorities in Burkina Faso, Mali and Niger created a joint military force in response to the security threat in the area (Jeune Afrique, 2017). Once what the Nigerien president Mahamadou Issoufou called a "haven of peace" during the 2012 crisis in Mali, the region bound by the Niger River loop and the Mopti-Niamey line (see Annex 4), is under threat from a worrying escalation of armed violence. The management of natural resources, banditry on a massive scale and the growing number of weapons in circulation since the 2000s are factors that lie behind a proliferation of conflicts that governments and traditional elites are unable to control. The latter are increasingly discredited among marginalised groups, including some Fulani and Tamasheq nomadic herders, who challenge the privileges of urban elites and long-standing local aristocracies.

The leaders of these marginalised communities, together with preachers well established in the region, such as Iyad Ag Ghali, Malam Ibrahim Diko and Amadou Koufa, challenge the authority and mediating role of governments, which they see as riddled with corruption and inefficiency and condemn for the abuses committed by their security forces. Echoes of Algerian terrorism and memories of the Fulani jihad in the 19th and early 20th centuries against the "white oppressor" (by the Massina Empire and the Jelgooji kingdom, for example) appear to present a logical solution to the question of how to counter public authorities perceived as oppressive and taking the side of traditional elites.

In the wider Sahel-Sahara region, the swarms of fighting units (*katiba*) and terrorist groups have experienced sometimes violent break-ups following disagreement on the share-out of areas of influence and profits from criminal activities. Nevertheless, in response to the joint military pressure exercised by national and foreign forces these groups seem to be coalescing in alliances inspired by Al Qaeda or Islamic State. With radically opposing ideologies and strategic visions, the two jihadist movements are currently gravitating into separate areas of influence and have not yet directly confronted each other[xiv]. The groups in the movement inspired by Al Qaeda – Al Qaeda in the Islamic Maghreb (AQIM), Al-Mourabitoun, Ansar Dine and the Macina Liberation Front – are the most active in the Liptako-Gourma area, while Ansarul Islam is currently located in the Burkinabe Sahel region and Al Sahraoui's Islamic State in the Greater Sahara (ISGS) operates in the Menaka area at the frontier between Mali and Niger (interview with MINUSMA, 2018).

[xiv] The area of influence of Al Qaeda-inspired terrorist groups is situated in the west of the Sahara-Sahel region (Mali, Burkina Faso, Algeria), while IS-inspired groups are active in the eastern part (Niger, Libya, Chad, Nigeria).

These terrorist groups also rely on the impact of threatened actions and attacks even if they do not always manage to carry them out, often due to internal struggles over power or ideology, though sometimes because of disagreement over the sharing of resources or the control of trafficking routes.

On 21 June 2017, the UN Security Council expressed its concern over the transnational dimension of the terrorist threat in the Sahel region and the possible links between terrorism and transnational organised crime, responsible inter alia for arms and drug trafficking, the smuggling of migrants and people trafficking (UN, 2017). On 5 September 2017, the UN Security Council adopted resolution 2374 (2017) on Mali, which established a committee to sanction individuals and entities responsible for obstructing implementation of the Agreement on Peace and Reconciliation in Mali signed in 2015[xv]. In Mali, MINUSMA is deployed in the Segou, Mopti, Timbuktu, Gao and Kidal regions (UN, 2017).

The main terrorist groups operating in the region studied

Jama'a Nusrat ul-Islam wa al-Muslimin, led by Iyad ag Ghali

On 1 March 2017, in a video sent to the Mauritanian press agency Agence Nouakchott Information, the leaders of AQIM, Ansar Dine, Al-Mourabitoun[xvi] and the Macina Liberation Front announced the merger of their movements into Jama'a Nusrat ul-Islam wa al-Muslimin (Group for the Support of Islam and Muslims, GSIM). Iyad ag Ghali, the leader of Ansar Dine, was designated the movement's leader (Jeune Afrique, 2017). They claimed the attack against the Nigerien army at Midal on 5 July 2017. According to MINUSMA, the creation of Jama'a has improved the coordination of attacks by its members, especially in the use of improvised explosive devices (IEDs), with a direct impact on the deterioration of the security situation in Mali (interview with MINUSMA, 2018).

The new group, probably the largest collection of jihadists in the region, supposedly has around 500 fighters and has drawn up a list of 11 countries (United States, Germany, France, Netherlands, Sweden, Chad, Guinea, Côte d'Ivoire, Burkina Faso, Senegal and Niger) classified as enemies of Islam in Africa ((Le Monde, 2017; Sineactu.com, 2017).

Ansarul Islam, led by Malam Ibrahim Dicko

Ansarul Islam was founded in 2016 by Ibrahim Malam Dicko, a Burkinabe preacher from the Fulani ethnic group from the province of Soum in the north of the country, near the frontier with Mali, who was radicalised while visiting Mali between 2015 and 2016. Ansarul Islam's declared aim is to re-establish the Fulani kingdom of Macina in the north of Burkina Faso, an objective shared with the Macina Liberation Front, another jihadist group which joined the Jama'a Nusrat ul-Islam group in 2017. In pursuit of its goal, Ansarul Islam assassinates people suspected of collaborating with the government, like the headmaster of a school murdered in Djibo on 3 March 2017, and attacks security posts (Le Monde, 2017). Burkinabe security sources indicate that Malam is trying to forge closer links with the West African branch of Islamic State headed by Al-Sahraoui (Islamic State in the Greater Sahara), in contrast to the allegiance to Al Qaeda of his "master" Kufa (interviews with security sources and journalists, 2018).

[xv] The Inter-Malian peace agreement was signed in Bamako on 20 June 2015 by Mali and the Coordination of Awazad Movements, a coalition of Touareg and Arab movements, to put an end to three-and-a-half years of conflict in Mali.

[xvi] Al Qaeda in the Islamic Maghreb (AQIM), Ansar Dine and its leader Iyad ag Ghali, and Al-Mourabitoun are on the UN list relating to sanctions against ISIL (Daesh) and Al Qaeda drawn up pursuant to Security Council Resolutions 1267 (1999), 1989 (2011) and 2253 (2015).

Islamic State in the Greater Sahara (ISGS)

In 2016, a Sahraoui leader of MUJAO (Movement for Oneness and Jihad in West Africa), Lehbib Ould Ali Ould Saïd Ould Joumani, known under the alias Al Sahraoui, announced the split from Al-Mourabitoun of a group of Malians from the city of Gao and the creation of Islamic State in the Greater Sahara (ISGS), which pledges allegiance to IS.

The group claimed the first attack by IS in Africa, in September 2016, against the customs post at Markoye in Burkina Faso (Le Monde, 2016). A study by IFRI, the French Institute of International Relations, reckoned that ISGS could increase its numbers beyond its initial base with the influx of jihadists fleeing Libya (Memier, 2017).

Direct support

The forms of direct support considered in this study are direct control by non-state armed groups via a physical presence at mining operaitons, the financing of gold-mining operations, and the financing their activities through gold trading channels.

Direct control of gold mining sites

The Essakane gold mine in Burkina Faso is in the province of Oudalan, between that of Soum, under constant pressure from the Ansarul Islam terrorist group, and the Tera region of Niger, where 12 American and 30 Nigerien soldiers were killed on 4 October 2017 in an ambush attributed to ISGS (20minutes.fr, 2018). In April 2015, a "terrorist group" attacked the Tambao manganese mine and abducted a European security officer[xvii] (AIB, 2015). More recently, after two attacks in two weeks in August 2018 on convoys heading to the Mana and Boungou mines in the east and centre of the country respectively, Semafo took the decision to fly staff to the sites by helicopter.

More generally, sources in the country confirmed that security at industrial mines had been stepped up in high-risk zones in the north-east and south-east of the country (interviews with security sources and journalists in Ouagadougou, 2018).

In Soum province, Ansarul Islam is suspected of being behind several attacks in 2017 using IEDs against convoys serving the Inata mine (VOA, 2017). According to sources in Ouagadougou, the deteriorating security situation, compounded by financial and technical factors, caused the temporary suspension of operations at the Inata mine in 2017 (interviews with Comapem and a security source in Ouagadougou, 2018).

In Niger, the proliferation of gold prospecting sites in the Djado and Aïr regions in the north of the country – a vast area, difficult to monitor and plagued by the activities of transnational criminal gangs, mostly made up of Libyans and Chadians – is a major source of concern. Due to lack of financial resources, the country also had to abandon official oversight of mine sites formerly supervised by the mines administration with the cooperation of other national authorities (interview with the Tillabéri regional director of mines, 2018).

[xvii] An official government communiqué spoke of a "terrorist attack by unidentified armed individuals". Investigative journalists say they were told by a number of local sources that the terrorists came from Mali.

In Mali, there are currently no signs of control by non-state armed groups of gold mines in the traditional industrial and ASM mining regions of Kayes, Koulikoro and Sikasso. However, in a speech at the annual Mining Indaba conference in Cape Town, South Africa, in February 2017, Tiémoko Sangaré, Mali's mines minister, publicly shared his concerns about the risk of terrorist groups penetrating and infiltrating gold mining areas in the south of the country and the difficulties that could cause for the industrial mining sector. There is also growing evidence of the start of artisanal and small-scale gold mining around Kidal and Tessalit, areas where the presence of groups affiliated to Jama'a ul-Islam is attested (interviews with Scomine, Femima and Afemin, 2018).

Security is a central concern for companies operating in all three countries, as evidenced by a workshop organised by the consultancy African Geopolitics in Perth (Western Australia) on 30 August 2018 on how to mitigate the effects of conflict in the Sahel in the mining sector (Africa Intelligence, 2018).

Indirect support

The risk of indirect support for non-state armed groups concerns both industrial and ASM operators. In Burkina Faso, Mali and Niger, the former are exposed to the risk of employee abduction for ransom and can be the victims of extortion, paying for "protection" to operate in certain areas. ASM operators can also be the target of extortion, protection rackets, attacks and pillaging, sometimes motivated simply by score-settling between rival communities.

Indirect support is generally harder to identify because industrial and ASM operators alike tend not to report extortion attempts (especially demands for protection money) by non-state armed groups.

Abductions, ransoms and protection demands targeting industrial operators

As mentioned earlier, industrial mines in Burkina Faso, Niger and Mali have had to step up their security in response to the terrorist threat. Generally speaking, economic operators in the Burkinabe region of the Sahel remain particularly exposed to the risk of extortion from non-state armed groups. Three mine employees were abducted on 23 September 2018 on their way to Djibo (Jeune Afrique, 2018). The Jeune Afrique article relates that according to a security source the kidnappers were "probably members of the jihadist groups that operate in the region. They headed towards the Malian border."

The industrial mines in Mali and the roads they use to ship production to places from which it can be exported are located in areas that currently remain outside the control of non-state armed groups. In Niger, the Samira gold mine, although situated in the area where Islamic State in the Greater Sahara operates, seems as of yet not to have been the target of threats, abductions or demands for protection money from the group.

Extortion demands targeting ASM operators

A body of evidence has accumulated in recent months indicating an increase in incidents linked to the activity of armed groups around artisanal gold-mining sites in the region.

In January 2018, armed men attacked and looted the Koutougou site in Burkina Faso, 130 km from Djibo in Soum province (Wakat Séra, 2018). On 18 October 2016, a "settling of scores" between Koglweogo and assailants left five dead at the Kéréboulé site, 60 km north of Djibo (AIB, 2016). A 2017 International Crisis Group report said that the Kéréboulé attackers were possibly linked to Ansarul Islam (ICG, 2017). Several sources in Burkina Faso confirmed these attacks and recurrent clashes targeting prospecting sites in the Sahel region since 2016, stating that they were now "taken hostage" by non-state armed groups (interviews with Conapem, Synorartrab, Aneemas, security sources and journalists in Ouagadougou, 2018).

In Niger, the Tera region, one of the main gold-mining areas of Liptako, is a theatre of operations for terrorist groups based in the Menaka region of Mali. During an OECD interview in March 2017, the Nigerien mines minster confirmed the presence of "Mauritanian and Sudanese" preachers accompanied by armed men at mining sites 150 km west of Niamey. The concerns raised in the preceding section about the risk of non-state armed groups infiltrating new gold-mining areas in the Aïr and Djado regions of Niger and the presumed new sites at Kidal and Tessalit in Mali could also be realised in the form of extortion demands targeting operators there.

Investigations on the ground are therefore needed in order to ascertain whether mining operations in these areas are likely to contribute to the financing of non-state armed groups and, if so, the scale of the problem.

Public or private security forces

Illicit involvement of public or private security forces in mining

Several cases have been flagged in the three countries studied of security forces allowing and facilitating access to mining sites while they are officially closed (during *hivernage*, the rainy season) in return for money, or of members of the security forces mining for gold themselves while they oversee the sites.

In Burkina Faso, the miners' union alleges that security officers responsible for ensuring the integrity of the Poura site, closed since 1999, have illicitly facilitated semi-mechanised operation of the site with the support of some local politicians (interview with Synorartrab, 2018; Kabore, 2017). Government officials report that officers of the public security forces are said to participate in extortion at the sites they are supposed to oversee, especially in the south-west (interview with Bumigeb, 2018).

In the Liptako region of Niger and at mining sites in the Kayes and Sikasso regions of Mali, several sources have reported similar cases of security officers financing prospectors or not enforcing the closure of sites during the *hivernage* period from July to October (interviews at Niamey and Bamako, 2018).

Extortion targeting gold-mining operators

In Burkina Faso, extortion by the police or gendarmerie (locally called *tracasseries*, or hassle) at mining sites are frequently reported to the anti-corruption hotline set up by REN-LAC, the National Anti-Corruption Network, in 2014 (Renlac.com, 2018; Droitlibre.net, 2014). In October 2017, for example, miners turned to the organisation in order to recover gold extorted by police officers (interview with Aneemas, 2018).

In addition to extortion by members of the government security forces, several cases have been reported in Mali and Burkina Faso involving customary police, tasked by local communities with managing security at mining sites. Customary police used to be feared and respected because of the mystical powers they were believed to possess, which enabled them to keep order among the miners. However, as traditional mining methods have evolved, and especially with the influx at mining sites of foreigners who do not share the same customs as the local population, the customary police have lost much of their authority. Customary police officers frequently demand payment in kind (generally sacks of mineralised ore) from the miners to allow them to work at the sites. The local authorities, who in theory oversee the customary police, often join them in extortion practices (interviews with unions, associations and federations of prospectors in the three countries, 2018).

In Mali, the power of the Tomboloma is so great that they are said to have prevented the creation of government-regulated gold exchanges at sites in the Kayes area, fearing that they would encroach on their prerogatives (interview with the extractive industries governance support project, 2018).

Bribery, fraudulent misrepresentation, money laundering and non-payment of tax

The risk of fraudulent misrepresentation, fraud and tax evasion in the production, transport and trading of gold in the three countries studied is real. It is attributable above all to the lack of reliable statistics on the production of artisanal gold and the high value of the metal, which makes it easier to ship and export illicitly, especially to neighbouring countries with lower export taxes.

In principle, most West African producing countries set the rate of tax on gold exports at between 3% and 5% of the international price. In reality, each government calculates the tax base differently, which is naturally reflected in the actual amounts payable on export (Laporte, 2017).

Mali, for example, for many years imposed a 3% tax not on the market value of gold (20.9 million FCFA per kilo for 92% pure gold) but on a value set at 5.5 million FCFA per kilo (the "official value"), which gave a tax of 165,000 FCFA (€251) per kilo exported (3% of 5.5 million FCFA) instead of an expected 627,000 FCFA (€955). As a result, Mali became the gold-trading hub for the entire sub-region, as described in an investigation report published in 2017 (Martin and Helbig de Balzac, 2017). As indicated earlier, despite this generous tax regime only around four tonnes of artisanal gold a year pass through legal channels in Mali.

Box 4: The Togo connection and the "triangular trade" in gold

As mentioned earlier, publicly available statistics[i] indicate that Togo exported 48.7 tonnes of gold between 2014 and 2016, mostly to the United Arab Emirates (24 tonnes), Lebanon (15.8 tonnes) and Switzerland (8.7 tonnes).

One of the reasons for this flight of gold to Togo was that operators in Burkina Faso considered their local tax rates to be too high, preventing them from making a profit, despite an average margin on gold exports of 550,000 FCFA per kilo. Thus, it appears that 12 to 20 tonnes of gold from Burkina Faso and 2 to 3 tonnes of gold from Liptako in Niger are exported illicitly to Lomé each year. As the dealers responsible do not pay tax, they can buy gold at inflated prices in comparison to the rest of the market, which ensures them a constant supply. To give an illustration, Sopamin in Niger had to suspend a plan to create mobile exchanges using two armoured trucks that travelled to mining sites in Liptako and Aïr because they were unable to buy gold at a price that yielded a profit. After several months in the field, Sopamin had managed to buy only a few kilos out of the tonne it had set itself as a target (Sopamin, 2018).

The tax on gold exported from Lomé is 30-45,000 FCFA per kilo, on the basis of an artificial estimate of the value of exported gold of only USD 1,700 per kilo, versus a market value of USD 34,000. This "tax dumping" has been denounced by several of the people interviewed and was disclosed publicly in 2015 by the Swiss NGO Berne Declaration (Guéniat and White, 2015).

Illicit exports may be transported by car, in caches welded under the chassis (BNAF, 2018). Smugglers sometimes hide gold about their own persons, in belts that enable them to carry several kilos at a time (ARM, 2016). Instances of bribery of customs and police officials during transit are also often reported, which could help to explain why so little illicit gold is actually seized even though it is exported on a route and by networks that are well-known in the sub-region.

Gold also functions as a parallel currency that can be used outside the WAEMU area to buy other goods and services, circumventing regional laws that impose control by the Central Bank of West African States (BCEAO) of transactions in foreign currency or outside the WAEMU area (BCEAO, 2012). Exporters in Ouagadougou or Niamey can sell artisanal gold on the parallel market, in Lomé or directly in Dubai, in exchange for US dollars which they would otherwise have to obtain from the BCEAO, providing proof of the origin and destination of funds. This type of transaction costs about 105-110% of the fixing price for the gold sold, taking into account the purchase of the gold on-site at inflated prices[i] and the cost of smuggling it to Lomé. The loss on the transaction is offset by importing goods from Dubai, especially electronic goods, and selling them locally with a 25-30% mark-up (interviews with customs, dealers and journalists in Ouagadougou and customs, Interpol and dealers in Niamey, 2018). Togo's role as a transit country for artisanal gold from Burkina Faso was the subject of a report published by the Alliance for Responsible Mining in 2016 (ARM, 2016).

Gold-trafficking networks to Lomé are well-established and often operate through *hawala* or phone-based money or value transfer services which settle transactions directly in Lomé, or sometimes even Dubai, without any physical circulation of money (interviews with customs in Ouagadougou and the criminal police in Niamey, 2018; FATF 2012-2017). According to security sources interviewed, informal credit systems and money transfer services provided by mobile phone operators help to circumvent controls on capital movements and can be used by armed groups or criminal gangs to finance themselves (interviews with security sources in Ouagadougou and Niamey and with MINUSMA, 2018).

Money laundering

As indicated in this report, the purchase price for 92% pure gold should not be more than 20,900 FCFA (€31.90) per gram, which is equivalent, in the system used for buying gold in Burkina Faso and Niger, to 950 FCFA per carat (950 FCFA x 22 carats = 20,900 FCFA). However, dealers in Ouagadougou and Niamey showed several receipts with a price per carat of 965-975 FCFA (interviews with dealers in Ouagadougou and Niamey, 2018). While admitting that some dealers may alter in their favour the result of the densimetric measurement which determines the purity of the gold (for example, to indicate a purity of 21.5 carats rather than the 22-23 carats that is the standard quality of artisanal gold mined in the region), the cost per carat would still be higher than the international fixing price even without taking into account export taxes and costs.

In the three countries studied, it is apparent that several dealers team up with holders of mining rights, or hold rights themselves, in order to provide a legal and official origin for the gold they buy from informal or illicit gold miners (interviews with dealers in Ouagadougou, Niamey and Bamako and experts in France, 2018). In Burkina Faso, for example, official investigations have revealed that three individuals, Kindo Adama (Somika), Sawadogo Sayouba (Sav'Or) and Pafadnam Saïdou (Burkina Or Métal), hold 79, 37 and 12 mining titles respectively that they are strongly suspected of using as a cover for money laundering by the trading and export of gold (Assemblée Nationale 2016, Guéniat and White, 2015). In Mali, the allocation of mining rights as cover for the purchase of gold is made possible under the terms of the Mining Code, which states that titles may be withdrawn if works are not carried out on the ground (interview with FNOM, 2018).

In all three countries, there are no background checks on applicants for a licence to deal in gold or checks on the traceability or origin of funds. Criminal gangs or terrorist groups could take advantage of this lack of regulation to settle their transactions and distribute or launder the profits of their criminal activities, such as abductions, drug trafficking and people trafficking[xviii]. Existing gold trading channels in the three countries are very well-established and take up most of the available artisanal gold.

[xviii] The 2015 FATF report cites, inter alia, two cases where gold transactions were used to launder the profits of drug cartels via Dubai and India (FATF, 2015). In one case, the Australian police confiscated the equivalent of AUD 4 million (€2.6 million), including livestock, properties, cash and large amounts of gold.

Box 5: Civil society organisations against money laundering in Mali

The Malian Federation of Women Miners (Femima) works with the national financial intelligence unit, Centif, and the national anti-terrorism prosecutor at 40 mining sites in the Liptako region to establish a system for reporting suspicions of money laundering via the gold trade. Femima has flagged up a number of cases, within the same time-frame, of buyers at the Dialafar sites at Kéniéba, near the Senegalese border, offering 25,000 FCFA per gram of gold, much more than the market price. Femima points out that the buyers speak only French and not the local language (bambara) and visit the sites at times other than the usual market days (Mondays and Fridays), suggesting that they come from outside the normal circle of collectors and financers.

The Malian Association of Women Miners (Afemin), which has 5,750 members in the three gold-mining regions (2,000 at Kayes, plus Koulikoro and Sikasso), is experimenting with the creation of community contact points to raise the alarm, for example by identifying collectors who buy large amounts of gold or who finance the most profitable mines. With its extensive membership, Afemin is urging the creation of exchanges at ASM sites in order to better regulate the marketing of gold and stigmatise behaviour linked to fraud and money laundering.

Both Femima and Afemin are concerned by the risk of money laundering and terrorist financing associated with gold mining in the Kidal region but deplore the fact that neither they nor the Malian authorities have sufficient resources to physically visit these sites and exercise any oversight.

An FATF report published in July 2015 highlights the gold mining sector's vulnerability to the risk of money laundering and terrorist financing, especially because most transactions involving gold are anonymous and settled in cash (FATF, 2015). FATF imposes a due diligence obligation on dealers in precious metals[xix], including a requirement to keep and conserve up-to-date records of transactions. Governments should also oversee these financial transactions, including those performed by means of both traditional and modern informal payment systems (*hawala* in the former case and phone payment in the latter) and investigate dealers that report few or even no transactions in a given period, with sanctions including withdrawal of the licence or authorisation.

We consider it essential that the authorities of the countries studied ensure that the FATF recommendations on money laundering and terrorist financing are implemented in their legislation.

[xix] Recommendation 28 from the FATF International Standards on Combating Money Laundering and the Financing of Terrorism and Proliferation, published in 2012, includes dealers in precious metals and stones among the "designated non-financial businesses and professions" (http://www.fatf-gafi.org/fr/glossaire/d-i/) that need to be monitored by national anti-money laundering and terrorist financing authorities. The 2015 FATF report cites 25 case studies, including a Belgian police investigation of a gold wholesaler in Antwerp, known for laundering money of criminal origin, who had carried out transactions in gold worth more than €800 million a year without ever recording the identity of his suppliers or the origin of the gold (FATF, 2015).

The 2015 FATF report includes several case studies of the use of gold by drug cartels or other criminal organisations to launder the profits of their activities. The identified system is based on using funds from illegal activities to buy gold or gold products that are then sold on to intermediaries (wholesalers, dealers, jewellers) authorised to operate in gold (FATF, 2015). In Burkina Faso, especially between 2010 and 2014, several sources in the gold trade reported that groups of South American citizens (claiming to be Colombians) were buying gold in Ouagadougou and Bobo Dioulasso, or sending collectors to mining areas, without negotiating the price (interviews in Ouagadougou, Paris and Abidjan, 2018).

Gold fraud in the region is also used to circumvent WAEMU foreign-exchange controls, which require all exporters to repatriate profits from gold exports into the FCFA zone via the BCEAO. Economic operators can use gold, inter alia, as a non-banking financing method, given that in the countries studied banks charge interest of up to 12% on loans (interview with collector associations in Niger – Anaeco, 2018).

Conclusions and recommendations

The conclusions of this study form the basis for four sets of recommendations for action to gradually strengthen transparency and integrity in the production and trading of gold in the three LGA Member States. They are:

1. Promote, circulate and implement the OECD Guidance.
2. Continue and strengthen national and regional action to formalise and legalise ASM.
3. Develop a regional approach to the management of gold mineral resources within the framework of existing African initiatives and in liaison with the relevant international programmes.
4. Incorporate ideas and initiatives to promote the formalisation of ASM into anti-terrorist and peacebuilding strategies in the Sahel region.

1. Promote, circulate and implement the OECD Guidance

The research and interviews conducted in the context of this study indicate and confirm that the gold industry in Burkina Faso, Niger and Mali is exposed to the risks described in Annex II of the OECD Guidance. This is due in particular to a lack of transparency in the oversight of the financing, production and trading of gold. This finding confirms that initiatives to increase accountability among players in the gold industry, both legal and illegal, formal and informal, are needed in order to clean up the sector and gradually eliminate the risks associated with gold production and trading in the region.

Many of the sources consulted in the course of this study regard the due diligence requirement as an attempt to "impose unattainable Western standards on Africans". It therefore seems necessary to continue the awareness-raising measures taken by the OECD and its regional partners, especially the LGA, to persuade operators in the industry and the public authorities that involvement in collective initiatives to implement due diligence is intended first and foremost to support efforts to promote transparency and integrity in the production and trading of gold.

The adoption and implementation in recent years of international standards such as the OECD Guidance and the UN Guiding Principles on Business and Human Rights bear witness to evolving practice in international trade. Companies at all levels of the supply chain and consumers are developing precise expectations, especially with regard to human rights.

These changes sometimes take the form of binding regulations, as illustrated by the adoption of Regulation (EU) 2017/821 on due diligence[xx] for tin, tantalum, tungsten, their ores, and gold, which will take effect in the European Union in January 2021 (European Union, 2017).

[xx] Regulation (EU) 2017/821 of the European Parliament and of the Council of 17 May 2017 laying down supply chain due diligence obligations for Union importers of tin, tantalum and tungsten, their ores, and gold originating from conflict-affected and high-risk areas. Details of the contents of the regulation, its enforcement mechanisms and its implications for players in the industries concerned can be found on the following web pages: http://ec.europa.eu/trade/policy/in-focus/conflict-minerals-regulation/regulation-explained/ and http://ec.europa.eu/trade/policy/in-focus/conflict-minerals-regulation/.

- **Governments in the region**

In this context, the framing by the LGA in 2016-17, in cooperation with the OECD, of an eight-part action plan and strategy to promote the OECD Guidance was an important milestone. We regard the long-term involvement of the OECD Secretariat in support of the LGA General Directorate over the next few years as crucial.

One particular aim of this regional strategy is to clarify the responsibilities of the private sector without stigmatising artisanal mining. It focuses on cooperation with the private sector in order to publicise the contents of the OECD Guidance and promote its recommendations. To this end, the LGA proposes translating the OECD Guidance into the main national languages (Mooré, Bambara and Hausa) to make it easier to promote and implement. A series of studies, including this one, will also seek to keep the LGA informed of the situation in the gold industry in the three countries.

In order to step up implementation of the action plan, West African gold-producing countries, especially the LGA Member States, could consider taking a number of measures, such as:

- submitting a formal application for adherence to the Recommendation of the OECD Council on Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas. This would demonstrate a strong government commitment to encouraging regional economic actors to implement, on a voluntary basis, the recommendations it contains;
- adopting incentives or binding measures for the private sector along the lines of the initiatives taken by Central African countries.

In 2011, for example, the Democratic Republic of the Congo incorporated measures into its legislative framework requiring companies involved in the production and trading of tin, tantalum, tungsten and gold to implement their due diligence on the basis of the OECD Guidance recommendations[xxi]. Similar measures have been taken in Rwanda. At regional level, in the Lusaka Declaration of December 2012 the International Conference of the Great Lakes Region, a grouping of 12 Central African countries, incorporated the OECD Guidance into the Regional Initiative against the Illegal Exploitation of Natural Resources[xxii]. This comprises a set of six tools which could also form the basis for a regional approach in West Africa, including the harmonisation of national legislations, the development of a regional database on mineral flows and the establishment of a regional whistle-blowing mechanism.

[xxi] Circular of 6 September 2011 requiring all entities involved in the mining and trading of tin, tantalum, tungsten and gold to implement their due diligence in accordance with the recommendations of the OECD Guidance; Ministerial order no. 0057/CAB.MIN/MINES/01/2012 of 29 February 2012 concerning implementation of the Regional Certification Mechanism of the International Conference on the Great Lakes Region (ICGLR) in DRC; Ministerial order no. 0058/CAB.MIN/MINES/01/2012 of 29 February 2012 defining procedures for the qualification and validation of mine sites (OECD, 2016).

[xxii] http://www.icglr.org/index.php/en/natural-resources

Promoting implementation of the OECD Guidance recommendations by the LGA Member States would also be consistent with the conclusions of the Ministerial Conference on the Fight against Terrorist Financing held in Paris in April 2018, on conclusion of which the participants called on the private sector to consider enhanced due diligence when operating in high-risk sectors and jurisdictions to mitigate the risk of indirectly financing terrorism[xxiii].

Incorporating requirements and best practice related to transparency and due diligence into LGA Member States' national legislation would thus enable them to take a significant lead over other gold-producing countries and improve the reputation and integrity of their mining industry.

- **Regional and international organisations**

The Extractive Industries Transparency Initiative (EITI)

Burkina Faso and Mali are members of the Extractive Industries Transparency Initiative (EITI). Niger recently withdrew. The establishment in each of these countries of multi-stakeholder forums for dialogue and information on extractive industries has had a very significant impact in terms of raising awareness among local people of the realities (positive and negative) of mining. Capacity-building for participants in these forums in matters related to financial transparency is welcomed by all, especially economic operators.

We consider that including considerations relating to the transparency of physical flows associated with the production and trading of minerals, especially gold, in the programme of work of these national forums would be an appropriate extension of their mandate. Discussions along these lines could be held by the OECD Secretariat and the LGA General Directorate, in consultation with the International Secretariat of the EITI.

It should be recalled here that the information contained in EITI reports, especially where it complies with the new protocols of the real property initiative, are valuable sources of documentation for downstream players in the supply chain seeking to implement due diligence.

World Bank project for a Centre of Excellence on ASM

The World Bank and the OECD Secretariat have been working since 2016 to develop a World Centre of Excellence on ASM to collect and disseminate best practice relating to government policy for formalising ASM. The project is currently being finalised and could result in the rollout of support programmes for countries that produce resources from ASM.

From that standpoint, we consider that including a specific aim of promoting and circulating the OECD Guidance recommendations in the national programmes that could be rolled out under the aegis of the Centre of Excellence would be an excellent way to support implementation of the Guidance in West Africa.

[xxiii] The Ministerial Conference on the Fight against Terrorist Financing was held in Paris on 25-26 April 2018. It was attended by over 100 ministers and 450 experts from 72 countries and 17 regional and international organisations. A closing statement acknowledged that an integrated approach to countering terrorism and terrorist financing was crucial and that the participants should step up their national and collective involvement in the fight against the financing of terrorist groups. https://www.diplomatie.gouv.fr/en/french-foreign-policy/defence-security/events/article/final-statement-international-conference-on-combating-the-financing-of-daesh

The UNICEF Child Rights and Mining Toolkit

In 2017, UNICEF published a toolkit for mining companies to encourage them to incorporate child rights issues into their action plans (UNICEF, 2017). We consider this initiative to be entirely consistent with the OECD Guidance recommendations insofar as they seek to encourage companies to perform risk analysis and draw up mitigation plans where risks are identified. Reciprocal promotion of the aims of the UNICEF toolkit and the OECD Guidance could help to boost their impact and visibility.

- **National, regional and international private sector**

The OECD Guidance recommendations, which are voluntary, are intended for private-sector firms. It is therefore natural that such firms should take the lead in implementing them, with the support and encouragement of governments in the region and countries that adhere to the standard. The key bodies representing industry players (chambers of mines and commerce and forums promoting corporate social responsibility, such as the multi-stakeholder CSR Forum in Burkina Faso) also have a definite role to play in this respect.

The industrial sector has already taken measures to promote the OECD Guidance recommendations. The World Gold Council (WGC) has developed a "conflict-free gold standard" for its members (who account for over 50% of industrial gold production worldwide) which aims to put the OECD Guidance recommendations into practice and enable industrial firms to prove that the output from their mines is free of the risks described in Annex II of the OECD Guidance.

Nonetheless, all the compliance reports consulted in the course of this study and issued by the firms operating in the three countries studied conclude that there are no significant risks around the sites they operate, thus dispensing them from making the additional checks provided for by the standard[xxiv]. The conclusions of these compliance reports therefore differ significantly from those of this study.

It should be pointed out that the WGC standard invites firms to use the Conflict Barometer devised by the Heidelberg Institute for International Conflict Research as the "primary reference source for [their] assessment". It seems that firms operating in the region have not looked any further than the Heidelberg Barometer, an impression confirmed by the compliance reports consulted. When they issue their next reports, these firms could therefore include additional sources of information, such as reports and memos from national and international security forces, internal risk analyses, local and international press reports, etc., to bolster the assessments made as part of the process of implementing the first stage of the conflict-free gold standard. The WGC could also provide further details on the reference sources that firms are invited to consult.

International players in the gold supply chain operating beyond the borders of the countries that are the subject of this study are invited to take account of its conclusions and recommendations of (and those referenced elsewhere in the body of the text) by conducting detailed investigations and research into the conditions under which any gold they might acquire that is likely to have been produced in West Africa has been mined and traded.

[xxiv] If a mining company determines that it does not operate in a conflict or high-risk area, it is not invited to implement all the provisions of the standard.

- **Develop a network of multi-stakeholder consultation and supervision units**

Along the same lines as the work carried out in the Democratic Republic of the Congo (DRC) since 2010, the LGA Member States could consider setting up multi-stakeholder local committees to assess security risks close to ASM sites.

In DRC, the assessment of mining sites and the monitoring of risks within the meaning of Annex II of the OECD Guidance are partly performed locally by multi-stakeholder committees inspired by an OECD Secretariat recommendation on the creation of "information units" put forward at a technical workshop held in DRC in March 2011. These multi-stakeholder committees are an innovative way of encouraging systematic cooperation between community bodies and civil society on the one hand and local and central government on the other. They enable groups to cooperate with the authorities in order to exchange information on risks, discuss their concerns and provide advice on reform. This study has identified structures, especially in Mali, that could fulfil this kind of function.

2. Continue to strengthen action to support the formalisation of ASM

In order to support the implementation of due diligence in ASM areas and help to minimise the risk of human rights violations and extortion by armed groups, the OECD Guidance[xxv] encourages the development of multi-stakeholder initiatives to support the formalisation and legalisation of players in the ASM sector.

In this context, while the study has identified several government and private-sector initiatives and projects to support the effective formalisation of artisanal gold-mining sites, it seems necessary to increase their number and strengthen them, ensuring that appropriate resources are made available. The study found real demand for such measures among miners, who want to be able to work in healthy and safe conditions and contribute to the development of their communities.

- **Continue to step up policies and projects to encourage formalisation**

For a number of years now, the LGA Member States and industry players have stepped up their cooperation in order to offer practical prospects for a transition to semi-mechanised mining at artisanal sites, which should make it easier to comply with due diligence recommendations in the national gold supply chain.

To give one example, the creation of gold-mining corridors at certain sites in Mali and Burkina Faso is an interesting initiative, though it needs to be developed on the basis of consultation and cooperation with mining communities. In Ghana, Côte d'Ivoire and Mali, miners have sometimes rejected the corridors imposed by the administration because they were not defined on the basis of geological analysis to determine their potential and did not take account of the miners' proposals and needs (interviews with FNOM and Scomine, 2018). Governments could use geological services and methods for analysing deposits to help ensure that the operation of such corridors by the miners is potentially viable. The administration could also identify contact points within local communities and miners they can talk to in order to assess the true relevance of the proposed activities.

[xxv] "Suggested measures to create economic and development opportunities for artisanal and small-scale miners", OECD (2016).

In order to maximise the chances of attracting miners to a more closely supervised system, it seems necessary to give consideration to aspects of ASM that are not strictly economic, such as the miners' need for safe and secure working conditions and the possibility of access to safe, efficient and affordable processing areas. In other words, miners should be offered services that are not available under current working patterns, anarchic or financed by a third party. For example, the miners' union in Burkina Faso says it is willing to pay 500-1,000 FCFC per gram of gold extracted to finance supervision, safety and other related services, as is the case at certain ASM sites in Côte d'Ivoire (interview with Synorartrab, 2018).

Sopamin's failure to create exchanges at gold-mining sites in Niger shows that the state on its own cannot compete with existing buyers and financers on price alone. The vacuum left by governments when they abandoned their monopoly on the purchase of artisanal gold was filled de facto by private individuals who created closed buying and selling channels with the miners (interviews with Sopamin in Niger, Aneemas and the mines ministry in Burkina Faso, 2018; interviews with FNOM and the chamber of mines in Mali, 2018).

The projects and initiatives described in this section could also benefit from the support and expertise of international organisations already engaged in programmes to support the formalisation of ASM, such as the World Bank and the various UN agencies involved in implementing the 2013 Minamata Convention, which seeks to reduce the use of mercury.

- **National, regional and international private sector**

The OECD Guidance particularly encourages the involvement of private-sector players in projects to formalise and legalise ASM activity, alongside central government agencies and civil society representatives. Several initiatives along these lines were identified during the course of this study and could be stepped up, in particular by bringing in international players capable of providing long-term financing solutions to producers committed to greater accountability.

  - Burkina Faso

The mining company Barksanem (BSM) has set up a patented traceability system designed to optimise the physical logistics chain of artisanal mining, including digital monetarisation of the operators' income. Using a digital platform, BSM records the identity of miners and the geographical coordinates of the exact place where each one works. The ore is then processed under the supervision of BSM staff, without crushing or the use of harmful chemicals. Each batch of gold produced is digitally recorded in order to certify its traceability, meaning that it can be sold at a higher price. BSM then pays the diggers in a bank-backed virtual currency which allows unbanked communities access to certain services such as microcredit, healthcare and schooling (Africa Intelligence, 2018b). On 13 April 2018, BSM announced that it had integrated the OECD Guidance principles into its enterprise management procedures and system. The company also aims to achieve the Fairmined standard[xxvi] (Barksanem, 2018).

[xxvi] Fairmined is an assurance label that certifies gold from empowered, responsible artisanal and small-scale mining organisations. Open to all market players (mines, the gold industry, consumers), it is backed by a rigorous third-party certification and audit system which ensures that ASM organisations meet world leading standards for responsible practices relating to social development and environmental protection. (http://www.fairmined.org/fr/what-is-fairmined/ 2018).

The Alliance for Responsible Mining (ARM) has supported the registration and establishment of the first artisanal miners' cooperative, at Gombélédougou in the south-west of the country. The cooperative aims to secure a fair price for miners, breaking the dominant prefinancing model whereby the "pit owner", sole holder of the artisanal mining permit, rakes off most of the profit to the detriment of the miners. The Gombélédougou cooperative also ensures that measures are taken to reduce social and environmental impacts during and after mining (interviews with ARM at Ouagadougou and Paris, 2018).

- Mali

In Mali, the FNOM is helping to establish a supervised mining site with a modern processing area and an on-site gold exchange at Kokoyo in the Kangaba Circle, one of the main placers in Mali. The 4-hectare (10-acre) processing area will be clearly defined. In addition to crushing and grinding, it will include facilities for the safe cyanidation of gold paste in six cyanidation tanks (interview with FNOM, 2018). The Indian company Maifa Mining Corporation (MMC) has operated a gold analysis centre at Kokoyo since 2014, and the Malian company Marena Gold Mali, which operates a gold refinery at Bamako, wants to set up a gold exchange there with the ultimate aim of upgrading the operation at Kokoyo from artisanal to small-scale mining (interview with the mines ministry, 2018). The launch of the oversight plan at Kokoyo, initially scheduled for 2 March 2018, has been postponed.

The FNOM also wishes to contribute to the creation of a mines police, training 6,840 officers (20 for each of the 350 mining sites identified in Mali), including Tomboloma, and raising their awareness of human rights issues and the fight against fraud, in order to lighten the burden on the regular police and gendarmerie (interview with FNOM, 2018).

The Malian chamber of mines (CMM) has developed a roadmap which aims to organise miners into 1,000-member cooperatives which would work in a closed loop with two or three gold-buying agencies with the aim of upgrading artisanal activity to small-scale mining. The cooperatives would be responsible for supervising and upskilling miners and would ensure compliance with standards relating to working conditions, child labour and the use of chemicals and harmful products. In exchange for these services, the miners would pay the cooperatives 2,000 FCFA per gram of gold; the CMM roadmap envisages that this subscription would be offset by higher productivity and lower processing costs, currently 6,000 FCFA per sack of mineralised ore (interview with CMM, 2018). The CMM also aims to create an additional two corridors in each of the three gold-mining regions of Kayes, Koulikoro and Sikasso (interview with CMM, 2018).

a. Regulate gold trading and export

The formalisation of artisanal and small-scale mining must be accompanied by regulation of the financing of operations and the purchase and export of gold. That conclusion underlies the cooperation between the World Bank and the OECD mentioned earlier. Therefore, it is essential to strengthen the oversight of local players involved in the financing, collection, distribution and export of mining production. They should be a key target for the awareness-raising activities carried out by the OECD Secretariat, the LGA General Directorate and all stakeholders.

The absence of background checks of applicants for dealer licences in the three countries studied, whether relating to the traceability or the origin of funds, is a serious problem. Unregulated trading leaves the sector exposed to risks such as the use of gold by criminal gangs or terrorists to acquire foreign currency, as a means of exchange or for money-laundering purposes. This is backed up by the study's finding that existing gold-trading channels are well-established in the three countries and attract most of the available artisanal gold. In addition, as identified on several occasions, the issue of taxation is a key factor in the decision of players in the industry whether to seek formalisation or not.

In this context, we consider that the promulgation in Burkina Faso on 23 January 2017 of decree 2017-023, setting mining taxes and fees, is a step in the right direction. The decree limits the tax on gold exports through Aneemas to 200,000 FCFA per kilo (rather than the 450,000 FCFA per kilo given by a calculation based on 4% of the export value), plus expert assessment costs of 25,000 FCFA, giving a total of 225,000 FCFA. In the last quarter of 2017, Mali and Niger also reduced export taxes on artisanal gold in order to incite dealers to operate legally[xxvii]. In Niger, the export tax has now been halved, from 120,000 to 60,000 FCFA per kilo for exports of more than 50 kilos. However, given that exporters must then pay customs duty of 350,000 FCFA per additional kilo, the most onerous part of the tax remains unchanged and still leaves taxation in Niger at 7% of the export value.

Gold is also widely used as a means of exchange by sellers of consumer goods, partly because few of them have bank accounts, which limits their access to credit, and partly because of foreign-exchange regulations within WAEMU, which imply delays and additional costs for international transactions. In addition, the CFA franc, which has a fixed parity with the euro of 655.95 FCFA, is traded on the currency black market for 5-10 FCFA more (i.e. 660-665 FCFA for one euro), giving operators outside official channels a substantial competitive edge in the form of a margin of 0.7-1.5%. Discussions should be held locally with players in the sector to come up with constructive responses to the limitations of a banking system that incites players from outside the mining sector to subsidise illicit and informal gold production in order to meet the challenges of financing their own operations.

b. Rationalise the administrative organisation of the management of ASM

The study identified the risk of a proliferation of government agencies responsible for regulating the sector or ensuring the security of ASM sites. There is a real risk of overlapping powers, duplication of tasks and lack of resources to make such agencies operational. In Burkina Faso, for example, the National Office for the Security of Mining Sites (Onassim), created inter alia to ensure security at ASM sites, still has no staff assigned to these missions and has to seek help from other security forces in order to do its job. In addition, the role of Aneemas in overseeing mining sites remains uncertain at present. It seems that the powers of the National Anti-Fraud Brigade encroach on those of Customs, raising the risk of shortcomings in the prosecution of fraud.

[xxvii] Running counter to this trend, however, Mali almost tripled the value used as the basis for calculating the export tax (the "official price"), from 5.5 to 15.5 million FCFA. This increased the export tax to 465,000 FCFA per kilo, minus a deductible on the first 500 grams exported (hence 232,500 FCFA if a single kilo were exported).

In Mali, there is total lack of clarity in the allocation of responsibilities between the Ministry of Mines and local authorities entrusted by the Decentralisation Act with the supervision of mining activity. In this context, the community police and the mines police, to say nothing of the Tomboloma, risk finding themselves with duplicate tasks in ensuring the security of sites. Confusion is also maintained by the number of different programmes for registering miners run variously by the FNOM, the Chamber of Mines and Municipalities.

The study also found that local authorities regularly complain that they do not receive the necessary support for their efforts to identify and halt illicit activity and ensure compliance with regulations (in areas such as dredging, site closures, suspicious activities, awareness-raising among law enforcement officials at local level, etc.). These difficulties, which can partly be explained by the lack of resources or inefficient use of those available, could be the subject of an in-depth diagnostic study by the authorities of the LGA Member States.

Incidentally, it would also appear that government security forces in all three countries studied need to be made aware that their functions are incompatible with interference in mining operations, especially ASM. Other countries could follow the example of Burkina Faso, where an anti-corruption hotline has been set up, including for miners wishing to report “hassle” by members of government security forces in connection with mining activity.

- **Separate the management of ASM from that of industrial mines and from the regulation of gold trading**

In Niger, Sopamin is the agency responsible for managing state interests in mining firms, a task which calls for business expertise in order to maximise the state’s profit from the exploitation of its mineral wealth. To support changes in government policy on the management of ASM, Sopamin was also recently tasked with the supervision of ASM sites. The same applies in Mali to the Chamber of Mines, an agency under the oversight of the Ministry of Mines which mostly represents the interests of artisanal miners, though its remit also includes supervising industrial mining activity. It also applies to Aneemas in Burkina Faso which, in addition to supervising artisanal mining, also has gold-buying prerogatives that are in competition with the private sector. The model proposed by Aneemas is thus closer to that of the former government-run exchange which operated as a legal monopoly than to that of a free-market operator, leading some to fear that Aneemas could abuse its public-sector status.

We consider that having a single body responsible for the supervision of both industrial mining and ASM raises a clear risk of conflict of interest in any dispute between an industrial mine and an ASM operator.

It would therefore seem helpful for governments to ensure that public or semi-public entities responsible for promoting and managing the industrial and ASM sectors and gold trading should be truly independent bodies with clearly defined responsibilities and functions.

3. Develop a regional approach to the ASM sector

As the example of the Great Lakes region of Central Africa shows, the development of a regional approach to the supervision and promotion of ASM, which is particularly exposed to the risks identified in Annex II of the OECD Guidance, could help to provide long-term answers to the issues identified in this study[xxviii]. A regional approach of that nature, which could start with the definition of a common strategy for the three LGA Member States, should nonetheless soon incorporate the viewpoints and contributions of other countries in the sub-region (e.g. Guinea, Côte d'Ivoire, Ghana) and the various regional organisations (Mano River Union) and economic communities (ECOWAS). The involvement of WAEMU would also seem necessary.

Three factors currently seem to particularly favour illicit gold exports from the LGA Member States.

- The great difference in taxation between WAEMU countries.

The differences in gold taxation between the countries of West Africa encourage smuggling. For that reason, initiatives to mitigate the risk of fraud cannot be successful unless they are backed by genuine tax harmonisation in the WAEMU countries. Most of the dealers questioned on the subject said they would regard taxation of around 150,000 FCFA per kilo as a real alternative to the cost of fraud.

However, as we have found in this study, the average profit made by dealers on gold exports is around 550,000 FCFA per kilo, which suggests that dealers could in fact pay an export tax of 200-250,000 FCFA per kilo. Harmonising the export tax on artisanal gold around that level would thus enable exporters to preserve a reasonable profit margin while getting closer to the cost of illicit export, which is around 120-150,000 FCFA per kilo.

- The circumvention of WAEMU rules on the repatriation of currency and exchange controls, regarded as overly restrictive for regional and international trade.

Exchange controls and the requirement to repatriate foreign currency in FCFA are imposed at WAEMU level in order to shield the FCFA from market fluctuations and speculation and guarantee its parity with the euro. Although these factors are beyond the scope of intervention by individual governments, measures to streamline and speed up the exchange and repatriation procedures imposed by the Central Bank of West African States (BCEAO) would doubtless encourage operators to return to official channels and stop using gold as a currency.

- The use of gold to finance business activities, including non-mining activities, outside the banking sector on account of high interest rates of up to 12% per annum.

The high interest rates charged by commercial banks in West Africa cause operators to seek alternative sources of finance. This issue could be the subject of discussion and consultation with credit institutions, national regulators and the private sector in the WAEMU area.

[xxviii] The Africa Mining Vision adopted by the African Union and African mines ministers in 2009 explicitly mentions ASM as a pillar of the continental economic growth strategy.

We consider a coordinated stance on fraud by West African countries to be necessary in order to treat the underlying causes of illicit gold mining and trading and, in a medium- to long-term perspective, to align the cost/benefit ratios of legal and illegal channels, which should gradually cause operators to turn away from illicit channels. It would also enable governments to concentrate their resources on transnational criminal organisations, which currently take advantage of shortcomings and the lack of consistency in national and regional regulations on gold production and trading to make excessive profits or launder revenue from other criminal activities.

4. Incorporate considerations relating to the formalisation of ASM into regional security strategies

a. Gain a better understanding and knowledge of the risk of terrorist penetration

Although the study identified a number of instances of interference in gold mining and trading by non-state/terrorist armed groups, its scale still needs to be determined more precisely. However, it seems to be extensive enough to have attracted the attention of the High-Level Committee on Implementation of the Common Policy of WAEMU in the field of Security and Peace. In the statement of conclusions of the meeting held at Dakar on 27 October 2017, WAEMU recommended that the Member States (including Burkina Faso, Mali and Niger) should reinforce "measures to stem activities related to clandestine gold mining and illicit and unauthorised fishing, including legislative measures likely to prevent their use by criminal gangs and terrorists"[xxix] (Allafrica.com, 2017).

Burkina Faso, Mali and Niger are also part of the West Africa Network for Peacebuilding (WANEP), an ECOWAS initiative to prevent, manage and settle conflicts and maintain peace and security[xxx]. Within this framework, a sub-regional observation, early warning and response system has been set up, called ECOWARN (West Africa Early Warning and Early Response Network). A national early warning system (NEWS) in each country regularly issues monitoring reports which provide information on developments in the socio-political situation that risk degenerating into violent conflict and propose mitigation measures to political decision-takers in cooperation with all the local stakeholders (civil society organisations, UN agencies, technical and financial partners, military cooperation). The NEWS and ECOWARN systems could incorporate information on risks within the meaning of Annex II of the OECD Guidance and encourage harmonised decision-taking in order to mitigate these risks at national and regional level.

In the Sahel region of Burkina Faso, northern Mali and the far north of Niger, however, the government authorities are not yet in a position to ensure effective supervision of artisanal mining activities. The three countries also say that they lack the human and financial resources to redeploy the security system to meet the new threats and continue to ensure the security of mining sites. In this context, raising awareness and encouraging the involvement of players on the ground, including intelligence services and the peacekeeping forces operating in the region, could be helpful in supporting governments in the region and deepening their understanding of the extent to which local gold mining and trading operations are exposed to the risk of infiltration by terrorist groups.

[xxix] http://www.uemoa.int/sites/default/files/bibliotheque/releve_de_conclusion_final.pdf
[xxx] A description of the WANEP programme and of ECOWARN alerts are available at the following addresses: http://www.wanep.org/wanep/files/2018/ ; http://www.wanep.org/wanep/index.php?option=com_content&view=article&id=1176:situation-tracking-of-burkina-faso2018-01-29-baisse-des-attaques-terroristes-au-burkina-faso&catid=25:news-releases&Itemid=8

b. Incorporate policies for formalising ASM into regional security strategies

The study highlighted the economic and social development opportunities that ASM has brought to northern Niger, a once economically enclaved region where productive activity was hampered by a deteriorating security situation. The unexpected expansion of ASM and related support activities clearly seems to have offered local people an alternative to unemployment, banditry or rebellion against the government (Grégoire and Gagnol, 2017). Likewise, ASM has enabled people in Burkina Faso to find income-generating work during the nine-month dry season, limiting their migration to cities or to the north of Côte d'Ivoire (interview with UNIDO in Ouagadougou, 2018). ASM in Mali continues to generate revenue for more than a million people, who pay several million FCFA a year to the communities where the mining sites are located. The economic development of sustainable ASM could be a factor of economic and social inclusion, capable of providing a partial response to the current crisis, in addition to the military and security option.

In the three countries studied, however, the response to the terrorist threat has not, in our opinion, focused sufficiently on the causes and factors that favour the spread and action of non-state armed groups (ICG, 2017). The military option, coupled with local people's negative view of the operations of national armed forces in the areas concerned, has strengthened their feeling that "rather terrorists than the government" (interviews with security sources in Ouagadougou and Bamako, 2018; Human Rights Watch, 2018; Jeune Afrique, 2018; Le Monde, 2018). It could therefore be helpful, in Burkina Faso, Mali and Niger, to incorporate issues related to economic development in gold-mining areas into the regional security strategy. Giving consideration to the sustainable development of ASM would then have real significance. The supervision of gold-mining areas and, above all, gold trading could thus have positive medium-term effects on social cohesion within the communities concerned and mitigate the risk of their being tempted to support the non-state armed groups operating in the region.

Lastly, the initiatives taken by the international community to provide long-term answers to the issues raised by persistent poverty in the Sahel region could also helpfully incorporate actions to support the formalisation of ASM. As the partners in the Sahel Alliance launched under the impetus of France and Germany on 13 July 2017 rightly point out, efforts to ensure the region's security will be fruitless if they are not backed up by a long-term commitment to development[xxxi]. Five key areas are being targeted, at least two of which – the employability of young people and governance – could directly benefit from concerted action to formalise ASM. Efforts to raise awareness among the members of the Sahel Alliance, several of whom already take part in or support OECD initiatives to strengthen the transparency and integrity of supply chains of minerals from conflict-affected and high-risk areas, could ultimately strengthen action on the ground to make the players in the chain more accountable.

[xxxi] The Alliance currently has nine members: France, Germany, the European Union, the African Development Bank, the United Nations Development Programme, the World Bank, Italy, Spain and the United Kingdom.

Summary of recommendations

Activities Player	Promotion of the Guidance
OECD	- Continue cooperation with the LGA General Directorate and Member States to further the identified priorities.
LGA General Directorate	- Continue studies designed to keep the LGA informed of the situation in the gold-mining sector in the three countries and follow up the recommendations derived from these studies. - Translate the Guidance into Mooré, Bambara and Hausa.
LGA Member States	- Consider adhering to the OECD Guidance and/or introducing binding measures for the private sector, such as the requirements and best practice related to transparency and due diligence. - Set up multi-stakeholder local committees to assess risks within the meaning of Annex II of the OECD Guidance as close as possible to ASM sites.
Regional organisations[xxxii]	- Promote the OECD Guidance to Member States and bodies representing the private sector at regional level.
International organisations & institutions / Development agencies	- Support the inclusion in the work programmes of national EITI committees of considerations related to physical and financial flows of gold, especially from ASM. - Ensure that the World Bank and OECD Secretariat include the promotion and circulation of the Guidance recommendations in the plan to create a World Centre of Excellence on ASM. - Reciprocally promote the objectives of the OECD Guidance and the 2017 UNICEF toolkit for mining companies.
National and regional private sector	- Ensure that umbrella associations representing players in the supply chain (chambers of mines and commerce, forums to promote CSR) encourage their members to promote and implement the OECD Guidance.
International private sector	- Specify the recommendations of the World Gold Council's conflict-free gold standard relating to sources of information that its members are invited to consult in order to determine the extent of conflict in the areas where they operate.
National and regional civil society organisations	- Take part in actions to promote and raise awareness of the OECD Guidance in mining communities. - Participate in multi-stakeholder local committees.

[xxxii] WAEMU, ECOWAS, Mano River Union

Activities Player	Formalisation policies: 1. Activities on the ground
OECD	- Contribute to regional thinking on how to adapt policies and regulations on the formalisation and legalisation of ASM.
LGA General Directorate	- Coordinate discussion between Member States on the harmonisation of formalisation policies.
LGA Member States	- Develop gold-mining corridors on the basis of consultation and cooperation with mining communities. Use geological services and methods for analysing deposits to ensure that the operation of such corridors by the miners is potentially viable. - Offer gold miners services that the current system does not provide (e.g. safe and secure working conditions, the possibility of access to safe, efficient and affordable processing areas). - Develop taxation policies that are attractive to ASM and encourage formalisation of the players involved.
Regional organisations	- Participate in and support a harmonised regional approach to policies to formalise ASM, especially in the LGA Member States.
International organisations & institutions / Development agencies	- Strengthen support programmes for governments that wish to reform the ASM sector and thus contribute to its long-term development. - Develop financial support for innovative projects to encourage the formalisation of ASM, in coordination with the public authorities.
National and regional private sector	- Continue, reinforce and develop traceability initiatives designed to strengthen ASM's contribution to the formal sector. - Promote and invest in the creation of ASM cooperatives and contribute to the development of modern processing areas, exchanges and on-site analysis centres. - Support the transition from artisanal to small-scale mining by developing suitable programmes and financing options, with the participation of the public authorities and the banking sector.
International private sector	- Develop and take part in programmes to implement the recommendations of the OECD Guidance annex suggesting measures to create economic and development opportunities for ASM.
National and regional civil society organisations	- Support efforts to promote and raise awareness of responsible mining practices.

Activities / Player	Formalisation policies: 2. Regulation of gold trading and export
OECD	- Support the initiatives developed by the LGA General Directorate and Member States to help strengthen transparency and integrity in the trading and export of gold.
LGA General Directorate	- Help the Member States to roll out initiatives and programmes to formalise gold trading and export and make the players in the chain more accountable.
LGA Member States	- Reinforce mechanisms to register and supervise local players involved in the financing, collection, distribution and export of mining production, especially from ASM. - Carry out background checks of applicants for dealer licences, especially with regard to the traceability and origin of funds. - Strengthen implementation of the FATF recommendations on designated non-financial businesses and professions (especially dealers in precious metals).
Regional organisations	- Adopt a regional policy for regulating and promoting ASM, which could help to provide long-term answers to the issues identified, especially the risks listed in Annex II of the OECD Guidance.
International organisations & institutions / Development agencies	- Operationalise cooperation between the World Bank and the OECD in order to support the formalisation of ASM at mining sites by regulating the financing, purchase and export of gold. - Develop and propose systems for the responsible financing of ASM which ensure that miners can be financially independent.
National and regional private sector	- Implement the OECD Guidance recommendations on upstream companies in the supply chain (information gathering, risk analysis, mitigation strategies and communication to the public of action taken and risks identified).
International private sector	- Implement the OECD Guidance recommendations on upstream companies in the supply chain.
National and regional civil society organisations	- Help to monitor the trading and export of precious metals and participate in efforts to gather information and report suspicious behaviour to the public authorities.

Activities Player	Formalisation policies: 3. Tax harmonisation and measures to combat fraud
OECD	- Support the initiatives rolled out by the LGA General Directorate and Member States and facilitate links between officials from the three countries and the relevant partners and international organisations (especially on measures to combat fraud).
LGA General Directorate	- Coordinate discussion between the Member States on the harmonisation of tax policies and the development of cross-border cooperation between the intelligence, police and customs authorities to combat illicit gold mining and exports.
LGA Member States	- Harmonise the tax on exports of ASM gold in the three countries at 200-250,000 FCFA per kilo (1% of the market value of the gold at current prices) to discourage illicit exports (which cost approx. 150,000 FCFA per kilo to other countries).
Regional organisations	- Adapt currency repatriation procedures for foreign trade (WAEMU). - Facilitate and reduce the cost of access to foreign currency from the BCEAO (Central Bank of West African States). - Step up the involvement of the Intergovernmental Action Group against Money Laundering in West Africa (GIABA) in the fight against money laundering and terrorist financing linked to gold mining and trading.
International organisations & institutions / Development agencies	- Encourage and support the development of harmonised regional policies (World Bank, International Monetary Fund, African Development Bank). - Develop and strengthen coordination of the fight against fraud with the authorities of Member States (World Customs Organisation, Interpol).
National and regional private sector	- Encourage access to basic banking services in the three countries to reduce the use of gold as a means of financing import-export operations. - Reduce the interest rates charged by commercial banks in West Africa to a level that encourages the use of formal bank financing in order to limit the use of parallel channels.
International private sector	- Develop cooperation with the police, customs and intelligence authorities (at national and international level) in order to strengthen the fight against fraud and illicit gold exports.
National and regional civil society organisations	- Develop cooperation with the police, customs and intelligence authorities at national and regional level.

Activities / Player	Formalisation policies: 4. Organisation of administrative oversight
OECD	
LGA General Directorate	- Suggest the creation of a working group between the Member States to compare existing practices and help to improve them.
LGA Member States	- Rationalise the administrative organisation of agencies responsible for supervising the sector or ensuring the security of ASM sites in order to reduce the risk of overlapping responsibilities, duplication of tasks and lack of the resources needed to make such structures operational. - Give local authorities the necessary resources to continue their efforts to detect and eliminate illicit activities and ensure compliance with regulations. - Make public security forces aware that their functions are incompatible with interference in mining operations, especially ASM, and develop services (such as an anti-corruption hotline) that operators, including artisanal miners, can use to report interference by public security forces in mining activity. - Separate the management of ASM from that of industrial mines and the supervision of gold trading, ensuring that the state or semi-public bodies responsible for promoting and managing the industrial and artisanal production and trading of gold are genuinely independent and have clearly defined powers and functions.
Regional organisations	
International organisations & institutions / Development agencies	- Support programmes to strengthen local agencies involved in the supervision of extractive industries (especially ASM) and the detection and elimination of fraud.
National and regional private sector	- In compliance with the Voluntary Principles on Security and Human Rights, support the creation of mines police forces, including customary authorities (e.g. Tomboloma, Dozos) and raise their awareness of human rights and fraud issues in order to lighten the burden on the regular police and gendarmerie (e.g. FNOM in Mali).
International private sector	- Support implementation of the Voluntary Principles on Security and Human Rights.
National and regional civil society organisations	

Activities / Player	Incorporation of policies to formalise ASM into strategies to counter armed groups
OECD	- In liaison with the LGA General Directorate, carry out awareness-raising activities with officials who help to frame and implement defence and security policies in the Sahel region in order to encourage the inclusion of strategies for the responsible economic development of ASM as a factor of economic and social stability.
LGA General Directorate	- Support OECD awareness-raising initiatives and carry out similar work at regional level and within Member States.
LGA Member States	- Raise awareness and encourage the involvement of players on the ground, including intelligence agencies and peacekeeping forces operating in the region, in order to reach a better understanding of the extent to which local gold mining and trading operations are exposed to the risk of infiltration by terrorist groups. - Consider the incorporation of policies to formalise ASM into strategies to counter armed groups, especially in economically enclaved regions and areas where a deteriorating security situation limits opportunities to create jobs.
Regional organisations	- Implement the recommendations of the High-Level Committee on Implementation of the Common Policy of WAEMU in the field of Security and Peace. - Strengthen the National Early Warning System (NEWS) and ECOWARN to include discussion of risks within the meaning of Annex II of the OECD Guidance and encourage harmonised decision-taking to mitigate these risks at national and regional level.
International organisations & institutions / Development agencies	- Integrate actions focusing on support for the formalisation of ASM, the employability of young people and good governance into initiatives rolled out by the international community (e.g. the Sahel Alliance) to provide long-term answers to the issues raised by persistent poverty in the Sahel region.
National and regional private sector	- Raise awareness among private-sector players and step up due diligence measures designed in particular to identify the risk that gold production and trading might help to finance the activities of terrorist groups.
International private sector	- Raise awareness among private-sector players and step up due diligence measures designed in particular to identify the risk that gold production and trading might help to finance the activities of terrorist groups.
National and regional civil society organisations	- Strengthen and expand measures to detect and report suspicious behaviour around ASM sites.

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Annexes

Annex 1: Notes on methodology

The purpose of the study was to present the current state of the gold supply chains in the three countries in the Liptako-Gourma region (Burkina Faso, Mali and Niger). The study is part of the implementation of the due diligence for mineral supply chains developed by the OECD.

The author took into consideration around 90 sources including academic publications, reports by civil society organisations and international organisations, technical reports, reports by organisations specialising in the field in question, and media analyses. Around 200 lines of statistical data on the production and international trade of gold, as well as on mining titles and permits, were consulted, along with the mining cadastres for the three countries covered by the study.

The review of the literature available, which formed the basis for the study, helped provide an overview of the gold mining industry in the three countries. The author took into account the production zones, the legal and regulatory framework for gold production, the size of official production and the estimated size of artisanal mining production, the actors involved in the different phases of the gold industry, and the different terrorist groups and criminal networks operating in the Liptako-Gourma countries.

The analysis of secondary sources helped provide an initial analysis of the vulnerability of the gold industries in Burkina Faso, Mali and Niger to the risks identified in Annex II of the OECD Due Diligence Guidance, in particular: gross human rights violations; direct or indirect support to non-state armed groups; public or private security forces and the risks of bribery, fraudulent misrepresentation and money laundering.

The field research phase lasted one month and mostly comprised interviews with sources with direct access to information, and credible secondary sources in Ouagadougou (04-10 February), Paris (13-18 February), Niamey (19-24 February), Bamako (25 February-03 March), and Abidjan. A total of 87 interviews were carried out with sources from technical backgrounds, institutions, sector organisations in the mining industry, artisanal gold miners and collectors, security teams, journalists and experts in the field, customs officials and members of the police force, civil society, national and international regulators, international organisations, embassies and technical co-operation institutions.

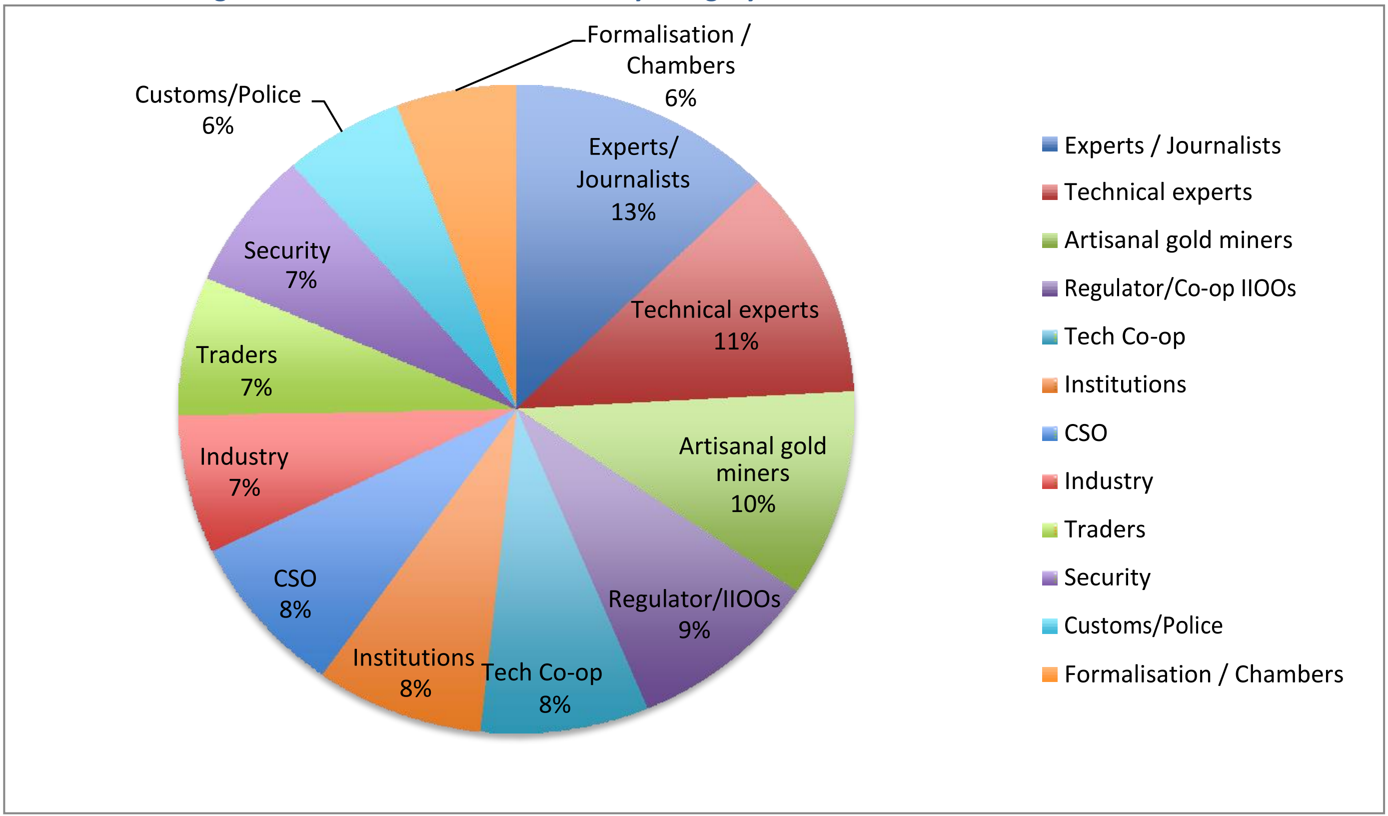
The field research focused on identifying actors, institutions (local, regional and international) and initiatives in a position to promote the implementation of the OECD Guidance in Burkina Faso, Mali and Niger, and this is the subject of the second part of the study. Lastly, text analysis and field research helped pinpoint the challenges raised by the current structure of the gold mining industry and the opportunities to be seized for making progress in terms of due diligence in the three countries covered by the study.

The interviews used a quantitative methodology based on semi-structured questionnaires designed to allow for comparisons to be drawn between the various respondents' answers. The assertions contained in the study are, whenever possible, based on documents analysed by the author, or by cross-referencing at least three mutually independent sources. Three semi-structured questionnaires served as interview guides, covering respectively mining titles and operations, artisanal mining sites (ASM sites), and security.

The 87 interviews break down into the following categories:

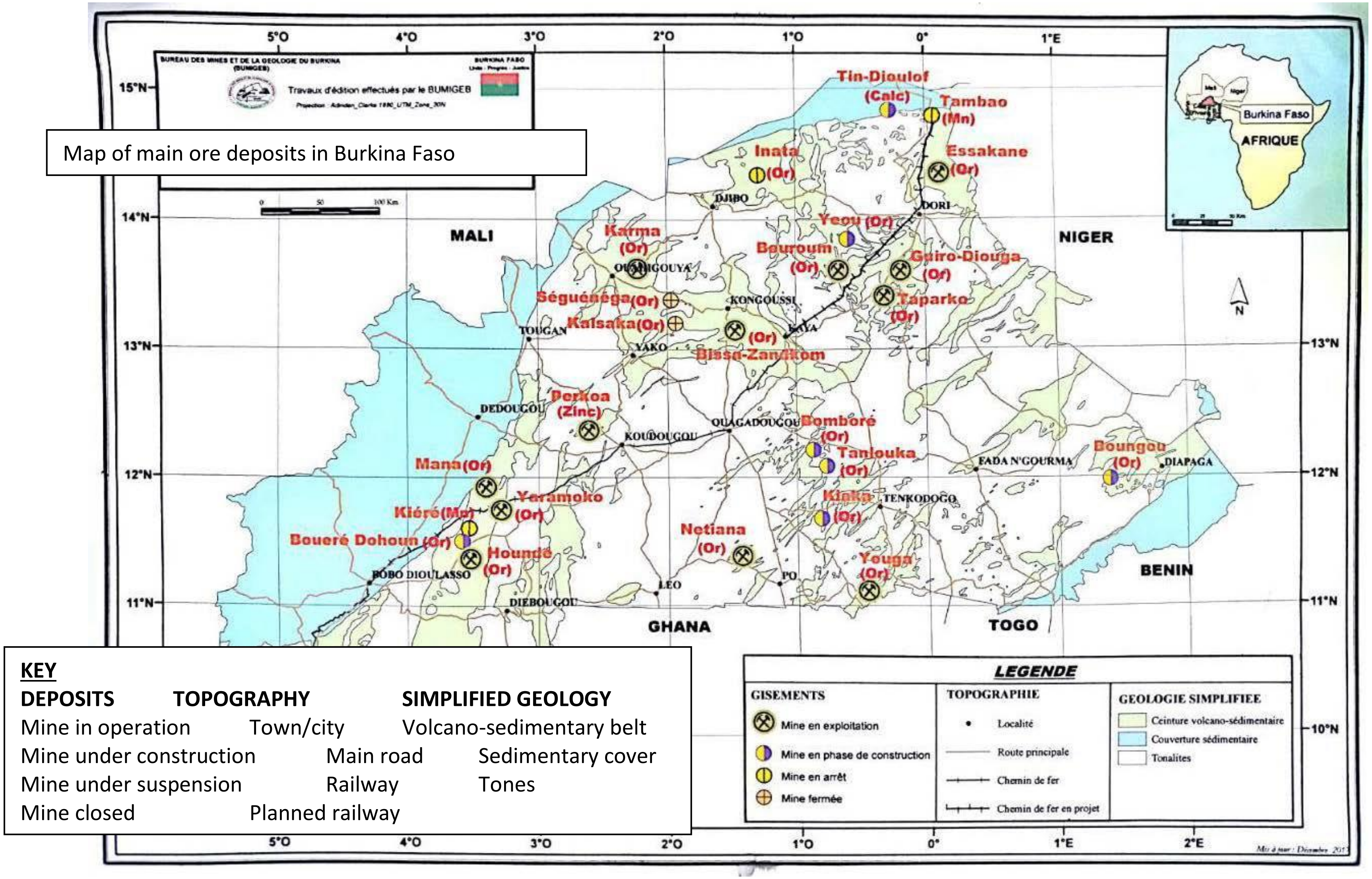
- 6 journalists and 5 experts in the field in question;
- 10 sources from technical backgrounds;
- 4 organisations of artisanal gold miners, and 5 individual artisanal gold miners;
- 5 international regulators (WAEMU, World Bank, FATF, OECD and EITI), and 3 International Organisations (UNIDO, UNICEF, LGA);
- 7 technical co-operation institutions, including GIZ, the French development agency (AFD), embassies and European Union delegations;
- 7 representatives of ministries responsible for mining, the environment and foreign affairs;
- 7 civil society organisations;
- 6 collectors;
- 6 industrialists and related sources;
- 6 experts and institutions actively involved in security-related issues;
- 5 sources from police and customs ;
- The 3 organisations encompassing the actors in the industry (the Chamber of Mines in Burkina Faso and Mali, and the association of mining companies in Niger);
- The 2 agencies responsible for formalisation: Aneemas (Burkina Faso) and Sopamin (Niger).

Figure 2: Breakdown of interviews by category



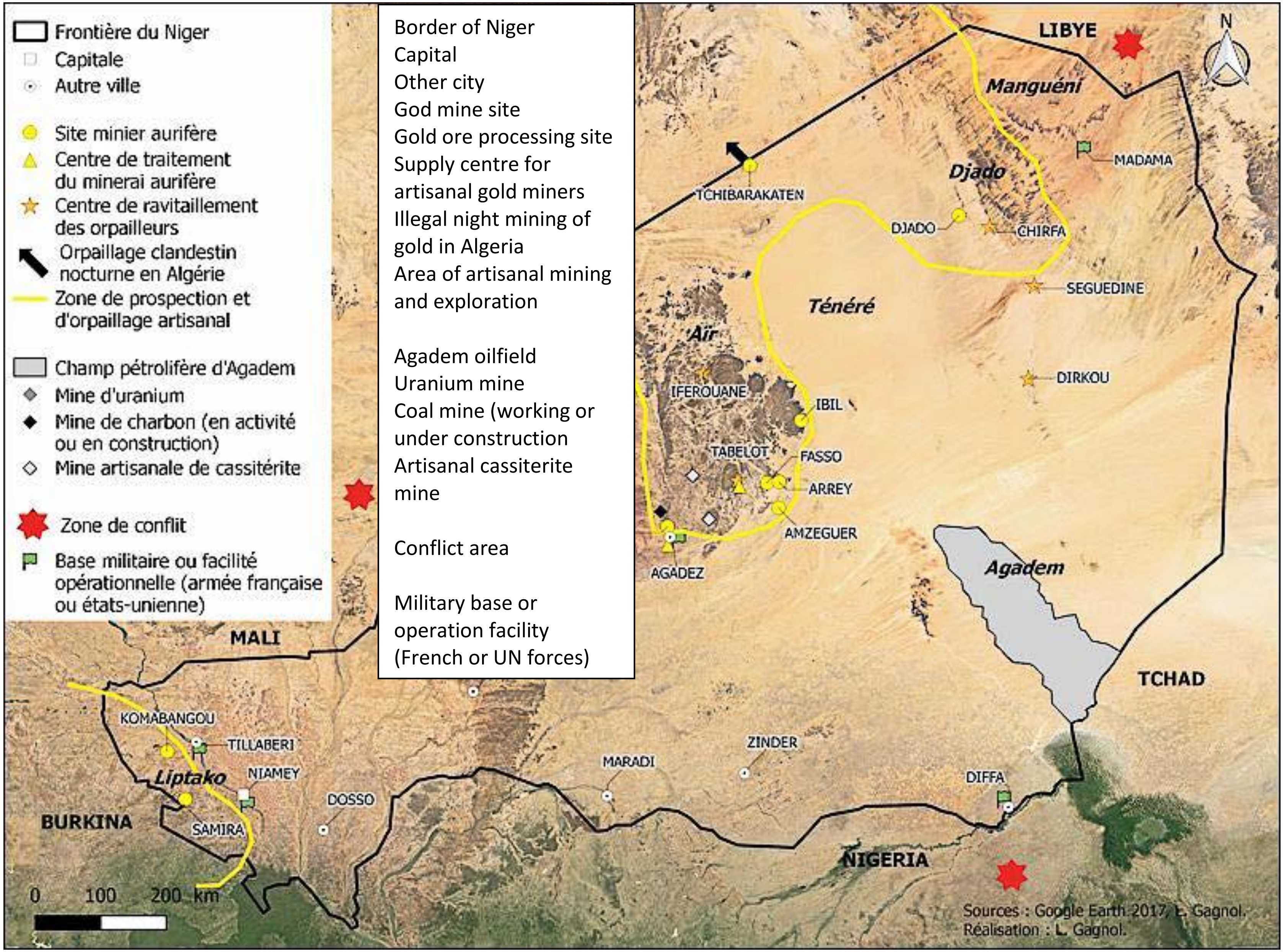
Annex 2: Gold production areas in Burkina Faso, Niger and Mali

Figure 3: Mining map of Burkina Faso



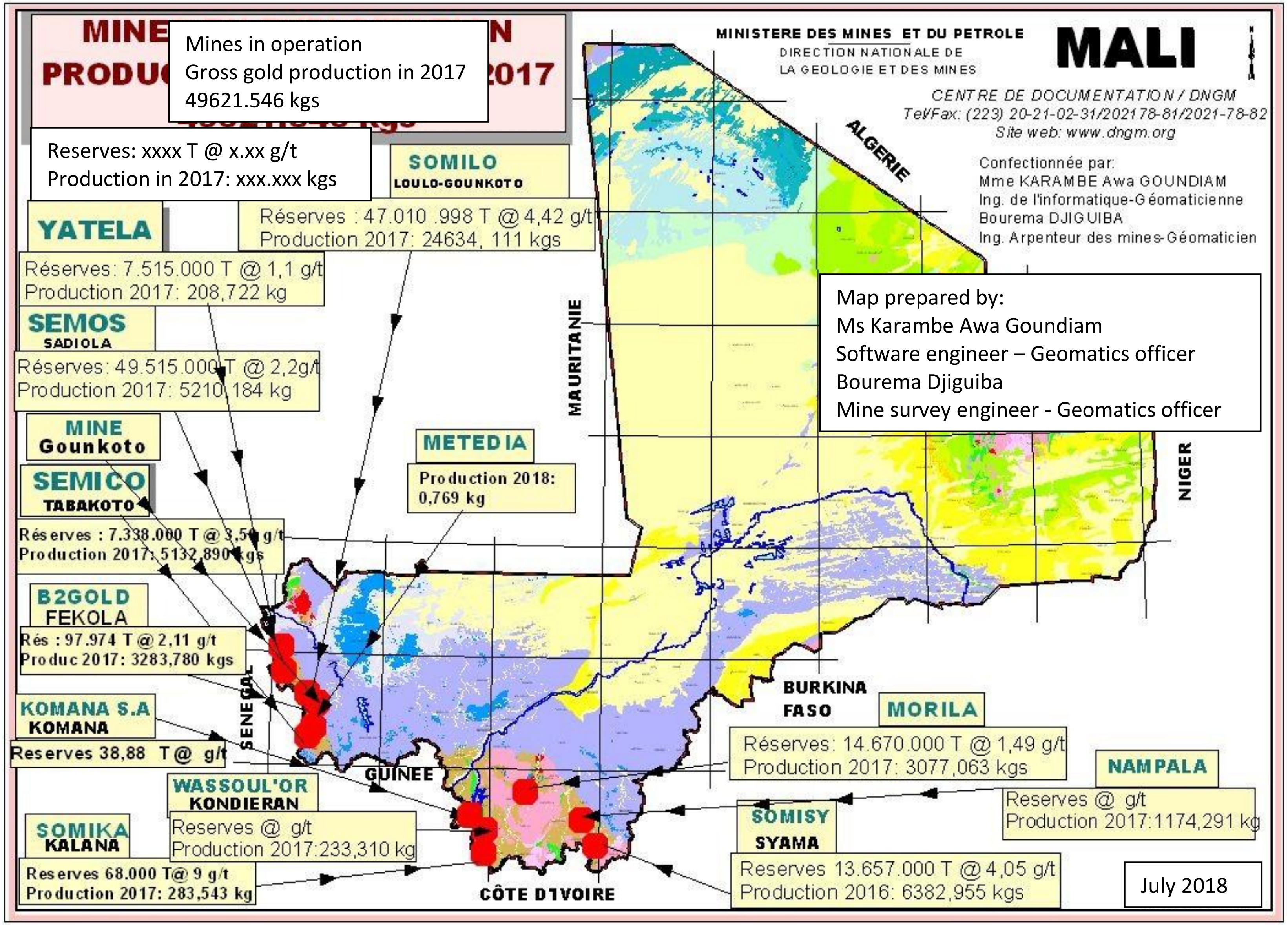
Source: Bureau of Mines and Geology of Burkina Faso (BUMIGEB), 2018

Figure 4: Gold mining operations in Niger



Source: Grégoire and Gagnol, 2017

Figure 5: Mining map of Mali



Source: Mining Registry, July 2018

Annex 3: Cross-comparison of gold flows

Mali

Year	Trade Flow	Reporter	Partner	Qty (kg)	Value (US)	Price
2016	Export	Mali	World	63,190	$2,042,907,894	32,330
2016	Export	Mali	South Africa	32,473	$1,328,820,456	40,921
2016	Export	Mali	United Arab Emirates	15,284	$216,667,714	14,176**
2016	Export	Mali	Switzerland	10,441	$426,382,479	40,837
2016	Export	Mali	Others	4,991	$71,037,245	14,233
2015	Export	Mali	World	34,673		
2015	Export	Mali	South Africa	28,849		
2015	Export	Mali	Switzerland	11,824		

Year	Trade Flow	Reporter*	Partner	Qty (kg)	Value (US)	Price
2016	Total Import			90,894		
2016	Import	United Arab Emirates	Mali	41,070	$1,523,283,474	37,090
2016	Import	South Africa	Mali	32,473	$1,328,820,456	40,921
2016	Import	Switzerland	Mali	14,062	$556,339,308	39,563
2016	Import	India	Mali	3,207	$109,073,881	34,011
2016	Import	Others	Mali	82	$3,085,965	37,634
2015	Total Import			111,721		
2015	Import	United Arab Emirates	Mali	66,858	$2,494,266,400	37,307
2015	Import	South Africa	Mali	28,849		
2015	Import	Switzerland	Mali	13,551	$486,131,560	35,874
2015	Import	India	Mali	2,422	$83,111,364	34,315
2014	Import	United Arab Emirates	Mali	59,922	$2,374,451,129	39,626
2014	Import	Switzerland	Mali	7,664	$282,650,277	36,880
2014	Import	Saudi Arabia	Mali	2,001	$141,392	71
2014	Import	Others	Mali	779	$28,253,238	36,269

* South Africa does not report its gold imports on UN Comtrade, so the same quantity as declared by the export countries (as they are all almost entirely from industrial mines) is used to calculate the differences.

** The values per kilo of gold declared outside of its market price are highlighted in yellow.

Togo

Year	Trade Flow	Reporter	Partner	Qty (kg)	Value (US)	Price
2016	Export	Togo	World	14,472	$24,703,941	1,707
2016	Export	Togo	United Arab Emirates	10,260	$17,503,157	1,706
2016	Export	Togo	Lebanon	4,183	$7,148,448	1,709
2015	Export	Togo	World	15,568	$26,539,169	1,705
2015	Export	Togo	United Arab Emirates	9,256	$15,776,136	1,704
2015	Export	Togo	Lebanon	4,409	$7,518,961	1,705
2015	Export	Togo	Switzerland	1,741	$2,967,591	1,705
2015	Export	Togo	Turkey	162	$276,481	1,707
2014	Export	Togo	World	20,575	$42,022,400	2,042
2014	Export	Togo	Lebanon	7,204	$14,721,119	2,043
2014	Export	Togo	Switzerland	6,902	$14,082,951	2,040
2014	Export	Togo	United Arab Emirates	4,760	$9,729,210	2,044
2014	Export	Togo	Turkey	937	$1,908,933	2,037
2014	Export	Togo	Ghana	772	$1,580,187	2,047

Year	Trade Flow	Reporter	Partner	Qty (kg)	Value (US)	Price
2016	Total Import			16,643	$578,546,499	34,762
2016	Import	United Arab Emirates	Togo	12,030	$409,356,286	34,028
2016	Import	Lebanon	Togo	4,555	$167,083,156	36,681
2016	Import	Belgium	Togo	54	$2,107,057	39,020
2015	Total Import			11,856	$385,734,522	32,535
2015	Import	United Arab Emirates	Togo	9,996	$321,058,306	32,119
2015	Import	Switzerland	Togo	1,860	$64,676,216	34,772
2014	Total Import			20,159	$736,951,791	36,557
2014	Import	Lebanon	Togo	7,097	$268,504,353	37,834
2014	Import	Switzerland	Togo	6,904	$254,393,117	36,847
2014	Import	United Arab Emirates	Togo	5,748	$196,637,681	34,210
2014	Import	Turkey	Togo	409	$17,416,640	42,583

Burkina Faso

Year	Trade Flow	Reporter	Partner	Qty (kg)	Value (US)	Price (US)
2016	Export	Burkina Faso	World	38,690	$1,547,680,536	40,002
2016	Export	Burkina Faso	Switzerland	33,055	$1,330,285,632	40,245
2016	Export	Burkina Faso	India	3,194	$125,318,819	39,236
2016	Export	Burkina Faso	South Africa	2,229	$88,464,496	39,688
2016	Export	Burkina Faso	United Arab Emirates	116	$1,576,065	13,587
2015	Export	Burkina Faso	World	41,811	$1,344,368,548	32,153
2015	Export	Burkina Faso	Switzerland	29,317	$1,028,462,799	35,081
2015	Export	Burkina Faso	India	6,117	$216,042,336	35,318
2015	Export	Burkina Faso	South Africa	2,628	$84,098,151	32,001
2015	Export	Burkina Faso	United Arab Emirates	323	$10,231,112	31,675
2014	Export	Burkina Faso	World	42,474	$1,462,895,803	34,442
2014	Export	Burkina Faso	Switzerland	37,808	$1,319,419,894	34,898
2014	Export	Burkina Faso	South Africa	3,698	$114,674,416	31,010
2014	Export	Burkina Faso	India	750	$24,625,175	32,834
2014	Export	Burkina Faso	United Arab Emirates	52	$856,918	16,479

Year	Trade Flow	Reporter	Partner	Qty (kg)	Value (US)	Price (US)
2016	Total Import			43,287	$1,477,068,951	34,123
2016	Import	Switzerland	Burkina Faso	39,069	$1,339,103,739	34,275
2016	Import	India	Burkina Faso	3,877	$125,778,494	32,442
2016	Import	United Arab Emirates	Burkina Faso	294	$10,532,809	35,826
2015	Total Import			39,301	$1,267,152,043	32,242
2015	Import	Switzerland	Burkina Faso	30,869	$1,004,269,584	32,533
2015	Import	India	Burkina Faso	8,200	$255,134,144	31,114
2015	Import	United Arab Emirates	Burkina Faso	95	$3,225,093	33,948
2014	Total Import			39,526	$1,387,640,689	35,107
2014	Import	Switzerland	Burkina Faso	37,374	$1,311,676,332	35,096
2014	Import	India	Burkina Faso	1,192	$37,976,575	31,860
2014	Import	Belgium	Burkina Faso	524	$20,361,820	38,858
2014	Import	United Arab Emirates	Burkina Faso	338	$13,567,816	40,141

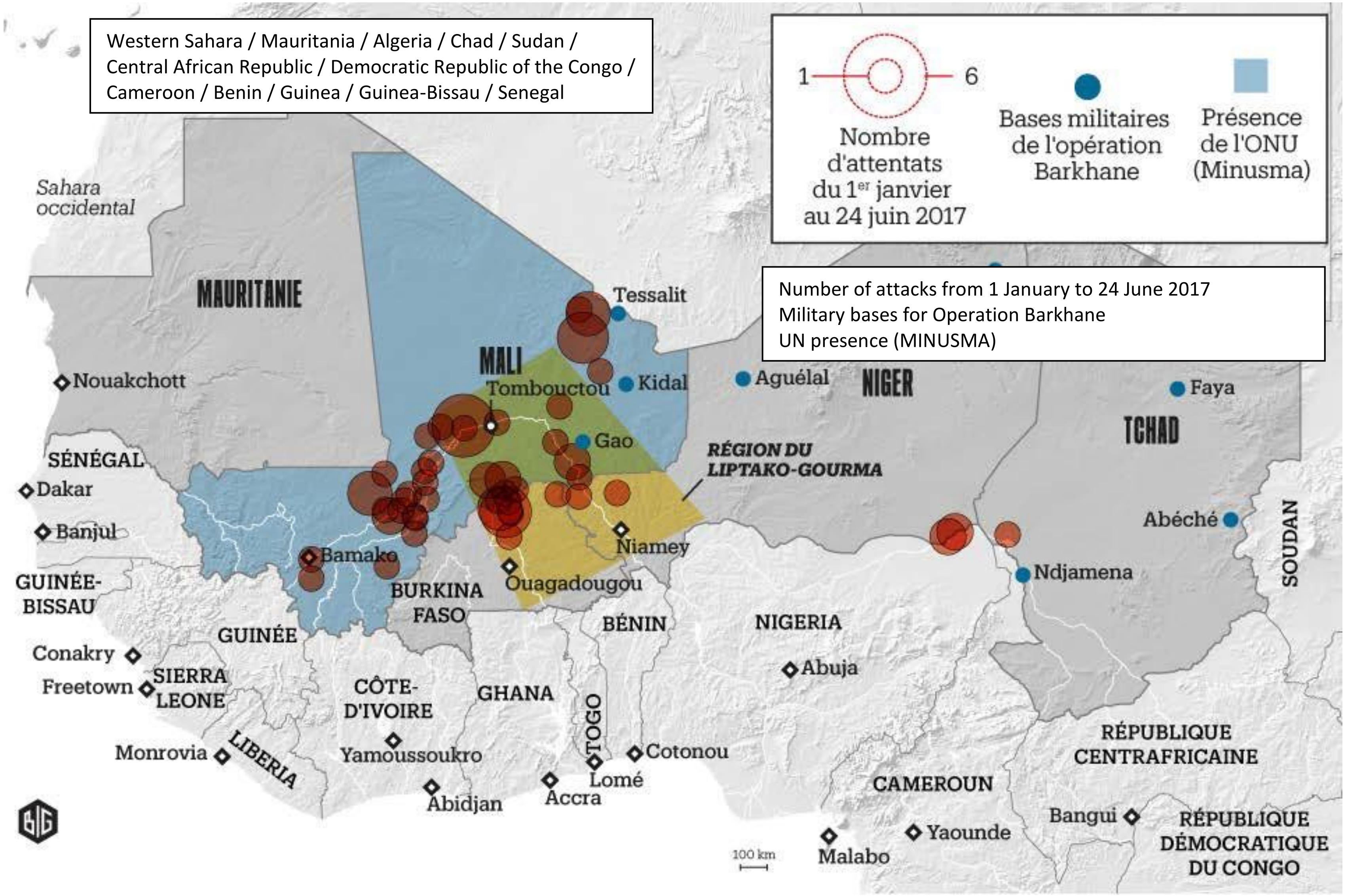
Niger

Year	Trade Flow	Reporter	Partner	Qty (kg)	Value (US)	Price (US)
2016	Export	Niger	World	3,017	$35,397,188	11,733
2016	Export	Niger	United Arab Emirates	2,044	$166,635	82
2016	Export	Niger	Switzerland	969	$35,208,804	36,335
2016	Export	Niger	Ethiopia	2	$6,692	3,346
2016	Export	Niger	Turkey	2	$15,057	7,529
2015	Export	Niger	World	1,189	$41,693,398	35,066
2015	Export	Niger	Switzerland	1,183	$41,653,269	35,210
2015	Export	Niger	Areas, NES	6	$40,129	6,688

Year	Trade Flow	Reporter	Partner	Qty (kg)	Value (US)	Price (US)
2017	Import	Turkey	Niger	17	$729,899	42,935
2016	Total Import			5,070	$188,321,529	37,144
2016	Import	United Arab Emirates	Niger	4,358	$163,918,895	37,613
2016	Import	Switzerland	Niger	704	$24,305,815	34,525
2016	Import	Turkey	Niger	2	$84,524	42,262
2015	Total Import			5,784	$207,703,557	35,910
2015	Import	United Arab Emirates	Niger	4,875	$178,805,691	36,678
2015	Import	Switzerland	Niger	908	$28,869,987	31,795
2015	Import	Italy	Niger	1	$27,879	27,879
2014	Total Import			3,054	$115,484,501	37,814
2014	Import	United Arab Emirates	Niger	2,398	$91,965,597	38,351
2014	Import	Switzerland	Niger	656	$23,518,904	35,852

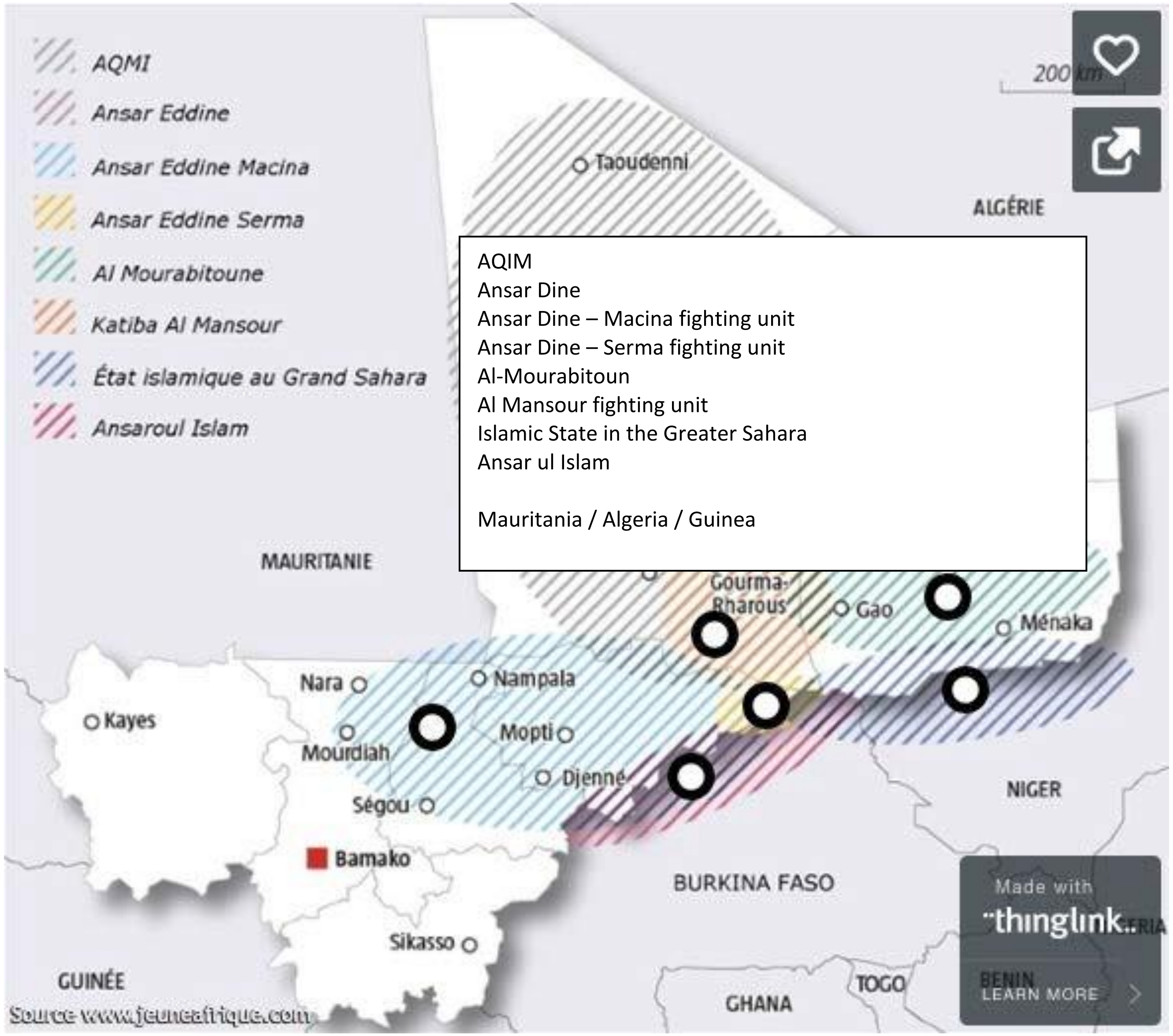
Annex 4: Area of operation of the main terrorist groups

Figure 6: Area of operation of the main terrorist groups



Source: Nouvelle force au Sahel : par ici la sortie?, Libération.fr, 30 June 2017

Figure 6: Area of activity of terrorist groups around the "Niger bend"



Source: Jeune Afrique, 19 March 2018, [*http://www.jeuneafrique.com/542247/politique/infographie-les-organisations-jihadistes-gagnent-du-terrain-au-mali/*](http://www.jeuneafrique.com/542247/politique/infographie-les-organisations-jihadistes-gagnent-du-terrain-au-mali/)

Al Qaeda in the Islamic Maghreb (AQIM), led by Abdelmalek Droukdel
On 25 January 2007, the Salafist Group for Preaching and Combat (GSPC), an offshoot of the Armed Islamic Group (GIA) in Algeria, recognised several months earlier by Osama bin Laden, officially became Al Qaeda in the Islamic Maghreb (AQIM), or more specifically, "Organization of Al Qaeda in the Land of the Islamic Maghreb", thereby forming a new branch of Al Qaeda.

Al-Mourabitoun, led by Mokhtar Belmokhtar
The Al-Mourabitoun militant group ("The Sentinels") was formed in August 2013 by the merger of two dissident groups from AQIM, the "katiba" (fighting unit) of the "Turbaned Ones" created by Algerian jihadist Mokhtar Belmokhtar (MBM), and the Movement for Unity and Jihad in West Africa (MUJAO), led by Mauritanian jihadist Hamada Ould Mohamed Kheirou (BBC, 2013). Al-Mourabitoun pledges allegiance to Al Qaeda.

Before joining forces with MUJAO, Belmokhtar was behind the kidnapping of 800 hostages in January 2013 at a gas facility near In Amenas in Algeria. The co-ordinated suicide attacks in March 2013 in Agadez and Arlit (Niger) targeting French company Areva and a Niger army base were the first combined operations by the two groups working together. The alliance set up its base is in the city of Gao in Mali (Le Monde, 2013).

Weakened militarily by French forces as part of Operation Serval and pushed back into Libya, Al-Mourabitoun remains active in the Sahel and has carried out several fatal attacks against MINUSMA peacekeeping forces. The group is said to comprise 250-300 members, only around 50 of whom are active fighters.

Ansar Dine, led by Iyad Ag Ghali
The "Defenders of the Faith", originally formed from the jihadist movement which arose from Touareg separatist movements, is an AQIM "katiba" operating in central and southern Mali, in Burkina Faso and in Côte d'Ivoire.

It expansion southwards of the areas traditionally under Touareg influence was made possible by the alliance with the Islamist movements from the Fulani ethnic group, the most famous of which is the Macina Liberation Front created by Malian marabout Amadou Kouffa, which was behind the attack on the Byblos hotel in Mopti and which claimed the attack on the Radisson Blu hotel in Bamako on 20 November 2015.

In March 2017, Iyad Ag Ghali was appointed head of Jama'a Nusrat ul-Islam wa al-Muslimin (Group for the Support of Islam and Muslims (GSIM)), formed from the merger of Ansar Dine, AQIM, Al-Mourabitoun and the Macina Liberation Front.

Movement for Unity and Jihad in West Africa (MUJAO)
The Movement for Unity and Jihad in West Africa (MUJAO) was officially created in 2011 as a "katiba" of AQIM, and made the headlines during the Touareg insurgency in 2012 alongside AQIM and Ansar Dine, going on to take control of the area from Gao to the border with Niger. In May 2013, MUJAO claimed the co-ordinated suicide attacks in the city of Agadez and the Areva mine in Arlit (Niger), which left 20 dead, stating that it had "attacked France, and Niger for co-operating with France in the war against Sharia law" (Le Monde, 2013).

In August 2013, its founder, the Mauritanian Hamada Ould Mohamed Kheirou (*nom de guerre* "Ahmed Telmissi") and Mokhtar Belmokhtar, leader of the "katiba" of the "Turbaned Ones" announced that their groups were merging to form Al-Mourabitoun ("The Sentinels").

The Macina Liberation Front, led by Amadou Koufa
The Macina Liberation Front (MLF) is a predominantly Fulani "katiba", active since 2015 in the Mopti area of Mali, with rear-guard bases in the North of Côte d'Ivoire. Founded by Malian marabout Amadou Kouffa, the MLF, in an alliance with Ansar Dine, established such stable control over the Mopti area that in August 2017 it sent envoys to Bamako to discuss a "truce" with the Malian authorities subject to the immediate termination of Operation Barkhane and Minusma (Maliactu.net, 2017).

According to security sources, several persons who fled the Macina Liberation Front in Mopti are reportedly set to return there because, despite the imposition of Sharia law, there is administration of justice within the areas under its control, especially concerning the settlement of land disputes between Bambara and Fulani ethnic groups, some of which have been dragging on for over a century (interviews with journalists and security sources, 2018).

Gold at the crossroads: Assessment of the supply chains of gold produced in Burkina Faso, Mali and Niger

This study was prepared by Roberto Sollazzo based on research carried out in 2018 in the form of an analysis of the literature available on the subject and interviews carried out in Burkina Faso, Niger, Mali and France with key stakeholders in the production and trading of gold, and with representatives of the countries concerned and international organisations. The overall aim of the study is to promote the responsibility of economic actors, and the traceability and transparency of supply chains of gold ores produced in the LGA Member countries.

mneguidelines.oecd.org/mining.htm

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