Gold Trafficking in the Sahel

Transnational Organized Crime
Threat Assessment – Sahel
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Content overview
Amado Philip de Andrés, Angela Me

Research, analysis and drafting
Coen Bussink, François Patuel, Rupert Cook (Consultant), Marcena Hunter (Consultant)

Mapping
Alice Bourdet, Coen Bussink

Editing
Vanessa Barchfield

Graphic design and production
Martina Hejduk, Lena Keck, Suzanne Kunnen, Maria Moser

Administrative support
Arame Barry, Iulia Lazar

Contributions
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This report is dedicated to the memory of Rupert Cook.

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Key takeaways

- Sahel countries are some of the largest gold producers in Africa. While gold production data can be unreliable, Burkina Faso, Mali, Mauritania and the Niger are estimated to have produced 228 tons of gold in 2021, worth over 12.6 billion United States dollars ($). The gold sector is a major economic driver in the Sahel countries.

- Artisanal and small-scale gold mining (ASGM) production is estimated at 108 tons per year in Sahel countries, although official ASGM production data is largely unreliable due to the informal nature of the sector. ASGM provides a livelihood to over 1.8 million people in areas where income-generating activities are limited. The sector is characterized by high levels of informality because it often takes place on unlicensed and undeclared mining sites. Gold mining without licenses is illegal in all Sahel countries, although Member States have taken measures to formalize ASGM.

- Barriers to accessing mining licences often push communities involved in ASGM into a vicious cycle of illegality. Without protection of the law, they depend on a local economy often controlled by transnational organized crime (TOC) groups to fund their operations and to sell their gold production, with limited opportunities for structural investments. These communities are potentially susceptible to recruitment by armed groups, including violent extremist groups.

- Porous borders enable gold to be easily moved within the Sahel countries and smuggled out of the region, including to the United Arab Emirates (UAE).
Gold is a high-value commodity. It is particularly attractive to TOC and armed groups, including violent extremist groups, due to the high profits it can generate and because of its use in money-laundering and illicit financial flows. High-profile traffickers in Sahelian gold trafficking networks operate on a regional level, effectively performing arbitrage as they shift transportation routes between different jurisdictions to maximize profits.

Armed groups, including violent extremist groups, have expanded their influence in ASGM areas of the Sahel countries by offering funding, recruiting and supplying opportunities.

Barriers to formalization of the ASGM sector, corruption, trade-based money-laundering and alternative financial systems are the main enablers of gold trafficking in Sahel countries.

It should be noted that the production and trade of gold, including through ASGM, contribute to peace and stability in the Sahel countries. However, criminal exploitation of the gold sector constitutes a significant destabilizing factor.

In terms of impact, gold trafficking deprives Sahelian countries of millions of dollars in fiscal revenue every year. Competition over gold mining sites has fuelled violence between communities, armed groups and security forces. The absence or challenges in the implementation of artisanal and small-scale mining (ASM) regulations expose ASGM communities to human rights abuses, notably resulting from poor working conditions and exploitation. This affects hundreds of thousands of people, including women and children across Sahel countries. Furthermore, the mercury and cyanide used on some ASGM sites are toxic and have serious effects on public health and the environment in mining communities.

Heavy-handed security approaches to clamp down on artisanal gold mining have been met with resistance and have deprived thousands of people of their main source of income. Thus, responses to the problem should be twofold: 1) confront criminal groups and their illegal activities with criminal justice responses and international cooperation; and 2) support ASGM formalization with legal frameworks that remove barriers to formalization and are supportive and accessible rather than punitive, including through the provision of alternative economic activities in affected ASGM communities.
For the purpose of this report, “Sahel countries” refers to Burkina Faso, Chad, Mali, Mauritania and the Niger.
Gold Trafficking in the Sahel

Nature of the market

Estimating gold production in Sahel countries
While gold has been produced in West Africa for centuries, a gold rush in the Sahel countries over the last 15 years has supercharged production (figure 1). The significant increase in gold mining can be attributed to the discovery of gold deposits and the increase in the international gold spot price (figure 2). Climate change and the resulting temperature and precipitation changes in the Sahel countries have also made traditional agricultural and transhumance livelihoods much more difficult, driving communities to turn to gold mining as alternative livelihood options.

There are varying estimates of the amount of gold produced in the Sahel countries. The World Gold Council, a market development organization for the industry, estimated that Burkina Faso, Mali, the Niger and Mauritania were the third, fourth, thirteenth and fifteenth biggest official gold producers in Africa, respectively producing 102.8 tons, 98.7 tons, 18.5 tons and 8.1 tons of gold in 2021 (figure 1). This amounts to a total of 228 tons in 2021, worth over $12.6 billion in these four countries. The World Gold Council does not publish data on Chad.

Extractive industries, and gold mining in particular, play a crucial role in the economies of the Sahel countries. According to the 2022 Mining Contribution Index, a statistical tool designed to improve the understanding of the role of mining in national economies based on indicators such as mineral export contributions and the mineral production value, Sahel countries record some of the highest contributions in the world, with Burkina Faso, Mauritania and Mali respectively ranking first, fourth and fifth out of 183 countries (map 1). Chad is a notable exception, as it ranks 174th, most likely because gold export data on Chad are not recorded in UN trade statistics. While the Mining Contribution Index covers all minerals, one of commonality amongst the top 10 countries is their endowment of precious minerals and metals, particularly gold, due to the increase in global prices.

FIG 1. Annual gold production in Sahelian countries, 2010–2021, in tons

However, it is important to note that these figures likely underestimate total production and contributions to national economies. The informal and unregulated nature of artisanal and small scale gold mining (ASGM), and disruptions to the gold supply chain (figure 8) hinder the reliability of data on production and trade, and estimates should be considered speculative.\(^9\)

**Focus on ASGM production**

The development of National Action Plans for mercury reduction under the Minamata Convention and the production of Extractive Industries Transparency Initiative (EITI) reports, amongst other sources, are beginning to generate a new series of national-level data on ASGM production, although national institutions are reporting challenges in recording data consistently over the years, particularly from hard-to-reach areas. Based on the available data, and bearing these limitations in mind, Sahelian countries have an ASGM production capacity of at least 108 tons per year (figure 3), involving more than 1.8 million ASGM workers (figure 4).

A large but unspecified proportion of ASGM in the Sahel countries is informal, taking place on unlicensed and undeclared mining sites (for definitions see box 1).\(^{10}\)

Although the diversity and evolving nature of ASGM make it difficult to differentiate between illegal and informal mining operations, Sahelian countries often associate ASGM with illegal gold supply chains as national legal frameworks require ASGM workers to hold licences.\(^{11,12}\) Barriers to accessing mining licences often push ASGM communities into a vicious cycle of illegality.\(^{13}\) Without the protection of the law, miners lack security of tenure, are at constant risk of expulsion from mine sites and depend on a local illicit economy often controlled by TOC groups to fund their operations and sell their gold production, with limited opportunities for structural investments.\(^{14}\)

**FIG 2.** Average Monthly Gold International Spot Price in \(\$\) (2002–2022)

Source: London Bullion Market Association (LBMA).

**FIG 3.** Estimated annual ASGM production in Sahelian countries, most recent year

Source: National Action Plans to reduce and, where feasible, eliminate mercury use in artisanal and small-scale gold mining of Burkina Faso (2020), Chad (2021) and Mali (2020); OECD, L’or à la croisée des chemins: Etude d’évaluation des chaînes d’approvisionnement en or produit au Burkina Faso, au Mali et au Niger, 2018; Isselmou Ould Mohamed, Mauritanie: Rapport – 2020-2021, Extractives Industries Transparency Initiative (EITI), 2022. These are lower estimates as some of the National Action Plans, particularly for Chad and Mali, exclude large mining sites in hard-to-reach areas.
GOLD TRAFFICKING IN THE SAHEL

Large-scale mining refers to mining that is conducted by mining companies and requires large investment and a high level of mechanization. Artisanal and small-scale mining (ASM) refers to formal or informal mining operations of all minerals, including but not limited to gold, with predominately simplified forms of exploration, extraction, processing and transportation. It conventionally includes a broad range of mining-related activities performed by individuals, groups and cooperatives operating often without formal oversight, but not necessarily in contravention of the law. ASM is characterized by the extraction of metals and minerals with the simplest of tools, and it is usually performed by miners without formal training. ASM mineral extraction and processing are commonly labour intensive and often incorporate non-mechanized technology.

Illegal mining is different to informal mining and ASM. Recognizing that there is no universally accepted definition of illegal mining, and the exact extent of the crime is difficult to estimate, UNODC gives the following definition: a mining activity that is: (a) carried out by a person, natural or legal, or a group of people without complying with the requirements of applicable laws or administrative regulations that govern these activities; or (b) carried out in areas where the exercise of such activities is prohibited or using prohibited equipment, devices or chemicals.

Illegal mining is increasingly referred to as mining activities conducted by organized criminal groups, spearheaded by illegal mining syndicates, and is often associated with other criminal activities. Illegal mining can occur in informal and ASM settings when organized criminal groups take control of mining businesses. Conceptually, illegal mining and informal mining are clearly different, but in practice this distinction can be blurred. The ASM sector is diverse, dynamic and constantly evolving; it can be difficult to differentiate between illegal and informal mining operations.

Gold trafficking can be broadly defined as importing, exporting, dealing, processing, purchasing, selling or transporting gold in a natural, processed or manufactured form, without lawful authority or without a licence granted by the competent authorities, or with the knowledge that the gold in transit was obtained or exported illegally from another country. As the legality of the gold produced through ASM is blurred, so is the legality of the trade of ASM gold. In general, gold trafficking entails organized criminal groups exploiting loopholes in national and international legislation, as well as gaps and vulnerabilities in the supply chain and trade monitoring procedures. Trafficking can include: falsely declaring the origin or true value of the gold; disguising the nature of the metal to circumvent regulatory frameworks; operating through false-front suppliers that at times misuse the identity of registered small-scale miners to forge paperwork; bribing officials to issue certification; and circumventing due diligence procedures by international intermediary companies and buyers. Gold trafficking often involves laundering proceeds from the illicit trade through national and international banking systems.

In Sahel countries, gold smuggling and the involvement of TOC groups is often more associated with ASM than with industrial mining; ASM is thus the focus of this report. However, there are also allegations of illicit activities in the industrial mining sector, particularly in the form of corruption. For example, in 2018 a Canadian-based mining company paid $950,000 to settle civil charges of bribing officials in Ghana and Mauritania. The Inter-Governmental Action Group against Money Laundering (Groupe Intergouvernemental d’Action contre le Blanchiment d’Argent en Afrique de l’Ouest, GIABA) also found a lack of transparency and objectivity in awarding licences and contracts, including concessions, in the governance of the extractives sector in Burkina Faso, Mali and the Niger. TOC and violent extremist groups have also targeted industrial operators to derive revenue from deductions, ransoms and protection demands.
MAP 1. Mining Contribution Index (MCI) Map, all minerals, 2022

MAP 2. Areas associated with gold mining in or at the border with Sahel countries

The boundaries and names shown and the designations used on this map do not imply official endorsement or acceptance by the United Nations. The final boundary between the Republic of Sudan and the Republic of South Sudan has not yet been determined. A dispute exists between the Governments of Argentina and the United Kingdom of Great Britain and Northern Ireland concerning sovereignty over the Falkland Islands (Malvinas).


The boundaries and names shown and the designations used on this map do not imply official endorsement or acceptance by the United Nations. Final boundary between the Republic of Sudan and the Republic of South Sudan has not yet been determined.

Sources: ACLED data between 1 January 2019 and 7 October 2022, available at https://acleddata.com (accessed 7 October 2022); European Council on Foreign Relations; Laurent Gagnol and Rhoumour Ahmet Tchilouta; Global Initiative against Transnational Organized Crime (GITOC); Roman Grynberg and Fwasa K. Singogo; Ministry of Mines, Energy and Water of Mali; OECD; UNODC; World Bank; VoxDev.
Based on a study covering 61 of these mining sites in 2020, Chad estimated that there were at least 63,772 ASGM workers in the country, producing 8,254 kg of gold, most of it unlicensed and therefore illegal. These estimates should be put into perspective as the study excluded several large mining sites for security reasons, including in the Tibesti Region. The UN Economic Commission for Africa (UNECA) estimates that there are 300,000 ASM miners in Chad, concentrated in the Tibesti Region, mostly working on gold mines. The Kouri Bougoudi district, located just 17 km from the border with Libya, is one of the main artisanal gold panning areas and has attracted thousands of Chadians and international migrants. The area is dominated by informality and artisanal mining operations, with armed groups being reported on mining sites. In a June 2022 TV interview, President Mahamat Idriss Déby alleged that gold worth 57 billion CFA francs (about $95 million) is smuggled out of Chad each week to Libya. Large-scale mining companies in Chad reported the production of 645.28 kg of gold in 2020.

Historically gold mining in Mali has been concentrated in the south of the country, but since 2018 there has been a quickly growing gold rush in the north. The Kayes and Sikasso Regions are the primary gold producing regions in southern Mali. In northern Mali, informal gold production first emerged in the Kidal Region in 2018 and has since expanded, spreading north towards Tessalit, with the mines of In Darset and Eghardhar being the main exploitation sites as of 2021. Since 2020, artisanal gold mining has also taken off in the Gourma area. The first sites were reported around Intahaka and Doro, halfway between Gao and Gossi, and around Marssi. Mining in the Gourma area is at a similar scale to Kidal, attracting thousands of workers. More recently, sites have emerged across Gourma-Rharous cercle (Timbuktu Region), as well as in Ansongo and Bourém Cercles (Gao Region). The initial gold rush in northern Mali has largely been unlicensed, with the UN Panel of Experts on Mali describing it as “almost complete anarchy.”

According to the National Action Plan for artisanal and small-scale gold mining in Mali in compliance with the Minamata Convention on Mercury, ASGM employs 512,605 people and artisanal gold production is estimated to total at least 26 tons per year. The production figure does not include data from ASGM sites in northern Mali, so national figures should be higher. Mali estimated that large-scale mining companies produced 49 tons of gold in 2017.

As of 2017, the regions in Burkina Faso with the most ASGM sites were the Centre-Nord, Nord and Sud-Ouest, with the Sud-Ouest being the largest in terms of site sizes and number of workers. The government’s statistics department (Institut National de la Statistique et de la Démographie, INSD) counted 448 sites in a 2017 survey, while different estimates by the government’s agency in charge of ASM (Agence National d’Encadrement des Exploitations Minières Artisanales et Semi-mécanisées, ANEEMAS) vary between 500 and 1,500 in 2017 and 2018. Yet, in 2019, ANEEMAS reported that there were only approximately 30 active artisanal mining authorizations and 34 semi-mechanized permits. The National Action Plan for artisanal and small-scale gold mining in Burkina Faso in compliance with the Minamata Convention on Mercury estimated that 427,785 people were involved in ASGM in the country, with a production of 49.5 tons in 2018. In comparison, the production of industrial gold mining was estimated at 50 tons in 2018, across 13 industrial mines.

Chad identified 116 ASGM sites in 2020 in the regions of Batha, Borkou, Ennedi Ouest, Guéra, Dar Sila, Mayo-Kebbi Ouest, Ouaddai, Tandjilé and Tibesti.

Based on a study covering 61 of these mining sites in 2020, Chad estimated that there were at least 63,772 ASGM workers in the country, producing 8,254 kg of gold, most of it unlicensed and therefore illegal. These estimates should be put into perspective as the study excluded several large mining sites for security reasons, including in the Tibesti Region. The UN Economic Commission for Africa (UNECA) estimates that there are 300,000 ASM miners in Chad, concentrated in the Tibesti Region, mostly working on gold mines. The Kouri Bougoudi district, located just 17 km from the border with Libya, is one of the main artisanal gold panning areas and has attracted thousands of Chadians and international migrants. The area is dominated by informality and artisanal mining operations, with armed groups being reported on mining sites. In a June 2022 TV interview, President Mahamat Idriss Déby alleged that gold worth 57 billion CFA francs (about $95 million) is smuggled out of Chad each week to Libya. Large-scale mining companies in Chad reported the production of 645.28 kg of gold in 2020.
The Sahelian gold rush spread to Mauritania in 2016, with thousands of ASGM miners setting up operations in the Inchiri Region and then in Tiris Zemmour in 2017. Mauritania estimated that there were 52,000 ASGM miners operating in the country in 2021 and that ASGM gold production increased from 5 tons in 2019 to 15 tons in 2021. The three companies with large-scale mining licences produced 6,498.35 kg of gold in 2021.

In the Niger, the main gold fields are located in the Tillabéri Region, the Tchibarakaten gold fields, and the Djado Plateau. There is also gold mining taking place in the Maradi Region near the Nigerian border. According to the National Mining Policy, there are over 200 ASGM sites in the Niger, employing 800,000 people. An assessment of the Nigerien ASGM sector found that many individuals and mines operate outside the control of government regulatory bodies. The EITI report for the Niger acknowledges difficulties in estimating the ASGM production and establishes the figure at 2,229 kg in 2018. In comparison, a 2018 study by the Organisation for Economic Co-operation and Development (OECD) estimated that the Niger produced over 10 tons of ASGM gold annually. As of 2020, only one company in the Niger had a large-scale mining licence, with a production of 243 kg of gold in 2019.

**Gold exports**

Powdered gold produced in the Sahel countries is refined and exported to destinations countries. Gold produced by industrial mining operations tends to be sent to countries with large London Bullion Market Association (LBMA)-certified refineries including Switzerland and South Africa. The UAE is widely reported to be the primary destination for ASGM gold produced in Africa and in the Sahel countries (figure 5). In 2021, the UAE imported more than 238 tons of gold from Sahel countries, the vast majority from Mali.

The large size of the legal gold market in the UAE makes it vulnerable to the infiltration of illegally sourced and trafficked gold. A 2020 Financial Action Task Force (FATF) mutual evaluation report found that trading in precious metals (in particular gold) and stones is one of the most active sectors in the UAE, valued at tens of billions of UAE dirhams (equivalent to billions of US dollars). According to the Dubai Multi-Commodities Centre (DMCC), the UAE accounts for 25 per cent of the global gold trade. FATF found that the value of gold seizures made in the UAE is likely lower than would be expected given its position as a major international transit point for gold.

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**FIG 5.** Top gold importers from Sahel countries based on declared gold imports by destination countries, 2017–2021

Source: UN Comtrade, HS Code 7108. While South Africa has not reported gold imports from Sahelian countries over the same period, Mali, Burkina Faso and the Niger reported exporting 84,290 kg to South Africa. This includes 82,380 kg from Mali.
FIG 6. UAE gold imports from Sahel countries

![Graph showing UAE gold imports from Sahel countries]

Source: UN Comtrade, HS Code 7108.

FIG 7. Import and export trade data between Sahel countries and UAE most recent year

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Source: UN Comtrade, HS Code 7108. Most recent year with export data from Sahel countries and import data from the UAE.
Applying discrepancy analysis to the gold trade (comparing export and import data between trade partner countries and measuring the difference) provides an indication of the level of smuggling and fraud taking place in gold flows, including from Sahel countries to the UAE.50 However, there are also limitations to using discrepancy analysis, as it tends to rely on one source (UN Comtrade data), presumes that importers are not misrepresenting the origin of the gold and assumes a standardized method of transfer pricing, when states and companies may be using other methods.51

A comparison of the most recent trade data (figure 4) shows that Sahel countries are consistently declaring gold exports that are lower than the UAE’s declared imports from those countries.52 Mali for instance declared exporting 567 kg of gold to the UAE in 2019, when the UAE recorded imports of more than 80,986 kg. In 2021, the Niger reported exporting 2,494 kg of gold to the UAE, when the UAE reported imports of 34,265 kg. While some of these discrepancies may be related to limitations of the UN Comtrade data, they are also an indication that there may be disruptions to the legal gold supply chain.53

Criminal draws to gold trafficking
Gold is attractive to TOC groups because of the profits it generates from its illegal extraction or trade, and because it can help to hide the transfer and investment of illicit proceeds. Gold offers anonymity and the ability to move financial assets globally with relative ease due to its high value-to-volume ratio. Further, due to its inherent reliable value and global fungibility, gold is a viable option to settle debts. Thus, the gold sector provides an opportunity to launder illicit proceeds into a legitimate commodity that can be moved across borders or be used to invest in other criminal activities.54 Criminals are willing to pay above market prices for gold, as much as 105-110 per cent of the international spot price, to launder illicit proceeds and access funds in the international banking system.55 Launderers can also increase profits, or reduce losses, by evading taxes and currency repatriation laws and by operating trade-based money-laundering (TBML).

On its own, the gold trade does not generate large profits. Profit margins for traders are very tight. Thus, reducing costs wherever possible and operating in economies of scale are critical to ensuring sizeable revenues.

FIG 8. Gold supply chains and examples of disruptions
Taxation and repatriation requirements cut into gold exporters’ profit margins. According to a gold exporter in Burkina Faso, because gold prices in the local market are so high, the taxes and fees charged by the state make it impossible to make a profit when legally exporting gold. Miners and traders may rely on illicit markets and gold smuggling when taxation regimes are considered unfeasible or when payments to individual government agents are lower than official taxes.

This distortion of the gold market makes it difficult for licensed gold buyers and state buying schemes to operate since they cannot compete with the conditions offered by those who deal with the illicit market.

**Disruptions to gold supply chains and trafficking flows in the Sahel countries**

As gold flows from ASGM sites to regional export points, it is increasingly aggregated at trade and transit points along the supply chain. Opportunity for criminal disruption exists at various points in the supply chain. However, the degree of informality and illegality differ. Some ASGM supply chain disruptions involve an increasing sophistication of criminal infiltration, as gold and financial flows move up and down networks.

Criminal infiltration of gold supply chains in the Sahel countries happens at different stages (figure 8):

- **Exploration and investment:** Prior to mining commencing, corruption can be involved in the allocation of land rights or mining concessions. Also, profits from other illicit activities can be invested in mining operations, either to launder funds or increase revenues.

- **Mining and processing ore:** Mining can happen without appropriate land rights, exploration and mining licenses or mineral transportation and other permits. The sporadic nature of gold mining and the low barriers to entering the sector make it more vulnerable to exploitation by TOC and armed groups, including violent extremist groups. The illegal nature of mining can also occur during processing operations (when gold is extracted from ore) that are unlicensed or that involve an illegal process, such as the use of mercury or other restricted chemicals. Miners may also be extorted by mine monitors or by other corrupted law enforcement officials who may then invest the money back into mining.

**Domestic/regional gold trade:** Buying gold from illegal mining operations creates opportunity for gold to be used to launder illegal profits and affect formal supply chains. Also, licensed mine operators may buy gold from illegal mining operations and claim it came from a licensed mine site. Gold buyers themselves may not be licensed and be trading in gold illegally.

**International gold trade:** Large gold dealers may buy gold from illegal mining operations or unlicensed regional and national buyers and resell it to international buyers. Gold may be trafficked in various ways, including concealing it or under-valuing exports by misrepresenting its purity, weight and origin. For instance, import unit values in UEA trade statistics are, compared to those in Sahel countries, often well below the minimum international gold price of that year (figure 9). While these discrepancies may be in part attributed to most gold exports being doré (a mixture of metals), which tends to be a lower purity and subject to refining and marketing charges, this may also be an indication that gold exports are being declared far under their actual value.
Prefinancing by high-profile traffickers also affects gold supply chains. It can be provided to agents or buyers, who then in turn prefinance buying or mining operations further upstream. Prefinancing is often offered as part of an agreement that guarantees the investor a share (if not all) of the gold produced by a miner, and it is often locked in at a below-market price, leaving the miner vulnerable to exploitation by TOC groups.69

Gold trafficking flows in the Sahel countries

Gold trafficking flows follow numerous routes from mine sites across Sahel countries, with individual buyers consolidating gold supplies and personally holding greater volumes of gold at regional export hubs in Bamako, and to a lesser extent Ouagadougou and Niamey.70

In Mali, gold produced in the south of the country is generally transported to Bamako via road. Gold from the northern regions of Kidal and Gao is reported to be mostly smuggled to the capital by air, including on MINUSMA planes, due to the poor condition of roads and security concerns.71 According to GIABA, as of 2018, there were over a hundred shops buying gold in the Bamako market, but only a dozen of these shops have approval from the state and most traders operate illegally.72

Mali is an important transit area for gold trafficking before the merchandise is exported out of Africa. According to a police officer at Bamako airport, gold trafficking through the airport has significantly increased over the past two years.73 Traffickers from neighbouring countries are attracted to Mali’s robust gold market, buyers with high levels of liquidity, and relatively low gold export taxes.74 There have also been reports of significant gold flows between Mali and Guinea. For example, in December 2020 local press reported that Malian customs seized 143 kg of gold being smuggled from Mali to Guinea.75 Favourable currency and tax policies make Guinea an attractive export destination.76 Guinea has levied no tax on ASGM gold exports since 2016, although this may change following an agreement between authorities.

MAP 3. Gold trafficking flows in the Sahel

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Sources: European Council on Foreign Relations; Laurent Gagnol and Rhoumour Ahmet Tchilouta; Global Initiative against Transnational Organized Crime (GITOC); Roman Grynberg and Fwasa K. Singogo; Ministry of Mines, Energy and Water of Mali; OECD; UNODC; World Bank; VoxDev.
Gold trafficking in ASGM where the boundary between legal and illegal activities is blurred. Some of these actors may run a fully legal supply chain of gold, others may purposely participate and promote illegal activities, or may inadvertently or forcibly contribute to parts of the illegal supply chain.

ASGM actors (figure 8) may include miners (diggers, transporters and processors, including crushers, washers and panners), pit bosses (owners and managers of mining pits) and ore processors who may not have the relevant gold mining licences, use prohibited processing techniques or resort to forced labour and child labour.

Various stakeholders are active in the sector, such as landowners, community leaders, customary leaders, security providers and corrupted public officials who facilitate gold trafficking.

While miners may be the most visible manifestation of ASGM due to their numbers, they are the least influential, lacking the agency to break cycles of criminality. Rather, it is downstream actors, such as high-profile traffickers, who drive criminality. Given the current security environment, it is also important to recognize the involvement of armed groups, including violent extremist groups, in the illicit exploitation of the gold market.

Gold trafficking networks tend to have a pyramidal structure, with a small number of large gold traffickers aggregating and trafficking the gold being produced by ASGM communities.

Main actors involved in gold trafficking

Gold trafficking from Burkina Faso passes through neighbouring countries, such as Mali, Togo and the Niger. It is reported that gold flows in both directions across the border. For instance, Burkinabé nationals have been reported on mining sites in Mali. According to interviews with stakeholders in the Burkina Faso ASGM sector, some of these miners will bring their gold back to Burkina Faso as part of prefinancing agreements with gold buyers and high-profile traffickers. According to an NGO, this may be an increasingly common phenomenon with the deterioration of the security situation in the north and east of the country affecting gold production.

While large amounts of gold were previously reported to be smuggled off the continent via Togo, this flow has significantly decreased, with a much greater portion of gold now flowing towards Bamako in Mali. According to a Burkinabé ASGM expert, flows to the Niger are likely limited at the moment due to insecurity along the border.

Gold trafficking flows in the Niger and Chad have different centres of gravity, moving towards their capital cities and Libya. By 2017, according to an NGO report, Qatrun in southern Libya had overtaken Sabha (Libya) as the largest gold trading hub, with traders from Benghazi, Tripoli and Dubai present. Gold transported by road faces a high risk of being stolen. In 2022, Agence Nigérienne de Presse (the state-run news agency) reported the disappearance of 125 kg of gold being escorted by national guards between the Djado gold field in the north of the country and Agadez. To avoid this risk, some traders resort to using aircrafts to transport gold between Dirkou, Agadez and Niamey.

Many actors operate in ASGM where the boundary between legal and illegal activities is blurred. Some of these actors may run a fully legal supply chain of gold, others may purposely participate and promote illegal activities, or may inadvertently or forcibly contribute to parts of the illegal supply chain.

In the closely linked gold trade, actors can include small traders (buyers, comptoirs and dealers), goldsmiths, refiners and smelters who trade or refine gold that is illegally produced or who operate without the required licences.

Various stakeholders are active in the sector, such as landowners, community leaders, customary leaders, security providers and corrupted public officials who facilitate gold trafficking.

While miners may be the most visible manifestation of ASGM due to their numbers, they are the least influential, lacking the agency to break cycles of criminality. Rather, it is downstream actors, such as high-profile traffickers, who drive criminality. Given the current security environment, it is also important to recognize the involvement of armed groups, including violent extremist groups, in the illicit exploitation of the gold market.

High-profile traffickers

High-profile traffickers are major players in the gold sector who are often located in national or regional export hubs and orchestrate the purchase and export of gold out of the Sahel countries, frequently outside of legal supply chains. Thus, the traffickers described here are pivotal drivers of illicit gold networks and important players in the organized crime groups that stretch across the Sahel and link the region to international gold markets outside of Africa.

The nature and number of high-profile traffickers in Burkina Faso has shifted over the years. When the Burkina Faso gold trade was privatized in 2006, comptoirs were created. Comptoirs are private companies that were once well connected to political elites and, according to a 2016 parliamentary investigation, engaged in fraud.
on a large scale, with gold trafficking estimated at 15 to 30 tons per year.\textsuperscript{93} Since the fall of the regime of President Blaise Compaoré in 2014, some of these comptoirs have closed and the typical gold trafficker profile has shifted, with traffickers trading in smaller amounts of gold. According to the parliamentary investigation, there were 105 comptoirs in 2016; in 2019 only 49 were registered.\textsuperscript{94} TOC groups have also used gold trafficking in Burkina Faso to launder money. In 2018, Burkina Faso dismantled a criminal group involved in using counterfeit foreign currencies (dollars and euros) to trade gold. One of their members was arrested in Dubai.\textsuperscript{95}

In Mali there are multiple reports and examples of high-profile traffickers engaging in illicit activity. For example, according to GIABA, in 2017 a drug dealer bought a quantity of gold at a price exceeding the market price from an illegal gold trader in the Bamako market. The drug dealer was arrested and confessed that he was using the drug money to purchase gold from unauthorized traders.\textsuperscript{96} Another GIABA case study from Mali describes a woman facilitating the establishment of a cooperative at an unauthorized gold mining site near the border with Côte d’Ivoire and laundering the illicit proceeds through a bank by claiming to work for a trading company.\textsuperscript{97}

In the Niger, reporting by media and NGOs indicates that a small group of individuals are becoming wealthy off the illicit gold trade.\textsuperscript{98} An investigation in the Niger revealed that a company specialized in money transfers opened unlicensed gold purchasing counters close to ASGM sites in the Djado Plateau. The company was laundering the proceeds of crime by purchasing gold above market prices. Payment could be made at any of the company’s counters around the country. The gold was then transported across the border to Libya.\textsuperscript{99}

**Armed groups’ involvement in gold trafficking**

The gold rush in Sahel countries is offering new funding and recruitment opportunities for armed groups, including violent extremist groups.\textsuperscript{100} Armed groups are reported to extract payments from the gold sector by exercising their authority over ASGM mine sites or controlling transportation routes to and from mine sites. Violent extremist groups often demand payment in the form of zakat, a wealth tax for observant Muslims.\textsuperscript{101}

Armed groups do not need to maintain a physical presence at mines to generate revenues. According to NGO reporting, by controlling gold mine sites and transportation routes, armed groups can forcefully impose lower gold prices on miners by preventing any other buyers from visiting.\textsuperscript{102} An additional advantage for armed groups operating ASGM sites is their easy access to fuel, explosives and other equipment.\textsuperscript{103}

Armed groups, including violent extremist groups, have also targeted industrial mining operations in Sahel countries. For example, according to the Chamber of Mines of Burkina Faso, a convoy from an industrial mine came under attack in August 2021.\textsuperscript{104} By targeting foreign-owned industrial mining operations, armed groups directly threaten a significant source of governments’ tax bases, driving down state revenues. Additionally, armed groups espouse a rhetoric of defending communities against profiteering foreigners, which can rally support for these groups and assist in recruitment.\textsuperscript{105}

According to a statement by the Burkina Faso Ministry of Mines and Quarries, insecurity has led to violent extremist groups taking control of gold sites.\textsuperscript{106} In June 2021, 132 people were killed in a violent attack on Solhan, located in the Sahel Region, the worst terrorist attack in the country to date.\textsuperscript{107} According to a Burkinabé ASGM expert, the attack was a retaliation to local actors involved in ASGM refusing to make payments to a violent extremist group operating in the area.\textsuperscript{108} Violent extremist armed groups did not originally intend to control gold resources in the country but are now targeting gold sites to generate revenue via taxation for the provision of security and to gather strategic operational information from individuals at ASGM sites.\textsuperscript{109}

In Chad, the Tibesti gold sector is facing an increasing security threat from the Libya-based Chadian armed groups that share community and political ties with groups involved in gold mining, human trafficking, and drugs and arms trafficking in the wider region.\textsuperscript{110} The Front pour l’Alternance et la Concorde au Tchad (FACT) and Conseil de Commandement Militaire pour le Salut de la République (CCMSR) have attacked military posts in the area.\textsuperscript{111} In 2020, several military commanders based in Libya confirmed to the UN Panel of Experts on Sudan that a large number of recruits in Sudanese armed groups came from the community of Darfurian artisanal miners working at gold mining sites on the border between Chad and Libya, in particular Kouri Bougoudi. Rebel sources informed the Panel that the groups had recruitment agents in the mines and in the Libyan town of Umm al-Aranib, where miners frequently go for rest and supplies.\textsuperscript{112} Similarly, according to an NGO report,
The boundaries and names shown and the designations used on this map do not imply official endorsement or acceptance by the United Nations. Final boundary between the Republic of Sudan and the Republic of South Sudan has not yet been determined.

Sources: ACLED data between 1 January 2019 and 7 October 2022, available at https://acleddata.com (accessed 7 October 2022); European Council on Foreign Relations; Laurent Gagnol and Rhemour Ahmet Tchilouta; Global Initiative against Transnational Organized Crime (GITOC); Roman Grynberg and Fwasa K. Singogo; Ministry of Mines, Energy and Water of Mali; OECD; UNODC; World Bank; VoxDev.

**MAP 4. Gold mining areas and presence of armed groups**

FACT and the CCMSR have been collecting funds and recruiting new fighters at gold sites in the northern Niger and northern Chad, based on information provided by contacts in gold fields who scout potential recruits. Once recruited, these new members then travel to southern Libya.113

Artisanal gold mining areas in Mali have been an integral part of the expansion strategy of the *Coalition des Mouvements de l’Azawad* (CMA), a coalition of armed groups.114 In Kidal, the CMA plays a major role in administering the region’s gold mining sites, including for the provision of security and regulation of chemical use.115 The coalition has a well-planned security set-up in Gao, controlled by a central command unit.116 CMA leaders are also believed to have personal interests in the gold sector, running mining and gold treatment sites.117 The I-n-Tillit-Nord mine is reported to be controlled and managed by a committee, led by CMA and *Groupe Autodéfense Touareg Imghad et Alliés* (GATIA), which secures the site and controls checkpoints. The committee also collects taxes from miners and businesspeople. Miners pay a fee in exchange for protection and for permission to dig. Members of Al Qaida affiliate *Jama’a Nusrat ul-Islam wa al-Muslimin* (JNIM) and the Islamic State-affiliate Islamic State in the Greater Sahara (ISGS) were seen on the site.118

The mutually beneficial coexistence between ASGM communities and armed groups, including violent extremist groups, has prevented major conflict from erupting over gold mine sites and processing areas.119 The 2021 Final Report of the UN Panel of Experts on Mali warned that while the gold sector “provides work opportunities for migrants and absorbs fighters ... its effects on stability remain unpredictable, as it drives CMA expansion and provides terrorist financing.”120
Enablers of gold trafficking

Barriers to ASGM formalization, corruption, and the use of trade and alternative banking systems to move funds are key vulnerabilities that enable illicit gold flows to flourish in Sahel countries.

Systemic barriers to ASGM formalization

Over the last decade, countries of the Sahel have taken steps to formalize ASGM. To this end, some countries have established public institutions charged with regulating the ASM sector, such as ANEEMAS in Burkina Faso in 2015 and *Maaden* in Mauritania in 2020.\(^\text{121}\)

Despite these efforts, barriers to formalization persist and a large number of ASGM activities remain informal, taking place on unlicensed and undeclared mining sites and leaving hundreds of thousands of people in a legal limbo, vulnerable to TOC groups involved in gold trafficking.\(^\text{122}\) For instance, the legal frameworks in Burkina Faso, Mali and the Niger stipulate that ASGM miners must obtain exploitation licences, but accessing these licences can be difficult and costly for people operating in remote mining areas who rarely engage with public administration.\(^\text{123}\) Finally, while Sahelian countries recognize that migration plays an important role in ASGM,\(^\text{124}\) foreign nationals operating in the ASGM sector in Burkina Faso, Mali and the Niger face additional obstacles as exploitation licences are reserved for nationals or nationals of other states subject to reciprocity.\(^\text{125}\)

Formalization also exposes ASGM actors to tax burdens. In the formal sector, gold production, trade and exports are subject to a variety of taxes. As fiscal regimes are not harmonized across the five Sahel countries, significant disparities in taxation encourage fraudulent behaviour on the part of ASGM actors who seek to sell their products in the highest-bidding markets.\(^\text{126}\)

In Sahel countries, many ASGM miners lack security of tenure and face constant risk of expulsion from mine sites.

Capacity gaps also make effectively regulating the ASGM sector difficult. Sahelian countries acknowledge difficulties in accessing and surveying ASGM mining sites in areas where the security situation has been deteriorating, undermining their capacity to support ASGM communities with formalization.\(^\text{127}\) While some countries, such as Mali, have adopted a policy of decentralization to improve access to mining sites, local authorities face various challenges in regulating the sector, including human resources and budgetary constraints.\(^\text{128}\)

Corruption

Corruption across supply chains enables gold to be laundered into formal supply chains at various points, including at mine sites and in trade and export hubs, both within and outside of the Sahel. GIABA asserts that the extractives sector is marred by high-level corruption.\(^\text{129}\)

Corruption, under-resourced customs agents and porous borders all contribute to the ineffectiveness of measures to halt smuggling of precious minerals. For example, a GIABA case study showed officers were bribed to smuggle gold out of Burkina Faso into Togo.\(^\text{130}\) According to a 2017 investigation by an NGO, it is common for gold to be carried in hand luggage on flights, a practice often facilitated by corruption.\(^\text{131}\) This was reinforced by a Bamako airport police officer who alleged that payments are made to customs officers responsible for scanning bags.\(^\text{132}\) The police officer reported that freight services on flights are also increasingly being used.\(^\text{133}\) Corruption is also a factor in the under-valuing of gold exports. For example, in Mali in 2016, customs officials at the international airport in Bamako seized an estimated 150.7 kg of gold with a valid export license for only 100 kg, with the additional 50.7 kg of gold fraudulently concealed. The conditions under which the license was obtained were under investigation.\(^\text{134}\)

Corruption allegedly also plays a role in recent reports of an influx of foreign nationals into the Malian ASGM sector and subsequent gold trafficking. According to the president of a civil society organization in the Kayes Region, foreign nationals are able to illegally mine by paying large sums to community leaders, village chiefs and elected mayors.\(^\text{135}\)

Trade-based money-laundering and alternative financial systems

The challenge of tracing illicit gold supply chains is compounded by the fact that most transactions do not involve banks, but are instead made through trade-based money-laundering (TBML) or alternative banking systems, such as *hawala*.\(^\text{136}\)

TBML is “the process of disguising the proceeds of crime and moving value through the use of trade transactions in an attempt to legitimise their illicit origins”.\(^\text{137}\) A common form of TBML is for gold smugglers to send gold to counterparties in foreign states, who in turn directly
supply merchandise and commodities for import into the country of origin. This practice enables traders to avoid the risks of travelling with cash, repatriation procedures and losses on currency exchanges, while creating an additional income opportunity. For example, in 2015, an agent of a fraudulent company based in Togo was purchasing gold in Burkina Faso and smuggling it to Togo. The proceeds from the sale of the gold were used to buy goods in the name of companies based in Burkina Faso, owned by the proprietor of the Togo-based company.  

Abuse of the gold sector as part of TBML schemes has also been identified as a significant risk by the UAE. A 2018 OECD study found that the launderer can recoup losses on high prices paid for gold by charging higher prices paid for goods imported into West Africa: “the loss on the transaction is offset by importing goods from Dubai, especially electronic goods, and selling them locally with a 25-30 per cent mark-up.” This can be especially lucrative for certain goods, such as vehicles, which are not subject to export tax in Dubai.

A gold exporter in Burkina Faso reported that high-profile traffickers are also starting to take gold to China to engage in TBML via trade flows between the countries to avoid fees and questions about the source of the money.

**Impacts of gold trafficking in the Sahel**

The criminal exploitation of the Sahel gold sector has far-reaching impacts, from exacerbating environmental harms, to undermining governance and stability, and thwarting the development potential of the sector.

**Economic impact:**

The ASGM sector is a crucial source of income for hundreds of thousands of people in the Sahel countries, especially for youth and people in rural areas facing increasing environmental, economic and security fragility. In a region beset by recurrent conflict and crisis, including increasingly from adverse the effects of climate change, extreme rainfall events, drought and creeping desertification, ASGM offers people a critical degree of livelihood stability. As environmental pressures on agriculture and livestock increase, the importance of the gold sector as an economic safety net and an offset to rural exodus will also potentially grow. This economic safety net extends to individuals who may have other-wise joined non-state armed groups or engaged in other, arguably more harmful, illicit activities. Further, ASGM and associated services are crucial sources of income for internally displaced persons who have few other options for survival.

Gold trafficking, particularly for tax evasion purposes, entails large fiscal losses for countries with already constrained budgets. While there are no reliable regional estimates, a parliamentary commission reported that in Burkina Faso, gold trafficking fraud amounted to a fiscal loss of over $490 million in 2015 alone.

Low access to finance pushes miners and local gold traders to rely on larger gold traders for prefinancing arrangements. This constrains the accumulation of savings in local banks, and therefore limits credit provision and private sector investment.

**Impact on the environment:**

In view of the importance of land and water resources for food production and livelihoods more generally, especially in rural areas, the unregulated expansion of ASGM across Sahel countries is an environmental risk. The extraction and processing of gold requires large

![FIG 10. Reported use of mercury in ASGM in Sahel countries, based on the National Action Plans to reduce and, where feasible, eliminate mercury use in ASGM, most recent year](source: National Action Plans to reduce and, where feasible, eliminate mercury use in artisanal and small-scale gold mining of Burkina Faso (2020), Chad (2021) and Mali (2020). The national plans for the Niger and Mauritania are not available. These are lower estimates as some of the National Action Plans, particularly for Chad and Mali, exclude large mining sites in hard-to-reach areas.)
quantities of water. Gold production also involves mercury and cyanide, both highly polluting chemicals, the disposal of which into waterways can cause severe pollution and have long-term consequences for human health and the environment. Sahelian countries are parties to the Minamata Convention on Mercury and have committed to reduce, and where feasible eliminate, the use of mercury and mercury compounds in ASGM.\textsuperscript{146} Although mercury use in ASGM is prohibited across the Sahel countries,\textsuperscript{147} states still report high volumes of mercury being used on ASGM sites (figure 10). Based on data from Burkina Faso, Chad and Mali alone, it is estimated that over 119 tons of mercury are used every year.

In northern Mali, a governorate-led mission observed the use of mercury and cyanide without protective equipment, causing a contamination of water on gold sites that resulted in a public health crisis in the village of Ti-n-Tarkan.\textsuperscript{148} The mission also noted the absence of health and sanitary infrastructure at mining sites and the prevalence of respiratory and kidney problems among miners.

TOC and violent extremist groups can play an active role in exacerbating environmental and health harms. For example, armed groups are reported to have encouraged the populations around Intahaka, Mali to use mercury and cyanide for local gold transformation, thus increasing opportunities for illegal taxation at the expense of human health and the environment.\textsuperscript{149}

**Impact on governance and the rule of law:**
Unclear natural resource regulations and challenges in arbitrating natural resource disputes based on transparent and fair rules generate corruption and clientelism, and greatly impede government effectiveness. Natural resource governance failures widen the gap between populations and the state. When public authorities respond to the ASGM with violent bans or crackdowns, political fragility is exacerbated in several ways, including by undermining public confidence in state institutions and fuelling violent extremism.\textsuperscript{150}

**Impact on security and stability:**
To date, gold does not appear to be the impetus for large-scale conflict in the Sahel countries. Rather, insecurity is more closely linked to factors that are prevalent in some gold-rich regions which appear to experience high rates of conflict-related deaths, such as Sahel (Burkina Faso), Gao (Mali), Centre-Nord (Burkina Faso), Tillaberi (the Niger) and Tibesti (Chad) (see figure 11). These factors include increased competition for land and water between farmers and herders, governance issues, and the proliferation of small arms and armed groups.\textsuperscript{151} However, competition for control over gold mining sites has fuelled tensions between ASGM miners, law enforcement agencies and armed groups, including violent extremist groups. The Chadian authorities, for instance, have on several occasions closed and bombarded mining sites in the Tibesti Region following intercommunal clashes between ASGM miners and after armed group attacks against government forces. These occurrences led to thousands of people fleeing the mining sites, requiring humanitarian assistance.\textsuperscript{152}

As armed groups extend their territorial grip, more mining sites are within their reach as potential revenue sources and recruitment sites. As such, it is foreseeable that the gold sector will continue to grow in importance in relation to security fragility. However, it will be critical to assess the relationship between gold and conflict, not just in relation to conflict financing, but by taking a holistic and comprehensive approach to understand the full range of drivers and impacts.\textsuperscript{153}

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**FIG 11.** Conflict fatalities in the Sahel countries, per region, with gold rich regions in bold, January–November 2022

<table>
<thead>
<tr>
<th>Region</th>
<th>Conflicts</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mopti, Mali</td>
<td>1,784</td>
</tr>
<tr>
<td>Diffa, Niger</td>
<td>243</td>
</tr>
<tr>
<td>Boucle du Mouhoun, Burkina Faso</td>
<td>254</td>
</tr>
<tr>
<td>Tibesti, Chad</td>
<td>306</td>
</tr>
<tr>
<td>Segou, Mali</td>
<td>451</td>
</tr>
<tr>
<td>Tillaberi, Niger</td>
<td>537</td>
</tr>
<tr>
<td>Est, Burkina Faso</td>
<td>624</td>
</tr>
<tr>
<td>Centre-Nord, Burkina Faso</td>
<td>729</td>
</tr>
<tr>
<td>Sahel, Burkina Faso</td>
<td>793</td>
</tr>
<tr>
<td>Menaka, Mali</td>
<td>848</td>
</tr>
<tr>
<td>Gao, Mali</td>
<td>1,591</td>
</tr>
<tr>
<td>Others</td>
<td>1,377</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>1,784</td>
</tr>
</tbody>
</table>

Source: ACLED data for Burkina Faso, Chad, Mali, Mauritania and the Niger between 1 January and 30 November 2022.
Other impacts on human rights:
The absence or challenges in the implementation of ASM regulations expose ASGM communities to human rights abuses, including as the result of poor working conditions and the health impacts of mining work. Deaths on mining sites due to explosions or the collapse of mining pits are regularly reported in the media. In February 2022, Burkina Faso reported that 59 people were killed in an explosion on a mining site in Gomgold, in the Sud-Ouest Region. The *Agence Niégérienne de Presse* reported 20 deaths in the collapse of a mining shaft in Maradi in October 2021. Chad reported 52 deaths in a landslide on a mining site in Kouri Bougoudi in September 2019.

According to the National Action Plans to reduce and, where feasible, eliminate mercury use in ASGM, over 295,529 women and 47,216 children are operating on mining sites in Burkina Faso, Chad and Mali (figure 12), with states and international organizations reporting multiple cases of gender-based violence, trafficking in persons for sexual exploitation and child labour on mining sites. These are lower estimates as National Actions Plans, particularly for Chad and Mali, exclude large mining sites in hard-to-reach areas and as the National Action Plan for Burkina Faso does not include data on the number of children working on ASGM sites.

The Panel of Experts on Mali has expressed concerns about the recruitment of children on ASGM sites in the northern regions of Mali, areas which are not covered by the National Action Plan. According to the Panel of Experts on Mali, it is estimated that children constitute a third of ASGM workers in Kidal and Gao. Some children, especially those arriving from Burkina Faso and the Niger, work on credit to repay their transport and food, and some work unpaid for days, or even for the full duration of their time at the mines. However, the impact of the ASGM sector on women, as well as other segments of the population, is multidimensional and cannot be framed only in negative terms. ASGM provides an income opportunity to women where no other comparable alternatives are available. Yet the presence of TOC groups and the criminal exploitation of the gold sector tends to significantly increase the negative societal impacts of the sector, while minimizing the positive impacts and significantly increasing barriers to supporting responsible development.

FIG 12. Composition of the ASGM population in Sahel countries, based on National Action Plans to reduce and where feasible eliminate mercury use in ASGM

Source: National Action Plans to reduce and, where feasible, eliminate mercury use in artisanal and small-scale gold mining of Burkina Faso (2020), Chad (2021) and Mali (2020). The National Action Plans for the Niger and Mauritania are not available. These are lower estimates as some of the National Action Plans, particularly for Chad and Mali, exclude large mining sites in hard-to-reach areas. The National Action Plan of Burkina Faso does contain data on the number of children working on ASGM sites.
Policy implications

As member states have emphasized in several UN General Assembly and the UN Economic and Social Council (ECOSOC) resolutions, action needs to be taken to disrupt gold's role in money-laundering, as well as the exploitation of the ASGM sector by armed groups, including violent extremist groups.\(^\text{159}\) This will require strategically targeting large gold traffickers and enablers. Targeting miners harms the most vulnerable stakeholder groups in ASGM and gold supply chains, while doing little to break cycles of criminality. Rather, it is downstream actors, such as high-profile traffickers, who drive criminality. Thus, any interventions need to ensure that ASGM miners and communities are not negatively affected. Heavy-handed bans or crackdowns on ASGM can be counterproductive for local communities if these interventions are not combined with creating alternative livelihoods, undermining government legitimacy and support in the Sahel countries' rural and border regions.

- **Sahel countries should conduct further data collection, research and analysis on crimes in the gold sector to identify vulnerabilities along the gold supply chain and ensure that responses are tailored and effective.**

To fully understand the scale and form of gold mining, vulnerabilities in the gold supply chain, money-laundering and conflict-financing threats in the Sahel countries, further data collection, research and analysis is needed. This can include quantifying the scale and spread of mines, as well as their geographical locations. The mapping and monitoring of mining activities can be conducted with remote sensing, geospatial analysis using geographic system technologies and machine learning algorithms combined with field-based assessments. The capacities of national agencies on such surveillance and monitoring methods and techniques can be strengthened through alliances with international organizations and the private sector.

- **Responses to crimes in the minerals sector should include crime prevention and supporting sustainable livelihoods.**

Combatting crime in the gold sector requires the provision of alternative and sustainable livelihoods, including through sustainable natural resource management.\(^\text{160}\) Formalization efforts that take into consideration the needs and realities of artisanal miners, traders and exporters will lead to more supply chain actors operating formally, reduce incentives to smuggle products and prevent the involvement of organized criminal groups.\(^\text{161}\) Formalization strategies should include incentives for ASM miners to formalize, including facilitating access to financial credit, capacity-building programmes for increased productivity and recoverability, and the provision of health and safety equipment.

- **Legislative and policy frameworks aimed at addressing crimes in the gold sector should be strengthened.**

Sahel countries have legal provisions in place regarding ASM.\(^\text{162}\) Where appropriate, they should be revised to address crimes in the minerals sector, including criminalizing illegal mining and trafficking in metals and minerals, ensuring that these offenses are predicate offences to money-laundering and corruption. Legal frameworks should propose effective, proportionate and dissuasive penalties, promote international cooperation, and advance the prevention of those crimes, including through regulatory improvements in supply chain due diligence and transparency. To this effect, UNODC has developed a guide to good legislative practices in responding to illegal mining and trafficking in metals and minerals.\(^\text{163}\)

- **To effectively disrupt TOC groups involved in gold trafficking, Sahel countries should redouble their efforts to prevent, detect and intercept gold trafficking flows, especially at borders, and develop criminal justice responses that prioritize gold trafficking cases involving high-level criminals.**

Sahel states and their neighbouring countries should intensify efforts to prevent, detect and intercept gold trafficking flows, especially at borders. Financial investigations and specialized investigative techniques, such as controlled deliveries, are efficient means to disrupt and dismantle criminal organizations.

As these investigative techniques are resource intensive, states should prioritize gold trafficking cases with direct links to organized crime, armed groups, money-laundering and corruption. Penalties for crimes in the gold sector should be effective,
proportionate and dissuasive, and may range from fines to the cancellation of licences, asset seizures and imprisonment.\textsuperscript{164} In cases of gold trafficking involving other serious crimes, legal proceedings should be brought even if suspected criminals abide by their tax obligations retroactively.

\begin{itemize}
\item There is a need for greater international cooperation at the law enforcement and prosecutorial levels to ensure proper investigations.
\end{itemize}

Since gold can easily be smuggled through and out of West and Central Africa, regional cooperation should be strengthened to systematically gather data and information on trafficking flows, to enhance timely information-sharing and collaborative action on addressing vulnerabilities in gold supply chains, and to facilitate enforcement and judicial responses. Judicial cooperation with international destinations for Sahelian gold, such as the UAE, is also recommended. This could be aided by using the international cooperation provisions of the United Nations Convention against Transnational Organized Crime and the United Nations Convention against Corruption, in applicable and appropriate cases, to investigate and prosecute the most damaging forms of gold trafficking by high-level perpetrators.

The Economic Community of West African States (ECOWAS) and West African Economic and Monetary Union (WAEMU) have issued regulations on mining that are binding on their Member States, including Burkina Faso, Mali and the Niger.\textsuperscript{165} Both institutions could play an important role in strengthening a regional and harmonized judicial approach to address the challenge of mineral and gold trafficking in West Africa and foster judicial cooperation.
GOLD TRAFFICKING IN THE SAHEL

Endnotes


2 For the purpose of this report, Sahel countries refer to Burkina Faso, Chad, Mali, Mauritania and the Niger.

3 Office of the UN High Commissioner for Human Rights (OHCHR), Human Rights Climate Change and Migration in the Sahel, November 2021.

4 Metals Focus and World Gold Council, Global mine production, data as of 31 December 2021.

5 The average LBMA spot price for gold in November 2022 was $1,722.58 per ounce. One kg of gold is equal to 32.1507 troy ounces. As such, at these prices, 220 tons of gold would be valued at over $12.6 billion.


7 Ibid.

8 Ibid.


11 « L’Etat n’a aucun contrôle ni sur les habitants ni sur leurs activités d’exploitation artisanale. Même les perceptrices d’impôts n’arrivent pas à collecter les taxes d’exploitation car les exploitants d’or opèrent dans l’illégalité. Personne n’est détenteur d’une autorisation en règle dans la plupart des sites.» Ministry of Environment, Water and Fisheries of Chad, Plan d’action national pour l’extraction minière artisanale et à petite échelle d’or au Tchad, conformément à la convention de Minamata sur le mercure, 2021, p. 90; “Niger’s authorities took early action to address certain threats in view of the worrying security situation. These include administrative acts such as the decision to close artisanal gold mining sites and their surveillance by the security forces... About 100 formal companies, whose creation is provided for by the new 2017 law, are operational. However, regarding traditional gold mining, the number of licensed individuals and structures and the number of unlicensed structures are not under control.” GIABA, Anti-money laundering and counter-terrorist financing measures – Mutual Evaluation Report – the Niger, 2021, paras 11 and 305; « Une constante dans la gouvernance du secteur de l’orpaillage au Mali, partagée avec la plupart des pays d’Afrique de l’Ouest, est le manque de données fiables, basées sur la réalité du terrain, et la nature informelle et illégale du secteur. Parmi les lacunes actuelles en matière de connaissances, on peut citer les suivantes: Le secteur est mal ou pas du tout contrôlé par l’État. » Ministry of Environment, Sanitation and Sustainable Development of Mali, Plan d’action national pour l’extraction minière artisanale et à petite échelle d’or au Mali, conformément à la convention de Minamata sur le mercure, 2020, p. 27; “Burkina Faso is a major gold producer...The mining sector has grown significantly in recent years and the exploitation by unlicensed artisanal miners has become a concern.” GIABA, Anti-money laundering and counter-terrorist financing measures – Mutual Evaluation Report – Burkina Faso, 2019, para. 17; « La commission a noté avec intérêt la propension à lillégalité de centaines de milliers d’orpailliers sur l’ensemble du territoire. » Commission d’enquête parlementaire du Burkina Faso sur la gestion des titres miniers et la responsabilité sociale des entreprises minières, Rapport général, September 2016, p. 40.


16 Ibid.

17 Terah Dejong, Desk Review of Artisanal and Small-Scale Gold Mining (ASGM) in Burkina Faso, USAID, 2019.

18 Effigis, Cartographie des principaux sites miniers artisanaux ANEAMAS, DGMG, DGPE BURKINA Faso, March 2018.

19 Terah Dejong, Desk Review of Artisanal and Small-Scale Gold Mining (ASGM) in Burkina Faso, USAID, 2019.

20 Ministry of Environment of Burkina Faso, Plan d’action national pour l’extraction minière artisanale et à petite échelle d’or au Burkina Faso, conformément à la convention de Minamata sur le mercure, 2020, p. 22.

21 Ministry of Environment of Burkina Faso, Plan d’action national pour l’extraction minière artisanale et à petite échelle d’or au Burkina Faso, conformément à la convention de Minamata sur le mercure, 2020, p. 28.

22 Ministry of Environment, Water and Fisheries of Chad, Plan d’action national pour l’extraction minière artisanale et à petite échelle d’or au Tchad, conformément à la convention de Minamata sur le mercure, 2021, p. 20.


24 Ministry of Environment, Water and Fisheries of Chad, Plan d’action national pour l’extraction minière artisanale et à petite échelle d’or au Tchad, conformément à la convention de Minamata sur le mercure, 2021, p. 20.

25 UN Economic Commission for Africa (UNECA), Chad ASM Profile, available at: https://knowledge.uneca.org/ASM/chad


27 UNECA, Chad ASM Profile; Ministry of Environment, Water and Fisheries of Chad, Plan d’action national pour l’extraction minière artisanale et à petite échelle d’or au Tchad, conformément à la convention de Minamata sur le mercure, 2021, p. 76.


30 Ministry of Environment, Sanitation and Sustainable Development of Mali, Plan d’action national pour l’extraction minière artisanale et à petite échelle d’or au Mali, conformément à la convention de Minamata sur le mercure, 2020.


33 Ministry of Environment, Sanitation and Sustainable Development of Mali, Plan d'action national pour l'Extraction minière artisanale et à petite échelle d'or au Mali, conformément à la convention de Minamata sur le mercure, 2020, p. 20.

34 The estimates in the National Action Plan for artisanal and small-scale gold mining in Mali in compliance with the Minamata Convention on Mercury are based on surveys in the regions of Kayes, Koulikoro and Sikasso. The report does not contain information on the sites in the regions of Timbuktu, Kidal and Gao.


49 FATF, Money laundering/terrorist financing risks and vulnerabilities associated with gold, 2015.


52 UN Comtrade database.

53 UN Comtrade database.

54 FATF, Money laundering/terrorist financing risks and vulnerabilities associated with gold, 2015.

55 OECD, The London Bullion Market Association (LBMA), Bamako, November 2022; Interview with gold panning expert who works across northern Mali, Bamako, November 2022: “MINUSMA is aware of the risk of its air assets in Kidal facilitating the movement of gold to Bamako and has put in place a formal interdiction with subsequent controls. The Panel spoke with several trade insiders, who affirmed having either used themselves or knowing of non-United Nations individuals who had used MINUSMA flights to transport gold to Bamako.” UNSC, Final
108 Correspondence with Burkina Faso ASGM expert, November and December 2022.

109 Ibid.


114 Coalition of armed movements signatory to the Agreement for Peace and Reconciliation in Mali. CMA-affiliated groups include the High Council for the Unity and Tranquility of Mali (HCUM), the National Movement for the Liberation of Azawad (MNLA), and the Arab Movement of Azawad (MAA). UNSC, Letter dated 6 August 2021 from the Panel of Experts on Mali established pursuant to resolution 2374 (2017) addressed to the President of the Security Council, S/2021/714.

115 Ibid.

116 Coalition of armed movements signatory to the Agreement for Peace and Reconciliation in Mali. Plateforme-affiliated groups include Ganda Izo, Mouvement pour le salut de l’Azawad (MSA) of the Dawshak, Groupe d’autodéfense des Touaregs Inghad and leurs alliés (GATIA), Ganda Koy, and MAA-Plateforme.

117 UNSC, Letter dated 3 August 2022 from the Panel of Experts on Mali established pursuant to resolution 2374 (2017) addressed to the President of the Security Council, S/2022/595, para. 75.


127 Ministry of Environment, Water and Fisheries of Chad, Plan d’action national pour l’extraction minière artisanale et à petite échelle d’or au Tchad, conformément à la convention de Minamata sur le mercure, 2021; Ministry of Environment of Burkina Faso, Plan d’action national pour l’extraction minière artisanale et à petite échelle d’or au Burkina Faso, conformément à la convention de Minamata sur le mercure, 2020; Ministry of Environment, Sanitation and Sustainable Development of Mali, Plan d’action national pour l’extraction minière artisanale et à petite échelle d’or au Mali, conformément à la convention de Minamata sur le mercure, 2020.

128 USAID, Artisanal and Small-Scale Gold Mining (ASGM) Assessment Final Report, 2019, p. 29.


130 Ibid.


132 Interview with police officer at Bamako airport, Bamako, November 2022.

133 Ibid.


135 Interview with president of a civil society organization in Kenieba, Bamako, November 2022.

136 Howalo (and other similar service providers such as Hundi) are defined as money transmitters, particularly with ties to specific geographic regions or ethnic communities, which arrange for the transfer and receipt of funds, or the equivalent value, and settle through trade, cash and net settlement over a long period of time; See: FATF, Trade-Based Money Laundering and terrorist financing, 2013.

137 FATF, Trade-Based Money Laundering, 2006.


139 UAE Financial Intelligence Unit, Dealers in Precious Metals and Stones: Strategic Analysis Report, 2022.


141 USAID, Artisanal and Small-Scale Gold Mining (ASGM) Assessment Final Report, 2019, p. 29.

142 Interview with gold exporter, Ouagadougou, 30 October 2022.


145 OECD, Natural resource governance and fragility in the Sahel, 2022.

146 Minamata Convention on Mercury, Article 7. Burkina Faso signed the Convention in 2013 and became a party in 2015; Chad signed in 2013 and became a party in 2016; Mauritania signed in 2013 and became a party in 2015; the Niger signed in 2013 and became a party in 2018.

147 Burkina Faso, Code Minier, 2015, Article 77; Chad, Arrêté N°53/PR/PM/CDM n° 356/MEPM du 22 avril 2016 définissant une zone d'activités artisanales fixant les conditions d'attribution des autorisations exclusives de prospection et de prélèvement des substances minérales, 2016, Niger, Loi minière, 2022, Articles 74 et 223.


154 Ministry of Environment, Water and Fisheries of Chad, Plan d'action national pour l'extraction minière artisanale et à petite échelle d'or au Tchad, conformément à la convention de Minamata sur le mercure, 2021, p. 32.

155 Ministry of Environment, Water and Fisheries of Chad, Plan d'action national pour l'extraction minière artisanale et à petite échelle d'or au Tchad, conformément à la convention de Minamata sur le mercure, 2021; UNODC, Smuggling of Migrants in the Sahel, 2022; OECD, Natural resource governance and fragility in the Sahel, 2022; IOM, Mobility in the Chad, Libya, Niger Triangle, August 2019-September 2020, 2021.

156 UNSC, Letter dated 3 August 2022 from the Panel of Experts on Mali established pursuant to resolution 2374 (2017) addressed to the President of the Security Council, S/2022/595, para. 111.
Gold Trafficking in the Sahel is part of a series of transnational organized crime threat assessment reports on the Sahel.

The report explores gold trafficking in the Sahel by examining disruptions to the gold supply chains, trafficking flows and market dynamics, the main actors involved, as well as the enablers and impact of this form of trafficking on the region.