



# DESK REVIEW OF ARTISANAL AND SMALL-SCALE GOLD MINING (ASGM) IN BURKINA FASO

ARTISANAL MINING AND PROPERTY RIGHTS (USAID AMPR) TASK ORDER UNDER THE STRENGTHENING TENURE AND RESOURCE RIGHTS II (STARR II) IDIQ



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Cover Photos: Burkinabe gold miners (APA News); Semi-refined gold (Barksanem)

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## **DISCLAIMER**

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# LIST OF ACRONYMS

AGC	Artisanal Gold Council
ALG	<i>Autorité de Développement Intégré de la Région du Liptako-Gourma</i>
AMPR	Artisanal Mining and Property Rights
ANEEMAS	<i>Agence Nationale d'Encadrement des Exploitations Minières Artisanales et Semi-mécanisées</i>
ARM	Alliance for Responsible Mining
ASGM	Artisanal and Small-Scale Gold Mining
ASM	Artisanal and Small-Scale Mining
BNAF	<i>Brigade Nationale Anti-Fraude de l'Or</i>
BUMIGEB	<i>Bureau des Mines et de la Géologie du Burkina</i>
CAR	Central African Republic
CONAPEM	<i>Corporation nationale des artisans et exploitants de petites mines du Burkina</i>
COR	Contracting Officer's Representative
CSO	Civil Society Organization
ECOWAS	Economic Community of West African States
EITI	Extractive Industries Transparency Initiative
EU	European Union
FATF	Financial Action Task Force
FCFA	<i>Franc de la communauté financière en Afrique</i>
GPS	Global Positioning System
INSD	<i>Institut National de la Statistique et de la Démographie</i>
LSM	Large-Scale Mining
OECD	Organization of Economic Cooperation and Development
ONASSIM	<i>Office National de Sécurisation des Sites Miniers</i>
UEMOA	<i>Union Économique et Monétaire Ouest Africaine</i>
UNIDO	United Nations Industrial Development Organization
USAID	United States Agency for International Development
USG	United States Government
WB	World Bank

# I.0 INTRODUCTION AND BACKGROUND

The Artisanal Mining and Property Rights (AMPR) project supports the USAID Land and Urban Office to improve land and resource governance and strengthen property rights for all members of society, especially women. Its purpose is to address land and resource governance challenges in the artisanal and small-scale mining (ASM) sector, using a multidisciplinary approach and incorporating appropriate and applicable evidence and tools. The USAID AMPR project began in September 2018, and will run for 3 to 5 years, conducting most activities in the Central African Republic.

The purpose of Component 4 of the USAID AMPR project is to “Improve USAID Programming through Increased Understanding of Linkages Between ASM and Key Development Issues.” Activity 4.1.1 of the USAID AMPR Annual Work Plan (2018-2019) envisages actions to “Support relevant USAID operating units to assess the link between ASM and development issues.” Like other activities under Component 4, the purpose is to fill gaps and improve programming of USAID Operational Units and other U.S. government agencies as needed.

The USAID Sahel Regional Mission requested USAID AMPR support to conduct a desk review of the Artisanal and Small-scale Gold Mining (ASGM) sector in Burkina Faso. Globally ASGM has been steadily increasing from the 1990s, but the current global boom took off when gold prices spiked in 2011 and 2012. This boom has been especially pronounced in Africa. A recent analysis of UN trade statistics reported the UAE (Dubai) importing 446 tons of gold from Africa in 2016, all of which is almost certainly artisanal.<sup>1</sup> This represents around 15% of worldwide global production from 2016, including gold sourced from industrial mines.<sup>2</sup>

While ASGM offers a crucial livelihood for tens of millions of people in 35 countries<sup>3</sup> it is also associated with numerous challenges including environmental impacts (especially mercury emissions), workplace accidents, child labor, gender-based violence, money laundering and terrorist financing (Hunter 2019). The objective of the present desk review is not to provide a comprehensive analysis of the sector, but rather to assist USAID Sahel Regional to better understand the context and realities surrounding ASGM in Burkina Faso, with an emphasis on lessons and opportunities for constructive donor and private sector engagement.

The consultant carried out an in-depth literature review covering donor reports, academic studies, government documents and news reports (see full list in Annex A). In addition, the consultant identified key informants and completed 12 telephone interviews, in addition to email exchanges with other experts. Stakeholders included government officials, other donors/partners, private mining companies and independent experts (see full list in Annex B). The report’s organization is based on the key questions in the Scope of Work (see Annex C), providing an overview of the ASGM sector, an examination of general and Burkina-specific best practices with respect to ASM formalization and ASM-LSM cohabitation, and challenges and opportunities for donor engagement.

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<sup>1</sup> “Gold worth billions smuggled out of Africa.” *Reuters*. April 24, 2019.

<https://www.reuters.com/investigates/special-report/gold-africa-smuggling/>. The study reviewed the destination of industrial gold, which was mostly exported to Europe or South Africa.

<sup>2</sup> 2016 production was around 3,000 tons, according to the World Gold Council. <https://www.gold.org/about-gold/gold-supply/gold-mining/how-much-gold>

<sup>3</sup> Source: ILO. See [https://www.ilo.org/global/about-the-ilo/newsroom/news/WCMS\\_007929/lang--en/index.htm](https://www.ilo.org/global/about-the-ilo/newsroom/news/WCMS_007929/lang--en/index.htm)

## 2.0 ASGM SECTOR OVERVIEW

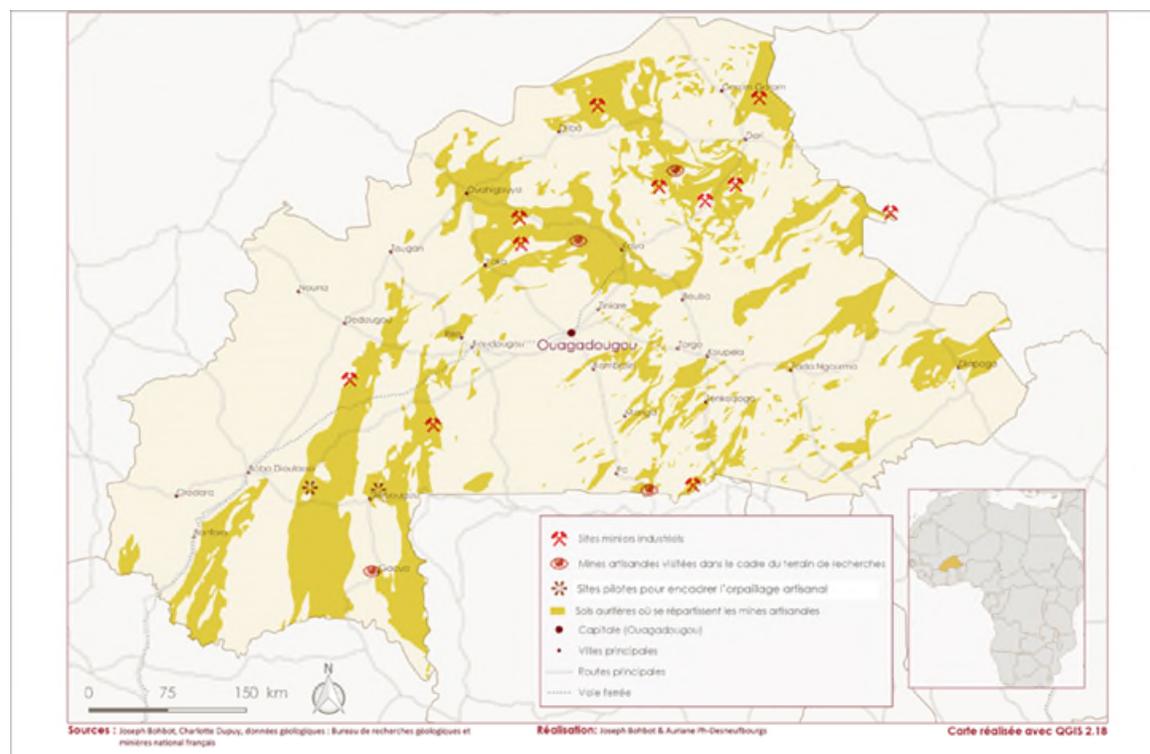
### 2.1 EXTENT OF ASGM AND PUSH/PULL FACTORS BEHIND GROWTH

As in Ghana and Mali, artisanal gold mining in Burkina Faso has old roots, with archeological evidence pointing to extraction as far back as the 15<sup>th</sup> century (Bohbot 2017). While the current boom is unprecedented globally, there have been other small rushes in recent history, such as one in 1984 driven by the effects of the severe drought in the Sahel at the time (Gilles 2012). Indeed, as well documented in the literature, cycles of ASGM are often linked to movement of peasant populations in and out of agriculture (Banchirigah and Hilson 2010), either on a seasonal or cyclical basis.

However, the current boom in ASGM is on an unprecedented scale. The government's statistics department counted 448 sites in a 2017 survey (INSD 2017) while the government's agency in charge of ASM called the *Agence Nationale d'Encadrement des Exploitations Minières Artisanales et Semi-mécanisées* (ANEEMAS) estimates over 800 sites at present. The INSD study estimated 140,000 workers in its study, but other sources count up to 2 million,<sup>4</sup> including dependents and peripheral workers. Indeed, reliable data is limited, but it is clear that ASGM is a major livelihood in an economy that is relatively non-diversified.

Besides a high number of sites and workers, the impact can be felt due to its spatial extent, given that sites are spread out throughout the country. Figure 1 shows a map depicting known and likely gold deposits, the location of the country's 9 industrial gold mines and several ASGM zones.

**Figure 1. Gold Sites of Burkina Faso (Source: Bohbot 2017)**



<sup>4</sup> See <http://www.rfi.fr/emission/20190108-burkina-faso-orpaillage-s-organise>. Discrepancies depend partly on whether to count both laborers and pit owners, and whether dependents and peripheral activities.

The INSD study from 2017 found that the regions with the most sites were the *Centre-Nord*, *Nord* and *Sud-Ouest*. However, in terms of large sites with many workers, the *Sud-Ouest* is the most important, with several dozen sites with between 50 and 200 pit owners, corresponding to up to 1,000 workers. The study estimated production from the *Sud-Ouest* at 4.7 tons in 2016, or about half of their annual estimation of 9.5 tons of gold for the whole country. To put this figure in perspective, industrial mines produced 38.10 tons in the same year.

Both ASGM and gold from the country's industrial, or Large-Scale Mining (LSM), operations took off in around 2010. Industrial production in that year was around 5 tons and increased consistently in subsequent years as other mines came online. This period corresponded to strong demand for gold on the world market, peaking above \$60 per gram (or \$1890 per troy ounce) in 2011. Today the price is still robust at around \$40 per gram, or 250% higher than 15 years ago. Gold demand is complex and is driven by financial markets, central banks, consumer trends, criminal activity and many other factors.

Whatever its cause, for the average gold miner pulling less than 1 gram of gold per day, this high price is undoubtedly a key pull factor attracting rural populations to ASGM. Other pull factors include technology transfers making ASGM today much more mechanized and sophisticated than in previous generations. Inexpensive Chinese-made rock crushers have become ubiquitous, as well as mercury and cyanide, which have made extraction of gold from relatively poor and fine ore easier than panning.

In addition, an influx of millions of dollars of financing by primarily illicit buyers, many supported by politicians and criminal networks, has drawn in thousands of laborers to mining, many of whom work just as much for daily food rations as they do in search money from the sale of gold. Finally, a policy aimed at attracting industrial gold mines has made populations aware of the extent of gold deposits, all while creating frustration that these mines have not translated into improved living conditions for many. ASGM has risen as a response to this perceived and real inequality, drawing communities and youth so they can have a "piece of the pie" as well.

Besides these pull factors, a number of push factors are also at play, documented well by Chevrillon-Guibert et al. (2019). First, the general economic context in recent decades has been marked by population growth and stagnant or falling youth employment opportunities. This has been especially pronounced among pastoralist populations who have seen land pressure, conflicts with farmers and climate change affect their primary livelihood.

The broader security situation has also been a push factor, notably the fall of Kadhafi in Libya and the related rise in militant activity and insecurity in Mali and more recently in Burkina Faso. In summary ASGM has taken off in recent years in Burkina Faso due to a combination of internal and external push and pull factors, making it an unavoidable economic activity for at least several hundred thousand Burkinabe in hundreds of sites throughout the country.

## **2.2 ORGANIZATION OF ASGM SUPPLY CHAIN**

The ASGM supply chain in Burkina Faso is similar to neighbors of Mali, Niger and northern Côte d'Ivoire. The main unit of organization in a typical site is the pit boss, who controls a small claim and who organizes a group of 4 to 5 workers (Sollazzo 2018). In the case of terrace deposits, the workers dig shafts that can be as deep as 100 meters, propped up by wooden beams or if they have the money reinforced with cement. Through a series of tunnels the workers will extract the mineralized ore and store in large bags. An equal number of bags is shared between the pit boss and the workers (5 each), and then 1 bag is reserved for the landowner and 1 bag for either the village chief or traditional security personnel (Sollazzo 2018, interviews).

There are myriad variations on this basic scheme, including additional "percentages" (in bags of gravel) taking by financiers if the pit is particularly deep, as well as allotments for other categories of laborers,

such as those who transport gravel to the processing locations, those who do manual crushing of ore and those who do the washing, often women and sometimes children. These people may be relatives of the workers and will hence share in the final winnings, or they may receive a portion of gravel in exchange for their services. In addition, in some cases there is a “site manager” who may be a wealthy financier of all teams working on the larger claim. This person may take a percentage or, as the financier, may buy all production coming from a given location. Another key actor are the operators of rock crushers and mills, who charge typically 6.000 FCFA (\$11) per bag of crushed gravel.

There is generally a close relationship between buyers/financiers and miners. Some buyers set up operations on sites and specialize in buying processed gold from workers after they wash their own share. These buyers may provide some kind of social assistance (like coverage of health fees) to these workers in order to create “loyal customers.” The pit bosses may also in some cases buy back the gold from their workers. Pit bosses may be financially independent, or they themselves may be financed by buyers. This would be especially important for deeper pits that can take up to a year to dig. Because the pit bosses must also pay “food money” to workers (\$2-4 per day) and provide them with tools, they need sufficient capital to finance these costs before the gold starts flowing.

Buyers recuperate their investment both directly and indirectly, either by deducting expenses from the money paid for the gold, or by manipulating the price. This is commonly done through manipulating the weight and purity calculations.<sup>5</sup> For example, buyers often use a 25 FCFA coin to represent 6 grams of weight in their traditional scales, but in reality a 25 FCFA coin weighs around 8 grams. This is justified as the loss in purity after refining, though this typically is not more than 7% whereas these calculations assume losses of up to 25% (Sollazzo 2018). In these ways, buyers recuperate some of their financing and make their profit. Meanwhile, average workers during production can earn \$60 per week on selling their share of the gold, which is a lot of money compared with agriculture. A pit boss in turn can make \$240 per week after expenses during peak gold production (Sollazzo 2018).

These buyers in turn sell to other buyers who sell to larger buyers until they reach exporters. These exporters may be based in Ouagadougou or in neighboring countries in the case of gold smuggling. Indeed, official gold exports from ASGM is less than 300 kilos per year, or 3% of the actual production estimated by the INSD study. The gold exits the country over land borders and from the airport. In areas of the southwest, contraband may move to Côte d’Ivoire over land, and possibly continue to Togo. Alternatively, the gold may be exported by registered exporters but without official declarations; indeed there are 53 exporters but only half officially exported last year (Source: ANEEMAS).

Gold is very sensitive to tax rates, since larger buyers make their profit on volume with margins of only 2 or 3% (Sollazzo 2018), or around 550 FCFA per gram. If gold is taxed higher than those margins, it is not profitable to declare it. The tax rate in Burkina Faso is 475,000 FCFA per kilo,<sup>6</sup> which corresponds to around 2% of the value of the gold at current market prices. However, for a typical trader this tax represents over 90% of profit margin per kilo (550,000 FCFA), not to mention other business taxes and

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<sup>5</sup> Gold purity is measured on a scale up to 24 karats, with 24 karats corresponding to 100% gold content. 23 karats corresponds to 96% gold, 22 karats to 92% and so on. The world market price is based on 24 karat gold so buyers must “discount” off this world market price taking into account profit margins, transport/refining costs, but also the amount of gold that is lost during refining. Gold purity varies but generally is no higher than 22.5 karats at the point of first sale, and can be as low as 17 or 18 karats.

<sup>6</sup> This includes 25,000 FCFA for the gold assaying service done by geological agency BUMIGEB. In December 2017 the government reduced the tax rate to 200,000 FCFA for gold exported through ANEEMAS, which is mandated to operate as a state gold buying scheme.

license fees. In Togo, on the other hand, the tax is only 30,000 FCFA per kilo, and in Mali until recently anything above 50 kilos was tax-free, even though nominally all countries have a 3% tax rate.<sup>7</sup>

Besides illegal exports, many traders and miners are also operating illegally, though there are key revisions in the policy and regulatory framework that may change this picture in the coming months (see next section). Meanwhile the sector also has a number of trade organizations. These include:

- Chamber of Mines of Burkina Faso, which represents mainly industrial mines, but also has small-scale miners and one cooperative among its members.
- *Corporation nationale des artisans et exploitants de petites mines du Burkina* (CONAPEM) which represents mainly small-scale and semi-mechanized miners, and participates actively in national policy-making discussions.
- *Syndicat national des orpailleurs artisanaux et traditionnels du Burkina* (SYNORARTRAB) which has been an active interest group often defending the artisanal miners from eviction by companies.
- *Union nationale des travailleurs des exploitations de l'or*, a general union of gold mining workers.
- *Association des femmes du secteur minier du Burkina Faso*, which focuses on women miners.

## 2.3 LEGAL, REGULATORY AND INSTITUTIONAL FRAMEWORK

The primary law regulating mining in Burkina Faso is the Mining Code of 2015. The law creates two licensing categories relevant to ASGM: an artisanal mining authorization and a semi-mechanized mining permit. The artisanal authorization (up to 100 hectares) is delivered by the Minister for 2 years to either a cooperative company or an individual. The semi-mechanized mining permit is a small-scale mining category (up to 1 square kilometer) valid for 5 years and also delivered by the Mining Minister. Today there are approximately 30 active artisanal mining authorizations and 34 semi-mechanized permits, though only 10 of the latter are active, according to ANEEMAS.

Until recently there were hundreds of artisanal mining licenses, but these were often signed in Ouagadougou and local populations refused to recognize them, given that they were sometimes used to extract percentages or expropriate lands being managed by customary authorities. There is also evidence that they were used for money laundering, with some individuals hold 20, 30 and in one case even 70 mining permits (Sollazzo 2018).

In part as a response to the failure of this licensing regime, the government introduced significant reform in the laws and regulatory texts related to ANEEMAS, mainly, the 2015 decree creating the agency and defining its functions, and the 2018 decree on how artisanal and semi-mechanized production will be organized. In these laws ANEEMAS was given broad latitude in licensing and managing the sector, including serving as a “single stop shop” (*guichet unique*) for licensing of both miners and buyers/exporters, the tracking of data and even acting as a state-sponsored gold buying scheme.

This recent law significantly changed the de facto licensing regime without changing the 2015 Mining Code. First, it introduced the concept of identity cards that in effect replace licensing obligations for many types of actors. There are four types of cards: miners/workers (10.000 FCFA per year), service providers (50.000 FCFA per year), small-scale buyers (100.000 FCFA per year) and site managers (*intermédiaire agréé*, see below) who sign agreements with the government (250.000 FCFA per year). To date ANEEMAS has delivered over 1,400 cards in 2019 across all categories.

A second innovation is the creation of a category of actor called an *intermédiaire agréé*. This category comes into play for artisanal mining sites that are not subject to existing permits or authorizations, or which may be on an industrial mining research permit. Indeed, a key and unusual feature of Burkina

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<sup>7</sup> Differences in practice are due to loopholes but also different base rates. Togo uses a base rate for the price of gold that has no bearing on current market prices.

Faso's mining code is that it allows overlap between ASM authorizations and industrial research permits, as per the law's Article 17, but only with the permission of the permit-holder. This creates an opening to a problem faced by most countries with issues of ASM-LSM cohabitation, mainly, that governments give out large swathes of land for research leaving little for ASM miners, who often predate the arrival of permit-holders.

The category *intermédiaire agréé* was created as a solution to both the problem of ASM on industrial research permits and ASM in large sites under customary control where traditional licensing is impractical. In this scenario, ANEEMAS brokers an agreement between an organized entity – like a cooperative, a customary site manager or site financier – and the government. As part of this agreement, the conditions for mining are established, including a provision whereby some or all production should be sold to ANEEMAS, either directly or via the small-scale buyers. This system is likely the first attempt in West Africa to formally organize miners outside of a traditional licensing frameworks. At present there are 44 agreements under negotiation using this disposition; finalization is taking time because the consultative process requires buy-in from local authorities and communities.

ANEEMAS also in principle will manage licensing of buyers and the processing of exports. At present there are 53 licensed exporters; it costs approximately 2 million FCFA per year<sup>8</sup> to operate with a minimum export of 20 kilos per year. About half of exporters actually export, raising questions around illegal exports or money laundering. Indeed, Burkina Faso gained some exposure for the presence of Colombian drug money in 2010-2014 laundered under mining or exporter licenses (Sollazzo 2018). According to ANEEMAS, the power to regulate the exporters has not yet been devolved to them despite the new 2018 decree giving them that authority. Powerful exporters during the Compaoré regime were Sav'Or and Somika; both are still in operation though less than before. Official production in 2019 so far stands at around 310 kilos by these 53 exporters.

ANEEMAS is currently anticipating major World Bank support to fulfill its mandate. It currently has a staff of approximately 50 agents and they have opened offices in 2 of 10 target zones outside of Ouagadougou. Other entities with a role in the regulation of ASGM include:

- *Brigade Nationale Anti-Fraude de l'Or* (BNAF) which has a mandate to inspect gold buying operations and enforce the minimum export requirements each year.
- *Bureau des Mines et de la Géologie du Burkina* (BUMIGEB) which among other functions completes the assay (quality testing) of gold prior to export.
- *Direction Générale des Mines et de la Géologie* (DGMG) which currently still manages the licensing and tracking of gold buyers while awaiting transfer to ANEEMAS.
- *Office National de Sécurisation des Sites Miniers* (ONASSIM) which is in charge of monitoring and securing mining sites, though they only have 11 officers for the whole country.

## 2.4 KEY CHALLENGES IN THE ASGM SECTOR

Burkina Faso is not immune from the numerous social and labor issues that accompany ASGM. Working conditions can be extremely hazardous. Indeed, Burkinabe are known throughout West Africa as true ASGM experts, having developed daring and dangerous methods of tunneling as deep as 120 meters. To prevent suffocation in temperatures that can be higher than 50 degrees Celsius, tubes are made from plastic bags and house fans push air down and up again through special shafts. To deal with the risks, workers often use painkillers (like Tramadol, an analgesic that is widespread in mining communities across West Africa) and alcohol.

Tunnel flooding and collapses are common, and based on media reports, there are dozens of deaths each year, despite the government officially banning mining during the rainy season. Meanwhile

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<sup>8</sup> The license cost 5 million FCFA and a 5 million FCFA deposit, renewed every 5 years.

respiratory illnesses from inhaling fine particulate matter during rock crushing operations can, along with other factors, lead to reduced life expectancies as low as 45 years old for those who survive the mining operation itself. Still, these dangers do not deter miners due to the typical combination of hope and desperation observed in all ASGM communities. As one miner said in a documentary film, “We risk our lives for gold because if we don’t we’ll die anyway.”<sup>9</sup>

Child labor is particularly widespread in Burkina Faso ASGM, with a study by UNICEF showing that 37% of people on a sample of sites were children. Children are often present in the context of families who live in mining camps, exposing them to mercury and other health hazards, while many work as manual rock crushers or even descend into the tunnels due to their ability to squeeze through smaller places compared to adults, which is clearly among the “worst forms of child labor” as defined by the ILO. On the environmental side, mercury is ubiquitous despite its hazards especially for pregnant women and children. In addition, there is the increasing use of cyanide, which if used properly can extract 90% of gold, compared to 30-40% for mercury, but which can create health and environmental hazards if used improperly.<sup>10</sup>

On the business side, access to finance is a challenge in ASGM in Burkina Faso as elsewhere. Because illicit or informal buyers provide the bulk of financing, formalization will unlikely succeed without efforts to support miners becoming financially independent or gaining access to formal credit. However, formal credit facilities are virtually non-existent for miners, even those who run semi-mechanized operations. As explained by the CONAPEM vice president, formal finance always requires collateral, and this is rarely available even for relatively well-organized miners. In addition, a poor image of the sector and the existence of widespread fraud/smuggling reduces the interest by formal financiers.

Other issues include conflicts between ASM and LSM operations (see below for more discussion). Finally, smuggling and illicit financing creates broader risks. Entrenched criminal networks that receive political protection make it difficult to formalize the sector and can exacerbate social and labor issues. It also creates a challenge for government or donor-driven technical assistance. For example, when gold is used for trade-based money laundering, it can be purchased at or higher than world market prices. As such, projects that compete with these illicit actors can have a challenge of being shut out of these closed financing and mining networks.

There is limited direct evidence that these networks are linked to jihadist or other militant groups. However, at least one home-grown militant group (Ansar ul Islam) is active in the northern mining regions, and has conducted raids on ASGM sites in Soum region in addition to supply convoys for an industrial mine (Sollazzo 2018). There is also growing concern that militants may have infiltrated the Southwest areas and are operating in the cross-border mining areas between Burkina Faso and Cote d’Ivoire.<sup>11</sup> It is unclear if a recent terrorist plot in Abidjan foiled through arrests in Burkina Faso stemmed from this region or the north.<sup>12</sup>

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<sup>9</sup> To witness the harrowing conditions, a French documentary film from 2017 can be viewed here, showing the site of Algah with 10,000 workers: <https://www.youtube.com/watch?v=-Dwuj0X2GPs>

<sup>10</sup> Cyanide breaks down in the environment relatively quickly into non-toxic derivatives; as such mercury is a much worse long-term environmental hazard despite cyanide being perceived as a dangerous poison. However, when combined with mercury it can enhance the synthesis of methyl mercury, which is more bioavailable and more likely to concentrate in fish and other organisms. In addition, combining acid with cyanide creates killer fumes.

<sup>11</sup> Based on interviews with diplomats, plus some general news reports such as: <https://www.bloomberg.com/news/articles/2019-05-09/nearing-jihadist-threat-prompts-ivory-coast-ghana-to-lift-guard>

<sup>12</sup> The incident was reported in June 2019 in the International SOS security alerts for Cote d’Ivoire.

## 3.0 ASGM FORMALIZATION EFFORTS

### 3.1 GENERAL BEST PRACTICES IN ASGM FORMALIZATION

ASGM formalization is a complex topic debated among academics and policy-makers for decades. Several principles and trends are worth noting as USAID considers engagement on ASGM in Burkina Faso. First, *formalization* as a term is often used interchangeably with *legalization*, especially by government stakeholders. This can be counter-productive, as governments often take the position that their role is to implement the mining law, even if the law is poorly conceived or its application unrealistic. This can provide the conceptual basis for a government policy that is overly repressive, and which sees formalization as a matter of forcing “illiterate peasants” to follow the rules.

In contrast, formalization implies more than just getting licenses, but rather includes a broad-based consensus among stakeholders on how the sector will be managed and how benefits can be maximized for the government but also for miners and communities. As such formalization touches upon concepts of professional support to miners, collaboration with customary authorities, and building upon existing local organizational practices. While a full discussion on formalization is beyond the scope of this review, as per the Scope of Work, a number of “best” and “worst” practices are offered below.

**Figure 2. "Best" and "Worst" Practices in ASGM Formalization**

Formalization “best practices”	Formalization “worst practices”
Participatory multi-stakeholder process to identify priorities and actions, resulting in a national ASGM policy and action plan	Focus resources on criminalizing ASM mining and organizing military repression campaigns that disproportionately affect poor diggers
Government, donor and private sector collaboration on <i>professionalization</i> of mining to improve productivity, safety and profit	Force artisanal miners to remain non-mechanized and deny legal pathway towards responsible mechanization
Embed ASGM into local and national development planning and development programming	Ignore ASGM or treat ASGM as a criminal activity or as a problem for “real” mining (aka industrial mining)
Understand political economy of ASGM including criminal networks and political protection, and target law enforcement actions accordingly	Turn a blind eye to sensitive but essential analysis on how politicians and elites protect or manage criminal networks who profit from ASGM
Create licensing and tax structures that are clear, proportional and make legal activity easy and are harmonized with neighboring countries	Set taxes and fees that are inaccessible to typical miners or that disincentivize legal behavior, or that involve too much red tape
Understand land tenure dynamics in ASGM communities and leverage customary control for better environmental and social management	Turn a blind eye to the fact that while mineral resources are generally vested in the central government, local communities exert control and have a strong interest in their management
Acknowledge that ASGM is not inherently good or bad but is a phenomenon that cannot be eradicated given strength of push/pull factors but which requires a development approach to maximize its positive potential	Overly moralistic or sensationalized discourse around the real dangers and problems of ASGM, which can create an impediment to sound policy interventions

In addition, the following guides and documents can provide further reading and resources on good practices in ASGM formalization:

- **Intergovernmental Forum Guidance for Governments: Management artisanal and small-scale mining.** This guide offers a useful framework for an inclusive policy-making process that can be adapted to each country’s circumstances. The IGF has been funded by the Government of Canada and supports 60 countries on mining policy.  
<https://www.igfmining.org/guidance-for-governments/artisanal-and-small-scale-mining/>
- **Africa Mining Vision: African Minerals Governance Framework.** The Africa Mining Vision was adopted by African Union heads of state in 2009 and covers core principles and priorities, including related to artisanal mining. The Framework takes key “pillars” (including Pillar 5, ASM) and formulates key questions that policy-makers should consider.  
<https://www.uneca.org/publications/africa-mining-vision-african-minerals-governance-framework>
- **UNITAR / UNEP Handbook for Developing National ASGM Formalization Strategies within National Action Plans.** The Minamata Convention on Mercury requires governments to develop national action plans on reducing mercury. Given that ASGM is the main source of mercury emissions worldwide, most of these plans focus on ASGM. The handbook is similar to the IGF guide and is being used in many countries as part of technical assistance for implementing the Convention provided by UNITAR and UNEP.  
[https://unitar.org/cwm/sites/unitar.org.cwm/files/uploads/formalization\\_handbook\\_e\\_web\\_final.pdf](https://unitar.org/cwm/sites/unitar.org.cwm/files/uploads/formalization_handbook_e_web_final.pdf)
- **Mosi-oa-Tunya Declaration on Artisanal and Small-scale Mining, Quarrying and Development.** The Declaration, adopted at a conference in Zambia in November 2018, outlines a number of key principles and priorities not just for gold but for non-precious minerals dubbed “development minerals” which together are worth more than precious minerals.  
[http://asmconference.org/pdf/Mosi-oa-Tunya\\_Declaration\\_EN.pdf](http://asmconference.org/pdf/Mosi-oa-Tunya_Declaration_EN.pdf)
- **OECD FAQ on Responsible Supply Chains in Artisanal and Small-Scale Gold Mining.** The OECD developed this FAQ to note key principles for sourcing artisanal gold from high risk and conflict affected regions, in line with the Due Diligence Guidelines which are the basis of the EU Conflict Minerals legislation that goes into effect in 2021 for all imports of gold into the European Union. The guidance was aimed at avoiding the stigmatization of ASGM in global supply chains.  
[https://www.oecd.org/daf/inv/investment-policy/FAQ\\_Sourcing-Gold-from-ASM-Miners.pdf](https://www.oecd.org/daf/inv/investment-policy/FAQ_Sourcing-Gold-from-ASM-Miners.pdf)
- **ENACT Paper on combating criminal consortia in the African artisanal and small-scale gold mining and trade sector.** This paper, produced with EU funding by Swiss-based think tank the Global Initiative on Transnational Organized Crime provides an excellent and timely description of ASGM issues and best practices related to organized crime in gold.  
<https://enactafrica.org/research/research-papers/pulling-at-golden-webs-combating-criminal-consortia-in-the-african-artisanal-and-small-scale-gold-mining-and-trade-sector>
- **Sustainable Minerals Institute: A large-scale perspective on small-scale mining.** A recent paper on some best practices in ASM-LSM cohabitation produced by the University Queensland, a leader on extractives policy and training in Australia.  
<https://www.csr.m.uq.edu.au/publications/a-large-scale-perspective-on-small-scale-mining>

### 3.2 CURRENT PROJECTS AND INITIATIVES

Compared to other countries in West Africa, Burkina Faso has a large number of donors, NGOs and other organizations engaging on ASGM at the moment. This is a relatively new trend, with many projects just starting or envisaged in the coming years. Figure 3 below summarizes the initiatives that were identified during the Desk Review.

**Figure 3. Summary of Projects or Initiatives on ASGM**

Organization / Donor	Budget / Duration	Main activities
Alliance for Responsible Mining (EU Funds)	3 years, likely around €1,000,000	Work with 20 cooperatives in 2 gold mining areas towards implementation of the CRAFT code <sup>13</sup> through technical assistance, facilitation of access to finance and markets, technology transfer and integrated approach to development with communities.
Alliance for Responsible Mining with ALG (OECD/EU Funds)	1-2 years, undisclosed budget, likely around €250,000	Sensitize and train actors in Burkina Faso, Mali and Niger on the OECD Due Diligence Guidelines. The activity envisaged for 2019/2020 builds upon collaboration between the ALG and OECD since 2016, and is supported in part by the EU.
Better Chain (with European Partnership for Responsible Minerals – EU Funds)	1-2 years, undisclosed budget, likely up to €500,000	Start-up Better Chain will work with Swiss refiner Afinor and other partners (including ARM) on piloting its Consolidated Autonomous Due Diligence (CADD) upstream framework aimed at simplifying and providing a solution for collecting and managing information needed for compliance with the EU Conflicts Minerals Law and OECD guidelines.
Artisanal Gold Council (GEF/UNIDO)	4 years, €2,000,000	Burkina Faso is one of 7 countries targeted by the \$180-million Global Environment Facility program in support of ASGM formalization and mercury reduction. UNIDO is the implementing agency and AGC the implementor. Activities include support to access markets, mercury-free technology, policy-making support and awareness-raising/knowledge management. 1-2 pilot sites envisaged.
World Bank, Sustainable Mineral Development Support project	3-5 years, \$30 million	The Project Implementation Document (PID) was recently approved but has not yet been made public. The project will likely include support to ANEEMAS, support to NGOs and miner associations, support for technology transfer and policy-making.
French Embassy	1-2 years, €900,000	The French Embassy is negotiating an agreement with ANEEMAS though activities have yet to be defined. Options include piloting a central cyanide-based processing facility to improve extraction productivity and piloting a “land charter” approach to participatory planning in an ASGM community.
Terre des Hommes	Ongoing, unknown budget	The Swiss NGO has focused on child labor and developed a tablet-based early alert system on major violations as well as sensitization programs. ANEEMAS with World Bank support want to scale up the tablet-based monitoring system.

<sup>13</sup> The CRAFT Code was created by ARM as an entry-level standard for ASGM producers. It was designed as a flexible approach to encourage responsible sourcing with less barriers to entry than the more difficult and rigorous FairMined Standard (also developed by ARM) which includes a premium but stricter performance standards.

A few additional comments on existing and upcoming programs:

- The OECD has been collaborating with the *Autorité Liptako-Gourma* (ALG) since 2016, a regional organization grouping Niger, Mali and Burkina Faso. The ALG was created in 1970 and aims at promoting harmonized development and management of natural resources, including mineral resources. The ALG is based in Ouagadougou, and hosted the joint OECD-ALG workshop on the Due Diligence Guidelines in 2017, part of the OECD's strategy to raise awareness on the guidelines in West Africa. Given that West African minerals, like those in Central Africa, may soon be designated as "high risk and conflict affected" by the EU's Conflict Minerals law,<sup>14</sup> the engagement is meant to help prepare the region for these developments. The ALG has developed an action plan for further harmonizing policies across the 3 countries but lacks funding and political will by member states to prioritize this issue.
- The ARM and AGC projects are in many ways designed in similar ways, focusing on technology transfer and facilitating access to finance for greater formalization. The projects have not yet determined details on how they will deal with access to finance, whether through loan guarantees or revolving funds, or with assistance from outside investors including refineries. Indeed, demand for "responsible ASM gold" appears to highly outstrip supply at the moment, but there have been few successful pathways to market. One weakness of "closed pipeline" approaches is that until they reach a tipping point and start challenging the "big players" who smuggle and sell gold illegally, their impact is limited. As the projects gain momentum, they will likely face push-back from these actors who have vested interests against formalization.
- The ARM approach and the proposed French embassy support for "land charters" in ASGM communities are on the right track in integrating land management and local stakeholder dialogue. Indeed, ASGM takes place in complex socio-political contexts and technology or organizational innovation alone cannot improve sector management. ARM's approach to create responsible ASM zones working with regions and townships is on the right track. However, both projects may be confronted with resource crunches as these types of approaches require intense and sustained engagement by embedded field agents specialized in behavioral change communication and social dialogue. The budget levels for these projects may be insufficient to support that level of engagement.

Besides the aforementioned projects, several other initiatives are relevant:

- The G7 and the "G5 Sahel" are following the rise of violent extremism in the Sahel closely, and they may be considering more closely the role of ASGM as both a stabilizing and destabilizing factor in peace and security in the region. The trend of considering ASGM in security policies and programs is positive, but it will require specialized expertise to do well.
- The EITI in its 2016 standards revision included ASM as a component of contextual information required in annual reports, though there continues to be discussions on how to improve the ways in which ASM is captured. Given that up to 25% of production is taking place without transparency, this is a key gap in the Initiative's standards.
- UEMOA has engaged on ASGM in recent years notably through events related to promotion of its uniform mining code. However, both UEMOA and ECOWAS have not taken needed bold steps regarding tax and policy harmonization on ASGM.

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<sup>14</sup> The law (2017/821) which comes into effect on January 1, 2021 requires EU imports of gold, tin, tungsten and tantalum to comply with the OECD Due Diligence Standards, which in turn requires all upstream and downstream actors in a mineral supply chain to establish strong company management systems, identify and assess risk in the supply chain, design and implement a strategy to respond to identified risks, carry out an independent third-party audit of supply chain due diligence, and report annually on supply chain due diligence.

### 3.3 PRIVATE SECTOR INITIATIVES

The upcoming projects focus on private sector and supply chain approaches, in line with the EU Conflicts Minerals Law and trends in ASGM formalization policy. The ARM, AGC and World Bank projects all foresee investments in technology transfer, facilitating access to finance and support mine-to-market solutions including fostering relationships with refineries. This will likely be more challenging in practice due to the influence of spoilers, the persistence of traditional financing arrangements but also the dearth of existing responsible private sector sourcing initiatives in the sector.

One notable exception is an American-registered company called Barksanem, co-run by a Frenchman who has worked in Burkina Faso for decades as well as an American partner based in Texas. Barksanem has developed a compelling proposal for responsible mining and has garnered support from ANEEMAS, including identifying 4 sites for its pilot effort. The approach consists first and foremost of a small-scale mining operation on a viable hard-rock deposit. A medium-scale ore processing facility will produce gold and ensure a minimum cash-flow. In addition, the facility would be open for small-scale miners, with a large part of the business model built around supporting and sourcing from ASGM.

Their plan is to negotiate agreements with miners on their semi-mechanized mining permits under the *intermédiaire agréé* category of the new ANEEMAS regulations. They plan a progressive approach whereby as part of the agreement, they will first buy 50% of production in exchange for permission to work on their permit and process at their facilities. Based on the assumption that the ore processing facility will be more efficient than existing methods, especially if cyanide is used in a controlled setting, the company hopes to attract miners to eventually sell 100% of their production to them. This production would then be exported through ANEEMAS to a Swiss refinery.

Barksanem's model also has a number of other components, including a proposal to use a digital currency called "Ticket Coins" developed by the company's American partner which is pegged to a basket of 50 commodities. They hope to introduce this currency to increase traceability and believe that given the widespread use of mobile money, it should be possible. A bag-and-tag system will also be used for the gold through export. In addition, they plan on bringing miners up to the FairMined standards which would enable the \$4,000 per kilo premium that producers get under that stringent audited standard. Those funds would be used for livelihood diversification, including farming around the central processing unit, which will have dedicated wells needed for water for ore processing.

If successful, the Barksanem model is in line with best practices and represents the "future" of successful ASGM policy: a private sector approach that integrates supply chain due diligence with technology innovation and a hybrid small-scale mining and sourcing business model. However, the company has had a difficult time attracting investment, having reached out to over 250 impact investors, most of whom view mining as "dirty" and high-risk. The capital required is €4,000,000 which is not insignificant but is in line with most small-scale mining investment requirements. Barksanem's experience shows the challenges in accessing financing but also the opportunities to re-think public-private partnership models to allow scalable and viable approaches that have more chance of outliving donor programs.

### 3.4 CHALLENGES AND OPPORTUNITIES IN ASM-LSM COHABITATION

As noted in the sector overview, Burkina Faso currently has 9 industrial gold mines that produced 46.2 tons of gold in 2017, up from only 5 tons in 2008. This increase of 800% over 10 years has had a large impact on the national economy. While ASGM figures are unreliable, the growth over the last 10 years has probably been comparable.

While there have been issues in ASM-LSM cohabitation with industrial mines, most issues take place on research permits. Indeed, the country has over 100 active industrial research permits, each up to 250 square kilometers, leaving very little viable space for ASGM. While other countries have mostly

unsuccessfully implemented “ASM corridors” in their strategies,<sup>15</sup> Burkina Faso took a different tact and allows ASM in research permits if consent is given by the permit-holder. Burkina Faso is nearly alone in allowing this formally in its law, though other countries have tolerated this overlap.

In practice the relationship between ASM and LSM is marked by constant negotiation and often tension. The advantage of the Burkina Faso legislative framework is that it allows a space for negotiation, while in recent years ANEEMAS has stepped in to play a mediation role when conflicts arise. Indeed, after incidents in 2012-2014 resulting in violence around an LSM mine site eviction, the government has taken a more conciliatory approach, as have companies concerned about reputational risks.

Many companies prefer to take a permissive approach to ASM on their research permits, in effect “tolerating” the activity. This is preferable to formal negotiation, as it gives them flexibility to evict when needed and also avoids thorny liability issues stemming from written agreements with miners. In addition, the type of ASM practiced will influence the preferred response. If the majority of miners are from local communities, then companies will prefer to accommodate their presence, as opposed to rush sites or sites controlled by outside powerful financiers, which pose reputational and liability issues. Industrial companies also do not like to see semi-industrial or highly mechanized mining on their permits for the same reasons. In addition, should miners encroach on deposits that are under active research for industrial development, eviction is the preferred response.

Despite this preference to “tolerate” artisanal miners in many instances, some companies like SEMAFO have signed formal agreements, with the support of ANEEMAS. About half of the 44 agreements under negotiation between ANEEMAS and *intermédiaires agréés* are on existing industrial permits. ANEEMAS has also played a role when companies proceed to eviction. Avion Gold, for example, a subsidiary of Endeavour Mining, decided to give a year’s grace period to a semi-mechanized producer on its permit through a formal agreement. When the producer still would not leave, they proceeded to a forced eviction with government support. In addition, the company is transitioning to a mining permit, and as part of that process has developed a plan to indemnify artisanal miners that will be evicted, with compensation ranging from 35,000 FCFA to 1,000,000 FCFA depending on the assets and other factors.

Companies are also relying on ANEEMAS to deal with artisanal mining. Avion Gold, for example, signed a formal agreement with ANEEMAS so that the agency would manage sensitization and awareness-raising. In return, the company covers operational costs of missions and patrols. The company also subsidizes costs of local law enforcement and other officials to play a role in patrolling and in engaging and managing local stakeholder relationships.

In summary, while tensions and conflicts exist between ASM and LSM actors, governments and mining companies tend to address them in the broader framework of community engagement and CSR. ANEEMAS is increasingly playing a positive role in mediating these conflicts, and miner associations also carry the voices of their members on these issues. The Chamber of Mines has also held a number of forums on the topic, but in general each member company deals with situations on their own.

The issues surrounding LSM and community relationships are complex, with conflicts stemming not just from ASM but also on benefit-sharing and environmental impacts from industrial mines. A recent paper (Pokorny et al. 2019) documented negative perceptions by communities about industrial mines in the north, with marginally better perceptions on the economic impacts of ASM. Burkina Faso would present an ideal case study on both good and bad practices with respect to ASM and LSM given its recent history with violent incidents but also with successful examples of cohabitation and negotiation.

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<sup>15</sup> Mali and Côte d’Ivoire have failed in that approach due to lack of viable deposits for miners. In the DRC, a similar approach of ASM “zones” has also had limited success in reducing encroachment and conflict.

### 3.5 CURRENT ASGM POLICY ENVIRONMENT

Overall the policy and institutional environment related to ASGM in Burkina Faso has a number of highly positive elements. The first is the creation of ANEEMAS in 2015 and reforms in management and licensing through implementing regulations adopted in late 2018. The combination of a strong central agency empowered by law and with increasing resources creates a space conducive to innovation and improved formalization. In and of itself it is not enough, but compared to other West African countries, the new framework is cutting edge—especially the *intermédiaire agréé* framework—and should be followed closely by policy-makers and other governments.

A second positive factor is the emphasis on supply chain and private sector solutions by donors and the government. The upcoming projects all recognize the fact that it is impossible to compete with smugglers on price alone, and instead a combination of technical assistance, increased productivity and alternative supply chain are the only way of drawing production into the legal chain of custody. While the motivations for the assistance varies—from mercury reduction to supply chain due diligence—the universal emphasis on developing viable business models is encouraging.

Despite the generally favorable policy environment, challenges ahead are myriad, and include:

- ANEEMAS will find it difficult to foster coordination and coherence among all these new projects, especially since the agency reportedly relies heavily on two dynamic individuals who may become overextended. The World Bank support to develop a strategic plan for the agency should help, but quickly strengthening the human resources at the agency is key.
- ANEEMAS is at risk for conflicts of interest and other dysfunctions due to the extensive nature of its mandate, which covers licensing of miners and buyers, management of exports, purchasing of gold, mediation of conflicts between ASM-LSM, among other functions. Besides its limited capacity to carry out all these responsibilities, the agency could end up with too much power.
- The central state gold buying scheme by ANEEMAS is highly risky and may not succeed. The provision was inspired by the Sankara-era *Comptoir Burkinabe des Métaux Précieux* but the decades of liberalized gold exports will be difficult to break. In addition, central schemes generally face significant challenges in terms of capital availability, capacity and corruption.
- The current context is marked by a dominance of smugglers and transnational criminal networks. The fact that the Ministry has not yet devolved oversight of exporters to ANEEMAS as foreseen in the law shows their persistent power. Understanding these actors and devising strategies to marginalize the worst offenders and tighten oversight on the rest is essential.
- Access to financing and capital, while a central feature of the upcoming projects, will be difficult in practice where small-scale buyers and their larger supporters dominate. It will be necessary for these initiatives and ANEEMAS to determine how to bring these smaller buyers into the fold as supply chain initiatives that seek to marginalize existing buyers often fail.

## 4.0 OPPORTUNITIES FOR USAID ENGAGEMENT

### 4.1 SUPPLY CHAIN AND PRIVATE SECTOR OPTIONS

A number of options could be considered that would complement existing initiatives and present opportunities for innovative private-public partnerships:

- Facilitating financing for an initiative like Barksanem, the American company that has developed a business model around responsible ASGM sourcing, should be considered. A partnership approach could increase the attractiveness of the initiative for private sector investors whose perception of risk would be reduced by USAID involvement. Mechanisms such as loan guarantees or introduction to appropriate groups of investors could also be envisaged. Further dialogue and due diligence on the company could determine an appropriate strategy.
- Assistance to ANEEMAS and the other projects in developing a robust access to finance strategy tailored to local and international realities. This could include a more in-depth understanding of business models, risks and rewards as well as facilitating the dialogue and networking needed to get pilot initiatives off the ground. This could include study tours for impact investors and training on financial forecasting for potential small-scale operators. Such activities would foster synergies between financiers and ASGM producers, as well as increasing capacity.
- Assistance on SME development and promotion could also be a key area of collaboration. For example, upcoming projects envisage procuring local equipment, promoting local mining entrepreneurs and so on, but few have resources or expertise on private sector promotion and entrepreneurial support. For example, there could be a business model developed around providing geological and technical assistance to small-scale miners, or in producing local equipment. Actors like AGC and ARM have the capacity to help train local actors on the technical aspects, but not on the business development aspects vital for sustainability.

### 4.2 SUPPORT RELATED TO LAND TENURE AND ENVIRONMENT

Successful ASGM formalization requires integrated development approaches that take into account local land tenure practices, land use planning and environmental management. Local communities and local authorities have influence on who mines, where they mine, how they mine, who benefits from mining and what happens to land after it is mined. This in turn has a tremendous impact on environmental impacts, environmental rehabilitation and benefit-sharing from mining.<sup>16</sup>

The ARM approach creating local platforms, Barksanem’s “territorial” model as well as the French Embassy proposal with ANEEMAS for “land charters” are all steps in the right direction. However, these projects may lack resources or experience to carry them to their full potential. The USAID AMPR project and previous projects like the USAID Property Rights and Artisanal Diamond Development (PRADD) project have pioneered land tenure approaches to management of mineral resources through land-use planning, land certification, land charters and other tools aimed at promoting the conditions for sustainable resource management.

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<sup>16</sup> For further information on these dynamics, see the USAID Issue Brief on *Property Rights and Artisanal Mining Clarifying and Strengthening Rights: Options For Policymakers* (2016). Available online at <https://www.land-links.org/wp-content/uploads/2016/09/Property-Rights-and-Artisanal-Mining.pdf>

As such, USAID may consider short-term or long-term support for these land tenure approaches, including study tours, technical assistance in program design or pilot rehabilitation and land-use planning efforts. For example, in Côte d'Ivoire the PRADD II project developed a land-use plan for a diamond mining township and assisted women's agricultural groups reclaim mined out land. Visiting such sites could provide vital lessons. This expertise in community development in mining communities could form a key value-added should a public-private partnership approach be designed.

#### **4.3 SUPPORT RELATED TO LAW ENFORCEMENT**

Effective law enforcement and anti-smuggling measures are essential to make a meaningful difference in ASGM supply chains. USAID may consider supporting confidential or public research on current smuggling and illicit financial flows related to ASGM. This could form part of a strategy to develop a partnership between government agencies and international organizations to combat money laundering, terrorist financing or other risks associated with ASGM. Smuggling and corruption is extremely sensitive, but USAID has experience through AMPR and PRADD in supporting governments to understand and develop strategies around those issues. Such efforts can also provide political cover for champions in government institutions to "clean house" as ANEEMAS seems keen to attempt to do.

In addition, USAID could be well-placed to strengthen the capacity of projects or government agencies that deal with security risks and combatting violent extremism. A series of trainings or briefings could be organized to ensure that these projects understand the ASGM supply chain and the opportunities and risks that these supply chains offer. This would help ensure that accurate information about ASGM is taken into consideration in programming and policy.

#### **4.4 POLICY-ORIENTED SUPPORT**

USAID might also consider further studies to help inform government policy. For example, very little has been done in Burkina Faso on gender in ASGM, though women likely make up a third of the workforce. A study on this issue could be a useful contribution to ANEEMAS and other projects. In addition, USAID might consider a more in-depth study on the issue of ASM-LSM cohabitation to better understand both positive and negative examples. This could contribute to the broader literature, but also facilitate discussion with ANEEMAS and the Chamber of Mines on how to streamline and formalize its approach to mediating these conflicts.

USAID might also consider supporting the ALG in its collaboration with the OECD, especially when it comes to regional knowledge exchange and best practice promotion. In many ways, Burkina Faso is a leader compared with Mali and Niger, but the other ALG members also have important contributions. The most important policy issue on the table is tax harmonization, but unfortunately this requires an approach beyond the ALG, either through UEMOA or ideally through ECOWAS. GIZ is considering a study on gold taxation in the Mano River Union zone, but a broader strategy to build political buy-in for harmonization across West Africa is sorely needed to combat revenue leaks and smuggling.

Finally, while the INSD study of 2017 provided useful information, a more in-depth or a regular follow-up study would be useful. In the same vein, the establishment of a site monitoring and mapping system could be useful for policy-making, law enforcement and formalization. An approach like the site mapping in the DRC conducted by IPIS and funded in part by USAID could be an inspiration, or the new site monitoring system being piloted in Sierra Leone funded by the World Bank. USAID could support capacity building so that ANEEMAS or INSD could replicate such monitoring on a regular basis.

#### **4.5 VOCATIONAL TRAINING AND CAPACITY BUILDING**

The new projects envisage developing training materials and building the capacity of government agents, but more broadly there is a need and opportunity to develop and implement curricula for ASM at all levels. For example, universities churn out hundreds of mining engineers and geologists each year, all hoping for the coveted few jobs with industrial mining companies. These youth could be trained on various aspects of ASGM support and service delivery, and they could either join relevant projects and government institutions or start / work for local consultancy firms specializing in small-scale mining engineering and geology services.

USAID, in partnership with the projects and government agencies, could support curricular development that would go beyond the core technical aspects of ASGM to also cover the cross-cutting issues that ASGM professionals must address. For example, a new generation of ASGM specialists should know how to conduct participatory research, how to design behavioral change communication campaigns, how to design appropriate environmental remediation strategies, and so on.

In conclusion, the ASGM sector in Burkina Faso is dynamic and growing. While challenges are myriad, robust donor engagement and a promising policy and institutional environment will make for an exciting few years ahead. USAID is well-placed to complement these new efforts and thereby increase their positive impact, innovation and long-term sustainability.

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## ANNEX B: LIST OF PERSONS CONSULTED

The following individuals were contacted. Those in bold were interviewed by phone or Skype. Of the others, some did not respond, and others provided information by e-mail.

<b>Name</b>	<b>Position</b>	<b>Organization</b>
<b>Louis Maréchal</b>	Policy Advisor, Extractive Industries	OECD
<b>Yves Bertran</b>	Executive Director	Alliance for Responsible Mining
<b>Jerome Stucki</b>	Program Director	UNIDO (Implementing agency for GEF Gold project)
<b>Etienne Atger</b>	Director	Barksanem
<b>Savadogo Sayouba</b>	Vice President	CONAPEM (Organization of Small-Scale Miners)
Ilboudo Ousmane	Permanent Secretary	National Mining Commission
Bamouni Toussaint	Executive Director	Mining Chamber of Commerce
<b>Barry Adama</b>	Vice President	Mining Chamber of Commerce
Koama Valentin	Secretary General	Secretary of Artisanal Gold Miners
Bouraima Zakary	Executive Director	Eau Vive
<b>Savadogo Kimsegninga</b>	Director of Communication	EITI Burkina Faso
Bamogo Soumaïla	National Coordinator	AGCEDE/WAGES Project
Boue Yazon	Community Relations	Endeavour Mining (Houndé project)
Soro Adama	Community Relations	IamGold
Kabre Lucie	Member	AFEMIB ( <i>Association des femmes minières au Burkina</i> )
<b>Nikiema Désiré</b>	Consultant Economist	Alliance for Responsible Mining
Barry Mamadou	Lead ASM Specialist	World Bank
Somda Manbar Bonaventure	Director for Monitoring of Regulations and Marketing	ANEEMAS
<b>Salofou Trahore</b>	General Director	ANEEMAS
<b>Hélène Helbig de Balzac</b>	Co-director	Better Chain
<b>Sangare Adama</b>	Mining lead	<i>Autorité Liptako-Gorouma</i>
Kevin Telmer	Director	Artisanal Gold Council
Contensou Clemence	Unknown	French Embassy Burkina Faso
Zida, Roland Olivier	Consultant	GIABA (West African anti-money laundering initiative)
<b>Bondé Patrick</b>	CSR Manager	Avion Gold

# ANNEX C: SCOPE OF WORK

## 1.0 Background

The Artisanal Mining and Property Rights (AMPR) project supports the USAID Land and Urban Office to improve land and resource governance and strengthening property rights for all members of society, especially women. Its specific purpose is to address land and resource governance challenges in the artisanal and small-scale mining (ASM) sector, using a multidisciplinary approach and incorporating appropriate and applicable evidence and tools. The project builds upon activities and lessons from the Property Rights and Artisanal Diamond Development (PRADD I and II) projects. The USAID AMPR project began in September 2018, and will run for 3 to 5 years, conducting most activities in the Central African Republic.

The purpose of Component 4 of the USAID AMPR project is to “Improve USAID Programming through Increased Understanding of Linkages Between ASM and Key Development Issues.” Activity 4.1.1 of the USAID AMPR Annual Work Plan (2018-2019) envisages actions to “Support relevant USAID operating units to assess the link between ASM and development issues.” Like other activities under Component 4, the purpose is to fill gaps and improve programming of USAID Operational Units and other U.S. government agencies as needed.

Through practiced for centuries, artisanal and small-scale gold mining (ASGM) in West Africa has grown significantly since the dramatic increase in gold prices, especially between 2010 and 2012, led to a gold rush around the world. Globally, ASGM accounts for 50% of production and over 90% of the work force (source: International Labor Organization), with a significant amount occurring across the Sahel. In Burkina Faso, according to the national statistics office, there are officially 500-700 sites producing around 9.5 tons per year, worth \$400 million at today’s market price. However, a recent study by the Autorité Liptako-Gourma (ALG) funded by the OECD estimated artisanal gold production in Burkina at 20-25 tons per year, worth between \$840 million and \$1.05 billion at today’s prices.

The same ALG-OECD study noted specific risks associated with ASGM gold, notably with respect to the use of gold to evade currency controls and launder money. In addition, given the number of terrorist groups and transnational criminal networks in the region, concern is growing about their involvement, though evidence is limited. ASGM is clearly occurring in the context of widespread youth unemployment, climate change, and other stressors that are contributing to violent extremism.

International and regional institutions are paying increasing attention to these risks. The ALG with OECD support has recently adopted a roadmap for addressing some of the issues, with a focus on improving due diligence mechanisms. This is also a priority for the European Union, whose conflict minerals legislation comes into effect in 2021 and will likely be applicable to West African gold.

The consultant for this assignment, Mr. Terah DeJong, is an expert in ASM and the Component 4 Coordinator for the USAID AMPR project. Mr. DeJong oversaw the Property Rights and Artisanal Diamond Development (PRADD II) project in Côte d’Ivoire from 2013-2018, and has been involved in regional coordination on ASM, including organizing a conference on best practices in 2017 in partnership with GIZ and the OECD. Mr. DeJong also moderated a panel discussion last year at the OECD during which the ALG report was presented and discussed. Mr. DeJong is therefore well placed to assist USAID for this assignment.

## 2.0 Objective/Purpose

The purpose of this assignment is to assist USAID Sahel Regional to better understand the context and realities surrounding ASGM in Burkina Faso, with an emphasis on lessons and opportunities for constructive donor and private sector engagement.

## 3.0 Scope of Work/Activities/Tasks

The desk-based assignment will use a literature review and key informant interviews to produce a brief report addressing the following questions:

- What are the key findings and trends in recent assessments and research on ASGM in Burkina Faso?
- What are the factors contributing to the rise in ASGM in Burkina, including links to other livelihoods in the rural economy?
- What are general best practices to promote ASM formalization, with a particular emphasis on relationships between large-scale (LSM) and small-scale (ASM) mining?

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