

THE POLITICAL ECONOMY AND KEY ACTORS OF KÉNIÉBA'S ARTISANAL MINING SECTOR

This research brief presents the main points of a study carried out in 2023-24 by the FEMA project on the context, governance, and impacts of artisanal mining in four communes of the Kéniéba Circle in southwest Mali. Our study critically highlights the relative dominance of customary authorities in the management of the sector, as well as a legal framework ill-suited to local realities. As a result, we recommend the establishment of inclusive collaborative frameworks at the local and national levels that would bring together the sector's key actors. These initiatives could help identify policies and practices that would minimize the negative impacts of artisanal mining while increasing its benefits for mining communities.



The artisanal mining site in the village of Sandougou, Kéniéba commune, Mali

1. DEVELOPMENT CONTEXT OF MALI AND THE KÉNIÉBA CIRCLE

1.1 General development indicators

Despite COVID-19 and the war in Ukraine, Mali saw an average annual economic growth of 2.2% between 2020 and 2023. However, the country ranked 186th out of 191 countries on the United Nations' Human Development Index (HDI). The GNP per capita stood at \$2,132 (PPP 2017), while the poverty rate reached 44.1% in 2021¹. Mali's estimated population of 22.6 million, with a median age of 15 and a life expectancy of 59, and is growing rapidly at a rate of 3.1% per year². Moreover, a significant majority of the Malian population (69.6%) lives in rural areas, compared with 30.4% in urban areas. Gender inequality remains high due to discriminatory social norms and significant disparities, placing Mali 155th out of 170 countries on the United Nations Gender Inequality Index.

[1] <https://hdr.undp.org/data-center/specific-country-data/#/countries/ML>

[2] <https://data.worldbank.org/indicator/SI.POV.NAHC?locations=ML>

Mining (particularly industrial gold mining) and agriculture are the country's two key economic sectors. In 2019, the industrial mining sector generated 9.6% of the GNP, 77% of exports and 21% of government tax revenues, but only 1.7% of the country's jobs³. By 2022, the sector's share of tax revenues had risen to 32%⁴. Meanwhile, in 2022, agriculture generated 36% of the GNP and 68% of jobs according to the World Bank. This heavy reliance on natural resources exposes Mali to major economic shocks linked to fluctuations in commodity prices and the effects of climate change. In addition, the IMF considers the country's public finances to be precarious, given the significant growth in public spending, particularly on security and public sector salaries. This explains an annual deficit that remains at approximately 5% of GDP, which, without sufficient revenue growth, threatens to worsen the public debt and reduce available resources in favour of development. Mali therefore faces considerable challenges for improving its socio-economic development level in a sustainable and inclusive manner.

1.2 Institutions and governance

Despite Mali's well-developed governance framework, the national institutions' capacity to implement it remains limited. The legal framework for decentralization and local governance is only partially applied, mainly due to the limited technical and financial capacities of local governments to carry out their mandates, which undermines the achievement of local development objectives and plans. This also leaves plenty of room for informal norms, which often dominate the formal legal framework in public entities' practices and management, thus weakening the quality of governance.

The country ranks 37th out of 54 countries on the Ibrahim Index of African Governance but has seen a steady deterioration in its performance since 2012. This decline is particularly marked in terms of security and the rule of law⁵. This negative trend coincides with the security, political, and institutional instability that has affected the country's context since 2012, which inevitably impacts the functioning of the state apparatus. This is reflected in the state's partial control of the national territory, notably due to independence movements in the North and to jihadist groups operating in several regions of the country.

1.3 The Kayes region, the Kéniéba Circle and their economy

The Kayes region is located in the western part of the country and shares borders with Mauritania, Senegal and Guinea. The region's population is estimated at 1.8 million (2022), divided between 7 circles and 129 communes. In the Kéniéba Circle, where the FEMA project is implemented, the population is estimated at 273,000 (2022), divided between 12 communes and 206 villages. In Kéniéba, the industrial and artisanal gold mining sector largely dominates the economy. Agriculture and livestock farming are relegated to the second place in terms of economic weight, while employment is concentrated in the artisanal mining sector, agriculture, and to a lesser extent informal petty trade and services. The women and girls of the region work mainly in the last three sectors. However, despite a high rate of economic activity, only 10% of women consider themselves actively involved in decision making in local households and institutions.

1.4 The importance of artisanal mining and its impacts

Artisanal gold mining in Mali and Kéniéba has a long history dating back to the Middle Ages, before the arrival of colonial explorers. It is a centuries-old traditional activity, but its importance has greatly increased recently. The migration of Malians and foreigners to the Kéniéba Circle partly explains the expansion of artisanal mining, a trend reinforced by the security crisis and the rise in jihadist violence in the sub-region. This comes on top of the precariousness of household incomes, the area's underdevelopment, and the intrinsic appeal of artisanal gold mining, which provides a more regular and often higher income than alternative economic activities, including agriculture.

[3] ITIE-Mali, « Rapport ITIE 2019 », Mars 2022, pp.116-119. (<https://itie.ml/wp-content/uploads/2022/03/Rapport-ITIE-MALI-2019-version-definitive.pdf>)

[4] <https://www.reuters.com/markets/commodities/mali-gold-mining-revenue-rose-by-35-2022-2023-07-19/>

[5] <https://mo.ibrahim.foundation/sites/default/files/203-01/2022-index-report.pdf>

State Actors

The Ministère des Mines, through the Direction Nationale de la Géologie et des Mines (DNGM), is responsible for designing and implementing mining policies and the regulations for the sector, both artisanal and industrial. The DNGM also has a mining police department that helps it monitor mining activities. The DNGM is supported in the exercise of its monitoring and control prerogatives by the Cellule responsable de la Déconcentration et de la Décentralisation (CADD), which helps local authorities manage the artisanal mining sector.

Communes: Mayors and communal officials are theoretically responsible for enforcing the legal framework of the artisanal mining sector, with the support of deconcentrated state technical services. In practice, the governance of mining sites is overseen by customary authorities, but communal officials collect informal taxes and fees on mining sites. Mayors are also involved in resolving certain conflicts.

Decentralized technical services: The sanitation service, the water and forestry service, and the geology and mining service are responsible for supporting the communes' management of the sector, including the application of environmental regulations. Some of these departments' agents collect informal fees on mining sites.

Prefecture: Given their local influence and political functions as the state's representatives, the prefect and sub-prefects hold many control and monitoring functions over artisanal mining sites. They interact directly with the sector's key actors, including customary actors, and also collect informal fees on mining sites.

While largely concentrated in the Kayes region and the Kéniéba circle, artisanal mining employs up to 10% of Mali's population. In 2019, this region produced 73% of the country's 26 tonnes of artisanal gold, generating US\$1.2 billion⁶. However, revenues from artisanal mining are largely funnelled through informal channels and do not contribute to financing development and basic services. The expansion of artisanal mining activities comes with increased mechanization and large-scale use of banned chemicals, causing pollution and significant environmental damages. Some artisanal miners have also noted the growing scarcity of gold due to the significant expansion of the activity. This situation has reduced access to land, water, and agriculture in Kéniéba and has had negative social impacts on mining communities, such as rising costs of living, increased child labour and trafficking, the exclusion of certain minorities, and illicit drugs and arms trafficking⁷.

The significant growth in artisanal mining activities largely explains these negative impacts, but the legal framework is also poorly suited to the realities of the sector. Despite a relatively comprehensive legal framework, the sector's governance is characterized by informal management and the domination of customary local authorities. However, in practice, these authorities are unable to control the negative impacts of artisanal mining.



A woman carrying ore at the Sandougou mining site, Kéniéba commune

[6] Fahiraman Rodrigue Koné et Nadia Adam, « L'orpaillage dans l'ouest du Mali menace la sécurité humaine » ISS Today, 7 juillet 2021.

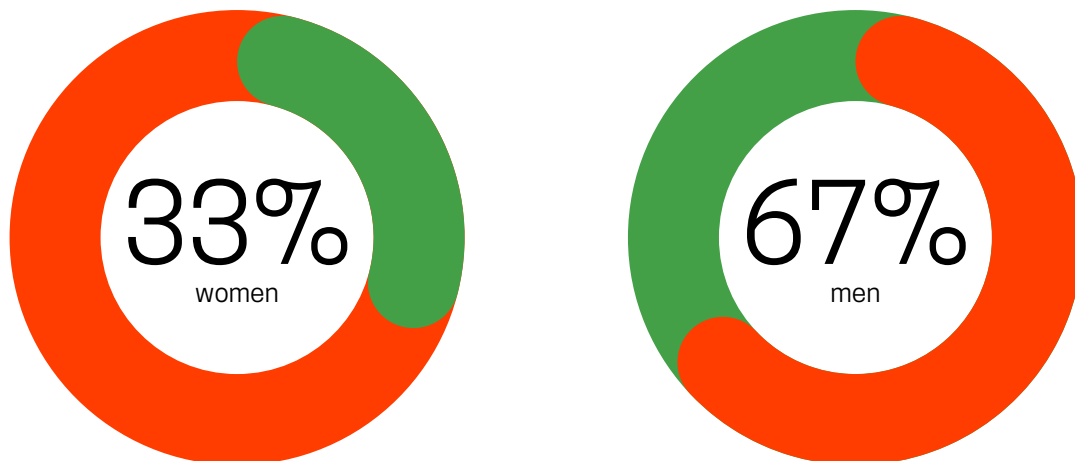
[7] Institut d'études de sécurité, « Prévenir l'extrémisme violent au Sénégal : Les menaces liées à l'exploitation aurifère », 2021, p. 25.

2. THE POLITICAL ECONOMY OF ARTISANAL MINING IN KÉNIÉBA

2.1 The value chain of artisanal mining and its actors

The expansion of artisanal mining in Kéniéba involves the local population as well as Malian and foreign migrants. In 2019, there were 298,307 artisanal miners in the Kayes region (over 15% of the region's population), of which 33% were women⁸. Given the concentration of mining deposits in the Kéniéba Circle, an even larger proportion of the area's population practices artisanal mining. In addition to the number of people directly employed in the sector, artisanal mining and its value chain also generate a range of other economic activities, including the trade of inputs required for artisanal mining, like equipment and chemicals, gold-buying outlets, transport, and the operation of bars, restaurants and trade in the communities where the deposits are found.

On the mining side, artisanal miners settle on sites designated by customary authorities. They process the ore extracted from the pits, either individually or in groups, before selling it to local traders or gold-buying outlets. The use of cyanide, mercury, and zinc to separate and process the ore is widespread among artisanal miners, and this without the slightest safety precautions. Although prohibited by regulations, chemicals are crucial to the profitability of artisanal mining activities. Small-scale, mechanized mining also takes place in Kéniéba, and is characterized by the use of graders, dump trucks and sophisticated gold processing equipment. Their operators, both foreign (Chinese, Burkinabe) and national, often work illegally in areas covered by existing mining permits, with the complicity of customary local or state actors. They typically gain access to a site, exploit it intensively with their equipment, causing extensive damage in a short time, and then quickly abandon it.



298,307 artisanal miners in the Kayes region in 2019

[8] Fahiraman Rodrigue Koné et Nadia Adam, « L'orpaillage dans l'ouest du Mali menace la sécurité humaine » ISS Today, 7 juillet 2021.

Sellers of inputs (including chemicals) and gold traders are key actors, occupying strategic positions up and down the value chain. In many cases, the same actor sells the inputs and buys the gold, thereby exerting in practice control over the margin expected by gold panners. This demonstrates these actors' central role in the value chain, due to their potential control over the price of inputs and the selling price of gold at the local level. The use of chemicals as inputs in artisanal mining also fuels transportation networks and a highly lucrative transnational illicit economy, networks upon which drugs and weapons also transit. Several local actors condemn the complicity of traditional chiefs, public officials, and customs and security service officials in this trafficking⁹.

2.2 Gold smuggling networks

According to a study carried out by the organization PACT, both chemicals and gold travel through illicit channels and escape state control and taxation¹⁰. The gold is generally transported by carriers or traders to Bamako, where it is melted into ingots before being exported. The Malian capital has become a gold trading hub. Let us recall that gold is a high-value medium that is easily transportable and is widely accepted in West African trade. To illustrate the scale of the smuggling, Mali's declared artisanal gold exports ranged from 33 kg to 22 tonnes between 2019 and 2021, while Mali's artisanal gold imports declared only by the United Arab Emirates ranged between 54 and 174 tonnes over the same period. The collection of the prescribed export duties on this artisanal gold would have represented average additional revenues of US\$100 million a year for the state.

2.3 Governance of the Artisanal Mining Sector

Since the adoption of the 2019 Mining Code and the decentralization of responsibilities from the state to local authorities, the artisanal mining sector's management has become the responsibility of communes, which should, in principle, benefit from the support of deconcentrated state services. However, these communes do not have the technical expertise or financial resources to effectively monitor artisanal mining sites. What's more, despite the legal provisions included in the 2023 Mining Code, the regulatory framework remains ill-suited to the realities of artisanal mining. Indeed, the artisanal mining corridors designated for artisanal mining are not operational and often do not contain gold, according to several local stakeholders. As a result, artisanal miners are reluctant to prospect and attempt to operate in these areas. What's more, obtaining artisanal mining permits is still the responsibility of the Direction Nationale de la Géologie et des Mines (DNGM) in Bamako, even though some communes informally issue artisanal mining permits. The inadequate design of the legal framework and capacity challenges therefore leave plenty of room for customary authorities and informal practices in the governance of artisanal mining.

The management framework of the artisanal mining sector is based on informal customary institutions, norms and practices developed at the community level that came into existence long before the Mining Code. Village chiefs grant access to artisanal sites, which are generally located outside artisanal mining corridors. The prevalent use of chemicals and the systematic collection of informal taxes by customary and state actors also demonstrate that the legal framework is not applied in the sector. Among customary authorities, the key actors include village chiefs or *dougoutiguis*, *tombolomas*, *diouratiguis* and *damantiguis*. They take on most of the management roles that communal authorities should theoretically play in terms of managing and supervising the sector. Appointed by village chiefs, the *tombolomas* directly control site access, settle litigation and disputes, and collect many of the informal fees and taxes from gold panners. The *diouratiguis* are responsible for ritual sacrifices and the *damantiguis* own the mining pits, although these two roles can be combined. However, customary actors do interact with officials from the state's technical services, the communes and the prefecture, as well as with socio-economic actors involved in the artisanal mining value chain.

[9] Ibid.

[10] PACT, Commercialisation d'or responsable : analyse des principaux obstacles et recommandations clés pour un commerce formel de l'or au Mali, 2023.

As for informal taxes and duties, they are generally collected by the tombolomas on the mining sites before being passed on to the village chiefs. But communal and state officials also collect a share of these revenues or additional informal fees. These include site entry fees, fees for traditional sacrifices performed by diouratiguis, tree-felling compensation fees, artisanal mining permits in some communes, and one-off contributions when the mayor or prefect visits a mining site. These informal taxes and fees can range from 250 to 25,000 francs each, while the value of the total revenues collected remains unclear and is not included in local or state revenues. This situation prevails even though village chiefs are the basic unit of Mali's decentralized system and should therefore manage village revenues for the community's benefit. The same applies to the decentralized services and communes, which should transfer all taxes and duties collected into public coffers.



A female artisanal miner crushing ore at the Sandougou site, Kéniéba commune

Customary Actors

The village chief or dougoutigui: The village is the basic territorial unit, constituting an administrative subdivision of the commune. The village chief administers a community within a defined territory according to customary norms. He has the authority to grant access to communal lands and to artisanal mining sites in particular.

The tomboloma: He is appointed by the village chief to ensure the daily management of an artisanal mining site. He enforces customary norms, maintains order, resolves conflicts and collects informal taxes and duties on behalf of the village chief. The tomboloma is a key influential actor in the management of artisanal mining sites.

The diouratigui and the damantigui: The diouratigui is the worship officer performing ritual sacrifices on mining sites, while the damantigui owns mining pits. These two roles can be played by the same actor. Together with the tomboloma, they control artisanal mining sites by supervising artisanal miners and enforcing customary norms.



2.4 The marginalization of women and minorities

Women involved in artisanal mining often do the most difficult and poorly paid work, as they lack the resources and technical capacity to launch their own operations. They are generally excluded from the customary authorities that manage the sites, which are composed exclusively of men. As a result, it is rarely possible for women to voice their concerns. Many women are also active in petty trade in areas surrounding mining sites. The modest income of women and their households also explains why they take their children to mining sites. Many school-aged children work on these sites instead of going to school, leading to the many reported cases of child labour in the Kéniéba area. Several of the children working on mining sites were also brought by regional child trafficking networks. They provide a source of cheap labour for unscrupulous artisanal mining operators, while several authorities turn a blind eye to this practice. In both cases, these children are deprived of access to basic education while being exposed to significant threats to their mental and physical health on gold-mining sites, raising serious child protection issues. It should also be noted that certain minorities or castes, such as blacksmiths, griots, niamakalas (a subgroup of griots), and garankés are excluded by traditional customary norms from working on mining sites and from decision-making structures.



A female miner cleaning ore at the Sandougou site, Kéniéba commune



A women engaged in market gardening watering her crops in Kéniéba

Socio-Economic Actors

Input sellers: They provide the equipment, supplies, and chemicals needed for artisanal mining, therefore controlling input prices. They obtain chemicals through their connections with illicit trafficking networks. Some input sellers will also buy gold, increasing their influence and control over the margins earned by gold panners.

Gold traders and outlets: They buy artisanal gold miners' production and resell it to transporters/exporters. They have connections with illicit gold trafficking networks. They may also operate as input sellers. They have a high level of control and influence over local gold prices, which in part determines the margin earned by artisanal miners.

Artisanal gold miners: They work for the diouratiguins and/or the damantiguins. Their roles are divided between diggers, rope pullers, crushers, washers, and ore transporters. Their influence on the sector is limited, although their membership in the Fédération communale et nationale des orpailleurs gives them a voice with the authorities.

Women artisanal miners: They are typically involved in ore hauling (rope pullers), transport, processing, and alluvial mining. They are confined to the least profitable operations and do not have access to the resources needed to operate their own pits. They have little economic power and very little influence over the sector's decision making and governance.

Mining companies: They hold the formal mining titles and operate industrial mines. Due to the non-operationalization of artisanal mining corridors and the disrespect of formal mining titles' boundaries, mining companies play a decisive role in granting access to mining sites, depending on their level of tolerance for artisanal mining activities. They also have a major influence on the sector's policies through the Chambre des mines, which is reinforced by their economic weight and the substantial tax revenues they generate.

2.5 Competing actors who can be in conflict

Over the past decade, both local and foreign populations have flocked to the Kéniéba goldfields. Most of the foreigners are Burkinabe and Chinese. Along with national actors, many of them get involved in small-scale, illegal gold mining using mechanized means. Together with the artisanal miners, they are in direct competition for the exploitation of gold deposits with mining companies operating in the area. A number of violent incidents have occurred when mining companies called in the gendarmerie to force gold panners to respect their mining titles. The expansion of artisanal mining and small-scale mining activities has also led to intense pressure on land and environmental destruction. This has caused an upsurge in land disputes and the marginalization of agriculture and livestock farming.

Meanwhile, at the crossroads of chemical imports and illicit gold exports, upstream input suppliers and downstream gold traders play an important role. This relative control enables them to get a significant share of the profits from the artisanal mining sector at the expense of artisanal miners. Additionally, informal petty trade operators benefit from the local economic opportunities generated by artisanal mining activities. Customary and state actors who collect informal taxes and duties also directly benefit from the sector. However, many customary actors refuse state authorities' presence on their sites, which indicates a certain level of conflict between these actors over the control of the sector, including the distribution of informal taxes and duties.

In practice, local actors seek compromise based on a "case-by-case" approach, notably through consultations between customary and state actors. However, the neutrality of customary authorities is at times questioned, given their lack of inclusiveness, their vested interests, and lack of transparency. This includes tombolomas, who have been accused of not being impartial when settling disputes, as they are perceived to favour the demands of the highest bidders. The presence of the "gros bras," directly supervised by tombolomas, can use force when needed to secure mining sites, particularly in response to banditry. Women and certain castes are also excluded from customary informal structures and have no say in finding compromises and solutions to conflicts in which they are involved.



A tomboloma ensuring monitoring of the Sandougou site, Kéniéba commune

3.CONCLUSION AND RECOMMENDATIONS

The political economy of artisanal mining in Kéniéba and the mapping of its actors show the prevalence of customary players and informal norms in the sector's management. The relative marginalization of state authorities and the non-application of the legal framework confirm this state of affairs. In addition, the artisanal mining sector's value chain involves many actors with divergent interests, in a context where the sector operates informally, and where inputs, gold, and associated revenues largely circulate through illicit channels.

Moreover, artisanal mining generates substantial resources for mining communities and the actors involved in its value chain, as well as for the customary and state authorities that collect informal taxes and duties from the sector. This is combined with the economic marginalization of women who work in artisanal mining due to traditional norms, with child labour and trafficking on mining sites, and precarious work and safety conditions for all those working there. The fact that artisanal mining generates more revenues for communities than other alternatives partly explain its growth. However, this activity also leads to significant environmental destruction which reduces access to land and marginalizes agriculture and livestock farming.

These findings represent major challenges that call for strengthening the sector's management and governance in order to reduce its negative impacts, better trace revenues, and distribute economic benefits more equitably among the actors of its value chain. This therefore raises an issue related to the efficient management of the artisanal mining sector, both at the local and national levels. In addition, any potential reform of artisanal mining governance in Mali must consider the dominance of customary authorities in the local management of the sector. It must also examine the roles and incentives of the key actors of the artisanal mining value chain. These conditions are the starting point for developing reforms that could potentially be applied in practice.

The recommendations related to this context therefore aim to establish a link between traditional and institutional management mechanisms in the artisanal mining sector. They also examine FEMA's intervention strategies with key actors to strengthen the governance and management of the sector and increase the involvement and influence of women. The end goal is to achieve a gradual paradigm shift towards more environmentally friendly, safe, equitable, and transparent artisanal mining.

Recommandations

Recommendation 1



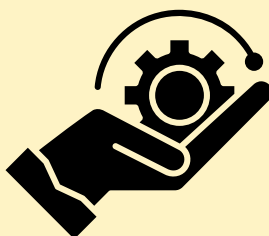
Document and strengthen in a participatory manner the management and monitoring procedures for the artisanal mining sector in four pilot villages in collaboration with customary authorities and other key actors. This would enable site management standards to be better codified and more transparent by involving key local stakeholders in their creation, including representatives from the artisanal miners' federation and women, in addition to customary authorities. Based on lessons learned and conclusions drawn from this pilot approach, the model could be extended to other artisanal sites.

Recommendation 2



Establish an inclusive artisanal mining sector management and monitoring committee in Kéniéba. This would support the development of a stronger governance model comprised of the local artisanal mining sector's key stakeholders, including representatives of customary authorities, technical services, communes, the artisanal miners' federation, and women. With the support of FEMA, this committee would be tasked with developing mechanisms for monitoring the sector and its impacts, notably by developing a strategy for reducing the negative environmental and social impacts of artisanal mining.

Recommendation 3



Provide technical support to local stakeholders and technical services to mitigate the negative impacts of artisanal mining, particularly on the environment and child labour. Based on the strategy for reducing the negative impacts of artisanal mining developed by the artisanal mining sector inclusive monitoring committee, the project would support the work of local stakeholders by providing technical assistance and raising awareness among mining communities. FEMA would help the communes to set up their own local structure for inclusive monitoring of the sector, which would connect with the structure at the circle level.

Recommendation 4



Strengthen women's economic opportunities in Kéniéba and their influence in local management and governance structures. FEMA should help improve the structuring of women's groups, in addition to providing them with training opportunities in alternative economic sectors and safer and more modern mining techniques. Support would also be provided to strengthen women's representation and influence in artisanal mining management structures.

Recommendation 5



Set up an inclusive national discussion framework concerning the challenges facing the artisanal mining sector and the reform of its legal framework. In light of the numerous management and governance issues in Mali's artisanal mining sector, it would be helpful to set up a space for dialogue between key national and local stakeholders. This would include among others the DNGM, the Chambre des mines, and the CADD, as well as representatives from local authorities, customary authorities, the artisanal miners' federation, and women. This forum would first aim to create a consensus on the main problems affecting the sector, while considering the initiatives and lessons learned from the FEMA project in the Kéniéba Circle.



Miners bringing ore up from a gallery in Sandougou, Kéniéba commune

The FEMA Project

The Project « Femmes et Enfants des Communautés Minières Artisanales au Mali » (FEMA) is implemented by Cowater International from 2022 to 2027. It is financed by the Government of Canada (48 billion Francs or 9.9 million Canadian dollars) and B2Gold (225 million CFAF, or 464,800 Canadian dollars). FEMA aims to attain the following objectives:

- Improve economic opportunities for women and adolescent girls;
- Reduce the presence of children on mining sites and promote gender equality;
- Strengthen the local governance of the artisanal mining sector while reducing its negative impacts on mining communities, including on the environment and gender equality.

The project is implemented in 20 villages of the Kéniéba circle, located in four communes of the Kayes region: Dabia, Dialafara, Kéniéba and Sitakily. In addition to working with national and local authorities, including the Ministère de la Géologie et des Mines and the various decentralized technical services and communes, the project relies on contributions from the Canadian NGOs Impact and Right to Play.

