

# **The New Gold Rush in Africa:**

Main Actors and Challenges  
to Development

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*Abdinor Hassan Dahir*



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## Introduction

**A**frica remains one of the world's major gold-producing regions, accounting for one of the largest shares of gold mining globally. The continent has benefited most from the growth in the value created by gold mining in the period from 2000 to 2013. It currently produces approximately 50 per cent of the world's gold supply (Gajigo et. al, 2012).

Gold mining remains a major contributor to the economies of many African nations. Currently, 46 African countries produce and export tens of billions of dollars' worth of gold on an annual basis. Gold mining represents a significant revenue source for many African countries. In 2019, for example, gold accounted for about half of Tanzania's export earnings (Stevens, 2020). In Ghana - Africa's biggest gold producer - the precious metal accounted for over 40 per cent of the nation's gross merchandise exports in 2019 (Further Africa, 2020). Ghana, a country whose gold-mining industry dates back to the 19th century and is known for its reserves of various industrial minerals, is reportedly benefiting from lower-cost mines, friendlier policies and new development projects (Brightmore, 2020).

In 2019, South Africa - the continent's second-largest gold producer - gold represented 5.1 per cent of total exports. South Africa which was once the world's number one gold producer is home to over 50 per cent of all gold reserves, with the Witwatersrand Basin remaining the largest known gold resource in the world. In the West African nation of Mali, which ranks as the third-largest producer of gold, the precious metal is the country's main export revenue earner (Reuters, 2020).

The gold mining industry employs millions of Africans. According to World Health Organisation estimates, about 54 million Africans across

the continent depend on artisanal mining, or small-scale gold collection by individuals, for their livelihoods (WHO, 2018). In recent years, artisanal mining has become a booming business throughout the continent. Artisanal gold production is one of the few ways that many individual Africans directly benefit from the land's vast natural resources.

As previously discussed, the gold mining sector plays a significant economic function in many African countries. If properly governed, this natural resource has the potential to constitute a huge opportunity for sustainable development. Currently, much of the gold production activities across the continent are legal. However, the African gold mining sector suffers from a range of challenges. First, smuggling is a major problem, effectively costing African governments millions of dollars in lost taxes. Moreover, artisanal gold mining, which has become a lucrative business in recent years, is increasingly generating health and safety implications for the millions of African individuals working at the gold mines. Illegal gold mining is also increasingly leading to security concerns and communal conflict. By taking advantage of the situation, a host of non-state actors have reportedly set up gold smuggling networks in Africa, and the battle for control of the gold mines is destabilising and impoverishing states. Revenue from gold smuggling is reportedly financing violent extremist groups and armed conflict, particularly in the Sahel region. For instance, a host of extremist groups who have lost territory and momentum in the Middle East and North Africa, have shifted their attention to mining regions in the Sahel. The mines in the region provide these terrorist groups with income to recruit members and purchase weapons, as well as being ideal hide-outs and sources of explosives used in attacks. This discussion paper aims to explore Africa's gold conflict and outlines the challenges to its governance and development.



Gold mine in Nclassima, 40 Km of Bambari, in the Seleka controlled zone, in the Eastern part of CAR. The mine was supposed to be exploited by a Canadian company, who withdrew after the Seleka attack in december 2012. (Anadolu Agency)

## Tracing Africa's gold conflict

As mentioned, Africa is one of the leading gold-producing regions with hundreds of millions of dollars in annual production. This section discusses two major gold-induced conflicts affecting the sector as well as challenging the state's monopoly of violence. By doing so, it documents three Sub-Saharan African regions as case studies of the gold conflict.

### **a. The Democratic Republic of the Congo**

The Democratic Republic of the Congo (DRC), a large country in central Africa with a population of over 80 million, has been engulfed by conflict since the ouster of long-time ruler Mobutu Sese Seko in 1997. Following a six-year civil war involving most of the DRC's neighbours (particularly Rwanda, Uganda, and Burundi), the eastern regions of the country have remained in perpetual conflict. These regions continue to experience violence perpetrated by more than 100 armed groups, including the Allied Democratic Forces, the Democratic Forces for the Liberation of Rwanda, and assorted Mai Mai militias. The UN Organisation Stabilisation Mission in the DRC (MONUSCO) has operated in the eastern regions since 1999 and is the largest and most expensive UN peacekeeping mission globally.

The conflict-ridden African country is rich in natural resources, especially gold. It is also 'rich' in armed

groups — from civil defence militias to rebel forces and criminal gangs. As a result, the world's most ubiquitous symbol of wealth is fuelling the decades-long conflict in the DRC. While gold is not the primary cause of the ongoing violence in the DRC, the conflict minerals have sustained the operations of armed groups. Armed groups in the north-east continue to take advantage of a weak government and meddle in the minerals trade. In this region, most of the gold mines are small in scale and do not rely on heavy machinery. In the DRC, this so-called artisanal form of mining is allowed if the miners hold a valid license from the Ministry for Mining. These sites guarantee work and provide an income for many Congolese families. Estimates have indicated that approximately 240,000 people work in these artisanal mines and not all have licenses to operate (Ipsos Research, 2016). As a result, the Congolese government estimates that 20 to 30 tons of gold are extracted by artisanal miners annually, but only about 650 pounds are officially exported.

Furthermore, studies have shown that armed groups are widely running gold mines in the DRC. According to a recent study by the Belgian International Peace Institute, armed groups were found to be present at 64 per cent of the gold mines in the eastern regions of the country (ibid). These rebel groups run the illegal mining operations often through forced labour and smugglers who smuggle the gold to the neighbouring countries, particularly Uganda and Burundi, where demand

is higher than in the DRC. For example, estimates have shown that between 75 and 98 per cent of the gold mined from the DRC's eastern regions enters Uganda illegally. From there, the smuggled gold is transferred to international markets in Europe, China, the US and the Middle East. Consequently, the DRC does not fully profit from the gold mining industry and loses millions of dollars to the illicit trade. Additionally, rebel gold mining and smuggling are complicating the already volatile situation in the country by financing armed groups and thereby perpetuating armed conflict.

Militias and warlords have reportedly relied heavily on selling gold to fund their military activities and political control in eastern DRC and weaken state authority over the mining areas. Moreover, some members of the Congolese security forces and the army are reportedly involved in the illicit production of and trade in gold. These officers and associated criminal networks continue to be engaged in the gold sector in violation of the Mining Code and military regulations. For this reason, gold mining remains a significant contributor to fuelling conflicts in the DRC. Attempts to trace gold smuggling networks the eastern regions have become increasingly difficult. Congolese authorities have reportedly been unable to determine which mines the gold is coming from and who exactly is profiting from it. In mid-2017, the DRC government launched a new programme aimed at disrupting the illicit trade by tagging and tracing gold from pit to market (Radio Okapi,

2017). However, experts question the programme's ability to materialise its stated goal.

According to a December 2019 letter addressed to the UN Security Council by the Group of Experts on the DRC, gold remains by far the mineral most used to finance armed elements and criminal networks and programmes launched to trace illicit gold production and trade have not yet become operational (UN Security Council, 2019). Although gold exploitation and trade remain poorly regulated in general in the DRC, the 2017 gold traceability programme marks the first official attempt in the eastern region to trace a notoriously untraceable mineral.

### ***b. The Sahel: Mali, Niger and Burkina Faso***

Gold mining activities in the Sahel have recorded a continuous surge since 2012 following the discovery of a rich Saharan chain stretching from Mauritania to Sudan. As indicated in the below table, the first discoveries were recorded in Sudan in 2012, followed by Chad (between 2013-2016), Niger in 2014 and Mali and Mauritania in 2016. Although gold discoveries are not new to most of the countries in the Sahel, the recent finds have led to a gold rush and a rise in cross-border movements of miners from within the region, hence fuelling the exploitation of these gold mines.

<b>Recent gold discovery in the Sahel: 2012-2016</b>			
<b>COUNTRY</b>	<b>LOCATION OF THE SITES</b>	<b>DISCOVERY YEAR</b>	<b>CONTROL</b>
<b>SUDAN</b>	<b>Jebel Amir</b>	<b>2012</b>	<b>Government-aligned Rapid Support Forces (formerly Janjaweed)</b>
<b>CHAD</b>	<b>Batha in the centre and Tibesti in the North</b>	<b>2013 and 2016 respectively</b>	<b>State</b>
<b>NIGER</b>	<b>Djado in the northeast, Tchibarakaten to the northeast of Arlit, and the north-central Aïr region</b>	<b>2014</b>	<b>Mostly the state</b>
<b>MALI</b>	<b>The northern part of the Kidal region</b>	<b>2016</b>	<b>Contested</b>
<b>MAURITANIA</b>	<b>Tasiast in the west</b>	<b>2016</b>	<b>State</b>

In addition to already existing mining activities, the Sahel gold discoveries in the last 10 years have made the region a hub of artisanal gold mining operations. Estimates mention that artisanal production now accounts for approximately half the volume of the total annual industrial gold production of these three Sahelian states. It is estimated that artisanal gold production in Mali is 20 to 50 tonnes per year, while the figure is 10 to 30 tonnes in Burkina Faso, and 10 to 15 tonnes in Niger (Crisis Group, 2019). These figures reportedly have an annual value of between \$1.9 and \$4.5 billion (Reuters, 2019). The number of individuals directly involved in artisanal gold production in these three countries is unclear. Conservative estimates, such as that of the International Crisis Group, project that over two million people are directly engaged in the artisanal gold mining industry. About one million of these individuals are in Burkina Faso, 700,000 in Mali and 300,000 in neighbouring Niger. However, the figure is thought to be as high as five million people (Crisis Group, 2019).

Besides being a source of livelihood for millions in the Sahel, artisanal mining reportedly risks fuelling violence and reinforcing transnational crime throughout Mali, Niger and Burkina Faso. Since 2016, the practice has increased insecurity in the sub-region. The three Sahel nations are home to growing insecurity, and the precious metal has been found in areas where state control has been historically weak or absent. Additionally, newly discovered gold mines are located in areas where the state does not maintain effective control and lacks resources to confront armed actors. As a result, non-state armed groups (self-defence groups, bandits, traffickers, rebel groups and violent extremists) have seized several gold mines in Mali, Burkina Faso and Niger.

Since 2016, security in the Sahel has deteriorated with the arrival of armed groups in areas where with both new and existing mining operations. The resources have attracted a range of rebel and extremist groups who consider the gold mines as a source of funding for their operations. These non-state armed actors have reportedly set up informal criminal networks that serve as a basis for the smuggling the precious metal across borders. These smuggling networks are also contributing to the growth of global money laundering networks.

Gold mining-related security incidents have seen a surge in the past few years. Violence against gold miners and security forces has doubled. For instance, on 4

October 2019, an armed group killed around 20 gold miners in an artisanal minefield in Dolmané, near the town of Arbinda in the north-west of Burkina Faso (Al-Jazeera, 2019). A few weeks later, on 6 November 2019, unknown gunmen attacked a convoy owned by a Canadian company operating the Boungou gold mine in the east of the country. At least 40 employees were reportedly killed, some at close range, according to witness testimonies (BBC, 2019). While attacks against gendarmes or police officers escorting convoys have previously been recorded in the region, the large number of civilian casualties make these attacks deeply worrying.

According to a Reuters report, late last year groups associated with two of the world's deadliest extremist forces - al Qaeda and Daesh - who have lost momentum in the Middle East are expanding in Africa and exploiting gold mines across the Sahel (Lewis et al., 2019). In addition to targeting industrial operations, the extremist groups are tapping into the \$2 billion informal gold trade in Niger, Mali and Burkina Faso. The gold mines allow these organisations to extend their power by providing new sources of funding to buy arms, produce explosives and recruit new members. African countries in the Sahel region are struggling with effectively managing the gold mines. Their security forces are unwilling to deploy in rural areas where their respective states have little control and lack resources to confront armed groups' mining operations. These countries' defence and security forces are already committed on several fronts, including the fight against extremist insurgencies. Mali, Niger and Burkina Faso, together with Chad and Mauritania, are members of the G5 Sahel joint force, a UN-supported initiative set up to respond to several security challenges in West Africa, including the growing threat of terrorism and organised crime. As a result of these commitments, security forces from these countries struggle to secure the most isolated territories under their nominal control where many of the gold mines are found.

Consequently, Sahelian states tolerate, or even encourage, arrangements whereby local actors secure these sites themselves. These local actors function as a necessary and inexpensive force as long as they do not challenge the authority of the state. For example, artisanal gold mines in southern Mali are largely protected traditional hunting groups collectively known as the Dozo. The mine owners pay them in exchange for providing security. In Burkina Faso, gold security at

gold mines is provided by a mix of local actors, private security companies and the police. In Niger, the military has assumed greater responsibility for protecting gold mining operations. In remote territories, private actors, including local vigilante committees, have set up mechanisms to secure the mines. Additionally, the Sahelian states use local armed actors as counter-terrorism, carrying out intelligence-gathering operations and patrolling the area to identify and, in some cases, arrest suspects. These practices so far seem to be working, however, the outsourcing of security to local private actors comes at a cost: it propels a private security economy, and further stimulates sub-regional arms trafficking. There is also a risk of these actors becoming autonomous, potentially challenging state authorities.

### **c. Sudan**

Sudan is also another African country badly affected by the gold conflict. Gold mines in Sudan's peripheral regions - North Darfur, South Kordofan, and the Blue Nile - have seen repetitive violence in the last two decades. In these states, civilians living around gold mining sites have been subject to killings, mass rape, and the torching of their homes and fields at the hands of armed groups, including the Sudanese army, rebels and tribal militias allied with the government.

In the past, Sudan extracted most of its gold from mines in relatively peaceful north-eastern regions of the country. Most of the gold production was based in the Red Sea and Nile regions that are far from the country's conflict zones. However, things changed in 2012 following the discovery of significant gold deposits in the conflict-ridden region of Darfur. Jebel Amer - the site of the discovery in northern Darfur - has since become a magnet of individual artisanal gold miners. In 2015, there were at least 100,000 artisanal miners in the area. Although the Sudanese government granted mining concessions to a host of companies, artisanal mining has recorded a larger boom in Darfur ever since. It is now reported that over two million miners dig gold in the war-torn region (ASM Inventory, n.d.).

The gold discovery in Darfur has exacerbated the ongoing conflict. The mines in the region have repeatedly witnessed outbreaks of conflict between rival militia over the control of artisanal gold mines. In 2013, fighting between rival armed groups over the Jebel Amer gold mines killed over 800 people and displaced up to 150,000 others. In 2015, a paramilitary militia called the Abbala Armed Group (AAG) seized 400 mines in the Je-

bel Amer area, providing an annual income estimated the UN to be worth at least \$54 million. The AAG was at the time controlled by Sheikh Musa Hilal, previously a leader of a notorious militia, which had played a major role in the Darfur genocide that killed hundreds of thousands and violently displacing millions. The AAG lost control of the mining sites following a fallout with the Sudanese government and Musa Hilal was subsequently arrested in 2017.

In addition to the environmental and health problems of artisanal mining, human rights groups have consistently voiced concerns that irresponsible and unregulated mining could contribute to atrocities in Sudan. Militia control - particularly the Rapid Support Forces - of Sudanese gold mines in peripheral regions increases the likelihood of Sudanese gold fuelling conflict and funding human rights abuses. The majority of mining sites in Darfur are currently run by the government-aligned Rapid Support Forces (RSF) militia, previously known as the Janjaweed. The RSF's commander, Mohammed Hemedti, is also the deputy vice-president of the military-dominated ruling Sudan Sovereignty Council. In late 2017, General Hemedti reportedly set up a gold mining company known as El Juneid. The RSF has been accused of committing human rights abuses throughout the country. According to Human Rights Watch, the RSF instigated the horrific killings of 120 protestors in June 2019 in Khartoum (Human Rights Watch, 2019). The rights group says it has also documented brutal attacks on civilians by the RSF in Darfur, Southern Kordofan, and the Blue Nile since 2013 (Human Rights Watch, 2015). According to the latest report by the UN Group of Experts on Sudan, armed Darfuri rebel group SLA/AW has increased its fortunes through gold mining activities in south-eastern Jebel Marra. The group uses gold mining as a source of financing and allegedly used profits to buy weapons (UN Security Council, 2020).

## From mine to souk: tracking Africa's contraband gold

It is difficult to precisely trace the destinations of Africa's contraband gold due to a shortage of reliable statistical data on gold flows. This is mainly due to the lack of effective regulatory frameworks in many gold-producing African countries and the fact that several states do not exercise effective control over gold mines. Additionally, some of the non-African importers of African gold do not have necessary regulations regarding gold imports. For example, the United Arab Emirates(UAE)—a leading importer of African gold—has minimal documentary requirements for hand-carried gold imports and allows mineral-related agreements to be transacted in cash rather than through official banking procedures. Data on African gold-related deals is not always readily available and efforts to access it are sometimes difficult as some gold traders do not feel comfortable about sharing data. All this complicates efforts to find fully reliable data and trace where the continent's precious metal is going.

However, tonnes of this precious metal worth billions of dollars end up in international markets in Europe, China, the US and the Middle East. Studies - most of which were conducted following the 2008 financial crisis that witnessed rising gold prices and consequently fuelled informal mining - have offered a glimpse into leading destinations and gateways of African gold. One of these destinations is the UAE, a country that became a favourite hub of Africa's smuggled gold in the last decade per several studies. According to a 2015 survey by the German Federal Institute for Geosciences and Natural Resources, the UAE (principally Dubai) was found to have played a leading role in the commercialisation of illegally exported artisanal gold from Africa's Great Lakes region (Blore, 2015). Since 2011, Dubai received an average over 17 tonnes annually of illegally exported artisanal and small-scale gold from this region, which accounts for about ten per cent of the UAE's total gold imports (Martin et al., 2014). Additionally, considerably large differences remain between gold exports of the

Great Lakes regions and the UAE's gold imports from the region (ibid).

In the case of the DRC, the gold first gets smuggled into DRC's neighbours, particularly to Uganda, Burundi and Rwanda, and then put on flights to Dubai. In West Africa, Dubai is a leading destination of gold smuggled from the Sahelian states of Mali, Niger and Burkina Faso (Matthyken et al., 2013). For example, between 2011 and 2014 the UAE's import volumes of Malian gold exceeded Mali's entire reported annual gold production for each year (Martin et al., 2017). This once again shows that Mali remains the biggest exporter of smuggled gold in the Sahel region. In the case of Sudan, the UAE is a top importer of the precious metal. Abu Dhabi reportedly enjoys a special relationship with the Sudanese gold market. Estimates have it that from 2010 to 2014, 105,822 pounds of artisanal gold (amounting to a value of \$123 million) were illegally smuggled into the UAE from the conflict-ridden region of Darfur (Charbonneau, 2016). Experts mention that the lack of effective Emirati regulations paved the way for the importation of the illicit gold. According to a recent Verité report, the Emirates "exempts customs declarations of gold that travels into the country in carry-on bags. Importers are not required to provide proof of origin when bringing gold into the UAE. Gold traders then take their product to the gold market in Dubai, bypassing the Dubai Multi-Commodities Centre, an enterprise in charge of regulating the trade of precious minerals in the country" (Verité, 2018). Similarly, another study revealed that "few if any effective controls are being implemented by the UAE at the purchasing level of the chain: customs and import controls are lax, buyers in the souk pay little attention to origin or legal provenance, refiners and banks do not have systems in place to assure the legal provenance of the gold they trade in"(Blore, 2015). All these loopholes complicate efforts to trace the origins of the gold imported into the country. As previously mentioned, this illicit trade has a negative impact on the economies of the producing states as most of this gold is not recorded in state exports, thus costing them dearly in lost tax revenues- up to \$22 million per year - desperately needed for development. In addition to the tax loss, the inability of African governments to control, tax and financially benefit from their artisanal and small-scale gold sectors has served to hinder governance of the mineral sector in those countries.

### Top importers of African gold: 2016

Country	Role	Size
UAE	Gateway	\$15.1 billion
China	Destination	\$8.5 billion
Switzerland	Destination	\$7.5 billion

Source: UN Comtrade

## Challenges to development

Africa's gold mining sector presents several challenges to political and economic development. First, there is the problem of large-scale smuggling of Africa's precious metals. It is an open secret that large amounts of gold are leaving Africa with no taxes being paid to the states that produce them. This is due to the fact that many African governments are weak and lack resources to control the mining sector. Another reason is related to a regulatory issue where uncertainty over the implementation of legal frameworks contributes to the gold smuggling problem throughout the continent. Lack of transparency and ineffective judicial systems in many gold producing states mean that these countries lack the capacity and resources to enforce laws or regulatory reforms. Political interference and corruption are also leading factors in gold smuggling. In Sudan, for example, Omar al-Bashir's regime had appointed strategic political positions to loyalists - militia leaders in some cases - that led to poor performance in the country's gold sector and exacerbated the smuggling issue. In Mali, lack of government transparency and corruption coupled with an insurgency in the north have paved the way for the rise of gold smuggling. In these countries, political interference and corruption in the gold sector are exacerbated by the significance of gold in securing much-needed foreign currency reserves, creating an investment playing-field in which political links are an important competitive advantage.

Moreover, the ever-booming informal methods of gold production are increasingly posing an enormous development challenge for many gold-producing African states. Known in the industry as 'artisanal' or small-scale mining, this method of gold production has driven millions of Africans to deposits in the continent since 2000 following the rapid rise in the price of gold. In two dozen Sub-Saharan African countries, artisanal mining serves as a significant source of revenue for people living in rural and peripheral regions, where it is largely carried out as an informal and often illegal activity. For example, around 40-50 per cent of small-scale miners work illegally in Ghana (Clarke, 2015). These individuals dig for gold using basic technology, many of them working with little more than pickaxes and shovels. Such informal mining activities contribute to a black market economy that deprives states of much-needed tax revenues. In this way, billions of dollars' worth of gold is smuggled out of Africa each year.

The illicit trade in gold mined by people, including children, who have no ties to big formal companies, and dig for it with little government oversight, accounts for another serious developmental challenge facing Africa. Artisanal mining presents a serious health concern. These informal mines often collapse, sometimes claiming lives of the gold diggers, due to poor standards. Explosive blasts and the inhalation of toxic gases such as mercury often become lethal when combined with inadequately ventilated gold mines run by unscrupulous bosses and warlords. For instance, research has shown that the Busia mining district in Tanzania records one to five deaths annually (Olivieri, 2019). Other research looking at accidents and injuries in Ghana has found that fatality rates are 90 times higher than in large-scale mines (Clarke, 2015). Many artisanal gold mines in Sub-Saharan Africa have also become epicentres of crime (e.g. conflict and disagreement in the fields are common), prostitution (as mine diggers are usually away from their families) and sexually transmitted diseases.

Finally, the small-scale mining of precious metal is reportedly leading to high environmental costs. Inadequate legislation and official oversight in African countries make the environmental costs of the artisanal mining industry arguably on equal terms or even worse than those of large-scale mines (Strade, 2017). These problems include mining in protected areas (Soldati, 2019) or the dumping of wastes into pristine ecosystems (Mwenda, 2017). These gold mines can leak toxins and pollute water systems, leading to health issues in communities around mining sites (Mwenda, 2018). Additionally, this form of gold production has environmental costs, such as destruction of farmlands, deforestation and loss of biodiversity.

## Moving forward

There is no shortcut for solving Africa's gold conflict problem. However, African countries that produce gold should consider a range of steps to address the issue. First, is to restore state presence in gold mining areas that are currently under the control of rebel or terrorist groups. Countries such as the DRC and the Sahelian states should prioritise securing artisanal gold mining sites by deploying their forces or mobilising local security actors coupled with better supervision. In places like Sudan, strengthening state control is paramount to ensure security in mining fields.

Moreover, African countries should formalise artisanal gold mines and ensure regulation and transparency. Through such steps, African countries can discourage and limit the creation of informal local, regional and international smuggling networks, which help finance armed groups and act as conduits for money laundering. Furthermore, given the smuggling risks associated with gold mining, African states and their international partners should establish sub-regional, regional, and international mechanisms designed to limit clandestine

gold exports and reduce risks that the precious metal trade will fund terrorism and militancy. Such steps include enacting regulations and improving due diligence mechanisms, could also limit the illicit gold trade and help African countries to better manage the gold mining industry.

Finally, the international community must do more to stop its indirect support for conflict gold in Africa so that the African people will no longer be the losers for having such a robust amount of resources within their borders. Global and regional institutions, such as the UN Security Council and the European Union, should enact legislation to curtail trade in conflict-affected gold as well as greater gold industry due diligence. Such measures must also pressure African countries as well as gateways/destination countries to increase their oversight and hold them to standard. The world must also create and spread awareness of illicit gold smuggling in a similar vein to the high-profile campaign on Africa's "blood diamonds" in the early 2000s.



Gold mine in Ndassima, 40 Km of Bambari, in the Seleka controlled zone, in the Eastern part of CAR. The mine was supposed to be exploited by a Canadian company, who withdrew after the Seleka attack in december 2012. (Anadolu Agency)

## Conclusion

Africa is literally a gold mine. Forty-six out of fifty-four African countries currently produce the precious metal. The continent is one of the oldest regions of gold production and remains an important source of the metal. Over 50 per cent of all gold reserves are found in one African country: South Africa with the Witwatersrand Basin remaining the largest gold resource in the world.

Gold mining has been, and remains to be, an important contributor to the economy with many African countries exporting tens of billions of dollars' worth of gold annually. The activity also remains a major source of revenue for millions of Africans employed in gold mines. However, with the discovery of new gold deposits in the past ten years in over a dozen countries across, the gold mining industry has presented unique political, social and security challenges. In the vast DRC, the gold conflict has fuelled violence in its eastern regions. Armed rebel groups, bandits and militias aligned with some members of the Congolese security forces have reportedly relied heavily on mining gold to fund their military activities and political control in eastern DRC and weaken state authority over the mining areas. In the Sahel region, a gold boom is attracting the attention of diverse armed groups. Security forces in Burkina Faso, Niger and Mali are struggling to control gold mining areas in regions where the state is either weak or absent. Armed groups, in some cases aligned with Al-Qaeda and Dashes/ISIS, who lost ground in the Middle East are taking advantage of the current dynamics and using the artisanal mines to fund their operations and recruit new members. This risks fuelling conflict in the already unstable region. In Sudan, gold discoveries in peripheral regions - North Darfur, South Kordofan, and the Blue Nile - have led to repeated violence and contributed to the conflict in Darfur.

In addition to conflict, the gold mining sector has posed a host of developmental challenges to Africa. There is large-scale smuggling of Africa's precious metal with no taxes being paid to producing states. The illicit artisanal gold mining is a dangerous health threat for the millions of African miners: mine collapses, explosive blasts and inhalation of toxic gases coupled with poorly ventilated gold mines take the lives of hundreds of people each year. The artisanal gold mines are reportedly becoming epicentres of crime, prostitution and sexually transmitted diseases. The environmental costs of

small-scale mining are enormous. These include mining in protected areas, water and air pollution, destruction of farmlands, deforestation and loss of biodiversity.

To address the gold conflict and its subsequent developmental challenges, African countries must act fast. They should prioritise securing gold mines by either deploying their security forces or collaborating with local private actors but with oversight. Second, they should formalise artisanal gold mines and ensure regulation and transparency to curb smuggling and prevent the mines from becoming funding and recruitment sources for terrorism and militancy. Setting up regulations and improving due diligence mechanisms could also limit the illicit gold trade and help African countries to better regulate the industry. Then comes the role of the international community, which must remain integral to the efforts to address Africa's conflict gold. The world must do more to stop its indirect support for conflict gold in Africa by enacting legislation to curtail trade in conflict-affected gold and establishing greater gold industry due diligence. World powers must pressure African states as well as gateways/destination countries to increase their oversight and hold them to the gold standard. Finally, there must be greater global awareness with regards to the capacity of illicit gold to fuel conflict and fund terrorism and militancy in Africa.

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