

CASE STUDY

Mali: Moulin Moderne du Mali

Customary Land Dispute and Safeguard Failures

Independent Recourse Mechanism – African Development Bank

SYNOPSIS

The Moulin Moderne du Mali (M3) Project illustrates how private agribusiness investments undertaken without adequate due diligence or genuine community engagement can intensify land conflicts and cause harm. Intended to promote food security and rural development, the project proceeded amid unresolved land tenure disputes, displacing farming communities without consultation, compensation, or recognition of customary rights. This case highlights the risks of operating in legally ambiguous contexts with weak land governance. It underscores the need to verify the legal basis of land acquisition, ensure inclusive consultation from the outset, and implement safeguards effectively. Failures in compensation, disclosure, and livelihood restoration reveal systemic weaknesses in enforcement. Although the African Development Bank (AfDB) adopted corrective measures, the unresolved compensation dispute demonstrates the limits of remediation when government and private actors are unwilling to engage. The outcome affirms that even robust compliance systems require political will, inclusive dialogue, and accountability to achieve meaningful redress.¹

BACKGROUND AND CONTEXT

Approved in 2015, the M3 Project was financed by the AfDB through a private sector loan. It aimed to support the expansion of a domestic agribusiness company into feed production, poultry farming, and meat processing. Positioned as a strategic contribution to Mali's food security, rural development, and agricultural transformation agenda, the project promised job creation and value chain development. Its implementation was centered in the Office du Niger area, where land had been allocated for project activities.

DESCRIPTION OF THE COMPLAINT/GRIEVANCE

The project quickly became entangled in long-standing land disputes and a lack of meaningful community engagement. In October 2020, farmers from the villages of Sanamadougou and Sahou submitted a formal complaint to the AfDB's Independent Recourse Mechanism (IRM). They alleged that land had been taken without consultation, compensation, or recognition of customary tenure rights. Additional concerns included harm to livelihoods, reduced access to water, and the absence of a functional grievance mechanism.

At the core of the complaint was an unresolved land dispute. Complainants claimed that traditional farming and grazing lands had been transferred without their knowledge or agreement. The IRM found

¹ AfDB-IRM. 2018. Compliance Review Report Mali. Diversification of the Activities of "Moulins Modernes du Mali (M3)" Project in Mali. <https://irm.afdb.org/sites/default/files/project-file/Compliance%20Rpt%20Mgt%20Response%20and%20Action%20Plan%20of%20M3%20Project.pdf>

the legal basis for the land allocation to be unclear and inconsistent with both national procedures and customary tenure systems. In a context where rural land in Mali is often untitled and where overlapping governance frameworks prevail, this ambiguity deepened the community's sense of exclusion and dispossession.

According to the IRM's Eligibility Report, the complaint was deemed admissible for compliance review, with concerns plausibly linked to failures in applying the Bank's Environmental and Social Assessment Procedures and Involuntary Resettlement Policy. The IRM identified serious deficiencies in consultation and grievance redress mechanisms, with potential for significant harm.

COMPLIANCE REVIEW FINDINGS

The IRM's compliance review uncovered several major policy failures:

- **Failure to trigger involuntary resettlement procedures** despite clear evidence of economic displacement. No Resettlement Action Plan (RAP) was developed, and affected households received neither compensation nor livelihood restoration support.
- **Inadequate supervision of environmental and social risks**, and failure to ensure the effective implementation of the Environmental and Social Management Plan (ESMP).
- **Lack of verification of community consultation processes** and poor disclosure of project-related information.
- **Absence of a functioning grievance mechanism**, leaving communities with no avenue for redress—an explicit violation of Bank policy.

In its Management Response, the AfDB acknowledged several of the IRM's findings, including gaps in due diligence, safeguards oversight, and stakeholder engagement. It noted that some remedial steps had already been initiated and reaffirmed its commitment to working with both the project sponsor and affected communities. However, the Bank disputed certain aspects of the findings—particularly regarding the interpretation of land law and responsibility for the land transfer. Despite these disagreements, the AfDB committed to implementing corrective measures and improving safeguards in future operations.

CORRECTIVE ACTIONS AND MONITORING

The Bank's Management Action Plan included the following remedial steps:

- **Conducting an independent land audit** to assess acquisition procedures, map land users, and determine eligibility for compensation.
- **Providing fair compensation and livelihood restoration** based on the audit's findings.
- **Establishing structured consultation processes** and local dialogue mechanisms.
- **Reinforcing environmental and social management systems**, including updated risk assessments and enhanced ESMP monitoring.
- **Creating a project-level grievance mechanism** with clear and transparent procedures.
- **Supporting capacity building** for the project sponsor and local authorities.
- **Developing a monitoring framework** with defined timelines, performance indicators, and independent oversight.

The fourth monitoring report, conducted in 2024, confirmed that the Bank had implemented most of its commitments under the Management Action Plan.² However, the key issue of land valuation and compensation remained unresolved. Despite repeated attempts by the Bank to organize a stakeholder meeting—including outreach to the Office of the Prime Minister, the Office du Niger, and the Governor of Ségou—no formal responses were received.

Both the project sponsor (M3) and relevant government authorities opposed proposals to return unutilized traditional lands to affected communities. AfDB management ultimately concluded that such a return could pose reputational risks, invite litigation, or set a precedent that could trigger similar demands from other communities.

Drawing on satellite imagery and historical compensation records from 2011 to 2016, the AfDB determined that sufficient irrigated land and compensation had been provided in accordance with national laws and Office du Niger guidelines. Nonetheless, the IRM encouraged the AfDB to consider engaging an independent mediator to help facilitate a fair and lasting resolution among the project sponsor, complainants, and other stakeholders.

When no further progress on the land issue proved attainable, the IRM discontinued active monitoring of this component in 2021, citing the unproductive nature of continued engagement. However, monitoring of the remaining action items under the Management Action Plan continued through 2025.

² AFDB-IRM. 2024. The Status of Implementation of the Updated Management Action Plan Relating to the Diversification of the Activities of the Modern Mills of Mali (M3) Project. Fourth Monitoring Report. https://irm.afdb.org/sites/default/files/project-file/ENG_M3%20Project_IRM%20Fourth%20Monitoring%20Report_0.pdf