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GDIAM Case Study

COLOMBIA

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Abbreviation Table

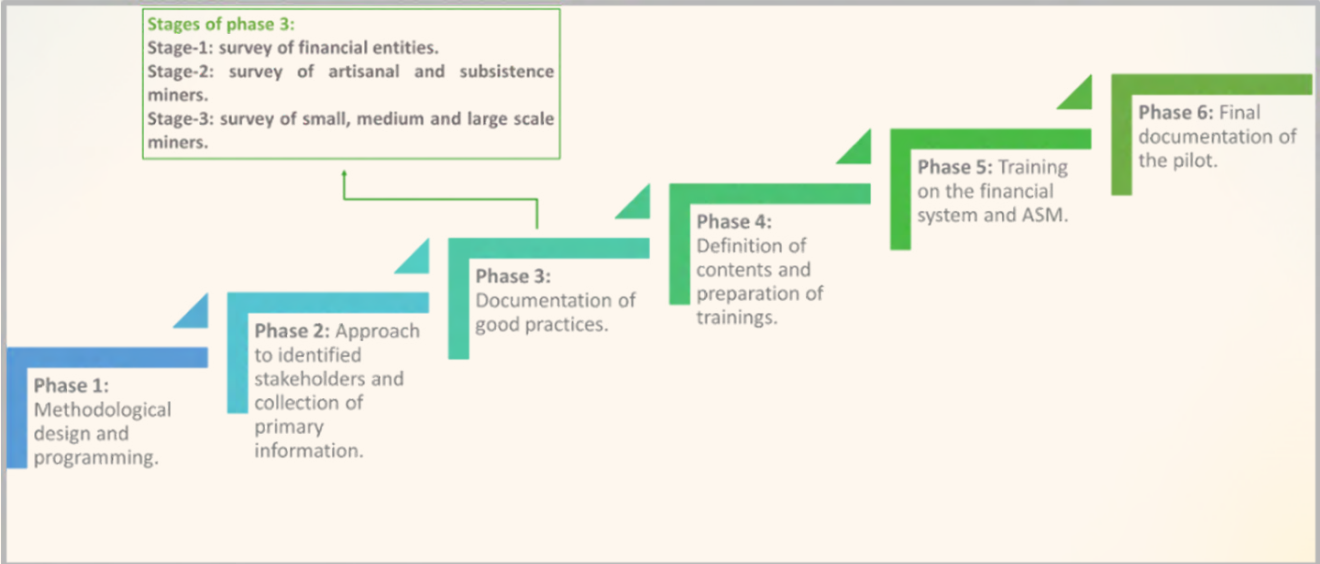
Abbreviations	Definition
ACM	Colombian Mining Association
ANM	National Mining Agency
ASOBANCARIA	Association of Banking and Financial Institutions of Colombia (Asociación de Entidades Bancarias y Financieras de Colombia)
APMC	Association of Professionals of the Colombian Mining Sector
ARM	Alliance for Responsible Mining
CAHRA	Conflict-Affected and High-Risk Area
CRAFT	Code for Risk Mitigation in Artisanal and Small-scale Mining, Creating Transparent and Legal Chains
GDIAM	Colombia Mining Dialogue Group
LAFT	Money laundering and terrorist financing
MAPE	Artisanal and small-scale mining
MIT	Massachusetts Institute of Technology
RISE	Resilient, Inclusive and Sustainable Environments program
SAGRILAFT	System of Self-control and Integral Risk Management of Money Laundering, Financing of Terrorism and Financing of the Proliferation of Weapons of Mass Destruction.

Executive Summary

The Colombia Mining Dialogue Group (GDIAM) led a pilot initiative to provide banking services to miners. The project was also supported by the Alliance for Responsible Mining (ARM), the Colombian Mining Association (ACM), the Association of Banking and Financial Institutions of Colombia (ASOBANCARIA), and the Association of Professionals in the Colombian Mining Sector (APMC). The project aimed to improve interactions between the mining and financial sectors, based on the issuance of Law 2177 of 2021, “whereby regulations are issued to enable the Colombian mining sector to access the services of the national financial and insurance system and other provisions are enacted”.

This intervention began in January 2022, taking as a starting point the implementation of the Mining Banking Law 2177, enacted in December 2021¹. Three expected results of the project were established: (1) Identify the information needs of the mining and banking sectors, analyze the obstacles that impede effective artisanal and small-scale miners’ access to the financial system, and make visible the actions needed to facilitate their access; (2) Strengthen the tools of transparency and trust between these sectors and generate a relationship that guarantees the proactive inclusion of the sector in management processes and finally, (3) Support the banking of artisanal and small-scale miners.

Illustration 1: Phases of the project.



Source: GDIAM.

1. T Law 2177 of 2021 is available in Spanish at: <https://dapre.presidencia.gov.co/normativa/normativa/LEY%202177%20DEL%2030%20DE%20DICIEMBRE%20DE%202021.pdf>

The project was implemented in 6 phases: 1) Project design and programming, 2) Identification and analysis of project needs, 3) Data collection from miners, 4) Documentation phase, 5) Development of training material and 6) Systematization and documentation of the results for the formulation of recommendations for public policy and the private sector².

Despite progress, obstacles such as financial entities' lack of mining knowledge and perceived risks of the sector persist, hindering access to financial services. Lessons learned emphasize the need for continuous, sector-specific financial education and technologies for remote access to services. The project's alignment with national policies supports sustainable economic development, demonstrating that artisanal and small-scale mining can contribute positively to the economy with proper support. Strategic site selection and partnerships have bolstered project credibility and effectiveness. However, security, connectivity, and financing difficulties posed significant challenges. Future interventions should carefully assess local contexts and ensure continuous government involvement to enhance long-term success.

2. The project is currently in phase 6, with no definite closing date. GDIAM is preparing an economic proposal in order to seek financing and, in particular, to support the opening of financial services to the mining sector.

Description of the Intervention

Background Relevant to the Intervention

In Colombia, specific regulations have been implemented to formalize artisanal and small-scale mining, thus improving these miners' access to legal financial services. This project seeks to integrate them into the formal economy, reducing illegal mining and increasing the legal and operational security of the sector. Despite its importance, Law 2177 of 2021, designed to facilitate the banking of miners, is little known in the mining sector. This legislation prohibits discrimination by financial institutions against miners, guarantees more stable conditions for their businesses, and requires banks to provide detailed explanations when rejecting financial applications. However, its implementation is hampered by multiple challenges, such as a lack of equity, unstable incomes, and the presence of armed groups in some mining communities that increase the risk of insecurity and money laundering.

Factors such as high costs associated with opening bank accounts, stringent documentation requirements, and rigid financial policies often result in bank account closures, further discouraging miners from accessing formal financial products in regions such as Bajo Cauca Antioquia. Security and territorial control challenges directly influence the availability of credit for miners.

General Approach and Main Intervention Activities

This pilot project to bank miners, titled “Strengthening access to the financial system for miners in Antioquia,” is an initiative led by the Dialogue Group on Mining in Colombia (GDIAM). It aims to address and mitigate the challenges artisanal and small-scale miners face in accessing formal financial services.

In line with GDIAM's mission and vision, the objective of the project has been to generate spaces for interaction and trust building between the financial and ASM mining sectors, to deepen miners' access to banking products and financing in the department of Antioquia, initially in Bajo Cauca³ but extended to the Southwest region. The approach has sought not only to promote more inclusive and resilient mining activities but also to enable the sustainable development and peace-building of mining activities in the target locations through traceability, banking, and mineral commercialization strengthening processes in historically conflict-affected and high-risk areas (CAHRAs) to legitimize and facilitate a more transparent Colombian minerals supply chain. This helps prevent significant supply chain risks, which in turn contributes to enhancing the mining sector's reputation with regulatory bodies and the community at large, thus fostering an environment of trust and collaboration.

3. The Bajo Cauca is a territorial subregion located in the northeast of the department of Antioquia. It is made up of six municipalities: Caucasia, El Bagre, Nechí, Tarazá, Cáceres and Zaragoza.

Throughout the process, the Ministry of Mines and Energy, the National Mining Agency (ANM), the Financial Superintendency, and the Universidad Javeriana actively participated. All of these parties are stakeholders with whom the project expects to define a working group to implement public policy recommendations to improve the sector's financial inclusion processes.

Target Areas and Target Groups

The intervention focused on compliance officers from the banking and financial sector associated with ASOBANCARIA; artisanal and small-scale miners in Bajo Cauca and southwestern Antioquia with previous experience working with ARM; and small, medium and large-scale mining companies affiliated with ACM. In addition, other civil society organizations and relevant state entities, including the Ministry of Mines and Energy, the National Mining Agency and the Financial Superintendence of Colombia, were involved in the process, as they considered it to be of interest to the mining advocacy processes.

Selection criteria of the target beneficiaries: Due to the project's budgetary limitations, different project leaders and allies were used to access the different target beneficiaries. For its part, ASOBANCARIA coordinated the participation of banking and financial entities belonging to the Compliance Officers Committee, ARM took the lead in engaging artisanal and small-scale mining companies participating in the Resilient, Inclusive and Sustainable Environments (RISE) project⁴, and ACM engaged affiliated small, medium and large-scale companies. This pilot project was inspired by GDIAM's 2021 report on *"Marketing and traceability of Gold in Colombia proposal for Antioquia."*⁵

Partners and Key Stakeholders

The organizations that participated in and led the banking pilot are the Dialogue Group on Mining in Colombia (GDIAM), the Association of Financial and Banking Institutions of Colombia (ASOBANCARIA), the Alliance for Responsible Mining (ARM), the Colombian Mining Association (ACM), and the Association of Professionals in the Colombian Mining Sector (APMC).

GDIAM hopes to develop relations with Bancolombia and Banco Agrario, public and private financial institutions that have shown interest in this pilot project for future interventions. The cooperative sector has also shown great interest, which will be key to advancing the project in new stages.

4. The RISE project is a USAID-funded project to address gender-based violence in the environment program implemented by ARM in collaboration with the MIT D-Lab Inclusive Economies program. More information available at: <https://d-lab.mit.edu/news-blog/news/mit-d-lab-inclusive-economies-program-and-alliance-responsible-mining-join-forces>

5. GDIAM (2021). "Marketing and traceability of Gold in Colombia proposal for Antioquia." Available in Spanish at: <https://gdiam.org/wp-content/uploads/2023/07/Publicacion-GDIAM-Territorial-2021-1.pdf>

Main Activities and Outputs/Achievements

Status of ASGM financing prior to intervention and financial needs assessment

To identify and document bottlenecks and best practices in financial inclusion in light of the Mining Banking Law, surveys were conducted with artisanal, small-scale and large-scale miners, as described below:

Results from the survey on subsistence (artisanal) miners

The survey conducted by GDIAM reflects the situation of artisanal and subsistence women miners in the Bajo Cauca and Southwest Antioquia regions and notes the complexities inherent in gold mining.

In Bajo Cauca, 23 artisanal subsistence women miners, known locally as ‘barequeras’⁶, were identified, while in Suroeste Antioqueño, 15 women miners, known locally as ‘chatarreras’⁷ and one male miner known locally as ‘barequero’ were identified; their mineral extraction ranged between 0 - 10 grams of gold per month.

Of all the miners surveyed in both regions, 18 in Bajo Cauca and 11 in the Southwest have previously requested financial services from commercial entities. Demand for financial services is mainly concentrated on two financial products: savings accounts and loans to individuals. Specifically, 100% of miners in Bajo Cauca have applied for savings accounts, and 62% have applied for personal loans. In the Southwest, the trend is similar, 100% requested savings accounts and 80% requested personal loans, although there is also interest in mobile savings accounts (20%) and investment funds (13%), although to a lesser extent. These financial services are perceived as essential for scaling and developing their mining business activities.

In Bajo Cauca, 100% of the miners emphasize the importance of having access to savings accounts and personal loans. Meanwhile, while 100% of miners in the Southwest share this perspective, only 33% consider it relevant to also have mobile savings accounts and 20% investment funds.

Despite the expressed need, 100% of respondents admitted to not understanding the information required to access financial services, and all reported not having active formal financial services. In Bajo Cauca, the reasons for this lack of access are evenly divided between rejection by financial institutions (50%) and lack of understanding of the requirements (50%). In the Southwest, rejection is 100% due to the refusal by the financial institution to bank them.

Artisanal miners indicated the importance of establishing greater mutual trust between them and the financial sector to strengthen their integration into the formal financial system. Specifically, in Bajo Cauca, 75% of the miners propose that financial entities have greater access to technical

6. Barequeras are known for washing sand from ore using hand tools to separate and collect gold.

7. Chatarreras are manual collectors and processors of minerals discarded by small mines that may contain small quantities of precious metals.

and financial information on mining projects, suggesting the need for greater transparency and communication from the financial sector. Additionally, 20% recommend enriching the knowledge of financial entities regarding the mining industry to foster a deeper understanding of the nature of their mining business.

In the Southwest, 66% of the artisanal miners face obstacles in making foreign currency withdrawals, while 20% encounter difficulties in executing foreign direct remittances, reflecting challenges in international financial mobility. In both regions, 100% of miners report facing considerable barriers in accessing basic financial products such as savings accounts and personal loans, highlighting a systemic problem of accessibility to essential financial services.

The challenges in accessing the financial system are diverse and particularly pronounced in Bajo Cauca, where miners have identified several significant obstacles. 20% of them face difficulties stemming from distrust of the financial sector. In addition, there is a lack of clarity in the procedures for accessing the services of the financial entities, as reported by 4% of the miners. 62% of the miners experience excessively long waiting times after submitting their applications, suggesting inefficiencies in the process. Similarly, it has been indicated by miners in surveys and interviews that one of the reasons for the stigmatization of mining activities in the territories is its perceived association with money laundering and terrorism financing. This is evidenced by the differential treatment of banking entity officials in opening financial products and services, as well as frequent denial. Another 62% find it impossible to comply with the requirements to access financial services, and 87% highlight the lack of support from financial entities in accessing their financial services.

Southwest miners point to several critical bottlenecks that hinder their access to the financial system. 25% of them stated transparency and a lack of clarity in banking procedures, which significantly hampers their ability to navigate the financial process. Likewise, all miners have faced significant delays in responses from financial institutions, and 86% perceived a certain degree of negligence by banking officials in their processes of opening financial products and services due to engaging in mining activities.

Similarly, all miners highlight the impossibility of complying with the requirements requested by financial entities, suggesting that such requirements may lack context on ASGM and fail to take into account the operational reality of artisanal or subsistence mining. Finally, 73% of the miners highlight the lack of support and advice from financial entities, a factor that could be crucial for their integration into the financial system.

In Bajo Cauca, 83% of miners have faced rejection of their applications to open financial products and services, while in the Southwest, this percentage is 60%. This rejection has been attributed to several reasons, including the performance of their operations, lack of stable employment, lack of equity and lack of economic backing.

With the introduction of Law 2177 of 2021, the potential for rejection by financial institutions for miners looking to access financial products is supposed to be significantly lower. Still, the lack of knowledge about this law to all stakeholders involved in the sector remains a significant obstacle.

This law mandates formal financial entities to explain the reasoning behind application rejection, allowing miners to understand better and potentially overcome barriers to financial inclusion.

Results from the survey on small, medium and large scale miners

From the results obtained of the survey of corporate miners, there is concern about the risks associated with the maintenance of financial products and services and banking processes in the region. The ten mining companies surveyed, which include five large-scale, two medium-scale, one small-scale miner (affiliated to the ACM), as well as two members of GDIAM representing two mining companies, identified challenges such as the closing of accounts and cash payments to suppliers due to the lack of banking processes. These actors attributed the cause of these challenges to a lack of knowledge by banking entities on the mining activity and its production chain, a limited supply of financial services close to mining projects, insufficient technological development of financial entities to process requests, the informality of suppliers and generalized regulatory uncertainty.

To mitigate these risks, strategies have been proposed that include keeping mining project information up to date, financing with own resources through additional capital from existing shareholders (i.e., through the possibility of purchasing a larger stake in the company) or from the sale of company shares to new shareholders, implementing SAGRILAF⁸, and supporting the financial system to open non-bank correspondents⁹. These strategies include visits to the mines to evidence due diligence and registrations with the National Mining Authority.

Strategic alliances or joint ventures have been the predominant form of financing for 37.5% of the respondents, followed by capital investment through the issuance of shares, representing 50%, and the sale or acquisition of companies with 12.5%. The vast majority of companies, 75%, confirm that both domestic and foreign financial institutions are a source of financing for their projects.

The financial products used to develop mining activities are varied; checking and savings accounts are the most common, at 33% and 28%, respectively, while loans to individuals and legal entities, as well as investment funds, each represent 11%. Foreign currency withdrawals and direct foreign transfers are less used, with 6%, and no other financial products are reported.

Finally, strategies for maintaining and managing these financial products are vital, focusing on constant information updates, compliance with SAGRILAF, and maintaining a positive relationship with financial entities. Commitment to environmental sustainability and financial transparency also play a crucial role, along with proper financial management and budgetary control for operations. In addition, due diligence in export processes and royalty payments are recognized practices to preserve the financial health and viability of mining companies engaged in banking processes.

8. System of Self-control and Integral Risk Management of Money Laundering, Financing of Terrorism and Financing of the Proliferation of Weapons of Mass Destruction.

9. Mechanism in Colombia where third parties are contracted by the credit establishment to provide certain financial services, making it easier for customers of an entity to make transactions and payments closer to their town or neighborhood (supermarkets, drugstores, bakeries, among others).

In the survey of business miners, 12.5% of the participants were skeptical about the consistency of the requirements demanded by financial institutions, and 50% believed that there is currently no differential approach to the size (small, medium or large scale) and actual activity of the company (exploration or production phase) in the imposition of such requirements. On the other hand, the time lag in the responses from bank applications for financial products and services shows that 50% consider the times to be inadequate, while the other 50% perceive them as partially adequate.

Description of the type of financial mechanism(s) piloted

The banking project for the mining sector in Bajo Cauca was structured in a series of activities that formed the general approach of the financial intervention. These activities were programmed to ensure effective and coordinated implementation through the six phases described in more detail below:

- ▶ **1. Project design and programming:** The work team was established, and the methodological and operational instruments for executing the project were designed. This included developing the work plan that outlined clear objectives to guide subsequent activities and developing the tools for data collection, systemization, and analysis.
- ▶ **2. Identification and analysis of project needs:** The second phase involved approaching participating actors and collecting primary information from the two key actors: 1) financial and banking entities and 2) artisanal miners. Led by ASOBANCARIA, a survey questionnaire with 24 questions was shared with 17 compliance officers of the associated banking and financial entities. The analysis of this information made it possible to identify the characteristics of mining clients, the principal risks and bottlenecks identified by the financial system for opening bank accounts to access products and services, and their evaluation of the recently issued Law 2177.
- ▶ **3. Data collection from miners:** In the third phase, primary information was collected from artisanal miners in different areas of Bajo Cauca and Southwest Antioquia. For this, ARM conducted fieldwork in the municipalities of Andes and Zaragoza in Antioquia, interviewing and surveying 39 women artisanal miners participating in a project funded by the USAID Resilient, Inclusive and Sustainable Environments (RISE) project, developed and implemented by MIT D-Lab¹⁰ and ARM. Of the 39 women artisanal miners, 15 were located in the Southwest (municipality of Andes) and 24 in Bajo Cauca (municipality of Zaragoza). This collaborative effort resulted in the creation of a document highlighting the miners' relationship with financial and banking entities; the findings highlighted both deficiencies and successes in risk management and financial access.

10. D-Lab's, from Massachusetts Institute of Technology (MIT), work in participatory design and inclusive innovation educate leaders and learners on how to determine whether and when to implement a participatory design approach to address a problem

- ▶ **4. Documentation phase:** A document was prepared that compiles good practices and lessons learned in managing mining risks in the territory and the challenges in accessing financial services.

In this stage, a survey of 8 companies affiliated with the ACM was done. This included five large-scale, two medium-scale, and one small-scale mining company of different types and stages of mining in Antioquia. Likewise, two semi-structured interviews were conducted with members of GDIAM. The main objective of these interviews was to understand their experience in accessing financial products and/or services and what practices they implement to ensure success in their relationship with the financial entities.

- ▶ **5. Development of training material:** In the fifth phase, the project focused on identifying and developing the necessary educational content for training the mining and financial sectors. This phase involved the selection and adaptation of educational materials previously developed by relevant stakeholders and the preparation for training sessions. The topics addressed covered financial and mining aspects, integrating the results of the systematizations carried out in the previous phases of the project. The training material sought to generate a space for the exchange of high-value information so that each of the sectors could learn about operating dynamics, barriers and bottlenecks in their operating processes and identify potential solutions and opportunities to generate financial access processes to enable the involvement of the mining sector in the country. The training contents were defined and validated with the participating organizations, managing the logistics and convening of the prioritized actors for the training.

Training on the financial and mining systems: Two training sessions were held for compliance officers of participating financial entities and their teams, attended by approximately 80 people. ASOBANCARIA also provided training to 40 representatives of the mining sector in Antioquia on the requirements and standards of the financial sector. This training aimed to improve the participants' understanding, confidence and knowledge in both sectors. During this stage, emphasis was placed on managing money laundering and terrorist financing risks. This was done by revising compliance and risk management models based on CRAFT, with ASOBANCARIA and other financial entities to clarifying their applicability and relevance in the evaluation process of miners.

- ▶ **6. Systematization and documentation of the results:** A document compiling the results obtained during phases 1 to 5 of the project was compiled¹¹. In addition, progress is being made in the formulation of recommendations based on the lessons learned during these phases. These recommendations will guide actions and decisions in the project, ensuring a more effective and adequate approach to the needs identified. The socialization of this experience with the general public is still pending.

11. The document systematizing the results of the pilot project is in draft form, but a public version is not yet available, however some of the results have been published on the GDIAM website linked here: <https://gdiam.org/proyecto-piloto-bancarizacion-para-mineros/>. The security of the project territories and budgetary restrictions have prevented the completion of project results (2) and (3). However, a project is being structured to continue this exercise based on the best practices learned and the willingness of all civil society organizations, financial entities and miners to participate.

Financial Education:

To promote the trust between the financial and mining sectors through training sessions two training activities were implemented during phase 5 of the project:

- ▶ **Education from banking companies:** Through ASOBANCARIA, a virtual training session was conducted in which 40 representatives of small, medium, and large-scale miners were able to dialogue with some of the associated banking entities. An analysis of the results of financial inclusion since the implementation of Law 2177 on banking penetration and the main internal procedure and policy challenges were highlighted.
- ▶ **Education from the mining sector:** A virtual space for dialogue and training for around 80 representatives of banking entities that are part of ASOBANCARIA, led by ACM, ARM and APCM, in which the main difficulties faced by the mining sector in obtaining financial services and, consequently, their adverse effects on the formalization and commercialization of precious metals in the country were detailed.

Sustainability

Intervention products, such as the methodology's tools and shared knowledge, are likely to remain benchmarks for future project participants¹². Continued use of these tools can foster sound financial practices among miners and banks, which can lead to greater stability and growth in the sector.

The interventions align with national formalization and banking policies (in particular Law 2177 of 2021), integrating standards such as the CRAFT Code and supporting financial inclusion as a mechanism to combat illegal mining and promote sustainable practices.

Cross-cutting Issues

Gender

Although this work was done with different actors in the mining sector, most of the artisanal mining participants in the project were women, selected to be part of the pilot due to their financial vulnerability in the sector.

The survey results show the exclusion women miners faced. Most women have requested financial services in the past but have not understood key information and processes, e.g., how to open a banking account and opt for informal financing options. This highlights the importance of making public policies that integrate an intersectional gender focus to enable greater inclusivity of women in the formalization process, key being their access to bank accounts.

12. The training materials used in the sessions are not yet available to the public.

Findings, Observations, Lessons Learned

As the project progresses, key challenges have been rectified, allowing for the establishment of effective mitigation strategies to strengthen financial inclusion processes and the formalization of miners in Antioquia.

Project Highlights

This project illustrates the significant potential that well-planned and executed interventions can bring to the financial inclusion and formalization of traditionally marginalized sectors, such as artisanal and small-scale mining. It reaffirms that, with the right support, these sectors can contribute in a sustainable and regulated manner to the economic and social fabric.

Lessons Learned

- ▶ Despite progress, obstacles persist, such as a lack of knowledge about mining on the part of financial entities and a perception of risk associated with mining activity, which can inhibit access to financial services.
- ▶ In addition, the critical importance of trusting relationships between miners and financial institutions has been highlighted, as well as the need for public policies that promote formalization and combat illicit mineral extraction and illegal mining.
- ▶ The new intervention has proven to align effectively with national policies, particularly banking initiatives, providing a sustainable and coherent framework for national economic formalization and sustainable development efforts. This alignment suggests that the actions taken during the project are not only relevant in the current context but also provide a solid foundation for future policies and programs.
- ▶ The importance of continuous financial education adapted to the realities of the mining sector stands out, as well as the implementation of technologies that facilitate transactions and access to financial services in remote areas.
- ▶ It has also been learned that the project's sustainability depends on the capacity to adapt, the continuous involvement of relevant stakeholders, territorial presence and stability, and the generation of incentives for miner participation.
- ▶ One of the lessons learned during project implementation is the need for continuous updating of training materials to adapt to changes in the mining sector's legal and financial environment and the variability of territorial conditions in the face of political, social, and economic changes.

- ▶ Despite the challenges reported by artisanal miners, this exercise shows that there are no significant bottlenecks in the access to financial products and services for industrialized mining companies (medium and large scale). In many cases, their operations are financed through international funds from the parent company.
- ▶ An exit strategy is yet to be designed to ensure that miners and financial institutions continue to apply the good practices and risk management lessons learned¹³. The strategy should, once created, be designed to ensure that both miners and financial institutions continue to apply the good practices and risk management learned. The strategy should facilitate the transfer of knowledge and skills to local and national organizations to ensure autonomous and long-term implementation.

Suitability of Intervention Design

The choice of sites, focusing on the Bajo Cauca and Southwest regions, was strategic, as these areas face significant banking-related challenges and have a high potential for formalization and future access to financial services. The collaboration with key partners such as ASOBANCARIA, ARM, ACM, and APMC reflects a prudent selection that has brought legitimacy and relevance to the project.

The training, which included socializing the CRAFT Code and education on SAGRILAFI, was appropriately tailored to provide valuable information to miners and financial entities to encourage mutual collaboration.

Due to the volatility of the territories in pre- and post-electoral stages, the information gathering process and training of artisanal and small-scale miners was affected. In addition, the lack of connectivity made it impossible to use virtual tools for training and the change in the National Government impacted the discussions on the differential approach¹⁴ in the sector's financial inclusion policy.

13. Some of the good practices and risk management learned across the project include:

1. The larger the scale of mining, the greater the compliance with requirements and the easier the access to the financial system.
 2. Proper management of obligations and maintaining updated information with various regulatory bodies facilitate access to and maintenance of financial products and services.
 3. Compliance with due diligence processes and SAGRILAFI enables easier access to financial products.
 4. Establishing a corporate image focused on the care of natural resources and participation in sustainability initiatives facilitates access to formal finance.
 5. Support in the formalization processes of ASM by medium and large-scale mining companies can ease ASGM access to formal financial products.
 6. Publication of financial results of operations will be crucial for the onboarding of more miners into banking institutions in future initiatives.
 7. Transparency in the payment of royalties and taxes improves the trust between miners and banking institutions.
 8. Formalization of workers and suppliers lowers the barrier for entry for ASGM.
 9. ASGM Access to alternative sources of financing - cooperative and solidarity sectors - should be encouraged and facilitated.
 10. The financial and banking system manages risk. This implies that activities related to financial inclusion should aim to reduce risk in the mining sector.
14. The differential approach is a perspective of analysis that allows obtaining and disseminating information on population groups with particular characteristics such as age or stage of the life cycle, gender, sexual orientation, gender identity, ethnicity, and disability, among other characteristics.

Specific success factors

Among the controllable factors, project design and partner selection were critical. Collaboration with financial institutions through ASOBANCARIA, ARM, ACM, and APMC has provided the necessary for effective implementation and given the project a high degree of relevance and credibility. Adopting technologies and training approaches explicitly to meet the needs of the mining sector is also a crucial factor in facilitating the understanding and acceptance of financial inclusion and formalization practices.

Among the factors beyond the project's control that have contributed to its success, the regulatory context, particularly the policies implemented to promote banking penetration, as related to Law 2177 of 2021, have provided an enabling environment for the project's development. These external elements have created an environment that favors the implementation of the project's actions and the receptiveness of the proposed interventions.

(Potential) Factors for Factors

The main challenges identified were:

- ▶ The security conditions in the participating territories delayed the implementation of the project, especially during the election season.
- ▶ Lack of connectivity for attendance of training courses designed to be implemented virtually was a major challenge.
- ▶ The difficulty in financing the project affected the execution of its schedule, which was managed by internalizing costs and generating synergies with other partner organizations.

Recommendations for Future Interventions

The accumulated experience highlights the need for a careful assessment of the local context, including the security conditions and technological access of the participants, as well as the socio-political context of the intervention area.

It is also important to ensure the permanent participation of the national government, not only as a recipient of information but also as a manager of financial inclusion processes. Designing an articulated roundtable between the private sector, civil society, and the public sector enhances the opportunity for the long-term success of such an initiative.

Documents Reviewed

- ▶ ARM. (n.d.). Financial inclusion in Andes and Bajo Cauca with GDIAM's banking pilot for miners. Retrieved in Spanish from:
<https://www.responsiblemines.org/2022/08/piloto-de-bancarizacion-para-mineros-junto-a-gdiam/>
- ▶ ASOBANCARIA. (2022). Essays on Financial Inclusion in Colombia, Volume II. Retrieved in Spanish from:
https://ASOBANCARIA.com/wp-content/uploads/Ensayos_sobre_Inclusion_Financiera_en_Colombia-II.pdf
- ▶ GDIAM. (2024). Banking pilot project for miners. Retrieved in Spanish from:
<https://gdiam.org/proyecto-piloto-bancarizacion-para-mineros/>

Supported by the Global Environment Facility and led by the United Nations Environment Programme, planetGOLD works in partnership with governments, the private sector, and ASGM communities in countries all over the world to significantly improve the production practices and work environment of artisanal and small-scale miners. By working to close the financing gap, supporting formalization, raising awareness, and connecting mining communities with mercury-free technology and formal markets, the programme aims to demonstrate a pathway to cleaner and more efficient small-scale gold mining practices that benefit everyone, from mine to market. The planetGOLD programme is implemented in partnership with the United Nations Industrial Development Organization, United Nations Development Programme, and Conservation International.

