



6. RECOMMENDED READING

- Baddianaah, I., et al. (2023). Gender roles and constraints of women in artisanal and small-scale mining operations in north-western Ghana. *Geography Compass*, 17, e130.
- Brunnschweiler, C. N. (2024). Opportunities and risks of small-scale and artisanal gold mining in Ghana. *The Extractive Industries and Society*, 12(1), 100-113.
- GEF & planetGOLD: Models for Financial Inclusion and Mercury-Free Mining
- Hilson, G. & Maconachie, R. (2020). Artisanal and small-scale mining and rural livelihood transformation in sub-Saharan Africa. *The Extractive Industries and Society*, 7(4), 1351-1362.
- IIED: Artisanal and Small-Scale Gold Mining in Ghana—Evidence to Inform an 'Action Dialogue'
- McQuilken, J., & Hilson, G. (2016). Artisanal and small-scale gold mining in Ghana: Evidence to inform an 'action dialogue'. IIED Country Report. International Institute for Environment and Development.
- Mining in Motion Summit 2025: Tech-Driven Mercury-Free ASGM Expansion
- Nti, E. K., et al. (2023). The impact of artisanal gold mining on the sustainability of rivers in Ghana. *Environmental Sustainability*, 10, 45–53.
- Ofosu, G. (2022). Gender and artisanal and small-scale mining: Exploring women's exclusion from formalized ASM in Ghana. *Resources Policy*, 78, 102784.
- UNDP Ghana: Artisanal and Small-Scale Mining Legal Regime in Ghana
- UNDP Ghana: Social Analysis of Ghana's Artisanal and Small-scale Mining Sector

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FINANCIAL INCLUSION AND RESPONSIBLE SUPPLY CHAINS IN THE ARTISANAL AND SMALL-SCALE GOLD MINING (ASGM) SECTOR IN GHANA

Policy Brief

AUGUST, 2025



1. INTRODUCTION

Artisanal and Small-scale Gold Mining (ASGM) is a major contributor to Ghana's economy, accounting for over 40% of national gold output and generating more than USD 5 billion in export earnings in 2024¹. The sector directly employs around one million people and supports 4.5 million livelihoods. Despite this scale, over 70% of ASGM operations remain informal or unlicensed, limiting access to credit, insurance, and technical support. This financing gap is driven by weak policy coordination, a lack of mining-specific financial products, and limited institutional capacity within banks. Most miners lack the documentation required by lenders, while financial institutions often view the sector as high-risk². Women in ASGM face barriers to finance, land ownership, and effective leadership due to weak internal organizational structures. Addressing these structural barriers is critical to advancing formalisation, scaling mercury-free technologies, and integrating ASGM into responsible supply chains. This brief outlines practical models and policy actions to close the financial inclusion gap and unlock sustainable investment in the sector.

1. Bank of Ghana. (2024). Annual report: Gold exports and economic contribution.
2. Hilson, G. & Maconachie, R. (2020). Artisanal and small-scale mining and rural livelihood transformation in sub-Saharan Africa. *The Extractive Industries and Society*, 7(4), 1351-1362.

2. BARRIERS TO FINANCING RESPONSIBLE ASGM

Persistent Informality Undermines Sectoral Visibility and Viability

The ASGM sector in Ghana remains predominantly informal.³ This widespread informality limits sectoral visibility and hinders access to critical services, including finance, technical support, and legal protection. Many miners cannot navigate the complex and costly licensing process or operate in areas without formally designated concessions. Without legal identity, business registration, or tax records, miners are excluded from formal financial systems and national development programs.

Additionally, institutional fragmentation⁴, across agencies like the Minerals Commission, EPA, District Assemblies, and traditional authorities, leads to uncoordinated enforcement and support structures. This perpetuates informality as a rational response by miners who perceive formal systems as inaccessible or unresponsive to local realities.

Financial Institutions and Tools Are Misaligned with ASGM Realities

There is a pronounced mismatch between the financial sector's structure and the realities of ASGM operations. Most financial institutions offer standardised SME or microcredit products that do not reflect the irregular cash flows or risk portfolio of the ASGM sector in Ghana. Critical gaps include the absence of mining-specific products, the lack of dedicated mining finance desks, and limited internal knowledge about ASGM value chains. Rural and Community Banks (RCBs), while geographically present in mining communities, lack the risk assessment tools and institutional capacity to serve this client base. Furthermore, existing due diligence frameworks, such as the Craft Code, which is in alignment with the OECD Due Diligence⁵, are underutilised due to a lack of awareness among both financial institutions and miners. This contributes to a persistent credit vacuum, despite clear economic potential within the sector

Gender Dynamics Drive Unequal Access to Finance and Opportunity

Women, who play significant roles in processing, trading, and auxiliary ASGM services, remain largely excluded from financial and leadership spaces.⁶ Structural barriers, including limited land and asset ownership, restricted access to collateral, and deeply entrenched gender norms, hinder women's ability to access credit or participate in decision-making bodies such as cooperatives and mining associations. Financial institutions often undervalue the roles women occupy in the value chain, further marginalizing their financial visibility. Meanwhile, financial literacy and business training programs rarely target women's specific needs or constraints, resulting in unequal outcomes. Without deliberate, gender-intentional financial strategies, women will continue to remain on the margins of formalization and sectoral transformation.⁷

A Deep Trust Deficit Hampers Engagement

Trust between miners and financial institutions remains fragile, rooted in past negative experiences and systemic disconnects. Miners often view banks as inaccessible or disinterested in ASGM, citing rejection and misunderstanding by service providers. Banks, in turn, perceive miners as high-risk clients due to the informal nature of their operations, weak documentation, and ESG concerns. This mutual mistrust has limited financing and entrenched skepticism on both sides. Although, training programs spearheaded by development partners such as UNDP, in partnership with the EPA, other state agencies, and PlanetGOLD, has helped soften perceptions and open dialogue, but such efforts must be institutionalized and scaled to prevent renewed erosion of trust. Building structured channels for continuous engagement and strengthening trust mechanisms is therefore critical for translating training gains into sustainable financial inclusion.

Practice Pointer 1: Build Fit-for-Purpose ASGM Financial Products

Design credit tools based on miner cash flow cycles, not standard SME templates. Bundle finance with training, ESG incentives, and off-take linkages.

Practice Pointer 2: Make Gender Intentionality a Financing Standard

Ensure all ASGM finance products include protocols for reaching women miners through collateral-free lending, collective savings, and tailored advisory.

Practice Pointer 3: Use Pilots to Drive Policy Change

Pilot the proposed finance models (LGS, Lease-to-Own, WAGFI) with embedded learning to guide national frameworks and financial product rollout.

Practice Pointer 4: Integrate ESG as a De-risking Tool

Support banks with simplified ESG screeners and training. Use these tools not to exclude miners, but to guide responsible finance and trust-building.



5. CONCLUSION

Ghana's ASGM sector presents both a persistent development challenge and an untapped opportunity for inclusive growth, environmental stewardship, and gender empowerment. While longstanding barriers, such as perceived risk, weak institutional coordination, and limited financial literacy, have hindered progress, the evidence from this project shows that change is both possible and actionable. Through fieldwork, training, and collaborative design, this consultancy has demonstrated that targeted financial solutions, when paired with enabling policy and institutional support, can unlock meaningful engagement between miners and financial institutions. From women miners to rural banks, from regulatory frameworks to innovative financing tools, the pathways to transformation are becoming clearer. What is needed now is political will, policy alignment, and pilot-driven execution. Institutionalizing ASGM financing, creating national guidelines, fostering inter-agency coordination, and scaling practical financing models can reposition ASGM as a viable and sustainable contributor to Ghana's green and inclusive economy. By seizing this opportunity, Ghana can lead the way in demonstrating how responsible artisanal mining can be financed sustainably.

3. Bansah, K. J., Dumakor-Dupey, N. K., Kansake, B. A., Assan, E., & Bekui, P. (2025). Challenges Associated with Formalising Artisanal Small-Scale Mining: Insights from Ghana. *SAGE Open*, 15(1). <https://doi.org/10.1177/21582440221150980>
4. Nyame, F. K., Grant, J. A., & Hilson, G. (2024). Governance fragmentation and agency of miners in Ghana's artisanal and small-scale gold mining sector. *Geochimica et Cosmochimica Acta*, 354, 135-148. <https://doi.org/10.1016/j.gca.2023.11.011>
5. OECD. Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas
6. Ofosu, G. (2022). Gender and artisanal and small-scale mining: Exploring women's exclusion from formalized ASM in Ghana. *Resources Policy*, 78, 102784. <https://doi.org/10.1016/j.resourpol.2022.102784>
7. Arthur-Holmes, F., & Busia, K. A. (2020). The Struggles of Women in Artisanal and Small-Scale Gold Mining in Rural Ghana. *Gender Issues*, 37, 185-207.

4. POLICY RECOMMENDATIONS FOR INCLUSIVE ASGM FINANCE

To unlock inclusive, responsible finance in Ghana's ASGM sector, the following recommendations are proposed for implementation by regulatory agencies, financial institutions, development partners, and mining stakeholders

I. Institutionalise ASGM Financing as a National Priority

Elevate ASGM financial access into Ghana's national development agenda. EPA, the Minerals Commission, UNDP, and other partners should work with the Ministry of Finance and Bank of Ghana to mainstream ASGM financing into financial inclusion, green finance, and extractives strategies. This should include:

- Introducing targeted fiscal incentives for banks serving responsible ASGM clients
- Developing a national ASGM Finance Framework aligned with environmental goals
- Enhancing mineral mapping and data through the Geological Survey to support investment planning

III. Strengthen Regulatory Alignment

Harmonise licensing, financial, environmental, and tax compliance systems to reduce duplication and improve loan processing. Actions include

- Creating an inter-agency compliance dashboard and digital records system
- Developing a unified due diligence framework recognised across sectors
- Clarifying ESG and environmental permitting guidelines for lenders and miners

Improved regulatory alignment will reduce administrative barriers, accelerate loan processing, and enable more consistent application of financial and environmental standards in the ASGM sector

V. Pilot Targeted ASGM Financing Models

Develop formal platforms to enable continuous dialogue, joint solution design, and knowledge-sharing among financial institutions, miners, regulators, civil society, and equipment suppliers. Recommended approaches include:

- Hosting a national ASGM finance roundtable on a biannual basis.
 - Creating dedicated working groups on de-risking, ESG compliance, and gender-inclusive finance.
 - Aligning with PlanetGOLD and other global initiatives to incorporate lessons from comparable contexts.
- These platforms should drive the co-creation of financing products, build trust among stakeholders, and strengthen both upstream and downstream linkages across the ASGM value chain.

II. Develop National ASGM Finance Guidelines

Design standardised, practical guidelines to inform lending in the ASGM sector. These should be co-developed by regulators, banks, and miners, and should address:

- Risk profiling, ESG-aligned loan criteria, and simplified documentation
- Credit scoring tools for informal miners and cooperatives
- Templates for banks and training for loan officers on ASGM dynamics
- Gender-responsive financing protocols for women and youth-led groups

IV. Establish Multi-Stakeholder Financing Platforms

Develop formal platforms to enable continuous dialogue, joint solution design, and knowledge-sharing among financial institutions, miners, regulators, civil society, and equipment suppliers. Recommended approaches include:

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Environmental and Social Risks Present Both Barriers and Opportunities

While ASGM is widely associated with environmental degradation, especially mercury use, land damage, and water pollution, these concerns are often amplified by perception rather than evidence-based assessment. Most financial institutions are unfamiliar with the actual environmental compliance regimes or the sustainable practices some formal and semi-formal miners are already undertaking. Miners themselves expressed a strong interest in transitioning to mercury-free technologies but cited a lack of financing and technical support as major barriers.⁸ Simplified ESG screening tools, if supported with training, can be positively received by financial institutions and provide an opportunity to reframe ASGM as a manageable investment risk. ESG-aligned mechanisms can be instrumental in building trust, enhancing transparency, and structuring responsible lending pathways.⁹

Absence of De-risking Mechanisms Constrains Lending

The lack of de-risking tools is a major impediment to financial engagement with the ASGM sector. Financial institutions operate under strict prudential guidelines and cannot lend without safeguards such as credit guarantees, insurance schemes, or risk-sharing facilities. Currently, no such instruments exist specifically for ASGM. Moreover, the sector lacks standardized risk assessment models, meaning banks default to a one-size-fits-all high-risk categorization for all miners. This discourages product innovation and perpetuates financial exclusion. Additionally, there is limited integration between miners and other value chain actors, such as refiners or equipment suppliers, which could otherwise anchor off-take agreements or asset-backed finance models. These structural gaps isolate ASGM from stable financial ecosystems and prevent scalable engagement.

3. SCALABLE FINANCING MODELS FOR ASGM

To address the structural financing constraints in Ghana's ASGM sector, three actionable models are proposed. These models are designed to be inclusive, adaptive, and scalable, targeting specific challenges. Each is intended to be piloted in partnership with financial institutions, regulatory agencies, and community-based structures. Table 1 summarizes the Finance models proposed.

Table 1: Summary of Proposed Financing Models for ASGM Sector

MODEL	OBJECTIVE	STRUCTURE	TARGET BENEFICIARIES	KEY FEATURES	EXPECTED IMPACT
1. Loan Guarantee Scheme (LGS)	De-risk ASGM lending and attract financial institutions	Partial credit guarantees or first-loss coverage for loans extended to eligible miners or cooperatives	Licensed miners, formalising cooperatives, environmentally compliant operators	- Eligibility based on legal, financial, governance, and environmental criteria - Funded by blended finance sources - Revolving guarantee facility	Increased lending to ASGM actors, improved bank confidence, and formal sector engagement
2. Equipment Lease-to-Own	Improve access to mercury-free, responsible mining technology	Financial institutions or leasing firms purchase equipment and lease to miners with ownership transfer upon completion	Semi-formal and formal miners with operational capacity but limited capital	- 70–80% financing; miners contribute the remaining 30–20% - Repayment linked to production cycles - De-risked through LGS and off-take payment linkages	Expanded use of compliant technology, reduced upfront capital barriers, improved productivity and ESG alignment
3. Women's Artisanal Gold Finance Initiative (WAGFI)	Promote financial inclusion and empowerment of women in ASGM	Hybrid package combining working capital loans, small grants, training, and savings support	Women in processing, trading, and auxiliary ASGM roles	- Gender-specific financial literacy and advisory support - Bundled livelihood financing - Collective lending and savings platforms	Improved access to finance for women, increased leadership and visibility, and inclusive economic participation

8. Solidaridad Network. (2022–2024). Efforts to promote mercury-free gold take off in Ghana.

9. UNDP Ghana. (2024). The creeping mercury menace – Solution is here! <https://www.undp.org/ghana/blog/creeping-mercury-menace-solution-here>