



LEVIN SOURCES

WORKING WITH THE DEMOCRATIC REPUBLIC OF THE CONGO'S BANKING SECTOR TO PROMOTE ARTISANAL AND SMALL-SCALE MINING ACCESS TO FINANCE

Case study

November 2025

BACKGROUND

From 2018 to 2023, Levin Sources worked as part of a US-funded consortium seeking to establish viable, conflict-free, artisanal and small-scale mining (ASM) gold supply chains originating from eastern Democratic Republic of the Congo (DRC). The project involved policy makers in the US and the DRC, value chain actors along the length of the supply chain, civil-society organisations and due diligence specialists. This learning is particularly topical in the current debate around how to professionalise, legalise and formalise ASM led by the World Bank.

OVERVIEW

Based on Levin Sources' learning gathered during our engagement with the formal banking sector in the DRC, this case study demonstrates the transformational potential of encouraging commercial banks to offer services directly to the ASM sector including in geographies other than the DRC. This document provides a summary of lessons learned on this topic. *It can be read in conjunction with a longer learning brief.*

Commercial banks' perception of ASM as a high-risk sector means that they rarely target the sector. When they do, ASM operators face high entry barriers. ASM operators often receive financial support from financial institutions outside the commercial banking sector, such as donor-funded initiatives and microfinance institutions that target ASM as part of their wider mission. The lack of institutional funding in the ASM sector has encouraged illicit financing, fraud, and smuggling for artisanal gold in particular. The fact that ASM can often take place in informal settings exposes artisanal miners to negative actors, including those linked to serious organised crime and terrorism¹. Without legitimate alternatives, miners turn to these illegal sources for access to pre-finance.

To help open access to transparent forms of finance, Levin Sources interacted with two commercial banks as part of the project: Trust Merchant Bank (TMB) and Equity BCDC.

KEY TAKEAWAYS


- By **working together and leveraging their respective strengths**, commercial banks and development initiatives can improve the systemic challenges related to integrating ASM into the formal financial system.
- **ASM cooperatives and other upstream supply chain actors see the advantages of opening accounts with commercial banks**, to:
 - strengthen their ability to grow and professionalize their businesses,
 - remove the vested interests that often come with finance in the ASM sector, and
 - gain recognition as valued participants in the economy.

¹ See for instance [The Silence is Golden report](#) written by Rt. Hon Dominic Raab, in partnership with the World Gold Council (November 2024)

- Commercial banks interested in working with ASM as a potential new market can struggle with the myriad of ASM-related initiatives (both international and local). A **dedicated point of contact in a relevant international organization with the right expertise and networks in ASM and the financial sector** offers practical and consistent guidance and encouragement.
- **Senior management commitment and support within commercial banks is key** to mobilize the resources required to build internal ASM expertise and processes. Proactive engagement across departments, such as risk management, new business development, and lending is essential for wider acceptance and commercial success.
- **Access to relevant data from a wide range of sources** is essential to assess ASM risks and ensure compliance with banks' complex national and international compliance obligations.
- **Greater efforts are needed from all stakeholders**, including the government of the DRC, to influence regulators and other stakeholders of the international banking system to accept ASM as a legitimate economic sector with a manageable risk profile. **Positive engagement of the international banking sector is key** to giving responsible international refiners the confidence to buy ASM minerals and to facilitate the international financial transactions underpinning such trade.
- **For ASM operators, access to commercial financial services is an essential stepping stone towards formalisation, professionalisation and acceptance** as a valued and legitimate economic sector. For international supply chain actors, it adds an extra layer of due diligence, giving additional confidence to their sourcing.

Engaging ASM communities can also create an important entry point for broader financial intermediation. Formalising ASM can act as a hook to introduce banking infrastructure into remote areas, which then enables lending to other local economic sectors, thus broadening economic activity and diversifying the banks' loan portfolios. Mobile money solutions such as TMB's Pepele Mobile can be important enablers to deliver safe, traceable, and accessible banking services for ASM communities.

IN PRACTICE: HOW TMB AND EQUITY BCDC DEALT WITH COMMON BARRIERS TO BANKS' INVOLVEMENT IN ASM

CHALLENGES IN DEALING WITH ASM	PROGRAMMATIC SOLUTIONS
Risk perception leads to lack of leadership support	 <p>TMB was involved in an ASM Access to Finance pilot with funding from a multi-sector initiative involving leaders in civil society, industry, and government, and technical support from a specialized consultancy (2019-2020).</p>

Absence of a robust risk framework tailored to ASM



Prior to the project TMB had already developed its own risk rating system tailored to ASM that considers five categories of operational and ESG standards to identify and quantify compliance and reputational risks for individual clients in the ASM value chain:

1. good governance and transparency
2. human rights
3. workers' rights, workplace health, safety and hygiene
4. environment, and
5. community and society.

The data comes from multiple sources, including local knowledge gathered through its staff, client reporting and third-party actors in the sector (e.g. ASM auditors, industry and standard initiatives, NGOs and development agencies). In the context of the project, it also came from the [Datastake due diligence platform](#).



Equity BCDC developed its own risk profile for potential ASM clients with the technical support of the project. The bank used data on risk mitigation measures based on a due diligence assessment carried out by project partner cooperatives. The bank also invested in its environmental, social and corporate governance (ESG) risk and compliance frameworks and relied on its staff for ASM information.

As part of its risk management strategy, the bank is training cooperatives in basic business functions such as financial literacy, management, and sales and marketing.

Limited capacities in working with ASM initiatives



Prior to the project, TMB had set up a dedicated ASM unit to scale up relevant services locally.

Participation in the pilot helped further build the capacity of a core group of employees to understand and respond to the specific opportunities and challenges related to ASM.

	<p>The team increased its ASM expertise further through ongoing engagement with the project.</p>
	 <p>Equity BCDC improved its understanding of the ASM sector through reflection workshops with key sector stakeholders, which the project organized as part of their partnership.</p>
Concerns about money laundering, organized crime and armed groups	 <p>TMB's Pepele Mobile app includes a core risk management function because all ASM transactions automatically pass through TMB's compliance/ anti-money laundering software, increasing transparency.</p>
Difficulty identifying potential ASM clients because few ASM operators have track records working with commercial financial institutions	  <p>The project developed a network of artisanal mining cooperatives and facilitated access to TMB and Equity BCDC teams.</p>
Limited incentive for ASM operators to improve their risk management.	 <p>The TMB rating system incentivises progressive improvements by opening new products and services, including loan products, to clients that strengthen their risk rating over time.</p>

HOW FUTURE ASM PROGRAMMES AND THE COMMERCIAL BANKING SECTOR CAN LEARN FROM THIS

The ASM sector's importance for many economies, its potential contribution to the supply of essential minerals for a just energy transition, and ongoing concerns that ASM informality tends to benefit malicious actors and may facilitate conflict and instability are contributing to the international community's growing interest in the sector. There is a need to find new ways to explore the financial inclusion of ASM operators as a pathway towards increased integration of ASM into the formal economy. This can then enable lending to other local economic sectors, thus broadening economic activity and diversifying the banks' loan portfolios. There is a high need for targeted programs that seek to address key challenges to financial inclusion.

CHALLENGES	OPPORTUNITIES
Lack of reliable and accessible data on ASM to assess risk and enable compliance with national and international regulators	Harmonisation: Encourage a more standardized approach to ASM risk assessments and support the development of a framework that financial institutions could use around the world.
Mounting pressure on banks and regulators to prevent transactions linked to terrorist financing and international sanctions	Offer ASM awareness-raising and training opportunities for regulators and compliance experts, work with central banks in ASM producing countries to promote and enforce appropriate risk frameworks, and encourage large commodity traders, mining companies and manufacturers to use their leverage to influence a growing number of banks to integrate ASM transactions into their risk and compliance practices.