

COVID-19

MINING SECTOR AND COMMUNITIES' SITUATIONAL REPORT (SIT-REP) 3RD SERIES

09 APRIL - 11 MAY 2020

STATE OF PLAY: ARTISANAL, SMALL-SCALE
AND LARGE-SCALE MINING OPERATIONS IN
AFFECTED COMMUNITIES WITH A SPECIAL
FEATURE ON CHINESE COMPANIES AND
POST-COVID-19 EXIT STRATEGIES

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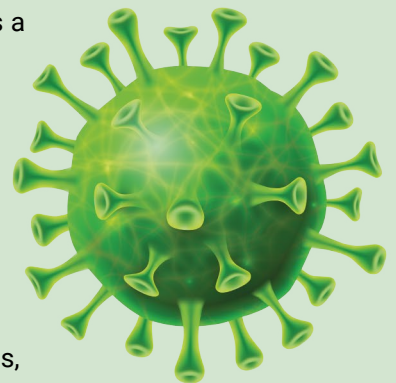


Zimbabwe Environmental
Law Association (ZELA)

As many countries and people around the world have started to uneasily and cautiously prepare for an uncertain, and possibly abnormal post-COVID-19 situation, at ZELA we have continued to collect data and evidence of the impacts of the COVID-19 pandemic in the mining sector and on communities. This is our 3rd series of the **COVID-19: Mining Sector and Communities' Situational Report (SitRep)**.

Akin to other historical plagues, the corona virus has virulently hit the globe, in its wake affecting all social and economic facets of life. People's livelihoods have not been spared and everyone is on edge. For seven weeks, Zimbabwe has been on a lockdown which started with a 21-day lockdown effective 30 March 2020 and followed by two consecutive extensions. The latest and second lockdown extension for 14 days was announced on the 1st of May 2020. All these measures were meant to prevent and contain the spread of the virus.

All along the mining sector has been exempted from the lockdown as an essential service given its contribution to national economic development and generation of foreign currency, however subject to adoption of safety and health measures at the workplace. However, the mining exemptions did not insulate the mining sector from the domino effects of COVID-19 and the global and national lockdowns. Mining is a supply chain-based sector that relies on connected pieces, from production to market. This means, even though the numbers of infections are lower in Zimbabwe, currently standing at 36 cases as on the 10th of May 2020 with four deaths, the mining sector was affected. Consequently, continued impact assessments and public health and safety compliance monitoring remains relevant.



Structurally, this 3rd series of the SitRep is divided into six key areas; Policy and Legal Developments, Impacts and Actions of Large-Scale Mining companies, Impacts and Actions in Artisanal and Small-Scale Mining areas, Situation at Chinese owned companies, Post-COVID-19 Exit Strategies and Recommendations. In these sections we outline the impacts of COVID-19 on mining communities, artisanal small-scale miners, large scale miners and their compliance levels with public health requirements and human rights standards. We also profile actions taken by these actors and Government to prevent, treat and contain the pandemic. Special attention is paid to the level of compliance by Chinese mining companies with COVID-19 prevention measures in Zimbabwe given their poor labour, human rights, safety and health record in the country and other parts of world. Further, post-COVID-19 Exit Strategy notes are provided as recommendations for artisanal, small-scale and large-scale companies to consider applying in light of the relaxation of the lockdown.

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In compiling this report, we used information gathered virtually from our network of more than 200 community monitors, artisanal and small-scale miners, media reports, Government sources and mining companies. In all this we adhere to our Safeguarding Policies and Principles of doing no harm to our communities and stakeholders. We encourage them to socially and physically distance and to stay safe.

GOVERNMENT POLICY AND LEGISLATIVE DEVELOPMENTS

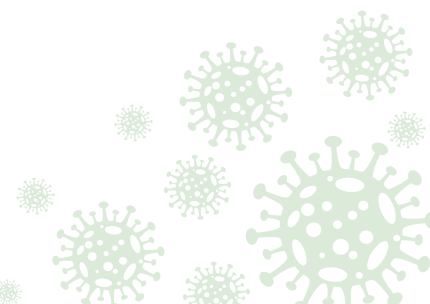
- **Financial Support to Mining from Economic Rescue and Stimulus Package:** In a COVID-19 Update on the 1st of May 2020, the President announced establishment of an ZW\$18 billion (the equivalent of US\$720 million) Economic Rescue and Stimulus Package to scale up production in all economic sectors affected by COVID-19. The President recognised mining as the largest foreign currency earner and in order to incentivise investment in mining, a credit support facility of ZW\$1 billion (equivalent of US\$40 million) was promised to the sector to support large and small scale miners and to speed up implementation of a computerised cadastral system. The mining sector was requested to scale up production subject to WHO standards on COVID-19, social distancing, screening and testing with compliance monitoring by the Ministry of Mines and Ministry of Health. However, while the economic rescue package may be critical for the mining sector, it is not clear when the funds will be made available, their source, how decisions on beneficiaries will be made and whether the process will be transparent, and names of beneficiaries published. The scheme appears to exclude artisanal miners, possibly because Zimbabwe does not legally recognise artisanal miners who are not licenced, despite their gold going to Fidelity Printers and Refineries.
- **Amendment of Regulations- Lockdown Extension and Relaxation:** Government passed new regulations and orders to extend the lockdown and to relax some of the measures to allow economic activities especially commercial and industrial operations. Amendments were made to the Public Health (COVID-19 Prevention, Containment and Treatment) Regulations SI 77 of 2020 and the Public Health (COVID-19 Prevention, Containment and Treatment) (National Lockdown) Order, SI 83 of 2020. Cumulatively, these regulations provided for measures to prevent, contain and treat COVID-19, declaration of a National Lockdown, prohibition of gatherings, compulsory testing, detention, quarantine, disinfection and isolation and definition of “essential service” which included coal mining and allowed manufacturing or other businesses whose operations require continuous processes to operate with minimum staff required for care and maintenances of operations. This is the provision under which the Chamber of Mines and ZMF applied for exemptions to continue mining during the first 21 Day Lockdown.

On the 2nd of May 2020, Government passed the Public Health (COVID-19 Prevention, Containment and Treatment) (National Lockdown) (Amendment) Order, SI 99 of 2020 which provided for extension of the National Lockdown and its relaxation for a further period of fourteen (14) days to 17 May 2020. The first extension had ended on the 3rd of May 2020.

- **Allowing Low Quality masks:** The new regulations to relax and extend the lockdown required the wearing of masks by every individual permitted to leave his or her home or to be in any public space. However, the weakness of the order is that it allows people to wear any mask whether improvised or manufactured, and whether or not of a standard specified in the Public Health (Standards for Personal Protective Apparel, Materials and Equipment) Regulations. This compromises the prevention of COVID-19 as people are not using any material as masks and there are no checks on the quality of masks being sold to people in mining communities and other areas. In the mining sector such a requirement can compromise the health of artisanal miners. Shortage of masks in the country has been viewed as the reason why Government decided to allow any form of masks a person can use.

- **Compulsory Screening, Testing and Social Distancing:** The regulations (SI 99 of 2020) allowed businesses in the formal commercial and industrial sector to open. The only businesses allowed to operate include formalised businesses with licences, lessees of commercial premises, those with Value Added Tax registration and those registered as employers who pay employees' tax. Such businesses are required to cause their employees to be screened and tested for the COVID-19 disease through a rapid results diagnostic test or other test approved by the Minister of Health. In addition, employees are required to observe social distancing rules at the workplace, to wear protective masks and to make available for use by employees and other persons hand sanitising liquid.
- **Temperature checks and sanitisation on Entry:** On the 6th of May 2020, Government amended SI 99 of 2020 through Public Health (COVID-19 Prevention, Containment and Treatment) (National Lockdown) (Amendment) Order, SI 102 of 2020. The amendment gave employers 14 days to cause themselves and their employees to be screened and tested for the COVID-19 disease beginning on the 7th of May 2020. The amendment removed powers of law enforcement in giving direction to employers on testing and screening. The amendment requires employers to ensure that employees' temperature is checked and hands sanitised on entry to the workplace. Law enforcement officers are empowered to access any premises to demand documentary proof of screening, testing or sanitisation and can order closure if there is no compliance. It is an offence to fail to comply with the safety standards or disobey the order of a law enforcement officer.
- **Position of Mining Equipment Suppliers and Other services:** The effect of SI 99 of 2020 and SI 102 of 2020 is that these legal instruments allows businesses that supply mining equipment and other crucial services to the mining sector to start operating after complying with prescribed testing, screening and social distancing measures. Before this, many equipment and service suppliers to the mining industry were closed or were operating outside the law.
- **Mine workers Accommodation:** A statement issued by the Minister of Information, Publicity and Broadcasting Services¹ indicated that mine workers are directed to remain within the precincts of their accommodation at workplaces for the duration of the lockdown. While this requirement may be good for protecting workers from contracting or spreading COVID-19, it might lead to exploitation and abuse of workers by mining companies through long working hours and provision of unhygienic accommodation and failure to ensure social distancing.
- **NSSA Guidelines:** The National Social Security Authority (NSSA) developed COVID-19 Guidelines for use by companies to ensure protection of workers at the workplace including provision of Personal Protective Equipment. The guidelines state that, initiatives should be put in place to reduce exposure to the virus and stopping the spread of the disease. Companies are encouraged to develop a contingency and business continuity plan that allows the business to run with a limited number of employees and to decongest the workplace to promote social distancing. Mining companies and ASM operators must apply these standards.
- **Motivations and Triggers for Mining Sector Exemptions:** Following the exemption of mining companies from the national lockdown guided by Statutory Instrument 94 of 2020 which defines coal mining as an essential service and applications for exemptions by mining companies, ZELA published an analysis paper that profiled the factors, motivations and triggers of Government decision to exempt mining from the national lockdown. The key factors included; the need to balance economic and health risks, mining's umbilical ties to the domestic economy, mining industry pressure on government to continue operating and protecting assets, domestic resource mobilisation for supporting public health, global developments, the influence of other countries that opened their mining sector like South Africa and Ghana and possible political factors and opportunisms by the elite to profit in the gold sector from market volatility and suppressed gold prices at the national level. Opportunities for smuggling and corruption may also have been a factor (See; <http://www.zela.org/download/mining-sector-exemptions-from-covid-19-lockdown-motivations-and-triggers-flyer/>)

¹ Media Brief by the Minister of Information, Publicity and Broadcasting Services 3 May 2020.



IMPACTS AND ACTIONS OF LARGE-SCALE MINING COMPANIES ON COVID-19

3.1 Force Majeure Claims by mining companies

- COVID-19 as a health issue and an act of God together with Government action to order the lockdown, raises a legal question of when force majeure can be claimed in the mining sector. Force majeure is an event beyond the control of anyone or a business entity that renders it significantly impossible to perform a contractual obligation. The only company that publicly issued a statement on force majeure in Zimbabwe is ZIMPLATS immediately after announcement of the national lockdown². The company indicated that it had received a force majeure letter from Impala Platinum Limited following the South African national lockdown. In turn, ZIMPLATS had issued its own force majeure letters to contractors working on capital projects and financial institutions to legally suspend obligations under existing contracts with them until the end of the lockdown. However, the current status of the force majeure letters is not clear at the moment after the Zimbabwean and South African Governments exempted mining companies from the lockdown subject to safety and health restrictions that should be complied with by mining companies. Given, this legal position, it is possible that some legal disputes may arise in Zimbabwe where mining companies may claim force majeure claiming that they were not able to fulfil certain obligations such as payment of mining taxes or other contractual payments to Government or other parties. On the other hand, it is also possible that Government may claim that it was not able to fulfil certain obligations to mining companies due to the COVID-19 pandemic and the lockdown. If such disputes arise the courts should be prepared to research and make judgements that provide a balance between public health issues and economic interests.

3.2 Mining Production Levels

- Following the lifting of the lockdown mining companies resumed operations. Reports from community monitors indicate that granite mining companies in Mutoko, platinum and chrome mining companies in the Great Dyke region, diamond mining companies in Marange and gold mining companies in Zvishavane and Gwanda resumed operations at various capacity utilisation levels. Blanket mine in Gwanda for example indicated that production may be affected by lockdown measures by approximately 20%. Before the lockdown the Chamber of Mines had projected that Zimbabwe could lose 60% of its mineral production in the second quarter valued at US\$400 million and reported that by March 2020 the industry had lost more than US\$200 million. Gold production for March 2020 based on Fidelity Printers statistics for Large scale mines was a mere 709.0384kg, while Small scale mines produced 1061.6605kg making a total of 1770.6989kg. The figures for April 2020 are likely to be much lower due to the lockdown even though miners were exempted. Most reduced production levels while the value chain was affected. Production has also been affected by closure of mining equipment suppliers and services, although these have now been opened following the relaxation of the lockdown through SI 99 of 2020. Blanket mine however, indicated that it has adequate critical spares and consumables inventory to manage reduced supply chain deliveries during this period.
- Reduction of Manpower levels:** While other companies reduced their labour force, Mimosa, a platinum mining company is operating with its full production labour force. According to community monitors the company is trying to organize accommodation for the miners at Dadaya School, closer to the mining site. However, this has not yet materialised as the workers are still residing at their homes. Unki mine is operating at half capacity as the concentrator and smelting plant is under maintenance. Only the mining department is operational with 600 employees at the department including some service providers. The mining department produces 3000 metric tonnes of platinum every day. These employees are staying at the camp on site until the lockdown is over.

3.3

Company Level Safety and Health Measures: Provision of PPE

ZIMBABWE
CONSOLIDATED
DIAMOND
COMPANY
(ZCDC)

According to reports and updates from the Zimbabwe Diamond and Allied Workers Union (ZIDAWU), ZCDC has not adopted adequate and clear measures to protect workers as prescribed in safety and health regulations and existing public health laws. The group raised concerns on shortage and poor quality of masks and work suits provided to workers and overcrowding of workers in their living quarters. The company ordered workers to stay on company premises where in some cases more than 8 workers live in a single room. In certain areas ablution facilities are not adequate. However, the group indicated that the company conducts temperature checks for workers, require workers to stay at the mine site, provides masks and ensures social distancing on company busses where only 30 workers are allowed on a 75-seater bus.

ZIMPLATS

ZIMPLATS indicated that it has always been providing its employees with PPE even before the COVID-19 outbreak. The company reported that it had acquired additional PPE for its medical staff including dust masks, face masks, surgical gloves, protective scrubs, protective gowns, protective glasses and gloves. The quantities are reviewed regularly. ZIMPLATS stated that it has managed to achieve the control of exposure of the employees by fully adopting social distancing principles in all its accommodation facilities. The company also indicated that it has developed and implemented social distancing protocols inside the buses by reducing the carrying capacity of buses to 60%. In addition to reduced carrying capacity, employees are issued with masks and goggles which they are required to wear for the duration of the bus trip. On boarding the bus, each employee must sanitise, handwash and undergo temperature checks. Any employee with elevated temperatures (above 37.5°C) is not allowed to board the bus and is instead referred to the company's medical facilities for further management. After every trip, buses are deep cleaned and fumigated in preparation for the next trip. To date, not a single COVID-19 case has been recorded at the mine. However, ZIMPLATS may have to keep an eye on community-worker interactions since the Ministry of Health reported a COVID-19 case in Mhondoro District where the mine is located, although the village where this happened is some miles away from the mine.

MIMOSA
AND
UNKI

Mimosa mines, is mining platinum in Zvishavane. The company reported that it has taken steps and measures to ensure social distancing. For example, on transportation of workers, the company provides a bus in which a two-seater row is now being occupied by one person, while a bus with a three-seater row is now being occupied by two people. The company is also providing masks to employees upon entry, with temperature checks and thorough washing of hands being encouraged. At the entry points, random tests for COVID-19 are being done. These precautionary measures are also being applied by Unki Mine, another platinum mining company. At Unki Mine employees are provided with PPE such as gloves, masks, respirators and sanitizers regularly to use in the plant.

BLANKET
MINE

Blanket Mine (a gold mining subsidiary of Caledonia) in Gwanda indicated that it is fully committed to continue with operations within parameters set by the WHO regarding social distancing and other public health and safety measures at the mine³. Management continues to monitor the situation while conducting regular reviews to update its decisions in response to the disease. Some of the measures include regular communication with employees on guidelines, restrictions and hygiene recommendations to limit the risk of contagion, the elimination of all non-essential travel to the mine, working from home where possible for non-mine personnel and social distancing measures at operating sites.

ILFORD
GRANITE
MINING

Community monitors in Mutoko reported that for some mining companies, like Ilford Granite Mining, keeping social distance is proving to be a challenge. For example, a truck that is supposed to carry six people to ensure social distancing can be seen with 10-12 people on board.

3 <https://www.caledoniamining.com/covid-19-pandemic-response/>

3.4 Access to health care and medical facilities

- Some mining companies have put in place measures to improve access to health care and medical facilities for their workers. For example, ZIMPLATS has invested significantly in extending its existing medical facilities to be able to deal with any COVID-19 related cases and provide services such as screening, testing, isolation and treatment. These facilities are manned by trained staff. The Company has also established COVID-19 toll free lines for employees to remotely access assistance/ medical guidance, where necessary, without having to visit the medical centre. This allows the medical team to make recommendations based on telephone communication.

3.5 Access to water and sanitation facilities

- Hwange Colliery Company:** Hwange Colliery Company gives masks to employees although its public toilets for workers have no sanitizers. Companies like Mimosa have placed hand sanitizers at each entry point and water points are found within the mine site. Every block at Unki mine has water taps, dispensers and sanitation facilities for the employees.
- Blanket Mine has invested approximately ZWL\$9,6 million in protecting its employees and their families by providing COVID-19 PPE, sanitizers, screening equipment, awareness campaign literature and food for its employees under lockdown.

3.6 Corporate Social Responsibility and Support to Communities and Government

- Murowa Diamonds:** Murowa Diamonds, a member of the Diamond Producers Association (DPA) in partnership with ZELA entered into a joint COVID-19 information and knowledge sharing radio campaign targeting artisanal, small-scale miners, large-scale mining companies and communities in Zvishavane. The campaign is primed on sensitising the ASMers operating in the District and communities about COVID-19, measures to protect themselves and to facilitate knowledge exchange on best Safety, Health and Environment (SHE) practices between large-scale- miners and ASMers. The DPA to which Murowa belongs, was formed in 2015 by the world's seven big diamond industry players, De Beers, Alrosa, Dominion, Lucara, Murowa Diamonds, Petra and Rio Tinto to reimagine the battered image of diamonds with the objective of maintaining and enhancing consumer demand, confidence in diamonds, sustainability and to share best practices between its members on employee health and safety, community relations and environment management. Perhaps the partnership with ZELA can be viewed as one way in which Murowa has demonstrated adherence to the DPA's "Sustainability Commitments". However, at national Murowa may need to be more visible in promoting and calling for industry-wide adoption of such voluntary responsible sourcing practices, respect for human rights, labour standards and environmental issues and other measures in the diamond industry in Zimbabwe to help create a conducive environment in the country in which it can better fulfil its commitments under DPA. That means working together on such systems or protocols with other diamond exploration or mining companies such as ZCDC, Alrosa and Anjin.
- UNKI Mine** in Shurugwi donated some foodstuffs to Gweru Provincial Hospital. The mining company has identified 13 other institutions to help through donation of foodstuffs for the next 3 months. The company bought a mobile clinic for COVID-19 testing and awareness. However, according to some community monitors, by the 2nd of May 2020 the company had not surprisingly helped or supported Chironde Clinic which is 2km away from Unki mine. This is something that should be urgently addressed by the company.
- MIMOSA** Mines is reported to have donated the COVID-19 testing machines at Robert Mugabe International airport and Beit Bridge Border post. Community monitors reported that apart from the information campaigns with ZELA, there is no record of any recent donations by MIMOSA to the community.
- ZIMPLATS:** ZIMPLATS rolled out a communication campaign that has included distributing posters and brochures and delivery of messages on social distancing through use of loud hailers in community spaces in line with its commitment to improving the lives of its host communities. This is an on-going exercise. Beyond this, the company has donated equipment and consumables to clinics and hospitals within communities in its areas of operation. These include screening tents, infra -red thermometers, face masks, gloves, disinfectants, knapsack sprayers, containers for handwashing and in some cases ventilators.

- **Blanket Mine:** Blanket mine in Gwanda donated ZWL\$ 16 million to support the fight against COVID-19 via the Chamber of Mines. Blanket Mine is also actively engaged with the local authorities to assist with a range of supplies, including the donation of more than 5,000 COVID-19 posters for awareness campaigns to the town of Gwanda and local schools, providing assistance to Mangwe District in establishing a quarantine centre and donation of an assortment of PPE and hand sanitizer to the Gwanda Prison inmates to limit the spread of infection⁴.
- **South Mining:** South Mining is a coal mining company operating in Hwange on Friday donated 15 000 face masks to traditional leaders and members of the public in Hwange⁵.
- **Chamber of Mines:** The Chamber of Mines representing medium to large-scale miners and the Zimbabwe Miners Federation (ZMF) made a joint donation of US\$1 million in cash and kind to Government as assistance to help in preventing and containment of Covid-19.⁶

3.7 COVID-19 Communication, Information Dissemination and Awareness raising

- Mining companies such as ZIMPLATS, Blanket Mine, Mimosa and Murowa have joined several organisations in raising awareness on COVID-19. One can argue that the companies could have realised that the most important tool in the fight against the novel coronavirus is information dissemination about the pandemic, how it is spread and how employees, contractors and communities can protect themselves from infection. The companies has been running communication campaigns on COVID19 including production of informational posters and brochures, while in some cases like ZIMPLATS daily messages are sent to workers through the bulk SMS platform, emails and other channels. Use of other communication tools such as audio jingles in buses, and placement of educational information on noticeboards has been noted from ZIMPLATS.

4.0

IMPACTS AND ACTIONS IN THE ARTISANAL AND SMALL-SCALE MINING (ASM) SECTOR

4.1 Exemptions of ASM mining sector

Many ASM miners applied for exemptions, although others are still facing difficulties or merely ignoring applying for exemption letters. Miners in Mberengwa were happy that the mining sector was exempted from the lockdown and that the President encouraged miners to ramp up and upscale production. They argued that at least they will be able to generate income and fend for themselves while also contributing to the fiscus and economic development of the country.

4.2 Low Production levels, Manpower and Supply Chain Problems

Most ASM miners are not processing their but piling it for future processing. Statistics from Fidelity Printers for example shows that gold production from Small-scale mines which incorporates artisanal miners was a mere 1061.6kg for March 2020, although the figures might be much lower for April 2020. In Bubi the Chinese gold milling

⁴ <https://www.caledoniamining.com/covid-19-pandemic-response/>

⁵ <https://www.sundaynews.co.zw/coal-firm-donates-15-000-face-masks/>

⁶ <https://www.herald.co.zw/support-growing-for-pandemic-fight/>

company that miners rely on is closed and this has affected their production and sales. A gold miner in Mazowe noted that since the pronouncement they are managing six tonnes a day from three shafts. Miners in Zvishavane are not working normal hours as they used to and this has affected production. In Mberengwa, production is still subdued since most suppliers of essential consumables like machine spares and explosives do not have stock and in dire need to import towards stock replenishment. Production in Gwanda has also reduced since miners are operating with half their staff complement.

Vectis 20 a woman owned small-scale gold mining company in Gwanda has reduced production by 75%. The mine is now operating from 8am-2pm. Previously, the mine operated for 24 hours with workers taking shifts. Before COVID-19, the company would produce an average of seven tonnes of ore in two days. The output has now gone down to an average of two tonnes in two days. This in turn is affecting staff salaries, servicing loans, fuel and other overhead costs.

In Bubi, a few ASM miners obtained the exemption to mine. Those who obtained the exemption are operating on a half day basis. Most of their workers are stuck at their rural homes as they do not have access to transport to go back to work. However, in Mazowe and Gwanda some miners reported that they have asked their workers with pre-existing conditions who may be more vulnerable to COVID-19 to stay home until the situation stabilises.

From a mining supply chain perspective production has also been affected by the lockdown. Some miners indicated that since other sectors of the economy have not been exempted to operate, it is difficult for the mining sector to operate in isolation as they rely on other sectors which are part of the mining supply chain.

In Mazowe, some artisanal and small-scale miners have been working using exemption letters. After the pronouncement, some miners went back to work on a full-time basis. For example, a miner operating 3 shafts and 2 hammer mills has 20 people on site. In Shurugwi, the Shurugwi Development Trust (SDT) has around 60 people at its Lulu site including staff, which is roughly a 20% of the whole population of its workers under normal circumstances. They have selected few shafts with high returns that are currently being utilised. In Zvishavane, some miners (even those who had not yet received their exemption application approvals in the first phase of the lockdown) have returned to their workplaces and are operating within the confines of the SI 94 of 2020. Mining sites have a workforce do not exceed 10 workers. Some miners in Mberengwa are back at work now. On average each miner has seven (7) to fifteen (15) workers per site. To ensure physical distancing, the number of workers for Vectis 20 mine in Gwanda for example was reduced from 36 to six staff members and among the six remaining, two are women to make sure the sleeping quarters are not crowded.

4.3 Mining Equipment and supply shortages and high prices

ASM Miners in Zvishavane reported that production is affected by limited mining equipment, inputs and supplies since most suppliers were still closed before promulgation of SI 99 of 2020. Some of the inputs like sulphide to power explosives are accessed through agents who in most cases take advantage of the situation and inflate prices. Some chemical companies like Wiltshire and Cure Chem have opened, but prices have gone up. Some miners have not been able to service or repair machinery as the motor spare shops had not yet been exempted. To ensure continued business operations, some miners had to purchase used generators after failing to repair or service and existing generators. Access to fuel continues to be a challenge because suppliers are only accepting bond notes in cash, while Fidelity Printer the gold buying government arm is making payments in US dollars and bank transfer. Fuel can only be purchased by exchanging the US dollars or bank balance for bond notes. As a result, the cost of fuel is high. In Mberengwa equipment suppliers and lessors where miners hire pumps, compressors and jackhammers hiked prices. In Shurugwi prices of hiring pumps and compressors have gone up from USD 50 per day to USD 80 per day.

4.4 Gold Market Price fluctuations and volatility

As reported in the last Situational Report, the price of gold has not been stable since the lockdown and this has further fuelled arbitrage and illicit financial flows in the gold sector. As on the 6th of May, black market gold dealers were buying gold on the cheap at US\$42 per gram, while Fidelity Printers and Refineries (FPR) was buying at US\$47 per gram but subjecting the price to the 55% in US\$ and 45% in RTGS policy. Cash shortages in US\$ at the banks is also said to be a factor in the low prices being offered for gold. For black market dealers with the financial muscle such low prices are good for business since gold is a store of value. They will sell in the future at a much higher margin once the gold supply chain recovers from the COVID-19 setback.

4.5 Provision of PPE to miners

In Mazowe some ASM miners are not using PPE while in Shurugwi, the Shurugwi Development Trust instituted preventive mechanisms to ensure the safety of the miners. The Trust has 2x2000 litre water tanks with sunlight liquid for washing hands, and sanitizers at every entry point. The workers have PPE and are observing social distancing. They have improvised and are using masks made from mutton cloth. Vectis 20 mine, with its scarce resources managed to purchase PPE for workers. Though PPE is now available in a few shops, the prices are exorbitant, and are charging in US dollar. For example, one disposable mask is being sold at US\$3-US\$4. Vectis 20 mine has established some COVID-19 prevention protocols and the workers have received information and orientation. Two entry points into the mine have been designated and each entry point has a hand washing and sanitizing station. However, the company failed to procure equipment such as testing thermometers for temperature check due to the prohibitive costs. However, in Mberengwa some small-scale miners partnered with local public health workers to give mine site COVID19 safety talks before every shift to the workers.

4.6 Social distancing in ASM Sector

In Mazowe, artisanal miners are finding it difficult to comply with social distancing rules. The artisanal miners are not respecting COVID-19 regulations and they are working as usual. In areas where gold rushes occur social distancing is ignored. At Bhinyapi mine in Matabeleland South's Insiza District, COVID-19 regulations on social distancing were largely ignored and violated when there was a gold rush. "At the mine site there is overcrowding. There is no protective clothing, no social distancing, absolutely nothing", noted Mr. Tshuma⁷. The area is now overcrowded with people and there are fears that coronavirus might easily spread if the situation is not controlled.

4.7 Illegal mining and criminality –Machete gangs are back

In Bubi there were reports of people who invaded gold claims at night to steal money, gold and mining equipment. Community monitors reported that a group of thugs came from Kadoma during the lockdown to harass miners. The thugs forced a miner near Badala to jump into a shaft because they had not found money on the site. The worker was critically injured and is in hospital. The team is popularly known as the ZIGA team. However, with the assistance of the Zimbabwe Miners Federation (ZMF) the gang members were arrested. Vectus Mine in Gwanda, had some machinery, water pipes and hammer mill engines stolen during the lockdown. This has forced the company to scale down its operations, reducing working hours to allow workers to complete the security process and retreat into their quarters for safety. New cases of machete gold gangs and criminals were also reported in Maphisa in Matabeleland on the 2nd of May 2020 where a group of seven raided Goodcow Mine armed with machetes and axes and took away 12 x 50 kg bags of gold ore. However, police confirmed arrest of the gangs.

4.8 Increased Number of People Going into ASM and Claim Ownership issues

Considering that no significant economic activities were taking place during the first phase of the lockdown, the economic avenues of survival were shut. However, following the announcement of the exemptions many artisanal gold miners and community members in Mazowe flooded the artisanal and small-scale mining sector as a means of livelihood. This development can be partly explained by the fact that during the first lockdown phase and up to date, informal business activities remain banned and people saw gold mining as the only avenue to make money since it is exempted from the lockdown. So long the lockdown on informal businesses activities on which the majority of people in Zimbabwe rely on continues, the number of people going into artisanal gold mining will exponentially increase. There were also reports that some artisanal miners were searching for gold on other people's claims considering that some were not back at their work sites.

4.9 Use of Mercury, Environmental Concerns and Affected Supply Chain

Many artisanal miners continue to use mercury in processing gold despite the health and environmental complications and harm that may arise from its use. Most of the mercury used in ASM is imported from South Africa and Mozambique, although the supply lines were also affected by the lockdown. According to ASM miners the demand for mercury has increased and the prices have gone up. In Mberengwa one trader has increased his prices from US\$90 per kg to US\$110 per kg. While in Mazowe miners used buy mercury at US\$10 per teaspoon, it is now going for US\$ 18 per teaspoon and in Kwekwe (50grams) was going for US\$10, it is going for US\$15. Only two traders in Kwekwe sell mercury In Gwanda mercury was around 150-200 Rands per teaspoon (or 50grams) and now the same teaspoon is going for 400 Rands. In Shurugwi the usual mercury traders cannot supply their clients anymore. This has provided a business opportunity for the Chinese, who the miners now buy from.

4.10 ASM Miners support to Communities

Twelve (12) artisanal and small-scale miners in Gwanda have joined hands and came together to assist the vulnerable in their communities who could not afford to put food on the table because of the lockdown. The miners bought 400x10kgs of mealie-meal, at a cost of RTGS 28,000. The mealie-meal was handed over to the Social Welfare Department to identify the vulnerable people to benefit. The donation from Gwanda small scale miners is part of the corporate social responsibility to give back to the community in these difficult times.

5.0

CHINESE MINING COMPANIES' COMPLIANCE LEVELS WITH SAFETY AND HEALTH STANDARDS

While to some it may sound preposterous, China has a connection with the COVID-19 global pandemic in terms of origin and spread. Whether the virus originated or was manufactured in a laboratory in Wuhan, or naturally escaped from the laboratories where virus studies are being undertaken as alleged by many or originated naturally from wild-animals or bats at the Wuhan wet markets (Seafood Market), the most important factor for this analysis is that the Corona Virus was reported to have started in China. The Chinese reported more than 4 600 deaths and 84 000 infections as at 17 April 2020, figures disputed by many who accuse China of underreporting its death toll, infection rates and failing to take measures to urgently inform other countries on the severity of the virus before it turned into a global pandemic⁸. The Chinese were lauded by the World Health Organisation (WHO) as having been able to put in place and rolled out the most ambitious, agile and aggressive disease containment effort in history to contain the virus in Wuhan⁹, a claim which has put into question the relationship between WHO and China.

Naturally, the above factors place a burden and moral duty on the thousands of Chinese Government entities, corporates and individuals operating in various sectors around the world including mining, manufacturing, infrastructure development, commerce and trade to take measures in preventing and containing the corona virus. However, some countries have been complaining about the quality of personal protective equipment supplied or donated by Chinese companies. Further, in Africa, including in Zimbabwe, the Chinese have a history of bad safety, health, environmental, labour practices and generally human rights standards especially in the mining sector. This makes this it more relevant to focus on how Chinese companies are complying with safety and health measures in the mining sector.

In this section, we have done a quick survey of how Chinese companies are handling the COVID-19 crisis in Zimbabwe's mining sector, measured against China's history and moral obligation to help other countries and peoples around the world. Below we outline how Chinese mining companies are dealing with the health, safety and welfare of workers and adherence to WHO and national health regulations and standards. Due to limited time, a comprehensive study was not possible, but the information below provides a lens on how Chinese companies are approaching safety and health issues;

- **Anjin Diamond Mine in Marange:** In Marange diamond fields, Anjin Investments which used to be a joint venture between Anhui Foreign Economic Construction Group Company, ZMDC and the military through a self-

⁸ <https://www.bbc.com/news/world-asia-china-52321529>

⁹ Report of the WHO-China Joint Mission on Coronavirus Disease 2019 (COVID-19) (16-24 February 2020) <https://www.who.int/docs/default-source/coronaviruse/who-china-joint-mission-on-covid-19-final-report.pdf>

company is back in operation, although the current shareholding structure is not clear. According to community monitors there are some changes in terms of management and its operations as the company is said to be involved more in exploration than mining activities at this point.¹⁰ However, the Plant Department is said to be operational. It was reported that social distancing requirements in terms of the law are not being observed as workers are working in close proximity. It is reported that there are no regular safety and health meetings as required by law before commencing work on a daily basis as the Chinese do not believe in that. Workers reported that no efforts are being made by managers to educate workers on social distancing at the mine sites or living quarters. The Chinese management is not enforcing such requirements. As for transportation, workers are ferried in overcrowded open trucks to their workstations from offices. For accommodation, the Chinese have better accommodation facilities, while the rest of the workers stay in fours per room, with some using bunk beds which defeats social distancing. Some workers complain about the poor condition of toilets at the mine, while ventilation in some rooms is said not to be up to standard. Workers are said to be given sub-standard disposable masks which are not the recommended N95 and not suitable for mining and some workers are not using the masks. The masks are used over and over again and will end up being dirty and filthy. Complaints of inadequate and poor-quality safety shoes and worksuits were also reported. Reports of employees working without contracts were also received. However, temperature checks are conducted.

- **Zimberly Investment Hwange:** When the 21-day lockdown was declared workers at Zimberly Investment Hwange did not have access to running water to wash hands, no PPE and there were no toilets. In terms of accommodation, 5 workers living at the mine site would share 1 room which means no social distancing was being observed. ZELA had prepared to file an urgent Court Chamber Application seeking for an order compelling the company to provide workers with adequate safety, health and sanitation facilities. Following some monitoring visits from the Hwange representative of National Miners Workers Association of Zimbabwe and the threat of legal action, the company took steps to provide PPE to workers. The National Miners Workers Association conducted site inspections at Zimberly Investment. The last inspection conducted showed that the company is now complying with some the Covid-19 measures including provision of PPE and social distancing. However, some workers are worried about the sub-standard quality of the PPE provided by the companies. The situation at this mine requires constant monitoring. Government's lowering of standards on the quality of masks may also present problems to mine workers as it can be used by mining companies to justify provision of poor-quality masks.
- **Hwange Coal Gasification Company:** At Hwange Coal Gasification Company LTD workers were being transported in a lorry, overcrowded and with no social distancing. Even at the workstation, no social distancing of workers was observed. The mine did not even provide adequate water points at the mine for promoting sanitation and hand-washing. Water for washing hands was being rationed.
- **South Mining:** South Mining is a Chinese coal mine operating in Hwange. Coal mines were exempted from the lockdown, although they were required by the law to adopt measures to prevent and contain the spread of COVID-19 at the workplace and to adhere to WHO standards. Like other coal mining companies, South Mining continued operations. However, is reported to have very poor safety and health standards for workers. During the 21-day lockdown period, workers at the mine complained that they were ferried to work in a bus without observance of social distancing as they will be crowded on the bus. This was also the case at their workstations where they worked in close proximity.
- **Sunrise Chilota Cooperation PVT LTD:** When the lockdown was announced exempting coal mining companies, workers at Sunrise Chilota Cooperation were ordered to camp at the mine site. Five men were sharing a small room and did not have access to toilets. The company did not provide workers with personal protective equipment and clothing. The Chinese managers told workers that if they do not stay at the mine site they would lose their jobs.
- **Dingmao and Longrui:** In Mutoko, Chinese granite mining companies namely Dingmao and Longrui started operations soon after the first 21 day lockdown ended. However, workers do not have adequate personal protective equipment. Only a few workers were given work suits. This exposes workers to contracting or spreading COVID-19.

RECOMMENDED POST-COVID EXIT STRATEGIES FOR ASM AND LARGE MINING COMPANIES

Drawn from occupational safety and health measures prescribed for the mining industry in other countries, National Social Security Standards (NSSA)¹¹ and national public health legislation in Zimbabwe, below is an outline of some of the measures that may be adopted by the mining industry, including where applicable artisanal and small-scale miners for preventing, tracing, testing, identifying, containing and treating COVID-19 whilst respecting mineworkers' rights and dignity;

- Develop Covid-19 Workplace Policies: Artisanal and small-scale miners must develop COVID-19 workplace policies as recommended by the Chamber of Mines and ZMF or amend existing Safety, Health and Environment policies where they exist to include COVID-19 aspects. The policy should provide measures to be adopted, risk identification process, risk management and internal monitoring procedures endorsed and agreed to by mine management and employees. The Policy should be shared with all employees.
- Large scale miners, as well as artisanal and small-scale miners where applicable, may develop specific Community COVID-19 outbreak intervention strategies or community engagement policies to guide in dealing with cases of the virus spreading or affecting the community, including provisions on contact tracing where the mine is hosted or where workers live.
- At the mine site, miners should screen workers for Covid-19 through testing and this may extend to other chronic diseases or pre-existing conditions that may make workers more vulnerable such as tuberculosis, pneumoconiosis, occupational lung diseases such as asthma, silicosis cardiorespiratory disease, diabetes, hypertension, but respecting the rights and dignity of workers. Contact tracing should be included in cases of those infected.
- On entry workers should also be logged into a database or book as a record that can be used during contact tracing. At the same time only authorised and documented external visitors or people should be allowed while main gates are kept closed.
- The mine should also provide workers with adequate soap, sanitisers, water, ablution and sanitation facilities and other safety and health accessories and equipment.
- The mine should provide PPEs for miners including masks, gloves, safety shoes and clothing.
- Infected mineworkers should be placed in isolation self-quarantined at home or in mining quarantine facilities or accommodation, as applicable.
- Where applicable physical and social distancing should be practiced or where it is not practical as is the case with some mining activities or operations, mine workers should be provided with high quality and adequate personal protective equipment. Social distancing should be compulsory during transportation of mine workers, provision of accommodation and other instances where the worker or community density might be high. Such accommodation or transport services should be properly ventilated.
- Disinfecting of offices and mine equipment is also equally important. To be extra careful it is important to engage a professional cleaner to disinfect the offices or equipment.
- Mandatory staff training on COVID-19 for mine workers is key. It is important for mine workers to have knowledge of the disease, its symptoms, preventive measures and steps to take when one suspects they have it or a co-worker or family member has it. For large scale and small-scale miners, they may use their own or hire health or medical professionals. Some artisanal and small-scale miners may also ask for support from large miners, humanitarian groups, NGOs or Government health workers.

- Information sharing campaigns targeted at mine workers or communities can also be instituted and intensified in particular mining areas. Such campaigns can be tailored to address certain myths or behaviours amongst mine workers or artisanal miners including the belief that protective equipment may act as a bad omen for gold productivity from a mine site. The miner should ensure that information on COVID-19 is adequate, accurate and easily understandable by any category of employee.

7.0 GENERAL RECOMMENDATIONS

- Compliance monitoring and implementations of COVID-19 prevention, containment and testing measures remains the most critical issue for Government. In this case joint monitoring by the Ministry of Mines and Ministry of Health in the mining sector should be accompanied or supported by a programme for compulsory public reporting by mining companies of their safety, health and environment (SHE) commitments and actions.
- As the country is relaxing the lockdown, it is important for mining companies to assess the vulnerabilities associated with mineral supply chain actors to contracting and spreading of Covid-19. This include assessing the risks associated with sources of mining inputs, equipment and other services. This also applies to assessing the risks associated with sub-contractors as vectors in the spread of COVID-19.
- Government should also consider adopting and applying the OECD Guidance on responsible mineral supply chains from conflict affected and high-risk areas.
- Mining companies must extend their Corporate Social Responsibility activities and assistance on COVID-19 to communities in which they are operating from and where some of their workers might be living. Help must be given to the local hospitals and clinics in the form of equipment, PPE and other resources so that the local clinics have the capacity to prevent and contain the virus.
- For some companies, mechanised mining operations may be a solution to enhancing social distancing and safety and health standards in preventing COVID-19.
- Mobile health clinics and centres must be established in the rural areas where artisanal miners are operating to ensure that they are also regularly tested and that they have access to medical services closer to their operations.
- Continued compliance monitoring at the level of artisanal, small scale and large-scale companies with safety, health and environment standards remains critical.
- The Chinese companies must be closely monitored with respect to their compliance with national environmental, safety and health standards, including NSSA and WHO standards.
- As a moral duty, Chinese companies should take adequate measures to provide support to their workers and communities in which they operate.
- Government should closely pay attention to possibilities of legal disputes that may arise based on claims of force majeure by mining companies trying to run away from contractual or other obligations especially mining tax obligations. If such disputes arise the courts should also be prepared to research and make judgements that provide a balance between public health issues and economic interests.
- Diamond mining or exploration companies such as Murowa Diamonds, ZCDC, Alrosa and Anjin should take advantage of COVID-19 safety and health measures being implemented as an opportunity to adopt a diamond industry-wide voluntary responsible sourcing system or protocol that promotes respect for human rights, labour standards and environmental issues.

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Twelve (12) artisanal and small-scale miners in Gwanda appreciated the exemption and have joined hands and came together, made then donation of 400 x 10kgs of mealie-meal to assist the vulnerable in their communities who could not afford to put food on the table because of the lockdown.

a miner from Gwanda

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In Mazowe, artisanal miners are finding it difficult to socially distance. I think testing is better and allows them to work together. PPE is not being used, I bought masks for miners at my place but am not seeing anyone wearing it. To be honest artisanal miners are not respecting COVID-19 regulations they are working as usual.

a miner from Mazowe

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In Mberengwa, production is however still subdued since most suppliers of essential consumables like machine spares and explosives have nothing in stock and in dire need to import towards stock replenishment.

a miner from Mberengwa

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Stay Safe
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