



Zimbabwe Environmental
Law Association (ZELA)



Mining Sector Exemptions from COVID-19 Lockdown: Motivations and Triggers

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A Joint Special Report by Zimbabwe Environmental Law Association (ZELA) and Centre for Natural Resources Governance (CNRG)

Background

On Sunday night, April 19, 2020 and barely a few hours before the expiry of the first 21 day Covid-19 induced lockdown announced on the 30th of March 2020, the President of Zimbabwe announced the extension of the National Lockdown period by an extra two weeks to contain the spread of the deadly COVID-19 pandemic. Part of the measures that constituted the first lockdown period included banning of gatherings, adoption of social distancing measures and closing of non-essential industries and businesses.

What is unique about the two week-lockdown extension is that the government relaxed some of the restrictions on the operations of the economy. On the 19th of April 2020, President Mnangagwa entreated the mining sector to either resume or upscale operations. There were conditions attached to this directive. Mining companies were ordered to fully ensure the safety and health of their workers by observing guidelines set by the World Health Organisation (WHO).

It is important to note that nearly all mining companies were in some form of operations during the first 21-day lockdown period or had reduced manpower. The Minister of Mines and Mining Development had issued a statement on 29th of March 2020 on Guidelines on essential services required to preserve operational capacity in the mining industry during the lockdown. Apart from coal mining companies exempted by the initial National Lockdown Order (considered essential for production of electricity), the Ministry indicated that the mining industry needs to keep certain critical equipment and services operational. The Chamber of Mines and Zimbabwe Miners Federation, two representative bodies of medium-large scale companies and artisanal and small-scale miners, had worked on a framework with Ministry of Mines that included measures on safety of employees and stakeholders from potential spread of COVID-19. Other mining companies (platinum, gold and chrome among others) which were not directly covered by SI 83 of 2020 used Section 4(1) of the instrument were to apply for exemptions. The Section provides that manufacturing or other businesses whose operations require continuous processes may operate with the minimum staff required for care and maintenance of the operations.

The government's move to single out and fully exempt the mining sector came as a surprise to many. Many people were not clear in terms of what motivated and triggered the government to make this move. This paper tries to unravel triggers and motivations behind government's move to give the mining sector a full reprieve to operate, risks associated with this move, and recommendations that will ensure that this move achieves positive outcomes.

2. Balancing Economic and Health Risks Posed by COVID-19

The COVID-19 pandemic is presenting both health and economic risks to Zimbabwe. Apart from causing loss of lives and increasing demand for health care in Zimbabwe, the pandemic is also resulting in loss of production, employment, incomes and general collapse of the economy. The government realised that intensifying lockdown to flatten the curve, would cause more damage to the economy. The move to fully reopen key industries such as the mining sector whilst maintaining social distancing and public health measures indicates that the government has shifted to a balanced approach to COVID-19 response. The call for mining companies to adhere to World Health Organisation prescribed standards and call for enhanced monitoring by the Ministry of Health and Child Welfare in collaboration with Ministry of Mines and Mining Development indicated the pressure on government to play a balancing act. Adoption of this middle of the road approach to COVID-19 response is also evident in other countries. Zimbabwe's neighbour, South Africa, for example, undertook a partial reopening of its mining sector few days after its first lockdown was extended by two weeks. The agreement between South Africa's Mining Resources and Energy and its mining industry allowed mining companies to be 50% operational¹.

3. Economic Factors: Mining's umbilical ties to the Domestic Economy

The speech by President Mnangagwa reaffirmed the significance of the mining sector to economic recovery and development prospects of the country. The significance of the mining sector to Zimbabwe's economy, to a larger extent, has been scaffolded on the decline of agriculture and manufacturing sectors. Mining in Zimbabwe underpins the country's hopes on economic recovery, stabilisation and growth. Achieving the vision to transform the country into an upper middle-income economy by 2030 is hinged on mining. Through the mining strategy that was launched in October 2019, the Government is ambitiously targeting to realise US\$12 billion annually from mining by 2023². Under the US\$12 billion mining roadmap, gold is expected to contribute US\$4 billion, platinum US\$3 billion while chrome, iron, steel diamonds and coal will contribute US\$1 billion. Lithium is expected to contribute US\$500 million while other minerals will contribute US\$1,5 billion. Last year, 2019, mineral exports contributed US\$2.9 billion, accounting for 55.2% to the country's total export earnings³. Given the overreliance on mining against the backdrop of the comatose state of agriculture and manufacturing, which used to be the two most critical legs on which the economy stood prior to the land reform, government decided to waiver the sector from the lock down restrictions. However, achieving the projected growth and contributing to the US\$12 billion economy is not likely to be achieved in light of the impact of Covid-19.

Gold is the largest contributor to mining-generated foreign currency earnings⁴. For the past three years, (2017 to 2019), gold deliveries from Artisanal and Small Scale Miners (ASM) to Fidelity Printers and Refiners (FPR) eclipsed deliveries by large scale mining (LSM). In 2019, ASM accounted for 63 percent (17 478,74kg) of total gold deliveries (27 650,26kg) to FPR⁵. There is more to ASM than just enormous gold deliveries which earn the country's much needed foreign currency. The ASM sector directly involves over 1 million people and indirectly benefits around 3 million people. One might be tempted to think that the government's decision to allow the mining sector to scale up their operations is being triggered by the country's potential to turn around the economy at the back of the mining sector, although this is unlikely to be achieved. Given the cumulative impacts of Covid-19, Government might be chasing a pie in the sky.

As pointed out in one of the Situational Reports by ZELA, Coal mining was already declared as an Essential Service and this has been seen as justifiable decision by Government.⁶ The Public Health (COVID-19 Prevention, Containment and Treatment) (National Lockdown) Order, SI 83 of 2020 identifies essential services that were allowed to continue operating subject to stipulated conditions during the 21-day Lockdown. Such services included hospitals, water, supply or distribution of electricity and coal mining in terms of Section 2(C), (f) and (i). Coal mining was considered an essential service for generation of electricity. Electricity generation is definitely critical for the economy and even for public health and any response to Covid-19 as it is used to power hospital equipment such as ventilators. Notwithstanding the exemption, coal mining companies were obliged to observe the measures for prevention, containment and treatment of COVID-19. However, cases of Chinese coal mining companies disregarding set standards were reported in Hwange where workers were not provided with adequate PPE to prevent COVID-19. Non-compliance with health and safety measures by Chinese companies then put into questions why such companies were allowed to continue operating while exposing workers, their families and the communities to Covid-19.

¹ <https://www.iol.co.za/business-report/opinion-bench-marks-foundation-slams-partial-reopening-of-mines-46782509>

² <https://www.herald.co.zw/the-minerals-of-hope-us-12bn-mining-sector-target-to-change-nations-fortunes/>

³ <https://newswire.live/coronavirus-zimbabwe-to-lose-60-of-mineral-output-suffer-us400m-revenue-loss/>

⁴ <https://www.herald.co.zw/gold-deliveries-target-up/>

⁵ <https://www.chronicle.co.zw/gold-deliveries-miss-2019-target/>

⁶ COVID-19 Mining and Communities Situational Report 2: https://twitter.com/ZELA_Infor/status/1248860239128125441?s=08

4. Industry Pressure

The government's decision was influenced by pressure from industry, including the strategy of flagging numbers, statistics and projections meant to compel Government to allow mines to continue operating. The Zimbabwe Chamber of Mines and Zimbabwe Miners Federation had started to pile pressure on government to protect the mining industry and ASMs from total shut down even before the government announced its first lockdown measure. The Chamber of Mines for example released a report before the 21-day lockdown in which it argued that mining equipment needed continuous operations and shutting down of mining operations was going to affect the mining equipment itself⁷, future profitability and return to production. The Chamber of Mines projected that Zimbabwe could lose 60% of its mineral production in the second quarter valued at US\$400 million⁸. By the 29th of March 2020, the Chamber of Mines estimated that the industry had lost more than US\$200 million, hence it wanted to ensure operations resume with support from government⁹. Already the mining industry had started to face difficulties in transporting platinum group minerals and nickel concentrate due to South Africa's lockdown measures which came into effect on the 26th of March 2020. These realities made the Ministry of Mines and Mining Development to consider giving mining companies a partial exemption in the first lockdown period. In his speech, Minister Chitando said *"the ministry in consultation with industry¹⁰, had noted a number of industry-specific challenges for the sector. In recognition of these challenges the government acknowledges the need to keep certain critical equipment and services in operation; and the need for essential services to continue operating during the national lockdown,"*¹¹

Before the 21-day lockdown, the Zimbabwe Miners Federation (ZMF) representing artisanal and small-scale miners, had already applied to the Ministry of Mines and Mining Development for a partial exemption from the lockdown to continue operations¹² in terms of the Public Health (Covid-19 Prevention, Containment and Treatment) (National Lockdown) Order¹³. Like the Chamber of Mines, ZMF also argued that mining is an essential service whose operations require continuous mining processes that can operate with minimum staff required for the care and maintenance of the machinery. ZMF requested its members to apply for exemptions by stating nature of operations, measures to safeguard employees and stakeholders from potential spread of COVID-19, number of employees, deliveries of gold to Fidelity Printers and Refineries (FPR) in last 12 months and compliance with Government guidelines before they are allowed to operate during the lockdown.

5. Domestic Resource Mobilisation for supporting Public Health.

In the face of the COVID-19 situation that is getting out of hand day by day, there is a possibility that the government wanted to leverage on the mining sector to generate resources for Covid-19 response. It is evident that the government lacks enough foreign currency to buy the necessary health care equipment such as testing kits and ventilators, and for establishment of isolation and quarantine centres except for a few. The country has limited fiscal leg room to finance COVID-19 related health programmes due to inflation and continuous decline in the value of the local currency (ZWL\$) and low foreign currency inflows from tourism and remittances. Much as donations made by Jack Ma foundation and support from other players is critical to complement its efforts, government might also be interested in generating foreign currency from the mining sector to procure more medical equipment like ventilators, testing kits, personal protective equipment (PPE).

Government retains a sizeable portion of export earnings from the mining sector depending on the mineral involved. For gold the government retains 45% while for other minerals 40% is retained. From this, it is evident that mining sector is ideally rightly placed to play a significant role in domestic resource mobilisation matrix of the country. Such resources should then be ploughed to support the public health programmes. However, accountability questions, illicit financial flows, corruption and smuggling of

⁷ <https://miningzimbabwe.com/zimbabwe-shutdown-implications-on-mining/>

⁸ <https://www.thestandard.co.zw/2020/03/31/covid-19-leaves-zimbabwes-mines-limbo/>

⁹ The Chamber of Mines estimated that revenue loss for the first 30 days arising from a total lock down would exceed US\$200 million, with estimated loss for gold and Platinum of about US\$160 million. Potential revenue loss for nickel, ferrochrome, coal, and diamonds for the second quarter of 2020 is estimated to exceed US\$100 million."

¹⁰ Chamber of Mines of Zimbabwe and Zimbabwe Mining Federation (ZMF)

¹¹ <https://africanminingbrief.com/coal-mines-exempted-from-21-day-lockdown-in-zimbabwe/>

¹² See also Zimbabwe Miners Federation Memorandum to All Miners; 29 March 2020

¹³ Public Health (Covid-19 Prevention, Containment and Treatment) (National Lockdown) Order SI 83 of 2020

minerals, misuse of mineral revenues remains the albatross in Zimbabwe that might work against any attempts at domestic resource mobilisation for supporting public health and the fight against Covid-19.

Limited access to Covid-19 external financing, due to Zimbabwe's poor creditworthiness position and failure to address governance issues are some of the factors that can possibly explain why the government decided to fully reopen the mining sector. Other developing countries received debt relief from International Monetary Fund (IMF) resulting in them being able to access new loans to finance COVID -19 interventions and mitigate against the effects of the pandemic to their economies. Unfortunately, Zimbabwe is not part of the countries that have been given a debt relief from IMF, although Zimbabwe has fully paid its debt to IMF.¹⁴

6. Global Factors

Covid-19 disrupted global supply chains due to severe travel restrictions and social distancing, and many countries are trying to find ways to reopen. Mining businesses and industries supply chains were not spared. For example, China, a country which accounts for approximately 15% of global diamond jewelry demand, was severely affected by the outbreak of COVID-19. An estimated 75% of jewelry stores in mainland China, and the surrounding regions encompassing Greater China, were shut for an estimated 40-50 days through the first week of March. A number of Chinese industries have been set for reopening following containment of the virus in the country. At global level, there is also a realisation that continuation of lockdowns especially in economically important countries will increase economic burden of the pandemic to the global economy. This has also motivated a phased approach to reopening of commodity markets. The [London Bullion Market Association \(LBMA\), for example is exploring ways to resume operations by sidestepping travel restrictions as it is mulling "... to allow delivery outside of the city if the coronavirus pandemic leads to more stringent travel restrictions..."](#) The LBMA is the world's largest gold trading centre, followed by Dubai, which also was not spared by travel restrictions. These developments, coupled with China resuming operations after the lockdown measures crippled the economy, have rejuvenated the demand for minerals. Therefore, the decision to resume or upscale mineral production in Zimbabwe must not be viewed in isolation with global developments. However, what is mind boggling is that Zimbabwe exports mostly in raw material form especially to China and its unclear if indeed China is requiring the same volumes as pre COVID-19.

6. Commodity Market Triggers - Gold as Store of Value and Demand

Globally, the disruptions in industries has seen giant stock market investors rushing towards safe haven assets such as gold. Investing in other assets such as shares has become costly as the global economy and its value chains have been disrupted by outbreak of COVID-19 and the lockdown measures that have been taken to contain the pandemic. On the world market, gold prices have been buoyant, surpassing US\$1600 per ounce on account of increased demand.

There was, therefore, a huge economic incentive for government to consider giving the gold mining sector a full exemption to operate. As already been highlighted earlier, gold is the largest contributor to mining generated foreign currency earnings in Zimbabwe. If only there was transparency and accountability, the country could have taken advantage of increases in the prices of gold on the world commodity market to raise huge amounts of foreign currency to support public health programmes.

7. Influence of Other Countries

As already highlighted, Zimbabwe's decision to give the mining sector full exemptions cannot be treated in isolation from developments in other countries. Zimbabwe's major mineral exports, predominantly raw, gold and platinum are processed in South Africa. Under the first phase of South Africa's lockdown, gold and platinum refineries significantly scaled down their operations and most mines were put on care and maintenance. The Rand refinery of South Africa that processes gold from countries including Ghana, Tanzania, Democratic Republic of Congo, Mali, Namibia, Guinea and Zimbabwe announced

¹⁴ <https://www.bloomberg.com/news/articles/2020-04-20/zimbabwe-s-currency-plans-opened-as-it-fights-on-two-fronts>

that “... Its smelter would be shut for 21 days... but a small team would remain for care and maintenance.” However, the lockdown conditions in South Africa were later relaxed giving mining companies permission to resume operations at 50% capacity and in the process, refiners have expanded their operations. One might want to believe that South Africa’s decision to reopen its mining industry to this level triggered the government of Zimbabwe to scale up its mining operations during the two-week extension. The government would like to use this window to increase its gold and platinum production and boast its export earnings. However, like in South Africa,¹⁵ there are fears that scaling up of mining operations in Zimbabwe may expose mining workers especially those living in crowded environments to contract and spread COVID-19.

What was unique about South Africa’s first lockdown is that whilst the mining sector was under care and maintenance, the government undertook massive screening and testing for COVID-19. As at 9th of April 2020 which was the expiry date for its first lockdown period, South Africa had tested 68 874 people for COVID-19. The extension of its lockdown by two weeks saw the government, just like what has happened in Zimbabwe, starting to reopen its economy with social distancing restrictions being maintained. Zimbabwe, unfortunately only managed to test a paltry 2,851 samples, of which 25 were confirmed positive – COVID-19 cases during its first 21 day lockdown period.

Ghana also offered its mining sector partial exemptions during its 21-day partial lockdown which expired on 19th of April, 2020. The country made use of its 21-day lockdown period to identify and isolate the infected and protect the population from further infections. The lockdown saw the country conducting more than 60 000 tests¹⁶. The partial lockdown was lifted following the country’s success in understanding the dynamism of the virus, mapping its geographic footprint and establishing current and potential hotspots.

8. Political, Predatory

The mining sector in Zimbabwe does not only serve the economic interests of the country. Politicians derive huge incentives from the operations of the mining sector especially in the gold ASM sector. There is a huge possibility that, the decision to allow ASM to resume or upscale mining activities in the gold sector particularly, is not only motivated by genuine considerations, but also by the narrow economic interests of the ruling elites. On the world market, gold prices have been buoyant, surpassing US\$1600 per ounce. Before the threat of COVID-19 escalated, the thriving black market was offering US\$50 per gram of gold. Because of the lockdown, the black market is now fleecing artisanal and small-scale miners (ASMers) as it is offering between US\$32-\$34 per gram in key gold producing districts like Bubi, Matebeleland North. As on the 6th of April 2020, ZELA found out that miners who sold gold to FPR in Harare got US\$47 per gram, although the FPR price would be subjected to the 55% US\$ and 45% RTGS policy¹⁷. This means effectively FPR has been buying at about US\$24 per gram. On the other hand, black market buyers were buying at US\$39 per gram in Harare, and US\$36 per gram in Chinhoyi. All these prices are lower than US\$50 which was being offered before COVID-19 disrupted the supply chain. Due to price distortions and FPR policies, many ASM miners end up selling their gold on the black market which fetches a higher price than FPR. This is a massive opportunity that black-market actors cannot miss. Exploiting their connections with key policy makers, it is most likely that the decision to allow gold production from COVID-19 exposed ASMers was a product of cronyism, predatory tendencies and political manoeuvring. The gold ASM sector has been highly linked with and controlled by politicians of the ruling party and there is an incentive when this sector and people are in distress. Many political opportunists thrive economically when there is chaos. In 2012, the Newsday newspaper published a story in which ZANU PF Midlands’s Provincial Security Officer Owen “Mudha” Ncube claimed that the gold deposits in Sherwood belonged to his party¹⁸. Research conducted by CNRG in 2013 revealed that top government officials are gold barons who go on to illicitly sell the gold in neighbouring countries, especially South Africa.¹⁹ Therefore, there are high chances that politicians are taking advantage of the low gold prices and black market disruptions to buy a lot of gold.

¹⁵ <https://www.iol.co.za/business-report/opinion-bench-marks-foundation-slams-partial-reopening-of-mines-46782509>

¹⁶ <https://www.cnbcfrica.com/news/2020/04/20/ghana-lifts-lockdown-on-key-regions-as-covid-19-cases-reach-1042/>

¹⁷ <http://www.zela.org/download/covid-19-mining-sector-communities-situational-reportsit-rep/>

¹⁸ <https://www.newsday.co.zw/2012/01/2012-01-07-gold-rush-grips-kwekwe/>

¹⁹ <https://www.thestandard.co.zw/2013/12/08/fidelity-urged-offer-competitive-gold-prices/>

9. Understanding the Risks of Mining Exemptions in the Context of COVID-19

- **Smuggling and Corruption:** There is a high risk that the opening of the mining sector especially the gold ASM will heighten money laundering, illicit financial and mineral flows. Gold has been highly vulnerable to money laundering and illicit financial flows in the country. On paper, Fidelity Printers and Refiners (FPR) are the country's sole gold buyer, refiner and exporter. Remarkably, FPR uses daily rates from LBMA when buying gold, albeit slightly discounted to accommodate charges like royalties. However, the reality is that the payment method of paying 55% in US\$ and 45% in local currency heavily prejudices the miners. Consequently, the black market which pays 100% in US\$ for gold is most preferred for economic reasons. There are allegations that FPR licensed gold buyers are the one responsible for fuelling gold black market. To cover their backs, they are willing to officially receipt a small portion of gold bought from miners for deliveries to FPR. The rest is then smuggled outside the country. High demand and limited supply of forex has also exacerbated the risks of gold smuggling because the mineral can easily be used as a substitute currency because of its high value and low volume appeal. Given the scarcity of foreign currency and the huge incentives tied to accessing foreign currency from government, whose rates are well below what is obtaining on the parallel market, the drying up of foreign currency is a risk that looters can not stomach. Corruption risks are not only manifesting in the thriving gold black market, but in foreign earnings retained by government largely from mineral revenues. Mineral revenues are managed in an opaque manner, with limited transparency and accountability.

Although there is no evidence, there is also a huge risk that some airlines and commercial transporters are being used as conduits to smuggle minerals out of the country (through air and land borders) given the high global demand for minerals such as gold as a hedge against a global recession. For example, despite the devastating spread of covid-19 and closure of most airports in the region, Ethiopian Airlines continues to operate its flights to Zambia, Zimbabwe and China among other countries, even with a few passengers to be said to be making profit on these routes. Whilst the airline might be doing humanitarian services in a public health emergency, the airline should closely assess and carry out due diligence on the possibility of criminals taking advantage of its service to smuggle out gold and other minerals. A closer look at the Company's website indicate that the airline has only suspended its Zimbabwe Victoria falls flight and this might be because of a decline in demand as tourists have stopped travelling²⁰. The COVID-19 update on the company's website also indicates that the airline has complied with all the recommendations of WHO and other Global health Travel regulators in all its ongoing flights²¹. There are unproven public fears that politically connected smugglers and criminals are hard at work and may have influenced the opening of the mining sector or are simply taking advantage of the fear by custom and border control officials are concerned of contracting and spreading Covid-19, hence paying less attention to crimes.

- **Criminality in the Gold ASM sector:** There is a high likelihood that artisanal miners who will not get a formal approval to mine will lose their mining equipment to law enforcement agents and other criminals. In its Second edition of its Situational Report (31 March -8 April), ZELA found out that some ASM miners (Zvishavane, Shurugwi and Gwanda) who closed their mines following the first 21day lockdown lost their equipment, machinery and in some cases gold ore. At some artisanal mine sites in Zvishavane, criminals pretended to be COVID-19 law enforcement agents and stole gold, gold ore or tools.
- **Existing Safety, Environment and Health Risks in ASM Sector :** ASM is a critical sector in gold production, accounting for more than 60% of total gold deliveries to Fidelity Printers and Refineries in 2019, it is also a high risk sector from a safety, health and environment perspective - meaning that if COVID-19 hits this sector there will be huge ripple effects to gold production and the economy of Zimbabwe. The most vulnerable ASM mining sites have been Umsasa and Jumbo Mine, Wanderer Mine in Shurugwi, Urtna in Kadoma and Makaha. Most of the diggers in these areas do not comply with health, safety and environment standards and are therefore at risk. The diggers

²⁰ <https://www.ethiopianairlines.com/aa/travel-updates/covid-19>

²¹ <https://www.ethiopianairlines.com/aa/travel-updates/covid-19>

view masks, gloves and other protective equipment as a burden and in some cases bad omen that affect gold production, although the mine owners or sponsors would have provided them with PPE. This exposes them to contracting COVID-19 and spreading it to their families and communities.

Risks of artisanal miners failing to meet the exemptions conditions by the Mines and Mineral Development There are risks that the majority of the gold ASM players will not meet and comply with parameters set by Government and the World Health Organisation (WHO) regarding social distancing and other public health safety measures. Unlike the Large Scale Miners (LSM), the artisanal miners face resource limitations to buy adequate PPE such as masks, gloves, sanitizers, toilets and water taps to prevent the spread of COVID-19 among their employees.

Large Scale Miners' risks: While it may make economic sense to upscale the operations of the mining sector, the risk is that if the companies fail to implement adequate measures to prevent COVID-19 amongst workers and communities in which they live, the disease will spread in the mining areas. Many mining companies have weak safety, health, environment and responsible sourcing standards and compliance levels. ZELA's Mining Sector Situational Report (31 March – 8 April)²² showed that a number of small to medium mining companies had not complied with COVID-19 measures despite having been instructed to do so by the Ministry of Mines and Mineral development during the first lockdown period. For example, reports that ZELA received from community monitors based in Hwange first week of the 21 day lockdown indicated that Zimberly, a Chinese coal mining company operating in Hwange was failing to provide its 21 employees with adequate protective equipment such as masks, gloves, sanitizers, toilets and water taps to help prevent spread of COVID-19. Whilst it is commendable that government will put stringent monitoring mechanisms to ensure compliance, there are genuine fears that some companies might not change their responsible behaviour and government lack capacity to enforce compliance. The institutions are weak, and corruption is rife.

Recommendations

- **ASM sector safety and health programmes:** Government must actively support programmes in ASM mining communities that mitigate against the spread of COVID-19 pandemic. This can be done by ringfencing gold royalties to fund PPE, massive testing, sanitisers, disinfection of hotspots like custom milling centres and overcrowded mining sites. This is the time for ploughing back to sectors that are critical to the economy of the country. Government must not only care about the golden eggs but also the goose that lays them – foreign currency must be generated and the producers in ASM must be protected too.
- **ASM training and capacity building on SHE:** As ASM miners continue mining during the lockdown, there is need for more capacity building programmes for ASM players on safety, health and environment (SHE) to help remove the culture of non-compliance with public health, safety and environment standards and in particular use of PPE and applicable laws. This can be solidified post-COVID-19 crisis.
- **Compliance Monitoring and reporting of Safety and Health:** Following the exemptions granted to ASM and Large-Scale mining companies, civil society groups should continue monitoring and publicly reporting on the level of implementation and compliance on safety and health measures by mining companies and ASMs in preventing and containing COVID-19 as prescribed by the Order. This can enhance corporate accountability, transparency and enhance responsible sourcing practices in both the ASM sector and large-scale mining sector.
- **Monitoring smuggling and illicit financial flows in the Country:** There is need for government to closely monitor airports and borders and ensure that there is no smuggling of gold, diamond or other minerals out of the country. In turn airlines still flying into the country should in turn undertake due diligence measures to identify any risks of exposure to smuggling and illicit financial and mineral flows.

<http://www.zela.org/download/covid-19-mining-sector-communities-situational-reportsit-rep/>

- **Large Scale Mining sector:** Ministry of Health and Child Welfare needs to effectively monitor mining companies and check if adequate PPE is being provided. Companies that do not provide adequate PPE must not be allowed to operate until they have the capacity to do so. There is need for the Mines and Mineral Development Ministry to take measures to enhance and promote the protection of the rights of mine workers and mining affected communities that are already burdened by social impacts of extractivism.
- **Responsible sourcing and due diligence measures:** The safety, health and right to life problems presented by Covid-19 offers an opportunity for mining companies to adopt responsible sourcing standards and practices including due diligence to identify and address potential human rights, environmental, labour and other community related rights violations. Application of OECD mineral supply chains guidelines may be one of such measures.
- **Elimination of gold trade distortion to improve revenue follows into fiscus:** To curb criminality, arbitrage, corruption, illicit financial flows and trade of gold on the black market by ASM players for improved revenue generation and allocation to the public health and other social service sectors, Government should scrap the 55% US\$ and 45% RTGS system of payment to those who sell gold to FPR. It is important for government to pay ASMers 100% in foreign currency or at least liberalise the exchange rate to ensure that the rationale behind the 55:45 foreign currency to local currency payment rule does not financially prejudice the ASMers.
- **Transparency and Accountability:** For a government that seeks to be a game changer, hinged on the Zimbabwe is open for business agenda, it is fundamental to eliminate secret deals in the mining sector which facilitates corruption, erodes public confidence and mistrust, it is important to embrace the Extractive Industry Transparency Initiative (EITI). Citizens deserves better. They must see clear linkages between upscaling of mining activities and mobilisation of resources to fight COVID-19 in the short term and in the medium to long term, revamped health and education sectors.
- **Screening and Testing:** The government should conduct effective COVID-19 screening and testing to reduce the spread of the virus in mining communities during and post the 2 week-extension.
- **De-linking politics and natural resources management:** Perhaps Covid-19 provides an opportunity for self-introspection amongst politicians and decision makers of the need to ensure that natural resources and mineral resources revenues can better benefit the country if used for development of infrastructure and social services, including public health facilities than funding political campaigns and personal expediencies of the political elites .



Zimbabwe Environmental Law Association (ZELA)

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Hatfield, Harare www.zela.org; @ZELA_Infor, Zimbabwe Environmental Law
Association*

TEL: (263) 4 573 601-3

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CNRG Information department

Contact: +263718365908/+263715387417

Email: info@cnrgzim.org

www.cnrgzim.org

CONTACT US

Cell: +263 715387417

Email: info@cnrgzim.org | fmaguwu@gmail.com

35 McMeekan Road
Milton Park
Harare, Zimbabwe