



COVID AND ARTISANAL MINING SHORT FORM SURVEY

REPORT (2) – JUNE 28, 2020

Mandalay and Sagaing Regions, Myanmar

Consultant – Saw Benjamin Thulayphaw

(this report contains brief explanation about licensing, Gold trade, Covid updates, Narrative analysis for both regions and respondents list)

Licensing difficulties

Mandalay region has a lot of traditional miners who live on mining as their livelihood. Throughout different governments, they have been able to continue doing that. However, the environmental deterioration has given a stop and new mining law (2018) that contains measures to mitigate the impact from mining is put into practice. As resources are also getting scarce, licensing process is taking longer than usual having some political problem with different sizes of concession. It has been about four years that people are mining without licenses (informally and they can be arrested). Under new mines law, ASM license, the concession size is too small and hard to abide environmental requirement, miners have decided to form group companies and get the license from the government. And then real artisanal miners will agree with the medium size mining company and divide the profit sharing 2/3 goes to them and 1/3 goes to the company. The problem is many mining companies mine by themselves and local (indigenous) people don't have the right to mine. That makes the situation a little tense on the ground. With the current Covid lockdown, this is making people impatient. The only thing the miners expect at this stage is to issue license to local companies under which artisanal miner can work. Covid does not put off their lives but prolonging the licensing process is getting painful for them. Some of them continue to do the mining informally. People are willing to work under the right license which is positive.

On the other hand, Homalin is a bit more like non-licensing process as the area is semi-peaceful. Many of the mine sites are dual administration by the central government as well as local EAOs. Currently, there is a tension, some mines such as Nat Nan has to close-down. This is non Covid impact. This area has a few operation like Mandalay region. A company takes all the licensing process, but six or seven artisanal miners work under them. There are more informal artisanal miners than licensed miners. The issue in Homalin area is not licensing (doesn't talk about it much), but the workers who have gone back to their native places during April water festival break and could not come back up due to Covid restriction. At the same time, miners have lost their saving to feed their workers during the lockdown and when restarting they have weak financial. And rain is not that much, water shortage at the sites is another problem they are facing. Homalin has fewer rules of law and conflict prone with local EAOs.

Financing Method

The financing system is mainly through equipment supplier or rental gave their equipment to the trustworthy miners and wait for their return on investment when the gold is extracted. Miners also source their finance from gold shops. It is not discussed much because they don't want to talk about the amount of gold they produce and how much they have to pay back.

Gold Trade

Miners purify the amalgam and burns off the mercury. Then, they further purify it by using borax. They call that Pwint Su (which is Dore stage). They go and sell it to nearby gold shop or gold dealers, usually, to the shops which they get the finance from for the operation. The price for Pwint Su is much lower and it also fluctuates the price in accordance with Mandalay price. After that, the gold shop will further purifies it and send it to Homalin to bigger buyers. Bigger buyers will sell it Mandalay market. Mandalay market buys all the gold from mines site around the country. Mandalay gold market functions in accordance with gold price from the world.

Security Scenario

Mandalay region is located far away from ethnic conflict area and the laws cover them as central Myanmar. However, Homalin has less secure scenario, because there are areas that people can't go due to ethnic armed group's territory. This makes the gold miners afraid of clashes and taxation although a regiment is assigned there. Although Homalin town is peaceful but villages and nearby mine sites holds some concerns about safety and conflict prone. For example, many respondents from Wai Phar Lar area did not answer security questions when asked. They just went quiet and they said it is not good to talk about. It is also true to Nat Nan. Mines sites in Homalin have more issues to consider, whereas miners in Mandalay region pays attention to technology and licensing rather than being afraid clashes.

Covid 19 Control in Myanmar

Myanmar government official announced that they have successfully overcome the first wave of Covid 19. But they are worried about the second wave. One good thing is that there is no community transmission so far and most of the cases are imported. The latest cases are from people coming back from India and Bangladesh via relief flight. They are closely monitored in the quarantine center. When they are tested positive, they are right away contained. However, Ministry of Health and Sports put extra attention and extended the lockdown for designated townships and area to July 15. But this does not include a lot of townships in Mandalay and Sagaing regions. People are moving around as per normal in both regions. Both economy of the area is not fully back to normal due to decreased income and fear of the pandemic. It is also found that people move around without masks and other protective measures. They are becoming brave. Both regions do not have Covid 19 cases. People are not afraid as they don't see any possible transmission in their area.



NARRATIVE ANALYSIS – 2ND REPORT

Description: Reporting summary that provides analysis of qualitative and quantitative data captured during the collection period. Data collection partners are expected to provide summary of key points and if applicable: quotes, photos and research limitations for biweekly reporting period.

Reporting Frequency: Biweekly (June 28)

Reporting Method: A reporting survey will be created in Kobo toolbox to be completed by research partners.

| | |
|--|---|
| Date of Reporting: | June 28, 2020 |
| Data Collection Partner (Organization): | Saw Benjamin Thulayphaw |
| Individual Completing Report (Full Name, Title): | Respondents from Sagaing Region |
| Geographic Context (Country, Subnational) | Homalin Township, Khamti District, Sagaing Region |
| How many key informants are you synthesizing information from? [Integer] | 0 |
| What were their roles? Select all that apply <ul style="list-style-type: none"> - Owner of tunnel/pit/hill (license holder) - State agent (government-affiliate) - Buyer (purchaser of mineral) - Exporter (sale of goods out of country) - Customary authority - Civil Society - Non-governmental organization - Private Business - Other, specify | Gold Smith and Gold Shop, Mines owner (sub contractor, Pump Man /mine site sub contractor (digger), Transportation Service provider, Sellers of goods (in the mine), Shopkeeper and Gold dealer |
| Relevant minerals in key informant interviews <ul style="list-style-type: none"> - Colored Gemstone (if yes, specify) - Diamond - Gold - Sand - Stone Aggregate (Gravel) - Tin (Cassiterite) - Tantalum (Coltan) - Tungsten (Wolframite) - Other, specify | Gold |

Synthesis of Key Informant Response

Of all key informants interviewed during this period, provide a summary of key insights for each research category based on key informant questions.

| | |
|--|---|
| Health & Safety | |
| <i>Note any prevalence of COVID-19 in mining communities ASM operators compliance with government restrictions & practices to limit spread. Any key gaps, needs and risks in COVID health response</i> | In the second round of interview, there is no Covid Case in this area. Although, government continues to notify the restriction and warning to protect themselves, not having any Covid case, people feel relaxed. Most people don't follow it and check points and gates have been removed. |
| Gender | |
| <i>Note any changes to men & women's roles in ASM sector and any emerging vulnerabilities</i> | Workers are not back as mentioned earlier, it is due to Water Festival holiday time and now is due to Covid travel restriction. There is no differences between men and women, they are required by their roles. When a site operates women take the roles of panning and cooking whereas men work in pumping and sluicing. More manual labor type. Women at sites do not feel any impact because site continued to operate with few workers at site. |
| Human Security | |
| <i>Note any changes and emerging risks in ASM mining communities related to human security</i> | Currently, there is some tension between central army and local EAOs due to one event of clash. One Chin ethnic was shot to death by local EAOs due to drug smuggling. |
| Food Security | |
| <i>Note any changes and emerging risks in ASM mining communities related to food security</i> | Everything is back to normal with regarding to selling foods. However, some places, food prices have gone up due to scarcity and no new supply have come in yet although people are completely happy to survive with what they have on the ground. |
| Service Delivery & Government Engagement | |
| <i>Note any government & non-government responses to COVID and existing gaps and needs related to services</i> | Government is main body to disseminate information and services. The government is still doing it. People are aware of government' information. Checkpoints gates and temperature taking places have been removed. |
| Markets & Supply Chains | |
| <i>Note any changes in mine site activity and supply chains and how COVID is directly or indirectly linked</i> | Gold market is back to normal operation. Miners come and sell as per normal. There is no price distortion in the mine. However, there is slight low price for semi-purified gold. Now they get 1217000 per tical. There is slight price up compared to last time. |

Summary

Note three key insights that stood out or were important from this data collection period.

1. Some restrictions such as barrier gates have been removed and this gave people to move around more freely.
2. Most mines are back to normal operation. Workers are coming back but it is not normal yet. Mine owners struggle to cover the cost and they have lost capital during lock down.
3. Due to some local security tension, regiment patrol, mines in Nat Nan were asked to close down.

Quotes

Note any key quotes from any of the interviews conducted. Quotes help to bring the date to life and help the participant's voice and story be captured and heard in their own words.

1. "Most are coming back to normal. In about two weeks' time, it will be normal." Said transportation service man.
2. "Price is normal. I don't find any problem with the operation of the mines. Miners come and sell as per normal." Said one gold dealer.
3. "Finance to operate the mines, the owner needs to take risk and arrange the funding as usual." Said one mine owner.

Photos & Other Media

Not any photos or other media that you would like to be included in the reporting update. Include photo caption and credit below and attached photo when sharing report. Photos will be reviewed and published to Delve with permission.

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Research Limitations

Note any issues encountered in gathering information and recommendations for filling any additional information gaps.

As the interview was designed for conducting through phone call, it was hard to get to the people and hard to connect with the people on the ground. As they don't see the interviewer, there is a hesitation. The interview times is also a challenge as they go to work and come back in the evening, they are tired and can't focus to answer the interview. Therefore, remote interviews have limitation and recruitment is also an issue. On top of that, people are not in the good mood as their works are not in normal operation.



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| Data Collection Partner (Organization): | Saw Benjamin Thulayphaw |
| Individual Completing Report (Full Name, Title): | Respondents from Mandalay Region |
| Geographic Context (Country, Subnational) | Singu and Thabeikkyin Townships, Pyin Oo Lwin District, Mandalay Region |
| How many key informants are you synthesizing information from? [Integer] | 0 |
| What were their roles? Select all that apply <ul style="list-style-type: none"> - Owner of tunnel/pit/hill (license holder) - State agent (government-affiliate) - Buyer (purchaser of mineral) - Exporter (sale of goods out of country) - Customary authority - Civil Society - Non-governmental organization - Private Business - Other, specify | Digger, Gold Shop/Refiner/Purifier, Seller of Goods, Crusher, Mine owner/sub-contractor |
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| <i>Note any prevalence of COVID-19 in mining communities ASM operators compliance with government restrictions & practices to limit spread. Any key gaps, needs and risks in COVID health response</i> | There is no case in this area. Quarantine exercises have been done successfully although there were people coming back from China. People feel that with a level of connectivity to the city, there is no likelihood of Covid transmission to them. |
| Gender | |
| <i>Note any changes to men & women's roles in ASM sector and any emerging vulnerabilities</i> | There is no change of roles for both men and women. Most people work in a group and in a community. Both men and women take the workload equally although men do harder job such as bringing out the ore. |
| Human Security | |
| <i>Note any changes and emerging risks in ASM mining communities related to human security</i> | This community is quite close to Mandalay city and security is not an issue. Although there are few police station, security is not an issue. |
| Food Security | |
| <i>Note any changes and emerging risks in ASM mining communities related to food security</i> | Food is not an issue. Vegetables are grown and sold around their area. Meat and other food are also sold as per normal. Price is the same. There was no issue about food. |
| Service Delivery & Government Engagement | |
| <i>Note any government & non-government responses to COVID and existing gaps and needs related to services</i> | Government is main body to disseminate information and services. Checkpoints have been removed and people are quite relaxed especially wearing mask. They only do when they go out only. |
| Markets & Supply Chains | |
| <i>Note any changes in mine site activity and supply chains and how COVID is directly or indirectly linked</i> | Market remains the same. The proximity to Mandalay is a perfect advantage. They get better price. But they don't produce gold like before. They get a little more than 12 lakhs (1,200,000 mmk). License is a big barrier and it has been four years that they operate without license and constantly worried about being captured. Covid did not affect their mining, but not having license is making their lives hard. |

Summary

Note three key insights that stood out or were important from this data collection period.

1. People’s lives are getting harder as the licenses have not been issued. They are finding other ways to mine illegally.

2. It also affects employment in the region. They rely on companies who have license and allow them to mine with the profit sharing of 2/3 to miners and 1/3 to the companies with gold.

3. It is a high time for the Government to issue license for the local companies with the intention of local miners.

Quotes

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1. “The other day, government official would come and check the concession. So people stop working, but they did not come. It is a waste of time.” Said one miner.

2. “As people have less income, they can’t spend money. So sale at my shop drops.” Said one Seller of Goods.

3. “I would like to expect government to understand us – very small artisanal miners. We heavily rely on this kind of work. In this way, it will make our lives much easier.” Said one mine owner.

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