

Republic of the Philippines

Annual Progress Report

JULY 2015 - JUNE 2016





Republic of the Philippines

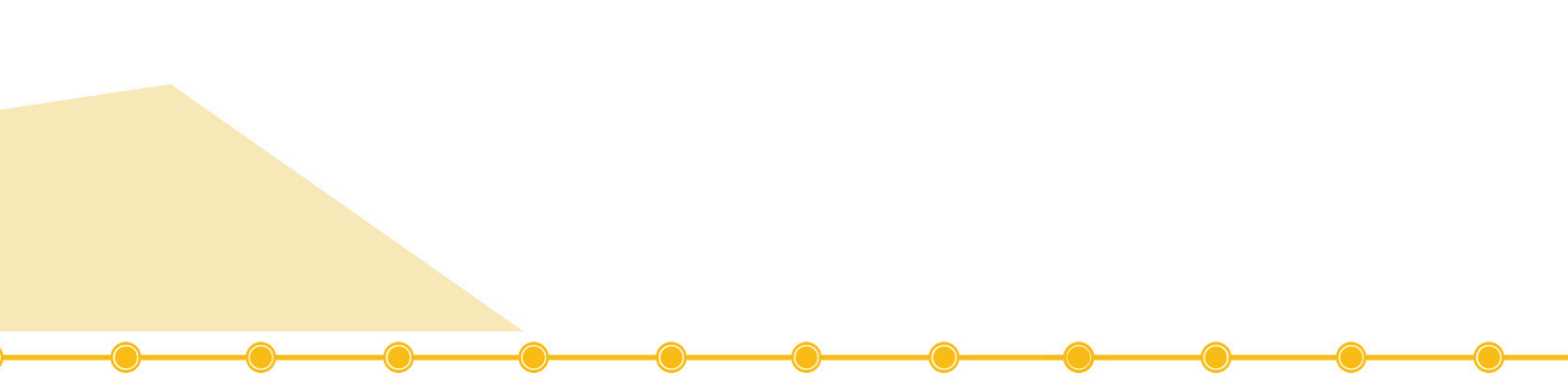
Annual Progress Report

JULY 2015 - JUNE 2016




Table of Contents

Chapter 01 General Assessment of Year's Performance	01
Preparing the 2nd Philippine Extractive Industries Transparency Initiative (PH-EITI) Report	02
A. Getting Companies to Execute Bureau of Internal Revenue (BIR) Waivers	02
B. Determining the Content of the PH-EITI Report	02
C. Tracking the Progress of Data Gathering and Reconciliation	03
D. Preparing the Contextual Information	03
E. Contract Disclosure and Creation of Contracts Portal	03
F. Approval and Publication of the 2nd PH-EITI Report	03
Outreach Activities and Communicating the Findings of the EITI Report	04
Communications	04
Preparing for the 3rd PH-EITI Report	05
How PH-EITI's Activities Support the Objectives of EITI Implementation	05
Chapter 02 Assessment of performance against targets and activities set out in the Workplan	07
Chapter 03 Assessment of performance against EITI requirements	20
Chapter 04 Overview of the MSG's responses to the recommendations from reconciliation and Validation	24



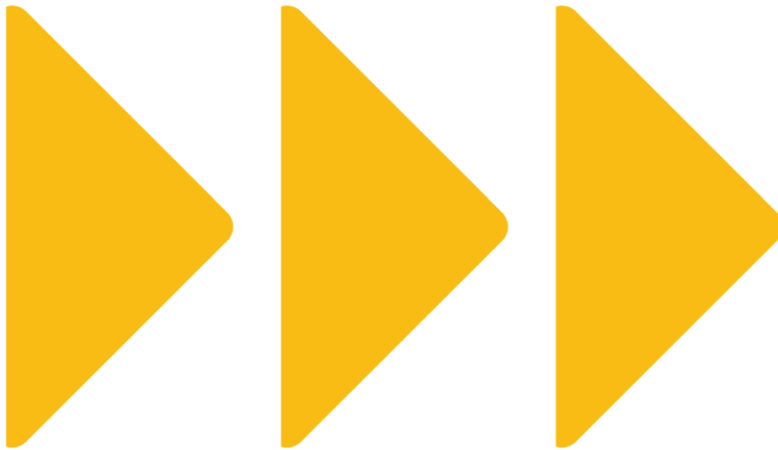
Chapter 05 Specific strengths or weaknesses identified in the EITI process	33
Chapter 06 Total costs of implementation	35
Chapter 07 Details of MSG membership (including record of attendance in the meeting held) during the period	39
Annexes	46
Annex A	48
Annex B	52



CHAPTER

01

General Assessment of Year's Performance



Preparing the 2nd Philippine Extractive Industries Transparency Initiative (PH-EITI) Report

A. Getting Companies to Execute Bureau of Internal Revenue (BIR) Waivers

A letter signed by the Chair of the Multi-Stakeholder Group (MSG) was sent to targeted mining, oil, gas and coal companies, requesting them to participate in the 2nd Country Report and to sign a waiver authorizing the BIR to disclose their tax information to PH-EITI. The Secretariat started following up on the submission of signed BIR waivers as early as April 2015. Government agencies such as the Mines and Geosciences Bureau (MGB) and the Department of Energy (DOE) provided assistance in persuading companies that refused to sign the waiver.

The complete list of companies with waivers (38) is as follows:

Material Companies (24)

1. Apex Mining Company inc.
2. Benguet Nickel Mines, Inc.
3. Carmen Copper Corporation
4. Carrascal Nickel Corporation
5. Chevron Malampaya LLC
6. CTP Construction and Mining Corporation (Adlay and Dahican)
7. Eramen Minerals, Inc.
8. Filminera Resources Corporation
9. Galoc Production Company
10. Greenstone Resources Corporation
11. Hinatuan Mining Corporation
12. Krominco Inc.
13. Lepanto Consolidated Mining Company
14. Marcventures Mining and Development
15. Oceana Gold (Philippines), Inc.
16. Philex Mining Corporation
17. Philippine National Oil Company Exploration Corporation (PNOC EC)
18. Platinum Group Metals Corporation
19. Rapu-Rapu Minerals, Inc.

20. Rio Tuba Nickel Mining Corporation
21. Shell Philippines Exploration B.V.
22. SR Metals, Incorporated
23. Taganito Mining Corporation
24. TVI Resource Development Philippines, Inc (Canatuan)

Non-Material Companies (14)

1. AAM-Phil Natural Resources Exploration and Development Corporation
2. Berong Nickel Corporation
3. Cagdianao Mining Corporation
4. Johson Gold Mining Corporation
5. Leyte Iron Sand Mining Corporation
6. LNL Archipelago Minerals Incorporated
7. Nido Production Galoc
8. Ore Asia Mining and Development Corporation
9. Oriental Synergy Mining Corporation
10. Pacific Nickel Phils., Inc.
11. Philsaga Mining Corporation
12. Shuley Mine Incorporated
13. Sinosteel Phils. H. Y. Mining Corporation
14. Zambales Diversified Metals Corporation

B. Determining the Content of the PH-EITI Report

In order to make EITI implementation more relevant to stakeholders, the MSG agreed to disclose information beyond what the EITI Standard requires. The following additional information can be found in Volume II of the 2nd Country Report:

1. Review of the companies' Environmental Impact Statement (EIS)
2. Documentation of the issues raised during the Local Government Unit (LGU) roadshows
3. Review of Social Development and Management Program (SDMP) monitoring reports
4. Information gathered from the learning sessions during MSG meetings with experts from government, industries, and civil society organizations (CSOs). This includes discussion on gold trading policies of the Central Bank, Final Mine Rehabilitation and Decommissioning Plan (FMRDP) of Rapu-Rapu Polymetallic Project, process of approving incentives by BIR and Board of Investments (BOI), ore shipment and selling process, and transparency initiatives of selected LGUs.
5. Summary report of the scoping study on small-scale metallic mining in the Philippines
6. Summary report of the scoping study on large-scale non-metallic mining in the Philippines

C. Tracking the Progress of Data Gathering and Reconciliation

Throughout the course of completing the 2nd Country Report, the Independent Administrator (IA) constantly updated the MSG and the National Secretariat on the progress of their data gathering and reconciliation process. During regular MSG meetings, the IA gave updates on the status of the draft report, the number of companies that signed the BIR waiver, and the walk-through activities that they conducted with the participating entities. One of the challenges that the IA noted was the delayed submission of accomplished reporting templates by companies and government agencies. The IA had to move the deadline for submission to accommodate more templates and increase the amount of payments covered in the reconciliation process. Another challenge that was relayed to the MSG was getting full compliance from all material companies.

D. Preparing the Contextual Information

The 2nd Report contains updates on the contextual information provided in the 1st Report based on subsequent developments, reforms, or more recent data provided by government agencies. Part of the contextual information included in the 2nd Report are the following: legal framework and fiscal regime, overview of the extractive industry and contribution of the sector to the economy, state-owned enterprises, distribution of revenues from extractive industries, revenue management and expenditures of the national government, licensing processes, beneficial ownership, information on indigenous peoples (IPs) and evaluation of 2013 Multi-Partite Monitoring Team (MMT) reports on companies' implementation of safety and health, environmental and social programs. The contextual information can be found in Chapter 1 of Volume 1 of the 2nd Report.

E. Contract Disclosure and Creation of Contracts Portal

In partnership with Natural Resource Governance Institute (NRGI), the PH-EITI developed the Philippine Resource Contracts Portal (contracts.ph-eiti.org) which is a platform for publishing contracts in open data formats. To date, 44 oil, gas, and mining contracts, including 468 annexes and supporting documents, are uploaded in the portal. Supporting documents include the following:

- Documents under Declaration of Mining Project Feasibility (DMPF)
- Environmental Protection and Enhancement Program (EPEP)
- FMRDP
- SDMP monitoring/ validation reports
- 5-year SDMP
- MMT reports
- Integrated Safety and Health, Environment and Social Development Management (ISHES) monitoring reports
- Mine Rehabilitation Fund Committee (MRFC) reports
- Mine Waste and Tailings (MWT) reports
- EIS

All contracts uploaded in the portal have associated metadata that cover both mineral and hydrocarbon resources. In addition, the contracts have annotations which will provide technical summaries of significant contractual stipulations including those that are related to EITI requirements.

Utilizing the open source ResourceContracts platform of NRGI, the Philippines became the first EITI implementing country to utilize the Open Contracting Data Standard for contract publication. The site gathered a total of 7,770 page views since it was launched in October 26, 2015 at the Open Government Partnership (OGP) Summit in Mexico.

F. Approval and Publication of the 2nd PH-EITI Report

A Special MSG meeting was held on December 21, 2015 for the approval of the 2nd PH-EITI Country Report. However, during the said meeting, the MSG provided additional comments on both the draft contextual information and the reconciliation report. The 2nd Report was approved by the MSG on December 29, 2015 and was submitted to the EITI International Board on December 30, 2015.

The 2nd PH-EITI Report contains information on material payments of 20 large-scale metallic mining companies and 4 oil and gas companies. A total of 10 revenue streams for mining, 3 for oil and gas, and 7 funds/expenditures were subjected to reconciliation procedures. The report covers 87% of total revenues in the oil, gas and mining sectors.

Outreach Activities and Communicating the Findings of the EITI Report

In order to communicate the findings in the First PH-EITI Country Report, the National Secretariat, MSG members and sector experts conducted a series of LGU roadshow across the archipelago, particularly in areas hosting extractive activities. The roadshow covered five LGU/regional clusters and were held in the following places: Butuan, Palawan, Cebu, Davao and Manila. Stakeholders including LGUs, national government agencies (NGAs), CSOs, and extractive companies from nearby provinces and municipalities were invited to the event. It was co-organized by the Union of Local Authorities of the Philippines (ULAP) and Bantay Kita.

The LGU roadshow also aimed to identify gaps in the existing governance systems for extractives and determine how the EITI Report and process can provide information that would help address these gaps. The local stakeholders themselves identified issues, such as delays in receiving LGU shares in national wealth, inconsistent local and national policies, lack of consultation of stakeholders, and the need to improve monitoring of social and environmental impact of extractives. At the same time, the roadshow also sought to answer or respond to some of the issues raised in the previous roadshow through the action plans submitted by the NGAs.

The local stakeholders gave positive feedback regarding improvements in managing the extractives in their areas.

These are the local governments that take initiative in adopting innovative policies to manage the sector. Examples of such policies are increasing the number of people in the group monitoring extractive operations, tracking the spending of shares from national wealth, and reporting its utilization. The LGU roadshow was also a venue for LGUs to accomplish their reporting templates and submit them to the IA.

Other outreach activities conducted were forums for LGUs hosting coal operations and for the National Commission on Indigenous Peoples (NCIP). The findings of the report were also communicated in these events, and the possible engagement of these sectors was discussed.

PH-EITI also held the 4th National Conference last 16 February 2016, where stakeholders were given the opportunity to know about and study the results of the 2nd Report, formulate new policies/proposals based on its findings, and keep track of the government's progress in implementing reforms.

Government officials from national agencies involved in regulating the extractive sector were present, including regional directors from satellite offices. Other major players from the industry, civil society, academe, and development partners likewise participated.

Communications

With the intent of publicly promoting PH-EITI's advocacies and activities, the organization continuously engages the media, publishes communication materials, and utilizes various Internet platforms to actively campaign for transparency in the extractive sector.

e-Newsletter. PH-EITI published quarterly e-newsletters from July 2015 to June 2016. The newsletters feature news articles, including on MSG meetings and other activities conducted within the given quarter.

Website. The PH-EITI official website (www.ph-eiti.org) garnered more than half a million hits from July 2015 to June 2016. It has also started undergoing revamping to make its interface more interesting. The Secretariat intends to make improvements in user experience design as well as restructure the website content for better architecture.

Press releases. PH-EITI is in the process of strengthening its media network by forging friendly working relationships with different media corps or beats that are related to PH-EITI. Such major media groups are from the Department of Finance (DOF), Department of Environment and Natural Resources (DENR), and Department of Energy (DOE). It is also

seeks to build rapport with provincial media personalities, especially in areas hosting extractive operations, as well as with columnists, bloggers, and foreign correspondents, which can further boost public awareness on the organization's advocacies and activities. The Secretariat also signed up on 10 free online PR sites as an additional avenue for posting its press releases.

Information, Education and Communication (IEC) materials. The IEC materials produced by the Secretariat include the PH-EITI primer, impact story, and brochures on IP royalty payments, SDMP, environmental funds, payments of companies to the national government, and infographics on LGU collections per region. Key findings and an executive summary of the 2nd Report were also published. These materials were handed out to and well-received by participants of activities hosted by PH-EITI.

Social media. PH-EITI is currently managing official social media accounts such as Facebook ([facebook/Philippine-eiti](https://www.facebook.com/Philippine-eiti)) and Twitter ([twitter/ph-eiti](https://twitter.com/ph-eiti)). These addresses are indicated in PH-EITI printed communications materials, along with other contact details (email address, office address, telephone number).

Preparing for the 3rd PH-EITI Report

During the months of March and April 2016, the MSG reviewed and finalized the Terms of Reference (TOR) of the IA for the 3rd Report, including the TOR of the consultant for contextual information. The Secretariat then made the necessary preparations to start the procurement process.

The opening of bids was conducted in June.

The MSG has also started reviewing and commenting on the reporting templates for the 3rd Report. Some of the members already provided comments on how to improve the templates for companies and government agencies.

How PH-EITI's Activities Support the Objectives of EITI Implementation

1ST OBJECTIVE: Show direct and indirect contribution of extractives to the economy (through EITI process)

In addition to the company payments disclosed in the report, the Contextual Information also has data on production volume and value. These are the direct contributions of the industry to the economy highlighted in the Reports. Other less direct contributions were also discussed such as the assessment of Social Development Management Programs (SDMP) of Companies. These were evaluated using data on SDMP report submitted by companies MGB. Revenue streams that are immaterial such as Wharfage Fees, although not included in the reconciliation process, was also discussed to show how the Extractives affects other industries.

Moreover, scoping studies were done on Small-Scale Mining and Large-Scale Non Metallic Mining to assess the significance of including these sectors in the Report and how to go about engaging them.

2ND OBJECTIVE: Improve public understanding of the management of natural resources and availability of data

The Philippine Resource Contracts Portal (<http://contracts.ph-eiti.org/>) was recently launched, which discloses mining, oil and gas contracts in the Philippines. In addition to the contracts, supporting documents were also uploaded ready for public use. A further enhancement to this website is the inclusion of annotations for all the contracts to help researches navigate and understand them better. Interactive maps will also be added to provide even more information on the companies based on PH-EITI data.

PH-EITI, consistent with its commitment to support open data, also included in the IA's TOR a requirement to produce a dataset for all the data collected by PH-EITI to ensure that these data will be suited for further use and analysis by stakeholders and the public at large.

Engaging various stakeholders through forums are also continually being conducted by PH-EITI to increase awareness on the EITI process. A Coal Forum and an Indigenous Peoples (IP) Forum were conducted.

Similar to the previous year, the CSO sector made an analysis

of the findings of the 2nd Country Report. This allowed for lively discussion among the MSG on the Philippine mining industry tax regime, which generated steps forward for the body and encouraged more information sharing among the members.

3RD OBJECTIVE: Strengthen national resource management / strengthen government systems

After publication of the 2nd Report, the EITI process continues to address gaps in the governance of resources. The gaps surfaced by the 1st Report were relayed to NGAs who then submitted action plans for implementation. The Mining Industry Coordinating Council (MICC) issued directives for these agencies to give updates on the implementation of their action plans. Highlights of the implementation of action plans include the following:

- The Department of Budget and Management (DBM) initiated policy on downloading LGU shares in national wealth directly to the LGUs and on providing disaggregated information to enable LGUs to determine how much of their shares came from extractives.
- NCIP monitoring system improved, as indicated by a significant decrease in data discrepancy from the 1st Report to the 2nd Report. A monitoring template has also been adopted by the agency to further improve tracking of royalties given to affected indigenous communities.
- MGB has begun progressive improvement of its SDMP monitoring report and system.
- DOF - Bureau of Local Government and Finance (DOF-BLGF) developed a system of online reporting of PH-EITI data for LGUs – the Environment and Natural Resource Data Management Tool (ENRDMT). The ENRDMT is a response to MSG recommendations from the 1st Report to improve the reporting system for LGUs. With this tool, EITI data from LGUs will be complete, regularly updated, and produced in open format.

The EITI process propelled the foregoing efforts in strengthening natural resource management and governance systems in the country, and continues to pursue effective implementation for concrete results.

4TH OBJECTIVE: Create opportunities for dialogue and constructive engagement in natural resource management in order to build trust and reduce conflict among stakeholders

By the publication of the 2nd Country Report, the MSG had already established a healthy working relationship whereby the members can discuss and agree on critical, even contentious, matters. For instance, the civil society sector published their own analysis of the 2nd Country Report, which stirred discourse among the members and encouraged more information sharing and constructive dialogue. When the 5th objective (below) was amended during an MSG meeting, there was a robust exchange of differing opinions, but the body ultimately agreed on a positive statement of an objective everyone deemed to be apt and feasible.

Other than the MSG meetings as a regular venue for dialogue and engagement, PH-EITI also held, during the period, a forum for indigenous peoples (IP) directly affected by extractive operations. An offshoot of this outreach and consultative activity was the NCIP agreed to adopt a monitoring template for better tracking of IP royalties.

5TH OBJECTIVE: Strengthen business environment and increase investment (changed to: Pursue and strengthen the extractive sector's contribution to sustainable development)

The MSG agreed to change the 5th Objective from “[S]trengthen business environment and increase investment” to “[P]ursue and strengthen the extractive sector’s contribution to sustainable development”. This decision was brought about by the observation that at the time there was no direct and appreciable correlation between EITI and strengthening business environment and investment. Hence, the focus was shifted to best practices of the Industry and on the improvements that can be made. The revised objective statement was seen to have three aspects: (1) recognizing the potential contribution of industry; (2) encouraging participation of companies to disclose their current social and economic contributions both at the national and local levels; and (3) reviewing the disclosure to ensure that the contributions of the industry have sustainable impact. Here, EITI is viewed as facilitating the disclosure of information on social and economic contributions so that assessment can be done to institutionalize and ensure industry contribution to sustainable development. Moreover, the new objective

would be more measurable since social, environmental, economic contributions are reported at the local level. It can therefore enable an assessment as to whether the current contributions of the industry are within the sustainable development framework and allow shared accountability among stakeholders, especially those on the ground.

The following activities were agreed upon by the MSG to implement the new objective:

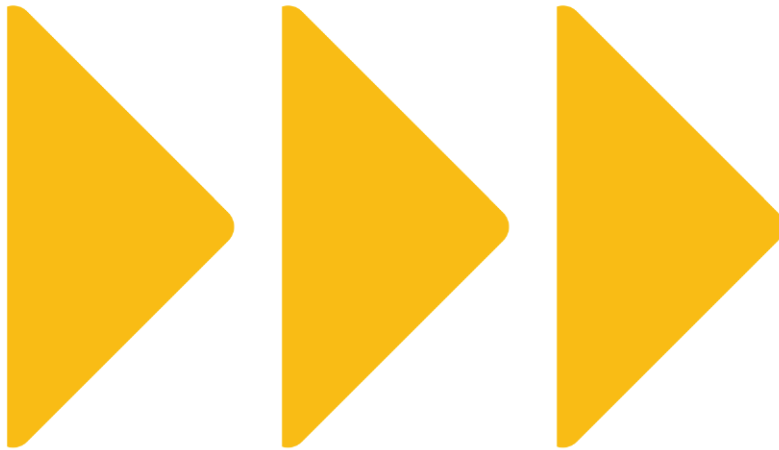
- Develop and report appropriate metrics in assessing social, economic and environmental contributions/impacts of the extractive sector
- Focus group discussion (FGD) on investments in environmental protection measures of extractive industries and its implications for the EITI process
- FGD on the oil and gas sector
- Knowledge sharing on the results of the Department of the Interior and Local Government (DILG) study entitled “Improved National Policies on Ensuring Equitable Sharing of National Wealth to Local Government”
- Knowledge sharing on the results of the DILG study entitled “Assessment of the Impact of SDMPs of Large-Scale Mining Companies in Selected Host Communities in the Philippines”
- Regular press releases and articles on PH-EITI Reports
- Assess investments in the extractive industries before and after the EITI process

(For a more detailed discussion of each activity and how it relates to PH-EITI’s objectives, please refer to Annex A.)

CHAPTER

02

Assessment of performance against targets and activities set out in the Workplan



Below is a summary of the activities included in the 2015 Workplan and PH-EITI's progress in implementing them:

ACTIVITIES	ASSESSMENT OF PROGRESS
PUBLICATION OF EITI REPORT	
Publication of the 2nd Country Report	<p>The 2nd PH-EITI Report was published and submitted to the EITI International Board on December 30, 2015. The report contains revenue collections from 24 material companies covering around 87% of total revenues in the mining, oil and gas sectors.</p> <p>Additional information on expenditures for social development projects, SDMP monitoring of MGB regional offices, and evaluation of MMT reports are also included in the report.</p> <p>The review of companies' Environmental Impact Statements (EIS) is also a milestone of the report.</p>
Production of summary report, popular version and translated version of the 2 nd Country Report	<p>The summary and popular versions of the 2nd Report were produced and distributed during the PH-EITI National Conference and launching of the Country Report.</p> <p>In preparation for the 2016 LGU roadshows, both the executive summary and key findings of the report were also translated into local dialects. These materials will be disseminated as part of the outreach activities of PH-EITI.</p>
Disclosure of contract annexes and reportorial requirements of mining companies submitted to MGB including their EIS	<p>Aside from oil, gas, and mining contracts, the Philippine Resource Contracts Portal hosts contract annexes and reports that mining companies submit to MGB such as DMPF, EPEP, FMRDP, SDMP, etc.</p> <p>To date, 468 annexes and supporting documents are uploaded in the portal which has a total of 7,770 page views.</p>
CAPACITY BUILDING ACTIVITIES FOR MSG, TWG, SECRETARIAT AND OTHER STAKEHOLDERS	
LGU roadshow	<p>The LGU roadshow served as a platform to discuss the issues and concerns of LGUs around the extractive industries as well as to communicate the findings of the 2nd Country Report.</p> <p>The roadshow was conducted in Butuan, Palawan, Cebu, Davao and Manila from June to August 2015. Around 400 stakeholders from 23 provinces and 37 municipalities/ cities were engaged by the PH-EITI. The participants of the roadshow include representatives from LGUs, NGAs, CSOs and the industry sector.</p>
Training of trainers and pilot testing workshop on the inclusion of ENRDMT in the Electronic Statement of Receipts and Expenditures (eSRE)	<p>A pilot testing of the ENRDMT was held in Manila in November 2015 to gather feedback and suggestions from participants on how to further improve the system before fully implementing it as to LGUs.</p> <p>The said exercise was participated in by local treasurers and accountants coming from 5 provinces and 17 cities/municipalities in the Caraga region.</p>
ENRDMT roll-out	<p>Shortly after the pilot testing of ENRDMT and modifying the system to incorporate the comments and suggestions of the LGU officials, the tool was immediately rolled-out to 45 LGUs hosting extractive operations.</p>

ACTIVITIES	ASSESSMENT OF PROGRESS
Capacity building activities for the Secretariat	<p>The PH-EITI Secretariat underwent the following capacity building activities for the period:</p> <ol style="list-style-type: none"> 1. Annual assessment and strategic planning workshop in Cavite last March 31 to April 1, 2016; and 2. Strengths Finder Training Workshop in Manila on May 25, 2016.
Participation in existing transparency initiatives and international outreach and trainings	<p>Members of the PH-EITI MSG and the Secretariat participated in the following international outreach activities and trainings:</p> <ol style="list-style-type: none"> 1. National Coordinator’s meeting and EITI Board meeting in Berne, Switzerland 2. Extractives Data Dive Workshop in Mexico 3. OGP Global Summit in Mexico 4. Myanmar EITI workshop on disseminating and communicating EITI report findings and recommendations 5. EITI Global Conference in Lima, Peru
IMPROVING QUALITY OF DATA AND ADDRESSING GAPS IN THE 2ND REPORT	
Addendum to the 2nd Report	<p>During the MSG meeting in February 2016, the IA and the MSG discussed how to address the comments of the International Secretariat on the 2nd Report.</p> <p>The following have already been incorporated in the draft addendum prepared by the IA:</p> <ul style="list-style-type: none"> - Discussion on materiality threshold - Percentage of total government revenues captured using the materiality threshold - Full unilateral government disclosures for all revenue streams - Clarification on statements regarding data quality - Explanation on the accounting framework adopted by companies and government agencies - Date of application for all licenses held by companies included in the scope of reconciliation <p>The remaining pending items are the Gross Value Added (GVA) and production value for the coal sector. The Secretariat and the IA already met with officials from DOE and Philippine Statistics Authority (PSA) to request for these information.</p> <p>Currently, the IA of the 2nd Report is already finalizing the addendum.</p>
VALIDATION	
	<p>After the EITI Board meeting in June 2016, the MSG was informed that the Philippines’ Validation will commence on January 1, 2017.</p> <p>In preparation for the Validation, the Secretariat has reviewed the Guidelines and Procedures and started compiling all the documents necessary for the Validator’s desk review.</p>

ACTIVITIES	ASSESSMENT OF PROGRESS
IMPROVEMENT OF PUBLIC UNDERSTANDING OF MANAGEMENT OF NATURAL RESOURCES THROUGH OUTREACH AND COMMUNICATION STRATEGIES	
PH-EITI-commissioned studies on topics relevant to the extractive sector	<p>The PH-EITI hired two different consultants to each do a scoping study on the small-scale metallic mining and large-scale non-metallic mining industry in the Philippines, respectively.</p> <p>Results of the said scoping studies were presented during MSG meetings and a summary of these studies were incorporated in Volume II of the 2nd Report.</p>
Production of IEC materials	<p>The Secretariat produced IEC materials on the extractive industries and findings of the EITI Reports. Aside from the key findings and executive summary of the 2nd Report, brochures on specific topic such as IP royalty payments, SDMP, environmental funds and payments of companies to the national government were also published. Other IEC materials include infographics on LGU collections, PH-EITI primer, and impact story.</p> <p>These materials were handed out to the participants in PH-EITI forums and conferences.</p>
National Conference and launching of the 2nd PH-EITI report	<p>A National Conference was held in February 2016 where the key findings of the 2nd Report were communicated to various stakeholders. Participants were also given the opportunity to give their feedback on how the EITI process can be improved to address their issues around the extractive industries. About 300 stakeholders from different sectors attended this event.</p>
IMPROVEMENT OF EXISTING SYSTEMS BY FORMULATING POLICIES AND RECOMMENDATIONS BASED ON THE REPORT'S FINDINGS	
Continuous monitoring of agency actions on MSG recommendations from previous reports	<p>On March 22, 2016, the MICC issued a resolution requesting the EITI-implementing government agencies to give update on the implementation of their action plans.</p> <p>Constant follow-ups have been done by the Secretariat. On separate occasions, the Secretariat met with DBM and NCIP to discuss the status of their action plans based on the recommendations of the MSG.</p>
OPPORTUNITIES FOR STAKEHOLDER DIALOGUES	
The MSG conducted regular meetings every month	<p>From July 2015 to June 2016, the MSG had 10 regular meetings and 1 special MSG meeting.</p>
PH-EITI briefing for Financial Executives of the Philippines (FINEX)	<p>An overview of the EITI was presented to the members of FINEX on August 24, 2015.</p> <p>The event served as an avenue to introduce the objectives and processes of PH-EITI to financial executives as well as to get their insights about this government undertaking.</p> <p>FINEX expressed its support to PH-EITI's goal of transparency in the extractive sectors.</p>

ACTIVITIES	ASSESSMENT OF PROGRESS
Forum for LGUs hosting coal operations	<p>On September 9, 2015, a forum with LGUs hosting coal operations was conducted. It was attended by local chief executives, provincial and municipal treasurers, accountants, and planning officers from 5 provinces and 15 municipalities/cities. Some members of the MSG also attended the said forum.</p> <p>The event served as a platform to discuss issues on revenue transparency in the coal industry, including policy recommendations and how the EITI process can contribute to good governance in the coal industry at the local level.</p>
Forum for LGUs hosting coal operations NCIP forum/ workshop on IP royalty management	<p>As part of PH-EITI's aim to help improve the monitoring of IP royalties, a forum with NCIP regional offices and IP representatives was conducted last October 6, 2015.</p> <p>19 IP representatives and NCIP officials from 14 regional offices, including the central office, attended the forum.</p> <p>The event sought to gather feedback on the report findings on NCIP, identify policy concerns, and develop action plans and policy recommendations to improve NCIP's system of recording and monitoring IP royalties.</p>
	<p>The key outcome of the workshop is the monitoring tool which was formulated by PH-EITI and was adopted by NCIP to ensure that IP royalties and compliance of companies with contractual stipulations are duly monitored by the government.</p>

Below is a summary of activities outside the 2015 Workplan, separately conducted by the industry, civil society, and government sectors, which addressed or which were relevant to the Workplan objectives:

ACTIVITIES	OBJECTIVE/S ADDRESSED	COST IN PHP
INDUSTRY SECTOR		
Chamber of Mines of the Philippines (COMP)		
Mining 101 Information Campaign with the University of the Philippines National Institute of Geological Sciences (UP NIGS) September 2015	Improve public understanding of the management of natural resources and availability of data	
Mining Brochure Arangkada Phils. with the Joint Foreign Chambers of the Philippines September 2015	<p>Show direct and indirect contribution of extractives to the economy (through EITI process)</p> <p>Improve public understanding of the management of natural resources and availability of data</p>	

ACTIVITIES	OBJECTIVE/S ADDRESSED	COST IN PHP
<p>Fiscal Regime/Revenue Sharing with the Development Academy of the Philippines (DAP) August 2015</p>	<p>Improve public understanding of the management of natural resources and availability of data</p> <p>Strengthen national resource management/ strengthen government systems</p> <p>Create opportunities for dialogue and constructive engagement in natural resource management in order to build trust and reduce conflict among stakeholders</p>	
<p>MINING PHILIPPINES 2015 International Exhibit and Conference September 2015</p>	<p>Show direct and indirect contribution of extractives to the economy (through EITI process)</p> <p>Improve public understanding of the management of natural resources and availability of data</p> <p>Strengthen national resource management/ strengthen government systems</p> <p>Create opportunities for dialogue and constructive engagement in natural resource management in order to build trust and reduce conflict among stakeholders</p> <p>Strengthen business environment and increase investments</p>	
<p>Attendance in various conferences for investment promotion - local and abroad July 2015 to May 2016</p>	<p>Create opportunities for dialogue and constructive engagement in natural resource management in order to build trust and reduce conflict among stakeholders</p> <p>Strengthen business environment and increase investments</p>	
<p>Study on Impacts of Increasing Mining Taxes on Investments and Competitiveness June- August 2015</p>	<p>Improve public understanding of the management of natural resources and availability of data</p> <p>Strengthen national resource management/ strengthen government systems</p> <p>Strengthen business environment and increase investments</p>	

ACTIVITIES	OBJECTIVE/S ADDRESSED	COST IN PHP
Engagement with Congress for proposed legislative agenda January 2016	<p>Improve public understanding of the management of natural resources and availability of data</p> <p>Strengthen national resource management/ strengthen government systems</p> <p>Strengthen business environment and increase investments</p>	
<p>Study Re: A Study on the Utilization of the Mine Rehabilitation and Final Mine</p> <p>Rehabilitation/Decommissioning Fund on Selected Mining Projects June-July 2016</p>	<p>Improve public understanding of the management of natural resources and availability of data</p> <p>Strengthen national resource management/ strengthen government systems</p>	
Petroleum Association of the Philippines (PAP)		
Annual Members' Meeting and Special Meeting of Members to update the Executive Committee and membership on the PH-EITI (change of PAP representatives to the MSG) February 11, 2016 and June 1, 2016	Create opportunities for dialogue and constructive engagement in natural resource management in order to build trust and reduce conflict among stakeholders	
CIVIL SOCIETY ORGANIZATIONS		
Bantay Kita		
Participated in the OGP activities as EITI commitment holder	Show direct and indirect contribution of extractives to the economy (through EITI process)	6,672.00
Participated in PWYP International Meetings and Conferences where EITI-related matters were discussed	Show direct and indirect contribution of extractives to the economy (through EITI process)	40,740.80
Produced numerous research, policy papers, and primers related to EITI including the CSO Assessment of the PH-EITI Reports for 2014 and 2015, Beneficial Ownership, SDMP, tax policy review, proposed mining development framework, subnational framework for engagement, etc	<p>Show direct and indirect contribution of extractives to the economy (through EITI process)</p> <p>Improve public understanding of the management of natural resources and availability of data</p>	766,370.00
Assessed the socio-economic impact of coal mining on Caluya 2nd-4th quarter, 2015	Strengthen national resource management/ strengthen government systems	590,143.41
Attended EITI International Secretariat Meeting as presenter September 2, 2015	Improve public understanding of the management of natural resources and availability of data	

ACTIVITIES	OBJECTIVE/S ADDRESSED	COST IN PHP
Presented CSO engagement in EITI in PNG September 21-25, 2015	Improve public understanding of the management of natural resources and availability of data	13,197.00
Presented at the Tax Justice Network Conference using data from PH-EITI Reports October 5-8, 2015 April 14-15, 2016	Improve public understanding of the management of natural resources and availability of data	5,625
Presented by phone patch during the EITI Report Launch: Mongolia November 4, 2015	Improve public understanding of the management of natural resources and availability of data	
Attended PWYP data extraction workshops November 23-27, 2015 May 22-28, 2016	Show direct and indirect contribution of extractives to the economy (through EITI process)	21,850.00
Organized the Mindanao-wide IP Seminar Workshop on natural resource governance and IP concerns on EI November 25-27, 2015	Show direct and indirect contribution of extractives to the economy (through EITI process) Improve public understanding of the management of natural resources and availability of data Create opportunities for dialogue and constructive engagement in natural resource management in order to build trust and reduce conflict among stakeholders	378,822.79
Facilitated the selection of Interim IP representatives and endorsed the identified representatives to the PH-EITI Secretariat November 2015-June 2016	Create opportunities for dialogue and constructive engagement in natural resource management in order to build trust and reduce conflict among stakeholders	
Facilitated the PNG learning visit on community engagement on EI in the Philippines December 4-12, 2015	Improve public understanding of the management of natural resources and availability of data	637,076.03
Presented the CSO EITI Experience in PWYP Conferences Myanmar December 11, 2015	Improve public understanding of the management of natural resources and availability of data	11,443.5
Co-organized with PH-EITI the Mindanao Multi-Stakeholders' Conference on Extractive Industry: Building Partnership through Communicating Extractive Industry Issues of Indigenous Peoples Organizations (IPOs), Government Agencies and the Civil Society December 16-18, 2015	Create opportunities for dialogue and constructive engagement in natural resource management in order to build trust and reduce conflict among stakeholders	

ACTIVITIES	OBJECTIVE/S ADDRESSED	COST IN PHP
Created a 5-member committee to select individuals to fill the vacant CSO slots in the PH-EITI MSG. Proposed a selection process. Endorsed individuals identified by the Committee to the PH-EITI Secretariat. December 2015- May 2016	Create opportunities for dialogue and constructive engagement in natural resource management in order to build trust and reduce conflict among stakeholders	
Organized the Resource Governance in Asia Pacific: the Case of Antique: an Echo-Training December 28-29, 2015	Improve public understanding of the management of natural resources and availability of data	104,456.02
Organized the National CSO Conference on Transparency and Accountability in the Extractive Industry Feb 17-18, 2016	<p>Show direct and indirect contribution of extractives to the economy (through EITI process)</p> <p>Improve public understanding of the management of natural resources and availability of data</p> <p>Create opportunities for dialogue and constructive engagement in natural resource management in order to build trust and reduce conflict among stakeholders</p>	5,410,994.84
Participation in the EITI International Board as CSO Representative February 25, 2016 onwards	Show direct and indirect contribution of extractives to the economy (through EITI process)	50,890.00
Organized subnational seminar-workshops on transparency and accountability initiatives for multi-stakeholder groups	Improve public understanding of the management of natural resources and availability of data	282,677.16
Conducted outreach and orientations on natural resource governance for IPs	Improve public understanding of the management of natural resources and availability of data	93,009.18
Produced videos on the impact of mining on communities	Improve public understanding of the management of natural resources and availability of data	290,672.89
Regularly released newsletters, updated the website and social media platforms which included EITI related matters	Improve public understanding of the management of natural resources and availability of data	84,000.00
Developed a Mining Transparency Index	Improve public understanding of the management of natural resources and availability of data	190,000.00
Conducted media briefings utilizing data generated from EITI report NCR - April 11, 2016 Davao - April 29, 2016	Improve public understanding of the management of natural resources and availability of data	56,346.35

ACTIVITIES	OBJECTIVE/S ADDRESSED	COST IN PHP
Presented EITI-related issues in the Vietnam Mining coalition Workshop May 12-16, 2016	Improve public understanding of the management of natural resources and availability of data	3,450.00
Mining coalition Workshop May 12-16, 2016	management of natural resources and availability of data	
Presented at the PWYP CSO Learning Workshop on EITI and CSO engagement May 17-19, 2016	Improve public understanding of the management of natural resources and availability of data	112,146.95
Engaged with government agencies (DOE, DENR, CHR, NAPC, NCIP, etc.) to promote, among others, increased transparency and accountability in resource governance towards improved EITI compliance	Strengthen national resource management/ strengthen government systems	
Supported subnational transparency and accountability initiatives in Compostela Valley and South Cotabato	Strengthen national resource management/ strengthen government systems	67,660.60
Facilitated coordination meetings of CSO MSG representatives	Create opportunities for dialogue and constructive engagement in natural resource management in order to build trust and reduce conflict among stakeholders	409,606.43
Engaged the extractive industry (both upstream and downstream) by participating in multi-stakeholder groups beyond the EITI, through the DTI TWG Copper Roadmap and the small-scale miners of T'boli South Cotabato through BK's subnational program	Create opportunities for dialogue and constructive engagement in natural resource management in order to build trust and reduce conflict among stakeholders	24,406.00
GOVERNMENT		
MGB		
Two-day stakeholders forum with the theme "What's Up and New in Philippine Mining: Understanding Recent Policies that Govern Mining Operations to Promote Responsible and Sustainable Mining"	Create opportunities for dialogue and constructive engagement in natural resource management in order to build trust and reduce conflict among stakeholders	240,000

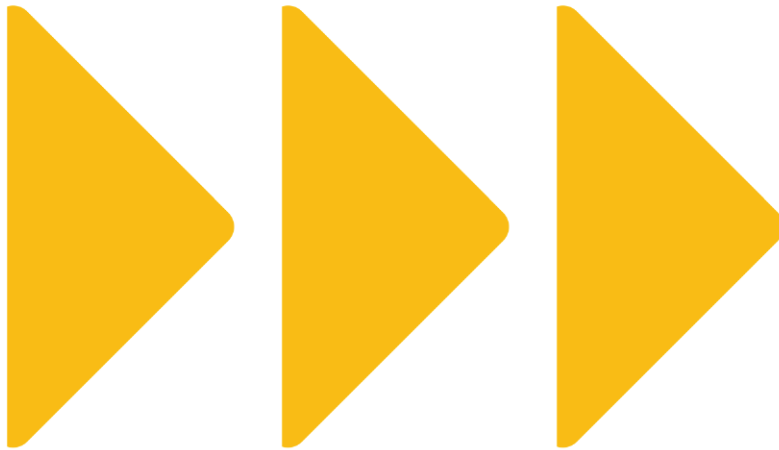
ACTIVITIES	OBJECTIVE/S ADDRESSED	COST IN PHP
ULAP		
<p>Series of policy dialogues and program advocacies in support of the local government agenda</p> <p><i>#ParaSaBayan: Pagtataguyod ng Makabuluhang Adhikain ng Pamamahalang Lokal</i> (Pursuing Meaningful Agenda for Local Governance)</p> <p>Ongoing advocacy campaign: November 2015 to October 2016</p>	<p>Show direct and indirect contribution of extractives to the economy (through EITI process)</p> <p>Improve public understanding of the management of natural resources and availability of data</p> <p>Create opportunities for dialogue and constructive engagement in natural resource management in order to build trust and reduce conflict among stakeholders</p>	650,000
<p>3rd OGP National Summit</p> <p>March 3-4, 2016</p>	<p>Show direct and indirect contribution of extractives to the economy (through EITI process)</p> <p>Improve public understanding of the management of natural resources and availability of data</p> <p>Create opportunities for dialogue and constructive engagement in natural resource management in order to build trust and reduce conflict among stakeholders</p>	5,050,000
<p>Increasing transparency in extractive industries in the sub-national level through the use of context specific technology-based platforms by MSGs</p> <p>Ongoing project: June 1, 2016 to May 31, 2017</p>	<p>Show direct and indirect contribution of extractives to the economy (through EITI process)</p> <p>Improve public understanding of the management of natural resources and availability of data</p> <p>Create opportunities for dialogue and constructive engagement in natural resource management in order to build trust and reduce conflict among stakeholders</p>	6,400,000
Philippine Poverty Environment Initiative (PPEI) - DILG		
<p>Assessment of the Impact of Social Development and Management Programs of Large-Scale Mining Companies in Selected Host Communities in the Philippines by Dr. Antonia Corinthia C. N. Naz</p> <p>November 2015 to June 2016</p>	<p>Strengthen national resource management/ strengthen government systems</p>	1,000,000

ACTIVITIES	OBJECTIVE/S ADDRESSED	COST IN PHP
Development and Installation of an Environment and Natural Resources Data Management Tool on Revenues and Expenditures at the Local Government Level (Including Disaggregation of the Shares from the National Wealth by Sector) by Rodel M. Satuito July to December 2015	Strengthen national resource management/ strengthen government systems	281,580
DILG-PPEI and DENR-MGB National Forum on Artisanal and Small-Scale Mining in the Philippines November 26, 2015	Improve public understanding of the management of natural resources and availability of data	348,493

CHAPTER

03

Assessment of performance against EITI requirements



On its third year of implementation, PH-EITI has attained considerable progress in complying with the EITI International Standard, as shown in the following table:

TARGETS AND ACTIVITIES	PROGRESS
<p>Oversight by the multi-stakeholder group (MSG)</p>	<p>PH-EITI has achieved substantial progress with regard to the following:</p> <ol style="list-style-type: none"> 1. government engagement 2. industry engagement 3. civil society engagement 4. establishment and functioning of an MSG 5. an agreed work plan with clear objectives for EITI implementation 6. a timetable that is aligned with the deadlines established by the EITI board <p>Regular and special MSG Meetings were conducted where decisions regarding all aspects of EITI implementation are made. Among the key decisions made by the MSG for the period covered are the following:</p> <ol style="list-style-type: none"> 1. Approval of the 2nd PH-EITI Country Report 2. Formulation of key messages from the report 3. Action plans to address the gaps surfaced by the 1st report 4. Evaluation of progress and further recommendations on the agencies' actions 5. Memorandum on the recommendations to be presented to the MICC 6. Approval of the 2016 Workplan 7. Procurement of the IA 8. Approval of the TOR of the IA for the 3rd Country Report
<p>Legal and institutional framework, including allocation of contracts and licenses</p>	<p>PH-EITI has fully complied with the requirement to disclose information regarding the mining fiscal regime in the Philippines, enabling stakeholders to understand the laws on and procedures for the issuance of mining contracts; the legal, regulatory and contractual framework that apply to the extractive sector; and the roles and responsibilities of the relevant government agencies.</p> <p>With regard to license allocations, the PH-EITI Report disclosed the list of and the process for awarding oil and gas and mining contracts, including the list of applicants and the bid criteria for bidding rounds.</p> <p>As to the register of licenses, the PH-EITI Report has information on the creation of an interactive portal for contracts of extractive operations in the Philippines. This portal contains 44 mining, oil and gas contracts (including 43 supporting documents) that can be accessed by the public in open, machine readable format. The Report also provides website links to the Department of Energy and Mines and Geosciences Bureau, which contain comprehensive information on the contracts awarded to companies.</p>

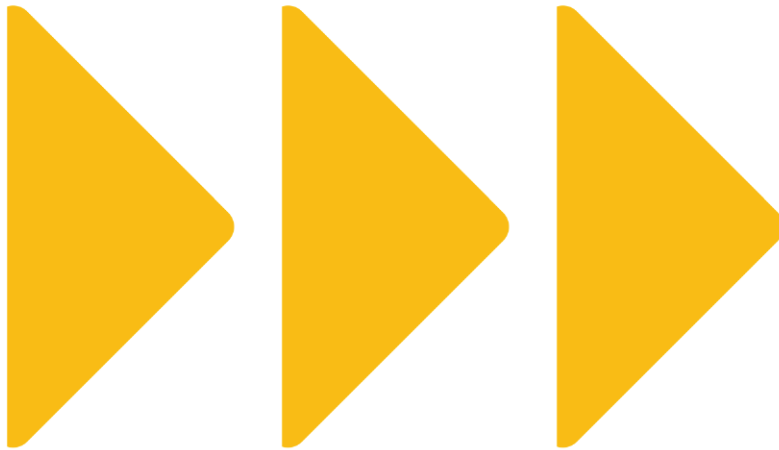
TARGETS AND ACTIVITIES	PROGRESS
	<p>With regard to contracts, the PH-EITI Report disclosed information on the gaps in publicly available information and efforts to strengthen the licensing systems. An overview and detailed information on the contracts can be accessed in the portal mentioned above.</p> <p>The PH-EITI Report also provided a discussion on beneficial ownership and government's participation in the extractive sector.</p>
<p>Production and monitoring</p>	<p>PH-EITI has fully complied with the requirement to disclose information related to exploration, production and monitoring.</p> <p>The PH-EITI Report has a list of mining, oil and gas projects under exploration. It also disclosed information on the total production volumes and the value of production of the mining sector by commodity, including information on the value of exports by commodity.</p>
<p>Revenue collection</p>	<p>PH-EITI has achieved satisfactory progress in producing a comprehensive reconciliation of company payments and government revenues from the extractive industries. These include the following:</p> <ul style="list-style-type: none"> ▪ Extensive disclosure of the following taxes and revenues: <ul style="list-style-type: none"> - Corporate income tax; - Withholding tax - foreign shareholder dividends; - Excise tax on minerals; - Local business tax; - Customs duties; - VAT on imported materials and equipment; - Royalty on mineral reservation; - Withholding tax - royalties to claim owners; - Government share from oil and gas; - Real property tax - Special Education Fund; - Real property tax - Basic; and - Royalty for indigenous peoples. ▪ Sale of the country's share of production and other revenues collected (there were no revenues collected in kind in 2013). It also includes other funds and expenditures such as the special account Fund 151 (Malampaya fund), mandatory environmental and social expenditures, and discretionary social expenditures. ▪ In-kind payments through infrastructure provisions and other community development projects covered by the social development programs of mining companies (there are no barter arrangements in the country, however). ▪ Transactions related to State-owned enterprises (SOE). This includes disclosure on commitment fees, royalty fees and cash dividends.

TARGETS AND ACTIVITIES	PROGRESS
<p>Social and economic spending</p>	<p>PH-EITI has fully complied with regard to the disclosure of information related to social expenditures. These expenditures aim to promote social development of mining communities. The EITI Report also provides an overview of the contribution of the extractive sector to the economy. On the other hand, there are no quasi-fiscal expenditures or activities from SOE in 2013.</p>
<p>Outcomes and impact</p>	<p>PH-EITI has achieved satisfactory progress in promoting and raising public awareness on EITI implementation in the country and the EITI Report, as well as in ensuring that stakeholders are engaged in dialogue on natural resource revenue management.</p> <p>A roadshow was conducted from July 15 to August 20, 2015 in five key areas where mining operations are located. The main objective of the roadshow was to communicate the findings of the first PH-EITI Report to local government units, government agencies, extractive companies operating and civil society organizations in the area. It served as a multi-stakeholder platform to discuss issues relating to the industry/sector.</p> <p>Separate forums with government, industry and civil society were also held to communicate the findings of the first PH-EITI Report.</p> <p>The PH-EITI Report was published in machine-readable format. In response to the findings and recommendations in the 1st report, government agencies submitted their respective action plans to address gaps in their systems.</p> <p>PH-EITI submitted an Annual Accomplishment Report to review the outcomes and impact of EITI implementation in the country in July 2015, and this Annual Progress Report is being submitted for the same purpose.</p>

CHAPTER

04

Overview of the MSG's responses to the recommendations from reconciliation and Validation



The MICC issued a memorandum last year requiring government agencies to submit action plans based on the recommendations of the MSG and to address the gaps identified in the 1st Report. The action plans that were submitted by the agencies were incorporated in the 2nd Report, including the MSG's assessment of their progress and further recommendations.

After the publication of the 2nd Report, the MICC again directed the government agencies to give updates on the implementation of their action plans. Updates from the relevant agencies are summarized in the table below.

Mines and Geosciences Bureau (MGB)		
Recommendations from the 1st and 2nd Report	Responses/Action Plans Submitted in 2015	Updates as of June 2016
Capacitate MGB regional offices and multipartite monitoring teams (MMTs)		
Create MMTs and Provincial Mining Regulatory Board (PMRBs) in areas where they do not yet exist	Activation of PMRBs is ongoing.	This is a continuing activity of the MGB.
Include EITI-related information in the monitoring checklist that the MGB is currently doing	Improvement of MGB's database to include EITI data is ongoing. The database enhancement will include information on SDMP and small-scale mining. Improvement and standardization of SDMP monitoring checklist will be implemented in 2016.	Enhancement of MGB database to include EITI data will be completed on May 2016. Standardization of SDMP is ongoing. The National and Regional Mine Safety, Environment and Social Development Division (MSESDD) already discussed the standardization of SDMP monitoring checklist during the MSESDD Forum last April 14-18, 2016. All Regional Offices were provided with the existing database for updating.
Implement a transparency mechanism in the selection of representatives to the MMTs and PMRBs	Adoption of transparent mechanisms in the selection and formation of MMTs and MRFCs is ongoing.	The mechanism for the selection of representatives to the MMTs and PMRBs is transparent, as provided for under Section 185 of Department Administrative Order (DAO) No. 2010-21. MMT will develop its Manual of Operation for approval of the Environmental Management Bureau (EMB) and MGB Regional Directors, which will be the basis for its operation as per Section 6 of DAO No. 2015-02.
Ensure that SDMPs are prepared in coordination with local development councils; LGUs should be represented in the monitoring of SDMP and environmental funds	Ensuring coordination between companies and local development councils with regard to formulation of SDMPs is still in progress.	All mining contractors/permit holders are required to prepare an SDMP in consultation and in partnership with the host and neighboring communities pursuant to Section 136-A of DAO No. 2010-21.
MGB should implement a web-based submission of documents from regional to central office MGB should develop a program /IT system to compile SDMP for analysis MGB should require companies to submit SDMP electronically	Electronic submission of SDMPs and reports to MGB central office by satellite offices is still in progress.	All Regional Offices were given instruction during the MSESDD Forum to submit electronic copies of SDMPs and monitoring reports.

Mines and Geosciences Bureau (MGB)		
Data on small-scale mining should be improved	Small-scale mining data will be included in the enhancement of MGB's database	
Make EITI participation a prerequisite to issuance of small-scale mining permits		
Require companies to participate		
<p>Improvement of MGB's license register and maps of mining tenements.</p> <p>The license register should include the coordinates of operating companies.</p> <p>Other information specified in the EITI reporting template should be made publicly accessible from MGB's database at the level of disaggregation required by EITI</p> <p>Creation of interactive maps of mining tenements to comply with open data formats</p>		<p>The coordinates of the operating companies were all included in its Carpeta.</p> <p>Enhancement of MGB database to include EITI data will be completed in May 2017.</p> <p>Proposal for enhancement of mining tenements maps is being discussed with the contractor of the Online Mineral Rights Management System (OMRMS). The MGB - Mining Tenement Management Division is currently upgrading its system to include OMRMS.</p>

Bureau of Internal Revenue (BIR)		
Recommendations from the 1st and 2nd Report	Responses/Action Plans Submitted in 2015	Updates as of June 2016
Propose amendments to the National Internal Revenue Code (NIRC) to make disclosure of tax information for EITI purposes an exception to the prohibition on disclosure under the Tax Code	Coordination with the DOF to include the proposed NIRC amendments in the ongoing work on legislative amendments. The proposal is to make disclosure of tax information for EITI purposes an exception to the prohibition under the Tax Code.	The proposed amendments to Section 270 of the NIRC is included in the proposed EITI legislation. There is a section exempting the extractive companies from the confidentiality clause insofar as their participation in the EITI process is concerned.
Reporting of final withholding taxes should be disaggregated; revise current recording systems and BIR forms	BIR already implemented disaggregation of final withholding taxes. The disaggregated data was provided to PH-EITI.	

Local Government Unit (LGUs)/ Bureau of Local Government and Finance (BLGF)		
Recommendations from the 1st and 2nd Report	Responses/Action Plans Submitted in 2015	Updates as of June 2016
<p>Improve system of collection to disaggregate payments per sector</p> <p>Forms should be revised to indicate disaggregated information</p> <p>Improve IT systems of BLGF; reporting systems of LGUs should be digitized</p> <p>BLGF reports on grants and donations should be disaggregated in the eSRE to reflect donations from extractive industries</p>	<p>The DILG, BLGF, and PH-EITI will start to implement the ENRDMT in 2016, which aims to integrate EITI data into the usual reporting process of LGUs.</p> <p>The ENRDMT shares database with the eSRE Web System.</p> <p>The ENRDMT will capture local taxes, fees and user charges paid by the extractive industries including detailed account of the shares from national wealth received by LGUs and the tagging of expenditure items from such proceeds.</p>	<p>BLGF was provided funding support from the PPEI to further develop and roll-out the ENRDMT.</p> <p>The following activities were jointly funded and accomplished by DILG- PPEI and PH-EITI:</p> <ul style="list-style-type: none"> ▫ Training of Trainers on the ENRDMT ▫ Pilot testing of the ENRDMT in 21 selected LGUs from Caraga region ▫ ENRDMT roll-out to 45 selected LGUs <p>Enhancement of the ENRDMT will be done to incorporate the recommendations gathered from the pilot test and roll-out activities.</p> <p>The enhanced version will be tested and rolled-out in 2016 to all LGUs with shares in national wealth.</p> <p>A Department Order implementing the submission of local treasurers on the fiscal report relative to the ENRDMT was already drafted for the consideration and signature of the Secretary of Finance.</p>
<p>Review legislation on share of LGU where the head office is located and of the LGU hosting the mining operation</p> <p>Companies should be required to copy furnish both head office and host LGU of proof of payments made to both</p>	<p>Propose amendments to the Local Government Code (LGC) by reviewing the 70-30 revenue sharing scheme between the LGU hosting a company's head office and the LGU hosting its operations.</p>	<p>BLGF already submitted the proposed LGC amendments to the DOF last 2015. This proposal was also considered during consultative workshops with other oversight agencies, i.e. DILG, NEDA, DBM.</p> <p>There is an ongoing review of LGC amendments with inputs from the DILG, NEDA and DBM in close coordination with different leagues of local governments. Inputs and results of consultations will be submitted to the House of Representatives, Senate, the Legislative Executive Development Advisory Council (LEDAC) and other stakeholders.</p>

Department of Budget and Management (DBM)		
Recommendations from the 1st and 2nd Report	Responses/Action Plans Submitted in 2015	Updates as of June 2016
Recording of LGU's share in national wealth should be revised to reflect which amounts came from which sectors (e.g. mining, oil, coal, etc) on a per company basis	Starting 2016, DBM will require collecting agencies to include in the certifications of releases of national wealth disaggregated information to enable it to inform LGUs of their share in national wealth on a per type and source of payment and per company basis (including collections from each company operating in their locality, type of revenue, date of payment, place of extraction, and computation of LGU share).	The certifications being submitted to the DBM by the collecting agencies already reflect some of the information and details required by the PH-EITI. DBM met with collecting government agencies last May 4, 2016 to request them to provide in their certifications all the information and details required by PH-EITI.
DBM should revise reporting systems to capture information on total collection of national wealth per revenue type and per LGU	DBM to amend some of its forms such as the Notice of Authority to Debit Account Issued (NADAI) and the reports it publishes on its website to include the information needed by LGUs with respect to their shares in national wealth	The shares of LGUs in the development and utilization of national wealth shall be directly released by the Bureau of the Treasury (BTr) to the beneficiary LGUs. This is consistent with Section 93 of the General Provisions, and Special Provision No. 1 for the Special Shares of LGUs in the Proceeds of National Taxes under the Allocations to Local Government Units (ALGU) in the FY 2016 General Appropriations Act, Republic Act No. 10717. DBM has advised BTr through a letter dated May 10, 2016 to reflect the details required by the PH-EITI in the NADAI being issued to the beneficiary LGUs. DBM had a discussion with their Information and Communications Technology Systems Service (ICTSS), on the development of a system for posting reports on LGU shares in the DBM website. Posting requirements are still being studied by the ICTSS.
Disaggregation of data should retroact to previous years (not just apply for 2016 onwards) to track backlogs in the distribution of LGU shares		The DBM Operations Bureau has already prepared the reports covering the releases of the LGU shares in the utilization and development of national wealth for FYs 2014 and 2015 only. As to shares of LGUs covering FY 2013 and years earlier, DBM expressed that they will have difficulty retrieving the records at the Central Office level.

BOI and Philippine Economic Zone Authority (PEZA)		
Recommendations from the 1st and 2nd Report	Responses/Action Plans Submitted in 2015	Updates as of June 2016
<p>BOI and other agencies that grant incentives should disclose the incentives given to the extractive industries</p> <p>The process and criteria for awarding incentives should be made transparent</p>	<p>BOI and PEZA did not submit an action plan</p>	<p>BOI responded to the recommendations on January 11, 2016. Their comments are:</p> <ol style="list-style-type: none"> 1. Section 81 of EO No. 226 (the Omnibus Investments Code of 1987) provides for confidentiality of information and the same could only be disclosed through as follows: (a) consent of the enterprise, or (b) on orders of a court of competent jurisdiction. 2. BOI wrote a Non-Objection Letter to five BOI-registered extractive enterprises to disclose to PH-EITI the amount of incentives availed of by these entities. <p>BOI received objections/reservations from two mining companies while the remaining three companies have not responded.</p> <ol style="list-style-type: none"> 3. It is recommended that the information on incentives be obtained from the BIR for the following reasons: <ol style="list-style-type: none"> a. BOI data are only estimates and the actual data is with the BIR. b. BIR is not covered by Sec. 81 of EO 226 and would be able to provide the data more freely. 4. BOI would like to seek clarification on the scope and extent of the PH-EITI request regarding the disclosure of incentives (i.e., coverage, time period, kind of incentives, level of disaggregation). 5. BOI will provide the data on incentive availments if BOI-registered enterprises will give their consent to the disclosure.

Bureau of Customs (BOC)		
Recommendations from the 1st and 2nd Report	Responses/Action Plans Submitted in 2015	Updates as of June 2016
Validate if all capital equipment are zero- rated	BOC will identify capital equipment that are imported by entities and their corresponding rates of duty starting January 2016.	BOC is in coordination with its Management Information System and Technology Group (MISTG) to provide the necessary data to identify the capital equipment imported by entities and its corresponding rate of duty.
Disaggregated data for VAT and customs duties	Data on VAT and Customs Duties are already disaggregated in the reporting templates submitted by BOC.	
Revise current systems of recording data	Current recording system was verified and found to have separated accounting codes in reporting payments of VAT and customs duties.	

The following agencies have not submitted updates on the implementation of their action plans:

Department of Energy (DOE)	
Recommendations from the 1st and 2nd Report	Responses/Action Plans Submitted in 2015
DOE to require reporting per company and not per service contract	Reporting of revenues on a per company and per consortium basis will be done, provided that companies agree to follow this system of reporting.
Centralize information on payments; develop an IT system for this purpose	For discussion with DOE Information Technology and Management Services (ITMS) Director Herminio A. Ariola
Designate an EITI point person from DOE's financial services	For issuance of formal designation
DOE should maintain an online license register where all information on licenses and licensees are disclosed	
DOE should exercise its mandate as a regulatory agency to require companies including Semirara Mining and Power Corporation to participate in the EITI process, through a directive or an administrative order	
DOE should disclose all oil, gas and coal contracts including the contract of Semirara Mining and Power Corporation	

National Commission on Indigenous Peoples (NCIP)	
Recommendations from the 1st and 2nd Report	Responses/Action Plans Submitted in 2015
<p>Develop a system for monitoring IP royalties</p> <p>Require all companies to furnish NCIP with copies of deposits to the designated bank account for IP royalties</p> <p>There should be follow-up actions on the utilization of the monitoring mechanism. NCIP Regional Directors should strictly utilize the monitoring tool and make it a part of their reporting processes</p> <p>Improvement of NCIP's database</p> <p>Build IP's capacity to monitor their royalties through their own monitoring mechanisms</p>	The NCIP, in collaboration with PH-EITI, developed a monitoring mechanism for IP royalties. This tool has been formally adopted by NCIP and will be utilized by NCIP Regional Directors.

Philippine Ports Authority (PPA)	
Recommendations from the 1st and 2nd Report	Responses/Action Plans Submitted in 2015
<p>PPA's system of reporting payments should be revised to indicate principals of subcontractors</p> <p>PPA should require companies to disclose the names of their subcontractors who transport their commodities</p>	The PPA expressed difficulty in revising its reporting systems and posited that the companies should initiate the changes with respect to how they issue receipts to their subcontractors.

The following activities were included in the 2016 Workplan to address some of the recommendations of the IA and the MSG:

- Creation of online reporting tool for companies and government agencies
- Engage public information office of relevant government agencies
- Roll-out of NCIP monitoring tools
- MSG to establish a coordinating mechanism with implementation of the Tax Incentives Management and Transparency Act (TIMTA)
- Coordinate with MGB on the standardization process for planning SDMP and community development plans
- Workshop with LGUs on revenue management
- Continuous monitoring of agency actions on MSG recommendations from previous reports
- Develop and report proper metrics in assessing social, economic and environmental contributions/impacts of the extractive sector
- FGD on investments in environmental protection measures of extractive industries and their implications for the EITI process
- Assess investments in the extractive industries before and after the EITI process

CHAPTER

05

Specific strengths or weaknesses identified in the EITI process



STRENGTHS

PH-EITI has continuously sought to extend the scope of EITI reporting in the Philippines and to increase engagement with stakeholders with a view to making EITI implementation truly relevant to the people. For one, as stated earlier, PH-EITI disclosed in the 2nd Country Report information beyond what the EITI Standard requires, engaging more stakeholders in the process. Such initiative was driven by a desire to provide as complete a picture as possible of the extractive industries in the country and expand the transparency that EITI delivers in the hope of getting the most out of the benefits it promises. Accordingly, PH-EITI actively reached out to sectors such as the coal industry and indigenous peoples through forums that aimed to raise stakeholder awareness of and participation in EITI.

Another initiative to extend EITI reporting is to work towards improving data collection systems. For instance, through the recommendations that the PH-EITI reports generated, the Bureau of Local Government Finance, in cooperation with PH-EITI, has undertaken developing an online tool for reporting receipts and expenditures of LGUs from extractives. The Environment and Natural Resource Data Management Tool (ENRDMT) has been pilot-tested and rolled out to 45 LGUs and will further be enhanced going forward. In the course of implementing this project, PH-EITI was able to strengthen its relationships with implementing partners such as BLGF, PPEI, and the participating LGUs.

Yet another initiative that helped broaden the scope of EITI reporting is the PH-EITI online Contracts Portal where mining and oil and gas contracts are made accessible to the public for viewing and use. In addition to the contracts, supporting documents such as social and environmental monitoring reports from the MGB were also uploaded. This effort received the ready support of MGB in the disclosure of the documents and bolstered PH-EITI's partnership with the agency.

Initiatives to promote EITI at the subnational or local level also served to extend EITI reporting and increase engagement of stakeholders. Subnational activities, largely led by CSO partners, are seen to complement national EITI implementation. Strengthening awareness of EITI in the local level enables more grounded inputs to the Country Report and helps make the same more useful and relevant to local communities.

WEAKNESSES

The absence of a statute or law on or about EITI poses a challenge to EITI implementation, as such absence leaves participation in EITI to be merely voluntary, and the organization of EITI, unstable. Nonetheless, there are plans to draft and propose to Congress a bill that institutionalizes EITI and provides for mandatory participation in its implementation.

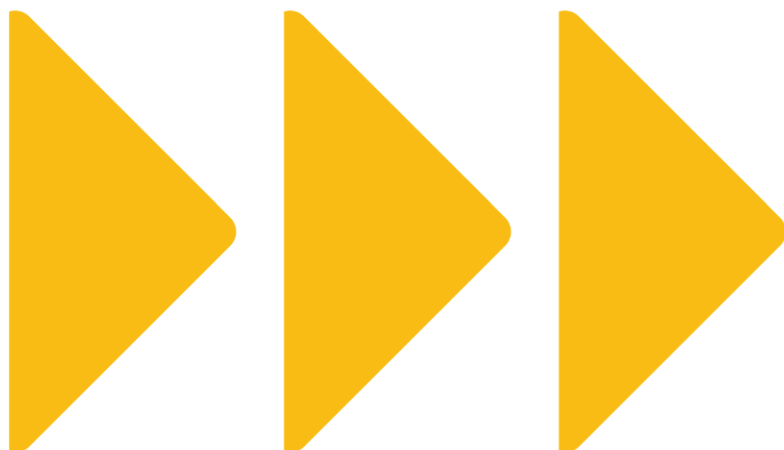
Another challenge posed by the absence of a law is the lack of sustainability of the initiative. While there are Executive issuances that support EITI implementation, these orders are not permanent and are thus subject to revocation. In the context of the recently concluded elections and faced with a new administration, PH-EITI is obliged to prepare for a new round of introductions, briefings, and outreach activities to key incoming government officials, especially the Finance and Environment Ministers.

There have also been challenges in receiving funding in a timely manner. The activities scheduled for the first half of 2016 have all had to be shouldered by counterpart funding from the Government of the Philippines; otherwise, execution of the Workplan would be badly delayed. As of the writing of this Annual Progress Report, PH-EITI has not received the grant on which it depends for its major activities.

CHAPTER

06

Total costs of implementation



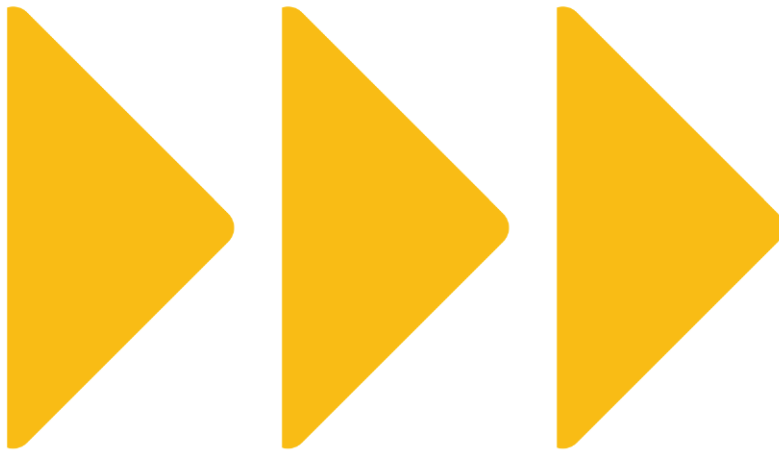
ITEMS	WORKPLAN COST (BUDGET) (PHP)	OUT TURN COST (PHP)	FUNDING SOURCE/ CONTRIBUTOR
Hiring of consultant to address gaps in the 1st Report	1,500,000.00	1,500,000.00	Multi-Donor Trust Fund (MDTF)
Engagement of IA for the 2nd Report	7,500,000.00	7,494,075.00	MDTF
Commissioning of studies on			
▫ Small-scale metallic mining	2,000,000.00	2,000,000.00	MDTF
▫ Large-scale metallic mining	1,000,000.00	790,000.00	MDTF
Regular MSG meetings	1,767,603.21	377,961.63	MDTF
		673,249.20	Government of the Philippines (GOP)
		251,603.21	Bantay Kita
LGU roadshows	6,718,273.14	5,707,516.48	MDTF
		43,413.14	Bantay Kita
		50,000.00	ULAP
Forum for LGUs hosting coal operations	1,363,953.00	1,635,031.00	MDTF
NCIP forum/ workshop on IP royalty management	1,806,471.00	1,396,324.89	MDTF
		80,147.00	Bantay Kita
FGD on the Contracts Portal	24,420.00	24,420.00	MDTF
International outreach activities ▫ Constituency meetings and a discussion on transparency in commodity trading in Berne, Switzerland ▫ Extractives data dive workshop & OGP Global Summit in Mexico City	1,791,395.59	1,784,325.59	MDTF
		7,070.00	Bantay Kita
Training of Trainers and pilot testing workshop on the Inclusion of ENRDMT in the eSRE	1,706,250.00	1,428,770.00	MDTF
Roll-out of ENRDMT	1,769,750.00	973,850.00	MDTF
		410,000.00	UNDP-PPEI
Writeshop on the finalization of EITI 2nd Country Report	381,360.00	381,360.00	MDTF
Engagement of impact story writer	1,000,000.00	1,000,000.00	MDTF
Engagement of translators for the 1st & 2nd EITI Report (Summary Report & Key Findings)	2,097,428.40	1,650,000.00	MDTF

ITEMS	WORKPLAN COST (BUDGET) (PHP)	OUT TURN COST (PHP)	FUNDING SOURCE/ CONTRIBUTOR
PH-EITI and Bantay Kita joint activity on Mindanao Extractive Industries Conference	915,000.00	478,500.00	MDTF
Printing of IEC materials for international outreach activities	1,036,000.00	1,036,000.00	MDTF
Printing of the 2nd EITI Country Report	2,637,680.00	2,326,680.00	Development Alternatives Inc. (DAI)- United States Agency for International Development (USAID)
		311,000.00	GOP
Participation in the EITI Global Conference in Lima, Peru	5,187,764.00	3,701,670.44	GOP
		356,256.00	Bantay Kita
National Conference and launching of the 2nd Country Report	9,570,557.50	6,837,680.00	DAI-USAID
		406,197.50	GOP
		2,326,680.00	Bantay Kita
Annual assessment and strategic planning workshop of the Secretariat	179,839.00	179,839.00	GOP
Development of Contracts Portal			
▫ Front-end web developer	141,079.50	141,079.50	GOP
▫ Consultant for annotations	248,750.00	248,750.00	GOP
Building the capacity of the Secretariat: StrengthsFinder Training Workshop	82,500.00	82,500.00	GOP
Program management (Salary of Secretariat)	7,118,557.50	7,028,603.50	MDTF / GOP
Operational expenses (equipment, rental, communications, representation and transportation)	1,800,918.16	550,118.31	MDTF
TOTAL	61,345,550.00	55,670,671.39	

CHAPTER

07

Details of MSG membership (including record of attendance in the meeting held) during the period



Name	Title	Organization					
			24th	25th	26th	27th	
Government							
Department of Finance (DOF)/ Undersecretary Jeremias N. Paul Jr. / Assist. Sec. Ma. Teresa S. Habitan Dir. Elsa P. Agustin/Febe J. Lim			✓	✓	✓	✓	
Department of the Interior and Local Government (DILG)/ Undersecretary Austere A. Panadero/ Dir. Anna Liza F. Bonagua Jean R. Centeno							
Department of Energy (DOE)/ Dir. Rino E. Abad/ Dir. Araceli A.S. Soluta Dir. Ismael U. Ocampo/ Engr. Nenito C. Jariel Jr.			✓	✓			
Department of Environment and Natural Resources (DENR)- Mines and Geosciences Bureau (MGB)/ Dir. Leo L. Jasareno/ Engr. Romualdo D. Aguilos			✓	✓	✓	✓	
Union of Local Authorities of the Philippines (ULAP)/ Gov. Alfonso V. Umali Jr./ Michael Joseph U. Juan Norbert Peter R. Indunan			✓	✓			
Bureau of Internal Revenue (BIR)/ Assist Commissioner Nestor S. Valeroso/ Dir. Teresita M. Angeles Analynsia C. Alarde/Yolanda Luna			✓	✓	✓	✓	
Civil Society Organization							
Dr. Cielo D. Magno	National Coordinator	Bantay Kita	✓	✓	✓	✓	
Prof. Jay L. Batongbacal	Assistant Professor	University of the Philippines (UP) - College of Law	✓	✓	✓		
Ronald Allan A. Barnacha*	Chair Trustee/ Provincial Chairperson	Philippine Rural Reconstruction Movement (PRRM)- Nueva Vizcaya	✓	✓	✓	✓	
Prof. Maria Aurora Teresita W. Tabada*	Director/ Associate Professor	Institute for Strategic Research and Development Studies (ISRDS)-Visayas State University	✓	✓	✓	✓	
Roldan R. Gonzales**	Executive Director	GITIB, INC.	✓		✓		
Filomeno S. Sta.Ana III	Coordinator/ President	Action for Economic Reforms (AER)/ Bantay Kita					
Vincent T. Lazatin*	Executive Director/ Treasurer	Transparency & Accountability Network (TAN)/ Bantay Kita					

**Resigned as of the 28th MSG meeting

MSG Meetings								
	28th	Special MSG Meeting	29th	30th	31st	32nd	33rd	Total
	✓	✓	✓	✓	✓	✓	✓	11
	✓		✓		✓	✓	✓	5
	✓	✓			✓	✓	✓	5
	✓	✓	✓	✓	✓	✓	✓	11
							✓	3
	✓		✓	✓	✓	✓	✓	10
		✓	✓			✓		7
	✓	✓			✓	✓		7
	✓	✓	✓	✓	✓	✓		10
	✓	✓	✓	✓	✓	✓		10
								2
	✓							1
								0

Name	Title	Organization					
			24th	25th	26th	27th	
Dr. Merian C. Mani	Member/ President	Romblon Ecumenical Forum Against Mining (REFAM)/ Marinduque State College		✓	✓		
Chadwick G. Llanos	Focal Person	Cebu Alliance for Safe and Sustainable Development (CASSE)	✓	✓	✓	✓	
Starjoan D. Villanueva	Executive Director	Alternate Forum for Research in Mindanao, (AFRIM) Inc.	✓	✓	✓	✓	
Jose Melvin A. Lamanilao***	Independent Consultant						
Engr. Maria Rosario Aynon A. Gonzales***	Director	Center for Strategic Policy and Governance-Palawan State University					
Atty. Golda S. Benjamin***	Lecturer	Siliman University					
Buenaventura M. Maata, Jr.***	Executive Director	Philippine Grassroots Engagement in Rural Development Foundation, Inc. (PhilGrassroots-ERDF)					
Industry							
Engr. Artemio F. Disini	Chairman	Chamber of Mines of the Philippines					
Gerard H. Brimo	President/ Board of Directors	Nickel Asia Corporation/ Chamber of Mines of the Philippines	✓		✓	✓	
Sebastian C. Quiniones, Jr.*	General Manager/ Managing Director/ President	Shell Philippines Exploration BV (SPEX)/ Petroleum Association of the Philippines (PAP)	✓		✓		
Nelia C. Halcon	Executive Vice President	Chamber of Mines of the Philippines					
Emmanuel L. Samson	Senior Vice President- Chief Financial Officer	Nickel Asia Corporation/ Chamber of Mines of the Philippines					
Sabino L. Santos	Asset Manager	Chevron Malampaya LLC/ Petroleum Association of the Philippines					

* Ended term as of the 32nd MSG meeting

***New MSG member as of the 32nd MSG meeting

MSG Meetings								
	28th	Special MSG Meeting	29th	30th	31st	32nd	33rd	Total
	✓	✓	✓	✓	✓		✓	8
	✓	✓	✓	✓	✓	✓	✓	11
		✓	✓	✓	✓	✓	✓	10
							✓	1
							✓	1
							✓	1
								0
		✓	✓	✓		✓		7
		✓		✓	✓		✓	6
	✓		✓	✓	✓	✓		5
								0
						✓		1

Name	Title	Organization					
			24th	25th	26th	27th	
Atty. Ronald Rex S. Recidoro	Vice President for Legal and Policy	Chamber of Mines of the Philippines	✓	✓	✓		
Anthony P. Ferrer***	Country Representative	Galoc Production Company/ Nido Production (Galoc)					
Adrian S. Ramos	Vice President & Director	Atlas Consolidated Mining and Development Corp.					
Renato N. Migriño	Chief Financial Officer / Senior Vice President for Finance	Philex Mining Corporation / Chamber of Mines of the Philippines					
James G. Ong	President	Ore Asia Mining and Development Corporation					

***New MSG member as of the 32nd MSG meeting

MSG Meetings								
	28th	Special MSG Meeting	29th	30th	31st	32nd	33rd	Total
	✓	✓	✓	✓	✓	✓	✓	10
							✓	1
								0
								0
								0

ANNEXES



PH-EITI ACTIVITIES

Activity	Date Conducted	Objective/s Addressed
PH-EITI commissioned studies on topics relevant to the extractive sector: Scoping studies on small-scale metallic mining and large-scale non-metallic mining industry	July to December 2015	Improve public understanding of the management of natural resources and availability of data
Creation of Contracts Portal	August to October 2015 FGD: October 9, 2015 Portal launch: October 26, 2015	Improve public understanding of the management of natural resources and availability of data
Submission of the Withdrawal Application for the second tranche of the MDTF	October 12, 2015	Institutionalization of PH-EITI
Participation in the National Coordinator's meeting and EITI Board meeting	October 19-22, 2015	Show direct and indirect contribution of extractives to the economy (through EITI process) Create opportunities for dialogue and constructive engagement in natural resource management in order to build trust and reduce conflict among stakeholders
Release of the draft 2nd PH-EITI Report to the MSG	Contextual information: November 23, 2015 Reconciliation report: December 17, 2015	Show direct and indirect contribution of extractives to the economy (through EITI process)
Writershop activity (Finalization of the 2nd Report)	December 7-9 and 14-17, 2015	Show direct and indirect contribution of extractives to the economy (through EITI process)
MSG approval of the 2nd PH-EITI Report	December 29, 2015	Show direct and indirect contribution of extractives to the economy (through EITI process)
Publication of reference materials	3rd quarter of 2015 to February 2016	Improve public understanding of the management of natural resources and availability of data
Maintenance of EITI website and other social network accounts	Ongoing	Improve public understanding of the management of natural resources and availability of data

Activity	Date Conducted	Objective/s Addressed
Participate in international outreach and trainings	Ongoing Extractives data dive workshop in Mexico: October 25-26, 2015 Participation in Myanmar EITI workshop on disseminating and communicating EITI report findings and recommendations: December 9-11, 2015 Participation in the EITI Global Conference in Lima, Peru: February 23-25, 2016	
Participation in related initiatives (PPEI, OGP, MICC, GGAC)	Ongoing Participation in the OGP Global Summit: October 27-29, 2015	Show direct and indirect contribution of extractives to the economy (through EITI process)
Training on reporting template/ LGU roadshow	Butuan: July 15-16, 2015 Palawan: July 22-23, 2015 Cebu: July 29-30, 2015 Davao: August 5-6, 2015 Manila: August 19-20, 2015	Show direct and indirect contribution of extractives to the economy (through EITI process)
PH-EITI briefing for FINEX	August 24, 2015	Create opportunities for dialogue and constructive engagement in natural resource management in order to build trust and reduce conflict among stakeholders Strengthen business environment and increase investments
Forum for LGUs hosting coal operations	September 9, 2015	Create opportunities for dialogue and constructive engagement in natural resource management in order to build trust and reduce conflict among stakeholders
NCIP forum	October 6, 2015	Create opportunities for dialogue and constructive engagement in natural resource management in order to build trust and reduce conflict among stakeholders
Workshop on IP royalty management	October 7, 2015	Create opportunities for dialogue and constructive engagement in natural resource management in order to build trust and reduce conflict among stakeholders

Activity	Date Conducted	Objective/s Addressed
Training of trainers and pilot testing workshop on the inclusion of ENRDMT in the eSRE	November 23-24, 2015	Show direct and indirect contribution of extractives to the economy (through EITI process)
Drafting and approval of the NCIP monitoring tool	November 26, 2015	Strengthen national resource management / strengthen government systems
ENRDMT roll-out	December 10, 2015	Show direct and indirect contribution of extractives to the economy (through EITI process)
Production of summary report, popular version and translated version of the 2nd Country Report	January to March 2016	Show direct and indirect contribution of extractives to the economy (through EITI process)
World Bank and DOF meeting regarding the Multi Donor Trust Fund	February 3, 2016	Institutionalization of PH-EITI
National Conference and launching of the 2nd PH-EITI Report	February 16, 2016	Improve public understanding of the management of natural resources and availability of data
Regular MSG meetings (including TWG meetings)	Monthly/ Ongoing	Create opportunities for dialogue and constructive engagement in natural resource management in order to build trust and reduce conflict among stakeholders
Submission of interim unaudited financial report for the closing of the MDTF	April 30, 2016	Institutionalization of PH-EITI
Capacity building activities for the Secretariat	Annual assessment and strategic planning workshop of the Secretariat: March 31 to April 1, 2016 Building the capacity of the PH-EITI Secretariat: Strengths finder training workshop: May 25, 2016	Show direct and indirect contribution of extractives to the economy (through EITI process)
Drafting and approval of the 2016 Workplan	March to May 2016	Institutionalization of PH-EITI
Submission of the 2016 Workplan to the EITI International Secretariat	May 2016	Institutionalization of PH-EITI
Addressing gaps in the 2nd Report (addendum to the 2nd Report)	January to June 2016	Show direct and indirect contribution of extractives to the economy (through EITI process)
Participation in the expanded meeting of MGB Regional Directors	June 21, 2016	Show direct and indirect contribution of extractives to the economy (through EITI process)
Engagement of Independent Administrator for the 3rd Report	Ongoing	Show direct and indirect contribution of extractives to the economy (through EITI process)

Activity	Date Conducted	Objective/s Addressed
Engagement of Writer for the contextual information of the 3rd Report	Ongoing	Show direct and indirect contribution of extractives to the economy (through EITI process)
Drafting of reporting templates for the 3rd Report	Ongoing	Show direct and indirect contribution of extractives to the economy (through EITI process)
MSG to agree on scope, level of disaggregation and materiality of reporting for the 3rd Report	Ongoing	Show direct and indirect contribution of extractives to the economy (through EITI process)
Enhancement of the contract portal to include maps and EITI data	Ongoing	Improve public understanding of the management of natural resources and availability of data
Continuous monitoring of agency actions on MSG recommendations from previous reports	Ongoing	Strengthen national resource management / strengthen government systems

ACTIVITIES IN THE WORKPLAN, EXPECTED OUTCOMES AND STATUS

ACTIVITIES IN THE WORKPLAN	EXPECTED OUTCOME	STATUS
Workshop / approval of the 2nd PH-EITI Report	A credible, comprehensive and relevant EITI report that is used by all stakeholders in policy formulation and decision making	Achieved
Printing of the 2nd PH-EITI Report	A credible, comprehensive and relevant EITI report that is used by all stakeholders in policy formulation and decision making	Achieved
Production of summary report, popular version and translated version (2nd and 3rd Report)	Increased transparency in EI as an outcome of a relevant EITI process in the country, and a credible and comprehensive EITI report that is used by all stakeholders in policy formulation and decision making	For the 2nd Report: Achieved For the 3rd Report: Pending
Hiring of IA to analyze the government and industry data for the 3rd Report	Increased transparency in EI as an outcome of a relevant EITI process in the country, and a credible and comprehensive EITI report that is used by all stakeholders in policy formulation and decision making	Ongoing
Hiring of consultants to draft contextual information of the report	Increased transparency in EI as an outcome of a relevant EITI process in the country, and a credible and comprehensive EITI report that is used by all stakeholders in policy formulation and decision making	Ongoing
MSG to agree on scope, level of disaggregation and materiality of reporting, sectors covered for the 3rd Report	Increased transparency in EI as an outcome of a relevant EITI process in the country, and a credible and comprehensive EITI report that is used by all stakeholders in policy formulation and decision making	Ongoing
LGU roadshows and trainings on the reporting template (2nd and 3rd Report)	Increased transparency in EI as an outcome of a relevant EITI process in the country, and a credible and comprehensive EITI report that is used by all stakeholders in policy formulation and decision making	For the 2nd Report: Achieved For the 3rd Report: Pending
Drafting and finalization of reporting template based on the level of disaggregation and materiality as agreed upon by the MSG (for the 3rd Report)	Increased transparency in EI as an outcome of a relevant EITI process in the country, and a credible and comprehensive EITI report that is used by all stakeholders in policy formulation and decision making	Ongoing

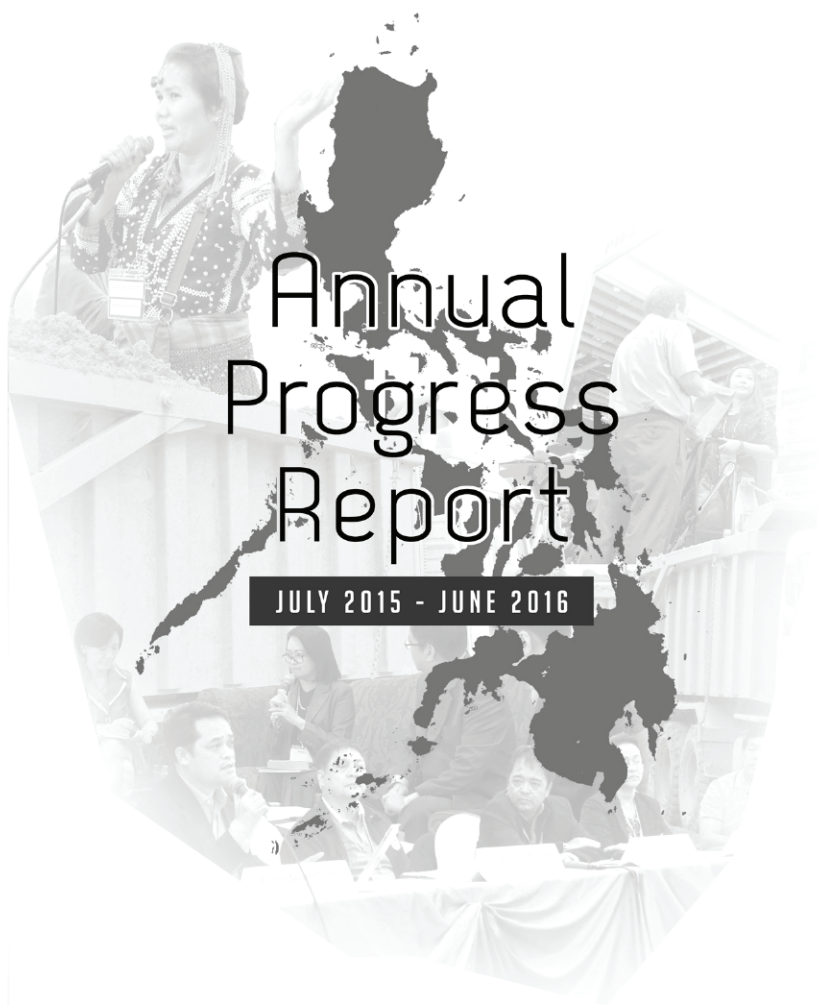
ACTIVITIES IN THE WORKPLAN	EXPECTED OUTCOME	STATUS
Conduct reporting template workshop for all sectors (for the 3rd Report)	Increased transparency in EI as an outcome of a relevant EITI process in the country, and a credible and comprehensive EITI report that is used by all stakeholders in policy formulation and decision making	Pending
Completion and submission of reporting template (for the 3rd Report)	Increased transparency in EI as an outcome of a relevant EITI process in the country, and a credible and comprehensive EITI report that is used by all stakeholders in policy formulation and decision making	Pending
Creation of online reporting tool for companies and government agencies	Increased transparency in EI as an outcome of a relevant EITI process in the country, and a credible and comprehensive EITI report that is used by all stakeholders in policy formulation and decision making	Pending
Reconciliation process (for the 3rd Report)	Increased transparency in EI as an outcome of a relevant EITI process in the country, and a credible and comprehensive EITI report that is used by all stakeholders in policy formulation and decision making	Pending
Drafting of the 3rd PH-EITI Report	Increased transparency in EI as an outcome of a relevant EITI process in the country and a credible and comprehensive EITI report that is used by all stakeholders in policy formulation and decision making	Pending
Workshop / approval of the 3rd PH-EITI Report	Increased transparency in EI as an outcome of a relevant EITI process in the country, and a credible and comprehensive EITI report that is used by all stakeholders in policy formulation and decision making	Pending
Printing of the 3rd PH-EITI Report	Increased transparency in EI as an outcome of a relevant EITI process in the country, and a credible and comprehensive EITI report that is used by all stakeholders in policy formulation and decision making	Pending
Report analysis workshop (for the 2nd Report)	Improved governance of EI through well capacitated stakeholders who can cascade their learnings on EI issues and EI data to the broader public	Pending

ACTIVITIES IN THE WORKPLAN	EXPECTED OUTCOME	STATUS
International outreach and trainings	Improved governance of EI through well capacitated stakeholders who can cascade their learnings on EI issues and EI data to the broader public	Ongoing
Communications trainings for MSG and media	Improved governance of EI through well capacitated stakeholders who can cascade their learnings on EI issues and EI data to the broader public	Pending
Outreach activities (government, regional offices, communities and industry) on EITI implementation (academe/ large-scale non-metallic mining)	Improved governance of EI through well-capacitated stakeholders who can cascade their learnings on EI issues and EI data to the broader public	Ongoing
Dialogues with companies to ensure full participation in EITI	Increased transparency in EI as a result of full commitment and participation of companies to ensure a comprehensive and reliable report	Ongoing
Orientation on validation	Proper implementation of EITI in the country	Pending
Validation meetings and other related expenses	Proper implementation of EITI in the country	Pending
National Conference and launching of the 2nd Report	Increased awareness and improved public debate on EI issues leading to introduction of reforms	Achieved
Regular press releases and articles on PH-EITI activities	Increased awareness on the need for transparency, and improved public debate on EI issues leading to introduction of reforms	Ongoing
Engage public information office of relevant government agencies	Increased awareness on the need for transparency, and improved public debate on EI issues leading to introduction of reforms	Ongoing
Media briefing on EITI implementation	Increased awareness on the need for transparency, and improved public debate on EI issues leading to introduction of reforms	Ongoing
Development of a communications plan and MSG/Secretariat workshop	Increased awareness on the need for transparency, and improved public debate on EI issues leading to introduction of reforms	Pending

ACTIVITIES IN THE WORKPLAN	EXPECTED OUTCOME	STATUS
Hiring of consultants for studies	Increased awareness on the need for transparency, and improved public debate on EI issues leading to introduction of reforms	Ongoing Scoping studies on small-scale metallic mining and large-scale non-metallic mining industry: Achieved
Establish a mechanism for assessing public awareness on EITI	Proper implementation of EITI	Pending
Publication of reference materials, primer and online resources	Increased awareness and improved public debate on EI issues leading to introduction of reforms	Ongoing
Maintain and update PH-EITI website	Increased awareness and improved public debate on EI issues leading to introduction of reforms	Ongoing
Enhancement of the Contracts Portal	Increased awareness and improved public debate on EI issues leading to introduction of reforms; Increased transparency regarding the operations of extractive companies through contract disclosure and creation of interactive maps	Ongoing
Meeting with Development Partners	Increased awareness and improved public debate on EI issues leading to introduction of reforms	Pending
Roll-out of NCIP monitoring tools	Increased transparency and accountability through citizens' participation in the regular monitoring of payments	Pending
Development of monitoring tool for MGB mandated funds and SDMP	Increased transparency and accountability through multi-stakeholder participation in the regular monitoring of payments	Ongoing
MSG to formulate new policies and propose legislations/ amendments of existing laws based on the recommendations from the 2nd Report	Improved government systems that ensure transparency in all EI transactions; Institutionalization of policies which results in sustainable reforms and programs	Pending
MSG to establish a coordinating mechanism with implementation of the TIMTA	Improved government systems that ensure transparency in all EI transactions; Institutionalization of policies which results in sustainable reforms and programs	Pending
MSG to formulate recommendations and policies to address LGU concerns using EITI process	Improved government systems at the local level	Pending

ACTIVITIES IN THE WORKPLAN	EXPECTED OUTCOME	STATUS
Workshop with LGUs on revenue management Workshop with LGUs on revenue management	Improved revenue management at the local level	Pending
Coordinate with MGB on the standardization process for planning of SDMP and community development plans	Improved government systems that ensure transparency in all EI transactions Institutionalization of policies through law which results in sustainable reforms and programs	Pending
Engage the legislative branch of government	Improved government systems that ensure transparency in all EI transactions	Ongoing
Conduct policy forums to address issues in the extractive industries	Improved government systems that ensure transparency in all EI transactions; Institutionalization of policies which results in sustainable reforms and programs	Pending
Draft EITI law	Improved government systems that ensure transparency in all EI transactions; Institutionalization of policies through law which results in sustainable reforms and programs	Ongoing
Strengthening of local monitoring teams	Increased transparency and improve EI governance at the local level as led by well capacitated LGUs and local monitoring teams equipped in implementing reforms	Pending
Continuous monitoring of agency actions on MSG recommendations from previous reports	Improved government systems that ensure transparency in all EI transactions	Ongoing
Regular MSG meetings	An enabling environment for sound policies as a result of sustained dialogue among stakeholders	Ongoing
Regular forums and dialogues with stakeholders	An enabling environment for sound policies as a result of sustained dialogue among stakeholders	Ongoing
Develop and report proper metrics in assessing social, economic and environmental contributions/impacts of the extractive sector	Measurable outcomes of SDMP	Pending
FGD on investments in environmental protection measures of extractive industries and its implications for the EITI process	Increased awareness and improved public debate on EI issues	Pending
FGD on the oil and gas sector	Increased awareness and improved public debate on EI issues	Pending

ACTIVITIES IN THE WORKPLAN	EXPECTED OUTCOME	STATUS
Knowledge sharing on the results of the study entitled “Improved National Policies on Ensuring Equitable Sharing of National Wealth to Local Government”	Contribute to improved policies to ensure equitable sharing of national wealth to LGUs towards SD	Pending
Knowledge sharing on the results of the study entitled “Assessment of the Impact of SDMPs of Large-Scale Mining Companies in Selected Host Communities in the Philippines”	Contribute to improved utilization of benefits from ENR through mainstreaming of P-E linkages into local development plans and programs towards SD	Pending
Assess investments in the extractive industries before and after the EITI process	Increased awareness on the need for transparency, and improved public debate on EI issues	Pending
Management of the PH-EITI Secretariat and operational expenses	Effective implementation of EITI	Ongoing
Trainings for Secretariat on project management	Proper implementation of the PH-EITI work plan and grant	Ongoing



Annual Progress Report

JULY 2015 - JUNE 2016