

PH-EITI 10th MSG MEETING
9:00 AM- 12:00 PM | January 24, 2014
Mindanao Room, Department of Finance,
Roxas Blvd., Manila

Attendees:

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6		
7	Attendees:	
8		
9	Asst. Sec. Ma. Teresa S. Habitan	Department of Finance (DOF)
10	Elsa P. Agustin	DOF
11	Lourdes Z. Santiago	DOF
12	Lilia R. Tan	DOF
13	Engr. Benjamin Mortos	Department of Energy (DOE)
14	Engr. Romualdo Aguilos	Mines and Geosciences Bureau—Department of Environment and Natural Resources (MGB-DENR)
15		
16	Michael Joseph Juan	Union of Local Authorities of the Philippines (ULAP)
17	Prof. Maria Aurora Teresita W. Tabada	Visayas State University
18	Ronald Allan A. Barnacha	Philippine Rural Reconstruction Movement (PRRM)/ North Luzon
19		
20	Filomeno D. Sta. Ana III	Action for Economic Reforms (AER)/Bantay Kita
21	Agustin Docena	Samar Island Bio-diversity Foundation (SIBF)/Eastern Visayas Network of NGOs and POs, Inc. (EVNET)
22		
23	Engr. Artemio F. Disini	Chamber of Mines of the Philippines (COMP)
24	Gerard Brimo	COMP
25	Nelia C. Halcon	COMP
26	Clarence J. Pimentel, Jr.	CTP Construction and Mining Corporation
27	Francisco J. Arañes Jr.	Cambayas Mining Corporation
28	Arturo P. Santos	Cambayas Mining Corporation
29	Sebastian C. Quiniones, Jr.	Shell Philippines Exploration BV (SPEX)/ Petroleum Association of the Philippines (PAP)
30		
31	Atty. Gay Alessandra V. Ordenes	Secretariat
32	Maria Meliza T. Tuba	Secretariat
33	Abigail D. Ocate	Secretariat
34	Mary Ann D. Rodolfo	Secretariat
35	Liezel B. Empio	Secretariat
36	Grace A. Estacio	Secretariat

1 **AGENDA:**

- 2 • Minutes of the 9th MSG meeting
3 • Matters arising from previous MSG meetings
4 • Hiring of Independent Administrator
5 • Report on the Jakarta Conference
6 • The Replacement of Non-COMP Representative
7 • Calendar of activities for 2014
8 • Upcoming activities
9 • Financial statement as of December 31, 2013
10 • EO 147

11
12
13 **1. Call to Order:**

14
15 1.1. The Philippine Extractive Industries Transparency Initiative (PH-EITI) Multi-Stakeholder Group (MSG)
16 meeting was called to order at 9:15 AM.

17
18 The proposed agenda was presented and subsequently approved by the body.

19
20 **2. Minutes of the 9th MSG Meeting**

21
22 2.1. The Chair mentioned that the minutes of the previous MSG meeting is deemed approved since no
23 comments were received by the Secretariat when the minutes was circulated to the members.

24
25 The Chair requested that the approval of the meeting minutes be formalized.

26
27 2.2. The body approved the minutes of the 9th MSG meeting with no revisions.
28

29 **3. Matters Arising from Previous MSG meetings**

30
31 3.1. *Establishment and management of a revenue-linked database:* This was reported to be dependent on
32 the availability of the Multi-Donor Trust Fund (MDTF) from the World Bank. The Secretariat shared that the
33 grant is expected to be released by April 2014.
34

35 3.2. *Auditing of government reports:* It was reported that the Secretariat was tasked to invite the
36 Commission on Audit (COA) to discuss current auditing practices on government data to determine if these
37 are compliant with the International Supreme Audit Standards. However, it was also recalled that during the
38 9th MSG meeting, the body agreed to wait for the results of the scoping study before deciding on the need
39 to engage COA.
40

41 3.3. *Whether service contracts should be part of the waiver:* The Secretariat recalled that the Chair sent a

1 formal letter to the Department of Energy (DOE) requesting them to inform the members of the MSG
2 regarding their policies on public disclosure. It was reported that the request is already being reviewed by
3 DOE's legal department.

4
5 3.4. *Offer of Timor Leste to conduct a training for the PH-EITI MSG on the Petroleum Fund process:* This item
6 was reported to be also dependent on the release of the MDTF. It was also recalled that the body agreed to
7 decide on this matter when the need for such a fund mechanism arises.

8
9 3.5. *Bureau of Internal Revenue (BIR) waiver:* The Secretariat shared that 16 large-scale metallic mining
10 companies and three (3) oil and gas companies have already submitted their signed taxpayer's waiver.
11 The Chair asked what is the total number of companies that should execute the waiver.

12
13 3.6. It was noted that majority (14) of the mining companies that have signed the waiver are members of
14 the Chamber of Mines of the Philippines (COMP).

15 Below is the reported list of companies with signed waiver:

16 Mining Companies:

- 17 1. Benguet Corporation/Benguet Nickel Mines, Inc.
- 18 2. Cagdianao Mining Corp.
- 19 3. Hinatuan Mining Corp.
- 20 4. Rio Tuba Nickel Mining Corp.
- 21 5. Taganito Mining Corp.
- 22 6. Carmen Copper Corp.
- 23 7. Filminera Resources Corp
- 24 8. Lepanto Consolidated Mining Co.
- 25 9. OceanaGold (Philippines), Inc.
- 26 10. Philex Mining Corp.
- 27 11. Philsaga Mining Corp.
- 28 12. Platinum Group Metals Corp.
- 29 13. TVI Resource Development
- 30 14. Zambales Diversified Metals Corp.
- 31 15. Johson Gold Mining Corporation
- 32 16. Sino Steel Phils. H.Y. Mining Corp.

33
34 Oil and Gas Companies:

- 35 1. Shell Philippines Exploration B.V (SPEX)
- 36 2. Chevron Malampaya LLC
- 37 3. PNOC - Exploration Corporation

38
39 3.7. Secretariat informed the MSG that it is following up the submission of the waiver by the other
40 companies that have not yet signed.

41

1 3.8. The Secretariat also shared that four of the large-scale metallic mining companies are currently not
2 operating as reported by the COMP and non- COMP representatives. However, the representative from
3 Mines and Geosciences Bureau (MGB) confirmed that these companies were operating in 2012. Since the
4 EITI report will cover the year 2012, the said companies still need to sign the waiver.

5
6 3.9. The body was informed that a briefing with the non-COMP companies regarding EITI is being scheduled
7 in February since some companies are not yet familiar with EITI.

8
9 3.10. The Chair inquired if the signed waivers of all companies should be completed before the EITI
10 implementation can proceed.

11
12 3.11. The Secretariat clarified that the MSG can proceed with the upcoming activities as planned whether or
13 not all the companies have signed the waiver. It was explained that the waiver is relevant to the data
14 gathering that will be done by the Independent Administrator (IA).

15
16 3.12. The assistance of DOE was requested in order for the oil and gas companies to expedite the execution
17 of their waivers. The Chair advised the Secretariat to formalize the request.

18
19 3.13. *Incentive regime for mining:* During the 8th MSG meeting, the secretariat was tasked to send a letter to
20 Board of Investments (BOI) requesting for the list of companies which availed of income tax holiday and
21 other incentives. The Secretariat shared that the BOI representatives were supposed to be invited to attend
22 the 10th MSG meeting. However, it was decided to invite them during the 11th MSG meeting instead where
23 the consultants will present the partial results of their scoping study so that the BOI representatives can also
24 give their comments on the findings of the consultants.

25
26 3.14. *Subnational transfers:* It was again recalled that the Secretariat was tasked to invite BIR and
27 Department of Budget and Management (DBM) to the next 10th MSG meeting to discuss how collections are
28 allocated to the intended beneficiaries and how long the process of distribution takes place. The
29 representatives of BIR and DBM will also be asked to give updates on the implementation of the Joint
30 Memorandum Circular on the downloading of shares. As in the case with BOI, it was decided that BIR and
31 DBM be invited during the 11th MSG meeting instead so that they will also be present when the consultants
32 present the partial results of the scoping study. The Secretariat was also tasked to get in touch with the
33 office of Senator Ferdinand "Bong Bong" R. Marcos, Jr. to inquire on the proposed bill on automatic
34 appropriations of Local Government Unit (LGU) shares. It was mentioned that a copy of the proposed bill
35 was already circulated to the members of the MSG earlier through email and a copy is also included in the
36 meeting kits.

37 38 **4. Hiring of Independent Administrator**

39
40 4.1. The Secretariat presented the Terms of Reference (TOR) For Independent Administrator. The
41 presentation material is attached as Annex A. To give the MSG members a background regarding the hiring
42 of an IA, the Secretariat discussed EITI requirement number 5 which states that a credible assurance process

1 applying international standards is required. The objectives of the assignment as well as the overview of the
2 EITI reporting process and deliverables were also presented.

3
4 In addition, the qualification requirements for IA, reporting requirements, time schedule for deliverables
5 and schedule of payments were also reported.

6
7 4.2. The work of the Independent Administrator has five phases. As part of the presentation, the Secretariat
8 discussed each of the first four phases:

- 9 • Inception Report
- 10 • Data Collection
- 11 • Initial Reconciliation and Initial Reconciliation Report
- 12 • Investigation of Discrepancies and Draft Independent Administrator's Report

13
14 4.3. The Secretariat informed the MSG members that they should decide on the following issues pursuant to
15 the EITI Standard:

- 16 1. What additional contextual information should be included?
- 17 2. Will the MSG publicly disclose contracts? (Encouraged under EITI standard 3.12)
- 18 3. Will the MSG include information on beneficial ownerships in the report? (Recommended under EITI
19 standard 3.11)
- 20 4. Will the MSG include the following information on revenue management and expenditures?
21 (Encouraged under EITI standard 3.8)
 - 22 • A description of any extractive revenues earmarked for specific programs or geographic
23 regions. This should include a description of the methods for ensuring accountability and
24 efficiency in their use.
 - 25 • A description of the country's budget and audit processes and links to the publicly available
26 information on budgeting, expenditures and audit reports.
 - 27 • Timely information from the government that will further public understanding and debate
28 around issues of revenue sustainability and resource dependence.
- 29 5. Materiality and inclusion of subnational payments
- 30 6. Disclosure and reconciliation of payments to and from state-owned companies
- 31 7. Materiality and inclusion of subnational transfers
- 32 8. Agree on assurances to be provided by reporting entities to the IA
- 33 9. Agree on provisions relating to safeguarding confidential information
- 34 10. The MSG should agree on the level of disaggregation for the publication of data
- 35 11. Final list of companies
- 36 12. Conflict of interest (Which auditing firms are eligible to bid?)

37
38 4.4. From the 12 issues to be decided, the Chair asked what items should be urgently resolved for the
39 meeting.

1 4.5. The Secretariat responded that for the 10th MSG meeting, the body should decide on the last two items
2 which is to finalize the list of companies that will be included in the EITI report and decide which auditing
3 firms are eligible to bid for IA post.
4

5 4.6. It was clarified that the other issues can be decided by the MSG once the consultants for scoping study
6 have given their recommendations.
7

8 4.7. The Chair suggested that the discussion be focused on the last two items. The MSG agreed.
9

10 4.8. The Secretariat mentioned that the companies are listed in the Annex 1 of the Independent
11 Administrator’s TOR. It was pointed out that the list of companies is the same with the list that MGB and
12 DOE sent when the Secretariat were identifying companies that should sign the taxpayer’s waiver.
13

14 4.9. For clarification, the Chair explained that item 11 will determine the companies which will be covered by
15 the first EITI report, while item 12 will determine the auditing firms that the MSG can hire as IA.
16

17 4.10. The members of the MSG decided to first discuss the list of companies.
18

19 4.11. The Chair reiterated that 37 mining companies, 11 oil and gas companies, and at least 7 government
20 agencies and LGUs will be the coverage of the EITI report once the body agreed to the list.
21

22 4.12. A representative of the Union of Local Government Authorities (ULAP) shared that they have a list of
23 specific provinces and municipalities where there are mining and oil and gas operations.
24

25 4.13. The Chair requested the ULAP representative to formally submit the said list to the MSG members and
26 the Secretariat for the purpose of determining the scope and coverage of EITI.
27

28 4.14. One representative of the industry sector asked whether all the mining companies in the list are
29 operating mines.
30

31 4.15. It was again mentioned that some mining companies in the list are not currently operating. The MGB
32 representative was asked to update the body regarding the status of the said non-operating mining
33 companies.
34

35 4.16. The representative of MGB confirmed that LNL Archipelago Minerals Incorporated and Shenzhou
36 Mining Group Corporation are currently not operating. However, the representative was not familiar with
37 status of operation of Mt. Sinai Mining Exploration and Development Corporation. The MGB representative
38 also explained the Philippine Mining Development Corporation (PMDC) should be removed and replaced
39 with AAM-PHIL Natural Resources Exploration and Development Corporation which is the operator.
40

41 4.17. The Chair pointed out the need to determine when the companies have stopped operating. MGB was
42 asked to determine when the said non-operating companies actually stopped their operations. In addition,

1 the Chair shared that for the purposes of the EITI report, what should be looked into are not the operations
2 but the taxes and other payments that companies paid to the government for the year 2012.

3
4 4.18. The MGB representative agreed and stated that companies which operated in the year 2012 may still
5 be included in the EITI report even if they that are not currently operating.

6
7 4.19. The MGB representative stated that they will provide a list of all the mining companies that operated
8 in 2012 which is different from the list that they earlier submitted.

9
10 4.20. The Chair reiterated that MGB is requested to provide the Secretariat with a list of all mining
11 companies that were in operation as of December 2012.

12
13 4.21. One member of the MSG shared that Mt. Sinai Mining Exploration and Development Corporation
14 actually have operations and that they are operating in an area which is under the PMDC. Mt. Sinai was said
15 to have a joint agreement with PMDC.

16
17 4.22. The Chair further clarified that the 2014 EITI report will cover the year 2012 thus, mining companies
18 which stopped operating in 2012 but resumed operation in 2013 will be included in the EITI report for year
19 2015.

20
21 4.23. Correspondingly, the DOE was also tasked to send an official list of oil and gas companies to be
22 included in the EITI report.

23
24 4.24. The representative from DOE shared there are 11 operating oil and gas companies. It was explained
25 that DOE is currently in the process of evaluating the performance of the said 11 companies. DOE will
26 provide the official list once the evaluation is completed.

27
28 4.25. The Chair set a deadline for submission. Both MGB and DOE representatives were asked to submit the
29 said list on or before January 30, 2014.

30
31 4.26. A question was raised whether all the companies that will be reported to have been operating in year
32 2012 will be included in the EITI report.

33
34 4.27. One representative of the industry sector responded that it will depend on materiality and the taxes
35 that the company pays. It was added that since the submission of the waiver is voluntary, a company could
36 be in the list but it might not want to participate.

37
38 4.28. Another industry sector representative shared that any mining company which operates and pays
39 taxes should be in the list. Even if the company is relatively small, it should be included in the list as long as it
40 is operating in a large-scale mining permit. The company would decide whether or not they want to
41 participate. However, if the company chooses not to participate, the name of their company will be
42 published.

1 4.29. On the other hand, it was mentioned that the MSG has not yet determined how to define materiality.
2 Since this the case, the representative of the industry sector reiterated that it would be best to include all
3 companies operating under a large-scale mining permit.
4

5 4.30. The Chair stated that the consultants for the scoping study will provide guidance regarding materiality
6 for the MSG members to have a more comprehensive picture. The members of the MSG will have better
7 information by the time they would have to make a very specific decision on what to include.
8

9 4.31. A representative of Civil Society Organizations (CSOs) recalled that the body already agreed to include
10 all 38 large-scale metallic operating mines. It was noted that the status of operations of the companies
11 should be verified but there should be no more question what to include.
12

13 4.32. Consequently, it was agreed upon that all the companies in the list to be submitted by MGB and DOE
14 will be included in the EITI report.
15

16 4.33. An MSG Member representing the industry requested the Chair to confirm that disclosing information
17 is voluntary.
18

19 4.34. The Chair elaborated that when the MSG started, the group was operating on the principle that it
20 would like to encourage an exchange of information that will provide a platform of transparency for the
21 extractive industry. While there is no law which enshrines this principle for now, the Chair believes that is
22 something worth practicing even without Congressional backing.
23

24 4.35. The Chair added that that it is best for all companies concerned to volunteer the information,
25 especially when there is nothing to hide.
26

27 4.36. Another industry member agrees with what has been mentioned earlier regarding how all large-scale
28 mining operations should be part of the report.
29

30 4.37. The Chair emphasized that when one reads the waiver closely, the document is really for the BIR. The
31 waiver's purpose is for BIR to provide information on the filings that the companies have already made with
32 the BIR.
33

34 4.38. The Chair expressed that what the EITI requires is that the BIR provides their records on how much
35 these companies have paid them, which are then compared with the company reports on how much they
36 paid the BIR. The Chair emphasized that the EITI process is indifferent to any BIR issues the companies might
37 have. What the EITI is interested in is seeking objective facts and figures. However, given the way the Tax
38 Code is written, the BIR Commissioner cannot provide these records to a third party unless a company signs
39 the waiver. As such, the waiver has to be explained in a manner that addresses the concerns of the
40 companies.

1 4.39. The industry member added that the biggest apprehension of his peers is that signing the waiver will
2 essentially “give the keys to the BIR” and it remains a challenge for him to explain the issue otherwise. He
3 goes on to suggest that it might be helpful if the EITI shows the non-signatories exactly what kind of
4 information will be extracted from companies that are already supporting the initiative and have already
5 signed the waiver.
6

7 4.40. The Chair stated that the issue on disclosure appears to be more of a communication problem. If
8 anything, according to the Chair, it is really the government which is put in the center of this discussion. The
9 waiver is not for BIR to look at the companies’ books again. It is a waiver for the BIR to release the
10 information they already have to the EITI.
11

12 4.41. A representative from the CSO suggested to the body to not include in the report those companies
13 who will not submit the waiver. Another industry member replied that the non-signatory companies will still
14 have their name in the report but they will be identified as not having signed the waiver and are therefore
15 not willing to participate in the process. It must be put on record, however, that they are part of the group
16 of large-scale mining companies
17

18 4.42. Another industry member expressed his agreement on this matter. He then goes on to say that since
19 there are only 16 companies that have signed the waiver so far, more work needs to be done in terms of
20 explaining the reasons why other companies should sign the waiver and be included in the report.
21 Representatives from the COMP are optimistic that all their members will sign the waiver. Much of the work
22 falls on convincing the non-COMP mining companies to support the initiative.
23

24 4.43. A representative from the CSO then suggested that it might help move the process forward if the
25 waiver be explained by the Chair to the other companies in the same manner that she did to the MSG
26 earlier. An industry member suggested that another outreach to the mining companies be conducted so as
27 to get them to sign the waiver.
28

29 4.44. The Secretariat then clarified that those who were not present in the December briefing are the same
30 companies that have not yet signed the waiver. For this reason, the Secretariat is scheduling another
31 briefing with them by the 3rd Week of February.
32

33 4.45. The Secretariat is also planning on inviting the other mining companies who have not yet signed the
34 waiver so as to explain the EITI again and to also further clarify the purposes of the waiver. During the
35 December briefing, only 2 non-COMP mining companies attended.
36

37 4.46. A member representing the industry also reminded the body that another session is scheduled for the
38 PAP members. He explained that while Secretary Bebet Gozun already talked to most of the PAP members,
39 as a whole, the group requires one more briefing. So far, only the Malampaya Consortium has signed the
40 waiver.

1 4.47. The Chair returned to the statement made earlier about including all the companies in the report.
2 According to the Chair, should these companies choose not to sign the waiver, an asterisk will be put after
3 their name to mark that they are part of the industry but have refused to sign the waiver. She also suggested
4 that the MSG issue a press statement informing the public about the companies that have already signed
5 the waiver. The press statement will be released following the 10th MSG meeting.
6

7 4.48. An industry member asked to be given another week to get the other companies to sign the waiver
8 before the body issues the press release to which the Chair replied that a series of press releases can be
9 issued to also raise awareness regarding the EITI.
10

11 4.49. The Chair then informed the body that Congress is already asking questions about the EITI. She states
12 that a house resolution was submitted to the Committee on Ways and Means and was also put on the
13 agenda. She informed the body that Congress might schedule a hearing when session begins.
14

15 **On the question of Conflict of Interest:**
16

17 4.50. The Chair discussed the list of auditing firms accredited by the SEC. A list of firms provided by the
18 Secretariat shows the names of the firms and their affiliation to a foreign auditing firm, as well as which
19 country the foreign auditing firm is based. She stressed the importance of the auditing firm's affiliation to a
20 foreign group as an assurance that the local counterpart is cognizant of international best practices. She
21 referred the body to the question on what would comprise a "conflict of interest" and how the body can
22 best mitigate this.
23

24 4.51. It was suggested that the MSG first decides on the "conflict of interest" issue, i.e., if it is significant for
25 the auditing firm to have had no dealings with any of the mining, oil and gas companies. She then went on
26 to say that the probability of that is very low. It then falls on the body to determine how critical the firms'
27 involvement with any one of the mining, oil and gas firms will be in the process.
28

29 4.52. A representative from the industry stated that the group should not exclude firms that are auditing
30 mining, oil and gas companies because that might be most of the firms in the list. According to him, the
31 firms that normally do audits are familiar with the industry and that is the expertise that the MSG requires
32 for the EITI report. He goes on to explain that these companies provide different services and most mining,
33 oil and gas companies require the audit side of the services. He suggests that to address the conflict of
34 interest, the MSG specifies that the engagement should not be handled by the audit group but by another
35 group within the firm. The firm, therefore, has to be big enough to have more than just audit services; they
36 should also have management or consultancy services.
37

38 4.53. Another industry representative stated that it will likewise be difficult to employ a firm that has no
39 experience or familiarity with the industry. The Chair referred the group to the TOR which explicitly states
40 that the IA to be employed needs to have familiarity with the industry to qualify.

1 4.54. The Chair then went on to clarify the previous points made, particularly on the suggestion that the IA
2 must be a company that is big enough to have several services under its wing, and that the MSG should
3 already specify that it is not the auditing side of the company that will be hired or should be putting out the
4 bid. The firm should also be familiar with the extractive industry.
5

6 4.55. A representative from the CSO also suggested that there should be disclosure of previous
7 engagements with any of the mining, oil and gas companies and the nature of the work that they did for
8 these companies.
9

10 4.56. At this point, the Chair introduced Director Lourdes Santiago and Ms. Lilia Tan of the Department of
11 Finance (DOF) as resource persons since it is their unit that will be in charge of the bidding. She also stated
12 that since the hiring of the IA is part of the GOP's budget, the DOF will have to bid out the contract. The
13 MSG's task is to help the DOF's Bids and Awards Committee (BAC) to outline the specifications required
14 from the IA. The body needs to be very clear and precise so as to avoid delays in the bidding process.
15

16 4.57. Director Santiago of the DOF inquired if the bid will be open only to SEC-registered auditing firms. She
17 explained that for the short-listing of companies, the DOF will need to come up with criteria and a point
18 system. Once a list of the shortlisted companies is ready, that is when the DOF will open the matter for
19 bidding or the submission of the firms' technical and financial proposals. There will again be another set of
20 criteria as basis for the awarding of the winning bidder or the highest rated bid, i.e., quality cost or quality
21 based. If the body goes for quality based and the bid is worth Php 4M, there are no points whether they bid
22 for Php4M or below. If the body goes for quality cost on the other hand, points will be given for the
23 percentage of quality vis-à-vis the cost.
24

25 4.58. A representative from the government then stated that for bidding purposes, stating only the SEC
26 accreditation will not address the conflict of interest issue.
27

28 4.59. Director Santiago responded that the conflict of interest clause can already be included in the
29 invitation to bid. She further elaborated that as the first step of shortlisting, the MSG can already include
30 this so that the firms are already made aware of that criterion. If the group requires specific conditions,
31 these have to be already stated before the shortlisting.
32

33 4.60. The Chair then remarked that some basic conditions are indeed necessary – auditing firms should be
34 SEC registered, should be affiliates of a foreign firm, should provide disclosure of previous work with mining,
35 oil and gas companies, and should be of a sufficient size such that they offer a variety of other services.
36

37 4.61. A representative from government then inquired whether the body will define conflict of interest on a
38 per company level even if the firm provides different services, or if by simply having had previous or current
39 engagements with mining, oil and gas companies. The Chair responded that it will be impossible to define
40 conflict of interest in this manner, and in doing so, the MSG will not be able to hire anybody. She explained
41 that the auditing firm may have had dealings with mining, oil and gas companies but these should be
42 disclosed. They should also be large enough to offer services other than audit. The Chair stressed that the

1 MSG will also require the firm's experience and knowledge of the industry, but that, this does not
2 immediately equate to conflict of interest. The conditions in the bidding should very precisely provide this
3 information.

4
5 4.62. On this note, the Chair requested that a composite team from the MSG help the DOF resource persons
6 in formulating the bidding documents. She requested for volunteers from the group, 2 each from the
7 industry and the CSOs. She then reminded the group that this process is very critical and unless the MSG is
8 able to pin down the specifications in the bidding documents, the process will encounter delays. Unless the
9 IA will be funded through sources other than government, the DOF is required to bid it out.

10
11 4.63. The Secretariat then presented a document prepared by the DOF which shows the timetable for the
12 bidding process. At the minimum, the entire procurement process will take at least 34 calendar days. The
13 Secretariat stated that the process should be started by the 1st week of February.

14
15 4.64. The Chair asked each sector to give the names of their representatives for the composite team no later
16 than. The body agreed and proposed that the composite team already meet on January 27, 2014. The
17 meeting between DOF and the Composite Team of the MSG will be held at DOF and was set at 1:00 PM.

18
19 4.65. In summary, the Chair again clarified that the MSG's definition of conflict of interest does not mean
20 that the auditing firms should not have any dealings with the industry; it only means that they will be able,
21 in a way, to build a "China Wall" around what they have previously done for a mining company, and that
22 these dealings must be disclosed. These conditions must be stated very clearly in the bid documents.

23
24 4.66. A representative from the government requested for sample bid documents to serve as a guide for
25 those attending the meeting. Director Santiago replied that bid templates are available and they will provide
26 samples during the meeting.

27
28 4.67. A representative from the industry returned to the discussion on what will constitute a conflict of
29 interest, particularly if the firm is on retainer with a mining company and it is hired as the IA. The
30 representative also inquired if such firms deal with the government as well.

31
32 4.68. For the first question, the Chair clarified that this is does not constitute a conflict of interest with the
33 EITI, based on the discussions earlier with regard to the requirements for the hiring of an IA. For the second
34 question, the Chair explained that the Government per se is audited by COA therefore the engagement that
35 it has with some of the auditing firms would be limited to projects pertaining to tax policies, or if these firms
36 are part of an inter-agency consultation with regard to policy reforms for example.

37
38 4.69. A representative from Government followed up on the same question posed by the industry
39 representative regarding the conflict of interest. According to the Government Representative, if a mining
40 company for example provides a revenue of Php10M to the auditing firm on a yearly basis and because of
41 that relationship, the mining company is perceived to have influence on the hiring of the firm and its
42 findings, then that is where the conflict of interest issue comes in.

1 4.70. The Chair then asked the body if auditing companies can disclose who their clients are, and if it is
2 feasible to require these auditing firms to disclose their dealings with mining, oil and gas companies. If this is
3 confidential, then the body cannot do anything in this regard.
4

5 4.71. Director Santiago of the DOF then stated that one of the requirements in the bidding documents is to
6 actually disclose all your completed projects within a certain number of years. Companies who fail to do so
7 or misrepresent themselves in some way will result to blacklisting later.
8

9 4.72. It was then suggested by a CSO Representative to cut short the process and have the mining
10 companies disclose who their auditing firms are. The Chair remarked that this measure makes sense, but
11 judging from the speed at which the companies are submitting the waivers, it will also take them a while to
12 disclose their auditing firms.
13

14 4.73. The Chair clarified that EITI does not currently have an accreditation of IA's.
15

16 4.74. Still on the conflict of interest issue, a CSO Representative pointed out that board members of the big
17 auditing firms might also be board members of certain mining companies.
18

19 4.75. The Chair replied that objectively speaking, that will be something the firm will need to disclose but is
20 not necessarily a ground of disqualification on the basis of conflict of interest. That being said, the IA firm
21 will report the findings to the MSG and that does not have to be cleared with the board of the auditing firm
22 or the particular board member who might also be a member of the board of a mining company. She then
23 encouraged the group to not only identify roadblocks but to also think of measures on how the group can
24 navigate these roadblocks. She stressed that if the MSG makes the requirements too stringent, no firm will
25 bid and no IA will be hired.
26

27 4.76. It was suggested that to be fair, the IA should also probably disclose any auditing engagement with the
28 CSO engaged in mining advocacy whether the CSO is pro or anti industry.
29

30 4.77. The Chair summarized that it will be the MSG which will determine what will be in the report. Revenue
31 streams and expenditures will be identified. As for the other things encouraged by the EITI Standard, she
32 explains, these can be included later on once the MSG has increased its capacity for doing so. She
33 encouraged the group to keep things simple as of the moment.
34

35 4.78. A representative from the CSO inquired regarding the expected output for the meeting on Monday
36 and if the output will be subject for review of the MSG. The Chair replied that the MSG will review the
37 output and will submit their comments and suggestions via email.
38

39 4.79. Director Santiago, referring to the preparation of the bid documents, stressed that the MSG has to
40 identify the type of personnel to be involved. Upon her examination of the draft, it only states accounting
41 and auditing as the requirements. Perhaps the body has to consider other skills needed as well such as
42 management. She stated it will be good to touch on this matter on the Monday meeting as well. Guidelines

1 or best practices will be provided to those attending the meeting on Monday, as well as the GPPB definition
2 of conflict of interest. GPPB is the governing body for government procurement.

3
4 4.80. The Secretariat also informed the body that as per Mr. Wouter Biesterbos of the EITI International
5 Secretariat, if an auditing firm has been engaged by a mining or oil and gas company, this is not an
6 automatic disqualification. Therefore it is up to the MSG how to address that.

7
8 4.81. The auditing firms that have done EITI reports for other countries have also been engaged with mining
9 firms like the following:

- 10 • Price Waterhouse Cooper International Limited
- 11 • KPMG International
- 12 • Ernst and Young Global

13
14 4.82. These are the firms that are often retained by other countries to do the task of the IA.

15
16 4.83. A CSO Representative requested the Secretariat to provide the group with that list for the meeting on
17 Monday.

18
19 4.84. An Industry Representative remarked that the Php4M fee to be paid to the IA might attract smaller
20 firms which do not have conflict of interest issues. The Chair replied that it is better to prepare in the event
21 that a larger firm will be interested in the project. She also stated that the bid amount will be published and
22 it is important not to go beyond that amount.

23
24 4.85. Since the Php 4 million budget for hiring an IA is fixed, it was asked if the MSG is willing to change the
25 number of things to do in case no auditing firm would bid for Php 4 million.

26
27 4.86. One member of the MSG commented that given the number of tasks for the IA, it will be very difficult
28 to attract big accounting firms since the budget is only Php 4 million. Thus, the MSG might have to trim
29 down the TOR.

30
31 4.87. The Secretariat clarified that there is enough basis for the Php 4 million budget. The budget was based
32 on the cost that the other countries incurred to do the same exercise. The opinion of the International
33 Secretariat regarding this was also solicited.

34
35 4.88. The Chair pointed out that the said cost was based on previous EITI reports which were different
36 because the Standard then was different.

37
38 4.89. It was explained that the only difference between the old EITI Standard and the 2013 Standard is the
39 contextual information, which is already being done by the scoping consultants. Thus, essentially it is still the
40 same amount of work except for the optional information that the MSG will decide whether to include or
41 not.

1 4.90. The Secretariat reiterated that in terms of identifying the revenue streams, reconciling the data and
2 finding discrepancies, it is still the same tasks that were done by the IA in other countries.
3
4 4.91. The Secretariat clarified that at least for the first report, the MSG can decide not to include the other
5 optional information if that will affect the cost of hiring the IA. The MSG can still include these items in the
6 future EITI reports.
7
8 4.92. A CSO representative clarified who will do the data gathering.
9
10 4.93. It was stated that the data gathering will be done by the IA with the help of the Secretariat.
11
12 4.94. The CSO representative commented that the IA would need to hire people to go to the site to collect
13 the data. The other option that was mentioned was for the government to channel it to LGUs. One example
14 that was cited was a project of the Department of Agriculture (DA) wherein the technicians in municipal
15 agriculture office were the ones who implemented the national program, however, the technicians received
16 a monthly incentive in doing do the work for DA. This option would require additional work for the LGUs but
17 would lessen the cost for IA.
18
19 4.95. A representative from ULAP expressed that there is no need to as for the help of the municipal
20 agriculturist, for example, to be able to collect information. The provinces can be asked to fill-out the
21 reporting template which will then be sent back to the IA. Since these are revenue data that are already in
22 their accounts, data collection should not be that difficult.
23
24 4.96. It was mentioned that the three major payments to the LGUs are real property tax, local business tax
25 and the Mayor's permit. Since it is a one-time payment every year and LGUs issue receipts, the data should
26 be there.
27
28 4.97. The Chair explained that the question is whether the LGU personnel have the capacity to compile the
29 data and be able to present it in the form that we require.
30
31 4.98. It was proposed that the required information be made known during the LGU briefing that will be
32 conducted on February 11 and 12.
33
34 4.99. The body was informed that this is already in the agenda for the said briefing.
35
36 4.100. Going back to the TOR of the IA, the Chair suggested to reduce the tasks of the IA in the terms of
37 reference to those that are only required.
38
39 4.101. The Secretariat presented the items under additional tasks which are not required by the
40 International Secretariat.

1 **On Additional Tasks in the TOR**

2
3 Item 1: Provide the MSG with a work plan and a documentation of the entire procedure for reconciliation to
4 serve as guide for future reconciliations.

5
6 4.102. The Secretariat explained that this refers to the work plan of the IA on how they intend to do their
7 work. The said work plan will be presented to the MSG.

8
9 4.103. The Chair pointed out that this is a requirement and should not be included in the TOR. It was
10 explained that the work plan will be used in monitoring the progress of the IA.

11
12 4.104. A question was asked whether the need for a work plan should be specifically stated or not.

13
14 4.105. The Chair responded that the said work plan is not an additional task for which the IA should put a
15 cost because this is a requirement. Thus, this has to be worded in the TOR in a manner that will mean that
16 this is a given.

17
18 4.106. One of the MSG members asked whether the documentation of the entire procedure for
19 reconciliation is a separate document that the IA will submit.

20
21 4.107. It was suggested that this documentation be included in the contextual information part of the report
22 so that it will not be considered as an additional work.

23
24 4.108. The Secretariat clarified that the said documentation refers to the documentation of the entire
25 engagement of the IA and how the assigned tasks were performed. What will be included in the report are
26 the description of the revenues and reconciliation of the data.

27
28 4.109. The CSO representative explained that in a way, this documentation is the same with research
29 methodology. In the documentation, the IA will describe the whole process from the inception to the
30 publication of the report; thus, it can be included in the report to avoid additional cost.

31
32 4.110. The resource person from DOF explained that this can included in the technical proposal. The MSG
33 was advised that the additional tasks can be discussed during pre-bid. The resources person explained that
34 in consultancy service, there is a provision for negotiation after post-qualification. The team can negotiate
35 with the bidders if they are willing to include the additional tasks from the Php 4 million bid.

36
37 4.111. There was a comment to include the work plan and the documentation as part of the technical
38 proposal of the IA. Then in the report, the IA will compare the proposed methodology from the actual
39 method conducted.

40
41 4.112. The Secretariat clarified if the work plan and the documentation will be removed from the TOR since
42 these will already be part of the technical proposal.

1 4.113. The MSG member clarified that these will still be included in the TOR but not under additional tasks.
2 It was mentioned that the said items can be stated in other parts of the TOR like in the inception phase.

3
4 Item 2: Conduct the following trainings/presentations

5
6 4.114. The Secretariat mentioned that the trainings can be taken out from the responsibility of the IA if
7 someone from the MSG or Technical Working Group (TWG) can give the training.

8
9 4.115. It was clarified that the trainings for reporting entities on how to complete the reporting template
10 will be done before the collection of data.

11
12 4.116. A representative from the government asked if the May 1 to 15 timeline for drafting of reporting
13 template is based on international experience. It was cited that the Indonesia took one year just to draft the
14 reporting template.

15
16 4.117. The Secretariat explained that in Indonesia, the revenue streams including taxes and royalties were
17 not clearly defined. But for the case of the Philippines, there are already preliminary data submissions from
18 the industries and the government agencies.

19
20 4.118. The Secretariat recalled that there is already a preliminary list of payments which was presented
21 during the training in Davao. Given the availability of data, it is expected that reporting template can be
22 drafted within the set timeline.

23
24 4.119. For clarification, the Secretariat mentioned that the participants of the trainings are all reporting
25 entities including companies, collecting government agencies and LGUs.

26
27 4.120. The Chair commented that while the draft reporting template is one of the deliverables of the IA, the
28 conduct of trainings should be the main responsibility of the MSG. For costing purposes, the trainings can be
29 extracted out from the deliverables of the IA. As an alternative, it was also mentioned that the IA can
30 prepare a training module in order to guide the MSG in conducting the trainings.

31
32 4.121. Regarding final report presentation, a representative from the CSO suggested that the final report be
33 presented by the MSG. However, the IA should present the report to the MSG beforehand. It was also
34 mentioned that the IA should assist the MSG in presenting.

35
36 Item 3: Provide the following additional information in the report: information on reporting entities, special
37 problems encountered and methods used to resolve them, recommendations regarding the mechanism to
38 be established, proposed scope of the next EITI report and definition of key phrases for easier understanding
39 of the report.

40
41 4.122. The Chair asked the Secretariat what they meant by “observations on the transparency and level of
42 cooperation of reporting entities” which is under the additional information on reporting entities.

1 4.123. The Secretariat explained that this item is included in other EITI reports.
2
3 4.124. The Chair responded that if that is the case, then this item is not an additional task.
4
5 4.125. It was then clarified that the Secretariat only labeled the items as additional tasks for the purpose of
6 differentiating the items that are not in the standard TOR prepared by the International Secretariat.
7
8 4.126. A question was raised whether the standard TOR prepared by the International Secretariat is already
9 based on the 2013 EITI Standard.
10
11 4.127. The Chair suggested to remove “observations on the transparency and level of cooperation of
12 reporting entities” since it is not included in the standard TOR. It was added that the IA can be invited to an
13 MSG meeting where this question can be raised to the IA, the answers will be part of the records of the
14 MSG.
15
16 4.128. Other tasks under item number 3 were asked to be removed from the list of additional tasks and be
17 merged in the phase 3 or phase 4 of the TOR.
18
19 Item 4: Discuss with MSG how to address any specific issues that may arise which are related to meeting
20 validation.
21
22 4.129. One of the CSO representatives asked if there is a possibility that a company with 2 or more projects,
23 may be validated for one project but not for the other projects.
24
25 4.130. A representative from the industry sector explained that validation is normally done on a per
26 company basis.
27
28 4.131. However it was clarified that the data will be disaggregated per project since the body previously
29 agreed to report on a per company and per project basis.
30
31 4.132. The Chair explained that item number 4 is already a given fact and this need not to be stated.
32
33 4.133. The Secretariat pointed out since EITI is a new concept to the IA, it is better to be explicit about each
34 of the tasks.
35
36 4.134. However, the Chair raised that if all these tasks, even those that are considered as standard operating
37 procedure, the IA will have a very lengthy TOR and the IA may require additional costs.
38
39 4.135. It was proposed that all the bullet points under the additional task be removed. These will then be
40 discussed with the IA during the pre-bid conference.

1 Item 5: Provide technical advice to the reporting entities, the MSG and the secretariat at any stage of the
2 engagement.
3
4 4.136. The Chair cited that item number 5 will require additional cost if it is stated that the IA needs to
5 provide technical advice.
6
7 4.137. The Secretariat explained that this is a catch all provision so that the MSG is assured that they can
8 meet and discuss with the IA at any given time.
9
10 4.138. It was explained that there is no need to state this since the IA is obligated to discuss their work with
11 the MSG members since the MSG hired them.
12
13 4.139. Item 5 was agreed to be removed. However, the Secretariat was asked to take note of this item.
14
15 Item 6: Maintain a regularly updated database of all gathered information both in electronic format and
16 hard copies.
17
18 4.140. A CSO representative also expressed that item 6 should part of the engagement guidelines of the IA.
19 This item is not a task but a requirement.
20
21 Item 7: Ensure that the MSG, EITI national secretariat and duly appointed PH-EITI consultants have access to
22 the above data base.
23
24 4.141. The Secretariat clarified that what will be published in the website is only the final report. However,
25 during the process, the IA should be able to provide the MSG with an access to the database.
26
27 4.142. The group also considered this item as a requirement.
28
29 Item 8: Prepare both the official EITI report and the popular version in English and Filipino.
30
31 Item 9: Provide assistance in the translation into local dialects of the EITI report (both for the official and
32 popular version) and give final approval for the same.
33
34 4.143. The Secretariat explained that aside from the EITI report, the IA is also tasked to make the popular
35 version of the report. As for the translation, it was pointed out that there is separate budget for the
36 translation to different local languages and the task of the IA is to provide assistance since they need to
37 confirm that the translation is accurate.
38
39 4.144. The Chair clarified if the IA is tasked to also translate both the EITI report and the popular version in
40 Filipino.
41
42 4.145. The Secretariat responded that that was the original plan.

1 4.146. The Chair questioned whether the MSG should require the IA, which is an auditing firm, to provide an
2 expert who will also be able to prepare the report in Filipino.

3
4 4.147. The resource person from DOF explained that if this will be the case, expertise in translation will be
5 included as one of the requirements for bidding.

6
7 4.148. It was clarified that the reports will still be translated in Filipino and in other languages, however, the
8 Chair asked the MSG whether this is something that they want the IA to do.

9
10 4.149. The body agreed to remove the Filipino translation of the reports (full and popular versions) as part of
11 the task of the IA.

12
13 4.150. One MSG member raised a concern that the popular version should not be also done by the IA but by
14 someone in communications.

15
16 4.151. The body agreed. Thus, producing the popular version of the EITI report was removed from the tasks
17 of the IA.

18
19 4.152. The TOR is endorsed by the MSG, subject to what was discussed by the MSG.

20 21 **5. Report on the Jakarta Conference**

22
23 5.1. The industry sector representative who attended the conference in Jakarta shared that the PH-EITI
24 National Coordinator was the speaker during the introductory day in which the participants were countries
25 that are preparing to implement EITI. The National Coordinator explained the Philippine experience and
26 multi-stakeholder engagement, the creation of the MSG as well as the MSG governance, functions and
27 decision making processes.

28
29 5.2. It was noted that the most important thing in the presentation was the emphasis on how EITI
30 implementation in the Philippines is aligned with the countries' reforms framework as outlined in Executive
31 Order (EO) 79.

32
33 5.3. The MSG member also shared that following the salient points from the speech of Ms. Claire Short.
34 - there are 40 member countries, and these countries continue to improve through networking
35 - in mining and oil extraction, we have to do our part to benefit other sector and people, especially the poor
36 - there are 600 NGOs all over the word, use these NGOs to get better transparency; and be transparent to
37 get better accountability and better management
38 - get the poor to benefit from all the resources

39
40 5.4. It was mentioned that the second speaker was Sam Bartlett. It was pointed out that Mr. Bartlett cited
41 Timor Leste as country with good EITI implementation. It was shared that in this country, the amount that

1 was paid by the companies was reported to be the same amount received by the government. On the other
2 hand, the Philippines was cited as one of the highest mineralized countries in the world.

3
4 5.5. The CSO representative who also attended the Jakarta Conference shared that the Philippines is being
5 considered as a model for the EITI implementation. Other countries were particularly interested on how the
6 MSG is engaging in the EITI implementation.

7
8 5.6. The body was informed that in presenting the PH-EITI the following topics were discussed:

9 - historical overview

10 - how the different sectors come up with the goals for the EITI

11 - agreed upon objectives, work plan and next steps

12
13 5.7. It was mentioned that the participants of the conference saw the ability of the MSG to be organized and
14 efficient. The group can get the work done in a short period of time and the different sectors agree on
15 specific actions to take.

16
17 5.8. It was shared to the body that there were some invitations for the CSO representatives to present in
18 other countries.

19
20 5.9. The representative of the CSO also mentioned that it is important to study data in indices such as
21 Revenue Watch Index and Resource Governance Index (RGI). It was explained that these data can be used to
22 observe the impact of EITI implementation. For example, in the area of reporting practices, the current
23 rating of the country is only at 54%. However, the RGI rating for this area is expected to increase after the
24 EITI report has been published.

25
26 5.10. The Chair shared that one of the points in the speech of Ms. Short is that EITI is beyond just the report
27 and the numbers, it really about improving public information, building trust and going beyond putting
28 blame to others.

29
30 5.11. The Chair expressed that so far, the MSG members have put all their cards on the table and allowed
31 themselves to see from the point of view of others.

32
33 5.12. The body was also informed that in the conference, one concern that was raised is that the EITI should
34 not simply result in the publication of the report, but should move beyond that and influence policies.

35 36 **6. The Replacement of Non-COMP Representative**

37
38 6.1. The representative of non-COMP explained that their company was recently approved as COMP
39 member. The said representative expressed that they have learned a lot from the group and from the
40 experience. The former non-COMP representative assured the group that their company will still be
41 supporting the EITI.

1 6.2. It was announced that Mr. Francisco J. Arañes Jr. of Cambayas Mining Corporation will be the new full
2 representative of the mining companies that are not members of the COMP.

3
4 6.3. Secretariat reminded that the non-COMP firms must also have to elect an alternate representative for
5 Mr. Arañes.

6
7 6.4. The Chair mentioned that non-members of COMP are expected to inform the MSG regarding the
8 alternate representative that they have selected.

9
10 6.5. For clarification, the Secretariat stated that the non-members of COMP will determine their own
11 requirements in selecting their alternate MSG member.

12 13 **7. Calendar of Activities**

14
15 7.1. The calendar of activities for 2014 was presented by the Secretariat. It was mentioned that at least all
16 the major PH-EITI activities for the entire year were included in the calendar.

17
18 7.2. The Secretariat pointed out that all MSG meetings for the rest of the year were already scheduled. The
19 members of the MSG were asked to take note of the dates.

20 21 **8. Upcoming Activities**

22
23 8.1. The Secretariat shared the activities that will be conducted for the month of February. As previously
24 announced through the e-group and during the previous MSG meeting, a briefing in the House of
25 Representatives is scheduled on February 4. It was shared that the resource persons for the said briefing are
26 the advisers from WB.

27
28 8.2. The body was also informed that members from the industry, CSOs and government were asked to give
29 presentations as well.

30
31 8.3. In addition, it was shared that a Senate briefing is tentatively scheduled on February 5. However, it was
32 clarified that the details for this activity is not yet final. The briefing will then be followed by the 11th MSG
33 meeting that will be held on February 6 wherein consultants for the scoping study will be presenting their
34 preliminary findings.

35
36 8.4. It was also shared to the body that an LGU Conference will be conducted on February 11 and 12.
37 Governors, Mayors, municipal treasurers and accountants from 30 municipalities and 15 provinces were
38 invited to the said briefing.

39
40 8.5. The Secretariat mentioned that in the LGU briefing, the following issues will be clarified:

41 -what information are needed from the LGUs

42 -how EITI will be implemented nationally

1 -how LGUs can participate in the process
2
3 8.6. The Secretariat stated that representatives from different sectors will again be asked to give their
4 respective presentations during the LGU briefing.
5
6 8.7. A representative of the CSO asked if the MSG members are required to attend the LGU briefing.
7
8 8.8. The Secretariat clarified that the members of the MSG are encouraged to attend
9
10 8.9. The body was informed that on January 23, the Secretariat together with the representatives from both
11 CSO and industry sector, have met with the Head of the Legal Office of Senator Angara.
12
13 8.10. The CSO representative shared what transpired during the meeting. It was mentioned that the PH-EITI
14 National Coordinator first explained what EITI was about. It was then shared that the group wanted the
15 Senator to champion the proposed EITI law to be drafted.
16
17 8.11. The body was informed that the suggestion was to prepare a draft bill for the consolidation of the
18 Senator's office. The Senator also pointed out that the structure of EITI should be clear, whether it will be an
19 independent body or it will still be attached to a particular government agency as it is now. The other item
20 that was said to be discussed was the cost of doing EITI. There was a question on how much money will be
21 needed to be able to do EITI over the year. One question that was also raised was how to show the benefits
22 of the country in doing EITI.
23
24 8.12. The representative of the CSO also stated that in case the briefing for all the senators will not push
25 through, a short presentation for Senator Angara will be conducted instead.
26
27 8.13. From the said meeting, it was shared that the MSG should identify the key messages that they would
28 want to send to the Senate Congress and LGUs.
29
30 8.14. There was a comment that infographics will help in communicating the key messages easily.
31
32 8.15. According to the Chair, one of the key messages will be the objectives in the Work Plan since these
33 were agreed upon by the three sectors.
34
35 8.16. It was expressed that there is no need for the different sectors to present. One MSG member
36 proposed that the presentation be done by the government representative, in behalf of the other sectors.
37
38 8.17. The body agreed given that representatives from CSO and industry sector will still be present during
39 the briefings.
40
41 8.18. The Secretariat reiterated that the date for the briefing with the non-members of COMP is still being
42 finalized but it was tentatively scheduled in the 3rd week of February.

1 8.19. The last activity that the Secretariat flagged to the group was the National Conference on March 24.
2 This will be a follow up activity to the national conference in January last year. The Secretariat explained that
3 the group can already go back to the stakeholders and report the accomplishment of PH-EITI for the 1st year
4 of implementation.

5
6 8.20. The Secretariat noted that the national conference is a one day event but the CSOs will have other
7 activities in the succeeding days. The details are still being finalized.

8
9 8.21. It was mentioned that speakers from the International Secretariat will also be invited in the said
10 conference to give updates regarding the current policies and direction for the global implementation of
11 EITI.

12
13 8.22. There was an offer from the MSG representative of oil and gas industry to host the MSG meeting for
14 the month of July. The body accepted and it was agreed that the meeting be held on July 18.

15
16 **9. Financial Statement as of December 31, 2013**

17
18 9.1. The Secretariat reported that as of December 31, 2013 the MSG has incurred a total amount of Php 1,
19 902,750 out of the total Php 5.8 million budget from the Philippine government for the year 2013. Thus,
20 there is a balance of Php 3.8 million.

21
22 9.2. It was shared that there are no expenses yet for January 2014.

23
24 **10. EO 147**

25
26 10. 1. The Secretariat mentioned that EO 147, establishing PH-EITI in the country, was already signed.

27
28 **ADJOURNMENT**

29
30 There being no other matters to discuss, the meeting was adjourned at 12:30 PM.