

2017 PHILIPPINE-EITI WORKPLAN

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

RATIONALE: Current data in the Philippines does not show a complete and accurate picture of EI's contribution to the economy due to its level of disaggregation, inadequate monitoring mechanisms, and lack of consolidated data to facilitate analysis. Also, there is no existing mechanism to record social expenditures beyond what the law requires. The EITI is thus seen as a tool to narrow the gaps in existing data by reporting actual reconciled figures.

GOVERNANCE RELATED CHALLENGES: 1. Regular monitoring of payments between the central and the local offices. 3. Transparency in tax information which is hindered by confidentiality provisions in the Tax Code. 4. Ensuring proper amounts are paid down to the local level. 5. Regulation of certain fees imposed by local government units which business perceives as improper. 6. Measuring adequacy of social and environmental expenditures.

ACTIVITIES VIS- A- VIS CHALLENGES: All activities pertaining to publication of the report and improvement of data quality are meant to address the, 3rd and 6th challenges mentioned above. It is expected that a more comprehensive and credible report with reliable data can influence policies on what is the appropriate fiscal regime, considering that the report contains information on actual contribution of mining to the economy through reconciled data and disclosures on social expenditures and benefits to host communities.

On the other hand, capacity building activities are expected to address the 1st, 4th and 5th challenges. Such challenges require a deeper comprehension of the industry and of fiscal policies at the local level which can be achieved through capacity building activities with government personnel and representatives in local bodies.

The first two years of EITI implementation have shown significant impact in addressing the above challenges. The 2017 work plan includes the same activities in previous years that proved to be effective in addressing the challenges. It also includes new activities that will build on the gains of the previous years such as expanding the scope of the report to include small scale mining in key sites and large scale non-metallic mining. Data quality will also be improved through the creation of online reporting tool for companies and agencies. PH-EITI will also include more details in the reporting of social development projects for host communities. The objective of all these is to give a more accurate picture of the extractive industry by providing information on the sector's contribution to the economy that were not covered in previous reports.

ACTIVITIES	OUTCOME	RESPONSIBLE PARTY	TIMELINE	COST	FUNDING
PUBLICATION OF EITI REPORT					
Production of summary report,	Increased transparency in EI	Consultant, MSG,	March to	5,050,000	GOP and

popular version, and translated version (third and fourth report)	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.	Secretariat	May 2017; December 2017		EGPS/ World Bank
Addressing gaps of the third report (production of addendum to 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.	IA, MSG, Secretariat	March to April 2017	Budget for IA	GOP
Hiring of independent administrator to analyze the government and industry data for the fourth 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.	IA, Secretariat	February to April 2017	10,000,000	GOP
Hiring of consultant 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.	Consultant	February to April 2017	1,500,000	GOP
MSG to agree on scope, level of disaggregation and materiality of reporting, sectors covered (e.g. small-	Increased transparency in EI as an outcome of a relevant EITI process in the country, and a credible and	MSG, IA	May 2017	MSG meeting budget	GOP

scale, non-metallic) for the fourth report	comprehensive EITI report that is used by all stakeholders in policy formulation and decision making.				
Drafting and finalization of reporting template based on the level of disaggregation and materiality as agreed upon by the MSG	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.	IA, MSG	May 2017	Budget for IA	EGPS/ World Bank
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.	Secretariat, Consultant	May to August 2017	990,000	EGPS/ World Bank
Conduct reporting template workshop for all sectors (walkthrough activities of the IA)	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.	IA, MSG	May to July 2017	Budget for IA	EGPS/ World Bank
Completion and submission of reporting template	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	IA, Secretariat, reporting entities	May to August 2017	Budget for IA	EGPS/ World Bank

	formulation and decision making.				
Reconciliation process	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.	IA, Secretariat, reporting entities	July to September 2017	Budget for IA	EGPS/ World Bank
Report roadshows and trainings on reporting template (LGUs and communities)	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.	MSG, Secretariat	August to September 2017	7,500,000	EGPS/ World Bank
Drafting of the fourth PH-EITI report (covering 2015 and 2016 data)	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.	IA	August to October 2017	Budget for IA	EGPS/ World Bank
Workshop / approval of the fourth 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.	IA, MSG, Secretariat	November 2017	MSG meeting budget	GOP

Publication and submission of the fourth 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.	IA, MSG, Secretariat	November 2017	MSG meeting budget	GOP
Printing of the third and fourth PH-EITI reports	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.	Consultant, secretariat	1 st quarter 2017; December 2017	4,480,000	GOP
CAPACITY BUILDING ACTIVITIES FOR MSG, TWG, SECRETARIAT AND OTHER STAKEHOLDERS					
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	MSG, TWG, Secretariat	As needed	2,612,500	EGPS/ World Bank
Participate in existing transparency initiatives in the country and region	Improved governance of EI through well capacitated stakeholders who can cascade their learnings on EI issues and EI data to the broader public	MSG, Secretariat	As needed	500,000	EGPS/ World Bank
Outreach activities to stakeholders on EITI implementation	Improved governance of EI through well-capacitated stakeholders who can cascade their learnings on EI issues and EI data to the broader public	MSG, Secretariat, regional offices of government agencies, communities, industry sector	April to August 2017	2,122,300	GOP

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	MSG, reporting entities, Secretariat	April to June 2017	Budget for outreach activities and meetings	GOP and EGPS/ World Bank
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VALIDATION

Validation meetings and other related expenses	Proper implementation of EITI in the country	Validator, International Secretariat, MSG, Secretariat	January to March 2017	Budget for meetings	GOP and EGPS/ World Bank
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2nd OBJECTIVE: Improve public understanding of the management of natural resources and availability of data

RATIONALE: Local communities should be able to make informed decisions on issues pertaining to extractive operations in their areas. In giving their consent, they should be armed with the necessary data and be equipped to use them. Public debate on EI governance should be stimulated because this a way by which we evaluate the government's capacity to implement laws governing natural resource management. Information on extractive data and revenue management should be made accessible and explained to the public to make sure that they are spent for legally mandated purposes and that they are received by the intended beneficiaries. The EITI process provides venue for discussions of these issues and frames the questions that should be asked to stimulate public debate.

GOVERNANCE RELATED CHALLENGES: 1. Irregular monitoring and limited access to EI data especially with respect to the management of mandatory funds, IP royalties, and local payments. 2. Ensuring integrity and credibility in implementing legally mandated mechanisms for obtaining the consent of host communities and Indigenous Peoples. 3. Generating and sustaining public involvement which would require a lot of capacity building, information dissemination, and sustained political commitment especially at the local level.

ACTIVITIES VIS -A- VIS CHALLENGES: Activities under this objective are geared towards increasing awareness on EI issues by ensuring a regular flow of information through all forms of communication (e.g., mass media, social media, forums, lecture series, publications). It is expected that these activities will produce a more informed public that is better equipped to monitor compliance with laws and exact accountability from government and the industry.

It is recognized that effective communication of EITI reports will require more trainings of MSG members and secretariat on how to simplify EITI's message and effectively communicate data. It is also important that PH-EITI assess whether previous communication efforts are effective and are getting the MSG's message across. The 2017 work plan ensures that these considerations are taken into account.

Finally, PH-EITI also recognizes the global trend of applying Open Data practices. Thus, activities relating to Open Data such as

online reporting and enhancement of open data portals are included.

ACTIVITIES	OUTCOME	RESPONSIBLE PARTY	TIMELINE	COST	FUNDING
National Conference/ Launching of the third report	Increased awareness and improved public debate on EI issues leading to introduction of reforms	MSG, Secretariat	March to April 2017	8,509,680	GOP and EGPS/ World Bank
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	MSG, Secretariat, Communications Officer	January 2017 onwards	100,000	EGPS/ World Bank
Development and implementation of 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	MSG, Secretariat, Communications Officer	January to March 2017	400,000	EGPS/ World Bank
Media briefing on EITI implementation	Increased awareness on the need for transparency, and improved public debate on EI issues leading to introduction of reforms	MSG, Secretariat, Communications Officer	February and October 2017	150,000	EGPS/ World Bank
Press conferences	Increased awareness on the need for transparency, and improved public debate on EI issues leading to introduction of reforms	MSG, Secretariat, Communications Officer	Quarterly	Budget for implementation of communications plan	EGPS/ World Bank
Establish a mechanism for assessing public awareness on EITI	Proper implementation of EITI	MSG, Secretariat, Communications Officer/Consultant	May to June 2017	660,000	EGPS/ World Bank
Publication of reference materials, primer and online resources	Increased awareness and improved public debate on EI issues leading to introduction of reforms	Secretariat, Communications Officer	January 2017 onwards	590,000	EGPS/ World Bank
Maintain and update PH-EITI website	Increased awareness and improved public debate on EI issues leading to introduction of reforms	Secretariat, Communications Officer, Web Developer	January 2017 onwards	675,000	EGPS/ World Bank

Enhancement of PH-EITI 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.	Secretariat, Communications Officer, NRGI, Consultant	April to July 2017	Budget for management of the PH-EITI secretariat	GOP and EGPS/ World Bank
Pilot testing and roll-out of NCIP monitoring tools	Increased transparency and accountability through citizens' participation in the regular monitoring of payments	MSG, NCIP, Secretariat	March to May 2017	480,000	USAID and GOP
BENEFICIAL OWNERSHIP (BO) DISCLOSURE					
Conduct scoping study on BO disclosure, including review of existing definitions and policies related to BO and Politically Exposed Persons (PEP) vis-à-vis international standards	Increased transparency through disclosure of beneficial owners of extractive companies	Consultant, MSG, Secretariat	January 2017 onwards	660,000	EGPS/ World Bank
Propose the inclusion of a provision on BO disclosure in the EITI bills pending in Congress	Increased transparency through disclosure of beneficial owners of extractive companies	MSG, Secretariat	January to June 2017	Budget for meetings	GOP and EGPS/ World Bank
Identify a national champion/s on BO disclosure	Increased transparency through disclosure of beneficial owners of extractive companies	MSG, Secretariat, partner agencies	January to June 2017	Budget for meetings	GOP and EGPS/ World Bank
Create a multi-stakeholder Technical Working Group on BO disclosure	Increased transparency through disclosure of beneficial owners of extractive companies	MSG, Secretariat, partner agencies	January to March 2017	Budget for meetings	GOP and EGPS/ World Bank
Conduct an inter-agency forum on BO disclosure (including Anti-Money Laundering Council [AMLC] as participant)	Increased transparency through disclosure of beneficial owners of extractive companies	MSG, Secretariat, partner agencies	July to September 2017	Budget for meetings	GOP and EGPS/ World Bank

Develop an action plan to establish mechanism for disclosing PEPs within legal bounds	Increased transparency through disclosure of beneficial owners of extractive companies	MSG and Secretariat (with assistance from EITI International Secretariat)	January 2017 onwards	Budget for meetings	GOP and EGPS/ World Bank
MSG to meet and agree on materiality threshold for disclosure/reporting based on the findings of the scoping study	Increased transparency through disclosure of beneficial owners of extractive companies	MSG, Secretariat	January 2017 onwards	Budget for scoping study on BO	EGPS/ World Bank
Coordinate with the Securities and Exchange Commission (SEC), AMLC, and other relevant government agencies regarding disaggregation of available data	Increased transparency through disclosure of beneficial owners of extractive companies	MSG, Secretariat	January 2017 onwards	Budget for meetings	GOP and EGPS/ World Bank

3RD OBJECTIVE: Strengthen national resource management and ensure accountability in government systems

RATIONALE: Local communities should be able to see how their natural resources are managed and should be able to hold officials liable in case of unsound management. To make this happen, government systems must be in place to ensure accountability. For instance, there should be a standard way of monitoring compliance with laws and contractual obligations. Capacity building measures should also be conducted to make sure that government personnel understand the industry very well so as to make informed decisions. Local mining monitoring teams should be further equipped so that they can perform their function well with respect to mining companies' compliance with laws and contractual obligations. Moreover, information should always be available. With the current data, however, and with the way information systems are structured, the public is unable to monitor the management of natural resources as much as they want to.

GOVERNANCE RELATED CHALLENGES: 1. In some instances, institutionalizing mechanisms to improve government systems to remove barriers to transparency would require enactment or amendment of laws that will take time to materialize. 2. Arriving at a consensus on which reforms to introduce could be a challenge given the diverse views of stakeholders 3. Implementing reforms in a sustainable manner is a challenge because it is highly dependent on political will which is susceptible to change when the administration changes. This is particularly true at the local level.

ACTIVITIES VIS-À-VIS CHALLENGES: Key to addressing the above challenges is the implementation and institutionalization of policies to ensure sustainability. The activities under this objective thus aim not just to address gaps in existing government systems but also to make sure that reforms are firmly in place despite changes in administration at the local and national level. To ensure this, amendment of laws shall be prioritized, as well as securing the full commitment and building the capacity of

government employees especially local monitoring teams in charge of implementing these reforms. Existing processes in data generation and record keeping will also be improved.

PH-EITI has gained ground in introducing reforms in the sector. Gaps in existing systems have been identified in the last 2 reports, and recommendations have been formulated to address them. For 2017, the MSG intends to deepen its involvement in strengthening the governance of the sector by recommending more policies, monitoring the progress of the reforms that it introduced, and proposing amendments to legislation. This work plan covers activities to achieve these objectives.

ACTIVITIES	OUTCOME	RESPONSIBLE PARTY	TIMELINE	COST	FUNDING
MSG to formulate recommendations and policies to address LGU concerns using EITI process	Improved government systems at the local level	MSG, Secretariat		Budget for meetings	GOP and EGPS/ World Bank
Workshop with LGUs on revenue management	Improved revenue management at the local level	MSG, Consultant, Secretariat	Augusto to September 2017	Budget for LGU roadshow	EGPS/ World Bank
Engage the Legislative branch of government	Improved government systems that ensure transparency in all EI transactions	MSG, Secretariat	April to September 2017	Budget for regular forums and dialogues	EGPS/ World Bank
Continuous monitoring of agency actions on MSG recommendations from previous reports	Improved government systems that ensure transparency in all EI transactions	MSG, Secretariat	April to October 2017	Budget for meetings	GOP and EGPS/ World Bank

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

RATIONALE: Stakeholders have divergent views on how much the extractive sector is contributing to the economy and on the extent that local communities benefit from extractive operations. The EITI is seen a way by which parties can arrive at a consensus on matters pertaining to natural resource management.

GOVERNANCE RELATED CHALLENGES: 1. Distrust among stakeholders. 2. Sustainability of stakeholder engagement 3. Ensuring that the effects of stakeholder engagement through EITI extends to the broader public

ACTIVITIES VIS-À-VIS CHALLENGES: As seen from the first cycle of EITI implementation in the country, sustained and meaningful engagement can go a long way in building trust among stakeholders. The forums, dialogues and regular MSG meetings in the past years proved effective in ventilating issues and coming to a common understanding of how such issues may be addressed through

the EITI process. Drawing from the positive results of stakeholder engagement in the past year, more forums and dialogues are scheduled this year to deepen understanding of the sector and to formulate policies. Note that activities under the first and second objectives are also meant to contribute to this fourth objective.

One of the strengths of PH-EITI is the effective engagement of stakeholders through regular MSG meetings, forums and outreach activities. For 2017, Ph-EITI intends to engage more stakeholders as it considers expanding the scope of the report to include small scale mining and large scale non-metallic mining.

PH-EITI will also provide regular updates to stakeholders on the progress of EITI implementation, and significant achievements the past years. Forums with stakeholders will also seek to get deeper commitment from them by asking for concrete measures that they can implement in promoting transparency in their localities.

ACTIVITIES	OUTCOME	RESPONSIBLE PARTY	TIMELINE	COST	FUNDING
Regular MSG meetings	An enabling environment for sound policies as a result of sustained dialogue among stakeholders	MSG, Secretariat	January 2017 onwards	3,408,000	GOP and EGPS/ World Bank
Regular forums and dialogues with stakeholders	An enabling environment for sound policies as a result of sustained dialogue among stakeholders	MSG, Secretariat	January 2017 onwards	685,000	EGPS/ World Bank

5TH OBJECTIVE: Pursue and strengthen the extractive sector’s contribution to sustainable development

RATIONALE: The Philippines has enormous mineral resources that have a huge potential to help bring about sustainable development in the country. Accordingly, the country’s extractive sector (mining, oil and gas, coal) has a significant role in realizing this potential and contributing to the country’s sustainable development. However, on top of volatile commodity prices, cost inflation, and the like, uncertainties in the policy environment, which greatly affect investments in the industry, constrain the sector from doing so. EITI provides information that can be used to ensure the formulation of evidence-based policies that will maximize the value of the country’s resources and provide a more stable policy environment for the extractive industry. The transparency that EITI fosters also signifies a commitment against corruption and strengthens the business climate to be conducive for optimizing the industry’s contribution to sustainable development.

GOVERNANCE-RELATED CHALLENGES: 1. The government has differing interpretations of the laws, rules and regulations governing the extractive industry both at the national and local levels. 2. Delay in the release by the national government of local governments’ rightful share from extractives has resulted in the inability of the local governments to pursue developmental activities. This issue has contributed to the negative perception of the extractives sector. 3. A framework on how the extractive

industry can contribute to sustainable development both at the national and subnational level has yet to be developed. The positive outcome and impact of the EITI process will encourage more participation and ensure the credibility of the process in the long run.

ACTIVITIES VIS-À-VIS CHALLENGES: For the EITI process to have more impact in strengthening the industry’s contribution to environmental protection and economic and social development, the complete life cycle of the industry and the circumstances it is in need to be understood and appreciated. Thus, mechanisms for transparency and accountability have to be put in place at both the national and subnational levels. Disclosure of information, particularly the social, economic and environmental impact of the extractive sector and strengthening the multi-stakeholder approach in all governance levels are key. These will result in a more evidence-based and wholistic policymaking and a more stable policy environment for the sector. Towards this end, the benefit flows of the industry and its impact in enhancing the economic base of rural areas, among others, should be communicated through forums and dialogues with policy makers, local government units and other stakeholders, and conveyed to the general public. An assessment of the impact of EITI on the extractive industries, especially in terms of strengthening the policy environment for the sector, will also be developed and conducted.

ACTIVITIES	OUTCOME	RESPONSIBLE PARTY	TIMELINE	COST	FUNDING
Focused group discussion (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.	MSG	July 2017	Budget for regular forums and dialogues with stakeholders	EGPS/ World Bank
Focused group discussion (FGD) on the oil and gas sector	Increased awareness and improved public debate on EI issues.	MSG	August 2017	Budget for regular forums and dialogues with stakeholders	EGPS/ World Bank
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.	MSG	July to September 2017	Budget for meetings	GOP and EGPS/ World Bank
ADMINISTRATIVE EXPENSES					
Management of the PH-EITI secretariat (including consultants) and operational expenses	Effective implementation of EITI	Secretariat, DOF	January 2017 onwards	16,454,432	GOP and EGPS/ World Bank

TOTAL (PHP)	
EGPS/ World Bank	30,200,912

GOP	37,146,000
USAID	180,000
GRAND TOTAL	67,526,912