



2019 PH-EITI National Conference
Theme: “Forging New Frontiers”
18 September 2019 | 9:00 AM – 12:30 PM
Hotel Jen Manila, Pasay City, Philippines

Conference Background

More than half a decade into its implementation,¹ the Philippine Extractive Industries Transparency Initiative (PH-EITI) is set to usher a new era of transparency in the Philippine extractive sector and enable an even more open, innovative, and systematic governance of the country’s mineral, oil and gas resources. Having proven its capacity to meet international standards² and build dynamic partnerships between and among government, industry, and civil society, PH-EITI looks ahead to “mainstreaming” transparency into more inclusive, efficient, and effective systems. Beyond compliance, PH-EITI is forging new frontiers, undertaking a technology-driven whole-of-society effort towards the shared goal of ensuring that extraction of natural resources translate to sustainable development.

Since 2014, PH-EITI has published five annual country reports, each report pushing the envelope of extractives transparency further than the one before it. The latest one, *Forging New Frontiers: the Fifth PH-EITI Report (FY 2017)* (“the 5th Report”), embodies innovation and expansion with the pilot use of an online reporting tool³ and the inclusion of new sectors.

The 5th Report comprises 63 extractive projects (88% more than the 4th Report’s 34 projects), with data coming from 8 government agencies, 95 local government units (LGUs), 38 large-scale metallic mining companies, 12 large-scale non-metallic mining companies, and four (4) oil and gas companies. This increased coverage represents P39.1 billion in reconciled revenues in 2017 (43% higher than the P27.4 billion in 2016). Besides having a larger scope than the previous report, the 5th Report also features pilot reports on beneficial ownership and small-scale mining.

To communicate the foregoing to a wide multi-sectoral audience, the 5th Report will be launched in a National Conference on **18 September 2019** at the Hotel Jen Manila, Roxas Boulevard, Pasay City.

The program will include a presentation of the key findings of the 5th Report, updates from EITI implementing agencies regarding progress of their actions on PH-EITI recommendations, results of the study on the impact of EITI implementation in the Philippines, and PH-EITI’s SEED initiative to mainstream extractives transparency in the country, among others. The event will be capped by the **Transparency Awards**, PH-EITI’s annual award-giving ceremony to recognize outstanding performance and achievement in the implementation of EITI and promotion of extractives transparency as a whole.

¹ PH-EITI was created by Executive Order (EO) No. 147, s. 2013 pursuant to EO No. 79, s. 2012.

² The Philippines was declared in October 2017 as the first country to have made ‘satisfactory progress’ in implementing the 2016 EITI Standard.

³ The 5th Report contains data generated from the Online Reporting in the Extractives (ORE) Tool, an online platform developed to make reporting to PH-EITI more efficient. The Philippines is the first EITI implementing country in the Southeast Asia and Asia Pacific region to do online reporting.



Objectives

1. Bring together government, industry, and civil society stakeholders in a multi-sectoral forum about extractives transparency and resource governance
2. Communicate and facilitate discussion on the findings of the 5th PH-EITI Report, PH-EITI innovations in extractives transparency, and updates on the progress of agency actions on PH-EITI recommendations to stakeholders
3. Recognize government agencies, LGUs, companies, and civil society actors for outstanding performance and achievement in the implementation of EITI and promotion of extractives transparency as a whole

5th Report Launch: Program of Event

PROGRAM

7:00 – 8:25 Registration

8:25 – 8:30 Invocation / National Anthem

8:30 – 8:40 Acknowledgement of Guests and Participants

8:40 – 8:50 Opening Remarks from the Department of Finance

Undersecretary Bayani H. Agabin

PH-EITI Focal Person and Chair

8:50 – 9:00 Message from the Department of Environment and Natural Resources
To be delivered by:

Undersecretary Analiza Rebueta-Teh

Climate Change Service and Mining Concerns

9:00 – 9:30 Fifth PH-EITI Report Launch

Assistant Secretary Ma. Teresa S. Habitan

Department of Finance

PH-EITI Alternate Focal Person

Atty. Ronald Rex S. Recidoro

Executive Director, Chamber of Mines of the Philippines

Mr. Rolando J. Paulino, Jr.

President, Petroleum Association of the Philippines

Ms. Ladylyn L. Mangada

Associate Professor, University of the Philippines

9:30 – 10:25 Panel Discussion and Open Forum

10:25 – 10:30 Video Presentation on Updates from EITI Implementing Agencies

- Department of Environment and Natural Resources – Mines and Geosciences Bureau (DENR-MGB)
- Department of Energy (DOE)
- Department of Finance – Bureau of Local Government Finance (DOF-BLGF)



- Department of Budget and Management (DBM)
- Department of the Interior and Local Government (DILG)
- Securities and Exchange Commission (SEC)

10:30 – Panel Discussion and Open Forum
11:20

Director Wilfredo G. Moncano

Department of Environment and Natural Resources –
Mines and Geosciences Bureau (DENR-MGB)

Director Araceli S. Soluta and Assistant Director Ismael U. Ocampo

Department of Energy (DOE)

Director Anna Liza F. Bonagua

Department of the Interior and Local Government (DILG)

Assistant Director Oliver O. Leonardo

Securities and Exchange Commission (SEC)

Director Michael M. Mamukid

National Commission on Indigenous Peoples (NCIP)

11:20 – PH-EITI's Impact in the Country: Presentation of Study
11:35

11:35 – PH-EITI's Systematic Electronic Extractives Disclosure
11:50 (SEED) Initiative

11:50 – PH-EITI Transparency Awards
12:20

12:20 – Closing Remarks
12:25

Mr. Bernardino Sayo

Executive Director, Union of Local Authorities of the Philippines (ULAP)

12:25 – Group Photo
12:30

12:30 End of Program / Lunch

Event Proceedings

The program began with an invocation and singing of the national anthem.

Ms. Lisa Antonio served as moderator and host for the event. She began with acknowledging guests and participants of the 5th Country Report Launch.

Acknowledgement of Guests and Participants

Albay Governor, and Union of Local Authorities in the Philippines President, Hon. Al Francis Bichara,



Aroroy Municipality Mayor, Hon. Arturo Virtucio
Rosario Municipality Mayor, Hon. Jupiter Abulog
DOF Undersecretary and PH-EITI Focal Person Bayani Agabin
DENR Undersecretary for Climate Change Service and Mining Concerns, Analiza Rebuelta-Teh
DOF Assistant Secretary and PH-EITI Alternate Focal Person Ma. Teresa Habitan
DBM Assistant Secretary Rolando Toledo
Bureau of Treasury Deputy Treasurer Gisela Lood
Bureau of Customs Assistant Commissioner Vincent Maronilla
DENR-MGB Director Wilfredo Moncano and Assistant Director Danilo Uykieng
DOE Director Araceli Soluta and Assistant Director Ismael Ocampo
DILG-BLGD Director Anna Liza Bonagua
NCIP Director Michael M. Mamukid
SEC Assistant Director Oliver Leonardo
ULAP Executive Director Bernardino Sayo
DBM Director Aries Macaspac
Senate Tax Study & Research Office Director General Rodelio Dascil
Senate Economic Planning Office Director General Ronald Golding
Congressional Policy and Budget Research Department
DOF - Bureau of Local Government Finance
DENR - Environmental Management Bureau
Commission on Audit
Bureau of Internal Revenue
Bureau of Customs
DOST - Philippine Council for Industry, Energy and Emerging Technology Research and Development
Chamber of Mines of the Philippines Chairman Gerard Brimo,
COMP Executive Director Atty. Ron Recidoro, and the officials and members of COMP
Petroleum Association of the Philippines Vice Chairman Anthony Ferrer,
PAP President Don Paulino, and the officials and members of PAP
Partners from the civil society led by Bantay Kita - Publish What You Pay Philippines
Local government units of Claver, Surigao del Norte; Rosario, Agusan del Sur; and, and Aroroy, Masbate
Mining and oil and gas industries
Media organizations
Isla Lipana & Co. / PricewaterhouseCoopers Philippines
US Embassy
Philippine Mining & Exploration Association
Canadian Chamber of Commerce
Philippine Mining Club

Opening Remarks

Hon. Bayani H. Agabin

Undersecretary, Department of Finance

Usec. Agabin noted how the PH-EITI became a forum for dialogue to discuss natural resource governance. Since it started in 2012, it has never failed to publish year-on-year country reports. The 5th Country Report “Forging New Frontiers” would usher a new era of transparency in the extractive sector. This report bears many firsts:

- pilot use of an online reporting tool,
- expanded coverage of non-metallic mining,
- pilot reporting on small-scale mining, and



- pilot beneficial ownership report;

Agabin noted that today's program will feature the steps PH-EITI has been taking towards extractives transparency that is systematic, innovative, and inclusive.

The online reporting tool allowed a more systematic, innovative and inclusive approach in reporting production data. Salient highlights of the 5th report are as follows:

- it covered nearly twice the number of mining and oil and gas projects that it did in the preceding report (from 36 to 63 projects);
- it covered practically 100% of total sales in the metallic mining and oil and gas sectors; and
- that despite an increase in the total reconciled revenues (from 27.4 to 39.1 billion), it posted a decrease in the overall variance between government and company data after reconciliation (from 2% to 0.42%).

The theme, "Forging new frontiers" is fitting for today's event, as PH-EITI charts new areas of transparency and achieve ever-improving results. Agabin is positive that the country is moving beyond compliance towards creating a system of extractives transparency that is much attuned to the Filipino's pioneering spirit.

Usec. Agabin also teased the awarding ceremony happening during the latter part of the program. This will recognize top reporting entities for their excellence in transparency reporting.

The new PH-EITI logo was launched, following recent unveiling of the new EITI International logo. Making the letter 'T' stand out highlights Transparency, Tripartism, Technology, and Transformation. It comes in the common color for light, which is what transparency brings: Transparency shines a light on the extractive industries to foster good governance and development. The equilateral triangle in the letter "P" symbolizes both movement and tripartism –the three equal and dynamic constituencies of the MSG – government, industry, and CSO – as well as the three elements of sustainable development or triple bottom line of People, Planet, and Profit that we aspire for.

Usec. Agabin recognized the many achievements of PH-EITI in the last six years; nevertheless, it will remain cognizant of the persisting and new challenges in the extractive industries and in resource governance. He hoped that program today will help equip and motivate everyone to keep working together to address these challenges.

**Message from Department of Environment and Natural Resources
Hon. Analiza Rebulda-Teh
Undersecretary, Climate Change Service and Mining Concerns**

Usec. Teh congratulated the PH-EITI MSG through the leadership and guidance of the Department of Finance in pursuing and supporting the country's commitment in the transparency of the extractives industry. She cited the Philippines recognition as the 1st country in Asia to receive satisfactory rating under the EITI 2016 Standard and how the launch of the 5th Country Report will be another milestone for the Philippines.

She highlighted key aspects of the 5th Country Report such as the collection of data through an online reporting tool (ORE) and pilot reports on Beneficial Ownership disclosure and Small Scale Mining.



Usec. Teh also commended the inclusion of beneficial ownership disclosures. This effort will help address the issues such as the intrinsic opaque ownership of extractive operations, projected beneficial ownership, corruption and money laundering.

It was mentioned that previous reports suggested the inclusion of small scale mining. The 5th report showcased the pilot study on small scale mining in South Cotabato. Inclusion of this sector will provide a more comprehensive view of the industry and a better understanding of the benefits and costs of natural resource development. Usec. Teh urged members of the Provincial Mining Regulatory Board to be involved in the transparency reporting of small scale mining.

Usec. Teh recognized the significant contribution of small scale mining as a primary source of minerals for the country, particularly gold. However, the recent development gold taxation resulted in a significant drop in gold purchases by Bangko Sentral ng Pilipinas. The central bank sources its gold from small scale miners.

To ease this, President Rodrigo Duterte issued RA 11256 - An Act to Strengthen the Country's Gross International Reserves (GIR). The new law exempts from excise tax and income tax the sale to the BSP of gold sourced from small scale mining activities. The measure also covers the sale of gold by small scale miners to accredited traders for the eventual disposal to the central bank.

With this new law, the BSP can increase its domestic gold purchase to build up the country's GIR. Gold is the primary buffer for external economic shocks. A strong GIR also improves the country's economic standing, lowering the cost of borrowing by the government and private sector.

The EITI exercise becomes more meaningful through the assessment of actions taken based on previous recommendations and reports:

1. Issuing a memorandum circular with clear timelines and guidelines for a standard format for ISHES (Integrity, Safety and Health, Environment and Social) monitoring: MC 2018-02 or the Guidelines for Compliance, Monitoring or Scorecard of Mining, Permits, Contracts was signed on July 3, 2018 - The circular contains the standard monitoring checklist for tenements, safety and health, environmental management and development compliance scorecard that would be utilize by the MGB Regional Offices to determine compliance of each contractor, permittee or permit holder.

2. Issuing a timeframe and implementing rules and regulations prescribing a process to determine which companies did not participate and their reasons for non participation and prescribing penalties if warranted: DENR-MGG DAO 2017-07 directs mining contractors to comply with the requirements of PH-EITI - This includes the prompt submission of signed BIR documents, data submitted through the PH-EITI online reporting tool and other documents, as may be required.

3. Populating portal and leads to supporting documents, enhancement on data portal of MGB, timely updates on environmental funds, and Multipartite Monitoring Team reports: MGB data portal is now managed to include these data

4. On enhancing the accuracy and monitoring of production data through: a.) random sampling of assays of ore shipment b.) ensure the presence of MGB personnel at the loading dock to check the volume of ore being shipped - To improve validation and accuracy of mining shipments, the MGB is acquiring technical equipment like XRF for on-the-spot assay of ore, and RTK surveying equipment for real-time monitoring of stockpile volume



5. On collaboration with mandated government agency in development planning to formulate methods that will increase the capacity of beneficiary communities to advance programs, participatory engagement and inclusive development planning: Last June 2018, engagement of MGB with Philippine's Poverty Environment Initiative through the DILG was concluded. This resulted to production of report analysis of SDMP programs of selected mining companies.

6. On studying the possibility of widening public sector and participation in the revisit, updating enhancement of the guidelines and legal basis of Multipartite Monitoring Team and Mine Rehabilitation Fund Committee: MGB has begun consultation with Bantay Kita in the discussion of the selection process of Multipartite Monitoring Teams so as to widen participation of civil society.

Usec. Teh congratulated the close collaboration of the various stakeholders that enabled the production of this country report. She emphasized the need for transparency, openness for sustainable development and the ability to communicate the report and data to the public.

Finally, she reaffirmed the DENR's commitment to sustain and support the EITI. She enjoined mining companies to build trust, sustain openness, and engage in participation.

5th PH-EITI Report Launch

Presented by:

Assistant Secretary Maria Teresa Habitan – Department of Finance, PH-EITI Alternate Focal Person

Atty. Ronald Rex Recidoro – Executive Director, Chamber of Mines of the Philippines

Mr. Roland J. Paulino – President, Petroleum Association of the Philippines

Ms. Ladinlyn Mangada – Associate Professor, University of the Philippines

Asec. Habitan led the panel discussion on the launch of the Fifth Ph-EITI Country Report. She emphasized that the PH-EITI reports, which published every year, are actually produced from the collaboration of our sectors – government, industry, and civil society. Members of the MSG collectively review and approve the reports, making the reports not only independently validated by a third party – the independent administrator, but also mutually or jointly endorsed by the constituencies we represent.

Discussion on report coverage, aggregate figures and major trends

Asec. Habitan began by talking about the scope of the 5th Report, which covered data from fiscal year 2017. The 5th Report scoped all operating metallic mines, the top 20 – in terms of sales – non-metallic mines, and oil and gas projects in the Philippines, covering a total of 63 projects.

The 63 projects are broken down into 38 metallic mining, 20 non-metallic mining, and 5 oil and gas projects. The total number is nearly twice the number of projects included in the preceding report. She noted that PH-EITI achieved almost 100% participation of all targeted large-scale metallic and non-metallic mines.

Ms. Mangada attributed this to the increased coverage and participation of the non-metallic mining sector.

Asec. Habitan affirmed this and noted that the report expanded the coverage of the non-metallic sector from the top 5 companies for the 4th Report to the top 20 companies for the 5th Report, representing an increased coverage from 43% of total sales in 2016 to 91% of total sales in 2017.

It was also mentioned that the enforcement of DENR Administrative Order No. 2017-07 by the MGB, also contributed to attaining the practically-100% participation of the targeted mining sector.

But, of course, the 5th Report doesn't only contain data from the companies. In order to perform data reconciliation, the report also needs data from government. The 5th Report has data on 13 revenue streams¹ from seven (7) government agencies² and 95 local government units or LGUs hosting extractive operations.

Now, this expanded coverage and participation translated to a total of PHP 39.1 billion pesos in reconciled revenues in 2017. This is an increase of 43% from the amount reconciled in 2016.

Atty. Recidoro added that increase in revenues may have been an offshoot of the rebound in revenues in 2017 due to an increase in metallic mineral production led by copper and nickel.

Mr. Paulino also mentioned increase in natural gas prices as a reason for increase in revenues.

Ms. Mangada asked the relevance of the PHP 31.9 billion reconciled revenue figure.

Mr. Paulino related that in 2018 JICA and DOTr put a 17-billion-peso price tag on the repair and maintenance of MRT3. PHP 39.1 billion can pay for two such contracts.

Asec. Habitan compared this to DepEd's budget for Basic Education Facilities Fund for 2019 (30.97 billion) is less than that. She further added that together with the increase in reconciled revenues is a decrease in the variance between government and company financial data after reconciliation. The overall variance for 2017 is 0.42% – an almost 80% decline from the 2% variance in 2016.

Mr. Paulino said that this minimal variance should give us confidence that our reporting entities are disclosing accurate data.

Asec. Habitan affirmed this and noted that PH-EITI reports show very minimal variances over the years since 2012. She lauded The Department of Energy (DOE), which recorded the lowest variance at 0.11% in absolute terms, followed by the Bureau of Internal Revenue at 0.67%.

On the other hand, as in previous reports, the National Commission on Indigenous Peoples (NCIP) recorded the highest postreconciliation variance of -102%. A negative value indicates that companies reported more than what the government agency reported.

Now, this has been a lingering concern, and for more fundamental reasons that have to do with the very nature of the "revenue" that pertains to the NCIP – the IP royalty. The NCIP has the mandate to monitor IP royalty payments; companies, by law, pay the royalties directly to IP organizations, and not to or through the NCIP.

Ms. Mangada noted how this variance may pose problems in monitoring, considering that there are issues on the adequacy of NCIP resources as well as IP capacities, too, among other issues.

Asec. Habitan acknowledged the concern and emphasized that the pursuit of transparency is a continuing endeavor, which PH-EITI hopefully will keep contributing to.



For now, the MSG will continue to highlight the problem and strive to get stakeholders together to address it.

On the brighter side, as reported, overall variance is very low; and this encourages us to keep on working for and innovating solutions to realize transparency and accountability in the extractive sector. She emphasized the various efforts to use technology for transparency. For example, she highlighted that the minimal variance posted in the 5th Report was partly due to our pilot use of our Online Reporting in the Extractives, or ORE, Tool, which made reporting easier, more efficient, and less prone to error.

Ms. Mangada recognized this milestone. But she also emphasized that even with easier reporting, the only scoped coal company, which accounts for more than 99% of total coal production, still has not participated in EITI. She was pertaining to Semirara.

Discussion on revenue distribution and sector contributions

Mr. Paulino reported that of the reconciled PHP 39.1 billion pesos, almost half – at 46% – was collected by the Department of Energy. This mostly represents the government share from oil and gas production in 2017.

The Bureau of Internal Revenue was the second highest collector, getting 45% of total. Corporate income taxes (33.7%) and excise and withholding taxes largely constitute this amount.

Duties-collecting Bureau of Customs is next at 3% of total. LGUs also collected 3% of total, mostly from local business taxes and real property taxes. The DENR's Mines and Geosciences Bureau, which collects royalties on mineral reservations, got 2% of the total reconciled amount.

At the local level, of the 3% portion collected by LGUs, Region 13, or the Caraga region, received the highest at about 410 million pesos; followed by Region 3 - Central Luzon with 206 million pesos, and Region 2 - Cagayan Valley with 167 million pesos.

Referring to the pie chart, it showed that oil and gas companies contributed the lion's share, accounting for 72.4% of total reconciled payments. The metallic mining sector came in second with 19.9% of total, followed by the nonmetallic mining sector with 7.8%.

Perhaps, besides tax payments, the non-fiscal contributions of the industry are also worth sharing. Often, these contributions are the ones with the more direct albeit less-known positive impact on host communities.

Discussion on sector contributions

Atty. Recidoro discussed sector contributions. Before proceeding, he also shared which companies had the highest total reconciled payments from the 5th Report.

For the metallic mining sector, the top three companies are:

- Taganito Mining Corporation with PHP 1.365 billion,
- Philex Mining Corporation with PHP 1.052 billion, and
- OceanaGold Philippines, Inc. with PHP 868 million.

The combined reconciled payments of these three companies account for about 42% of the sector total for 2017.

For the nonmetallic sector, the top three companies are:

- Eagle Cement Corporation at PHP 1.949 billion,



- Northern Cement Corporation at PHP 642 million, and
- Republic Cement and Building Materials, Inc. - Batangas Plant at PHP 196 million.

These three projects alone account for 91.6% of total reconciled payments for the non-metallic sector in 2017.

For the oil and gas sector, Shell Philippines Exploration BV topped the list with PHP 22 billion followed by Chevron Malampaya LLC with PHP 5.176 billion, followed by PNO Exploration Corporation with PHP 798 million.

Atty. Recidoro proceeded to discuss the non fiscal contribution of the sector. In 2017, direct employment in mining and quarrying was estimated by the Philippine Statistics Authority (PSA) and the MGB at 203,000 persons, which is about 0.5% of total national employment. This represents a decline from previous rates averaging 0.63% of total national employment.

For EITI participating mining companies, direct employment in 2017 was about 25,800. *Per the MGB, however, it is conservatively assumed that for every job in the mineral industry, about four indirect jobs may be generated. As for employment in participating oil and gas companies, the number reported was at 402 in 2017.

Ms. Mangada inquired if there are disaggregated employment data according to gender (male or female) and ethnicity (whether IP or otherwise; whether local or foreign).

Atty. Recidoro affirmed that disaggregated data is available. He mentioned that direct employment data is even broken down according to type of employment, whether regular or contractual.

As for the social and environmental expenditures, this slide shows that the reconciled amount for mining companies totaled PhP 2.073 billion in 2017.

Bulk of this figure came from the annual environmental protection and enhancement program (or EPEP), accounting for 59.2% of total or about PhP 1.226 billion, followed by the social development and management program (or SDMP), contributing about 31% or PhP 645 million of the total.

Atty. Recidoro that these non-fiscal contributions of extractives that EITI has been made transparent, but there are still other aspects of the industry that needs more transparency. One of these other aspects is the matter of beneficial ownership, which the MSG attempted to shed some light on in the 5th Report. He requested Ms. Mangada to further discuss the pilot report on beneficial ownership.

Discussion on beneficial ownership

Ms. Mangada reported on the pilot reports pertaining to beneficial ownership and small scale mining.

The EITI Standard defines “beneficial owner”, in respect of a company, as “the natural person/s who directly or indirectly ultimately owns or controls the corporate entity”.

The Standard requires beneficial ownership disclosure, because ending company anonymity by publishing information about companies’ beneficial owners is seen to help deter corruption, tax evasion, money laundering or other illicit financial flows.

By January 2020, EITI implementing countries like the Philippines are required to request, and companies to disclose, beneficial ownership information for inclusion in the EITI Report.



This applies to corporate entities that bid for, operate or invest in extractive assets and should include the:

- identity of their beneficial owner/s;
- level of ownership; and
- details about how ownership or control is exerted.

EITI implementing countries are also encouraged to maintain a publicly available register of beneficial owners.

To comply with this requirement, we, the MSG, agreed on a Beneficial Ownership Roadmap in December 2016. The MSG has since incorporated activities from the Roadmap into our Work Plan beginning in 2017. Hence, the scoping study published in 2017 and the pilot beneficial ownership reporting in the 5th Report.

Now, the EITI Standard also says that, where possible, beneficial ownership information should be incorporated in existing filings by companies to corporate regulators, stock exchanges, or agencies regulating industry licensing. And where this information is already publicly available, the EITI Report should indicate how to access it.

The MSG reached out to the Securities and Exchange Commission (SEC) who, in November 2018, issued Memorandum Circular No. 17, which now requires all domestic corporations – extractive companies included – to disclose, beginning January 2019, their beneficial owners through their general information sheet (or GIS) which is filed annually. MC 17 clearly presented an opportunity to mainstream beneficial ownership transparency. However, the SEC has repeatedly moved its implementation to a later date while it conducted consultations with stakeholders on the circular.

Following the apparent challenges, MSG decided for PH-EITI to have its own beneficial ownership reporting mechanism, while MC 17 has yet to be implemented. This will be included in the 6th Report.

Atty. Recidoro said that beneficial ownership reporting is quite challenging, particularly when it comes to validating and ensuring accuracy of the information.

On the other hand, Mr. Paulino noted that for publicly-listed corporations like the oil and gas companies, disclosure wouldn't be much of an issue

Asec. Habitan related that even in the international level, it is actually challenging for many EITI implementing countries, but the MSG has to at least try and make it happen. The rationale is sound and there are opportunities for a more systematic approach, given the SEC MC.

Discussion on small scale mining (SSM)

Ms. Mangada remarked that even before the pilot report last year, PH-EITI had already started engaging the SSM sector by commissioning a scoping study back in 2015. Also, the MSG has been including contextual information on SSM in previous country reports.

The MSG also developed a reporting template for SSM and subjected it to a consultation-workshop with Provincial Mining Regulatory Boards or PMRBs in June last year.

For the pilot report, though, the MSG selected one site – South Cotabato – because it has established best practices in governing and managing its SSM sector. They already have a declared Minahang Bayan now.



South Cotabato has the highest number of registered SSM operations in the country, owing to their advanced registry system. Almost all small-scale miners are registered and are members of 10 SSM associations – all organized under a federation.

Ms. Mangada also described the study's methodology. The MSG briefed registered SSM associations on the EITI reporting process then consultations were conducted to workshop and refine the SSM reporting template (to factor in real or actual practices on the ground).

The associations were also requested to execute BIR waivers, and one association did – the T'boli Integrated Small-scale Mining Contractors Association, Inc. (TISSMCAI).

She showed a photo of the BIR regional office's letter (addressed to Asec Habitan) providing the association's tax data. It says that TISSMCAI paid registration fees of P2,000.00 in 2017 and income tax of P1,642.00 in 2018.

The panel noted that it was a very minimal amount. However, it was a good start for the sector to be transparent and open.

Ms. Mangada proceeded to share the highlights of the pilot report on SSM:

- South Cotabato's total collection from metallic SSM in 2017 was around PHP 4.6 million pesos. We also noted (although this is not covered by the report) that its income from small-scale non-metallic mining was more than thrice this amount (at PHP 16.9 million).
- MGB XII maintains an inventory of SSM miners and associations, disaggregated by gender and location. The Province also maintains a database of registered SSM operators, with number of workers per operator, disaggregated by location, gender, and if locals or migrants.
- That SSM in the area is very organized, with registration and the existence of associations, facilitates monitoring by the Province and the MGB regional office (MGB XII).
- Admittedly, production and value are often not accurately reported, but that SSM operators report to the Province is a good start. On the part of the Province and MGB XII, reporting of SSM operators can be improved by jointly conducting validation of their production reports and declared value so that correct taxes and fees may be collected.
- The Province projects excise taxes from the reported production. This can be improved if there's a mechanism to track payments of excise taxes to the BIR.

Panel Discussion and Open Forum

Ms. Lisa Antonio opened the discussion by asking the panel to highlight impact, challenges and value of the fifth report.

Asec. Habitan mentioned about the online reporting tool, the ORE, citing this as one of the initiatives for mainstreaming EITI. Over the years, what has been done is to give a face to the extractive industry. For most people, they are unfamiliar with the industry, often lumped



together. But now, it can be seen that the industry has various stakeholders, the company, the community and civil society. It deals with what the government has to protect, our natural resources. There's value in knowing that there is impact in the barangay, municipality and provincial level and the country as a whole. We see data gathered in one place, which is EITI.

Mr. Paulino shared how he was able to access the story of Peru, as a member of the EITI implementing countries. Peru realized that from extractives revenues only 15% of the revenues are used for developmental activities and 85% for day-to-day activities. Imagine the capability to understand all these data from natural resources. To note that 7.8% percent of our exports come from extractive industries, it earns money. Knowing these data helps citizen to challenge our government bodies, our local executives, and the companies doing extraction. Ask questions like: How are you using the natural resources extracted? Are you extracting it efficiently? And the revenue that it generates, is it being used for the right purpose? That's the power of being part of EITI. Also we are not alone in our challenges, learning from other countries. The structure we put in, the credibility of the data, and the challenges we put in the policies and legislation.

Tess Tabada of Visayas State University commented about the challenges in their region, specifically about the effects of the Build Build Build Project of the government. This refers to effect of sand and gravel extraction to the agriculture, water irrigation and food security in the region. She hoped that the MSG would look into the inclusion of sand and gravel in the regions in future reporting.

Asec. Habitan agreed with Tabada's sentiments and noted that government policies always have consequences.

Ms. Antonio further asked the Ms. Mangada to elaborate on the topic of inclusivity, particularly in the SSM and what needs to be done.

Ms. Mangada noted that the active civic engagement with the sector helped in the success of the pilot study. She said that this is just the start and hoped that more will follow in order to see the big picture from the ground. Still, she also noted that work has to be done to convince Semirara to participate in the EITI. As a professor, she was also thoughtful about the philosophy of the katutubo towards transparency. She presented that the T'boli showed data on their SSM activities but she wondered whether the numbers reflect reality. She related that there is a challenge in beneficial ownership but there is also a challenge of transparency among the indigenous people (IP). She hoped that with continued publication, people will be more encouraged to be transparent.

Ms. Antonio further probed on the value that the IPs when they join EITI.

To this, Ms. Mangada admitted that she was not part of the group that conducted the study. However, she noted that it would be good to look into the philosophy of transparency as viewed by the IPs.

Mr. Chito Trillanes commented on the issue of interfacing within departments to ensure alignment. He requested that updates on this matter should also be reported. He also asked about guidelines or policies that govern LGUs and the national government on the utilization of revenues from extractive industry. He noted that if these issues are addressed, the trust of the community will increase.

Ms. Antonio said that these issues will be addressed in the next part of the program when reporting agencies provide updates.



Aroroy Mayor Arturo Virtucio also raised the issue on excise tax by Filminera.

Asec. Habitan acknowledged the concern and requested Mayor Virtucio to provide more data. She said she would help bring this issue to BIR for resolution.

A lady from Rosario, Agusan del Sur related the struggle of Cossma (Co-o Small Scale Mining Association of Bunawan) in processing their Minahang Bayan permit for almost 30 years now. She mentioned two primary challenges of small scale miners:

1. SSM is governed by ordinary people. They do not have lawyers, accountants and technical people. They are dependent on assistance from the government but she said that they have not received any formal support.
2. There is also struggle in the local area because most of the people are unaware of the rules and regulations. Most of them are uneducated. She hoped that EITI can help them.

Video Presentation on Updates of EITI Implementing Agencies

- **Department of Environment and Natural Resources – Mines and Geosciences Bureau (DENR-MGB)**
- **Department of Energy (DOE)**
- **Department of Finance – Bureau of Local Government Finance (DOF-BLGF)**
- **Department of Budget and Management (DBM)**
- **Department of Interior and Local Government (DILG)**
- **Securities and Exchange Commission (SEC)**

In line with PH-EITI's objective to strengthen national resource management and government system, the PH-EITI Multi-stakeholder Group, or MSG has, since 2011 agreed and issued yearly recommendations for agencies that regulate or oversee the extractive industries.

Mainly intended to enhance transparency and accountability in the sector many of these recommendations have been adopted and implemented by the agencies.

Now five years hence, here is the report on the progress made on a number of thematic areas of extractives transparency, where relevance and potential impact have been seen the most.

On Mainstreaming Disclosures

EITI implementing agencies in the Philippines have gradually moved towards systematic disclosure of extractives data for better efficiency in delivering transparency.

The **Department of Environment and Natural Resources - Mines and Geosciences Bureau or MGB** has mainstreamed disclosures through its *Database Portal* accessible at databaseportal.mgb.gov.ph. The portal contains updated mining tenements data mine safety and health, environment, and social development data and industry statistics, among other information.



The **Bureau of Local Government Finance or BLGF** has made data from the *Environment and Natural Resources Data Management Tool* or ENRDMT available online through its website. Currently, BLGF, with technical assistance from the Asian Development Bank, is designing a broader web-based reporting system called the *LGU Integrated Financial Tools* or *LIFT*, where ENRDMT and other reporting modules of various oversight agencies will be included.

The **Department of Energy** has disclosed on its website project-level payments and production data of operating oil and gas projects.

On Integration of EITI reporting in government systems

Taking a key role in the mainstreaming initiative, PH-EITI itself has sought to integrate its main operations particularly the reporting in government systems.

With the continuous engagement and commitment of implementing agencies, PH-EITI is developing an integrated system of EITI disclosures through the use of web-based tools to consolidate and connect comprehensive extractives data and information... from various sources into a central open-data repository.

PH-EITI's website now housed in the website of the **Department of Finance**, features the *Extractives Data Generator* or *EDGE*, which contains all the data from PH-EITI annual reports in open data format. With EDGE, users can generate, sort, and utilize disaggregated data from all the implementing agencies and companies that report to PH-EITI with ease. This is also facilitated by PH-EITI's online reporting tool called *ORE*, or *Online Reporting in the Extractives* tool piloted last year.

PH-EITI's mainstreaming efforts are strengthened by policy measures that lead towards institutionalizing EITI. Most notable is the DENR's Administrative Order No. 2017-07. With its full enforcement by the MGB, PH-EITI was able to secure 100 percent participation of *targeted* large-scale metallic and nonmetallic mines for the Fifth Report. Another example is MGB's plan to make EITI reporting part of its compliance monitoring scorecard for mining permits or contracts. The MGB has also integrated PH-EITI's reporting template for small-scale mining in its efforts to institute reforms in the small-scale mining sector.

Local Government Finance Transparency

For better local revenue management, implementing agencies have been forming policies that will fast-track the release of local government shares in national wealth as well as standardize local impositions on extractives.

A draft Joint Memorandum Circular has been formulated by the **Department of Budget and Management (DBM)** together with

- the Department of Energy (DOE),
- Department of Environment and Natural Resources (DENR),
- Department of THE Interior and Local Government (DILG),
- the Bureau of Internal Revenue (BIR), and
- the Bureau of THE Treasury (BTr)... to improve the timelines and procedures in the release of LGU shares from the utilization and development of the national wealth, and to enhance transparency in the allocation and release of these shares.

On the other hand, the **Bureau of Local Government Finance**, has held a series of consultation workshops to help LGUs review and design local fees and charges on



extractive operations. The bureau has begun working with the Department of THE Interior and Local Government in drafting a joint circular on a standardized schedule of local fees and charges on extractives.

Beneficial Ownership Disclosure

An emerging area of extractives transparency is the disclosure of beneficial ownership information. Intended to help level the playing field and fight corruption, beneficial ownership disclosure is aligned with government efforts to combat money laundering and illicit financial flows.

The **Securities and Exchange Commission** has issued *Memorandum Circular No. 17, series of 2018* that revised the General Information Sheet or G-I-S form for corporations to include beneficial ownership information. The policy, set for implementation this 2019, covers all SEC-registered domestic stock and non-stock companies, including extractive companies.

PH-EITI is now working to streamline and harmonize EITI reporting requirements with the SEC circular.

All of these efforts, steady and sustained, would attest to the government's collective commitment to make extractives transparency work towards ensuring the extractive sector's contribution to our country's development. Indeed, extractives transparency and resource governance require resolute and synergistic work from government as well as openness to the meaningful participation of the industry and civil society sectors. As PH-EITI sets out to forge new frontiers in pursuit of its objectives, it is hoped that all stakeholders continue to join in this journey to the better future we envision.

Panel Discussion and Open Forum

Members of the Panel:

Director Wilfredo Moncano – Department of Environment and Natural Resources – Mines and Geosciences Bureau

Director Anna Liza Bonagua – Department of Interior and Local Government

Director Araceli Soluta and Asst. Director Ismael Ocampo – Department of Energy

Assistant Director Oliver Leonardo – Securities and Exchange Commission

Director Michael Mamukid – National Commission on Indigenous Peoples (NCIP)

A lady from Ateneo de Davao asked Director Mamukid on steps done to address the large variance in NCIP as presented in the report earlier.

Director Mamukid said that presently there are about 240 CADTIs covering more than 5 million hectares. All of the extractive activities are done within the Ancestral Domains (AD) of IPs. The NCIP is an agency promoting the protection of the IPs. The NCIP comes in when an activity is conducted in the ADs. Any entity who wish to enter an AD, need free prior informed consent (FPIC). Regulated agencies cannot conduct any activity without certification that FPIC is done. Any activity without FPIC is illegal.

Ms. Antonio asked whether this meant a logistical challenge for the agency.

Director Mamukid affirmed that the agency lack personnel to monitor all activities. The agency is having intervention to complement national and field offices in the country. He also mentioned that new NCIP chairman is requesting more funding to support NCIP activities.

Mr. Chito Trillanes directed the question on NCIP and MGB regarding existing policy of NCIP for comprehensive royalty development plan (CRDP) and whether CRDP is mandatory for



CADTI application. He noted that IPs do not have a clear guide on royalty utilization. Government cannot do anything about because it's a private transaction between IPs and the company. Companies report huge amount, but it does not reflect from the ground. He noted that MGB can help with this since MGB is a regulating agency, but there are IPs. Most mining companies are operating within ADs. This need to be discussed. He remarked how some tribal leaders are having luxury cars, but members of the communities are suffering and cannot even buy slippers. He urged that NCIP need to step up.

Director Mamukid affirmed that CRDP is mandatory. In the formulation of the CRDP, there should be the lookout of the community. He emphasized that royalty is given to the community directly. But NCIP can help in monitoring that. That's a common problem across the country. He assured that the agency is trying to closely monitor that.

Aroroy Mayor Arturo Virtusio asked a question for MGB, on mine rehabilitation fund. He said that the mayor is not a member of the Mine Rehabilitation Fund Committee (MRFC), only the governor. In their area, they have a mined out area. He asked MGB to help that the MRF should be utilized for the mined out area. Some mining companies do not complete rehabilitation. They just put ordinary trees. What is suggested is to plant high valued trees. The people do not have resources so after mine life they could have sustained resources and sustained livelihood and the place is rehabilitated.

Director Monanco said that membership of the mayor on MRFC, as per DENR guideline specific agency, only the governor sits; But the mayor can sit but not as a voting member. On rehabilitation fund, if the area is already mined out, fund to be used is Final Mine Rehabilitation Development Fund (FMRDF). Other fund like Rehabilitation Cash Fund, if you are mining a part of the area, the RCF can be used for that and the other area will be used later. On planting of high value fruit trees, every year there is a workshop for MMT to identify what programs to be done for the year. It will be implemented in the program. It is only a matter of bringing the idea/suggestion on the workshop and have it approved by the body.

From a CSO in Panay, the question is directed to SEC. She said that they help SSM and IPs in strengthening their organization to be registered in order to benefit from the royalty fees. Other organizations have a hard time registering in the SEC online registration, especially in uploading documents and filling up data.

Asst. Director Leonardo committed that he will personally help them.

Ms. Antonio noted that it seemed a technical issue and asked what actions were being done by SEC to address this.

Asst. Director Leonard said that they have a mechanism through LEAP Program. There are various ways to help them even through manual registration.

CSO from TVI asked NCIP on the status of the rehabilitation of TVI and NCIPs participation.

Director Mamukid noted the concern and said that he will check with the regional office. After the process, NCIP will issue corresponding memorandum for the regional office.

Ms. Annie Baltar inquired for DENR MGB updates on OceanaGold in Nueva Vizcaya.

Director Moncano remarked that expiry of FTAA was on June 20, 2019 and Oceanagold filed for renewal as early as February 2018, it followed the process and the agency responded favorably. Findings of the review of the endorsement, OceanaGold need to get FPIC, since expansion of operations will cover a CADTI area. This expansion of OceanaGold is now covering the CADTI, the mining company needs to obtain the FPIC process. Right now, this



document for renewal is with DENR and MGB has forwarded to the company and to undertake the FPIC. Still pending with NCIP to secure the FPIC.

Mr. Trillanes probed on the matter of policy and guidelines for extension of MPSAs and contract renewals.

Director Moncano explained that the MPSA and FTAA has a life of 25 years, renewable for another 25 years. Mining companies with near expiry should file for renewal prior to the expiry date, until there is a determination for the agency concerned. There are also instances of the term for the first 25 years, force majeure cases if there are peace and order issues, the MGB will determine the extension. If the mining company can prove that due to peace and order issues, they could not operate for four years after certifications from AFP, PNP, it can be extended. If there are adverse policies for mining companies are suspended, no due process, can be a reason for MPSA and FTAA's extension. There are policies and guidelines. If the mining has been issued with ECC, not changed, no requirement for another ECC if you are working on the same area and production not changed.

Mr. Chadwick Llanos inquired with MGB about the dynamics of the Provincial Mine Regulatory Board (PMRB). He asked about the health of the PMRB being assessed particularly since no uniform practice for PMRBs. He also directed the question to DILG since this is a governance issue.

Director Moncano said that the PMRB is composed of the MGB regional director, the governor, IP rep, NGO, AFP, large and SSM representatives, as a policy, reconstituted for PMRB and CMRB. They don't have special order from MGB. Right now, reconstituting updates for membership. They only put office designation such as Office of the Governor, name of the CSO, but no specific names.

Director Bonagua also pointed out that DILG always conduct orientation for new officials. On PMRB reconstitution, the DILG has yet to orient the LCEs on rules and responsibilities. They will coordinate with DENR.

Asst. Director Leonardo commented on a previous question about SEC registration. He said that for company registration, there are three ways that applicants may avail: 1. LEAP process, this applies only to companies that do not require a secondary license. There are tick boxes that you can check. Under LEAP, you can get registration in a day; 2. those who have secondary license, manually upload signed articles of incorporation; and 3. the regular lane, this relies on stable internet connection. Also, on the revision on GIS, SEC MC 2019-15 took effect in July 31, now requiring all corporation to disclose beneficial ownership.

Ms. Antonio asked the panel on the topic of each agency's readiness and receptiveness regarding interfacing and interconnecting data.

Director Moncano said that the MGB is amenable for this interfacing. He cited the new law from BSP on SSM, exempting SSM from payment of excise tax. There is a need to interface with BSP on the issuance of guidelines on the new law. However, BSP could not be part of this interfacing because BSP data is confidential. BSP said that on volume, data can be provided but for identity of sellers and buyers, these are confidential. MGB wants SSM to be mainstreamed and part of the industry based on EO 79. However, SSM production is not captured. MGB is working on process to fast tracking declaration on Minahang Bayan.

Director Bonagua mentioned that for DILG is very open for interfacing. Since 2010, the DILG already imposed full disclosure of LGUs 14 financial bids and procurement docs in their websites. DILG initiated full disclosure policy portal where LGU can upload data. The public can access data, as well as any other agency. DILG also uploads projects with resources



coming from national government, specifically resources from national wealth. DILG worked with BLGF on ENRDMT. LGUs are required to submit information on local taxes, national revenues and how they used it (utilization). ENRDMT module is under ESRE which are submitted quarterly and annually. This can be accessed by the public.

Director Soluta said that the DOE welcomes changes and they are amenable to changes. DOE puts updated data on their website, all available online.

Asst. Director Leonardo also affirmed that SEC is full support for interfacing. There is an existing partnership with BIR on TIN issuance and with DTI on business registry. However, on revised GIS, the beneficial ownership declaration is not public viewing yet, but law agencies can access it. SEC's full disclosure complies with international standards.

Director Mamukid noted that good governance, transparency and accountability are essential. NCIP is working to partner and interconnect with other regulating agencies. However, he also recognized the challenge since several information are coming from entities operating in ADs.

Asst. Director Ocampo said that volume of digitize data can be accessed through the DOE portal.

Ms. Antoni followed up with a question on how EITI help each agency fulfill its mandate.

Director Soluta said that the compliance division of MGB monitor shares to the LGU. Most of them did not respond. This is not new to her. EITI has a greater scope now. As a member of EITI, DOE has a better knowledge of what's happening on the ground.

Director Bonagua said that EITI blends well with the policy of DILG. Full disclosure policy to get seal of good governance and translates to monetary rewards for LGU projects. DILG requires LGU to disclose and post on their website. EITI encourages LGUs to disclose revenue from extractive industries and from national wealth as utilization of this fund. It furthers DILG's advocacy on transparency mandate.

Director MOncano said that this resulted to MGB to issue policies, standardized scoring.

Asst. Director Leonardo said that thrust in transparency in line with SEC mandate to protect investor. Encourage investors. The SEC GIS revision, volunteers SEC to support the beneficial ownership disclosure. This is a paradigm that SEC has to comply with to keep abreast with international standards. One of the records to be kept is the list of beneficial owners aside from stockholders.

Director Mamukid said that EITI has been a great help for NCIP because it allows for free flow of information. If there is a problem, NCIP created a wider group to address this. Now, NCIP has 50 viber groups, constant communication with people in the ground. This initiative will greatly help the office.

Asst. Director Ocampo said that EITI complemented the bureau's transparency mandate and convinced service contract holders to join EITI.

Ms. Tess Tabada probed the DOE on steps undertaken to convince Semirara to participate in PH-EITI.

Asst. Director Ocampo said that DOE will draft a circular to enjoin coal service contract holders to participate in EITI disclosure on revenue and taxes and any earnings they have.

As a last question, Ms. Antonio asked the panel how to make EITI more relevant.

Director Moncano emphasized that MGB requires transparency. MGB can call mining company transparent other than compliant. Transparency is one of the parameters for responsible mining.

Director Bonagua said that EITI is significant in making sure LGUs have a role to play such as advocating for mine rehabilitation, inclusion of LGU in planning and SDMP and utilization. The interest of LGUs to be heard and get their rightful share.

Director Soluta said that EITI helped them have a MOA with DILG. Now, there are many participants in EITI. It's easier to reconcile our figures. Good platform for all of us to be on the same page.

Asst. Director Leonardo cited that EITI is relevant to SEC, since all of these extractive industries are our stakeholders, whether listed or not, they need to comply with SEC requirements.

Director Mamukid emphasized that there are 245 CADTIs issued by NCIP. It has an enormous task to play with EITI, with interconnectivity, EITI can greatly help NCIP monitor on FPIC.

Asst. Director Ocampo said that getting a big share from Malampaya Fund requires more transparency on utilization.

PH-EITI's Impact in the Country: Presentation of Study

Ms. Joylin Saquing

Outreach Officer, PH-EITI Secretariat

When Philippine EITI was established in 2012 through EO 79 and in 2013 through EO 147, it was envisioned to help improve transparency in the extractive industries in the country. Since its inception, PH-EITI has produced 5 country reports, conducted various outreach & capacity building activities, & initiated research & policy reforms.

EITI implementation in the Philippines has been recognized locally & internationally. A systematic measure of its impact, however, needs to be done, to evaluate the development and status of PH-EITI with regard to its relevance, efficiency and sustainability.

The PH-EITI Multi-stakeholder Group engaged the UP Statistical Center Research Foundation to:

- 1) co-develop a survey research design to assess the impact of PH-EITI
- 2) conduct a nationwide survey among PH-EITI stakeholders

The nationwide survey was held during PH-EITI's nationwide roadshow and activities in 2018.

The Impact Index was created to help evaluate the implementation and performance of PH-EITI using a scale of 1-10.

The impact of PH-EITI was measured based on 5 key objectives of PH-EITI formulated during its inception.

1. Show contribution of extractives to the economy
2. Improve public understanding of natural resource management and public availability of data
3. Strengthen national resource management & government systems



4. Create opportunities for dialogue & constructive engagement
5. Strengthen the industry's contribution to sustainable development

The rating scale questions for the Impact Index were developed to cover 4 areas:

1. Areas of governance - Areas of Governance Index is mainly concerned on the assessment of stakeholder of how natural resource management has improved or deteriorated over the last 5 years.
2. Impact Areas – Impact Areas Index essentially assesses PH-EITI 's impact on natural resource governance in the country
3. Key Initiatives of PH-EITI – Key Initiatives Index measures the impact of PH-EITI initiatives
As assessed by the respondents – whether it contributed or not to the natural resource governance
4. Sector Specific Questions (for government, industry, and civil society)

These are the specific items under Governance and Impact Areas Indices

Part1_1: Overall Governance.

Part1_2: Availability/accessibility of fiscal data and other information about the extract industries

Part1_3: Policy-making in the extractive industries

Part1_4: Public debate in relation to extractive industries.

Part1_5: Implementation of rules and policies.

Part1_6: Environmental monitoring of extractive operations.

Part1_7: Monitoring of revenues from the extractive industries.

Part1_8: Public understanding on extractive industries.

Part1_9: Government openness in the extractive industries.

Part1_10: Openness of extractive companies.

Part1_11: Willingness of civil society player (e.g., NGOs) to engage or be involved.

These are the specific items under Key PH-EITI Initiatives Index

Part3_1: Publication of Annual Country Report.

Part3_2: Production/publication/distribution of Knowledge Materials (e.g., research studies, primers, brochures)

Part3_3: Local Outreach Activities (e.g., countrywide Roadshow, various local events where PH-EITI is resource person)

Part3_4: National Outreach Activities (e.g., National Conference, national events where PH-EITI is resource person).

Part3_5: Capacity-Building Activities (e.g., workshops/trainings).

Part3_6: PH-EITI Official Website

Part3_7: PH-EITI Contracts Portal.

The impact survey adopted the American Customer Satisfaction Index (ACSI) model to measure the stakeholders' perceived impact of EITI

The study used self-administered survey forms given to PH-EITI stakeholders in attendance at PH-EITI events in 2018.

A database of 899 stakeholders who participated in PH-EITI nationwide activities, including roadshows & forums, were the target population for the survey. Out of 899, 630 stakeholders or 70% participated in the survey during PH-EITI nationwide roadshows and other activities.



The distribution of participating stakeholders by sector is summarized here. Majority of the respondents are from LGUs which comprise 36.3%, and mining and oil and gas companies or 31% of the total number of respondents.

While 16% and 16.7% were respondents from the national government and civil society.

In terms of areas, majority of the respondents were from Caraga region who comprise 24.4% of the total number of respondents.

Non-response came from participants who attended an EITI event for the first time so they chose not to participate.

A number of respondents have detailed knowledge on EITI and were able to answer the questionnaire.

For the Areas of Governance Index

The overall rating for the Areas of Governance Index is at 65.22% which entails that respondents observed improvement of resource governance over the last five years since EITI was implemented in the country.

For the Impact Areas Index

The overall rating for this index is 69.54, which implies that most of the stakeholders agree that PH-EITI contributed to the different impact areas since 2013. Implementation of rules and policies was the major key driver of the index.

Respondents were also asked in the questionnaire about PH-EITI's impact from a scale of 1-10 with one being not impactful and ten being impactful.

PH-EITI received its highest averaged rating among respondents from

- national government agencies (at 8.0/10)
- followed by respondents from industry (at 7.8/10),
- local government units (at 7.7/10),
- and civil society organizations (at 7.6/10).

A high percentage of NGA respondents rated PH-EITI's overall impact at 7 or higher at 92.3% of total while only 76.6% respondents from civil society organizations indicated the same.

For the Key PH-EITI Initiatives Index

The overall rating is 77% which indicates that PH-EITI activities, projects, and programs contributed positively to the overall improvement of resource governance upon consideration of their effects on the various impact areas.

The primary key drivers of the Key Initiative Index were the Outreach Activities and Production/Publication/Distribution of Knowledge Materials.

For the overall impact, 82% of the respondents expressed overall satisfaction rating, particularly on the PH-EITI Report publication, outreach activities, and PH-EITI's website

For the most positive result, 60% of the respondents said that the most positive result of PH-EITI is the promotion of extractives transparency

Given the results of the impact study, it is recommended to establish and institutionalize a workflow including data-driven assessments, such as contextualized feedback forms after every event. Currently, the assessment of EITI impact is still in its early stages and more



opportunities to gather relevant data per target stakeholder after EITI activities or even just through online surveys, would further enable PH-EITI to tailor relevant events and forums with optimal impact for all stakeholders.

PH-EITI Transparency Awards

Here is the list of the awardees for the 2019 Transparency Awards

2019 Excellence in Reporting Award for National Government Category

Department of Energy

2019 Excellence in Reporting Award for Local Government Units

2nd Runner Up - Municipality of Aroroy, Masbate

1st Runner Up - Municipality of Rosario, Agusan del Sur

Grand Winner - Municipality of Claver, Surigao del Norte

2019 Excellence in Reporting Award for Metallic Sector

2nd Runner Up - Hinatuan Mining Corporation

1st Runner Up - Philix Mining Corporation

Grand Winner - Taganito Mining Corporation

2019 Excellence in Reporting Award for Non Metallic Sector

2nd Runner Up - Republic Cement and Building Materials, Inc. - Batangas Plant

1st Runner Up - Northern Cement Corporation

Grand Winner - Eagle Cement Corporation

2019 Excellence in Reporting Award for Oil and Gas Sector

Shell Philippines Exploration B.V

Chevron Malampaya LLC

Closing Remarks

Mr. Bernardino Sayo

Executive Director, ULAP

ULAP committed to support transparency so people can benefit from extraction:

- reliable and meaningful data
- knowledge through data and information
- participate in sound management of finite resources

He lauded PH-EITI and DOF for continually and systematically publication of reports, resulting into open and inclusive management of resources. He hoped that this endeavor will foster cooperation in the society, more responsive governance of extractive sector that will lead to sustainable development.

He also urged the MSG to continue to strengthen collaborative engagement in the local community, which is at the core of the PH-EITI.

He also congratulated awardees and the LGUs who fully embraced the EITI principle. Finally, he reaffirmed and renewed the support of ULAP and member leagues to EITI.