

1 **PH-EITI 22nd MSG MEETING**
2 **9:00 AM - 1:00 PM | March 27, 2015**
3 **Visayas Room, Department of Finance,**
4 **Roxas Blvd., Manila**

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6
7 **Attendees:**

8		
9	Asst. Sec. Ma. Teresa S. Habitan	Department of Finance (DOF)
10	Febe Lim	DOF
11	Charmaine Bagacay	DOF
12	Atty. Teresita Angeles	Bureau of Internal Revenue (BIR)
13	Sarah Mopia	BIR
14	Engr. Romualdo Aguilos	Mines and Geosciences Bureau—Department of Environment and Natural Resources (MGB-DENR)
15		
16	Nenito C. Jariel, Jr.	Department of Energy (DOE)
17	Anna Liza Bonagua	Department of the Interior and Local Government (DILG)
18	Cielo Magno	Bantay Kita
19	Filomeno Sta. Ana	Actions for Economic Reforms (AER)/ Bantay Kita
20	Prof. Maria Aurora Teresita W. Tabada	Visayas State University
21	Ronald Allan A. Barnacha	Philippine Rural Reconstruction Movement (PRRM)/ North Luzon
22		
23	Dr. Merian C. Mani	Romblon Ecumenical Forum Against Mining (REFAM)/ Romblon State University
24		
25	Chadwick Llanos	Cebu Alliance for Safe and Sustainable Environment (CASSE)
26	Atty. Ron Recidoro	Chamber of Mines of the Philippines (COMP)
27	Dennis Legaspi	COMP
28	Francisco Arañes	Cambayas Mining Corporation
29	Sebastian Quiniones	Shell Philippines Exploration BV (SPEX)/ Petroleum Association of the Philippines (PAP)
30		
31	Sabino Santos	Chevron Malampaya LLC/ PAP
32	Atty. Gay Alessandra V. Ordenes	Secretariat
33	Maria Meliza T. Tuba	Secretariat
34	Abigail D. Ocate	Secretariat
35	Liezel B. Empio	Secretariat
36		

37 **GUESTS:**

38		
39	Shwee Yee Win	Myanmar EITI
40	Nan Hla Hla Min	Myanmar EITI

1	U soe Naing	Myanmar EITI
2	U Aye Zaw	Myanmar EITI
3	U Ye Naing	Myanmar EITI
4	U Khaing Kaung San	Myanmar EITI
5	Moe Moe Tun	Myanmar EITI
6	Tin Su Su Mar	Myanmar EITI
7	Kay Thi	Myanmar EITI
8	Nan Kyi Hsut Wai	Myanmar EITI
9	Khaing Kaung San	Myanmar EITI

10

11

12 **AGENDA:**

- 13 • Minutes of the 21st MSG meeting
- 14 • Matters arising from previous MSG meetings
- 15 • MICC’s directives/next steps
- 16 • Recommendations to be submitted to the MICC
- 17 • Dialogue with Myanmar EITI
- 18 • Other matters

19

20

21 **1. Call to Order:**

22

23 1.1. The Philippine Extractive Industries Transparency Initiative (PH-EITI) Multi-Stakeholder Group (MSG)
 24 meeting was called to order at 9:10 AM.

25

26 1.2. According to the Secretariat, Rapu- Rapu Minerals, Inc. informed the Mines and Geosciences Bureau
 27 (MGB) representative that they will not be able to attend today’s meeting again.

28

29 1.3. On the other hand, it was shared that the November 2014 progress report on the rehabilitation
 30 activities of Rapu-Rapu Minerals, Inc. is with the MGB representative.

31

32 1.4. The Chair stated that the progress report will be discussed towards the end of the meeting under other
 33 matters.

34

35 1.5. A CSO Representative requested to add in the agenda the inclusion of other industries in the EITI report.
 36 The same representative noted that that the timeline for including other extractive industries should also be
 37 discussed. The Chair included it as part of the other matters in the Agenda.

38 The agenda was approved by the body.

39

40 The proposed agenda was approved by the body.

41

1 **2. Minutes of the 21st MSG Meeting**

2
3 2.1. The Secretariat remarked that the Department of Energy (DOE) suggested a revision on the wording of
4 the minutes, specifically on page 17. It was mentioned that the correction from DOE was already reflected in
5 the minutes that is included in the meeting kits.

6
7 2.2. According to the Secretariat, the phrase “provided that there is a mining engineering permittee” on page
8 17, item 3.73 was changed to “provided the permittee employs a full-time Mining Engineer”. Consequently,
9 Item 3.73 now reads: “According to the DOE representative, the small-scale mining operations will be
10 supervised by a coal operator or the DOE, provided, the permittee employs a full-time Mining Engineer”.

11
12 2.3. With regard to item 3.10 on page 4 which states that “It was clarified during the said meeting that the
13 final deciding authority for the incentives is the BIR”, a representative from the Bureau of Internal Revenue
14 (BIR) clarified that as far as the incentives are concerned, the Board of Investments (BOI) is the deciding
15 authority. It was explained that the role of the BIR is to determine the taxability of the income of the
16 company.

17
18 2.4. The Chair requested the BIR representative to provide a wording for item 3.10 to better reflect the
19 discussion in the minutes of the last meeting.

20
21 2.5. The BIR representative remarked that item 3.19 on page 5 should be “details of BIR Form 1601F (final
22 withholding tax),” instead of “amendment of BIR form for withholding taxes”.

23
24 The minutes of the meeting has been approved as amended.

25
26 **3. Matters Arising from Previous MSG Meetings**

27
28 3.1. The Secretariat specified that the first two items pertaining to the creation of an MIS and the learning
29 session of T. Leste’s Petroleum Fund Process, are dependent on the Multi Donor Trust Fund (MDTF).

30
31 3.2. For the information of the body, it was mentioned that the first tranche of the MDTF, amounting to Php
32 31,000,000 has already been remitted to the designated Land Bank account of EITI. The Secretariat
33 explained that the request for the second tranche will be made once 50% of the first tranche has been
34 utilized.

35
36 3.3. *Offer of Timor Leste to conduct a training for the PH-EITI MSG on the Petroleum Fund process:* Given
37 that the MDTF is already available, the Secretariat asked if the MSG would want to proceed with a learning
38 session or forum with Timor Leste to discuss their petroleum fund process.

39
40 3.4. The Chair commented that currently no decision can be made yet. Hence, the secretariat has been
41 instructed to develop a module or explore logistical needs intended for this interaction.

1 3.5. The CSO Representative remarked that target invitees should be assessed. He also observed that the
2 revenue for the creation of a fund in the mining sector is too small; however, it may be useful for the
3 Malampaya fund or at the local level if data has been available.
4

5 3.6. *Rapu-rapu's status*: The Secretariat again stated that Rapu-Rapu Minerals Inc. declined from coming to
6 today's meeting. However, it was mentioned that the company will again be invited by the MGB.
7

8 3.7. According to the CSO representative, the Secretariat should explain in the invitation letter that the MSG
9 is looking at the rehabilitation progress of Rapu-Rapu as part of the monitoring of rehabilitation fund. The
10 MSG wants to assess if the rehabilitation funds are being effectively utilized and if there is a need to review
11 the rehabilitation process of mining companies.
12

13 3.8. There was a suggestion to also invite TVI to the next MSG meeting. A CSO representative mentioned
14 that this company is already in the rehabilitation phase.
15

16 3.9. *Copies of Bureau of Internal Revenue (BIR) and MGB reports to DBM regarding their collections per Local
17 Government Unit (LGU) and per company*: The Secretariat indicated that collection of these reports will be
18 made during the data gathering process of the Independent Administrator (IA).
19

20 3.10. *Memo from Mining Industry Coordinating Council (MICC) requiring all agencies to make all EITI
21 relevant information available*: The Secretariat recalled that the draft memo requiring all government
22 agencies to make all documents readily available to EITI was approved during the last MSG meeting.
23

24 3.11. The body was informed that the memo has been presented and approved by the MICC. Moreover,
25 Secretary Paje already signed the draft memo. The said memo will also be transmitted to Secretary Purisima
26 for signing.
27

28 3.12. A representative from MGB shared that the 2013 and 2014 MGB data is ready for submission to EITI.
29

30 3.13. *Template revision*: According to the Secretariat, there was a previous suggestion to send the reporting
31 template back to the government agencies for review. It was noted that the revision of the templates will be
32 made once the IA has been hired.
33

34 3.14. *BIR waiver*: The Secretariat recalled that there was a previous suggestion to amend the BIR waiver to
35 include incentives information and to indicate perpetual application so that companies will not be required
36 to execute the waiver on an annual basis.
37

38 3.15. According to the Secretariat, the copy of the revised BIR waiver that was forwarded to the BIR has
39 been duly approved by the Commissioner. The Secretariat will now send the revised waiver to the
40 companies.

1 3.16. Going back to the execution of BIR waiver, the same representative shared that the signed waiver of
2 some companies already covers the year 2013. In connection with this, the BIR representative asked if they
3 would need to wait for the execution of the revised waiver before they give the data to the Secretariat.
4

5 3.17. For companies with waiver that also covers 2013 data, the Secretariat explained that the BIR can make
6 the information available while the MSG is waiting for the companies to execute the revised waiver.
7

8 3.18. *Addressing legal barriers to EITI implementation:* The Secretariat mentioned that there was a previous
9 suggestion to review the FOI bill and discuss it during the MSG meeting. However, since there is a long
10 agenda for today's meeting, the discussion on FOI bill was deferred to the next MSG meeting.
11

12 3.19. *Details of BIR Form 1601F (final withholding tax):* The Secretariat stated that this matter has been
13 previously communicated by Department of Finance (DOF) to the BIR.
14

15 3.20. A representative of the BIR clarified that what they need are the details of the final withholding tax,
16 and not necessarily the amendment of form 1601F. It was mentioned that that the figure on the form for
17 final withholding tax is lumped and not disaggregated per type of withholding tax.
18

19 To get the details of the payment, the BIR representative shared that they have already instructed their IT
20 group to break down the reported figure.
21

22 3.21. It was noted that the intent of the amendment of BIR form is to show the disaggregation of the
23 different withholding taxes for the next EITI report. The Secretariat inquired whether the suggested
24 approach of the BIR would achieve this objective.
25

26 3.22. The BIR representative pointed out that amending the form is not necessary to get disaggregated
27 withholding taxes. The same representative explained that what is required is only the extraction of the
28 details of the composition of the specific final tax that PH-EITI wants to see.
29

30 3.23. The BIR representative asked if PH-EITI will be making a formal request for the disaggregation of the
31 final withholding tax.
32

33 3.24. The Chair replied that a formal request is not needed since there had been prior discussions on this.
34 Recommended actions were just being implemented since this is one of the findings in the country report.
35 According to BIR, they only extracted 2013 and 2014 data and will not anymore include data for 2012.
36

37 3.25. *Action plan for companies that did not take part in the first report:* There was an agreement for
38 companies and government agencies to discuss next steps on how to require non-participating companies
39 especially the coal industry to participate in the EITI implementation this year. The Secretariat noted that
40 this matter is still pending.
41

1 3.26. The Secretariat shared that they have sent a letter addressed to the non-participating companies
2 regarding the revised BIR waiver.
3

4 3.27. It was suggested that this matter be discussed as part of the main business, specifically during the
5 discussion on the MSG recommendations to the MICC.
6

7 3.28. A CSO representative suggested that the MSG explore the possibility of including EITI participation
8 among the administrative requirements of government in evaluating permits or applications. In this regard,
9 the Secretariat was tasked to identify the administrative requirements of government agencies.
10

11 3.29. *Data on gold production and revenues:* The Secretariat recalled that there was a request for BSP to
12 present their data on gold production and revenues. The body was informed that BSP is still consolidating
13 the requested information. According to the Secretariat, they will follow up on this request.
14

15 3.30. *Report findings of EITI report to Mining Industry and Coordinating Council (MICC):* The Secretariat was
16 tasked to report the findings of the EITI report to the MICC. Presentation on the key findings was done
17 during the MICC meeting early this month. The Secretariat noted that this matter is part of the main agenda
18 for today's meeting.
19

20 3.31. *Secretariat's institutionalization:* The Secretariat was tasked to discuss with DBM, DOF and Civil Service
21 Commission the possibility of institutionalizing the PH-EITI Secretariat within the DOF plantilla. It was
22 mentioned there is an on-going discussion regarding this with Director Tan of the General Services Division
23 (GSD) of DOF.
24

25 3.32. *Draft EITI bill:* The Secretariat remarked that the draft EITI bill will be discussed later as part of the
26 recommendations to the MICC.
27

28 3.33. *Pre validation workshop/Clare Short's visit:* According to the Secretariat, Clare Short's visit to the
29 country on June 1 and 2 has been confirmed by the International Secretariat. It was mentioned that Clare
30 Short will meet with high level government officials.
31

32 3.34. The Secretariat stressed that all MSG members are expected to participate in the scheduled activities
33 during Clare Short's visit.
34

35 3.35. In addition, it was mentioned that the International Secretariat is planning to conduct a regional event
36 in Manila on the week of June 8. There will be a regional MSG meeting as well as a regional open data event.
37 The details of the regional MSG meeting are not yet final but the International Secretariat will be in-charge
38 of all the preparations for the said meeting.
39

40 3.36. The Chair also shared that there is an APEC Senior Finance Officials meeting wherein EITI is being
41 invited to discuss the open data initiative.

1 3.37. *Uploading of MGB documents:* The Secretariat has been coordinating with the MGB in gathering/
2 scanning all the supporting documents to the mining contracts. According to the Secretariat, the initial plan
3 was to have everything completed by the first quarter of 2015. However, due to the immense volume of the
4 documents and the need to get some of the documents from the satellite offices of MGB, it is physically
5 impossible to complete the digitization of supporting documents by the end of the first quarter.
6

7 3.38. The MGB representative shared that the MESD group, which is the source of Social Development and
8 Management Program (SDMP) and environmental reports, are currently asking all the regional offices
9 concerned to submit the reports for 2013 and 2014.

10
11 The same representative pointed out that the division chief of MESD has prepared a letter or a
12 memorandum to all regional offices regarding this.

13
14 3.39. A CSO representative clarified that the MSG is also asking for the Multi-Partite Monitoring Team
15 (MMT) reports on the monitoring of the mining operation and on environmental compliance. Because the
16 MMT reports that were submitted were only on SDMP, the assumption is that other MMT reports are not
17 available. However, the same representative noted that according to one Undersecretary of DENR, these
18 reports are available.

19
20 In this regard, the CSO representative requested that the MMT reports apart from the monitoring of SDMP,
21 be made available.

22
23 3.40. The representative of the CSOs proposed that the MSG discuss the timeline and the logistical
24 requirements to address this matter. For example, if MGB needs assistance in setting up an online system
25 wherein the regional offices can upload information and consolidate the data in the central office, then MGB
26 may be requested to formulate a proposal so that development partners will provide technical support to
27 MGB in the management of information.

28
29 3.41. The MGB representative shared that they are currently creating a centralized database. The data from
30 the regional offices will be consolidated in one system which they refer to as mining industry central
31 database. Nonetheless, the MGB representative noted that they would appreciate additional assistance on
32 this.

33
34 3.42. A CSO representative suggested that the MGB develop a system wherein the documents will be
35 digitized at the regional office and the soft copies will then be uploaded and centralized at the central office.

36
37 To elaborate, the same representative cited the LGPMS website as an example. It was mentioned that the
38 information in the website come from local governments. LGU officials will log in to the website to enter the
39 information which will then be centralized at the national office.

40
41 3.43. According to the CSO representative, the Secretariat and the MSG can help the MGB in developing the
42 proposal to seek technical assistance for the suggested data management system.

1 3.44. The Chair pointed out that the current state of data management at the regional level where the
2 documents are lodged should first be determined in order to identify the appropriate assistance that MGB
3 needs.

4
5 3.45. According to the Secretariat, before they can request for technical and financial assistance from
6 development partners, they will need an official commitment from the MGB that this proposed project for
7 improvement of MGB database will proceed.

8
9 The Chair suggested that the Secretariat send an official letter to MGB regarding this proposal.

10
11 3.46. The MGB representative reiterated that all the data at the central office are being integrated. In
12 addition, it was mentioned that MGB data on taxes and production are already web-based. However,
13 submissions from regional offices are still in hard copies.

14
15 3.47. A CSO representative proposed that the MSG request for an MICC memo regarding the digitization of
16 MGB data.

17
18 3.48. The Secretariat explained that the digitization of MGB data can be included in the list of
19 recommendations that the MICC will be asked to sign. But as a parallel effort, the Secretariat will also write
20 the Director of MGB regarding this.

21
22 The body agreed.

23
24 3.49. *Selection process for MSG members:* The Secretariat recalled that they requested all the sectors to
25 submit the guidelines for their selection process. It was reported that this matter is still pending and that the
26 Secretariat has not received any submission from the sectors.

27
28 3.50. A representative of the oil and gas industry requested that the deadline for sending the guidelines be
29 moved by the end of May. According to the same representative, the guidelines will still be discussed during
30 the board meeting of the Petroleum Association of the Philippines (PAP) scheduled in May.

31
32 The Chair asked the sectors to submit the selection process guidelines by the end of the 2nd quarter.

33
34 3.51. *Scoping study on small-scale mining (SSM):* There was an agreement last MSG meeting to conduct a
35 study on small-scale mining. The Secretariat reported that they are currently scouting for consultants for the
36 scoping study.

37
38 **4. MICC's Directives/Next Steps and Recommendations to be Submitted to the MICC**

39
40 4.1. It was reiterated that the results of the EITI report has been presented to the MICC and that the MICC
41 approved the draft memo requiring all agencies to make all EITI relevant information available.

1 4.2. On the other hand, the Secretariat shared that in order to address the gaps that has been identified in
2 the report, the Chair of the MICC requested a draft memo from the MSG indicating the details of their
3 recommendations to the government agencies.
4

5 4.3. The Secretariat presented a draft memo based on the recommendations that each sector submitted
6 with few additional recommendations which were discussed during the MICC meeting. One of the MICC's
7 suggestions was for the MGB to make EITI participation a prerequisite to the issuance of SSM permits.
8

9 The recommendations listed in the draft memo was then discussed by the members of the MSG.
10

11 **MGB**

13 • **Monitoring of SDMP and environmental funds**

14
15 4.4. One of the recommendations for MGB was the creation of MMTs and Provincial Mining and Regulatory
16 Board (PMRB) in areas where these monitoring teams do not exist yet. Another recommendation was to
17 conduct capacity building activities for existing MMTs.
18

19 4.5. The Secretariat shared that according to MGB, there are existing MMTs in the regional offices. However,
20 it was noted that some PMRBs have not been duly constituted yet.
21

22 4.6. A representative of the CSOs added a recommendation to have a transparent selection process of the
23 MMT and PMRB representatives.
24

25 4.7. In order to easily monitor areas where MMTs and PMRBs are not yet constituted, an industry
26 representative suggested that the MGB submit a list of existing MMTs and PMRBs. Another member of the
27 MSG added that the names of the representatives to these monitoring teams should also be provided.
28

29 4.8. The Secretariat shared that they already requested for the lists of monitoring teams, however, the MGB
30 only provided the list of PMRBs because there is no existing list of MMTs. In this regard, the MGB was
31 requested to create the list of MMTs including the names of the representatives.
32

33 4.9. An industry representative then suggested that the list of MMTs and PMRBs be included in the agenda
34 of the next MSG meeting so that the body will be able to identify areas with no existing monitoring teams.
35

36 4.10. As for the SDMP, one proposal of the CSOs is to have a standardized monitoring checklist. In order to
37 do this, the same representative noted that the MGB should have a framework on how SDMPs are being
38 utilized.
39

40 4.11. Another recommendation was for MGB to consider requiring that the SDMP funds be used to support
41 local development plans of LGUs. In addition to this, a CSO representative commented that the DILG and

1 DBM can issue a joint memorandum indicating that the SDMP should support items in the local
2 development plans.

3
4 The same representative explained that the LGUs can then take part in monitoring the SDMP. The
5 framework on how to utilize the SDMP funds will also be established.

6
7 4.12. According to the DILG representative, they already requested the MGB to revise the guidelines on
8 implementing SDMP. The suggested revisions pertain to the inclusion of the LGUs in the SDMP planning and
9 the alignment of the SDMP with the local development plans.

10
11 The DILG representative also stated that they can explore the possibility of issuing a memorandum circular
12 with DBM regarding this matter.

13
14 4.13. The body was informed that in Region VIII, a portion of SDMP funds will be used to prepare the local
15 development plan as suggested by the MGB Regional Director.

16
17 4.14. One industry representative shared that the budget for the preparation of the barangay development
18 plan was already incorporated in the SDMP funds of their mining company. The same representative noted
19 that part of the company's commitment is to help to the community in capacitating their barangay officials.
20 It was shared that the MGB Director of Region VIII met with the company to help the barangay officials in
21 developing their development plans for the succeeding years.

22
23 4.15. Going back to SDMP monitoring, the MGB representative suggested that the MESD be invited to
24 present their system of monitoring SDMP. The MGB representative shared that MESD is implementing a 5
25 point performance rating system in conducting safety, health, environment and social development
26 management audit.

27
28 • **Inadequate centralized and web based data**

29
30 4.16. The Secretariat noted that this item was earlier discussed as part of the matters arising from previous
31 MSG meetings.

32
33 • **Inclusion of small-scale mining**

34
35 4.17. According to the Secretariat, they informed the MICC that the MSG plans to include small-scale mining
36 in the succeeding EITI reports. In relation to this, the Secretariat also reported the suggestion of the MSG to
37 create PMRB in areas where this monitoring team does not exist.

38
39 4.18. The Secretariat reiterated that there was a proposal from the MICC to make EITI participation a
40 prerequisite to issuance of SSM permits. In the pro forma contracts that will be executed by small-scale
41 miners with MGB, EITI participation will be included as a pre-condition for the issuance of the permit.

1 **DOE:**

2
3 • **DOE's monitoring of government shares**

4
5 4.19. The Secretariat stated that one recommendation is for DOE to require reporting on a per company and
6 not on a per Service Contract basis.

7
8 4.20. The DOE representative explained that under PD 87, only service contract operators are required to
9 report. Therefore, the suggestion to require reporting on a per company basis (including non-operators)
10 would require an amendment of PD 87.

11
12 The same representative asked if a per company reporting is feasible on the side of the oil and gas
13 companies.

14
15 4.21. A representative from the oil and gas industry stated that they can disaggregate the payment per
16 company. Nevertheless, the DOE would need to again re-aggregate the data since their process requires one
17 report per Service Contract.

18
19 4.22. The oil and gas representative added that disaggregation of payments will be easy for Malampaya
20 Consortium because only 3 companies are involved. However, for other consortiums that have 6 or more
21 companies, disaggregation of data can be a bit complicated especially if the companies have different
22 percentages of ownership.

23
24 4.23. The Chair asked whether DOE needs a process change in order to provide disaggregated report by
25 company.

26
27 4.24. The DOE representative confirmed the need for a process change. According to the same
28 representative, even the report that DOE submits to the Bureau of the Treasury (BTr) is on a per Service
29 Contract basis.

30
31 4.25. The Char inquired if there are specific legal provisions which mandate the kind of reporting that DOE
32 follows.

33
34 4.26. The DOE representative responded that the per Service Contract reporting is based on PD 87.

35
36 4.27. According to the Secretariat, PD 87 only states that each oil and gas operation should be covered by a
37 Service Contract that can be composed of several companies. Since the recommendation only pertains to
38 the monitoring of government share, the Secretariat pointed out that the amendment of the law is not
39 necessary especially if the disaggregated reporting only involves as an internal procedure within DOE.
40

1 4.28. The DOE representative stated that they will ask their Legal Services department to look into it this
2 recommendation. The same representative mentioned that they will verify if the oil and gas companies can
3 provide the requested data.
4

5 4.29. One member of the MSG clarified if submitting a disaggregated report would be a violation of PD 87. If
6 the data is available and reporting it in a disaggregated form will not violate any law, the suggestion is for
7 DOE to submit the requested information as an additional report.
8

9 4.30. The DOE representative reiterated that they will ask for the opinion of their Legal Services. However,
10 since other oil and gas companies did not participate in the first EITI report, the representative noted that
11 the compliance of the companies might also be a problem.
12

13 4.31. A representative of the Malampaya Consortium announced their commitment to submit data on a per
14 company basis. According to the same representative, since majority of the revenue is coming from
15 Malampaya, the data of other companies that will not participate are not actually material.
16

17 4.32. The DOE representative then agreed to include the disaggregated reporting per company in the
18 recommendations to the MICC.
19

20 4.33. On a different note, it was recalled that a list of incentives granted to oil, gas and coal sectors are being
21 requested from DOE.
22

23 4.34. A CSO representative proposed to include incentives in the reporting template for DOE.
24

25 • **Centralized monitoring method or database for revenues and collections**
26

27 4.35. The Secretariat shared that based on the findings of the IA, DOE has no centralized monitoring method
28 or database for revenues and collections. Because of this, the IA had difficulty gathering all the necessary
29 information from the different offices within DOE.
30

31 4.36. According to the Secretariat, DOE should be able to easily comply with the recommendation to have a
32 centralized database.
33

34 4.37. Similar to the proposal for MGB, the Chair mentioned that DOE can also request for assistance from
35 the development partners if ever they need help in developing their centralized database.
36

37 4.38. The DOE representative stated that their Financial Services Division will handle the said
38 recommendation.
39

1 **Bureau of Customs (BOC)**

2
3 4.39. It was shared to the body that the recommendation for BOC pertains to a revision of its reporting
4 system in order to have disaggregated data.

5
6 **BIR**

7
8 • **Amendment of National Internal Revenue Code (NIRC)**

9
10 4.40. According to the Secretariat, one proposal was to amend the NIRC to make EITI reporting an
11 exemption on the confidentiality rule.

12
13 • **Disaggregated reporting of final withholding taxes**

14
15 4.41. The Secretariat noted that this recommendation was earlier discussed as part of the matters arising
16 from previous MSG meetings.

17
18 **Philippine Ports Authority (PPA)**

19
20 4.42. The body was informed that the recommendation for PPA was to revise their reporting system to
21 indicate information on their sub-contractors.

22
23 **National Commission on Indigenous Peoples (NCIP)**

24
25 4.43. It was shared that one recommendation was for NCIP to develop a system for monitoring IP royalties.
26 Moreover, the MICC recommended that companies provide NCIP with copies of all the deposits that they
27 made to the designated bank accounts of the IP groups who are the recipients of royalties.

28
29 4.44. A CSO representative inquired how NCIP are currently monitoring the IP royalties. The same
30 representative also mentioned that the NCIP should be asked to complete the information that were
31 requested for the first report. It was recalled that NCIP failed to submit additional information that the MSG
32 requested.

33
34 4.45. If the requested information is not available, the CSO representative stated that the NCIP should give
35 an explanation regarding the unavailability of information. According to the Chair, the Secretariat will write
36 the NCIP regarding this matter.

37
38 **LGUs/BLGF**

39
40 • **Improve system of collection to disaggregate payments per sector**

1 4.46. In order to identify the sectors where the national shares are coming from, it was recommended that
2 the LGUs and BLGF further disaggregate their data. The Secretariat explained that the expected output from
3 the said recommendation would be a revision of BLGF and LGU forms including trainings of local treasurers,
4 if necessary.

5
6 • **Monitoring of grants and donations given to LGUs**

7
8 4.47. According to the Secretariat, grants and donations are not being documented at the LGU level. To
9 address this gap, the proposal was for LGUs to develop a system for documenting the receipt of grants and
10 donations.

11
12 4.48. A representative of the DILG explained that grants and donations given to LGUs are actually being
13 reported under the eSRE. However, the reported amount is not disaggregated by sectors meaning all grants
14 and donation fall under one line item in the eSRE.

15
16 The same representative commented that the BLGF may be requested to disaggregate the said information
17 at the local level.

18
19 4.49. According to the Secretariat, they will revise the list of recommendations to indicate that there should
20 be a disaggregation of the data on grants and donations that are being reported to BLGF.

21
22 • **Revenue sharing between head office and host LGU of mining company**

23
24 4.50. For the information of the MSG, it was mentioned that companies pay to two jurisdictions; the head
25 office and the host LGU of the mining operation. It was observed that this system of sharing is prone to
26 inaccuracy of payments.

27
28 Since the sharing is embodied in the Local Government Code (LGC), the Secretariat noted that proposing
29 changes would entail an amendment of the law. In connection with this, the Secretariat stated that
30 reviewing legislations on revenue sharing is still included in the list of recommendation to the MICC.

31
32 4.51. The DILG representative pointed out that the LGC is currently being reviewed. Therefore, the
33 recommendations that the MSG would submit can be included in the list of amendments that are being
34 proposed by the DILG.

35
36 4.52. In this regard, the Secretariat noted that the members of the MSG should already discuss their
37 proposed amendments to LGC.

38
39 4.53. The body was informed that the current sharing scheme between the head office and host LGU is 70%
40 and 30%, respectively. The Secretariat inquired if there are existing proposals for the revision of revenue
41 sharing percentages indicated in the Local Government Code.

1 4.54. The DILG representative responded that there are no recommendations yet on the revenue sharing
2 system between the head office and the host LGU. According to the same representative, one thing that the
3 LGUs are currently lobbying is the direct payments from the companies.
4

5 4.55. A CSO representative noted that the share of LGUs from extractive industries goes to a general fund
6 and LGUs would have to spend all the money in one year.
7

8 4.56. In this regard, and in order to empower LGUs in terms of fiscal autonomy, it was suggested that the
9 LGUs be given the authority to create their own trust funds including the flexibility to manage their income
10 from extractive industries.
11

12 4.57. Furthermore, there was a suggestion to add a provision in the LGC with regard to the system of
13 monitoring proceeds from extractive industries.
14

15 4.58. If ever LGUs would be allowed to create their own trust funds, the Chair emphasized the need to
16 ensure that the trust fund is under the name of the LGU and not the LGU officials.
17

18 4.59. The CSO representative mentioned that there should be a multi-stakeholder group that would monitor
19 the funds and decide on budget utilization.
20

21 4.60. According to the DILG representative, the law states that if the revenue came from energy industries
22 then 80% of the revenues should be used to lower the cost of electricity in the area. However, it was shared
23 that LGUs want to use the revenue for other development projects because they have already lowered the
24 cost of electricity to the lowest possible cost.
25

26 The same representative asked that the MSG consolidate all the proposed recommendations with regards to
27 mining and energy industries for these to be incorporated in the current proposed amendments in the Local
28 Government Code.
29

30 4.61. One member of the MSG clarified whether the sharing between the LGUs where the mining company
31 is operating and the LGU where the head office of the company is located pertains to the share in the
32 national wealth.
33

34 4.62. The Secretariat replied that the said sharing scheme is not under the chapter in the Local Government
35 Code that pertains to provisions on national wealth, but is found instead in the general provisions on
36 revenue sharing between host LGUs and head offices.
37

38 4.63. There was a suggestion to create a Technical Working Group (TWG) composed of government, CSO
39 and industry representatives who will be responsible for consolidating all the recommendations that the
40 MSG would want to include in the LGC.
41

1 A CSO representative mentioned that companies might be asked to share some data so that the TWG can
2 have a complete set of recommendations.
3

4 4.64. The Chair specified that the involvement of the BIR would be necessary since any changes on the
5 sharing will have an impact on how much the Large Taxpayer Service and the Regional BIR office are
6 collecting.
7

8 4.65. A CSO representative proposed that the TWG present their recommendations next MSG meeting. The
9 Chair mentioned next MSG meeting might be too early for the TWG members.
10

11 4.66. The Secretariat recommended that next MSG be conducted in June to coincide with Clare Short's visit.
12 Since there would be a delay in the hiring of the IA, the Secretariat stated that the MSG will not have
13 anything significant to discuss in May.
14

15 4.67. The Chair agreed with the suggestion of the Secretariat. However, the Chair remarked that the TWG
16 has to meet and come up with preliminary recommendations before the MSG meeting in June.
17

18 4.68. The TWG would be composed of the BIR, ULAP, DOF, BLGF, DILG, CSO and industry representative. The
19 Chair mentioned that DBM will also be invited.
20

21 • Proper computation of occupation fees
22

23 4.69. The Secretariat shared that there is an apparent lack of coordination between LGUs and MGB with
24 regards to the computation and collection of occupation fees that should be paid. According to the
25 Secretariat, this will only require a revision on the order of payment from the MGB.
26

27 4.70. On a different note, an industry representative shared an instance wherein the Treasurer of Victoria
28 refused to accept occupation fee payments from a company because of a provincial moratorium on mining.
29 The court approved the decision of the Treasurer and emphasized that consignment of the amount is not
30 proper since there is no payment accruing in view of the moratorium.
31

32 According to the industry representative, they are concerned that other jurisdictions would copy what the
33 Municipal Treasurer did.
34

35 4.71. A CSO representative commented that the DBM or MGB might be able to explore the creation of a
36 fund where payments from mining companies can be deposited in instances where LGUs do not want to
37 accept payments.
38

39 4.72. The CSO representative specified that almost the same situation is also happening in Cantilan. Since
40 the LGU is against mining, they are having problems accepting money from the company.
41

1 4.73. The Chair instructed the Secretariat to research on whether or not an escrow account can be created
2 for such purpose. According to the Chair, the Secretariat may ask BTr, DBM and BLGF regarding this.

3
4 4.74. A representative of the industry sector shared that MGB Region VIII is issuing an order of payment for
5 occupation fees and excise tax for the mining companies. For excise tax, it was mentioned that BIR would
6 just accept the payment.

7
8 4.75. The Chair mentioned that MGB Region VIII might be invited to an MSG meeting to present their
9 regulations.

10
11 **DBM**

12
13 4.76. The Secretariat shared that there is a need to revise the reporting and recording procedures of DBM to
14 further disaggregate the shares coming from the extractive companies.

15
16 4.77. According to a CSO representative, one of their concerns is how to validate the share of the local
17 governments. The same representative noted that while the mining contract would indicate several LGUs,
18 sometimes mineral production only comes from a specific municipality or barangay.

19
20 4.78. To determine how much an LGU should really get from the mining operation, the CSO representative
21 suggested that the MGB disaggregate the total production of a company and identify which LGUs where the
22 ores extracted from.

23
24 4.79. The CSO representative asked whether BIR or DBM asks the MGB to provide information on the tons of
25 ore extracted from specific LGUs. The same representative inquired how DBM is distributing the share to
26 LGUs and if all the LGUs indicated in the contract has an equal sharing.

27
28 4.80. According to the BIR representative, upon filing of the excise tax form on mineral products, the mining
29 companies indicate the locality where the oil was mined. The said form will then be the basis of the BIR in
30 the allocation of shares.

31
32 4.81. A CSO representative explained that in order to validate all the information, the MGB should also
33 disclose the information that the company is submitting to BIR. The data that should come from MGB should
34 be disaggregated per company.

35
36 4.82. Another CSO representative cited an example wherein the current operation of the mining company is
37 in a barangay that is not indicated in the Mineral Production Sharing Agreement (MPSA). The barangay that
38 was in the MPSA is receiving all the shares for the past years, but the barangay where the extraction is being
39 made is not getting any share.

1 4.83. According to the CSO representative, it is important for MGB to disclose where the on-going extractive
2 operations are so that BIR can cross check before they issue DBM a list of the barangays and municipalities
3 that should receive a share from the excise tax paid by the mining company.
4

5 4.84. The CSO representative moved that disaggregated information per company, per LGU be disclosed by
6 MGB specifying the tons of minerals coming from each LGU up to barangay level.
7

8 4.85. The representative of MGB commented that what they have is the report from the various mining
9 companies regarding their production.
10

11 4.86. To clarify, one MSG member asked if the MGB is just relying on what the company is reporting in terms
12 of production.
13

14 4.87. A CSO representative elaborated the issue that was raised. According to the same representative, they
15 want to know where the ores came from and a breakdown of the LGUs where the company extracted the
16 ores. For example, if the ores were extracted from multiple barangays, the CSOs want to know if 20% of the
17 ore came from barangay A and 30% came from barangay B, etc. The data could then be cross checked with
18 the BIR submission and with what the LGUs are actually receiving.
19

20 4.88. The MGB representative stated that they will ask their Regional Offices regarding this. The Secretariat
21 commented that the Regional Offices of MGB should be included as a reporting entity for the next report.
22

23 4.89. In addition, the CSO representative requested that the MGB be asked to document their process of
24 collection. The said document will contribute to the validity and reliability of the data which was not
25 addressed in the first EITI report.
26

27 4.90. An industry representative shared that one challenge is the identification of barangay boundaries.
28 According to the same representative, the boundaries of the barangay where they are operating are not yet
29 determined. In addition, the barangay boundary in the NAMRIA map is different from the actual boundary
30 on the ground.
31

32 4.91. The industry representative mentioned that one of their suggestions to the MMT, is to divide the share
33 to other affected barangays instead of giving the share to just one barangay.
34

35 4.92. The same representative explained that based on their experience, they will eventually transfer to
36 another barangay after they mined all the minerals in one barangay. Since all the barangays will eventually
37 be getting a share, the suggestion is to divide the share even at the start of the operation so that the
38 barangay that has been mined out will still receive something even after the company has moved to the
39 other barangay. In addition, if there are no SDMP funds available, other barangays will not benefit from the
40 mining operation.
41

1 4.93. It was noted that revenue sharing is very important. A CSO representative noted that all the issues will
2 be documented and reflected once the data gathering process starts.

3
4 4.94. For companies that are into tunnelling, a CSO representative mentioned that another challenge for
5 MGB is to monitor the boundary underground.

6
7 4.95. Since it is difficult for MGB to monitor the mining company on a daily or monthly basis, the industry
8 representative commented that even before awarding the MPSA, the DENR or NAMRIA should already
9 determine the percentage distribution of the minerals in each barangay. Then from that information, the
10 share can be easily computed. The suggestion of the industry representative is to develop a scheme similar
11 to this.

12
13 **BOI and PEZA**

14
15 4.96. As to the lack of information regarding the incentives being granted by BOI, the Secretariat shared that
16 the recommendation is for the MICC to issue a memorandum directing the disclosure of incentives.
17 According to the Secretariat, this suggestion was raised during the MICC meeting but there was no decision
18 taken.

19
20 4.97. To reiterate, the Secretariat mentioned that the only instruction of the MICC is for the MSG to inform
21 them on what should be the directives to the concerned agencies. The body was informed that the directive
22 came from Secretary Paje as Chair of the MICC.

23
24 4.98. The CSO representative commented that though it would be good to prepare the memo, there should
25 still be a meeting with Sec. Domingo and Sec. Purisima regarding disclosure of incentives.

26
27 4.99. The Chair tasked Mr. Sta Ana, one of the CSO representatives, to explore possible means to conduct
28 the meeting with Sec. Domingo and Sec. Purisima.

29
30 4.100. On another matter, the CSO representative mentioned that it would be significant for the EITI or MSG
31 to endorse measures that will have positive impact on information disclosure. The same representative
32 stated that two pending legislations in Congress might be able to help the MSG in addressing the problem
33 on information disclosure.

34
35 The two legislations are Tax Incentive Management and Transparency Act (TIMTA) and Freedom of
36 Information (FOI) bill.

37
38 4.101. The CSO representative then suggested that a resource person on TIMTA and FOI bill be invited to
39 enlighten the MSG members on the two legislations.

1 4.102. Another MSG member representative agreed with the recommendation. According to the
2 representative, discussing the two legislations will be helpful to the MSG in relation to the plan to
3 institutionalize EITI.

4
5 4.103. Going back to incentives, the BIR representative remarked that the BOI is still reviewing 2012
6 applications. Once BOI is done with the review, the application will be still be transmitted to BIR for review.

7
8 According to the BIR representative, the EITI would need the actual incentive availed but the available data
9 is only the amount applied.

10
11 4.104. A CSO representative asked to be clarified whether the income tax holiday of the companies are
12 already reflected in their tax payments to the BIR even if the applications have not been approved by the
13 BOI.

14
15 4.105. In order for the MSG members to be informed on the process of availing income tax holiday, the
16 Chair suggested that a representative from BOI and BIR be invited to the next MSG meeting to discuss
17 incentives.

18
19 4.106. The representative of CSOs proposed that all presentations done during MSG meetings be
20 documented and include it as part of the contextual information of the next report. For instance, the
21 presentation of BOI and the BIR can be a section in the report explaining how incentives are granted.

22
23 The Chair agreed to the proposal.

24
25 4.107. One MSG member suggested to have an MSG meeting before June just for the presentation of the
26 legislations. It was explained that the MSG should be able to discuss the legislations before Congress
27 convenes.

28
29 4.108. The Chair stated that the next MSG meeting will be on the first week of May. The agenda of the
30 meeting will be the presentations on TIMTA and FOI as well as the presentation of BIR and BOI on
31 incentives. It has been stressed that the BOI should be invited to commit.

32
33 4.109. A DOE representative asked if it would be possible to prepare the consolidated proposals from the
34 PH-EITI that will be included in the proposed bills.

35
36 4.110. The Chair clarified that what the MSG wants to see in the presentation are the provisions of the bill
37 and how these provisions are relevant to achieving the objectives of making EITI reporting easier.

38
39 4.111. The DOE representative pointed out that since the MSG has already identified some of the gaps that
40 need legislation, then the MSG can already give the recommendations that can be included in the proposed
41 FOI.

1 The Chair noted that recommendations of the MSG members will be consolidated.

2
3 4.112. As an addition to the agenda for the next MSG meeting, the CSO representative asked if the MGB can
4 already report on the possibility of disaggregating the production data per company, per site and per
5 barangay so that the information can be incorporated in the revised reporting template.

6
7 **All agencies**

8
9 • **Limited disclosure of documents that will provide the context of the industry**

10
11 4.113. With regard to the limited disclosure of documents that were provided for the first report, the first
12 objective is to get all the relevant supporting documents from the relevant government agencies.

13
14 The recommendation for this is for MICC to issue a memorandum on full disclosure. The Secretariat
15 reiterated that the MICC already signed the said memo.

16
17 4.114. In addition, the Secretariat mentioned that another proposal was to establish an online portal for all
18 government documents

19
20 • **EITI legislation**

21
22 4.115. The next item is the legislation of EITI so that company participation will be mandated. It was shared
23 that the recommendation of the MICC is to include the creation of the EITI in the current proposed bill on
24 the mining fiscal regime.

25
26 4.116. The Secretariat shared that according to the MICC, incorporating EITI in the said bill will be easier
27 instead of drafting a separate law creating EITI.

28
29 4.117. In view of the said recommendation, the Secretariat recommended to create a TWG who will draft
30 the provisions that the MSG would want to include in the existing bill.

31
32 4.118. The Secretariat suggested that the TWG be composed of Atty. Ron Recidoro, Atty. Jay Batongbacal
33 and one representative from the government.

34
35 The body agreed to the creation of a TWG.

36
37 • **Joint resolution requiring participation of all companies covered by the scope of the report**

38
39 4.119. To ensure the participation of companies, the recommendation is for all government agencies to
40 issue a resolution requiring all companies to participate in the EITI.

41
42 4.120. The Chair stated that the Secretariat can help in drafting the resolution for the government agencies.

1 4.121. It was suggested that the deadline for the submission of reporting template to the MSG be included
2 in the joint resolution.

3 4 **Approval of the MSG recommendations**

5
6 4.122. The Secretariat informed the body that the list of recommendations should be sent back to the
7 MICCC as soon as possible so that it can be included in the agenda of the next MICCC meeting.

8
9 Based on the foregoing discussions, the MSG members approved the list of recommendations to the MICCC.

10 11 **5. Rapu-Rapu's Status**

12
13 5.1. The MGB representative submitted to the Secretariat a copy of Rapu-Rapu's report in 2014.

14
15 5.2. The Chair asked that the report be circulated to the members of the MSG. It was suggested that Rapu-
16 Rapu should again be invited to present the content of the report.

17
18 5.3. The MGB suggested that the MESD be invited to present and update MSG on the rehabilitation activities
19 of Rapu-Rapu and TVI.

20
21 The body agreed.

22 23 **6. Myanmar Visit**

24
25 6.1. For the information of the MSG members, it was mentioned that Myanmar has just been admitted as an
26 EITI candidate country in October 2014. The country is still in the process of setting up the secretariat and
27 establishing the MSG.

28
29 6.2. The Secretariat share that the delegates from Myanmar already had a meeting with the government
30 representatives of the MSG. It was also mentioned that the delegates conducted a mine visit in Toledo Cebu.
31 The Secretariat explained that the representatives from Myanmar EITI will be asking specific questions on
32 how the EITI is governed by the MSG.

33
34 6.3. A representative from Myanmar EITI thanked the PH-EITI MSG and Secretariat for the accommodating
35 them and for inviting them to attend the MSG meeting.

36
37 6.4. Before going to the questions, a representative from Myanmar first gave a brief background on
38 Myanmar EITI. According to the same representative, there is a political and economic change in Myanmar
39 since 2011. The President of Myanmar committed to adopt EITI in 2012. The commitment of the
40 government to implement EITI in Myanmar is embodied in a Presidential Decree. In February 2013, the MSG
41 was formed while the EITI application was sent to the EIT international board in May 2014. Myanmar
42 became an EITI candidate country In July 2014.

1 6.5. The representative from Myanmar stated that they are currently in the process of preparing the EITI
2 report which is due in January 2016. Myanmar EITI is still in the process of selecting the IA,. A scoping study
3 has not been conducted yet.
4

5 6.6. It was further mentioned that Myanmar ETI will cover oil, gas, mining including gem and jade extraction.
6 The same representative stated that they are impressed how the PH-EITI MSG discussed solutions on how
7 to solve the gaps that were identified in the PH-EITI report.
8

9 6.7. The body was informed that the delegation group is comprised of representatives from government and
10 CSOs. According to the representative of Myanmar EITI, the industry representatives initially committed to
11 join the trip however, they had to attend a forum in Malaysia.
12

13 6.8. One representative of Myanmar EITI commented that the meeting environment of the PH-EITI MSG is
14 very open. The same representative mentioned that they will closely communicate with the Secretariat
15 since they want to learn more from the PH-EITI.
16

17 6.9. According to one representative of Myanmar EITI, the maturity level of democracy in Myanmar and the
18 Philippines is slightly different. Myanmar is in a transition period, and EITI has to recognize the impact of
19 that.
20

21 6.10. The representative asked what was the common goal or objective of the MSG in the early stage of PH-
22 EITI implementation and how did the MSG agree on a common set of objectives given that government,
23 CSOs and industry sector have different backgrounds, views and ideologies.
24

25 6.11. A CSO representative shared the background of EITI in the Philippines. It was mentioned that the
26 industry sector proposed EITI in 2005; however, there is a strong mistrust between the industry and the
27 CSOs back then. Fortunately, the current administration is very committed to disclosure of information. and
28 because of the administration's thrust against corruption, the CSOs trust that the current government can
29 deliver a genuine EITI report.
30

31 6.12. According to the same representative, the MSG members have a unified goal in the sense that they
32 want to disclose information without compromising the agenda of the different sectors. For the
33 government, they want to collect more taxes. For the industry sector, they want to build reputation and
34 prove that they are contributing to the economy. While for the CSOs, they want to know how the companies
35 are operating. These interests of the different sectors will be addressed by disclosing information.
36

37 6.13. For clarification, the Chair stated that there was an initiative from the industry to start the EITI process
38 in 2005. However, it is only in 2012 that all the parties became really involved in the process.
39

40 6.14. A member of the PH-EITI MSG added that in 2005, the conditions were not favorable because there
41 was political instability in the country. The same representative noted that one important development is
42 the change in political situation in 2010. The new government is committed to transparency and good

1 governance and through the years, the civil society position also developed. It was mentioned that there are
2 still CSOs who are anti-mining but some CSO opt to focus more on anti-corruption and transparency.
3

4 6.15. On the other hand, even CSOs who are against mining see the value of transparency since it is a
5 universal value. Furthermore, the administration has an Open Government Program which shows the
6 commitment of government to transparency.
7

8 6.16. According to the same representative, what is important is the government's commitment to
9 transparency and for government to have an EITI champion. It was shared that in 2010, some CSOs together
10 with Publish What You Pay, an International CSO, had an appointment with Secretary Abad who is also the
11 champion for Open Government Program. Through the informal briefing, Sec. Abad was inspired by the idea
12 and gave that preliminary push for the EITI process to move forward.
13

14 6.17. A representative from Myanmar EITI asked if the election in 2016 will have an impact on the vision of
15 EITI and its implementation.
16

17 6.18. The Chair responded that the election will not affect the EITI implementation in the country.
18

19 6.19. Regarding waiver, a representative from Myanmar inquired how the MSG was able to make the
20 companies execute a BIR waiver on a voluntary basis.
21

22 6.20. A representative of the oil and gas sector responded that some companies like Shell and Chevron are
23 already part of the international EITI board. Therefore, these companies really support EITI implementation
24 in the Philippines.
25

26 6.21. On the part of the mining industry, it was shared that the Chamber of Mines of the Philippines (COMP)
27 essentially speaks for all the operating metallic mine in the country. COMP was largely responsible for the
28 2005 effort to start EITI in the Philippines. According to the industry representative, COMP convinced their
29 members to execute the waiver.
30

31 6.22. A CSO representative stated that the responses from the industry representatives show their
32 dedication to the EITI process. Even if there will be a change in the political administration, the CSO
33 representative noted that it will be very difficult to reverse the EITI process because of the commitment of
34 the industry, CSO and government.
35

36 6.23. Going back to the execution of waiver, the Secretariat added that intervention of government agencies
37 was very instrumental in getting the companies to sign the waiver. There were a lot of dialogues conducted
38 by high level government officials. For the DOE, their Undersecretary had a dialogue with the oil and gas
39 companies. For MGB, their Director called the owners of the companies one by one.
40

41 On the part of the Secretariat and the DOF, a letter signed by the Secretary were sent to the companies.
42 Several meetings and dialogues with companies were also conducted. The Secretariat also took advantage

1 of the media. Press briefings were conducted as well, and the names of the companies that refused to
2 participate were publicized.

3
4 6.24. A representative of the industry sector mentioned that the strength of Philippine democracy is not
5 reliant only on the Secretaries who will be changed when a new President takes place, but also on career
6 executives in the government who will stay even if there is a change in the administration. The same
7 representative mentioned that career executives should be given credit.

8
9 6.25. A representative from Myanmar EITI inquired how the MSG was able to make the government
10 agencies disclose the data and participate in the EITI process.

11
12 6.26. First, the Chair explained that the mandate to implement EITI came from the MICC which is composed
13 of the Secretaries of different government agencies. According to the Chair, it certainly helped that the
14 objectives of the EITI is clear to all the members. Another thing that was helpful is to have a clear and
15 detailed work plan on how to produce a report on time.

16
17 It was mentioned that the MSG also benefited from the assistance that the development partners and
18 International Secretariat provided. The assistance may be in terms of consultations and being able to answer
19 some of the queries of the MSG regarding the Standard or how to secure certain data.

20
21 6.27. The Chair mentioned that the first year of implementation involved a lot of meetings and email
22 exchanges since it is about being always connected and open to each other. The Chair mentioned that the
23 MSG members needed to be sure with what they wanted to accomplish with EITI.

24
25 6.28. A representative from Myanmar EITI asked if the CSO in the Philippines are required to be accredited.
26 Another question that was raised pertains to the number of CSOs that are involved in the EITI
27 implementation.

28
29 6.29. To give a background, a CSO representative mentioned that there is a widening of the democratic
30 space after the People Power Revolution since the country transitioned from dictatorship to democracy. In
31 line with this, the number of CSOs also increased.

32
33 6.30. With regard to the EITI implementation in the Philippines, the same representative stated that Bantay
34 Kita, a coalition of organizations down at a local level, is explicitly working on ensuring transparency and
35 accountability in the extractive sector. Bantay Kita is composed of 79 organizations. The goal of Bantay Kita
36 is not just to contribute to the first report but more importantly, to use the report in informing member
37 organizations and empowering communities in order to get a better deal out of mining and oil and gas
38 activities.

39
40 6.31. One representative of Myanmar EITI asked how the CSO representatives of PH-EITI managed the
41 expectations of other CSOs and the people in the community. According to the same representative there
42 are cases wherein communities have high expectations on what EITI can do

1 6.32. A CSO representative explained that they have clear coordination with their members. From the
2 beginning, Bantay Kita clarified what EITI can deliver to the civil society in order to level expectations.
3 According to the same representative, they recognized that there are several issues surrounding the
4 extractive industries; however, it was made clear that EITI is only a venue to access information. The use of
5 the information depends on each sector. But for the CSOs, the information that they would want to get from
6 EITI has already been identified. The CSOs also assess the feasibility of getting the information including the
7 constraints.

8
9 6.33. Regarding accreditation, the CSO representative stated that this is required at the local level if the CSO
10 would want to participate in the development council or to access funds from the government. But for EITI
11 participation, a CSO can be part of Bantay Kita without having to register.

12
13 6.34. A representative of Myanmar EITI asked how the MSG consolidated the data from the government and
14 the reporting companies.

15
16 6.35. The Secretariat responded that consolidating data from participating entities is the task of the IA.

17
18 6.36. The same representative from Myanmar EITI asked how the MSG communicated the discrepancy in
19 the report and how did the public respond.

20
21 6.37. According to the Chair, the overall discrepancy in the report was not material. However, there was a
22 significant discrepancy in the reporting of the IP royalties mainly because the government agency has no
23 monitoring system. The improvement of the monitoring system and the capacity building of this particular
24 government where then included as part of the MSG recommendations.

25
26 6.38. The body was informed that in Myanmar, there are instances where the media would highlight the
27 discrepancy.

28
29 6.39. The Chair mentioned that in order to manage reports coming from the media, the MSG members
30 should prepare and understand what they are reporting. The members of the MSG and the Secretariat
31 should also be able to articulate the report to different audiences.

32 33 **7. Other matters**

34 35 • **Updates on meetings with NCIP, League of Provinces and Municipalities, COA**

36
37 7.1. The Secretariat shared that the findings of the EITI report was presented to the Commission En Banc of
38 NCIP. The body was informed that the 154% discrepancy in the figures of NCIP was highlighted.

39
40 7.2. According to the Secretariat, the Commission agreed with the recommendation to develop monitoring
41 tools. This is one of the activities that will be prioritized for the next report. The only pending matter that
42 the Commission needs to decide on is the uploading of the IP contracts. The Secretariat noted that while

1 copies of the IP contracts were provided, the NCIP is having reservations in uploading the documents in the
2 PH-EITI website.

3
4 7.3. The Secretariat shared that they also convened a meeting with the League of Provinces.

5
6 7.4. According to the Secretariat, they will be engaging the League of Provinces for the LGU roadshows
7 which will be conducted from the middle of June until July. It was shared that the roadshow will coincide
8 with the data gathering of the IA.

9
10 7.5. In connection with the MSG recommendation to include COA as part of the TWG, the Secretariat met
11 with Director Antasuda of COA. The Secretariat shared that since COA is also being invited to be part of
12 extractives transparency initiative in the International Organization of Supreme Audit Institutions (INTOSAI),
13 they are receptive to the idea of being part of the EITI. However, the Chairman of the COA still needs to
14 approve to this.

15
16 • **Execution of BIR waiver for the next report**

17
18 7.6. The Secretariat stated that this was discussed earlier. It was reiterated that the BIR waivers are ready to
19 be sent to the companies.

20
21 • **Upcoming events**

22
23 7.7. There is an invitation from FINEX for a briefing on the EITI report. According to an industry
24 representative, FINEX will send a letter to the Chair regarding the meeting. The same representative shared
25 that the suggested date is within the month of July.

26
27 7.8. The body was informed that the forum with Senate and Congress is scheduled on June 1. The said forum
28 will coincide with Clare Short's visit.

29
30 7.9. Regarding Clare Short's visit, the Secretariat stated that the draft agenda is included in the meeting kits.
31 On day 1, there will be a forum with members of the House of Representatives and Senate including
32 bilateral meetings between Ms. Short, the government, CSOs and the industry representative.

33
34 7.10. A CSO representative suggested that the Congress and Senate be briefed on EITI before the arrival of
35 Clare Short.

36
37 7.11. The Secretariat noted that they are coordinating with CPBRD and SEPO regarding the forum. According
38 to the Secretariat, they will have a briefing with the technical staff of the Senators and Congressmen.

39
40 7.12. The representative of the CSO mentioned that that the committee of Senator Legarda is not aware of
41 EITI and the information in the report. The same representative suggested that a copy of the EITI report be
42 sent to each office in the Senate and Congress.

1 7.13. The Secretariat shared that they already provided a copy of the report to the office of Senator Drilon
2 and Congressman Belmonte.
3

4 7.14. On day 2 of Ms. Short's visit, the Secretariat mentioned that they are hoping to get an appointment
5 with the President, the Cabinet Secretaries and with the MICC and OGP representatives. On the same day,
6 Clare Short will have another meeting the MSG and a separate meeting with the development partners.
7

8 7.15. The Secretariat noted that there will also be a pre-validation workshop on June 3 after Ms. Short's visit.
9

10 7.16. The Secretariat mentioned that EITI will give a presentation during the APEC meeting in June 9 or 10.
11 There will also be a regional open data workshop and regional MSG meeting during the week of June 8.
12

13 • Inclusion of other industries in the EITI
14

15 7.17. Given the scope of the first report, a CSO representative commented that small-scale mining, non-
16 metallic mining and coal industry should be included. The suggestion was to make a timeline on how the
17 report will be expanded to include other extractive companies.
18

19 7.18. The body was informed that in Region VII especially in Cebu, the CSOs have been dealing with the
20 cement and large-scale quarry operations for a long time. A CSO representative mentioned that the EITI can
21 help in getting information from these sectors.
22

23 7.19. One member of the MSG suggested that a scoping study on non-metallic industry be conducted for
24 Region VII. The scoping study would include all the payments, fees and other items that were included for
25 the metallic mining companies. After the scoping study, the same representative noted that the MSG can
26 pilot non-metallic companies and include it in the report for next year.
27

28 7.20. The CSO representative shared that there are 4 large cement companies operating in Cebu.
29

30 7.21. The Secretariat was tasked include the scoping of non-metallic industry in the work plan.
31

32 7.22. It was clarified that only a background on non-metallic mining will be provided in the 2nd PH-EITI
33 report.
34

35 7.23. A representative from MGB clarified that non-metallic companies have two categories; mining and
36 manufacturing. It was mentioned that MGB only monitors companies that are under the mining category.
37

38 7.24. The Secretariat announces that after the MSG meeting, representatives from Myanmar EITI will be
39 meeting the CSOs and industry members separately.
40

1 **ADJOURNMENT**

2

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