

**PH-EITI 29<sup>th</sup> MSG MEETING**

**9:00 AM- 12:00 PM | January 15, 2016**  
**Visayas Room, Department of Finance,**  
**Roxas Boulevard, Manila**

**Attendees:**

9	Asst. Sec. Ma. Teresa S. Habitan	Department of Finance (DOF)
10	Usec. Jeremias Paul	DOF
11	Elsa P. Agustin	DOF
12	Febe J. Lim	DOF
13	Engr. Romualdo Aguilos	Mines and Geosciences Bureau—Department of Environment and Natural Resources (MGB-DENR)
15	Analynsia C. Alarde	Bureau of Internal Revenue (BIR)
16	Jean Centeno	Department of the Interior and Local Government (DILG)
18	Dr. Cielo Magno	Bantay Kita
19	Gina Tumlos	Bantay Kita
20	Ronald Allan A. Barnacha	Philippine Rural Reconstruction Movement (PRRM)/ North Luzon
22	Prof. Maria Aurora Teresita W. Tabada	Visayas State University
23	Dr. Merian C. Mani	Romblon Ecumenical Forum Against Mining (REFAM)/ Romblon State University
25	Chadwick Llanos	Cebu Alliance for Safe and Sustainable Development (CASSE)
27	Gerard H. Brimo	Nickel Asia Corporation / Chamber of Mines of the Philippines (COMP)
29	Nelia C. Halcon	COMP
30	Ronald S. Recidoro	COMP
31	Benjamin S. Austria	Petroleum Association of the Philippines (PAP)
32	Atty. Gay Alessandra V. Ordenes	Secretariat
33	Abigail D. Ocate	Secretariat
34	Mary Ann Rodolfo	Secretariat
35	Joy Saquing	Secretariat
36	Marikit Soliman	Secretariat
37	Ryan Dael	Secretariat
38	Denise Domingo	Secretariat
39	John Martin Arreola	Secretariat
40	Rhea Bagacay	Secretariat

1 RESOURCE PERSONS:

2

3 Jan Marlowe O. Castillo Isla Lipana& Co.  
4 Eureka M. Yamakura Isla Lipana& Co.  
5 Katherine J. Atentar Isla Lipana& Co.

6

7

8 AGENDA:

- 9 • Minutes 28<sup>th</sup> and Special MSG meetings  
10 • Matters arising from previous MSG meetings  
11 • Evaluation of implementation  
12 • Selection of National Coordinator  
13 • Addendum to the report  
14 • Global Conference  
15 • Board election  
16 • National conference  
17 • Other matters

18

19

20 **1. Call to Order**

21

22 1.1. The Philippine Extractive Industries Transparency Initiative (PH-EITI) Multi-Stakeholder Group (MSG)  
23 meeting was called to order at 9:05 AM.

24

25 1.2. The proposed agenda was presented and subsequently approved by the body.

26

27 **2. Minutes of the 28<sup>th</sup> and Special MSG meetings**

28

29 2.1. The Secretariat noted that the minutes of the two meetings were circulated to the members of the  
30 MSG and no comments were received.

31

32 2.2. The Chair gave the MSG members another week to comment on the minutes and noted that the  
33 minutes will be deemed approved after a week.

34

35 **3. Matters Arising**

36

37 3.1. *Establishment and management of a revenue-linked database:* The secretariat mentioned that all  
38 the information from the reporting template both for the first and second report will be uploaded in the  
39 website.

1 3.2. *Offer of Timor Leste to conduct a training for the PH-EITI MSG on the Petroleum Fund process:* The  
2 Secretariat mentioned that the manager of the Petroleum Fund of Timor Leste is willing to give a  
3 training or conduct a forum on their natural resource wealth fund. Details will be further discussed. The  
4 Secretariat conveyed that the resource person from Timor Leste preferred that the training be held in  
5 their country.  
6

7 3.3. *Secretariat's institutionalization:* The Secretariat stated that this matter is still pending and that they  
8 are discussing this with Director Tan of the Department of Finance (DOF)  
9

10 3.4. *Draft EITI bill:* The Secretariat mentioned that this item will be part of the work plan for 2016. As  
11 previously agreed by the MSG, consultants will be hired to help in crafting the bill.  
12

13 3.5. *Selection process for MSG members:* The Secretariat reported that the Chamber of Mines of the  
14 Philippines (COMP) already submitted their guidelines for selecting MSG representatives, while inputs  
15 from the government are still pending.  
16

17 3.6. According to the Chair, it was previously decided that the government representatives will stay until  
18 the change of administration.  
19

20 3.7. The Secretariat noted and clarified that there still has to be a written guideline for selection.  
21

22 3.8. *BOI and BIR incentives:* The Secretariat mentioned that the information was already requested from  
23 the Committee on Ways and Means, however this needs to be followed up.  
24

25 3.9. *Proposed amendment to the Local Government Code (LGC):* It was recalled that the body agreed to  
26 hire a consultant for this matter, as advised by Director Bonagua of the Department of the Interior and  
27 Local Government (DILG). It was mentioned that this item can be part of the work plan as well.  
28

29 3.10. *MGB regional directors should be convened:* The Secretariat mentioned that there were previous  
30 plans to convene the MGB regional directors. The representative from the Mines and Geosciences  
31 Bureau (MGB) was requested to advise on the definite schedule of the said event.  
32

33 The MGB representative expressed that they did not have a chance to meet with the regional offices  
34 yet.  
35

36 3.11. *Non-metallic mining associations:* It was shared that the MSG agreed to convene associations for  
37 non-metallic mining with the assistance from MGB.  
38

39 The Secretariat noted that this will be included in the work plan for implementation in 2016.

1 **4. Evaluation of implementation**  
2

3 4.1. The Secretariat shared that they listed the activities in the 2015 work plan including the outcomes  
4 agreed upon by the MSG in a matrix format which will be used to evaluate EITI implementation in the  
5 last year (the presentation material is attached as Annex A).  
6

7 4.2. It was mentioned that the status of each activity, whether it was achieved or the item is still  
8 pending, was also included in the matrix.  
9

10 4.3. According to the Secretariat, only four items were not achieved mostly because of the delay of  
11 funding from USAID. It was also noted that some of the activities in the 2015 work plan are still on-  
12 going.  
13

14 4.4. The Secretariat explained that they want to get the inputs of the MSG members specifically on what  
15 activities should still be included in the 2016 work plan. In addition, the MSG can also discuss the need  
16 to formulate a new set of objectives.  
17

- 18 • **1<sup>ST</sup> OBJECTIVE: Show direct and indirect contribution of extractives to the economy (through**  
19 **EITI process)**  
20

21 **Hiring of independent administrator to analyze the government and industry data for the second EITI**  
22 **report**  
23

24 4.5. An industry representative suggested to remove the contextual information from the Terms of  
25 Reference (TOR) of the next Independent Administrator (IA). The same representative proposed that a  
26 separate consultant be hired to draft the contextual information of the report.  
27

28 The members of the MSG agreed.  
29

30 **MSG to agree on scope, level of disaggregation and materiality of reporting for the second report**  
31

32 4.6. In terms of the scope of the report, a CSO representative suggested to add non-metallic mining  
33 operations.  
34

35 4.7. According to the Chair, learning from the experiences in engaging Semirara Mining and Power  
36 Corporation, the MSG needs to conduct pre-work before deciding whether or not non-metallic  
37 companies should be included in the next report.  
38

39 4.8. The Chair noted that the information on non-metallic operations can be requested from  
40 government agencies but since there is a reconciliation process, there has to be sufficient support from  
41 the non-metallic industry.

1 4.9. A CSO representative suggested that the MSG and the Secretariat start engaging non-metallic  
2 companies by inviting them in upcoming EITI activities.  
3

4 4.10. In addition, another CSO representative recommended that the MGB further disaggregate the data  
5 in their website. It was noted that currently, some of the MGB statistics do not match the data in the  
6 EITI report.  
7

8 4.11. The same representative mentioned that metallic and non-metallic data should be disaggregated  
9 in the MSG website.  
10

11 4.12. The representative of MGB explained that the statistics are coming from regional offices. Mining  
12 companies are required to submit quarterly reports to MGB regional offices.  
13

14 4.13. An industry representative stated that one problem would be the late reporting of MGB regional  
15 offices.  
16

17 4.14. The CSO representative suggested that the inclusion of non-metallic sector be done in phases.  
18 According to the same representative, the MSG could initially focus on large-scale non-metallic  
19 companies that are reporting to MGB. The inclusion of local quarry permits will then be discussed after  
20 the MSG figures out how to deal with these at the subnational level.  
21

22 4.15. In connection with the suggestion, the MGB was asked to present the list of non-metallic  
23 companies including the volume of their production. This is to help the MSG in deciding how to  
24 approach reporting of this sector.  
25

26 4.16. According to the Chair, the body needs to identify who these non-metallic mining companies are  
27 and then come up with a strategy on how to engage and get support from these companies. The Chair  
28 noted that the MSG can also opt not to include non-metallic sector in the next report and focus instead  
29 on how to more comprehensively include this in future reports.  
30

31 4.17. The CSO representative stated that from the list of companies that will be presented by MGB, the  
32 MSG can target to include the top ten companies, for example.  
33

34 4.18. Highlighting the importance of covering non-metallic sector in the report, an industry  
35 representative shared that the increase in production value of non-metallic minerals is actually higher  
36 compared to that of metallic minerals.  
37

38 4.19. In terms of tax collection, a representative of BIR commented that non-metallic operations such as  
39 cement companies have lower tax contribution.  
40

41 4.20. The Chair reiterated the request for MGB to present an overview of the non-metallic sector in the  
42 next MSG meeting.

1 4.21. Going back to the disaggregation of data, one industry representative commented that since the  
2 objective of the MSG is to show the direct and indirect contribution of extractives to the economy, the  
3 next report should also cover contracted labor which are not normally included in the employment  
4 generated by the mining industry.

5  
6 4.22. In addition, the same representative pointed out that all projects and developments that mining  
7 companies provided outside of their SDMP should also be included in the report. Examples of these  
8 developments include the number of schools established, the number of students provided with  
9 scholarships and trainings, the number of hospitals operated and maintained as well as the number of  
10 roads and bridges that were established and maintained by the mining companies.

11  
12 4.23. A CSO representative stated that the reporting template developed for the second report was very  
13 comprehensive and downstream contractors were even included in the template. However, not all  
14 additional information in the template were collected by the IA.

15  
16 4.24. The same representative suggested that the MSG strategize on how to collect all additional  
17 information in the template since these are for the contextual information of the report.

18  
19 4.25. According to the CSO representative, they always asked the IA during meetings whether the  
20 templates are completed and the IA responded in the affirmative. However, the MSG was informed in  
21 December last year that not all information were provided by the companies.

22  
23 4.26. One suggestion was to separate the collection of information for the reconciliation process and for  
24 the contextual information.

25  
26 4.27. Another CSO representative stated that the team who will collect the information should be  
27 different from those who will interpret the data. The same representative added that there should be  
28 someone who is in charge of following up with the reporting entities.

29  
30 4.28. One member of the MSG recommended that the IA only focus on the financial information while a  
31 separate team will take care of gathering all the non-financial data for the contextual information. There  
32 will still be just one template but two separate implementation.

33  
34 **Report road shows and trainings on reporting template (LGUs and communities)**

35  
36 4.29. In terms of attendance and number of participants, a CSO representative asked whether the MSG  
37 met the objectives that they set for the road shows.

38  
39 4.30. The Secretariat responded that they were able to engage the right people during the road shows  
40 including local chief executives. It was mentioned that CSOs and mining companies were also  
41 represented and that the quality of discussion during road shows was good.

1 4.31. But moving forward, the Secretariat mentioned that the MSG should look into how they can use  
2 the EITI process in order to address the concerns raised during the roadshows. According to the  
3 Secretariat, the body should also determine how to make use of the information gathered from all the  
4 forums that were conducted.  
5

6 4.32. Since the issues of different stakeholders have already been surfaced, the Secretariat noted that it  
7 is now critical for the MSG to be able to show how the EITI process can help in addressing these issues.  
8

9 4.33. A CSO representative then suggested that the body review the outcomes of the road shows in the  
10 next MSG meeting.  
11

12 4.34. It was stated that one outcome of the road show was that DBM streamlined the process of  
13 downloading the LGU shares from national wealth. The Chair noted that for example, the MSG can then  
14 ask if the LGUs feel a change and if there is a difference this year in terms of how fast they are receiving  
15 their shares.  
16

17 4.35. An industry representative proposed that the MSG explore the possibility of giving the share  
18 directly to LGUs. The same representative mentioned that the current system of releasing LGU shares is  
19 not working.  
20

21 4.36. A CSO representative shared that Apex mining company issued a letter to the LGU informing them  
22 how much they paid to MGB and BIR so that LGU would know how much to expect from DBM. The LGU  
23 used the letter in following up with DBM.  
24

25 4.37. According to the CSO representative, the letter helped Compostela Valley get their share from  
26 Apex mining company. It was then suggested that the MSG also explore the possibility of replicating this  
27 in other LGUs.  
28

29 4.38. The Chair noted that the MSG needs to invite DBM to give progress on the process of downloading  
30 the shares of LGUs.  
31

32 4.39. A representative of the industry commented that during the roadshows, the LGUs appreciated the  
33 progress report that was given by DBM. It was then recommended that the progress in addressing issues  
34 be reported in succeeding road shows so that the LGU would know what PH-EITI is doing.  
35

36 4.40. Aside from the progress report from DBM, the Chair mentioned that the MSG should also ask the  
37 LGUs to report how they are using their shares in national wealth.  
38

39 4.41. An industry representative suggested to have a workshop with local chief executives on how they  
40 can use their funds. The said workshop can be part of the next roadshows.

1 4.42. The body was informed that CSOs are already being trained to monitor the expenditure of the  
2 LGUs as well as lobby on how the shares in national wealth should be spent. However, DBM first needs  
3 to disaggregate the share that the LGUs are receiving.  
4

5 **Drafting and finalization of reporting template based on the level of disaggregation and materiality as**  
6 **agreed upon by the MSG**  
7

8 4.43. The Chair stated that the reporting templates have already been discussed and that the members  
9 of the MSG agreed that the templates were comprehensive. It was reiterated that the focus now is how  
10 to get complete data for the template.  
11

12 4.44. There was a suggestion that every time a company submits their reporting template to the IA, a  
13 copy will be provided to the Secretariat so that they can monitor if all the items are being filled up.  
14

15 4.45. The Chair clarified that it is the task of the IA to provide the Secretariat with copies of the  
16 submitted templates.  
17

18 4.46. One member of the MSG commented that it will be easier if the companies will be asked to fill up  
19 and submit the template online.  
20

21 4.47. For the next report, the body agreed to develop an online reporting tool for the companies.  
22

23 **Drafting of the second PH-EITI report**  
24

25 4.48. The Secretariat noted that the original plan last year was to produce a double report containing  
26 both 2013 and 2014 data. However, since not all companies submitted their 2014 data, the second  
27 report only covered 2013.  
28

29 4.49. To clarify, it was mentioned that the next report will cover year 2014. The Chair then inquired if it  
30 is practical to include 2015 data in the 3<sup>rd</sup> report.  
31

32 4.50. The IA shared that some of the companies including government agencies have already provided  
33 2014 data. Among the government agencies, it was noted that only BIR provided the 2014 data.  
34

35 4.51. A CSO representative asked why the IA was not able to complete the 2014 data, if it is because the  
36 data were not available or it is because the IA focused on collecting 2013.  
37

38 4.52. The IA explained that some participating entities had difficulty in gathering 2014 data to complete  
39 the reporting template. These companies then focused on completing their 2013 data. For example, the  
40 independent accounting firm hired by Galoc Production Company had a change in management making  
41 it difficult for them to provide some of the required information in the template so they focused on  
42 completing the 2013 data.



1 4.53. According to one member of the MSG, since the system of the companies have already been set  
2 up, there should be no problem collecting 2015 data.

3  
4 4.54. The Chair suggested that the MSG should aim to produce a double report this year.

5  
6 4.55. To assess whether it is feasible to have the double report, the IA was asked to report how many of  
7 the entities failed to provide 2014 information including the reasons that were cited by the companies.

#### 8 9 **Printing of the second PH-EITI report**

10  
11 4.56. The Secretariat recalled that the MSG previously agreed to further edit the second report.  
12 However, it was shared that the International Secretariat suggested that the MSG just produce a good  
13 summary report instead of publishing a revised full report.

14  
15 4.57. The body was informed that producing an edited report will require another MSG approval. In  
16 addition, all the changes that were made would have to be footnoted. The Secretariat noted that this  
17 could be very time consuming and considering that the report should be printed in time for the National  
18 Conference in February, the timeline would be very tight.

19  
20 4.58. The Chair stated that at the least, the MSG should still make sure that the report has no  
21 grammatical errors.

22  
23 4.59. The body agreed that the report will still be edited for grammatical errors. The uploaded report  
24 will be replaced by the edited version.

#### 25 26 **Report analysis workshop**

27  
28 4.60. The Secretariat noted that a report analysis workshop for the second report needs to be scheduled  
29 this year.

#### 30 31 **Communications trainings and dissemination of the report**

32  
33 4.61. An industry representative commented that the MSG should have a pool of speakers.

34  
35 4.62. With regard to engagement of media, a CSO representative commented that current press  
36 releases are very basic and focus only on some specific statistics in the report. Therefore, it was  
37 recommended that the Secretariat conduct media trainings.

38  
39 4.63. According to the Secretariat, the MSG would need to hire a consultant who will conduct the  
40 training. However, the challenge is finding a consultant who has an understanding of the technical  
41 aspect of the report and at the same time has the ability to simplify the message.

1 4.64. The Chair stated that members of the MSG should attend a communications training first before  
2 training the media. According to the Chair, it is important for the members themselves to learn how to  
3 communicate the report as well as how to deal with the media and to different types of audiences.  
4

5 The body agreed.  
6

#### 7 **International outreach and trainings** 8

9 4.65. It was shared that some of the activities under this item were the following:

- 10 - Data visualization workshop
- 11 - Regional MSG meeting – attended by participants from Asia Pacific countries
- 12 - Participation of the Secretariat in the Extractives Data Workshop in Mexico
- 13 - Outreach activities in Myanmar  
14

15 4.66. The members of the MSG were reminded that they can always inform the Secretariat if they see  
16 trainings that are of particular interest to them and related to EITI. The Secretariat mentioned that the  
17 MSG will discuss whether the training can be funded or not.  
18

19 4.67. A representative of the industry mentioned that the body would also benefit from the experiences  
20 of MSGs in other EITI participating countries. For instance, the MSG would learn from the experience of  
21 Mongolia in developing their system for online reporting.  
22

23 4.68. The same representative then suggested that the MSG explore the possibility of collaborating with  
24 Mongolia EITI to replicate their online reporting system.  
25

26 4.69. In relation to this, the Secretariat shared that the US EITI offered to collaborate with the MSG in  
27 terms of reporting IP royalties.  
28

#### 29 **Forums on fiscal regimes, management of EI revenues at the local and national level** 30

31 4.70. The Chair clarified that this is related to the earlier discussion on revenue management and  
32 presenting progress reports on policy initiatives of government.  
33

34 4.71. A CSO representative stated that since the Union of Local Authorities of the Philippines (ULAP)  
35 have not been attending MSG meetings, the Secretariat should communicate to them that the term of  
36 the MSG members will be ending and that they should have a process of selecting their new  
37 representative in the MSG.  
38

#### 39 **Addressing gaps in the first report** 40

41 4.72. The Secretariat recalled that the IA was tasked to address the gaps in the first report and submit  
42 their output specifically on the following topics:

- 1 - Comprehensive assessment of auditing procedures of government and industry and evaluation
- 2 of data quality
- 3 - Tracking of distribution of LGU shares and reconciliation of LGU collections for inclusion in the
- 4 EITI report
- 5 - Full study on beneficial ownership

6

7 **Improvement of monitoring procedures of government agencies**

8

9 4.73. For the information of the body, it was noted that the targeted government agencies under this  
10 activity were NCIP and MGB.

11

12 4.74. The Secretariat shared that they suggested a monitoring tool to NCIP which was approved during  
13 the forum with the NCIP regional directors and the Commission en banc.

14

15 4.75. According to the Secretariat, the NCIP already committed to use the monitoring tool in monitoring  
16 royalty payments and compliance of companies with the MOAs.

17

18 4.76. As for the monitoring tool of MGB, the Secretariat explained that this was supposed to be funded  
19 by USAID. But because of the delay in funds, the Secretariat was not able to discuss the details of the  
20 monitoring tool with MGB.

21

22 4.77. The MGB representative shared that they have submitted their plan for 2016 which includes the  
23 standardization of monitoring reports from companies.

24

25 4.78. A CSO representative shared that Director Jasareno of MGB made a commitment to make the  
26 selection process of the representatives in the monitoring teams more transparent. The same  
27 representative asked if this is included in MGB's plan.

28

29 4.79. The MGB representative responded that the current plan is only on the standardization of  
30 monitoring reports.

31

32 4.80. The CSO representative stressed that even if MGB revise their monitoring process, it will still be  
33 ineffective if the people who are part of the monitoring teams do not know what to do.

34

35 **Engagement of COA regarding audit procedures**

36

37 4.81. Based on the second report, the Secretariat explained that data relating specifically to extractives  
38 industries are not being audited by the Commission on Audit (COA). It was mentioned that in auditing  
39 government agencies, COA only audits the operational expenses and the procedures followed.

40

41 4.82. According to one of the MSG members, auditing the data that the government agencies submit to  
42 the IA is not part of COA's mandate since they only audit the expenditure side and not revenues.

1 **Dialogues with companies to ensure full participation in EITI**

2  
3 4.83. The Chair asked if there was an increase in terms of the number of companies that participated in  
4 the second report compared to the 2013 report.

5  
6 4.84. The Secretariat shared that there was a higher percentage of participation in the second report  
7 since only 3 mining companies and 1 coal company did not submit their template. But the Secretariat  
8 noted that this may be because the focus was only on the 28 material companies.

9  
10 4.85. Looking at the overall picture and including non-material companies that also participated in the  
11 second report, it was noted that the number of participating companies in the first and second report is  
12 the same.

13  
14 **Pre-validation workshop**

15  
16 4.86. To prepare for validation, the Secretariat suggested that another workshop be conducted among  
17 MSG members.

18  
19 4.87. According to the Secretariat, the workshop will be conducted to give the MSG an overview of what  
20 the validation process would entail. During the workshop, MSG members will also be informed  
21 regarding the questions that may be asked by the Validator.

22  
23 4.88. Since a representative from the International Secretariat will attend the National Conference, it  
24 was proposed that the workshop be conducted a day before the said event.

25  
26 The body agreed.

27  
28 **Validation meetings and other related expenses**

29  
30 4.89. The Secretariat stated that this item in the work plan was not implemented since the MSG did not  
31 push through with early validation.

32  
33 4.90. One member of the MSG commented that from all the activities that were discussed under the  
34 first objective, it is not clear that direct and indirect contributions of the extractives to the economy. The  
35 same representative stated that the MSG should include outcomes that are more related to the  
36 objectives.

37  
38 4.91. The industry representative mentioned that countries who benefit from the EITI process are those  
39 that have large discrepancies.

40  
41 4.92. According to the same representative, one outcome that would improve the contributions of the  
42 extractive companies to the industry would be the increase in investments because of transparency in

1 the industry. However, the MSG has no way of measuring the differences in investments before and  
2 after the implementation of EITI.

3  
4 4.93. The industry representative reiterated that the MSG has to come up with outcomes that are  
5 related to achieving the objectives.

6  
7 4.94. The Chair stated that after a review of the activities in the work plan, the MSG should also review  
8 the five objectives of EITI implementation to see whether there is a need to improve or change some of  
9 the objectives.

- 10  
11 • **2<sup>nd</sup> OBJECTIVE: Improve public understanding of the management of natural resources and**  
12 **availability of data**

13  
14 **Regular press releases and articles on PH-EITI activities**

15  
16 4.95. The government agencies were advised to come up with articles, blogs and press releases on the  
17 significant findings of the report. It was noted that CSO representatives have been doing this for the  
18 previous reports.

19  
20 4.96. In relation to this, the CSO representative proposed that a training be conducted for the media and  
21 communications officers in different government agencies together with the future communications  
22 officer of the Secretariat.

23  
24 4.97. A representative of MGB shared that they published an article in their website regarding the  
25 publication of the second report.

26  
27 4.98. With regard to the objective of improving public understanding, one government representative  
28 inquired whether there was a feedback mechanism for the public to be able to say that the MSG actually  
29 achieved the said objective.

30  
31 4.99. A CSO representative shared that they have been consistent in downloading EITI information to  
32 the ground.

33  
34 4.100. The Chair stated that the MSG needs to measure the awareness of the public on EITI. However, it  
35 was noted that the MSG has no baseline data on this.

36  
37 4.101. A government representative inquired how the MSG defines “public”. The Chair responded that  
38 all the stakeholders are target audiences.

39  
40 4.102. The Chair reiterated that the MSG needs to come up with an indicator for measuring how  
41 awareness on EITI has improved.

1 **Development of a communications plan and MSG/Secretariat workshop**

2  
3 4.103. According to the Secretariat, this item was not achieved primarily because they are having  
4 difficulty in finding a good communications officer. In addition, more expertise was needed in designing  
5 the communications workshop.

6  
7 **Hiring of consultants for EI related studies**

8  
9 4.104. An industry representative suggested to hire a consultant on sustainable use and revenue  
10 management to improve the capacity of LGUs and inform them how to plan for the usage of their  
11 revenue shares and SDMP funds.

12  
13 4.105. A representative of DILG shared that one of the studies of PPEI was on evaluating the  
14 effectiveness of SDMP and measuring its socio-economic impact. The same representative shared that  
15 in another PPEI study wherein their consultants tried to determine how the host LGUs are using their  
16 share from national wealth, it was found out that some interventions of the LGUs were inappropriate.

17  
18 4.106. The DILG representative stated that they can collaborate with the MSG on these studies.

19  
20 4.107. According to the CSO representative, the MGS needs to first agree to move forward from just  
21 reconciling the payments and receipts to actively advocating revenue management and sustainable  
22 development at the local level.

23  
24 4.108. The CSO representative then suggested that capacity building activities related to revenue  
25 management be conducted as a parallel activity during roadshows.

26  
27 4.109. An industry representative commented that the problem with SDMP is that there is no  
28 consistency in determining how funds should be spent. The LGUs have different processes of developing  
29 their SDMP.

30  
31 4.110. The MGB representative mentioned that they will include the monitoring of SDMP  
32 implementation in the MMT.

33  
34 4.111. In relation to the issue raised on SDMP, a CSO representative suggested that the DILG and MGB  
35 collaborate and come up with a joint administrative order standardizing the process of developing  
36 SDMP.

37  
38 4.112. The DILG representative responded that this suggestion was already included as part of the TOR  
39 of their consultant and will be one of the outputs of the Philippine Poverty Environment Initiative (PPEI).

40  
41 4.113. A CSO representative requested that the DILG present the findings of their studies and  
42 recommendation on the process of developing SDMP. If ever the MSG would agree to the

1 recommendations of DILG, it was suggested that the body make a formal request to MGB to adopt the  
2 findings of the study.

3  
4 4.114. The representative of DILG clarified that they are just in the initial phase of the study and the  
5 consultants have not yet started with their fieldwork.

6  
7 4.115. For the information of the body, it was shared that MGB will be part of the study.

8

9 **Publication of reference materials and primer**

10

11 4.116. There was a comment to increase the number of printed and translated copies of the report.

12

13 **Maintain EITI website**

14

15 4.117. One member of the MSG suggested to add more data and document in the website.

16

17 **EITI Open Data Dashboard**

18

19 4.118. The Secretariat share that the scanned supporting documents were already uploaded in the  
20 contracts portal. However, due to the delay in USAID funding, maps were not yet developed.

21

- 22 • **3<sup>RD</sup> OBJECTIVE: Strengthen national resource management / strengthen government systems**

23

24 **Formulation of new policies/recommendations by the MSG to improve government systems based on**  
25 **the findings of the first report**

26

27 4.119. The Chair noted that this item was achieved and that the MSG recommendations were provided  
28 to the Mining Industry Coordinating Council (MICC).

29

30 4.120. The Secretariat stated that the actions taken by the government industries were included in the  
31 report.

32

33 4.121. Among the government agencies, it was mentioned that only BOI and PEZA did not submit an  
34 action plan based on the recommendation of the MSG.

35

36 4.122. A government representative suggested that the MSG take advantage of the Tax Incentives  
37 Management and Transparency Act (TIMT) which can be the legal basis for requiring government  
38 agencies to report. According to the same representative, information that the MSG wants to be  
39 disclosed can already be included in the IRR of TIMTA.

40

- 41 • **4<sup>TH</sup> OBJECTIVE: Create opportunities for dialogue and constructive engagement in natural**  
42 **resource management in order to build trust and reduce conflict among stakeholders**

1 4.123. The body agreed that the conduct of both regular MSG meetings and forums/dialogues with  
2 stakeholder were achieved and should be retained in the next work plan.

3  
4 • **5<sup>TH</sup> OBJECTIVE: Strengthen business environment and increase investments**

5  
6 4.124. The Chair stated that the increase in investments have already been discussed. It was reiterated  
7 that there is a need for the MSG to come up with an indicator measuring the change in investments  
8 before and after EITI implementation.

9  
10 4.125. On a different note, one MSG member proposed that the MSG include one small-scale mining site  
11 in the next report. The same representative suggested T'boli.

12  
13 It was suggested that the MSG only focus on the fees of one LGU. The body agreed.

14  
15 4.126. Other activities that the body suggested to retain the work plan are the following:

- 16 - Production of summary report, popular version and translated version
- 17 - Conduct reporting template workshop for all sectors per company, per industry, per LGU
- 18 - Completion and submission of reporting template
- 19 - Reconciliation process
- 20 - Workshop / approval of the second EITI report
- 21 - Participate in existing transparency initiatives in the country and region
- 22 - Outreach activities and capacity building of local stakeholders (government, regional offices,  
23 communities and industry) on EITI implementation
- 24 - Media briefing on EITI implementation
- 25 - Implementation of communications strategies
- 26 - Dialogues (Provincial and NCR) on EI issues, Mining 101
- 27 - Partners forum with development partners
- 28 - Development of monitoring tools and systems for IP royalties, mandated funds and CSR projects
- 29 - Engage the Legislative and the Executive branches of government; Draft EITI law and propose  
30 legislation/ amendment for full EITI implementation
- 31 - Pilot subnational implementation in selected LGUs and capacity building of LGUs; strengthening  
32 of local monitoring teams
- 33 - Operationalization of policy recommendations
- 34 - Forums with industry members
- 35 - Engagement of other mining affiliated organizations
- 36 - Institutionalization of EITI through law

37  
38 • **Administrative Operations**

39  
40 4.127. The Secretariat mentioned that the financial report is included in the kits. It was reported that  
41 the majority of the funds was spent on consultancies such as the translation of the summary report,



1 maintenance of the website, consultants for the scoping studies, documenters and facilitators hired for  
2 the forums and consultant hired to develop the manual for the LGU online reporting.

3  
4 4.128. However, it was noted that the bulk of the budget for consultancies was spent from hiring the IA  
5 which amounted to Php 7.4 million.

6  
7 4.129. According to the Secretariat, 36% of the budget was spent on trainings and outreach activities  
8 while 15% was for the salary of the staff.

9  
10 4.130. It was also mentioned that the production of communication materials accounted for 7% of the  
11 spending and 3% was used for the Secretariat expenses.

12  
13 4.131. The Secretariat explained that the darker shade of the pie chart indicates that the fund came  
14 from the Multi-Donor Trust Fund (MDTF) and the lighter shade was from the Government of the  
15 Philippines (GOP).

16  
17 4.132. A CSO representative inquired if there is already a projected budget for the year 2016 including  
18 the breakdown fund sources.

19  
20 4.133. The Secretariat responded that there is a budget drafted for the Extractive Global Programmatic  
21 Support (EGPS), but the work plan for 2016 still has to be developed by the MSG.

22  
23 4.134. A CSO representative inquired whether the World Bank will be funding the same activities that  
24 were funded last year.

25  
26 4.135. The Secretariat responded in the affirmative. However, it was noted that the government has a  
27 higher contribution this year.

## 28 29 **5. Selection of National Coordinator**

30  
31 5.1. The Chair mentioned that the current National Coordinator of PH-EITI will be working for the  
32 International Secretariat starting March 2016.

33  
34 5.2. The Chair announced that one candidate for the position is Atty. Karla Espinosa, who is the current  
35 Chief of Staff of Undersecretary Paul of DOF.

36  
37 5.3. Undersecretary Paul shared that he was approached by the Chair because the MSG was looking for  
38 a replacement for the current National Coordinator.

39  
40 5.4. Usec. Paul then gave a background on the candidate stating that she is an economist and a lawyer.  
41 It was also mentioned that Atty. Espinosa obtained her Master's Degree from New Zealand.

1 5.5. The body was informed that the major responsibility of Atty. Espinosa in her current position was to  
2 go through the important documents that will be signed by Usec. Paul to ensure that these documents  
3 are legally, morally, and technically defensible. He furthered that the candidate also writes very well,  
4 especially in drafting of legislations.

5  
6 According to Usec. Paul, Atty. Espinosa is good in simplifying things that are complicated and that she is  
7 a strong candidate for the position.

8  
9 5.6. The Chair suggested to invite Atty. Espinosa to the next MSG meeting. The Curriculum Vitae (CV) of  
10 the candidate was circulated to the members of the MSG.

## 11 12 **6. Addendum to the report**

13  
14 6.1. The Secretariat shared that the report has been evaluated by the International Secretariat and that  
15 they will be sending their formal comments by next week.

16  
17 6.2. It was shared that no major gaps were found, but there are comments on few things that are not  
18 critical to validation.

19  
20 6.3. The following comments of the International secretariat were shared to the body:

21  
22 1. The report contains disaggregated information on the export volume of oil and gas but there  
23 was no disaggregated data on export value. The Secretariat mentioned that the IA will obtain  
24 disaggregated data from DOE.

25  
26 2. In the table wherein revenues of PMDC and PNOC were reported, the IA needs to indicate  
27 that the data is from 2013.

28  
29 3. On the license register, the International Secretariat asked that the dates of permit  
30 application of the companies be included. According to the Secretariat, they expressed that  
31 completing this information might be difficult because some of the applications were made  
32 decades ago. However, it was mentioned that the dates can be obtained from the companies.

33  
34 The Secretariat noted that they will also confirm with MGB if the said information is available in  
35 their office. The same applies with DOE for oil and gas as well as the coal industry.

36  
37 4. There needs to be an additional narrative on the license allocation for coal. The Secretariat  
38 mentioned that there is a table with this information but there is no narrative.

39  
40 5. There is a lack of information on the Philippine Energy Contracting Round (PECR-5). It was  
41 explained to the International Secretariat that all information is in the website of DOE and the  
42 link was provided.

1 6.4. The Secretariat then clarified that if the MSG agrees to have an addendum, the information that  
2 were discussed will all be included. It was noted that the report is still being reviewed by one of the  
3 members of the International secretariat and there is a possibility that they will send additional  
4 comments.

## 6 7. Global conference

7  
8 7.1. The Secretariat gave updates on the global conference scheduled on February 24 and 25. It was  
9 mentioned that participants from the government are Secretary Purisima, who will be one of the  
10 speakers in the plenary session, Assistant Secretary Teresa Habitan, Undersecretary Jeremias Paul, and  
11 Engr. Romualdo Aguilos of MGB. Representatives for the Secretariat will be Atty. Marie Gay Alessandra  
12 Ordenes and Mary Anne Rodolfo.

13  
14 7.2. It was shared that the industry sector will be represented by Atty. Ron and Ben Austria while the  
15 CSO will be represented by Cielo Magno, Professor Jay Batongbacal, Prof. Teresita Tabada, Allan  
16 Barnacha, Starjoan Villanueva, and Filomeno Sta. Ana.

17  
18 7.3. The Secretariat also shared that there will be a side event on data visualization and representatives  
19 from the Secretariat and CSO were requested to attend. It was noted that the funding for the said event  
20 will come from another development partner.

21  
22 7.4. With regard to the funding, the Secretariat mentioned that the International Secretariat will fund  
23 four representatives. The DOF will fund the participation of Secretary Purisima and Asst. Sec. Habitan.  
24 On the other hand, Undersecretary Paul as well as two representatives from the CSO are waiting for  
25 funding from the World Bank. The Secretariat shared that two industry representatives will also be  
26 funded.

27  
28 7.5. The Secretariat shared that according to World Bank, they will be able to transfer the grant by the  
29 end of January 2016.

- 30  
31 • Impact story

32  
33 7.6. The Secretariat stated that the consultant already sent a draft of the impact story and it will be  
34 circulated to the MSG as soon as it goes through one round of fact checking by the Secretariat.

35  
36 7.7. According to the Secretariat, a Chair's award will be given during the Global Conference. It was  
37 explained that this award will be given to EITI implementing countries.

38  
39 7.8. For this award, the International Secretariat will be looking at countries that has had improvements  
40 in policies and practices related to extractive industry sector governance. Another criteria is that the  
41 country has to show progress in the past three years, and has done the most efforts to ensure that the  
42 EITI reporting responds to national priorities and challenges.

1 7.9. It was mentioned that the award will also be judged based on the exemplary programs on making  
2 data available and accessible.

3  
4 7.10. The Secretariat shared that a country can nominate itself for this award.

- 5  
6 • Booth in the global expo

7  
8 7.11. It was shared that the Secretariat hired consultants to work on the concept and implementation of  
9 the PH-EITI booth.

10  
11 7.12. According to the Secretariat, the two main highlights of the booth would be on the efforts of the  
12 MSG in engaging the LGUs and Indigenous People (IPs).

13  
14 7.13. As for the design of the booth, the Secretariat described that a Philippine map will be at the center  
15 of the booth and that there will be windows on the map which can be opened. Pictures and information  
16 will be seen inside the window. In addition, the contracts portal and the online reporting tool of Bureau  
17 of Local Government Finance (BLGF) will be presented.

18  
19 7.14. The Secretariat shared that a more concrete design will be presented next MSG meeting.

## 20 21 **8. Board election**

22  
23 8.1. The Secretariat shared that the profiles of the other candidates from Mongolia and Timor Leste are  
24 in the kits.

25  
26 8.2. The Secretariat explained that the process of nomination is that the MSG of each country, through  
27 the National Coordinator will rank the candidates.

28  
29 8.3. In relation to this, it was mentioned that the candidates will get points that coincide with their  
30 ranking.

31  
32 8.4. The MSG deliberated on their choices and cast their votes.

33  
34 8.5. On the other hand, it was shared that a summary report and a brochure on the key findings were  
35 prepared by the Secretariat. The MSG was asked to submit their comments on the said documents until  
36 Friday next week before printing.

## 37 38 **9. National conference**

39  
40 9.1. The Secretariat mentioned that the proposed program can be found in the kits. It was noted that  
41 invitations have been sent to Secretary Purisima and Secretary Paje. The MGB representative was asked  
42 to follow up with Secretary Paje.

1 9.2. As agreed by the MSG, the Secretariat reported that a letter of invitation was made for the  
2 President. The Secretary of DILG and DBM were also invited to give messages.  
3  
4 9.3. The Secretariat then gave a rundown of the following scheduled activities as stated in the program.  
5  
6 9.4. It was shared that a representative from the International Secretariat was also requested to give a  
7 presentation on how EITI should influence policies and reforms.  
8  
9 • National conference workshop  
10  
11 9.5. The Secretariat shared that the current reforms implemented by national government agencies will  
12 be discussed by the sectors. Hence, one of the outputs of the conference would be recommendations  
13 coming from the workshop.  
14  
15 9.6. A CSO representative asked if the presidential candidates can be invited so that they can be aware  
16 of EITI.  
17  
18 • PH-EITI transparency award  
19  
20 9.7. The Secretariat mentioned that the proposal for the awards can be found in the kits. The criteria of  
21 the awards were then discussed.  
22  
23 9.8. The Secretariat then discussed the proposed six awards to be given, with a specific citation for each  
24 criteria.  
25  
26 9.9. It was explained that a board of judges will be selected. The board of judges will have two  
27 representatives per sector, with one alternate each, in case the organization of the representatives gets  
28 nominated. The stakeholders will then be asked by the Secretariat to nominate awardees. If there will  
29 be no nominations, the Secretariat will propose a list to the board of judges.  
30  
31 9.10. It was noted that final decisions will be made in the next MSG meeting and plaques will be  
32 awarded to the winners.  
33  
34 9.11. The Chair asked each sector to submit the names of the judges by the end of the day.  
35  
36 9.12. It was shared that the CSOs will be represented by Teresita Tabada and Starjoan Villanueva while  
37 the government will be represented by the DILG and Ms. Febe Lim of DOF. The industry representatives  
38 expressed that they will first discuss among themselves.

1 **10. Other Matters**

2

3 10.1. The Secretariat shared that the office of Secretary Purisima received a letter from the LGU of  
4 Palawan and the said letter was routed to PH-EITI.

5

6 10.2. The BIR representative mentioned that they have already responded to the said letter.

7

8 10.3. The same representative was then requested to provide the body with a copy of their letter to the  
9 Palawan LGU.

10

11 **ADJOURNMENT**

12

13 There being no other matters to discuss, the meeting was adjourned at 12:08 PM.

14