

PH-EITI 36th MSG MEETING
9:00 AM- 12:00 PM | October 7, 2016
Waling-Waling Room, Orchid Garden Suites
Pablo Ocampo Street, Manila

Attendees:

Government

Febe J. Lim Department of Finance (DOF)
Engr. Romualdo D. Aguilos Mines and Geosciences Bureau—Department of
Environment and Natural Resources (MGB-DENR)

Industry

Atty. Ronald S. Recidoro Chamber of Mines of the Philippines (COMP)

Civil Society

Dr. Cielo Magno Bantay Kita
Dr. Merian C. Mani Marinduque State College
Chadwick G. Llanos Cebu Alliance for Safe and Sustainable Development
(CASSE)
Starjoan D. Villanueva Alternate Forum for Research in Mindanao (AFRIM)
Buenaventura M. Maata Jr. Philippine Grassroots - Engagement in Rural
Development Foundation, Inc. (ERDF)

Secretariat

Atty. Maria Karla L. Espinosa Secretariat
Abigail D. Ocate Secretariat
Mary Ann D. Rodolfo Secretariat
Joylin A. Saquing Secretariat
Marikit J. Soliman Secretariat
Angelita P. Galano Secretariat
Roselyn A. Salagan Secretariat
Katherine Denise M. Domingo Secretariat
Rhea Mae G. Bagacay Secretariat
Jaime Miguel Secretariat
Ricardo Evora Secretariat
Ma. Rowena C. Raymundo Secretariat

Observers

Mr. Carlos Tulali Bantay Kita

1 AGENDA:

- 2 • Minutes of the 35th MSG meeting
3 • Matters arising from previous MSG meetings
4 • Summary Report on 2016 LGU Roadshow
5 • Comments on Results of Pre-validation workshop
6 • Draft Roadmap on Beneficial Ownership
7 • Workplan Implementation status
8 • Status of Implementation of Recommendations
9 • Other matters
10 ○ Status update on template submission
11 ○ Updates on EGPS, IA, Secretariat concerns
12 ○ Setting of next MSG meeting

13
14 **1. Call to Order**

15
16 The 35th Philippine Extractive Industries Transparency Initiative (PH-EITI) Multi-Stakeholder Group
17 (MSG) meeting was called to order at 9:25 AM. Engr. Romualdo Aguilos of the Mines and
18 Geosciences Bureau (MGB) chaired and facilitated the meeting.

19
20 The Chair was informed that there was no quorum, as the industry and government sectors lacked
21 one representative each due to some unavoidable circumstances. There was a request for the
22 industry sector to waive quorum and there was also advice that an ULAP representative would
23 follow and catch up on the meeting. There was also a suggestion to convert the MSG meeting into a
24 TWG meeting, and if there are critical decisions to be made, the group can make a resolution which
25 can then be circulated to all the members for approval.

26
27 The Chair asked the body if there were other matters that members wished to be included in the
28 agenda for the day. There was a proposal to include in the discussion a resolution from the MSG in
29 appreciation for the participation of former MSG members like Mr. Baste Quinones and Mr. Sabino
30 Santos who have already retired. This was agreed to be included in the agenda under Other
31 Matters.

32
33 A motion to approve the agenda was seconded and approved by the body.

34
35 **2. Minutes of the 35th MSG Meeting**

36
37 The Chair proceeded with the next agenda. He asked the body for comments on the minutes of the
38 35th MSG meeting which was sent two days earlier.

39
40 A CSO representative commented that meeting attendees should be grouped and labeled in the
41 Minutes by sector (government, industry, civil society), secretariat, observer, etc.

42
43 With no others comments being raised, the Chair declared that members will be given one week to
44 comment and if there are no comments received, the minutes will be deemed approved.

1 The CSO representative also requested if the documents can be sent one week prior to the MSG
2 meeting so there is sufficient time to review the materials. The request was noted by the
3 Secretariat.

4 5 **3. Matters arising from previous MSG meetings**

6 7 • *Secretariat's institutionalization*

8
9 There are no significant updates, as according to the DOF representative, the office is still
10 undergoing transition. The memo proposal was submitted to the DOF Secretary in July.

11 12 • *Draft EITI bill*

13
14 The last action taken was the MSG agreement to hire a consultant to draft the bill. From the last
15 MSG meeting, Atty. Golda volunteered to study the matter as part of the TWG. The TWG has not yet
16 reconvened though.

17
18 The Secretariat reported that outside the MSG, there is significant update, referring to the filing of
19 Senate Bill No. 1125 (SB 1125) by Senator Joel Villanueva last Sept 7, 2016. This was conveyed to the
20 MSG via email a day after the bill was filed. MSG members were furnished with a copy of the bill for
21 information.

22
23 The Secretariat reported that they also coordinated with Senator Angara's office which has been
24 keen on filing an EITI bill from way back. The Secretariat apprised them of the filing of SB 1125.
25 There is no assurance though if Senator Angara will file a separate bill or support the bill filed by Sen.
26 Villanueva. Either way, it is highly likely that EITI will be requested to comment on the bill/s filed.

27
28 In light of this development, the Secretariat sought guidance and clarification on further actions
29 relative to the draft EITI bill that MSG previously agreed upon: Will the MSG come up with another
30 version of an EITI bill or just participate in the usual legislative process with respect to SB 1125?

31
32 The Chair commented that the drafting of EITI bill was already agreed upon by the MSG and made
33 part of the PH-EITI workplan. He expressed his inclination to continue this.

34
35 A CSO representative inquired if the MSG was included in the planning or discussion when the bill
36 was formulated. The Secretariat responded that MSG was not officially engaged in the drafting of
37 the bill.

38
39 The Chair noted that there was an agreement to hire a consultant for this, and then inquired as to
40 what is the status. The Secretariat replied that there is no consultant hired yet.

41
42 There was a suggestion from another CSO representative that in the next MSG meeting, members
43 can go through SB 1125 and if they agree on all the provisions, the MSG can agree to support the
44 bill, otherwise, they can give comments and suggestions.

1 The DOF representative commented that they can see if SB 1125 is already close to the potential
2 MSG bill. Anyway, should the MSG come up with its own version, this would usually need a sponsor.
3 So this time, if the MSG can agree to just support SB 1125, there would be no need to look for a new
4 sponsor.

5
6 A CSO representative asked the Industry sector-member if they can push the EITI bill to the Secretary
7 (DENR and DOF) and use EITI as an indicator to segregate the responsible from irresponsible miners.
8 The industry representative replied that they can push for the bill but his concern is if the Villanueva
9 bill fits what the MSG wants in the bill.

10
11 The CSO representative further asked: What are the indications now that the Secretaries would
12 push for the implementation of EITI, considering that EITI can be a tool to identify or distinguish
13 responsible from irresponsible miners.

14
15 A concern raised by the COMP representative was that there is not much link to the DENR Secretary
16 unlike with the DOF Secretary. This can be arranged by the Chair, who is with the MGB.

17
18 The Secretariat asked if it is possible to schedule an audience with DENR Undersecretary Jacinto.
19 The Chair said that they would look into the schedule noting that there really is a need to introduce
20 the EITI and the MSG.

21
22 • *Selection process for MSG members*

23
24 According to the Secretariat the government sector, particularly the DOE, has not approved the
25 selection process yet. They noted that they have been following up with the office of Director Abad,
26 but the feedback was that the document is still being reviewed. The Secretariat noted that they are
27 actually studying the process because they might have to send to government agencies a request for
28 appointment or designation of official representatives, as it is not clear if the persons attending still
29 enjoy the authority given by previous administration.

30
31 The Chair opined that the designation should be by position, and not particular names of persons, so
32 that if there is government transition, the authorized representatives can be identified easily.

33
34 The DOF representative shared a similar dilemma noting that in DOF, communications are addressed
35 to Undersecretary Paul, but the matter is now assigned to Undersecretary Beltran.

36
37 The Secretariat noted that the letter will be addressed to the Department Secretary (DOE, DENR,
38 DOF, and DILG). The basis will be the original selection rules.

39
40 An industry representative proposed to highlight that only DOE has not submitted, just to be clear.

41
42 A question was asked if this would impact the chances of country validation. The body responded in
43 the affirmative.

44

1 It was noted that DOE does not need to draft a new selection process as the document has already
2 been drafted by the DOF. The industry representative asked if it would be possible that DOE be
3 given a deadline to give their inputs or concurrence on the government selection process and if they
4 are not able to do so, the document will be deemed approved.

5
6 A CSO industry representative suggested to write the Secretary of Energy, raise all concerns, and
7 indicate the implications and consequences. The letter will be signed by the industry and CSO.

8
9 The motion to write a formal letter to the DOE Secretary was seconded and approved by the body.
10 DOF and DENR will be copy furnished with the letter. There was also a suggestion to formally write
11 the two other Department Secretaries a communication on all relevant pending matters.

12
13 • *Engagement of Non-Metallic Mining associations*

14
15 According to the Secretariat, as of the moment, the non-metallic mining associations are not yet
16 formally engaged. But they were invited in the last roadshow (Manila leg). They noted that they
17 have to do further actions to engage the sector. This is pending but this part of the workplan.

18
19 • *Revenue management at the local level*

20
21 This is in the workplan and is for implementation. The Secretariat noted that for apparent reasons,
22 they have not yet moved on this. A CSO representative suggested to move this target to 2017 and
23 remove this in the current Workplan. Another suggestion from the Chair was to move this matter in
24 the list of Parked Items.

25
26 • *Online reporting tool*

27
28 According to the Secretariat, this is dependent on available resources so this is still pending for
29 implementation.

30
31 There was a suggestion from a CSO representative to park and move this to the 2017 workplan. She
32 further suggested that due to limited time and resources and political context, MSG should look into
33 everything and check what items in the 2016 Workplan can be moved to 2017.

34
35 • *Report analysis for the second report*

36
37 The Secretariat reported that the report analysis process was started and ideas were presented but
38 not implemented due to budget constraints and considering that there were other activities that had
39 to be prioritized.

40
41 A CSO representative asked what is the end goal of the analysis? The secretariat responded that the
42 purpose was really to study the EITI data more to assess the practical usefulness of the Country
43 Report.

1 A CSO representative asked if the feedback/comments from the roadshow fit in the analysis of the
2 report. The Secretariat responded that the roadshow was not designed specifically to elicit inputs
3 on the analysis of the Report, but there were comments on the findings.

4
5 Another CSO representative suggested to postpone the event until the IA produces the complete
6 data set, as it is hard to do analysis of data that is in a printed document. This matter will also affect
7 the country's validation, because availability of data in open format is a criteria. In this regard the
8 representative followed up the request for the IA to produce a dataset, and if they themselves are
9 unable to do so they should hire a consultant to do it.

10
11 Another CSO representative shared that there is value in the analysis workshop if a trend can be
12 seen from the three reports. It was suggested to move the item to the 2017 Workplan.

13
14 According to the Chair, after the draft dataset is generated, then the body can proceed with the
15 workshop.

16
17 A CSO representative further suggested to make a more comprehensive analysis, to include
18 institutional and process analysis.

19
20 The analysis should capture the relevance of EITI and answer the questions: Do we need to continue
21 the process? What do the different sectors think about this? Is EITI still the right or appropriate
22 venue given the present political context, or can we go outside the EITI?

- 23
24 • *EITI trainings for media*

25
26 The Secretariat noted that this is included in the Workplan. But there was a suggestion to
27 move/defer this until they find an expert media consultant to partner with PH-EITI in training the
28 local media. PH-EITI needs an international expert who can do media work and who is familiar with
29 EITI.

- 30
31 • *Measuring public's awareness of EITI*

32
33 According to the Secretariat, they have not yet come up with a measure even though there is related
34 item in the feedback form used during the LGU roadshow just to measure awareness. The data has
35 yet to be analysed.

36
37 A CSO representative opined that this is connected to media trainings. If media training cannot be
38 done yet, then we cannot achieve public awareness as media is our way of communicating to the
39 public. If we can strengthen the media in terms of informing about EITI to the larger public, then we
40 can also achieve this. So far, we are limited to the LGU roadshows.

- 41
42 • *Engagement of ARMM*

43
44 A CSO representative reported that the ARMM scoping study is finished. There are still lots of gaps in
45 terms of data being fit for EITI reporting, but in terms of contextual information, there is already an

1 overview of natural resource governance in ARMM. She informed though that they have to secure
2 concurrence of the regional governor, and a meeting has been set for the following week for this
3 purpose.

4
5 In terms of subnational implementation in the region, there is already a list of nominees for the
6 ARMM MSG as part of EITI implementation. It was further reported that they are planning to
7 encourage SR Languyan to participate in the national EITI through subnational implementation in the
8 ARMM. Based on the last pre-validation workshop, it looks like SR Languyan will participate in 2017.

9
10 The CSO representative noted that their group can come up with contextual information and present
11 it in the next MSG meeting.

12
13 Another CSO representative proposed that MSG give authority to AFRIM to represent the MSG in
14 their engagement activities in ARMM. The scope of engagement can include scoping and
15 exploratory studies on the possibility of implementing in ARMM so that their activities can be
16 considered as official activities of EITI.

17
18 Another CSO member reported that their group (PhilGrassroots - ERDF) is likewise about to finish
19 their scoping study. He expressed that in the same manner that AFRIM wants to represent EITI in
20 Mindanao, they would also be interested to seek that same authority for their initiatives and other
21 related activities in the CARAGA region. He noted that they have undertaken activities in Dinagat
22 and Surigao Islands, and in those discussions, he assured that there is growing awareness and build-
23 up of interest among people about EITI.

24
25 Related to this, there was a suggestion that if MSG decides to give authority to PhilGrassroots -
26 ERDF, it would be good to start with coordination activities with CSO and the industry, there are
27 companies in CARAGA who are participating in EITI. COMP can possibly identify organizations and
28 entities who can work with PhilGrassroots - ERDF so the initiative will be multi-stakeholder at the
29 local level. The regional director of MGB is already familiar with EITI so it is on board, too.

30
31 Another CSO representative added that in areas where organizations or companies are not yet part
32 of COMP, they can be encouraged to be part of the Chamber.

33
34 Going back to ARMM, the next step is to build capacity and for COMP to touch base with the
35 companies in the area, so that companies may see that it is also beneficial for them to participate in
36 EITI.

37
38 *Parked items for Discussion*

39
40 The Secretariat reminded the body of the two matters/items that have been parked and which they
41 are documenting: 1) Offer of Timor Leste to conduct a training for the PH-EITI MSG on the
42 Petroleum Fund Process or Sovereign Wealth Fund (SWF); and 2) Proposed Amendment to the LGC.

43
44 One CSO representative suggested that for the SWF, this can be included as one of the training
45 modules if PH EITI is to conduct revenue management training for local executives and officials.

1 The Chair noted that the offer of Timor Leste is no longer relevant. Further this is not included in the
2 workplan. The CSO representative agreed and commented that this has already evolved, hence, this
3 can just be included as one module in the revenue management training.
4

5 **4. Summary Report on 2016 LGU Roadshow**

6
7 The Secretariat presented a summary report of the 2016 LGU Roadshow conducted. They noted
8 that the primary purpose was to present the findings of the 2nd PH-EITI Country Report, to gather
9 feedback from stakeholders on the report findings, and to discuss extractive industry related issues,
10 policy gaps, and plans to address the gaps.
11

12 The 2016 Roadshow turned out larger than the one held the previous year and were all well-
13 attended and well-covered by media. The Roadshow was conducted in 6 key cities nationwide
14 covering regions where large-scale extractive operations and company head offices are located, to
15 wit: Davao, Cebu, Baguio, Puerto Princesa, Manila and Butuan. Participants reached a total of 580
16 stakeholders from LGUs, national/regional government agencies, companies operating in the areas,
17 civil society organizations, IP communities, and media partners. Details of each leg of the roadshow
18 are contained in the Powerpoint slides presented, copy of which is attached hereto as Annex A.
19

20 The outcomes of the Roadshow are summarized as follows:
21

- 22 • The 2nd PH-EITI Country Report findings and recommendations were communicated to target
23 stakeholders.
- 24
- 25 • Stakeholders were informed on:
 - 26 ○ DBM's policy development on the transfer of LGU shares in the national wealth
 - 27 ○ What is SDMP and how it is developed at the local level
 - 28 ○ How the environment is governed and how it is monitored by the MMTs and LGUs
 - 29 ○ Mining Development Framework
 - 30
- 31 • BLGF's Environment and Natural Resource Data Management Tool, online reporting system, was
32 introduced to local treasurers and accountants.
33
- 34 • Through workshops on 1) Collection/Management of Revenues from Extractives at the Local
35 Level, and 2) Governance of the Extractive Industry, the following were gathered from the
36 participants which will be included in the 3rd PH-EITI Country Report:
 - 37 ○ Priority issues that the government will commit to act upon
 - 38 ○ Recommendations collectively formulated by the sectors to address the identified issues
39
- 40 • The event also served as a platform to formulate and agree on ways to move forward through
41 meaningful discussion with local stakeholders.
42

43 At the end of the presentation, the hard work of the Secretariat, despite the limited resources, was
44 acknowledged and appreciated.
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1 **5. Comments on outputs from the pre-Validation workshop**

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The Secretariat reported that the pre-Validation workshop was conducted last September 22. It was noted that there are only 3 months left to produce the report and prepare for the Validation, and the workshop provided a venue for initial assessment of the performance of EITI. The MSG members who participated in the workshop gave their inputs on the Validation guidelines given by the International EITI.

The workshop participants were then requested to give a report on their output. However, considering that the members present in the meeting are also the same ones who participated and produced the output, it was suggested that the workshop output just be emailed to the other members to solicit their comments.

The Chair mentioned that EITI may not be found compliant; however, the target is to be able to submit a report so as not to be suspended. Also, the Beneficial Ownership Road Map has to be submitted in January 2017.

A CSO representative expressed his reservations regarding the documents that have to be prepared, the documents that have to be shown as means of verification. Because during the pre-Validation, while documents were identified, the question is where are the documents?

The Chair noted this and agreed that accessibility of the required documents is a critical factor, but there is already the online or website publication for easy access. MSG has undergone the same process before, that although the documents are available, they are not easily accessible because the documents are with various agencies. But there is online publication now.

Another CSO representative shared her belief that the more important aspects are the following: 1) how to get material companies to participate, like SR Languyan and Semirara; 2) coming up with the report; and 3) documentation of efforts.

The Chair shared that the International Secretariat suggested to document the efforts done to encourage participation of the different stakeholders. It was noted that there clearly were efforts from MSG and Secretariat, but what about the effort of DOE as part of the MSG? What efforts has it done as the pertinent regulatory agency in encouraging Semirara to participate?

After a substantial discussion, the body agreed to draft a formal letter to the President to be signed by CSO and industry, to highlight the value of EITI, to ask the President to appoint or designate a government champion for EITI, among others.

The Secretariat took note of this and said it will draft the letters for consideration and approval of the MSG.

The Chair encouraged everyone to focus on the critical issues of the Validation workshop.

1 The Secretariat noted the main and critical observations and comments of members who
2 participated in the workshop: 1) submission of report would be critical so as not to be suspended,
3 and 2) getting material companies to participate.

4
5 The Industry representative queried as to how to get satisfactory progress in number 1, i.e. public
6 statement of commitment; if a law has to be passed. A CSO representative replied that commitment
7 from the President or the Secretary needs to be secured, either through a formal statement or
8 appointment of a champion. It was suggested that this concern be included in the letters to be
9 drafted.

10
11 As agreed by the body, there will be two letters to be signed by MSG:

- 12 • A letter addressed to particular agencies (i.e. DOE, DOF, DENR) that is tailored to the specific
13 concerns of each department; and
- 14 • A letter for the President regarding concerns on commitment and appointment of a champion.

15 16 **6. Draft Roadmap on Beneficial Ownership**

17
18 There was a workshop conducted last September 23 on Beneficial Ownership and a draft roadmap
19 was produced by the workshop participants.

20
21 There was a suggestion from one CSO representative to circulate the draft and ask comments from
22 those who did not participate in the workshop.

23
24 The Chair raised concerns regarding the timeline for finalization of output, as submission is due by
25 January and inquired as to who will work on the final refinements. It was noted that the Secretariat
26 will consolidate the comments, and the output hopefully will be finalized in the next MSG meeting in
27 November.

28
29 The Chair asked if a consultation is warranted. A CSO representative opined that this may not be
30 timely yet. If at all, there could be a workshop on this with the companies. The methodology,
31 definition of terms, especially of a Politically Exposed Person (PEP) would need to be discussed and
32 agreed upon. The earlier agreement was that this can be piloted first, if there are takers. While it is
33 critical to submit the roadmap to be compliant in relation to the beneficial ownership requirement,
34 it is also critical to look at the implications.

35
36 After the exchange of inputs, the body agreed that the draft roadmap will be circulated to the other
37 members for comments; a deadline will be set; the Secretariat will consolidate comments; and
38 output will be ready for the next MSG meeting.

39
40 The Chair asked the Secretariat if this can be included in the agenda for the next MSG meeting.
41 The Secretariat noted that they will later propose a schedule for the Other Matters part of the
42 meeting's agenda.

43
44 A CSO representative queried as to the methodology the Secretariat is looking at in terms of data
45 gathering/collection? She noted that there are some government agencies who collect information

1 on beneficial ownership but this information may be entirely company-determined, unless the SEC
2 can cause to be produced all the layers of ownership, up to the level of individual persons and not
3 companies. Nevertheless, MSG can mine whatever information can be gathered from the SEC, and
4 the companies can produce their own data, then the information can be matched.

5
6 Another CSO representative raised concerns over the use of dummies. Even if it the information is
7 published, one cannot be sure if it is real, unless extensive research is done on the ground.

8
9 Another concern is the resources that will be used to gather the data. Once the information is
10 obtained, it must be determined if the level of effort is worth it.

11
12 According to another CSO representative, the cooperation of the industry is crucial, as they will be
13 the ones to tell if they will cooperate or not. As previously suggested, what can be done is to pilot
14 the instrument in one or two companies who would be willing to try. She opined that it will be
15 difficult for MSG to convince companies to support disclosure of beneficial ownership. So the
16 concern is: What will be our selling point? What benefit will companies get if they cooperate in this?

17
18 The Secretariat noted that there is no methodology yet, but when this was initially discussed with
19 the IA, considering beneficial ownership is part of contextual information, it was agreed that we can
20 start first with publicly available information. We tentatively agreed to have rough definitions of
21 beneficial owners and PEP just to start the work.

22
23 The body thereafter agreed on the following next steps of action: The Secretariat to invite the TWG
24 to the next MSG meeting and circulate the draft beneficial ownership roadmap for comments; start
25 discussion with SEC in terms of making their data accessible and free; MGB to look into
26 Administrative Order/s on beneficial ownership directed to mining companies.

27 28 **7. Workplan implementation status**

29
30 The Secretariat informed that a copy of the 2016 Workplan is included in the meeting kit. She noted
31 that some of the items were already taken up during the discussion of the Matters Arising. However
32 the MSG members may want to go over it again to check what can be adjusted and identify certain
33 items which MSG members think can be moved to a later date or removed from the Workplan
34 altogether.

35
36 The members agreed to go over the 2016 Workplan activities one by one and define the actual
37 status. Details are provided in Annex B hereof.

38 39 **8. Other Matters**

- 40
41 • Status update on submission of reporting templates

42
43 The Secretariat gave a brief presentation on the updates, Powerpoint slides attached hereto as
44 Annex C.

1 Some questions were raised by MSG members such as: Did certain companies participate last year?
2 What were the reasons cited for their non-participation this year?

3
4 The Secretariat responded that Rapu-Rapu and Strong Built has closed operations. Cambayas has
5 been divided as a corporation.

6
7 The Secretariat sought assistance from MSG in following up the companies, but noted that once the
8 IA is awarded with the contract, IA will send official communications to the companies.

9
10 A CSO representative expressed concern over whether some companies will still participate and
11 provide information considering that most of them have been suspended. According to the COMP
12 representative, only 10 are actually suspended and the rest are just recommended for suspension.
13 The Chair further clarified that of the 41 operating mining companies audited for 2016, only 10 are
14 actually suspended, 20 are recommended for suspension, and 11 may be spared. What MGB does is
15 to call on regional directors to encourage mining companies to participate.

16
17 The Secretariat continued with the updates, then there was a suggestion from a CSO representative
18 to track progress and provide a separate column in the update/report to show percentage of
19 submission.

20
21 • Updates on EGPS, IA, Secretariat concerns

22
23 IA: Notice of Award for the IA contract is expected next week. Despite absence of contract, IA has
24 been working with the Secretariat if only as part of the old contract.

25
26 EGPS: The grant documents are pending with the International Finance Group (IFG) of DOF. IFG will
27 not endorse to Secretary Dominguez until Undersecretary Beltran is able to present when the
28 Secretary comes back from his official trip on Wednesday next week (October 12). EGPS needs to
29 be presented and the Secretary needs to be convinced as he is the authorized signatory for the
30 Philippines. The Secretariat noted that this is part of the whole transition process.

31
32 A CSO representative asked as to what kind of support would the Secretariat need or want from the
33 MSG considering that everything apparently depends on this presentation and the approval of the
34 Secretary.

35
36 The Secretariat noted the three key points of the presentation, that is, EITI implementation should
37 be continued because it is: a) an international commitment; b) good for public finance, both at the
38 national and local level; and c) consistent with good governance.

39
40 The CSO representative suggested that after the presentation, the Secretariat email the MSG
41 members regarding the outcome or decision on the matter, so that should the outcome be
42 unfavorable, MSG members can help and do something about it.

43
44 Secretariat Concerns: The Secretariat reported that of the eight pending contracts of PH-EITI
45 Secretariat staff previously reported, five job orders have been signed already, leaving only three

1 more (national coordinator, technical manager, grants & contracts specialist) with no signed
2 contracts.

3

- 4 • Schedule of next MSG meetings

5

6 The Secretariat proposed a line-up of meeting schedules, which they have initially discussed with the
7 IA.

8

9 November 4, 2016 (Friday, whole day) – Morning session will be intended for the presentation
10 and/or workshop on the draft contextual information and to solicit comments from MSG members,
11 so that IA can already process them and work on the report. The afternoon session will be for the
12 usual MSG meeting agenda.

13

14 A CSO representative suggested that in the worst-case scenario, if PH-EITI cannot meet the deadline
15 by January, a letter will be sent to the Board in December to request for a 6-month extension. But in
16 reality, MSG/IA will finish the report by February. The Board meets in February, so even before the
17 Board gets to act on our request, the report has been produced already. PH-EITI will not be
18 suspended then.

19

20 The Secretariat asked what will happen to the validation in January? The CSO representative
21 responded that PH-EITI will not go through validation because there is a letter of request for
22 extension. This, however, cannot be acted upon by the Board, as they meet in February. When the
23 Board meets in February and receives the letter of request for extension, the letter would be moot
24 as the report will have already been produced.

25

26 The Secretariat noted that that is the worst-case scenario, and the best-case scenario is that the
27 Report still gets produced on time.

28

29 December 2, 2016 (Friday, whole day) – Draft Reconciliation Report will be presented in the morning
30 session. MSG will be furnished with the materials before December 2. The afternoon session will be
31 for the usual MSG meeting agenda.

32

33 December 16, 2016 (Friday) – Special Meeting for the approval of the 3rd Country Report

34

35 There was a suggestion that for MSG members who have failed to attend meetings, the Secretariat
36 will send them a letter reminding them that failure to attend for three consecutive MSG meetings
37 will be a ground for replacement.

38

39 The TWG meeting for the beneficial ownership can be held in the afternoon of the next MSG
40 meeting. This will be made part of the agenda.

41

42 There was a motion to come up with a resolution of appreciation for Mr. Quinones and Mr. Santos
43 and CSOs and MSG members who have “graduated”. They are those who have been very helpful to
44 the MSG and PH-EITI. This was seconded and approved.

45

1 With no other matters to discuss, the meeting was adjourned at 1:15 pm.

2016 LGU ROADSHOW

PH-EITI: Making Transparency Work For You

*A local forum on promoting transparency and accountability in
the mining, oil and gas sectors*



2016 LGU Roadshow

Purpose:

- to present the findings of the 2nd PH-EITI Country Report
- gather feedback from the stakeholders on the report findings
- discuss extractive industry related issues, policy gaps and plans to address the gaps

2016 LGU Roadshow

Total Participants: 580 stakeholders from LGUs, national/regional government agencies, companies operating in the area, civil society organizations, IP communities and media partners

- Larger than the 2015 LGU roadshows
- Roadshows were all well-attended and well-covered by media compared to last year's roadshows, despite limited resources

PH-EITI Roadshows were held in 6 key areas, covering regions where large-scale extractive industries and head offices are located.

Leg	Regions Covered	Date	Venue	Total No. of Participants
1 st	IX, XI, ARMM	August 10	Davao City	84
2 nd	VI, VII, VIII	August 24	Cebu City	93
3 rd	II, CAR	August 31	Baguio City	101
4 th	IV-B	September 14	Puerto Princesa City	88
5 th	III, V, NCR	September 21	Manila	92
6 th	XIII	September 28	Butuan City	122

Leg	Regions Covered	Date	Venue
1 st	IX, XI, ARMM	August 10	Davao City

Target LGUs:

Maco, Compostela Valley

Davao City

Siocon, Zamboanga del Norte

Zamboanga City

Languyan, Tawi-tawi

Leg	Regions Covered	Date	Venue
1 st	IX, XI, ARMM	August 10	Davao City

Target LGUs:

Maco, Compostela Valley

Davao City

Siocon, Zamboanga del Norte

Zamboanga City

Languyan, Tawi-tawi

Leg	Regions Covered	Date	Venue
1 st	IX, XI, ARMM	August 10	Davao City

Total participants: 84

23 from 6 LGUs

- Languyan & Tawi-Tawi LGUs did not attend)

26 from Government Agencies

- all government agencies were represented.
- ARMM was represented by Datu Abdelwin Sangkulan, DENR Asst. Regional Secretary

18 from CSO

3 from ULAP

4 from Industry

10 from Media partners

Leg	Regions Covered	Date	Venue
2 nd	VI, VII, VIII	August 24	Cebu City

Target LGUs:

Caluya, Antique

Toledo, Daanbantayan & Bogo, Cebu

Guiuan, Samar

MacArthur and Javier, Leyte

Leg	Regions Covered	Date	Venue
2 nd	VI, VII, VIII	August 24	Cebu City

Target LGUs:

Caluya, Antique

Toledo, **Daanbantayan & Boggo, Cebu**

Guiuan, Samar

MacArthur and Javier, Leyte

Leg	Regions Covered	Date	Venue
2 nd	VI, VII, VIII	August 24	Cebu City

Total participants: 93

34 from 10 LGUs

- Daanbantayan LGU did not attend

32 from Government Agencies

- all government agencies were represented

12 from CSO

2 from ULAP

7 from Industry

6 from Media partners

Leg	Regions Covered	Date	Venue
2 nd	VI, VII, VIII	August 24	Cebu City

Total participants: 93

34 from 10 LGUs

- Daanbantayan LGU did not attend

32 from Government Agencies

- all government agencies were represented

12 from CSO

2 from ULAP

7 from Industry

6 from Media partners

Leg	Regions Covered	Date	Venue
3 rd	II, CAR	August 3	Baguio City

Target LGUs:

**Mankayan and Tuba, Benguet
Kasibu, Nueva Vizcaya**

Leg	Regions Covered	Date	Venue
3 rd	II, CAR	August 3	Baguio City

Total participants: 101

23 from 5 LGUs

- All LGUs attended

25 from Government Agencies

- all government agencies were represented

15 from CSO

2 from ULAP

5 from Industry

31 from Media partners

Leg	Regions Covered	Date	Venue
4 th	IV-B	September 14	Puerto Princesa

Target LGUs:

**Narra, Sofronio Española, Quezon & Bataraza,
Palawan**

Leg	Regions Covered	Date	Venue
4 th	IV-B	September 14	Puerto Princesa

Total participants: 88

33 from 5 LGUs

- All LGUs attended

15 from Government Agencies

- all government agencies were represented

8 from CSO

2 from ULAP

3 from Industry

27 from Media partners

Leg	Regions Covered	Date	Venue
5 th	III, V, NCR	September 21	Manila

Target LGUs:

Doña Remedios Trinidad, Bulacan

Sta. Cruz & Candelaria, Zambales

Rapu-rapu, Albay

Aroroy, Masbate

Jose Panganiban, Camarines Norte

Caloocan, Quezon, San Juan, Mandaluyong, Pasig,

Makati, Taguig, Pasay, Parañaque, Muntinlupa

Leg	Regions Covered	Date	Venue
5 th	III, V, NCR	September 21	Manila

Target LGUs:

Doña Remedios Trinidad, Bulacan

Sta. Cruz & Candelaria, Zambales

Rapu-rapu, Albay

Aroroy, Masbate

Jose Panganiban, Camarines Norte

Caloocan, Quezon, San Juan, Mandaluyong, Pasig,

Makati, Taguig, Pasay, Parañaque, Muntinlupa

Leg	Regions Covered	Date	Venue
5 th	III, V, NCR	September 21	Manila

Total participants: 92

35 from 7 LGUs

- Bulacan & DRT, Sta. Cruz, and Albay & Rapu-Rapu did not attend

35 from Government Agencies

- all government agencies were represented

10 from CSOs

2 from ULAP

7 from Industry

5 from Media partners

Leg	Regions Covered	Date	Venue
6 th	XIII	September 28	Butuan City

Target LGUs:

Butuan City; Tubay, Agusan del Norte

Bunawan & Rosario, Agusan del Sur

Tagana-an, Claver & Tubod, Surigao del Norte

Surigao City

Carrascal & Cantilan, Surigao del Sur

Cagdianao, Loreto, Basilisa, San Jose, Tubajon & Libjo,

Dinagat Islands

Leg	Regions Covered	Date	Venue
6 th	XIII	September 28	Butuan City

Target LGUs:

Butuan City; Tubay, Agusan del Norte

Bunawan & Rosario, Agusan del Sur

Tagana-an, Claver & **Tubod**, Surigao del Norte

Surigao City

Carrascal & Cantilan, Surigao del Sur

Cagdianao, Loreto, Basilisa, San Jose, Tubajon & Libjo,

Province of Dinagat Islands

Leg	Regions Covered	Date	Venue
6 th	XIII	September 28	Butuan City

Total participants: 122

68 from 19 LGUs

- Tubod in SDN & Bunawan in ADS did not attend

25 from Government Agencies

- all government agencies were represented

23 from CSOs

30 IP members

5 from Industry

1 from Media partner

Outcomes

- The 2nd PH-EITI Country Report findings and recommendations were communicated to target stakeholders
- Stakeholders are informed on:
 - DBM's policy development on the transfer of LGU shares in the national wealth
 - What is SDMP and how it is developed at the local level
 - How the environment is governed and how it is monitored by the MMTs and LGUs
 - Mining Development Framework
- BLGF's Environment and Natural Resource Data Management Tool, online reporting system, was introduced to local treasurers and accountants

Outcomes

- Through workshops on 1) Collection/Management of Revenues from Extractives at the Local Level, and 2) Governance of the Extractive Industry, the following were gathered from the participants which will be included in the 3rd PH-EITI Country Report:
 - Priority issues that the government will commit to act upon
 - Recommendations collectively formulated by the sectors to address the identified issues
- The event also served as a platform to formulate and agree on ways to move forward through meaningful discussion with local stakeholders.

Status of Activities of 2016 PHILIPPINE-EITI WORKPLAN

On the 1st Objective: Show direct and indirect contribution of extractive industries to the economy (through EITI process)

PUBLICATION OF EITI REPORT	
Activities	Status
Production of summary report, popular version and translated version (second and third report)	Done
Hiring of independent administrator to analyze the government and industry data for the third EITI report	Ongoing
Hiring of consultants to draft contextual information of the report	Ongoing
MSG to agree on scope, level of disaggregation and materiality of reporting, sectors covered (e.g. small-scale, non-metallic) for the third report	Done (last MSG meeting)
Report road shows and trainings on reporting template (LGUs and communities)	Done
Drafting and finalization of reporting template based on the level of disaggregation and materiality as agreed upon by the MSG	Done
Conduct reporting template workshop for all sectors per company, per industry, per LGU	The walkthroughs are ongoing; this is informally being done.
Completion and submission of reporting template	Updates to be presented in the next agenda
Creation of online reporting tool for companies and government agencies	To be moved to 2017
Reconciliation process	IA has started with the activity, for those who have submitted the templates. Meanwhile, the deadline for submission of template by reporting entities has been set by end of October (this is the 3 rd setting already); Award of contract by the 2 nd week of October 2016
Drafting of the 3 rd PH-EITI report	Ongoing
Workshop / approval of the 3 rd EITI report	Not yet done. Proposed schedule to be discussed later

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Printing of the 3 rd PH-EITI report	<p>Not yet done; Can be moved to next year as realistically practiced.</p> <p>There was a query if the 3rd report will be a repeat of last year's "phonebook". The Secretariat replied that per agreement, it will be presented as: overview and summary; for the details, reference will made to the 2nd report</p>
CAPACITY BUILDING ACTIVITIES FOR MSG, TWG, SECRETARIAT AND OTHER STAKEHOLDERS	
Report analysis workshop	Discussed already in the Matters Arising
International outreach and trainings	For 2016, there is the global conference in February and there is no budget for any other. The Secretariat informed that this week, there is an ongoing international open data conference (IODC) where the Secretariat is invited to, but they were not able to participate due to limited budget and non-issuance of travel authority. While IODC could fund for at least 1 participant, the limitation was the non-issuance of travel authority.
Communications trainings for MSG and media	There was one training held for the MSG, which was conducted same day with the 35 th MSG meeting
Outreach activities (government, regional offices, communities and industry) on EITI implementation (academe/ LSNM)	Done, if we the LGU roadshows are to be counted.
Dialogues with companies to ensure full participation in EITI	<p>A forum with the industry needs to be conducted still. This will have to be done within the year.</p> <p>According to Atty. Recidoro, PH-EITI can take advantage of the PMSEA conference in November where everybody in the industry will be present. So it will be good if PH-EITI can get into the program as it will be a good avenue for consultation.</p>
VALIDATION	
Orientation on validation	Done (pre-validation workshop)
Validation meetings and other related expenses	This was originally put here under the assumption that the validation will be done in July but since it

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	was moved to January 2017, then this can likewise be moved.
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On the 2nd OBJECTIVE: Improve public understanding of the management of natural resources and availability of data

Activities	Status
National Conference/ Launching of the 2 nd report	Done in February 2016
Regular press releases and articles on PH-EITI activities	Ongoing
Engage public information office of relevant government agencies	Done, during the roadshows
Media briefing on EITI implementation	Done, in a way during the roadshows
Development of a communications plan and MSG/Secretariat workshop	<p>The Secretariat noted that if this refers to the MSG approved “big-time” communications plan, then this has not been done yet. But they have an internal communications plan that is usually done in the secretariat.</p> <p>The Chairman suggested to document those that have already been undertaken, so these would be considered for 2016. Put a semblance of a workplan where there is timeline, budget, etc. and have it approved by MSG. Validators would most likely look for this documentation.</p> <p>After the discussion, the body agreed that for this particular activity, the status is “Done”. The Secretariat will come up with the proper documentation for the communications plan.</p>
Hiring of consultants for studies	<p>There is no budget for this. A CSO representative asked if the objective can be changed on the basis that MSG needs to have baseline first on the knowledge of the public about EITI. There needs to be a baseline to support analysis. May be it should not be public debate first, but more of short term impact on policy reforms, for stakeholders.</p> <p>The body agreed to take this out of 2016 workplans and move to 2017.</p>

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Establish a mechanism for assessing public awareness on EITI	Same as above
Publication of reference materials, primer and online resources	Done
Maintain and update PH-EITI website	<p>Ongoing</p> <p>A CSO representative asked if PH-EITI website visitors and the sectors they represent are being tracked as from that alone, she said, public awareness can be gauged or measured. The Secretariat replied that the website started in 2012. The number of hits would tell the number of website visitors, the countries they represented, but not the sectors.</p> <p>According to the CSO rep, it would be good to track the number of visitors and find out if the number is increasing through the years.</p> <p>The Chairman noted that meantime the website maintenance is ongoing, the needed enhancements will be coordinated with the developer. This can be targeted for 2017.</p>
Enhancement of PH-EITI contracts portal	Ongoing
Meeting with Development Partners	<p>This has not been done.</p> <p>The Secretariat asked if the MSG is keen on pushing for the meeting with development partners? According to a CSO representative, it depends on the focals.</p> <p>The body agreed to move this activity to 2017, after the process analysis, so areas for improvement can be identified. There was also suggestion to get feedback from CSOs and industries in terms of process, participation, after the validation.</p>
Roll-out of NCIP monitoring tools	<p>Ongoing and can still possibly happen within the year.</p> <p>The Secretariat reported that they are in talks with NCIP about the planned activity to pilot the NCIP monitoring tools, but due to budget constraints</p>

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	<p>this would probably be held in the North. The Secretariat is exploring alternative sources of funding, such as with Bantay Kita.</p>
<p>Development of monitoring tool for MGB mandated funds and SDMP</p>	<p>According to the Secretariat, this has not been done yet.</p> <p>The Chairman shared that MGB had standardization workshop during the roadshows, the output of which is the standard checklist for MMT and SDMP. He noted that MGB will come up with circular to implement this within the regional offices and this may happen within the year.</p>

On the 3RD OBJECTIVE: Strengthen national resource management / strengthen government systems

Activities	Status
<p>MSG to formulate new policies and propose legislations/amendments of existing laws based on the recommendations from the 2nd report</p>	<p>MSG agreed upon the amendment of the local government code (LGC) but this was parked.</p> <p>In lieu of the LGC amendment, a CSO representative suggested to include here the coordination efforts with, for example: SEC (in terms of proposed changes in data/information policy), DBM (in terms of release of payments to LGUs), MGB (in terms of monitoring of payments; changes in database) and NCIP. It was suggested that the Secretariat identify these areas and try to link.</p>
<p>MSG to establish a coordinating mechanism with implementation of the TIMTA</p>	<p>The Secretariat reported that they have coordinated with the concerned Director of DOF, and gathered that DOF is going to do sector specific testing of implementation of TIMTA (Tax Incentives Management and Transparency Act). They said they can do initial testing for mining, but the Secretariat has not followed up on this yet.</p>
<p>MSG to formulate recommendations and policies to address LGU concerns using EITI process</p>	<p>The Secretariat noted that this activity is meant to process feedback from 2015 roadshows. It appears that MSG resolved to analyze the result of 2015 roadshows and formulate recommendations. In a previous MSG meeting, it was suggested, that we wait for the completion of the 2016 roadshows so feedback for the 2015 and 2016 roadshows can be</p>

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	<p>compared. The Secretariat thinks that this can be moved after the validation to be more systematic, and further because there is no complete documentation for 2016 yet.</p> <p>The body agreed to move the activity to 2017.</p>
Workshop with LGUs on revenue management	This has been discussed in the Matters Arising.
Coordinate with MGB on the standardization process for planning of SDMP and community development plans	<p>Related activities have been done during the roadshows.</p> <p>Community development plan (CDP) is like SDMP, but in the exploration stage. SDMP is for the operational stage and is equivalent to 1.5%. CDP is 10% of the exploration costs.</p> <p>According to a CSO representative, if barangay is aware of this, they can use this as additional source of fund for their barangay development planning processes. It is important that the concerned committee is empowered and informed so they can the CDP.</p> <p>It was noted that during the roadshows, regional directors were present so they would know what to do in the next batch of SDMP and CDP.</p>
Engage the Legislative branch of government	<p>Secretariat noted that there were talks with office of Sen. Angara.</p> <p>A CSO representative suggested that the Secretariat get in touch with SEPO (Senate Economic Planning Office), as this will also save on cost/expense.</p> <p>This can still be done within the year.</p>
Conduct policy forums to address issues in the extractive industries	Done, during the roadshows
Draft EITI law	The bill (SB1125) will be circulated.

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Strengthening of local monitoring teams	<p>MGB is doing this (<i>included in the MGB action plan</i>).</p> <p>This refers to capacity building for the MMT. A CSO representative asked what monitoring tools are being used by the MMT? This can be the point of discussion for the capacity building of local MMTs.</p> <p>According to the Chairman, who is from MGB, the monitoring tools have been standardized already. MMT would do a general checklist on the plans submitted by the company. There was a request that MMT forms be provided.</p> <p>MMTs have general manual of operations as basis for their monitoring, and this is standard and applied to all. So far, only MMT in Region IV-B has the manual of operations, but others are already developing their own, as a result of the workshop done in February.</p>
Continuous monitoring of agency actions on MSG recommendations from previous reports	Done

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

Activities	Status
Regular MSG meetings	Done
Regular forums and dialogues with stakeholders	Done

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

Activities	Status
Develop and report proper metrics in assessing social, economic and environmental contributions/impacts of the extractive sector.	There was a study conducted on SDMP (with the objective of expanding the scope/coverage of SDMP) and consultants were hired for the study. Coordination can be done to check if certain or related aspect of the target activity has been done in the course of this study.
Focused group discussion (FGD) on investments in environmental protection measures of extractive	Moved to 2017

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industries and its implications for the EITI process.	
Focused group discussion (FGD) on the oil and gas sector	Moved to 2017
Knowledge sharing on the results of the study entitled “Improved National Policies on Ensuring Equitable Sharing of National Wealth to Local Government”	DILG-proposed. This has been already reported by Dir. Bonagua.
Knowledge sharing on the results of the study entitled “Assessment of the Impact of SDMPs of Large Scale Mining Companies in Selected Host Communities in the Philippines”	DILG-proposed. Ongoing
Regular press releases and articles on PH-EITI reports	Done
Assess investments in the extractive industries before and after the EITI process	Moved to 2017

STATUS UPDATE ON TEMPLATE SUBMISSION



Companies

Total number of companies	61
Templates received (11 material; 14 non-material)	25
Complete and signed	11
Incomplete	14
Pending templates	29
Non-participating companies	7

Complete and signed templates

1. Carrascal Nickel*
2. Greenstone Resource Corporation*
3. *Chevron Malampaya**
4. *Shell Philippines**
5. *PNOC**
6. Krominco
7. Pacific Nickel Phils
8. PMDC
9. Shuley Mines
10. *Nido Production Galoc*
11. *Nido Petroleum Phils.*

***Material Companies**

Incomplete templates (draft submission)

1. Hinatuan Mining Corporation*
2. Lepanto Consolidated Mining Company*

Non-Participating Companies

- 1. Oriental Petroleum***
- 2. Trans-Asia Petroleum Corporation***
3. Wellex Mining Corp.
4. Strong Built Mining
5. Rapu-Rapu Mineral Inc.
6. Oriental Synergy
7. Cambayas Mining Corporation

***Material Companies**

LGUs

Total number of LGUs	71
Templates received	43
Complete and signed	26
Incomplete	17
Pending templates	28

THANK YOU

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