

**PH-EITI 38<sup>th</sup> MSG Meeting**  
**December 9, 2016 | 9:00 AM - 5:00 PM**  
**Waling-Waling Room, Orchid Garden Suites**  
**Manila**

**Attendees:**

**Government**

9	Asst. Sec. Ma. Teresa S. Habitan	Department of Finance (DOF)
10	Engr. Romualdo D. Aguilos	Mines and Geosciences Bureau—Department of Environment and Natural Resources (MGB-DENR)
12	Dir. Anna Liza F. Bonagua	Department of the Interior and Local Government (DILG)
14	Ms. Ana Martha Galindes	Union of Local Authorities of the Philippines (ULAP)
15	Dir. Ismael U. Ocampo	Department of Energy (DOE)
16	Ms. Marilyn Posada	DOE
17	Ms. Yolanda Luna	Bureau of Internal Revenue (BIR)
18	Ms. Analynsia C. Alarde	BIR

**Industry**

21	Atty. Ronald Rex S. Recidoro	Chamber of Mines of the Philippines
22	Mr. Anthony P. Ferrer	Galoc Production Company
23	Mr. Don Paulino	Shell Philippines Exploration B.V.

**Civil Society Organization (CSO)**

26	Dr. Cielo Magno	University of the Philippines School of Economics
27	Ms. Starjoan D. Villanueva	Alternate Forum for Research in Mindanao (AFRIM)
28	Dr. Merian C. Mani	Marinduque State College
29	Mr. Chadwick G. Llanos	United Sibonga Residents for Environmental Protection and Development (USREP-D)
31	Mr. Buenaventura M. Maata, Jr.	Philippine Grassroots - Engagement in Rural Development Foundation, Inc. (PhilGrassroots-ERDF)
33	Engr. Maria Rosario Aynon A. Gonzales	Palawan State University
34	Atty. Golda S. Benjamin	Silliman University

**Independent Administrator**

37	Mr. Pocholo Domondon	Isla Lipana & Co.
38	Ms. Corina Molina	Isla Lipana & Co.
39	Ms. Jenny Belle Rodis	Isla Lipana & Co.
40	Ms. Katherine Mentar	Isla Lipana & Co.

1 Ms. Edralin Enriquez Isla Lipana & Co.  
2 Ms. Rosselle Calapatia Isla Lipana & Co.  
3 Mr. Kelvin Roy Rudio Isla Lipana & Co.

4

5 **PH-EITI Secretariat**

6 Atty. Maria Karla L. Espinosa Secretariat  
7 Ms. Abigail D. Ocate Secretariat  
8 Ms. Mary Ann D. Rodolfo Secretariat  
9 Ms. Joylin A. Saquing Secretariat  
10 Ms. Marikit J. Soliman Secretariat  
11 Ms. Angelita P. Galano Secretariat  
12 Ms. Roselyn A. Salagan Secretariat  
13 Ms. Rhea Mae G. Bagacay Secretariat  
14 Mr. Jaime Miguel Secretariat  
15 Mr. Ricardo Evora Secretariat

16

17 **Observers**

18 Mr. Carlos Tulali Bantay Kita

19

20

21 **AGENDA:**

- 22 • Minutes of the 37<sup>th</sup> MSG meeting  
23 • Matters arising from previous MSG meetings  
24 • Status of report production  
25 • Scoping study on ARMM  
26 • Draft Roadmap on beneficial ownership  
27 • Request for extension of deadline for submission of the EITI Report and Validation  
28 • Open Data Policy  
29 • Other Matters  
30 ○ Updates on finances, EGPS, contracts  
31 ○ Setting of next MSG meeting  
32 • Presentation of updated draft contextual information  
33 • Presentation of reconciliation report

34

35

36 **1. Call to Order**

37

38 The 38<sup>th</sup> Philippine Extractive Industries Transparency Initiative (PH-EITI) Multi-Stakeholder Group (MSG)  
39 meeting was called to order at 9:18 AM. DOF Assistant Secretary Ma. Teresa S. Habitan chaired and  
40 facilitated the meeting.

41

1 The Chair asked for comments and approval of the agenda. The body approved the agenda presented.

2

### 3 **2. Minutes of the 37<sup>th</sup> MSG Meeting**

4

5 The Chair asked members of the MSG for comments on the minutes of the last meeting. There was  
6 none.

7

8 The Chair declared the minutes of the 37<sup>th</sup> MSG meeting deemed approved.

9

### 10 **3. Matters arising from previous MSG meetings**

11

12 A representative from the CSO manifested to focus on the items that are new in the matters arising;  
13 otherwise if there is no update as to an item, discussing it can be dispensed with.

14

15 The body agreed.

16

17

- 18 • *Draft EITI Bill*

19

20 The Secretariat reported that the draft EITI bills are pending in Congress. The Secretariat is yet to  
21 receive a request for a PH-EITI position paper.

22

- 23 • *Selection Process for MSG Members*

24

25 It was reported that the selection process for Government is still pending with the Office of the  
26 Secretary of the Department of Energy (DOE), according to the government representative from the  
27 DOE.

28

- 29 • *Engagement of Non-metallic Mining Associations*

30

31 It was reported that the Secretariat was able to participate by presenting a paper on EITI in the Minerals  
32 Industry Symposium on the occasion of the 63<sup>rd</sup> Annual National Mine Safety and Environment  
33 Conference held in Baguio City in November. It was also shared that they were able to network with  
34 several organizations and associations.

35

- 36 • *Engagement of Autonomous Region in Muslim Mindanao (ARMM)*

37

38 It was stated that this matter is part of the main agenda of the meeting, namely the presentation of Ms.  
39 Starjoan Villanueva, a CSO representative.

40

- Letters addressed to different government agencies and to the President

The Secretariat recalled that the EITI International Secretariat (IS), in September, already sent a letter to President Rodrigo R. Duterte, copy furnished the DOF and DENR Secretaries, requesting for the appointment of a national champion, among others.

The Secretariat also reported that an “omnibus” letter signed by the DOF Secretary has been sent to the Secretary of Energy. The letter outlined PH-EITI concerns pertinent to the DOE, including approval of the selection process, efforts to get Semirara to participate, attendance in MSG meetings, among others.

Letters signed by the Secretary of Finance requesting for messages for the Third Country Report were also sent to DOE and DENR. These letters included a backgrounder on EITI.

After the last item was reported, the Chair then proceeded to the main business, starting with the status of report production.

#### **4. Status of Report Production**

Prior to the presentation proper and workshop scheduled in the afternoon, the Independent Administrator (IA) gave an overview of the report.

A representative from Isla Lipana & Co. stated that out of the targeted 46 mining entities, there are 28 confirmed participating. For oil and gas, out of the 11 targeted, there are at least five (5) confirmed participants, for a total of 33 participating entities.

The IA reported that they received on December 7, 2016 the waivers from the following companies: Platinum Group Metals Corporation; TVI Resources Development Phils., Inc.; Sinosteel Philippines H.Y. Mining Corp.; Philippine Mining Development Corporation; Pacific Nickel Phils., Inc.; Lepanto Consolidated Mining Co.; Philex Mining Corporation; and Galoc Production Company. Figures from these companies were not included in the initial results of the reconciliation.

When a CSO representative asked why they were not included, the IA representative replied that the BIR received the waivers later than the appointed time; hence, the results were not included in the BIR reporting templates.

The IA mentioned that despite the delay in the waivers, officials from BIR assured them that they are willing to provide the pertinent data for the completion of the report. The Chair, however, expressed discontent with BIR’s *willing-to-comply* response and stressed that BIR should commit to the requirements of the report.

1 The IA reported that agencies with ‘No Final Signed/Incomplete Templates’ as of that time include:  
2 MGB, Philippine Ports Authority, and BIR for government. The following mining entities have submitted  
3 draft templates that are not signed yet: Apex Mining Co., Inc.; Hinatuan Mining Corp.; Leyte Ironsand  
4 Corporation; Marcventures Mining and Development Corp.; Ore Asia Mining and Development Corp.;  
5 Philex Mining Corp.; Platinum Group Metals Corp.; and Shuley Mine, Inc.

6  
7 A CSO representative pointed out that the MSG has agreed that for companies who did not submit  
8 reporting templates, unilateral reporting based on data from the government agencies would be done.  
9 However, the same CSO representative said that when they checked the report, these information were  
10 not included. It was stressed that while these figures will not be included in the reconciliation process,  
11 they will have a significant effect in terms of extent of disclosure and in the validation. The  
12 representative requested for the IA to take note of these companies and to include them in the report.

13  
14 The IA stated that unilateral disclosures were included in the supplement to the Second Report. When  
15 the Chair asked if this is included in the Third Report, the IA replied that Citinickel Mines and  
16 Development Corp. submitted their reporting template after the cut-off set on November 11, 2016, but  
17 the IA decided to still include the entity in the reconciliation.

18  
19 The Chair then moved to the matter of the scoping study to be presented by Ms. Starjoan Villanueva of  
20 AFRIM.

## 21 22 **5. Scoping Study on the Autonomous Region in Muslim Mindanao (ARMM)**

23  
24 Entitled *Extractive Industry Governance in the ARMM*, the scoping study was conducted over a three-  
25 month period with the purpose of establishing a sub-national interim MSG specific for the ARMM in the  
26 future.

### 27 28 • Research Question

29  
30 The research questions include the legal framework for natural resource extraction and governance in  
31 ARMM; the natural resources for extraction in the region; extractive companies currently operating and  
32 about to operate in the region; and how the extractive companies are contributing to national and  
33 regional economic development. The study also aims to surface key issues and concerns in extractive  
34 industry governance and transparency in ARMM.

### 35 36 • Key Findings

37  
38 The legal framework includes the 1987 Philippine Constitution, Republic Act (RA) No. 7942 (the  
39 Philippine Mining Act of 1995), and Executive Order (EO) No. 79 for large-scale mining (metallic and non-  
40 metallic); and for small-scale metallic mining, RA No. 7076, Presidential Decree No. 1899, and EO No. 79.  
41 For small-scale non-metallic mining, RA No. 7160 (also known as the Local Government Code) applies.

1 RA No. 9054 or the Organic Act for the ARMM, which created the autonomous region, vests in the  
2 regional government the authority to issue permits or control permission over exploration, utilization,  
3 development, and protection of the mineral resources in the area, except for strategic minerals.  
4

5 Under RA No. 9054, there is a 50-50 sharing between the national and regional governments. The share  
6 of the region should be remitted within 30 days from the end of every quarter of every year.  
7

8 At the sub-regional level, the sharing of income is 30% to the regional government, 20% to provinces,  
9 15% to cities, 20% to municipalities, and 15% to barangays.  
10

11 The Chair sought clarification if indeed 50% of the income goes to the national government and 50% is  
12 remitted to ARMM. Ms. Villanueva answered in the affirmative under the law, but added that this is not  
13 what is presently happening. She said that approval of mining is solely at the regional level; the national  
14 government has no actual involvement or share.  
15

16 The Chair asked who supposedly defines 'strategic minerals'? Ms. Villanueva said that this is a gray area.  
17

18 Strategic minerals include gold and copper, but there is currently no formal definition. They interpreted  
19 that nickel is not a strategic mineral; hence, the approval and issuance of permits and licenses are only  
20 at the level of the Regional Assembly.  
21

22 A CSO representative asked what is the income sharing if the minerals are not defined as strategic. Ms.  
23 Villanueva said that there is no sharing at the national level.  
24

25 For the granting of franchises, concessions, leases, licenses, and permits – ARMM is operating  
26 independently from the national government.  
27

28 Supposedly, the law provides that there should be consultations with indigenous peoples (IPs), given a  
29 sizeable IP population within ARMM. However, there is no National Commission for Indigenous Peoples  
30 specific for ARMM.  
31

32 Under the organic law, citizens in or inhabitants of ARMM have preferential right over the exploration,  
33 utilization and development of natural resources.  
34

35 The sharing in taxes from natural resources, internal revenue taxes, fees and charges is: province or city,  
36 35%; regional government/ARMM, 35%; national government 30%.  
37

38 A CSO representative asked if the national government has a share in revenue from nickel. Ms.  
39 Villanueva said that based on the Second Country Report, initial data showed that ARMM made some  
40 collection from nickel.  
41

1 The same CSO representative noted that if it is from strategic minerals, the national government share is  
2 50%; if non-strategic, it is 30%. Ms. Villanueva agreed but furthered that there are no strategic mineral  
3 operations yet in ARMM. She also explained that the existing problem in ARMM is that it still has no  
4 mining code and environmental code and that permit processing remains vague. There is a need to  
5 instill transparency in ARMM.

6  
7 Ms. Villanueva continued that 12 mining companies were given exploratory permits between 2007 and  
8 2009. Seven (7) are in Tawi-Tawi, three (3) in Lanao Del Sur, and two (2) in Maguindanao. However,  
9 upon conduct of the study, there were no operations outside of Tawi-Tawi. By 2012, 11 of the  
10 companies were inactive.

11  
12 In 2013, there were three (3) companies operating in the island municipalities of Tawi-Tawi. And in  
13 2015, five (5) mining companies were operating, two (2) of which are in Panglima Sugawa and three (3)  
14 in Languyan. These are all nickel mining operations. The amount of investment totals to PHP2.6 billion.

15  
16 For oil and gas, there are two (2) areas. The Liguasan Marsh is not only geographically contained in  
17 ARMM. It has expanded to other areas in the Cotabato Basin. There is an assessment of 68 billion cubic  
18 feet of gas, 117 million barrels of oil. In the Northwest Sulu Sea, there is an estimated 209 million barrels  
19 of oil. However, the source of these figures needs to be verified.

20  
21 On the list of Philippine Service Contracts located in Sulu Sea, both Mitra Energy and Ranhill Berhad  
22 have expired in September 2015 and 2012, respectively. An industry representative corrected that the  
23 Mitra Energy Ltd (SC 56) is now being operated by Total, the contract of which has been extended.

24  
25 Ms. Villanueva took note of this information and was reminded to write a formal letter requesting the  
26 Department of Energy for more information about this matter.

27  
28 Ms. Villanueva reported that based on their data gathering, there are a lot of illegally conducted  
29 exploration activities which have no formal records.

30  
31 • Case Studies

32  
33 Tawi-Tawi is rich in nickel, copper, gold, magnesium, as well as offshore fossil fuel. There are also oil  
34 deposits in the Turtle Islands. Turtle Islands serves as the country's boundary to Malaysia. Smugglers  
35 operate in the area. Oil deposits are also present in the island municipality of Simunul, particularly in  
36 Barangay Baguid, based on an oil exploration conducted in 2014.

37  
38 There are gold deposits in Baldata island. There are about 301 islands and islets in Tawi-Tawi. It is bigger  
39 compared to Sulu and is relatively peaceful compared to Basilan. Political clans in the area made a pact  
40 to allow their people safe passage to Malaysia from Tawi-Tawi.

1 Ms. Villanueva shared that during the conduct of this case study, they were not able to go to Languyan  
2 because the owner of SR Languyan is the brother of the Mayor of Languyan. All the owners of mining  
3 companies are part of political clans. The area is believed to be very rich in mineral resources.

4  
5 She also presented the list of mining companies operating in Panglima Sugala, which include Southern  
6 Nickel Corporation, Chan C Mining, Sands Mining, and Hikarijay Mining. Hikarijay is a local firm with an  
7 internal agreement with Chan C. The story is that they hired an outside company that can secure an  
8 MPSA. Once this outside company is operational, the political clans in the region will negotiate to  
9 acquire a portion of the company. This, in particular, is a 50-hectare lot where they will transfer the  
10 deed of assignment to another and then slowly usurp the company. Hikarijay is using the MPSA from  
11 Chan C Mining.

12  
13 The Chair asked if this is allowed, to which Ms. Villanueva replied that with them, it can be done.

14  
15 This is why this matter is being brought up, so that actions can be taken on the national level. Ms.  
16 Villanueva stressed that through this case study, the MSG is given the choice which subjects will be  
17 brought up and be included in the EITI report.

18  
19 As for mining activities in Tawi-Tawi there is SR Languyan, Altawi-tawi, Pax Libera, and Sands Mining.  
20 Sands Mining is also a local company and had a similar agreement with Pax Libera.

21  
22 Sands Mining is owned by Sen. Win Gatchalian, while Pax Libera is owned by former Cong. Mike  
23 Defensor. Sadic Sali, the president of SR Languyan, is the brother of the Mayor.

24  
25 During the conduct of the study, Ms. Villanueva and her companion were supposed to go the island but  
26 were prevented from doing so, because they had no escort and clearance from the mayor.

27  
28 The issues and concerns raised by concerned committees in Panglima Sugala include the not-so-  
29 significant generation of employment in the area. Mining companies usually bring in their own technical  
30 people who are from outside of the region.

31  
32 Unlike Languyan, Panglima Sugala is not as rich in terms of nickel ore deposits. Minerals mined here are  
33 also not as high-quality as those from Languyan.

34  
35 Affected communities also divulged that although SDMP exists, programs or projects under it are hardly  
36 felt. There is really no transparency or disclosure of plans, amounts, or budget.

37  
38 In the case of BLGU, they said they were never involved in any mining-related processes. Unlike the local  
39 clans that now own the company, the BLGU said they appreciated the original owners better because  
40 the former involved them.

41



1 The issue of delayed payment of wages for miners (for Pax Libera, Inc.) also surfaced as well as of non-  
2 payment to lot owners.

3  
4 Mangrove vegetation and seaweed farming are also sources of livelihood in Panglima Sugala. Seaweed  
5 farmers are really concerned over the open pit mining of nickel. They worry that siltation could  
6 potentially destroy the seaweeds that they harvest.

7  
8 • *Impact on economy*

9  
10 Comparing the two (2) mining sites (Panglima Sugala and Languyan), while there are various complaints  
11 about the mining activities in Panglima Sugala, it is not the same for mining in Languyan.

12  
13 Many go to Languyan to seek employment. Mining companies are employing 700 people in Tumbagaan  
14 Island and 980 in Barangay Bakung. They are paying royalty fees amounting to PHP1.2 to 1.5 million per  
15 month, but they were coursed through an NGO, the Sali Nudjang Foundation. This foundation is owned  
16 by the family of the Mayor. Unlike in Panglima Sugala, owners receive payments directly.

17  
18 When Ms. Villanueva's were conducting the validation, owners of the mining companies did not meet  
19 with them; instead, they sent representatives from DENR as their spokesperson. Their representatives  
20 highlighted the responsible mining initiatives of SR Languyan, where they showcased tree planting  
21 activities in the area as part of their SDMP project.

22  
23 There is a cease-and-desist order issued by MGB-ARMM against Pax Libera when the company  
24 transported nickel ore without permit.

25  
26 Ms. Villanueva also conducted a case study on commercial quarrying in Maguindanao. Brgy. Simuay  
27 yields high-grade sands due to the absence of salt water that is suitable for hollow block manufacturing.

28  
29 Data culled from the Provincial Treasurer's Office showed that fees collected from quarrying activities  
30 are relatively high due to the quality of sands.

31  
32 Income of LGUs from quarrying is PHP10.00 per cubic meter, with a monthly volume of 8,785 cubic  
33 meter translating to PHP87,850 monthly income and PHP1,054,200 in annual revenues. Sharing is 40%  
34 goes to the barangays and 30% each to municipal and provincial LGUs. This amounts to.

35  
36 There are about 18 out of the 184 businesses registered, but some of these are illegal. There are  
37 businesses for construction materials, hollow blocks manufacturers, haulers, hardware stores, that are  
38 situated along the highway. With the absence of highway planning, anybody can just set up business  
39 along the road.

40

1 Another issue with quarrying activities is the understated volume of sand and gravel collected. The  
2 provincial LGU assigns officers only during the day, while quarrying companies operate 24 hours a day,  
3 leaving the activities unsupervised during nighttime.

4  
5 Another issue is the presence of ‘attached businesses’ which use the existing 18 registered business  
6 permits to operate. Other issues are the lack of benefits such as SSS for workers and not meeting the set  
7 minimum wage requirements.

8  
9 Environmental groups in ARMM also flagged the degradation of Simuay River.

10  
11 There are 21 non-Islamic indigenous cultural groups within the ancestral domains of mainland ARMM.  
12 The three more dominant tribes are the Teduray, Lambangian, and Dulangan Manobo.

13  
14 In 2014, there were reports of ‘hush-hush’ mining activities in the town of Upi and Datu Blah Sinsuat.  
15 According to the Bangsamoro Development Agency (BDA) and the Regional Physical Framework Plan  
16 2000-2030, the town of Upi is rich in gold, iron, copper, and zinc, as well as limestone. IPs in the area  
17 were under threat of losing their lands. In 1996, part of their ancestral domains were donated to MILF-  
18 returnees. Tribes in the area are also not on friendly terms, making divide-and-conquer tactics effective  
19 against them.

20  
21 There is no law like the Indigenous Peoples Rights Act being implemented in the area, but there is the  
22 OSCC (Officers of Southern Cultural Communities). Ms. Villanueva said they are pushing for the presence  
23 of NCIP in the area.

24  
25 The oil and gas exploration in the Liguasan Marsh left CSOs with conflicting opinions. Some are against  
26 mining, while CSOs from the mainland approve it. The Marsh is also a high-conflict zone, making it hard  
27 for investors to operate therein. The area is also a declared protected area, but it is not strictly enforced.

28  
29 Other challenges include proneness to flooding and rivalries among political clans.

30  
31 • *Other Findings*

32  
33 The impact of extractive industries in the ARMM is insignificant. It has cornered only PhP2.96 million in  
34 Gross Regional Domestic Product.

35  
36 The problem lies in governance. Ms. Villanueva, however, gave credit to ARMM Governor Hataman’s  
37 administration. In the past, there was no ARMM website. Now, the Regional BOI publishes contracts  
38 and is involved in the seal of good housekeeping.

39  
40 There is opportunity for the extractive sector in ARMM to help propel local economic development and  
41 poverty alleviation in the area. However, there are no enabling laws or environment and mining codes.  
42 Some of these issues may be addressed in relation to how the EITI process can help in ARMM.

1 • *MSG Comments on the Presentation*

2  
3 After the presentation, the Chair asked for an executive summary of the report.

4  
5 A CSO representative suggested that once the study is done, the MSG can peer review it, and it can later  
6 be published as an annex to the Third Report.

7  
8 The Chair remarked that since the DOF Secretary is from Mindanao, the information from the  
9 report/study may be of interest and use to him. She suggested that an executive summary be submitted  
10 to him.

11  
12 Ms. Villanueva said she will submit a write-up later. She is yet to collect the SDMP reports submitted to  
13 DENR by mining companies operating in ARMM.

14  
15 A CSO representative added that data from the study, particularly those from BLGF, should be included  
16 in the Report because they represent revenues derived from extractives, which can be compared against  
17 local revenues.

18  
19 Pertaining to the issues in ARMM, another CSO representative solicited opinions from the body on how  
20 they think the situation in the region, as reported, happened.

21  
22 Another CSO representative replied that ARMM has their own separate organic government. They have  
23 their own separate government line agencies and officials. “Outsiders” have no control over ARMM; the  
24 national government has no authority over ARMM.

25  
26 Ms. Villanueva suggested to expand the MSG membership and invite interested parties to join EITI on a  
27 national level. She further suggested that if MSG is pushing for a representative from the IP  
28 communities, MSG should also have a representative from ARMM.

29 The Chair stated that this study has given MSG a basis to start a discussion on this matter at the national  
30 level.

31  
32 The Chair then stated that the MSG will be waiting for the final report, and consider disseminating it to  
33 appropriate offices.

34  
35 **6. Roadmap on Beneficial Ownership**

36  
37 The Secretariat gave updates on finalizing the Beneficial Ownership Roadmap, reporting that MSG  
38 comments from the two previous meetings and those gathered via email have been integrated in  
39 present Word document version included in the meeting kit. Among others, an ‘expected output’  
40 column has been added, and certain items and activities have been consolidated and rearranged.

41  
42 The Secretariat announced that they will come out with a laid-out version.

1 The Chair then instructed the members to read the document and provide comments and suggestions, if  
2 any. If there are no comments, the Chair asked for a motion to approve the document.

3  
4 A CSO representative commented that under the ‘persons responsible’ column, it is always the MSG and  
5 the Secretariat. The same representative asked if it is possible to include other persons, like those from  
6 the subnational, provincial, or municipal level, to give them an opportunity to be involved in the data  
7 gathering, so that information can come from the ground.

8  
9 The Secretariat replied that the persons responsible mostly pertain to the MSG and the Secretariat,  
10 because the roadmap is not about who actually does the research or provides data, but refers to who  
11 will manage the activities for each recommendation.

12  
13 A CSO representative commented that due to the sensitivity of beneficial ownership disclosure, it is  
14 appropriate to limit the roadmap to its present form.

15  
16 The Chair asked for final comments on the road map, and there were none.

17  
18 The body approved the roadmap.

19  
20 **7. Open Data Policy**

21  
22 The Secretariat presented the draft of the PH-EITI Open Data Policy. It was noted that this is a  
23 requirement to be submitted to the International Secretariat by January 2017. The drafting of the policy  
24 was guided by the open data policy of the International Secretariat, the International Open Data Charter  
25 of the G8, and other related references available.

26  
27 The draft policy is composed of only four parts: a preamble and three articles.

28  
29 The preamble traces the legal bases for the policy, starting from the Constitution, the relevant  
30 provisions of the right of people to information on matters of public concern as well as the state policy  
31 on public disclosure. The role of communication and disclosure on nation building was also included.  
32 There is mention of the role of the information age and the transformation in the way societies and  
33 governments are managed, given technological developments, how these are driven by data. It is stated  
34 that the Philippines takes part in this movement through initiatives such as the Open Governance  
35 Partnership (OGP) and the Extractive Industries Transparency Initiative (EITI). There is also a description  
36 on how Open Data can help achieve the objectives of EITI.

37  
38 The statement that the Multi-stakeholder group “adopts as consistent with and in furtherance of PH-  
39 EITI’s goals this Open Data Policy” ends the preamble and introduces the articles.

40

1 The first article is an enumeration of the principles which were taken from the International Open Data  
2 Charter of the G8. It is stated that PH-EITI subscribes to emerging international principles and best  
3 practices, such as the International Open Data Charter.

4  
5 The second article states the objectives of the policy, and the third article, the recommendations. The  
6 content is partly adopted from the International Secretariat's policy.

7  
8 The Secretariat also pointed to the approval page where the usual MSG signatories are indicated. The  
9 Secretariat stated that if the MSG wished, the signature page can be omitted.

10  
11 An industry representative asked the body if there is anything in the Open Data Policy that PH-EITI is not  
12 doing yet, and where the PH-EITI is in implementing this policy.

13  
14 A CSO representative stated that there is still a lot of data lacking in the PH-EITI website. For instance,  
15 the excel files and templates are still incomplete. It was reiterated that this is important for EITI  
16 Validation.

17  
18 The Chair stated that, generally, PH-EITI is already practicing the Open Data Policy, but there is room for  
19 improvement, especially in enhancing the website.

20  
21 The Secretariat acknowledged that the website still has shortcomings. It was shared that the delay in its  
22 improvement is caused by financial constraints. However, there is a technical consultant working on its  
23 improvements, and the items that need to be uploaded have been noted.

24  
25 The Chair inquired if the MSG can adopt the Open Data Policy.

26  
27 An industry representative stated that he needs to first circulate it among their association's  
28 constituency and obtain approval thus.

29 The Chair agreed, and stated that the approval should be obtained by Monday. The Chair asked the  
30 body if the signature page should be retained, and the body decided that it is not necessary.

31

## 32 **8. Other Matters**

33

### 34 **• Update on the EGPS**

35

36 The Secretariat shared that authentication of the authorized signatories has been done. However, the  
37 funds are not expected to be released within the year. The next step is submission of the withdrawal  
38 application.

39  
40 It was also shared that some of the items that were supposed to be funded by the World Bank but  
41 covered by the GOP counterpart can be charged to the EGPS, subject to confirmation by the World Bank  
42 Team Leader.

1           • **Setting of next MSG meeting**

2  
3 The Secretariat reiterated that there was already a suggestion to have a special MSG meeting before the  
4 year ends for the approval of the report. The target is to have a final draft on December 16, 2016.

5  
6 The BIR representative shared that the problem is the late submission of waivers. There are eight (8)  
7 entities who submitted their waivers late. The data on income tax is ready, but other data still have to  
8 be prepared. She reported that the data have been requested, and they can be expected by next week.

9  
10 The IA mentioned that they need a week to do the reconciliation of all the data; if they do it on a  
11 piecemeal basis, the general results will vary.

12  
13 The IA inquired if the body would agree to review the reconciliation report on a per topic basis, where  
14 the first part details the reconciliation results, the second the methodology, and the third part the  
15 recommendations. The second and the third parts can be done first, while the first part can be deferred.

16  
17 The body and the IA agreed that some parts will be submitted on Monday, and the reconciliation results  
18 will be stayed until all templates have been received.

19  
20 A CSO representative suggested the next meeting to be held on December 20, 2016. The body agreed.

21  
22 The Chair concluded the morning agenda.

23  
24 **9. Afternoon Session on the 3<sup>rd</sup> Country Report**

25  
26 **COMMENTS ON THE RECONCILIATION REPORT**

- 27  
28       1. Include customs duties in the reconciliation, even if it is not a material revenue stream. Just note  
29       that customs duties fall below the materiality threshold of 2% but was still included to enable  
30       comparison with the disclosure in previous reports.  
31       2. Publish the data of companies that submitted their template after the deadline (i.e., Adnama  
32       and SR Metals) even if the figures were not reconciled. The reconciliation report will have  
33       separate sections for disclosures that were included in the reconciliation process and for those  
34       that were not reconciled. December 14 (Wednesday) is the hard deadline for template  
35       submission.  
36       3. Add a table on total sales, including total production disaggregated per company.  
37       4. Include data on operating cost as basis for SDMP funds.  
38       5. Include CSR projects on top of the SDMP on a per company basis.  
39       6. Include status of 5-year SDMP (depends on which year they are in).  
40       7. Cite in the report that the SDMP (actual amount) will be part of the social audit of DENR.

- 1 8. Place the narrative on the rehabilitation status of Rapu-Rapu and TVI after the disaggregation of
- 2 the rehabilitation fund per company (fund balance and where they are in terms of
- 3 implementation).
- 4 9. Suggestion to highlight (in boxes as case studies) Rapu-Rapu and TVI for their FMRDP as well as
- 5 Semirara Mining.
- 6 10. In terms of materiality, all large-scale metallic mining and oil and gas companies operating in
- 7 2014 are material.
- 8 11. In the reporting template for the next EITI Report, put “PHP” under basis of calculation so that
- 9 the participating entities would know that the actual peso value is being asked for.

#### 10 **COMMENTS ON THE CONTEXTUAL INFORMATION**

- 11 1. Remove the beneficial ownership (BO) roadmap in the report but cite the link where to find it in
- 12 the website. Include the MSG discussion on BO or a short narrative summarizing the roadmap.
- 13 2. Cover the TIN (and other information that cannot be disclosed as per Data Privacy Act) in the GIS
- 14 before giving the copies to the Secretariat for uploading in the website.
- 15 3. Ask MGB to provide production data of companies that did not submit information on
- 16 production. Add a footnote stating that the data was sourced from MGB.
- 17 4. Add a discussion on the role of PMDC, including the legal basis of its creation, history, and
- 18 dividend distribution.
- 19 5. Reflect the revision of the 5<sup>th</sup> objective and discuss why this was revised (Secretariat to send
- 20 minutes when this was discussed).
- 21 6. Include expenditure report of MGB for their 10% share from 5% royalty collection. This was
- 22 included in the template.
- 23 7. Include a narrative on the PHP 1 billion fine paid by Philex Mining.
- 24 MGB representative to check with MSD if they have more information on this.
- 25 8. Coal Revenue Sharing Mechanism -- Include actual value for 2014 after the flow chart provided
- 26 for the topic (for the case of Semirara, disclose the government share and get the information
- 27 from the FS).
- 28 9. List down in a table all auxiliary rights and documents requested from MGB. Add a short
- 29 narrative on what the table is and indicate the documents that have not been disclosed.
- 30 10. Production and sales -- Include data from MGB to augment gaps.
- 31 11. Enumerate “various” in the table.
- 32 12. Complete the name of Secretary Lopez and Usec. Jacinto.
- 33 13. Place the link for the No-Go Zone Map.
- 34 14. Include all the authors of the proposed Peoples Mining Act (4 versions) but attach only the latest
- 35 version. Provide the links where to access the bills.
- 36 15. Include the Mining Act bill of Senator Risa Hontiveros.
- 37 16. Update the section on OTP. To obtain OTP, taxes have to be paid first, so there will be
- 38 reconciliation (refer to RA 7942).
- 39 17. Industrialization plan -- Mention the extent of mineral processing locally (per mineral).
- 40 a. Gold - gold bars
- 41 b. Copper - copper concentrate
- 42 c. Nickel - 2 HPAL (Coral Bay and Taganito)
- 43
- 44

- 1 18. Discuss the volume of unprocessed minerals. In the table, include the destination and
- 2 percentage of export (Japan, China, etc.).
- 3 19. Remove BIR from the list of MSG members because it is under DOF.
- 4
- 5 The meeting was adjourned at 2:45pm.