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**58<sup>th</sup> Multi-stakeholder Group (MSG) Meeting**

5 April 2019 | 9:00 AM – 3:00 PM

Conference Room B, Podium, Department of Finance, Manila

**Attendees**

**Government**

Asst. Secretary Ma. Teresa Habitan	Department Finance (DOF)
Ms. Febe Lim	DOF
Ms. Charmaine Bagacay	
Engr. Romualdo Aguilos	Department of Environment and Natural Resources Mines and Geosciences Bureau
Dir. Araceli Soluta	Department of Energy
Ms. Angela B. Mamuyac	Department of the Interior and Local Government
Ms. Maricor Anne Cauton	Union of Local Authorities of the Philippines

**Industry**

Atty. Ronald Rex Recidoro	Chamber of Mines of the Philippines
Atty. Francis Joseph Ballesteros	Philex Mining Corporation
Mr. Bradley Dean Norman	OceanaGold Philippines, Inc.
Ms. Belinda Racela	Chevron Malampaya/Petroleum Association of the Philippines (PAP)
Jhon Osorio	(PAP)

**Civil Society Organization**

Ms. Leonora Garcia	Bantay Kita-Publish What You Pay Philippines (BK-PYWP)
Mr. Augusto Blanco, Jr.	Mandaya Tribe, Compostela Valley
Dr. Buenaventura Maata, Jr.	Philippine Grassroots Engagement in Rural Development Foundation, Inc. (PhilGrasroots-ERDF)
Mr. Chito Trillanes	Social Action Center – Ecology Desk, Diocese of Tandag, Surigao del Sur
Ms. Aniceta Baltar	Concerned Citizens of Abra for Good Governance
Dr. Nelson Conigundo Cuaresma, Jr.	Concerned Advocates Saving Terrestrial and Marine Ecosystems (COASTLINE), Inc.
Mr. Glenn Pajares	Sectoral Transparency Alliance on Natural Resource Governance in Cebu, Inc.

**PH-EITI Secretariat**

Atty. Maria Karla Espinosa
Mr. Marco Zaplan
Ms. Mary Ann Rodolfo
Ms. Joylin Saquing
Mr. Eastword Manlises
Mr. Ryan Justin Dael
Ms. Roselyn Salagan
Ms. Maria Lezith Soriano
Mr. Jaime Miguel
Mr. Ricardo Evora

1 Ms. Rhea Bagacay  
2 Ms. Rhoda Aranco  
3 Ms. Angelina Alba  
4  
5

6 **Agenda**  
7

- 8 ▪ Approval of the agenda
  - 9 ▪ Approval of the minutes of the 57<sup>th</sup> MSG meeting
  - 10 ▪ Matters arising from previous MSG meetings
  - 11 ▪ Main business
    - 12 • Updates on 5<sup>th</sup> Report addendum
    - 13 • Updates on budget and revised work plan for 2019
    - 14 • Updates on Global Conference 2019
    - 15 • Updates on 6<sup>th</sup> Report (FY 2018) and report on mainstreaming feasibility and perception
    - 16 surveys
    - 17 • Report on EITI-ADBI Beneficial Ownership Regional Workshop
    - 18 • Revalidation self-assessment
  - 19 ▪ Other matters
    - 20 • Government commitment to EITI implementation
    - 21 • Setting of next MSG Meeting
- 22  
23  
24

25 **1. Call to order**  
26

27 DOF Assistant Secretary Ma. Teresa Habitan chaired the 58<sup>th</sup> meeting. There being a quorum, the  
28 meeting began at 9:07 AM.  
29

30 **2. Approval of the agenda**  
31

32 The Chair asked the members for any additional item for inclusion in the agenda. There being no  
33 addition, the agenda was approved.  
34

35 **3. Approval of the minutes of the 57<sup>th</sup> meeting**  
36

37 The Chair gave members a week or seven days to peruse the minutes of the 57<sup>th</sup> meeting, and  
38 provide comments, if any, to the secretariat. If no comment is received, the minutes will be  
39 deemed approved.  
40

41 **4. Matters arising from previous meetings**  
42

43 Matters arising from previous meetings remain to be the pending meetings with the Secretaries  
44 of DOE, DILG and SEC. Given the constraints and issues in EITI implementation, the meetings  
45 were put on hold. The secretariat noted that when the future of PH-EITI becomes clearer and  
46 more certain, the meetings with agency heads can immediately push through.  
47  
48  
49  
50

51 **5. Main Business**

1  
2 *a. Updates on 5<sup>th</sup> Report addendum*  
3

4 The secretariat reminded the body about certain issues with the 5<sup>th</sup> Report. Particularly, the  
5 secretariat said that the 5<sup>th</sup> Report, provisionally published on the PH-EITI website, has yet to be  
6 finalized due to issues with the contracts of the independent administrator (IA). The issue with  
7 the 2018 contract, however, has been resolved, and the IA is already working on reconciling the  
8 variances involving BOC streams. The secretariat reported that the IA said that it will issue a final  
9 auditor's opinion but asked to be given until April 22, or after the tax season, to submit. The  
10 secretariat can finalize the 5<sup>th</sup> Report after final work from the IA is received.  
11

12  
13 *b. Updates on budget and revised work plan for 2019*  
14

15 The Chair provided a quick backgrounder on the current constraints that PH-EITI and the rest of  
16 the government are experiencing due to the delay in the approval of the 2019 national budget.  
17 The bill has finally moved, however, from the months-long impasse at the legislative branch.  
18 Still, pending approval of the GAA, budget spending for several PH-EITI activities has been  
19 constrained.  
20

21 PH-EITI, like the rest of government, is currently operating on a re-enacted budget. PH-EITI's  
22 proposed budget for 2019 is about PHP43 million, but it is presently forced to operate under a  
23 PHP17.8 million budget, which is PH-EITI's budget from government in 2018 (in addition to the  
24 World Bank grant which ended by the close of 2018). Further, DBM allows only 25% of an  
25 office's entire budget to be used per quarter. This would explain the less frequent MSG meetings  
26 and other cost-cutting measures in PH-EITI program implementation.  
27

28 The major outreach activities in the first semester that are affected are the NatCon and the EITI  
29 Global Conference in Paris. For one, the NatCon schedule had to be moved from the original  
30 March 21 to June 13. The new schedule comes after the Holy Week, the mid-term elections, and  
31 the Independence Day celebration, even if it is just a week before the Global Conference which  
32 is set on June 17-19. The new date has already been cleared with high-level DENR officials to  
33 ensure their attendance. The secretariat explained that the NatCon, as a venue for launching the  
34 5<sup>th</sup> Report, has to be done in the first semester of the year. Any later and the 5th Report data will  
35 be rendered stale.  
36

37 Considering the limited allowable spending, the NatCon would also have to be downscaled to a  
38 simple half-day launching event, main features of it will include launch proper (presentation of  
39 salient data), agency updates, and the Transparency Awards. Transparency Talks or T-Talks  
40 would have to be removed from the program.  
41

42 The Chair inquired if a scaled-down format and program would also mean a reduced guest list.  
43 The secretariat replied in the affirmative, saying that the guest list would have to be decreased  
44 from last year's 400 to a maximum of 100 participants this year.  
45

46 An industry representative asked if the same plan would remain should the national budget be  
47 approved by April.  
48

49 The secretariat said that a big and elaborate NatCon is still not possible even if the budget gets  
50 approved in the second quarter, because it will still require some time before it becomes  
51 effective.

1  
2 The Chair expressed regret that the matter is beyond the MSG's control and said that PH-EITI has  
3 to live with the present constraints. She also shared with the body that another consequence of  
4 the problem is the delayed re-engagement and/or compensation of members of the secretariat.  
5

6 A CSO representative suggested holding a smaller launching program but in three different  
7 locations in the regions to cut expenses in transporting and housing guests which seem to  
8 constitute the biggest chunk of event costs. With a half-day event, he explained, no one will  
9 have to be billeted; guests can go to the event then just go back to their respective places after.  
10

11 The secretariat said that it explored other options to cut cost, but, other than through a video or  
12 livestream launching, they could not think of a format that would not entail a cost that the  
13 budget cannot accommodate. Several smaller events across the country would still entail cost  
14 for the secretariat's transportation, accommodation, and food, as in the case of the roadshows.  
15 The constrained spending also affects the secretariat's capacity to reserve venues and other  
16 event facilities. In fact, there may be no budget for transportation at all to begin with, unless  
17 there are alternative sources of funding.  
18

19 A CSO representative said that her constituency has enough budget for its leaders to participate  
20 in the NatCon or report launch.  
21

22  
23 *▪ NatCon/Launching program content*  
24

25 A CSO representative asked the secretariat to present the indicative program of the NatCon.  
26

27 The Chair said that the objective now is to hold a simple yet significant NatCon.  
28

29 A CSO representative asked whether the program is for a half-day or whole-day event.  
30

31 The secretariat said that the proposal is to do a half-day event. In the past, however, it was done  
32 as a whole day activity, with two other related events held in partnership with the COS and  
33 industry sectors. For reference, the secretariat pointed the body to the original draft NatCon  
34 program attached to the minutes of the 57<sup>th</sup> meeting.  
35

36 The amended program is much simpler and intended for a half-day event. The secretariat  
37 committed to present a more final version of the program in the coming days.  
38

39 The secretariat also noted that if the draft JMC on LGU shares from national wealth gets  
40 approved by the new NatCon/launch schedule, a ceremonial signing could perhaps be done at  
41 the launching to make it more meaningful, high level, and newsworthy.  
42

43 The secretariat also pointed out that a bigger event could still be staged if there would be  
44 alternative sources of funding.  
45

46 A CSO representative noticed that in the proposed program only 30 minutes are allotted for the  
47 launch proper or the presentation of key findings of the report. She suggested that as the meat  
48 and heart of the launching, the presentation of key findings should get longer airtime. She  
49 pointed out that Transparency Talks or T Talks has the biggest time appropriation.  
50

1 The secretariat clarified that the proposed new program is a scaled-down version of the original  
2 and does not include *T Talks* anymore. The launching is really just meant to present the  
3 highlights of the Country Report. The current situation renders PH-EITI unable to do the NatCon  
4 as it had done in the past. The proposed program, therefore, is more compact and ceremonial.  
5

6 Further reason for removing *T Talks* from the program was that the format was inspired by Ted  
7 Talks, which provides speakers a grand platform and audience for novel ideas they want to  
8 share. With only about 100 attendees expected, the short launch may not do justice to the  
9 concept.  
10

11 The secretariat also recalled that there were, in fact, earlier suggestions for new NatCon  
12 content, such as presentations on sustainability, climate change, and other emerging new  
13 subjects, which were well-received during the 57<sup>th</sup> meeting. Unfortunately, present constraints  
14 hinder these already.  
15

16 The secretariat thanked the CSO sector for volunteering to shoulder the transportation cost of  
17 CSO participants. The secretariat suggested that participation be limited to those based in Metro  
18 Manila to save on accommodation cost as well.  
19

20 A CSO representative suggested that the SEED presentation be done in a different event instead  
21 of in the NatCon, where most people, he opined, are more interested in *T Talks* and the key  
22 findings of the report. He suggested focusing the program on the said two parts.  
23

24 The Chair echoed the secretariat's explanation that the value of *T Talks* lies in the venue and size  
25 of the audience. For the downscaled program, the proposed venue is DOF's conference room,  
26 which, the Chair thinks, is not very conducive for such a format. She instead suggested making  
27 the event significant through an intimate panel discussion with agency representatives.  
28

29 The secretariat then suggested to not call the event "NatCon" anymore, as this current title  
30 suggests a nationwide scope. The suggestion was to regard the event as a roundtable discussion  
31 or simple launching activity. Despite the small scale of the event, the secretariat committed not  
32 only to make it significant and meaningful but also to execute it well, given the resources  
33 available.  
34

35 An industry representative said that the event should still have good media mileage and  
36 suggested that a press conference or media event can perhaps be included in the program. The  
37 Chair instructed the secretariat to coordinate with DOF media.  
38

39 A CSO representative suggested replacing the segment on agency updates with priority or critical  
40 issues such as the environment, climate change, or sustainability.  
41

42 The Chair said that it is important to hear from the agencies about their actions on MSG  
43 recommendations. She mentioned, for instance, that DENR may report about the mining audit;  
44 DOE may report about the coal sector; DBM, on the status of the JMC on national wealth; and  
45 the SEC, on beneficial ownership.  
46

47 The secretariat said that the initial plan for the agency updates is to do thematic reporting as  
48 opposed to the usual per-agency approach. If an agency does not have anything new to report, it  
49 could be removed from the roster of updates. The objective is to showcase the most relevant  
50 updates that interest the stakeholders. The secretariat then asked the members what they  
51 would like to hear from the agencies so that the segment's content may be guided.

1  
2 A government representative recalled that the 30-minute agency updates video presented  
3 during the 2018 NatCon was dull and lacked text/graphics. She asked that the MSG be given a  
4 chance to see and comment on any video before it gets presented in the event.  
5

6 Another government representative said that it will depend on an agency if it has anything to  
7 report to begin with. Another government representative recalled an earlier suggestion to give  
8 Semirara a role in the NatCon so that the company could be engaged.  
9

10 Another government representative said that the launching program should focus on the report.  
11 Including topics like climate change, she said, may require further discussion.  
12

13 The Chair wanted the presentation of the impact survey results to remain. She said that people  
14 have been asking what the value of PH-EITI has really been. She said it is time the MSG is  
15 reminded that efforts for the last half-a-decade had more positive results. And the general  
16 public must be informed why EITI has to remain and be strengthened.  
17

18 A CSO representative commented that the time appropriation may have to be reviewed if the  
19 MSG wants to highlight impacts of EITI implementation. She said that the SEED launching may be  
20 done during roadshows.  
21

22 The secretariat explained that SEED is about mainstreaming and is appropriate to be made part  
23 of the program and presented to stakeholders, as it comprises the direction towards which PH-  
24 EITI is heading. The secretariat said that EITI is evolving, and the launch may be an opportunity  
25 to jumpstart the mainstream era.  
26

27 A government representative agreed that SEED must be presented and suggested that the  
28 presentation of EITI impact survey results go before the SEED/mainstreaming presentation.  
29

30 The Chair suggested treating the launching as an “appetizer” for succeeding events. Attention  
31 must also be given to subnational discussions and regional consultations.  
32

33 The secretariat committed to revisit and rework the time appropriation of the program, provide  
34 the MSG the topics to be included in the thematic agency updates.  
35

36 To summarize, there is MSG agreement or there is no MSG objection to holding a half-day event  
37 for the launch of the 5<sup>th</sup> Report, to the draft program (except that the time allocation and  
38 sequence of the segments will be reworked), and to June 13 as the new date for the 5th Report  
39 launching.  
40

#### 41 42 *c. Updates on Global Conference 2019* 43

44 The secretariat announced that the Chair, Asec. Ma. Teresa S. Habitan, was re-elected to the EITI  
45 Board 2019-2022 as alternate representative for the Southeast Asia and the Pacific region. The  
46 MSG nominated the Chair during the 57<sup>th</sup> meeting. The elected full representative is a Deputy  
47 Minister from Papua New Guinea. The new Board will be confirmed during the EITI Global  
48 Conference in Paris on June 17-19, 2019. Asec. Habitan also currently co-chairs the Board’s  
49 Implementation Committee.  
50

1 The secretariat relayed that the International Secretariat can fund three MSG members to  
2 attend the Global Conference. The MSG agreed that two of the funded slots will be given to key  
3 government agencies and one for CSO. Industry representatives will shoulder the expenses of  
4 their own participation. The CSO sector nominated Dr. Ben Maata to attend the conference as  
5 EITI-sponsored delegate. There was no confirmation of participation from government and  
6 industry yet, but invitations were sent to DOF, DENR, DOE, DBM, COMP, and PAP. The  
7 secretariat will be coordinating this matter with point persons of each sector in the MSG.

8  
9 Self-funded participants may register online at their convenience before the published deadline.  
10 There was no posted ceiling to the number of registrants, but the number of attendees may be  
11 controlled depending on the capacity of the venue (OECD Center). The International Secretariat  
12 will be screening the registrants.

13  
14 The secretariat said it will send the MSG the link to the registration portal. It also requested the  
15 members to inform the secretariat of their registration to enable it to have a complete list of  
16 Philippine delegates and convene a coordination meeting as soon as possible.

17  
18 An industry representative asked what the MSG can expect of the conference. The secretariat  
19 mentioned that there will be a regional expo and that a general program is available online, but  
20 the details are not yet available.

21  
22 The secretariat recalled that the last global conference (Lima 2016), which drew more than  
23 1,000 participants, was a good venue for exposure, learning, and networking. The secretariat  
24 also mentioned that PH-EITI has a chance to get an award in the coming conference in Paris,  
25 although no indication has been received, except for being often commended as a leader in EITI  
26 implementation in the region.

27  
28 A CSO representative shared that aside from the conference proper, there will also be a separate  
29 one-day meeting for CSOs to discuss the role of CSOs in EITI implementation.

30  
31  
32 *d. Updates on 6<sup>th</sup> Report (FY 2018)*  
33 *Report on mainstreaming feasibility and perception surveys*

34  
35 The secretariat gave a recap of the discussion during the previous meeting:

- 36  
37
- 38 ■ The body approved in principle the TOR for the IA.
  - 39 ■ The body discussed the scope of the 6<sup>th</sup> Report, i.e., which companies will be covered in each  
40 of the four sectors (metallic, nonmetallic, oil and gas, and coal):
    - 41 • The body agreed that as to metallic mining, the list of targeted companies must be  
42 consistent with MGB's list of operating companies;
    - 43 • The body agreed to cover only the top 20 nonmetallic mining companies as they already  
44 comprise 91% of the sector;
    - 45 • For oil and gas, there will be four companies plus Alegria; and
    - 46 • For coal, there is Semirara.
  - 47 ■ The body discussed the applicability of DAO 2017-07 to companies under suspension and are  
48 thereby non-operating but with MPSAs.

49 The secretariat then reported on the progress of the 6<sup>th</sup> Report.  
50

1 The secretariat presented two options for how to approach EITI reporting this year: (1) publish a  
2 report as usual, or (2) apply for mainstreaming, i.e., not publish a usual report. Publishing a  
3 report would be less risky, considering PH revalidation set in October 2020. However, the budget  
4 and time constraints may not allow the traditional EITI reporting process.

5  
6 The second option had been suggested by Atty Gay Ordenes of the International Secretariat,  
7 considering that the Philippines is technically not obliged to submit a report this year because it  
8 is well within the two-year data timeliness requirement of the EITI Standard. PH-EITI may wish to  
9 use the time to make progress in mainstreaming.

10  
11 A CSO representative asked whether the content of the report in a mainstreamed scenario will  
12 be the same as that in a traditional report.

13  
14 The secretariat explained that in the mainstreaming approach, there would be no physical or  
15 printed 6<sup>th</sup> Report, although data collection and disclosure will still be done. In lieu of the  
16 traditional report, deliberate steps will be taken for mainstreaming, such as using resources for  
17 putting up systems or training stakeholders for systematic disclosure.

18  
19 On the other hand, publishing a traditional report will be done the usual way. The timeline,  
20 however, is already tight; report production will be crammed in the second half of the year.  
21 Nonetheless, if the report gets published no later than December 2019, there would be enough  
22 time from January to September 2020 to correct any mistakes in the report just before the  
23 revalidation in October 2020.

24  
25 The Chair asked if mainstreaming EITI this year would require PH-EITI to commit to this approach  
26 every year thereafter. The secretariat replied that it may depend on the success of  
27 mainstreaming efforts this year. In any case, implementing countries are expected to have  
28 moved towards partial or full mainstreaming by 2022.

29  
30 The secretariat then shared that 16 of the 19 required disclosures applicable to the Philippines  
31 can actually easily be disclosed. The secretariat ran, from February to March, a feasibility survey  
32 among the MSG members. The results would show that industry is ready for mainstreaming,  
33 while government needs more help in becoming open and ready. The survey, which had 24  
34 respondents, also show that under mainstreamed implementation, the MSG is seen to focus on  
35 monitoring and evaluation, lobbying for policy reforms, and analyzing information. The  
36 secretariat, meanwhile, is seen to still be relevant in providing assistance to the MSG, in running  
37 the central portal, and in monitoring, evaluation, and data analysis. Majority of the respondents  
38 want to implement mainstreaming next year (2020). ***A copy of the results of the feasibility  
39 survey is annexed to this minutes.***

40  
41 The Chair said that even if the MSG does not outright decide to push for mainstreaming, the  
42 budget constraints and the narrow timeline seem to force PH-EITI to proceed with this option.  
43 She said that it appears that the environment and circumstances have decided for the MSG. She  
44 also underscored that even the feasibility survey shows that the Philippines is ready to do  
45 mainstreaming. She fears, however, that stakeholders might lose momentum and interest in  
46 reporting. She said that as long as the momentum is kept, there should be no problem. She cited  
47 the previous year's reporting cycle where the companies participated with enthusiasm. She  
48 wished that such attitude can be maintained under a mainstreamed approach.

49  
50 An industry representative suggested that mainstreaming EITI should not be seen as a second  
51 option only; rather, it should be considered the next step in EITI reporting. He said that there



1 must be some analysis of information instead of simple compilation of numbers. Online  
2 reporting must also be retained.

3  
4 The secretariat said that it can conduct a data dive and analysis workshop for the MSG. Then,  
5 instead of getting a consultant, the MSG can already perform the data analysis using data  
6 channeled to a single portal.

7  
8 A CSO representative raised concerns regarding the integrity of reports coming through a  
9 mainstreamed portal. She asked how the validation process will be done. She nonetheless  
10 expressed interest in joining a workshop on analysing EITI data.

11  
12 A government representative raised the same concerns about validation of information. He said  
13 that the MGB does not disclose royalty payments on its database. Further, he reminded the MSG  
14 that the BIR cannot disclose data on corporate income tax.

15  
16 The Chair said that the BIR would still have to get waivers, and there will still be some form of  
17 reconciliation. The procedure will essentially be the same, but the output will be different.

18  
19 The secretariat explained that if the MSG decides to push for mainstreaming this year, PH-EITI  
20 will have to apply to the EITI Board for it. PH-EITI has to prove to the Board that the auditing  
21 procedures and systems in the Philippines are compliant with international standards.

22  
23 The Chair asked if there is any concern about the quality of auditing in the Philippines.

24  
25 The secretariat said that there is no evident issue about auditing in the Philippines, but PH-EITI  
26 has to prove that it is credible and up to international standards.

27  
28 A CSO representative asked which model of mainstreaming was the basis of the mainstreaming  
29 survey. He asked whether the responses were based on an awareness and understanding of a  
30 particular mainstreaming model. He also inquired about PH-EITI's plan of adopting a model —  
31 the Norway model, for instance — and using a tool to look into the mainstreaming of agencies.

32  
33 The Chair asked why the Philippines has to follow the Norway model, saying that Norway is a  
34 different economy.

35  
36 The secretariat explained that the respondents were asked about their perception of  
37 mainstreaming twice, the first time was prior to a video about mainstreaming and the second  
38 was after watching the video. The results would show that the respondents seem to have a solid  
39 perception of mainstreaming.

40  
41 The secretariat also said that there is really no model to follow. The Philippines could, in fact,  
42 develop its own model that other countries may want to follow. There is actually an opportunity  
43 for leadership in this area.

44  
45 A CSO representative emphasized the importance of the MSG, noting that the Norway example  
46 did away with the MSG. She said that before the MSG could really develop a model, it needs to  
47 craft clear TORs for the MSG.

48  
49 An industry representative said that PH-EITI's financial reality has decided for the MSG to move  
50 forward with mainstreaming. On the part of the industry, their concern is more on the data  
51 gathering rather than the publication. He said that industry members have been participating in

1 EITI reporting since 2013. The companies have gotten used to and now even look forward to the  
2 annual exercise. He urged the MSG to take care to cause the least negative effect possible, as he  
3 did not want the companies to lose interest. He wished to maintain the practice of doing  
4 reporting every year.

5  
6 The same industry representative was also concerned about the quality, consistency, and design  
7 of the mainstreamed data on government agency websites. He said that the quality of online  
8 disclosures might vary. He proposed to call a meeting of all relevant agencies regarding the  
9 matter. He also expressed concern over the interconnection of websites and their linkage to a  
10 central PH-EITI portal. He mentioned that the industry is already heavily relying on EDGE for  
11 their data requirements.

12  
13 The same industry representative further asked about the effect of mainstreaming on data  
14 validation. He asked how reconciliation will be done if there is no IA. He pointed out that  
15 discrepancies have often been traced to timing after the reconciliation exercise. If there is no  
16 reconciliation by an IA, media may just pick up the discrepancies, and it would not look good for  
17 BIR, DOF, and the industry alike.

18  
19 A CSO representative commented that government agencies are not yet ready for  
20 mainstreaming. He reiterated apprehensions about following the Norway model which removed  
21 the MSG. He attributed the momentum, the attitude, and religious compliance of the industry to  
22 the role and effectiveness of the MSG. The MSG as platform for discourse can ease tensions  
23 among sectors and can provide guidance for the development of communities. He called the  
24 attention of ULAP and asked what efforts it has exerted to help communities truly benefit from  
25 the extractives industries. He mentioned that ULAP can influence the immediate release of the  
26 draft JMC on LGU Shares in National Wealth.

27  
28 The Chair remarked that she believes that the Philippine model of mainstreaming will not do  
29 away with the MSG. The MSG in the Philippines has fulfilled a vital role in improving  
30 transparency and accountability in the extractives sector. Further, the MSG has provided a  
31 forum where stakeholders can amicably discuss. The Philippine model will be different from  
32 Norway's or any other country's. The Philippines can set the model in the region.

33  
34 A CSO representative expressed support for mainstreaming, saying that the MSG also helps in  
35 verifying reports as members come from the ground, especially in the case of Minahang Bayan.

36  
37 An industry representative commented that, as in the case of companies which pour a great deal  
38 of effort to produce annual reports, the country report is a commitment. She said that it  
39 demonstrates continuity of initiatives, and reports consolidate outputs. She said that she  
40 personally wants PH-EITI to remain at the forefront with a country report published regularly.  
41 She implored the body to help the secretariat overcome struggles on resources so that a report  
42 can be produced.

43  
44 The Chair clarified that whatever PH-EITI will be able to produce in a mainstreamed scenario can  
45 still be considered a report. The Chair said that the report will not just present numbers but also  
46 analytics and what the data say about the industry. She, however, asked who will do the auditing  
47 and suggested revisiting the TOR of the IA.

48  
49 The secretariat noted all the comments and asked the MSG for a preliminary decision on how to  
50 move forward with the matter of the 6<sup>th</sup> Report. It also said that if the national secretariat is now

1 being seen as preliminarily responsible for some of the functions of the IA, then perhaps it is  
2 timely for the TORs of all the people involved in PH-EITI to be reviewed.

3  
4 A CSO representative looked for a supporting document as basis for or prior to convening  
5 agencies and revising TORs.

6  
7 The secretariat explained that there is actually no TOR for the secretariat as a whole; it is the  
8 DOF that has the discretion to determine the composition of and organize the secretariat to  
9 assist the MSG in carrying out its powers and functions. As for the basis document for revisiting  
10 TORs, the secretariat said that, other than the documentation of the 58<sup>th</sup> meeting (where the  
11 MSG resolution to this effect would be recorded), the MSG could call for a TWG on the matter.

12  
13 The secretariat asked the body if it finds the results of the feasibility and perception survey  
14 sufficient to assess the kind of mainstreaming that PH-EITI wants to have.

15  
16 The Chair, based on the survey results, summed up that the MSG wants a mainstreaming  
17 framework that will still have a concrete role for the MSG and still have the national secretariat  
18 as the implementation arm and operations manager. She noted that there is a strong  
19 recommendation for government websites to improve and for the EITI brand to maintain its  
20 integrity. She agrees that a TWG is needed to clarify the structures and processes that the MSG  
21 wishes to adopt.

22  
23 On the question of whether to publish or not to publish, the Chair asked if there is consensus  
24 that it is okay for PH-EITI not to publish a traditional report this year. She clarified that it does  
25 not necessarily mean that the Philippines will not have a 6<sup>th</sup> Report; it can mean that the report  
26 will take on a new form. She said that if the MSG agrees on that, then that will be the message  
27 to be conveyed to stakeholders.

28  
29 A CSO representative requested for a sample of how the country report would look like in a  
30 mainstreamed implementation, what the parts will be, and how it will appear on portals.

31  
32 Another CSO representative said that it is clearer now that a report will still be produced but will  
33 only be released online. He said that its use must be promoted and that it should not appear as if  
34 the office just had no other option but to do it that way, owing to budget constraints.

35  
36 Another CSO representative said that the acid test for mainstreaming is the usefulness and  
37 relevance of the report. She said that just because the report is online does not mean that it can  
38 already be considered mainstreamed. She said that the report/data must be part of the way of  
39 life of the people. It is not enough that it is online; its uses must be identified.

40  
41 Another CSO representative asked whether the attendees of the 58<sup>th</sup> meeting have the authority  
42 to decide on the matter of mainstreaming.

43  
44 A DOE representative said that she has authority to decide on financial items; another DOE  
45 representative was given authority to decide on technical matters. Unfortunately, however,  
46 there has been another reshuffling of officials within the department.

47  
48 A DILG representative said she was there only to represent her principals but she cannot make  
49 any decision on their behalf.

1 An ULAP representative said that she is an authorized representative, but she still has to report  
2 to her superior and ask for approval.

3  
4 A CSO representative said that it would help inform principals and facilitate feedback if the  
5 minutes of the meeting could be produced and circulated immediately. He moved for the  
6 immediate release of the minutes of meetings to be part of the regular process.

7  
8 The Chair acknowledged the motion and asked the secretariat to produce at least the highlights  
9 of discussion within one week after every MSG meeting. The Chair also expressed expectation  
10 that the representatives will diligently report to their principals.

11  
12 The Chair summarized the discussions. She said that on the whole, there is already a decision to  
13 push forth with mainstreaming, considering the circumstances and the results of the feasibility  
14 survey. When it is going to happen is still up for discussion.

15  
16 On the form of the report, there is an option to do away with printed publication and instead  
17 mainstream and make data more open and accessible through existing online government  
18 portals.

19  
20 The Chair said that in the emerging Philippine model of mainstreaming, the MSG will continue to  
21 provide guidance on the production of annual reports. The MSG will do monitoring and  
22 evaluation and will also push for policies.

23  
24 On the matter of representation and making decisions within the MSG, an industry  
25 representative reminded the body that the manner by which the MSG moves forward with  
26 critical issues is by consensus. He furthered that the MSG may differ with government agency  
27 principals in its position on critical matters, but the MSG decides by consensus and it has done so  
28 since 2012.

29  
30 The secretariat summarized the agreements:

- 31
- 32 ▪ The results of the mainstreaming feasibility survey were affirmed by the body; no one  
33 objected. The results will serve as guide for the secretariat moving forward.
  - 34 ▪ Based on the discussion, features of an emerging Philippine model of mainstreaming include  
35 maintaining the MSG and redefining the functions of the MSG and the secretariat.  
36 Mainstreamed EITI implementation in the Philippines will have a central portal and may  
37 involve other interconnected, uniform, and standardized portals of implementing  
38 government agencies and companies.
  - 39 ▪ The 6th report will be produced as a transitional or take-off report for mainstreaming. Data  
40 will be gathered through ORE and published on the website. There will be analysis of data.  
41 The report will be published on existing government and company portals but using a  
42 uniform design.
  - 43 ▪ There will be no traditional IA for the 6<sup>th</sup> Report.
- 44

45 A CSO representative asked if the International Secretariat can give a statement of assurance  
46 that the Philippines' decision to push forward with mainstreaming will not prejudice the  
47 validation process in 2020. He also wanted to know who uses the country reports and how  
48 useful country report data are to stakeholders.

49  
50 The secretariat reiterated that it was the International Secretariat that proposed the idea to skip  
51 traditional reporting this year to focus on mainstreaming. For a more categorical statement, the

1 secretariat said that it could email and ask the International Secretariat regarding the matter.  
2 The secretariat also suggested that delegates to the Global Conference in Paris raise the concern  
3 during discussions.  
4

5 On the relevance and usefulness of the report, the secretariat said that it is still producing an  
6 executive summary for distribution to stakeholders. It also said it can develop a survey on the  
7 matter but it would need help in running or disseminating it.  
8

9 A CSO representative proposed that, aside from printed materials, copies of the report be made  
10 available through CDs and/or USBs. He said that there are areas/provinces which do not have  
11 strong internet connectivity. He said that the MSG would not want to deprive these stakeholders  
12 information due to accessibility issues.  
13

14 The secretariat duly noted the comments and said that it needs the help of MSG members to act  
15 as intermediaries to PH-EITI stakeholders and data users, especially those within the members'  
16 respective sectors.  
17

#### 18 *e. Report on EITI-ADBI Beneficial Ownership Regional Workshop*

19  
20 The secretariat shared that some of the technical staff attended the EITI-ADBI Beneficial  
21 Ownership Regional Workshop two weeks ago. The Chair also graced the event and gave the  
22 closing remarks. The secretariat also presented some of the highlights of the workshop.  
23  
24

25 The secretariat shared that of the 10 implementing countries in the region, four, including the  
26 Philippines (with the issuance of SEC Memorandum Circular No. 17, s. 2018), have enabling  
27 policies for BO disclosure. Some countries are still struggling with their BO registry. The need for  
28 robust information technology (IT) was also highlighted during the workshop. PH-EITI is pursuing  
29 better IT infrastructure by working with the DOF Management Information system (MIS). From a  
30 private hosting site, the PH-EITI website will be moved to the DOF website.  
31

32 On the matter of beneficial ownership disclosure, the secretariat asked the MSG for immediate  
33 guidance on its implementation, considering the deadline next year. It said PH-EITI can also opt  
34 to apply for adapted implementation.  
35

36 It was also emphasized that there is no central repository of SALN in the Philippines.  
37

38 A CSO representative urged the members to have an in-depth discussion on the matter, saying  
39 that BO disclosure is important for PH-EITI.  
40

41 A government representative said that the matter can be included in the agenda of the TWG  
42 meeting on mainstreaming.  
43

44 A CSO representative shared that his organization once had as a project the collection of SALNs  
45 in Mindanao, and that they provided DILG with copies of the SALNs.  
46

47 Another CSO representative wondered why the MSG cannot move forward from the discussion  
48 of BO disclosure to actual gathering of data. He said that the matter had been discussed at  
49 length several times already. He also noted that a pilot report with OceanaGold as sole volunteer  
50 participant has already been done. The next step should be to compel other companies to  
51 accomplish the BO template.

1  
2 The secretariat pointed out that details of PH-EITI's implementation of BO disclosure were  
3 already in place prior to the issuance of SEC MC 17. In fact, PH-EITI's pilot BO report was done  
4 last year, while SEC's new MC has yet to be implemented in June this year. However, with MC  
5 17, it may be argued that BO disclosure got mainstreamed, as it is now a required field in the  
6 general information sheet (GIS) for corporations.

7  
8 The secretariat also noted that implementing BO reporting like in last year's pilot entails cost, as  
9 PH-EITI will use its own separate template and conduct its own data collection.

10  
11 The secretariat presented a matrix comparing the BO data being required by the EITI Standard,  
12 the SEC, and PH-EITI. It appears that the MSG asks more data than what the EITI Standard and  
13 the SEC memorandum require.

14  
15 To save on cost and time, the secretariat suggested that a more expedient option is to adopt the  
16 disclosure requirements of the SEC.

17  
18 A CSO representative wished to have more time to study the matter before coming up with  
19 decisions.

20  
21 In the interest of time, the Chair cut the discussion on BO. While she noted that PH-EITI has  
22 always been known to exceed itself, she said that if PH-EITI's persistence to go beyond what is  
23 required would make it miss the deadline, then the body might want to consider just doing  
24 minimum or substantial compliance.

25  
26  
27 *f. Revalidation self-assessment*

28  
29 *[This part of the meeting transpired after the lunch break. The Chair had to leave for another*  
30 *important appointment. Engr. Romy Aguilos of DENR-MGB took over as presiding officer and is*  
31 *the one referred to as "Chair" henceforth.]*

32  
33 The secretariat reported on the revalidation self-assessment workshop that happened on 21  
34 March 2019, which is the precursor to the present assessment. The workshop was facilitated by  
35 the International Secretariat through Atty. Gay Ordenes, Regional Director for Southeast Asia  
36 and the Pacific. Among the participants were MSG members, including Director Araceli Soluta,  
37 Ms. Leonora Garcia, Atty. Ronald Recidoro, and Atty. Francis Ballesteros.

38  
39 The following are the objectives/rationale of the workshop:

- 40  
41
- 42 ■ Provide an overview of the 2017 validation results and recommendations;
  - 43 ■ Assess and reflect on the results of and progress from the first validation;
  - 44 ■ Learn about relevant updates at the international level (e.g., the upcoming 2019 Standard);  
45 and
  - 46 ■ Draft a strategic action plan for the revalidation in 2020.

47  
48 The secretariat presented the observations of the international validator and how PH-EITI fared  
49 during the 2017 validation. Among the implementing countries that have undergone validation  
50 under the 2016 Standard, the Philippines had the most number of "beyond satisfactory" ratings.

1 A new category — “outstanding progress” — may soon replace “beyond satisfactory” as the  
2 highest attainable rating. PH-EITI would want to target achieving “outstanding progress” in the  
3 2020 revalidation and maintain its standing as a leading EITI implementing country.

4  
5 An industry representative asked if there is any requirement of the EITI Standard in which PH-  
6 EITI has to do corrective actions.

7  
8 The secretariat said that there were no corrective actions required of the Philippines in relation  
9 to the validation. PH-EITI, in fact, satisfied all of the requirements before; hence, the  
10 “satisfactory progress” rating. There were, however, recommendations for improvement.

11  
12 The MSG asked the secretariat to provide a summary of observations and actions already taken  
13 in relation to PH-EITI’s areas for improvement.

14  
15 A CSO representative asked if there is a new standard already, or is it still going to be worked out  
16 at the Global Conference in Paris.

17  
18 The secretariat said that it is likely that the 2016 Standard will still be the one to be used for the  
19 revalidation. Nonetheless, new requirements for inclusion in the upcoming 2019 Standard  
20 include data on environmental expenditures, gender, and contracts.

21  
22 As far as contracts are concerned, the secretariat said that PH-EITI already has almost complete  
23 data. Still, the workshop participants raised the issue concerning memoranda of agreement  
24 (MOA) or contracts with Indigenous Peoples (IPs).

25  
26 The secretariat also proposed a new portal on the PH-EITI website, which will disclose contracts  
27 and beneficial ownership information together. This portal the secretariat proposed to call  
28 “CORE” or Contracts and Ownership Register in the Extractives.

29  
30 Although guide questions were provided for the workshop, the secretariat shared that the  
31 March 21 assessment was not so formal or structured. It was intended for the participants to  
32 actually have more freedom to discuss the matter. The same is intended for the present  
33 assessment.

34  
35 The MSG agreed that the guide questions be converted into a three-column assessment tool,  
36 with the third column as space to input additional remarks. The secretariat said it can roll it out  
37 as an online survey form, if the MSG so prefers.

38  
39 An industry representative suggested two things: 1) just look into the requirements that are  
40 problematic for PH-EITI or where PH-EITI might have grown complacent in; and 2) embrace the  
41 fact that PH-EITI has performed well in most of the requirements and just move towards  
42 achieving outstanding progress in these requirements.

43  
44 A CSO representative wanted the online survey to have leeway for further inputs, saying that an  
45 online survey is limiting and does not substitute for a face-to-face discussion.

46  
47 The secretariat explained that some of the requirements do not really require a discussion, as  
48 they are objective items that just had to be complied with and ticked off. However,  
49 Requirements 1 (MSG Governance) and 7 (Outcomes & Impact) must be deliberated  
50 subjectively.

1 In the interest of time, and for purposes of evaluation, a CSO representative suggested focusing  
2 on the requirements on MSG Governance and Outcomes & Impact.

3  
4 A CSO and industry representative asked that the documentation of the March 21 self-  
5 assessment workshop be circulated among members for reference.

6  
7 The secretariat summarized the MSG's instruction with respect to the revalidation self-  
8 assessment: Come up with a survey with open questions, which will be circulated the following  
9 week, accompanied by the documentation of the March 21 self-assessment workshop. The focus  
10 of the survey will be Requirements 1 and 7 of the EITI Standard. The MSG will be asked to  
11 respond to the survey within a week's time.

12  
13 ***A copy of the self-assessment tool is annexed to this minutes.***

14 <https://forms.gle/W27uri1BGokiFWYw8>

## 15 16 17 **6. Other matters**

### 18 19 *a. Government commitment to EITI implementation*

20  
21 A CSO representative said that they have been getting mixed signals from the government about  
22 the continuity of EITI implementation. She said that the matter needs to be discussed, as it keeps  
23 PH-EITI from moving forward.

24  
25 As regards Asec. Habitan's re-election to the EITI Board, the secretariat reported that it sent to  
26 the Finance Secretary a request for a letter of support stating the government's readiness and  
27 commitment to support Asec. Habitan's membership in the international body. The request was  
28 denied, even as it got overtaken by the actual election of Asec. Habitan. However, it may be  
29 inferred that Asec. Habitan has been allowed to participate in online meetings or activities that  
30 do not require travel or take away executive time. Nonetheless, the rules of the international  
31 Board require members to attend a minimum number of in-person meetings; failure to do so will  
32 cost a member his/her Board seat.

33  
34 As to getting another Philippine nominee as replacement for Asec. Habitan, the secretariat said  
35 that the international secretariat said that it would be subject to voting among the countries in  
36 the region. Usually, if the one elected is not eligible, the nominee with the next highest votes  
37 would take the seat.

38  
39 A CSO representative asked what practical steps could be done to address the problem. She  
40 would like to approach the matter in terms of strength. She wanted to know if Asec. Habitan's  
41 Board seat is something the MSG would want to push and fight for.

42  
43 An industry representative suggested asking the government to regularly express its  
44 commitment to EITI.

45  
46 A CSO representative said that it may be better to get inputs from Asec. Habitan herself.

47  
48 The secretariat mentioned that the normal response to a denial of request is to ask for  
49 reconsideration.



1 An industry representative asked if the request for support and the response to it were  
2 communicated in memo form.

3  
4 The secretariat replied that the request was in memo form and the response was a marginal  
5 note.

6  
7 An industry representative commented that the issue requires some sort of lobbying with the  
8 Secretary of Finance. He said he would not wish to think that the denial of support for the seat in  
9 the Board will be the same denial of support to PH-EITI as a whole. He said that if the MSG  
10 decides to send a letter, it would be best if it could be one of gratitude for and recognition of  
11 DOF's leadership. The letter can also mention upcoming activities and emphasize the  
12 significance of Asec. Habitan's presence in the EITI Board.

13  
14 A government representative reiterated the suggestion to consult with Asec. Habitan before  
15 taking any action. She said that pushing the matter can possibly jeopardize government officials  
16 in the MSG.

17  
18  
19 *b. Setting of the next MSG meeting*

20 A CSO representative asked when the Paris delegation could meet.

21  
22 The Chair said that the delegation must first be completed.

23  
24 A TWG meeting will be held on April 26, 2:00 pm, to discuss BO disclosure, mainstreaming, and  
25 the details of the 5<sup>th</sup> Report launching program.

26  
27  
28 The next MSG meeting was set on 5 July 2019.

29  
30 Without any other matter to be discussed, the 58<sup>th</sup> meeting was adjourned at 3:46 PM.