

PH-EITI 5th MSG MEETING
9:30 AM- 12:30 PM | July 9, 2013
Executive Lounge, Boncodin Hall,
Department of Budget and Management (DBM Bld.),
General Solano St., Manila

Attendees:

Asst. Sec. Ma. Teresa S. Habitan
Febe J. Lim
Engr. Romualdo Aguilos

Dr. Cielo Magno
Prof. Jay Batongbacal
Prof. Maria Aurora Teresita W. Tabada
Ronald Allan A. Barnacha

Augustin Docena
Engr. Artemio F. Disini
Gerard Brimo
Clarence J. Pimentel
Atty. Casiana N. Dalangin
Sebastian C. Quiniones, Jr.

Sabino Santos
Sec. Elisea G. Gozun
Atty. Gay Alessandra V. Ordenes
Abigail D. Ocate
Babes M. Ancheta

Chair/ Department of Finance (DOF)
DOF
Mines and Geosciences Bureau—Department of
Environment and Natural Resources (MGB-DENR)
Bantay Kita
University of the Philippines, College of Law
Visayas State University
Philippine Rural Reconstruction Movement (PRRM)/ North
Luzon
Samar Island Bio-diversity Foundation (SIBF)/EVNET
Chamber of Mines of the Philippines (COMP)
COMP
CTP Construction and Mining Corporation
CTP Construction and Mining Corporation
Shell Philippines Exploration BV (SPEX)/ Petroleum
Association of the Philippines (PAP)
Chevron Malampaya LLC/ PAP
Secretariat
Secretariat
Secretariat

AGENDA:

- Minutes of the 4th MSG meeting
- Matters arising from the 4th MSG meeting
- Comments on the waiver prepared by BIR
- Draft PH-EITI internal rules
- Transition to DOF
- Collaboration with PPEI on subnational implementation

1. Call to Order:

1.1. The Philippine Extractive Industries Transparency Initiative (PH-EITI) Multi-Stakeholder Group (MSG) meeting was called to order at 9:30 am.

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

2. Minutes of the 3rd MSG Meeting

2.1. The Secretariat shared that the minutes of the 4th MSG meeting was sent out to the MSG members through the e-group, one (1) week after the date of the said meeting, and no comments were received by the Secretariat.

2.2. Members of the MSG again reviewed the hard copy of the minutes and agreed to the following changes:

- Indicate the exact amount of the grant from British Embassy which is P10,338,633.44 .
- Add that the Malampaya Consortium agreed to submit the list of payments that they were giving to the Department of Energy (DOE) for the year 2012 so that the template formulation can start.

2.3. It was shared to the body that the detailed activities that will be funded by the British Embassy are summarized below:

Activities	First Cycle	Second Cycle
	Total Grant (pounds)	
Coordination meetings	5,819.67	6,983.61
Subnational EITI briefings	41,598.36	57,049.18
Cost of Civil Society Organization (CSO) participation in EITI meetings	11,131.15	13,357.38
Subnational EITI scoping papers on EITI implementation in Nueva Viscaya	5,737.70	-
Institutional Support to Bantay Kita	19,734.98	3,155.73
Support to EITI secretariat	4,918.03	-

2.4. The minutes of the meeting, with revisions as discussed, was approved by the body.

3. Matters Arising from the 4th MSG Meeting

3.1. The key matters arising from the previous meeting are the comments on the draft waiver prepared by the Bureau of Internal Revenue (BIR), Multi-Donor Trust Fund (MDTF) documents, Executive Order (EO) creating PH-EITI, list of possible reconcilers and the internal rules of PH-EITI.

3.2. The MSG agreed to move the discussion on the internal rules of PH-EITI and comments on the draft waiver to the main business of the meeting.

3.3. It was noted that the Secretariat sent both the Gantt chart and Process Flow chart to the MSG through the e-group.

3.4. It was also shared with the body that the MDTF documents were already sent to Mr. Philip Chan of World Bank for his review and that he informed the National Coordinator of PH-EITI that although they will target to release the funds by October, it might take a longer time than that.

3.5. The body agreed to give the Secretariat a mandate to seek other sources of funds to cover items in the MDTF that need to be funded in the next months.

3.6. It was pointed out that the revised EO was sent out to the MSG members and no comments were received by the Secretariat. Therefore, it should be deemed approved by the MSG pursuant to its internal rule that comments should be submitted a week after a document is sent to them for review.

3.7. The Secretariat was asked to draft a memo requesting the Mining Industry Coordinating Council (MICC) to endorse the EO creating PH-EITI to the President. It was agreed to also send the memo to Secretary Florencio Abad of the Department of Budget and Management (DBM) since DBM is the Secretariat of the Cabinet Cluster on Good Governance and Anti-Corruption.

3.8. It was shared with the body that from the list of accredited reconcilers provided by the Securities and Exchange Commission (SEC), the Secretariat has identified the auditing firms that may have previous transactions with the industry members of the MSG.

3.9. It was reiterated that based on the International EITI Standards, there will only be one reconciler (also called independent administrator) which can be an individual or a firm.

3.10. The body agreed to defer the discussion on the reconciler and tasked the Secretariat to screen the auditing firms that are listed and to come up with a short list reduced to one page from which the MSG can choose the reconciler. The Secretariat was also asked to coordinate with the Philippine Institute of Certified Public Accountants (PICPA) to discuss on how the MSG can move forward with the selection of reconciler.

3.11. It was also suggested that the Secretariat coordinate with the Secretariat of EITI implementing and compliant countries to learn from their experiences on what criteria to use in identifying an independent reconciler as well as the eligibility requirements needed.

4. Comments on the waiver prepared by BIR

4.1. The industry representatives from both members and non-members of the Chamber of Mines of the Philippines (COMP) as well as the oil and gas sector suggested to consolidate all their comments on the draft waiver prepared by the BIR and requested that they be given a month to submit it to the Secretariat.

4.2. The body agreed to give the industry sector one more month to consolidate their comments thus, the discussion on this matter was deferred.

4.3. The Mines and Geosciences Bureau (MGB) of the Department of Environment and Natural Resources (DENR) was requested to submit to the body, through the Secretariat, an official list of all the 40 operating large scale metallic mines, the 38 producing and reporting mines and the Financial or Technical Assistance Agreements (FTAAs).

5. Draft PH-EITI internal rules

5.1. It was shared to the body that most of the sections in the proposed internal rules were lifted from the EO and the Terms of Reference (TOR) which the MSG previously approved. Thus, only the new provisions that were introduced in the proposed internal rules should be discussed.

5.2. On the provision regarding replacements, resignation, and vacancies, it was agreed that the affected sector shall notify the entire MSG in writing of such vacancy within two days from its occurrence, and shall fill up the vacant position within fifteen working days from such notification.

5.3. The body agreed that only full and alternate members of the MSG are allowed to attend MSG meetings; however, non-MSG members may be allowed to participate upon invitation by the MSG.

5.4. It was agreed that the Technical Working Group (TWG) members may be selected from within or outside of the MSG, provided, that the MSG Chair shall likewise be the Chair of the TWG.

5.5. The body agreed that all provisions in the internal rules governing the MSG, which refers to the administrative provisions and the decision making process, shall also be applicable to the TWG.

5.6. Members of the MSG agreed that in case of urgency, special meetings may be called at the instance of any MSG or TWG member upon approval of majority of the members.

5.7. The body asked to add the following roles of the Secretariat in the internal rules of procedure:

- The Secretariat shall Coordinate with all the stakeholders regarding EITI activities
- The Secretariat shall coordinate with the EITI International Secretariat to track the development of EITI implementation at the international level and to update the International Secretariat on the development of EITI in the Philippines; and

- The Secretariat shall do all other functions as may be assigned by the MSG and TWG.

5.8. It was agreed that public consultations, focus group discussions, and such other similar activities that may be participated in by the public may be conducted whenever necessary and if decided upon by all the members of the MSG.

5.9. The body accepted the proposed provision in the internal rules which states that “In case an MSG member suggests a revision and the same is not contested by other MSG members within one week after circulation in the e-group, such revision will be incorporated by the Secretariat in the version that will be submitted for approval at the next MSG meeting. In case the suggested revision is contested by other MSG members, the conflicting versions shall be resolved during the next MSG meeting.”

5.10. It was shared to the body that the Article II (Record Keeping) of the proposed internal rules was culled from the EITI Openness Policy issued by the EITI International Secretariat which basically states that all information from EITI are accessible to the public. However, certain information such as internal working documents, business secrets, documents revealing information received from a third party and personal information related to the EITI staff may not be disclosed.

5.11. The body agreed that consensus shall be construed to refer to positions reached by the body as a whole, or the middle ground between agreement and disagreement, at which level the parties are amenable to proceed to achieve the desired objective.

5.12. The Secretariat was tasked to check if it is allowed for the PH-EITI to have a separate account. The body decided to again discuss this provision once the permissibility of having a separate account is already clear.

5.13. The body tasked the Secretariat to prepare and present a monthly financial report at every MSG meeting.

5.14. The MSG members agreed that the internal rules may be amended by the MSG, by consensus, during a meeting convened and held pursuant to these rules. Once approved by all MSG members, the internal rules will be published on the PH-EITI website.

5.15. The proposed internal rules of procedure, with revisions as discussed, were then adopted by the MSG members.

5.16. The Secretariat was tasked to send the revised internal rules of procedure to all the MSG members, through the e-group.

5.17. The body agreed that it is no longer necessary to wait for the issuance of the Executive Order before the internal rules can take effect.

6. Transition to DOF

6.1. It was reiterated that the Secretariat of PH-EITI will be lodged under the Department of Finance.

6.2. It was shared to the body that an office in DOF is already being arranged for the Secretariat and that the next MSG meeting will probably be held in DOF.

6.3. As for the concern of the MSG members that the PH-EITI MSG now only has four (4) government representatives, since Secretary Gozun who is the former Chair of the MSG resigned from government, the body was informed that it is up to the MICC to select the new government agency that will sit in the MSG.

7. Collaboration with PPEI on subnational implementation

7.1. The MSG noted the need for support for future engagement in subnational implementation and in this respect recognizes the efforts in subnational implementation that are already being done in Compostela Valley.

7.2. The CSO representatives of the MSG said that since they are already doing subnational implementation, they will continue doing the same.

7.3. The body decided to further define the roles of the MSG in subnational implementation in subsequent meetings.

8. Other Matters

8.1. The body was informed that AUSAID already committed a total of USD44,675 or P1,787,000 to fund the trainings of PH-EITI MSG, TWG and Secretariat as well as the trainings of CSOs and the media, which are all under the work plan. The Secretariat said that they are already finalizing the detailed proposal requested by AUSAID.

8.2. It was also announced that it was AUSAID which suggested to course that funds to Bantay Kita and agreed to utilize the 10% of the grant for institutional support to Bantay Kita.

8.3. In light of the new EITI Standards, the Secretariat proposed to add trainings on new EITI rules and Social Development and Management Plan (SDMP) reporting.

8.4. The body was informed that the Secretariat of EITI in Indonesia agreed to come to the Philippines to give a training on developing the EITI reporting template. The proposed outline from the Indonesian EITI Secretariat for the training was approved by the body with only minor edits. The body also agreed to conduct the said training on August 24, 2013 in Davao City.

8.5. In order to save funds, it was proposed that the training on reporting template development be conducted back-to-back with an MSG meeting so that there will be no more MSG meeting on the first week of September and the transportation of the CSO representatives of the MSG can be charged to the British Embassy. It was further discussed that the savings from this can be used to accommodate participants from other government agencies in the training on reporting template development. The body agreed to the proposal. It was likewise agreed upon that AUSAID will fund the transportation expenses of the MSG members.

8.6. Representatives from oil and gas sector agreed to upload copies of their service contracts in the PH-EITI website.

8.7. The Secretariat was tasked to draft a letter to the Department of Energy (DOE) and MGB clarifying if there are any legal constraints in posting the contracts of the industries in the website of PH-EITI.

8.8. The MGB was requested to provide the MSG with a list of all the source documents and reports submitted by the extractive industries that are relevant to EITI. The MGB was also asked to indicate the types of data that can be extracted from each document.

8.9. It was shared to the body that the MGB is developing a centralized data base and that they are now in the process of collating all the baseline data. It was also announced that this data base may be uploaded in the website of MGB within three (3) months and the Secretariat then can provide the link to this database in the PH-EITI website.

8.10. The following schedules of upcoming activities were announced to the body:

- August 1 (9am-5pm), Manila: Training on New EITI standards and Financial Tracking (the schedule is tentative based on the availability of a speaker from the EITI International Secretariat)
- August 2, Manila: MSG meeting
- August 22-23 (Davao): Subnational training in Davao (to be participated in by the Secretariat)
- August 24 (Davao): Training on development of reporting template (to be participated in by the MSG, TWG and Secretariat)

8.11. The body was informed that the Secretariat is updating the website of PH-EITI and will create the official Facebook and Twitter accounts of PH-EITI. The Secretariat requested the members of the MSG to please link the PH-EITI in their own company or office websites.

8.12. The Secretariat also shared that in the meantime, they will manage the social media accounts. But, eventually a communication strategist will be hired to manage the Twitter and Facebook accounts of PH-EITI.

8.13. The Secretariat informed the members of the MSG that there is a pending invitation from the British Embassy to host socials for the MSG and Secretariat. The body accepted the invitation which will be held after the MSG meeting scheduled on August 2, 2013.

8.14. The Secretariat was tasked to draft a resolution or a formal statement of support from the MSG for the passage of the Freedom of Information (FOI) Bill and discuss the draft resolution in the next meeting.

ADJOURNMENT

There being no other matters to discuss, the meeting adjourned at 12:15 pm.