

## 63<sup>RD</sup> MULTI-STAKEHOLDER GROUP MEETING

18 August 2020 | 9:00 AM – 12:00 NN

Google Meet

### Attendees:

#### Government

Undersecretary Gil Beltran	Department of Finance (DOF)
Assistant Secretary Ma. Teresita Habitan	DOF
Ms. Charmaine Odicka	DOF
Director Araceli Soluta	Department of Energy (DOE)
Engr. Romualdo Aguilos	Mines and Geosciences Bureau (MGB)
Ms. Maria Angela Monica Salud Mamuyac	Department of the Interior and Local Government (DILG)
Ms. Maricor Anne Cauton	Union of Local Authorities of the Philippines (ULAP)

#### Industry

Atty. Ronald Rex Recidoro	Chamber of Mines of the Philippines
Atty. Francis Ballesteros	Philex Mining Corp.
Atty. Joan Adaci-Cattiling	OceanaGold Philippines, Inc.
Atty. Odette Javier	Lepanto Consolidated Mining Company
Atty. Maria Eleonor Santiago	Atlas Consolidated Mining & Development Corp.

#### Civil Society Organization (CSO)

Mr. Vincent Lazatin	Bantay Kita - Publish What You Pay Philippines (BK-PWYP)
Dr. Buenaventura Maata Jr.	Philippine Grassroots Engagement in Rural Development Foundation, Inc.
Dr. Glenn Pajares	Sectoral Transparency Alliance in Natural Resource Governance in Cebu
Prof. Ladylyn Mangada,	UPV Tacloban/Philippine Political Science Association
Ms. Angelica Dacanay	Bantay Kita Secretariat

#### Guest

Atty. Karla Espinosa	Consultant for the Sixth PH-EITI Report
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#### PH-EITI Secretariat

Ms. Maryann Dizon-Rodolfo  
Mr. Eastword Manlises  
Ms. Jane Baldago  
Ms. Anna Leigh Anillo  
Ms. Zoe Jimenez  
Ms. Eah Antonio  
Ms. Katherine Dennise Domingo  
Ms. Roselyn Salagan  
Ms. Andee Javier

## **Agenda:**

- Approval of the agenda of the 63rd MSG meeting
- Approval of the minutes of the 62nd MSG meeting
- Matters arising from previous MSG meetings
- Main Business
  - EITI Validation
    - Actions to be taken prior to Validation
  - Updates on PH-EITI reports
    - 6th Report [FY 2018] and Beneficial Ownership Disclosure
    - 7th Report [FY 2019]
  - On Learn (Online Learning on Extractives)
    - Updates on Preparations
    - Program Flow
    - Roles of MSG and Secretariat
- Other Matters
  - Legislative Advocacy Plan, next steps
  - Communications Plans
  - Setting of the next MSG meeting

### **1. Call to order**

Assistant Secretary Ma. Teresa Habitan chaired the 63<sup>rd</sup> MSG meeting. There being a quorum, the meeting started at 9:07 AM.

The Chair welcomed new MSG industry representatives – Atty. Cattiling, who was joining the MSG meeting for the second time, and Atty. Santiago and Atty. Javier, who were joining the meeting for the first time.

### **2. Approval of the Agenda**

The provisional agenda was presented to the MSG. With no comments from the members, the agenda was approved.

### **3. Approval of the minutes of the 62<sup>nd</sup> MSG Meeting**

The Chair noted that the minutes was only circulated a day before. The MSG was given five days to review the minutes and send in comments or corrections, if any. If no comment is received within the given time, the minutes will be deemed approved.

### **4. Matters arising from previous MSG Meetings**

The secretariat confirmed that there were no matters for discussion arising from previous MSG meetings.

## 5. EITI Validation

The secretariat recapped the results of the MSG webinar on EITI Validation, where an overview of the current (old) Validation process was presented. The secretariat also presented a checklist of activities and action steps to be accomplished less than 50 calendar days before the Philippines undergoes Revalidation on October 5, 2020. These activities/action steps include the following:

- Publication of the Sixth PH-EITI Report
- Online publication of work plans and other institutional/organizational documents
- Updating of the PH-EITI Contracts Portal
  - Government representative shared that this may take some time due to the ongoing implementation of skeleton workforce and compressed workweek arrangements in government offices because of the COVID-19 pandemic.
  - The secretariat estimates that at least four months is needed to hire a coder and accomplish required updates.
- Collection of companies' beneficial ownership (BO) information
  - The secretariat estimates that at least two months is needed for companies to complete PH-EITI's BO disclosure and publication requirement
- Documentation of efforts to engage Semirara in response to the 2017 EITI Validation recommendation on Data Comprehensiveness
- Publication of Multipartite Monitoring Team (MMT) reports in the Contracts Portal
- Implementation of communications and stakeholder engagement activities for the Sixth PH-EITI Report
- Re-encoding of PH-EITI datasets in the Extractives Data Generator (EDGE)
  - The secretariat estimates that at least three months is needed to populate EDGE with data and for the secretariat to verify the data uploaded in EDGE
- Publication of progress reports
- Publication of documentations of all outreach activities
- Validation orientation of PH-EITI stakeholders

The secretariat also identified some challenges that may be encountered while preparing for Revalidation. These include:

- Logistical limitations posed by the ongoing community quarantine measures
- Lack of guidelines on the process of Validation amidst the COVID-19 situation

Given the foregoing list of challenges and tasks to be done, the secretariat sought the MSG's thoughts on the readiness of the Philippines to go through Revalidation by October.

The Chair asked the secretariat if there is a way to shorten the process for populating the Contracts Portal, which is estimated to take four months to complete.

The secretariat said that the timeframe was just an estimate and may be fast-tracked, but implementing the enhancements will require the services of a professional who can do coding. The secretariat has no competency to perform the required task. Time is needed for the administrative work required in onboarding a professional to do the necessary updating.

The Chair asked for clarification if the indicated estimated timeframes are sequential or if the tasks could be done simultaneously.

The secretariat confirmed that the activities may be done simultaneously.

The Chair also clarified if the timeframes were based on the assumption that the PH-EITI secretariat has a full workforce.

The secretariat confirmed that the assumption is based on a full workforce. Unfortunately, the secretariat is implementing a skeleton workforce and compressed workweek arrangement.

The Chair asked the MSG for comments on whether the Philippines should push through with the October 5<sup>th</sup> Validation or request a schedule extension.

A message from a government representative sent via Google Meet chat box was acknowledged. The government representative suggests preparing a letter for the DOE Secretary through the Undersecretary in charge of the Energy Resource Development Bureau (Usec. Donato Marcos) to request assistance on actions steps that require DOE's action.

The Chair instructed the secretariat to prepare the said letter.

A CSO representative suggested assessing progress on implementing action steps. If progress is at least 75%, the Philippines must proceed with Validation as scheduled.

The secretariat said that there might be challenges with the current work setup when most people are working from home, and that the secretariat may have to either add new personnel or ask the staff to go to the office to be able to implement all activities.

The Chair acknowledged the hurdle of a mandated alternative work arrangement or skeleton workforce even in the event that public transportation may become available once the quarantine protocols have been relaxed.

The secretariat added that the PH-EITI will have to coordinate with other implementing agencies which are also under alternative work arrangements amid the pandemic and so delays may be expected.

The Chair sought to clarify if in that case the 75% progress is not being met.

The secretariat answered that, on quick assessment, no, the suggested 75% minimum progress is not being met.

A CSO representative suggested doing a self-survey to rate progress and determine status of action steps. The representative opined that, provided that there are evidence that could be presented, ongoing efforts may suffice for the Philippines to push through with the Revalidation. A self-survey may help determine whether the Philippines has successfully complied with the requirements, and not necessarily achieved an outstanding status.

The Chair said that the goal is to better EITI implementation and not go below the current "satisfactory" progress that the Philippines has earned during the previous Validation. The Chair said that considering the action steps that have yet to be implemented, the Philippines may fall short of what it has accomplished in 2017. It does not mean, however, that the MSG has not done its work. It is only that the current situation poses new and unprecedented challenges. Having said this, the Chair reiterated the question whether the MSG thinks the Philippines is prepared enough for the October 5<sup>th</sup> Validation schedule.

The secretariat reiterated some of the more important activities that have yet to be accomplished. These include the publication of the companies' BO information, which is one reason why the publication of the Sixth PH-EITI Report remains pending. In addition, the

subnational forums (LGU roadshow) have yet to be conducted in September. Considering that the LGU Roadshow was not implemented in 2019, it is a must that a series of subnational forums be conducted this year to reengage stakeholders and satisfy the EITI Standard's requirements on stakeholder engagement and public debate.

An industry representative inquired about the pros and cons of doing the Validation in October as opposed to postponing it. The representative said that if there is no drawback, it might be beneficial to request an extension as early as possible.

The secretariat said that the only benefit in pushing through with the Validation as scheduled is that the MSG could tick the activity off of its list of to-dos for 2020, considering that it is part of the work plan. There is budget allocated for the activity but if it would be conducted online, then the budget will not be used. There may be a chance that the Philippines will not succeed in maintaining its compliant status due to the pending publication of companies' BO information, which is a must under Requirement 2.5 of the 2019 EITI Standard.

In contrast, the secretariat believes that a schedule extension, which the EITI International Secretariat is also advocating, will give the Philippines more time to accomplish all plans and required activities. The secretariat also opines that requesting an extension will be beneficial for the PH-EITI considering the logistical limitations caused by the COVID-19 situation.

The Chair asked for more for insights from the body.

A CSO representative asked whether the PH-EITI would still be able to comply with the requirements in the event the Validation schedule is moved to early 2021 and the pandemic worsens.

The Chair said that doing it in January can give PH-EITI additional/substantive time to do things that are needed to be done.

Another CSO representative said that as much as he would like to be optimistic, things are not looking better considering the number of COVID-19 cases in the Philippines. Weighing everything, it might not buy PH-EITI much time in addressing issues and might as well push through with the schedule and let the chips fall where they may.

The Chair asserted that more can be done in four than in two months. The Chair's default position is to be active and not reactive. The Chair also emphasized the importance of having an updated Contracts Portal, which the Philippines is known for as being a pioneer. The Chair said that an extension will buy the Philippines time to work on its goals.

An industry representative opined that evidence seems to be of importance for Validation, and that if more time is needed to put them together, then the Philippines should request an extension. If the assessment is that the Philippines is not yet prepared, then the MSG should decide to request an extension and prepare in the next four months.

The secretariat emphasized that the Sixth PH-EITI Report has yet to be published, and without it, the EITI International will have no basis for Revalidation. BO disclosure has yet to be included in the report, and the report, in general, will have to be reviewed for technical gaps. The remaining days may not suffice for the necessary exchanges via email. The MSG has yet to see the draft report.

The Chair acknowledged that the BO disclosure is a crucial part of the report and that the PH-EITI has been working on it in the past years and this is something that the PH-EITI would like the EITI International to consider in the Revalidation.

Another industry representative inquired about the consequences of postponement. The secretariat said that there are no material consequences in requesting an extension and that the EITI International is actually offering countries an opportunity to request extension given the COVID-19 situation.

The Chair said that, if needed, the Sixth PH-EITI Report may be published with a disclaimer on the pending inclusion of extractive companies' BO information.

The Chair acknowledged the presence of Finance Undersecretary Gil Beltran.

A CSO representative pointed out that the PH-EITI had three years to prepare for Revalidation. The representative opined that the Philippines is not after perfection but progress. He suggested identifying implementation weaknesses, strengths, and opportunities. Having said that, the representative manifested desire to push through with Validation as scheduled.

The Chair said that she would have agreed with the CSO representative if the only thing left undone is the publication of the Sixth PH-EITI Report because of the requirement on BO disclosure; however, even the Contracts Portal is not yet updated and it will take more time because of the alternative work arrangement which the PH-EITI can do nothing about. The Chair stressed that the data reflected on the Contracts Portal is a measure of transparency, and if not for the quarantine situation, the website would have been better.

The Chair reminded the MSG that the decision must be by consensus. If the MSG decides to proceed with the October 5<sup>th</sup> schedule, the Sixth PH-EITI Report would have to be published with or without the required BO disclosures, with an explanation as to why the said information was not published and a description of the challenges encountered. It could show efforts done to accomplish the requirement but will also show that the Philippines is not able to meet the requirements of the Standard.

The Chair encouraged the MSG to come up with a decision that would be fair to the PH-EITI and recognize all the work that was done in the last three years. The Chair asked the MSG if it is confident enough about the Philippines' accomplishments the past three years to proceed with Validation.

An industry representative pointed out that if there was no penalty, then the PH-EITI should ask for an extension to give the MSG more time to address the gaps and sharpen what has been done in the past three years. The representative said that a quick assessment of the secretariat's presentation reveals that work has, indeed, been done in the past three years except for the publication of some required disclosures, which can easily be addressed by a schedule extension. The representative expressed concern about the Philippines being declared as non-compliant, which is an embarrassing situation for the country and is a status that would not reflect the diligent work that was done in the past three years. The representative said that it would be difficult to explain to their constituents why the Philippines was judged as non-compliant when the companies have done all that they can do to submit reports. He appealed to the MSG to give the stakeholders the result that they deserve, acknowledging the efforts exerted by all sectors. He reiterated that getting a failing grade will be an embarrassment and a disincentive to duly compliant companies.

The Chair confirmed that there will be no penalties for requesting an extension of Validation schedule considering the pandemic.

The secretariat responded to a comment by a CSO representative about whether an extension would realistically change the progress of BO disclosure and contract transparency. The secretariat believes that PH-EITI can do more in updating the contracts

portal and in pursuing the companies' compliance with the BO disclosure requirement if the schedule of Validation will be extended.

The Chair asked the secretariat about the timeline of publication of the Sixth PH-EITI Report.

The secretariat responded that the report may be published in one to two months.

The Chair asked if a draft is already available.

The secretariat said that there is no complete draft yet but there is already a reconciliation chapter, and that an executive summary has already been distributed to the MSG. The secretariat also relayed a message from the Sixth PH-EITI Report consultant, saying that a draft will be ready by end of August.

The Chair clarified whether it will be a draft with a report on BO disclosure.

The secretariat answered in the negative.

The Chair recapped the discussion, highlighting that the MSG's desire is to be validated based on a report that would substantively exhibit all the actions taken by the MSG in the past three years and should encapsulate what the Philippines has done to move extractives transparency forward. The Chair also stressed that the PH-EITI should be fair with all stakeholders. The Chair expressed thoughts that seeking an extension may be a fair thing to ask such that some things may be improved in quality. The Chair, then, asked the consensus of the body.

An industry representative moved that the MSG request an extension but at the same time make the extra effort to fill in the gaps as if the Validation schedule was still in October.

A CSO representative believes that what was done in three years is enough for the Philippines to undergo Revalidation.

Another CSO representative thinks that at the MSG level, the efforts have been admirable. The representative opined, however, that not everything is under PH-EITI's control, adding that outside the MSG, there seems to be lesser commitment.

An industry representative encouraged the group to ask for an extension.

The secretariat inferred that, based on responses in the chat box, industry and government representatives agree on seeking an extension, while CSO representatives may be divided or are more inclined to push through with Revalidation as originally scheduled.

The Chair said that in normal times, the EITI International can say no to requests for extensions, but in the current situation, the inclination is to grant extension requests.

The Chair also clarified that efforts have been done in the past three years, including efforts to comply with the BO disclosure requirements. Efforts on BO disclosure included coordination with the Securities and Exchange Commission.

The Chair, then, acknowledged an industry representative's motion to request extension. The motion was seconded by a government representative.

Speaking on behalf of the civil society constituency, a CSO representative said that the civil society does not discount the efforts done in the past three years, but given all the constraints, not much may be done despite an extension. Having said this, the CSO representative said that the civil society constituency favor "passing the papers" by October

5<sup>th</sup>. The CSO representative also acknowledged the position of one industry representative, saying that earning a less than satisfactory mark may be a disincentive for stakeholders who have done significant work, but said that EITI's assessment may also serve as a motivation to step up.

The Chair acknowledged the CSO representative's remarks and continued to ask the views of other MSG members.

The secretariat, reading from the message sent by a CSO representative earlier in the discussion, shared that, considering that the Sixth PH-EITI Report is not yet published, Revalidation in October may not be feasible.

The Chair reiterated that the consultants committed to submit a draft report by August 31<sup>st</sup>, adding that, if the report gets delayed, the MSG review will also be delayed, considering that the MSG usually takes a week or two to review the report.

The secretariat reminded the MSG that aside from reviewing the Sixth PH-EITI Report, the MSG will also be requested to participate in other activities such as in the implementation of the subnational forums.

The Chair reiterated that the decision of the MSG must be a consensus.

A CSO representative emphasized that it will really be difficult to understand if the secretariat will not be able to come up with action steps for the next six months and if there will be additional reasons for saying that the PH-EITI has not reached a 75% progress in implementing EITI upon submission of a request for extension. The representative said that he is inclined to have the Philippines push through with the Revalidation in October as he is confident that all efforts done so far would not push the Philippines below satisfactory progress.

The Chair acknowledged the CSO representative's remarks and concluded that the MSG did not reach a consensus to seek an extension. Hence, the Philippines will push through with the Revalidation scheduled on October 5<sup>th</sup>.

The Chair asked for the tentative schedule of the next MSG meeting.

The secretariat said that the next meeting is scheduled in November, as September and October have been reserved for subnational outreach activities. If the Revalidation would push through in October, the roadshows and the MSG review of the report would have to be done simultaneously. The secretariat also shared that the MSG is free to request a meeting in September, as necessary.

The Chair reiterated that more work would be required from both the MSG and the secretariat in the coming months, considering the preparations necessary for the roadshow, the review of the report, and the Revalidation.

The secretariat recapped that, based on MSG discussions, the Revalidation will push through in October.

The secretariat also reminded the MSG to expect from the secretariat requests for the MSG's participation in activities related and leading to the commencement of the Revalidation.

## **6. Updates on PH-EITI Reports**



### *Sixth PH-EITI Report*

The secretariat presented the activities done and the activities that have yet to be accomplished in support of the publication of the Sixth PH-EITI Report. These include:

- The MSG webinar on the findings of the Sixth PH-EITI Report
- Activities related to beneficial ownership disclosure and publication:
  - Consultation with the National Privacy Commission – August 26<sup>th</sup>
  - Final copy of company waiver on BO disclosure – August 31<sup>st</sup>
  - Sending of requests for BO declaration forms and invitation to a webinar on BO disclosure – September 1<sup>st</sup>
  - Webinar on BO disclosure – September 9<sup>th</sup> or 11<sup>th</sup>
  - Collection of BO declaration forms – September 11<sup>th</sup> to 30<sup>th</sup>

### *Seventh PH-EITI Report*

The secretariat recapped that the MSG decided on June 26<sup>th</sup> to adopt a flexible approach in producing the Seventh PH-EITI Report. As such, the report will have the following chapters:

- Contextual Information
- Reconciliation Report
- Industry Outlook
- Thematic Report on SDMP

The report will cover 50 metallic mines, the top 25 nonmetallic mines in terms of production value, four oil and gas projects, and one coal project.

At this point, Assistant Secretary Ma. Teresa Habitan turned over the chairpersonship of the meeting to Engr. Romualdo Aguilos of the MGB.

The secretariat, then, continued to present several other updates.

### *ORE Enhancements*

The secretariat reported that enhancements on the Online Reporting in the Extractives (ORE) Tool included updates on the interface and functionalities and new forms on COVID-19 and gender and employment. Another major update is that the tool is now housed under the DOF web system and is also already under the direct control and administration of the PH-EITI secretariat.

In view of the said enhancements, the secretariat organized webinar-orientations for reporting entities over the past months to help companies and agencies become more familiar with the new features of the tool. In all, 27 metallic mines, 16 nonmetallic mines, two oil and gas companies, and two government agencies participated in the webinar series.

The ORE Tool will be used in producing the Seventh PH-EITI Report.

The secretariat, then, shared the timeline of activities for the seventh reporting cycle:

- Start of reporting – August 20<sup>th</sup>
- Deadline of reporting – September 25<sup>th</sup>
- Start of the reconciliation process – September 28<sup>th</sup>

- Submission/presentation of initial report findings – October 23<sup>rd</sup>
- Submission of MSG feedback – November 6<sup>th</sup>
- Final reconciliation of report – December 4<sup>th</sup>
- Final MSG review – December 11<sup>th</sup>
- Layout – December 18<sup>th</sup>
- Proofreading/copyediting – December 28<sup>th</sup>
- Final layout – December 30<sup>th</sup>
- Submission to EITI International – December 31<sup>st</sup>

The Chair asked about the recent technical issue encountered with the ORE Tool and the subsequent extension of reporting deadlines for companies.

The secretariat confirmed that there was a technical issue encountered that caused the timeframe and deadline of reporting to be adjusted. In all, reporting entities will be given five weeks to submit reports.

### **7. Online Learning on Extractives (online edition of the LGU Roadshows)**

The secretariat presented the plans for the Online Learning on Extractives (On Learn), which shall have two phases. The first phase will focus on LGUs, NGAs, companies, and CSOs, while the second phase will be for leaders and officers of community organized groups.

The secretariat presented the schedule of On Learn which is planned to commence in September and end on October 9<sup>th</sup>. The program of activities was also presented to the MSG.

The secretariat reported that it is coordinating with Bantay Kita for speakers in the regions. The event has been announced on Facebook. The secretariat requested the MSG to share the event to their respective constituents.

On Learn will utilize Zoom and Facebook.

The Chair asked the MSG for comments. With no comments from the MSG, the Chair requested the secretariat to proceed with the next item on the agenda.

### **8. Updates on the Legislative Advocacy Plan**

Following the MSG workshop done in July, the secretariat presented the consolidated Legislative Advocacy Plan for both chambers of Congress. The most urgent action steps include:

- Setting a special meeting to review EITI bills
- Approval of the communication and advocacy plan
- Meeting with legislators to gain support for EITI institutionalization
- Engagement of legislators as resource persons in EITI activities
- Engagement of champions and generating support from companies and government agency heads

The secretariat presented the EITI bills filed in the Senate and the House of Representatives:

- HB060005, authored by Rep. Eddie Villanueva (CIBAC), and Rep. Domingo Rivera (CIBAC) (filed on January 22, 2020)

- HB01691, authored by Rep. Luis Raymund Villafuerte Jr. (filed on July 9, 2019)
- SB. No. 1489, authored by Sen. Grace Poe (filed on May 4, 2020)
- SB No. 349, authored by Sen. Joel Villanueva (filed on July 11, 2019)

A CSO representative commented on Rep. Villafuerte's interest in transparency and accountability in the extractives, saying that the PH-EITI should be wary of people who suddenly have interests in issues in extractive industries.

## **9. Communications Plan**

Considering time constraints, the secretariat asked if it could proceed with the presentation of the PH-EITI communications plan.

The Chair let the secretariat proceed with the presentation.

A CSO representative, then, suggested sending the plan to the MSG members via email instead, and if the MSG could just respond with comments or inputs, if any.

The secretariat said that the communications plan has already been circulated to the MSG members along with the notice of the 63<sup>rd</sup> MSG meeting.

In the interest of time, the Chair decided to defer the presentation.

## **10. Setting of the Next MSG Meeting**

The secretariat proposed holding an MSG meeting on September 16<sup>th</sup> or 18<sup>th</sup> in preparation for Revalidation.

The Chair asked the secretariat to check the availability of the MSG members ahead of the proposed schedule of meeting.

The secretariat noted the instruction of the Chair.

**With no other agenda items to be discussed, the meeting was adjourned at 12:00 NN.**