

1 **64TH MULTI-STAKEHOLDER GROUP MEETING**
2 9 December 2020 | 9:00 AM – 12:00 PM | Zoom

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4 **Minutes of the Meeting**

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7 **Attendance**

8
9 **Government**

10 Usec. Bayani H. Agabin	Department of Finance (DOF)
11 Asec. Ma. Teresa S. Habitan	DOF
12 Ms. Febe J. Lim	DOF
13 Engr. Romualdo D. Aguilos	Mines and Geosciences Bureau (MGB)
14 Ms. Maria Angela Monica Salud B. Mamuyac	Department of the Interior and Local Government (DILG)

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17 **Industry**

18 Atty. Joan D. Adaci-Cattiling	OceanaGold Philippines, Inc.
19 Atty. Francis Joseph G. Ballesteros, Jr.	Philex Mining Corporation

20
21 **Civil Society**

22 Mr. Vincent T. Lazatin	Bantay Kita
23 Dr. Buenaventura Maata, Jr.	Philippine Grassroots Engagement in Rural Development Foundation, Inc.
24	Concerned Citizens of Abra for Good Governance
25 Ms. Aniceta Baltar	UPV Tacloban/Philippine Political Science Association
26	Social Action Center - Ecology Desk, Diocese of Tandag, Surigao del Sur
27 Prof. Ladylyn L. Mangada	Bantay Kita Secretariat
28	
29 Mr. Chito Trillanes	
30	
31 Ms. Angelica Dacanay	

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34 **Guests**

35 Ms. Pamela Grafilo	Consultant – Mainstreaming Feasibility Team Leader – 7 th Report
36 Atty. Brenda Jay Angeles Mendoza	Consultant – 7 th Report
37 Ms. Linnet Madelane Chan	Consultant – 7 th Report
38 Mr. Jerick Aguilar	Consultant – 7 th Report
39 Prof. Sharon Macagba	Consultant – 7 th Report

40
41 **PH-EITI Secretariat**

42 Ms. Mary Ann Rodolfo
43 Ms. Mary Jane Baldago
44 Mr. Eastword Manlises
45 Ms. Anna Leigh Anillo
46 Ms. Erycce Althea Antonio
47 Ms. Zoe Jimenez
48 Ms. Roselyn Salagan
49 Ms. Dennise Domingo
50 Ms. Rhea Bagacay
51 Ms. Rhoda Aranco
52 Mr. Jaime Miguel

53 Mr. Ricardo Evora
54 Ms. Roxan Rivera

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56

57 **Agenda**

- 58 1. Call to order
- 59 2. Approval of the agenda of the 64th meeting
- 60 3. Approval of the minutes of the 63rd meeting
- 61 4. Matters arising from previous meetings
- 62 5. Main Business
 - 63 a. Updates on 6th Report publication
 - 64 b. Updates on the Mainstreaming Feasibility Study
 - 65 c. Updates on 7th Report production
 - 66 d. Draft Work Plan for 2021
- 67 6. Other Matters
 - 68 a. Report on financial status
 - 69 b. Update on the Legislative Advocacy Plan
 - 70 c. Report on the Extractives Transparency Week and National Conference 2020

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74 **1. Call to order**

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76 Undersecretary Bayani Agabin chaired the 64th MSG Meeting. Assistant Secretary Ma. Teresa
77 Habitan served as co-chair. The meeting started at 9:05 AM.

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80 **2. Approval of the agenda**

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82 The secretariat presented the proposed agenda. The Chair asked for the approval of the
83 agenda. The co-chair motioned to approve the agenda. The motion was seconded and the
84 agenda was approved.

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87 **3. Approval of the minutes of the 63rd meeting**

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89 Since the minutes was only circulated to the MSG two days before the meeting, the Chair
90 gave the members seven days to send in comments or corrections on the draft minutes. If no
91 substantive comment is received within the given time, the minutes will be deemed approved.

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94 **4. Matters arising from previous meetings**

95

96 The secretariat presented the matters arising from previous meetings. One of the items is PH-
97 EITI's letter to DOE requesting the agency to address the recommendations and requirements
98 of EITI in preparation for the Philippines' EITI Revalidation. The secretariat reported that the
99 DOE has yet to complete its submissions.

100

101 The secretariat also noted the Validation self-assessment survey that the MSG asked the
102 secretariat to prepare. The secretariat said that the self-assessment survey will be sent in
103 January.

104

105 The chair asked the MSG for comments on the matters arising from past meetings. Having
106 received no comments, the chair instructed the secretariat to update the MSG in the next
107 meeting about the progress on pending matters.

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109

110 5. Main Business

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112 a. Updates on 6th Report publication

113

114 The secretariat shared updates on the publication of the 6th Report.

115

116 The secretariat said that the consultant committed to submit the final draft of the report on
117 December 13th. The deadline of submission for the report is on December 31, 2020. The 6th
118 Report will be the basis of the Philippines' Revalidation, which is anticipated to commence in
119 April 2021.

120

121 The first draft of the report was provisionally approved by the MSG on September 11, 2020
122 and that draft was submitted to the EITI International Secretariat (IS) for comments especially
123 on technical gaps.

124

125 The IS returned the copy with around 70 comments, mostly on requirements that they believe
126 were not discussed in the draft. The comments were sent to the MSG for review and feedback.

127

128 An industry representative requested access to the document. The secretariat granted the
129 member access to the document and requested other members to inform the secretariat if
130 they are having challenges in accessing the document.

131

132 The secretariat reported that the Independent Administrator has already addressed some of
133 the comments of the IS.

134

135 The secretariat informed the body that the chapter on beneficial ownership (BO) transparency
136 has yet to be finalized and submitted to the MSG for review. The status of the BO disclosure
137 exercise for the 6th Report, however, was already presented in the 2020 National Conference
138 as part of the key findings of the 6th Report. The secretariat recalled that almost half of the
139 target participating companies have complied with the requirement. The secretariat considers
140 industry response as generally positive, considering the issues and concerns on the data
141 privacy of beneficial owners.

142

143 The BO transparency chapter will present the issues and challenges encountered in BO
144 disclosure, and it will report on the companies that complied, partially complied, and did not
145 comply with the requirement, with explanation on why they did not comply.

146

147 The secretariat emphasized that the chapter on BO transparency is important since it will
148 already be part of the requirements against which the Philippines will be assessed come the
149 Revalidation period. It will, in effect, be the culmination of the Philippines' BO roadmap that
150 was developed four years ago.

151

152 The 7th Report will also cover BO disclosure from the same fiscal year that the 6th Report
153 covered. Hence, BO reporting will continue to the 7th report.

154

155 The co-chair asked how firm the deadline is for the submission of the final draft of the 6th
156 Report.

157
158 The secretariat said that unless the MSG would like to issue a letter to compel the consultant
159 to submit, the PH-EITI will hold on to the commitment of the consultant.
160 The Chair asked about the repercussion if the PH-EITI does not respond to the comments of
161 the EITI International.
162
163 The secretariat said that it is up to the MSG and that it is not mandatory to respond to the
164 comments. The comments are intended to help improve the report, which will be the basis of
165 the Philippines' Revalidation. The secretariat is waiting for the consultant for the contextual
166 information to address the remaining comments.
167
168 The Chair asked if the Philippines will not be revalidated if PH-EITI does not respond to the
169 comments.
170
171 The secretariat clarified that the Philippines will still undergo the Revalidation process with or
172 without responding to the comments, and that the final copy of the report will be the basis of
173 the Revalidation.
174
175 The Chair asked which of the comments must be addressed.
176
177 The secretariat shared that the most significant comment might be on the description of the
178 materiality. The EITI International is asking whether the materiality threshold and the
179 methodology of reconciliation are correct. The secretariat explained that as per the EITI
180 International, it should be the starting point or basis of the report and that the methodology
181 should be properly implemented because the result of the reconciliation might be questioned
182 if the materiality and the methodology are questionable.
183
184 The secretariat also confirmed that the concern has already been addressed by the consultant
185 for reconciliation.
186
187 The Chair asked for the specific comments on materiality.
188
189 The Secretariat read the comment on materiality, and summarized that the EITI international
190 is asking for a description of materiality.
191
192 The Chair asked the secretariat for its proposal on how to address the other issues.
193
194 The secretariat said that the consultant for reconciliation is already done in addressing the
195 comments on the reconciliation process and that what the secretariat is waiting for is for the
196 other consultant to address the comments on contextual information. The secretariat said that
197 the way forward is to either wait for or compel the consultant to already submit the report.
198
199 The Chair said that the consultant will be compelled to submit. The Chair also asked if the
200 consultant is getting paid.
201
202 The secretariat said that once the contract has lapsed and the consultant was not able to
203 submit on time, the consultant would have to deliver 100% of the output all at once as the
204 consultant will no longer be entitled to receive payment in tranches.
205
206 The Chair said that if it is in the TOR, then the consultant will have to be compelled to submit.
207 The Chair asked if the contract may be terminated and if the consultant could be blacklisted if
208 the consultant was too late in submitting the output.

209
 210 The secretariat said that such provision was not included in the TOR of the consultant.
 211
 212 The Chair said that it is a provision in the GPRA. The Chair then reiterated that the MSG can
 213 give comments which the Secretariat will consolidate. The secretariat shall then send the
 214 marked copy in the following week.
 215 A CSO representative asked which of the comments must be addressed to remain compliant
 216 with the requirements of the Standard, and which comments are only advisory in nature.
 217
 218 The secretariat said that it can mark which comments are mandatory and which ones are
 219 advisory. It then reiterated that the most important item flagged by the EITI international was
 220 the concern on materiality.
 221
 222 The Chair asked if this is the first deadline given to the consultant or if it has been extended
 223 several times.
 224
 225 The secretariat confirmed that the deadline has been extended several times.
 226
 227 The Chair then said that the matter will be discussed separately with the co-chair and the
 228 secretariat.
 229
 230 The Chair asked when the report must be submitted.
 231
 232 The secretariat said that the report must be submitted by December 31, 2020.
 233
 234 The Chair asked if the MSG could see the report incorporating the responses to the comments
 235 of the EITI International by end of next week.
 236
 237 The Secretariat confirmed its feasibility.
 238
 239 The following is the agreed timeline for the finalization and publication of the 6th Report:
 240

241	December 11	Deadline of comments matrix with markings from the Secretariat
242		and responses from the consultants (to be sent to the MSG for
243		review)
244	December 18	Deadline of the report incorporating responses to comments
245	December 21	Deadline for MSG's comments
246	December 31	Deadline of submission to EITI International

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 248
 249 *b. Updates on the Mainstreaming Feasibility Study*
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 251 The Chair asked the secretariat to proceed with the next part of the agenda. The secretariat
 252 introduced the consultant for the Mainstreaming Feasibility Study, Ms. Pamela Grafilo, to
 253 present updates on the project.
 254
 255 The consultant shared about the administrative delays in the engagement of consultancy
 256 services, which affected the commencement of the project and the overall timeline for the
 257 production of the study. Be that as it may, her team tried to accomplish what could be done in
 258 the given period as part of the first phase of the feasibility study. She presented initial
 259 observations on the status of systematic disclosure of EITI data. Details on the status of

260 systematic disclosure in the Philippines could be found in the presentation annexed to this
261 document.

262
263 The consultant also shared about the challenges in gathering data and information. The most
264 significant of which is requesting interviews with EITI implementing agencies. Ms. Grafilo
265 asked whether the secretariat could provide assistance in following up on the agencies that
266 need to be interviewed for the study.

267
268 The Chair said he does not want to commit and overburden the secretariat, considering it
269 already has too much on its plate. Instead, the Chair requested the consultant to make a list
270 of technical assistance needed and allow the secretariat to assess which ones it could provide
271 given its current capacity.

272
273 The Chair asked the members for comments on the updates. Having received none, the Chair
274 moved forward to the next item in the agenda.

275

276

277 *c. Updates on 7th Report production*

278

279 The secretariat made a recap of the MSG's decision to produce a flexible report as opposed
280 to conventional reporting, considering the challenges brought by the COVID-19 pandemic.
281 The secretariat said that conventional reporting entails hiring an independent administrator for
282 reconciliation. On the other hand, in flexible reporting, reconciliation is not required. Flexible
283 reporting requires a forward-looking element in the report such as a forecast of trends for the
284 industries. This approach aims to address challenges in engaging the services of an
285 independent administrator, considering the impact of the pandemic. Likewise, the approach
286 intends to document the impact of COVID-19 on extractive industries. Another feature of the
287 flexible report is the inclusion of other themes or topics that the MSG would like to focus on.

288

289 As agreed by the MSG during a technical working group meeting (with a quorum of MSG
290 members), the 7th Report will have the following chapters:

291

292 a) Contextual Information

293 b) Reconciliation

294 c) Industry Outlook

295 d) Thematic Report on Social Development and Management Program

296

297 The consultants of the 7th Report had been requested to present updates and/or initial findings
298 on their specific chapter assignments.

299

300

301 i. Reconciliation

302

303 The independent administrator (IA), Ms. Linnet Madelane Chan, presented the updates on
304 reconciliation.

305

306 The IA first discussed the timeline of the production of the 7th Report. Companies attended a
307 workshop on using the ORE tool in June, and the gathering of data commenced in August to
308 November. Several ORE maintenance took place within the said period which contributed to
309 the length of data gathering period, on top of the challenges brought by the pandemic such as
310 having a limited workforce reporting to offices in different agencies as physical distancing
311 protocols are in place.

312

313 The IA then presented the methodology for the 7th Report. The process started with the initial
314 scoping and data collection but it is not yet completed as some data from the Bureau of Internal
315 Revenue (BIR) are still pending. The IA shared that the materiality threshold for the 7th Report
316 is the same as the materiality applied in previous reports (i.e., 2% applied to the total revenues
317 collected from the targeted projects per sector, except for BIR where the report is limited to
318 those that have submitted its papers to BIR). This step is followed by the reconciliation of data
319 and then the writing of the report.

320

321 The 7th Report covers 51 metallic operating projects, 28 non-metallic projects, four oil and gas
322 projects, and one coal mine.

323

324 The target for the 7th Report is the top 25 non-metallic mines but a total of 28 projects have
325 been scoped. 40 metallic projects participated and 11 did not. 25 non-metallic projects
326 participated and three did not. Two oil and gas companies participated and two did not. No
327 coal project participated.

328

329 The IA presented the list of the projects that participated and did not participate in the report.

330

331 A total of 28 non-metallic projects were targeted because there are several MPSAs where the
332 production lines cannot be separated from each other. The total production value is PhP 55.57
333 billion or 94.42% of the total production of non-metallic mining.

334

335 25 projects or 17 companies participated with total production of 5.17 billion or 87.65% of the
336 total non-metallic mining sector.

337

338 The participation is 3.29% higher in terms of production value compared with the 6th Report.
339 The IA explained that such increase is only expected, considering that the coverage was
340 expanded from top 20 projects to top 25. The three projects that did not participate contributed
341 to 6.77% to the total production for the non-metallic mining sector.

342

343 For oil and gas projects, the two projects that did not participate only contributed to 0.12% of
344 the total sales for the oil and gas sector.

345

346 Semirara Mining and Power Corporation, the sole coal project, still did not participate in the
347 7th Report citing that the data and payments that they might disclose may be used against
348 them in the global market given the World Trade Organization guidelines, and publishing their
349 data might affect the company's cost and price competitiveness. They also noted that the
350 incentives they avail might be construed as government subsidy and may cause countries
351 where they export their commodity to impose counter measures. The reasons were stated in
352 a letter to DOF in September 2014 and the company is still imposing this main reason for not
353 participating aside from not being required by EO 79, which primarily focuses on mining and
354 not the coal sector. Semirara Mining's sales in 2019 amounted to over 32 billion pesos in sales
355 or 99.61% of the total sales of the coal sector.

356

357 The revenue streams are the same with the previous reports. The IA has already received
358 data from BOC, MGB, and DOE and is still waiting for the others. The IA then presented the
359 initial data from the revenue streams.

360

361 The IA presented raw data and has so far reconciled 15.43% for the metallic sector and 3.80%
362 for the non-metallic sector. So far, a total of PhP 5 billion worth of government payments have

363 been noted from the mining projects. 99.45% of the data in oil and gas sector has already
364 been reconciled. The payments from the oil and gas sector is at PhP 34 billion.

365
366 The IA then presented the shares in national wealth based on the data from the Department
367 of Budget and Management (DB). The DBM was able to distribute PhP 3.42 billion of LGU
368 wealth shares in 2019.

369
370 The IA said that the pending data are mostly from government agencies and if the data is
371 submitted in December, the IA can start the reconciliation process within the same month.

372
373 The IA also addressed the comment of the EITI International on the materiality threshold and
374 highlighted that the 2% threshold was applied to the total collections from the targeted projects.
375 The IA asked for confirmation from the MSG on the materiality threshold, saying it would
376 generate higher threshold when applied to targeted projects compared with applying it to all
377 participating projects.

378
379 The Chair asked the MSG for comments and inputs then proceeded to say that the materiality
380 is always thought of as based on the total target anyway and will just need to be explained
381 better.

382
383 An industry representative sought information on the practice of other countries in terms of
384 setting the materiality threshold.

385
386 The Chair replied saying that every country decides on and defines its own materiality. The
387 Chair then asked the secretariat if it has any response to the question.

388
389 The secretariat responded saying that its current members are not familiar with the approach
390 other countries use in setting materiality. The secretariat said that the comment on materiality
391 has also surfaced in the 2017 Validation yet the Philippines passed the Validation anyway.
392 The secretariat then said that the description of materiality might just need to be written better
393 or in a much clearer way.

394
395 The Chair asked the MSG for further comments. Having received no response, the Chair
396 recognized the next presenter.

397
398

399 ii. Contextual Information

400
401 The consultant and 7th Report team leader, Atty. Brendajay Angeles-Mendoza, presented the
402 following chapter outline based on her TOR and the inception report submitted in October
403 2020:

- 404
- 405 I. Introduction
 - 406 II. Legal and Institutional Framework
 - 407 III. Industry Potential
 - 408 IV. Contribution to the Economy
 - 409 V. Environmental Payments and Related Data
 - 410 VI. Beneficial Ownership Information
 - 411 VII. Gender-Related Extractives Data
 - 412 VIII. Strengthening PH-EITI Data and Data Disclosures
 - 413 IX. Conclusion
 - 414

415 The consultant said that the report to be presented is very preliminary except for Section VIII,
416 where she relied heavily on publicly available resources online and information from EITI.

417

418 The consultant presented an overview of Section II on Legal and Institutional Framework:

419

420 A. Legal and Fiscal Regime

421

- 422 • same as in past PH-EITI reports
- 423 • the legislative proposals in congress on the new fiscal regime will be discussed
- 424 • discussion on the DENR-MGB policies including the guidelines regarding the
425 resumptions of some mining operations during the GCQ, alignment of SDMP
426 funds to support impact and non-impact communities due to COVID-19,
427 realignment of DMP funds due to recent typhoons
- 428 • Moves to enhance regulation of small-scale mining
- 429 • Global and local policy actions to lower CO2 and move of the government to
430 develop renewable sources of energy

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433

434 B. Contracts and License Allocation

435

- 436 • The consultant also intend to have a discussion of DOE PCECP. She noted
437 that the development of new commercially viable reserves is promoted to offset
438 the depletion of the Malampaya gas reserve in medium- and long-term. The
439 first meeting following the signing of the MoU between Philippines and China
440 on joint exploration of reserves took place in 2019 but the consultant is yet to
441 find the details of the proceedings of that meeting.

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The consultant also presented initial data and information gathered for the following sections:

III. Industry Potential

The potential of the mining sector to be in the forefront of economic development is there, as is also suggested by MGB data. The goal is to boost growth without compromising the protection of the government and ensure the sustainability of mineral development practices. The production capacity of oil and gas are considered significant sources of revenue.

A. Production Data

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- The metallic and non-metallic minerals production value increased in 2019 but there is a slight decrease in small scale non-metallic mineral from 2018.
 - The volume of production for oil and gas decreased in 2019 although the data presented was preliminary.
 - The production of coal increased in 2019.

471 B. Export Data

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- 476
- The export of metallic and non-metallic minerals have increased in 2019.
 - Data for oil and gas export for 2019 is yet to be obtained.
 - The volume of production of coal more than doubled in 2019. 96.7% of coal exports is received by China.

477 IV. Contribution to the Economy

478 The consultant presented preliminary data on company payments and revenue
479 contribution and admitted confusion over the data obtained from MGB which show two
480 different information, thus entails verification. The consultant also presented
481 preliminary data on employment contribution coming from the MGB.

482 V. Environmental Payments and Related Data

483 The consultant said that the information for this chapter would need clarification and
484 further expansion beyond mining-specific funds because in her understanding there
485 are also funds that are not paid directly to the government but are deposited with
486 government (banks) and so the consultant would need guidance from the MSG as to
487 which payments should be realistically covered in the 7th Report, and guidance on the
488 scope and the readiness of the bureaus to provide the information.

- 489
- 490 A. Environmental Protection and Enhancement Program (EPEP)
- 491 B. Contingent Liability and Rehabilitation Fund (CLRF) for Mining
- 492 C. Other Environmental Payments and Related Data
- 493

494 VI. Beneficial Ownership Information

495 Considering that BO disclosure for 2019 has been covered in the 6th Report, the 7th
496 Report will take off from where the 6th Report left and will focus only on companies that
497 did not comply or partially complied with the requirements. It is important to note that
498 since SEC's BO disclosure requirement only took effect in 2019, the 6th Report, which
499 supposedly covers FY 2018, can only cover pilot BO disclosures in 2019. The 7th
500 Report, meanwhile, is correctly intended to cover extractives data and information from
501 FY 2019.

- 502 A. Beneficial Ownership Information (per country/per industry)
- 503 B. Gaps in Reporting Beneficial Ownership Information
- 504 C. Legal/Practical Barriers to Implementation
- 505

506 VII. Gender-Related Extractives Data

507 The consultant will take off from the recommendations from the previous gender study
508 of PH-EITI and will look into possibly disaggregating the information obtained from
509 companies.

- 510 A. Overview of Results of Gender Reporting
- 511 B. Gender Data Reporting Considerations
- 512

513 VIII. Strengthening of PH-EITI Data and Data Disclosure

514 The content will be largely based on the web-based discussions conducted in
515 November 2020. It will also tackle challenges and constraints in gathering data, as well

- 516 as the comprehensiveness and accessibility of information.
- 517 A. Summary of Disclosed Data
 - 518 B. MSG Assessment of the Comprehensiveness and Reliability of Disclosed Data
 - 519 C. Efforts Towards Systematic Disclosure and Mainstreaming

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521

522 The Chair commended the presentation for being comprehensive. The Chair also inquired on
523 the employment data that seemed to have recorded a decline. The Chair asked for the reason
524 for the decline. The consultant said that she has yet to find the reason for the decline,
525 considering that the data presented was only preliminary. The Chair said that it would be good
526 to include in the report the reason for the decline.

527

528 A CSO representative asked for clarification on the years covered by the report. The
529 consultant responded that the report will focus on FY 2019. However, since the flexible report
530 has to be more forward looking, then it would inevitably include data from 2020. The CSO
531 representative said that including 2020 events and data must only be because of very
532 important reasons and not simply because PH-EITI opted for “flexible” reporting. The CSO
533 representative stressed that there is a time for 2020 reporting and suggested that the 7th
534 Report focus on 2019 data.

535

536 The Chair acknowledged the comment and suggested that the COVID-19 pandemic
537 information that may be included in the 7th Report may focus on a description of how the
538 pandemic affected the production of the report.

539

540 The consultant sought clarification on the MSG’s preference and instruction, saying that the
541 initial understanding of the consultants is that they could also cover the first half of 2020. The
542 consultant said that if it is the MSG’s instruction, it can limit the discussions to how the data
543 was gathered at the time of the pandemic. The consultant said that they would consider the
544 MSG’s comments but explained that they only based their research and writing plan on the
545 TOR provided to them.

546

547 The Chair asked the secretariat to explain the concern on the TOR for the MSG to have a
548 better understanding of the outputs that the consultants are required to deliver.

549

550 The secretariat explained that only the 2019 data will go through reconciliation but for
551 purposes of weaving the chapters together, the contextual information may have COVID-19
552 elements given that there would be a chapter on the industry outlook which draws from the
553 impact of the pandemic on the sector. The SDMP fund realignment for COVID-19 response
554 will also be discussed in one of the chapters. As an example, the secretariat shared that the
555 6th Report, which covers FY 2018 had to cover BO disclosure in 2019 (MC 15 was issued in
556 2019) to comply with the requirements of the EITI Standard. The secretariat suggested a
557 possible alternative which is to come up with two volumes of the 7th Report, one which is only
558 dedicated to the 2019 data, and the other comprising the thematic reports (Industry Outlook
559 and SDMP).

560

561 An industry representative agreed that for the report to be relevant, COVID-19 must be
562 discussed. She also said that the realignment of SDMP funds which were from 2019 were
563 spent in 2020 so the data can still be captured if the 2019 and 2020 data would be separated.
564 She also lauded the data on women in mining and offered to help PH-EITI in data gathering,
565 through a women’s organization, Diwata.

566

567 A CSO representative raised a comment from COA during one of the discussions in the PH-
568 EITI Extractives Transparency Week wherein COA said that the mining operations that they
569 audit are only those inside mineral reservations and not those outside. CLRF paid to MGB is
570 audited while other fees are not. The CSO representative said that if PH-EITI wants to pursue
571 the comprehensiveness of data, those should be included in the report, and indicate why those
572 are not subject to audit. The CSO representative also asked how these funds should be
573 treated—would it be public or private funds if not subject to audit.

574
575 The same CSO representative also commented on the concern raised on the coverage of the
576 report, which may include COVID-19 information from FY 2020. He said that the SDMP
577 realignment for COVID-19 response in communities has been an opportunity for corruption.
578 He cited the case in their community where rice given to community members are of lower
579 price and poor quality. The people do not know whom to hold accountable. The CSO
580 representative asked if there is a way to include such matters in the report to make it
581 comprehensive and relevant.

582
583 The Chair sought clarification if the said observations are items that the representative wishes
584 to be included in the contextual information chapter.

585
586 The representative confirmed that he wishes the said information to be included in the
587 contextual information to allow a levelling off of how such funds are being used.

588
589 The Chair asked the consultant to take note of the comments and to consider conducting more
590 discussions with COA. The Chair is also interested in knowing why some funds are not
591 audited.

592
593 The consultant relayed COA's explanation, saying funds not audited include funds established
594 by companies and deposited to a government bank, which makes these funds outside of their
595 radar. In the consultant's understanding, they can check whether the fund has been
596 established but not the funding mechanisms created.

597 An industry representative commented on the inclusion of COVID-19 in the contextual
598 information, saying that the discovery of the disease in 2019 may serve as indication of what
599 is to come in 2020.

600
601 The Chair acknowledged the comment and agreed that it is important to make a mention of
602 the COVID-19 pandemic in the report.

603
604 A government representative responded to a comment of one CSO representative, saying that
605 the MGB has addressed an Audit Observation Memo (AOM) from COA. He said that during
606 the Extractives Transparency Week, the administration of funds mentioned has been
607 discussed. He explained that the law does not require those outside mineral reservations to
608 pay such fees.

609
610 The Chair shared that one of the provisions in the mining fiscal regime proposed by the
611 government is to have all mining projects, whether in a mineral reservation area or not, pay
612 mining royalties.

613
614 A CSO representative asked to consider presenting comparative data on companies'
615 contributions to national development and environmental protection vis-à-vis actual
616 rehabilitation and conservation activities done, to inform needed policy reforms for further
617 environmental protection.

618

619 Another CSO representative weighed in on the coverage of the 7th Report, saying that she
620 takes the more liberal position of including some 2020 data and information to ensure that the
621 report remains timely and relevant, at least until PH-EITI is able to produce reports that are
622 more current.

623
624 The Chair announced a five-minute health break.

625
626 Coming from the break, the secretariat proposed an amendment to the agenda in the interest
627 of time. The secretariat requested the MSG to allow the two remaining presentations to finish
628 in compliance with the consultants' respective TORs. The rest of the items in the original
629 agenda will be communicated to the MSG via email.

630
631 The Chair accepted the proposal and proceeded with the next presenter.

632

633

634 iii. Industry Outlook

635

636 The consultant, Mr. Jerick Aguilar, presented the overview of the chapter on Industry Outlook.
637 He first presented the Terms of Reference for the project, including the effects of COVID-19
638 in mining operations and projections on revenues. He then presented the chapter outline. The
639 consultant included new sections not indicated in the TOR—reactions from the private sector
640 and civil society, as well as a section on transparency in reporting.

641

642 The content will be comprehensive under the assumption that there will be up-to-date figures
643 from reporting entities and that there will be openness and cooperation of key stakeholders.

644

645 He also presented preliminary data available. Lastly, the consultant presented a timeline for
646 the completion of the chapter, indicating that the rest of the current year will be used to follow
647 up on information requests and the analysis of data. A copy of the consultant's presentation
648 is annexed to this document.

649

650 The Chair requested that comments and inputs be given after all the remaining presentations
651 are finished. The last presenter was then recognized.

652 iv. Thematic Report on SDMP

653

654 The consultant, Prof. Sharon Macagba, presented the updates on the Thematic Report on
655 SDMP. She started with the rationale, objectives, and scope of the project. The methodology
656 was also presented and the primary data collection strategies were identified. The consultant
657 would highlight participatory mapping for the report on SDMP, but also acknowledged the
658 challenges on mobility because of the pandemic. The data will be analyzed by identifying the
659 participation of the actors, the intervention on development, implementation and monitoring of
660 SDMP. The chapter will also highlight developments and the assessment of impact of SDMP.

661

662 The consultant presented a proposed report outline. This include discussion on
663 implementation challenges, innovations, case studies, analysis, and recommendations. The
664 consultant presented preliminary data including sources of these data. She also identified the
665 topics to which these data will contribute. The consultant then presented some initial findings,
666 saying that companies align their SDMP activities with the United Nations Sustainable
667 Development Goals (SDGs). The consultant said that she is also developing some tools to aid
668 in the methods of data gathering to address the challenges in mobility.

669

670 More details can be found in the copy of the consultant's presentation that is annexed to this
671 document.

672
673 After the presentation, the chair asked the MSG for comments.

674
675 A CSO representative requested a clarification on the methodology of data gathering
676 particularly on SDMP impact assessment at the community level.

677
678 The consultant said that the preliminary data are primarily from secondary sources but that
679 the intention is to have consultations and participatory mapping following the development of
680 tools. The consultant then gave an assurance that the community will not be left out in the
681 assessment of impact.

682
683 The Chair asked for verification from the CSO representative if the concern has been
684 addressed. The CSO representative confirmed that it has been addressed. He stressed the
685 importance of finding out ways to improve the development of SDMPs. The CSO said he
686 wishes to see efficiency, effectiveness, impact and sustainability in SDMP development and
687 implementation.

688
689 With no other comments on the presentations, the Chair asked the secretariat for the next
690 item in the agenda.

691
692 The secretariat said that considering the 40-minute overtime, the proposed work plan will just
693 be circulated among the MSG members via email to be tackled in the next meeting.

694
695 The secretariat requested members who could stay for another eight minutes for the
696 presentation of a year-end video.

697
698 Having discussed the urgent items in the agenda, the meeting was adjourned at 12:50 pm.

- 699
700
701 Annex 1. Briefer for 7th Report Chapter 1 – Contextual Information
702 Annex 2. Briefer for 7th Report Chapter 2 – Reconciliation
703 Annex 3. Briefer for 7th Report Chapter 3 – Industry Outlook
704 Annex 4. Briefer for 7th Report Chapter 4 – Thematic Report on SDMP