

65TH MULTI-STAKEHOLDER GROUP MEETING
15 January 2021 | 9:00 AM – 12:00 PM | Google Meet

Minutes of the Meeting

Attendance

Government

9	Asec. Ma. Teresa S. Habitan	Department of Finance (DOF)
10	Ms. Febe J. Lim	DOF
11	Dir. Anna Liza Bonagua	Department of the Interior and Local Government (DILG)
13	Engr. Romualdo D. Aguilos	Mines and Geosciences Bureau (MGB)
14	Dir. Araceli S. Soluta	Department of Energy (DOE)
15	Ms. Maricor Ann D.G. Cauton	Union of Local Authorities of the Philippines (ULAP)

Industry

19	Atty. Ronald Rex S. Recidoro	Chamber of Mines of the Philippines
20	Atty. Joan D. Adaci-Cattiling	OceanaGold Philippines, Inc.
21	Atty. Maria Eleonor A. Santiago	Atlas Consolidated Mining & Development Corporation

Civil Society

25	Mr. Vincent T. Lazatin	Bantay Kita
26	Dr. Buenaventura M. Maata, Jr.	Philippine Grassroots Engagement in Rural Development Foundation, Inc.
28	Dr. Nelson C. Cuaresma Jr.	Concerned Advocates Saving Terrestrial and Marine Ecosystems, Inc.
30	Ms. Aniceta Baltar	Concerned Citizens of Abra for Good Governance
32	Mr. Chito Trillanes	Social Action Center - Ecology Desk, Diocese of Tandag, Surigao del Sur
34	Prof. Ladylyn L. Mangada	University of the Philippines Visayas - Tacloban
35	Ms. Angelica Dacanay	Bantay Kita

Guests

38	Mr. Earl Jan Nera	DOE
39	Mr. Shan Barros	DOE
40	Mr. William Claver	DOE

PH-EITI Secretariat

43	Ms. Mary Ann Dizon-Rodolfo	49	Ms. Roselyn Salagan
44	Ms. Mary Jane Baldago	50	Ms. Dennise Domingo
45	Mr. Eastword Manlises	51	Ms. Rhea Bagacay
46	Ms. Anna Leigh Anillo	52	Ms. Rhoda Aranco
47	Ms. Eah Antonio	53	Mr. Jaime Miguel
48	Ms. Zoe Jimenez	54	Mr. Ricardo Evora

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Agenda

1. Call to order
2. Approval of the agenda of the 65th meeting
3. Approval of the minutes of the 64th Meeting
4. Matters arising from previous meetings
5. Main Business
 - a. Work Plan for 2021
 - i. Thematic Priorities
 - ii. Revalidation
 - iii. Legislative Advocacy Plan
 - b. Contract Transparency
 - c. Frequency and schedule of MSG meetings
6. Other Matters
 - a. Financial Status and Budget for 2021

1. Call to order

DOF Assistant Secretary Ma. Teresa Habitan chaired the 65th meeting. There being a quorum, the meeting started at 9:05 AM.

2. Approval of the agenda of the 65th meeting

The Chair the members for any additional item for inclusion in the agenda. With no other additional items for discussion, an industry representative moved for the approval of the agenda. The motion was seconded and the agenda was approved.

3. Approval of the minutes of the 64th meeting

The Chair asked the secretariat when the minutes of the 64th meeting was sent. The secretariat said that the minutes was sent the day before the meeting. The Chair, then, asked the body to send comments on the minutes, if any, within seven days. If no comment is received, the minutes will be deemed approved.

4. Matters arising from previous meetings

The secretariat presented the matters arising from previous meetings. These include the following:

- *Pending actions steps for Validation.* The action steps were presented later in the meeting during the discussion of the 2021 work plan.
- *Validation self-assessment survey, as requested by the MSG.* The secretariat committed to send the self-assessment template within the month of January.

108 • *Publication of the 6th Report and comments by the MSG and International Secretariat*
109 *on the report.* The report was published on December 29, 2020. All comments on the
110 report have been addressed by the consultants.
111

112 • *Comments on the updates on and initial findings of the 7th Report.* One government
113 representative and one industry representative sent comments on 7th Report updates
114 and initial findings. The comments have since been relayed to the consultants. The
115 Chair asked if members may still send comments. The secretariat answered in the
116 affirmative. The Chair, then, gave the MSG another week, until January 22, to submit
117 comments on 7th Report updates and initial findings.
118
119

120 5. Main Business

121 a. Work Plan for 2021

122 The secretariat presented the draft work plan for 2021, which had been circulated among the
123 MSG members towards the end of December 2020. The proposed activities were based on
124 the thematic priorities that the MSG had approved in October 2020 and the strategic objectives
125 that the MSG had set in its yearend planning session in 2019. The secretariat explained that
126 it used the results-based management framework in developing the draft work plan. This
127 included the identification of desired outcomes and outputs and the corresponding activities
128 to achieve outcomes and impact. Indicators were also identified to monitor progress and
129 success in implementing the work plan.
130
131

132 Thematic Priorities

133 The following are the thematic priorities that have been considered in developing the work
134 plan:
135

- 136 • Systematic Disclosure
- 137 • Anti-corruption (BO and Contract Transparency)
- 138 • Impact Evaluation
- 139 • Expanded Coverage of Nonmetallic Mines (8th Report)
- 140 • IP Royalties
- 141 • Gender Inclusion
- 142 • EITI Mainstreaming in Small Scale Mining (8th Report)
- 143 • Environmental Reporting
- 144 • Engagement of BARMM

145 The secretariat noted that due to limited resources and capacities, there were no specific
146 activities identified to pursue impact evaluation, environmental reporting, and BARMM
147 engagement. Hence, these thematic areas were not included in the final draft of the work plan.
148

149 The secretariat, however, shared information on a memo from the Office of the Cabinet
150 Secretary formally relaying a directive from the Office of the President for the Finance
151 Secretary to address reported issues on environmental destruction in Tawi-Tawi due to
152 mining. Finance Secretary Carlos Dominguez is a concurrent co-chair of the
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157 Intergovernmental Relations Body (IGRB) of the national and Bangsamoro governments.
158 Tawi-Tawi is under the jurisdiction of BARMM.

159
160 The secretariat also relayed that, prior to the meeting, the Chair instructed the secretariat to
161 prepare in case the PH-EITI is directed to engage BARMM in light of the President's directives
162 to the Finance Secretary. DOF is also currently a co-chair of the Mining Industry Coordinating
163 Council, and the chair of the PH-EITI. The secretariat furthered that engaging BARMM in the
164 EITI process was one of the recommendations of the 2017 Validation.

165 The Chair, then, asked the body for comments and inputs on the thematic areas adopted as
166 priorities in the draft work plan for 2021.

167
168 A CSO representative pointed out that the nomenclature for "Anti-Corruption" as a thematic
169 priority may communicate a different impression to stakeholders. He suggested considering a
170 different term to convey information on specific work to be done particularly with regard to BO
171 and Contract Transparency. A suggestion was to call the initiative "BO and Contract
172 Transparency".

173
174 The Chair agreed with the comment and expressed intent to raise the matter to the EITI
175 International Board as it is the same term used by the Board to refer to initiatives to build EITI
176 as an anti-corruption platform. The Chair said that the MSG may decide to use a different term.

177
178 Another CSO representative acknowledged the sensitivity around the use of the term but
179 pointed out that merely specifying "BO and Contract Transparency" may be too narrow. He
180 said that "transparency and accountability" are terms that may be used to substitute for "anti-
181 corruption" but also acknowledged that it may also be too broad.

182
183 An industry representative related that emphasizing the anti-corruption aspect of BO reporting
184 may elicit reproachful sentiments from companies, who have been hesitant in BO reporting to
185 begin with as they see it as a crackdown on supposed corrupt activities in the sector. The
186 representative said that the concept should be neutralized as transparency, pointing out that
187 the PH-EITI is not out to paint anyone as corrupt. The representative also moved to adopt the
188 proposed terms, "transparency and accountability."

189
190 Another CSO representative agreed saying that it is limiting to just label "BO and contract
191 transparency" because the accountability aspect should also be considered.

192
193 A government representative suggested coming up with alternative and more positive terms
194 that would also better engage LGUs, who, she said, are also already sensitive to the term
195 "anti-corruption".

196
197 The Chair acknowledged the multi-stakeholder consensus on changing "anti-corruption" to
198 "transparency and accountability."

199
200 The secretariat then presented the following items that have been among the considerations
201 in identifying the activities for the 2021 work plan:

- 202
- 203 • The Validation, which is anticipated to commence in April 2021;
 - 204 • Flexible approach in producing the 8th Report;
 - 205 • Another round of BO reporting as part of the 8th Report; and
 - 206 • New requirements on Contract Transparency.
- 207

208 The secretariat presented the specific activities in the work plan. The secretariat noted that it
209 is developing activities intended to verify data disclosed through PH-EITI's online portals. The
210 secretariat also proposed activities focused on the analysis of data gathered by PH-EITI
211 through the years, including collected data on gender.

212
213 The Chair, then, asked for comments and inputs from the body.

214
215 A government representative asked if there are activities already included to engage BARMM.

216
217 The Chair said that there are no activities specified yet but the secretariat has been instructed
218 to do initial research.

219 A government representative pointed out that engaging BARMM requires dealing with another
220 government.

221
222 An industry representative asked if any of the activities in the workplan could change later in
223 the year should the COVID-19 situation becomes more manageable.

224
225 The secretariat responded saying that the assumption is that all activities will be done online
226 and pointed out that aside from the COVID-19 situation, there are no funds available for travels
227 and in-person events to engage stakeholders, except when the fund from the World Bank
228 grant finally arrives.

229
230 The Chair pointed out that the work plan must be enhanced to include the timeline for every
231 activity.

232
233 A CSO representative asked about the assessment of the 2020 work plan which should serve
234 as a take off point for the 2021 work plan.

235
236 An industry representative asked for a more detailed plan for systematic disclosure in 2021
237 for actual implementation in 2022. He said that the first step is to take an inventory of where
238 PH-EITI is now and how government agencies and companies are positioned in reporting their
239 data for everyone to report in a uniform fashion.

240
241 The same industry representative also pointed out the need to assess the efficacy of the last
242 BO reporting exercise, focusing on what PH-EITI was able to surface in the process and
243 whether the data gathered were relevant, and not simply a repetition of what companies
244 already disclose to the SEC.

245
246 A CSO representative noted that doing data analysis is intensive and will take a lot of time.
247 The representative proposed that the task be taken on by a technical working group. The CSO
248 representative observed that the current work plan is already heavy as it is and including
249 BARMM engagement among the priorities would entail dealing with another bureaucracy. She
250 said that engagement may first be focused on the introduction of the EITI to the Bangsamoro
251 government.

252
253 The secretariat responded to questions and comments from the MSG members. It said that
254 the ongoing mainstreaming feasibility study may address the concerns raised on systematic
255 disclosure. The secretariat acknowledged the delay in the publication of the study, citing
256 administrative delays and other constraints. The secretariat said, however, that the study is
257 hoped to be published in May 2021. In relation to this, the secretariat reminded the agencies
258 represented to accommodate requests for interviews for the feasibility study. The secretariat

259 also proposed having another discussion on systematic disclosure considering the guidance
260 and clarification from the International Secretariat on the concept of mainstreaming and
261 systematic disclosure.

262
263 In relation to the query on the assessment of the 2020 work plan, the Chair asked the
264 secretariat for a report on stakeholder feedback on the online engagements held in 2020. The
265 Chair also asked that the assessment of the 2020 work plan be sent to the MSG for it to be
266 considered in approving the 2021 work plan.

267
268 The secretariat said that it can report on the progress in implementing the 2020 work plan,
269 indicating which activities were completed and which activities were deferred. The secretariat,
270 then, proceeded to present the progress matrix, which was also sent to the MSG prior to the
271 64th meeting in December 2020.

272
273 The secretariat reported that all administrative activities in preparation for the seventh
274 reporting cycle have been accomplished. The preparation of taxpayers' data is still in
275 progress but company waivers have already been transmitted to the BIR. The writing and
276 finalization of the 7th Report is still in progress, awaiting the renewal of contracts of the
277 consultants. Some other related activities were deferred to 2021.

278
279 The data verification under the BO roadmap was not implemented due to budget constraints,
280 and may be discussed by the MSG in future meetings and consider the verification methods
281 that the SEC has in place. The MSG has also yet to discuss the publication of the BO
282 information in a public register, as previously planned.

283
284 The secretariat is yet to present written policy notes to the MSG.

285
286 Some activities in preparation for Validation are yet to be completed. Writing the progress
287 report for 2020 is still in ongoing, while several events lined up in 2020 did not push through
288 because of the pandemic.

289
290 The updated matrix showing the progress in implementing the 2020 work plan is **annexed** to
291 this document.

292
293 A CSO representative added that the PH-EITI should include assessing how far PH-EITI has
294 gone even without a national coordinator. The representative also asked how much budget
295 PH-EITI has.

296
297 Another CSO representative asked if there is an immediate assumption that BO transparency
298 is associated with "anti-corruption" as part of the work plan.

299
300 Another CSO representative responded that the term was discussed earlier and that the MSG
301 decided to replace the term with a more neutral one. The representative also suggested to
302 have the PH-EITI sub-nationalization proposal from Bantay Kita be reiterated and calendared
303 for a technical working group meeting.

304
305 At this point, the MSG took a five-minute health break.

306
307 After the break, the secretariat responded to the concern raised about the national coordinator
308 and said that due to budget limitations, the PH-EITI is only allowed to hire a National
309 Coordinator, who will agree to monthly compensation of no more than PhP 100,000.00. The

310 secretariat said that this makes the hiring of a national coordinator challenging, but committed
311 to hire a national coordinator within the allowed budget for 2021.

312
313 The secretariat, then, proceeded to present PH-EITI's financial status as of December 31,
314 2020. The status is summarized in the following table.

315

FINANCIAL STATUS UPDATE

As of 31 December 2020

Source of Fund	Allotment (In Php)	Obligations (In Php)	Balance (In Php)	Percentage of Utilization (obligation vs. allotment)
GAA 2020	10,256,287.00	10,079,440.24	176,846.76	98.28%
GAA 2019 continuing	21,347,428.65	2,895,821.91	18,451,606.74	13.57%
TOTAL	P31,603,715.65	P12,975,262.15	P18,628,453.50	

316 The secretariat explained that the low utilization rate for the continuing budget for 2019 was
317 due to the administrative delays in approving the amendments to PH-EITI's Project
318 Procurement Management Plan (PPMP) for 2019. The said PPMP was only approved in
319 December 2020, leaving the PH-EITI with no time anymore to pursue intended procurement
320 plans and projects.

321

322
323 The remaining funds from 2020, meanwhile, may still be used in 2021, following Congress's
324 approval of a measure seeking to extend the utilization of unspent 2020 funds to 2021.

325

326 For 2021, the PH-EITI was only given budget for professional services at PhP 9,339,000.00,
327 plus budget for consultancies at PhP 4,007,000.00, bringing the PH-EITI's total budget for
328 2021 to PhP 13,346,000.00.

329

2021 BUDGET

Object of Expenditure	Amount (In PHP)
Professional Services	
<i>Consultancy Services</i>	4,007,000.00
<i>Other Professional Services (Job Order Personnel)</i>	9,339,000.00
TOTAL	Php13,346,000.00

330

331

332 The Chair said that if there will be no changes until March, it is likely that the budget for 2022
333 will be the same as the budget for 2021, and noted that budget priorities of the government
334 are still focused on pandemic related efforts.

335

336

Legislative Advocacy Plan

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338
339 The secretariat shared updates on the Legislative Advocacy Plan. A core team was formed
340 composed of two CSO representatives and some members of the secretariat. Workshops to

341 write the position paper were conducted in 2020 and the draft position paper was submitted
342 to the MSG on the third week of November. The draft was revised based on the comments
343 received from the MSG. The secretariat will submit the revised paper in the week following
344 the 66th MSG meeting.

345

346 The team intends to consult the DBM on the budgeting process. Legislative collaterals will
347 also be created to be presented to legislators during the lobbying process. The team will also
348 list executive department heads, whom the PH-EITI could tap to endorse the position paper,
349 and legislators who could champion the bills in congress. February will be devoted to talking
350 to legislators about the bills while March will be for dialogues and engagements with
351 legislators ahead of the Validation. The secretariat also presented the indicative timeline for
352 PH-EITI's legislative advocacy plan.

353

354 A CSO representative noted that PH-EITI institutionalization entails more work.

355

356 Another CSO representative pointed out that there is no clear role for community stakeholders
357 and industries in lobbying the bills. He emphasized the importance of engaging communities.

358

359 Another CSO representative acknowledged the comment of the CSO representative to
360 consider greater engagement with CSOs.

361

362 The secretariat, then, summarized the comments on the 2021 work plan:

363

- 364 • The work plan should include a timeline for the identified activities.
- 365 • There should be an assessment of the 2020 work plan to inform activities for 2021.
- 366 • Anti-corruption as a thematic priority will be renamed to "Transparency and
367 Accountability".
- 368 • Work geared towards systematic disclosure must also be prioritized.
- 369 • There should be an assessment of the results of the BO reporting exercise done for
370 the 6th Report.
- 371 • BARMM engagement will not be a priority as of the moment but may be carried out
372 through initial orientations for the Bangsamoro government.

373

374 A CSO representative sought another clarification on the Tawi-Tawi mining site.

375

376 The Chair clarified that there is no direct instruction for the PH-EITI to be involved, only that
377 the secretariat was instructed by the Chair to take initiative in researching on the matter for in
378 case PH-EITI was called in to support the efforts of the government in addressing the concern
379 on the mining site in Tawi-Tawi.

380

381 The same CSO representative asked whether the MSG can initiate discussions on the
382 possible creation of a PH-EITI counterpart in BARMM.

383

384 A government representative said that environmental and mining concerns in BARMM are not
385 usually addressed by the DENR-MGB as it is not within their jurisdiction.

386

387 After the discussions, the secretariat sought for the approval of the 2021 work plan subject to
388 comments and inputs raised by the MSG.

389

390 A representative motioned to approve the work plan. The motion was seconded and the 2021
391 work plan was approved.

392

393

394 *b. Contract Transparency*

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396 The secretariat provided an overview of the EITI requirements with regard to contract
397 transparency. The secretariat recalled that the PH-EITI has been disclosing contracts since
398 2015 even when it was made mandatory only beginning January 1, 2021. To date, 150
399 contracts are currently available in the PH-EITI Contracts Portal, and around 30 other
400 contracts will be published soon. The secretariat thanked the MGB for the support in disclosing
401 mining contracts.

402

403 As for the oil and gas sector, a few petroleum service contracts of companies covered in PH-
404 EITI reports have yet to be disclosed. These are:

405

- 406 1. SC No. 14 – Nido Galoc Production
- 407 2. SC No. 14 – The Philodrill Corporation
- 408 3. SC No. 14C – Galoc Production SPC
- 409 4. SC No. 49 – China International Mining Petroleum Co. Ltd.

410

411 The secretariat also listed the items yet to be discussed by the MSG under Requirement 2.4:

412

- 413 1. Disclosure of any new or amended contracts;
- 414 2. Agreement on which documents are considered annexes;
- 415 3. Agreement on the materiality of exploration contracts;
- 416 4. Agreement on how to address legal barriers in disclosing contracts; and
- 417 5. Optimizing contract disclosures by performing contract analyses.

418

419 The secretariat also presented DOE's concerns on the implementation of contract
420 transparency. These include the following:

421

Particulars	Concerns
Contractors / Participating Interest in the Original Contract	May have changes on the following: <ul style="list-style-type: none"> • Operatorship • Farm-in / farm-out of consortium members • Participating interest
Minimum Work Commitment, Timeline, and Minimum Expected Exploration Expenditures in the Original Contract	<ul style="list-style-type: none"> • Only includes proposed minimum work program and its corresponding expenditure for the exploration phase • Sub-phases, upon request of the contractor, may be amended depending on the result of the activities in the current sub-phases • Changes to timeline
Service Contract Map / Technical Description in the Original Contract	<ul style="list-style-type: none"> • Contractors are required to relinquish 25% of the original contract area twice (50% in total) during the exploration phase, this again changes the Technical Description of the area

Existing issues on Security, Territorial Disputes	<ul style="list-style-type: none"> It will affect the ongoing negotiations between the Philippines and China, could ultimately impact the diplomatic relationship of both nations.
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Notwithstanding the technical concerns raised, the DOE has agreed on disclosing the contracts of SC 14 and SC 49.

The MSG has decided that there should be a more dedicated session on contract transparency.

A CSO representative noted that what could be the main concern is addressing legal barriers.

An industry representative said that a party to the agreement may have an amendment to express consent, considering the confidentiality clauses of contracts.

The CSO representative asked for concrete steps that could be done to address the legal barriers.

Another CSO representative suggested the suspension of the topic to be discussed further in a separate session so as to give industry representatives time to discuss the matter.

The secretariat said that the discussion may be postponed to another meeting. It also reiterated that the concern is more on the contracts of oil and gas companies and said that a possible way forward is to consider the removal of the confidentiality clauses in petroleum service contracts.

A CSO representative asked if there has been a communication with oil and gas companies and what the respond was.

The secretariat said that no request has been sent to the oil and gas companies but there is a communication with the DOE and that is why the DOE was able to flag concerns on contract transparency. The DOE, however, said that moving forward the PH-EITI can directly ask companies to consent to the publication of their petroleum service contracts.

A government representative reiterated that the DOE has agreed to disclose SC 14 and 49, yet there are still concerns as presented by the secretariat. The representative said that it is open to discuss the matter in a separate meeting. The DOE is also asking for other bases for contract disclosure aside from the 2019 EITI Standard.

The MSG agreed to discuss the concern in a separate meeting in the first quarter of 2021.

c. Frequency and schedule of MSG meetings

The secretariat presented the frequency of MSG meetings in previous years. From 2013 to 2018, the MSG was meeting every month. From 2019 to 2020, the MSG was meeting at least once per quarter. The secretariat also presented some observations from the quarterly meetings:

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469

- Agenda is usually full

470

- Meetings go overtime

471

- Not all agenda items get discussed

472

- Urgent matters are not discussed thoroughly and in a timely manner

473

474 In view of the foregoing observations, the secretariat proposed holding MSG meetings every
475 second Friday of each month for 2021.

476

477 The MSG agreed to hold monthly meetings every second Friday of each month.

478

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480 With all the agenda discussed, the 64th meeting was adjourned at 12:00 nn.

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482

483 **Annex 1 – Work Plan for 2021**

484 **Annex 2 – 2020 Work Plan Progress Matrix**

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486

487

END