

**Philippine Extractive Industries Transparency Initiative  
78TH MULTI-STAKEHOLDER GROUP MEETING**

22 April 2022, Friday | 9:00 AM - 11:30 AM | Hybrid Meeting

Roof Deck Multipurpose Function Hall, Department of Finance, Manila and Google Meet

**Minutes of Meeting****Attendees**

<b>Government</b>	
1. OIC - Usec. Valery Joy Brion	Department of Finance (DOF)
2. Ms. Febe Lim	DOF
3. Ms. Christine Masigan	DOF
4. Dir. Wilfredo Moncano	Department of Environment and Natural Resources - Mines and Geosciences Bureau (DENR-MGB)
5. Engr. Romualdo Aguilos	DENR-MGB
6. Ms. Angela Barrientos	Department of the Interior and Local Government (DILG)
7. Ms. Rhizzalyn Maglinte	DILG
8. Ms. Maricor Cauton	Union of Local Authorities of the Philippines

<b>Industry</b>	
1. Atty. Ronald Rex Recidoro	Chamber of Mines of the Philippines (COMP)
2. Atty. Odette Javier	Lepanto Consolidated Mining Company
3. Atty. Francis Joseph Ballesteros, Jr.	Philex Mining Corp.
4. Atty. Kiril A. Caral	Shell Philippines Exploration B.V.

<b>Civil Society</b>	
1. Mr. Vincent Lazatin	Bantay Kita - Publish What You Pay

	Philippines (BK)
2. Ms. Aniceta Baltar	Concerned Citizens of Abra for Good Governance
3. Prof. Ladylyn Mangada	University of the Philippines - Tacloban
4. Dr. Nelson Cuaresma	Concerned Advocates Saving Terrestrial and Marine Ecosystems (COASTLINE), Inc.

<b>PH-EITI Secretariat</b>
1. Mr. Eastword Manlises
2. Ms. Mary Ann Rodolfo
3. Ms. Mary Jane Baldago
4. Ms. Anna Leigh Anillo
5. Ms. Zoe Jimenez
6. Ms. Roselyn Salagan
7. Ms. Rhea Mae Bagacay
8. Mr. Albert San Diego
10. Ms. Rhoda Aranco
12. Ms. Andrea Denise Samson
13. Mr. Dennis Atienza
14. Mr. Jaime Miguel
15. Mr. Ricardo Evora

## Agenda

	<i>Page</i>
I. Call to order	<b>4</b>
II. Approval of the agenda of the 78th meeting	<b>4</b>
III. Approval of the minutes of the 77th meeting	<b>4</b>
IV. Matters arising from previous meetings	<b>4</b>
V. Main business	<b>7</b>
1. Validation corrective actions	<b>7</b>
a. Action plan	<b>7</b>
b. TWG on stakeholder engagement	<b>8</b>
2. Misrepresentation and underreporting of grades of mineral commodities	<b>8</b>
3. Terms of reference for the independent administrator for the FY2021 PH-EITI Report	<b>8</b>
VI. Other matters	<b>9</b>
1. Various documents for review	<b>9</b>
a. 2021 Annual Progress Report	<b>9</b>
b. Extractives integrity study inception report	<b>10</b>
c. 2022 National Conference concept note	<b>11</b>
d. HOR policy brief on institutionalizing PH-EITI	<b>11</b>
2. Other updates and announcements	<b>12</b>
VII. Setting of the next meeting	<b>13</b>
VIII. Adjournment	<b>13</b>
IX. Annexes	<b>14</b>
a. Provisional Program of the 2022 PH-EITI National Conference	<b>14</b>

## Proceedings

### I. Call to order

DOF OIC - Undersecretary Valery Joy Brion chaired the meeting. There being a quorum, the meeting was called to order at 9:05 AM.

### II. Approval of the agenda of the 78th meeting

The Chair sought the approval of the agenda.

A civil society representative motioned for the approval of the agenda. The motion was seconded and the agenda was approved.

### III. Approval of the minutes of the 77th meeting

The Chair gave the members more time to peruse the minutes of the 77th meeting and send comments or corrections, if any. If no comment is received, the minutes will be deemed approved.

### IV. Matters arising from previous meetings

NO.	ITEM	ACTION	IN CHARGE	STATUS	REMARKS
<b>From the 77th MSG Meeting - March 18, 2022</b>					
<b>77.1</b>	The Secretariat will include in the minutes of the meeting the rationale behind the 2% materiality threshold	Included information in the minutes of the 77th MSG meeting	Secretariat	<b>Completed</b>	
<b>77.2</b>	Deletion of the proposed action steps on corrective actions 1.3-4 (publication of BK member organizations) and 1.3-5 (IEC activities) from the action plan. The Secretariat	Identified proposed actions steps deleted.  Workshop with civil society representatives held on April 7, 2022.	Secretariat	<b>Completed</b>	

	will have a workshop with the civil society representatives before submitting the action steps to the MSG for approval.				
<b>77.3</b>	The MSG approved the TWG on BO transparency.	Initial meeting was held on April 6, 2022 with target members, including reps from the industry, civil society, DOF, SEC, and NPC.	MSG	<b>Completed</b>	
<b>77.4</b>	The MSG approved the draft EO amending EO 147, s.2013. The Secretariat will apply the comments of the MSG.	Draft EO has been submitted to the DOF Legal Affairs Office for review.	Secretariat	<b>Ongoing</b>	
<b>77.5</b>	The Secretariat will provide a proposal on other ad hoc and permanent working groups that should be created to assist the MSG in EITI implementation.	The Secretariat proposed the matter to be tabled in the 79th meeting.	Secretariat	<b>Ongoing</b>	
<b>77.6</b>	The Secretariat will circulate the draft TOR for the independent administrator of the FY 2021 PH-EITI Report.	The draft TOR was circulated to the MSG along with the official notice of the 78th meeting. The document is for discussion	Secretariat	<b>For discussion</b>	

		under Main Business.			
<b>77.7</b>	The Secretariat will add columns on desired outputs and outcomes in the draft action plan for addressing the 2021 Validation corrective actions.	Done	Secretariat		<b>Completed</b>
<b>77.8</b>	Issue on MMDC's alleged tree cutting activities	<p>MGB RO13 reported that most of the relevant documents were damaged during the typhoon that hit Caraga in December.</p> <p>Restructuring is underway.</p> <p>The matter will be discussed by MGB RO13 next week in a meeting of the Mine Rehabilitation Fund Committee.</p> <p>The results of the discussion will be reported to the Director of the Forest Management Bureau.</p>	Secretariat and MGB		<b>Ongoing</b>

**V. Main Business**

*1. Validation corrective actions*

a. Action plan

The Secretariat presented updates on the implementation of the proposed action plan to address the Validation corrective actions.

<b>Date</b>	<b>Activity</b>	<b>Results and agreements</b>
April 4	Meeting with DILG Usec. Marlo Iringan & Usec Bernard Florece	DILG can share mechanism of LGU engagement with CSO
March 14	Meeting with Bantay-Kita on Corrective Actions	BK will send the Secretariat the recommended actions for each point raised in the shadow report on March 28, 2022
April 7	CSO Workshop on Corrective Actions	CSO will convene on their comments on the work plan for the Corrective Actions
April 4	Meeting with DILG Usec. Marlo Iringan & Usec Bernard Florece	Agreed to lead the TWG on Permanent SE
April 19	Orientation with DOJ, CHR & AFP	Write the Head of Office on the role of the agency in the TWG on SE
April 20	Meeting of civil society representatives regarding the corrective action for Requirement 1.3	Civil society reps suggest convening a special MSG meeting to level off on issues on and the general situation of civic space in the extractives

A civil society representative suggested that a special meeting be facilitated within the MSG to have a leveling off regarding the corrective action on Requirement 1.3. He suggested that a third party should facilitate such a meeting that can come up with a structure that will allow the MSG to agree to a common understanding.

The Secretariat took note of the comments and will coordinate with the civil society representatives in formulating a concept note for the meeting.

b. TWG on stakeholder engagement

In view of the pending approval of the proposed action plan to address the Validation corrective actions, the presentation and approval of the proposed resolution creating a permanent working group on stakeholder engagement, which is one of the proposed action steps, was deferred.

2. *Misrepresentation and underreporting of grades of mineral commodities*

Last 7 April 2022, DENR Acting Secretary Jim Sampulna wrote a memo to the MGB Director regarding alleged misrepresentation and underreporting of grades of mineral commodities. To address this, the MGB Director was instructed to monitor the alleged activities. Officials found to be engaged in such activities shall be subject to summary suspension and immediate filing of case for economic sabotage and revenue loss. Mining contractors found guilty of participating in such activities shall be subject to suspension, cancellation of mining tenement, and the immediate filing of case for economic sabotage and revenue loss. Annexed to this minutes is a copy of the memo.

To demonstrate the impact of underreporting and misrepresentation of minerals on government revenues, the Secretariat presented a sample computation.

A government representative pointed out some inaccuracies in the sample computation, and said that the basis in the pricing is not correct. He said that the problem is the pricing that is being used for pure metal cannot be used for ores.

It was agreed that the government representative will share with the Secretariat information on proposed measures that can help address issues of underreporting. The Secretariat will collate questions of the MSG, should there be any, regarding misrepresentation and underreporting of grades of mineral commodities, and coordinate with the MGB.

3. *Terms of reference for the independent administrator for the FY2021 PH-EITI Report*

The Secretariat presented the Terms of Reference for the Independent Administrator for FY 2021 Report.



Objectives of the assignment	<ul style="list-style-type: none"> <li>● Contribute to EITI reporting by providing independent administrator services in data reconciliation in accordance with the EITI Standard and MSG direction, ultimately producing the reconciliation chapter of FY 2021 report;</li> <li>● Produce a comprehensive, consistent, coherent, and cohesive report by working in coordination with the Secretariat, specifically for the contextual information chapter.</li> </ul>
Scope of Services	<p><b>Stage 1:</b> Inception report and preliminary analysis</p> <p><b>Stage 2:</b> Data reconciliation, initial reconciliation, and investigation of discrepancies</p> <p><b>Stage 3:</b> Analysis and draft report</p> <p><b>Stage 4:</b> Final report</p>
Qualification Requirements	<ul style="list-style-type: none"> <li>● Certified public accountant in good standing for at least seven (7) years;</li> <li>● Substantial knowledge and experience in public accounting, auditing, and financial analysis;</li> <li>● Substantial knowledge of the extractive industries and the laws, rules and regulations applicable to them;</li> <li>● Familiarity with the Extractive Industries Transparency Initiative (EITI);</li> <li>● Experience in preparing EITI reports or similar reports on the extractives sector; and</li> <li>● Track record in providing similar services for projects comparable in nature and scale or magnitude.</li> </ul>
Budget	PHP542,584.80, inclusive of applicable government taxes.
Contract Period	Six (6) months

With no questions and objections, the TOR has been approved by the MSG.

## VI. Other matters

### 1. Various documents for review

#### a. 2021 Annual Progress Report

The Secretariat presented the proposed outline for the content of the 2021 PH-EITI Annual Progress Report.

Proposed Theme	<b>Resiliency in Transparency</b>
Content Outline	<p><b>I. PH-EITI Programs</b></p> <ul style="list-style-type: none"> <li>● Demonstrating progress (The 2021 EITI Validation of the Philippines)</li> <li>● Mainstreaming transparency (Systematic disclosure of PH-EITI data)</li> <li>● Pursuing gender inclusion</li> <li>● EITI reporting</li> <li>● Adapting engagement (Stakeholder engagement)</li> <li>● Institutionalizing the PH-EITI</li> <li>● Explaining the requirements (Communications)</li> <li>● Secretariat Management (admin and operations)</li> </ul> <p><b>II. Assessment of Progress against the 2019 EITI Standards</b></p> <p><b>Annexes</b></p> <ul style="list-style-type: none"> <li>● Participating entities for the FY 2019 Report</li> <li>● MSG Membership and Attendance in Meetings</li> <li>● Summary of Activities</li> </ul>

The Secretariat will circulate the final draft of the 2021 Annual Progress Report for review and recommendations of the MSG.

b. Extractives integrity study inception report

The Secretariat presented updates on the production of the extractives integrity study. The objectives of the study include:

- Using the NRCI tool for diagnosing corruption risks, assess the state of the extractives sector in the Philippines and identify areas of extractives decision chain stages (ie., decision to extract, licensing and contracting; operations; revenue collection; revenue management) and the supply chain which may be prone to corruption;
- Identify the forms of corruption that may most likely occur and negatively impact the extractive industries; and
- Build an action plan that will help reinforce the integrity of the sector and prevent, if not eliminate, risks of corruption in the extractives.

The selected consultant for the production of the study is Dr. Ramandeep Kaur Chhina. The Secretariat presented the proposed timeline for the production of the study.

Submission of Inception Report	May 2, 2022
A report summarizing the main findings of the meetings and consultations conducted under Steps 1, 2, 3 of the NREGI tool	June 15, 2022
Submission of the full draft report and presentation of the key findings	July 15, 2022
Submission of the final copy of the report with executive summary	July 22, 2022

The Secretariat reiterated that the purpose of the Integrity study is to find risks of corruption in the extractives sector and come up with recommendations to address the findings that might come up. The Secretariat also said that MSG members, particularly government representatives, will be involved in the consultations in relation to the study. With no other comments from the MSG, the Secretariat proceeded to the next item in the agenda.

c. 2022 National Conference concept note

The Secretariat presented the concept note for the 2022 National Conference. The theme is adopted from the FY 2020 PH-EITI Report, tentatively titled, **“Recovery through transparency: The FY 2020 PH-EITI Report”**. The program includes a presentation of the key findings of the FY 2020 PH-EITI Report, and the direction and desired long term outcomes of PH-EITI implementation as captured in a newly developed theory of change. The provisional program was presented to the MSG (Annex B).

The MSG discussed whether to conduct the National Conference before the end of the current administration, or during the new administration. The MSG agreed to hold the National Conference in July 2022. The Secretariat will circulate the documents regarding the National Conference.

d. HOR policy brief on institutionalizing PH-EITI

The Secretariat presented the House of Representatives (HOR) policy brief on institutionalizing PH-EITI. The policy brief was provided to the PH-EITI Secretariat on March 15, 2022 and was published on the Congressional Policy and Budget Research Department (CPBRD) website. It was circulated to all members of Congress in both the Senate and the House. The policy brief discusses the basis of and issues from the

existing PH-EITI implementation, in reference to the requirements of the EITI Standard. It also examines the different bills and presents the key provisions (including MSG recommendations) for the institutionalization and effective implementation of PH-EITI.

The policy brief includes sections on 1. History of implementation, 2. Summary of the EITI standard, 3. Key issues and challenges in implementation, 4. Legislative initiative, 5. MSG position - unofficial, 6. Proposed personnel requirements, and 7. Matrix of EITI countries with EITI laws.

*2. Other updates and announcements*

The Secretariat requested the MSG to participate in the following upcoming activities.

Roundtable Discussion on Energy Transition	May 4, 2022 02:30 - 05:00 PM (via Zoom)
Contract Transparency peer learning workshop on use of contracts with CSOs	May 11, 2022 07:00 - 09:00 PM (via Zoom)
79th PH-EITI Multi-stakeholder Group Meeting	May 20, 2022 09:00 - 11:30 AM
Special MSG Meeting on Validation Corrective Actions (1.3)	after Election day

**VII. Summary of agreements**

<b>Agreements</b>	<b>Responsibility center</b>
The Secretariat is directed to work with the civil society representatives for the concept note on the MSG special meeting for corrective actions on requirement 1.3	Secretariat
The MSG approved the action plan to address the Validation corrective actions, except for requirement 1.3.	MSG
The MGB will share to the PH-EITI the bills that can help address issues of underreporting. The Secretariat will collate questions of the MSG, should there be any, regarding misrepresentation and underreporting of grades of mineral commodities, and coordinate	MGB and Secretariat

with the MGB.	
The MSG approved the TOR for the independent administrator for the FY2021 PH-EITI Report	MSG
The Secretariat will circulate the draft of the 2021 Annual Progress Report.	Secretariat
The MSG agreed to hold the National Conference in July 2022. The Secretariat will circulate the documents regarding the National Conference.	Secretariat
The MSG members are given 1 week to give comments on the CPBRD Policy Brief and the National Conference documents.	MSG
The Secretariat to explore mechanisms (i.e. learning sessions, RTDs) to have better understanding on the issue of misrepresentation and underreporting.	MGB and Secretariat

### **VIII. Setting of the next meeting**

The Secretariat proposed that the 79th MSG meeting be held on May 20, 2022 (Friday). The MSG approved the proposed schedule.

### **IX. Adjournment**

With no other matters to be discussed, the meeting was adjourned at 11:30 am.

**Annex A**

*Memo from DENR to MGB on misrepresentation and underreporting of grades of mineral commodities*



Republic of the Philippines  
**Department of Environment and Natural Resources**  
Visayas Avenue, Diliman, Quezon City  
Tel Nos. (632) 929-66-26 to 29 • (632) 929-66-33 to 35  
929-7041 to 43; 929-6252; 929-1669  
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**MEMORANDUM FROM THE ACTING SECRETARY**

**TO :** THE DIRECTOR, MGB  
ALL REGIONAL DIRECTORS, MGB

**SUBJECT :** MISREPRESENTATION/ UNDERREPORTING OF GRADES OF  
THE MINERAL COMMODITIES

**DATE :** April 7, 2022

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We have received information that certain individuals/parties are misrepresenting/ underreporting the grades of nickel and other mineral commodities in certain areas.

In view hereof, you are hereby instructed to monitor the conduct of such activities. Any official/person found to be engaged in such nefarious activities shall be subject to summary suspension and immediate filing of case for economic sabotage and revenue loss. Any mining company/firm/party found guilty of participating in such illegal activities shall be subject to suspension and cancellation of their mining tenement and the immediate filing of case for economic sabotage and revenue loss.

For your guidance and strict compliance.

  
JIM G. AMPULNA, CESO I



MEMO NO. 2022-216

## Annex B

### *Provisional Program of the 2022 PH-EITI National Conference*

**2022 PH-EITI National Conference**  
*Recovery and Transition*  
28 July 2022 (Thursday) | 9:00 am to 11:30 am

#### **Provisional Program**

9:00 - 9:05	<i>Preliminaries</i>
9:05 - 9:10	<i>Opening remarks</i> <b>Incoming Secretary, Department of Finance</b>
9:10 - 9:20	<i>Keynote speech</i> <b>Incoming Chair, Senate or HOR Ways &amp; Means Committee</b>
9:20 - 9:35	<i>Key findings of the 2020 PH-EITI Report</i> <b>Valery Joy A. Brion</b> OIC - Undersecretary, Department of Finance Alternate Focal Person and Chair, PH-EITI
9:35 - 9:45	<i>PH-EITI accomplishments 2016-2022</i>
9:45 - 9:55	<i>The PH-ETI theory of change</i> <b>Annaliza F. Bonagua</b> Director, Bureau of Local Government Development Department of the Interior and Local Government
9:55 - 10:05	<i>The 2022 PH-EITI work plan</i> <b>Eastword D. Manlises</b> National Coordinator, PH-EITI
10:05 - 10:10	<i>Health break</i>
10:10 - 10:50	<i>Break-out session: Building on achievements and crafting recommendations for future implementation</i>
	<u>Group A - Mining sector</u> Rapporteurs: Atty. Joan Adaci Cattiling Mr. Francis Felizardo
	<u>Group B - Oil, gas, and coal sector</u> Rapporteurs: Atty. Jose Ma. Emmanuel “Kiril” Caral

Mr. Arnulfo Robles

Group C - Civil society

Rapporteurs:

Prof. Ladylyn Mangada

Dr. Glenn Pajares

Group D - Local government units

Rapporteurs:

Ms. Maricor Cauton

Assistant Director Alfonso Alfonso Maralli

*Plenary presentation of break-out session outputs*

*Voting for top actionable recommendations*

Moderator

**Mary Jane Baldago**

Managing Specialist for Stakeholder Engagement, PH-EITI

10:50 - 11:00

*Stakeholder re-commitment to EITI*

**Mary Ann D. Rodolfo**

Deputy Coordinator, PH-EITI

11:00 - 11:15

*Presentation of the top actionable recommendations*

**Vincent Lazatin**

National Coordinator, Bantay Kita

11:15 - 11:25

*Acceptance of the actionable recommendations and closing message*

**Incoming PH-EITI Focal Person and Chair**

11:25 - 11:30

*Evaluation*

*Group Photo*

*Announcements*

**Albert San Diego**

Master of Ceremonies