

**Philippine Extractive Industries Transparency Initiative
87TH MULTI-STAKEHOLDER GROUP MEETING**

28 November 2023, Tuesday, 8:00 AM - 4:00 PM | Hybrid Meeting
Seda Manila Bay Hotel, Parañaque City, and Google Meet

Attendees

Government	
1. Usec. Bayani Agabin	Department of Finance (DOF)
2. Dir. Ma. Pamela Quizon	Bureau of Local Government Finance (BLGF)
3. Mr. Andres Pangilinan	Department of Energy (DOE)
4. Engr. Romualdo Aguilos	Department of Environment and Natural Resources - Mines and Geosciences Bureau (DENR-MGB)
5. Ms. Maricor Anne Cauton	Union of Local Authorities of the Philippines (ULAP)

Industry	
1. Atty. Ronald Rex Recidoro	Chamber of Mines of the Philippines (COMP)
2. Atty. Jose Ma. Emmanuel A. Caral	Philippine Petroleum Association of the Upstream (Oil and Gas) Industry (PAP)
3. Atty. Francis Ballesteros Jr.	Philex Mining Corporation
4. Atty. Odette Javier	Lepanto Consolidated Mining Company

Civil Society	
1. Ms. Beverly Besmanos	Bantay Kita - Publish What You Pay Philippines (BK-PWYP)
2. Ms. Aniceta Baltar	Concerned Citizens of Abra for Good Governance
3. Mr. Chito Trillanes	Social Action Center - Ecology Desk, Diocese of Tandag, Surigao del Sur
4. Prof. Ladylyn Mangada	University of the Philippines - Tacloban
5. Ms. Jeanira Okubo	PILIPINA, Baguio-Benguet Chapter
6. Ms. Arlene Sevilla	Assembly of Masses and Basic Sectors for Unity and Harmony—Initiatives for Normalization and Advancement for Human Security (AMBUH-INAH)
7. Mr. Rodne Galicha	Living Laudato 'Si Philippines

EITI International Secretariat
1. Gay Ordenes
2. Brenda Jay Angeles-Mendoza

PH-EITI Secretariat
1. Ms. Mary Ann Rodolfo
2. Ms. Mary Nicole Hilario
3. Mr. Albert San Diego
4. Ms. Rhea Mae Bagacay
5. Mr. Job Besmonte
6. Ms. Rhoda Aranco

7. Ms. Andrea Denise Samson
8. Mr. Amiel De Guzman
9. Mr. Ricardo Evora
10. Mr. Mark Ernest Famatigan
11. Ms. Mikaela Olaguera
12. Mr. Chadwick Llanos

Independent Administrator
1. Ms. Vilma Aldea
2. Mr. Felbert Go
3. Ms. Rowena Batallac

Agenda

	<i>Page</i>
I. Call to order	5
II. Introduction of new Focal Person, Chair, and Alternate Focal Person	5
III. Agenda of the 87th meeting	
IV. Minutes of the 86th meeting	
V. Matters arising from previous meetings	
VI. Main business	
1. 9 th PH-EITI Report	
a. Contextual Information	
b. Civic Space Engagement	
c. Reconciliation Report	
2. EO 147 Amendments	
a. Beneficial Ownership	
b. International Secretariat comments	
3. CSO Selection Process	
5. Subnationalization (SET-UP-GO) - OGP Commitment	
6. Validation Progress	
7. PH-EITI Feedback Mechanism	
a. Updates on the Case Submission	
b. Resolution	
8. MSG Governance	
a. Regular MSG Meetings	
b. Permanent Committees	

VII.	Other Matters	
	1. Special MSG Meeting for the 9th PH-EITI Report	
	2. MSG Assessment and Planning	
VIII.	Summary of Agreements	
IX.	PH-EITI Upcoming Activities	
X.	Adjournment	

Proceedings

I. Call to order

Usec. Bayani H. Agabin of the Department of Finance (DOF) chaired the meeting. There being a quorum, the meeting was called to order at 8:25 AM.

II. Introduction of new Focal Person, Chair, and Alternate Focal Person

The Chair, seeking guidance, introduced himself to the MSG as the new Focal Person and Chair. The Chair also introduced the new Alternate Focal Person, Asec. Karlo Fermin S. Adriano.

III. Approval of the agenda of the 87th meeting

The Chair sought approval of the agenda. With no stakeholders raising questions or comments, a government representative moved to approve the agenda. The motion was seconded, and the agenda was approved.

IV. Approval of the minutes of the 86th meeting

The Secretariat sent the members a copy of the minutes of the 86th meeting for comments and suggestions, if any. The body indicated no objections. Hence, the minutes of the meeting were approved in principle.

V. Matters arising from previous meetings

The National Coordinator presented the action items and their corresponding status from the previous meeting, to wit:

From the 86th MSG Meeting – August 11, 2023			
ITEM	ACTION	IN-CHARGE	STATUS
Subnationalization	The Secretariat is instructed to include in the subnational program the discussions on conflict resolution between different LGU levels.	Secretariat	Not yet started
Subnationalization	The Secretariat is instructed to include in the subnational program the discussions on conflict resolution between different LGU levels.	Secretariat	Not yet started
Stakeholder Engagement	The Secretariat is instructed that a timeline be incorporated into the upcoming tasks for the 2023 roadshow.	Secretariat	Ongoing
Stakeholder Engagement	The Secretariat to consult the Chair and Vice Chair of the Stakeholder Engagement (SE) Committee about the plans for the 10th PH-EITI Anniversary.	Secretariat and SE Committee	Completed
Committee Membership	The Secretariat is instructed to circulate a new signup form for committee membership.	Secretariat	Completed

FY 2021 Report	In the reconciliation chapter of the FY2021 report, the Secretariat is instructed to include an explanation about the difference of data from PH-EITI and MGB/DOE.	Secretariat	Ongoing
FY 2021 Report	The Secretariat is instructed to submit the draft of the FY2021 country report by the second week of September 2023.	Secretariat	Ongoing

The complete record of MSG decisions and matters arising from meetings can be accessed at <https://pheiti.dof.gov.ph/msg-decisions-and-matters-arising/>.

The Chair shared that in other countries where extractive data is mainstreamed, there's no need for a country report to be submitted. It just has to show that the mainstream data is reliable. This is something that the Philippines needs to attempt.

The Secretariat informed the body that the chapter on Contextual Information of the Country Report is 80% completed. Meanwhile, the chapter for Data Reconciliation has been held up as the consultants are new.

The Chair asked if there was any discrepancy in the data.

The Secretariat replied that there are variances and there's no post-reconciliation data yet.

The Chair asked if there are more variances now than in the report from the previous year and whether the data is complete or still being collected.

The Secretariat answered that the data is already complete and just needs to undergo the reconciliation process. The status is best explained by the Independent Administrator, who will present at the latter part of the meeting.

The Chair expressed his wishes against any unwanted rush during the last week of December. Everyone should be given enough time to review the report.

A civil society representative observed that although the consultant being new is a big factor, the PH-EITI faces the same problem every year. She wondered whether the Secretariat could take on this responsibility instead.

The Secretariat stated that the responsibility of drafting the Contextual Information is already in its hands. Meanwhile, a third party must be consigned for the Reconciliation for objectivity purposes.

The Chair confirmed that the EITI Standard indeed requires a third-party service provider, but it does not specify prior experience as a requirement.

The Secretariat shared its difficulty in looking for consultants due to budget constraints.

The Chair added that the expertise on this matter outside is very limited.

A member of the civil society raised whether the PH-EITI is being too kind to consultants and whether they should be strictly monitored. Being new is not an excuse. If there's no competence or expertise, they shouldn't be hired.

The Chair asked whether hiring more people would help expedite the work.

The Secretariat replied that the Independent Administrator is already a team. Before, the PH-EITI paid Php 3.5 million for the former IA, but now it is only Php 500,000 for a team of three.

A representative from ULAP said that PH-EITI may be undergoing birthing pains yet again, associated with the withdrawal from EITI which affected the scheduling and momentum of the process, citing that data gathering had just started in July 2023. Instead of consultancy, she suggested that the reconciliation be done by an in-house

team, but there are matters to consider since the Secretariat is already fully loaded, especially with the Country Report.

An industry representative, on the other hand, indicated that the situation is in relatively good shape because the data has been gathered and it's just a matter of reconciliation. He would like to see milestones set by the IA every week from now until December. Moreover, the progress must be communicated to the MSG.

A civil society representative noted that the time is short and some reasons need to be known. Hence, the problems and challenges must be identified.

The Secretariat reminded the body that if the Country Report is not submitted by December 31 at 11:59 p.m., the PH-EITI will be automatically suspended.

A civil society representative recognized that budget is part of the challenges in the timely submission of the report. We have lots of experience, yet former IA teams were compliant for many years.

Knowing that the deadline is immovable, the Chair recommended that the PH-EITI closely work with the consultant.

VI. Main Business

1. 9th PH-EITI Report

The Secretariat proceeded to the main business and presented the highlights of the 9th PH-EITI Report:

a. Contextual Information

Legal and Institutional Framework

- o RBH No. 2: Attempt at “economic” cha-cha**
 - Sought to ease foreign ownership restrictions
- o CREATE: Fiscal reform to accelerate economic recovery**
 - CIT reduction

- Tax relief measures
- Rationalized fiscal incentive system
- o **EO 130, s. 2021 and DAO 2010-21: A shift in the Duterte administration's policies on mining**
 - Lifting of the moratorium on mineral agreements (April 2021)
 - Reversal of open-pit mining (December 2021)
- o **Civic space response to policy shift**

State of Extractive Industries

- o **High industry potential**
 - 30% of PH land area identified as having high mineral potential vs 2.54% of PH land area covered by mining tenements
 - 32% increase in mineral reserves
 - 68.4% increase in coal, oil and gas reserves
 - Increasing global demand for critical minerals; global investment in critical mineral development up by 20%
- o **Economic indicators are mostly optimistic**
 - Extractive contribution to GDP still at 0.8% but GVA up by 5.1%
 - Main drivers: mining of nickel ores (up 20.86%), other precious metals (up 17.66%), and coal (up 7.03%); stone quarrying and other mining and quarrying activities (up 12.28%)
 - Mineral product exports were unaffected by 2020 decline, up by 31.97% in 2021*
**export data for further verification due to discrepancies from different data sources (PSA and MGB)*
 - Petroleum product exports down down 96.94% in 2021, following a 14.63% decrease in 2020
 - Coal exports reached 9.333 MMT, 65% of total coal produced
 - Metallic mineral production value steadily increasing, reached Php 147.2 billion in 2021
 - Top contributors to production: Gold (49.05%) and nickel ores (38.21%)
 - Large non-metallic mines production up by 35.87%, valued at Php 5.551 billion in 2021
 - Coal production at 14.378 MMT in 2021 (up 8%)
 - Mostly from Semirara Mining and Power Corporation (99.4% of total production)

- o **Employment went down**
 - MAQ employed 202 thousand people in 2021 (down by 16.64%)
 - PH-EITI reporting companies employed at least 29 thousand people in 2021 (14% female)
- o **Decreasing Oil and Gas production and exports**
 - Decrease in demand (pandemic)
 - Depletion of Malampaya reserves (fully depleted by 2027)

Beneficial Ownership (as of November 2023)

- o **44 out of 70 companies in FY 2021 PH-EITI reporting disclosed BO information (partially or full)**
 - 45% of reporting companies fully participated
 - 19% of reporting companies partially participated (disclosed BO date but did not consent to publication or did not submit complete supporting documents)
 - *NOTE: The Secretariat still working on following up with companies that attested yes to the publication of their BO data through the ORE tool, but failed to attach their BO data form. Currently, these companies are counted as "not participating." The analysis will be included after finalizing BO reporting company submissions*

An industry representative pointed out that it is important to distinguish volume from value. To make the report livelier, he also proposed to include quotes from regulatory agencies such as the Mines and Geosciences Bureau (MGB), the Department of Environment and Natural Resources (DENR), and the Department of Energy (DOE), as well as CSOs and the industry. He also suggested that there should be an analysis comparing tax rate versus production.

The Chair agreed with the suggestion and instructed the Secretariat to comply.

A civil society representative suggested devoting at least one paragraph to describe the progress from the previous report. The report shall also include basic statistics or graphs.

The Secretariat clarified that this is already available on the website.

An industry representative recommended including context about the supply chain issues in 2021 at the height of the pandemic and how the industry survived. He mentioned that part of the narrative is how the industry survived despite the decline in output. He suggested that the report should have a bit of “drama”, and not just purely statistical.

A CSO representative noticed the increase in the data. She mentioned that the materials gathered from the extractives are being exported and are thus not processed domestically. She highlighted that EITI data can be used to support policy and formulate a plan for domestic processing which can trigger economic development.

Another CSO representative pointed out that there was a lack of analysis. She mentioned that the analysis does not need to be elaborate and that two to three sentences that are striking and well-written would suffice.

The Secretariat noted that the version is still for polishing.

The Chair asked whether the report can be ready by next week or the week following that for final comments and review of the MSG. He suggested that one week be allotted for revisions and another week for reviewing so that the MSG can approve the report by the second week of December.

The Secretariat responded that a Special MSG Meeting will be held for final approval of the report.

With respect to the civil society representative’s comment, the Chair mentioned that the government seeks to improve the mining value chain in the Philippines. Currently, the Department of Trade and Industry (DTI) is developing a roadmap for copper and nickel. He also mentioned that there are efforts by the government to put up more smelting and processing plants, however it is still being discussed by the Mining Industry Coordinating Council (MICC).

The Chair cited the Philippine Associated Smelting and Refining (PASAR) Corporation's copper smelting and processing plant in Isabel, Leyte, and mentioned that despite having such a facility, the Philippines exports copper. This is because the copper smelting and refining plants in the Philippines are customized for a certain copper feed and considers the level of impurity in the copper ore. The smelting and refining plant is not fitted for the copper extracted in Philippine mines due to high arsenic content. He mentioned that the roadmap is quite difficult to finalize, but he assured the civil society representative that the government is working on the roadmap to increase the value chain.

A CSO representative asked whether there is data available on the output of processed minerals, which falls under the downstream industry. The Chair responds that the data will be skewed if such data is included, because domestic processors do not get their concentrates locally.

Another CSO representative asked if the PH-EITI can highlight the relationship between domestic mineral processors and local production to advocate for more processing plants. She stressed the relevance of local agencies such as the Department of Science and Technology (DOST) who can provide knowledge on mineral processing to help drive economic development. She cited that smaller countries are more capable when it comes to this matter, and that it should be a challenge for the national government to improve its own industry.

Another CSO representative mentioned that there are currently talks of the Board of Investments (BOI) considering for PASAR to be included in the Leyte Ecological Industrial Zone (LEIZ).

An industry representative advocated that a thematic paper on downstream processing be written next year (2024). It can be a scoping study exploring the viability of adding more processing plants for nickel or copper. In the case of gold, it is processed before export. For nickel, there are two processing plants, but these plants are designed only for the nickel output of Rio Tuba Nickel Mining Corporation and Taganito Mining Corporation. He also mentioned that the construction of processing plants is capital-intensive, citing that the last processing plant built in the Philippines cost USD 3 billion.

He also mentioned that if the nickel feed is only of a small quantity, it does not make sense to build a processing plant, making it difficult to justify local mineral processing because many of the nickel mines in the country consist of only small operations. Many processing plants would only survive because of incentives, so if the Philippines plans to pursue developing local processing plants, its economics has to make sense.

The Chair noted that DTI has data in their roadmap, which he thinks is also subjected to public consultation, and that the PH-EITI should ensure that it will not duplicate the work.

A CSO representative proposed a deeper discussion in just energy transition. The Philippines is a large contributor of nickel, second to Indonesia. She shared that Bantay Kita was tapped by Oxfam, and said that it was important to include the impact of the community, and how the new fiscal regime in lowering the tax that is currently being deliberated in the Congress can help the communities. She also observed that even civil society is not unified in the definition of just in just transition. It is important to discuss whether the plans of the government are enough. The transition to a cleaner energy and mineral accountability shall be inserted into the EITI report for a thicker and more complex narrative.

A CSO representative recalled the case of CARAGA as a poor region. Claver, one of its provinces, is now among the top 10 wealthiest provinces, and urged the MSG to look into how it lifted the community from poverty. These realities were not captured in the narrative. On the other hand, Agusan is rich in timber but has a poor economy. They have no processing plants and the operations are draining the resources.

The Chair, considering that the deadline is non-negotiable, said that the PH-EITI needs to be realistic. If these suggestions will not be able to be included in the current report, he suggested that it be added to the next.

A civil society representative suggested that a committee be established if it is possible which will focus on the aforementioned topics such as the downstream

industry, impacts to communities, and the increasing demand on critical minerals. However, another civil society representative said that PH-EITI must focus on its current report, especially due to delays in its publishing. She asked to identify the shortcomings of PH-EITI, and expressed dismay over the presentation of the country report, which turns out to be merely preliminary and not yet final. The Chair agreed, for the process to be fair even for the consultants.

b. Civic Space Engagement

PH-EITI compliance with Req. 1.3

(recommendations from the CSO Engagement Specialist have been incorporated into this section)

1. The Stakeholder Engagement Committee was created to ensure civil society's participation in the EITI processes as provided for in action step provision no. 1.3-1. However, its mandate has not been fully demonstrated due to limited SE committee meetings caused by member unavailability.

- a. The PH-EITI MSG should revisit the committee's composition to ensure its proper operation.
- b. The CSO-MSG can also create its mechanism to ensure its primary constituency's concerns are taken into account, enhancing and informing the work of the SE committee.

2. The implementation of action step provision no. 1.3-2 has made significant progress, but there is still work to be done to strengthen multi-stakeholder participation along the extractive industries value chain.

- a. The mapping of mandated spaces, piloting of the PH-EITI feedback mechanism, and efforts to strengthen multi-stakeholder participation are steps in the right direction, but they are still in their early stages.
- b. Proper implementation and follow-through are crucial, and there needs to be agreement on the definition of terms (“EITI-related activities” and “obstacles to participation”) to ensure all stakeholders are on the same page.

3. The PH-EITI has achieved significant progress in implementing action step provision no. 1.3-3. Proposed amendments to EO 147, s. 2013 aims to broaden the membership of the MSG and redefine its role. This will enhance stakeholder engagement, creating a safe and constructive environment for all

stakeholders involved in or affected by extractive activities, ensuring their representation.

4. Action step provision 1.3-4 involves holding a recommitment ceremony with the PH-EITI MSG, which is a positive step forward. However, it would be more impactful if all groups participating in the EITI could express clear support for civic participation in all PH-EITI activities to demonstrate a stronger commitment to ensuring that civic engagement in the EITI is both inclusive and effective.

5. Following action step provision no. 1.3-5, PH-EITI has already drafted its support statement for the Anti-Red Tagging bills filed in the PH Congress. However, this is still subject to review and approval by the PH-EITI MSG.

- a. To further support public participation, the PH-EITI should initiate conversations with relevant agencies to address concerns about red-tagging and shrinking civic space, particularly for CSOs involved in the PH-EITI, to continue its efforts in creating a safe and supportive environment for public participation.

6. Action step provision no. 1.3-6 mandates the inclusion of a report on the state of PH civic engagement in the annual PH-EITI report. This ensures that the developments related to civil society's ability to engage in the EITI are regularly and accurately documented.

- a. Proper implementation in all future reports can increase awareness of civic concerns in the extractives sector.
- b. Additionally, PH-EITI can incorporate CSO initiatives on extractive activities in PH-EITI publications to legitimize civic action within the PH-EITI sphere.

Preliminary assessment of PH-EITI civic engagement
(subject to change pending review of the consultant)

1. PH-EITI is seen as an important platform for addressing community concerns and critical issues

2. CSO needs to be identified in KIIs

- Clearer leadership within the CSO community along with a comprehensive framework for engagement in both PH-EITI and subnational settings.
- Capacity development, strategic agenda building, and pursuing funding opportunities to allow CSOs within the MSG to effectively guide and represent their constituency.
- Robust platforms for discourse in critical areas.
- Improved collaboration among stakeholders and with the Secretariat to align strategies with PH-EITI objectives.

3. Conduct community-based situational analysis and capacity development to reinforce the quality of civic space.

- Bringing discussions closer to communities can provide more insight into the impacts of extractive activities on local communities.

4. Evidence of improved interactions within the civic space, but need to test limits and strengths of these improving spaces.

- Consultant to conduct regional key consultations and additional KIIs to gain further insight.

The PH-EITI consultant stated that key informant interviews in the regions will be conducted. These FGDs have limitations, such as resource mobilization.

The CSO representative sought assistance from the consultant when it came to presenting the findings of the civic space report in the National Conference.

The Secretariat noted that it needs further assessment needed to conduct KIIs.

A civil society representative stated that they are aiming to finish and submit to PH-EITI by November 30, so it can be included in the report.

The Chair asked whether the body is aware of Civicus, which the IS website frequently references, wherein they tagged Philippines as repressed.

A CSO representative shared that she was a respondent of the previous report of Civicus. In addition, there are workers in Mindanao that are not harassed but not heard. This is not included in the report. Hence, expanding the respondents and including the large-scale mining companies were recommended. The said alterations in the methodology was done in the current report.

Another CSO representative stated that the MSG should be given enough time.

A CSO representative explained that the context of the report was taken under the Duterte administration when nobody is talking. The tone has changed now. It's a different regime altogether.

Another CSO representative, working with regional IP communities, raised that some members of CSOs are not registering in the LGUs due to guidelines set by DILG and other required clearances. Some CSOs regard this as profiling and harassment on their part.

The Chair asked if Civicus reached out to anyone in the MSG.

An industry representative concluded that if the IS refers to Civicus, then PH-EITI really has to address them.

A CSO representative considered that many international reports get their respondents from both sides of the spectrum [of political orientation]. It is recognized that there is space due to long standing experience with the government. He recommends for BK to reach out to the other side of the spectrum.

Another civil society representative shared that some IP communities do not feel repressed because they can speak. She mentioned that they can apply but don't get the position—it's a different kind of repression altogether. There are many issues that remain unsolved in the IP communities. She described it as something along the lines of "low intensity conflict." She also mentioned that PH-EITI has become a measure to address concerns in the past wherein a community's resources are being extracted but people have no way of knowing whether they are benefiting from the extractive companies.

She also described engaging with IP communities as merely a palliative strategy of keeping IPs away from joining the armed struggle, and expressed concern over how some IP communities are willing to re-engage in it again. She also mentioned that some Indigenous Peoples' Mandatory Representations (IPMRs) are not actually bringing the issues to the bodies and councils that they are part of, but have become politicians themselves. She also said that the National Commission on Indigenous People (NCIP) is also having a difficult time bringing the issues of IPs to the table.

She concluded by saying that the discourse on self-determination watered down to merely determining traditional political structures and who gets to become regional governor, stressing the difference in context of the civic space discussion for IPs.

Going further on Civicus, a civil society representative mentioned that their website included other human rights issues, such as missing journalists and political activists – not just environmental activists that are concerned with the extractives.

Another civil society representative said that the Church is adopting this approach in dialogue, and mentioned that some peers in civil society are asking why they are engaging in platforms like the MSG. He said that they do not see the benefit of participating in PH-EITI. To counter this, he gave an example of how PH-EITI helped catch perpetrators who do not follow procedures in applying for mining operations. Said perpetrators are now being prosecuted.

c. Reconciliation Report

The Independent Administrator (IA) Team discussed the general updates of the Reconciliation Report. The specific details will be submitted to the Secretariat.

The Chair asked the IA how the MSG can help and when the report can be submitted. This is to give the body time to review.

The IA replied that it is done but has yet to be finalized since the Secretariat still has to validate. There are variances.

The Chair followed up whether these variances have been identified. The IA confirmed that the variance was currently at 27%. Majority of the 72 companies have variances. The IA mentioned that there are big variances due to mistakes made by the companies. Some of them doubled up the amount posted in the ORE. For Reconciliation, they suggested conducting a workshop for participating companies.

The Chair asked for the variance in the past year.

The Secretariat responded that the variance was at 17%. In addition, the

report cannot be published if it did not go through the post-reconciliation process. There is a need to call the companies.

The Chair asked for the range of acceptable variance.

An industry representative said that it depends on the nature of variance. More importantly, if the variance reflects any fraud.

The IA clarified that the variance came from the documents not uploaded on ORE.

An industry representative asked whether the missing documents have been identified.

The Chair proposed to request the companies to submit. The IA has to give the list of companies of concern.

The IA said that they forwarded the paper to the Secretariat.

The Chair delegated that the list of companies be sent to an industry representative, the list of LGUs to a representative of BLGF. And for BOC and BIR, the Secretariat shall send to the Chair.

The Chair asked whether it is possible to finish in one week upon sending the documents. The IA responded that once they get support for the variance in their database, it will automatically update the summary of the reconciliation report.

2. Amendments to EO 147

The National Coordinator presented the approved amendments to EO 147, including the comments from the IS which is available through this link:

<https://docs.google.com/document/d/1W7TudooA4um4TBhCWHkFWkutCVK2XIDh/edit>

Beneficial Ownership provision:

"The government, through the Securities and Exchange Commission (SEC), National Privacy Commission (NPC), PH-EITI, and other relevant offices, shall require the public disclosure of the legal and beneficial owners of all companies holding or applying for extractives licenses and contracts through the issuance of necessary administrative orders or circulars, containing appropriate sanctions or penalties for noncompliance.

In compliance with international commitments, the PH-EITI shall create a transparency page to publish BO disclosures. The SEC, NPC, and other relevant agencies shall be required to submit BO information to PH-EITI to accomplish this purpose: Provided, that the extent of disclosure of personal information of beneficial owners shall only include the name of beneficial owner, the nationality, country of residence, category and percentage of ownership, as well as identifying any politically exposed persons (PEP).

The SEC shall require publicly listed extractive companies including wholly owned subsidiaries of companies listed on stock exchanges outside of the Philippines, to disclose the name of the stock exchange filings where they are listed."

The IC further agreed on the following points regarding beneficial ownership:

1. A BO register is not required under the Req. 2.5, only encouraged. The Securities Exchange Commission (SEC) already has the data. The MSG should consider having an agreement with the SEC to get the reported BO data from SEC.
2. The PH-EITI should focus on analyzing the data instead of merely presenting data that are hard to comprehend.

A civil society representative was looking for alternatives. Considering the situation, there should be a mechanism to further utilize the value of BO. Start with simple steps such as identifying the red flags and then it will evolve.

The Chair stated that as much as the MSG wants, there are constraints in the disclosure. The aforementioned civil society representative said that PH-EITI can start by identifying red flag Beneficial Owners. The Chair agreed that it is a reasonable proposal. He then asked whether Body is in the position to decide now about the BO provision.

A CSO representative said the MSG needs more time since the suggestions are lengthy.

The Chair designated it to a sub-committee for further discussion.

An industry representative weighed the utility of the registry. For listed companies, the top 10 will come out as PCD. For smaller corporations, there are so many ways to hide the owners. They can report names today and change it tomorrow. What's the use? He supported the suggestion to identify the red flags. Then, focus the investigation on companies with red flags. Ensure that the data is useful instead of just generating tons of useless data every year. Look for red flag inspection triggers.

3. CSO Selection Process

A civil society representative tackled the draft provisions of the proposed process for selection of CSO representatives in the Multipartite Monitoring Team (MMT) and the Mine Rehabilitation Fund Committee (MRFC), with the highlights included below.

Selection Process of CSOs in the MMT:

- Nomination for CSO Representatives in the MMT shall be at least fifteen (15) days before the provincial general assembly. The TWG shall issue the call for the nomination and shall make the nomination form available online.
- Only CSOs that operate within the province may submit nominations.
- Only individuals may be nominated as a CSO representative. He or she may not be replaced, except on meritorious grounds, until the end of his/her term.
- There shall be two representatives per mining oversight committee: one regular and one alternate representative. The alternate representative shall attend and participate on behalf of the regular representative should he or she be unable to attend.
- The representatives to the MMT shall be chosen through an election process to be held during the general assembly. An organization is entitled to only one (1) vote.
- The nominee with the greatest number of votes shall be proclaimed as the provisional regular representative prior to his or her appointment. The nominee with the second highest number of votes will be his or her alternate.
- The representatives shall serve for a term of three (3) years subject to the assessment of the provincial general assembly.

Selection Process of CSOs in the MRFC:

- An MRFC shall be created in each region where mining operations exist. In this regard, the CSO representative in the MRFC should represent the whole region.
- The CSO representatives selected in the provincial general assembly for MMT shall meet and select among themselves the representatives in the MRFC. The accountability mechanisms for the representatives shall likewise be set up.
- There shall be a regular and alternate representative to the MRFC. The alternate representative shall attend and participate on behalf of the regular representative should he or she be unable to attend.

- The regular and alternate representative to the MRFC should not come from the same province.
- The alternate representative for MMT shall assume the regular position if the regular representative has been selected to represent the CSOs in the MRFC.
- The representatives to MRFC shall be chosen through an election to be held during the regional caucus.
- The nominee with the greatest number of votes shall be proclaimed as the provisional regular representative prior to his or her appointment. The nominee with the second highest number of votes will be his or her alternate.
- The representatives shall serve for a term of three (3) years subject to the assessment of the regional caucus.

Qualifications of Nominees

- a. The nominee must not have any conflict of interest;
- b. In the event that a person who was nominated has had a previous conflict of interest, he/she shall defend and justify the said concern;
- c. He or she must possess integrity;
- d. He or she should have interest and/or experience in environmental protection;
- e. He or she should be a member of organization(s) with legal personality
or be affiliated to/with credible alliances and organizations;
- f. He or she should reside in the province he/she is representing; and
- g. Other qualifications the general assembly may impose.

Requirements for Candidacy

Once an individual has accepted his or her nomination, he or she must submit the following to the TWG:

- a. Acceptance letter expressing commitment to devote time in fulfilling the

- role of CSO representatives in either the MMT or MRFC, explaining the nominee's expertise and disclosure of all forms of association, past and present, with the extractive industry concerned;
- b. Two (2) recommendation letters from communities or organizations;
 - c. A sworn statement indicating items "a" identified under "Qualification of Nominees"; and
 - d. Curriculum Vitae.

A civil society representative raised that there is only one civil society representative for CARAGA—an underrepresentation. There is a need for accountability in MRFC meetings. He also recognized the role of civil society in improving the performance of mining companies. In terms of policies and regulations, they have mandated social and environmental programs.

Another civil society representative pointed out that the biggest challenge is the assembly. The People's Council, a new entity being promoted, is bound to be an ordinance. Unlike the municipal PDC MDC which requires accreditation, the People's Council includes those listed, accredited, or not. With the help of DILG, the full potential of this platform can be maximized. Moreover, the DILG has funds to convene. At the regional level, NEDA also has resources to convene. We can create a mechanism to bring in.

A civil society representative wanted to clarify the term "operate" as it seemed vague.

A civil society representative responded that it refers to conducting regular meetings as mandated and required by the DILG.

Another civil society representative pointed out the beauty in provincial and regional caucuses since they can add a clause like a CSO shall be active

for a specific duration. It is better to utilize what is already existing instead of creating a new one where the same people occupy the seats.

An industry representative queried whether the “by invitation only” is a conscious choice or is it open to CSOs that are willing to participate. In most cases, the local chief executive puts the CSO there.

A government representative shared that the requirements include financial statements. There is a 30-page guideline issued by the DILG for CSO accreditation. She further cited the legal basis and enumerated the eight qualifications which includes nothing about certification.

The Chair mentioned the favorite invocation of LGUs is the local autonomy.

A civil society representative advocated for inclusivity—to ensure that the grassroots be not marginalized. CSOs respect the autonomy of the LGUs as they move around, express, and secure funding. She also recognized that there are politically created CSOs. It’s colorful. Ms. Baltar rhetorically asked for mechanisms that can safeguard the CSOs.

The Chair asked the intention of this presentation.

A civil society representative presented to PH-EITI for comments and endorsement to other agencies.

The Chair commented that valuable insights were gained from the Body. He asked whether BK is open for amendments and presentation of the revised version.

The aforementioned CSO representative affirmed.

Another civil society representative shared his conversations with DENR Usec. Carlos P. David. This proposal is best addressed by the DENR. CSOs see it as a space. Meanwhile, the figures on SDMP do not match the

quality of life in the communities. However, the presence of systematically selected CSOs can help in improving the state of the communities.

The Chair added that it should be rationalized.

A representative from ULAP suggested to check the DSWD framework.

A civil society representative raised that given the commitment from Usec. David, it is high time to pursue this matter. He hoped that the PH-EITI could endorse this to the DENR.

The Chair seconded.

The Chair, having another important commitment, passed the meeting chairmanship to another government representative.

4. Subnationalization (SET-UP-GO) - OGP Commitment

The Secretariat provided the following updates on the subnationalization:

- Draft process for selection of CSO organization representatives in the MMT and MRFC.
- The PH-EITI submitted the Subnationalizing Extractives Transparency - Ushering Participatory Governance (SET-UP-GO) as a commitment to the PH-OGP 6th National Action Plan (NAP). The commitment was last refined on November 13 and 15 in the workshop organized by the Philippine Open Government Partnership (PH-OGP).

A representative from the PH-EITI Secretariat presented the commitments made to the Open Government Partnership (OGP), with the following highlights included below.

The subnationalization initiative of PH-EITI involves extending the transparency and accountability measures to the local level, ensuring that

information about extractive industry activities and revenues is disclosed not only at the national level but also at the subnational or local level. It can help local governments to better understand the impact of extractive industries on their communities and to make more informed decisions about how to manage these resources.

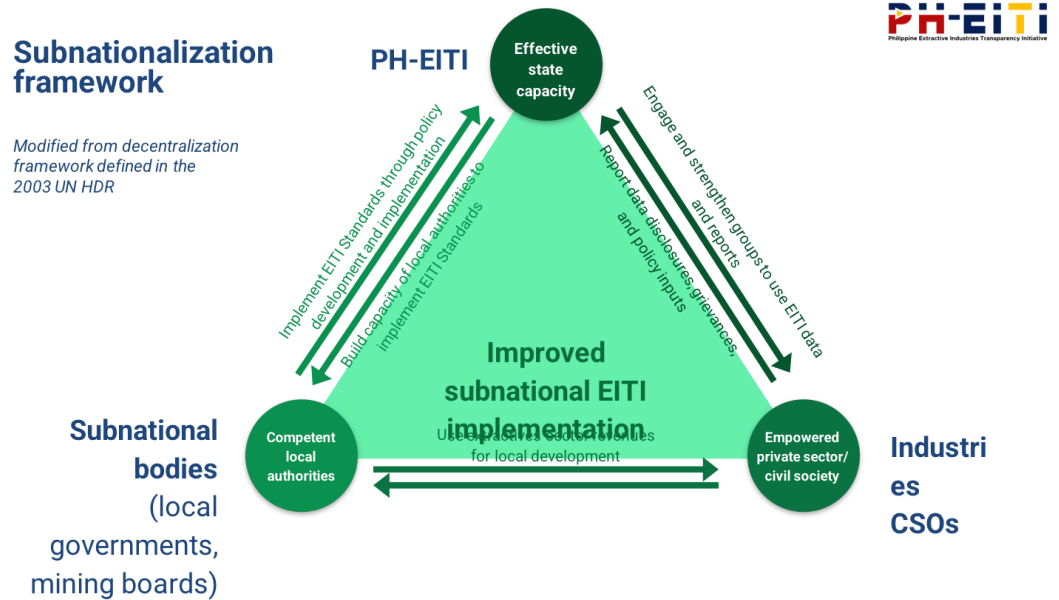


Figure 1. Subnationalization Framework

The planned actions for 2024 are as follows:

	Improve capacity for reporting extractives data	Strengthen stakeholder support for EITI processes	Reinforce impact of EITI on extractives governance
Effective state capacity	Develop Central Mainstreaming Platform	Develop JMC across NGAs to harmonize reporting guidelines	Develop policy recommendations using EITI insights
Competent local authorities	Orient and capacitate subnational	Train local authorities on participatory budgeting and	Feature success cases of subnational PH-EITI actions

	bodies on EITI processes	policymaking using EITI data	in the Annual Report
Empowered private sector/ civil society	Train industry and CSO stakeholders in navigating the Central Mainstreaming Platform	Establish feedbacking and grievance mechanisms	Involve and capacitate local companies/CSOs to participate in governance processes

The Chair raised that they need time to review. She commended its alignment between the PDP and the cause of EITI.

A civil society representative was looking for the action plan, immediate outcomes, and end product—on how it will empower especially the communities with extractive operations.

Another civil society representative thanked the PH-EITI that the subnationalization is now being included. For context-specific matters, Bantay Kita has seen lots of lessons. She invited the PH-EITI to visit the communities and conduct a pilot implementation: to see what will and will not work. This is to ensure that there's real impact in the communities. She further suggested CARAGA, particularly Dinagat Islands.

Another civil society representative concurred with the former. There are existing mechanisms, such as the MIMAROPA Development Council. If PH-EITI is prepared to present to the RDC, there could be an EITI Committee established in the RDC.

A PH-EITI Secretariat representative shared that per recommendation by STANCE and upon consultation by CSOs, communities to prioritize shall be identified. Furthermore, it is better to focus first on surrounding communities of LGUs that are deemed elusive to EITI.

The Chair considered the proposal as a living document, with framework yet to be approved. By improving the documentation, best practices shall be presented in the next conference. They also surveyed for the commitment to CARAGA and MIMAROPA. Two CSO representatives agreed.

6. PH-EITI Feedback Mechanism

Another PH-EITI Secretariat representative discussed the cases received through the grievance mechanism. He tackled the delayed release of royalty shares from SR Metals Inc., to wit:

Background

On September 12, 2023, Bantay Kita submitted a complaint to PH-EITI Secretariat on behalf of the host communities of San Roque Metals Inc. (SRMI) in Agusan del Norte. The IP leaders already passed a resolution condemning the repeated unfulfillment of SRMI in releasing royalty shares dating back from December 2020 until July 2023. The NCIP Central Office already released Memorandum Order No. 431 last April 2023 that ordered SRMI to release the royalty shares but the company has continuously refused to comply. The dragging issue has already resulted in unnecessary costs for the IP community leaders of the CADTs involved due to several face-to-face dialogues happening at the regional and national offices. The company has already promised the release of the royalty shares during the dialogues but the community still has not received anything from the company.

Issues raised by the complainant

The continued refusal of SRMI to comply with the release of royalty shares of more than two years for their host communities.

Action/s requested by the complainant

The quick release of the community's royalty shares for the CADTs of the host communities that were mentioned in the complaint.

Action/s already taken by PH-EITI

The PH-EITI Secretariat has reviewed the records of SRMI's IP royalty payments in the ORE tool. The 2021 data reveals that SRMI has made the required IP royalty payments. Moreover, several of the Datus listed to receive the 2021 royalty payments are named in the resolution signed by IP leaders from SRMI's host communities.

The PH-EITI Secretariat is currently in communication with Bantay Kita to clarify the total amount outstanding from SRMI. Further details are also being sought regarding the specific payment arrangement agreed upon between SRMI and the IP communities for these royalty payments. Once these clarifications are obtained, the PH-EITI Secretariat will engage with other relevant agencies to properly address this issue.

A government representative proposed that there should be a mechanism to inform the IP communities that PH-EITI is an entity that monitors.

A civil society representative shared that the IPs are aware of the process. In addition, the tribal leaders will attend the NatCon. She will introduce them to the Secretariat.

A representative from the PH-EITI Secretariat presented the case brief on the devastation of mangrove areas and farmlands in Loreto, Dinagat Islands, to wit:

Background

On November 7, 2023, Bantay Kita submitted to the PH-EITI Secretariat a complaint on behalf of the people's organizations situated in the municipality of Loreto, Dinagat Islands. Farms under these two people's organizations in the municipality of Loreto have been affected by heavy siltation for at least two years now. The farmlands have been unproductive ever since the siltation started and the livelihood of the residents has been severely affected. The siltation has also damaged mangrove areas in the municipality resulting in the lower income of fisherfolks in the barangays of Esperanza and Panamaon.

Issues raised by the complainant

The adverse impacts of mining operations on farmlands in the barangays of Esperanza and Panamaon in the Municipality of Loreto, Dinagat Islands have severely affected livelihood and local income of farmers and fisherfolk alike. The issues have been left unaddressed for years now leaving unproductive farmlands and contaminated mangrove areas. This situation has also been reported to the PENRO to no avail.

Action/s requested by the complainant

Fair compensation to farmers whose farms were rendered unproductive due to massive siltation and the total rehabilitation of their affected farmlands.

Identify which specific mining companies must be held accountable for the devastation in Loreto.

Action/s already taken by PH-EITI

Per checking in MGB CARAGA's directory, companies with nickel mining operations in Loreto, Dinagat Islands include the following (all of which are reporting to PH-EITI):

1. Sinosteel Philippines H. Y. Mining Corporation
2. Century Peak Corporation
3. SR Metals, Inc. (Operator) | Vista Buena Mining Corporation (Contractor)
4. AAM-PHIL Natural Resources Exploration and Development Corporation

A civil society representative added that the community wasn't able to harvest due to heavy siltation.

The Chair asked whether the complaint was lodged to the appropriate government agency.

The aforementioned civil society representative confirmed that they filed the complaint to the MGB and NCIP. Moreover, they created a group chat to expedite the reporting of concerns.

The Chair added that PH-EITI may bridge the gap.

Another civil society representative raised the need to have a scientific basis for claims: a multi-disciplinary approach in assessing lapses in terms of mitigation that are in place for operations. Find out which mining companies are not implementing proper methods, resulting in suspension. Since heavy metals are found in the streams and fields, attribution is specific to mining operations. As research is lacking, PH-EITI can push an investigation on this.

A civil society representative pointed out that at times, there are many mining companies operating in one area, making it difficult to have attribution. She said that the concerns had to be lodged to the proper authorities to investigate the matter.

A government representative noted the complaints and comments, requesting for a letter.

A civil society representative wanted to know the status of a certain complaint against Ipilan Nickel Corporation.

A representative from the Secretariat answered that it's currently in the Supreme Court. By now, while the PH-EITI can't act on it, the Governance and Oversight Committee can move forward for the MSG's recommendations.

The aforementioned civil society representative mentioned the Writ of Kalikasan. She questioned how there's already a decision but the mining operations are still ongoing.

An industry representative responded that it depends if they're currently on appeal, then it's not yet final.

The Secretariat stated that those were the only two cases but a video will be played on the grievance of the complaint from Loreto town.

A video is shown. A farmer complains about how they were not able to plant in the area since 2007, due to the presence of gravel, sand, and siltation surrounding the area. The water level in the river is already on the same level as their farm. They are asking for help for the area to be desilted and protected. In addition, one of the two dams is not operational due to siltation. The other dam is small. They fear they will never be able to plant again.

The Chair hoped that this will be resolved the soonest.

A civil service representative observed that it's great to have a platform like the MSG. Before PH-EITI, they had to padlock the MGB regional office because it was difficult to engage with them. It led to civil society and the government to hurt each other first to convince them that there was a need for assessment, only to find out that the mining company was using unsystematic mining methods.

The Secretariat was tasked to write to DENR regarding the grievance.

7. MSG Governance

To promptly address and resolve issues raised and to encourage active participation from MSG members, the Body agreed to conduct regular MSG meetings every second Friday of the month online. On the other hand, the quarterly meeting will be held face to face.

The Secretariat further recommends:

1. Holding committee meetings as the needs arise; schedule to be decided by each committee
2. Committee members vote for their committee representative to the MSG for every committee meeting. This committee representative will report all matters discussed and agreed upon by the committee at the next MSG meeting. A rotation agreement among the committee members is suggested. The Secretariat will assist all committee representatives in their respective reports.
3. The reassignment of the DILG from chair to co-chair of the Stakeholder Engagement (SE) Committee.

The Chair requested the Secretariat not just to help in the preparation but also be present during the MSG meetings.

An industry representative suggested meeting as often as possible until deliverables are accomplished. More than the regular meeting, what's needed is a tracker of projects.

A civil society representative raised problems in dividing the MSG into different committees. He is concerned that some committees might have only a few people when MSG members are tasked to choose which one they will be a part of.

A representative from ULAP recalled that the last committee meeting she attended still proceeded without quorum. Matters cannot be decided without quorum. Hence, there is a need to revisit the membership of each committee. Most especially, there are only a few representatives from the government in the Governance Oversight Committee.

A civil society representative weighed that there are still matters that need to be decided even without a quorum. It can be documented through a referendum with a certain period given for members to review. If no objection is received, the motion is considered carried.

Another civil society representative brought up that the complaints are piling up. PH-EITI shall provide an answer to the communities who filed the complaints.

Another civil society representative suggested determining a certain number of days to address the complaint upon its lodging.

VII. Other Matters

- | | |
|-------------------------------------------|----------------------|
| 1. Special MSG Meeting for the 9th Report | December 15, 2023 |
| 2. MSG Assessment and Planning | February 14-16, 2024 |

VIII. Summary of Agreements

Agreements	In-Charge	Timeline
The MSG agreed to approve the minutes of the 86th MSG meeting in principle, provided that the Secretariat submit a copy of the minutes within a week.	Secretariat, MSG	November 29-December 5, 2023
The Secretariat to set weekly milestones for the Independent Administrator to ensure progress in data reconciliation	Secretariat	December 2023

Week 1 - Revisions, Week 2 - Review, Week 3 - Approval		
The Secretariat to differentiate volume from value of extractive commodities in data presentations throughout the report.	Secretariat	
The Secretariat to include quotes to humanize the report. It should not be pure statistical reporting.	Secretariat	
The Secretariat has been instructed to include an analysis to compare the effective tax rate of a year.	Secretariat	
The Secretariat to look into downstream processing and the viability of adding mineral processing plants through a scoping study or a thematic paper.	Secretariat	
The Secretariat shall include discussions on a just energy transition in the next country reports.	Secretariat, Independent Administrator (IA)	
The MSG agreed to commit to helping the IA in gathering supporting documents which will improve the substantiveness of the data reconciliation process.	MSG, IA	December 2023
The MSG agreed to refer the discussion to the BO subcommittee for further privacy concerns and appropriate mechanisms. MSG can look into red flags/trigger indicators as a start.	MSG	
BK agreed to further discuss the “by invitation” involvement of CSOs in the selection of representatives in MMT and MRFC.	MSG	
BK agreed to include a clause in the proposed selection process that specifies that CSOs shall be active for a specific duration.	BK	
BK commits to providing assistance to CSOs who intend to be recognized by the	BK	

government in terms of capacity-building and documentary requirements.		
The MSG approved the framework of the subnationalization program and recognized SET-UP-GO as a living document.	MSG	
The MSG agreed that the subnationalization program shall have a pilot program, recommending Dinagat Island and Palawan. The Secretariat shall consider forwarding it to these areas' respective Economic/Regional Development Council. The EITI committee can be under the RDC.	Secretariat	
PH-EITI can conduct a research and science-based investigation on the complaint from the Municipality of Loreto.	Secretariat	
The MSG to review and revise the resolution by the GOC regarding the pilot program on feedback mechanism.	MSG, Secretariat	
The MSG to revert back to holding meetings every 2nd Friday of each month. Meanwhile, the face-to-face MSG meetings will be held every quarter.	MSG, Secretariat	
The Secretariat to distribute minutes and highlights to MSG members, especially those who were absent.	Secretariat	
The Secretariat to ensure that the letters distributed will contain the correct dates.	Secretariat	
The Secretariat will assist all committee representatives in their respective reports.	Secretariat	
The Secretariat to prepare a dashboard/progress tracker for each committee that lists out objectives for the quarter, preferably available on Viber.	Secretariat	

The MSG agreed that referendums can be done in cases without quorum.	MSG	
The MSG to review the membership of each committee, especially the GOC, to ensure that a quorum is reached during meetings. The GOC is supposed to address the concerns, decisions, and complaints of other committees.	MSG	
The Secretariat will coordinate with BK in submitting letters to MGB in relation to feedback received.	Secretariat, BK	
The GOC to reconsider the number of days for processing received feedback.	GOC	

IX. Adjournment

With no other matters to be discussed, the meeting was adjourned at 4:00 pm.