



# IP WEALTH FRAMEWORK

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REGION CAR



# CONCEPTS

## Reference: Recognition of Rights of ICCs/IPs

1. 1987 Philippine Constitution (pertinent provisions);
2. RA 8371/ NCIP Administrative Order No. 1, Series of 1999 (re: IRR);
3. NCIP Administrative Order No. 2, Series of 2018 re: Revised ADSDPP Formulation Guidelines;
4. NCIP Administrative Order No. 3, Series of 2012 re: Revised FPIC Process Guidelines
5. Related NGAs Laws/issuances re: requirement of NCIP CP/CNO (FPIC) as supporting documents to Applications.



# CONCEPTS

## Reference: re Formulation of IP Wealth Framework?

### 1. RA 8371:

#### a) Rights to Ancestral domains (*Section 7 & 10*):

- Recognition Ancestral Domain/Rights of ownership
- Right to develop lands and natural resources
  - To benefit and share the profits from allocation and utilization of the natural resources found therein
  - Right to negotiate the terms and conditions for the exploration of natural resources



# CONCEPTS

## **b) Responsibilities of ICCs/IPs to their Ancestral Domains (Section 9):**

- **Maintain Ecological Balance**
- **Restore Denuded Areas**
- **Observe Laws**

## **c) Role of (Indigenous) Peoples Organization Section (Section 19):**

- **The state shall recognize and respect the role of independent ICCs/IPs organizations to enable the ICCs/IPs to pursue and protect their legitimate and collective interests and aspirations through peaceful and lawful means**



# CONCEPTS

## **e.) Means for Development/Empowerment of ICCs/IPs**

**(Section 20):**

- **The government shall establish the means for the full development/empowerment of the ICCs/IPs own institutions and initiatives and, where necessary, provide the resources needed therefor.**

**N.B.: FPIC – Section 59 of IPRA**



# CONCEPTS

## f) Natural Resources with Ancestral Domain (Section 57):

- Priority rights in the harvesting, extraction, development or exploitation
- Non-member may be allowed to take part for a period of not to exceeding 25-years renewable for not more than 25-years
- Formal written agreement (FPIC)

## g) Certification Precondition (Section 59):

- Requirement of NCIP CP/CNO
- FPIC – means of empowerment.



# CONCEPTS

## Reference:

### 2. **NCIP Administrative Order No. 1, Series of 1998 (IRR)**

#### **a) Section 2(a), Part II, Rule III provides:**

**Right to Benefits.** The ICCs/IPs have the right to benefit from the utilization, extraction, use and development of lands and natural resources within their ancestral lands/domains and to be compensated for any social and/or environmental costs of such activities.



# CONCEPTS

## Reference:

2. **NCIP Administrative Order No. 1, Series of 1998 (IRR)**
  - a) “The NCIP shall ensure that at least 30% of all funds received from such activities will be allocated to the ICC/IP community for development projects or provision of social services or infrastructure in accordance with their duly adopted ADSDPP whenever.”





# CONCEPTS

- **NCIP Administrative Order No. 2, Series of 2018:**
  - Revised Guidelines on the Formulation of the ADSDPP Formulation
- **NCIP Administrative Order No. 3, Series of 2012**
  - Revised Guidelines on the FPIC and Related Process
    - Community Royalty Development Plan (CRDP)
  - Results document - FPIC MOA & Resolution of Consent or Resolution of Non-Consent



# CONCEPTS

## **NCIP Administrative Order No. 3, Series of 2012:**

### **Re Management of Royalties & Similar Benefits (Sections 58-64, Part VII)**

**Section 58. Nature of Royalties.** Royalties shall not only be treated as economic benefits due ICCs/IPs but social justice measure, and in the management of the same, the intergenerational rights of ICCs/IPs must be recognized, promoted and protected. These are entitlements of ICCs/IPs as part of their guaranteed rights under domestic laws and international agreements, conventions or declarations.



# CONCEPTS

**Section 59. Persons Authorized to Manage.** Only the duly organized, NCIP registered, IPO of the concerned ICCs/IPs shall be authorized to receive and manage the royalties. Protection of the royalties that are received by it shall be provided in its by-laws and manual of operation, provided that, the same shall be compliant, and not be contrary, to provisions of this Guidelines.



# CONCEPTS

**Section 60. Release of Royalty Fees.** The royalties may be released : a) directly to the account of the IPO of the ICCs/IPs duly established for the purpose, or b) to a Trustee Bank agreed upon which shall, in turn, be responsible for releases to the IPO account. In both cases, no release shall be made by the company to the IPO, or the trustee bank to the IPO, without the concurrence of the Commissioner from the Region and the Chairperson of NCIP duly secured by the IPO. The concurrence is intended to be a check on the use of the funds based on the CRDP.



# CONCEPTS

## **Section 61. Community Royalty Development Plan (CRDP).**

The ICC/IP receiving royalties and similar fees must formulate a development plan for the management and use of the same to be known as the CRDP. In the formulation of the said plan, the ADSDPP must be considered, and the ICCs/IPs can engage the services of a reputable public or private agency to provide consultancy and/or technical services. The CRDP shall be subject to confirmation by the Commission En Banc after verification and validation by the concerned field office.”



# CONCEPTS

**Section 62. Use of Royalty.** The royalties must be used for programs and projects that will redound to the well-being and benefit of the ICCs/IPs entitled to it. It should have allocations for: Emergency concerns; Investments which may be short, medium or long term; Livelihood and social development projects which must be allocated not less than 30% of each and every release; Education and training of members, basic or professional; Capitalization for cooperative development; Credit facility; Salaries or wages of persons engaged to perform professional services; Mutual assistance, and the like. It must never be used as payment for damages caused by the proponent/company's activities to the person and properties of an individual member, as this is a distinct obligation of the company and not part of royalties.



# CONCEPTS

**Section 63. Transparency Mechanisms.** The IPO shall prepare periodic financial reports, and annual financial statements duly audited, and furnish copies of the same to the NCIP. The same must also be reported to the general membership during the annual assembly that must be convened to tackle financial and other community or IPO concerns.



# CONCEPTS

**Section 64. Monitoring and Visitorial Powers.** In the exercise of its mandate to protect the well-being and promote the rights of ICCs/IPs, the NCIP may direct financial and management audits of IPOs managing royalties and other benefits or exercise its visitorial powers as provided for by law.





# CONCEPTS

	Allocation	%	Remarks
1	<b>Emergency concerns</b>	?	
2	<b>Investments (short/long term)</b>	?	
3	<b>Livelihood and social development projects</b> (Not less than 30% of each and every release)	30%?	
4	<b>Education and training of members</b> (basic or professional)	?	
5	<b>Capitalization for cooperative development</b>	?	
6	<b>Credit facility</b>	?	
7	<b>Salaries or wages of persons engaged to perform professional services</b>	?	
8	<b>Mutual assistance</b>	?	
	<i>total</i>	100%	



# CONCEPTS

## Community Royalty Management Development Plan (CRMDP)

- Indigenous Peoples (IP) Wealth Framework?

Basis	IP Wealth	Strategies for Sustainability
<ul style="list-style-type: none"> <li>• 1987 Philippine Constitution</li> <li>• IPRA &amp; related laws and issuances</li> </ul>	Ancestral Domain	<ul style="list-style-type: none"> <li>• AD-IPO/IPMRs (governance)</li> <li>• Plans               <ul style="list-style-type: none"> <li>- ADSDPP/CRDP</li> </ul> </li> <li>• Partnership               <ul style="list-style-type: none"> <li>- NGAs/PAs/LGUs (basic services)</li> </ul> </li> <li>• FPIC               <ul style="list-style-type: none"> <li>- MOA - royalty &amp; other benefits</li> </ul> </li> </ul>
	Intellectual Property - IKSP	
	IPS, Customs & Traditions, History, etc.	
	Other resources	



# CONCEPTS

## Usual Negotiated Benefits: Re MOA

- **Royalty** (*payment made to a legal owner for use of property – expressed as a percentage of revenues obtained using the owners property*)
- **Funds for** (*one time, annual, and/or periodic*):
  - **Socio-Economic Development Projects**
  - **ADSDPP Formulation/Updating**
  - **CRDP Formulation**
  - **IP Month Celebration**
  - **IPMR Selection Process**
  - **Cultural Attires**
  - **Cultural Musical Instruments**
  - **Office equipment**



*End of Presentation!*  
*Thank*  
*you!*