

Republic of the Philippines  
**DEPARTMENT OF ENERGY**  
(Kagawaran ng Enerhiya)

7 May 2018

**MR. VICTOR A. CONSUNJI**  
President and CEO  
Semirara Mining and Power Corporation (SMPC)  
2/F DMCI Plaza, Don Chino Roces Ave. Extension  
Makati City, Fax No. 888-35-61

Dear Mr. Consunji:

This has reference to the attached 16 April 2018 letter of the Department of Energy (DOE) regarding SMPC's non-participation to the Philippine Extractive Industries Transparency Initiative (PH-EITI).

The DOE, in the said letter, informed SMPC of the legal basis on the creation of PH-EITI and other pertinent laws in order to improve transparency, accountability and governance in the mining sector. SMPC was further informed that this concern is in line with the Philippine Development Plan 2017 – 2022, through which the administration of President Rodrigo Roa Duterte commits to bring forth strong governance, thru adoption of global best practices in ensuring sustainable development and transparency.

We would like to reiterate that since SMPC is the key player in the country's coal mining industry, accounting for 99% of the country's total coal production, it is imperative that SMPC participate in the PH-EITI to be able to publish a comprehensive report that accurately reflects the extractive industries' contribution to the economy.

Please be informed that, as of this date, we have yet to receive SMPC's response to DOE's directive to fully participate in the PH-EITI by accomplishing the PH-EITI reporting template and BIR Waiver.

In view of the foregoing, we would like to follow up your compliance with the above-cited DOE's directive as we are invited by the Department of Budget and Management to participate in the Philippine Open Government Partnership (PH-OGP) Week, wherein the DOE will be asked on the status of SMPC's participation in the PH-EITI.

For your immediate compliance.

Very truly yours,

  
**MELITA V. OBILLO**  
OIC-Director  
Energy Resource Development Bureau



Republic of the Philippines  
**DEPARTMENT OF ENERGY**

16 April 2018

**MR. VICTOR A. CONSUNJI**  
President and CEO  
Semirara Mining and Power Corporation (SMPC)  
2/F DMCI Plaza, Don Chino Roces Ave. Extension  
Makati City, Fax No. 888-35-61

**Dear Mr. Consunji:**

This is in reference to the non-participation of SMPC in the Philippine Extractive Industries Transparency Initiative (PH-EITI).

As you may well know, the Philippine Government first committed to implement EITI through Executive Order No. 79, in order to improve transparency, accountability and governance in the mining sector. Subsequently, the issuance of Executive Order (EO) No. 147, "Creating the Philippine Extractive Industries Transparency Initiative" was based on the policy on full public disclosures of all government transactions involving public interest as enshrined under Section 28, Article II of the Philippine Constitution. The Philippine Government's implementation of the PH-EITI is part of its commitments to the Open Government Plan (OGP). This is also in line with the Philippine Development Plan 2017 – 2022, through which the administration of President Rodrigo Roa Duterte has shown its commitment to bring forth strong governance, thru adoption of global best practices in ensuring sustainable development and transparency.

The Philippines was recently assessed as the first country to meet all the requirements of the EITI Standards. The EITI Board has recognized first-hand the efforts that the Philippines has exerted in implementing PH-EITI.

However, one of issues raised by the EITI Chair is the non-participation of SMPC in the PH-EITI. As SMPC accounts for 99% of the country's total coal production, the participation of your company is necessary in order to publish a comprehensive report that accurately reflects the extractive industries' contribution to the economy. Your company's refusal to participate remains to be one of the major factors undermining the Philippines' significant achievement of implementing the EITI Standard.


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In order to address one of the major gaps in the implementation of PH-EITI and to comply with the President Duterte's commitment to improve governance, sustainability and transparency, SMPC is hereby directed to fully participate in the PH-EITI through the following actions:

1. Accomplish the PH-EITI reporting template; and,
2. Accomplish and execute the BIR Waiver.

For your guidance and compliance.

Very truly yours,

  
**DONATO D. MARCOS**  
Undersecretary