

**Philippine Extractive Industries Transparency Initiative**  
**71ST MULTI-STAKEHOLDER GROUP MEETING**  
10 September 2021, Friday | 9:00 AM - 12:00 NN | Google Meet

**Minutes of Meeting**

**Attendees**

<b>Government</b>	
1. Usec. Bayani H. Agabin	Department of Finance
2. Asec. Ma. Teresa S. Habitan	Department of Finance
3. Dir. Valery Joy Brion	Department of Finance
4. Ms. Charmaine Bagacay-Odicta	Department of Finance
5. Ms. Febe J. Lim	Department of Finance
6. Dir. Anna Liza F. Bonagua	Department of the Interior and Local Government
7. Engr. Romualdo Aguilos	Department of Environment and Natural Resources - Mines and Geosciences Bureau (DENR-MGB)
8. Ms. Maricor Cauton	Union of Local Authorities of the Philippines
9. Mr. Shan Barros	Department of Energy

<b>Industry</b>	
1. Atty. Ronald Rex Recidoro	Chamber of Mines of the Philippines (COMP)
2. Atty. Francis Joseph Ballesteros, Jr.	Philex Mining Corp.
3. Atty. Joan D. Adaci-Cattiling	OceanaGold (Philippines), Inc.
4. Atty. Odette Javier	Lepanto Consolidated Mining Co.

<b>Civil Society</b>	
1. Mr. Vincent Lazatin	Bantay Kita
2. Ms. Angelica Dacanay	Bantay Kita

3. Mr. Carlo Manalansan	Bantay Kita
4. Dr. Buenaventura Maata, Jr.	Philippine Grassroots Engagement in Rural Development Foundation, Inc.
5. Dr. Glenn Pajares	Sectoral Transparency Alliance on Natural Resource Governance in Cebu, Inc. (STANCe)
6. Mr. Chito Trillanes	Social Action Center - Ecology Desk, Diocese of Tandag, Surigao del Sur
7. Ms. Aniceta Baltar	Concerned Citizens of Abra for Good Governance
8. Prof. Ladylyn L. Mangada	University of the Philippines - Tacloban
9. Dr. Nelson Cuaresma	Concerned Advocates Saving Terrestrial and Marine Ecosystems (COASTLINE), Inc.

<b>PH-EITI Secretariat</b>
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1. Mr. Eastword D. Manlises
2. Ms. Mary Ann D. Rodolfo
3. Ms. Mary Jane I. Baldago
4. Ms. Anna Leigh V. Anillo
5. Ms. Zoe R. Jimenez
6. Ms. Katherine Dennise M. Domingo
7. Ms. Rhea Mae G. Bagacay
8. Mr. Albert A. San Diego
9. Ms. Roselyn Salagan
10. Ms. Rhoda Aranco
11. Ms. Erycce Althea Antonio

## Agenda

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## Proceedings

### **I. Call to order**

DOF Assistant Secretary Ma. Teresa Habitan chaired the meeting. There being a quorum, the meeting was called to order at 9:00 AM.

### **II. Approval of the agenda of the 71st meeting**

The Chair sought the approval of the agenda.

A civil society representative motioned for the inclusion of the discussion of the Payments on Environmental Damage and Royalty Payments versus SMDP in the agenda.

The Chair suggested that the item be included under Other Matters.

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 69th and 70th meetings**

The Chair asked the Secretariat when the minutes of meetings were circulated.

The Secretariat said that the minutes were sent four days before the 71st meeting.

The Chair gave the members another week to peruse the minutes and send comments or corrections, if any. If no comment is received, the minutes will be deemed approved.

#### IV. Matters arising from previous meetings

The Secretariat shared updates on the following matters arising from previous meetings.

NO.	ITEM	ACTION	IN CHARGE	STATUS	REMARKS
<b>From the 70th MSG Meeting - June 11, 2021</b>					
70.1	Ownership transparency	The Secretariat to seek clarification on the extent or depth of beneficial ownership disclosures, especially for companies with foreign shareholders, and whether there is a need to look into the filings of parent companies.	Secretariat	<b>Not yet started</b>	The matter could be discussed in a planned workshop for the development of the Philippines' Opening Extractives work plan.
70.2	Semirara Mining and Power Corporation	The Secretariat to share with the MSG copy of SMPC's responses to requests to participate in PH-EITI reporting.		<b>Not yet started</b>	
70.3	Eighth PH-EITI Report	The Secretariat to include a report on active and inactive PMRBs in the required deliverables of the 8th Report consultants.		<b>Ongoing</b>	The provision was not included anymore in the approved TORs but the Secretariat will convey the request to the consultants.
<b>From the 69th MSG Meeting - May 14, 2021</b>					
69.1	Civic space	The DILG, based on a list that will be provided by the civil society constituency, will notify specific LGUs regarding the intention of civil society organizations to participate in the deliberations of local development plans.	BK and DILG	<b>Not yet started</b>	
69.3	Media fellowship	The Secretariat to submit to the MSG a report on the	Secretariat	<b>Not yet started</b>	

		effectiveness of the previous engagement with PPI that produced extractives-related articles.			
<b>69.4</b>	MICC audit	The Secretariat to request the MICC to share information on the planned new round of mining audits.	Secretariat	<b>Not yet started</b>	
<b>From the 68th MSG Meeting - April 16, 2021</b>					
<b>68.3</b>	Mainstreaming	The Secretariat to form a technical working group to discuss mainstreaming plans, including proposed revisions to the terms of reference of the MSG, Secretariat, and independent administrator	Secretariat	<b>Not yet started</b>	
<b>68.6</b>	Subnationalization	The Secretariat to form a technical working group that will thresh out issues on subnationalization and prepare a concept note on the creation of subnational EITs. The concept note shall be presented in the MSG's meeting in June 2021.	Secretariat	<b>Not yet started</b>	
<b>From a Special MSG Meeting - 23 March 2021</b>					
<b>SM - 2021.03.23.1</b>	Coal contracts	The Secretariat to coordinate with the DOE to address the lack of coal contracts in the PH-EITI Contracts Portal.	Secretariat	<b>Completed</b>	<p>The Chair has written to the DOE regarding the matter. The DOE said that it already has prepared a response to the letter but the letter is still for approval by relevant officials.</p> <p>June - The DOE shared with the Secretariat copies of coal operating contracts. The contracts are already published on the</p>

					PH-EITI Contracts Portal.
<b>SM - 2021.03.23.2</b>	Contract annexes	The Secretariat to coordinate with the MGB to finalize the list of annexes to be published along with the mining contract.	Secretariat	<b>Ongoing</b>	The Secretariat has had a meeting with the MGB regarding the matter. The Secretariat will put the suggested documents in a matrix where MGB personnel could provide comments/recommendation on each document, and whether it is practical, feasible, and useful to disclose such document.
<b>SM - 2021.03.23.3</b>	Exploration contracts or permits	The Secretariat to follow up with the MGB and the DOE on their actions to recommendations pertaining to the disclosure of information on mining, oil, gas, and coal exploration contracts and/or permits.	Secretariat	<b>Completed</b>	
<b>SM - 2021.03.23.4</b>	Theory of change	The Secretariat to propose the inclusion of the discussion of PH-EITI's theory of change in the agenda of one of the next MSG meetings; the Secretariat is also to consider looking for samples of theory of change in the extractives sector.	Secretariat	<b>Not yet started</b>	
<b>SM - 2021.03.23.5</b>	Representation of non-associated mines in the MSG	The Secretariat to propose the inclusion of the discussion of non-associated mines representation in the MSG in the agenda of one of the next meetings.	Secretariat	<b>Completed</b>	The matter has been briefly mentioned in the 68th meeting under the discussion of mainstreaming initiatives. The matter will be further discussed in a technical working group on mainstreaming.

From the 67th MSG Meeting - 12 March 2021					
67.1	BARMM engagement	The PH-EITI to make a presentation before the National Government–Bangsamoro Government Intergovernmental Relations Body (IGRB) in its March 19 meeting to orient the Bangsamoro Government on the EITI process following the President's instruction to the DOF Secretary to monitor the rehabilitation efforts in mined-out areas in Tawi-Tawi.	Chair, Secretariat	<b>Completed</b>	The March 19 meeting of the IGRB was postponed as the DOF Secretary, who sits as co-chair of the IGRB, had to prioritize another meeting on the same schedule.  August 31 - In lieu of the presentation before the IGRB, the Secretariat met with the BARMM MENRE and gave the office and orientation on the EITI process.

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/>.

## V. Main Business

### 1. Validation updates

#### Submission updates

On July 7th, the Validation team sent the Secretariat the final Validation report. The Validation team considered the MSG's feedback on the preliminary assessments for Requirements 1.2 (Industry engagement), 3.2 (Production data), and 5.1 (Distribution of revenues). The Validation team took into consideration the efforts and quick fixes the MSG implemented to improve disclosures. As such, the assessment score for each of the foregoing requirements moved from "Mostly Met" (60 pts) to "Fully Met" (90 pts).

With the new assessment scores for the three requirements, the unofficial component scores for Stakeholder Engagement, and Transparency have also improved. From "fairly low", progress on Stakeholder Engagement can now be assessed as **"moderate"**, equivalent to an average of 75 points. Progress on Transparency remains **"moderate"** but with a higher numerical average at 75.555. There was no movement in any of the scores for specific requirements under the Outcomes & Impact component, which average score remains at 97, equivalent to an assessment of **"very high"** progress. Most specific requirements are assessed as "mostly met" or "fully met". Three requirements were assessed as "exceeded" (100 points each), while Requirement 2.3 (Licence register) remained "partly met" (30 points).



While there were improvements in some of the assessment scores, the Secretariat took the liberty of sending unsolicited feedback to the final report, and argued that the minimum requirements under 2.4 (Contracts) have been **fully met**, and progress on implementing 6.1 (Social and environmental expenditures) has **exceeded** the minimum requirements. The Secretariat submitted the feedback on July 8th in time for the EITI Board Validation Committee's deliberation of the final Validation report.

In accordance with the Validation process, the Validation Committee will make a recommendation to the EITI Board on the country's progress in addressing EITI requirements, performance on the sustainability and effectiveness indicators, the timing of the next Validation, and where applicable, any corrective actions required. The EITI Board will determine the assessment of each EITI requirement and the consequences of Validation, in accordance with Articles 4 and 5 of the [EITI Standard](#). The EITI Board should be able to complete its review and publish its decision within 10 weeks from the release of the final Validation report.

Scorecard: Summary of progress

EITI Requirements			Assessment	
Validation of the Philippines (2021): Assessment per EITI Requirement			Level of progress	Score
Component	Module	Requirements		
Outcomes and impact	Extra points	Effectiveness and sustainability indicators		3
	Outcomes and impact	Work plan (#1.5)	Fully met	90
		Public debate (#7.1)	Exceeded	100
		Data accessibility and open data (#7.2)	Fully met	90
		Recommendations from EITI (#7.3)	Fully met	90
		Outcomes & impact (#7.4)	Exceeded	100
Stakeholder engagement	Multi-stakeholder oversight	Government engagement (#1.1)	Mostly met	60
		Industry engagement (#1.2)	Fully met	90
		Civil society engagement (#1.3)	Mostly met	60
		MSG governance (#1.4)	Fully met	90
Transparency	Overview of the extractive industries	Exploration data (#3.1)	Fully met	90
		Economic contribution (#6.3)	Fully met	90
	Legal and fiscal framework	Legal framework (#2.1)	Exceeded	100
		Contracts (#2.4)	Mostly met	60
		Environmental impact (#6.4)	Not assessed	-
	Licenses	Contract and license allocations (#2.2)	Mostly met	60
		License register (#2.3)	Partly met	30
	Ownership	Beneficial ownership (#2.5)	Mostly met	60
	State participation	State participation (#2.6)	Mostly met	60
		In-kind revenues (#4.2)	Not applicable	-
		SOE transactions (#4.5)	Not applicable	-
		SOE quasi-fiscal expenditures (#6.2)	Not applicable	-
	Production and exports	Production data (#3.2)	Fully met	90
		Export data (#3.3)	Fully met	90
	Revenue collection	Comprehensiveness (#4.1)	Mostly met	60
		Barter agreements (#4.3)	Not applicable	-
		Transportation revenues (#4.4)	Not applicable	-
		Disaggregation (#4.7)	Fully met	90
		Data timeliness (#4.8)	Fully met	90
		Data quality (#4.9)	Fully met	90
	Revenue management	Distribution of revenues (#5.1)	Fully met	90
		Revenue management & expenditures (#5.3)	Not assessed	-
	Subnational contributions	Direct subnational payments (#4.6)	Mostly met	60
Subnational transfers (#5.2)		Mostly met	60	
Social and environmental expenditures (#6.1)		Fully met	90	

## Updates from the Validation Committee of the EITI Board

The Chair shared that the Validation Committee of the EITI Board met in August. Issues were raised by the civil society with regard to the compliance of the Philippines to the stakeholder engagement, specifically on requirement 1.3 on civic space. This arose from a report that was received by the EITI Board from Bantay Kita.

The Chair wrote the implementing country members of the Validation Committee to request some clarification on the issue that was raised. They met on Monday (September 6) and some questions were raised which include: 1) participation of Semirara and how the Philippine government has been trying to make Semirara comply with the requirements, and 2) complaints regarding redtagging and the inability of some members of the civil society to participate during the process.

Another meeting was scheduled on September 14. The Chair hopes that the consensus that will be reached by the Validation Committee for recommendation to the EITI board will be as what the Validation Team of the EITI Secretariat has recommended and not the extreme position that some civil society representatives in the committee is taking, which is the suspension of the Philippines from the EITI.

In her meeting with the implementing countries, the Chair communicated that the suspension of the Philippines will not be proportional to the issues that are being raised if measured against the overall effectiveness of the PH-EITI.

A government representative asked if there was a letter asking the PH-EITI to be suspended. The Chair answered that she is not sure if there is a letter that seeks suspension of the Philippines, but the discussion that is being raised at the Validation Committee is that the Philippines is not compliant with Requirement 1.3 of the EITI Standard. And if the country is not compliant, it would mean an automatic suspension for the Philippines or for any country whatsoever.

A government representative asked if the report by Bantay Kita was discussed within the MSG and if the body was given the chance to comment on it before its submission to the EITI International.

A civil society representative clarified that Bantay Kita did not submit any letter requesting suspension of EITI in the Philippines. A report is all that was submitted and the MSG was furnished with a copy of the report. The report contains information that they believe to be accurate and reflective of the conditions on the ground. What the Validation Committee decides to do with the report is beyond their control. The purpose of the report is to shine a light on the current conditions on the ground, and the civil society representative thinks that the appropriate reaction of the MSG should be to take note of the report and try to do whatever actions it can take to correct the situation.

The Chair recognized the right of the civil society representatives to make the report. However, with whatever actions that were taken, there will be some unintended

consequences, and right now one of those consequences is possible suspension. The Chair said that the MSG should prepare for the decision of the Validation Committee and what it will recommend to the Board.

A government representative asked if the matters that Bantay Kita brought up were aired with the MSG prior to the submission of the letter. The chair clarified that it was not a letter but a report, and it was not something that needs to be discussed because it is an independent report from the civil society.

A government representative asked if the concerns cited in the report were discussed within the MSG for discussion, to which the Chair responded no. The government representative asked where the fairness is in that scenario, given that there are representatives from Bantay Kita in the MSG and there was a chance to bring up the concerns first to the body.

A civil society representative answered that the MSG cannot do anything about the Anti Terror Law, nor control the Philippine National Police. The report aims to be an accurate reflection of what was happening on the ground. It is their duty as CSO representatives to the MSG to bring up what was going on on the ground.

A government representative said that Bantay Kita could have brought it up in a discussion and not surprise everyone in the MSG. The result of which would have caused the suspension of EITI, then a venue to discuss similar matters would be lost.

The Chair agreed and said that the incident has offered an opportunity to discuss what the MSG has been doing and cannot do.

A civil society representative said that Bantay Kita has emailed a copy of the report to MSG members and that there was one meeting where the Secretariat opened the floor for discussion of the report.

A civil society representative requested the Secretariat for a clear timeline of events on how the shadow report was communicated within the MSG.

The Secretariat answered that the shadow report was submitted directly to the International Secretariat and the MSG was copied in the submission. The submission was done on April 1. The Secretariat then included the discussion of the shadow report in the MSG meeting in May. The discussion happened after the submission of the report.

A civil society representative added that there was one occasion when Bantay Kita informed the MSG that the report will be submitted to the Validation Committee prior to its submission. He added that the focus should not be on Bantay Kita's submission but what really is the situation. The purpose of the report was not to get the PH-EITI suspended, not to get people in trouble, but to shine a light on what was happening on the ground. What they want is that some acts be taken by the Philippine government. It is beyond the purview of the MSG but there are representatives of the government within the MSG. What they want is for the government counterparts to

read the report and address the issues being experienced on the ground. The CSO representatives in the MSG find great value in the PH-EITI and they want it to continue on. But they also want the situation on the ground to change so that the communities can speak freely without the fear of intimidation and of being red-tagged.

A civil society representative added that he doesn't think that there is an attack on the people who are giving the results. The MSG was given the chance to give comments. The MSG should accept whatever it is in the report because it is an assessment, and should just respond to it. The comment is developmental.

An industry representative shared that it would be different if it was the MSG that elevated the report because there will be a recognition of the concern raised by the CSOs. It would be different if the MSG themselves also made the report to show that these are the challenges for the Philippines.

A civil society representative asked if it is possible for the PH-EITI to respond to the report. The Secretariat responded that it was the ideal situation but the opportunities to do so were already missed because the Validation process does not allow the PH-EITI to respond anymore.

An industry representative added that the issue was how the message was received. The report reveals that the country was a dangerous place for civil society. The Validation Committee and the Board should have been informed that a suspension will not solve the problem with red-tagging. Suspension is not the way to go because platforms for discussion will be gone.

The Chair agrees with the industry representative and said that suspending the PH-EITI will do more damage to stakeholder engagement.

## *2. Updates on PH-EITI reports*

### 7th Report publication

The final draft chapters ([click here](#)) of the 7th PH-EITI Report have been submitted to the MSG for final review on August 24. The key findings of the report have been presented to the MSG during the 70th meeting and at a separate analysis workshop that were both held in June. The key findings have also been presented to the public during the National Conference in July. Comments on the initial drafts have been addressed by the consultants.

The Secretariat requested the MSG to submit final comments by September 7. To date, the Secretariat only received comments and edit suggestions from Mr. Vincent Lazatin, Atty. Francis Ballesteros, and Mr. Chito Trillanes.

Moving forward, the 7th Report team leader will consolidate the chapters. The Secretariat will be in charge of proofing and will also be responsible for the final

layout and publication. As soon as the report is laid out, the Secretariat will submit the final copy to EITI International.

As the Secretariat did not receive any glaring comment on the drafts, the report is hereby deemed approved. MSG members may confirm the approval of the report.

The MSG confirmed the approval of the report.

### 8th Report production

The MSG approved the TORs for the contextual information and reconciliation chapters in its 69th meeting in May while the TOR for the SSM chapter was provisionally approved during the 70th meeting in June. All TORs have now been processed by the DOF.

All metallic mining projects ([click here](#)) are covered in this cycle. For the nonmetallic mining sector, the top 31 companies ([click here](#)) or those with at least 0.5% share in the total production value of the sector are covered in this cycle. For oil & gas, there are 5 target companies, while for coal, SMPC remains the sole material company.

The eighth reporting cycle commenced on September 1. Reporting entities are using the [Online Reporting in the Extractives](#) (ORE) Tool to submit data and supporting documents.

Submission of documents related to BO information publication is also now done via ORE. BO information publication, however, remains voluntary for companies. For the 8th Report, the PH-EITI is collecting BO info of companies for FY 2020, the same period covered by the 6th and 7th Reports. Only those that have not yet participated or completed their participation in the BO information disclosure exercise for the last two reports are requested to submit data and related documents.

The collection of COVID-19 SDMP data has been discontinued but companies are still welcome to report COVID-19 related initiatives.

Work for the SSM study has already begun. The consultant proposed the following criteria for choosing the case study areas:

[Primary]

1. Has an operating and active SSM sector (preferably, mining is one of the major industries in the area)
2. Is gold-producing (to make it relevant to RA 11256)
3. With declared PSSMA/MB
4. Its LGU/s has/have participated in EITI or has used ENRDMT
5. Has an active PMRB (preferably, PMRB member/s has/have participated in EITI SSM activity)
6. Has registered or active SSM association/s or cooperative/s

[Secondary]

7. Has gold processing operations
8. Has access to a BSP gold buying station
9. Has sold gold to BSP (i.e., the miners or traders in the area are registered with or accredited by BSP)
10. Has an operating large-scale mining project in the vicinity

A civil society representative commented on the inclusivity of the criteria, saying that it should be open to participation of even the small industries.

An industry representative suggested that the pilot areas be easily accessible as possible given the budget of the study and the limitations of the pandemic.

The Secretariat will share the set of criteria immediately via email for further comments from the MSG. It was agreed that the MSG can give comments on the criteria until September 17.

The following are the names of the consultants for the 8th Report:

Contextual information - Mr. Jerick Aguilar  
Reconciliation - Ms. Linnet Madelane Chan  
SSM study - Atty. Maria Karla Espinosa

### 3. *Extractives Integrity Study (Anti-corruption Diagnostics)*

In a special meeting in October 2020, the MSG approved anti-corruption as a priority for 2021 in *alignment* with the strategic priorities of the EITI International Board. In January this year, anti-corruption was *included* in the current [work plan](#) but was renamed to a program on “Transparency and Accountability” to neutralize the concept and avoid painting the sector or anyone as corrupt.

The program includes four major activities: contract transparency, beneficial ownership transparency, transparency on IP royalty payments, and analysis of disclosures. A specific activity under disclosure analyses is the implementation of the Natural Resource Governance Institute’s (NRGI) tool for diagnosing corruption risks using EITI disclosures, initially in particular, using contract and BO disclosures.

The NRGI tool was first introduced in an EITI International regional webinar in 2020, and next in PH-EITI’s Extractives Transparency Week series in November last year. The NRGI some time in April this year reached out to the Secretariat to have a follow through on the possible pilot use of the tool in the Philippine context. A meeting was then arranged and held on May 20. MSG members have been invited to the meeting. The EITI International also participated in the meeting by providing a recap on the anti-corruption initiatives given that it is one of the priorities of the Board this year.

In the meeting, the NRGi presented how EITI disclosures can be used to diagnose corruption risks. It has been emphasized that the tool is not for “witch-hunting”, and the focus is on identifying vulnerabilities along the extractives value chain or identifying weaknesses in the system that could be a potential area for illicit activities. The tool is not meant for investigating specific entities.

In the same meeting, the Secretariat also proposed to rename the program to “Integrity” for brevity and better messaging.

While national secretariats may take on the responsibility of implementing the tool, the tool is best implemented by an independent researcher who can focus on the work that may last a minimum of four (4) months. The NRGi may also assist in the implementation process.

The Secretariat said that, considering other priorities in the second half of the year, it may not be possible for the Secretariat to finish implementing a tool that is as rigorous as the anti-corruption diagnostic tool within the year without additional manpower or the aid of a consultant.

Recently, the EITI International shared that it received from USAID funding that can be used to support subnational activities and data analyses. The Secretariat initially thought of tapping the resource to address logistical and connectivity issues in the rollout of OnLearn. There is not enough time, however, to process the funding request. The Secretariat, instead, asked whether the funding could be used to hire an independent expert or researcher who will implement the NRGi tool. EITI International said that it is possible.

As such, the Secretariat has prepared a TOR for an extractives integrity study that will be submitted to the EITI International for possible funding. The draft TOR is accessible [here](#).

The Secretariat presented the NRGi tool’s six-step assessment process. Copy of the slide is accessible [here](#).

A civil society representative commented that there are still loose ends on the direction of the study and the MSG should look into this as a whole body. The Chair agreed and said that there is enough time to mull over and fashion this so that it reflects the Philippine condition. Another civil society representative suggested that this item be discussed together with the new concept of Theory of Change.

The Secretariat will circulate the draft TOR to the MSG for further comments. The Chair said that the MSG needs further study on this.



#### 4. *New TOR for the MSG, Secretariat, and Independent Administrator*

During the MSG's 68th meeting in April, the Secretariat recapped the following:

- That the MSG, in its 59th meeting in July 2019, initially agreed to a set of milestones for EITI mainstreaming. One of the milestones is the review and amendment of the roles and responsibilities of the MSG and the Secretariat. The MSG specifically agreed that the Philippine model of mainstreaming shall maintain the MSG and redefine its functions.
- That prior to the 59th meeting, the MSG and EITI implementing agencies participated in a January 2019 mainstreaming workshop facilitated by the International Secretariat, where the following actions were identified to facilitate to revision of the MSG's role and functions:
  - Amendment of EO 147
  - Memorandum of Agreement between and among implementing agencies (DOF [BIR, BOC, BTr, BLGF], DENR [MGB, EMB], DOE, SEC)
  - Issuance of appropriate administrative orders/circulars

The foregoing actions have also been included in the Action Plan developed as part of the [Mainstreaming Feasibility Study](#).

- That the same mainstreaming workshop elicited recommendations to enhance the function of the MSG for it to be instrumental in addressing issues from the ground, perform more solutions-oriented tasks, make EITI data and information more understandable, and initiate more innovations in extractives transparency and resource governance.

The revision of the TORs for the MSG, Secretariat, and IA is a specific deliverable under the DOF's OGP commitment, which completion has a deadline of August 31, 2022.

In the 68th meeting, the Secretariat recommended creating a TWG to deliberate on the new TOR for the MSG, Secretariat, and IA.

In view of the foregoing, the Secretariat recommends the following amendments to [EO 147, s. 2013](#):

- Under Section 2 -- expand the composition of the MSG to include six government representatives, six industry representatives, and six civil society representatives. The additional seat for the government constituency will be given to the NCIP. For the industry, there will be two representatives for metallic mines, two for nonmetallic mines, one for the energy sector (oil, gas, and coal), and one for SSM and/or non-associated mines.

- Under Section 4 or 5 -- include in the mandate/powers/function of the MSG to: (i) provide policy advice to stakeholders to improve extractives transparency, resource governance, and revenue management; and (ii) assist in facilitating resolution of issues.
- Section 5(f) -- reconciliation to be done by the Secretariat, with standard / predetermined mechanisms and thresholds

A civil society representative suggested that the Environmental Management Bureau (EMB) be represented in the TOR. The Secretariat clarified that the DENR is already included but not explicitly.

A civil society representative asked why there is only one representative for the energy sector and none for coal. The Secretariat responded that as compared to the mining sector, there are less coal and gas companies and maybe one representative is sufficient. Still, this is on the MSG to agree upon.

A civil society representative suggested that ex-officio members be invited in the MSG because they are also involved in the problems in the countryside.

A civil society representative commented on the recommended amendments to EO 147, s. 2013. For the first recommendation, the representative suggested including subnationalization in the EO to address concerns that EITI is just active at the national level but is disconnected at the ground level. For the second recommendation, the representative agreed that the PH-EITI should be providing policy advice. The government should also seek the advice of the PH-EITI before coming up with policy decisions on extractives. The representatives said that the third recommendation is an empowerment of the Secretariat, and that it shall involve scaling up the competency of the Secretariat.

An industry representative commented on the proposed composition of the MSG, saying that NCIP cannot contribute much because they have no control on royalty reporting. It would be better if NCIP became a part of a TWG and not MSG. He proposed that somebody from congress be put in the MSG, maybe a member of Ways and Means Committee or Committee on Natural Resources. The same industry representative also disagreed with the proposed reduction in the number of representatives for the metallic mining sector.

A civil society representative commented that the NCIP seems to have its internal problems. But in theory, their presence on the MSG should be value-adding.

The Secretariat will do a pre-work, and will conduct a webinar/meeting for the sectors that could be represented in the MSG, and will look into the feasibility of them being brought into the fold.

## VI. Other Matters

### 1. *Additional Matters*

#### *Environmental damages of mining affected communities in Itogon due to the 2012 spill of Philex Mining Corp.*

While Philex was fined a billion pesos, there have been additional payments for environmental damages. The Itogon indigenous peoples organization is seeking clarification on how this payment was used. Up to today, they were not informed about how these payments had been utilized. The civil society representative asked for the intervention of MSG partners to grant the IP group's request for information regarding how these environmental payments have been used.

#### *Alleged charging of SDMP against the IP royalties of IPO APPSOL*

A civil society representative seeks clarification whether or not it is allowed for the SDMP to be charged against royalty payments.

A government representative responded to the issues. For the issue of environmental damage, it is being discussed in RIAT. He will ask regional offices, maybe CAR for a definitive update. On the SDMP issue, there is a different allotment for SDMP. According to law, royalty should be different from SDMP.

The Chair tasked the representatives from DENR-MGB and Philex Mining Corp. to find out more about the issues and give updates prior to the next MSG meeting.

### 2. *Updates on stakeholder engagement activities*

The Secretariat reported on the outcome of the National Conference. It was pointed out that only 19 members of the civil society attended. It is a low number as compared to other sectors. Possible reasons for this include technical problems, maybe most members of the civil society were not reached, or maybe they were just not interested. Either way, it would be good to figure out the issue and address it.

The Secretariat shared the feedback of the participants on the National Conference. Most of the attendees gave excellent remarks, however, there were recommendations to reach out to members of the communities.

The Secretariat shared that the Online Learning on Extractives (OnLearn) has been rescheduled due to the low number of confirming participants. The Secretariat has asked the help of companies in gathering members of the community to join the OnLearn sessions.

A civil society representative asked why Dinagat Islands was not included in the target communities for this year's OnLearn. The Secretariat responded that specific communities, especially those mentioned in the shadow report are the ones targeted

to be covered in this year's series, considering logistical and budget constraints. The MSG, however, can decide which communities to prioritize. It was then agreed that Dinagat Islands will be included in the communities that will be covered by OnLearn.

A civil society representative commented on the statistics of the National Conference. He said that the low number of participants from the civil society could be because of the strict community quarantine in various parts of the country. Some areas could also be conducting vaccination drives, limiting the possible number of attendees.

An industry representative asked if only civil societies are invited in the OnLearn, to which the Secretariat responded that even government agencies, particularly the LGUs are also invited to address issues at the local level.

The Secretariat presented the results of gender activities. Two activities were conducted including a round table discussion which was held last June 3, and a learning session on the fundamentals of gender which was held last July 19. For the round table discussion, next steps were discussed which include: 1. Capacity building of the TWG and the Secretariat on gender, 2. Analysis of the gender data from the 7th Report, and 3. Policy notes in integrating gender in the Mining Act of 1995. For the learning session on gender, asynchronous sessions were recommended in order to continue the review on how gender principles can be integrated in the provisions of the Mining Act, and to determine the capacity building needs of the stakeholders.

### *3. Legislative advocacy*

In the 67th meeting in March, the MSG agreed to let the EITI bills quiet down for the meantime or until after election season, but maintain communication with the HOR Committee on Natural Resources, and allow individual members/constituencies of the MSG to submit separate position papers.

In the same meeting, an industry representative said that the Chamber of Mines of the Philippines shall submit a position paper. The civil society representatives have submitted a position paper. The DOF has yet to submit a position paper.

In June, the Congressional Policy and Budget Research Department (CPBRD) of the House of Representatives reached out to the Secretariat to request information related to bills seeking to institutionalize EITI (House Bills 6005 and 1691). The Secretariat attended to the request, which pertained to information on countries with EITI-related laws, Validation status of EITI implementing countries, and issues encountered by the PH-EITI that could be addressed by the proposed legislations.

In August, the CPBRD reached out a second time to inquire about the personnel requirements of PH-EITI and the sources of funds. The CPBRD also requested three-year historical data on PH-EITI's budget.

In an aide-memoire in April, and in his keynote speech at the National Conference in July, Cong. Joey Salceda emphasized the necessity of EITI legislation following the issuance of EO No. 130, s. 2021 that lifted the moratorium on new mineral agreements.

The Secretary of Finance has also signified support for the institutionalization of EITI and for the office's retention at the Department of Finance.

In view of the foregoing, the Secretariat intends to resubmit the original position paper for approval by the Chair and endorse submission to the House Committee on Natural Resources.

#### 4. *Opening Extractives Programme*

The EITI and [Open Ownership](#), on September 8, launched the [Opening Extractives](#), a USD 7 million programme supported by the BHP Foundation. Opening Extractives aims to address anonymous ownership of companies that has been used to facilitate corruption across many sectors, including the extractives. The programme will provide sustained support over five years to over a dozen countries seeking to bring data on company ownership into the public domain.

The programme will build on progress made by governments, companies, civil society and other stakeholders to establish the legal reforms and technical systems required to make ownership data public and promote its use. Evidence and insights from the programme will be shared globally to scale impact.

Participation in the Opening Extractives programme is by invitation only. The EITI and Open Ownership have pre-selected 13 countries with significant commitments to beneficial ownership transparency and where the programme has the potential to deliver progress towards impactful reforms. The Philippines is one of these countries that have been invited to participate in Opening Extractives for 2021-22. During this time, Opening Extractives will provide participating countries with sustained support to implement beneficial ownership reforms and catalyse the use of this data to support better governance of natural resources. Support can be focused on the extractive sector or extended to the economy as a whole. The scope of support will be agreed with each government based on their needs and, if successful, can potentially be extended for up to five years.

Possible forms of support to be provided to participating countries:

- Support to undertake awareness raising about beneficial ownership, inter-agency coordination and consultation with key stakeholders
- Technical assistance and policy advice to implement beneficial ownership reforms, such as:
  - Guidance and review of legislation
  - Development of data collection forms, processes and tools

- Assistance with designing effective software to collect, store and publish data
- Support to develop and undertake data verification
- Support to government agencies to use beneficial ownership data effectively within government processes, such as the award of mining licenses
- Capacity building activities for government, business and civil society stakeholders
- Peer exchanges with governments around the world to share emerging best practices
- Support to measure and communicate the results of reforms

In June 2021, the EITI formally invited the Philippines to join the programme. Within the same month, the Department of Finance confirmed participation in the programme, nominating SEC Assistant Director Atty. Alfonso Lanuza as the country's focal point alongside the PH-EITI Secretariat.

The EITI International has requested a workshop with relevant stakeholders in the Philippines on September 24, 2021, 3-5pm, to develop the OEP work plan for the Philippines.

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

The 72nd MSG meeting will be on October 8, 2021 (Friday).

## **VIII. Adjournment**

With no other matters to be discussed, the meeting was adjourned at 12:15 pm.