

Philippine Extractive Industries Transparency Initiative  
**74th Multi-Stakeholder Group Meeting**  
10 December 2021 (Friday) | 9:00 am to 11:30 am | Google Meet

### Minutes of Meeting

#### Attendees

Government	
1. Asec. Valery Joy Brion	Department of Finance (DOF)
2. Ms. Charmaine Bagacay-Odicta	DOF
3. Ms. Febe J. Lim	DOF
4. Ms. Christine Marasigan	DOF
5. Engr. Romualdo Aguilos	Department of Environment and Natural Resources - Mines and Geosciences Bureau (DENR-MGB)
6. Dir. Anna Liza F. Bonagua	Department of the Interior and Local Government
7. Ms. Maricor Cauton	Union of Local Authorities of the Philippines

Industry	
1. Atty. Ronald Rex Recidoro	Chamber of Mines of the Philippines (COMP)
2. Atty. Joan D. Adaci-Cattiling	OceanaGold (Philippines), Inc.
3. Atty. Odette Javier	Lepanto Consolidated Mining Company

Civil Society	
1. Mr. Vincent Lazatin	Bantay Kita - Publish What You Pay Philippines (BK)
2. Ms. Angelica Dacanay	BK

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

#### **Consultants for the 8th Country Report**

1. Mr. Jerick Aguilar
2. Ms. Linnet Madelane Chan
3. Atty. Maria Karla Espinosa

#### **PH-EITI Secretariat**

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
11. Ms. Erycce Althea Antonio

13. Mr. Kian Ferrer
14. Ms. Andrea Denise Samson
15. Mr. Dennis Atienza

## Agenda

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## Proceedings

### I. Call to order

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

### II. Approval of the agenda of the 74th meeting

The Chair sought the approval of the agenda.

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

### III. Approval of the minutes of the 73rd meeting

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

### IV. Matters arising from previous meetings

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

NO.	ITEM	ACTION	IN CHARGE	STATUS	REMARKS
<b>From the 73rd MSG Meeting - November 12, 2021</b>					
<b>73.1</b>	IP royalty payments and NCIP engagement	Write to NCIP requesting a meeting and enumerating issues on engagement and IP royalty monitoring	Secretariat	<b>Completed</b>	The letter was sent to NCIP on 13 December 2021.
<b>73.2</b>	2021 EITI Validation	Resend to MSG copy of the final Validation report and summary of corrective actions	Secretariat	<b>Completed</b>	
<b>73.3</b>	2021 EITI Validation	Write to EITI International to seek clarification on what suspension means and communicate dismay over indecision on the	Secretariat	<b>Ongoing</b>	

		Philippines' Validation status			
<b>73.4</b>	7th Report	Submit to MGB list of companies/projects that failed to submit data/reports through ORE for the enforcement of DENR DAO 2017-07	Secretariat	<b>Not yet started</b>	
<b>73.5</b>	8th Report	Present in the next meeting an adjusted timeline for 8th Report production	Secretariat	<b>Completed</b>	
<b>73.6</b>	Work plan	Redo presentation on proposed priorities for 2022; indicate specific objectives of proposed activities	Secretariat	<b>Completed</b>	
<b>73.7</b>	Exploration permit of TMMC	Refer to MGB and/or relevant agencies issues raised on the approval of TMMC's exploration permit	Secretariat	<b>Completed</b>	A civil society representative has obtained and sent to the Secretariat a copy of an investigation report from MGB-Caraga related to the issue on TMMC's alleged illegal drilling.

## V. Main Business

### 1. Updates on the production of the 8th Report

The 8th Report is planned to have three chapters: contextual information, reconciliation, and the SSM study. It will cover data and information from fiscal year 2020, and will cover all operating metallic mines, the top 31 non-metallic mines or projects with at least 0.5% share in the total production value of the non-metallic mining sector, and oil & gas and coal companies that meet the 2% materiality threshold.

Data collection from companies through ORE commenced on 1 September and ended on 15 October. Extensions have been granted to some companies in consideration of the challenges experienced under alternative work arrangements.

The Secretariat will submit to the MGB the list of companies/projects that failed to submit data/reports through ORE for the enforcement of the DENR DAO 2017-07.

In the 73rd meeting, it was mentioned that the completion of the report will be delayed due to technical and administrative challenges encountered in the engagement of consultants, procurement of cloud-based storage for ORE, and data collection. In accordance with the EITI Standard, the 8th Report is due for submission to the EITI International by December 31, 2022. To reduce the gap in annual reporting and to ensure timeliness of data and information, the report is planned to be launched during the 2022 National Conference, which is proposed to be held on March 31, 2022.

The following is the adjusted timeline of 8th Report production:

January 10	First draft
January 21	MSG comments and recommendations
February 11	Final draft; MSG approval
Feb 11 to Mar 31	Proofing; Layout
March 31	Public launch and submission to EITI

The consultants for the 8th Report presented updates on the production of their respective chapters:

*Chapter 1 - Contextual Information - Mr. Jerick Aguilar*

The consultant presented the proposed outline of the contextual framework chapter, which includes the following sections:

- I. Overview and Updates
- II. State Participation
- III. Contribution to the Economy
- IV. Employment
- V. Consequences of COVID-19
- VI. Environmental Impact
- VII. Beneficial Ownership
- VIII. General Economic Outlook
- IX. Other EITI Requirements
- X. Summary and Recommendations

The consultant shared notable FY 2020 data on extractive industries. He also presented other information that are planned to be discussed in the report. These include the following:

- Compendium of previous PH-EITI Annual Reports
- Benchmarking with other country reports
- Inclusion of relevant entities and research

- Specific section on COVID-19 impact

The consultant informed the MSG that he is still waiting for some data from different agencies in order to complete a draft.

### *Chapter 2 - Reconciliation - Ms. Linnet Madelane Chan*

The consultant presented the proposed outline of the reconciliation chapter.

- I. Agreed Upon Procedures (AUP) Report
- II. Executive Summary
- III. Methodology
- IV. Scope of the Report
- V. Reconciliation Results
- VI. LGUs in focus
- VII. Variances and discrepancies
- VIII. Audit Procedures
- IX. Recommendations

The consultant discussed the methodology which remains similar with the methodology used for the previous reports. The methodology involves (i) initial scoping and data collection; (ii) materiality & final scoping; (iii) reconciliation; and (iv) report writing.

To determine which companies and revenue streams are material, the consultant will retain the 2% threshold used in previous reports.

The consultant's update focused on initial scoping and data collection since the government agencies have not yet fully submitted the needed data for reconciliation. The consultant also presented the scope or summary of the projects that are targeted and will be participating in the report. She also gave updates on the data submission of NGAs and the initial reconciliation of shares in national wealth.

### *Chapter 3 - SSM study - Atty. Maria Karla Espinosa*

The consultant shared that the tentative working title of the chapter is “A Study on Small-Scale Mining in the Philippines”, and will focus on providing policy updates, evaluation and diagnostics. She shared the purposes of the research which are:

- To shed new or more light on the small-scale mining sector as a part of the Philippine mining industries
- To help move forward efforts to improve the sector, particularly in the area of transparency
- To generate information useful to evidence-based policymaking, program design, and reform

The consultant shared that, based on the terms of reference for the project, the study aims to contribute to the production of the 8th report by producing a report that:

- assesses the impact of existing and proposed legal and regulatory framework for small-scale mining (SSM) on SSM production and revenue transparency; and
- assesses the applicability of PH-EITI’s SSM reporting tool to other SSM areas

The consultant also shared the outline of the study:

- I. Introduction
- II. The SSM Industry as of 2020
- III. Assessment and Analysis
- IV. Case Studies - Methodology, Summary and Synthesis of Findings
- V. Conclusion and Recommendations

The methodology that will be used was also discussed by the consultant. The type of research will be qualitative, summative or formative evaluation, and will have case studies. The data collection methods will involve desk research, questionnaires, and interviews. The tools that will be used are legal reviews, including the Regulatory Impact Assessment (RIA) framework (under RA 11032).

The consultant also discussed the selection of study areas. At the minimum, all the case study areas must be operating, gold-producing PSSMA with active PMRB.

As to the timeline of report production, the consultant shared that the 4th Quarter of 2021 will focus on data gathering for case studies, writing, and submission of EITI-required information for the 8th report, while the 1st Quarter of 2022 will be on writing, submission of full report, and presentation to the MSG.

The body gave comments on the presentations of the consultants:



### On Chapter 1 (Contextual Information)

A civil society representative suggested forming a framework on how data should be presented.

An industry representative suggested that the story of 2020 should be told in the chapter, including the struggles of the mining industry during the pandemic, and what happened at the local level. He also recommends telling how the mining industry and mining communities survived 2020.

A civil society representative suggested including a discussion on energy transition in the 2020 report.

A civil society representative shared that if the MSG really wants to reflect the story, it will be done through the method of reporting. The report may include a case study, qualitative information, and a human interest information. The consultant said that the qualitative information is not included in the TOR, and the January deadline may not be met if such will be pushed.

An industry representative said that there are certain developments that the report cannot disregard, especially information on the impact of COVID-19 on the sector.

A civil society representative asked if there was a way to prevent the delays in the production of the report. She emphasized that gathering and preparation of data requires ample time. The representative also suggested looking into the inclusion of Malampaya as a case study.

### On Chapter 2 (Reconciliation)

A civil society representative wanted to know if there is a difference in the contribution of extractive industries to the GDP from previous years and now. He said that based on the consultant's presentation, there is a decrease in the production and revenues, meaning the GDP could be lower for the fiscal year covered.

### On Chapter 3 (SSM Study)

A civil society representative shared information on complaints from communities regarding companies which applied for SSM permits but are allegedly operating as large scale miners. He suggested including in the report the impact of SSM on gender. In response, the consultant said that the study is limited in scope, but the concern can be included in another part on governance issues. However, the gender aspect can't be covered systematically in study. It will be mentioned but not fully covered.

A civil society representative suggested including the amount of operation of SSM; the systems; where we are heading in terms of recommendation in the policy; and where it will play in the interest of PH-EITI. He added that we shall see how it contributes to the disruption of development, and its contribution to the entire country.

- An industry representative shared that he is happy that the study will do a policy assessment for a regulatory framework of SSM, he hopes that the same will be done with the Mining Act. He asked if it is possible to include a look into the harmonization of the Small Scale Mining Act; the governing regulation before the SSM Act; and if there are LGUs that still use the PD 8099. He also added that the Acupan contract of the Benguet Corp. can be used as a case study.

The Chair directed the Secretariat to provide the consultants with the comments from the MSG.

## 2. *PH-EITI theory of change and work plan for 2022*

### Work plan for 2022

In the 72nd meeting, the Secretariat presented PH-EITI's progress in implementing the 2021 work plan. To recall, the major accomplishments for the year are as follows:

#### **1. Validation**

- Submission of Validation templates, conduct of Validation stakeholder consultations, and overall compliance with the Validation process

#### **2. Systematic disclosure**

- Mainstreaming feasibility study
  - Series of stakeholder consultation meetings in May and June
  - Proposed mainstreaming action plan was presented to the public during the National Conference in July
- Online Reporting in the Extractives
  - Enhanced to address technical concerns raised by users in the previous reporting cycle
  - Transfer of system maintenance to DOF CMIO
  - BO data collection is incorporated in the system
  - NCIP regional offices have been granted access to ORE for data submission
- Extractives Data Generator
  - Datasets have been verified and submitted
  - Datasets have been divided into the following categories: (i) National Payments; (ii) Subnational Payments; (iii) Social and Environmental

Expenditures; (iv) Economic Contribution; (v) Social Development and Management Program; (vi) Oil & Gas and Coal Sales Data

- Open Data Portal
  - PH-EITI datasets have been shared with the DICT Open Data Portal
- Open Government Partnership / Participatory Governance Cluster of the Cabinet
  - Completed all deliverables for 2021
  - Participated in the Open Government Week in May and promoted PH-EITI's data management tools to the OGP network
  - Participated in the pre-SONA events of the Cabinet

### **3. Integrity**

- Contracts
  - All oil & gas and coal contracts have been published on the Contracts Portal
  - MSG discussed the definition of contract annexes and the materiality of exploration contracts
  - Mining licenses have been published on the Contracts Portal
- Beneficial ownership
  - MSG agreed that public disclosure of BO data will remain non-compulsory for the 7th and 8th reporting cycle
  - 35 or about half of projects that were covered in the 7th Report consented to the publication of their BO data
  - An extractives BO register have been published on the PH-EITI website containing information on companies that consented to publication
  - The Philippines has been selected as beneficiary of the Opening Extractives Programme (OEP); An engagement plan was launched on November 26
- IP royalty payments
  - Consultation with the NCIP has been organized to find ways to improve IP royalty monitoring and public disclosure
  - NCIP central and regional offices went through ORE orientation and training
  - A resolution mandating NCIP regional offices to submit IP royalty data through ORE has been prepared and presented to the MSG
- Data analysis
  - Cross-referencing of available BO data with information found on company contracts as suggested by the EITI guidance note on BO transparency

### **4. Gender inclusion**

- A TWG on gender has been formed
- An RTD on gender and a learning session on gender principles have been organized; a specific output is the review of the Philippine Mining Act of 1995, and suggested gender-based provisions

- Gender disaggregated employment data collected through ORE have been analyzed and the results described in the 7th Report; data have been presented during the Extractives Transparency Week

## **5. Report production**

### 7th Report

- Key findings presented to the public during the National Conference in July
- Regional data from the report have been presented to subnational stakeholders during the OnLearn

## **6. Stakeholder engagement**

- 10 MSG meetings, 1 special meeting, all with quorum
- Meeting with CeMAP ahead of the Validation consultations
- Timely conduct of the National Conference, with around 400 participants
- EITI orientation for BARMM-MENRE
- 5 OnLearn clusters including participants from BARMM
- PH-EITI support to Bantay Kita for Project DATA; presented the NCIP Monitoring Tool in an RTD in Benguet

## **7. Legislative advocacy**

- Draft position paper
- Participated in the HOR Committee on Natural Resources hearing
- Constant communication with Congress

## **8. Communications**

- New website co-developed with the DOF CMIO
- Publication of issues and concerns raised in stakeholder engagement activities as committed by the DOF under the OGP
- Creation of TED-Ed type knowledge video materials is ongoing: (i) Contract transparency; (ii) Beneficial ownership transparency; (iii) Social and environmental expenditures; (iv) Employment and gender; (v) Open data
- Publication of annual progress reports for July 2018 to December 2019, and January to December 2020

## **9. Resource mobilization**

- Submitted funding proposal to The Canada Fund for Local Initiatives (CFLI)
- Submitted funding proposal to USAID

## **10. Secretariat management**

- Hired four (4) new members of the PH-EITI Secretariat to support work on communications, stakeholder engagement, and report production
- Successfully engaged consultants necessary for the implementation of PH-EITI programs and initiatives.

Building on these accomplishments, and considering pending activities (including the development of the theory of change), PH-EITI's commitments, other global initiatives, and the approved budget for 2022, the Secretariat proposes the following

priorities for 2022.

- Priorities identified by the Chair/MSG
- Commitments
- Initiatives to broaden engagement and pursue impactful implementation

Priorities	Objectives	Key activities
Legislative advocacy	Institutionalize transparency and accountability mechanisms in the extractives sector;  Improve revenue management and resource governance	Revision of PH-EITI position paper on EITI bills;  Consolidation of related bills;  Identification of champions;  Lobbying
Outreach	Show the direct and indirect contribution of extractives to national development;  Improve access to extractives data, and public understanding of and participation in resource governance;  Provide opportunities for dialogue and constructive engagement in natural resource management, build public trust, and reduce conflict among stakeholders	National Conference on March 31, 2022  LGU Roadshow / Online Learning on Extractives in August 2022  Extractives Transparency Week on November 23-25, 2022  Participation in partners' events and activities  Engagement of the military and the police
Resource mobilization	Augment funding for PH-EITI initiatives	Submission of proposals to potential funders
EITI reporting	Comply with the EITI standard;  Sustain transparency in extractives data;  Develop policy recommendations using EITI data	Launch of the 8th Report  Production of the 9th Report  Complete coverage of the nonmetallic mining sector

Systematic disclosure and Validation corrective actions	<p>Improve compliance with the EITI Standard;</p> <p>Improve data transparency;</p> <p>Improve comprehensiveness, comprehensibility, timeliness, public accessibility, and usage of extractives data</p>	<p>Implementation of specific action steps in the Mainstreaming Action Plan</p> <p>Implementation of Validation corrective actions</p> <p>Improvement/development of a register of licenses (Requirement 2.3)</p> <p>Enhancement of production and export data disclosure</p> <p>Completion of remaining deliverables under the DOF's OGP commitment</p>
Opening extractives <i>(to be supported by EITI International, Open Ownership, and BHP Foundation)</i>	<p>Improve transparency in extractives ownership;</p> <p>Demonstrate necessity and benefits of beneficial ownership information publication;</p> <p>Develop stakeholder capacity to verify and utilize beneficial ownership data</p>	<p>Implementation of the Opening Extractives (OE) engagement plan</p> <p>Hiring of an OE consultant to facilitate the implementation of the engagement plan</p> <p>Drafting of legislation to mandate a cross-sector beneficial ownership register</p> <p>Outreach to companies</p> <p>Capacity building activities for the MSG, Secretariat, and the stakeholders</p>
Integrity <i>(to be supported by EITI International)</i>	Diagnose and identify actions to address corruption risks in the extractives	Hiring of a consultant for an extractives integrity study
Data stories	Increase utilization of extractives	Publication of blog/articles

	<p>data;</p> <p>Popularize extractives data and information;</p> <p>Inform public debate on extractives</p>	<p>using extractives data</p> <p>Development of other knowledge products</p>
BARMM engagement (subnationalization)	Initiate and mainstream EITI implementation in BARMM	Meetings with BARMM officials to explore possible pilot reporting of companies operating in the region
SSM transparency	Improve monitoring of SSM production and revenue	Promotion of SSM monitoring tool among LGUs
Gender inclusion	Improve gender-responsiveness of extractive activities	Promotion of gender study suggested initiatives among industry members
Energy transition	Initiate discussions on decarbonization and its impact on the energy and mining sectors	Webinar and RTD on energy transition

The work plan for 2022 has a budget of **PHP12.4 million** and will be implemented by the MSG through the Secretariat, which, by Q2 2021, will have a total of 18 technical and administrative staff, excluding consultant/s. For the first time, **the Secretariat will also take on the writing of the contextual information of the annual country report.**

### Theory of Change

The chair of the TWG on Theory of change shared a presentation.

The TWG on Theory of Change referred to the VMGO of PH-EITI formulated in the 2019 Strategic Planning of the MSG in its initial work in crafting the change or contribution of the Philippine implementation of EITI to national development.

The TWG has drafted a statement of change, adopted from the statement of positive impact of EITI written in the EITI Institutionalization position paper, presented to the MSG in February 2021.

The TWG agreed on strategies and steps to take in developing the Theory of Change.

The TWG will facilitate an MSG workshop on theory of change.

The TWG will hold consultations with stakeholders to validate issues and concerns identified during outreach activities. The issues and concerns shall inform PH-EITI's impact statement.

The main steps in crafting the PH-EITI Theory of Change include: (i) analysis of issues and concerns thru problem tree and objective tree analysis; (ii) prioritization and setting of strategic objectives; and (iii) setting the impact statement, outcomes, inputs, outputs and key success indicators.

The issues and concerns in EITI implementation in the Philippines were gathered from stakeholder engagement activities last September 2021. The TWG tried to identify the core problems, and initial analysis points to national wealth management as one of the main issues. The TWG will continue its analysis of the root causes of issues and concerns that EITI implementation is hoped to address. The output will be presented to the MSG.

After the presentation, the Chair tasked the Secretariat to send to MSG members a copy of the presentations. The MSG was requested to provide comments online until 17 December 2021.

### *3. Updates on Validation*

The Secretariat shared that Usec. Agabin is scheduled to meet with EITI International's Executive Director, Mark Robinson, on 17 December 2021 to discuss Validation related issues that were raised during the Extractives Transparency Week.

An industry representative suggested taking advantage of the said meeting to inform the Validation Committee and the EITI Board on what has been done to address the issue of red-tagging and other concerns raised in BK's shadow report. It would also be helpful to engage the DILG to issue a statement on the said issue.

A civil society representative appreciated the suggestion of the industry representative. He reminded the body, however, that concerns on civic engagement are not just about red-tagging. He said there is a whole system in place including the NTF-ELCAC and the Anti-Terror Law that threatens civil society engagement. He furthered that the national leadership itself has an aggressive stand against anyone who puts the administration in a bad light.

A civil society representative shared that she felt bad with what was brought up during the Extractives Transparency Week because it focused on the shadow report. She said the shadow report should not be blamed; rather, the situation on the



ground must be acknowledged. The shadow report is just an instrument. In relation to the shadow report, the main issue perhaps is it not being openly discussed within the MSG. She stressed the importance of using the PH-EITI as a platform to openly discuss issues like the ones raised in the shadow report. She said the MSG should foster an environment of trust and openness, where members can freely share insights.

A civil society representative shared that he knows of communities that are experiencing harassment. He said that the state must do something to protect community workers since it is the legal mandate of the state to protect its people.

A government representative said that the DILG can facilitate having the department release a statement on the issues being raised which causes the delay in Validation. She asked the Secretariat for assistance in the process.

A civil society representative suggested a special MSG meeting to discuss the issues on Validation ahead of Usec. Agabin's meeting with Mark Robsinson. The members agreed to meet on 15 December 2021 (Wednesday). The meeting will also discuss a letter intended to communicate to EITI the country's concerns on the ongoing Validation process.

The MSG also directed the Secretariat to work closely with the DILG in exploring ways to address issues in civic engagement and discuss mechanisms for the reporting and resolution of concerns being raised by stakeholders.

## **VI. Other matters**

In the interest of time, the Secretariat proposed that other pending items in the agenda, which include a presentation on the renewal of OGPI's contract, be rescheduled. With no objection from the body, the item will be tabled for the next regular meeting.

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

The 75th MSG meeting will be on 14 January 2022 (Friday).

## **VIII. Adjournment**

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