

Philippine Extractive Industries Transparency Initiative
Multi-stakeholder Group (MSG) Webinar on 6th Report
28 July 2020 | 9:00 AM – 12:00 PM | via Google Meet
Highlights of the Meeting

Important Dates

December 11	Deadline of matrix (EITI International) with markings from the Secretariat and responses from the consultants (to be sent to MSG for review and comments)
December 18	Deadline of the report incorporating responses to comments
December 21	Deadline for MSG's comments
December 31	Deadline of submission of PH-EITI's 6th Report

Topic: Updates on the 6th Report

The Secretariat reported the updates on the 6th Report.

The Secretariat said that the (The consultant) committed to submit the final draft on December 13. The deadline of submission for the report is on December 31, 2020 which will be the basis of revalidation around April 2021.

The first draft was provisionally approved by the MSG on September 11 and that draft was submitted to the EITI International Secretariat for their comments especially on technical gaps.

The IS returned the copy with around 70 comments, mostly on requirements that they think were not discussed on the draft. The comments were sent to the MSG for review and comments.

One of the industry representatives tried to comment on the document. The secretariat will allow the comment function on the document.

One of the consultants, Linnet Chan, has addressed some of the comments, rows 43 onwards.

The Secretariat informed the chair that the part that is yet to be submitted is the chapter on the Beneficial Ownership (BO) disclosure exercise.

The Secretariat also reported that the BO disclosure status was included in the Reports' Key Findings that was reported in the National Conference. The Secretariat said that around half of the number of target companies have responded. The Secretariat considers the turnout heartwarming considering the issues and concerns on data privacy when it comes to BO transparency.

The report will discuss the issues and challenges encountered in beneficial ownership disclosure, and it will report on the companies that complied with the requirement, partially complied, and did not comply with the requirement, with explanation on why they did not comply.

Next year is the first year that EITI International will assess requirement 2.5 (BO transparency transparency) hence this chapter is an important chapter considering that we have worked on this for several years. This may

also be considered as the culmination of the roadmap from 4 years ago. The 7th Report will also cover the same period of BO disclosure and so the BO transparency reporting will continue to the 7th report.

The co-chair asked how firm the deadline is for the contextual information.

The Secretariat said that unless the MSG will decide to issue a letter to the consultant, PH-EITI will have to hold on to the commitment of the consultant.

The chair asked about the repercussion if the PH-EITI doesn't respond to the comments of the EITI International.

The Secretariat said that it is up to the MSG and that the comments are to help in the improvement of the report which will be the basis of revalidation. The Secretariat is waiting for the responses/actions from consultant for the contextual information to address the comments.

The chair asked if the Philippines will not be revalidated if PH-EITI doesn't response to the comments.

The Secretariat clarified that the Philippines will still undergo the revalidation process with or without responding to the comments, and that the final draft of the report will be the basis of the revalidation.

The chair asked which of the comments must be replied to and which ones are just nice to be addressed.

The secretariat said that the most significant comment might be on the description of the materiality. The EITI International is asking if the methodology of reconciliation is correct and the materiality of reconciliation is correct. The Secretariat said that as per EITI International, it should be the starting point or basis of the report and that it should be agreed by the MSG that it is properly implemented because the result of the reconciliation will be questioned if the materiality and the methodology are questioned.

The Secretariat also confirmed that this has been addressed by the consultant for reconciliation.

The chair asked for the specific comments on materiality.

The Secretariat read the comment on materiality, saying that the EITI international is asking for description and considerations on materiality.

The chair asked the secretariat for its proposal on how to address the other issues.

The Secretariat said that the consultant for the reconciliation is virtually done in addressing the comments on the reconciliation process and that what the secretariat is waiting for is for the other consultant to respond and address the comments on the contextual information. The Secretariat that the way forward is to either wait for or compel the consultant to already submit the report.

The chair responded saying that the consultant will be compelled to submit. The chair then asked if it is on the TOR of the consultant.

The Secretariat confirmed that it is on the consultant's TOR.

The chair asked if the consultant is getting paid.

The Secretariat said that once the contract has lapsed and the consultant wasn't able to submit, the consultant would have to deliver 100% of the output as they are no longer entitled to receive payment in tranches.

The chair reiterated that if it is on the TOR then the consultant will have to be compelled to submit. The chair asked if the contract may be terminated and blacklist the consultant if the consultant was too late in submitting the output.

The Secretariat that such provision wasn't included in the TOR of the consultant.

The chair clarified that it's on the GPRA. The chair then reiterated that the MSG can give comments which the Secretariat will consolidate. The Secretariat shall then send the marked copy next week.

A CSO representative asked which of the comments must be addressed and compliant with mandatory standard and which are advisory, and identify which comments must be responded to.

The Secretariat said that it can mark which comments are mandatory and which ones are advisory. It then reiterated that the most important flagged by the EITI international is on the materiality.

The chair said that the MSG will expect the marked matrix from Secretariat and the response of the consultant before the end of the week, and then expect the marked copy by next week.

The Secretariat reiterated for confirmation that the instruction of the chair will be compelled to submit and that the consultant earlier committed to submit by December 13 but that the consultant may be asked to submit earlier so that the MSG will have time to comment.

The chair asked if this is the first deadline given to the consultant or if it has been extended several times. The chair then said that the matter will be discussed separately with the co-chair and the secretariat.

The chair asked when the report must be submitted.

The Secretariat said that the report must be submitted by December 31, 2020.

The chair asked if the MSG could see the report incorporating the responses to the comments of the EITI International by end of next week. The chair proposed December 24 but eventually agreed to December 21, as proposed by the co-chair.

The Secretariat confirmed its feasibility.

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