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# PH-EITI NATIONAL CONFERENCE 2021

Resiliency in Transparency



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# Social Development and Management Program

**Atty. Ronald Rex Recidoro**

Executive Director

Chamber of Mines of the Philippines

## Purpose of SDMP Funds

- development of the host and neighboring communities affected by mining activities
- advancement of mining technology and geosciences
- promotion of general welfare

- *Sec. 57 and 58, Philippine Mining Act of 1995 - R.A. 7942*



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## SDMP Allocation (DAO 2010-21)

- must be equivalent to an annual allocation of 1.5% of the company's operating cost

SDMP [CDP, if at exploration stage]	ALLOCATION OUT OF TOTAL SDMP COST (1.5% of Operating Costs) [10% of EWP Budget, for CDP]
Development of Host and Neighboring Community	75%
Development of Mining Technology and Geosciences	10%
Information, Education and Communication Program	15%

Source: PH-EITI, 2014



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## Components of PH-EITI SDMP Report

- Analysis of mining companies' FY 2019 data collected through the PH-EITI Online Reporting in Extractives (ORE) Tool
- SDMP fund realignment for COVID-19 response
- 3 case studies (newer mining sites)
  - Republic Cement and Building Materials, Inc. in Teresa, Rizal (Nonmetallic);
  - Atlas Consolidated Mining & Development Corporation/ Carmen Copper Corp. in Toledo, Cebu (Metallic);
  - Taganito Mining Corp. in Claver, Surigao del Norte (Metallic)
- 2 case studies (older mining sites)
  - Philex Mining Corporation
  - OceanaGold Philippines



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## Best Practices in the SDMP of Philex Mining Corporation & OceanaGold



Photo: One of the SDMP Projects of Philex (Source: Au Dolipas, Philex)

- involvement of the community leaders/members in planning and execution of projects developed a sense of ownership and accountability



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# Best Practices in the SDMP of Philex Mining Corporation & OceanaGold



- capacity building and empowerment as part of sustainability measures for SDMP projects boosted the trust and confidence of the community members to manage the SDMP projects



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## Best Practices in the SDMP of Philex Mining Corporation & OceanaGold



- participation of other stakeholders such as the local government units, national agencies, and other organizations harmonized with the local development agenda and prevented duplication of efforts



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# Philex Mining Corporation's SDMP

Sto. Nino Hospital (Health, Medical Support)



PHP 95 million allocated for SDMP through Health, Education, Livelihood, Public Infrastructure, and Socio-cultural programs (HELPS) (2019)



Ligay Elementary School (Education, Training Support)

- scholarships
- seed capital
- technical assistance
- livelihood and skills development training and seminars



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# OceanaGold Philippines Inc.'s SDMP



Didipio Transport Coop

OceanaGold Philippines worked on programs targeting Education, Environment, Health, Business Development, Training and Infrastructure.



COVID-19 Response

- livelihood projects for co-ops and individual farms (enterprise development and networking program)
- educational programs and scholarships
- access to health care services.



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## SDMP Fund Reallocation

- a five-year budgetary life cycle, continuously budgeted and undertaken depending on the life of the mines
- based on the company's forecast of operating expense as reviewed and approved by the DENR-MGB Regional Office
- unspent amount or savings is added to the succeeding year's allocation and may be reprogrammed



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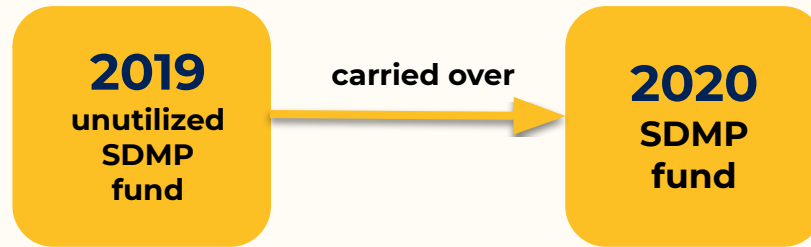
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## SDMP Fund Realignment for COVID-19 Response

- DENR Mines and Geosciences Bureau (MGB) issued a memorandum to realign unutilized SDMP funds to support COVID-19 response
- guidelines were released on April 1, 2020



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## Realigned Funds - Metallic Mining Companies

**39** reporting  
metallic  
mining  
companies

**₱182.2 M**  
reallocated  
budget



**₱176.3 M**  
utilized  
budget

**Beneficiaries**

**192,201** individuals  
**436,842** households



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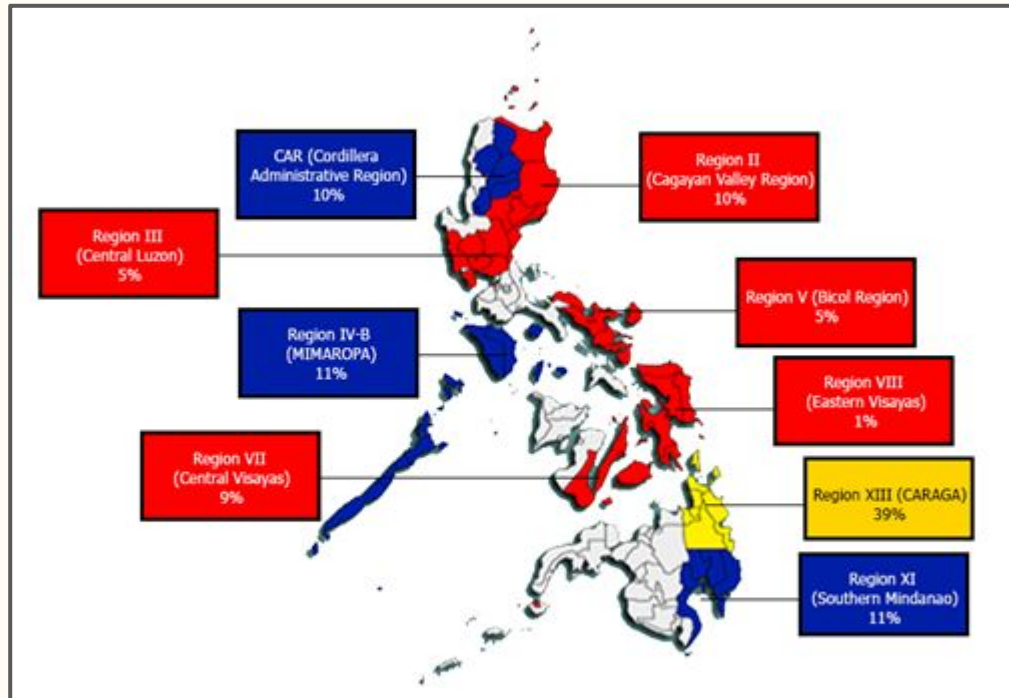


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# Realigned Funds per Region - Metallic Mining Companies

Region	Budget Utilized
Region XIII (CARAGA)	68,605,181.18
Region IV-B (MIMAROPA)	18,927,356.73
Region XI (Southern Mindanao)	18,598,200.00
CAR (Cordillera Administrative Region)	18,210,375.42
Region II (Cagayan Valley Region)	17,317,511.09



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# Realigned Funds (In-kind support) - Metallic Mining Companies

METALLIC SECTOR		
Kinds of COVID-19 Assistance Received by the Frontliners & Household		
	Assistance	Number of Companies
A	Food Assistance <i>(food packs, rice, assorted goods &amp; relief goods)</i>	22
B	Medical Supplies <i>(medicines, PPE'S, facemask, thermal scanner &amp; laryngoscopy)</i>	18
C	Disinfecting Cleaning Materials <i>(alcohol, chlorine, &amp; zonrox)</i>	9
D	Transportation Services <i>(vehicle &amp; fuel)</i>	4

	Check Point Equipments <i>(tent, chairs, table &amp; signage)</i>	3
	Financial Assistance	3
	Livelihood Assitance <i>(sewing machine &amp; crops )</i>	3
H	Seminar: COVID 19 Awareness and Preventions	3
I	Others <i>(see attached, COVID-19 Response Realignment of 2019 &amp; SDMP Budget )</i>	3
J	Establishment of Medical Facilities	2
K	Assistance for PWD and Senior Citizens	1
L	Electrical Support	1
M	Rapid Testing Kits	1



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## Realigned Funds - Non-Metallic Mining Companies

**27** reporting  
non-metallic  
mining  
companies

**₱21.3 M**  
reallocated  
budget



**₱55 M**  
utilized  
budget

**Beneficiaries**

**155,085** individuals  
**260,994** households



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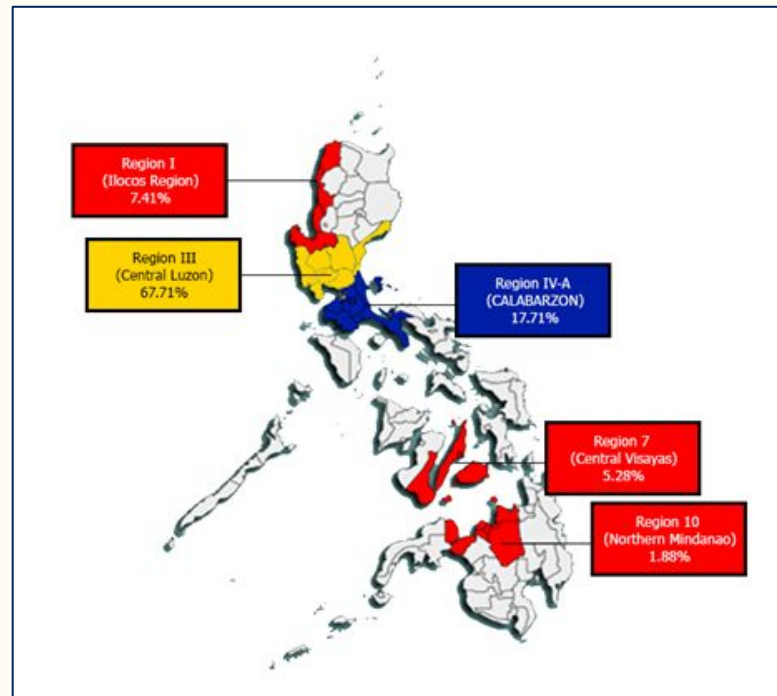
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## Realigned Funds per Region - Non-Metallic Mining Companies

Region	Budget Utilized
Region III (Central Luzon)	37,274,459.43
Region IV-A (CALABARZON)	9,750,095.96
Region I (Ilocos Region)	4,079,276.93
Region 7 (Central Visayas)	2,908,420.22
Region 10 (Northern Mindanao)	1,037,668.89
<b>Grand Total:</b>	<b>55,049,921.43</b>



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# Realigned Funds (In-kind support) - Non-metallic Mining Companies

NON-METALLIC SECTOR	
Kinds of COVID-19 Assistance Received by the Frontliners & Household	
Assistance	Number of Companies
Food Assistance <i>(food packs, rice, assorted goods &amp; relief goods)</i>	16
Medical Supplies <i>(medicines, PPE'S, facemask, thermal scanner &amp; nebulizer)</i>	11
Disinfecting Cleaning Materials <i>(alcohol, chlorine, &amp; zonrox)</i>	6

Others <i>(Isolation, Covid-19 Initiatives/Assistance, Protocol &amp; Re-alignment of unutilized SDMP funds)</i>	3
Water Supplies for Improvement	2
Electrical Support	2
Office Supplies <i>(laptop &amp; printer)</i>	2
Rapid Testing Kits	2
Transportation Services <i>(vehicle &amp; fuel)</i>	1
Check Point Equipments <i>(tent, chairs, table &amp; signage)</i>	1
Financial Assistance	1
Medical Support	1
Seminar: COVID 19 Awareness and Preventions	1
Establishment of Medical Facilities	1



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## Realigned Funds - Oil & Gas Companies

**PNOC-Exploration Corporation**



**₱ 2 billion**  
for COVID-19  
response

**Shell Philipines Exploration B.V.**



**₱7.2 million**  
for COVID-19  
response



**21,703** individuals  
**1,864** households



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# Total allocation for COVID-19 response from mining, and oil and gas companies



**₱ 2.2 billion**  
for COVID-19  
response



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## Synthesis

The implementation of SDMP **supports and creates significant changes** in the lives of beneficiaries.

Nevertheless, there is still a need to **rethink** SDMP as a policy to attain more **inclusivity, sustainability,** and **resiliency**.



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# Inclusivity

- successful implementation of SDMP projects involves participation of community members
- participation results in better accountability of community members
- more active participation among stakeholders is needed
- local government units must be involved



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# Sustainability

- participation and accountability of stakeholders are important considerations in tackling the issue of dependency of communities to mining companies
- SDMP projects should be reflected on the local development agenda of beneficiary municipalities
- capacity building and empowerment of the community should be prioritized



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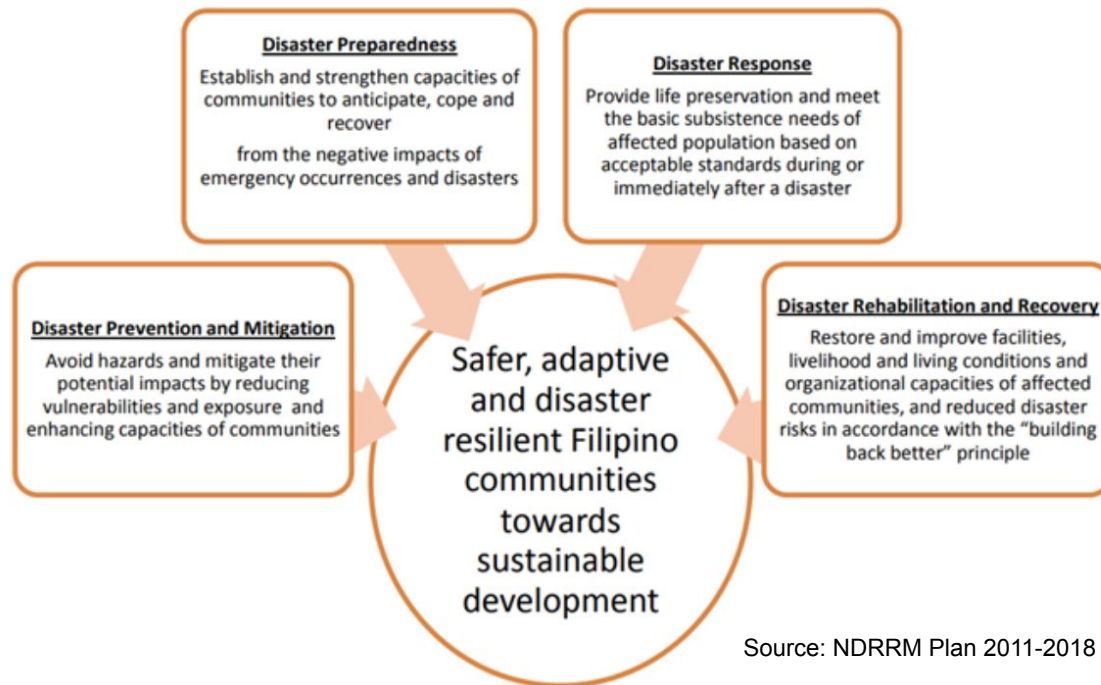


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# Resiliency

- projects may adopt the framework for Disaster Risk Reduction and Management



Source: NDRRM Plan 2011-2018



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