

PH-EITI FY 2023 - 2024

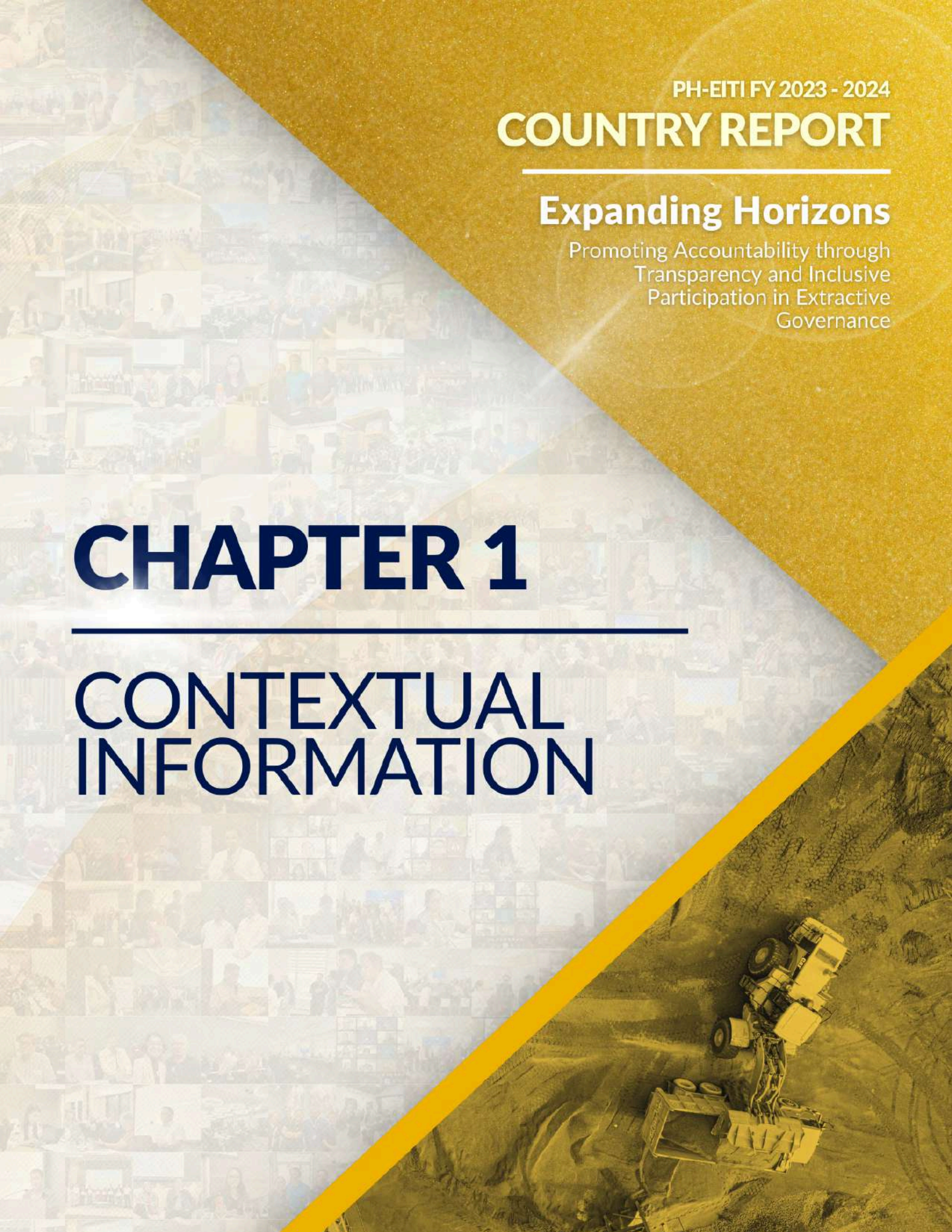
COUNTRY REPORT

Expanding Horizons

Promoting Accountability through
Transparency and Inclusive
Participation in Extractive
Governance

CHAPTER 1

CONTEXTUAL INFORMATION



EXECUTIVE SUMMARY

The passage of a decade under the Philippine Extractive Industries Transparency Initiative (PH-EITI) reveals not merely an audit of payments, but a profound and often turbulent legal landscape where national wealth, ecological imperatives, and human dignity intersect. This 2023-2024 report charts a path from fiscal reconciliation toward a comprehensive governance framework, positioning the extractive sector at the very nexus of the Philippines' energy transition—a transition fraught with legal and social peril.

Governance and Policy Framework

Established as a government-led, multi-stakeholder initiative, PH-EITI has evolved from payment reconciliation to a comprehensive governance framework covering the entire extractive value chain, explicitly aligning transparency mandates with the Philippine Development Plan and focusing on social and environmental expenditures. This strategic expansion necessitated a shift toward subnational implementation in 2023 to enhance local accountability, supported by a tripartite structure where government, industry, and civil society exercise collective oversight. Addressing civic space challenges identified in the 2021 Validation, the Multi-Stakeholder Group (MSG) institutionalized dialogue through a dedicated Stakeholder Engagement Committee and feedback mechanisms, resulting in an improved "Mostly Met" rating for civil society engagement by June 2024. In terms of key policy and governance achievements in 2023, the initiative advanced Beneficial Ownership Transparency by working toward a Data Sharing Agreement with the SEC and played a pivotal role in fiscal reform by utilizing PH-EITI data to support the Department of Finance's position, culminating in the House of Representatives passing House Bill 8937 in September 2023. Concurrently, the 2023-2024 strategic planning cycle integrated critical minerals and the energy transition into the work plan, positioning transparency as a climate governance tool while emphasizing the continued need to protect civic space and prepare for the 2027 Validation through active government monitoring of CSO protocols.

Sector Overview

The metallic mining sector demonstrated resilience through 2024, with robust gold and copper production offsetting sluggish global metal prices, supported by major developments such as the Silangan and Tampakan projects, while the non-metallic sector rebounded due to high demand for sand and gravel in construction. In contrast, the energy sector faced a downturn, as coal, oil, and gas production values declined due to falling prices and resource depletion—highlighted by the strain on the Malampaya gas field—increasing the country's reliance on imported energy despite the renewal of Service Contract 38 (SC 38). Economically, the extractive industry maintained a modest contribution to GDP but provided significant export revenues, though workforce analysis reveals a persistent gender gap with males dominating operational roles across all subsectors. At the subnational level, the case of Claver municipality illustrates the complex trade-off between mining-driven fiscal growth and the resulting environmental degradation and social challenges. Finally, State-Owned Enterprises (SOEs) like PNOC-EC and PMDC continue to facilitate state participation and revenue generation, though the 2021 EITI Validation underscores the need for enhanced transparency regarding state equity terms and joint venture arrangements to fully meet governance standards.

Beneficial Ownership Transparency in the Extractive Sector

Beneficial ownership (BO) transparency has evolved from a technical reporting requirement into a fundamental governance safeguard for the Philippine extractive sector, serving as a critical tool for enforcing constitutional nationality restrictions and protecting national patrimony against illicit financial flows. The 2023–2024 reporting period marked a significant recovery in compliance, with

participation rates stabilizing at approximately 67% and disclosures revealing a predominantly Filipino ownership profile anchored in senior management roles, though declarations of Politically Exposed Persons (PEPs) remain minimal. This progress laid the necessary groundwork for the transformative shift toward mandatory, systematic disclosure anticipated in the post-reporting period, specifically through the forthcoming SEC–DOF/PH-EITI Data Sharing Agreement and the statutory BO requirements embedded in the new mining fiscal regime. However, the current framework faces persistent structural impediments, including data privacy restrictions, the limitations of voluntary consent, and a lack of independent verification mechanisms that compromise data reliability. To bridge these gaps, the report recommends a shift toward systematic, risk-based verification and stronger inter-agency data integration, ensuring that BO disclosures move beyond mere compliance to become actionable tools for regulatory oversight and public accountability.

Responsible and Transparent Small-scale Mining in the Philippines: Initiatives and Integration Efforts

Governed by RA 7076 but defined by widespread informality, the Philippine small-scale mining (SSM) sector engages approximately 500,000 miners and is estimated to contribute the majority of domestic gold production, yet this output remains largely invisible in official statistics due to a persistent reliance on the black market over formal sales to the Bangko Sentral ng Pilipinas (BSP). While 2023–2024 data indicates a rebound in BSP gold purchases driven by tax incentives, the discrepancy between estimated production and legal sales remains vast—with only roughly 1% of SSM gold entering formal channels—due to structural barriers such as the scarcity of buying stations relative to mining areas, the high administrative and financial costs of formalizing Minahang Bayan areas, and the continued prevalence of hazardous mercury-based processing. Addressing these interconnected challenges, recent initiatives have focused on legislative advocacy to amend RA 7076 for lower entry barriers, the introduction of mercury-free technologies by projects like planetGOLD, and market innovations such as the BSP's pilot partnership with pawnshops to decentralize purchasing, all of which were highlighted during PH-EITI's 2023 Extractives Transparency Week as critical steps toward integrating the sector into the formal economy.

Revenue Management and Subnational Transparency

Recognizing that centralized governance often overlooks local realities, PH-EITI has prioritized subnationalization for the 2023–2028 period, evolving from early scoping efforts to a structured decentralized approach under the "SET-UP-GO" program and the Open Government Partnership. This strategic shift aims to address stakeholder concerns regarding the disconnect between national regulations and ground-level implementation—particularly in small-scale mining and civil society representation—by advancing four key agendas: improving data reporting capacity, strengthening stakeholder support, reinforcing governance impact, and establishing sustainable monitoring systems. Concurrently, the sector faced a fiscal contraction, with total tax and royalty collections declining by 13% in 2023 and 21% in 2024 due to falling nickel prices and lower excise collections, a trend addressed by the eventual enactment of the Enhanced Fiscal Regime for Large-Scale Metallic Mining Act (RA 12253). Despite these reforms, Local Government Units (LGUs) continue to grapple with administrative bottlenecks, including delayed revenue transfers and ambiguous land classifications, underscoring the need for improved data sharing and the strategic alignment of extractive funds with local climate resilience and development priorities.

Environmental, Social, and Governance (ESG) Considerations

The Philippine extractive industry is navigating a critical transition shaped by intensifying environmental risks, evolving social mandates, and stricter governance standards. Environmentally, the sector faces the dual challenge of mitigating its significant carbon footprint—with industrial emissions doubling since 1970—and adapting to climate-induced hazards such as landslides and tailings failures, which have prompted the government to enforce stricter biodiversity measures and biodiversity integration into the Environmental Protection and Enhancement Program (EPEP). Simultaneously, the energy landscape is shifting; while coal remains a primary emission source, policy is pivoting toward decarbonization through the Philippine Energy Plan (PEP) 2023-2050, promoting natural gas as a transition fuel and mandating reduced coal dependence alongside bank-led divestment initiatives. On the social front, the Social Development and Management Program (SDMP) and Petroleum Service Contracts remain the primary vehicles for community investment, though stakeholders are pushing for greater inclusivity, alignment with Sustainable Development Goals (SDGs), and improved governance to address persistent gaps in Indigenous Peoples' consent (FPIC) and royalty transparency. Gender inclusivity remains a critical challenge, with women comprising only 12% of the workforce and facing systemic barriers, prompting the adoption of Gender Impact Assessment tools to better capture differentiated impacts. To institutionalize these reforms, the industry is increasingly adopting the Towards Sustainable Mining (TSM) initiative to standardize ESG performance, complemented by rigorous "zero-tolerance" anti-corruption policies to ensure accountability and sustain investor confidence.

Energy Transition and the Future of Extractives

The Philippines' energy landscape presents a critical paradox: while possessing a liberalized power sector through the Wholesale Electricity Spot Market (WESM), the country remains deeply entrenched in fossil fuel dependency, with coal's share of generation doubling to 60% over two decades. To address this and meet the Nationally Determined Contribution (NDC) target of a 75% reduction in greenhouse gas emissions by 2030, the government is mobilizing a transition grounded in renewable energy expansion and the strategic production of critical minerals like nickel, which are essential for green technologies. However, this pivot faces significant "just transition" challenges, where the economic stability provided by coal mining often conflicts with environmental health and Indigenous rights, highlighting governance gaps in Free, Prior, and Informed Consent (FPIC) and the urgent need for workforce reskilling under the Green Jobs Act. While the Philippine Energy Plan (PEP) 2023-2050 sets ambitious decarbonization targets—supported by private sector innovations such as Carmen Copper's pioneering floating solar facility—achieving a truly sustainable shift requires dismantling oligarchic market control and creating an integrated roadmap that harmonizes mine permitting, social protection, and climate goals.

Mainstreaming Transparency: Progress Toward Systematic Disclosure

Building on ongoing governance efforts, PH-EITI is advancing systematic disclosure by integrating transparency requirements directly into routine government and corporate reporting platforms to reduce administrative burdens and empower stakeholder analysis. In the mining sector, while the Mines and Geosciences Bureau (MGB) provides publicly available procedural guidelines for licensing and strictly enforces mandatory community consultations, there remains a critical gap in the public disclosure of the substantive technical and financial criteria used for final license approvals. To address these gaps, the report recommends strengthening the transparency of the MGB's evaluation frameworks and institutionalizing gender-disaggregated data for consultation participants. Furthermore, PH-EITI continues to bolster public oversight by publishing newly awarded extractive contracts on its portal and streamlining compliance by leveraging pre-existing regulatory filings from

publicly listed companies via the PSE EDGE platform. Finally, in alignment with the 2023 EITI Standard, the initiative champions the systematic disclosure of greenhouse gas (GHG) emissions through existing corporate annual and sustainability reports, embedding climate-related footprints into the broader transparency ecosystem to support national energy transition planning.

Review of Recommendations From the Previous Country Reports

Between 2012 and 2022, PH-EITI generated 127 recommendations to strengthen extractive sector governance, achieving a significant milestone with 54 completed reforms that have since been mainstreamed into routine government disclosures and institutional mandates. However, the review highlights that over half of the recommendations remain outstanding—specifically, 4 are ongoing, 26 face structural implementation issues, and 43 require further attention due to the need for legislative action or complex system integration. To address these persistent gaps, pending items covering critical thematic areas such as beneficial ownership, contract transparency, subnational transfers, and ESG reporting have been consolidated for inclusion in the PH-EITI Work Plan 2026. The Multi-Stakeholder Group (MSG) will reassess and recalibrate these recommendations to ensure alignment with the 2023 EITI Standard, utilizing a structured Action Plan to guide phased implementation and ensure that future transparency efforts are both risk-based and responsive to national development objectives.

Review and Analysis of PH-EITI Work Plans 2023-2024

The strategic review of PH-EITI's operational roadmaps from 2023 to 2024 illustrates a decisive institutional evolution from remedial compliance to proactive subnational and thematic leadership. The 2023 Work Plan prioritized recovery and governance stabilization, successfully addressing Validation corrective actions regarding civil society engagement and clearing administrative backlogs, which laid the necessary groundwork for the 2024 Work Plan's pivot toward regional empowerment under the "Bridging Transparency" framework. This 2024 cycle not only executed extensive regional roadshows to capacitate Local Government Units (LGUs) but also served as the incubation period for the 2025 Work Plan, which was proactively developed to align with the evolving 2023 EITI Standard. Now operational with a budget of over PHP 17 million, the 2025 roadmap targets four strategic pillars—subnational institutionalization in pilot LGUs, legislative advocacy supporting the newly enacted Mining Fiscal Regime (RA 12253), the mainstreaming of systematic disclosure via risk-based approaches, and the integration of energy transition and critical minerals metrics—signaling PH-EITI's maturation into a sustainable, forward-looking mechanism for national resource governance.

Moving forward, the mandate of the PH-EITI must become a vigorous defense of the most vulnerable. Its future focus on anti-corruption, climate governance, and subnational implementation is the legal and moral compass for the next decade. The successful operationalization of the new revenue share at the local level, alongside the institutionalization of systematic and verified BO disclosure, is the ultimate test of whether the nation's mineral wealth will truly translate into sustainable, long-term public benefit and climate justice for the communities who bear the sector's greatest burdens. The challenge remains: to legally and institutionally embed a framework that transforms transparency from a mere disclosure exercise into an enforceable engine of equity and ecological stewardship.

SECTION I: GOVERNANCE AND POLICY FRAMEWORK

Inception and Core Mandate of the PH-EITI

The inception of PH-EITI solidified the Philippine government's commitment to global resource governance standards. The core objective established by the mandate defined PH-EITI as a government-led, multi-stakeholder initiative tasked with promoting the open, accountable management, and good governance of the country's oil, gas, and mineral resources. The Multi-Stakeholder Group (MSG) itself established detailed Terms of Reference (ToRs) that outlined the mission and objectives while defining core principles for engagement, which include integrity, inclusivity, commitment to consult, capacity building, and empowerment.¹ This structure ensures that diverse stakeholders have formal opportunities to shape decisions, voice concerns, and contribute to governance reform.

Strategic Objectives Guiding the Decade of Transparency

The strategic trajectory of PH-EITI over the decade involved a significant expansion in scope. While initially focused on reconciling company payments against government receipts, the initiative rapidly broadened to encompass the entire extractive value chain. Key disclosure areas included Contract Transparency, ensuring all contracts were available in open formats; Beneficial Ownership Transparency, aimed at combating corruption and illicit financial flows; and robust Data Accessibility, including the publication of annual reports and comprehensive information about the sector.

Crucially, PH-EITI ensured that its implementation remained relevant to national development goals. The EITI process was explicitly integrated with national priorities, aligning with the Philippine Development Plan (PDP) 2017-2022 and continuing into the PDP 2023-2028 framework.² This linkage ensured that the data generated by PH-EITI was utilized for formulating policy recommendations and developing sector-specific plans.

Scope of Implementation: Value Chain Reporting and Subnational Focus

A defining characteristic of the PH-EITI decade was the focus on embedding transparency requirements across the extractive value chain, particularly concerning social and environmental obligations. The legal framework mandates that mining contractors allocate funds for their host communities and environmental protection. Specifically, under the Philippine Mining Act of 1995, contractors must allocate at least 1.125% of operating costs to the Social Development and Management Program (SDMP).³ PH-EITI reports required the systematic disclosure of these Social and Environmental Expenditures.

Furthermore, recognizing that the policy impact and revenue sharing obligations manifest most acutely at the local level, the MSG adopted subnational EITI implementation as a strategic objective for the 2023-2028 period. This approach necessitated groundwork conducted in 2023, which involved

¹ Extractive Industries Transparency Initiative. (2022). *EITI REQUIREMENT 1.4 (Establishment and governance of multi-stakeholder groups) Guidance Note*. https://eiti.org/sites/default/files/attachments/en_eiti_gn_1.4.pdf?hash=1766142000

² Department of Economy, Planning, and Development. (2023). *Philippine Development Plan 2023-2028*, <https://pdp.depdev.gov.ph/wp-content/uploads/2023/08/082023-Philippine-Development-Plan-2023-2028.pdf>

³ Villanueva, M. (14 November 2024). *Mining and mandatory community development programs in the Philippines: A legal interrogation*. <https://philippinesinstitute.anu.edu.au/content-centre/research/mining-and-mandatory-community-development-programs-philippines-legal>

compiling a directory of Provincial and City Mining Regulatory Boards to evaluate their potential in facilitating local-level EITI implementation.⁴ This initiative aims to improve citizens' access to information and enhance the accountability of local government agencies concerning resource governance.

Policy Directives on Environmental and Social Accountability

The governance framework leveraged EITI reporting to monitor compliance with environmental and social regulations. The legal mandate requiring mining operators to fund Social Development and Management Programs (SDMP) and environmental protection was systematically covered in PH-EITI reports. The reports provided data on these allocated funds, which are meant to promote the general welfare and development of host communities.

Despite the legal mandate for SDMP, analyses conducted under the PH-EITI umbrella identified implementation challenges, including limited community participation and corporate insensitivity to local needs. These findings generated specific policy recommendations aimed at strengthening accountability, such as amending the Philippine Mining Act of 1995 to ensure mandatory Civil Society Organization (CSO) involvement in SDMP processes, and expanding the monitoring role of Multipartite Monitoring Teams (MMT) to include SDMP oversight.⁵

Institutional Arrangements: The Tripartite Model

Roles of Government, Industry, and Civil Society in PH-EITI
The governance of the PH-EITI is founded on the tripartite model mandated by the global EITI Standard. This multi-stakeholder approach convenes representatives from the government, private industry, and civil society to provide collective oversight of the extractive sector. The specific roles, rights, and responsibilities for each constituency are formally defined in the PH-EITI Multi-Stakeholder Group (MSG) Amended Terms of Reference (TOR).

Role of the Government
As a "government-led" initiative, the government constituency provides the primary political leadership and support for PH-EITI. The EITI Standard requires the government to be "fully, actively, and effectively engaged" and to appoint a senior official to lead implementation. ⁶ The Department of Finance (DOF) serves as the lead institution and EITI Champion. It is supported by key regulatory and local government-facing agencies, including the Department of Environment and Natural Resources (DENR), the Department of Energy (DOE), the Department of the Interior and Local Government (DILG), and the Union of Local Authorities of the Philippines (ULAP). The government's core responsibilities include ensuring the full participation of all national and local agencies, compelling data disclosure from companies, and disclosing its own revenues and other relevant data in an accurate and timely manner. A key strategic priority for the 2023-2028 period is the subnationalization of EITI to bring transparency to local communities.

⁴ Philippines | EITI, accessed November 5, 2025, <https://eiti.org/countries/philippines>

⁵ Villanueva, M. (14 November 2024). *Mining and mandatory community development programs in the Philippines: A legal interrogation* <https://philippinesinstitute.anu.edu.au/content-centre/research/mining-and-mandatory-community-development-programs-philippines-legal>

⁶ Extractive Industries Transparency Initiative. (2023). *EITI STANDARD 2023 Part 1: Principles and requirements*. https://eiti.org/sites/default/files/2024-04/2023%20EITI%20Standard_Parts1-2-3.pdf?hash=1766401200

Role of the Industry

The industry constituency is responsible for ensuring the full participation of extractive companies" and for disclosing their payments and relevant data in an accurate and timely manner. This constituency is formally represented on the MSG by its main associations: the Chamber of Mines of the Philippines (COMP) for the metallic mining sector and the Petroleum Association of the Philippines (PAP) for the upstream oil and gas sector. Their primary functional role is technical compliance with EITI reporting cycles, which includes submitting detailed data on payments to the government and providing legal waivers for the disclosure of confidential tax and beneficial ownership information.

Role of Civil Society

The civil society constituency functions as the independent "watchdog" arm of the MSG. Its mandated role is to monitor the disclosures made by government and industry, communicate and consult widely with diverse stakeholders, and build public capacity on EITI. Represented by a coalition of organizations, including *Bantay Kita* (Publish What You Pay Philippines), civil society acts as a crucial intermediary. CSOs analyze the data disclosed through EITI to inform public debate, hold government and companies accountable, and advocate for policy reforms. A 2024 EITI Board targeted assessment affirmed that PH-EITI provides a successful platform for this engagement, though it highlighted the need to further strengthen civil society's role at the subnational level.

Institutionalizing Dialogue through MSG Resolutions and Agreements

The institutional arrangements of PH-EITI underwent significant reinforcement in the latter part of the decade, largely in response to the challenges identified in the 2021 Validation regarding the civic space. The strategic decision by the MSG was to transform the institution into one capable of structural self-correction. In 2022, the MSG passed Resolution No. 4, series of 2022, formally creating the Committee on Stakeholder Engagement.⁷ This specialized body was tasked with proactively addressing corrective actions and structural issues related to CSO participation.

Furthermore, the institutional response included the development of a *feedback mechanism* and the commissioning of a civic space report.⁸ These actions were implemented to protect and strengthen the broader environment for multi-stakeholder governance, demonstrating the MSG's commitment to addressing restrictions faced by civil society actors. The focus on implementing these mechanisms showed that the MSG was effectively acting upon lessons learned to strengthen the impact of EITI implementation. This pivot institutionalized inclusive platforms for discussing extractive governance issues and fostered higher levels of civic participation.

⁷ Philippine Extractive Industries Transparency Initiative. (2022). *Resolution No. 4, series of 2022, RESOLUTION CREATING THE COMMITTEE ON STAKEHOLDER ENGAGEMENT*. <https://drive.google.com/file/d/1nKkIied-Ei0Ij94SrY0mbKesQ1JCnUre/view>

⁸ Philippine Extractive Industries Transparency Initiative. (2023). *The Ninth PH-EITI Report (FY 2021)*. https://eiti.org/sites/default/files/2024-09/9th%20PH-EITI%20Country%20Report%20%282nd%20version%29_Chap%203.pdf

EITI Validation and CSO Engagement Corrective Actions

The 2017 EITI Validation: Philippines Achieves "Satisfactory Progress," A Global First

In October 2017, the EITI Board declared the Philippines as the first country to achieve "Satisfactory Progress" under the 2016 EITI Standard. The Board commended the PH-EITI Multi-Stakeholder Group (MSG) for its dynamic implementation of the EITI, particularly noting its success in translating transparency into tangible governance reforms.

This validation highlighted the effectiveness of the PH-EITI governance framework, where government, industry, and civil society operate as co-equals in policy deliberation. The Board specifically recognized the Philippines' pioneering efforts in using EITI data to drive public debate and policy amendments, proving that the MSG had evolved from a mere reporting body into a platform for substantive policy engagement and meaningful Civil Society Organization (CSO) participation.

While the 2017 Validation lauded the Philippines for its robust tripartite governance, the subsequent Validation introduced a critical corrective action focused on Civil Society Engagement (Requirement 1.3).

Overview of the 2021 Validation Results and Requirements

The Philippines underwent its second Validation against the 2019 EITI Standard, concluding in February 2022, and achieved a moderate overall score. While many requirements were fully or mostly met, the assessment identified a critical vulnerability concerning Civil Society Engagement. Requirement 1.3 was assessed as Partly Met.⁹

This low score stemmed from documented concerns that civil society actors involved in extractive governance faced threats and restrictions on free expression, including political "red-tagging," which inhibited robust public debate on the issues central to EITI implementation.¹⁰ The EITI Board mandated that the government ensure there were no obstacles to CSO participation and required the government to refrain from actions that resulted in narrowing or restricting public debate.¹¹ Recognizing the scope of the reforms needed, the MSG passed a resolution in September 2022 requesting a deferral of the EITI Board Review of the corrective actions (Requirements 1.1 and 1.3) to allow adequate time for institutional restructuring.¹²

Results of the June 2024 Targeted Assessment: Achievement of "Mostly Met" Status

The MSG's systematic approach to structural reform in 2022 and 2023 demonstrated the institution's commitment to addressing civic space concerns. This effort led to a successful outcome in the

⁹ Extractive Industries Transparency Initiative. (19 June 2024). *The EITI Board agreed the outcome of the Philippines' targeted assessment*. <https://eiti.org/board-decision/2024-32>

¹⁰ Philippine Extractive Industries Transparency Initiative. (2023). *The Ninth PH-EITI Report (FY 2021)*. https://eiti.org/sites/default/files/2024-09/9th%20PH-EITI%20Country%20Report%20%282nd%20version%29_Chap%203.pdf

¹¹ Ibid.

¹² Philippine Extractive Industries Transparency Initiative. (2022). *Resolution No. 5, series of 2022, RESOLUTION REQUESTING THE EXTRACTIVE INDUSTRIES TRANSPARENCY INITIATIVE (EITI) TO DEFER THE OCTOBER 2022 BOARD REVIEW OF THE PHILIPPINES' PROGRESS ON TWO CORRECTIVE ACTIONS (REQUIREMENT 1.1 AND REQUIREMENT 1.3) AND THE APRIL 2023 VALIDATION TO OCTOBER 2023*.

targeted assessment of Requirement 1.3, which commenced in January 2024. The assessment which concluded in June 2024 indicates that the Philippines had achieved “Mostly Met” status, marking an explicit improvement in compliance.¹³

The improvement was directly attributable to several key remedial actions taken by the MSG during the extension period: the creation of the dedicated Stakeholder Engagement Committee (Resolution No. 4, s. 2022); the development and implementation of a feedback mechanism; and the commissioning of a comprehensive civic space report. These proactive measures demonstrated that the MSG had evolved into a body capable of responding strategically to external validation scrutiny, reinforcing the broader environment for civil society engagement in governance matters.

However, the assessment identified a persistent, systemic weakness: civil society participation at the subnational level remains relatively weak. This lack of local capacity and funding inhibits the full, active, and effective engagement of local CSOs where extractive impacts and revenue distribution (such as SDMP funds and the new LGU share) are most pronounced. The EITI Board subsequently agreed on new corrective actions for the next Validation (expected to commence on April 1, 2027), urging the MSG to implement subnational EITI plans, secure funding for local CSOs, and ensure that senior government officials, including local government agencies, actively participate in monitoring adherence to the CSO protocol.¹⁴

Table 1 tracks the progress made on the critical Civil Society Engagement requirement throughout the decade.

Table 1-1: Assessment of EITI Requirement 1.3 (Civil Society Engagement) Progress

Validation Cycle/Assessment	Date	Requirement 1.3 Score	Key Institutional Response	Remaining Challenges
Initial Validation (2021)	Feb 2022	Partly Met	MSG required to address restrictions on free expression.	Threats, "red-tagging" reported; narrow civic space.
Targeted Assessment	June 2024	Mostly Met	Demonstrated improvements in the broader environment for civil society to engage.	Weak subnational CSO capacity, limited funding for local engagement.

¹³ Extractive Industries Transparency Initiative. (19 June 2024). *The Philippines achieves “mostly met” on civil society engagement. Outcome of the targeted assessment of the Philippines on Requirement 1.3.* <https://eiti.org/news/philippines-achieves-mostly-met-civil-society-engagement>

¹⁴ Extractive Industries Transparency Initiative. (19 June 2024). *The EITI Board agreed the outcome of the Philippines’ targeted assessment. Outcome of the targeted assessment of the Philippines.* <https://eiti.org/board-decision/2024-32>

Key Policy and Governance Achievements of the Decade

Advancement of Beneficial Ownership Transparency Policies

Transparency in corporate ownership and contractual terms became a pillar of PH-EITI's strategy throughout the decade. The commitment to Contract Transparency was formalized with the establishment of a Contracts Portal, which makes mining, oil, and gas contracts between the government and its contractors readily available and downloadable in open formats, aligning with global standards.

The drive for Beneficial Ownership (BO) Transparency was particularly aggressive, focused on mitigating risks associated with corruption, illicit financial flows, and conflicts of interest. To strengthen the use of BO data, the MSG created a dedicated Technical Working Group (TWG) on Beneficial Ownership Transparency in the Extractives through Resolution No. 2, series of 2022.¹⁵ By the close of 2023, efforts were well underway to formalize a Data Sharing Agreement (DSA) between PH-EITI and the Securities and Exchange Commission (SEC), a crucial step required to centralize and utilize BO information for enforcement. This proactive approach to BO laid the necessary groundwork for future compliance with the enhanced anti-corruption requirements of the succeeding EITI Standard.

The Trajectory of the Enhanced Mining Fiscal Regime

The most significant legislative development influencing the extractive sector during the decade was the sustained effort to reform the mining fiscal regime. Throughout the decade, various proposals were debated in Congress to ensure the government received a "fairer share" of revenues.¹⁶

As the Chair of the PH-EITI MSG, the Department of Finance (DOF) was uniquely positioned to translate PH-EITI findings into tax policy. Finance Undersecretary Karlo Adriano, Alternate Chair and Focal Person of PH-EITI, served as the key conduit. In his briefings on the "Rationalization of Mining Fiscal Regime," Undersecretary Adriano used PH-EITI data to demonstrate the inefficiency of the current system to stakeholders, including the Chamber of Mines. The DOF's ability to present a "simplified" 4-tier royalty structure was directly enabled by the revenue modeling capabilities provided by the PH-EITI database.¹⁷ The DOF's proposal is an improved version of House Bill 8937, which had proposed an overly complex eight-tier structure. Using PH-EITI data, the DOF modeled a four-tier system that would capture the "upside" during commodity booms without killing the industry during downturns.¹⁸

The legislative efforts reached a critical culmination at the close of the reporting period. In September 2023, the House of Representatives approved House Bill 8937 on its third reading, formally

¹⁵ Philippine Extractive Industries Transparency Initiative. (2022). Resolution No. 2, series of 2022, RESOLUTION CREATING A TECHNICAL WORKING GROUP ON BENEFICIAL OWNERSHIP TRANSPARENCY IN THE EXTRACTIVES. <https://drive.google.com/file/d/1ZaMfcYCjYsKIWXA8hq-QmSaWDYfS3G61/view>

¹⁶ BusinessWorld. (2022) *Mining bill expected to raise gov't revenue but poses risk to FDI growth*. <https://www.bworldonline.com/economy/2022/08/29/471228/mining-bill-expected-to-raise-govt-revenue-but-poses-risk-to-fdi-growth/>

¹⁷ Gonzales, A.L. (06 March 2024). DOF pushes for rationalization of mining fiscal regime. <https://www.pna.gov.ph/articles/1220204>

¹⁸ Ibid.

transmitting it to the Senate.¹⁹ This action completed the critical steps necessary within the decade timeframe for the bill's eventual enactment, which subsequently occurred in 2025 as Republic Act No. 12253 or the Enhanced Fiscal Regime for Large-Scale Metallic Mining Act.

The legislative consultation meetings in the Senate saw the active participation of MSG members, including representatives from industry, civil society, and government agencies. During these consultations, CSO voiced a critical assessment: the fiscal architecture of the proposed bill fails a fundamental climate action test. The CSO position argued that the bill does not adequately internalize environmental externalities or the significant climate risks posed by large-scale mining. Furthermore, by not adopting a developmental perspective, it misses a critical opportunity to align mining governance with the state's duty to protect the rights of Indigenous Peoples (IPs) and frontline communities. The failure to maximize the public share of resource wealth compromises genuine community development and intergenerational equity. For this reason, CSOs asserted that a progressive fiscal regime must be viewed as a crucial lever for industrial transformation and holistic community development, ensuring that economic benefits fully compensate for irreversible ecological damage and potential human rights violations associated with extraction.

Legislative Mandate for Environmental Data

The drafting of the Republic Act No. 11995 or the Philippine Ecosystem and Natural Capital Accounting System (PENCAS Act) provides a clear example of how PH-EITI data and frameworks were integrated into legislation through active parliamentary intervention. Senator Loren Legarda, the principal author, championed PENCAS as a tool to ensure that budget allocations are geared towards nature-based solutions. However, it was the specific intervention of Senator Joel Villanueva that cemented the role of EITI within the law.

During the Senate plenary deliberations, Senator Villanueva associated himself with Senator Legarda and introduced a critical amendment to the PENCAS Bill. He explicitly stated that he "introduced an amendment to the PENCAS Bill that promotes the use of the Extractive Industries Transparency Initiative (EITI)".²⁰

Through the aforementioned specific interventions, the PENCAS Act mandates the Department of Environment and Natural Resources (DENR) to utilize EITI frameworks for data generation, explicitly naming EITI in Section 7 of the said law. This provision effectively bridges the gap between the physical accounting of mineral extraction and the economic valuation of natural capital, ensuring that the state's balance sheet reflects the true depreciation of its environmental assets.

Mapping of the New Standard: Work Plan Integration of Critical Minerals and Energy Transition

PH-EITI plays a pivotal role in the governance of critical minerals, particularly as the Philippines positions itself as a strategic player in the global clean energy transition. Since the Philippines is a top global producer of nickel (essential for EV batteries) and holds significant reserves of cobalt, copper, and chromite, PH-EITI's mandate has expanded beyond traditional revenue reporting to include strategic value chain monitoring and policy foresight.

¹⁹ Las Piñas, J.A. (04 September 2025). President Marcos Signs Enhanced Fiscal Regime for Large-Scale Metallic Mining Act into Law. <https://pheiti.dof.gov.ph/mfr/>

²⁰ Senate of the Philippines. 26 February 2024. Press Release. MANIFESTATION OF SENATOR JOEL VILLANUEVA ON THE CONCURRENCE TO THE PH-GLOBAL GREEN GROWTH INSTITUTE (GGGI) AGREEMENT. https://legacy.senate.gov.ph/press_release/2024/0226_villanueva2.asp

PH-EITI's strategic planning cycle, which concluded in 2023-2024, integrated a crucial forward-looking element: linking extractive transparency directly to the global climate and energy transition. The 2025 PH-EITI Work Plan, reflecting strategic decisions made in 2023-2024, prioritizes engagement with critical minerals and renewable energy.²¹ This move ensures that PH-EITI remains globally relevant by addressing the demand side of the extractive sector—the minerals necessary for decarbonization. By expanding its scope to critical minerals and mandating environmental disclosures, PH-EITI is effectively transforming its transparency framework into a climate governance tool. This allows the Philippines to de-risk its extractive sector's involvement in the global green value chain by providing assurances not only of financial accountability but also environmental and social responsibility, fulfilling the broader sustainability goals articulated in the national policy framework.

Institutional Resilience and Civic Space Monitoring

Despite the national-level achievements, a critical risk threatens the long-term effectiveness of the PH-EITI framework. This primary risk involves sustaining the integrity of the civic space. While the national compliance score improved, the underlying threats and restrictions (such as political intimidation) faced by civil society remain systemic concerns that must be continuously monitored. The MSG must maintain the efficacy of its feedback mechanisms and active monitoring to ensure that freedom of expression related to extractive governance is not curtailed.

Strategic Recommendation for the Next Phase of EITI Implementation

Based on the analysis of policy evolution and institutional performance over the 2013-2023 decade, a strategic recommendation is proposed for the next phase of PH-EITI implementation: *Intensify Pre-Validation Preparation on CSO Protocol Adherence*. Leading up to the next Validation cycle (expected to commence on April 1, 2027), institutional efforts must focus on corrective action requiring senior government officials, particularly those representing local government agencies, to actively participate in monitoring and addressing adherence to the CSO participation protocol. This visible, high-level involvement is necessary to demonstrate government commitment to protecting civic space at all administrative levels.²²

²¹ Philippine Extractive Industries Transparency Initiative. 2025. *2025 PH-EITI Work Plan*.

<https://pheiti.dof.gov.ph/download/2025-ph-eiti-work-plan/?wpdmdl=7355&refresh=684f65a172aa51750033825>

²² Philippine Extractive Industries Transparency Initiative. 2023. *Strategic Objective No. 4, PH-EITI 2023 Work Plan*.
https://pheiti.dof.gov.ph/download/ph-eiti_work-plan-2023/?wpdmdl=3797&refresh=658d24c06ef401703748800

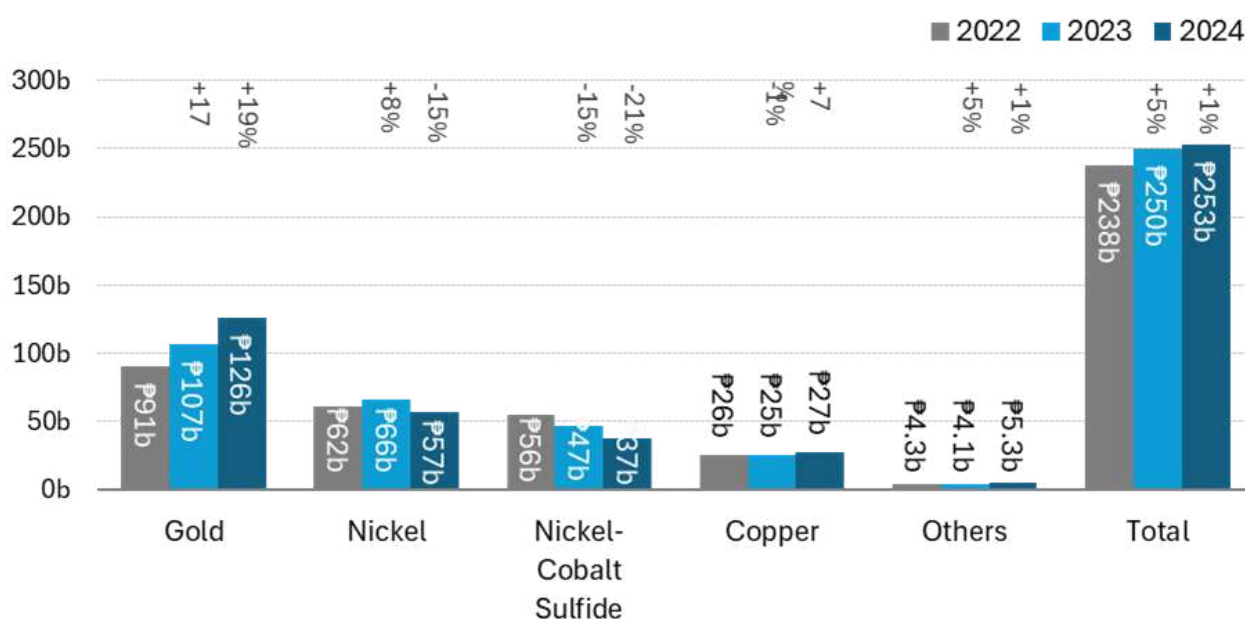
SECTION II: SECTOR OVERVIEW

Mining Production Value

Metallic Mining

The commodities that significantly contributed to the production value of the metallic mining sector are gold, nickel and nickel-cobalt sulfide, and copper. The collective value of other minerals including silver, chromite, iron ore, and scandium oxalate, was relatively low but still forms part of specialized applications for the domestic economy. As early as the 2nd quarter of 2023, sluggish base metal prices were anticipated in the global market due to lower energy costs, weaker metal demand, and supply disruptions²³. Aside from subdued metal prices, certain commodities like iron ore faced notable contractions, including non-operational output from select producers²⁴. Despite this, overall metal production value remained robust between 2023 and 2024 (Figure I-1). Among the key contributors were the rising prices of gold that enabled the commodity to become a resilient value driver²⁵, recovering copper production and value² that slightly cushioned weaker prices of other metals, and contributions from iron ore (up by 100% in 2023), silver (up by 56% in 2024) and chromite (up by 16% in 2024). The growth in chromite output reflects heightened consumption in refractory manufacturing²⁶.

Figure I-1. Metallic Mineral Production Value and Growth Rate, 2022-2024



Source: Mines and Geosciences Bureau^[27]

²³Metal prices forecast to decline as supply improves. (2023, May 23). World Bank Blogs. <https://blogs.worldbank.org/en/opendata/metal-prices-forecast-decline-supply-improves>

²⁴Mines and Geosciences Bureau. (n.d.). Philippines metallic mineral production value rises by 3.17%. Mine Matters. <https://mgb.gov.ph/attachments/article/1637/Philippines%20Metallic%20Mineral%20Production%20Value%20Rises.pdf>

²⁵Mines and Geosciences Bureau. (n.d.). Metallic production value sustains growth. <https://www.mgb.gov.ph/attachments/article/1545/Metallic%20Production%20Value%20Sustains%20Growth.pdf>

²⁶Campos, O. V. (2025, January 7). Mineral production increased 3% to P195.9b in three quarters of 2024. Manila Standard. <https://manilastandard.net/?p=314544392>

²⁷ Data can be accessed here: [Philippine Metallic Mineral Production](#)

Reported developments in the mining sector are anticipated to further augment the production of gold and copper. Philex Mining Corporation accelerated the development of its Silangan Copper-Gold Project in Surigao del Norte, one of the country's largest prospective copper-gold mines, with commercial operations targeted for early 2026²⁸. This project is seen as the successor to the aging Padcal mine. OceanaGold Philippines, on the other hand, announced a 12% increase in mineral reserves at its Didipio Mine in 2024²⁹. The company completed underground optimization studies to maximize extraction efficiency. Sagittarius Mines Inc. (SMI) had preliminary works for the Tampakan copper-gold project in 2023 after securing all major approvals, with production of the first copper concentrate expected in 2026³⁰. Apex Mining Co., Inc. reported expanded production in 2024 from its Maco mine in Davao de Oro and Sangilo mine in Benguet³¹. The company also advanced exploration at the Amacan Copper-Gold Project, with pre-feasibility studies yielding positive results for potential future operations.

Non-Metallic Mining

The non-metallic subsector experienced only a slight decline in 2023 but bounced back in 2024. By this time, the production value was a billion higher than in 2022 (Figure I-2). Based on the Economy-Wide Material Flow Accounts (EW-MFA), the total supply of non-metallic minerals grew from 105 million mt in 2022 to 113 million mt in 2023³². EW-MFA presents how materials move from the natural environment into the economy and how they are traded with other countries. Despite lower production value in 2023, the growth in EW-MFA implies that the country extracted more non-metallic resources during the period. Furthermore, the share of non-metallic minerals in the country's domestic extraction indicates that the economy remained resource-intensive during this period. Non-metallic minerals garnered the second highest share (31%) of domestic extraction or the quantity of natural resources taken as inputs to economic activities in 2023³³.

In 2024, sand and gravel registered the highest growth among non-metallic minerals, noting that it exceeded the 2022 level by more than 50%. While sand and gravel is the primary contributor to the production value, information about key factors of growth remained scant for this sector. A potential reason for the reported increase in production value in the sector is improved reporting, as illustrated by LGU-ENR offices in the Cordillera provinces. This enhancement reportedly led to more comprehensive sand and gravel data, resulting in a substantial 96.4% increase in recorded production in the region. Local cement industry, on the other hand, had to scale down operations despite significant investments in capacity and carbon footprint reduction³⁴. Domestic production was heavily affected by the growing

²⁸ Philex Mining Corporation. (n.d.). Better days, new beginnings: 2024 annual report.

<https://www.philexmining.com.ph/build/assets/PHILEX-2024-AR.pdf>

²⁹ OceanaGold (Didipio Mine). (2025, February 20). OceanaGold (Philippines) Inc. reports fourth quarter and full year 2024 operating and financial results and declares dividend.

<https://didipiomine.com.ph/wp-content/uploads/2025/02/OceanaGold-Philippines-Results-Announcement-Q4-2024-and-Full-Year-2024.pdf>

³⁰ Gonzales, A. L. (2023, August 2). Preliminary works at PH's largest copper mine in Mindanao start. Philippine News Agency. <https://www.pna.gov.ph/articles/1207004>

³¹ AngMinero News. (2025, March 20). Apex mining posts P4. 3b net income in 2024, eyes expansion in Davao de Oro. AngMinero. <https://angminero.com/apex-mining-posts-p4-3b-net-income-in-2024-eyes-expansion-in-davao-de-oro/>

³² Philippine Statistics Authority. (2024, December 26). Highlights of the economy-wide material flow accounts of the Philippines 2018 to 2023. https://psa.gov.ph/system/files/enrad/2%20Highlights_ao23Dec24.pdf

³³ Philippine Statistics Authority. (2024, December 26). Domestic material consumption amounted to 427.00 million metric tons in 2023.

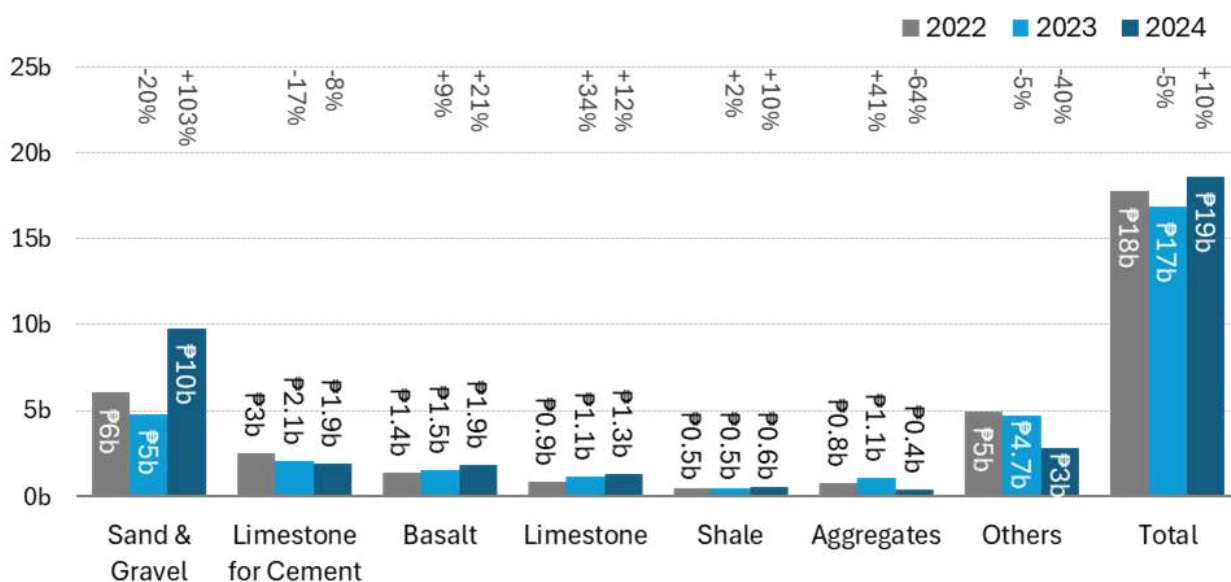
<https://psa.gov.ph/content/domestic-material-consumption-amounted-42700-million-metric-tons-2023>

³⁴ INQUIRER.net. (2024, January 23). The Philippine cement industry has faced challenges: Buy local cement and save jobs.

<https://business.inquirer.net/442153/the-philippine-cement-industry-has-faced-challenges-buy-local-cement-and-save-jobs>

imports each year. Cement imports were higher by 5% in 2024, with the majority sourced from Vietnam³⁵.

Figure I-2. Non-Metallic Mineral Production Value and Growth Rate, 2022-2024



Source: Mines and Geosciences Bureau [36]

A regional highlight from CALABARZON noted that mineral production shifted drastically from being dominated by marine aggregates in 2023 to being led by basalt in 2024, which accounted for over half of the region’s total mining output in that period³⁷. Based on this regional MGB report, this change resulted from the collapse of Cavite’s marine aggregate operations caused by resource depletion and regulatory constraints. It further added that while their mining industry is now more diversified, it faced challenges in stabilizing production after its heavy dependence on marine aggregates.

³⁵ Reyes, M.A.L. (2024, December 1). Decisive move. Philstar.Com. <https://www.philstar.com/business/2024/12/01/2404091/decisive-move>

³⁶ Data can be accessed here: [Philippine Non-Metallic Mineral Production](#)

³⁷ Mines and Geosciences Bureau Region IV-A. (2024). Mineral Industry at a glance. https://denrmgb-my.sharepoint.com/:i/g/personal/ict4a_mgb_gov_ph/Ee5r3i0WelBBq2RSMDqLlGwBtJrvQYleGH3-KmGRrNlwSQ?e=0YYEgl

Developments in non-metallic sector covered the expansion in the limestone-cement value chain. Taiheiyō Cement Philippines, Inc. (TCPI) inaugurated a new production line at its San Fernando Plant, a major investment aimed at meeting the country's rapidly growing cement demand amid strong economic and infrastructure expansion. The 30-billion-yen upgrade is anticipated to enhance cement production capacity to 3 million tons per year³⁸. TCPI is also building a new cement distribution terminal in Luzon to further strengthen its market presence. In Luzon, Solid North Mineral Corporation advanced permitting to increase its quarry capacity to 10.7 million MT/year³⁹, implying long-term confidence in the domestic construction market. Beyond standard construction materials, diversified exploration persisted, evidenced by Benguet Corporation's active permitting for its aggregate prospect in Bataan⁴⁰.

Production and Physical Assets

This section presents the output and the physical assets based on production data and mineral accounts⁴¹. Assets/stocks are represented by reserves (economically recoverable) and resources (potentially exploitable but not yet viable). Each year, the physical asset and its corresponding value are adjusted based on discoveries, reappraisals, and reclassifications. Table 1-2 presents the production and estimated amount of resources and reserves of gold, nickel, copper, and chromite.

Table 1-2. Production Volume, Reserves and Resources in Selected Metallic Mining Sector

Commodity	Year	Production	Resources & Reserves (Classes A, B, C)
Gold	2022	29,036 kg	340 trillion kg
	2023	31,046 kg	520 trillion kg
	2024	28,870 kg	527 trillion kg
Nickel	2022	29,423,836 DMT	2,014 million DMT
	2023	35,475,800 DMT	1,979 million DMT
	2024	33,431,483 DMT	2,055 million DMT
Copper	2022	258,729 MT	70,027,533 MT
	2023	266,532 MT	69,965,554 MT
	2024	256,769 MT	69,643,935 MT
Chromite	2022	87,182 MT	
	2023	101,960 MT	
	2024	127,613 MT	

Source: MGB (production data) and PSA (resource and reserves data)

³⁸ Taiheiyō Cement Philippines, Inc. (2024, July 24). Taiheiyō Cement Philippines, Inc. Hosts inauguration ceremony for its new production line . https://www.taiheiyō-cement.co.jp/english/summary/pdf/240724_1.pdf

³⁹ Solid North Mineral Corporation. (2023). SNMC Quarry Expansion Project. <https://eia.emb.gov.ph/wp-content/uploads/2023/04/SNMC-Esp-English.pdf>

⁴⁰ Benguet Corporation. (2024). <https://benquetcorp.com/wp-content/uploads/2024/09/2024-First-Quarter-Report-SEC-form-17Q.pdf>

⁴¹ Database can be accessed through the Environment Database in [OpenSTAT](#)

Gold

In 2023, the volume of gold extracted was up by 7%. One of the potential contributors to this rise was the improvement in infrastructure that allowed safer mining of richer underground areas in Didipio mines⁴². However, 2024 production fell to a volume almost equivalent to that of 2022. Unplanned downtime in the processing plant could be one of the drivers, but plans have been prepared to maximize underground mining that will allow for the extraction of more gold per ton from surface stockpiles, which make up 60% of the mix⁴³. Recent production represents only a fraction of the country's total reserves as available reserves are estimated to be more than five million mt. However, Class A⁴⁴ reserves were estimated to be 7%, a decline from 12% in 2022. In contrast, the value of these gold deposits increased over the three-year period, rising by 6% in 2023 and by 23% in 2024 from the estimated PhP 163 trillion⁴⁵ in 2022.

Nickel

Both 2023 and 2024 production levels surpassed those of 2022. The primary market driver in 2023 can be attributed to the rising global demand in electronic vehicle (EV) batteries where nickel serves an important component⁴⁶. In contrast, weather-related factors drove down output the following year⁴⁷. Reserves and resources were estimated to reach more than two billion mt in 2024, with only 30% of this classified as Class A. The value of nickel reserves has been declining at an average of 6% (from PhP 232 trillion in 2023 to PhP 206 trillion in 2024) in the last two years.

Copper

Copper output grew by 3% in 2023, but 2024 volume was slightly lower than in 2022. A small portion, 5% and 6% in 2023 and 2024, of the resources and reserves for this commodity were identified as Class A. The value of copper reserves was lower by 10% in 2023.

Chromite

The demand for chromite significantly increased in the periods where higher production volumes were observed. This was attributed to the robust adoption of stainless steel in industrial production⁴⁸. Its Class A reserves accounted for more than half of the total reserves and were decreasing because of continuous extraction and lack of recent discoveries. Meanwhile, the estimated value chromite reserves is growing rapidly from PhP 486 million in 2022 to PhP 646 million in 2023, and to PhP 1,355 million in 2024.

Industrial minerals such as limestone, sand, gravel, clay, and various construction aggregates make up the bulk of non-metallic resources and reserves. The country had 75.37 billion metric tons of non-metallic mineral resources and reserves in 2022, with limestone dominating at 64.21 billion metric tons and the largest resources found in Region VIII while the largest reserves were in Region VII⁴⁹. The 2023 inventory shows that limestone has the largest reserves and resources at over 69 billion metric tons, far surpassing all other commodities listed. The vast difference in reserves between limestone and the remaining commodities highlights its significant dominance in the available resources. While detailed reserve classifications specifically for 2023 are compiled by the MGB, national statistics

⁴² <https://didipiomine.com.ph/didipio-mines-2023-gold-production-up-by-22/>

⁴³ <https://www.pna.gov.ph/articles/1231074>

⁴⁴ According to PSA, Class A reserves are producing or not yet producing but have approved Declaration of Mining Project Feasibility (DMPF)

⁴⁵ All estimates from Monetary Asset Accounts are valued using 10% social discount rate

⁴⁶ Nickel Asia Corp. (2024). Investor Presentation. <https://nickelasia.com/assets/documents/NAC-2024-FEB-IR-Deck.pdf>

⁴⁷ Arcalas, J. E. (2024, October 21). Nickel miners expect output recovery next year.

<https://www.philstar.com/business/2024/10/21/2393960/nickel-miners-expect-output-recovery-next-year>

⁴⁸ Market Research Future. (n.d.). Chromite market size, share & forecast report 2035. Retrieved December 17, 2025, from <https://www.marketresearchfuture.com/reports/chromite-market-22575>

⁴⁹ Philippine Statistics Authority. (2023, December 7). Compendium of Philippine environment statistics component 2: Environmental resources and their use. <https://psa.gov.ph/statistics/environment-statistics/node/1684061706>

underscore the significance of carbonate and aggregate materials for the construction industry and broader economic activity. The abundant limestone deposits support both local cement production and export potential, reflecting continued demand domestically and regionally.

Table I-3. Production, Reserves and Resources of Selected Non-Metallic Mining Sectors in 2023

Commodity	Production Volume	Production Value
Limestone	28,491,856,000	69,231,929,329
Shale	4,649,817,000	3,264,298,635
Aggregates	2,856,921,000	1,995,841,066
Silica	687,057,000	1,447,034,368
Pozzolan	1,661,932,000	1,118,428,414

Coal, Oil and Gas Value

In the absence of reported data on annual production value, the economic values of energy commodities were presented using the resource rent estimates from PSA. This reflects the true contribution of natural capital to the economy by measuring the net economic surplus from extraction after accounting for all costs and normal returns. Table I-4 shows a continuous decline in the economic values of non-renewable energy resources from 2022 to 2024, with coal experiencing the steepest drop, falling by more than half between 2022 and 2023. According to SMPC reports, the decline was driven by lower average selling prices for two consecutive years, from PhP 3,796/mt⁵⁰ in 2023 to PhP 2,853/mt in 2024⁵¹, which mirrored regional benchmark trends (e.g. Indonesian Coal Index 4), and a larger share of lower-quality coal in shipments⁵². Oil remained the smallest contributor throughout the period and exhibited a steady downward trend, which can be attributed to the tapering of average oil prices over the three-year period: USD 95.34/bbl (2022), USD 80.47/bbl (2023)⁵³, USD 79.97/bbl (2024)⁵⁴. Natural gas also experienced a substantial contraction over the period due to reserve depletion.

Table I-4. Economic Value of Coal, Oil and Gas in Philippines, in million PhP

Sector	2022	2023	2024
Coal	60,384.40	30,933.99	28,228.78
Oil	1,916.32	1,603.76	1,427.35
Natural Gas	24,942.46	8,010.56	6,160.37

Source: Energy Accounts, Philippine Statistics Authority (55)

⁵⁰ Semirara Mining and Power Corporation. (2024). Annual report.

https://edge.pse.com.ph/openDiscViewer.do?edge_no=a412a0bad3da7794abca0fa0c5b4e4d0

⁵¹ Semirara Mining and Power Corporation. (2024). Unlocking sustainability: 2024 Annual and sustainability report.

https://semiraramining.com/storage/app/media/SMPC_ASR_2024.pdf

⁵² Semirara Mining and Power Corporation. Q4/FY 2024 Analysts' briefing. (2025, March 3).

https://semiraramining.com/storage/app/media/investor_briefings/SCC%20Q4%202024%20AB%20Deck%20vF%20250303%206pm.pdf

⁵³ Oriental Petroleum and Minerals Corporation. (2023). Annual report.

https://opmc.com.ph/wp-content/uploads/2023-Annual-Report-Complete_compressed-1.pdf

⁵⁴ Talavera, S. J. (2025, February 27). PXP Energy cuts net loss to P30.9M in 2024 on higher sales, cost reductions.

BusinessWorld Online.

<https://www.bworldonline.com/corporate/2025/02/28/656156/pxp-energy-cuts-net-loss-to-p30-9m-in-2024-on-higher-sales-cost-reductions/>

⁵⁵ Data can be accessed here: <https://psa.gov.ph/statistics/environmental-accounts/energy/node/1684081015>

Coal production increased at a modest rate of 2% in the last two years (Table I-5). The vast majority, accounting for approximately 98% in 2023, of its production is still concentrated in Semirara Mining and Power Corporation (SMPC)⁵⁶. Coal remains the leading source of the country’s power supply, but its total capacity dropped by 0.17% in 2023 from the 12,428 MW recorded in 2022⁵⁷. However, the annual coal report from International Energy Agency (IEA) highlighted that coal consumption driven by electricity demand is expected to push coal consumption to 47 mt in the next three years, potentially offsetting renewable energy gains⁵⁸. In addition to power demand, new coal projects may still scale up the share of coal in the energy mix. Such as the case of a new coal mine operated by San Miguel Global Power Holdings Corp. that commenced its production in Ned, South Cotabato in 2023 amidst strong public disapproval⁵⁹.

The share of indigenous energy in the total primary energy supply declined, due in part to declines in local oil and gas production. The average decline in oil (including condensate) production reached 10% in the past two years due to natural reservoir declines and suspension of production in Alegria fields⁵. Meanwhile, natural gas production faced an average decline of 20% from 2023 to 2024 as the Malampaya gas field, the country’s sole large-scale indigenous natural gas resource, has been under strain, with declining outputs and impending depletion concerns by mid-2020s⁶⁰. With weakening local oil and gas production, the country’s reliance on imported energy is expected to grow, increasing vulnerability to global oil price shocks.

In terms of physical stocks, natural gas recorded the highest decline. Based on the physical asset accounts of these energy resources, the remaining stock of coal declined by 4%, oil by less than 1%, and natural gas by 20%. In the context of sector developments, SMPC received approval to implement its PhP 291 billion expansion project. The project will involve extending operations at the Molave and Narra pits and eventually opening the new Acacia pit. This massive investment is critical for maintaining domestic coal supply as the current pits approach depletion. On the other hand, the oil and gas landscape was marked by the renewal of Service Contract 38 for the Malampaya natural gas project granted Prime Energy the approval to sustain gas production, advance exploration activities, and support the potential expansion of the country’s energy reserves until 2039. Two LNG terminals commenced commercial operations. These are AG&P (Linseed), which received its commissioning cargo in April 2023 and began supplying gas to the Ilijan power plant, and First Gen (FGEN), which commissioned its interim offshore terminal in September 2023. Meanwhile, The DOE pioneered a regulatory framework for native hydrogen exploration (Circular DC2023-11-0031) in 2024 to test potential low-carbon fuel sources.

Table I-5. Production Volume, Reserves Resources of Energy Commodities, 2022-2024

Commodity	Year	Production	Resources & Reserves (Classes A, B, C)
Coal	2022	16.094 MT	527,418,659
	2023	16.560 MT	507,857,678

⁵⁶Department of Energy. (2023). Philippine Energy Situationer. https://legacy.doe.gov.ph/sites/default/files/pdf/energy_statistics/2023%20Philippine%20Energy%20Situationer.pdf

⁵⁷ Lagare, J. B. (2024, April 12). Coal-fired generators still Philippines’ top source of electricity. <https://business.inquirer.net/454236/coal-fired-generators-still-philippines-top-source-of-electricity>

⁵⁸Lelis, B. (2025, January 5). Philippines soaring power demand triggers rise in coal use. Philstar.Com. <https://www.philstar.com/business/2025/01/05/2411853/philippines-soaring-power-demand-triggers-rise-coal-use>

⁵⁹Esterman, I. (2024, September 17). Philippine coal mine roars into production amid waves of complaints. Conservation News.

<https://news.mongabay.com/2024/09/philippine-coal-mine-roars-into-production-amid-waves-of-complaints/>

⁶⁰ International Trade Administration. (2024, January 23). Philippines country commercial guide. <https://www.trade.gov/country-commercial-guides/philippines-energy-0>

Commodity	Year	Production	Resources & Reserves (Classes A, B, C)
	2024	16.772 MT	490,196,333
Oil	2022	558,275 barrel	103,652,083 barrel
	2023	501,201 barrel	76,485,754 barrel
	2024	447,857 barrel	74,840,754 barrel
Gas	2022	112,172 MMscf	393,645,226,130 scf
	2023	80,659 MMscf	620,439,010,000 scf
	2024	70,337 MMscf	525,439,010,000 scf

Economic Contribution of Extractives Industry

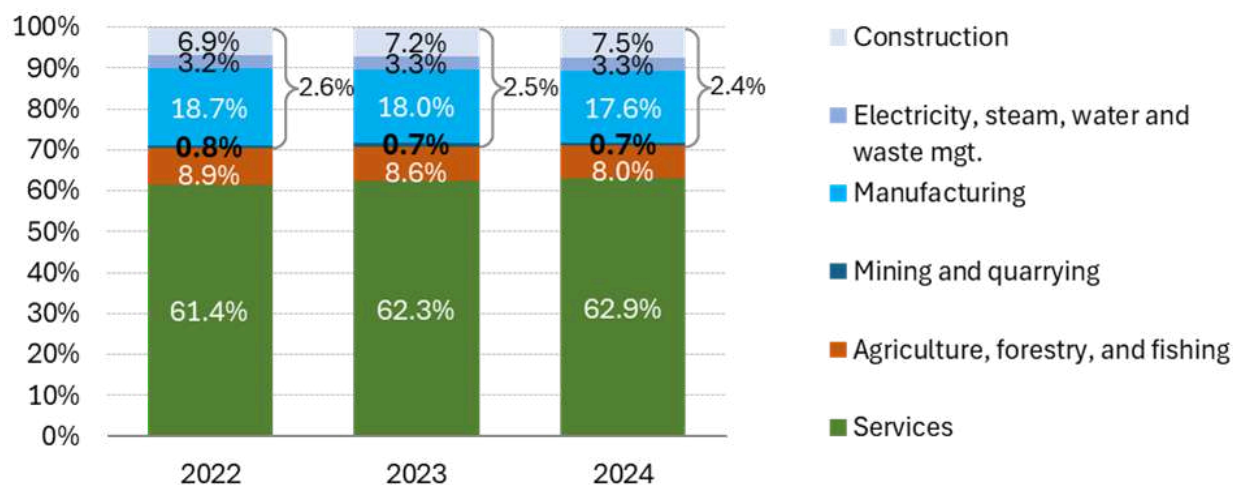
Share of Mining and Quarrying to Gross Domestic Product (GDP)

Mining and quarrying (MAQ) subsector is capital-intensive but makes up a small share of domestic economic activity compared with services and other industry subsectors. Historically, the GDP share of MAQ has ranged from 0.4% to 0.8%. Much of the mining output is exported in raw or minimally processed form. If downstream processing is prioritized, higher economic gains can bolster the sector’s GDP contribution and generate positive spillover effects on the manufacturing sector⁶¹. In 2023, the share of the Industry segment to GDP was 2.5%, while the MAQ contribution in 2023 was estimated to be 0.7% and remained consistent in the following year (Figure I-3). One of the reasons identified for the low share of MAQ to GDP is the low amount of tax imposed on mining activities⁶². However, some region-level reports touch on sectoral declines in 2024, including CAR, Cagayan Valley, Central Luzon, MIMAROPA, Eastern Visayas, and BARMM, whereas Zamboanga Peninsula and SOCCSKSARGEN recorded the highest real growth rates from MAQ⁶³.

Upstream oil and gas extraction is also captured under MAQ, while refining falls under Manufacturing and oil- or gas-fired power generation is reported under Electricity, Steam, Water and Waste Management component. A standalone figure for the oil and gas sector contribution to GDP is not separately reported in the national accounts. While the direct contribution from oil and gas extraction is shrinking due to the natural depletion of the Malampaya gas field, the total petroleum industry market, driven by downstream sales and processing, was valued at approximately US\$ 14.62 billion in 2023 and was forecasted to grow to US\$ 21.54 billion by 2032 due to strong demand, infrastructure growth, and continued exploration opportunities⁶⁴.

⁶¹ Tria, J. (2025, March 10). The future of our minerals industry is in processing. Manila Bulletin. <https://mb.com.ph/10/3/2025/the-future-of-our-minerals-industry-is-in-processing>
⁶² 2024 PH-EITI Regional Roadshow, p. 25. <https://pheiti.dof.gov.ph/download/2024-ph-eiti-regional-roadshow/#>
⁶³ Philippine Statistics Authority. (2024, December 26). Highlights of the economy-wide material flow accounts of the Philippines 2018 to 2023. https://psa.gov.ph/system/files/enrad/2%20Highlights_ao23Dec24.pdf
⁶⁴ AstuteAnalytica. (2024, October 21). Philippines petroleum industry valuation to reach sky high us\$ 21. 54 billion by 2032. GlobeNewswire News Room. <https://www.globenewswire.com/news-release/2024/10/21/2966329/0/en/Philippines-Petroleum-Industry-Valuation-to-Reach-Sky-High-US-21-54-Billion-By-2032-Pharma-and-Cosmetics-Products-Demand-Ignites-Fastest-Growth-Says-Astute-Analytica.html>

Figure I-3. Gross Domestic Product, by Sector



Source: National Accounts, Philippine Statistics Authority

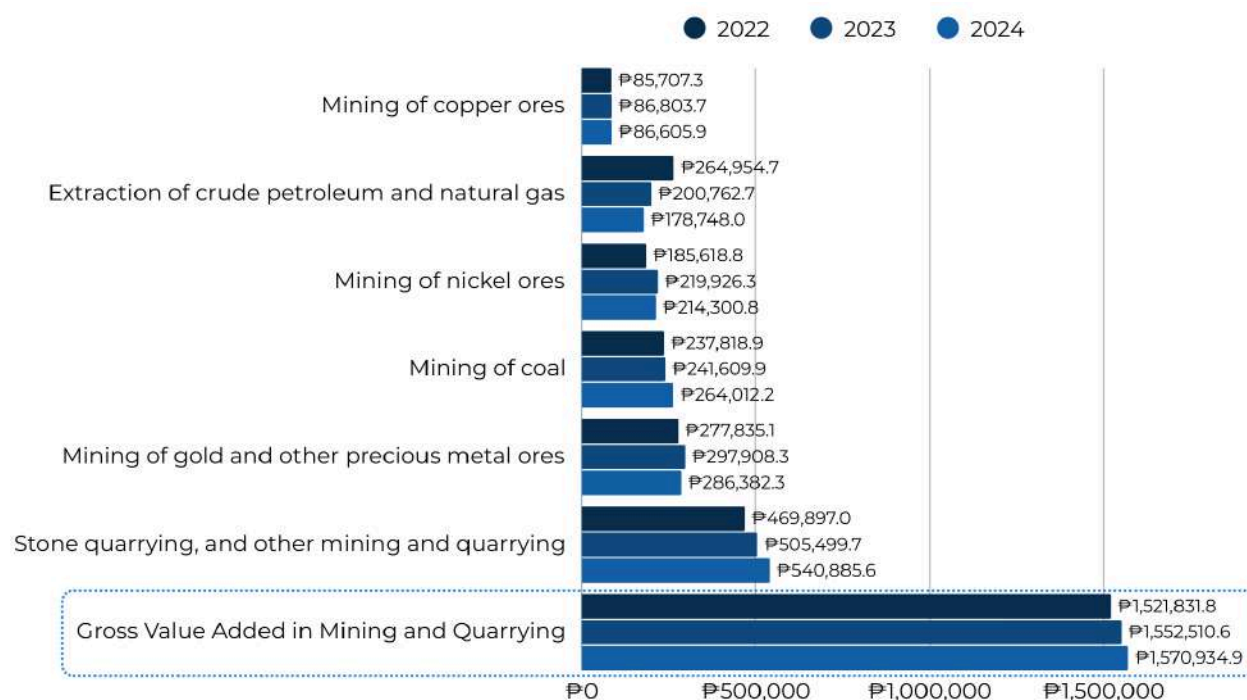
Gross Value Added (GVA)

The gross value added in mining is determined by production volumes, commodity prices, the mix of commodities, operating costs, taxes, and processing activity. GVA grew by an average of 2% YoY. Quarrying made the most significant contribution, accounting for more than 30% of the sector's total GVA. However, lower production of energy commodities, such as crude oil and natural gas, constrained a larger rise in GVA. On the contrary, GVA from coal grew from 3% in 2023 to 9% in 2024, while gold and other precious metals fluctuated, with volatile global prices being a crucial factor. In terms of processing activity and areas for future growth, the first half of 2024 saw stronger emphasis on downstream processing⁶⁵ and international deals driven by battery-metal demand⁶⁶, and, if realized, may raise the sector's value-added share beyond raw ore export dynamics. However, the results will still depend on available investments, regulatory approvals, and overall economic competitiveness.

⁶⁵Flores, M., & Lema, K. (2024, May 10). Philippines eyes boost to nickel processing capacity. <https://www.reuters.com/markets/commodities/philippines-says-us-china-eyeing-mining-opportunities-especially-nickel-2024-05-10/>

⁶⁶Ho, J. (2023, May 5). Philippines wants to leverage on its critical minerals | Latest Market News. <https://www.argusmedia.com/en/news-and-insights/latest-market-news/2446301-philippines-wants-to-leverage-on-its-critical-minerals>

Figure I-4. Gross Value Added in Mining and Quarrying, by Industry



Source: National Accounts, Philippine Statistics Authority

Exports

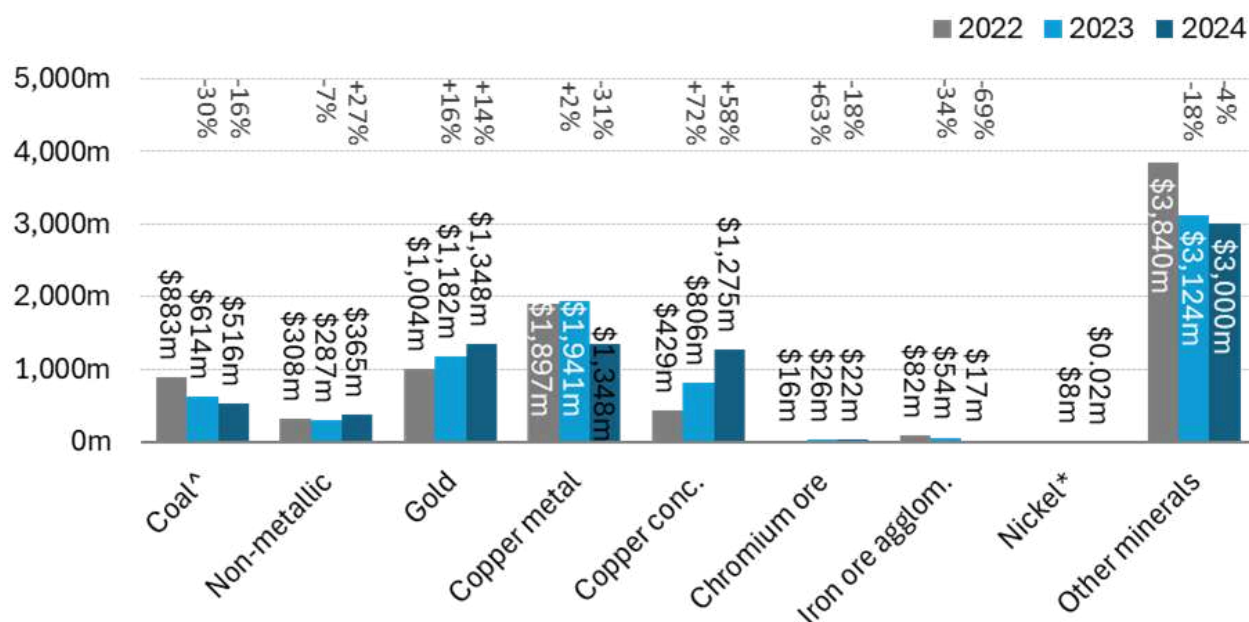
Mineral exports garnered USD 7.14 B in 2023 and USD 7.01 B in 2024, with gold, and copper among the top commodities. These export values were lower compared in 2022 which reached USD 7.27 B. Despite a lower share in export revenues, non-metallic minerals saw a 27% increase in export value in 2024. On the other hand, coal exports continued to decline by 30% in 2023 and 16% in 2024⁶⁷. This decline may be attributed to the 6% decline in export volume in 2023⁶⁸ and the sector’s sensitivity to global price fluctuations⁶⁹. The country does not export natural gas from the Malampaya field. Instead, the gas extracted from the project in offshore Palawan is supplied domestically to fuel three major power plants in Batangas, namely, Sta. Rita, San Lorenzo, and Ilijan, collectively generating about a fifth of Luzon’s electricity. Only small volumes of condensate are occasionally exported. While the country is mainly a net importer of crude oil, small amounts derived from domestic production were periodically exported due to insufficient local refining capacity. Based on PSA data, the extractive industry accounted for 10% of total exports throughout the reporting period.

⁶⁷ Coal export extracted from: <https://comtradeplus.un.org/>

⁶⁸ Philippines Coal exports—Data, chart. (n.d.). TheGlobalEconomy.Com. Retrieved December 17, 2025, from https://www.theglobaleconomy.com/Philippines/coal_exports/

⁶⁹ Crismundo, K. (2024, August 2). Cooling coal prices drag PH largest coal miner’s H1 ’24 net income. <https://www.pna.gov.ph/articles/1230350>

Figure I-5. Coal and Mineral Exports, FOB Value in million USD

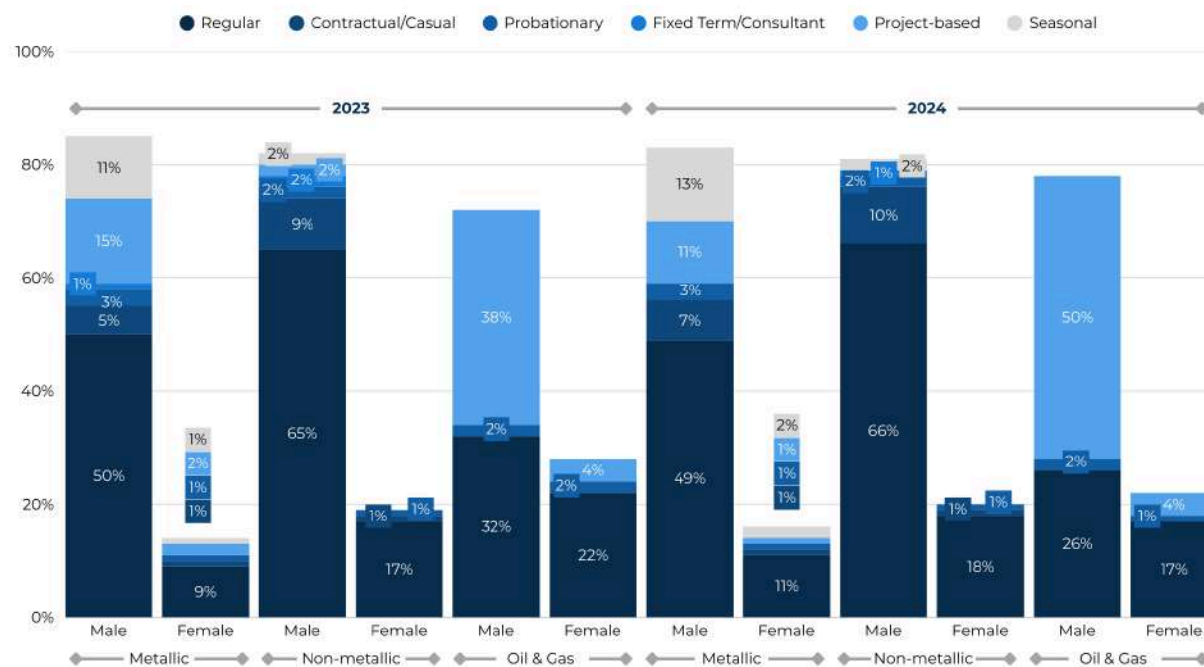


Source: Philippine Statistics Authority. [^]Data for coal exports were collected from UN Comtrade. *No data in 2022

Employment

The analysis of gender distribution across employment categories utilized data submitted by participating companies through the ORE tool, which captures employment status, geographic origin, indigeneity, nature of work and rank along with the data on workplace policies and compensation.

Figure I-6. Gender Distribution by Employment Type



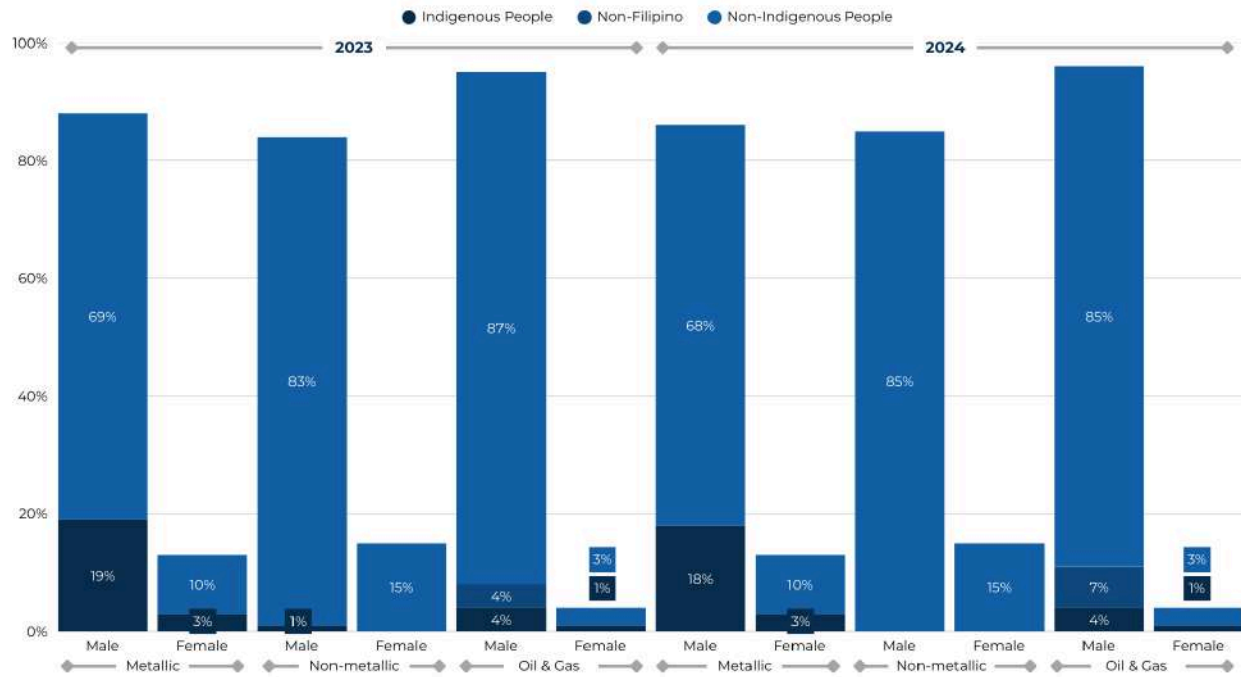
The workforce distribution by employment type underscores a persistent gender gap, with male workers holding the majority of positions across all sectors in both 2023 and 2024. In the metallic and non-metallic sectors, regular employment remains heavily male-dominated, with male employees comprising roughly half to two-thirds of the workforce, while female participation in these stable roles stays below 20%. The oil and gas sector exhibits a particularly stark contrast in project-based employment, where male participation surged from 38% in 2023 to 50% in 2024, compared to a stagnant 4% for females. Seasonal and contractual roles also reflect this disparity, showing minimal female engagement across all industries.

Figure I-7. Gender Distribution by Geographic Unit



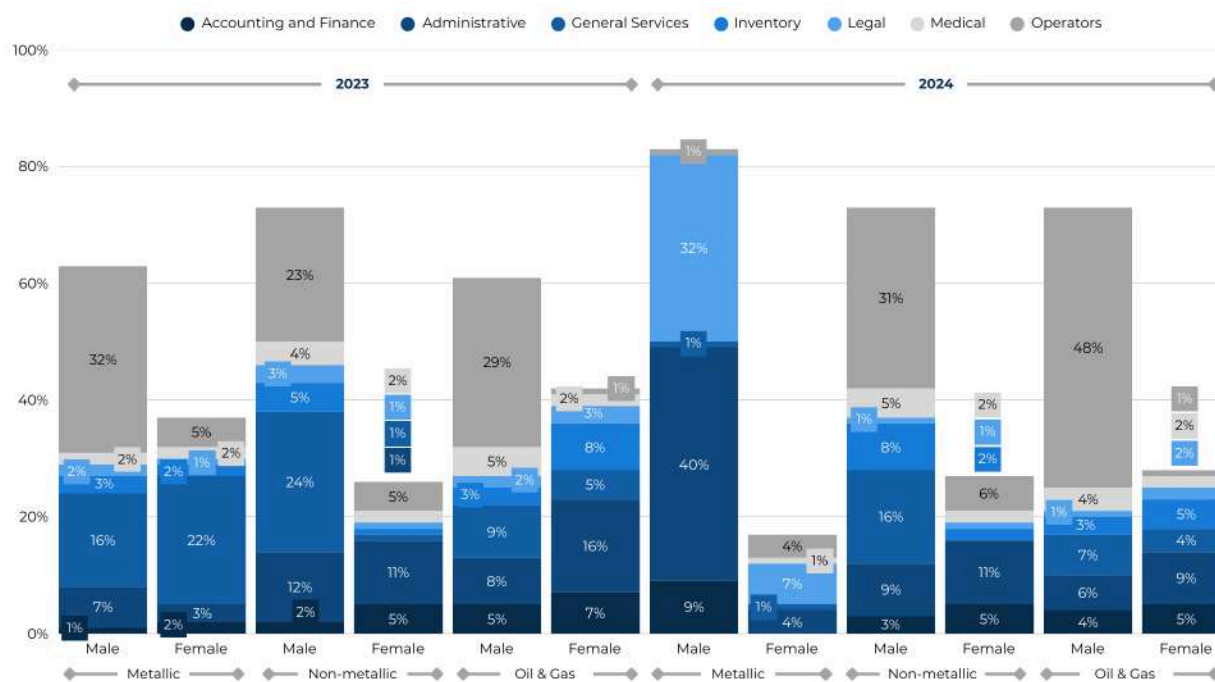
Companies predominantly source male labor from host and neighboring barangays, while female employment remains marginal in these local areas. On the other hand, the oil and gas sector is the most locally concentrated, with male workers from host barangays accounting for roughly 60% of the total, whereas female participation in the same demographic is negligible at 2%. Conversely, the non-metallic sector draws a substantial portion of its workforce from outside the host and neighboring communities, maintaining a steady 14-15% female representation, the highest among the observed groups. In the metallic sector, while recruitment is more evenly distributed across geographic zones, male employees consistently outnumber females by a wide margin in every category.

Figure I-8. Gender Distribution by Indigeneity



Non-indigenous workers constitute the vast majority of the workforce, yet gender disparities persist within every group. In the non-metallic sector, non-indigenous males dominate with over 80% participation, while their female counterparts hold a steady 15% share, marking the highest female representation in this demographic. Indigenous employment is most visible in the metallic sector, where male IP employees account for roughly 19%, significantly overshadowing female IP workers who represent only 3% of the workforce. The oil and gas sector introduces a unique demographic of non-Filipino male workers, rising to 7% in 2024, yet it remains the sector with the lowest overall female inclusion across all indigenous and non-indigenous categories.

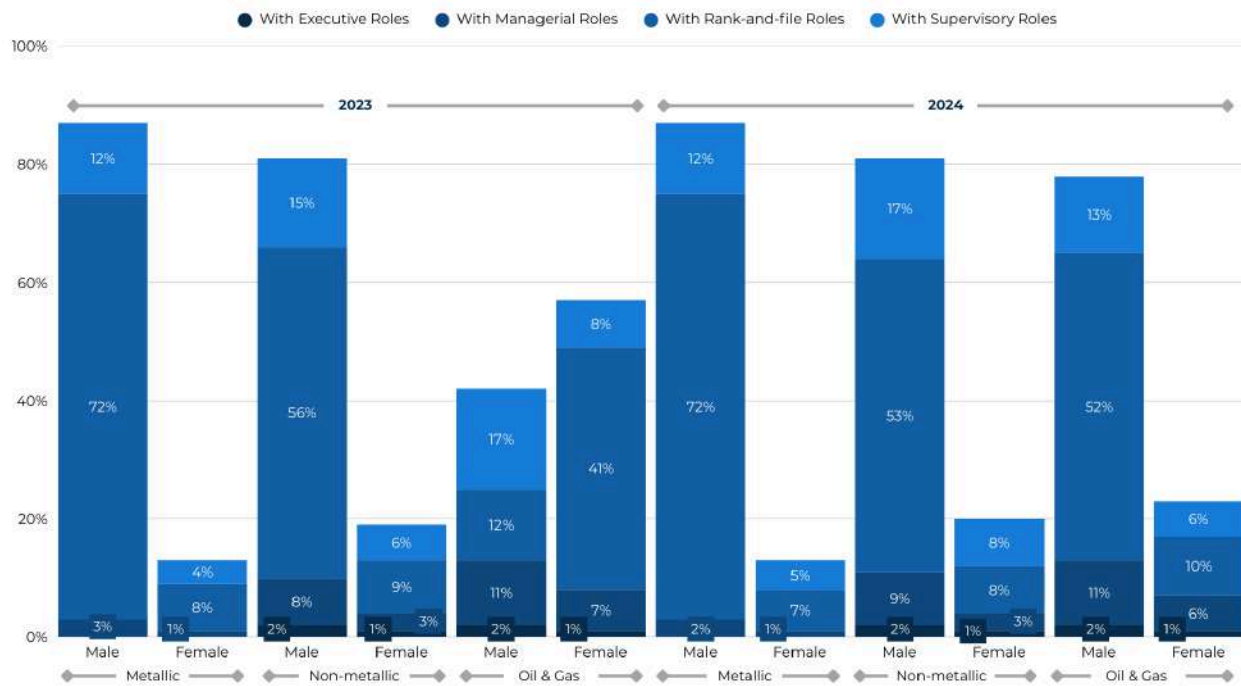
Figure I-9. Gender Distribution by Nature of Work



The distribution of workers by nature of work highlights distinct gendered occupational segregation, with majority of male workers occupying labor-intensive roles while female participation is concentrated in administrative and support functions. For instance, in the oil and gas sector, male employment in Operator roles surged from 29% in 2023 to 48% in 2024, whereas female representation in this category remained negligible at 1%. Conversely, female workers demonstrated a stronger presence in Administrative and General Services roles; notably, in the metallic sector's General Services in 2023, female participation reached 22%, surpassing their male counterparts. In professional support roles like Accounting and Finance, the gender gap is narrower, with women occasionally outnumbering men, such as in the oil and gas sector where females comprised 7% of the workforce in 2023 compared to 5% for males. However, anomalies such as the sharp reported shift in metallic sector roles in 2024 suggest volatility or restructuring in specific job assignments. Overall, the data underscores that while women are integrated into corporate support structures, core operational activities remain heavily male-dominated across all periods.

The distribution of workers by rank shows skewed patterns towards male employees, particularly in rank-and-file and supervisory levels across all sectors. In the metallic sector, male dominance in rank-and-file roles is pronounced and stable, remaining at 72% in both years compared to roughly 7-8% for females. A significant fluctuation occurred in the oil and gas sector, where female rank-and-file participation dropped sharply from a high of 41% in 2023 to just 10% in 2024, while male participation in the same category rose from 12% to 52%. Managerial and supervisory roles exhibit persistent gender gaps; for example, the non-metallic sector consistently reports approximately three times as many males in managerial positions as females. Meanwhile, executive roles show minimal representation for all, though the oil and gas sector maintains a marginal but steady presence of 2% male and 1% female executives, contrasting with the near-zero figures in the metallic industry.

Figure I-10. Gender Distribution by Rank



The analysis of company policies, compensation, and employment support suggests a gap between formal compliance and real progress on gender equity. Although anti-sexual harassment measures are in place, the near absence of reported incidents may reflect barriers that silence grievances. Additionally, limited qualitative reporting on gender initiatives indicates that gender mainstreaming is often treated as a procedural requirement rather than a meaningful operational goal.

Structural challenges are further defined by sector-specific operational contexts, particularly regarding infrastructure and social support. Mining operations, necessitated by remote locations, provide essential on-site housing and higher-level medical facilities yet frequently fail to offer consistent family-support services like daycare and educational scholarships. This inconsistency in care infrastructure may produce unequal burden between male and female employees. In contrast, the oil and gas sector focuses on off-site rent subsidies and outpatient care, which limits support at the worksite and reduces community integration. Mining companies often provide healthcare access to non-employees, while oil and gas firms remain employee-focused, missing chances to support women in host communities. Although general skills training is common, the continued use of male-only training programs in nonmetallic mining reflects persistent occupational segregation. Furthermore, the lagging implementation of gender-sensitive training in the metallic sector underscores a failure to address the cultural and behavioral shifts required for an inclusive workplace. Representation constitutes a severe structural deficit in the oil and gas sector, which completely lacks unions and women’s organizations, thereby depriving female employees of collective bargaining power. In contrast, mining sectors maintain established labor unions and women’s groups, offering a necessary framework for empowering workers. There is a need to move beyond monitoring policy existence to evaluating the operational effectiveness of support systems.

Revenue distribution at the national and local levels

Case Study: The Role and Contribution of the Mining Sector to Local Development in Claver Municipality, Surigao del Norte

The province of Surigao del Norte was declared in 1930 as a mineral reserve through Presidential Proclamation No. 390 under the Mineral Reservation Act. Claver is a coastal municipality in the province situated within this mineral reserve, which is considered as one of the oldest in the country. As of 2000, approximately 20,000 hectares of the province were categorized as mineral reserve, with Claver emerging as a central site for nickel and chromite extraction⁷⁰. Over the past decades, the municipality's development trajectory has been largely shaped by the growth of its mining industry, which catalyzed its advancement from a sixth-class to a second-class municipality. The total municipal land area of 32,262 hectares supports various land uses, but mining remains a dominant economic activity. The municipality's designation as a Special Economic Zone for Mining under the Philippine Economic Zone Authority (PEZA) made it a strategic industrial hub in the region, attracting investments in ore extraction and ancillary industries.

A significant area of the municipality, about 17,388 hectares, is designated as a mineral reservation with the barangays Cagdianao, Hayanggabon, Taganito, and Urbiztondo hosting the mining operations⁷¹. Table 1 presents the annual production value of mining in Claver. Despite the decline in output value in 2024, mining still generated significant amount of revenues. The local government reportedly receives over PHP 600 million of local revenues annually, an amount significantly higher than its internal revenue allotment (IRA) from the national government. The operations of nickel mines, mineral processing plant, and other businesses were said to generate these valuable contributions that helped Claver become less dependent on its IRA⁷². Collected business taxes and regulatory fees from mining helped fund key programs of the local government which involved education, health, agriculture, infrastructure, and social services for marginalized sectors such as senior citizens and persons with disabilities⁷³.

Aside from its thriving mining sector, the municipality has been recognized for good governance, particularly in environmental protection, and the local government actively balances tourism, mining, and environmental conservation by requiring mining companies to support marine protected areas, reforestation, and other conservation initiatives⁷⁴. As of 2024, there were five operating metallic mining ventures engaged in nickel production. The mining ventures are as follows:

- Surigao Integrated Resources Corporation
- Taganito Mining Corporation
- Claver Mineral Development Corporation
- Adnama Mining Resources, Inc.
- 4D Ventures and Development, Inc.

⁷⁰ Environmental Science for Social Change. (2008). 2000 Mining dialogue. https://essc.org.ph/content/wp-content/uploads/2011/05/svd_surigao-mmc.pdf

⁷¹ Municipality of Claver. (2014). Comprehensive land use plan. <https://claver.gov.ph/wp-content/uploads/2021/12/CLUP2014.pdf>

⁷² See, D. A. (2022, November 19). Mining and ecotourism co-exist in Claver. <https://www.manilatimes.net/2022/11/19/news/regions/mining-and-ecotourism-co-exist-in-claver/1866884>

⁷³ Lopez, A. (2025, January 21). Mining firm pays over P63.5-M in taxes, fees to Surigao Norte LGU. <https://www.pna.gov.ph/index.php/articles/1242223>

⁷⁴ See (2022)

Table I-6. Annual Production Value of Metallic Mining in Claver, Surigao del Norte, 2020-2024 (in PHP billion)⁷⁵

Year	Production Value
2020	31.0
2021	38.6
2022	54.8
2023	40.4
2024	31.8

Progress in host communities often follows a marked uptrend with the introduction of mining projects, as the local competitiveness and capacity for revenue generation are significantly enhanced⁷⁶. A case in point is how economic benefits from mining were extended to the growth of the local business sector. In 2018, Claver recorded 984 registered business establishments, mostly small-scale retail, food, and service enterprises, spurred by the influx of workers and auxiliary industries catering to mining activities⁷⁷. Beyond fiscal contributions, mining companies have invested in social development programs that directly benefit host and neighboring communities. Through the Social Development and Management Program (SDMP), mining firms have provided sustained support in education, livelihood, and healthcare. Enterprise development support has been extended to local cooperatives like the Taganito Fisher Folks Association and Claver Red Mountain Agriculture Cooperative, which received financial and technical assistance to strengthen local agribusiness and fisheries production⁷⁸. These efforts have partly cushioned the community from the risks of overdependence on mining and contributed to broader social welfare outcomes. Further, the initiatives demonstrate that ensuring mining companies uphold their social responsibility to communities is a crucial aspect of local governance.

Table I-7. Programs implemented by selected mining companies to support host communities⁷⁹

Initiative	Intended/Reported Outcome
Rehabilitation efforts Kinalablaban River	Restore river flow, improve water quality and vegetation
Mobile clinic to support Tuberculosis (TB) screening in the region	Offer free chest X-rays and ultrasound services until December 31, 2026

⁷⁵ Data available from Mines and Geosciences Bureau CARAGA

⁷⁶ Pascual, L. J. H., Domingo, S. N., & Manejar, A. J. A. (2023). Opposing development perspectives in open-pit mining in the Philippines (Nos. 2023-11). Philippine Institute for Development Studies. <https://pidswebs.pids.gov.ph/CDN/document/pidspn2311.pdf>

⁷⁷ Municipality of Claver profile. (n.d.). <https://claver.gov.ph/about-us/>

⁷⁸ Nickel Asia Corporation. (2023). Towards our green future: Integrated report. <https://nickelasia.com/assets/documents/NAC-Integrated-Report-2023.pdf>

⁷⁹ Based on Sustainability Reports/news content published in the websites of companies: <https://nickelasia.com/sustainability>; <https://gfni.com.ph/sustainability/environmental-performance/>

Initiative	Intended/Reported Outcome
Monthly medical allowances for senior citizens, medical and surgical missions, and free consultations; Installation of x-ray machines	Benefitted 45,000 residents and neighboring municipalities
Scholarships and educational support	More than 1,000 scholars, 43 school staff
Trainings	Technical skills such as heavy equipment operation

The positive socio-economic impacts of mining, however, are intertwined with challenges. An earlier study argued that livelihood projects provided during the mine's life cycle tend to function as a short-term savings mechanism as beneficiaries often rely on household income to sustain these livelihoods⁸⁰. Host communities report common respiratory issues, likely linked to dust exposure. While free healthcare services help manage these impacts, the situation underscores the need for consistent and sustainable health interventions⁸¹. The mining boom in Claver has other profound social and environmental implications. The municipality is part of the ancestral domain of the Mamanwa tribe, whose territories overlap with major mining concessions such as those held by Claver Mineral Development Corporation (CMDC). Despite orders to stop operations due to pollution, unpaid fees, and damage to sacred sites, the company kept operating until the court removed it in 2013, but concession was later transferred to another Chinese firm, leaving communities unsure about future environmental and social impacts⁸². These dynamics underscore the fragile balance between development and indigenous rights.

Moreover, mined-out areas in Claver exhibit high levels of soil contamination, with nickel concentrations reaching 7,166 ppm, well above the Dutch standard of 210 ppm, indicating severe ecological stress and poor soil fertility⁸³. Similarly, marine ecosystems in Cagdianao and Claver have shown significant heavy metal accumulation with iron, lead, and cadmium present at concerning levels in aquatic vegetation⁸⁴. The findings suggest potential bioaccumulation risks across the food chain and underscore the need for continuous environmental monitoring and rehabilitation.

Despite these challenges, Claver has made strides toward integrating environmental governance into local policy frameworks. The town has received multiple Seals of Good Local Governance and mandates mining companies to maintain marine protected areas and contribute to reforestation efforts. Claver's experience exemplifies the dual nature of mining-led development. While it has catalyzed economic growth, improved local revenues, and expanded access to social services, it has also produced social inequalities, environmental degradation, and uncertainties about long-term sustainability. The key challenge for Claver lies in ensuring that mining-generated wealth translates into durable, inclusive, and

⁸⁰ Environmental Science for Social Change (2008)

⁸¹ Dave, S., Basadre, J., Lastra, E., Umpil, I., & Adlaon, M. (2024). Exploring community perspective on mining activities and respiratory health in Claver Surigao Del Norte, Philippines. 25(2), 1–7. <https://www.innspub.net/wp-content/uploads/2024/08/IBES-V25-No2-p1-7.pdf>

⁸² Ej Atlas. (n.d.). Shenzhou Mining / Claver Mineral Development Corporation Nickel mining in Claver, Philippines. <https://ejatlas.org/conflict/shenzhou-mining-claver-mineral-development-corporation-nickel-mining-in-claver-philippines>

⁸³ Bethlehem, M. T., Magsayo, B. M., Bacosa, H. P., Aggangan, N. S., Gilbero, D. M., Amparado, R. F., & Guihawan, J. (2022). Characterization of nickel and gold mined-out areas of taganito mining corporation and manila mining corporation, claver and placer, surigao del norte, philippines. <https://doi.org/10.21203/rs.3.rs-2037334/v1>

⁸⁴ Orboc, D. R., Jumawan, J., Ombat, L., Capangpangan, R., & Seronay, R. (2022). Marine benthic macrophytes diversity and concentration of heavy metals in thalassia hemprichii near mining area of claver, surigao del norte, philippines. Journal of Ecosystem Science and Eco-Governance, 29–39. <https://doi.org/10.54610/jeseg/4.2.2022.004>

environmentally sound development. Strengthening local governance, diversifying livelihoods, institutionalizing Indigenous participation, and intensifying ecological rehabilitation are essential pathways to ensure that Claver's progress remains rooted in both prosperity and sustainability.

State-Owned Enterprises (SOEs) in the Philippine Extractive Sector

The Republic of the Philippines is endowed with significant deposits of metallic and non-metallic minerals, as well as oil, gas, and coal resources that are critical to national development. In managing these finite natural assets, the State plays a direct and strategic role through its State-Owned Enterprises (SOEs), formally classified as Government-Owned and Controlled Corporations (GOCCs). These entities operate under a dual mandate: to support national economic objectives through the development of extractive resources, and to uphold the State's constitutional responsibility to ensure the prudent, equitable, and sustainable management of natural wealth for present and future generations.

While private firms dominate much of the mining, oil, and gas sectors, SOEs remain integral across various segments of the extractive value chain. They participate through direct operations, management of state equity, joint ventures, and stewardship of mineral and energy assets in areas where private investment may be limited or entails heightened social, environmental, or regulatory risks. In this context, SOEs such as the Philippine National Oil Company–Exploration Corporation (PNOC-EC) and the Philippine Mining Development Corporation (PMDC) play a critical role in advancing energy security, generating public revenues, and promoting responsible resource development.

Given their public ownership and strategic mandates, the governance, financial performance, and transparency of SOEs are central concerns for policymakers and stakeholders. These dimensions are also a core focus of PH-EITI, which seeks to strengthen accountability, enhance public understanding of state participation in the extractive sector, and build trust in the management of the country's natural resources.

The EITI Standard and State Participation

A central component of the EITI Standard is Requirement 2.6 on State Participation. This requirement focuses on transparency and accountability in the role of the State within the extractive sector, particularly through SOEs and other forms of state equity participation. It seeks to ensure that the public can clearly understand how the State engages in extractive activities—whether through ownership, management, joint ventures, or other arrangements—and how these engagements affect public finances and resource governance.

Requirement 2.6 calls for the disclosure of the rules and practices governing state participation, the financial relationships between SOEs and the government, and whether SOEs operate on a commercial basis or perform quasi-fiscal or public policy functions. Enhanced transparency in these areas helps mitigate risks related to conflicts of interest, inefficiencies, and mismanagement, while strengthening public trust and oversight.

Within the Philippine context, alignment with EITI Requirement 2.6 reinforces broader national objectives on good governance, fiscal transparency, and sustainable development. It ensures that the roles, responsibilities, and performance of SOEs engaged in the extractive sector are clearly articulated, publicly accessible, and subject to informed public debate.

Philippine National Oil Company–Exploration Corporation (PNOC-EC)

The Philippine National Oil Company–Exploration Corporation (PNOC-EC) is a GOCC mandated to undertake the exploration, development, and production of the country's indigenous oil, gas, and coal resources. It was established pursuant to Presidential Decree No. 334 dated 9 November 1973 and incorporated on 20 April 1976. PNOC-EC operates under the policy supervision of the Department of Energy (DOE) and serves as the State's primary commercial arm in the upstream energy sector.

PNOC-EC plays a strategic role in managing the State's interests in petroleum and coal projects, contributing to national objectives on energy security, economic stability, and sustainable development. Through its upstream participation, the corporation supports the development of domestic energy resources, helps reduce reliance on imported fuels, and contributes to the stability and reliability of the country's power supply.

As of the reporting period, PNOC-EC holds participating interests in seven (7) petroleum Service Contracts (SCs): SC 37 (Cagayan), SC 38 (Malampaya), SC 57 (Calamian), SC 58 (West Calamian), SC 59 (West Balabac), SC 74 (Linapacan), and SC 75 (Northwest Palawan). The corporation acts as operator in SC 37, SC 57, and SC 59, and participates as a non-operating partner in SC 38, SC 58, SC 74, and SC 75.

Table I-8. Petroleum Service Contracts

Service Contract	Region/basin	PNOC-EC Role	Consortium Partners (Other Entities)
SC 37	Cagayan	Operator (100%)	Sole Interest
SC 38	Malampaya	Non-Operating Partner	Prime Energy (Operator), UC38
SC 57	Calamian	Operator	CNOOC, Jadestone Energy
SC 58	West Calamian	Non-Operating Partner	Nido Petroleum (Operator)
SC 59	West Balabac	Operator (100%)	Sole Interest
SC 74	Linapacan	Non-Operating Partner	Nido Petroleum (Operator), Philodrill
SC 75	NW Palawan	Non-Operating Partner	PXP Energy (Operator)

Source: PNOC Exploration Corporation. *Petroleum service contracts*. Retrieved from <https://pnoc-ec.com.ph/services/petroleum-service-contracts>

PNOC-EC's most significant petroleum asset is its participation in Service Contract 38 (Malampaya Deep Water Gas-to-Power Project), located offshore northwest of Palawan. PNOC-EC holds a 10 percent participating interest in the SC 38 Consortium, alongside Prime Energy Resources Development B.V. (Operator) with 40 percent, Prime Oil and Gas Inc. with 5 percent, and UC38 with the remaining 45 percent. Since the start of commercial operations in 2001, the Malampaya project has supplied natural gas to four major power plants in Luzon—Sta. Rita, San Lorenzo, San Gabriel, and Avion—with a combined installed capacity of over 2,000 megawatts. As of November 2025, cumulative government revenues from Malampaya amounted to approximately US\$14 billion, underscoring the project's substantial contribution to public finances and national energy requirements.

In addition to petroleum operations, PNOC-EC holds four (4) Coal Operating Contracts (COCs): COC 41 (Malangas), COC 122 (Isabela), COC 185 (Buug–Malangas), and COC 186 (Imelda–Malangas). The corporation also undertakes coal trading activities through its coal terminal in Malangas, Zamboanga Sibugay, supporting domestic coal supply and logistics.

In line with the EITI Standard and national transparency policies, PNOC-EC⁸⁵ discloses its ownership structure, governance framework, and institutional information through its official website and mandated disclosure platforms. Publicly available documents include its Articles of Incorporation and By-Laws, General Information Sheet, and information on Board composition, compensation, and activities.

As a GOCC, PNOC-EC is subject to oversight by the Governance Commission for GOCCs (GCG) and complies with public financial management regulations, including the remittance of dividends to the National Government. The corporation regularly publishes⁸⁶ its Annual Audited Financial and Performance Reports, Audited Financial Statements for the immediate past five years, and its Corporate Operating Budget.

PNOC-EC also complies with national integrity and transparency mechanisms, including the Freedom of Information (FOI) Program, under which it holds a Certificate of Compliance, and the implementation of a Whistleblowing Policy. Procurement-related disclosures, such as the Annual Procurement Plan and information on projects and programs, are likewise made publicly accessible.⁸⁷

PNOC-EC contributes to public revenues through dividends, taxes, royalties, and other fiscal obligations arising from its extractive activities. Its participation in the Malampaya project remains a major source of government income. In May 2024, PNOC-EC remitted approximately PHP 1.99 billion in dividends to the National Treasury. Between 2013 and 2022, the corporation declared cumulative dividends exceeding PHP 9.45 billion, while total payments to the government—including income taxes, business taxes, royalties, and other levies—amounted to more than PHP 8.4 billion, as reported in PH-EITI Country Reports.

Beyond its commercial role, PNOC-EC implements sustainability and community development initiatives through its Corporate Social Responsibility (CSR) program, known as the “Kaagapay Program.” Anchored on partnership and shared development, the program focuses on four thematic areas: Health, Livelihood, Education, and Environment. Activities include medical missions, livelihood and skills training, educational assistance, and environmental protection initiatives such as tree planting and coastal clean-up activities. These efforts aim to ensure that communities affected by extractive activities benefit from resource development in a manner consistent with inclusive and sustainable growth.

PNOC-EC’s financial performance from 2018 to 2024 reflects both the volatility inherent in the petroleum sector and the corporation’s capacity to generate returns for the State. Net income remained positive throughout the period, demonstrating overall financial resilience. After peaking in 2019, profitability declined in 2020 and 2021 due to reduced global energy demand and price volatility during the COVID-19 pandemic. A strong recovery was observed in 2022, followed by a moderation in 2023 and 2024 amid changing market conditions.

Total assets and equity levels remained relatively stable, indicating prudent asset management and sustained capitalization. Dividend remittances to the National Government were maintained

⁸⁵ PNOC Exploration Corporation: [Mandate and Functions | PNOC EC](#)

⁸⁶ PNOC Exploration Corporation: <https://www.pnoc-ec.com.ph/reports>

⁸⁷ PNOC Exploration Corporation: <https://pnoc-ec.com.ph/services/petroleum-service-contracts>; and <https://www.pnoc-ec.com.ph/procurement>

throughout the period, although variations highlight the importance of clearer dividend policies and reinvestment strategies to balance fiscal contributions with long-term operational and energy transition objectives. PNOC-EC's low and stable debt-to-equity ratio reflects conservative leverage, reducing fiscal risk to the government while potentially constraining large-scale investment without additional support or partnerships.

Overall, PNOC-EC's performance underscores its role as a stable, revenue-generating SOE, while also pointing to governance and policy considerations relevant to EITI Requirement 2.6, including enhanced disclosure of joint venture arrangements, reinvestment strategies, and alignment with national energy security and transition goals.

Table I-9. Key Financial Performance Indicators, 2018-2024 (PNOC-EC)

Indicator	2018	2019	2020	2021	2022	2023	2024
Net Income	1,368,070,000	1,176,510,000	598,350,000	535,320,000	1,625,880,000	1,131,550,000	1,207,910,000
Total Assets	17,327,810,000	17,699,030,000	15,204,450,000	1,495,120,000	16,010,380,000	16,474,620,000	15,571,610,000
Equity	14,261,110,000	14,586,950,000	12,128,080,000	11,784,490,000	13,150,100,000	13,617,330,000	12,947,200,000
Revenue	5,181,700,000	4,960,880,000	3,397,690,000	3,352,030,000	4,556,090,000	3,717,340,000	3,932,230,000
Dividend Remitted	700,700,000	2,002,000,000	3,010,000,000	1,003,000,000	712,710,000	712,000,000	2,000,000,000
Return on Assets (ROA)	7.90%	6.60%	3.90%	3.60%	10.20%	6.90%	7.80%
Return on Equity (ROE)	9.60%	8.10%	4.90%	4.50%	12.40%	8.30%	9.30%
Debt-to-Equity Ratio	21.50%	21.30%	25.40%	26.90%	21.80%	21.00%	21.30%
Operating Profit Margin	0.49	0.45	0.37	0.38	0.56	0.39	0.31
Earnings before Interest and Taxes (EBIT)	2,546,719,453	2,209,248,565	1,249,588,687	1,279,107,171	2,559,525,197	1,448,653,934	1,222,413,075
Earnings before Interest, Taxes, Depreciation and Amortization (EBITDA)	4,017,989,329	3,835,082,164	2,611,606,569	2,641,125,053	3,701,468,427	2,260,245,677	1,762,163,374

Source: [PNOC-EC Annual Report](#)

Figure I-11. PNOC-EC Return on Assets (ROA) and Return on Equity (ROE)

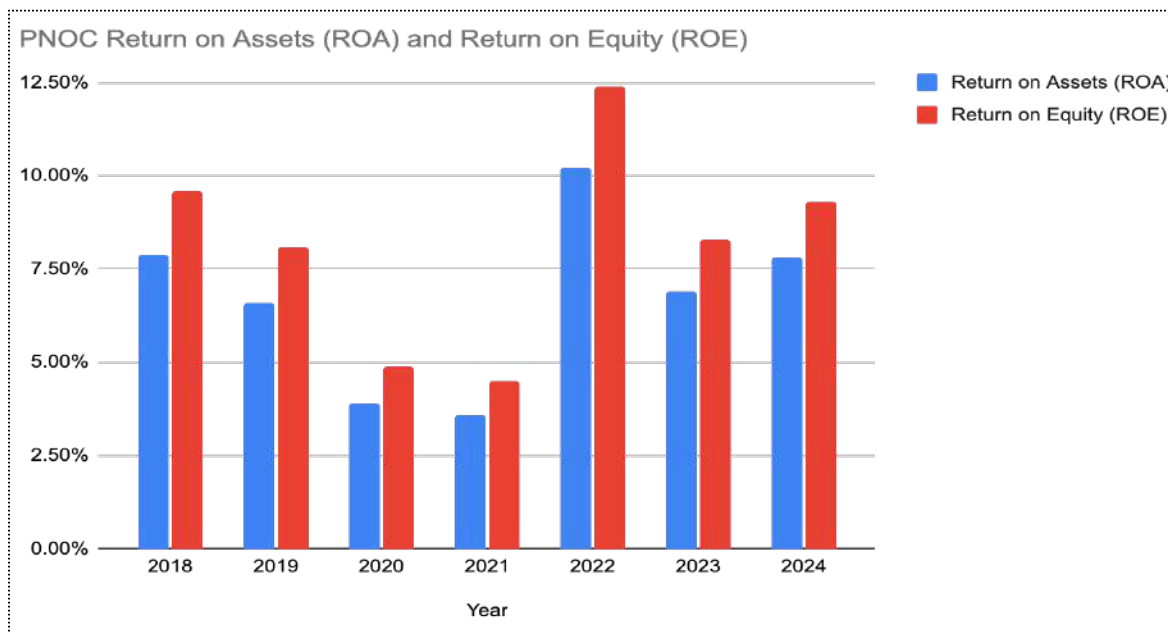
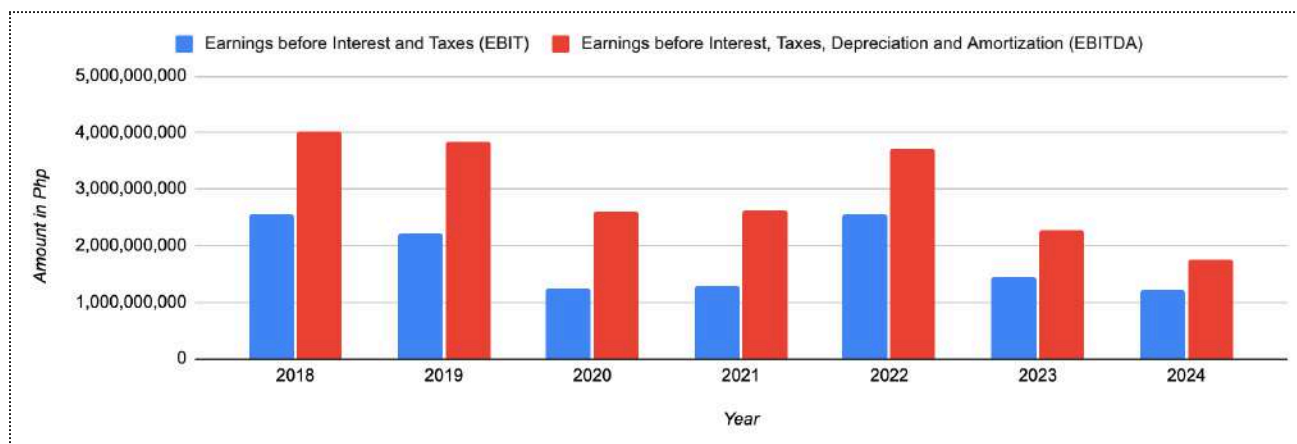


Figure I-12. PNOC-EC Earnings Before Interest, Taxes, Depreciation, and Amortization (EBITDA) and Earnings Before Interest and Taxes (EBIT)



Philippine Mining Development Corporation (PMDC)

The Philippine Mining Development Corporation (PMDC) represents the State’s direct participation in the mining sector. Established under a Presidential Memorandum dated 9 April 2003, PMDC serves as the government’s corporate arm for minerals development and supports the responsible utilization of the country’s mineral resources.

PMDC is mandated to undertake a broad range of mining-related activities, including exploration, development, mining, processing, transport, storage, and marketing of metallic and non-metallic minerals. It functions as an instrument of state participation, particularly in areas where government intervention is necessary to address regulatory, social, environmental, or investment challenges.

The PMDC⁸⁸ is a wholly owned and controlled government corporation with an authorized capital stock of PHP 100 million. Its current capital structure reflects inter-agency collaboration among government-owned and controlled corporations:

- Natural Resources Development Corporation (NRDC) - 44% equity,
- Philippine National Oil Company (PNOC) - 36%, and
- National Development Corporation (NDC) - 20% of PMDC's capital stock.

This ownership arrangement underscores PMDC's alignment with national development and resource governance objectives, serving as the government's corporate arm in mining and mineral development.

PMDC's mission is to promote responsible and sustainable mining that contributes to economic growth while safeguarding environmental integrity and community welfare. Originally established to address long-standing issues in the Diwalwal mining area in Davao de Oro, PMDC's role has since expanded to include the development, promotion, and management of government-owned mining assets.

These assets include Mineral Reservations, properties under the Privatization Management Office (PMO), and cancelled mining tenements that have reverted to state control. PMDC is responsible for ensuring that these assets are managed productively, transparently, and in compliance with applicable laws and regulations.

A key area of responsibility is the Diwalwal Mineral Reservation, an approximately 8,100-hectare area in Mt. Diwata, Davao de Oro. Formerly characterized by informal and unregulated mining, the area is now being developed under PMDC's stewardship as a regulated mining zone that seeks to balance mineral development, environmental protection, and social order. The Diwalwal gold vein system is surrounded by several copper and gold prospects, highlighting the significant mineral potential of the reservation and adjacent areas.

PMDC demonstrates compliance with EITI Requirement 2.6 through public disclosure⁸⁹ of its ownership structure, governance framework, and institutional arrangements. Corporate documents—including its Articles of Incorporation and By-Laws, General and Government Corporate Information Sheets, and information on Board composition, compensation, and meetings—are made publicly available through official channels.

The corporation maintains a strong record of financial transparency, regularly publishing audited financial statements, operational reports, Corporate Operating Budgets, and Annual Procurement Plans. These disclosures support public oversight and align PMDC's operations with national transparency requirements and EITI principles.

Economically, PMDC contributes to government revenues primarily through the collection of commitment and royalty fees from mining tenements granted for exploration and mineral evaluation. Based on PH-EITI Country Reports, PMDC declared dividends exceeding PHP 72.5 million and remitted more than PHP 58.7 million in payments to the government between 2013 and 2022, including income taxes, royalties, and other statutory obligations.

⁸⁸ Philippine Mining Development Corporation: <https://pmdc.com.ph/about-us/>

⁸⁹ Philippine Mining Development Corporation: <https://pmdc.com.ph/transparency-seal/>

PMDC complements its economic role with a structured social responsibility framework known as the H.E.R.O. Program⁹⁰, focusing on Health, Education and Environment, Rural Infrastructure, and Opportunities to Earn. Through this program, PMDC provides medical assistance, educational support, environmental rehabilitation, infrastructure development, and livelihood opportunities in host communities. These initiatives aim to ensure that the benefits of mineral resource development are shared with affected communities and contribute to inclusive and sustainable local development.

PMDC's financial performance reflects its mandate as a steward of state-owned mineral assets rather than a large-scale commercial mining operator. Revenues are primarily derived from commitment fees, royalties, and other payments associated with mining tenements granted for exploration, mineral evaluation, and development within areas under PMDC's administration.

Over the reporting period, PMDC maintained a generally stable financial position, with modest but consistent revenue streams and controlled operating expenditures. While net income levels are relatively small compared to large extractive enterprises, PMDC has remained financially viable and capable of meeting its statutory obligations, including dividend remittances to the National Government. The corporation's asset base remains limited, reflecting the nature of its operations, which focus on asset management, facilitation, and regulatory stewardship rather than capital-intensive extraction.

PMDC's conservative financial profile reduces fiscal risk to the government but also underscores the importance of clearly defining its long-term business model, investment strategy, and role in the broader mining value chain. Enhanced disclosure of financial performance trends, cost structures, and revenue drivers—consistent with EITI principles—would further support informed public understanding of PMDC's contribution to state participation in mining.

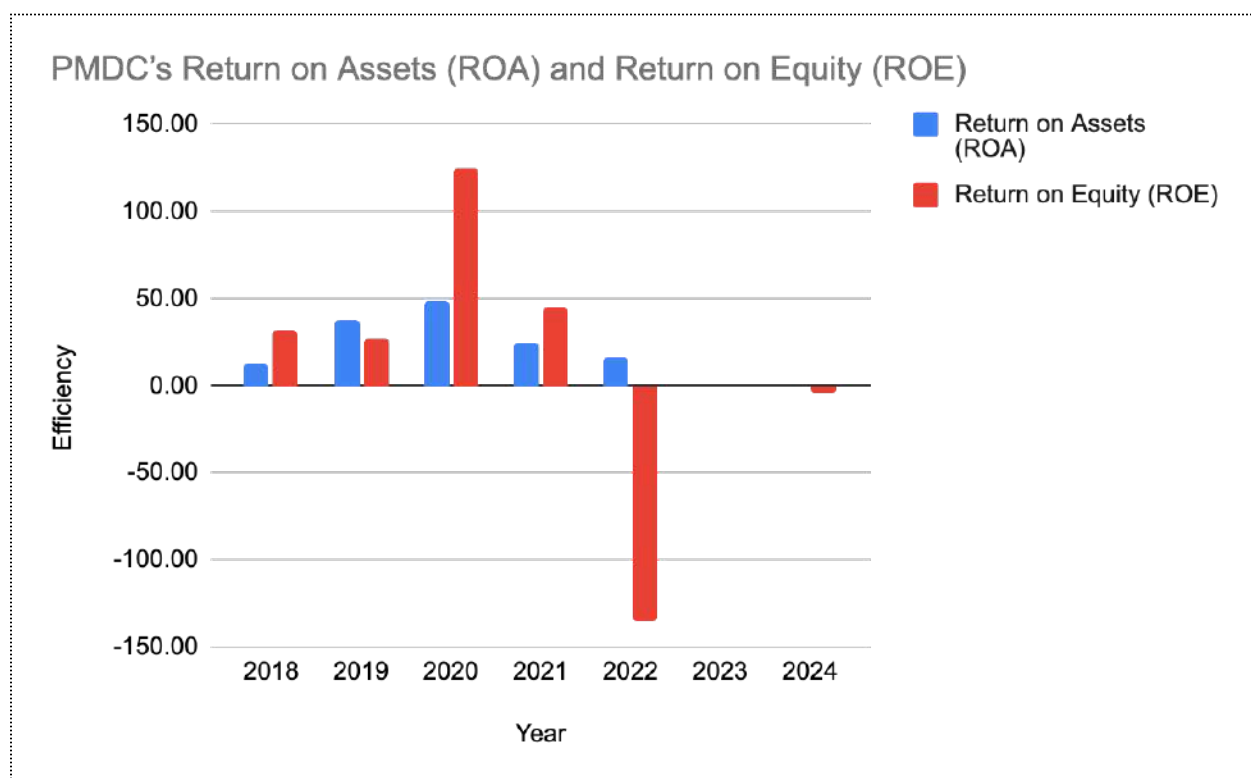
⁹⁰ Philippine Mining Development Corporation: <https://pmdc.com.ph/corporate-social-responsibility/>

Table I-10. Key Financial Performance Indicators, 2018-2024 (PMDC)

Indicator	2018	2019	2020	2021	2022	2023	2024
Net Income	65,200,913.00	61,922,402.00	110,918,978.00	73,247,835.00	-66,104,913.00	-17,694,323.00	-24,403,964.00
Total Assets	492,653,764.00	164,105,641.00	230,057,099.00	302,170,454.00	419,541,543.00	399,175,034.00	374,881,250.00
Equity	201,763,450.00	231,295,246.00	89,189,096.00	162,436,931.00	49,011,087.00	31,316,764.00	7,126,355.00
Revenue	164,218,434.00	185,552,148.00	229,363.00	158,904,903.00	46,097,151.00	94,669,796.00	86,034,759.00
Dividend Remitted	-	-	7,000,000.00	-	29,430,824.00	6,512,612.00	4,355,000.00
Return on Assets (ROA)	13.23%	37.73%	48.21%	24.24%	-15.76%	-0.04	-0.07
Return on Equity (ROE)	32.32%	26.77%	124.36%	45.09%	-134.88%	-0.57	-3.42
Debt-to-Equity Ratio	446.14%	47.48%	157.94%	86.02%	756.01%	11.75	51.60
Operating Profit Margin	52.23	47.41	-48,307.11	46.35	-142.16	-17.72	-28.22
Earnings before Interest and Taxes (EBIT)	85,777,701.00	87,971,370.00	-110,798,646.00	73,646,503.00	-65,529,844.00	-16,776,919.00	-24,278,676.00
Earnings before Interest, Taxes, Depreciation and Amortization (EBITDA)	88,600,188	92,767,794.00	-107,123,205.00	77,155,954.00	-62,405,338.00	-13,021,047.00	-20,129,739.00

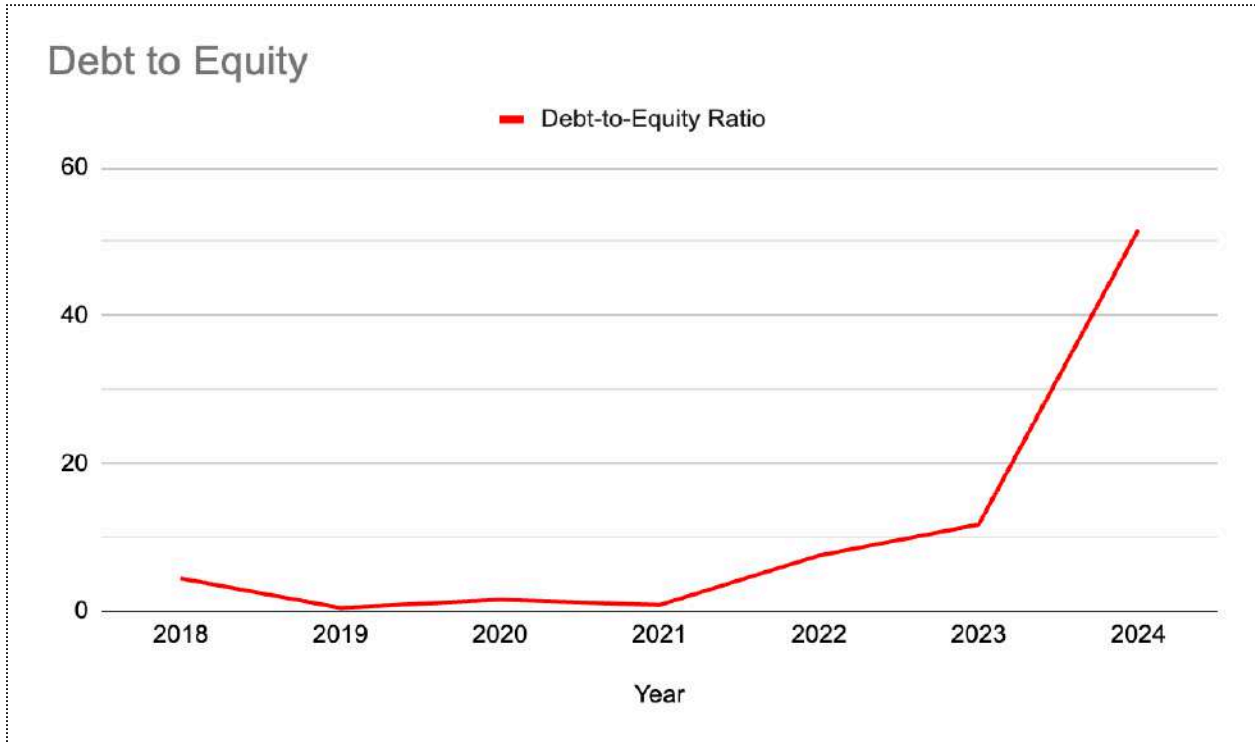
Source: Philippine Mining Development Corporation (PMDC) Annual Report. Data retrieved from https://docs.google.com/spreadsheets/d/1uP2-MnVHqcFzKo_kNBFInK0IzC4oMmw3rWlscdt29iw/edit?gid=0#gid=0.

Figure I-13. PMDC's Return on Assets (ROA) and Return on Equity (ROE)



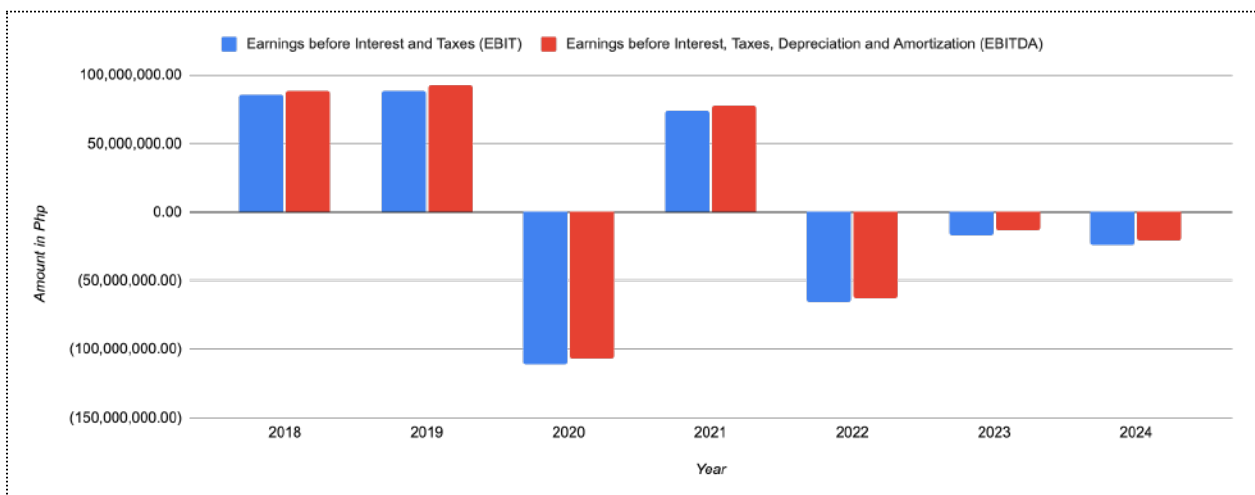
Source: Philippine Mining Development Corporation (PMDC) Annual Report. Data retrieved from https://docs.google.com/spreadsheets/d/1uP2-MnVHqcFzKo_kNBFInK0IzC4oMmw3rWlscdt29iw/edit?gid=0#gid=0.

Figure I-14. Changes in Debt-to-Equity Ratio by Year (2018–2024)



Source: Philippine Mining Development Corporation (PMDC) Annual Report. Data retrieved from https://docs.google.com/spreadsheets/d/1uP2-MnVHqcFzKo_kNBFInK0IzC4oMmw3rWlscdt29iw/edit?gid=0#gid=0.

Figure I-15. PMDC’s Earnings Before Interest, Taxes, Depreciation, and Amortization (EBITDA) and Earnings Before Interest and Taxes (EBIT)



Source: Philippine Mining Development Corporation (PMDC) Annual Report. Data retrieved from https://docs.google.com/spreadsheets/d/1uP2-MnVHqcFzKo_kNBFInK0IzC4oMmw3rWlscdt29iw/edit?gid=0#gid=0.

Alignment with the 2021 EITI Validation on State Participation

The 2021 EITI Validation found that the Philippines had addressed many aspects of SOE-related requirements, noting that transparency in state participation had largely been mainstreamed through systematic disclosures by SOEs and relevant government institutions. Much of the information required under Requirement 2.6 was found to be publicly available through laws, regulations, and SOE websites, with PH-EITI reporting primarily summarizing and referencing these disclosures.

State participation through SOEs was not assessed as a priority risk area for the 2018 reporting period due to the limited materiality of SOE transactions. Both PNOC-EC and PMDC were assessed to have made payments to the government below the agreed materiality threshold. Nonetheless, PNOC-EC was included in the scope of PH-EITI reporting because of its equity participation in the Malampaya Deep Water Gas-to-Power Project (SC 38), the country's largest hydrocarbons project by value.

The Validation concluded that Requirement 2.6 was mostly met. Statutory financial relations between PNOC-EC and the State are described in public documents, and actual practices were considered sufficiently transparent for the year under review based on audited financial statements and PH-EITI disclosures.

However, the Validation identified technical gaps, particularly the absence of comprehensive disclosure on the terms attached to PNOC-EC's equity and participating interests in extractive projects. These include the nature of equity (e.g., fully paid, carried, or free) and PNOC-EC's responsibility for covering costs at different stages of the project cycle. In addition, while PNOC-EC's financial statements indicate equity interests in several joint ventures, these were not systematically described in PH-EITI reporting as subsidiaries, joint ventures, or affiliates. The Validation also noted the need for clearer disclosure on whether SOEs are permitted to raise third-party equity financing and where such authority is codified in the legal framework.

For Requirement 4.2, the Validation confirmed that the PH-EITI Multi-Stakeholder Group (MSG) had assessed the applicability of in-kind revenues and publicly documented its conclusion that the requirement was not applicable in 2018. Although the petroleum legal framework allows for in-kind revenues, stakeholders agreed that operators commercialize the State's entitlement and remit proceeds to the government in cash.

Requirement 4.5 was likewise assessed as not applicable, as dividends from PNOC, PNOC-EC, and PMDC in 2018 were below the agreed materiality threshold of 2% of government extractive revenues. The MSG was found to have adequately reviewed both dividends paid during the year and dividends accrued for subsequent payment.

Requirement 6.2 was also deemed not applicable. Reviews of SOE financial statements, stakeholder consultations, and public sources did not identify any quasi-fiscal expenditures undertaken by extractive SOEs during the period under review.

The Validation underscores the importance of maintaining and strengthening mainstreamed disclosures on SOE participation, particularly as the materiality of state participation may evolve over time. It also highlights the need for the MSG to reassess the materiality of SOE participation on an annual basis, including revenues collected by PMDC in mineral reservations, which operate under a distinct fiscal regime.

Table I-11. Mapping of 2021 EITI Validation Findings and PH-EITI Responses

EITI Requirement	Key Validation Findings (2021)	Assessment	PH-EITI Response/Way Forward
Requirement 2.6: State Participation	Most aspects are addressed through laws, regulations, and SOE websites; gaps identified in disclosure of terms attached to PNOC-EC's equity and participating interests; unclear provisions on third-party equity financing and loans/guarantees	Mostly met	Strengthen disclosures on the terms of state equity and participating interests joint venture arrangements, and financing practices; reassess and document loans and guarantees annually
Requirement 4.2: Sale of the State's In-Kind Revenues	MSG assessed applicability and concluded requirement was not applicable in 2018; state entitlements commercialized by operators and remitted in cash	N/A	Maintain annual MSG assessment and public documentation of conclusions
Requirement 4.5: Transactions Related to SOEs	SOE dividends below materiality threshold; MSG reviewed dividends paid and accrued	N/A	Continue annual review of SOE dividends and reassess materiality as conditions change
Requirement 6.2: Quasi-fiscal Expenditures	No evidence of quasi-fiscal expenditures based on SOE financial statements and stakeholder consultations	N/A	Reassess annually and disclose if any quasi-fiscal expenditures arise

Toward Coherent Governance and Disclosure of Extractive SOEs

The experience of PNOC-EC and PMDC highlights the need to further strengthen the governance and disclosure of state participation in the Philippine extractive sector, taking into account the distinct mandates and operating models of extractive SOEs. In line with the strengthened provisions of the 2023 EITI Standard, greater transparency is needed not only on state equity interests, joint venture arrangements, dividend policies, and the treatment of retained earnings and reinvestment strategies under EITI Requirement 2.6, but also on the broader role of SOEs as commercial actors and policy instruments.

In particular, the 2023 Standard reinforces expectations around disclosure of SOE investments in extractive industries, including equity participation, loans, guarantees, and other forms of financial support, as well as the rationale for such investments. Enhanced disclosure in these areas would improve public understanding of how the State allocates capital, manages financial exposure, and balances fiscal returns with long-term sectoral objectives. Consistent with emerging EITI practice, this also includes greater transparency on how SOE strategies and investment decisions align with national energy transition goals, climate commitments, and sustainability priorities, especially where SOEs play a central role in upstream energy development.

The updated Standard also places increased emphasis on beneficial ownership disclosure, including the identification of beneficial owners of companies involved in extractive activities and, where relevant, suppliers and contractors. Strengthening inter-agency coordination and disclosure practices in this area would help mitigate corruption risks, enhance integrity in procurement and contracting processes involving SOEs, and support a more comprehensive understanding of relationships between the State, SOEs, and private sector counterparties.

Clearer policy guidance on the balance between commercial operations and public service obligations is also necessary to support transparent decision-making within extractive SOEs. Explicit articulation of these mandates can strengthen accountability and provide a clearer basis for assessing performance, both in financial terms and in relation to broader public objectives. This should go hand in hand with continued efforts to professionalize SOE boards, strengthen independence and competence, and more systematically integrate environmental, social, and governance considerations into governance and performance frameworks, consistent with the direction of the 2023 EITI Standard.

Consistency and accessibility of financial and institutional information remain important priorities. Harmonizing financial reporting standards across extractive SOEs and exploring the establishment of a centralized online disclosure platform would help reduce fragmentation and make information more accessible to the public. Sustained coordination between SOEs, relevant oversight institutions, and PH-EITI will be essential to ensure that disclosures are timely, coherent, and responsive to stakeholder information needs while reinforcing public confidence in the governance of the Philippine extractive sector.

SECTION III: BENEFICIAL OWNERSHIP TRANSPARENCY IN THE EXTRACTIVE SECTOR

Beneficial ownership (BO) transparency has emerged as a core element of governance reform in the Philippines, particularly in sectors prone to corruption, illicit financial flows, and regulatory capture. Extractive industries—mining, oil, gas, and quarrying—are especially sensitive because they involve the exploration and use of non-renewable natural resources whose benefits must be safeguarded for the Filipino people. BO transparency directly supports this objective by identifying the natural persons who ultimately own, control, or benefit from extractive operations.

In the extractives sector, this transparency function is indispensable. Corporations applying for mineral agreements or permits must comply with stringent constitutional and statutory foreign ownership limits. Under the Mineral Production Sharing Agreement (MPSA) regime, at least 60 percent of a mining corporation must be owned and controlled by Filipino citizens. While Financial or Technical Assistance Agreements (FTAAs) allow greater foreign participation, MPSAs—still widely used nationwide—require regulators to confirm that a corporation is genuinely Filipino-owned.

Compliance cannot be assessed simply by reviewing nominal shareholdings in Securities and Exchange Commission (SEC). The Supreme Court and the Department of Justice have repeatedly clarified that beneficial ownership and actual control—rather than legal title alone—determine compliance with nationality requirements. This makes BO disclosure a critical regulatory safeguard. It enables the Mines and Geosciences Bureau (MGB), DENR, and other oversight agencies to detect concealed foreign control, nominee structures, and indirect ownership layers that may render a corporation ineligible for a mineral license. Thus, BO transparency is both an anti-corruption measure and a mechanism for protecting national patrimony.

The period 2023–2024 saw clear recognition that BO transparency is not only about complying with international standards; it is an essential governance safeguard that protects national interests. BO disclosure helps regulators and oversight bodies trace financial flows, enforce compliance, verify proper royalty and tax payments, prevent conflicts of interest, and detect irregular arrangements. Strengthened BO systems enhance regulatory integrity and build public trust in extractive governance.

Across these two years, the Philippines made steady progress toward commitments under the EITI, Financial Action Task Force (FATF), Open Government Partnership (OGP), and United Nations Convention against Corruption (UNCAC). Advancements were seen in regulatory reforms, institutional coordination, and public advocacy, despite persistent challenges related to data sharing, verification, and legislative gaps.

While this report covers developments only up to 2024, two significant policy milestones that followed shortly afterward are expected to shift the BO landscape dramatically: (i) the signing of the Data Sharing Agreement (DSA) between the SEC and DOF/PH-EITI, and (ii) the passage of RA 12253, the Mining Fiscal Regime for Large-Scale Metallic Mining, which mandates BO disclosure as a statutory requirement.

The DSA establishes, for the first time, a formal mechanism for PH-EITI to access BO filings submitted to the SEC, enabling systematic, accurate, and validated exchange of BO data. RA 12253 integrates BO reporting directly into mining regulation, linking disclosure to fiscal obligations, licensing, and operational oversight. Together, these reforms mark a decisive transition toward a coherent and enforceable BO framework that is fully institutionalized across government.

Accordingly, this BO Report provides a baseline for the transformative reforms already set to redefine the Philippines' BO ecosystem in the coming years.

Policy and Legal Landscape

The policy and legal environment for BO transparency evolved significantly between 2023 and 2024, driven by regulatory reforms, heightened accountability expectations, and international compliance pressures. Government institutions increasingly recognized that identifying “who truly owns and controls” companies—especially in high-risk sectors—is fundamental to protecting public resources, preventing corporate abuse, and ensuring economic integrity.

A major pillar of this shift was the SEC’s continued strengthening of BO disclosure through the General Information Sheet (GIS). The SEC bolstered enforcement via the 2023 Amnesty Program, which enabled corporations to regularize outdated or inaccurate submissions, and the 2024 Enhanced Compliance Incentive Plan (ECIP), which tied governance incentives to improved reporting discipline. These measures increased the completeness and reliability of BO filings, signaling a move toward more stringent enforcement. However, public access remained limited, pending formal data-sharing arrangements or a unified BO law.

A parallel breakthrough was the enactment of the Government Procurement Reform Act of 2024 (RA 12009), one of the most consequential BO-related reforms outside the extractive sector. RA 12009 requires all entities engaged in public procurement to disclose their beneficial owners and mandates the GPPB to maintain a publicly accessible BO registry. This reform closes longstanding gaps in contractor screening, enhances the detection of hidden ownership, and prevents conflicts of interest in public contracting. It also sets a precedent for mainstreaming BO transparency across the whole of government.

During 2023–2024, agencies also laid important groundwork for the eventual integration of BO requirements into RA 12253. Although the law was enacted in 2025, preparatory work during the reporting period included aligning reporting templates, harmonizing BO requirements with fiscal and environmental submissions, and clarifying roles among PH-EITI, MGB, DENR, and SEC. These efforts signaled a shift from an EITI-led approach to a legally mandated, sector-wide regulatory standard.

Throughout this period, FATF grey-listing exerted considerable influence. FATF Recommendation 24 requires jurisdictions to ensure that BO information is adequate, accurate, and up to date. By late 2024, the Philippines had completed 18 action items for delisting, including strengthening supervisory mechanisms and improving inter-agency cooperation. FATF pressure reinforced BO transparency as a financial integrity and national security priority, further underscoring the need for comprehensive BO legislation with verification systems and structured public access.

BO transparency also played an increasing role in investment screening. Long-standing Supreme Court decisions and DOJ opinions emphasize that beneficial ownership—not just legal ownership—determines compliance with constitutional nationality restrictions. For the extractive sector, this principle is critical: MGB must assess the nationality of beneficial owners before awarding any mineral rights. BO data thus strengthens regulatory enforcement and supports both economic and security objectives.

While the 2023–2024 reforms were substantial, two post-period milestones will reshape the BO landscape: (i) the SEC–DOF/PH-EITI Data Sharing Agreement (DSA), and (ii) RA 12253 mandating BO reporting for large-scale metallic mining.

The DSA is a landmark achievement in inter-agency cooperation. It creates a reliable, automated data pipeline giving PH-EITI direct access to BO filings, significantly improving data accuracy and reducing dependence on voluntary disclosures.

RA 12253 institutionalizes BO reporting as a statutory requirement tied to licensing and fiscal obligations. By embedding BO disclosure into the mining fiscal regime, the law transforms BO transparency from a voluntary practice into a mandatory compliance standard with regulatory consequences.

Together, these reforms position the Philippines for a more coherent, technology-enabled, and enforceable BO framework—one that supports transparency, regulatory oversight, and national development objectives.

BO Disclosure and Analysis

This section offers an overview of how extractive companies reported ownership information throughout the 2023–2024 cycle, expanding upon the broader reporting universe and incorporating insights gained from prior years. It extends beyond mere participation rates to evaluate the depth,

quality, and comprehensiveness of BO submissions, encompassing the profiles of declared beneficial owners, patterns of ownership and control, sectoral involvement, and emergent trends in disclosure. By analyzing current results alongside historical data and pinpointing ongoing gaps, this report hopes to provide an understanding of the sector's overall compliance trajectory and highlights the areas where additional reforms, capacity development, or enforcement measures are most essential to enhance transparency and accountability.

Reporting and Disclosure

A beneficial owner—consistent with the definition under the Anti-Money Laundering Act (AMLA) and SEC BO Guidelines—is the *natural person who ultimately owns or controls the customer, or the natural person on whose behalf a transaction is conducted, and who ultimately exercises ultimate effective control over a legal entity or arrangement.*⁹¹ Applied to extractive companies, this means the natural person who ultimately owns, controls, or materially benefits from a mining, oil, gas, or quarrying operation, whether directly or through indirect ownership chains or control mechanisms.

Understanding who these individuals are is central to transparency and accountability because it identifies the real actors behind corporate decisions. Beneficial ownership disclosure helps prevent corruption, illicit financial flows, and conflicts of interest; strengthens due diligence and risk monitoring; and ensures that communities, regulators, and the public know who is truly accountable for the country's mineral and energy assets.

EITI Standard 2.5 mandates that implementing countries establish clear definitions of beneficial ownership, request beneficial ownership information from companies holding or seeking extractive rights, disclose essential details including the identity and scope of ownership or control of beneficial owners, require the identification of politically exposed persons (PEPs), and ensure the accuracy and credibility of submissions through supporting documentation and verification procedures. Countries are required to disseminate this information via a publicly accessible platform and to provide explanations for any gaps or limitations in the reporting. These requirements seek to establish BO reporting as a standardized and dependable transparency mechanism.

Across the two reporting years, a substantial number of extractive companies were able to submit complete BO documentation, although participation varied year to year. In 2023, 44 companies submitted complete BO information, while 6 companies provided only partial submissions. In 2024, the number of fully compliant companies increased to 48, with 6 companies submitting partial documentation. These lists of fully and partially participating companies for each reporting year are presented in the tables below. The distribution shows steady engagement across the industry but also highlights recurring gaps in the completion of required documents such as BO declarations, PEP disclosures, waivers, and corporate certifications.

The raw beneficial ownership submission data for these reporting years is publicly accessible through the PH-EITI BO Register, which provides the underlying declarations and attachments submitted by companies: <https://pheiti.dof.gov.ph/boregistry/>

⁹¹ Under Rule 2, Section 1(g) of the 2018 Implementing Rules and Regulations of the Anti-Money Laundering Act, a beneficial owner is defined as:
“the natural person who ultimately owns or controls the customer or the natural person on whose behalf a transaction is being conducted, and includes a person who exercises ultimate effective control over a legal person or arrangement.”
The same definition is adopted in the AMLC Registration and Reporting Guidelines (ARRG) and the SEC Beneficial Ownership Transparency Guidelines, making it the operative regulatory definition for all corporations in the Philippines.

Table I-12. Summary of BO Disclosure for FY 2023 Reporting Cycle

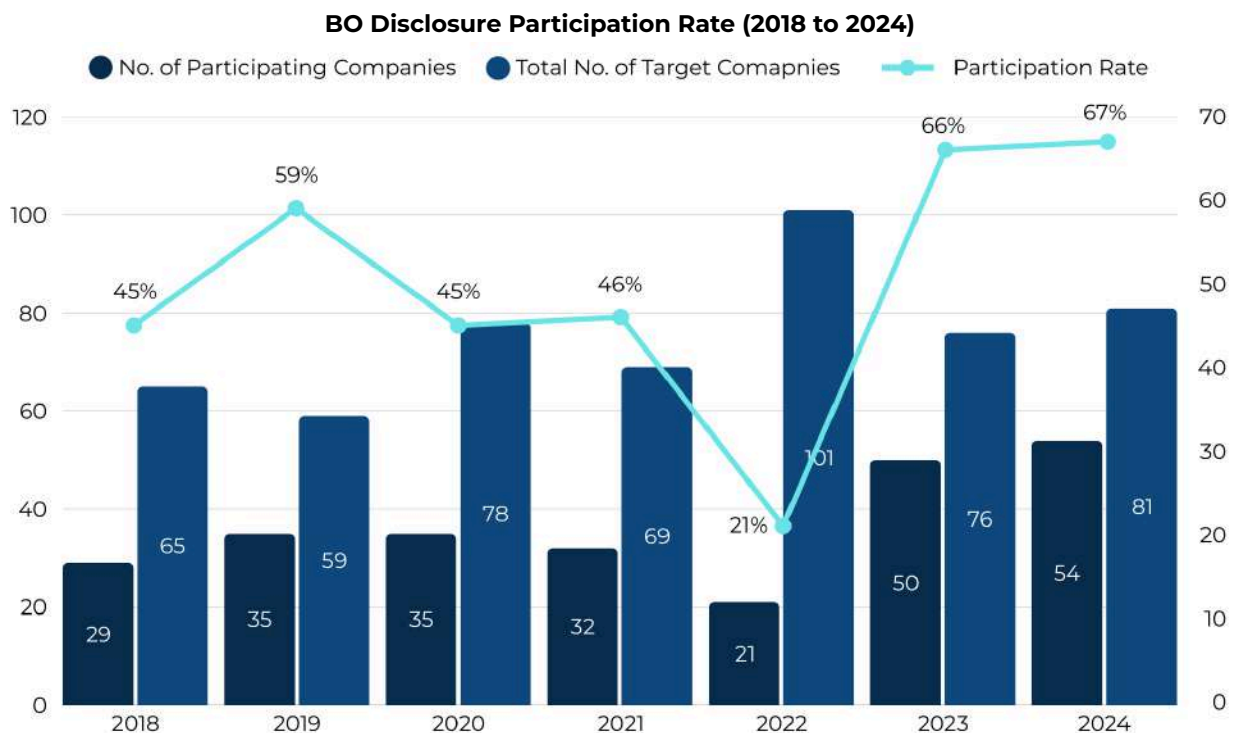
FY 2023	
Fully Participating Companies	Partially Participating Companies
<ol style="list-style-type: none"> 1. Adnama Mining Resources Incorporated 2. Austral-Asia Link Mining Corporation 3. Cagdianao Mining Corporation 4. Carmen Copper Corporation 5. Carrascal Nickel Corporation 6. Century Peak Corporation 7. Citinickel Mines and Development Corporation 8. Concrete Aggregates Corporation 9. CTP Construction and Mining Corporation 10. Dolomite Mining Corporation 11. Eagle Cement Corporation 12. Eramen Minerals, Inc. 13. Hallmark Mining Corporation 14. Hardrock Aggregates, Inc. 15. Heirs of Elias E. Olegario / Elysee Industries, Inc. 16. Hinatuan Mining Corporation 17. Ibalong Resources and Development Corporation 18. Ipilan Nickel Corporation 19. JLR Construction and Aggregates, Inc. 20. Kafugan Mining, Inc. 21. LNL Archipelago Minerals, Inc. 22. Montalban Millex Aggregates Corporation 23. Northern Cement Corporation 24. Oceanagold (Philippines), Inc. 25. Philex Mining Corporation 26. Philsaga Mining Corporation 27. Platinum Group Metals Corporation 28. PNOC- EC 29. Prime Energy Resources Development B.V 30. Republic Cement & Building Materials, Inc. 31. Republic Cement Land and Resources, Inc. 32. Republic Cement Mindanao, Inc. 33. Rio Tuba Nickel Mining Corporation 34. Semirara Materials and Resources, Inc. 35. Sinosteel Phils. H.Y. Mining Corporation 36. Solid Earth Development Corp. 37. Solid North Development Corp. 38. SR Metals, Incorporated 39. Strongbuilt (Mining) Development Corporation 40. Taganito Mining Corporation 41. Techiron Resources, Inc. 42. UBS Marketing Corporation 43. Westernshore Nickel Corporation 44. Zambales Diversified Metals corporation 	<ol style="list-style-type: none"> 1. Bohol Limestone Corporation 2. Dinapigue Mining Corporation 3. Global Min-met Resources, Inc. 4. Lepanto Consolidated Mining Company 5. Marcventures Mining and Development 6. TVI Resource Development Philippines, Inc.

Table I-13. Summary of BO Disclosure for FY 2024 Reporting Cycle

FY 2024	
Fully Participating Companies	Partially Participating Companies
<ol style="list-style-type: none"> 1. Austral-Asia Link Mining Corporation 2. Bohol Limestone Corporation 3. Cagdianao Mining Corporation 4. Carmen Copper Corporation 5. Carrascal Nickel Corporation 6. Century Peak Corporation 7. Citinickel Mines and Development Corporation 8. Concrete Aggregates Corporation 9. CTP Construction and Mining Corporation 10. Dinapigue Mining Corporation 11. Dolomite Mining Corporation 12. Eagle Cement Corporation 13. Eramen Minerals, Inc. 14. Hallmark Mining Corporation 15. Hardrock Aggregates, Inc. 16. Heirs of Elias E. Olegario / Elysee Industries, Inc. 17. Hinatuan Mining Corporation 18. Ibalong Resources and Development Corporation 19. Ipilan Nickel Corporation 20. JLR Construction and Aggregates, Inc. 21. Kafugan Mining, Inc. 22. LNL Archipelago Minerals, Inc. 23. Montalban Millex Aggregates Corporation 24. Northern Cement Corporation 25. Oceanagold (Philippines), Inc. 26. Oriental Vision Mining Philippines Corporation 27. Philex Mining Corporation 28. Philsaga Mining Corporation 29. Platinum Group Metals Corporation 30. PNOC- EC 31. Prime Energy Resources Development B.V 32. Republic Cement & Building Materials, Inc. 33. Republic Cement Land and Resources, Inc. 34. Republic Cement Mindanao, Inc. 35. Rio Tuba Nickel Mining Corporation 36. Semirara Materials and Resources, Inc. 37. Shangfil Mining and Trading Corporation 38. Sinosteel Phils. H.Y. Mining Corporation 39. Solid Earth Development Corp. 40. Solid North Development Corp. 41. SR Metals, Incorporated 42. Stagno Mining Corporation 43. Strongbuilt (Mining) Development Corporation 44. Taganito Mining Corporation 45. Techiron Resources, Inc. 46. UBS Marketing Corporation 47. Westernshore Nickel Corporation 	<ol style="list-style-type: none"> 1. AAM-Phil Natural Resources Exploration and Development Corporation 2. Global Min-met Resources, Inc. 3. Greenstone Resources Corporation 4. Lepanto Consolidated Mining Company 5. Marcventures Mining and Development 6. TVI Resource Development Philippines, Inc.

Taken together, the results of the 2023–2024 reporting period show a consistent willingness among extractive companies to participate in beneficial ownership transparency, but also highlight the need for stronger institutional support, clearer guidance, and more streamlined systems to achieve higher levels of complete compliance. As the Philippines moves toward a more systematic and legally grounded BO disclosure regime—supported by the SEC-DOF/PH-EITI Data Sharing Agreement and the new mandatory BO provisions under RA 12253—the foundation laid by these reporting years provides an important baseline for strengthening accuracy, completeness, and public accessibility of BO information in the extractives sector.

Figure I-16. Participation Trends



Participation in BO disclosure among extractive companies has fluctuated significantly from 2018 to 2024, reflecting changes in the regulatory environment, evolving expectations from PH-EITI, and the growing complexity of disclosure requirements. In 2018, participation began at 45 percent (29 of 65 companies) and rose sharply in 2019 to 59 percent (35 of 59 companies), the highest level prior to the 2023 rebound. This increase can be attributed to early awareness campaigns and institutional momentum generated by the introduction of BO reporting.

Participation dipped again in 2020, returning to 45 percent despite an increase in the number of target companies. The disruptions caused by the COVID-19 pandemic, combined with operational and logistical challenges, further constrained compliance. In 2021, participation remained almost unchanged at 46 percent (32 of 69 companies), reflecting the persistence of pandemic-related difficulties and the expanding scope of PH-EITI requirements.

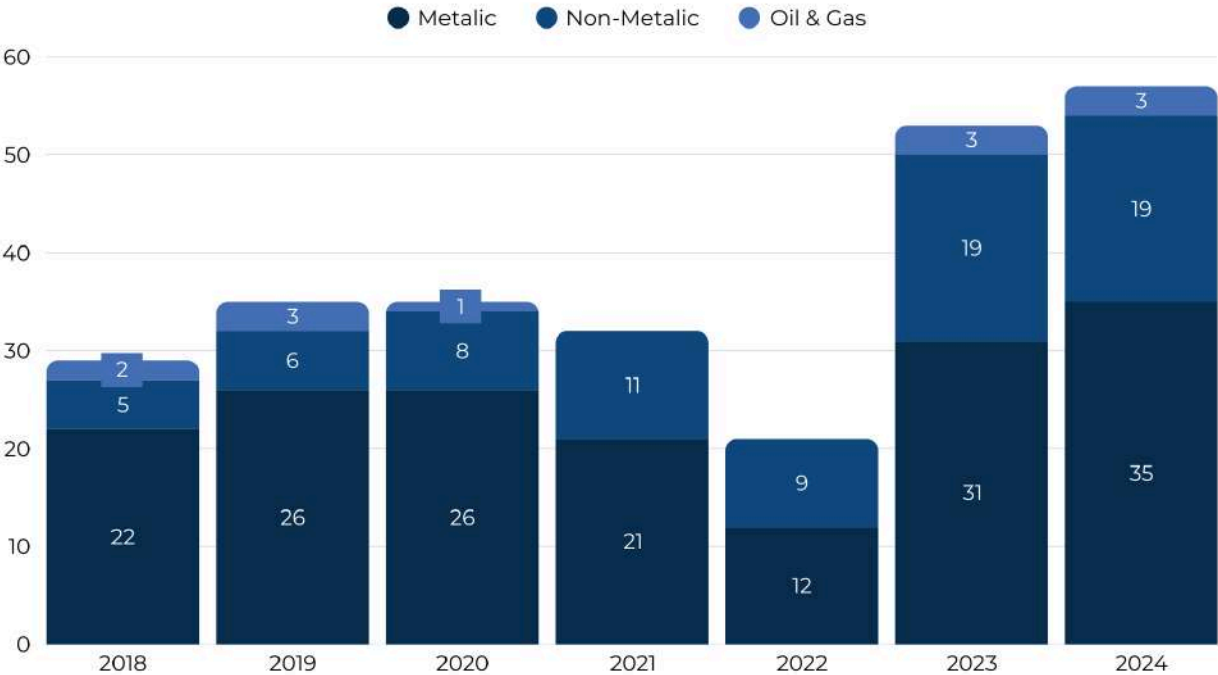
The most dramatic decline occurred in 2022, when participation fell sharply to 21 percent (21 of 101 companies). The sudden expansion of the reporting universe diluted the overall participation ratio and

revealed structural challenges among companies—particularly those unfamiliar with BO concepts or documentary requirements such as PEP declarations, waivers, and board certifications.

By 2023, however, participation rebounded significantly to 66 percent, with 50 of 76 companies submitting either full or partial BO disclosures. This recovery indicates improved company engagement, clearer reporting guidance, and more proactive outreach by PH-EITI. The upward trend continued into 2024, when participation increased further to 67 percent (54 of 81 companies).

Together, the 2023 and 2024 results show a notable stabilization at the mid-to-high 60 percent level, suggesting growing familiarity with BO obligations, stronger coordination across agencies and industry, and early signs that upcoming reforms—such as SEC–PH-EITI data sharing and preparations for systematic disclosure—are beginning to influence company behavior.

Figure I-17. Beneficial Ownership Disclosure Participation Per Sector



Sectoral participation trends provide deeper insight into how different extractive subsectors have engaged with BO disclosure from 2018 to 2024. Across all reporting years, metallic mining companies consistently account for the largest share of BO submissions, reflecting both the size of the sector and the regulatory emphasis placed on metallic mining. Participation in this subsector rose from 22 companies in 2018 to 35 companies in 2024, with a notable recovery after the sharp dip in 2022.

Participation among non-metallic mining companies has also shown steady improvement. From 5 participating companies in 2018, the number increased gradually to 11 in 2021, dipped slightly to 9 in 2022, and then rose significantly to 19 companies in both 2023 and 2024. This pattern indicates expanding awareness and compliance within the non-metallic subsector as reporting expectations became clearer.

The oil and gas sector remains the smallest contributor to BO reporting, with a defined target of three companies expected to report. Participation has fluctuated between one and three companies over the period, with no submissions recorded in 2021 and 2022, followed by full participation of all three target companies in both 2023 and 2024. Although the absolute numbers remain low, the attainment of the sector's reporting target in recent years indicates improved compliance and growing alignment with BO transparency requirements.

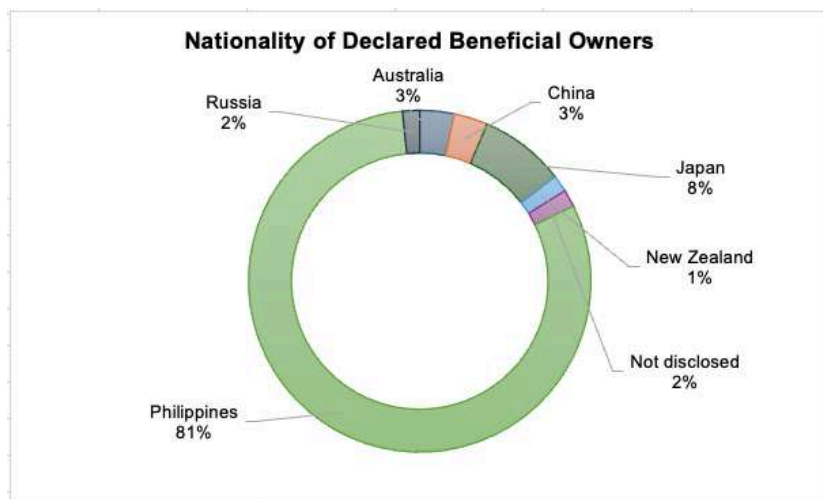
Taken together, the sectoral trends from 2018 to 2024 illustrate a sector in transition—moving from early adoption and uneven engagement to broader participation and greater consistency. The 2022 decline reflects the strain of a rapidly expanded reporting universe, but the strong rebound in 2023–2024 points to clearer guidance, improved industry engagement, and growing institutional emphasis on BO transparency. These patterns indicate building momentum toward more systematic and comprehensive disclosure across all subsectors as the Philippines prepares for deeper policy and regulatory reforms.

Profile of Beneficial Owners

The declared beneficial owners of participating extractive companies represent a predominantly Filipino profile, reflecting the legal and regulatory framework governing nationality requirements in the mining sector. Under the Philippine Constitution and the Mining Act, corporations engaged in mineral exploration and development through a Mineral Production Sharing Agreement (MPSA) must be at least 60 percent Filipino-owned, with foreign equity capped at 40 percent. Only companies operating under Financial or Technical Assistance Agreements (FTAAs) may exceed this threshold.

Based on the BO submissions for 2023–2024, 50 companies identified Filipino nationals as their beneficial owners, indicating that ultimate ownership and control within the reporting universe remain largely domestic. A smaller number disclosed foreign beneficial owners—five Japanese nationals, two Australians, two Chinese, and one each from New Zealand and Russia—while one company did not report the nationality of its BO

Figure I-18. Nationality of Declared Beneficial Owners

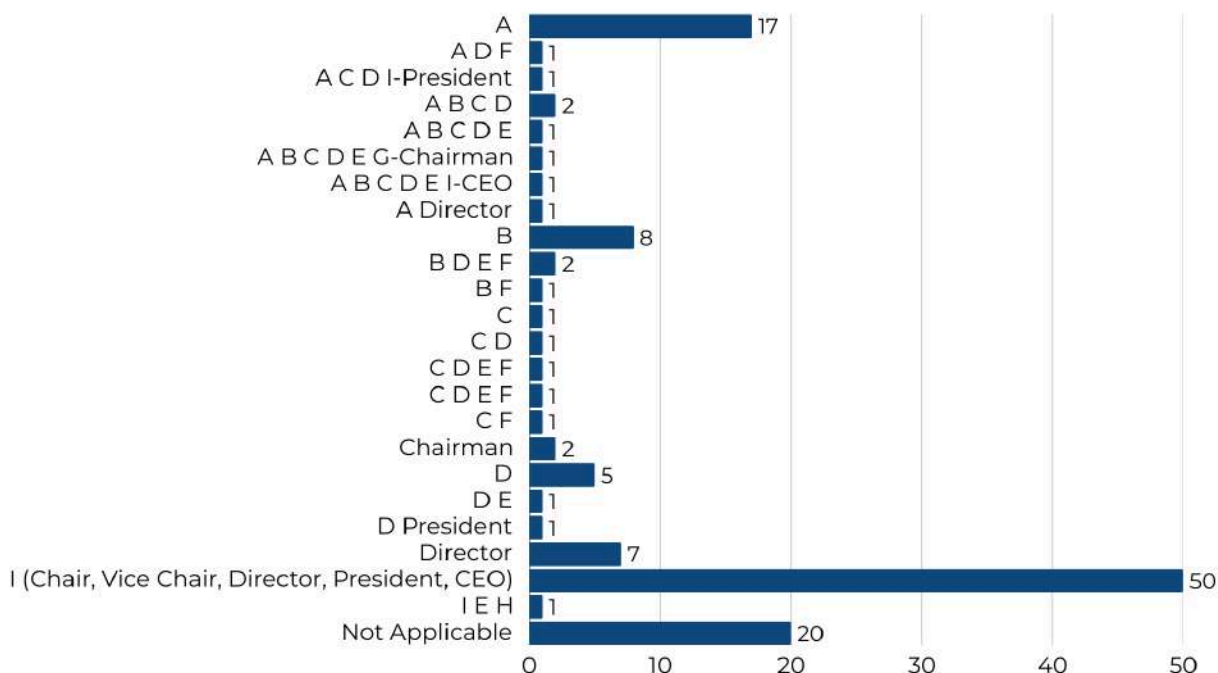


Taken together, this distribution is broadly consistent with the nationality limitations applicable to MPSA holders, although it does not, by itself, constitute definitive proof of compliance. BO declarations provide insight into the natural persons who exercise ultimate ownership or control, but full verification of nationality compliance requires alignment with SEC records, contract type (MPSA versus FTAA), and other relevant regulatory filings. Nevertheless, the available BO data does not indicate widespread deviations from the foreign-equity restrictions embedded in Philippine law, and the predominantly Filipino BO profile suggests general conformity with constitutional and statutory ownership requirements among reporting companies.

The distribution of beneficial owners across the declared categories provides important insight into how ownership and control are structured within extractive companies. These category labels (A, B, C, D, etc.) originate from SEC-prescribed beneficial ownership classifications, which companies are required to use when determining how an individual qualifies as a beneficial owner. Although they are not standardized EITI codes, their application in the extractive sector illustrates the different bases on which individuals

meet the BO threshold—whether through direct or indirect ownership, voting rights, the ability to appoint or remove directors, managerial control, or other forms of significant influence. (The categories are described in detail in Annex X.)

Figure I-19. Category of Beneficial Owner (2023 and 2024)



The data show a strong concentration of beneficial ownership declarations under Category I, with 50 companies identifying beneficial owners primarily through formal positions such as Chair, Vice Chair, Director, President, or CEO. This suggests that, for the majority of reporting companies, beneficial ownership is closely aligned with senior governance or executive roles.

In these cases, control is exercised not only through equity but also through positional authority, reflecting governance structures where decision-making power and economic benefit are vested in individuals occupying key leadership roles. This pattern is consistent with founder-led firms, closely held corporations, or long-established extractive companies where ownership and management remain closely intertwined.

Beyond Category I, a significant number of companies reported beneficial owners under Category A (17 companies), corresponding to individuals holding direct share ownership at or above the reporting threshold. These cases represent more conventional ownership structures, where beneficial ownership can be readily established through equity stakes alone. Such disclosures suggest relatively transparent and straightforward ownership arrangements, with clear lines of economic interest and control.

Several companies reported combinations of categories—including A-B-C-D, A-B-C-D-E, A-C-D-I, and other multi-category permutations—each appearing in one or two cases. These combinations indicate more complex ownership and control arrangements, where beneficial owners qualify through multiple bases simultaneously. For example, an individual may combine direct shareholding (A) with voting or appointment powers (B), managerial or contractual influence (C or D), and a formal leadership position (I). Such disclosures highlight hybrid structures in which ownership, control, and influence overlap, and where beneficial ownership cannot be attributed to a single criterion.

Categories B, C, D, E, F, G, and H, whether reported individually or in combination, appear in relatively few cases, often involving one to eight companies per category. Their limited frequency suggests that indirect ownership, contractual influence, or other non-equity-based control mechanisms are less common but still present within the sector. These cases may reflect more complex arrangements involving intermediary entities, shared control among multiple individuals, or governance models that distribute influence across several dimensions rather than concentrating it in majority ownership.

The data also show explicit reporting of positions such as Director (7 cases) and Chairman (2 cases) outside of the broader Category I grouping, reinforcing the observation that formal governance roles are frequently used as the basis for identifying beneficial owners. This underscores the importance of positional control in the extractive sector, particularly where shareholding information alone may not fully capture who ultimately exercises influence over corporate decisions.

Finally, 20 companies were recorded as “Not Applicable”, indicating instances where no individual met the beneficial ownership criteria or where ownership structures did not trigger reporting thresholds under the applicable definitions. These cases warrant closer review, as they may reflect genuinely dispersed ownership, state ownership, or potential gaps in understanding or applying the BO definitions.

Overall, the distribution of categories reveals a sector dominated by relatively clear control structures anchored in senior leadership roles, alongside a smaller but important subset of companies with more complex, multi-layered ownership and influence arrangements. This diversity underscores the need for BO disclosure frameworks that can capture both straightforward equity-based ownership and more nuanced forms of control exercised through governance positions or contractual influence

Politically Exposed Persons (PEPs)

Under EITI guidance, a Politically Exposed Person (PEP) is defined as an individual who is or has been entrusted with a prominent public function, either domestically or by a foreign government, or who holds a senior role in an international organization. This includes heads of state, senior politicians, senior government officials, members of parliament, senior executives of state-owned enterprises, and other individuals with significant public authority. EITI also emphasizes that family members and close associates of PEPs may pose similar integrity risks. In line with EITI Requirement 2.5.f.ii, the MSG is required to adopt and publish its own definition of a PEP, ensuring that the national BO reporting framework applies a clear, context-appropriate standard for identifying politically exposed beneficial owners.

Two Politically Exposed Persons (PEPs) were declared among the beneficial owners reported for the period, identified by Citinickel Mines and Development Corporation and PNOC–Exploration Corporation (PNOC-EC). In both cases, the companies disclosed beneficial owners who currently occupy, or have recently occupied, public positions that fall within the EITI definition of a PEP. While the presence of a PEP as a beneficial owner is not prohibited, disclosure is required to promote transparency and to help identify situations where public functions and private interests may intersect.

Declaring PEPs is critical because individuals with high-level public influence are inherently exposed to risks such as conflicts of interest, undue influence, or opportunities for corruption. Transparent reporting enables regulators, oversight bodies, civil society, and the public to understand where public decision-making authority may overlap with private sector benefit and to assess whether appropriate safeguards are in place.

The limited number of PEP declarations—only two across all reporting companies—highlights the importance of continued monitoring and underscores how BO disclosure supports governance risk assessment within the extractive industries.

Compliance Challenges

Despite steady institutional progress and increasing policy support for BO transparency, numerous persistent challenges remain that impede comprehensive disclosure throughout the extractive sector. These challenges encompass regulatory, operational, political, and societal aspects, collectively

restricting the capacity of PH-EITI and relevant agencies to acquire, validate, and disseminate comprehensive BO information. Understanding these challenges is essential, as they expose the systemic obstacles that hinder effective transparency, undermine accountability mechanisms, and limit the Philippines' capacity to fulfill both EITI and FATF standards. The succeeding discussions provide the most significant compliance challenges that shaped the 2023–2024 reporting cycle and will continue to influence BO reforms moving forward.

- **Constraints from Data Privacy Regulations.** The guidance provided by the National Privacy Commission (NPC) substantially influences the scope of data that PH-EITI may collect, retain, and disclose concerning beneficial proprietors. Although the primary aim is to protect individual privacy and prevent the misuse of sensitive personal information, these restrictions also impose practical limitations on the depth and granularity of BO data. PH-EITI is authorized to collect only a limited set of fields—name, nationality, country of residence, ownership percentage, classification or category of ownership, and PEP status. This indicates that supplementary information typically employed in international BO verification—such as identification numbers, addresses, dates of birth, and documentation demonstrating control—cannot be recorded.

The absence of these data points complicates the tracing of ownership chains, particularly in cases involving layered corporate structures, offshore entities, or nominee arrangements. It also reduces PH-EITI's ability to detect red flags, such as circular ownership, intermediary arrangements, or beneficial owners linked to politically exposed persons. In effect, privacy protections, while important, limit the completeness, accuracy, and usability of BO data for transparency and accountability purposes.

- **Voluntary Consent System Undermines Transparency.** A critical weakness in the current BO framework is the reliance on voluntary consent for publication. Companies may submit BO information to PH-EITI as part of the reporting procedure but reserve the right to withhold consent for public disclosure of that information. Consequently, even when BO data is available, it may not be reflected in the publicly accessible BO Registry, thereby diminishing the transparency of the system and limiting the public's capacity to scrutinize ownership structures.

This creates a fragmented landscape: some beneficial owners are disclosed publicly, while others remain hidden, even if their companies are operating on public resources. The voluntary consent system also produces inconsistent disclosure levels between companies and across reporting cycles. Moreover, companies that may have politically exposed owners, complex ownership structures, or connections to high-risk jurisdictions have incentives to restrict publication, undermining the spirit of EITI Requirement 2.5. Until BO disclosure is mandated by law rather than based on voluntary consent, transparency will remain partial and uneven.

- **Lack of Verification Mechanisms.** PH-EITI currently lacks the legal authority and technical tools to independently verify the accuracy of BO submissions. The present system relies almost entirely on notarized affidavits, board resolutions, secretary's certificates, and company declarations submitted through the ORE tool. While notarization provides a formal legal layer, it does not fully protect against incomplete, inaccurate, or intentionally misleading information.

Verification is further constrained by the absence of automatic data-sharing channels with the SEC—pending the implementation of the DSA—and by the fact that SEC itself conducts verification only on a risk-based or case-specific basis. These gaps create vulnerability points where inaccuracies can enter and persist in the BO Registry. Without systematic cross-checking, PH-EITI cannot identify discrepancies between corporate filings, SEC records, publicly available disclosures, and international databases. Strengthening verification through automated checks and inter-agency data flows remains critical for future reforms.

- **Political Barriers and Limited Incentives.** Political economy dynamics play a substantial role in the slow progress of BO reforms. As highlighted in stakeholder analyses, many political actors may have little incentive to advance BO legislation or implement stringent disclosure requirements, especially when such reforms could expose their own private interests, business relationships, or links to extractive companies. This self-protective tendency constrains executive leadership and limits the scope of reform initiatives.

Moreover, BO transparency intersects with politically sensitive issues—foreign equity, procurement integrity, national security risks, and anti-corruption measures—making legislative consensus difficult to achieve. Without strong political incentives or public pressure, policy reforms risk stalling at the executive or regulatory level. This dynamic underlines the need for broader societal engagement and coalition-building to ensure political actors see BO reforms as aligned with national interest, governance improvement, and FATF compliance.

- **Public Awareness Gaps.** A persistent, cross-cutting barrier is the low level of public understanding of what beneficial ownership is and why it matters. For many stakeholders—including local communities, civil society groups outside the transparency sector, and even some government actors—the concept remains technical and abstract. Without clear public demand, BO transparency struggles to gain political traction or become a mainstream governance priority.

Limited public literacy also reduces the ability of communities and civil society organizations to use BO data effectively—to identify conflicts of interest, monitor politically exposed owners, or challenge questionable ownership structures behind mining, oil, or gas operations. Strengthening public awareness through targeted communication campaigns, media engagement, and capacity-building initiatives is essential for creating the kind of bottom-up pressure that drives long-term reform.

Strengthening Beneficial Ownership Transparency: From Disclosure to Real-World Impact

Recent reforms—including the SEC-DOF Data Sharing Agreement, the introduction of mandatory BO reporting under RA 12253, continued improvements in PH-EITI digital systems, and more active engagement from civil society and local governments—have created a timely opportunity to strengthen BO transparency in ways that improve accountability and inclusive participation in extractive governance. These developments mark a shift from treating BO disclosure as a purely technical reporting requirement toward using ownership information as a practical tool for oversight, public scrutiny, and informed participation by communities and stakeholders affected by extractive activities.

International experience shows that BO systems deliver the greatest public value when they are accessible and easy to understand, regularly reviewed and verified, and clearly linked to real government decisions such as licensing, contract renewals, compliance monitoring, and enforcement actions. When BO data is not only collected but actively used and openly communicated, it helps deter hidden ownership, conflicts of interest, and illicit financial flows, while also enabling civil society, local governments, and communities to engage more meaningfully in extractive governance and accountability processes.

Building on these developments, the following recommendations outline practical steps to enhance the effectiveness of beneficial ownership transparency in the extractives sector. They focus on ensuring that BO information is not only disclosed, but verified, understood, and used—by government agencies, oversight institutions, civil society, and local communities—to improve decision-making, reduce governance risks, and promote more inclusive and accountable extractive governance. Drawing on international experience and local realities, the recommendations emphasize simple, workable actions that can be implemented progressively and sustained over time.

1. Make BO Disclosure Systematic and Meaningful

Mandatory and regular disclosure is the foundation of an effective BO system. When reporting is voluntary or irregular, information is often incomplete or quickly becomes outdated. This makes it difficult for regulators, oversight bodies, and the public to rely on BO data when making decisions or monitoring risks. As a result, ownership information may be collected, but its practical value for accountability remains limited.

In contrast, countries with mandatory BO disclosure are able to use ownership information more actively. In the United Kingdom, for example, authorities and watchdogs can look at company

filings over time and spot patterns that may raise concern—such as sudden changes in ownership or the repeated use of shell companies. These patterns act as early warning signs, helping identify cases that may require closer review or follow-up, even before more serious problems emerge.

Recommended Actions:

A clear and consistent disclosure system strengthens both compliance and early risk identification.

- Institutionalize automatic data sharing between the SEC and PH-EITI to ensure BO information is complete, current, and consistent.
- For MGB/DENR to require verified BO information before extractive licenses are approved, transferred, or renewed.
- Establish clear deadlines and proportionate penalties for late, false, or incomplete reporting.
- Gradually extend BO disclosure requirements beyond metallic mining to other high-risk sectors.
- Introduce basic risk-screening at the point of disclosure, allowing authorities to identify higher-risk submissions for follow-up.

2. Strengthen Verification and Focus on Risk

Verification is often the weakest part of beneficial ownership (BO) reporting. While companies may submit the required information, it is not always systematically reviewed, cross-checked, or followed up. As a result, inaccurate, incomplete, or misleading ownership data can remain on record, limiting the ability of authorities to detect risks, resolve inconsistencies, or take timely action. Without effective verification, BO disclosure risks becoming a formality rather than a meaningful accountability tool.

Some countries have addressed this gap by linking BO data with other government systems. In Ukraine, BO information is routinely cross-checked against procurement records and asset declarations, making it easier to identify connections to politically exposed persons and potential conflicts of interest. In Indonesia, authorities apply simple risk indicators—such as complex ownership chains or frequent changes in control—to determine which companies require closer scrutiny. These approaches show how targeted verification can help focus attention on higher-risk cases without overburdening regulators.

Recommended Actions:

A risk-based approach ensures verification efforts focus on cases with the greatest governance concern.

- Routinely cross-check BO data with SEC filings, licensing records, and sectoral databases.
- Prioritize review of ownership structures that are unusually complex, frequently changing, or difficult to trace.
- Develop and apply a clear set of BO red flags—such as nominee arrangements, circular ownership, undisclosed PEPs, or recurring discrepancies—to guide verification and enforcement.
- Clarify roles and follow-up actions when red flags are identified, including coordination with AMLC and procurement oversight bodies.

3. Improve Digital Systems to Support Analysis and Oversight

BO registries are most effective when they do more than store information and instead help users see patterns and changes over time. A registry that only holds static records has limited value for oversight, as it does not easily reveal how ownership evolves or where potential risks may be emerging. When BO data can be viewed dynamically, it becomes a tool for monitoring behavior rather than simply documenting compliance.

In the United Kingdom and several European Union countries, digital BO systems allow users to track changes in ownership across reporting periods and link companies through shared owners or intermediaries. These systems make it easier to spot unusual or repeated behavior—such as frequent or unexplained changes in ownership, the repeated appearance of the same

individuals across multiple companies, sudden transfers of control just before licenses or contracts are approved, or ownership structures that become more complex over time without a clear business rationale.

Recommended Actions:

Better digital tools make it easier to spot potential risks and respond in a timely manner.

- Upgrade the BO Registry to clearly display ownership histories and changes.
- Introduce simple alerts for significant ownership changes, nationality issues, or PEP involvement to support risk review.
- Improve interoperability between BO data and other relevant government systems.

4. Expand the Role of Local Governments, Communities, and Civil Society

Local actors—such as community leaders, civil society organizations, journalists, and local government officials—often have firsthand knowledge of who actually controls extractive companies operating in their areas. This on-the-ground perspective complements formal government oversight by providing context that may not be visible in national-level records or corporate filings. When local knowledge is combined with BO data, it can help validate information, surface inconsistencies, and raise early questions about ownership and control.

In Nigeria and Ghana, civil society groups and local stakeholders have actively used BO data to question discrepancies between declared ownership and local realities—for example, when individuals known locally to exercise influence do not appear in official filings. By bringing these issues to public attention and engaging regulators, local actors have helped strengthen accountability, improve the credibility of BO disclosures, and ensure that ownership transparency responds to conditions on the ground rather than remaining a purely technical exercise.

Recommended Actions:

Local engagement grounds BO transparency in real-world conditions and lived experience.

- Integrate BO checks into local government processes such as permitting, monitoring, and community consultations.
- Develop simple tools and guidance to help communities and CSOs understand ownership information.
- Support training for media, researchers, and civil society on responsible use of BO data.
- Provide clear channels for communities to raise concerns when declared ownership appears inaccurate

5. Strengthen the Legal Framework

Countries with effective BO systems rely on clear, consistent, and well-defined legal rules. A strong legal framework provides certainty for companies on what information must be reported, when updates are required, and how disclosures will be reviewed and used. It also gives regulators and oversight bodies the authority to verify information, address inconsistencies, and take action when reporting obligations are not met. Without this clarity, BO systems risk uneven implementation and weak enforcement.

In the European Union and Ukraine, legislation clearly sets out reporting requirements, update obligations, verification responsibilities, and rules for public-interest disclosure. This legal clarity helps ensure that BO information remains accurate and up to date, supports consistent verification across agencies, and balances transparency with data-protection considerations. As a result, BO systems are more predictable, credible, and resilient over time.

Recommended Actions:

Legal clarity ensures consistency and long-term sustainability.

- Build on existing laws toward a comprehensive BO framework covering all high-risk sectors.

- Clearly define reporting requirements, update triggers, and verification responsibilities.
- Clarify how BO data may be shared in the public interest while respecting data-privacy safeguards.
- Standardize the definition and treatment of politically exposed persons across all implementing rules.

6. Demonstrate that BO Data is Actively Used

Transparency is most effective when stakeholders can see that disclosed information actually influences decisions and leads to concrete action. When ownership data is collected but not visibly used, public confidence in transparency reforms can weaken and incentives for accurate reporting diminish. Demonstrating how information is applied in practice helps reinforce the credibility and purpose of disclosure systems.

In the United Kingdom, the European Union, Ukraine, and Indonesia, governments have taken steps to show how BO information informs real decisions. This includes publishing summaries, analyses, and case examples that illustrate how BO data has been used in licensing reviews, compliance monitoring, and enforcement actions. Making these linkages visible helps deter non-compliance, encourages more accurate reporting, and enables civil society and communities to better understand how transparency contributes to accountability and good governance.

Recommended Actions:

Visible use reinforces the credibility and public value of BO transparency.

- Publish regular summaries highlighting common ownership patterns and key risk areas.
- Share examples where BO data informed licensing, monitoring, or corrective action.
- Publicize non-compliance outcomes to reinforce incentives for accurate reporting.
- Link BO insights with other transparency efforts such as contract disclosure and revenue reporting.

In summary, international experience shows that beneficial ownership transparency is most effective when it is mandatory, verified, supported by targeted risk identification, easy to understand, and visibly used. Applying these principles will help ensure that BO reforms contribute meaningfully to integrity, accountability, and inclusive governance in the extractives sector.

Looking Ahead: A More Transparent Extractive Sector

Looking ahead, the convergence of recent policy reforms and ongoing institutional improvements places the Philippines at the threshold of a fundamentally stronger BO transparency regime for the extractives sector. The challenge—and opportunity—in the coming years is to ensure that these reforms translate into durable practice, institutional coherence, and sustained public value.

The next phase of BO transparency will require coordinated implementation, stronger inter-agency alignment, and clear operational standards so that BO data becomes consistently used in regulatory, fiscal, and environmental decision-making. It will also require continued capacity-building across national and local institutions to ensure that BO information is not only collected but meaningfully applied—whether in validating ownership structures, scrutinizing changes in control, or supporting risk assessments in licensing and compliance monitoring.

Equally important is the need to maintain and deepen public engagement. As BO systems mature and more data becomes available, communities, civil society organizations, and local governments will play a vital role in interpreting information, monitoring extractive operations, and contributing to greater accountability. Their participation will help ensure that transparency reforms lead to tangible improvements in how natural resources are governed and how their benefits flow to the public.

Ultimately, the direction is clear: beneficial ownership transparency in the extractives sector is moving toward being more systematic, more reliable, and more integral to good governance. Sustained commitment—across government, industry, and civil society—will be essential to realize the full promise of these reforms. If carried forward with consistency and collective effort, the initiatives

underway today can lay the foundation for a more transparent, accountable, and equitable extractive sector that better serves the interests of the Filipino people.

SECTION IV: RESPONSIBLE AND TRANSPARENT SMALL-SCALE MINING IN THE PHILIPPINES: INITIATIVES AND INTEGRATION EFFORTS

Overview of Small-scale Mining (SSM)

Small-scale mining (SSM) in the Philippines is governed primarily by the People's Small-Scale Mining Act of 1991 (RA 7076) and the Philippine Mining Act of 1995 (RA 7942), which distinguish “people's small-scale mining areas” (minahang bayan) from large-scale operations and prescribe simplified extraction methods, lower production ceilings, and community-based contracts.⁹² RA 7076 requires that designated minahang bayan be reserved for Filipino small-scale miners operating with relatively simple technologies and limited capital.⁹³

Recent studies note that there is no official count of active small-scale mining operations, but emphasizes that SSM remains widespread across the archipelago and is often informal, using narrow tunnels (“pocket mining”), panning, small mills, and re-processing of tailings. The same study highlights that small-scale gold mining is estimated to account for 70% of total gold production in the country, yet its economic contribution is poorly captured in official accounts due to informality and weak monitoring.⁹⁴ While the 70 % figure is widely cited in news and studies, there is no official government census or production statistics disaggregating small-scale from large-scale output because much of the sectors operate informally.

The planetGOLD Philippines estimates about 500,000 miners work in ASGM across over 40 of the country's 81 provinces, with most activities focused on gold and many operations still outside formal minahang bayan areas. These operations typically involve family labor and precarious working conditions, and are concentrated in mineralized upland municipalities in the Cordillera, Bicol, Eastern Visayas, and Mindanao.

See Annex 1-2 to check the list of Small-Scale Mining Contracts issued in 2023 and 2024 reported by the MGB..

Production Data

Official DENR–MGB statistics publish aggregate metallic mineral production but do not consistently disaggregate output by formal SSM and large-scale mines. This makes it difficult to quantify the exact volume of SSM production for 2023–2024. The one category that potentially reflects SSM activity is “Gold sold to BSP”, yet even this category is not an SSM-specific variable. The BSP buys gold from both large-scale producers and small-scale miners and from traders who consolidate production. For example, according to the publicly available data from Mines and Geosciences Bureau ([industry statistics](#)) gold sold to BSP contributed ₱22.8 billion to total mining production value in 2022 and rose to ₱30.8 billion in 2023; preliminary data show ₱37.0 billion in 2024 and ₱25.4 billion in the first half of 2025. These figures appear alongside larger components such as large-scale metallic mining, which accounted for ₱214.9 billion in 2022 and ₱218.9 billion in 2023, demonstrating that the BSP-purchased

⁹² [Republic Act No. 7942, “Philippine Mining Act of 1995](#)

⁹³ [Republic Act No. 7076, “People's Small-Scale Mining Act of 1991](#)

⁹⁴ [J.P.T. Domingo et al., “Sustainable mining in tropical, biodiverse landscapes: Environmental challenges and opportunities in the archipelagic Philippines \(2024\)](#)

gold is only a minor share of overall mining output. Because the BSP-purchased gold pool includes deliveries from large mines and dealers, it cannot be used as a proxy for SSM production.

Field research and policy reports indicate that only a small fraction of SSM output is sold to the BSP. A 2022 study by PJ Lhuillier Inc. (PJLI) study, cited in a 2023 policy story carried by PIDS, estimated that out of US\$3.9 billion worth of gold produced in 2021, about US\$2.7 billion came from small-scale mining, but only US\$27 million (around 1%) was sold legally to the BSP. This implies that the overwhelming majority of SSM gold never enters the formal BSP channel.⁹⁵

The same article noted that MGB records showed 53 approved minahang bayan applications with 224 more under processing as of 2022, a small number relative to the estimated half-million ASGM miners. A DENR presentation by Tuddao (2025) on the status of the Philippine mining and quarrying industry reported 58 declared minahang bayan (small-scale mining) as of 30 June 2024.⁹⁶, confirming that the pace of formalization remains slow.

The planetGOLD project also reports that ASGM is practiced in more than thirty provinces and employs hundreds of thousands of miners. These figures explain why gold sold to the BSP captures only part of SSM output: miners often prefer the black market due to convenience and avoid the BSP's procedures and fees. Consequently, the majority of SSM production is unrecorded in official statistics and does not enter the BSP channel.⁹⁷

BSP Gold Purchases and SSM (2023–2024)

RA 7076 requires that gold produced by small-scale miners be sold to the Bangko Sentral ng Pilipinas (BSP), while RA 11256 (2019) reinstated tax incentives for the sale of SSM gold to the BSP to encourage formal reporting. BSP's Responsible Gold Sourcing Policy (2022) clarifies that the BSP may transact with "small-scale miners, gold-panners, accredited traders and/or sellers, and large-scale mining companies" as gold-supplying counterparties, and sets out due-diligence requirements for these transactions.⁹⁸

Available BSP data for 2023–2024 show trends in total gold purchases, but not a clean breakdown by SSM vs. large-scale sources. BSP's 2023 annual report for the layman states that the BSP purchased 298,203.4 troy ounces of gold in 2023, about 26% higher than in 2022, reflecting stronger domestic gold inflows after the tax-incentive reforms.⁹⁹ Despite this rebound, the PJLI study indicates that, at least in 2021, only around 1% of SSM-produced gold was sold legally to the BSP, with the remainder flowing through the informal market, suggesting that overall BSP purchases remain dominated by large-scale and trader-intermediated supply.

New official data provided by the Bangko Sentral ng Pilipinas (BSP) for the PH-EITI FY 2023-2024 report shed additional light on the composition of these purchases. The BSP recorded fourteen accredited traders and seven registered small-scale miners (SSMs) selling gold in 2023. In 2024, accredited traders declined to eight, while registered SSMs increased slightly to eight. The table below summarises the number of accredited traders and SSMs.

⁹⁵ Sherwin De Vera, "Despite formalization, small-scale gold miners still prefer black market," *Rappler*, 9 October 2023, re-posted under "In the News" on the Philippine Institute for Development Studies (PIDS) website (cites MGB data, PJLI 2022 study, number of BSP buying stations, and estimated 500,000 SSM miners).

⁹⁶ Vicente B. Tuddao Jr., "The Philippine Mining and Quarrying Industry: Mitigation and Regulatory Framework to Address Water Pollution, Challenges and Opportunities," presentation at the 21st WEPA Annual Meeting, Putrajaya, 8 September 2025, slide 3 (reports 58 declared minahang bayan as of 30 June 2024).

⁹⁷ [Artisanal and small-scale gold mining boosts rural programs and infrastructure development in the Philippines](#)

⁹⁸ [Bangko Sentral ng Pilipinas, "Responsible Gold Sourcing Policy," 30 September 2022](#)

⁹⁹ [Bangko Sentral ng Pilipinas, Within Reach: 2023 Annual Report for the Layman \(Manila: BSP, 2024\), section on gold purchases \(reports 298,203.4 troy oz of gold purchased in 2023, a 26% increase from 2022\)](#)

Year	Accredited traders	Registered SSMs
2023	14	7
2024	8	8

The same dataset indicates that the BSP purchased about 9.2 metric tonnes of gold worth approximately ₱30.67 billion in 2023. In 2024 the volume fell to around 8.4 tonnes, yet the value increased to about ₱36.97 billion, reflecting higher gold prices. The table below presents the volume and value of gold purchased.

Year	Volume of gold purchased (kg)	Value (₱ billion)
2023	~9,200	30.67
2024	~8,400	36.97

These figures show that, despite tax incentives, the formal channel still involves very few accredited participants relative to the estimated half-million SSM workforce.

The breakdown of purchases by BSP gold-buying stations reveals important insights into the reach of the formal buying programme. In 2023, the Quezon City Security Plant Complex (SPC) handled the overwhelming majority of acquisitions – about 5.2t of the roughly 9.2 t total – while Naga and Davao bought 1.3t and 2.4t respectively. Baguio recorded a very modest 200 kg. These patterns persisted in 2024, but with notable shifts: purchases at SPC fell to around 4 t, while Naga’s volume jumped to 2 t and Davao dipped slightly to 2.2t. Baguio’s throughput remained negligible (~200 kg). The Zamboanga station was closed in June 2024 and replaced by Butuan, which recorded only ~5 kg for that year. This concentration of transactions at a few stations underscores how geographic access continues to constrain sales: most miners still must travel to Quezon City or Davao, while regional sites handle comparatively tiny volumes. Table below presents the volume of gold purchased by the Bangko Sentral ng Pilipinas (BSP) across its gold-buying stations for calendar years 2023 and 2024, as well as the reported geographic origins of the gold sold to the BSP.

Volume Of Gold Purchased By The Bangko Sentral Ng Pilipinas Across Its Gold-Buying Stations For Calendar Years 2023 And 2024		
Year	BSP Gold-Buying Station	Volume Purchased (kg)
2023	Quezon City (Security Plant Complex)	~5,200
2023	Baguio	~200
2023	Naga	~1,300
2023	Davao	~2,400
2023	Zamboanga	–

2024	Quezon City (Security Plant Complex)	~4,000
2024	Baguio	~200
2024	Naga	~2,000
2024	Davao	~2,200
2024	Butuan	~5

Note: In June 2024 GBS Zamboanga operation were closed and BSP opened GBS Butuan

The mine locations further illustrates the limited geographic scope of formal sales. In 2023, gold purchases came from operations in Benguet (Cordillera), Camarines Norte (Bicol Region V), Davao de Oro (Region XI) and South Cotabato (Region XII). By 2024, Surigao del Norte (Caraga Region XIII) joined this group. The absence of many other gold-producing provinces suggests that most small-scale mining output still bypasses the BSP channels, either because miners are outside designated minahang bayan areas or because there are no nearby buying stations. Together, the station-level volumes and mine locations highlight both the narrow formal footprint of small-scale gold sales and the pressing need for more accessible buying points across the country. The table below presents the reported geographic origin of gold sold to the Bangko Sentral ng Pilipinas (BSP) for calendar years 2023 and 2024.

Geographic Origin of Gold Sold to the Bangko Sentral ng Pilipinas (2023–2024)	
2023	2024
<ol style="list-style-type: none"> 1. Benguet - Cordillera Administrative Region 2. Camarines Norte - Region V 3. Davao De Oro - region IX 4. South Cotabato - Region XII 	<ol style="list-style-type: none"> 1. Benguet - Cordillera Administrative Region 2. Camarines Norte - Region V 3. Davao De Oro - region IX 4. South Cotabato - Region XII 5. Surigao Del Norte - Region XIII

Note: Locations refer to reported sources of gold sold to the BSP and do not represent the full geographic distribution of small-scale gold mining activities nationwide.

In 2019 the Bangko Sentral ng Pilipinas started accrediting individuals and associations as gold buyers and removed the 4 % excise and 1 % withholding taxes on sales. Early in 2024 Cebuana Lhuillier became one of the first accredited pawnshop buyers and by September 2024 there were only two active pilot sites, in T'boli and Paracale, with a third in Itogon set to open and a mobile station planned for Sagada.¹⁰⁰

¹⁰⁰ [Planet Gold's Could pawn shops be a missing link in the Philippine small-scale gold supply chain?](#)

The objective is to reduce travel time and transaction costs for miners who previously had to travel hours to a BSP office and to sell gold through accredited pawnshop branches without processing fees and with full cash payment. This model is intended to reduce transaction costs and competition from the black market.¹⁰¹ Public data on the volumes purchased through Cebuana, however, remain extremely limited. In Paracale, the teller reported buying only 8–10 grams of gold in the first week of operations¹⁰², a tiny quantity relative to total small-scale output. The programme is still confined to a handful of branches, whereas there are more than 40 provinces with artisanal gold mining and over 3,500 pawnshop outlets nationwide.

Given these facts, it is premature to conclude that the BSP's memorandum of agreement with Cebuana has solved the problem of miners choosing the black market. The pilot does reduce some barriers, miners can receive immediate cash payment at accredited pawnshops without processing fees, but it currently covers only a few locations and purchases remain modest.

Interviews with miners still highlight convenience and quick payment as reasons for preferring informal buyers. Therefore, while the partnership is a promising step toward formalizing small-scale gold sales, it is not yet sufficient and broader expansion and transparent reporting on purchased volumes will be needed to assess its effectiveness.¹⁰³

Key Challenges in Small-scale Mining

(a) Formalisation and legal barriers

SSM remains largely informal despite RA 7076, and that it has been impossible to constrain all small-scale mining activities within declared people's small-scale mining areas. Weak enforcement, limited capacity of local governments, and complex permitting processes mean many operations continue without formal permits (Domingo et al. 2024).

Studies on artisanal and small-scale mining (ASGM/SSM) widely positions formalization as a core strategy for improving governance, reducing environmental harm, and integrating miners into formal markets. However, empirical findings across the Philippines, Latin America, and Sub-Saharan Africa show that the impacts of formalization vary dramatically. Rather than delivering uniform benefits, formalization often produces uneven, fragmented, and sometimes contradictory outcomes.

In the Philippines, Robles (2022) presents one of the most detailed analyses of these contradictions. The study demonstrates that formalization does not automatically translate into safer working conditions, environmental improvements, or better market access. Many miners face administrative burdens, unclear permitting procedures, and capital requirements that exclude them from the formal system. As a result, formalization can unintentionally reinforce inequalities by favoring those with political connections or financial resources. Robles argues that formalization should not be understood as a simple shift from “illegal to legal” but as a negotiated and uneven process shaped by local political economies.¹⁰⁴

¹⁰¹ [Sherwin De Vera, “Despite formalization, small-scale gold miners still prefer black market.” *Rappler*, 9 October 2023, re-posted under “In the News” on the Philippine Institute for Development Studies \(PIDS\) website \(cites MGB data, PJLI 2022 study, number of BSP buying stations, and estimated 500,000 SSM miners\)](#)

¹⁰² [Planet Gold’s Could pawn shops be a missing link in the Philippine small-scale gold supply chain?](#)

¹⁰³ [Sherwin De Vera, “Despite formalization, small-scale gold miners still prefer black market.” *Rappler*, 9 October 2023, re-posted under “In the News” on the Philippine Institute for Development Studies \(PIDS\) website \(cites MGB data, PJLI 2022 study, number of BSP buying stations, and estimated 500,000 SSM miners\).](#)

¹⁰⁴ [Maria Eugenia Robles, Boris Verbrugge, Sara Geenen “Does formalization make a difference in artisanal and small-scale gold mining \(ASGM\)? Insights from the Philippines” \(2022\)](#)

This finding aligns with Verbrugge and Besmanos' comparative work (2016), they note that many formalization policies fail because they are top-down and overly rigid, designed without considering the economic realities of small miners. In several countries, miners remain informal not due to resistance but because formal pathways are costly, lengthy, or incompatible with local customary practices. Compliance, therefore, becomes aspirational rather than achievable.¹⁰⁵

Complementary insights emerge from Peru and Sub-Saharan Africa. Salas-Urviola (2021) study argues that legalization is insufficient unless governments build a full "support ecosystem" for miners, access to credit, fair pricing systems, technical upgrades, and simpler requirements.¹⁰⁶

These international examples reinforce that legal status is not the same as actual compliance or transformation.

(b) Environmental and occupational risks

Domingo et al. (2024) and the WEPA presentation highlight severe water-quality and health impacts from both large-scale and small-scale gold mining. In SSM areas (e.g. Paracale, Jose Panganiban), small mines commonly use mercury and cyanide in ore processing, with untreated tailings and wastewater discharged directly into rivers and creeks, resulting in elevated mercury concentrations in sediments and water and long-term ecological and health risks.¹⁰⁷

These practices are reinforced by limited access to mercury-free technologies and the high cost of proper tailings storage and rehabilitation. Similarly, Siegel & Veiga (2018) warn that formalization without mercury-free technology support simply legalizes hazardous practices.¹⁰⁸

(c) Market access, informality, and black-market leakage

The PIDS article documents miners' preference for black-market buyers who pay in cash on the spot, cover transaction costs (e.g. crucibles), and require minimal documentation. Miners report that BSP sales can take one to two days, involve a processing fee and a 1% retention fee (refunded later), and often entail long travel to city-based buying stations.

The PIDS-hosted 2023 article describes miners' experiences in a legal minahang bayan in Sagada where despite formal contracts, many still sell gold to the black market because the BSP transaction process is time-consuming, involves fees, and requires long travel to buying stations, and because payments are made by cheque rather than cash. These factors undermine RA 11256's intent to make legal selling more attractive.

The PJLI estimates that only 1% of SSM gold was sold legally to BSP in 2021 implies substantial revenue leakage and a loss of potential gross international reserves. This aligns with broader concerns about tax and royalty losses from unreported SSM production.

(d) Social and livelihood vulnerability

Estimates of around 500,000 SSM miners in over 40 provinces indicate that SSM is a safety-net livelihood for many rural households. Other studies note that SSM communities often face precarious

¹⁰⁵ [Boris Verbrugge and Beverly Besmanos "Formalizing artisanal and small-scale mining: Whither the workforce?" \(2016\)](#)

¹⁰⁶ [Gerardo Martinez, Nicole M. Smith, Aaron Malone "'I am formal, what comes next?': A proposed framework for achieving sustainable artisanal and small-scale mining formalization in Peru" \(2023\)](#)

¹⁰⁷ [Vicente B. Tuddao Jr., "The Philippine Mining and Quarrying Industry: Mitigation and Regulatory Framework to Address Water Pollution, Challenges and Opportunities," presentation at the 21st WEPA Annual Meeting, Putrajaya, 8 September 2025, slide 3 \(reports 58 declared minahang bayan as of 30 June 2024\)](#)

¹⁰⁸ [Gavin Hilson, Tara Rava Zolnikov, Daisy Ramirez Ortiz, Cynthia Kumah "Formalizing artisanal gold mining under the Minamata Convention" \(2018\)](#)

working conditions, limited access to social protection, and exposure to toxic substances, with women and children involved in panning, tailings re-processing, and ore transport.

Recent reforms and initiatives relevant to SSM

A. Legislative and policy reforms

A.1 Amendments to RA 7076

The Department of Environment and Natural Resources (DENR) issued Administrative Order (DAO) 2022-03 on 29 April 2022 to implement RA 7076. DAO 2022-03 provides detailed procedures for registering miners, declaring Minahang Bayan sites and requiring contractors to establish environmental-management and social-development funds. Although it aimed to formalize the sector, it also created high financial and administrative barriers for small-scale miners.¹⁰⁹

During the 5th National Small-Scale Mining Coalition Assembly in July 2024, more than 200 small-scale miners and advocates called for urgent amendments to RA 7076. The coalition argued that the cost of formalizing a Minahang Bayan is exorbitant, the validity of small-scale mining contracts is too short, and the law's definition of "small-scale" (manual labour and rudimentary tools) is outdated and prevents miners from using modern technologies. They urged the government to simplify Minahang Bayan petitions, extend contract validity and allow the use of mechanized equipment while maintaining environmental safeguards.

In September 2024, the coalition, the Associated Labor Unions-TUCP, ILO, BAN Toxics and the Mines and Geosciences Bureau (MGB) held a roundtable to review House Bill (HB) 6408, a bill to amend RA 7076. HB 6408 proposes to lower the costs of establishing Minahang Bayan, extend contract validity and revise the definition of small-scale mining to permit modern machinery and sustainable practices. The coalition stresses that application requirements for formalizing small-scale operations are almost the same as those for large-scale mining, making compliance financially onerous for miners.¹¹⁰

Additional efforts was a nationwide MGB-led workshop series for Provincial and City Mining Regulatory Boards (P/CMRBs) in October 2024, which strengthened understanding of ASGM permitting procedures, clarified national and local roles under RA 7076, and reinforced coordination across agencies. Together, these initiatives helped build regulatory capacity at the subnational level and laid the groundwork for the DENR-led consultations initiated in early 2025 to revise DAO 2022-03.¹¹¹

A.2 BSP tax and sourcing policies

RA 11256, enacted in 2019, exempted qualified SSM gold sales to BSP from certain income and excise taxes, addressing the reported "99% drop in domestic gold purchases" that followed an earlier tax regime. This resulted in domestic gold purchases by the BSP to bounce back dramatically and continued to climb under the central bank's Responsible Gold Sourcing Policy. Mines and Geosciences Bureau data showed that in the first half of 2023 the volume of BSP gold purchases rose 11 % (to 4,103 kg) and the value rose 21 % (to about ₱13.99 billion) compared with the same period in 2022¹¹². A report on full-year 2023 results noted that the central bank bought 8,714 kg of gold worth ₱30.31 billion, a 26 % increase in volume over the previous year.¹¹³ The BSP's layman's annual report corroborates this, stating

¹⁰⁹ [Susil Ragas, "Minahang Bayan: Better regulation for responsible small-scale mining" \(2023\)](#)

¹¹⁰ [Daily Guardian, "Miners push for updates to Small-Scale Mining Law" \(2024\)](#)

¹¹¹ [planetGOLD, "Documentation of planetGOLD Programme: Formalization Interventions in the Philippines" page 11-12 \(2025\)](#)

¹¹² [Danessa Rivera - The Philippine Star, "Philippines metallic production up 8 percent in H1" \(2023\)](#)

¹¹³ [Meg J. Adonis - Inquirer.Net, "PH metal output climbed 4.79% to P249.05B in 2023" \(2023\)](#)

that the central bank purchased 298,203.4 troy oz (about 9.3 t), 26 % more than in 2022, and produced 737 good-delivery bars, an 11.4 % increase.

The BSP's Responsible Gold Sourcing Policy which was approved on 30 September 2022 requires due-diligence and anti-money-laundering checks for all gold suppliers. The 2023 Sustainability Report explains that under this policy the BSP accepts gold only from counterparties that follow environmental and labor regulations and undergo risk-based assessments¹¹⁴. LBMA assurance report found the BSP compliant with the London Bullion Market Association's Responsible Gold Guidance for 2022,¹¹⁵ in April 2024 the BSP received the LBMA's "Responsible Gold Certificate," affirming its adherence to these standards.¹¹⁶

B. BSP partnerships and market innovations

BSP has also worked with international partners to strengthen due diligence on its gold purchases and explore more direct sourcing from domestic producers, including large-scale mines, to bolster reserves. While these agreements primarily involve large-scale operations, they indirectly affect SSM by shaping BSP's overall gold buying strategy and due-diligence framework.

In June 2024, the World Gold Council announced that four central banks, including the Bangko Sentral ng Pilipinas, were the inaugural signatories to the London Principles – a set of operating principles for central-bank domestic purchase programmes. The principles commit participating banks to establish legal frameworks, resource their programmes adequately and include ASGM purchase operations in their public reporting. They also encourage cooperation with Extractive Industries Transparency Initiative processes to build public understanding and accountability. By aligning its gold-purchase program with the London principles, BSP reinforces its responsible-sourcing policy and signals support for transparency and due diligence in the gold supply chain.

C. Environmental and technical interventions

Projects like planetGOLD Philippines (implemented with DENR–MGB and NCSSMPI) have introduced mercury-free processing systems (e.g., gravity concentration and alternative leaching) in SSM sites such as Paracale, with the aim of reducing mercury use, improving recovery rates, and facilitating compliance with the Minamata Convention.¹¹⁷

These innovations align with DENR Administrative Orders 2022-03 and 2022-04, which tighten standards on small-scale mineral processing and require integration of biodiversity and ecosystem-service considerations into environmental management plans.

PH-EITI Initiatives: Insights from ETW 2023

During the PH-EITI Extractives Transparency Week (ETW) 2023 sessions on small-scale mining, beneficial ownership, and local revenue flows highlighted the magnitude of unreported SSM production and the need for better data sharing between MGB, LGUs, and BSP. It also illuminated the same structural challenges in Philippine artisanal and small-scale mining (ASM). Practitioners and

¹¹⁴ [2023 BSP Sustainability Report page 76 \(2023\)](#)

¹¹⁵ [Deloitte, Bangko Sentral ng Pilipinas \(BSP\) LBMA Responsible Gold Guidance Compliance Independent Reasonable Assurance Report \(2022\)](#)

¹¹⁶ [Responsible Gold Certificate](#)

¹¹⁷ [Artisanal Gold Council / planetGOLD Philippines, project documentation on financial inclusion and mercury-free processing facilities in Paracale and other SSM sites \(2023–2024\), especially sections on BSP linkages and centralized mercury-free processing plants.](#)

civil-society speakers noted that most miners remain outside the formal frameworks cited provincial case studies from Agusan del Sur and South Cotabato – demonstrated that decentralized, multi-stakeholder governance can enhance transparency and community participation, however, they also exposed persistent obstacles. These include continued reliance on mercury and other unsafe practices that pose severe health and ecological risks, prohibitively complex and costly formalization procedures, entrenched black-market gold trading despite incentives such as BSP’s authority to buy gold at market rates and tax exemptions under RA 11256, and pronounced social inequities, particularly the marginalization of women who are heavily involved in ore processing yet largely excluded from decision-making. Discussions also underscored why the Bangko Sentral Gold Buying program continues to struggle despite supportive legislation. Speakers highlighted the reasons why only a tiny fraction of small-scale production reaches official channels. A key structural barrier is accessibility, the central bank operates only five gold-buying stations nationwide, even though small-scale mining takes place in roughly forty provinces. For miners in areas like Sagada or Paracale, selling to the BSP entails travelling several hours, paying processing and retention fees, and waiting days for payment to clear. By contrast, black-market dealers offer immediate cash, cover melting costs and even provide food while miners wait.

Collectively, these findings underscore the need for streamlined permitting, expanded legitimate gold-buying channels, the adoption of mercury-free technologies and gender-responsive governance mechanisms if the objectives of RA 7076 are to be realized. ETW participants therefore called for more accessible buying points and alternative channels, such as the pilot programme accrediting pawn shops as gold buyers, alongside continued tax incentives and awareness campaigns. Without these supply-chain reforms, even robust legal incentives will not be sufficient to divert small-scale gold from informal markets into the formal economy.¹¹⁸

In 2023–2024 PH-EITI regional roadshows, outreach activities in mining provinces (e.g., Benguet, Camarines Norte, Surigao) used SSM case studies to explain revenue flows, the role of *minahang bayan*, and tax incentives for BSP sales, and documented local concerns about permit processing, environmental impacts, and social protection.

¹¹⁸ PH-EITI’s “[Extractives Transparency Week 2023 A Decade of Transparency: PH-EITI 10th Anniversary](#)” (2023).

SECTION V: REVENUE MANAGEMENT AND SUBNATIONAL TRANSPARENCY

Subnationalizing EITI

Subnationalizing EITI involves devolving the principles and practices of extractive governance from the national level to regions, provinces, and municipalities/cities. Current MSGs largely operate in metropolitan centers, often overlooking the ground realities of local governments, affected communities, and grassroots civil society, who has the deepest knowledge of, and vested interest in, transparency and accountability in the sector¹¹⁹. Localizing EITI is considered a means to address the persistent gaps in stakeholder representation and engagement, particularly in areas directly affected by extractive activity.

PH-EITI has identified subnational implementation of EITI processes as part of its strategic objective for the period 2023-2028. Bringing the EITI model down to the local level offers a mechanism to broaden participation, and creates avenues for more affected sectors, which cover the marginalized groups, to engage more meaningfully with government and industry¹²⁰.

Review of Pertinent Developments in PH-EITI Subnationalization

Initial scoping of subnational reporting needs and early initiatives (2013-2017)

Since its introduction in the country, EITI has progressively sought to involve local actors in governance and oversight of extractive industries. Between 2013 and 2017, pioneering efforts focused on outreach and scoping at the subnational level, particularly through engagement with local government units and civil society organizations such as Bantay Kita. The CSO played a pivotal role in conducting capacity-building sessions for IPs, introducing them to transparency mechanisms, Free, Prior, and Informed Consent (FPIC), and community-based agreements in the context of mining¹²¹. These initiatives were instrumental in equipping IP communities with the knowledge to engage meaningfully with local stakeholders, while also advocating for formal representation of IPs due to the significant presence of mining in ancestral domains¹²².

A landmark example of an early subnational effort was the case of Compostela Valley, piloted by Bantay Kita in 2014, which showed the value of engaging communities and local actors in EITI processes. In response to concerns over mismanagement of royalties, provincial and Indigenous leaders autonomously championed a local legislation modeled on the EITI framework, which brought together representatives from government, mining companies, civil society, and IP groups¹²³. This locally driven council developed reporting and monitoring requirements that go beyond national EITI standards, demonstrating the significant benefits of localized, community-led transparency initiatives¹²⁴. On the other hand, preparatory works on subnational EITI were conducted in the province of Antique, which hosts the Semirara Mining and Power Corporation (SMPC) and other relevant extractive activities. Stakeholders participated in a seminar aimed at building their awareness of extractive governance

¹¹⁹ MSI Integrity. (2015). Protecting the Cornerstone Assessing the Governance of Extractive Industries Transparency Initiative Multi-Stakeholder Groups.

<https://www.msi-integrity.org/wp-content/uploads/2015/02/MSI-Integrity-Protecting-The-Cornerstone-Report.pdf>

¹²⁰ Pajares, G. " Learning Experience from the Cebu Eiti Msg Localization." Bantay Kita, 24 Oct. 2020,

<http://www.bantaykita.ph/1/post/2020/10/learning-experience-from-the-cebu-eiti-msg-localization.html>

¹²¹ Bantay Kita. BK Presents Experience with FPIC in Pre-OGP Cso Day in Mexico. 27 Oct. 2015,

<http://www.bantaykita.ph/1/post/2015/10/bk-presents-experience-with-fpic-in-pre-ogp-cso-day-in-mexico.html>

¹²² *ibid*

¹²³ (MSI Integrity, 2015)

¹²⁴ *ibid*

issues in the province, and during this time the vice governor publicly committed to pursuing a local EITI initiative¹²⁵.

Existing assessments, review of PH-EITI outcomes and reports highlighted both opportunities and challenges in strengthening EITI implementation. In 2014, PH-EITI published a Scoping Study on Local Revenue Streams and Subnational Implementation. This study revealed the key challenges on subnationalization, which included the limited local administrative capacity, funding constraints, legal uncertainties over revenue distribution, and logistical barriers that impede accurate data collection and reporting¹²⁶. Meanwhile, the 2017 PH-EITI Report noted the weak monitoring of SDMPs, limited LGU involvement in their planning, and emphasized the need for better evaluation and alignment with local development priorities, especially in light of climate and disaster risks¹²⁷. In the following country report, the MSG recommended introducing subnational mechanisms to LGUs so that stakeholder participation in the extractives value chain becomes institutionalized, local governance issues can be better addressed, and data and disclosures can be effectively mainstreamed¹²⁸.

The succeeding years presented notable progress that facilitated PH-EITI data disclosures. The seventh country report outlined key improvements such as the availability of more substantive data from agencies, increased company participation, and the development of new transparency tools (e.g. ORE, Contracts Portal, EDGE)¹²⁹. However, the same report emphasized that disclosures still fall short of EITI standards in terms of completeness and reliability, and that major gaps remain in providing timely, accurate data needed to address local governance and fund utilization issues. The targeted assessment report released in 2024 for EITI Requirement 1.3 (Civil society engagement) noted that although civic space has improved, some areas remain difficult to access due to formalization measures tied to anti-insurgency activities¹³⁰. The assessment also pointed out that development partners supported PH-EITI's push for EITI localization, but industry raised concerns about funding, duplication, and data integrity. The assessment also underscored that civil society participation at the local level remains limited, with many groups unaware of their role in consultations and agenda-setting.

Setting the foundation for EITI subnationalization (2018-2024)

Between 2018 and 2021, efforts shifted toward laying the groundwork for more systematic subnationalization. Bantay Kita leveraged the Open Government Partnership (OGP) platform to harmonize disclosure guidelines, promote citizen engagement, and institutionalize reforms at the local level¹³¹. Through projects funded by the United Nations Democracy Fund, the organization supported

¹²⁵BK conducts seminar on EI in Antique; creates leeway for subnational EITI MSG. (2016, January 31). Bantay Kita. <http://www.bantaykita.ph/1/post/2016/01/bk-conducts-seminar-on-ei-in-antique-creates-leeway-for-subnational-eiti-msg.html>

¹²⁶ Nunez, M., Ramos, J., & Lotilla, J. (2014). Philippines EITI scoping study on local revenue streams and subnational implementation. Philippine Extractive Industries Transparency Initiative. <https://ph-eiti.dof.gov.ph/uploads/1/2/1/8/121891939/scoping-study-on-local-revenue-streams-and-subnational-implementation.pdf>

¹²⁷ Philippine Extractive Industries Transparency Initiative. Forging new frontiers the fifth PH-EITI report (FY 2017). (2018). https://ph-eiti.dof.gov.ph/uploads/1/2/1/8/121891939/the_5th_ph-eiti_report.pdf.

¹²⁸ EITI International Secretariat. MSG review of the outcomes and impact of the EITI. Dec. 2020. https://eiti.org/sites/default/files/attachments/eiti_validation_template_-_outcomes_and_impact.pdf.

¹²⁹ Congressional Policy and Budget Research Department. (2022). Institutionalizing the Philippine Extractive Industry Transparency Initiative (PH-EITI). House of Representatives. <https://cpbrd.congress.gov.ph/wp-content/uploads/2023/09/PB2022-02-Institutionalizing-the-Philippine-Extractive-Industry-Transparency-Initiative-PH-EITI.pdf>.

¹³⁰ EITI International Secretariat. (2020). Targeted assessment of the Philippines: Assessment of progress in implementing Requirement 1.3 of the 2019 EITI Standard. <https://eiti.org/document/23742>.

¹³¹ Pimintel, T. (n.d.). Achieving compliance despite the shifting political tides. Bantay Kita. <http://www.bantaykita.ph/1/post/2018/04/achieving-compliance-despite-the-shifting-political-tides.html>

the establishment of local MSGs in provinces such as Palawan, South Cotabato, and Agusan del Sur, helping create a fair representation of marginalized sectors and enhancing the capacity of communities to participate in governance¹³². The experiences from Cebu raised the need for investments in resources and dedicated budget to support data disclosure processes, as well as the demand for deeper understanding of extractive operations and EITI standards among stakeholders¹³³.

The period from 2022 to 2023 marked a structured shift with the launch of the Subnationalizing Extractives Transparency-Ushering Participatory Governance (SET-UP-GO) program, aimed at decentralizing EITI implementation to mining-affected communities. Under this initiative, the PH-EITI integrated its objectives into the 6th National Action Plan of the Philippine OGP (2024–2027). The plan prioritizes stakeholder engagement, empowerment of IP communities, and transparent revenue management¹³⁴. PH-EITI draws from the 2003 UN Human Development Report as a framework for its subnationalization strategy where three interdependent elements, effective state capacity, competent local authorities, and empowered private and civil society actors, will serve as guiding principles¹³⁵. Other key elements of the subnationalization capture strengthening local bodies, digitizing government transactions, and fostering civic engagement. To assess the capacity in facilitating localized EITI, the PH-EITI compiled a directory of Provincial and City Mining Regulatory Boards, which signalled a deliberate step toward operationalizing this subnational approach. More recently, PH-EITI's 2024 Regional Roadshow marked the start of its subnationalization efforts that intended to connect national policies with local contexts and engage government, civil society, industry, and IPs in discussions on local EITI implementation to ensure equitable distribution of benefits in areas with significant extractive operations such as Baguio, Zambales, Cebu, Butuan, Palawan, and Naga¹³⁶. Further, the preparatory groundwork for 2025 continued in provinces like Palawan and Benguet, and this aimed to map stakeholders, capacitate, and orient participants on EITI tools, with the ultimate goal of strengthening local ownership of transparency and accountability processes¹³⁷. A unique approach in localizing EITI is the integration of IP rights and environmental monitoring into subnational MSGs, articulating the importance of moving beyond revenue transparency to broader social and environmental accountability. Hence, the phased approach to intervention is instrumental to build capacity and stakeholder trust.

Stakeholder Perspectives on Subnational Implementation

Discussions during the 2023 Extractive Transparency Week (ETW) sessions highlighted a consensus among stakeholders regarding the necessity of localizing governance frameworks. Participants emphasized that national-level policies often face significant implementation hurdles when applied to specific local contexts, underscoring a clear demand for subnational EITI implementation to bridge these gaps.

A primary driver for this call to action is the need for more inclusive and technically grounded representation at the local level. Stakeholders pointed out that current studies and consultative bodies often suffer from limited participation, frequently excluding the private sector and the academe.

¹³²Institutionalizing community participation in minerals management at the subnational level in the Philippines. (2018, March 26). Bantay Kita.

<http://www.bantaykita.ph/1/post/2018/03/institutionalizing-community-participation-in-minerals-management-at-the-subnational-level-in-the-philippines.html>

¹³³ (Pajares, 2020)

¹³⁴Philippine Extractive Industry Transparency Initiative. (2023). Annual progress report.

<https://pheiti.dof.gov.ph/download/apr-2023/?wpdmdl=5766&refresh=6667bfb320121718075163>

¹³⁵ Open Government Partnership. (2023). The 6TH PH-OGP National action plan 2023-2027.

https://ogp.dbm.gov.ph/ogp-content/nap/6th/6th-PH-OGP-NAP-Report_final.pdf

¹³⁶Philippine Extractive Industry Transparency Initiative. (2024). Annual progress report.

https://pheiti.dof.gov.ph/download/annual-progress-report_2024/?wpdmdl=6975&refresh=680907faab0391745422330

¹³⁷ PH-EITI, "Concept note: Laying the Ground Groundwork for PH-EITI Subnationalization", 2025

Participants argued that expanding inclusivity to include local academic institutions is crucial for providing the technical, legal, and business context necessary for communities to understand the extractive industries. This technical grounding is essential for moving beyond general discourse toward solving specific socio-economic problems experienced by host communities. Furthermore, there is a strong sentiment that governance initiatives cannot rely solely on government and civil society. A genuine multi-stakeholder approach requires the active and balanced voice of the industry to ensure that evidence and findings are comprehensive rather than anecdotal.

Beyond general representation, stakeholders identified critical gaps in existing local governance mechanisms, specifically within Multipartite Monitoring Teams (MMTs) and Mine Rehabilitation Fund Committees (MRFCs). Industry representatives expressed concern that without proper capacity building, Civil Society Organization (CSO) participation in these bodies risks becoming mere tokenism. It was noted that for CSOs to effectively challenge government or industry, they require training in mineral economics, geology, and mining operations. However, a significant gap identified by civil society stakeholders is the lack of clear, standardized guidelines for selecting CSO members for these local bodies. Current practices were described as discretionary, where vocal or critical organizations are often excluded or marginalized in favor of more compliant participants. Subnationalization is therefore seen as a pathway to institutionalize objective selection processes and ensure that local monitoring bodies are populated by capable and independent representatives.

The urgency of subnationalization was further illustrated by the disconnect between national regulations and the realities of small-scale mining communities. While national laws mandate gold sales to the Bangko Sentral, these regulations often fail locally due to logistical barriers, such as the lack of accessible buying stations and impractical minimum weight requirements for subsistence miners. This regulatory gap drives miners toward the black market and informal operations, which are often intertwined with local politics. Participants suggested that these systemic issues persist because national laws, such as the Small-Scale Mining Act, are no longer responsive to ground realities. Consequently, a subnational approach is viewed as a necessary enabling condition to tailor regulations to local capacities, improve accessibility to formal markets, and provide the mobilization resources needed to connect national policy goals with community level livelihoods.

Advancing Subnational Transparency in the Philippine Extractive Sector

Embedding participatory governance in the local extractive sector involves four main agendas: (1) improve the capacity for reporting extractives data, (2) strengthen stakeholder support for EITI processes, (3) reinforce impact of EITI on extractives governance, and (4) establish a system for monitoring and reporting. The key insights based on documentation from roadshows and groundwork activities are discussed according to these agendas.

Improving Capacity for Reporting Extractives Data

Localizing EITI in Palawan highlights the critical need for accessible data, technical support, and collaboration with academic and local institutions. During the consultation, municipal officials identified the need for real-time access to production, sales, and royalty data to verify company compliance, underscoring the necessity of clear procedures and databases for effective transparency. Similarly, academic institutions like Palawan State University have expressed readiness to support technical and research aspects of subnational reporting, pointing to gaps in environmental monitoring and the integration of research into policy. These insights illustrated that capacity building must extend beyond procedural training to effectively aid in integrating existing environmental and governance knowledge base.

Strengthening Stakeholder Support for EITI Processes

Stakeholder engagement has been central to subnationalization efforts. Lessons from earlier initiatives collected from the 2023 Extractive Transparency Week (ETW), such as Bantay Kita's work in Visayas and Mindanao, confirmed that sustained capacity building, consultation, and inclusion of marginalized sectors strengthened ownership and participation. In addition, evidence from Agusan del Sur and South Cotabato shows that well-structured MSGs and supportive local government commitment can create functional, inclusive governance mechanisms that integrate grassroots voices, women, and small-scale miners. In 2025, the groundwork in Benguet and Palawan demonstrates broad support for establishing local MSGs that will comprise local government units, national regulators, civil society organizations, industry, and IPs. Stakeholders highlighted the importance of aligning EITI processes with local capacities in order to address environmental concerns and strengthen gender and IP representation.

Reinforcing Impact of EITI on Extractives Governance

Subnational EITI implementation offers a mechanism to make extractives governance more responsive and accountable. Fieldwork findings in Palawan indicate that local MSGs can help monitor company compliance, clarify revenue-sharing mechanisms, and address community concerns before escalating the issues to national authorities. By situating transparency efforts within existing bodies, such as the Palawan Council for Sustainable Development (PCSD) or the Provincial Mining Regulatory Boards (PMRBs) elsewhere, PH-EITI can reinforce governance without adding unnecessary bureaucracy.

Establishing a System for Monitoring and Reporting

The next phase of the groundwork for subnationalization scheduled in 2025 aims to map stakeholders, conduct capacity building activities, and introduce tools tailored to local needs. Initial consultations in Palawan were already accomplished for this period and revealed that existing monitoring mechanisms are often dominated by industry actors, and local institutions sometimes lack the legal mandate, technical expertise, or funding to oversee compliance effectively. Consequently, integrating EITI reporting into established structures, providing accessible guidance, and enhancing capacity for data collection and analysis are critical to creating sustainable monitoring systems. Moreover, prioritizing local-level dispute resolution and ensuring feedback channels for communities can increase accountability and trust in the system.

Subnational Transfers and Local Government Utilization

Breakdown of revenues from extractives (taxes, royalties, fees)

Table 1-14 summarizes the total collections from mining, oil and gas activities. The total taxes, fees and royalties fell by 13% YoY in 2023 and by 21% YoY in 2024. Lower national tax collections became the most significant factor in the overall decline in 2023, as there was an estimated PhP 7 B drop in tax collections during this period. On the other hand, significant decreases in excise tax collections by the BIR and in taxes and fees collected by LGUs strongly affected overall collections in 2024, resulting in 34% and 33% reductions, respectively.

Table I-14. Tax and Non-Tax Revenues Collected from the Extractives Sector, in million PhP

	2022	2023	2024
Total taxes, fees and royalties from mining*	₱48,217	₱41,732	₱32,971
Fees, charges and royalties collected by DENR-MGB	₱3,586	₱3,261	₱3,466
Excise tax collected by BIR	₱8,843	₱9,627	₱6,308
Taxes collected by national government agencies	₱31,234	₱24,157	₱20,060
Taxes, fees and charges collected by LGUs	₱4,553	₱4,687	₱3,138
Government share from oil[^]	₱223	₱143	₱150
Non-tax revenue from Malampaya[^]	₱25,480	₱17,775	₱10,700

Sources: *Mines and Geosciences Bureau, [^]Department of Budget and Management

Data from the Department of Budget and Management (DBM) reported that the royalty collections from the national government to LGUs (40% of 90% royalty fees from mineral reservations) declined from PhP 1.80 M in 2022 to PhP 0.99 M in 2023, then further decreased to PhP 0.65 M in 2024. Similarly, the royalty collections allocated to IPs (10% of royalties derived from the development and utilization of mineral resources within reservations) were lower at 9% and 4% in 2023 and 2024, respectively. The world price movements of metallic minerals, particularly a sharp decline in nickel prices and a contraction in non-metallic production values, may have contributed to lower tax collections, given that tax rates are based on value rather than volume of production. On the other hand, actual revenues from natural gas decreased to almost 35% in the past two years, while oil revenues increased by 5% in 2024.

The development of the Enhanced Fiscal Regime for Large-Scale Metallic Mining Act progressed steadily between 2023 and 2024, beginning with the passage of House Bill No. 8937 in September 2023, which aimed to raise the government's share in mining profits and lay the foundation for a more equitable taxation system for the mining industry. One of the proposed inclusions was for mining operations outside mineral reservations to pay a royalty based on their profit margins, specifically 1% for margins between 1% and 10%, increasing up to 5% for margins above 70%, while those within mineral reservations will pay a fixed 4% royalty on gross output¹³⁸. However, the reduction of royalty within

¹³⁸ Cruz, B. M. (2023, September 24). Miners see fiscal bill boosting investment, gov't revenue. BusinessWorld Online. <https://www.bworldonline.com/economy/2023/09/24/547416/miners-see-fiscal-bill-boosting-investment-govt-revenue/>.

mineral reservations was contested for being inconsistent with the objectives of promoting social and environmental justice¹³⁹. It was further argued that lowering royalties would diminish the government's capacity to safeguard mining-affected communities and critical ecosystems, especially amid increasing mining activities driven by global demand for transition minerals, as reduced revenues could limit resources for environmental protection¹⁴⁰.

Throughout 2024, the public hearings and stakeholder consultations were conducted to refine the proposed framework and balance revenue generation with investment attractiveness. DOF later adjusted its projected mining revenues from PhP 10.23 B to PhP 6.3 B to reflect the fiscal recalibration required under the new margin-based royalty and incentive scheme¹⁴¹. The Senate's counterpart measure, Senate Bill No. 2826, was eventually passed in early 2025, incorporating a phased raw-ore export ban to promote value addition at the local level¹⁴². In the first half of 2025, the disagreeing provisions of HB 8937 and SB 2826 were reconciled to further simplify the proposed fiscal system. Eventually, the "Enhanced Fiscal Regime for Large-Scale Metallic Mining Act" (RA 12253) was passed into law in September 2025. Aside from the mandated public disclosure of mining data and joint audits of mineral sales, the key features of the law that are expected to affect future LGU revenues include the payment of a 0.5% local business tax, the direct allocation of 40% of mining taxes to host local governments, and the 10% of royalties collected from mineral reservations that will fund mining research and capacity-building¹⁴³.

How extractive revenues are used at the local level

Mining revenues in the Philippines are collected by the national government and transferred to the local government units that host mining operations. LGUs are legally entitled to a direct share of revenues from extractive activities under the 1991 Local Government Code and the Philippine Mining Act (RA 7942) and its implementing rules. The principal mechanisms that deliver benefits from extractive revenues to LGUs are:

1. The statutory 40% share of gross collections from mining taxes, royalties and other charges that are allocated to different political units, for example, provinces, municipalities, or barangays hosting the operations;
2. LGU collections from local business taxes, permits and quarry fees. These collections are a separate revenue line for LGUs and may rise or fall with licensing and enforcement; and
3. mandatory company-funded Social Development and Management Program (SDMP) and other community development obligations

However, the ambiguous land classification that resulted in lower collections, and lack of clarity among LGUs on how revenue shares are calculated and tracked due to limited data sharing between concerned agencies were reported as significant challenges in managing extractive revenues at the

¹³⁹ Domingo, S. (2024, April 1). Comments on house bill 8937. Philippine Institute for Development Studies. https://pidswebs.pids.gov.ph/CDN/document/1712058076_660beedc70446.pdf.

¹⁴⁰ Statement on committee report no. 720 on the proposed mining fiscal regime. (2023, September 4). Bantay Kita. <http://www.bantaykita.ph/1/post/2023/09/statement-on-committee-report-no-720-on-the-proposed-mining-fiscal-regime.html>

¹⁴¹ DOF lowers revenue projections from mining fiscal reform bill to PHP 6.3 billion. (2024, August 20). Metrobank Wealth Insights. <https://wealthinsights.metrobank.com.ph/bworldonline/dof-lowers-revenue-projections-from-mining-fiscal-reform-bill-to-p6-3-billion/>

¹⁴² Sarmiento, B. (2025, February 7). Ban on export of raw minerals gets Senate nod. MindaNews. <https://mindanews.com/top-stories/2025/02/ban-on-export-of-raw-minerals-gets-senate-nod/>.

¹⁴³ Las Piñas, J. A. (2025, September 4). President Marcos signs Enhanced Fiscal Regime for Large-Scale Metallic Mining Act into law. Philippine Extractive Industries Transparency Initiative. <https://pheiiti.dof.gov.ph/mfr/>

local level¹⁴⁴. Adding to these challenges were the delays in transfers and the lack of guidance on fund utilization¹⁴⁵. Table I-15 presents the amount of payment to LGUs from mining operations based on the available data from regional offices of MGB. The data shows that Regions VIII recorded the highest payment to LGUs (30% increase from 2023), followed by Region VII (up by 14%). In contrast, the payment to LGUs in Region V was significantly lower by 80% in 2024. Comprehensive information on how local governments allocate and spend revenues from extractive activities remain largely absent.

Based on the issues raised during roadshows and PH-EITI reports, LGUs should strategically direct extractive revenues toward funding local development priorities, including targets for climate resilience and disaster risk mitigation, to ensure spending addresses actual community vulnerabilities. To prevent mismanagement, LGUs can consider allocating resources to modernize data collection and administrative capacity, so that revenue utilization is based on timely, accurate disclosures. Additionally, local governments may consider utilizing funds from extractive revenues to mobilize resources that connect national policies to local livelihoods, such as creating accessible formal markets for small-scale miners, in order to reduce reliance on illicit markets. Further, investing in technical capacity building for local monitoring bodies was found to be necessary to institutionalize independent oversight and ensure that financial decisions are driven by comprehensive evidence rather than political discretion.

Table I-15. Annual payment to LGUs, in PhP

	2023	2024
Region I*	37,045,538	-
Region II^	-	-
Region III^	-	-
Region IV-A	431,941,596	448,825,528
Region IV-B*	-	-
Region V	305,795,977	62,667,272
CAR*	-	14,530,003
Region VI	3,183,298	2,796,547
Region VII	673,516,310	771,175,763
Region VIII	209,540,867	271,634,824
Region IX^	-	-
Region X*	-	-
Region XI^	-	-
Region XII	124,868,871	126,619,022
Region XIII*	128,385,532	-

Source: MGB Regional data. ^Data not published in the regional website. *2024 data not yet available on website

¹⁴⁴ 2024 PH-EITI Regional Roadshow

¹⁴⁵ *ibid.*

SECTION VI: ENVIRONMENTAL, SOCIAL, AND GOVERNANCE (ESG) CONSIDERATIONS

Environmental impacts and mitigation measures

Responsible mining currently has no legal definition that can aid in developing parameters to measure environmental impacts holistically. According to the Intergovernmental Panel on Climate Change (IPCC), extractive and primary industries account for about 30% of global greenhouse gas emissions, with industrial emissions nearly doubling between 1970 and 2010 due to rising demand for materials. Climate change threatens these sectors through extreme weather, water scarcity, and infrastructure damage, thereby increasing production costs. Efficiency improvements through the adoption of best available technologies to optimize and expand product use could cut industrial energy intensity by up to 25%, with innovation providing an additional 20% reduction potential in emissions¹⁴⁶. A study finding estimated that for every percentage increase in mineral and gas rents the rate of forest loss rises by 0.13%-0.34%¹⁴⁷.

Aside from the accelerated climatic impacts of extractive industries, activities in this sector were precursors to a series of hazards across various areas of the Philippines. For instance, a massive landslide in the mining village of Maco, Davao de Oro reignited debates about the safety of mining operations in landslide-prone areas and demanded stricter monitoring of active and abandoned mine sites¹⁴⁸. The event prompted a resolution which sought to investigate contributing factors and responsible entities to inform the crafting of new policies or improve existing laws¹⁴⁹. Another incident that followed involved the collapse of a tailings facility in Siana gold mine in Surigao del Norte, which revealed the failure of a long-inactive tailings dam, raising concerns about the monitoring of decommissioned mining structures and the potential for similar hazards across the country's older mining districts¹⁵⁰.

Mining also affects the river systems and farmlands. In Davao del Sur, residents protested against quarry activities, citing damage to water sources, dust pollution, and declining soil productivity¹⁵¹. Similarly, environmental groups in Davao City called on authorities to intensify their search for illegal quarry operations along the Tamugan River, a critical watershed that supplies potable water to the city¹⁵². This water contamination and increased landslide risk also threaten biodiversity in the natural environment of host areas. National government agencies took several steps to tighten environmental safeguards, for instance, the DENR promulgated orders emphasizing biodiversity protection and rehabilitation planning for mining sites, and the MGB continued to press for environmental compliance as mining investments and production rose. In 2022, the "Enhancing Biodiversity Conservation in Mining Operations" (AO 2022-04) was issued to provide biodiversity measures across all stages of mining

¹⁴⁶ Bourgoignie, F. (2014). Climate change: Implications for extractive and primary industries. University of Cambridge. https://climate.gov.ph/files/Extractives_Briefing_Web_EN.pdf

¹⁴⁷ Kinda, H., & Thiombiano, N. (2021). The effects of extractive industries rent on deforestation in developing countries. *Resources Policy*, 73, 102203. <https://doi.org/10.1016/j.resourpol.2021.102203>

¹⁴⁸ Esterman, I. (2024, February 21). Landslide in Philippines mining town kills nearly 100, prompts calls for action. Conservation News.

<https://news.mongabay.com/2024/02/landslide-in-philippines-mining-town-kills-nearly-100-prompts-calls-for-action/>

¹⁴⁹ <https://web.senate.gov.ph/lisdata/4361139646!.pdf>

¹⁵⁰ Panganiban, C. V. (Mudslide hits Surigao mine; early evacuation prevents casualties). Mudslide hits Surigao mine; early evacuation prevents casualties. Inquirer.Net.

<https://newsinfo.inquirer.net/1939880/mudslide-hits-surigao-mine-no-casualties-reported>

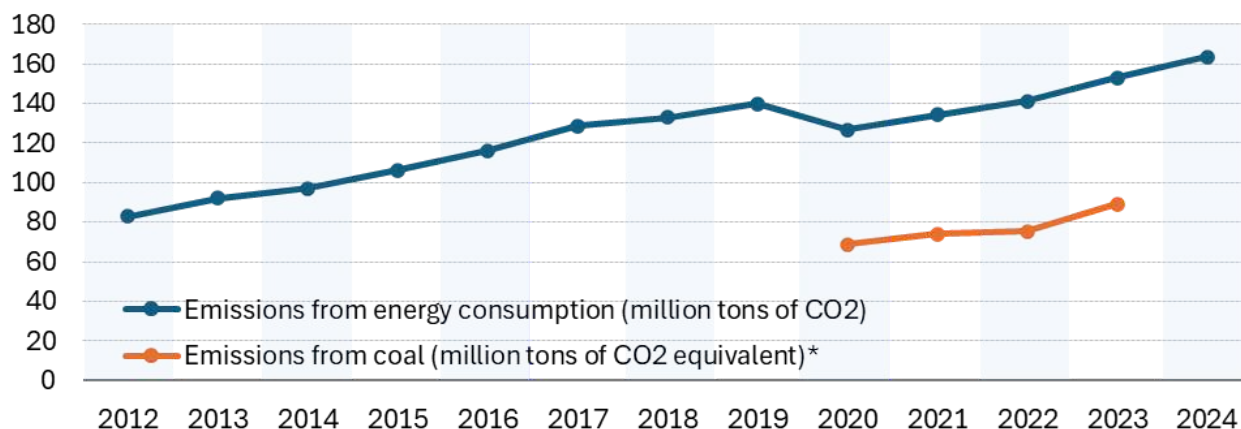
¹⁵¹ Palicte, C. (2024, December 5). Davao Sur villagers oppose quarry activities over envi concerns. Philippine News Agency. <https://www.pna.gov.ph/index.php/articles/1239369>

¹⁵² Colina, L. (2024, November 20). Environment group urges authorities to widen search for illegal quarries along Tamugan River. MindaNews.

<https://mindanews.com/top-stories/2024/11/environment-group-urges-authorities-to-widen-search-for-illegal-quarries-along-tamugan-river/>

activity¹⁵³. At the exploration stage, the measures include the assessment of critical habitats and rapid valuation of ecosystem services areas, while the utilization phase requires that biodiversity measures be integrated into the Environmental Protection and Enhancement Program (EPEP) and Social Development and Management Program (SDMP) of operators.

Figure I-20. Carbon Dioxide Emissions from Energy Consumption and Coal Production



Source: Kearney; KPMG; Energy Institute. *Data was collected from DOE; 2024 data not available (I54)

Meanwhile, the coal industry remained a source of environmental and public health concern despite the government's declared moratorium on new coal power projects. Coal's environmental footprint, especially on air quality, ecosystems, and toxic deposition, is severe and long-ranging. One report estimates coal is responsible for around 87% of SO₂ emissions in the Philippines and about a third of particulate emissions from power generation¹⁵⁵. The same report estimated that in 2019, the existing coal fleet led to an estimated USD 165 m of public health costs. Figure I-20 shows that the country is emitting about 89 million tons of CO₂ equivalent in 2023 from coal production alone. Overall, CO₂ attributed to energy consumption is increasing annually. As a result, gas projects were recognized as crucial component of decarbonization scheme, which aims to reduce coal dependence and respond to energy security concerns. The passage of the Philippine Natural Gas Industry Development Act¹⁵⁶ will further support natural gas as a transition fuel and prioritize locally sourced gas where possible. Part of the national strategy is the creation of a Philippine Energy Plan (PEP) 2023-2050 that sets the target for renewable energy to reach 50% of the power generation mix by 2040, with LNG serving as a backup for intermittent renewable energy sources like wind and solar¹⁵⁷. A more concrete strategy undertaken by government was the promotion of investments in LNG import terminals and infrastructure intended to create a conducive market for private sector participation. Since 2023, Philippine National Oil Company (PNOC) has been developing a third LNG infrastructure in Bataan that will serve as the main LNG supply hub in the country¹⁵⁸.

The moratorium on new coal projects enforced in 2020 continues to be referenced in recent policy

¹⁵³Enhancing Biodiversity Conservation Protection in Mining Operations, Nos. 2022–04.

<https://bmb.gov.ph/wp-content/uploads/2024/01/dao2022-04.pdf>

¹⁵⁴ Data can be accessed here: [Statistical Review of World Energy 2025 datasets](https://www.eia.org/energy/data/indicators/statistical-review-of-world-energy-2025-datasets)

¹⁵⁵ Myllvirta, L., & Suarez, I. (2020). Air quality & health impacts of coal-fired power in the Philippines. Centre for Research on Energy and Clean Air.

https://energyandcleanair.org/wp/wp-content/uploads/2021/06/PH-Coal-Health-Report_FINAL.pdf

¹⁵⁶ Further information can be found here: https://lawphil.net/statutes/repacts/ra2025/ra_12120_2025.html

¹⁵⁷ Department of Energy. (2023). Philippine energy plan 2023-2050. <https://legacy.doe.gov.ph/pep>

¹⁵⁸ Philippine National Oil Company. (2023). Illuminating our path: Transitioning to a sustainable future [Annual Report]. <https://www.pnoc.com.ph/wp-content/uploads/2024/08/2023-Annual-Report-Final.pdf>

discussions. DOE clarified that the coal moratorium is not a total ban and excludes existing, committed, and coal projects that have substantial accomplishments, such as those having a signed land acquisition or endorsements from LGUs¹⁵⁹. On the other hand, DENR drafted stricter emission standards for sulfur oxides, nitrogen oxides, and particulate matter to address public health risks. The proposed order will cut the allowable emissions of the said pollutants from coal plants by 50%¹⁶⁰. At least four major domestic banks also participated in this initiative by reaffirming their coal exclusion policies. For example, BPI pledged to stop financing new coal power projects, halve coal loan exposure by 2026 and eliminate it by 2032, ahead of Paris Agreement targets for non-OECD countries¹⁶¹. These initiatives signal a gradual transition toward reduced coal dependence and regulated climate emissions across the country.

Social development programs and community engagement

The participation of the community is crucial in holding operators and government authorities accountable for the proper management of extractive resources. SDMP is a five-year plan mandated by the Mining Act of 1995 and implemented through MGB, remains the main mechanism for channeling at least 1.125% of mining firms' operating costs toward local development. These programs fund livelihood, infrastructure, education, and environmental rehabilitation initiatives in host and neighboring communities. A study in the Cordillera Administrative Region (CAR) found that while SDMP implementation as well as multistakeholder consultations and monitoring were proven effective in enhancing transparency and stakeholder trust, financial and operational bottlenecks had a moderate impact on these mandatory community programs¹⁶². However, a more recent analysis of the role of civil society organizations (CSOs) noted that while the SDMP helps partially address negative externalities from it, it is not fully effective in mitigating social costs due to limited inclusiveness. Community participation in these programs is often tokenistic, with decision-making dominated by corporations or state actors¹⁶³. Further, the mandatory nature of SDMPs has led to bureaucratic compliance and created ambiguity in defining 'community' as this equates communities with administrative units, thus failing to capture social and cultural diversity within mining areas. Despite these limitations, there were exceptional cases that exemplified efforts to strengthen inclusive and participatory governance at the local level. In Agusan del Sur, the establishment of the Agusan del Sur Environment and Sustainable Development Council (ASEDC) and its embedded Mineral Resource Management Committee (MRMC) demonstrated progress toward integrating grassroots participation, particularly among women, Indigenous Peoples (IPs), and local organizations such as Bantay Danao and small-scale miners. The MRMC's institutionalization, with dedicated funding for policy work and community participation, reflects a strong political will and community collaboration in managing mineral resources¹⁶⁴.

In another development, MGB conducted a consultation workshop which sought stakeholder inputs that will help integrate the Sustainable Development Goals (SDGs) into the SDMP framework¹⁶⁵. In the

¹⁵⁹ Department of Energy. (2024, July 19). Clarification on the coverage of the coal moratorium policy. Media Release. <https://legacy.doe.gov.ph/press-releases/clarification-coverage-coal-moratorium-policy>

¹⁶⁰ Cabico, G. K. (2024, April 16). Philippines urged to tighten emission standards to protect public health. Philstar.Com. <https://www.philstar.com/headlines/climate-and-environment/2024/04/16/2348116/philippines-urged-tighten-emission-standards-protect-public-health>

¹⁶¹ Bank of the Philippine Islands. (n.d.). Coal policy. <https://www.bpi.com.ph/about-bpi/sustainability/coal-policy>

¹⁶² Laroco, M. A. (2023). Social development and management program of the Mines and Geosciences Bureau-CAR. *Iconic Research and Engineering Journals*, 7(1), 61–71. <https://www.irejournals.com/formatedpaper/1704839.pdf>

¹⁶³ Villanueva, M. E. (2024). Mining and mandatory community development programs in the Philippines: A legal interrogation. *TANAW: The ANU Philippines Institute Policy Brief Series*, 2(1). <https://philippinesinstitute.anu.edu.au/content-centre/research/mining-and-mandatory-community-development-programs-philippines-legal>

¹⁶⁴ 2023 PH-EITI Roadshow, p.28

¹⁶⁵ Mine Safety, Environment, and Social Development Division. (2024, February 27). MGB conducts SDMP consultation workshop on SDGs. <https://mgb.gov.ph/2015-05-13-02-02-11/mgb-news/1543-mgb-conducts-sdmp-consultation-workshop-on-sdgs>

following year, DENR issued Administrative Order No. 2025-10, mandating mining contractors and permit-holders to explicitly support one or more SDGs in every program and align the projects to national development plans¹⁶⁶. Prior to these government initiatives, the Philippine Nickel Industry Association (PNIA) reported that its member companies invested PHP 4.3 B in 2023 toward activities aligned with SDGs, with some of these investments directed through SDMP and others in EPEP and corporate social responsibility (CSR)¹⁶⁷.

The upstream oil and gas sectors operate under the Petroleum Service Contract (PSC) system, which governs exploration and production agreements between the government and private contractors. While the mining industry mandates SDMP, oil and gas sectors follow a parallel framework within the Model PSC managed by DOE. This requires contractors to undertake Social Development Programs (SDPs) during the production period and to include these initiatives in the annual work program and budget, which the DOE must approve. These social development activities, which may cover scholarships, local training, and community assistance, are often cost-recoverable under the PSC's accounting procedures, making them binding obligations rather than voluntary CSR efforts. These distinctions reveal that while both frameworks aim to ensure equitable community benefits, the oil and gas approach allows more flexibility in negotiation and implementation, albeit with less standardized disclosure compared to mining SDMPs. The Malampaya project has its long-term community programs through the Malampaya Foundation, focusing on education, livelihood development, and coastal conservation¹⁶⁸. These illustrate how the PSC system embeds social development obligations in practice, translating contractual clauses into community investments.

Gender and inclusivity in the extractive sector

Figure I-21 presents the gender distribution across regions for the mining sector. There were only slight changes in the proportion of female workers across most regions, except in Region VII, where the share of employed women increased by 20%. Nevertheless, the mining industry remains predominantly male.

¹⁶⁶Mine Safety, Environment, and Social Development Division. (2025, March 4). DENR issues DAO on integrating UN-SDGs in SDMP.

<https://mgb.gov.ph/2015-05-13-02-02-11/mgb-news/1644-denr-issues-dao-on-integrating-un-sdgs-in-sdmp>

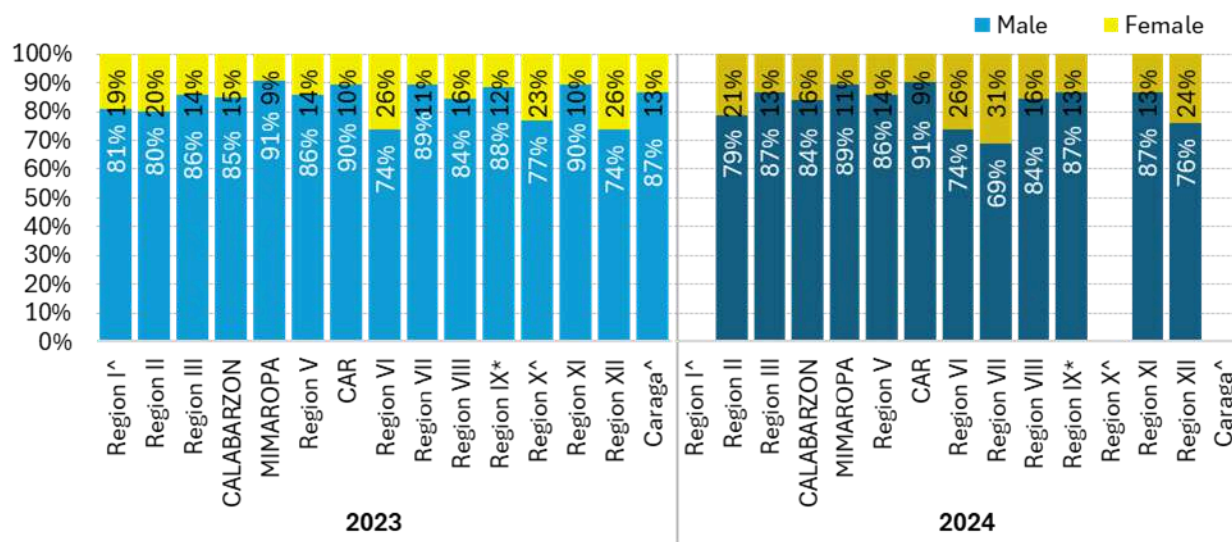
¹⁶⁷Philippine Nickel Industry Association, Inc. (2024, October 14). PNIA reports PHP 4.3 Billion investment in Sustainable Development Goals for 2023.

<https://www.philippinenickel.org/news-and-updates/pnia-reports-php-4-3-billion-investment-in-sustainable-development-goals-for-2023/>

¹⁶⁸Malampaya Foundation. (2024). Annual report. Malampaya Foundation.

https://cdn.prod.website-files.com/60f06a88403509115b3328b5/689c8add3a42de24d18d8b3a_MFI%202024%20Annual%20Report.pdf

Figure I-21. Proportion of Male and Female Workers in Mining Sector, by region



Source: Regional MGB offices. *Disaggregated data not available in some companies. ^Data not available in 2024

As of 2020, EITI disclosures in the country noted that women make up about 12% of the workforce of reporting extractive companies and occupy few leadership roles¹⁶⁹. Women are long-recognized as vulnerable to mining-linked environmental changes. Those in resource-host communities often bear differentiated burdens, for instance, the impacts of polluted water and loss of livelihood compound their familial responsibilities¹⁷⁰. Moreover, livelihood programmes tied to mining often inadequately support women, for example, the lack of gender-responsive components in SDMPs has been flagged as a gap¹⁷¹. Another reason female workers are often overlooked in project planning is the belief that their income is merely supplementary rather than a recognized household contribution¹⁷². In Sagada for example, gendered cultural taboos prohibit women from entering mine tunnels, relegating them to lower-paid, informal, and unprotected roles despite their integral participation in mining rituals¹⁷³. Women remain largely unprotected due to laws that cover only formal workers. Thus, there is a need for inclusive legal mechanisms and support systems that can help women access training and sustainable employment. This is crucial since, women comprise one-third of the illegal mining workforce yet face a fatality risk that is 90 times higher than men¹⁷⁴.

¹⁶⁹Ursua, E., Baquirin, A. M., Real, M. J., & Villalba, M. A. (2020). Women & large-scale mining in the Philippines: A scoping study. Philippine Extractive Industries Transparency Initiative.

¹⁷⁰Rivera, D. (2023, March 12). DENR seeks to address gender gap in mining. Philstar.Com.

¹⁷¹[https://www.philstar.com/business/2023/03/12/2250964/denr-seeks-address-gender-gap-mining-](https://www.philstar.com/business/2023/03/12/2250964/denr-seeks-address-gender-gap-mining)

¹⁷²ibid

¹⁷³World Bank. (2023). State of the artisanal and smallscale mining sector. World Bank.

¹⁷⁴<https://documents1.worldbank.org/curated/en/099540502092428278/pdf/IDU1a2ef3b9c1969f1487a18ae51269304a44e0a.pdf>

¹⁷³Ramos, M. (2024, August 29). Toxic, deadly, cheap: Life for women gold miners in Philippines. Thomson Reuters Foundation.

¹⁷⁴<https://www.context.news/socioeconomic-inclusion/toxic-deadly-cheap-life-for-women-gold-miners-in-philippines>

¹⁷⁴ Ramos (2024)

Similarly, IP's rights remain a concern in fostering an inclusive extractives sector. Despite the Indigenous Peoples' Rights Act of 1997 (IPRA), FPIC processes often fail to ensure genuine participation. For instance, indigenous communities in Palawan and Mindanao reported that FPIC consultations were rushed or inadequately informed, limiting meaningful consent¹⁷⁵. Furthermore, allegations about unpaid royalties owed to IPs in Agusan del Sur prompted congressional inquiries¹⁷⁶. These suggest structural gaps, such as weak monitoring of FPIC implementation, poor enforcement of royalty transparency, and limited community control over benefit funds. Legislative developments such as the proposed Mining Fiscal Regime Bill, which seeks to cap royalties to IPs, have drawn criticism for undermining the principle of equitable benefit sharing. Critics argue that such fiscal reforms risk deepening social exclusion and reigniting local conflicts.

Discussions attempting to address gender gaps involved DENR who urged mining companies to adopt more gender-responsive policies, especially around consultations and benefit-sharing¹⁷⁷. PH-EITI capacitated stakeholders on the use of National Gender Impact Assessment (GIA) tool, developed by MGB, to help assess differential impacts of mining across genders and vulnerable groups along the mining life cycle¹⁷⁸. On the other hand, in a study led by the Artisanal Gold Council, several areas were identified as starting points for enhancing women's visibility and access to support in the mining sector. creating an inter-agency council to formalize and support women's work in ASGM and the informal sector, enabling coordinated action, shared resources, and non-duplicative efforts¹⁷⁹. Such a council can potentially help improve women's working conditions through formal membership, fair labor standards, access to benefits, skills training, and broader social support. Industry associations and companies have also increasingly adopted gender initiatives. Examples of these are Women in Mining campaigns to corporate GESI plans, and the celebration of International Women in Mining days.

Towards Sustainable Mining Initiative

Environmental, Social, and Governance (ESG) reporting has become increasingly central to the operations of mining companies in the Philippines as regulatory pressures intensify. Expectations on adopting sustainable practices in business operations now influence corporate strategy, particularly in governance and workforce standards. Despite the added pressure, ESG compliance is anticipated to drive workforce demand for skills in ESG risk management and reporting among sustainable industries¹⁸⁰.

¹⁷⁵ Esterman, I. (2024, March 28). Indigenous Filipinos fight to protect biodiverse mountains from mining. Conservation News.

<https://news.mongabay.com/2024/03/indigenous-filipinos-fight-to-protect-biodiverse-mountains-from-mining/>

¹⁷⁶ Flores, D. N. (2024, October 21). Lawmakers call for probe into mining firm's unpaid royalties to indigenous peoples. Philstar.

<https://www.philstar.com/headlines/2024/10/21/2394206/lawmakers-call-probe-mining-firms-unpaid-royalties-indigenous-peoples>

¹⁷⁷ Rivera, D. (2023, September 7). DENR wants more women to lead mining sector. Philstar.

<https://www.philstar.com/business/2023/09/07/2294302/denr-wants-more-women-lead-mining-sector>

¹⁷⁸ Philippine Extractive Industries Transparency Initiative. (2025, March 20). PH-EITI conducts workshop on National Gender Impact Assessment Tool for the mining sector.

<https://pheiti.dof.gov.ph/pr-mgb-national-gender-impact-assessment-gia-tool/>

¹⁷⁹ Artisanal Gold Council. (2024). Golden opportunities: Gender study on increasing women's visibility, access to, and support for work in the artisanal and small-scale gold mining communities. Planet Gold Philippines.

https://www.planetgold.org/sites/default/files/%5BplanetGOLD%20Philippines%5D%20Golden%20Opportunities_Gender%20Study%202024.pdf

¹⁸⁰ National Economic and Development Authority. (2025). Philippine development report.

<https://depdev.gov.ph/wp-content/uploads/2025/01/PDR2024.pdf>

A cornerstone of the mining industry’s response has been the adoption of the Towards Sustainable Mining (TSM) initiative, an international performance system that guides companies in evaluating and managing their environmental and social responsibilities. TSM provides structured tools and indicators to ensure responsible risk management in mining and metallurgical facilities. The Chamber of Mines of the Philippines (COMP) adopted TSM in 2017 and mandated the participation of all member companies through public disclosure of a TSM Verification Summary Report that captures the following protocols¹⁸¹:

- Biodiversity conservation management
- Climate change
- Crisis management and communications planning
- Indigenous people and community outreach
- Preventing child and forced labor
- Safety and health performance
- Tailings management
- Water stewardship

The rollout of TSM followed a phased, structured approach. By 2023, COMP completed its modified TSM cycle requiring evidence-backed 2022 self-ratings (without public reporting), while Nickel Asia Corporation provided the Mine Site Sustainability Audit (MSSA) application to standardize data submission¹⁸². COMP noted that TSM offers a roadmap for improving ESG performance and strengthening relationships with stakeholders, particularly host communities. In the 2023 verification cycle, four companies underwent external review alongside four other randomly selected mines, while all 19 COMP members with active sites submitted self-assessments for 2023¹⁸³. Verified assessments revealed strong performance in Indigenous Peoples outreach, social development, and safety and health, but highlighted needed improvements in water stewardship and climate change protocols¹⁸⁴. These findings mark the first full year of TSM implementation after extensive preparation since 2018.

In its most recent announcement, COMP confirmed that all 19 member-companies will fully implement TSM and submit self-assessment reports covering eight core protocols¹⁸⁵. Notably, the Philippines remains the only Asian country subscribed to TSM, positioning its large-scale metallic mining sector as a regional leader in ESG-aligned governance¹⁸⁶.

Table I-16. Excerpts from the Verified Results of Selected Mining Companies¹⁸⁷

Company	Product/Minesite	Selected Indicator with Highest (AAA) Rating	Examples of Evidence (taken from External Verification Report)

¹⁸¹ Chamber of Mines of the Philippines. (2023). Primer: Towards sustainable mining. <https://chamberofmines.com.ph/beta/tsm/about/>

¹⁸² Chamber of Mines of the Philippines. (n.d.). 2023 Annual report: 3rd year of the modified TSM cycle. <https://chamberofmines.com.ph/beta/2023-2/>

¹⁸³ Villegas, M. (2024, November 1). Chamber of Mines pushes for policy reforms. Philippine Resources Journal. <https://www.philippine-resources.com/articles/2024/11/chamber-of-mines-pushes-for-policy-reforms>

¹⁸⁴ *ibid*

¹⁸⁵ Gonzales, A. L. (2024, February 25). Chamber of Mines to fully implement sustainability initiative. Philippine News Agency. <https://www.pna.gov.ph/articles/1219506>

¹⁸⁶ Chamber of Mines of the Philippines. (2024, February 29). Chamber of mines members to fully implement towards sustainable mining this year. <https://chamberofmines.com.ph/beta/chamber-of-mines-members-to-fully-implement-towards-sustainable-mining-this-year/>

¹⁸⁷ Information can be accessed in [TSM 2024 external Verification Reports](#)

<p>Filminera Resources Corporation</p>	<p>Gold and silver Masbate Gold Project</p>	<p>Corporate biodiversity conservation commitment, accountability and communications</p>	<p>The Biodiversity Management Plan is available, prepared by 3rd party consultant. This plan is being used as the basis for the Annual Reforestation Plan for year 2023</p> <p>The assessment of flora and fauna done yearly</p>
<p>Philex Mining Corporation</p>	<p>Copper and gold Philex Padcal Minesite</p>	<p>Tailings Management System</p>	<p>The Tailings Management System was developed and implemented containing controls and mitigation plans, and its effectiveness was reviewed and evaluated by external auditors</p>
<p>TVI Resource Development Phils., Inc.</p>	<p>Gold and silver ore Balabag Gold Silver Project</p>	<p>Water Governance</p>	<p>Commitment to water stewardship is embedded in top management policies. Processes are in place to track and correct non-compliance with water-related regulatory requirements and permits commitments. Assessment of water risks and opportunities is incorporated into the Environmental Management Systems in accordance with ISO 14001. Internal and external audits to comply with EMS requirements include water related aspects of mining operations.</p>
<p>Taganito Mining Corporation-Nickel Asia Corporation</p>	<p>Nickel Taganito Mining Corporation</p>	<p>Social Development Management</p>	<p>SDM Program adequately implemented</p>

Anti-Corruption Measures in Mining Sector

Anti-corruption policies in mining companies commonly state a clear “zero-tolerance” stance against bribery, facilitation payments, kickbacks and related fraud, and explicitly prohibit corrupt practices by employees, contractors and anyone acting on the company’s behalf. These policies are typically embedded in a Code of Conduct or Anti-Bribery Policy that sets expected behaviours, conflict-of-interest rules and record-keeping requirements. Companies routinely require due diligence and contractual warranties for third parties to reduce exposure to corruption through intermediaries. Whistleblower and reporting channels, as well as commitments to investigate and discipline misconduct, are standard features of which many firms publish formal whistleblowing procedures. Training, periodic risk assessments, board oversight and public disclosure in sustainability or governance reports are used to demonstrate compliance and continual improvement. OceanaGold and Nickel Asia Corporation, for instance, provide publicly accessible, detailed anti-bribery/anti-corruption standards that illustrate these elements in practice. Meanwhile, cement companies often outsource the trucking of raw materials. As a result, some companies extend the application of their Code of Conduct to third-party haulers, in order to establish clear accountability mechanisms that hold the trucking company responsible for any bribery committed. This “flow-down” requirement ensures that mining companies cannot outsource bribery to third-party logistics or permit providers. Moreover, anti-corruption is no longer just a legal topic as this is reported as one of the primary metrics for the governance pillar in Sustainability Reports. For example, SMPC and Atlas Consolidated Mining highlight their compliance history to attract ESG-focused investors. The table below presents the publicly available anti-corruption measures in selected mining companies.

Table I-17. List of Publicly Available Anti-Corruption Measures/Policies in Selected Mining Companies

Company Name	Sector	Policy/Document Title	Year Revised/ Adopted
Benguet Corporation	Gold/Nickel	<u>Anti-Fraud, Corruption & Whistleblowing Policy</u>	2019
Global Ferronickel Holdings (FNI)	Nickel	<u>Anti-Bribery & Corruption Policy</u>	2014
Philex Mining Corporation	Gold/Copper	<u>Revised Manual on Corporate Governance</u>	2017
Apex Mining Co., Inc.	Gold	<u>Code of Business Conduct and Ethics</u>	2017
Semirara Mining & Power Corp.	Coal & Energy	<u>Code of Conduct and Business Ethics</u>	2019
Marcventures Holdings, Inc.	Nickel	<u>Code of Business Conduct and Ethics</u>	2020
Lepanto Consolidated Mining	Gold	<u>Whistleblowing Policy</u>	2014
Atlas Consolidated Mining	Copper	<u>Anti-Bribery and Anti-Corruption Policy</u>	<i>not indicated</i>

Nickel Asia Corporation	Nickel	<u>Anti-Bribery and Anti-Corruption Policy</u>	2022
Oceana Gold	Gold	<u>Anti-Bribery and Anti-Corruption Standard</u>	2024
Holcim Philippines	Aggregates & Cement	<u>Building with Integrity</u>	2021
CEMEX Holdings Philippines	Limestone & Cement	<u>Global Anti-Corruption Policy</u>	2020
Eagle Cement Corp. (San Miguel)	Limestone & Shale	<u>Anti-Corruption and Sanctions Compliance Policy</u>	<i>not indicated</i>

Case Study: Looms of Empowerment: The Role of Women Weavers in Advancing Gender Equity

Kasibu is an upland municipality where traditional loom weaving is an important cultural practice among Indigenous communities. In August 2023 a memorandum of agreement was signed between the local government of Brgy. Capisaan, Department of Trade and Industry (DTI) Region 2, Alayan Pag-asa Abot-Palad Association (APAPA) of Women, and OceanaGold to formalize Mun-Abol (Maximizing Network and Unveiling Natural Talents through Acceleration of Business Opportunities and Livelihood) Project¹⁸⁸. The partnership led to the establishment of a weaving and training center as well as supported skills upgrading, cultural design innovation, and market expansion¹⁸⁹.

Didipio Mine, though not situated on ancestral domain, invests in preserving Indigenous culture through its Indigenous Peoples Culture Revitalisation Program¹⁹⁰. The Mun-abol project, rooted from “MunAbol”, an Ifugao term meaning “to weave”, is one of these initiatives. The project provides a valuable source of income among 16 women weavers, many of whom are mothers¹⁹¹. Moreover, this project demonstrates a distinct approach in promoting women’s economic empowerment. By establishing a training center, providing capital, and facilitating market entry and developing value-adding skills, the project helps in reducing entry costs and building women’s agency over income. Women weavers play a vital role in preserving Indigenous cultural traditions while earning local income to support their households, and the Mun-Abol project enables this dual role by ensuring that the intervention is tailored to the community’s needs and grounded in its cultural orientation.

¹⁸⁸ Villaflores, J. (2024, April 21). Slow fashion: Keeping IP culture alive. Didipio Mine. <https://didipiomine.com.ph/slow-fashion-keeping-ip-culture-alive/>

¹⁸⁹ Campos, O. V. (2024, June 22). Alayan weavers spin brighter future. Manila Standard. <https://manilastandard.net/?p=314462850>

¹⁹⁰ OceanaGold. (2023). Sustainability report. <https://climindstorage123.blob.core.windows.net/climind/upload/2025-01-26/a0dc9ecf-52d5-4de5-aace-16efe69b9df5.pdf>

¹⁹¹ Domingo, L. C. (2023, September 11). DTI, Canada mine firm boost IP culture. The Manila Times. <https://www.manilatimes.net/2023/09/11/regions/dti-canada-mine-firm-boost-ip-culture/1909439>

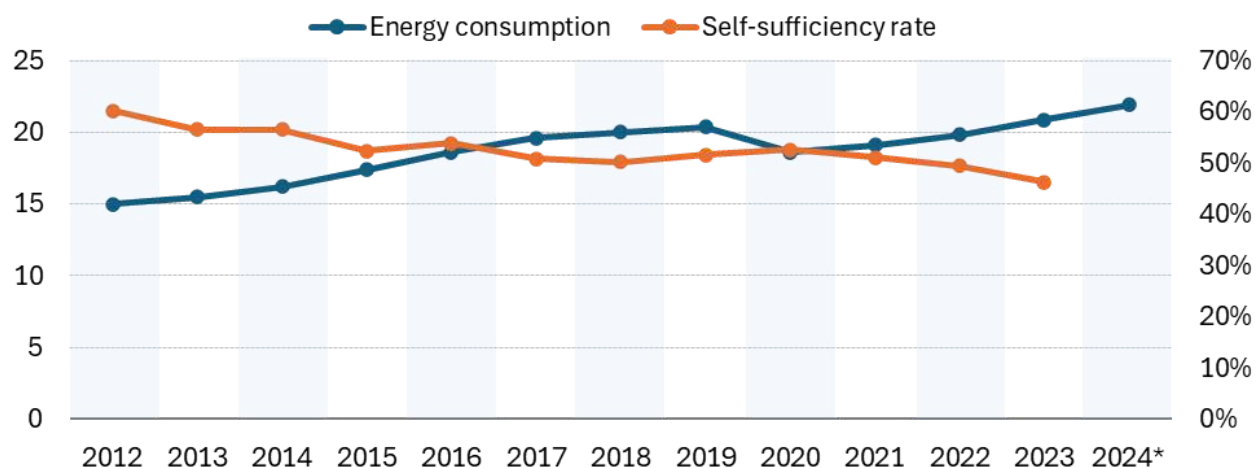
SECTION VII: ENERGY TRANSITION AND THE FUTURE OF EXTRACTIVES

The role of extractives in the Philippines' energy transition

The Philippines' power sector stands out in Southeast Asia for having fully unbundled its generation, transmission, and distribution segments, allowing private companies to take central roles in the energy supply chain. The establishment of the Wholesale Electricity Spot Market (WESM) further reinforced this liberalized framework by introducing a transparent trading platform for electricity as a commodity. WESM has demonstrated the robustness of a market-oriented energy system and positioned the country favorably for integrating renewable energy sources, as competition and price discovery mechanisms promote efficiency and innovation¹⁹². Despite these structural advantages, the country's generation mix remains heavily reliant on fossil fuels.

Over the past two decades, this dependence has deepened as coal became the primary response to growing electricity demand. With economic expansion driving the need for baseload generation, fossil fuels were prioritized, pushing their share in total electricity generation from 67% in 2003 to 78% in 2022, while coal's share more than doubled from 28% to 60%¹⁹³. Renewable generation, in contrast, expanded only marginally, locking the country into carbon-intensive infrastructure. This overreliance exposes the economy to global price shocks and undermines commitments to decarbonization and climate resilience. In Figure I-22, the per capita energy consumption is shown to have gradually increased since 2020, while the self-sufficiency rate started to decrease during the same period. A lower self-sufficiency rate of primary energy implies that a larger share of the country's total energy supply comes from imports rather than from domestic sources. The trend underscores that the Philippine energy transition involves not just adopting new policies but dismantling entrenched economic and technological dependencies built over decades.

Figure I-22. Primary Energy Consumption per Capita and Primary Energy Self-Sufficiency Rate, per capita consumption in gigajoules and rate in %



Source: Kearney; KPMG; Energy Institute. *Data was collected from DOE; 2024 data not available

¹⁹²Ahmed, S., Dalasung, A., David, A., Gray, M., Le Galot, A., Logarta, V., & Valencia, P. (2021). Analysing energy transition risk in the Philippines power sector. https://icsc.ngo/wp-content/uploads/2021/08/KEEP_Analysing_Energy_Transition_Risk_PH_Power_Sector_April21_Final.pdf

¹⁹³Department of Energy. (2024a). Power statistics [Dataset]. https://doi.org/https://legacy.doe.gov.ph/sites/default/files/pdf/energy_statistics/02_Summary.pdf

Recognizing these long-term risks, the government has taken a more proactive stance in climate and energy policy. The country’s first Nationally Determined Contribution (NDC), submitted in 2021, pledges a 75% reduction in greenhouse gas emissions by 2030 relative to a business-as-usual scenario¹⁹⁴. Meeting these targets, however, requires mobilizing an estimated USD 337 B through 2040, and the Organisation for Economic Co-operation and Development (OECD) investment roadmap identified offshore wind and energy efficiency in buildings as key sectors with transformative potential¹⁹⁵. Offshore wind, in particular, could supply up to 23% of national electricity demand by 2050¹⁹⁶, but realizing this potential will require regulatory coherence, modernized port and grid infrastructure, and sustained investments where the extractives sector plays a crucial enabling role.

The production of critical minerals^{197,198} forms the backbone of renewable technologies, from wind turbines and solar panels to electric vehicle batteries and smart grids. Table I-18 presents the identified green energy minerals based on the USAID report in 2021. The report consolidated key development issues in mining among USAID-presence countries with most green energy minerals which included Philippines. Except for nickel, where the country ranked as the world’s second-largest producer, it was considered an emerging or relatively minor producer of the other green minerals on the list.

Table I-18. Green Energy Minerals

Mineral	Uses in Green Technology	Key Issues in Mining
Chromium	Wind, energy storage, geothermal	Governance, environment, labor and working conditions, conflict
Cobalt	Energy storage	Governance, environment, labor and working conditions, land tenure
Copper	Solar, wind, energy storage, electric cars (excl. batteries), geothermal	Governance, environment, labor and working conditions, land tenure, leveraging minerals for local/national growth
Nickel	Energy storage, wind, solar, geothermal	Governance, environment, conflict, land tenure, leveraging minerals for local/national growth
Silver	Solar	Governance, environment, land tenure, leveraging minerals for local/national growth

Source: Mining and the Green Energy Transition: Review of International Development Challenges and Opportunities (199)

¹⁹⁴ NDC partnership: Philippines. (n.d.). <https://ndcpartnership.org/country/phl>

¹⁹⁵ (OECD, 2024)

¹⁹⁶ *ibid*

¹⁹⁷ The UN Working Group on Transforming the Extractive Industries for Sustainable Development refers to critical energy transition minerals as “commodities that are necessary for the construction, production and storage of renewable energy”. The criteria for these mineral commodities tend to be highly “subjective and location-specific”. (https://wedocs.unep.org/bitstream/handle/20.500.11822/46623/critical_transitions.pdf?sequence=3&isAllowed=y)

¹⁹⁸ The International Renewable Energy Agency noted the absence of a universal list of ‘critical minerals’ as well as a limited focus on RE transition technologies and scope. (https://www.irena.org/-/media/Files/IRENA/Agency/Publication/2024/Oct/IRENA_Ranking_critical_materials_for_the_energy-transition_2024.pdf)

¹⁹⁹ https://donorplatform.org/wp-content/uploads/2022/07/Green-Energy-Minerals-Report_FINAL.pdf

Overall, the extractives sector occupies both enabling and transitional positions in the Philippines' energy transition efforts. It provides the essential materials for producing renewable and low-carbon technologies while actively working to decarbonize its own operations.

Challenges and Risks

The context of just transition encompasses a wide spectrum of goals, ranging from reskilling and greening the economy to a fundamental transformation of the energy system based on the rights of workers and communities²⁰⁰. For many local populations, the immediate need for financial stability often outweighs long-term environmental health, creating a cycle of dependency that is difficult to break. A study done by the Center for Energy, Ecology, and Development (CEED) revealed that coal operators like SMPC and Sem-Calaca provide significant employment for neighboring communities, offering routine work and income that, although low, is often higher than earnings from traditional livelihoods like farming and fishing. However, this employment created tensions within host communities, as local residents who experience adverse environmental impacts oppose the coal operations while workers from nearby areas benefit economically²⁰¹.

Governance gaps and inconsistencies amplify risks for local communities. A review by the Mining Industry Coordination Council revealed that mining operations often underperform in environmental and social criteria, even while excelling economically and technically²⁰². This highlights the disconnect between economic incentives and socioenvironmental safeguards, showing that revenue generation does not automatically translate into equitable or sustainable development for host communities. Moreover, rapid proliferation of international agreements and investment partnerships, such as the U.S.-Philippines Partnership Act of 2024, introduces risks of resource nationalism and power asymmetries, where foreign interests may overshadow national priorities, reduce policy autonomy, and potentially exacerbate social and environmental harm²⁰³.

Procedural and distributive injustices were also evident in how communities are excluded from meaningful consultation on mining projects. Reports indicate that Indigenous and rural communities are often denied Free, Prior, and Informed Consent (FPIC), while environmental impact assessments and project maps are withheld or unclear²⁰⁴. Environmental risks are similarly significant. Mining expansion that occurs in a country highly vulnerable to climate impacts amplify the consequences of environmental degradation. Mining operations often encroach on Indigenous ancestral lands, depriving communities of economically and culturally significant forests and non-timber resources that erode their spiritual and cultural ties, which are essential to the collective identity of IPs²⁰⁵. Existing literature

²⁰⁰ Quirino, M., & Taqueban, E. M. (2023). Toward a just minerals transition in the Philippines. Legal Rights and Natural Resources Center .

<https://foeasiapacific.org/wp-content/uploads/2023/02/Toward-a-Just-Minerals-Transition-FINAL-31-Jan-2023.pdf>

²⁰¹ Center for Energy, Ecology, and Development . (2020). Just transition in the Philippines.

<https://ceedphilippines.com/wp-content/uploads/2020/05/CEED-Just-Transition-in-the-Philippines-Full-Study.pdf>

²⁰² Zaplan, M., Taqueban, E. M., & Quirino, M. (2023). Energy transition minerals: Paving the path to a just energy transition in the Philippines. Legal Rights and Natural Resources Center.

https://www.lrcksk.org/_files/ugd/dc2292_483df3282e3d4bfaafba352b867e4259.pdf

²⁰³ Asuncion, A., Skensved, M., & Ubaldo, J. E. (2024). From just transitions to just transformations: Community based scoping study on the impacts of transition mineral mining in the Philippines. Bantay Kita.

https://drive.google.com/file/d/1S9jB1b7IwaUdNLicxJWqY_0MLJckresn/view

²⁰⁴ Amnesty International. (2025, January 9). Philippines: Nickel mining projects approved despite inadequate consultation and serious risks to communities' health and environment.

<https://www.amnesty.org/en/latest/news/2025/01/philippines-nickel-mining-projects-approved-despite-inadequate-consultation-and-serious-risks-to-communities-health-and-environment/>

²⁰⁵ International Union for Conservation of Nature . (2025, January 23). Palawan: A natural treasure in peril as the world scrambles for critical minerals | IUCN NL.

<https://www.iucn.nl/en/story/palawan-a-natural-treasure-in-peril-as-the-world-scrambles-for-critical-minerals/>

acknowledges that mining expansion often leads to social conflicts, as much of the country's mineral reserves are found within ancestral domains and key biodiversity areas. Bantay Kita outlined key recommendations that may help fill in the gaps on just transition. In particular, they call for binding human rights and environmental due diligence standards, diverse legal safeguards, and social safety nets to protect host communities and critical ecosystems. The organization also urges the subnationalization of PH-EITI to improve transparency and participation at local levels, and amendments to the Philippine Mining Act to align mineral development with sustainable industrialization and climate goals²⁰⁶. Moreover, a clear national direction is required to ensure that the move to renewables does not replicate historical injustices in the extractives sector²⁰⁷. CSOs advocate for a transition that prioritizes community consent and equitable benefit-sharing²⁰⁸. Furthermore, a study finding challenges the necessity of indiscriminate mining, asserting that national energy goals are achievable without compromising ecological integrity²⁰⁹. Consequently, there is a strong call for policymakers to enforce safeguards, such as the Alternative Minerals Management Bill, to guarantee a transition that is truly sustainable and inclusive²¹⁰.

Workforce transition remains a vital component of a just and sustainable shift. Based on the study done by the International Labour Organization (ILO), employment in the mining of metal ores represents only about 2% of total employment in the Philippines, with 70% of workers engaged in low-skilled, elementary occupations²¹¹. The study highlighted that, although these workers earn slightly more than their counterparts in other low-skill sectors, overall wages in the mining of metal ores remain below the national average, underscoring persistent inequality and limited value addition. Programs like the Government Energy Management Program (GEMP) may open pathways for retraining workers from traditional fossil and extractive sectors to new roles in green energy technologies, manufacturing, and services²¹².

The Green Jobs Act of 2016 serves as the foundational legislation for generating and maintaining employment during the transition to a more sustainable economy. To operationalize this, a roadmap, the National Green Jobs Human Resource Development Plan (2020-2030) was created to seek pathways focused on decent work and skills, while the Technical Education and Skills Development Authority (TESDA) manages the regulations, assessments, and certifications necessary for training programs²¹³. The research brief on this development plan demonstrated possible ripple effects across various industries that the transition may offer²¹⁴. For instance, the transition may catalyze employment

²⁰⁶Asuncion, A., & Ubaldo, J. E. (2023). Unearthing transition mineral accountability in the Philippines: At the intersection of the climate crisis, energy transition landscapes & extractive industries. Bantay Kita. <http://www.bantaykita.ph/1/post/2024/09/unearthing-transition-mineral-accountability-in-the-philippines-at-the-intersection-of-the-climate-crisis-energy-transition-landscapes-extractive-industries.html>

²⁰⁷(Asuncion & Ubaldo, 2023)

²⁰⁸Alyansa Tigil Mina. (2024). Energy transition minerals: Digging out the critical issues. <https://www.ohchr.org/sites/default/files/documents/issues/climatechange/cfis/life-cycle-minerals/subm-hr-life-cycle-cso-atm-annex-5.pdf>

²⁰⁹Center for Energy, Ecology, and Development. (2024, October 18). Groups launch watchdog campaign on mining and energy transition in PH, call for ban on new mines. <https://ceedphilippines.com/call-for-ban-on-new-mines/>

²¹⁰Legal Rights Center. (2023, February 23). Study urges new law for energy transition metals in PH.

<https://www.lrcksk.org/post/study-urges-new-law-for-energy-transition-metals-in-ph>

²¹¹International Labour Organization. (2025). Employment in the critical minerals sector: A case study of Indonesia, Mongolia and the Philippines [ILO Brief].

<https://www.ilo.org/sites/default/files/2025-09/Employment%20in%20the%20critical%20minerals%20sectorL.pdf>

²¹²Organisation for Economic Co-operation and Development. (2024). Clean energy finance and investment roadmap of the Philippines. OECD Publishing. <https://doi.org/10.1787/7a13719d-en>

²¹³United Nations, Asian Development Bank, & United Nations Development Programme. (2025). 2025 Asia-Pacific SDG partnership report—Delivering a just transition: Advancing decent work, gender equality, and social protection. Asian Development Bank. <https://www.adb.org/documents/2025-asia-pacific-sdg-partnership-report>

²¹⁴Son, A. M., & Gamba, J. (2024). National green jobs human resource development plan 2020-2030: Pathways for building a sustainable workforce. Institute for Labor Studies. <https://ils.dole.gov.ph/downloads/file/787-national-green-jobs-human-resource-development-plan-2020-2030-pathways-for-building-a-sustainable-workforce>

in technical and administrative roles such as solar engineers, energy analysts, and project managers. Beyond creating new jobs, the roadmap outlined strategies that will serve as social protection measures, such as the review and institutionalization of unemployment benefits and insurance schemes specifically for displaced and at-risk workers, formation of technical working groups to develop new benefit schemes, introduction of Coal Retirement Program under the Climate Investment Fund Act²¹⁵.

Policy shifts towards renewable energy and just transition efforts

The path toward a just and sustainable energy transition remains complex, shaped by longstanding structural and institutional barriers. The Electric Power Industry Reform Act (EPIRA) was enacted to enhance competition and private investments in the liberalized power market. However, two decades later, the sector remains dominated by oligarchic interests, with 11 families controlling nearly three-quarters of the country's installed generation capacity. Similarly, transmission and distribution are also concentrated²¹⁶. This concentration of power stifles competition and might make policymaking prone to corporate influence. Despite increasing policy commitments to decarbonization, market incentives remain skewed toward fossil fuels, which continue to generate higher and more predictable returns for dominant players. The profitability of coal, gas, and oil discourages conglomerates from shifting their capital toward renewables, often perceived as riskier due to technological and policy uncertainties²¹⁷. Consequently, renewable deployment has lagged, with limited entry of smaller innovators capable of advancing community-based and decentralized energy systems. In this context, the Philippines' transition must extend beyond technological substitution to confront the deeper political economy of energy governance.

Based on the policy tracker of the International Energy Agency (IEA), between 2019 and 2024, the key policy areas related to critical minerals introduced and implemented in the Philippines mainly focused on advocating for sustainable and responsible practices, while a few promoted exploration, production and innovation (Table I-19). This consolidated policy database suggests other categories such as ensuring supply reliability and resiliency and minerals recycling that are not explicitly captured in the current set of policies in the country.

Table I-19. Active policies related to critical minerals needed for the energy transition

Policy	Year	Focus Areas and Policy Type	
		Promoting exploration, production and innovation	Encouraging sustainable and responsible practices
Enhanced Fiscal Regime for Large-Scale Metallic Mining	2025	Tax incentives	

²¹⁵Ibid.

²¹⁶Miraflor, J., Diokno, M., Tutor, M., Ong, T. A., & Fortaleza, W. (2024). Saan umabot ang bente mo: EPIRA 20 years after. Friedrich Ebert Stiftung. https://philippines.fes.de/fileadmin/user_upload/PUBLICATIONS/PUBLICATION_Saan_umabot_ang_bente_mo_EPIRA.pdf

²¹⁷Dressel, B., & Saguin, K. (2025, April 2). Challenges and prospects of the energy transition in the Philippines. ANU Philippines Institute. <https://philippinesinstitute.anu.edu.au/content-centre/research/challenges-and-prospects-energy-transition-philippines>

DENR Administrative Order 2022-04: Enhancing Biodiversity Conservation and Protection in Mining Operations	2022		Financing
DENR Administrative Order 2021-40	2021		Financing, Innovation funds
Philippine Mineral Reporting Code	2020		Enhanced geological surveys
WePOWER Network in South Asia	2019		Tax incentives
EITI Standard	2019		Enhanced geological surveys
Guidelines for additional environmental measures for operating surface metallic mines (DENR AO 2018-19)	2018		Financing, Innovation funds
Executive Order No. 79	2012	Tax incentives	Financing, Innovation funds
Revised Implementing Rules and Regulations of R.A. 7942, Philippine Mining Act of 1995 (DENR Administrative Order 2010-21)	2010	Tax incentives	Enhanced geological surveys, Innovation funds
The Indigenous Peoples' Rights Act of 1997	1997		Tax incentives, Innovation funds
Philippine Mining Act of 1995 (Republic Act No. 7942)	1995	Tax incentives	Financing, Tax incentives, Innovation funds
Small Scale Mining Laws in the Philippines	1991		Innovation funds

Source: International Energy Agency (2025) (218)

A recent development in the energy transition policy was the release of the Philippine Energy Plan (PEP) 2023-2050 that functions as the umbrella strategy, where DOE circulars, auctions and storage policies are implementation pieces to deliver the PEP goals. In particular, the energy transition pathway outlined in PEP aims to contribute to offshore wind and marine energy development, rightskilling of workforce, manufacturing of green metals, and voluntary retirement and repurposing of coal-fired power plants. Some of the targets/key components of this transition pathway include the following²¹⁹:

- Reference scenario: increase the renewable energy share to 35% by 2030; Clean energy scenarios: above 50% by 2040

²¹⁸ International Energy Agency. (2025). Critical minerals policy tracker [Dataset]. <https://www.iea.org/data-and-statistics/data-tools/critical-minerals-policy-tracker>

²¹⁹(Department of Energy, 2023)

- Reference scenario: 10% EV penetration rate by 20; Clean energy scenarios: 50% EV penetration rate by 2040
- Reference scenario: maintain 5% energy and efficiency conservation (EEC) efforts; Clean energy scenarios: improve oil and electricity EEC rates by 10% in 2040-2050
- Accelerate infrastructure support through advanced and smart grids and enhance resiliency by adopting climate-proof energy infrastructure

The plan’s emphasis on smart grids, offshore wind port facilities, and workforce rightskilling suggests a recognition that energy transition is a systemic process requiring institutional coordination and sustained investment. Ultimately, the PEP’s policy implications move beyond energy substitution as this will chart a pathway where energy transition drives broader industrial modernization and inclusive growth.

Collaborative efforts from government and private sector have yielded mixed outcomes, including various publicly announced commitments and initiatives to expand renewable energy generation, modernize energy infrastructure, and attract green investments to meet the country’s transition targets (Table I-20). A set of other ongoing reforms such as increasing the Renewable Portfolio Standard (RPS), opening renewables to 100% foreign ownership, and streamlining permitting via the Energy Virtual One-Stop Shop (EVOSS) intended to spur investments. Notably, the RE capacity additions in 2024 were largely driven by the strengthened RPS, which increased the annual minimum renewable energy requirement from 1% to 2.5%, and created stronger demand for renewables²²⁰. This policy, alongside streamlined permitting and investment-friendly reforms, has significantly accelerated the country’s clean energy transition toward its 2030 and 2040 targets. Meanwhile, the launch of the Renewable Energy Market (REM) in December 2024, which enabled trading of Renewable Energy Certificates, marked another milestone in operationalizing the RPS mechanism²²¹.

Table I-20. Overview of Energy Initiatives and Announcements

Year	Selected Initiatives/Announcements
2023	DOE announced that the Philippines is open to 100 % foreign ownership of renewable energy projects to attract investment and accelerate the RE transition ²²²
2023	President Marcos Jr. included in his State of the Nation Address (SONA) that the administration targets to pursue measures and policies that will support the transition to cheap and reliable energy and advocate the utilization of RE sources ²²³
2024	DOE stated the country would need a higher Renewable Portfolio Standard (RPS) of up to 52.83 GW of RE capacity by 2040 ²²⁴

²²⁰Department of Energy. (2025, February 10). PH push for renewable energy yields record-breaking installations. <https://legacy.doe.gov.ph/press-releases/ph-push-renewable-energy-yields-record-breaking-installations>

²²¹Department of Energy. (2024b, December 23). REC trading starts 26 December 2024 with the full operationalization of REM. <https://legacy.doe.gov.ph/press-releases/rec-trading-starts-26-december-2024-full-operationalization-rem>

²²²Gita-Carlos, R. A. (2023, September 13). PH open to full foreign ownership of renewable energy projects: PBBM. Philippine News Agency. <https://www.pna.gov.ph/articles/1209831>

²²³Parrocha, A. (2023, January 1). Marcos administration prioritizes cheap, renewable energy. Parrocha. <https://www.pna.gov.ph/articles/1191809>

²²⁴Crismundo, K. (2024b, April 7). PH needs 53GW by 2040 under higher RE portfolio standard. Philippine News Agency. <https://www.pna.gov.ph/index.php/articles/1222195>

Year	Selected Initiatives/Announcements
2024	DOE simplified the application process for RE projects by allowing developers to commence permit processing/surveys before 25-year contracts start, as part of the department’s update to the Energy Virtual One-Stop Shop System (EVOSS) ²²⁵
2024	The Board of Investments (BOI) issued “Green Lane” certificates to accelerate permits/licenses for 126 projects, of which 114 were RE projects that are valued at PhP 3.74 T ²²⁶
2024	President Marcos Jr. led the groundbreaking of world’s largest integrated solar storage project, the Meralco Terrawatt (MTerra) Solar Project, in Nueva Ecija and Bulacan. The project spans 3,500 ha, combining solar PV and battery storage, which aims to power around 2 million households ²²⁷
2024	Meralco announced it will invest PHP 100 billion until 2030 for sustainability projects focused on improving energy infrastructure and aligning with national sustainability goals ²²⁸

The PEP views upstream and downstream oil and gas as strategic sub-sectors, with dedicated oil and gas roadmaps and active measures to expand LNG infrastructure. However, national action on the extractives sector lacks a clearly harmonised just transition or mining sector roadmap that links mine permitting, phased closures, rehabilitation funding, social protection and workforce reskilling to the country’s climate and energy targets. Policy moves such as new petroleum service contract awards and auctions to replace declining supplies from Malampaya show the government is simultaneously encouraging new fossil exploration even while pursuing large renewable projects and international clean energy partnerships, a tension that must be acknowledged in any policy assessment. The Philippines’ NDC implementation plans and external technical assistance programs imply commitment to meeting GHG and RE targets, but they also indicate dependence on foreign finance and TA to operationalize the transition at scale²²⁹. Therefore, a key finding is that while credible national roadmaps exist for the power and oil/gas subsectors, governance remains fragmented. There is no single, implementation-ready national framework that integrates extractives sector management, climate commitments, and just-transition safeguards. Policymakers should close this gap by commissioning an integrated extractives and energy transition roadmap that aligns licensing and fiscal rules with the PEP timeline, establishes mandatory mine closure/reclamation funding and social protection mechanisms, and sequences fossil-fuel authorisations against clear decarbonisation milestones to ensure transparency, investor certainty, and a socially just transition.

²²⁵ Crismundo, K. (2024c, June 14). DOE simplifies renewable energy application process. Philippine News Agency. <https://www.pna.gov.ph/index.php/articles/1226963>

²²⁶ Crismundo, K. (2024d, September 26). P4.13-T projects logged under green lane initiative. Philippine News Agency. <https://www.pna.gov.ph/articles/1234214>

²²⁷ Esguerra, D. (2024, November 21). Marcos leads groundbreaking of world’s largest solar project. Philippine News Agency. <https://www.pna.gov.ph/articles/1238377>

²²⁸ Crismundo, K. (2024a, February 26). Meralco to invest P100B for sustainability projects until 2030. Philippine News Agency. <https://www.pna.gov.ph/articles/1219520>

²²⁹ Climate Change Commission & Department of Environment and Natural Resources. (2023). Implementation plan for the Republic of the Philippines Nationally Determined Contribution (NDC) 2020–2030. <https://niccdies.climate.gov.ph/files/documents/The%20Philippines-%20NDC%20Implementation%20Plan%20-%202024.pdf>

Case Study: Pioneering Floating Solar: Carmen Copper Corporation's Shift Toward Renewable Energy

Carmen Copper Corporation (CCC), a subsidiary of Atlas Consolidated Mining and Development Corporation, is among the leading copper producers in the Philippines. Located in Toledo City, Cebu, the company has long relied on conventional energy sources such as thermal power and diesel to sustain its high energy demand, which reached approximately 49 megawatts (MW) at peak production levels of 50,000 tons per day²³⁰. Historically, CCC's electricity supply came primarily from Toledo Power Company's (TPC) Sangi Thermal Power Plant, with additional sources from the Cebu Electric Cooperative (CEBECO III) and the Wholesale Electricity Spot Market (WESM). The company's reliance on fossil-based energy made it increasingly vulnerable to fluctuating market prices and carbon-related regulations, prompting the management to explore more sustainable and resilient energy alternatives.

CCC began outlining clear plans in 2022 to align its energy management strategies with the country's clean energy transition goals. The company initiated exploratory studies for a floating solar project at Malubog Dam in Toledo City to evaluate the feasibility of renewable energy integration into its mining operations. It also designated its administration building as a pilot site for solar panel installation to test system performance under actual operating conditions²³¹.

In its 2023 Integrated Report, CCC stated that it advanced its renewable energy initiatives by fully operationalizing its PhP 8-million solar panel system on the Administration Building. Based on the report, the installation has a 180-kilowatt (kW) capacity and a 25-year service life. In the same year, CCC moved forward with its flagship renewable energy project, a 5 MW floating solar power plant located at Malubog Dam. Black & Veatch served as the engineering, procurement and construction contractor for this project. The Malubog floating solar facility spans about three hectares and uses 8,540 solar panels mounted on recycled plastic floaters, with each section built onshore and placed using GPS-guided systems to keep it stable and reduce environmental impact²³². Completed in just 15 months with over 250,000 man-hours worked and zero lost-time incidents, the 4.996 MW system became the first megawatt-scale floating photovoltaic (PV) plant in the country, making this project a national blueprint for sustainable industrial power solutions²³³.

Carmen Copper's shift to renewable energy is not only a technological innovation but also a social and environmental milestone. The project was developed in consultation with the local community, with residents trained and employed during the construction phase²³⁴. From an operational standpoint, the integration of renewable energy is expected to stabilize CCC's energy costs and reduce its carbon footprint. The floating solar panels currently provides about 10% of CCC's power demand, with scalability designed to eventually supply the entirety of its mining operations²³⁵. Published information on the company's energy management indicates an increase in both emission intensity and electricity consumption in 2024. Electricity generated from the installed solar panels was relatively low as this is still in the early stages of scaling up, hence, the adoption of renewable

²³⁰ Carmen Copper Corporation. (2022). Draft environmental performance report and management plan (EPRMP) Toledo Copper Mine.

https://eia.emb.gov.ph/wp-content/uploads/2022/08/EPRMP-CARMEN-COPPER-CORPORATION_compressed-2.pdf

²³¹ https://atlasmining.com.ph/sites/default/files/sustainability%20reports/2022_atlas_mining_integrated_report.pdf

²³² Black & Veatch Corporation. (n.d.). Responsible mining: Carmen Copper floating solar project in Philippines.

<https://www.bv.com/projects/responsible-mining-carmen-copper-floating-solar-project-in-philippines>

²³³ Clean Technica. (2025, August 14). Philippines' first floating solar farm sets a national blueprint for clean energy.

https://tfa.ph/property_news/philippines-first-floating-solar-farm-sets-a-national-blueprint-for-clean-energy/

²³⁴ (Black & Veatch Corporation, n.d.)

²³⁵ Lagare, J. (n.d.). Carmen Copper switches on 4.99-MW floating solar power system in Cebu. Inquirer.Net.

<https://business.inquirer.net/539041/carmen-copper-switches-on-4-99-mw-floating-solar-power-system-in-cebu/amp>

energy may offer benefits that are not yet fully realized. CCC's renewable shift also complements its three-year redevelopment program (2023–2026) aimed at optimizing production efficiency and extending the mine's life by 12 to 15 years²³⁶.

Table I-21. Energy Management Disclosure²³⁷

Year	Emission Intensity (tonnes CO2 /PhP million revenues)	Electricity Consumption (million KWh)	Electricity Consumption from Renewable Energy Sources (million KWh)
2020	23.4	423.9	
2021	20.1	428.8	
2022	22.9	428.4	
2023	21.8	415.4	0.1
2024	24.5	444.4	0.2

In 2024, the company reaffirmed its energy transition goals by emphasizing the coherence of its renewable energy strategies and reaffirming its target timeline, the floating solar plant is expected to reach full operation by June 2025²³⁸. The plant's modular and scalable design ensures flexibility for future expansion, allowing CCC to incrementally increase capacity based on operational needs and technological advancements.

Carmen Copper's renewable energy transition showcases how extractive industries can adopt innovative energy solutions without compromising productivity. Its investment in the country's first large-scale floating solar facility reflects a strategic response to global decarbonization pressures and a proactive stance on sustainable mining. CCC has positioned itself as a model for responsible resource development in the Philippines by demonstrating that even energy-intensive industries can meaningfully contribute to the just energy transition.

²³⁶Atlas Consolidated Mining and Development Corporation. (2023). Integrated report. https://atlasmining.com.ph/sites/default/files/sustainability%20reports/2023_at_sustainability_report.pdf

²³⁷ Data can be accessed here: [Atlas Mining Sustainability Reports](#)

²³⁸ Atlas consolidated Mining and Development Corporation. (2024). Steeling resilience: Integrated report. https://atlasmining.com.ph/sites/default/files/sustainability%20reports/sustainabilityreport2024_2.pdf

SECTION VIII: MAINSTREAMING TRANSPARENCY: PROGRESS TOWARD SYSTEMATIC DISCLOSURE

Continued effort toward systematic disclosure

Even prior to the EITI International's campaign on EITI mainstreaming, the Philippine government has already been implementing efforts to promote open and accountable governance of the oil, gas, and mineral resources through the creation of systems and tools that publish extractive data and information.

Guided by global standards, PH-EITI is advancing systematic disclosure, a framework where transparency requirements are met through routine, publicly available company and government reporting. This approach moves beyond separate data collection, integrating EITI data directly into public financial reports, annual agency filings, information portals, and open data initiatives.

To ensure integrity, PH-EITI prioritizes the comprehensiveness and reliability of this published data. This necessitates clear explanations of underlying audit and assurance procedures, along with public access to supporting documentation. The journey toward this goal, known as "mainstreaming," involves PH-EITI implementing interim measures, pilots, and capacity-building activities.

This approach offers a dual benefit: it reduces the reporting burden, making the process more cost-effective, and it empowers stakeholders to focus on analysis rather than collection. For industry partners, PH-EITI emphasizes that regular and accessible disclosure is key to maintaining a social license to operate, leveling the business playing field, and setting transparent expectations with communities.

The Licensing Process in mining sector

The Mines and Geosciences Bureau (MGB), as a line bureau of the Department of Environment and Natural Resources (DENR), is the primary government agency responsible for the administration and regulation of mineral resources in the Philippines. Mining permits and agreements are processed through the MGB Central Office and the relevant Regional Offices, depending on the type, scale, and stage of the mining activity. The licensing framework is governed by national laws, implementing rules and regulations, and agency-issued procedural guidelines, which are reflected in publicly available application flowcharts and citizen charters.

Publicly available materials from the MGB, including application flowcharts issued by MGB Region X²³⁹ and the MGB Central Office, describe the mining licensing process²⁴⁰ in terms of required procedural steps, indicative timelines, and responsible government units. These flowcharts provide a clear overview of the administrative process and procedural compliance requirements that applicants must follow when applying for mining permits and agreements.

While these materials effectively explain the sequence of actions and documentation required, they provide limited information on the substantive basis for licensing decisions. In particular, publicly disclosed materials do not sufficiently explain how mining licences are awarded or transferred, nor do they clearly describe how applicants' technical and financial qualifications are assessed, compared, or weighted in the evaluation process. Based on MGB, once an applicant has completed and complied with all prescribed requirements, the Bureau endorses the application for approval to the DENR

²³⁹ Mines and Geosciences Bureau Region X. (2021). *MGB-X-CO Citizens Charter 2021* [PDF]. Department of Environment and Natural Resources – Mines and Geosciences Bureau. https://region10.mgb.gov.ph/wp-content/uploads/2021/12/MGB-X-CO-Citizens-Charter_2021_v1-FINAL.pdf

²⁴⁰ MGB Mining License process: <https://mgb.gov.ph/attachments/article/53/PFMPA.pdf>

Secretary or, where applicable, to the Office of the President. As the final approval authority rests at this level, detailed criteria and considerations applied in granting approval are not published on MGB platforms. Accordingly, public disclosures primarily reflect procedural compliance within the Bureau's mandate, while final approval determinations are made at the higher approving authority.

Community Consultation Requirements

Publicly available regulatory documents indicate that community consultation is a mandatory element of the mining licensing framework. The MGB Region XIII Citizen's Charter specifies that applicants are required to undertake public notice and disclosure activities, including posting, publication, and radio announcements of the Notice of Application.

Prior to the implementation of an Exploration Work Program, permit holders are also required to submit proof of consultation and project presentation to the concerned Sangguniang Bayan or Sangguniang Panlungsod, typically in the form of a Resolution or Certification. These requirements are intended to ensure that local government units and affected communities are informed of, and engaged in, proposed mining activities.

In areas where Indigenous Cultural Communities / Indigenous Peoples (ICCs/IPs) are present, applicants must secure either a Certificate of Non-Overlap or a Certification Precondition from the National Commission on Indigenous Peoples (NCIP). This process entails compliance with the Free, Prior, and Informed Consent (FPIC) requirement, in accordance with national legislation and applicable regulations.

Enforcement of Procedural and Consultation Requirements

The MGB has the authority to deny mining applications that fail to comply with procedural, disclosure, and consultation requirements. This authority is reflected in publicly issued notices of denied applications. For example, the Notice of Denial issued to Macote Mining²⁴¹ demonstrates that applications may be rejected even where documentation has been submitted, if consultation or other regulatory obligations are assessed as insufficiently met. These cases indicate that compliance with consultation and procedural requirements is a critical determinant in licensing outcomes.

Recommendations to MGB Disclosure

Strengthening Transparency and Systematic Disclosure of Licensing Criteria and Procedures (EITI Requirement 2.2.a.ii)

In reference to EITI Requirement 2.2.a.ii, which calls for the disclosure of the process for awarding or transferring licenses and the technical and financial criteria applied, there is an opportunity for the Mines and Geosciences Bureau (MGB), as the agency responsible for processing mining licenses, to further enhance publicly available information on these aspects.

Providing clearer and more detailed documentation of the procedural steps, evaluation framework, and substantive technical and financial criteria used in licensing decisions during the reporting period would strengthen public understanding of how approvals are determined. Where such information is not yet systematically disclosed, this may be identified as a gap in publicly accessible documentation.

²⁴¹Notice of Denial-Macote Mining: <https://mgb.gov.ph/attachments/category/70/Notice-Macote-Mining.pdf>

More structured and routine disclosure through official platforms could improve predictability for industry applicants, enable civil society and Local Government Units (LGUs) to exercise informed oversight, and reinforce alignment with the transparency objectives of the EITI Standard.

Institutionalize Gender-Disaggregated Reporting of Consultation Participants

To support PH-EITI's commitment to gender-responsive and inclusive engagement, consideration could be given to including gender-disaggregated information on community participants in consultation disclosures. While press releases of consultations are available, detailed gender data is not currently documented. Over time, systematically capturing and reporting this information could help Local Government Units (LGUs) in monitoring and contribute to more inclusive, evidence-based oversight of licensing processes.

List of New Mining Contracts Awarded

Through its Contracts Portal, PH-EITI publishes extractive industry agreements issued by the MGB, DOE, and PMDC. In accordance with EITI Standard Requirement 2.4, this initiative ensures transparency in the award and transfer of licenses, confirming that the process for granting mineral rights—such as Mineral Production Sharing Agreements (MPSAs) and Joint Operating Agreements (JOAs)—adheres to all statutory procedures. Annexes 1–4-5 detail the 8 new mining contracts awarded by the MGB between 2022 to 2025, alongside 13 Joint Operating Agreements and 3 Project Financing/Service Provider Agreements (PFSPAs) established between the PMDC and various mining companies.

Publicly listed extractive companies (Fiscal Year 2023 and 2024)

The transition toward systematic disclosure is a cornerstone of the EITI's mission to ensure that extractive industry data is not only available but also easily accessible and integrated into existing government and corporate systems. Annex 1.6 highlights the publicly listed entities identified within the PH-EITI target or invitee list for Fiscal Years 2023 and 2024, sourced from the Mines and Geosciences Bureau (MGB) roster of operating extractive companies.

For these entities, transparency is a built-in feature of their regulatory compliance. Their SEC filings and financial disclosures are consistently made available through the Philippine Stock Exchange Electronic Disclosure Generation Technology (PSE EDGE) portal. By leveraging these existing public disclosures, PH-EITI reinforces the principle that transparency should not be an additional administrative burden but a streamlined reflection of a company's standard reporting obligations.

Extractive companies with reported greenhouse gas emissions (Fiscal Year 2023 and 2024)

The inclusion of greenhouse gas (GHG) emissions data in extractive companies' reports aligns with the 2023 EITI Standard, specifically Requirement 3.4. Under this requirement, EITI encourages the disclosure of greenhouse gas emissions to support a more comprehensive understanding of the sector's climate-related footprints and to assist in national energy transition planning.

In the Philippines, the disclosure of GHG emissions by extractive entities (see Annex 1.7)—including metallic and non-metallic mining, and coal sectors—is increasingly becoming a standard component of corporate reporting. This practice represents a shift toward systematic disclosure, where data is not merely collected for a standalone EITI report but is instead integrated into a company's existing reporting cycles, such as Annual Reports, Sustainability Reports, and SEC Form 17-A filings.

By referencing these pre-existing, publicly available documents, PH-EITI strengthens the transparency ecosystem by enhancing data accessibility through established regulatory platforms like PSE EDGE, which ensures that information reaches a diverse range of stakeholders beyond the extractive sector. This approach promotes institutionalized transparency by shifting toward systematic disclosure, reducing the necessity for manual data collection in favor of the audited, high-fidelity information companies already generate for regulators in documents such as SEC Form 17-A and Sustainability Reports. Furthermore, it maintains consistency with international standards, as the voluntary reporting of Scope 1, Scope 2, and in some cases, Scope 3 emissions reflects an active adherence to global environmental accounting frameworks.

Table I-22. Summary of the systematically disclosed information in the Philippines aligned with EITI Standard

Agency	EITI Requirement	Title	Source/Link
PCO	2.1. Legal framework and fiscal regime	The Constitution of the Republic of the Philippines	https://www.officialgazette.gov.ph/constitutions/1987-constitution/
		Philippine Mining Act of 1995.	https://elibrary.judiciary.gov.ph/thebookshelf/showdocs/2/3617
	EITI Requirement 2.5: Beneficial ownership	Enhanced Fiscal Regime for Large-Scale Metallic Mining Act	https://lawphil.net/statutes/repacts/ra2025/ra_12253_2025.html
MGB	EITI Requirement 2.1. Legal framework and fiscal regime	AD - Rules and Regulations	http://databaseportal.mgb.gov.ph/#/public/documents/AD/Rules%20and%20Regulations
	EITI Requirement 2.2: Contract and license allocations	Mining Application	https://mgb.gov.ph/2015-05-04-07-00-12/2015-06-05-05-48-55
	EITI Requirement 2.3 and 2.4: Register of licenses and Contract disclosure	Approved Mining Permits and Contracts	https://mgb.gov.ph/priority-programs/2015-05-13-01-44-56/2015-05-13-01-46-18/2015-06-03-03-42-49
	EITI Requirement 3.1: Exploration	Exploration Permits	http://databaseportal.mgb.gov.ph/#/public/mining-tenements?type=EP
	EITI Requirement 3.2: Production by	Philippine Mineral Production	https://mgb.gov.ph/priority-programs/2015-05-1

	commodity		3-01-44-56/2015-05-13-01-47-51/23-industry-statistics/1306-msc-philippine-metallic-mineral-production#metallic-mineral-production
	EITI Requirement 3.3: Exports EITI Requirement 6.3: Economic Contributions	The Philippine Mineral Industry at A Glance	https://mgb.gov.ph/priority-programs/2015-05-13-01-44-56/2015-05-13-01-47-51/23-industry-statistics/1336-msc-the-philippine-mineral-industry-at-a-glance
DOE	2.1. Legal framework and fiscal regime	Compendium of Energy Regulation Laws, Circulars and other Issuances	https://doe.gov.ph/articles/group/laws-and-issuances?maincat=Laws&subcategory=Compendium%20of%20Energy%20Laws&display_type=Card
	EITI Requirement 2.2: Contract and license allocations	DOE External Processes 2025	https://doe.gov.ph/articles/group/citizen-s-charter-4?category=Citizen%27s%20Charter&display_type=Card
	EITI Requirement 2.3 and 2.4: Register of licenses and Contract disclosure	Coal and Petroleum Service Contract Operators/Holders	https://legacy.doe.gov.ph/energy-information-resources?q=energy-resources/sc-operators
	EITI Requirement 3.1: Exploration	Exploration phase	https://legacy.doe.gov.ph/energy-information-resources?q=energy-resources/sc-operators
	EITI Requirement 3.2: Production by commodity	INTEGRATED KEY ENERGY STATISTICS AND ENERGY-RELATED INDICATORS DATABASE	https://legacy.doe.gov.ph/energystat Statistics - Downstream Oil and Natural Gas
	EITI Requirement 3.3: Exports	OIL SUPPLY/DEMAND REPORT	https://legacy.doe.gov.ph/sites/default/files/pdf/downstream_oil/0455962%20%28OIMB%29%20-%20Request%20for%20Posting%20of%20IH

SECTION IX: REVIEW OF RECOMMENDATIONS FROM THE PREVIOUS COUNTRY REPORTS

Between 2012 and 2022, the PH-EITI generated a total of 127 recommendations aimed at strengthening transparency, accountability, and governance in the extractive sector. These recommendations emerged from PH-EITI Country Reports and reflected evolving priorities under the EITI Standard, national governance reforms, and stakeholder concerns raised through the Multi-Stakeholder Group (MSG).²⁴²

As of the FY 2023–2024 reporting period, implementation progress indicates that a significant portion of these recommendations has been either completed or substantially advanced, while others remain ongoing or require renewed attention due to structural, legal, or institutional constraints. Overall, 54 recommendations have been completed, 4 remain ongoing, 26 are classified as implemented with issues, and 43 require further attention.

Completed recommendations largely relate to foundational and institutional reforms that have since been mainstreamed into regular government and PH-EITI processes. These include the establishment and strengthening of PH-EITI governance mechanisms, regular and timely publication of Country Reports, improved disclosure of company payments and government revenues, and enhanced accessibility of extractive sector information through agency websites and Freedom of Information mechanisms. Many of these completed actions no longer exist as stand-alone reforms, as they have been absorbed into routine disclosure systems, standard operating procedures, and institutional mandates of participating agencies. Their completion reflects the institutionalization of EITI principles within the Philippine extractive governance framework.

A small number of recommendations remain ongoing. These typically involve initiatives that require phased implementation, such as improvements to information systems, enhanced inter-agency data sharing, or refinements to reporting processes that depend on coordination across multiple institutions. While substantial progress has been made, full completion of these recommendations is subject to technical finalization and continued engagement among concerned agencies. These items remain under active monitoring by the PH-EITI Multi-Stakeholder Group (MSG) and the Secretariat.

Recommendations categorized as “with issues” reflect partial implementation, where actions have been initiated but continue to face structural or operational challenges. These challenges include legal or regulatory limitations, concerns related to data availability and quality, reliance on broader policy reforms beyond the direct mandate of PH-EITI, and changes in institutional roles or mandates over time. Several of these recommendations pertain to complex reform areas such as beneficial ownership disclosure, contract transparency, consistency of subnational data, and the harmonization of extractive sector information across government information systems.

These pending items will be carried forward and form part of the PH-EITI Work Plan 2026. They will be subject to reassessment by the Multi-Stakeholder Group (MSG) to determine their continued relevance, feasibility, and alignment with the 2023 EITI Standard. Where appropriate, original recommendations may be refined, consolidated, or recalibrated to reflect current institutional realities, with updated implementation strategies incorporated into the medium-term work plan.

Recommendations requiring further attention represent the largest category and generally involve reforms that necessitate legislative action, high-level policy decisions, structural changes to information systems, or sustained inter-agency coordination over multiple years. These include

²⁴² Summary of Country Report Recommendations (2012-2022).

https://docs.google.com/spreadsheets/d/1-NfdIUB_19ofQu5Vba0PQigJTOpMy1a9Wfr45Ve3sUc/edit?gid=1798425492#gid=1798425492

long-standing issues such as comprehensive contract and license disclosure, verification and use of beneficial ownership data, systematic disclosure of state participation and SOE financial relations, and deeper integration of environmental, social, and gender-related information into extractive sector reporting. While progress on these recommendations has been limited, they remain relevant to both EITI requirements and broader national governance objectives.

PH-EITI will prioritize these outstanding recommendations through a structured approach. This includes clustering related recommendations into thematic reform areas, identifying lead and supporting agencies, and aligning actions with the PH-EITI Work Plan, Validation corrective actions, and national reform agendas. Implementation is expected to proceed on a phased basis from FY 2026 onward, with support from development partners where applicable and continued oversight by the MSG.

Taken together, the status of PH-EITI recommendations from 2012 to 2022 demonstrates both the depth of reforms already achieved and the scale of work that remains. The completion and mainstreaming of over forty percent of recommendations underscore the Philippines' sustained commitment to extractive sector transparency. At the same time, the remaining recommendations highlight the need for continued political support, institutional coordination, and strategic prioritization to ensure that EITI implementation remains responsive, forward-looking, and impactful.

This review of recommendation status will inform the refinement of PH-EITI priorities for FY 2026 and beyond, ensuring that next steps are realistic, time-bound, and aligned with both EITI requirements and national development objectives.

PH-EITI Action Plan on Pending Country Report Recommendations (2012–2022)

This Action Plan consolidates pending PH-EITI recommendations from 2012 to 2022 that remain ongoing, partially implemented, or require further attention. These actions are aligned with the 2023 EITI Standard and will be carried forward to form part of the next PH-EITI Work Plan 2026, ensuring continuity between past recommendations, current implementation experience, and future Validation requirements.

The MSG will review progress against this Action Plan on a regular basis, reassess materiality and relevance where appropriate, and update implementation approaches to reflect evolving policy, legal, and institutional contexts. This approach supports a structured, risk-based, and forward-looking implementation of EITI in the Philippines.

Table I-23. Summary of Pending Recommendations from Previous Country Reports and Corresponding Actions

Thematic Area	Key Pending Issues/ Recommendations	Status Category	Relevant EITI Standard 2023	Next Steps	Indicative Timeline	Link to PH-EITI Work Plan
Beneficial Ownership Transparency	Incomplete coverage, verification, and use of beneficial ownership data	With issues / Requires further attention	Requirement 2.5 (Beneficial Ownership)	Strengthen inter-agency data sharing (SEC, DENR, DOE); improve data	FY 2026-2027	Priority reform area under governance and anti-corruption

Thematic Area	Key Pending Issues/ Recommendations	Status Category	Relevant EITI Standard 2023	Next Steps	Indicative Timeline	Link to PH-EITI Work Plan
				verification and integration into licensing and monitoring systems; publish analysis on BO risks		
Contract and License Disclosure	Partial disclosure of extractive contracts; lack of systematic publication of amendments and annexes	Requires further attention	Requirement 2.4 (Contracts and licenses)	Conduct legal and policy review; issue guidance on contract publication; expand PH-EITI portal to host contracts and metadata	FY 2026	Transparency and legal reform cluster
State Participation and SOE Disclosures	Limited disclosure on terms of state equity, joint ventures, loans, guarantees, and reinvestment policies	With issues	Requirement 2.6 (State participation)	Enhance SOE disclosures on equity terms and JV arrangements; update SOE profiles annually; integrate disclosures into mainstream platforms	FY 2026	SOE and the fiscal transparency component
Subnational Revenues and Transfers	Inconsistent LGU-level data; delays and gaps in reporting and reconciliation	With issues	Requirements 4.6 & 5.2 (Subnational payments and transfers)	Improve coordination with DBM, BTr, and LGUs; standardize subnational reporting templates; capacity-building for LGUs	FY 2026	Subnational transparency and capacity-building
Revenue Allocation and Use	Limited public understanding of how extractive revenues are allocated and used	Requires further attention	Requirement 5.1 (Distribution of revenues)	Produce simplified explanatory notes; link revenue data to budget documents; enhance	FY 2026	Public engagement and data use

Thematic Area	Key Pending Issues/ Recommendations	Status Category	Relevant EITI Standard 2023	Next Steps	Indicative Timeline	Link to PH-EITI Work Plan
				citizen-oriented disclosures		
Quasi-Fiscal Expenditures	No evidence identified, but need for continued monitoring as SOE roles evolve	Ongoing	Requirement 6.2 (Quasi-fiscal expenditures)	Annual MSG assessment; include explicit confirmation in Country Reports; monitor SOE mandates and expenditures	Annual	Validation preparedness
Environmental and Social Disclosures	Fragmented reporting on environmental impacts, social expenditures, and monitoring	Requires further attention	Requirements 6.1 & 6.3 (Social and environmental expenditures)	Map available disclosures; improve cross-referencing with DENR and DOE data; expand contextual reporting	FY 2026	ESG integration
Gender and Inclusivity	Limited gender-disaggregated data and analysis	Requires further attention	Requirement 6.3 & cross-cutting EITI principles	Integrate gender indicators into reporting; align with national gender and development frameworks	FY 2026	Gender-responsive EITI implementation
Data Timeliness and Quality	Delays in data submission	Ongoing	Requirement 4.1 (Comprehensive disclosure of revenues)	Streamline data collection schedules; strengthen data validation protocols; move toward systematic disclosures	FY 2026	Systematic disclosure roadmap
Use of EITI Data	Limited uptake of PH-EITI data for policy, oversight, and public debate	Requires further attention	Requirement 7.1 (Public debate)	Produce thematic briefs; conduct policy dialogues; develop data visualization tools	FY 2026	Communications and impact agenda

Section X: Review and Analysis of PH-EITI Work Plans 2023-2024

The Philippine Extractive Industries Transparency Initiative (PH-EITI) serves as a vital institutional mechanism for fostering transparency, accountability, and public participation in the governance of the nation's mining, oil, and gas sectors. Since its inception, the initiative has functioned as a multi-stakeholder platform comprising government, industry, and civil society representatives tasked with reconciling the payments made by extractive companies with the revenues received by the government. This strategic review provides a granular analysis of the operational roadmaps that guided the initiative during the 2023 and 2024 cycles, while tracing the programmatic continuity and institutional evolution that culminated in the 2025 Work Plan. A critical finding of this analysis is that the 2025 Work Plan, while implemented in the succeeding year, was primarily formed, discussed, and finalized during the 2024 calendar year, reflecting a proactive approach to strategic planning aligned with the evolving 2023 EITI Standard.

Comprehensive Review of the 2023 Work Plan: Recovery and Corrective Action

The 2023 Work Plan focused on four strategic pillars: enhancing stakeholder capacity, ensuring genuine multi-stakeholder participation, developing robust documentation of progress, and setting a long-term direction for implementation. The year was marked by the 10th anniversary of PH-EITI, providing a thematic backdrop for reflecting on the reconciliation of over PHP 405.4 billion in government revenue across nine fiscal years.

Progress Tracking and Completion Status

Analysis of the 2023 Work Plan Progress Tracker reveals a concerted effort to address the backlog of administrative and technical requirements. While some activities were successfully completed, such as the publication of the 2021 and 2022 Annual Progress Reports (APR), other technical areas faced delays.⁷ The following table provides a matrix of the progress status for key 2023 result areas as of the initial review period.

Strategic Objective	Key Result Area / Specific Activity	Timeline	Completion Status
Objective No. 3	Capacity-building on production and export data analysis	Q1 2023	Delayed/No Progress
Objective No. 4	MSG Strategic Planning for EITI Direction	Q1 2023	Delayed/Initiated Q2
Objective No. 1	Implementation of plan to address corrective actions	Q1-Q3 2023	Completed/ Documented

Objective No. 4	Reporting responses to stakeholder concerns	Q1-Q4 2023	Ongoing; Portal Revamped
Objective No. 4	Publication of stakeholder activity minutes	Q1-Q4 2023	Carried Over to 2024
Objective No. 1	Publication of 2021 and 2022 Annual Progress Reports	Q1 2023	Completed
Objective No. 4	Update and publication of matters arising from MSG meetings	Q1-Q4 2023	Completed/Systemic

The documentation of stakeholder minutes and the development of technical capacity-building modules were the primary activities carried over to 2024, as the Secretariat prioritized the publication of country reports and the fulfillment of validation-related mandates. This transition period underscored the necessity of institutionalizing transparency not just as a reporting cycle, but as a continuous administrative function.

Addressing Validation Corrective Actions in 2023

A significant portion of the 2023 efforts was dedicated to Requirement 1.3 (Civil Society Engagement). The MSG developed and approved a plan to mitigate ad-hoc restrictions and strengthen the environment for civil society to engage in natural resource governance. This included revamping the feedback mechanism and the internal tracker to ensure that concerns raised by stakeholders were not only recorded but addressed through formal MSG resolutions. By the end of 2023, these efforts laid the groundwork for the targeted assessment that would take place in early 2024.

Analysis of the 2024 Work Plan: Regional Empowerment and Local Governance

The 2024 Work Plan represented a strategic shift toward subnationalization, themed "Bridging Transparency: Empowering Local Voices in Natural Resource Governance". The plan explicitly recognized that while national-level transparency was robust, the impact of extraction is most acutely felt at the local level, where mining operations occur. A defining administrative feature of the 2024 plan was the identification of Validation corrective actions in red text within the activity column, signifying their non-negotiable status for international compliance.

The 2024 Regional Roadshow Framework

A cornerstone of the 2024 cycle was the resumption of face-to-face regional roadshows across various clusters, including the Luzon, Visayas, Mindanao, Bicol, and Region IV-B clusters. These roadshows were designed to bridge the gap between national policy and local realities. The technical sessions focused

on empowering Local Government Units (LGUs) and Provincial/City Mining Regulatory Boards (P/CMRBs) to monitor and report on extractive activities effectively.

The following table summarizes the technical outputs and discussion clusters targeted during the 2024 regional outreach.

Cluster Location	Primary Technical Theme	Key Discussion Topics
Luzon (Zambales / Baguio)	Subnationalizing PH-EITI	Manual of Operations for devolved MGB functions; LGU revenue strategies
Region IV-B (Puerto Princesa)	Supporting LGU Monitoring	MGB support for extractive reporting; Environmental law compliance
Bicol (Naga)	IP Welfare and Protection	IP representation in the EITI process; LGU share from national wealth
Mindanao (Butuan)	IP Wealth Framework	Indigenous People (IP) welfare; Benefit-sharing mechanisms
Visayas (Cebu)	Sustainability Impacts	Social Development and Management Program (SDMP) sustainability

Validation Progress and the Targeted Assessment

In June 2024, the EITI Board concluded its targeted assessment of Requirement 1.3, finding that the Philippines had "mostly met" the requirement. This improvement was attributed to the robust environment fostered through the 2024 roadshows and the MSG's adherence to the EITI protocol on civil society participation. However, the Board continued to urge for the implementation of plans for further subnational EITI engagement and the strengthening of accountability mechanisms for ad-hoc restrictions.

Another critical area of focus in 2024 was the engagement of the Department of Energy (DOE). Historically, the DOE's participation was noted as insufficient for initiating reforms in the coal sector, particularly concerning the disclosure of payments by the Semirara Mining and Power Corporation.⁶ The 2024 plan included specific activities to formalize DOE's reporting obligations through administrative orders, a task that remained a focus of legislative advocacy throughout the year.

The Formation and Discussion of the 2025 Work Plan during 2024

One of the most critical observations for the current reporting period is the timeline of the 2025 Work Plan's development. While the 2025 Work Plan serves as the current operational guide, its conceptualization, multi-stakeholder discussion, and finalization occurred throughout 2024. This anticipatory planning was essential to align the initiative with the 2023 EITI Standard, which introduced

new provisions on energy transition, anti-corruption, and gender.

Throughout the latter half of 2024, the MSG and its various committees—including the Implementation Committee and the Stakeholder Engagement Committee—convened to identify priority areas for the 2025 cycle. The 94th and 95th MSG meetings in late 2024 were particularly instrumental in debating the resource requirements and thematic focus of the 2025 roadmap. The final version of the work plan was circulated for referendum and deemed approved in the second quarter of 2025, but the substantive work of identifying pilots for subnationalization and scoping studies for the energy transition was a product of the 2024 strategic sessions.

Detailed Analysis of the 2025 Work Plan: Continuity and Innovation

The 2025 Work Plan builds upon a decade of institutional reforms, placing a stronger emphasis on localizing governance and environmental accountability. It is characterized by its alignment with national priorities on decentralization and climate action. The plan is divided into four strategic objectives: stakeholder capacity, mainstreaming, building capacity, and monitoring progress.

Strategic Objective 1: Stakeholder Engagement and Subnationalization

Subnationalization remains the flagship program for 2025, with an objective to establish a shared understanding and unified direction for local EITI implementation in at least three LGUs and BARMM. The plan allocates PHP 481,015.00 for the salary of Secretariat staff managing this program, while the actual implementation costs are integrated into the stakeholder engagement component.

Output	Activity	Success Indicator
Subnational EITI framework	Facilitate MSG workshops to finalize criteria	MSG consensus on pilot areas
MOU with LGUs	Identify and engage LGUs with active mining	LGUs committed to local MSG
LGU PH-EITI Workplans	Facilitate co-creation workshops	Workplans aligned with national priorities
Localized IEC Materials	Translate and adapt EITI materials	Use of tailored training manuals

Strategic Objective 2: Legislative Advocacy and IP Engagement

Legislative advocacy in 2025 centers on the inclusion of transparency provisions in the Mining Fiscal Regime (MFR) bill, which was a primary focus of the 2024 legislative session. The plan also intensifies engagement with Indigenous Peoples (IP) through a formalized MOU with the NCIP. The objective is to institutionalize royalty tracking mechanisms and ensure that IP payments are disclosed in the FY

2023-2024 Report.

Strategic Objective 3: Mainstreaming and Digitalization

Mainstreaming disclosures involves integrating EITI transparency principles into the core systems of government agencies. The 2025 plan introduces a feasibility study on a Risk-Based Approach (RBA) for reporting, aimed at improving the efficiency and sustainability of the reconciliation process.⁷ This represents a shift from the circuitous reporting processes of previous years toward a more streamlined, automated model.

Strategic Objective 4: Climate Action and Energy Transition

A new thematic focus for 2025 is the analysis of the extractive industry's role in the energy transition.¹² This includes conducting desk reviews of GHG emissions and exploring the potential for reporting on critical minerals. The success indicators include the integration of GHG data into the contextual report of the FY 2023-2024 Country Report.

Matrix of Activities Carried Over from 2023-2024 to 2025

Institutional continuity is maintained through the systematic carry-over of multi-year projects. The following matrix tracks the evolution of these activities from their origins in the 2023-2024 plans to their current status in the 2025 roadmap.

Activity Description	Origin Cycle	2024 Progress / Focus	2025 Strategic Role
Subnationalization Pilot	2023	Regional roadshows in 5 clusters	Institutionalization in 3 LGUs and BARMM
IP Royalty Database	2023	NCIP inter-agency visitations	Database implementation and pilot test
Beneficial Ownership Registry	2021	Study on PEPs and BO disclosure gaps	SEC Data Sharing Agreement & BO registry
Gender Mainstreaming	2024	MGB GIA Tool workshop	Adoption of Gender Action Plan 2025-2030
Legislative Institutionalization	2022	Advocacy for MFR Bill in Congress	Operationalizing RA 12253 transparency
SSM Scoping Study	2023	Analysis of local government revenue	Integration of SSM data into Country Report

		shares	
Reporting Tool Update	2024	Development of ORE Tool enhancements	Dual-cycle reporting (FY 23-24) using ORE

Resource Mobilization and Budgetary Analysis

The 2025 Work Plan operates with a total allocated budget of PHP 17,102,000.00. This budget reflects a strategic reallocation of resources toward high-impact areas like subnationalization and stakeholder outreach, which together account for a significant portion of the MOOE. The 2024 planning sessions were crucial for securing external funding commitments, including the World Bank's approval in principle for civil society capacity-building initiatives.

Program Category	Focus	Allocated Budget (In PHP)
Subnationalization (Staff)	Secretariat Management	481,015.00
IP Engagement (Activities)	IP Royalty Tracking	328,750.00
Women in Extractives Forum	Gender Mainstreaming	150,000.00
Development Partner Forum	Resource Mobilization	50,000.00
EITI International Board Representation	International Engagement	1,137,257.67
Country Report Production	Independent Administrator (IA)	1,300,000.00
Stakeholder Outreach (MOOE)	Travel and Regional Dialogues	804,000.00
MSG Capacity Building (MOOE)	MSG Governance	1,970,000.00

Implications for Future Governance: Mainstreaming and Sustainability

The strategic trajectory from 2023 to 2025 indicates a maturation of PH-EITI's role in the national governance framework. The shift from manual reconciliation to "mainstreamed" systematic disclosure is intended to reduce the administrative burden on both government agencies and industry partners. In

late 2024, the MSG decided to launch a concurrent reporting cycle for FY 2023 and FY 2024, allowing companies to complete documentation for both years simultaneously. This "step-up" approach is a direct result of the efficiency gains identified during the 2024 planning period.

Furthermore, the institutionalization of transparency through RA 12253, signed in September 2025, marks a permanent shift in the mining tax regime. The law removes distinctions between different mining contracts (MPSA vs. FTAA) and mandates a unified fiscal regime, underpinned by EITI-aligned transparency requirements. This legislative milestone ensures that the objectives set in the 2023-2025 work plans will have long-term legal standing, moving beyond the life of executive orders.

Conclusion and Strategic Outlook

The analysis and review of the 2023 and 2024 Work Plans demonstrate that PH-EITI has successfully transitioned from a period of recovery to one of proactive, innovative leadership in the extractive sector. The 2023 cycle served to address critical Validation gaps and stabilize institutional governance, while the 2024 cycle expanded the reach of transparency to the subnational level through an extensive regional roadshow program.

A key takeaway for this report is the foresight displayed by the MSG in forming the 2025 Work Plan during the 2024 calendar year. This early development allowed for the integration of emerging global themes—such as the energy transition and risk-based reporting—into a cohesive national strategy. The systematic carry-over of projects ensures that technical progress on IP royalty tracking, beneficial ownership disclosure, and gender mainstreaming is sustained. As PH-EITI implements the 2025 roadmap, it remains positioned to translate data disclosure into tangible results for local communities, fostering public trust and ensuring that the country's natural resource wealth contributes to sustainable national development.

Matrix of Programmatic Evolution (2023-2025)

Year	Strategic Focus	Primary Achievement / Objective
2023	Institutional Recovery	Fulfillment of 2021 Validation corrective actions; Stabilizing Secretariat
2024	Regional Outreach	Launch of "Bridging Transparency" roadshows in 5 clusters; CS Protocol adherence
2025	Local Institutionalization	Launch of subnational EITI pilots; Mainstreaming GHG and Critical Minerals data

The details contained in this review are consistent with the records of the PH-EITI Multi-Stakeholder Group and the annual progress evaluations conducted between January 2023 and December 2025.

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