



# FUND MANAGEMENT

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# OUTLINE

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- Environmental Fees
- Social Funds
- Indigenous Peoples Trust Fund



# ENVIRONMENTAL FEES

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- Mine Waste and Tailings Fees Reserve Fund
- Annual Environmental Protection and Enhancement Program (AEPEP)



# Mine Waste and Tailings Fees Reserve Fund

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- This fund is to be used for payment of compensation for damages caused by any mining operations and for research projects duly approved by the Contingent Liability and Rehabilitation Fund Steering Committee



# Annual Environmental Protection and Enhancement Program (AEPEP)

- AEPEP covers all environment-related expenses throughout the project.
- Under Department Administrative Order No. 2010-21, AEPEP shall approximate 3-5% of direct mining and milling cost.



# SOCIAL FUNDS

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- Contingent Liability and Rehabilitation Fund (CLRF)
- Mine Rehabilitation Fund (MRF)



# Contingent Liability and Rehabilitation Fund (CLRf)

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- The CLRf is a funding mechanism that assures damages to the environment are properly compensated and that there is a sustainable source of funding for the rehabilitation of any adverse effects due to mining
  
- It covers the Mine Rehabilitation Fund



# Mine Rehabilitation Fund (MRF)

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- The MRF is established and maintained by the contractor or permit holder to ensure the feasibility of the activities under the Environmental Protection and Enhancement Program (EPEP) on which the AEPEP is based upon
- It is maintained as a reasonable environmental deposit to ensure availability of funds for the satisfactory compliance with the commitments and performance of the activities included in the AEPEP.





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- It is deposited as a trust fund in a government depository bank and shall be used for physical and social rehabilitation of areas and communities affected by mining activities and for research on the social, technical and preventive aspects of rehabilitation.



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- There are two (2) kinds of MRF:
    - Mine Monitoring Trust Fund
    - Rehabilitation Cash Fund



# Indigenous Peoples (IP) Trust Fund

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- Contractors are required to pay the following fees:
  - Royalty for IPs;
  - Free Prior and Informed Consent (FPIC) fees; and
  - Field-based Investigation (FBI) fees



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- The royalty payment is required from companies that operate within ancestral domain areas.
  - It shall form part of a trust fund for socio- economic well-being of the ICCs/IPs in accordance with the management plan formulated by the ICCs/IPs in the Certificates of Ancestral Domains/Ancestral Land Claims (CADC/CALC) area.
  - It should also be noted that in a large-scale mining operation, royalty payment by a single company could easily run into several tens of million pesos per year.



# Who manages the IP Trust Fund

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- The IP communities manage the IP trust fund.
- The only task of the National Commission on Indigenous Peoples is to give its concurrence to the release of royalties to the IP organization or its trustee bank to check on the use of the funds.

