CIVIL SOCIETY ASSESSMENT

OF THE 4TH PHILIPPINE EXTRACTIVE INDUSTRIES TRANSPARENCY INITIATIVE REPORT





About Bantay Kita

Bantay Kita is a coalition of more than eighty (80) civil society organizations advocating for change in the way we govern our natural resources. Through the years BK has worked to empower communities to ensure openness and accountability in the mining, oil, and gas industries. BK is affiliated with the Publish What You Pay coalition.

Contents

LARGE-SCALE METALLIC MINING	2
Who Participated and Who Did Not?	2
Never participated	
Economic Contribution of Large-Scale Metallic Mining	
How much did the government receive in 2015-2016?	
Who is responsible for revenue collection?	
Is there a trend in the amount of government	
revenue received from large-scale mining?	
What shares does local government receive from large-scale mi	ning?
	6
Which companies pay the highest taxes?	9
Could government have earned more?	9
Mineral reservation royalties	9
Corporate Income Tax and Income Tax Holidays	10
How many are locally-employed by large-scale mining?	12
Declared Minahang Bayan	
Social Development and Management Program (SDMP)	14
Environmental Protection and Enhancement Program (EPEP)	15
OIL AND GAS	17
Who Participated and Who Did Not?	17
How much did the government receive in 2015-2016?	18
Who is responsible for revenue collection?	
Is there a trend in the amount of government revenue received	from
the oil and gas industry?	19
Malampaya Fund	19
RECOMMENDATIONS FOR THE 5 TH PH-EITI REPORT	21
UPDATES ON RECOMMENDATIONS FROM PREVIOUS REPORTS	22
WHERE DO WE GO FROM HERE?	26
CONCLUSION	27

The fourth report of the Philippine Extractive Industries Transparency Initiative (PH-EITI) covers fiscal year 2015 to 2016, committing to a timelier reporting. This assessment is limited to metallic, oil and gas assessment of data available in the fourth report. This report also analyses available data from the first report in 2012 up to the latest report in 2016.

LARGE-SCALE METALLIC MINING

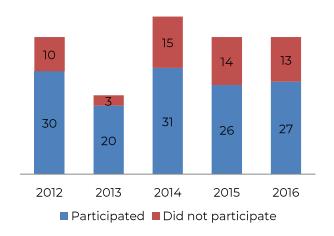
Who Participated and Who Did Not?

Out of the 40 targeted metallic mining companies, a total of 26 companies participated in the fourth PH-EITI Report.

The fourteen (14) metallic mining companies that did not participate in the 4^{th} PH-EITI Report include:

- 1. Adnama Mining Resources Incorporated
- 2. Century Peak Corporation Casiguran and Esperanza
- 3. Citinickel Mines and Development Corporation
- 4. CTP Construction and Mining Corporation Adlay and Dahican
- 5. Eramen Minerals, Inc.
- 6. Westernshore Nickel Corporation
- 7. Oriental Synergy Mining Corporation
- 8. Oriental Vision Mining Philippines Corporation
- 9. Wellex Mining Corporation
- 10. Cambayas Mining Corporation
- 11. Techlron Resources, Inc.
- 12. Benguet Corporation Acupan
- 13. Ore Asia Mining & Development
- 14. Philippine Mining and Development Corporation

Number of PH-EITI targeted mining companies through the years (2012-2016)



Never participated

The PH-EITI has produced four (4) country reports covering fiscal years 2012 to 2016. One company has never participated in the initiative namely CTP Construction and Mining Corporation in Carrascal, Surigao del Sur.

In 2017, an administrative order from the Department of Environment Natural Resources (DAO 2017-07) mandated mining contractors to participate in the PH-EITI. Failure to comply with disclosure requirement of the PH-EITI shall cause suspension of the Environmental Compliance Certificate (ECC) and non-issuance of ore transport and/or mineral export permit until the contractor has complied with the PH-EITI requirements.

As PH-EITI published its fourth report, the DENR Mines and Geosciences Bureau issued a show cause order to all companies who did not participate in the fourth report of the PH-EITI.

ECONOMIC CONTRIBUTION OF LARGE-SCALE METALLIC MINING

How much did the government receive in 2015-2016?

Government revenue is based on production and market value of minerals. In 2015 and 2016, the government received Php 6.2 billion and Php 6.4 billion, respectively. A total of ten (10) revenue streams were included in the fourth report.

The royalty payment for indigenous peoples is not considered government revenue since it is directly paid to the indigenous community.

Table 1. Total government revenue, 2015

Revenue Stream	Amount (Php)
Corporate income tax	2,666,419,067
Excise tax	1,300,113,058
Withholding tax - foreign	79,334,041
Withholding tax - royalty to claim owners	162,767,504
Custom duties	76,623,291
VAT on imported materials	441,650,105
Local business tax	348,594,168
Real property tax - basic	35,497,812
Real property tax - SEF	29,599,405
Royalty on mineral reservation	1,044,196,862
Total	6,184,795,313
Royalty for IPs	148,739,518
Total	6,333,534,831

Table 2. Total government revenue, 2016

Revenue Stream	Amount (Php)
Corporate income tax	2,482,401,709
Excise tax	1,560,869,637
Withholding tax - foreign	94,659,748
Withholding tax - royalty to claim owners	127,776,797
Custom duties	103,004,213
VAT on imported materials	446,029,154
Local business tax	458,433,612
Real property tax - basic	135,908,191
Real property tax - SEF	122,188,169
Royalty on mineral reservation	840,081,854
Total	6,371,353,084
Royalty for IPs	155,278,099
Total	6,526,631,183

Data Source: The Fourth PH-EITI Report (FY 2015-2016), Summary of reconciliation results streams per agency and per commodity, 2017. p. 190-198

Who is responsible for revenue collection?

The revenue streams are collected by different government entities. Below is a list of taxes and duties collected by each entity:

Bureau of Internal Revenue (BIR)

- 1. Corporate income tax
- 2. Excise tax on minerals
- 3. Withholding tax foreign shareholder dividends
- 4. Withholding tax royalties to claim owners

Bureau of Customs (BoC)

- 5. Custom duties
- 6. VAT on imported materials and equipment

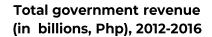
Local Government Unit (LGU)

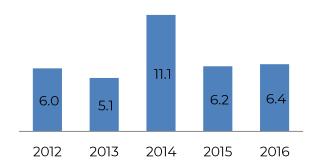
- 7. Local business tax
- 8. Real property tax basic
- 9. Real property tax Special Education Fund (SEF)

Mines and Geosciences Bureau (MGB)

10. Royalty on mineral reservation

Is there a trend in the amount of government revenue received from large-scale mining?





The graph shows a spike in 2014 government revenue to Php 11.1 billion from Php 5.1 billion in 2013. This can be attributed to the increase in production and price of nickel. If we consider 2014 revenue as an outlier, the average revenue from large scale metallic mining from 2012 to 2016 is Php 6 billion.

What does local government receive from large-scale mining?

As mentioned in the previous section, local government collects local business tax, basic real property tax and real property tax for the special education fund. The local government receives a share of 40 percent of excise tax and 36 percent of the mineral reservation royalty.

The table below presents the total government revenue categorized into each revenue stream by national and local government.

Table 3. Share per revenue stream, 2015

Revenue Stream	Amount (Php)
National government	
Corporate income tax	2,666,419,067
Excise tax (60%)	780,067,835
Royalty on mineral reservation (54%)	563,866,305
VAT on imported materials	441,650,105
Withholding tax - royalty to claim owners	162,767,504
Royalty on mineral reservation (10%)	104,419,686
Withholding tax - foreign	79,334,041
Custom duties	76,623,291
Subtotal	4,875,147,834
Local government	
Excise tax (40%)	520,045,223
Royalty on mineral reservation (36%)	375,910,870
Local business tax	348,594,168
Real property tax - basic	35,497,812
Real property tax - SEF	29,599,405
Subtotal	1,309,647,479
Total	6,184,795,313

Percentage of local government share versus national government share, 2015

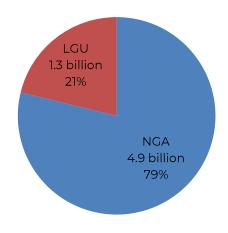
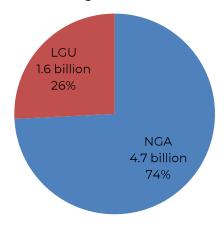


Table 4. Share per revenue stream, 2016

Revenue stream	Amount (Php)
National government	
Corporate income tax	2,482,401,709
Excise tax (60%)	936,521,782
Royalty on mineral reservation (54%)	453,644,201
VAT on imported materials	446,029,154
Withholding tax - royalty to claim owners	127,776,797
Custom duties	103,004,213
Withholding tax - foreign	94,659,748
Royalty on mineral reservation (10%)	84,008,185
Subtotal	4,728,045,790
Local government	
Excise tax (40%)	624,347,855
Local business tax	458,433,612
Royalty on mineral reservation (36%)	302,429,467
Real property tax - basic	135,908,191
Real property tax - SEF	122,188,169
Subtotal	1,643,307,294
Total	6,371,353,084

Percentage of local government share versus national government share, 2016



The national government receives most of the proceeds from mining revenues. However, social and environmental impacts happen at the local level.

The highest revenue stream for both 2015 and 2016 is the corporate income tax, which is generally levied to entities at 30 percent and paid directly to the responsible agency i.e. BIR.

Which companies pay the highest taxes?

Table 5. Top tax paying companies, 2015

Company	Reconciled amount
Taganito Mining Corporation	1,148,125,609
Rio Tuba Nickel Mining Corp.	812,506,914
Philex Mining Corporation	528,068,925
Platinum Group Metals Corporation	502,729,657
Berong Nickel Corporation	480,389,246

Table 6. Top tax paying companies, 2016

Table of top tax paying companies, zone	
Company	Reconciled amount
Taganito Mining Corporation	1,083,498,129
Philex Mining Corporation	885,128,873
OceanaGold (Phils.), Inc.	735,783,773
Rio Tuba Nickel Mining Corp.	693,289,220
Carmen Copper Corporation	467,744,519

Data Source: The Fourth PH-EITI Report (FY 2015-2016), Summary of reconciliation results for revenue streams per participating company, 2017. p. 198-202

Could government have earned more?

We see at least two areas which may be considered foregone government mining revenues:

Mineral reservation royalties

Mineral royalties are paid by companies operating in declared mineral reservations. There are four government declared mineral reservations located in Zambales, Surigao del Norte, Surigao del Sur, and Dinagat Islands. The royalty in mineral reservation represents 5% of the market value of the total gross output produced.

If the government imposes mineral royalties on all mining companies, it should have collected an additional Php 2.1 billion in 2015 and Php 2.9 billion in 2016.

Table 7. Loss from mineral royalties, 2015-2016

Mineral royalties	2015	2016
Excise Tax (2% of Sales)	1,300,113,058.00	1,560,869,637.00
Estimated Sales using Excise Tax	65,005,652,900.00	78,043,481,850.00
Mineral royalty if all companies pay	3,250,282,645.00	3,902,174,092.50
Actual Royalty from Mineral Reservations	1,096,089,543.00	1,062,735,178.00
Difference: What more we could have earned	2,154,193,102.00	2,839,438,914.50
Could have gained in %	151%	137%

Corporate Income Tax and Income Tax Holidays

Companies register with the Board of Investments (BOI) of the Department of Trade and Industry (DTI) to avail fiscal incentives particularly income tax holiday – not to be subjected to corporate income tax. These companies are:

- 1. Carrascal Nickel Corporation
- 2. Citinickel Mines and Development Corp.
- 3. Marcventures Mining and Development Corporation
- 4. Platinum Group Metals Corporation
- 5. OceanaGold (Philippines) Inc.
- 6. Krominco, Inc.

Table 8. Loss from fiscal incentive, 2015

Company, 2015	Profit before tax	Corporate Tax Liability*	Income Tax Expense	Loss from ITH
Carrascal Nickel Corporation	1,174,217,430	352,265,229	392,594	351,872,635
Citinickel Mines and Development Corporation	1,033,409,833	310,022,950	(11,087,605)	321,110,555
Marcventures Mining and Development Corporation	359,586,793	107,876,038	10,331,265	97,544,773
Platinum Group Metals Corporation	3,134,625	940,388	(53,205)	993,593
OceanaGold (Philippines), Inc.	95,857,435	28,757,231	(3,700,166)	32,457,397
Krominco, Inc.	(23,651,569)	(7,095,471)	11,563,106	-
			Total	803,978,952

Table 9. Loss from fiscal incentive, 2016

Company, 2016	Profit before tax	Corporate Tax Liability*	Income Tax Expense	Loss from
Carrascal Nickel Corporation	1,091,416,788	327,425,036	3,950,710	323,474,326
Citinickel Mines and Development Corporation	no data	-	-	-
Marcventures Mining and Development Corporation	no data	-	-	-
Platinum Group Metals Corporation	no data	-	-	-
OceanaGold (Philippines), Inc.	154,178,755	46,253,627	3,844,524	42,409,103
Krominco, Inc.	no data	-	- Total	- 365,883,429

^{*30} percent of net taxable income

Data Source: The Fourth PH-EITI Report (FY 2015-2016), Financial Statement of Participating Companies.

How many are locally-employed by large-scale mining?

In the fourth EITI report, 37 companies reported employment data. A total of 28,785 were employed in 2015. Fifty-five percent (55%) were regular employees, while 45 percent (45%) were contractual. Ninety-three percent (93%) were male, and seven percent (7%) were female.

IP					
	Ma	ale	F	emale	
Year	Regular	Contractual	Regular	Contractual	Total
2015	1,604	2,162	200	37	4,003
2016	1,604	2,162	200	37	4,003

Non-IP					
	Male		F	emale	
Year	Regular	Contractual	Regular	Contractual	Total
2015	12,855	10,291	1,280	356	24,782
2016	12,855	10,291	1,280	356	24,782

Data Source: The Fourth PH-EITI Report (FY 2015-2016), Summary of employment data of participating entities, 2017. p. 114-119

Declared Minahang Bayan

Minahang Bayan refers to the entire area declared as People's Small-Scale Mining Area pursuant to RA No. 7076 or the People's Small-Scale Mining Act of 1991. Based on the records of the MGB Central Officer, there are 6 declared Minahang Bayan, while 102 applications are pending and 69 are under evaluation by the DENR.

Table 10. Declared Minahang Bayan, 2017

Reg ion	Proponent	Commodity	Area (ha)	Location
IV	Manlana Small- Scale Miners Association	Gold	735	Manlana, Buenavista, Quezon
VIII	Waso and Binalay Small-Scale Mining Producers Association	Chromite	80	Waso, Llorente, Eastern Samar
ΧI	Development Community Mining Livelihood Cooperative	Chromite	40	Barangay Maputi, Banaybanay, Davao Oriental
XIII	Masabong Village SSM Association	Gold	592	Masabong, Bayugan III, Rosario, Agusan del Sur
XIII	Tubajon Peoples SSMining Area/Provincial Government of Dinagat	Chromite	592	San Jose, Dinagat Island
ΧI	Pintatagan Small- Scale Mining Producer Cooperative	Magnesite	71	Barangay Pintatagan, Banaybanay, Davao Oriental

Data Source: The Fourth PH-EITI Report (FY 2015-2016), Declared Minahang Bayan as of 2017, 2017. p.153

Social Development and Management Program (SDMP)

SDMP accounts for 1.5 percent of the company's operating cost – it is allocated for social programs for host and neighbouring communities, mining technology and geosciences, and information, education and communications programs. SDMP expenditure had consistently increased from 2012 to 2015, but dropped in 2016. This reflects a dip in operating cost.

Annual SDMP (in millions, Php), 2012-2016

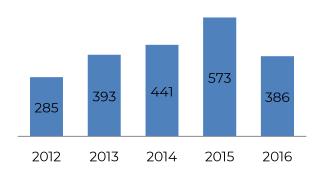


Table 11. Companies with highest SDMP expenditures, 2015

	Company	Total
1	Philex Mining Corporation	239,143,273
2	OceanaGold (Phils.), Inc.	233,509,191
3	Taganito Mining Corporation	119,902,777
4	Carrascal Nickel Corporation	84,386,187
5	Cagdianao Mining Corporation	67,410,093

Table 12. Companies with highest SDMP expenditures, 2016

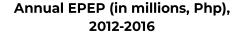
	Company	Total
1	Philex Mining Corporation	348,136,355
2	OceanaGold (Phils.), Inc.	316,297,697
3	Carmen Copper Corporation	232,469,313
4	Platinum Group Metals Corporation	160,253,021
5	Carrascal Nickel Corporation	114,555,464

Data Source: The Fourth PH-EITI Report (FY 2015-2016), SDMP of participating metallic and non-metallic entities, 2017. P. 130-132

Environmental Protection and Enhancement Program (EPEP)

EPEP refers to the comprehensive and strategic environmental management plan for the life of the mining project. This is the basis of an Annual EPEP. The AEPEP intends to achieve the environmental management objectives, criteria and commitments including protection and rehabilitation of the disturbed environment.

Annual EPEP may approximate a minimum of 3-5% of its direct mining and milling costs. The AEPEP compliance is assessed by a Multi-partite Monitoring Team (MMT). MMTs are required to submit reports every quarter.



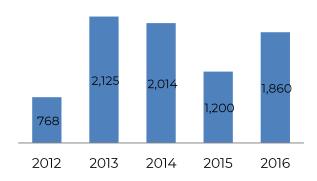


Table 13. Companies with the highest EPEP expenditures, 2015

	2015	
1	OceanaGold (Phils.), Inc.	335,399,597
2	Philex Mining Corporation	270,947,280
3	Taganito Mining Corporation	255,750,300
4	Carmen Copper Corporation	225,372,422
5	Platinum Group Metals Corporation	110,404,456

Table 14. Companies with the highest EPEP expenditures, 2016

	2016	
1	Philex Mining Corporation	446,744,569
2	Carmen Copper Corporation	411,680,598
3	OceanaGold (Phils.), Inc.	193,303,960
4	Taganito Mining Corporation	144,722,154
5	Rio Tuba Nickel Mining Corporation	103,084,000

Data Source: The Fourth PH-EITI Report (FY 2015-2016), *Annual EPEP of participating entities*, 2017. P. 132-143

OIL AND GAS

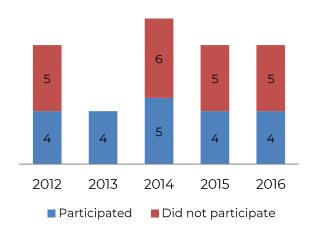
Who Participated and Who Did Not?

Out of the 9 target companies, only 5 companies participated in the fourth report.

The 4 oil and companies that declined to participate in the fourth report:

- 1. Cosco Capital, Inc. (formerly Alcorn Gold Resources Corp.)
- 2. Oriental Petroleum and Minerals Corporation
- 3. Forum Energy Philippines Corp.
- 4. The Philodrill Corporation

Number of PH-EITI targeted oil and gas companies through the years



How much did the government receive in 2015-2016?

Table 15. Total government revenue, 2015

Revenue Stream	Amount (Php)
Corporate income tax	5,863,268,626
Withholding tax - Profit remittance to principal	1,765,607,243
Government share from oil and gas production	13,252,679,561

Table 16. Total government revenue, 2016

Revenue Stream	Amount (Php)
Corporate income tax	5,978,583,364
Withholding tax - Profit remittance to principal	1,778,486,445
Government share from oil and gas production	13,265,524,122

Data Source: The Fourth PH-EITI Report (FY 2015-2016), Summary of reconciliation results streams per agency and per commodity, 2017. p. 190-198

Who is responsible for revenue collection?

The revenue streams are collected by different government entities. Below is a list of taxes and duties collected by each entity:

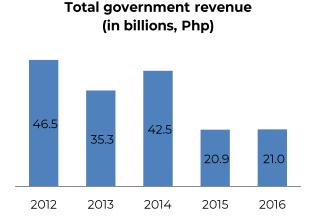
Bureau of Internal Revenue (BIR):

- 1. Corporate income tax
- 2. Withholding Tax Profit Remittance to Principal

Department of Energy (DoE):

3. Government Share from Production

Is there a trend in the amount of government revenue received from the oil and gas industry?



Bulk of the government revenues from the extractive industry is generated from the oil and gas sector. The national government collected Php 21 billion both in 2015 and 2016. The Department of Energy collects most of the payments which is the government share from oil and gas production. The sharp plunge in 2015 and 2016 revenues was due to the reported decline in industry sales. Oil and gas prices significantly dropped that induced losses in the sector.

Malampaya Fund

As mandated by law, the Malampaya Fund or the Special Account in the General Fund (SAGF) 151 should be used "to finance energy resource development and exploration programs and projects of the government and for such other purposes as may be hereafter directed by the President".

The Supreme Court issued a ruling in 2013 stating that the fund can be solely spent on energy resource development and exploitation activities. Since 2014, there have been no releases chargeable against the said fund.

Table 17. SAGF 151 balance and cash flows, 2015-2016

Table 17: 5AG1 151 balance and cash nows, 2015 A	
Balance as of 1 January 2015	172,944,769,692
2015	
Unutilized Notice of Cash Allocation (NCA)	126,899,774
Collections	17,030,383,158
Disbursements	1,635,220,411
Balance as of 31 December 2015	8,466,822,213
2016	
Unutilized NCA as of 31 December 2015	430,491,809
Collections	16,343,617,691
Disbursements	2,066,068,828
Balance as of 31 December 2016	203,174,862,885

Data Source: The Fourth PH-EITI Report (FY 2015-2016), SAGF 161 balance and cash flows, 2015-2016. p. 168

RECOMMENDATIONS FOR THE 5TH PH-EITI REPORT

Bantay Kita convened the PH-EITI CSO MSG to advance its advocacy in the PH-EITI. Through a series of discussions, recommendations for the fifth report were formulated and raised during the MSG meeting. These include:

- Interpret social and environmental data
- Encourage non-metallic reporting per project
- Provide data on auxiliary rights (water, land, forestry) granted to mining companies
- Define the scope and limitations of employment data to align with other government reports
- Acquire MMT/SDMP/NCIP reports from Regional Offices
- Pilot Beneficial Ownership reporting
- Urge existing operators within Minahang Bayan areas to participate
- Explore avenues to increase company participation of nonmetallic mines

UPDATES ON RECOMMENDATIONS FROM PREVIOUS REPORTS

Recommendation	Progress/Update
Department of Budget and M	anagement/Bureau of Treasury
Transparency of release of LGU shares in national wealth	Pending joint circular to be signed by collecting agencies and DBM and BTr
LGUs should be informed about the names of companies in their locality, place of extraction, collections from each company, type of revenue, date of payment, and the computation of LGU share.	DBM already has a draft enhanced guidelines with the following features: streamlined processes, compressed schedules, transparency in the allocation of the shares of LGU, and posting/reporting requirements in the utilization of the shares of LGUs
	DBM is still waiting for comments on/approval of the guidelines by concerned government agencies.
Request DBM regional offices to submit all available information on the LGU shares for earlier years (from 2013 backwards) to trace backlogs.	No update
Department of Environment a	and Natural Resource
Capacitate MGB regional offices and multipartite monitoring teams (MMTs)	MGB is implementing transparent mechanisms in the selection and formation of MMTs and Mine Rehabilitation Fund Committees (MFRCs)
Make EITI participation a prerequisite for the issuance of small-scale mining permits.	MGB has started improving its database to include small-scale mining and EITI data
Require all mining companies to participate in EITI	Through DAO 2017-07, MGB issued show cause orders to non-participating companies of the fourth report

Improvement of MGB's	MGB has launched its Database Portal,
license register and maps of	which can be accessed at
mining tenements	http://databaseportal.mgb.gov.ph
Activation of Provincial	PMRB has been activated
Mining Regulatory Boards	
(PMRBs)	
Improvement of MGB	MGB ensures that there is coordination
database and monitoring	between companies and local
system for SDMPs	development councils with regard to
	formulation of SDMPs.
	There is an ongoing standardization of
	monitoring checklist for SDMP
	MGB is also implementing electronic
	submission of SDMPs and reports to
	MGB Central Office by Regional Offices.
National Commission on Indig	genous Peoples
Utilization of monitoring tool	NCIP and PH-EITI conducted pilot
for MOA implementation and	implementation participated in by
Tot 1/10/ (III)picificification and	implementation participated in by
IP royalty payments, which	NCIP Central and Regional Office
· ·	NCIP Central and Regional Office representatives, mining company
IP royalty payments, which PH-EITI developed with NCIP (approved under Commission	NCIP Central and Regional Office
IP royalty payments, which PH-EITI developed with NCIP	NCIP Central and Regional Office representatives, mining company
IP royalty payments, which PH-EITI developed with NCIP (approved under Commission	NCIP Central and Regional Office representatives, mining company representatives, and IP leaders/MOA
IP royalty payments, which PH-EITI developed with NCIP (approved under Commission En Banc Resolution No. 06- 033-2015)	NCIP Central and Regional Office representatives, mining company representatives, and IP leaders/MOA signatories in Cordillera, Palawan,
IP royalty payments, which PH-EITI developed with NCIP (approved under Commission En Banc Resolution No. 06-033-2015) Build capacity of IPs to	NCIP Central and Regional Office representatives, mining company representatives, and IP leaders/MOA signatories in Cordillera, Palawan, Davao, and Caraga regions in March
IP royalty payments, which PH-EITI developed with NCIP (approved under Commission En Banc Resolution No. 06- 033-2015) Build capacity of IPs to monitor their royalties	NCIP Central and Regional Office representatives, mining company representatives, and IP leaders/MOA signatories in Cordillera, Palawan, Davao, and Caraga regions in March
IP royalty payments, which PH-EITI developed with NCIP (approved under Commission En Banc Resolution No. 06- 033-2015) Build capacity of IPs to monitor their royalties through their own	NCIP Central and Regional Office representatives, mining company representatives, and IP leaders/MOA signatories in Cordillera, Palawan, Davao, and Caraga regions in March
IP royalty payments, which PH-EITI developed with NCIP (approved under Commission En Banc Resolution No. 06-033-2015) Build capacity of IPs to monitor their royalties through their own monitoring mechanisms.	NCIP Central and Regional Office representatives, mining company representatives, and IP leaders/MOA signatories in Cordillera, Palawan, Davao, and Caraga regions in March and August 2017.
IP royalty payments, which PH-EITI developed with NCIP (approved under Commission En Banc Resolution No. 06-033-2015) Build capacity of IPs to monitor their royalties through their own monitoring mechanisms. Improvement of NCIP's	NCIP Central and Regional Office representatives, mining company representatives, and IP leaders/MOA signatories in Cordillera, Palawan, Davao, and Caraga regions in March and August 2017. NCIP issued a directive for all field
IP royalty payments, which PH-EITI developed with NCIP (approved under Commission En Banc Resolution No. 06-033-2015) Build capacity of IPs to monitor their royalties through their own monitoring mechanisms.	NCIP Central and Regional Office representatives, mining company representatives, and IP leaders/MOA signatories in Cordillera, Palawan, Davao, and Caraga regions in March and August 2017. NCIP issued a directive for all field offices to monitor activities of and
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Department of Interior and Lo	ocal Government/Bureau of Local
Digitize and improve the reporting system of LGUs	The ENRDMT, an improved online reporting system for local government units, has been implemented BLGF maintains regular coordination with PH-EITI and the Philippine Poverty-Environment Initiative (PPEI) to continuously enhance the reporting
Review legislation on sharing of local business tax	The BLGF submitted its proposed amendments to the LGC, which included Sections 293 (Remittance of the Share of LGUs) and 294 (Development and Livelihood Projects). This proposal is part of the BLGF priority agenda.
Require reporting per company and not per service contract.	No update yet
Designate an EITI point person from DOE's financial services	Dir. Araceli Soluta is the EITI focal person from DOE's Financial Services.
Require companies including Semirara Mining and Power Corporation to participate	No update yet.
Disclose all oil and gas and coal contracts, including the contract of Semirara Mining and Power Corporation.	DOE is currently developing the Energy Data Center of the Philippines (EDCP) online inquiry site, a virtual storage facility for energy data and information involving energy exploration and development in the Philippines.

Department of Finance/Bureau of Internal Revenue				
Propose amendments to	Proposed amendment included in the			
confidentiality clause in the	EITI			
National Internal Revenue				
Code	Bill exempting extractive companies in			
	relation to EITI participation			
Bureau of Customs				
Validate if all capital	No update			
equipment are zero- rated.				
Philippine Ports Authority				
Revise the system of	No update			
reporting payments to				
indicate principals of				
subcontractors				

WHERE DO WE GO FROM HERE?

Institutionalize PH-EITI

The sustainability of the EITI is key to advancing the transparency of the extractive industry. Through the institutionalization of the EITI, the government will allocate funds that will continue the initiative it has started. Without EITI, access to data on extractive industries is at risk. The PH-EITI was established through an Executive Order, while mandatory participation of mining contractors was established through a DENR administrative order – if anything happens, these policies can be revoked by present administration which then calls for the passage of a law institutionalizing the EITI.

Report on beneficial ownership

The EITI International requires each participating company to create a beneficial ownership registry by 2020. It is a public registry of corporate entities that apply for, or hold an interest in an exploration or production of the extractive industry including identities of beneficial owners – name, nationality and place of residence. Knowing who the real beneficial owners of a mining company are significant to the people's right to information who extracts its natural resource. It also matters to the communities that are affected by this operation because the people and power behind it impact their lives.

Adopt and Mainstream PH-EITI at the local level

Communities where mining activities take place have the most to gain as well as the most to lose. A local multi-stakeholder platform to share data and discuss resource governance like the EITI will provide information symmetry and a space for decision-making closer to those who are impacted the most. Ensuring that local government monitoring is attuned with EITI standards will lessen the need for the creation of additional reports. It will also show a seamless picture of the relationship between revenue and expenditure. This will contribute to better financial management.

Revisit the Minihang Bayan approval process

The number of pending applications for Minahang Bayan is a cause for concern. PH-EITI CSO MSG members suggest a review of the application process and required documentation. This may help identify bottlenecks and gaps, and become a basis for recommended reforms. Having more Minahang Bayans mean that more small scale miners may be formalized and regulated. This can accrue to better labor, safety and health standards, as well as increased government revenue.

CONCLUSION

The PH-EITI has published four country reports presenting data from 2012 to 2016. This should provide an overview of the extractive industries impact and contribution to the country's economy and development. Results can be used to push policy reforms in natural resource governance, anchored on having a fair share for the country as well as the affected communities.

Bantay Kita aims to empower local communities to appreciate accessible, timely, and complete data for their own decision-making. We continue to call for enhanced transparency and increased opportunities for genuine community participation in natural resource governance through the PH-EITI and beyond. We remain committed to increase community appreciation of data by improving capacity and providing relevant knowledge products so that they can use it as a basis for reforms







Bantay Kita

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