

Draft: Mining Philippines speech

On behalf of Secretary Loyzaga, I wish to thank the organizers of Mining Philippines for the invitation to the DENR to be a part of this important day. She would have wanted to be present here, but she is currently in New York as part of the official delegation to the United Nations 78th General Assembly and she requested me to deliver this message on her behalf.

Under this administration, we have deliberately tried to continuously engage our stakeholders and this occasion presents an excellent opportunity to participate in one of the largest annual gatherings of the mining industry.

Climate change, the environment, biodiversity and inclusive, resilience and sustainable development are inextricably linked. And mineral resource development intersects all of them in different ways.

Today's climate emergency is driving the global clean energy transition. This transition involves the generation of renewable energy, the need for energy storage and other new technologies such as those related to the supporting infrastructure and manufacture of electric vehicles. These projects are highly mineral-intensive and their accelerated adoption will significantly increase the demand for critical and strategic minerals. These include: copper, chromium, and nickel.

What this means is that the Philippines can be in a unique position to be an important player in the global clean energy market and provide sustainable solutions to the climate crisis. This demand for minerals comes at a time when the mining sector is expected to help generate government income to bolster our economic recovery. While the sector grows, however, global studies have shown the responsible mining that marries financial viability with environmental sustainability and social development can ensure a longer life of mine, greater acceptability and license to operate and sectoral stability.

Mining companies are now, more than ever, expected to address issues of environmental protection and rehabilitation, social equity, climate action and disaster risk reduction in their core business value cycles and in their ESG programs. A responsive and responsible mining industry that delivers both corporate and national dividends and abides by the guidelines of the Task Forces of Climate and Nature-related financial disclosures is what we envision for the country.

Today I'd like to speak to you about the relationship of DENR and the industry, in particular, two terms that are often interchanged: regulatory functions and governance. There are subtle but significant differences. First, regulation refers to rules and policies that control an industry while Governance includes laws and regulations but also processes and mechanisms that guide an industry. Second, regulations are imposed by a regulatory body and thus the regulator and regulated boundary are clearly demarcated whereas governance can come from government but also from professional associations such as the Chamber, and internally from the company itself. Finally, and probably the most telling difference, is that regulations are meant to impose the rule of law, while governance includes the same but it also includes the objective of an industry to operate ethically, efficiently and effectively to ensure its success. The DENR supports the governance role moving forward.

This is no lip service. We've pilot-tested a new process called Negotiated Sustainability and Resilience Agreement or NSRA and will work towards its implementation next year. It's an add on to the ECC process but before you complain, let me tell you that it takes 90 minutes to complete. This process

involves a dialogue between the DENR and the mining company to identify and negotiate shared goals such as reduced environmental impacts, renewable energy adoption, community resilience for the overall improvement of their quality of life. The NSRA goes beyond compliance. It is a partnership based on agreed values, principles and specific milestones. To date, two mines have undergone this process, a new gold mine up in Kalinga and one of the largest copper mines in the Visayas. When in full swing, the agreed goals will be the hallmark of the evolution of a green mine.

There are three further points in line with governance. We have revised the SDMP program to link it to the Sustainable Development Goals to build in the assurance that it responds to host community and host ecosystems needs and that any local vulnerability is transformed into capacity. We shall soon be calling on industry partners to review the new program before we put it into a DAO. Secondly, we hope to formalize small scale miners through step-wise, alternative arrangements in order to regard them as partners and members of the mining sector, as well. One of these is a proposal to register small scale miners individually, followed by the establishing of a loose organization as the foundation for a more formal association or cooperative towards Minahang Bayan registration. Third, we have adopted the Mitigation Hierarchy in evaluating proposed and ongoing developments, including those in the mining sector. This starts with avoiding any adverse impacts. Next, if things cannot be avoided, programs to reduce its impacts shall be put in place. Where impacts cannot be avoided, rehabilitation is undertaken. Finally, for active areas of operation where conditions can never be fully rehabilitated, the offsetting as compensatory action for the damage to the ecosystems through investments in the preservation and enhancement of high value biodiversity areas must be seriously considered and .

Finally, we are pleased to inform the Chamber that the DENR is investing in the digitization of all mining-related information and the processing of applications and permits. We have substantially completed migrating all data onto a single platform, with the exception of data from one last division in the MGB. Digitization should address making our procedures more efficient, leading to shorter and more transparent processing permits and applications. We have likewise engaged the expertise of PWC Philippines. They will be supporting our department-wide process as we ensure that the bureaus and their people and technologies are fit for purpose.

All in all we commit to deliver a more efficient and transparent system in MGB next year as an integral part of our mining governance efforts. All of these are for the expressed purpose of establishing a more professional, responsible and globally competitive mining industry.

Best wishes to the Chamber of Mines. Congratulations and more power to the all who are working for a stable and sustainable mining sector.