



P H - E I T I

Philippine Extractive Industries Transparency Initiative

 www.pheiti.dof.gov.ph

 pheiti@dof.gov.ph



Environmental, Social, Governance “ESG”

E

Environmental

- Climate Change
- Water Scarcity
- Waste
- Pollution
- Natural Resources Use
- Renewable Energy, Clean Tech
- Biodiversity Protection

S

Social

- Labour policies
- Supply Chain
- Social Impact
- Community Relations
- Fair work conditions
- Equality and Diversity

G

Governance

- Shareholder Rights
- Executive Compensation
- Diversity
- Voting Rights
- Business Ethics and Anti-corruption
- Transparency

Background



The **Extractive Industries Transparency Initiative** or **EITI** is a global standard of transparency that requires oil, gas, and mining companies to disclose what they pay to the government, and the government to publish what they collect from these companies, for the open and accountable governance

More than 50 countries have committed to participate in EITI.



Established by virtue of EO No. 79, s. 2012 and EO No. 147, s. 2013



Admitted as an EITI candidate country on 22 May 2013



Included under the Philippine Open Government Partnership (PH-OGP) National Action Plan since 2013



Included under the Philippine Open Government Partnership (PH-OGP) National Action Plan since 2013



Bills already filed to institutionalize PH-EITI (HB 6950, SB 549, SB 577)

Assisted by a National Secretariat holding office in the DOF

Operationalized by a Multi-stakeholder Group (MSG) from government, industry, and civil society



2023 EITI Standards

The new 2023 EITI Standards was presented during the 2023 Global Conference on June 2023.

These broadly cover four thematic areas:

- **Anti-corruption:** New provisions enhance opportunities for countries and companies to use the EITI platform to identify and address corruption risks in the natural resource sector.
- **Energy transition:** New provisions support disclosures and public debate on the impacts of the energy transition by shedding light on relevant policies, as well as the revenues that countries can expect to receive from their oil, gas and minerals under different market scenarios.
- **Gender, social and environmental issues:** To help ensure that natural resources are managed in the interest of all citizens, there are strengthened provisions on promoting greater diversity in decision-making and disclosures that consider gender, social and environmental issues.
- **Revenue collection:** New and refined provisions require more comprehensive and detailed disclosures, which can help countries strengthen their tax base and raise revenues.

Source: <https://eiti.org/documents/2023-eiti-standard-summary-changes>

Background



Beneficial Ownership Registry



Online Reporting in the Extractives



DASHBOARD

Reporting Year (2021)

PENDING VALIDATION CARD

44

NO DATA ENTRY

25

DATA ENTRY - IN PROGRESS

23

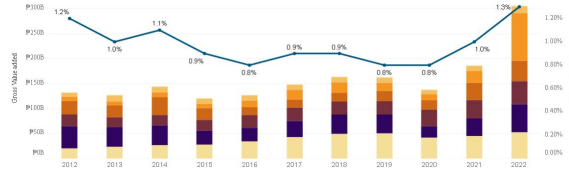
Government Agencies

Extractives Data Generator (EDGE)

P235B coal P698B metallic P415B non-metallic P399B oil and gas

Current period

Percent share to GDP



PH-EITI Contracts Portal

Maps About

An open database of Mining, Oil and Gas Contracts in the Philippines

Explore

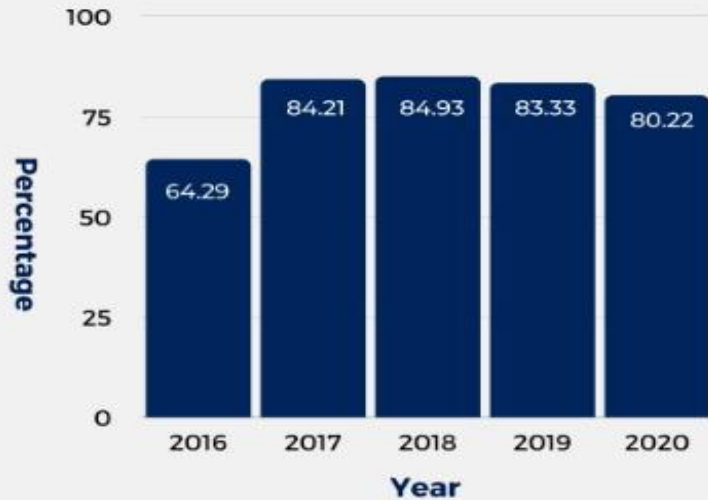
Browse by company name or search by contract type, contract number, commodity, signature date or location

Search

The PH-EITI commits to provide transparency and accountability through disclosing data at source through government and corporate **databases, online registries, websites and portals** that provide citizens and stakeholders with accessible and up to date information on the sector.

Participation rate

Participation Rate* (%)



*target number of projects vis a vis number of projects that participated

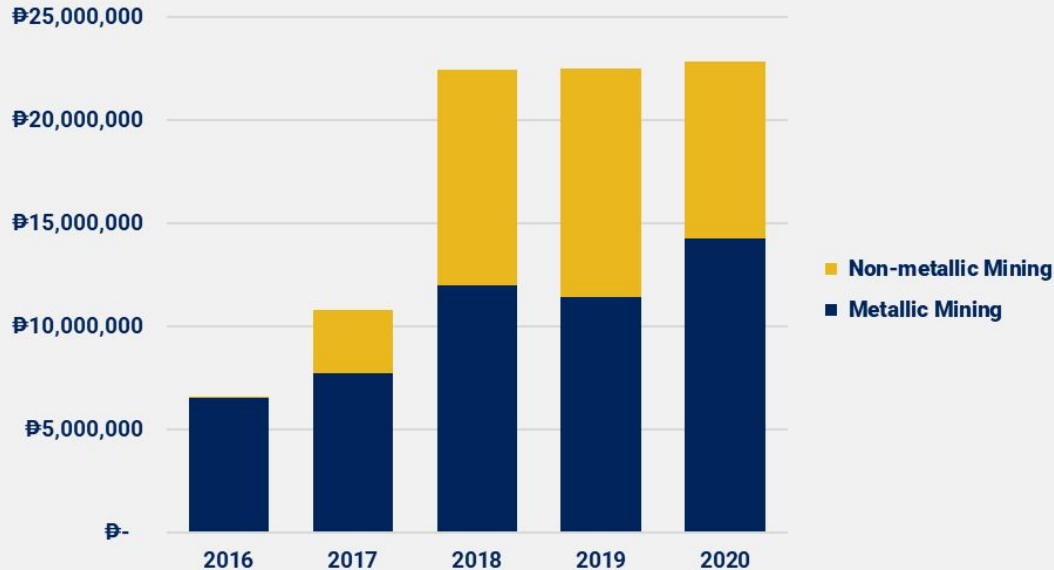
The participation rate of companies to PH-EITI rose significantly from **64.29% in 2016 to 84.21% in 2017**.

Purportedly, the increase was due to the implementation of **DAO-2017-07** that mandates the mining contractors to participate in the PH-EITI.

Participation rate became stable between **80-84% from year 2017 to 2020**.

PH-EITI Reconciliation

Reconciled Amount (in '000)

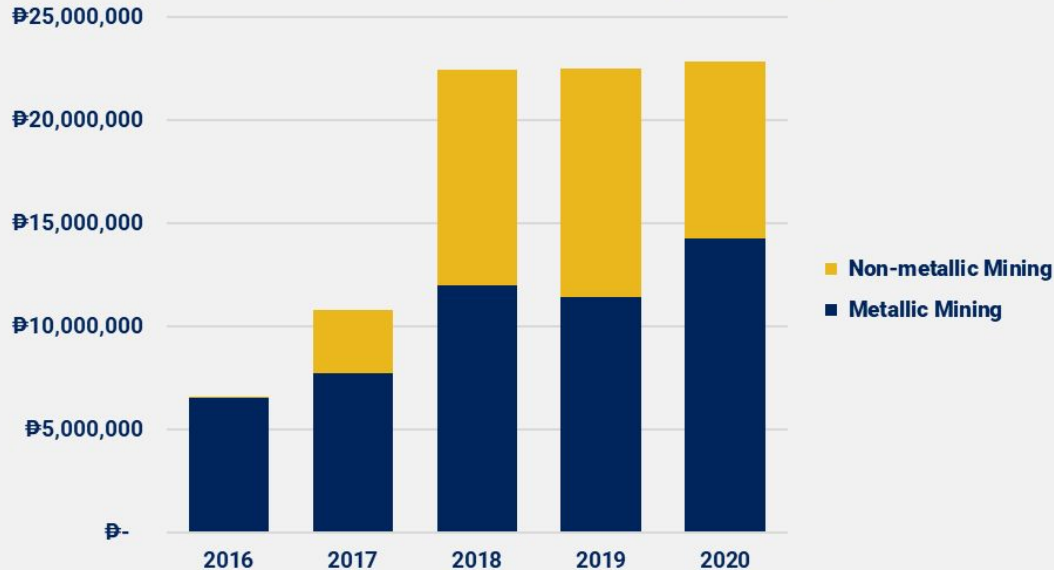


The EITI reconciliation process **reconciles** participating company payments **received and reported by the government.**

Reconciled amount reflects the **true amount of the transaction** between the company and the government agency.

PH-EITI Reconciliation

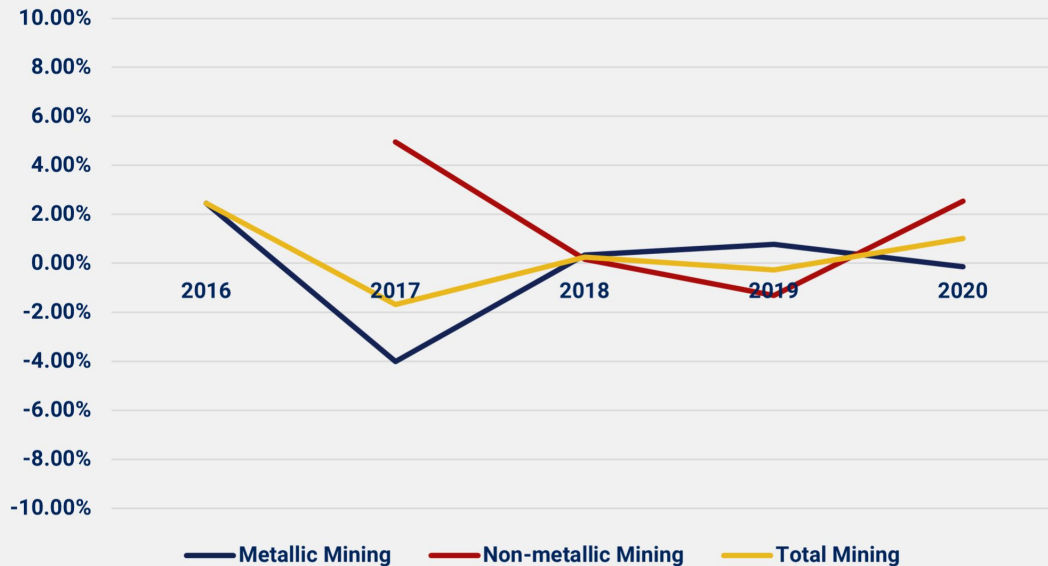
Reconciled Amount (in '000)



Reconciled payments are **duly supported with detailed schedules and supplemental documents.**

PH-EITI reconciled a total of **Php 85 billion** payments from the mining industry to the government in the past 5 years.

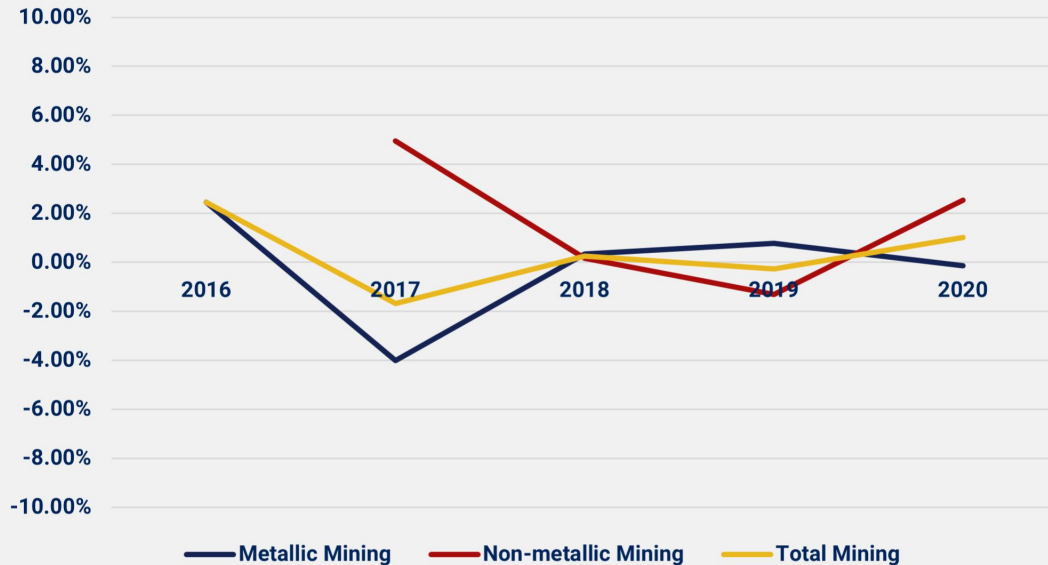
% Post-Reconciliation Variance



Variance post-reconciliation are payments that **cannot be supported** with either a detailed schedule or other documents.

The **mining industry's** post-reconciliation variance for the past 5 years has been fluctuating between **-2% to 3%**.

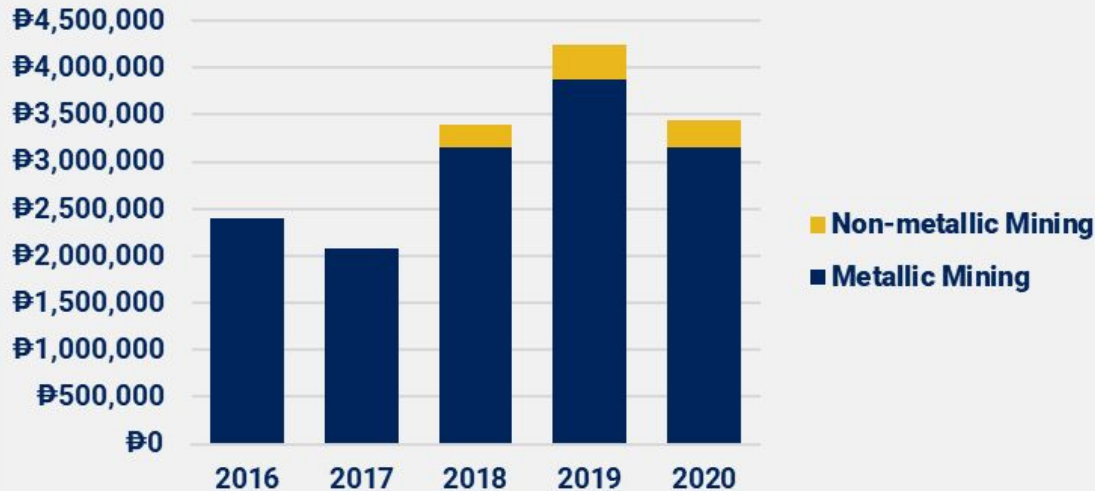
% Post-Reconciliation Variance



Given the historically small magnitude of % post-reconciliation variance, there is **little evidence of financial irregularities**

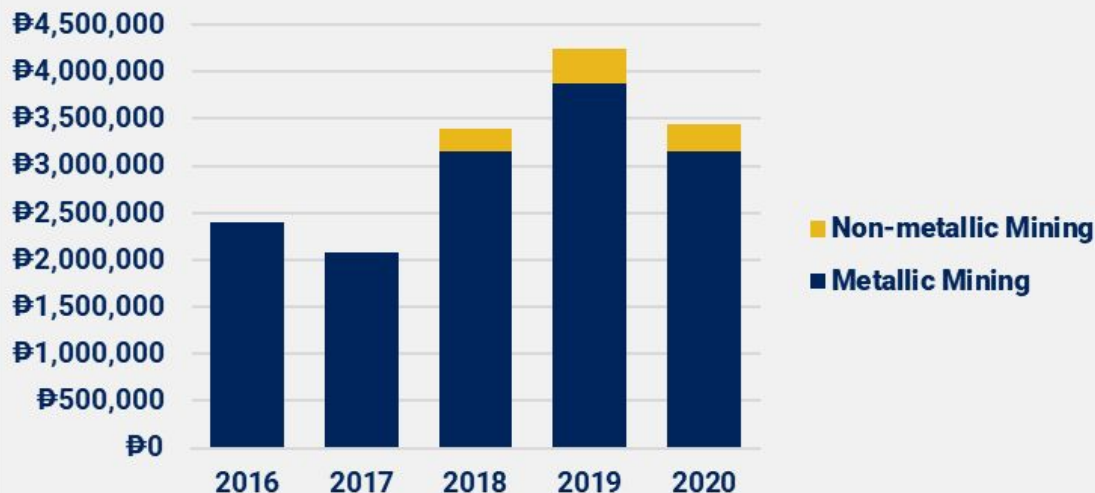
Most common causes of variance include: **timing difference, incomplete data and delayed/non-submission of supporting documents.**

Reconciled Social and Environmental Expenditures ('000)



Mandatory social and environmental are not remitted to the government, but are primarily incurred for the **benefit of host communities**, and the **protection and preservation of impacted areas**.

Reconciled Social and Environmental Expenditures ('000)



These expenditures are also **subject to reconciliation procedures** applied to company payments to government.

PH-EITI reconciled a total of over **Php 15 billion** social and environmental expenditures incurred by the mining industry in the past 5 years.

Safety and Health (FY 2020)



- For the metallic sector, **Region XIII** received the most for safety and health amounting to **Php 101 million** (39% of total reconciled safety and health expenditure). Top contributors were **Lepanto Consolidated Mining** (Php 35 million, CAR), **Taganito Mining** (Php 34 million, Region XIII), and **Rio Tuba** (Php 31 million, Region IV-B).
- For the non-metallic sector, **Region III** received the most for safety and health amounting to **Php 35 million** (60% of total reconciled safety and health expenditure). Top contributor was **Republic Cement** (Php 30 million).



Environmental Protection (FY 2020)

- For the metallic sector, **Region XIII** received the most for environmental protection amounting to **Php 862 million** (41% of total reconciled environmental protection expenditure). Top contributors were **FCF Minerals** (Php 290 million, Region II), **Taganito Mining** (Php 183 million, Region XIII), and **Philex Mining** (Php 151 million, CAR).
- For the non-metallic sector, **Region IV-A** received the most for environmental protection amounting to **Php 51 million** (34% of total reconciled environmental protection expenditure). Top contributor was **Concrete Aggregates** (Php 39 million, Region IV-A).



Social Development (FY 2020)

- For the metallic sector, **Region XIII** received the most for social development amounting to **Php 307 million** (38% of total reconciled social development expenditure). Top contributors were **Carmen Copper** (Php 130 million, Region VII) and **Philex Mining** (Php 108 million, CAR).
- For the non-metallic sector, **Region III** received the most for social development amounting to **Php 23 million** (28% of total reconciled social development expenditure). Top contributors were **Northern Cement** (Php 16 million, Region IV-A) and **Eagle Cement** (Php 8 million, Region III).



PH-EITI Reconciliation

Participating Companies in PH-EITI FY 2021 Country Report - Metallic Mining (47 companies)

AAM-PHIL Natural Resources Exploration & Development Corporation	Krominco, Inc.
Adnama Mining Resources Inc	Lepanto Consolidated Mining Co.
Agata Mining Ventures Inc.	Libjo Mining Corporation
Apex Mining Co., Inc.	LNL Archipelago Minerals Incorporated
Austral-Asia Link Mining Corporation	Marcventures Mining and Development Corporation
Benguet Corporation	OceanaGold Philippines, Inc.
Benguetcorp Resources Management Corporation	Oriental Vision Mining Phils. Corporation
Berong Nickel Corporation	Pacific Nickel Philippines Inc
C.T.P. Construction and Mining Corporation	Philex Mining Corporation
Cagdianao Mining Corporation	Philsaga Mining Corporation
Carmen Copper Corporation	Platinum Group Metals Corporation
Carrascal Nickel Corporation	Rio Tuba Nickel Mining Corporation
Century Peak Corporation	Shangfil Mining and Trading Corp.

PH-EITI Reconciliation

Participating Companies in PH-EITI FY 2021 Country Report - Metallic Mining (47 companies)

Citinickel Mines and Development Corporation	Sinosteel Philippines H.Y. Mining Corporation
Dinapigue Mining Corporation	SR Metals, Inc
Eramen Minerals, Inc.	Strong Built Mining Development Corporation
FCF Minerals Corporation	Taganito Mining Corporation
Filminera Resources Corporation	Techiron Resources, Inc.
Greenstone Resources Corporation	Tribal Mining Corporation
Hallmark Mining Corporation	TVI Resource Development (Phils.), Inc.
Hinatuan Mining Corp.	Wellex Mining Corporation
Ibalong Resources and Development Corporation	Westernshore Nickel Corporation
Itogon-Suyoc Resources, Inc.	Zambales Diversified Metals Corporation
Johson Gold Mining Corporation	

Participating Companies in PH-EITI FY 2021 Country Report - Non-Metallic Mining (23 companies)

Apo Land & Quarry Corporation BL Gozon & Co. Inc.	La Concepcion Construction and Development Corporation Lazi Bay Resources Development, Inc.
Concrete Aggregates Corporation	Montalban Millex Aggregates Corporation
Dolomite Mining Corporation	Northern Cement Corporation
Eagle Cement Corporation	Rapid City Realty and Development Corporation
Hardrock Aggregates, Inc.	Republic Cement & Building Materials, Inc.
Heirs of Elias E. Olegario/ Elysee Industries, Inc.	Republic Cement Land & Resources - Norzagaray and San Jose del Monte, Bulacan
Helix Mining and Development Corporation	
Helix Resources and Development Corporation	Republic Cement Mindanao, Inc.
Ibalong Resources and Development Corporation	Rio Tuba Nickel Mining Corporation
Island Quarry and Aggregates Corporation	Rolando B. Gimeno
JLR Construction and Aggregates, Inc.	Solid Earth Development Corporation

PH-EITI - Enhancing Transparency to Build Trust

“Mining companies say their **number-one risk** is the **trust deficit** they have with local communities... A new report by the Responsible Mining Foundation shows how better and more **transparent use of data** can help close this gap (World Economic Forum, 2020).”

PH-EITI helps **build public trust** not only in the government but also in the industry by promoting open, accountable management and good governance of oil, gas, and mineral resources.

- Public disclosure of relevant extractives and information
- Empowering and encouraging stakeholders to monitor and assess fulfillment of obligations
- Providing platforms and venues for dialogue and stakeholder engagement

What's next for PH-EITI?

- **Validation 2024**
 - The Philippines will undergo validation on January 2024 under the 2019 EITI Standards.
- **Subnationalization**
 - The PH-EITI submitted the *Subnationalizing Extractives Transparency - Ushering Participatory Governance (SET-UP-GO)* as a commitment to the PH-OGP 6th National Action Plan (NAP).
- **Data mainstreaming**
 - PH-EITI plans to devise a centralized platform that integrates government agencies databases to simplify reporting, data collection, validation and data disclosure in the extractive sector.
- **Climate action / Energy Transition**
 - In the 4th edition of the 2023 EITI Standard, new provisions support disclosures and public debate on the impacts of the energy transition.

What's next for PH-EITI?

Upcoming events for 4th quarter 2023

01

**Stakeholder
Engagement
Consultations**

02

**2023 Extractives
Transparency
Week**

03

**2023
National
Conference**

Thank you!