

Targeted assessment of the Philippines

Assessment of progress in implementing Requirement 1.3 of the 2019 EITI Standard

Acronyms

BIR	Bureau of Internal Revenue
BLGF	Bureau of Local Government Finance
COMP	Chamber of Mines of the Philippines
CSO	Civil Society Organisation
DBM	Department of Budget and Management
DENR	Department of Environment and Natural Resources
DOF	Department of Finance
EDGE	Extractives Data Generator
EGPS	Extractives Global Programmatic Support
ENRDMT	Environment and Natural Resources Data Management Tool
FPIC	Free Prior and Informed Consent
IA	Independent Administrator
IPs	Indigenous Peoples
LGU	Local Government Unit
MGB	Mines and Geosciences Bureau
MMT	Multipartite Monitoring Team
MPSA	Mineral Production Sharing Agreement
MSG	Multi-Stakeholder Group
NCIP	National Commission on Indigenous Peoples
ORE	Online Reporting in the Extractives Tool
PH-EITI	Philippines EITI
PMDC	Philippine Mining Development Corporation
PNOC-EC	Philippine National Oil Company – Exploration Corporation
PSA	Philippine Statistics Authority
SDPM	Social Development and Management Program

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Executive summary

The targeted assessment of the Philippines progress in implementing Requirement 1.3 of the EITI Standard commenced on 1 January 2024. The assessment was mandated by the EITI Board in accordance with Article 8, Section 4 of the 2019 EITI Standard.¹

¹ See [EITI Board oversight of EITI implementation | EITI](#), Article 8

Stakeholder consultations were held in person and virtually on 18-22 March 2024. The targeted assessment was finalised on 6 May 2024. The targeted assessment suggests that Requirement 1.3 on civil society engagement is mostly met.

Main findings and recommendation.

Requirement 1.3: Civil Society engagement. The Secretariat's assessment is that Requirement 1.3 is mostly met, which is an improvement since the previous Validation. The Secretariat considers that the objective of full, active and effective civil society engagement in all aspects of the EITI process, including public debate on extractive industry governance, within an enabling environment, is only mostly fulfilled and that Requirement 1.3 is mostly met. All stakeholders consulted considered that the broader environment for civil society engagement in the EITI and on broader natural resources governance has improved since the previous Validation. It was noted that there is a change in tone, rhetoric and some aspects for substance from government officials and there is no longer the heavy-handed security focus in governance. However, some stakeholders noted that aspects such as red-tagging are institutionalised and there may still be isolated cases or residual cases from the previous administration although none were highlighted in the period under review. The assessment did not establish any cases of breaches to the Protocol: Participation of civil society. There are, however, constraints to civil society participation at the local level. These constraints do not constitute breaches to the Protocol: Participation of civil society and relate mostly to funding for civil society and technical capacity of the broader civil society constituency to engage in EITI processes.

The Secretariat's assessment is that PH-EITI has not comprehensively addressed the corrective actions from the previous Validation. There is evidence of the MSG having initiated some steps towards addressing the corrective actions, including setting up a Stakeholder Engagement (SEC) committee and commissioning a report on civic space. However, there has been limited progress in completing the full action plan developed in response to the corrective actions. As an example, the MSG's civic space report is yet to be completed and published on the PH-EITI website.

The civil society constituency renewed its MSG representation in the period under review and actively engaged in EITI implementation and broader extractives resources governance issues. Civil society also commissioned a [civic space report](#) ahead of the targeted assessment. This report is available on the PH-EITI website and was subject to discussion and input by the MSG. The report and the consultations with civil society stakeholders indicate that there has been limited progress in addressing the corrective actions from the previous Validation. However, the broader environment has significantly shifted and there is considerable space for civil society engagement in all aspects of the EITI process. The civil society report notes that there is scope for improved civil society engagement at the local level and that there is need for wider government engagement in the PH-EITI MSG and activities. The report also highlights that funding availability is a barrier to civil society engagement in EITI and in broader natural resource governance.

In accordance with [Requirement 1.3](#) and the [EITI Protocol: Participation of civil society](#), the Philippines multi-stakeholder group is expected to monitor adherence to the Protocol: Participation of civil society and document its discussions related to any shortcomings identified, as well as activities undertaken to address them. The government and PH-EITI are encouraged to intensify efforts to improve subnational public debate and engagement with the EITI; and to work with civil society to strengthen the technical capacity of the broader civil society to fully engage in all aspects of EITI implementation. In accordance with the EITI protocol: Participation of civil society, civil society MSG members are encouraged to bring any ad hoc restrictions that could constitute a breach of the protocol to the attention of the MSG. The civil society constituency and the MSG should strengthen the accountability mechanisms that have been developed.

Targeted assessment scorecard

Component & EITI Requirement	Progress	Score	
Civil society engagement (#1.3)	Mostly Met	60	↑

How EITI Targeted Assessment scores work

This assessment considers Requirement 1.3. Targeted assessments assess the extent to which each EITI Requirement is met, using five categories. The targeted assessment does not include component or overall scores given that all EITI Requirements part of a component have not been assessed in this process.



- **Exceeded** (100 points): All aspects of the requirement, including “expected”, “encouraged” and “recommended” aspects, have been implemented and the broader objective of the requirement has been fulfilled through systematic disclosures in government and company systems.
- **Fully met** (90 points): The broader objective of the requirement has been fulfilled, and all required aspects of the requirement have been addressed.
- **Mostly met** (60 points): Significant aspects of the requirement have been implemented, and the broader objective of the requirement is mostly fulfilled.
- **Partly met** (30 points): Significant aspects of the requirement have not been implemented, and the broader objective of the requirement is not fulfilled.
- **Not met** (0 points): All or nearly all aspects of the requirement remain outstanding, and the broader objective of the requirement is far from fulfilled.
- **Not assessed:** Disclosures are encouraged, but not required and thus not considered in the score.
- **Not applicable:** The MSG has demonstrated that the requirement doesn’t apply.

Where the evidence does not clearly suggest a certain assessment, stakeholder views on the issue diverge, or the multi-stakeholder group disagrees with the Secretariat’s assessment, the situation is described in the assessment.

1. Assessment of civil society engagement (Requirement 1.3)

Findings from the previous Validation

Philippines's 2021 Validation found that Requirement 1.3 was partly met. Civil society was found to be actively engaged in the EITI. There was evidence of civil society influencing the scope of EITI implementation including MSG participation and the use of EITI data for advocacy and analysis and actively participates in the MSG's work. Although Validation concluded that civil society in the Philippines was actively engaged in EITI processes and implementation, it also identified obstacles related to civil society's freedom to express views, operate and associate on issues related to the EITI, in particular on the subnational level. The objective of ensuring an enabling environment for civil society engagement in the EITI was therefore not fully met.

Due to concerns expressed by stakeholders related to the enabling environment for civil society engagement in the EITI, the International Secretariat's Validation team conducted a detailed assessment of the Philippines' adherence to the EITI Protocol: Participation of civil society. A summary of assessment is below:

Overview of broader environment for civil society engagement

While civil society in the Philippines was noted to be diverse and robust, there was evidence of a marked decline in civic space in the assessment period (October 2017- April 2021). Most of the indices tracking civic space globally, including Civicus Monitor and Freedom in the World, noted that civic freedoms were under threat in the period reviewed. In particular, the practice of "*Red-tagging*", that is, labelling a person or an organisation as a supporter of communist terrorists, was deployed by government actors to target individuals and organisations who are critical of government policies and practices. Coupled with impunity related to extra-judicial killings, this had created an environment of fear among actors critical of the government and/or mining operations, especially when the interests of local government officials and extractive companies are aligned. Several laws and executive orders including the 2020 Anti-Terrorism Act (ATA), the Philippines Securities and Exchange Commission (SEC) Memorandum Circular 15-2018 and memorandum circulars introduced by the Department of Interior and Local Government (DILG) at subnational levels appear to have resulted in constraints to civic space.

Expression

Civil society engaged in the EITI was found to be actively expressing views, many of which were critical of government and company policies and practices. While it did not appear that there were any topics within the EITI Standard on which civil society could not express their views, it was noted that the broader environment had resulted in civil society feeling intimidated.

This was particularly the case at subnational or regional level, where civil society actors substantively engaged in the EITI feared reprisals following from expressing critical views related

to the award and renewal of licenses and the environmental impact of mining. Civil society documented cases of red-tagging of activists working in the extractive sector resulting in harassment and threats to safety.

Operation

There was no evidence of civil society's activities related to the EITI having been hindered by administrative, reporting or regulatory requirements at central government level. Notwithstanding this, a 2021 Note Verbal 2021-0592, was issued requiring foreign governments to direct funding to NGOs through the Department of Foreign Affairs. At the time of the assessment, this had not been enforced, nonetheless, the issuance of the Note Verbal itself was viewed by civil society as restrictive.

At regional government level, there were cases where civil society activities were delayed or denied by local government administrators ostensibly due to the local accreditation requirements. Consulted stakeholders noted that organising EITI-related activities in mining regions requires close coordination with local government officials. However, the assessment noted that there was an environment of fear among activists working on mining issues. There was no evidence of the government having provided protective measures to civil society actors engaged in the EITI, who experience threats related to restrictive measures, for example red-tagging.

Association

The assessment concluded that civil society's communication and cooperation on the EITI appeared to be active and effective. Civil society MSG members, who represent different regions, liaised with broader civil society through regular subnational consultations. It was, however, noted that some organisations had ceased to hold mining-related events in certain regions due to security concerns. Consulted civil society stakeholders noted that police and armed forces were sometimes present at subnational civil society events, which created a threatening atmosphere and affected the debate. Consulted stakeholders noted that the surveillance of civil society actors involved in governance work had increased resulting in civil society representatives using applications for communicating with each other. It was, however, not possible to confirm that the government was monitoring the communications of civil society engaged in the EITI.

Engagement

Civil society actively participated in MSG meetings, technical working groups and EITI outreach. There was evidence of civil society engaging in MSG meetings and using EITI data for analysis and advocacy. Available evidence also suggested that civil society had adequate technical and financial capacity to engage in the EITI.

Access to public decision-making

The assessment noted that civil society was leveraging EITI data for analysis and advocacy related to extractive sector governance. While civil society could use the EITI and EITI disclosures

to conduct advocacy targeted at government, consulted civil society representatives noted that the EITI was not actively used by the government as a platform for seeking stakeholder views on planned reforms related to the extractive sector. It was noted that access to information and decision-making was more challenging at the local level. Overall, the assessment noted that civil society appeared to be able to use the EITI process to promote public debate and to engage in activities and debates about natural resource governance.

Assessment

The assessment concluded that civil society was actively engaged in the EITI, particularly through the Bantay Kita coalition. Civil society influences the scope of the EITI, uses EITI data for advocacy and analysis and actively participates in the MSG's work. PH-EITI and civil society undertook considerable efforts to ensure that stakeholders at the subnational levels have opportunities to engage in EITI implementation.

The impact of the Anti-Terrorism Act, local registration requirements and government oversight of foreign funding had not yet fully taken effect although there was evidence that this environment represented a decline in civic space in the Philippines. Available evidence and stakeholder consultations suggest that this had an impact on civil society's ability to work on EITI-related topics and undertake EITI-related activities. It appeared that there were obstacles to undertaking EITI-related activities in certain regions of the country. This had an adverse effect on the ability of civil society actors engaged in the EITI to express their views, operate and associate on issues related to the EITI process, in particular in regions with mining activities.

Summary of progress since last Validation

The Secretariat's assessment is that Requirement 1.3 is mostly met, which represents an improvement since the previous Validation. The Secretariat considers that the objective of full, active and effective civil society engagement in all aspects of the EITI process, including public debate on extractive industry governance, is mostly met. The broader environment for civil society engagement in EITI has improved since the last Validation. While civil society is able to substantially engage in EITI implementation processes, there is still limited engagement at subnational level. The civil society constituency's engagement in the EITI, particularly at subnational level has been limited by technical and financial capacity constraints. In addition, there are concerns that the laws providing for government oversight of foreign funding and anti-terrorism present an overall environment of insecurity. During the assessment, the Secretariat did not come across cases of breachers to the Protocol: Participation of civil society.

Documents submitted for review.

PH-EITI submitted several documents as part of the targeted assessment, and these are referenced throughout the assessment below. The MSG submitted a [Stakeholder Engagement](#) template and self-assessments by [government](#), [industry](#) and [civil society](#) on progress in addressing corrective actions from the last Validation.

The MSG commissioned a consultant to develop a civic space report. The report was not published at the time of concluding this assessment. However, some preliminary findings are covered in the PH-EITI 2021 [EITI report](#) under a chapter on civil society. Bantay Kita, a civil society organisation on the MSG, also produced a [report](#) for this Validation titled ‘Breaking barriers, empowering communities: A report on the state of civic space in natural resource governance in the Philippines’. The report was tabled before the PH-EITI for discussion and Validation. The report noted that most of the corrective actions had not been fully addressed and noted that several respondents to the study had called for increased local government unit (LGU) participation in the PH-EITI and the localisation of the EITI as most issues relevant to EITI implementation in the Philippines occur at the sub-national level.

Broader civic space context

The 1987 Constitution recognises the role of Civil Society Organizations (CSOs) in national development. Article II, Section 23 provides that the state shall encourage non-governmental, community-based, or sector organizations that promote the welfare of the nation. In addition, Article XIII, Section 16 states that “The right of the people and their organizations to effective and reasonable participation at all levels of social, political and economic decision-making shall not be abridged. The State shall, by law, facilitate the establishment of adequate consultation mechanisms.” There is clear recognition of the need for civil society engagement at all levels of governance; and the State’s role in facilitating effective participation.

Subsidiary legislation also provides for civil society participation in governance and development processes. The [2021 EITI Report](#) references the Local Government Code (LGC) of 1991 and its provisions for creating spaces and enacting appropriate policies to facilitate civic engagement in governance at the local level. Sections 2 (c), 26, and 27 require national government agencies (NGAs) to consult nongovernmental organizations and sectors prior to implementing projects or programs. This is complemented by Sections 98, 102, and 107 which provide for the participation of civil society representatives in local special bodies (LSBs).

On November 7, 2018, the SEC issued Memorandum Circular (MC)² No. 2018-15 on the “Guidelines for the Protection of SEC Registered Non-Profit Organizations from Money Laundering and Terrorist Financing Abuse”. The Memorandum covers non-profit organisations (NPOs) assessed as high-risk, as well as politically exposed persons (PEPs) with prominent public

² A Memorandum Circular is an Act of the President on matters relating to internal administration, which the President desires to bring to the attention of all or some of the departments, agencies, bureaus or offices of the Government for information or compliance.

positions or functions. The EITI Report notes that according to the SEC, this will improve its registration and monitoring system by collecting essential data from NPOs to better regulate and assess potential risks. The EITI Report notes that there are some concerns from stakeholders that this Memorandum could be used to restrict civic space. However, no evidence has been submitted as part of this Targeted assessment to show cases where the MC has been used in this manner.

The EITI Report catalogues various MCs relating to CSOs, that were issued by the Department of Interior and Local Government (DILG) between 2018 and 2021. These include MC No. 2018-8917 which provides guidelines and conditions for CSO engagements and establishes a mechanism through which the DILG can engage CSOs. MC No. 2019-7218 was issued in 2019 and relates to the CSOs' participation in LSBs, outlining general guidelines on the accreditation of CSOs and the selection of representatives to these LSBs. Lastly, MC No. 2021-054,19 was issued providing for local government units (LGUs) to set up their CSO desks and to establish the local People's Council in every province, city, and municipality. The CSO desks are to support effective coordination of development programmes in collaboration with CSOs. This MC removed the requirement for CSOs to secure clearance from the police and the army.

Civics Monitor [rates](#) civic space in the Philippines as repressed between 2021-2023. There has been no deterioration in the CIVICUS ranking of broader civic space in the period since the previous Validation. A new government administration took over from June 2022. Civics Monitor notes that reports from civil society organisations indicate that the overall environment for civil society engagement had remained challenging. This is particularly so as the new administration had not rescinded the previous administration's executive issuances which had the effect of restricting civic space in the Philippines.

Freedom House's 2023 Freedom in the World report [rated](#) the Philippines as partly free with 58/100. This represents a marginal improvement from the 2022 score of 55/100. The report notes that non-governmental organisations (NGOs) and activists experience harassment and legal harassment, and several assassinations of civil society activists and human rights defenders have taken place in recent years. It further notes that red-tagging of activists continues under the current government administration. It does not, however, indicate if these restrictions persist in the extractive sector or in the EITI process.

A report by [Human Rights Watch](#) presented before the European Parliament Sub-committee on Human Rights noted that the Philippine government continues to target civil society leaders and perceived critics with red-tagging, threats, judicial harassment and at times violence. The threats related to red-tagging of activists were [corroborated](#) by the UN Special Rapporteur on freedom of opinion and expression, who concluded her visit to the Philippines in February 2024 by issuing a [statement](#) noting that 'threats, vilification and violence against journalists and human rights defenders in the Philippines were particularly high during the previous Administration, but intimidation of critical voices has continued under the new government.'

The Anti-Terrorism Act (ATA) was signed into law by former President Duterte on 3 July 2020, amid the COVID-19 pandemic. It replaced the 2007 Human Security Act and was envisioned to

provide “a strong legal structure that deals with terrorism to exact accountability, liability, and responsibility.” The ATA covers people who committed, are about to commit, or are supporting people committing terroristic acts. [Numerous groups](#) have petitioned against this law, citing the possible violation of constitutional rights to due process, free speech, and expression, the encroachment on judicial power by the executive, arbitrary detention, and pretrial punishment.

In response to the petitions against ATA, the Supreme Court mostly [upheld](#) the validity of ATA except for two provisions, Section 4 and Section 25. One section included a provision that public protests, dissent, work stoppages and other exercises of political rights would not be considered as acts of terrorism as long as these “are not intended to cause death or serious physical harm [...] or to create a serious risk to public safety.” The court ruled qualifying conditions were “overbroad and violative of freedom of expression.” The court also declared as unconstitutional for the anti-terrorism council to be allowed to designate people and groups as terrorists based on the requests of other countries or international organisations. However, protesters of ATA still deem the law flawed and open to abuse by authorities.

Progress in implementing corrective actions and recommendations.

***Corrective Action:** “In accordance with Requirement 1.3, the Government of the Philippines is required to ensure that there are no obstacles to civil society participation in the EITI process. The government must refrain from actions which result in narrowing or restricting public debate in relation to implementation of the EITI. The government should ensure that the implementation of laws and regulatory policies, such as the 2020 Anti-Terrorism Act and the enhanced system of registration and monitoring of non-profit organizations, does not result in the violation or curtailment of civil society’s fundamental rights and freedoms, by undertaking due consultation, review, and reform.”*

PH-EITI has initiated a process of civic space mapping and assessment with the support of a consultant. The consultant is working with PH-EITI to develop a comprehensive assessment report detailing PH-EITI's engagement with civil society, a strategic plan for civil society engagement with PH-EITI, a report on key findings from stakeholder consultations, and capacity building materials specifically tailored for CSOs and community groups. PH-EITI plans to develop and publish a directory of civil society organisations substantially involved in extractive resource governance work. Additionally, PH-EITI resolved to support in enhancing CSO representation in Mine Rehabilitation Fund Committees (MRFCs) and Multi-partite Monitoring Teams (MMTs) through improving the selection process.

The self-assessment template submitted by the government notes that there is participation of CSOs in PH-EITI. It notes that the gap remains on participation of local groups at the subnational level or in the regions. The self-assessment also notes that there is yet to be a partnership agreement with DILG for CSO participation at the local level. Stakeholder consultations indicated that there are plans by PH-EITI and donor interest to strengthen EITI implementation at the subnational level. This includes a new USAID supported programme to fund the sub-nationalisation of the PH-EITI MSG and EITI processes.

Civil society's self-assessment notes that the constituency members operate at different levels of government and have different contexts and exposures to the extractive industries. Their experiences are, therefore, somewhat varied. There is, however, broad agreement within the constituency that this corrective action was not fully addressed. The threat of the ATA, funding challenges, the inaccessibility/unavailability of data and the limited capacity to use the data are cited in the civil society self-assessment as presenting obstacles to civil society participation in the EITI process.

Some civil society representatives noted that there had been an improvement since the publication of the 2021 Bantay Kita [shadow report](#), as they can now participate in local meetings unlike before. Civil society also highlighted that there has been some positive change in the broader environment particularly as government appears to be more accessible when compared with the previous administration. An example that is cited in the Stakeholder Engagement template is community participation at the 2023 PH-EITI national conference, when community participants expressed their current concerns to government representatives. Some civil society groups note that the current government has expressed its seriousness to address red-tagging. There is reference to the Department of Environment and Natural Resources (DENR) having open discussion with CSOs and committing to developing a CSO database.

The government through the Department of Finance has made a commitment in its most recent Open Government Partnership (OGP) work plan ([6th PH-OGP National Action Plan 2023-2027](#)) to sub-nationalise transparency, accountability, and participatory governance mechanisms in the extractives sector through the Philippine Extractive Industries Transparency Initiative (PH-EITI). This will include establishing structures for ongoing engagement in extractives debate at the local level and providing platforms for grievance redress.

Development partners noted that there is still a need to reform National Task Force to End Local Communist Armed Conflict (NTF-ELCAC) and highlighted the development of local ordinances on protecting human rights defenders in [Basilan Province](#) and [Baguio City](#) as positive. PH-EITI could consider how these ordinances³ can be developed in other mining regions. There was no evidence that the implementation of laws and regulatory policies, such as the 2020 Anti-Terrorism Act had resulted in the violation of civil society's rights and freedoms.

Corrective Action and Recommendation: *The government should ensure that there are no obstacles for civil society to organise EITI-related activities, such as events and meetings, in any region of the country.*

Civil society did not face obstacles in organising EITI related activities such as events and meetings in any region of the country. The assessment did not come across any incidences of restrictions to civil society organising EITI related activities and the need for security clearances.

³ An ordinance, in this case, is a local government level legislation and is referred to in some jurisdictions as a by-law.

The civil society mapping exercise and the process to influence reforms to the CSO selection process for serving in local service boards⁴, if completed, could support in improving civil society's work in the regions. The main obstacles to civil society's work at regional level relate to the absence of platforms for multi-stakeholder dialogue on mining issues. Some of the challenges also relate to the technical capacity of civil society and the necessary funding for them to engage at local level.

Corrective Recommendation: *Extractive companies engaged in the EITI are encouraged to express their support to civil society's freedom of expression and operation, also when engaging with local government officials.*

The EITI Report notes that on 8 November 2022 the PH-EITI MSG held a special ceremony reaffirming its commitment to promoting transparency and accountability in the extractive industries through PH-EITI. This included the MSG pledging to uphold the EITI principles, actively participate in the EITI process, and to engage in meaningful dialogue with all stakeholders. However, companies do not appear to have expressed their support to civil society's freedom of expression and operation. The report does note that it would be more impactful if all groups participating in the EITI could express clear support for civic participation in all PH-EITI activities. Some civil society representatives noted that there are no local or community-based platforms wherein LGU, mining companies and communities can gather locally in which the company can explicitly support civil society's freedom of expression. There is no evidence of active collaboration happening among mining stakeholders in localities, although companies have expressed that they are open to engaging with civil society stakeholders. Other civil society representatives on the MSG noted that industry often openly expresses support to civil society advocacy efforts and allow civil society to visit mining sites and to interview them.

Corrective Action/Recommendation: *The government is required to undertake measures to prevent civil society actors from being red-tagged for expressing views related to oil, gas or mining governance. In the event that civil society actors engaged in the EITI experience threats or harassment for expressing views about the extractive industries or engaging in other EITI-related activities, the government is expected to undertake measures to protect these actors and their freedom of expression.*

To address this corrective action, the MSG agreed to prepare a statement to endorse House Bills (HB) numbers [1152](#) and [4941](#), which were both filed during the 19th Philippine Congress and are awaiting review by the House of Representatives Committee on Justice. Both bills seek to criminalise red-tagging. During stakeholder consultations, it emerged that there is no indicative timeline for the discussion or progression of the House Bills. Some stakeholders who were

⁴ Local service board or development councils are tasked to create and coordinate development planning of the locality and consist of government and CSO representatives.

consulted noted that legislation is difficult to pass, and PH-EITI should seek to operate at the subnational level where there is more space to influence reforms.

The EITI Report notes that the government is aware of the allegations of red-tagging and is taking steps to address this as highlighted through the issuance of [Executive Order No. 23, s. 2023](#). The Executive Order came on the back of an International Labor Organization (ILO) fact-finding mission to the Philippines in January 2023. The Executive Order (EO) recognises that stakeholders have raised concerns on the country's implementation of ILO convention number 87 in view of reported incidents of acts of violence, extra judicial killings, harassment, suppression of trade union rights and red-tagging, allegedly perpetrated by state agents targeting certain trade unions and workers organisations. The EO established an inter-agency committee for the protection of the freedom of association and the right to organise for workers. While this reform is welcome, it is largely targeted at labour and has no general application to the extractive sector.

The government self-assessment in the Validation template notes that there are no known cases of red-tagging related to individuals and or members of an organisations substantially engaged in the EITI. It also notes that there is no reported harassment or threats against civil society actors engaged in the EITI process. Government consultations indicated that there is no official policy on red-tagging and, where such cases arise, this may be due to overzealous officials. Some development partners indicated that whether or not re-red-tagging was official government policy, it was happening. They noted that there is need for decentralised monitoring efforts and to ensure that there is accountability within different levels of government as some representatives can act ultra vires. Government stakeholders indicated that no red-tagging cases had been brought before the MSG and that the civil society report on civic space in natural resources governance in the Philippines does not highlight any specific cases of red-tagging.

In its self-assessment, some sections of civil society noted that there is still persistent insecurity that CSOs feel whenever they express dissent or expose violations of environmental laws and policies and human rights. Consultations with civil society stakeholders did not provide concrete cases of red-tagging of stakeholders substantially engaged in the EITI or in extractives issues more widely. Civil society member on the MSG stated that red-tagging occurs to individuals and organisations operating in remote areas. The general consensus from the constituency is that the overall environment, while still giving rise to some insecurity, has positively changed. Development partners noted that indigenous populations may be at highest risk of red-tagging as they are often alleged to be associated with communists. They noted that there is need to strengthen the rights of indigenous peoples particularly as they relate to free, prior and informed consent.

Civil society, in the stakeholder engagement template proposes that the Philippines EITI Stakeholder Engagement Committee organise a dialogue on red-tagging and that this should include the DILG, CHR, DENR, DOF, Philippines National Police (PNP) and military, and victims of red-tagging, particularly from indigenous peoples and environmental activist groups. Civil society also recommends that PH-EITI consider creating a hotline to report red-tagging to PHEITI and the

Commission on Human Rights, in order for these incidents to be documented and properly investigated.

Consultations with civil society stakeholders also indicated that they recommend the abolishment of the Anti-Terrorism Council. However, government stakeholders indicated that the Council was established to address some of the recommendations from the Financial Action Task Force (FATAF) on anti-money laundering and illicit financing. Some stakeholders noted that the National Task Force to End Local Communist Armed Conflict (NTF-ELCAC) is not as powerful as it was in the previous administration and has lost credibility. The NTF-ELCAC spokesperson was [charged and found guilty](#) by the Supreme Court in February 2024, after red-tagging a Manila Regional Trial Court (RTC) judge.

During stakeholder consultations, it was not clear why civil society did not table these suggestions before the MSG or its stakeholder engagement (SE) committee. There was no evidence that any cases related to restrictions of civil society groups working on the EITI or on extractive resources governance had been submitted to the Commission on Human Rights for investigation.

***Corrective Action/Recommendation:** The government, in collaboration with the MSG, is encouraged to consider practical solutions for ensuring that civil society can engage in the EITI freely in all regions of the country. This could involve accreditation and supporting documentation from the government agencies involved in the EITI and raising awareness about the EITI among local government officials, the police, and armed forces. In areas where civil society is refraining from organising events due to security concerns, the MSG could consider stepping up EITI outreach. The MSG is encouraged to regularly monitor developments regarding civil society's ability to engage in the EITI. The government, in collaboration with the MSG, is encouraged to document the measures it undertakes to remove any obstacles to civil society participation in the EITI.*

The PH-EITI MSG approved a resolution in September 2022, establishing the Stakeholder Engagement (SE) committee. The SE Committee's mandate is to monitor, deliberate, and address any issues related to stakeholder engagement, including corrective actions and recommendations from EITI Validation. The MSG agreed that the SE committee would be chaired by a DILG senior representative and have at least one representative from government, industry, and impacted community constituency. The DILG has not attended meetings and taken up its role to chair the SE.

The EITI Report notes that there were considerable delays between the establishment of the committee and its subsequent meetings due to the unavailability of its members, particularly the chairperson who is a DILG senior representative. There is now a proposal to for the DILG to co-chair the SE committee, along with a CSO representative on the MSG.

While the PH-EITI MSG has taken the critical step of establishing a SE Committee, it does not appear that the committee has substantively made progress on the corrective actions and recommendations from the previous Validation. There is evidence of the SE initiating some work

to address the corrective actions, although most of this work is yet to be completed. Civil society in its report and in consultations states that the action plan to address the civic space concerns was not updated, implemented or monitored. Consultations with civil society indicated that the changes in the PH-EITI MSG and national secretariat leadership also contributed to limited follow up on the corrective actions.

As part of its action plan to address the corrective actions and recommendations, PH-EITI had also resolved that DILG, the MGB and NCIP would report back regularly to the MSG on civic space monitoring activities, civil society participation in existing public consultation and participation mechanisms related to extractive industry governance. Stakeholder consultations confirmed that this had not happened.

To further enhance stakeholder engagement, the PH-EITI MSG has proposed [amendments to EO 147, s. 2013](#), which establishes PH-EITI. The amendments will broaden the membership of the MSG and redefine its role. There is a recommendation to include an amendment that provides for enabling a safe and constructive environment for stakeholder engagement in the EITI and ensuring that all stakeholders involved in or affected by extractive activities are represented. PH-EITI also proposes to include a provision to engage civil society to help build their capacity in using and analysing EITI data.

Corrective Action/Recommendation: In accordance with the EITI protocol: Participation of civil society, civil society MSG members are encouraged to bring any ad hoc restrictions that could constitute a breach of the protocol to the attention of the MSG. The MSG is expected to document how it addresses these concerns.”

In 2022, the PH-EITI MSG established a feedback mechanism for stakeholders including civil society. This mechanism allows stakeholders to give feedback on EITI implementation, including reporting on restrictions to civic space. The mechanism includes the use of various channels including an online [feedback form](#) , PH-EITI's [Facebook page](#) and messenger, community Dropbox, PH-EITI stakeholder activities, and MSG meetings.

The EITI Report documents the process for assessing reports received under the feedback mechanism and notes that it is in a pilot phase. The feedback mechanism appears to provide a clear mechanism for reporting of cases by civil society across a wide range of issues. The mechanism has received and processed three cases related to environmental degradation and community consent to mining projects. PH-EITI's feedback mechanism has received two additional reports endorsed by Bantay Kita (BK), Case 2023-0004 (Delayed release of royalty shares from SR Metals Inc.) and Case 2023-0005 (Devastation of mangrove areas and farmlands in Loreto, Dinagat Islands). The cases were yet to be deliberated by the GOC at the time the EITI Report was published.

While the feedback mechanism is in a pilot phase, there is already evidence of its use. It appears that the cases were directly lodged with PH-EITI through submissions to the national secretariat and not through the online form. Details of the cases are not yet published on the PH-EITI website. Civil society stakeholders consulted noted that the feedback mechanism adds a layer of

bureaucracy as it appears that the PH-EITI is not equipped to deal with cases, often referring cases to other agencies.

Consultations with the national secretariat and the MSG indicated that the feedback mechanism can be used by stakeholders to report on cases of civic space restrictions. Since the pilot phase launch of the feedback mechanism, there has been no report of civil society red-tagging or harassment through the mechanism. Industry stakeholders highlighted that the type of complaints also show what civil society is prioritising, namely issues related to the environment and mining royalties. PH-EITI may consider making it clear on the online form that the range of feedback or submissions can include those related to civic space. In addition, PH-EITI may consider making it clear that complaints, where requested, will be treated with anonymity.

Expression (Requirement 1.3.a,b,e.i and Civil Society Protocol provision 2.1)

There is an enabling environment for freedom of expression and civil society is actively engaged in expression on EITI (#1.3.a,b,e.i and CSP 2.1)

Civil society in the Philippines appears to be able to effectively speak freely within EITI processes and on the EITI in the public sphere. The evidence submitted as part of the Targeted Assessment references various CSO and PH-EITI-led multi-stakeholder events related to the EITI. PH-EITI has organised three editions of the 'Extractive Transparency Week' events in [2021](#), 2022 and [2023](#). These covered various topics including beneficial ownership disclosures, leveraging EITI Reports for effective revenue accountability and gender and extractives among others.

The [Stakeholder Engagement template](#) also outlines several CSO activities that were carried out between August 2021 and December 2023. These activities covered various thematic areas including critical minerals and the energy transition, debt and extractives, and environmental issues among others. Most of the activities were led by Bantay Kita, with several others including participation by MSG members from Social Action Centre and Living Laudato Si' Philippines among others. Stakeholder consultations confirmed that civil society can speak freely in public and there are no government-imposed barriers to dissemination of information and public comments on the EITI process. Some development partners noted that they are supporting civil society engagement on extractive issues focusing on domestic resource mobilisation and revenue transparency. They noted that red-tagging was more common in the previous administration and is no longer a prominent issue even as isolated cases may still exist.

Representatives from academia who were consulted indicated that there is now an improved environment for expression and that civil society groups, including those opposed to mining, can express themselves. Some civil society stakeholders, however, indicated that there is still a need to be cautious when engaging on mining issues as there are unsubstantiated perceptions that some companies operating at the local level are connected to the political class, raising the possibilities of harassment.

Based on available evidence submitted as part of this Validation, it does not appear that there is self-censorship due to fear of reprisal. Where challenges related to the dissemination of information exist, they are due to limited availability of funding for civil society. During consultations, some civil society stakeholders indicated that there may still be lingering fears from the previous regime's approach on red-tagging and civil society engagement.

The Stakeholder Engagement template states that there has been no potential breach to the EITI Protocol: Participation of civil society provision on expression.

The Secretariat's view is that there is significant evidence of civil society representatives discussing sensitive issues in the period under review. Civil society evidently had space, particularly at the national level, to discuss issues across the EITI Standard through engaging with government, industry and other civil society organisations. The findings from the 2021 Validation indicated that, while it did not appear that there were any topics within the EITI Standard that civil society were restricted to express their views on, it was noted that the broader environment had resulted in civil society feeling intimidated. Stakeholder consultations with civil society and development partners indicated that the broader operating environment has substantially improved such that civil society substantially engaged in the EITI and on extractive resources governance can freely express themselves.

The Secretariat does not consider that there have been breaches to the EITI protocol: Participation of civil society related to the ability of civil society representatives to engage in public debate related to the EITI process and express opinions about the EITI process without restraint, coercion or reprisal.

Operation (Requirement 1.3.a,b,e.ii and Civil Society Protocol provision 2.2)

There is an enabling environment for freedom of operation and civil society is freely and proactively operating in relation to EITI (#1.3.a,b,e.ii and CSP 2.2)

The Secretariat's assessment is that there was no evidence of civil society's activities related to the EITI having been hindered by administrative, reporting or regulatory requirements at central government level. There is no evidence that the 2021 Note Verbal 2021-0592, requiring foreign governments to direct funding to NGOs through the Department of Foreign Affairs has been enforced or that there are plans to enforce it. Notwithstanding, it appears that the Note Verbal remains active, and its enforcement may have negative implications on how civil society operates. There was no evidence that the Note Verbale had been enforced on CSOs actively engaged in the EITI in the period under review. Civil society also faces funding constraints. The EITI civil society report and stakeholder consultations confirmed that limited funding often results in virtual engagement with the organisations in the regions, and some attendant problems related to poor connectivity and limited participation.

The previous Validation established that challenges related to the operation of civil society were sometimes experienced at regional government level. The requirement for local accreditation as set out in [MC 2019-72](#) is still in place. It is this local accreditation process that had, in some cases, resulted in delays and or denial for civil society planning to do activities at sub-nation level. In the period under review, stakeholder consultations and submitted evidence did not indicate specific cases where this local accreditation process had affected civil society organisations substantially engaged in the EITI or on natural resources governance issues. Civil society, however, noted that while accreditation is not an active constraint, it is not an active encouragement for civil society engagement at the local level.

Notwithstanding, there is tacit government acknowledgement that the implementation of the accreditation process had led to confusion and some delays. To address this, the government issued [MC 2022-005](#) providing further guidelines on the accreditation of civil society organisations to co-implement DILG programs and projects. The circular notes the value of partnership of local government units with civil society in implementing development programmes. The scope of development programmes outlined includes advocacy related activities with OGP and other accountability programmes. In the circular, there are clear times for assessing and approving the accreditation of civil society. It notes that the evaluation of the application for accreditation should be carried out within five working days from receipt of complete documents. It is not clear if these timelines are met in practice.

While the previous Validation noted that organising EITI-related activities in mining regions, requires close coordination with local government officials, the EITI Report notes that this may have been eased by the issuance of [MC 2021-054](#), which encourages local government units (LGUs) to set up CSO Desks and to establish the local People's Council in every province, city, and municipality. Stakeholders did not express any views on whether these CSO Desks and local People's Councils have actually resulted in making it easier for CSOs to organise EITI related activities in the regions. There had been a requirement in MC 2021-12 for CSOs to secure clearances from the Armed Forces of the Philippines (AFP) and Philippine National Police (PNP) "for security reasons and to determine the legitimacy of the CSOs intending to apply for accreditation." The move to revoke this provision was [welcomed by civil society](#). Consultations with civil society did not indicate that clearances from national security services are currently required. Government stakeholder consultations indicated that security services are only present where there are civil society demonstrations or rallies. The [Stakeholder Engagement template](#) submitted by PH-EITI as part of the documentation for this Validation states that there has been no potential breach to the EITI Protocol: Participation of civil society provision on operation.

Stakeholder consultations indicate that the broader environment has significantly changed such that civil society and activists working on mining issues can express themselves. Industry stakeholders indicated that the PH-EITI has been useful in establishing a platform for on-going dialogue with civil society.

The Secretariat does not consider that there have been breaches to the EITI protocol: Participation of civil society related to the operation of civil society in relation to the EITI process.

Association (Requirement 1.3.a,b,e.iii and Civil Society Protocol provision 2.3)

There is an enabling environment for freedom of association and civil society is freely and proactively associating in relation to EITI (#1.3.a,b,e.iii and CSP 2.3)

There is evidence of civil society communicating and cooperating effectively and actively on the EITI. Bantay Kita has led coordination efforts with civil society in the MSG and the broader constituency. The organisation established EITI related group chats on various social media platforms to coordinate with civil society groups from Luzon, Visayas and Mindanao islands. While these efforts have been broadly effective, documentation submitted suggests that there have been some challenges related to communication with civil society groups located in some islands and provinces. These challenges were largely due to technological access and cost. Therefore, in some cases where in-person meetings would be warranted, participation would largely be through virtual means with consequent connection challenges. The Bantay Kita report noted that challenges impeding access to the Internet and media channels may limit CSOs' outreach, hindering advocacy efforts and public awareness crucial for transparent and accountable natural resource governance.

The previous Validation noted that some organisations had ceased to hold mining-related events in certain regions due to security concerns. In addition, there had been concerns around surveillance, and about the presence of police and armed forces at subnational civil society events creating a threatening atmosphere, thereby affecting the debate. Stakeholder consultations and submitted evidence does not suggest that this has persisted in the period under review. The [Stakeholder Engagement template](#) submitted by PH-EITI as part of the documentation for this Validation states that there has been no potential breach of this provision of the EITI Protocol: Participation of civil society provision on Association.

The civil society constituency renewed its full and alternate membership of the MSG between May and October 2022. This process was overseen by a CSO selection committee, which used the Bantay Kita Guidelines for the CSO MSG representatives to the PH-EITI to nominate and select new civil society representatives. Consideration was given to gender balance among CSO representatives, geographical representation, inter-generational representation, balance between community-based organisations and non-governmental organisations and ensuring that there is at least one representative from a mining affected community. The documentation submitted indicates that the CSO selection committee did not issue an open call for interested CSO representatives to express interest in being MSG members. Rather, the CSO selection committee invites representatives from CSOs to express interest in being MSG members. The [minutes](#) of the CSO selection committee meetings along with the [guidelines](#) used in the selection process are publicly available on the PH-EITI website.

The Secretariat does not consider that there have been breaches to the EITI protocol: Participation of civil society related to freedom of association. Efforts to liaise with community groups in islands and provinces despite the connection challenges, are welcome.

Engagement (Requirement 1.3.a,b,e.iv and Civil Society Protocol provision 2.4)

There is an enabling environment for freedom of engagement and civil society is freely and proactively engaging in relation to EITI (#1.3.a,b,e.iv and CSP 2.4)

Civil society representatives are able to fully contribute and provide input to the full scope of the EITI process, particularly at the national level. There is evidence of civil society participating in EITI related events at national level including the Extractive Transparency Week, the PH-EITI national conference and the OnLearn extractives training. Civil society also participated in public hearings on permitting, extractives related legislation and development related consultations and was invited to speak on EITI related issues in various fora. There is evidence of civil society using EITI data for analysis and advocacy, and actively participating in MSG meetings and working groups.

There is also evidence of civil society MSG members' engagement in all aspects of the EITI process, including active participation in MSG meetings, input to design and planning and outreach and dissemination. The Stakeholder engagement template catalogues several workshops and events that civil society organised or in which they participated. This demonstrates technical capacity to engage in the EITI. Civil society highlights that the effective participation of groups outside the MSG, particularly those in the islands, has been hampered by limited funding. Despite these challenges, it does appear that civil society engagement in EITI in the Philippines is widely dispersed and not restricted to Manila based CSOs.

The EITI Report notes that while there are improvements in civic space, some regions remain inaccessible due to formalisation processes in select LGUs ostensibly linked to anti-insurgency efforts. Stakeholder consultations indicate that there are efforts by development partners such as USAID, to support PH-EITI plans to bring greater focus to subnational EITI implementation through what is being termed 'EITI localisation'. While industry indicated that they are supportive, they also noted that there are some concerns on funding, and on duplication and data integrity within the context of subnational EITI implementation.

Civil society stakeholders noted that consultation is standard as part of the public policy development cycle. However, the challenge is that most civil society organisations do not meaningfully participate in the consultations at a local level and in some cases are not aware of their role in agenda-setting.

The [Stakeholder Engagement template](#) submitted by PH-EITI as part of the documentation for this Validation states that there has been no potential breach to the EITI Protocol: Participation of civil society provision on engagement. The Secretariat does not find any evidence of government constraints on civil society's ability to engage in all aspects of the EITI process. However, the Secretariat considers that there continue to be weaknesses in the broader constituency's engagement in the EITI process, particularly in PH-EITI dissemination activities since the end of in-person roadshows in 2019. Civil society at local level is currently not actively engaged in EITI processes including public debate, engagement in dissemination or outreach activities and in the use of EITI data and disclosures.

The Secretariat does not consider that there have been breaches to the EITI protocol:
Participation of civil society related to association.

Public decision-making (Requirement 1.3.a,b,e.v and Civil Society Protocol provision 2.5)

There is an enabling environment for access to public decision-making and civil society is freely and proactively accessing public decision-making in relation to EITI (#1.3.a,b,e.v and CSP 2.5)

Overall, civil society appears to be able to use the EITI process to promote public debate and engage with public decision-making processes. Civil society representatives are able to use the EITI process to promote public debate through public events, workshops and conferences organised by or with participation of civil society to inform the public about the EITI process and outcomes. There is evidence that civil society has used EITI data for analysis and advocacy, particularly at the national level and through social media platforms. Bantay Kita has used EITI data in its engagement with civil society groups at the regional level. Leveraging EITI data, civil society has, for example, provided input to the proposed reforms to the mining fiscal regime. In addition, there is evidence of civil society making representations in public consultations related to local development plans.

The provision for partnership between civil society and local government units and the establishment of civil society desks at regional level, does indicate that the structures for accessing and influencing decision making spaces at sub-regional level exist. Civil society stakeholders consulted noted that the MGB has been responsive to civil society engagement. After raising concerns on environment degradation and illegal mining, the municipalities and provincial level committees on environment have since proactively invited civil society actors where there are consultation processes. The DENR has also invited civil society to capacity building meetings and there is now more open dialogue.

The [Stakeholder Engagement template](#) submitted by PH-EITI as part of the documentation for this Validation states that there has been no potential breach to the EITI Protocol: Participation of civil society provision on Public decision making. The government has enacted some welcome reforms to institutionalise transparency and accountability, and to protect civic freedoms related to labour organising. In June 2023, the government issued [Executive Order 31](#) institutionalising the Open Government Partnership to enhance participation, information sharing, dialogue and transparency on development and other issues of public interest through a multistakeholder process that includes civil society.

The Secretariat's assessment is that civil society stakeholders substantially engaged in the EITI are able to use the EITI process to influence public decision making on extractive industry governance, particularly at national level.

The Secretariat does not consider that there have been breaches to the EITI protocol:
Participation of civil society related to the ability of civil society representatives to speak freely on

transparency and natural resource governance issues and ensure that the EITI contribute so public debate.

Background

Overview of the extractive industries

An overview of the extractive industries is accessible on the [country page](#) of the EITI webpage for the Philippines.

History of EITI implementation

The history of implementation is accessible on the [country page](#) of the EITI webpage the Philippines.

Explanation of the Targeted Assessment process

The [Validation Guide](#) provides detailed guidance on assessing EITI Requirement.

The International Secretariat's country implementation support team include Sarah Hayton and Gay Ordenes, while the Targeted Assessment team was comprised of Gilbert Makore and Alex Gordy. The internal review for quality assurance was conducted by Bady Balde, Joanne Jones and Christina Berger,

Confidentiality

The practice in attribution of stakeholder comments in EITI Targeted Assessments is by constituency, without naming the stakeholder or its organisation. Where requested, the confidentiality of stakeholders' identities is respected, and comments are not attributed by constituency. This report is shared with stakeholders for consultation purposes and remains confidential as a working document until the Board takes a decision on the matter.

Timeline of assessment

The targeted assessment of the Philippines commenced on 1 January 2024. Stakeholder consultations were held in-person and virtually on 18-22 March 2024. The assessment was finalised on 6 May 2024.

Resources

- [Data collection templates](#) on Requirements 1.3
- [Philippines 2021 EITI Report and annexes](#)
- [Philippines 2023 EITI work plan](#)
- [Minutes](#) of the Philippines EITI MSG's meetings in 2022 and 2023