

2015 PHILIPPINE-EITI WORKPLAN

1ST OBJECTIVE: Show direct and indirect contribution of extractives to the economy (through EITI process)

RATIONALE: Current data in the Philippines does not show a complete and accurate picture of EI's contribution to the economy due to its level of disaggregation, inadequate monitoring mechanisms, and lack of consolidated data to facilitate analysis. Also, there is no existing mechanism to record social expenditures beyond what the law requires. The EITI is thus seen as a tool to narrow the gaps in existing data by reporting actual reconciled figures.

GOVERNANCE RELATED CHALLENGES: 1. Regular monitoring of payments between the central and the local offices. 2. Determination of the appropriate fiscal regime for the industry 3. Transparency in tax information which is hindered by confidentiality provisions in the Tax Code 4. Ensuring proper amounts are paid down to the local level 5. Regulation of fees imposed by local government units which business sometimes perceives as excessive. 6. Measuring adequacy of social and environmental expenditures.

ACTIVITIES VIS- A- VIS CHALLENGES: All activities pertaining to publication of the report and improvement of data quality are meant to address the 2nd, 3rd and 6th challenges mentioned above. It is expected that a more comprehensive and credible report with reliable data can influence policies on what is the appropriate fiscal regime, considering that the report contains information on actual contribution of mining to the economy through reconciled data and disclosures on social expenditures and benefits to host communities.

On the other hand, capacity building activities are expected to address the 1st, 4th and 5th challenges. Such challenges require a deeper comprehension of the industry and of fiscal policies at the local level which can be achieved through capacity building activities with government personnel and representatives in local bodies.

ACTIVITIES	OUTCOME	RESPONSIBLE PARTY	TIMELINE	COST	FUNDING
PUBLICATION OF EITI REPORT					
Production of summary report, popular version and translated version (first and second report)	Increased transparency in EI as an outcome of a relevant EITI process in the country, and a credible and comprehensive EITI report that is used by all	Consultant, MSG, Secretariat	April 2015 (1 st report) December 2015 (2 nd report)	4,000,000	MDTF

	stakeholders in policy formulation and decision making.				
Hiring of independent administrator to analyze the government and industry data for the second EITI report	Increased transparency in EI as an outcome of a relevant EITI process in the country, and a credible and comprehensive EITI report that is used by all stakeholders in policy formulation and decision making.	IA, secretariat	February to April 2015	7,500,000	MDTF
MSG to agree on scope, level of disaggregation and materiality of reporting for the second report	Increased transparency in EI as an outcome of a relevant EITI process in the country, and a credible and comprehensive EITI report that is used by all stakeholders in policy formulation and decision making.	MSG, IA	May 2015	MSG meeting budget	MDTF, GOP
Report road shows and trainings on reporting template (LGUs and communities)	Increased transparency in EI as an outcome of a relevant EITI process in the country, and a credible and comprehensive EITI report that is used by all stakeholders in policy formulation and decision making.	MSG, secretariat	May to June 2015	6,624,860	MDTF
Drafting and finalization of reporting template based on the level of disaggregation and materiality as agreed upon by the MSG	Increased transparency in EI as an outcome of a relevant EITI process in the country, and a credible and comprehensive EITI report that is used by all stakeholders in policy	IA, MSG	May 2015	Budget for IA	MDTF

	formulation and decision making.				
Conduct reporting template workshop for all sectors per company, per industry, per LGU	Increased transparency in EI as an outcome of a relevant EITI process in the country, and a credible and comprehensive EITI report that is used by all stakeholders in policy formulation and decision making.	IA, MSG	May to June 2015	Budget for IA	MDTF
Completion and submission of reporting template	Increased transparency in EI as an outcome of a relevant EITI process in the country, and a credible and comprehensive EITI report that is used by all stakeholders in policy formulation and decision making.	IA, Secretariat, reporting entities	May to June 2015	Budget for IA	MDTF
Reconciliation process	Increased transparency in EI as an outcome of a relevant EITI process in the country, and a credible and comprehensive EITI report that is used by all stakeholders in policy formulation and decision making.	IA, Secretariat, reporting entities	July to August 2015	Budget for IA	MDTF
Drafting of the 2 nd PH-EITI report (covering 2013 and 2014 data)	Increased transparency in EI as an outcome of a relevant EITI process in the country and a credible and comprehensive EITI report that is used by all stakeholders in policy formulation and decision making.	IA	August to September 2015	Budget for IA	MDTF

Workshop / approval of the 2 nd EITI report	Increased transparency in EI as an outcome of a relevant EITI process in the country, and a credible and comprehensive EITI report that is used by all stakeholders in policy formulation and decision making.	IA, MSG, Secretariat	October to November 2015	MSG meeting budget	MDTF, GOP
Printing of the 2nd PH-EITI report	Increased transparency in EI as an outcome of a relevant EITI process in the country, and a credible and comprehensive EITI report that is used by all stakeholders in policy formulation and decision making.	Consultant, Secretariat	November to December 2015	3,000,000	MDTF
CAPACITY BUILDING ACTIVITIES FOR MSG, TWG, SECRETARIAT AND OTHER STAKEHOLDERS					
Report analysis workshop	Improved governance of EI through well capacitated stakeholders who can cascade their learnings on EI issues and EI data to the broader public	Consultant/resource persons, MSG, secretariat	1 st quarter 2015	785,250	MDTF
Communications trainings and dissemination of the report	Improved governance of EI through well capacitated stakeholders who can cascade their learnings on EI issues and EI data to the broader public	MSG, TWG, resource persons, consultant, secretariat	1 st to 2 nd quarter 2015	1,003,964	GOP
International outreach and trainings	Improved governance of EI through well capacitated stakeholders who can cascade	MSG, TWG, Secretariat	As needed	3,790,525	MDTF

		their learnings on EI issues and EI data to the broader public				
Participate in existing transparency initiatives in the country and region		Improved governance of EI through well capacitated stakeholders who can cascade their learnings on EI issues and EI data to the broader public	MSG, TWG, Secretariat	As needed	1,062,000	MDTF
Forums on fiscal regimes, management of EI revenues at the local and national level		Improved governance of EI through well capacitated stakeholders who can cascade their learnings on EI issues and EI data to the broader public	MSG, TWG, secretariat, LGUs	April 2015	Budget for outreach activities	MDTF
Outreach activities and capacity building of local stakeholders (government, regional offices, communities and industry) on EITI implementation		Improved governance of EI through well capacitated stakeholders who can cascade their learnings on EI issues and EI data to the broader public	MSG, Secretariat, regional offices communities, industry sector	1 st to 3 rd quarter 2015	2,000,000	Development Partners
IMPROVING QUALITY OF DATA AND ADDRESSING GAPS IN THE FIRST REPORT						
Address gaps in the first report	Comprehensive assessment of auditing procedures of government and industry and evaluation of data quality	Increased transparency in EI as an outcome of reliable data that ensures a credible, comprehensive and relevant EITI report	IA, MSG, reporting entities	March to June 2015	1,500,000	MDTF
	Tracking of distribution of LGU	Transparency in the distribution of LGU shares to ensure timeliness	IA, MSG, DBM, LGUs	March to June 2015		

	shares and reconciliation of LGU collections for inclusion in the EITI report	and accuracy of the distribution of shares.				
	Full study on beneficial ownership	Transparency in the full beneficial ownership of extractive companies	Consultant	March to June 2015		
Improvement of monitoring procedures of government agencies		Increased transparency in EI as an outcome of reliable government data	MSG, government agencies	March 2015 onwards	5,000,000	Development partners
Engagement of COA regarding audit procedures		Increased transparency in EI as a result of improved auditing procedures of government data on extractive industries	MSG, IA, COA	2 nd quarter of 2015 onwards	Budget for meetings	MDTF, GOP
Dialogues with companies to ensure full participation in EITI		Increased transparency in EI as a result of full commitment and participation of companies to ensure a comprehensive and reliable report	MSG, reporting entities, secretariat	January 2015 onwards	Budget for outreach activities and meetings	MDTF, GOP
VALIDATION						
Pre-validation workshop		Proper implementation of EITI in the country	Resource persons, MSG, secretariat	June 2015	1,000,000	MDTF
Validation meetings and other related expenses		Proper implementation of EITI in the country	Validator, MSG, secretariat	September 2015 onwards	300,000	MDTF

2nd OBJECTIVE: Improve public understanding of the management of natural resources and availability of data

RATIONALE: Local communities should be able to make informed decisions on issues pertaining to extractive operations in their areas. In giving their consent, they should be armed with the necessary data and be equipped to use them. Public debate on EI governance should be stimulated because this a way by which we evaluate the government's capacity to implement laws governing natural resource management. Information on extractive data and revenue management should be made accessible and explained to the public to make sure that they are spent for legally mandated purposes and that they are received by the intended beneficiaries. The EITI process provides venue for discussions of these issues and frames the questions that should be asked to stimulate public debate.

GOVERNANCE RELATED CHALLENGES: 1. Irregular monitoring and limited access to EI data especially with respect to the management of mandatory funds, IP royalties, and local payments. 2. Ensuring integrity and credibility in implementing legally mandated mechanisms for obtaining the consent of host communities and Indigenous Peoples. 3. Generating and sustaining public involvement which would require a lot of capacity building, information dissemination, and sustained political commitment especially at the local level.

ACTIVITIES VIS –A- VIS CHALLENGES: Activities under this objective are geared towards increasing awareness on EI issues by ensuring a regular flow of information through all forms of communication (e..g mass media, social media, forums, lecture series, publications). It is expected that these activities will produce a more informed public that is better equipped to monitor compliance with laws and exact accountability from government and the industry.

ACTIVITIES	OUTCOME	RESPONSIBLE PARTY	TIMELINE	COST	FUNDING
Regular press releases and articles on PH-EITI activities	Increased awareness on the need for transparency, and improved public debate on EI issues leading to introduction of reforms	MSG, Secretariat, Communications Officer	January 2015 onwards	100,000	MDTF
Media briefing on EITI implementation	Increased awareness on the need for transparency, and improved public debate on EI issues leading to introduction of reforms	MSG, Secretariat, Communications Officer	February, August and December 2015	200,000	MDTF
Development of a communications plan and MSG/Secretariat workshop	Increased awareness on the need for transparency, and improved public debate on EI issues leading to introduction of reforms	MSG, Secretariat, Communications Officer	1 st quarter 2015	Budget for Communication Strategist	World Bank

Hiring of consultants for EI related studies	Increased awareness on the need for transparency, and improved public debate on EI issues leading to introduction of reforms	Secretariat, consultant	August 2015	1,000,000	Development partners
Publication of reference materials and primer	Increased awareness improved public debate on EI issues leading to introduction of reforms	Secretariat, Communications Officer	1 st quarter 2015	300,000	CIDA
Maintain EITI website	Increased awareness and improved public debate on EI issues leading to introduction of reforms	Secretariat, Communications Officer	January 2015 onwards	500,000	MDTF
EITI Open Data Dashboard (uploading of maps of mining tenements and oil, gas and coal operations, supporting documents from MGB and DOE, MOAS from NCIP)	Increased awareness and improved public debate on EI issues leading to introduction of reforms; Increased transparency regarding the operations of extractive companies through contract disclosure and creation of interactive maps.	Secretariat, Communications Officer, Open Data, government agencies	January to September 2015	3,000,000	Development partners
Lecture Series (Provincial and NCR) on EI issues , Mining 101	Increased awareness and improved public debate on EI issues leading to introduction of reforms	MSG, secretariat, consultants. Chamber of Mines	April to July 2015	Budget for report roadshow	MDTF

Partners Forum with Development Partners	Increased awareness and improved public debate on EI issues leading to introduction of reforms	MSG, Secretariat	February 2015		British Embassy
Development of monitoring tools and systems for IP royalties, mandated funds and CSR projects	Increased transparency and accountability through citizens' participation in the regular monitoring of payments	MSG, government agencies, secretariat	2 nd quarter 2015 onwards	Budget for improvement of monitoring procedures	Development partners
Scoping study on small-scale mining	Increased awareness improved public debate on EI issues leading to introduction of reforms	Consultant, secretariat	2 nd -3 rd quarter	2,500,000	Development Partners

3RD OBJECTIVE: Strengthen national resource management / strengthen government systems

RATIONALE: Local communities should be able to see how their natural resources are managed and should be able to hold officials liable in case of unsound management. To make this happen, government systems must be in place to ensure accountability. For instance, there should be a standard way of monitoring compliance with laws and contractual obligations. Capacity building measures should also be conducted to make sure that government personnel understand the industry very well so as to make informed decisions. Local mining monitoring teams should be further equipped so that they can perform their function well with respect to mining companies' compliance with laws and contractual obligations. Moreover, information should always be available. With the current data, however, and with the way information systems are structured, the public is unable to monitor the management of natural resources as much as they want to.

GOVERNANCE RELATED CHALLENGES: 1. In some instances, institutionalizing mechanisms to improve government systems to remove barriers to transparency would require enactment or amendment of laws that will take time to materialize. 2. Arriving at a consensus on which reforms to introduce could be a challenge given the diverse views of stakeholders 3. Implementing reforms in a sustainable manner is a challenge because it is highly dependent on political will which is susceptible to change when the administration changes. This is particularly true at the local level.

ACTIVITIES VIS-À-VIS CHALLENGES: Key to addressing the above challenges is the implementation and institutionalization of policies to ensure

sustainability. The activities under this objective thus aim not just to address gaps in existing government systems but also to make sure that reforms are firmly in place despite changes in administration at the local and national level. To ensure this, amendment of laws shall be prioritized, as well as securing the full commitment and building the capacity of government employees especially local monitoring teams in charge of implementing these reforms. Existing processes in data generation and record keeping will also be improved.

ACTIVITIES	OUTCOME	RESPONSIBLE PARTY	TIMELINE	COST	FUNDING
Formulation of new policies by the MSG to improve government systems based on the findings of the first report	Improved government systems that ensure transparency in all EI transactions ; Institutionalization of policies which results in sustainable reforms and programs;	MSG, consultant	2 nd quarter 2015 onwards	2,630,000	MDTF
Engage the Legislative and the Executive branches of government; Hiring of legal consultant to draft EITI law and propose legislation/ amendment for full EITI implementation	Improved government systems that ensure transparency in all EI transactions Institutionalization of policies through law which results in sustainable reforms and programs;	MSG, consultant, secretariat	March to September 2015	2,099,500	MDTF
Pilot subnational implementation in selected LGUs and capacity building of LGUs; strengthening of local monitoring teams	Increased transparency and improve EI governance at the local level as led by well capacitated LGUs and local monitoring teams equipped in implementing reforms	MSG, secretariat	2 nd quarter 2015 onwards	2,000,000	Development partners
Operationalization of policy recommendations (revision of forms, creation of modules,	Improved government systems that ensure transparency in all EI transactions; Institutionalization of	MSG, government agencies	2 nd quarter 2015 onwards	5,000,000	Development partners

establishment of MIS for government agencies)	policies which results in sustainable reforms and programs;				
<p>4TH OBJECTIVE: Create opportunities for dialogue and constructive engagement in natural resource management in order to build trust and reduce conflict among stakeholders</p> <p>RATIONALE: Stakeholders have divergent views on how much the extractive sector is contributing to the economy and on the extent that local communities benefit from extractive operations. The EITI is seen a way by which parties can arrive at a consensus on matters pertaining to natural resource management.</p> <p>GOVERNANCE RELATED CHALLENGES: 1. Distrust among stakeholders. 2. Sustainability of stakeholder engagement 3. Ensuring that the effects of stakeholder engagement through EITI extends to the broader public</p> <p>ACTIVITIES VIS-À-VIS CHALLENGES: As seen from the first cycle of EITI implementation in the country, sustained and meaningful engagement can go a long way in building trust among stakeholders. The forums, dialogues and regular MSG meetings in the past year proved effective in ventilating issues and coming to a common understanding of how such issues may be addressed through the EITI process. Drawing from the positive results of stakeholder engagement in the past year, more forums and dialogues are scheduled this year to deepen understanding of the sector and to formulate policies. Note that activities under the first and second objectives are also meant to contribute to this fourth objective.</p>					
ACTIVITIES	OUTCOME	RESPONSIBLE PARTY	TIMELINE	COST	FUNDING
Regular MSG meetings	An enabling environment for sound policies as a result of sustained dialogue among stakeholders	MSG, secretariat	January 2015 onwards	3,066,000	MDTF, GOP
Regular forums and dialogues with stakeholders	An enabling environment for sound policies as a result of sustained dialogue among stakeholders	MSG, secretariat	January 2015 onwards	1,200,000	MDTF
<p>5TH OBJECTIVE: Strengthen business environment and increase investments</p> <p>RATIONALE: There are debates on whether the extractive sector in the Philippines can contribute more to the economy given the country's mineral</p>					

deposits. However, shifting policies in the sector affect the level of investments. EITI data is a tool that can be used to ensure that policies are more evidence-based and thus, less volatile. Moreover, perception of corruption still exists, thus discouraging companies from investing. EITI sends the message that the government is serious in its commitment to eradicate corruption to strengthen business environment.

GOVERNANCE RELATED CHALLENGES: 1. Frequent changes in administration and in policies especially at the local level make investing risky. 2. Some local governments lack the political will in ensuring that consultations with communities are transparent and participatory. This increases the level of distrust between companies and communities. 3. The voluntary nature of the EITI process at this point hinders full participation of all companies and may undermine the credibility of the EITI process in the long run.

ACTIVITIES VIS-À-VIS CHALLENGES: For the EITI process to have more impact in strengthening business environment, the complete buy-in of companies is essential. Thus, increased participation of companies is among the priorities of PH-EITI at this stage. Towards this end, the importance of EITI and how it benefits the industry should be communicated more to industry members through forums and dialogues. It is also important that participation in EITI be mandated or least incentivized through legislation in order to ensure full cooperation of companies. Note that activities listed under the 1st and 4th objectives also apply to this objective.

ACTIVITIES	OUTCOME	RESPONSIBLE PARTY	TIMELINE	COST	FUNDING
Forums with industry members	Entry of more investments, higher ease of doing business rating in the EI sector	MSG, secretariat	2 nd to 3 rd quarter 2015	Budget for outreach activities	MDTF
Engagement of other mining affiliated organizations	Entry of more investments, higher ease of doing business rating in the EI sector	MSG, secretariat	2 nd and 3 rd quarter 2015	Budget for outreach activities	MDTF
Institutionalization of EITI through law	Full and sustained commitment of the industry to EITI	MSG, consultant	March to September 2015	Budget for engagement of Congress and Senate	MDTF
ADMINISTRATIVE EXPENSES					
Management of the PH-EITI	Effective implementation of EITI	Secretariat, DOF	January 2015	6,644,901	MDTF, GOP

secretariat			onwards		
Hiring of additional technical staff for the Secretariat	Effective implementation of EITI	Secretariat	January to April 2015	1,200,000	MDTF
Operational expenses of the Secretariat	Effective implementation of EITI	Secretariat, DOF	January 2015 onwards	3,718,000	MDTF, GOP

TOTAL	
MDTF	45,360,000
GOP	6,565,000
CIDA	300,000
Development partners	20,500,000
Stakeholders	
GRAND TOTAL	PHP72,725,000/ USD1,652,840.