

Philippines: Use of Mineral Accounts

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Policy Issue

- Insufficient government share from mineral resources utilization
- Sharing of the gross collection derived from mining taxes
 - ◆ Operated by private companies
 - National government – 60%
 - Local government - 40%
 - ◆ Undertaken by government-owned or -controlled corporation
 - national government - 60%
 - local government - 1% of gross sales of the preceding calendar year or 40% of the mining taxes whichever is higher

Policy Issue

- Sharing of local government
 - ◆ Province = 20%
 - ◆ City/Municipality = 45%
 - ◆ Community (Barangay) = 35%
- Social and environmental impacts of mining vis-à-vis its contribution to the economy

Who Influence Policy & Decision-making

- Members of the Congress
- Local government units
- National Economic and Development Authority
- Line agencies such as finance, trade and industry, budget & management, agriculture, agrarian reform, environment & natural resources
- Host communities
- Indigenous peoples
- Business owners
- Civil society organizations
- Academe

Engaging analytical, policy and decision-making communities

- Developing sense of ownership
 - ◆ Public awareness
 - ◆ Capacity building
 - ◆ Consultations throughout the process
- Seeking inputs from stakeholders
- Reviewing legal requirements
- Presentation of relevant and timely information to decision-makers
- Emphasizing the usefulness of natural capital accounts to the pressing issues at hand

Mineral Accounts

- Physical accounts
 - ◆ gold and copper - presented in both ore and metal contents
 - ◆ nickel and chromite – based on ore
- Monetary accounts using Net Present Value
 - ◆ gold and copper –on metal content
 - ◆ nickel and chromite – based on ore

Opportunities for Improving the Mineral Account

- Harmonize the classification of mineral resources/reserves with international classification system
- Expand to other metallic and non-metallic mineral for holistic picture of the mineral resource/reserves of the country
- Enhance estimation methodology for monetary accounts to include compensation of employees, depreciation, etc.
- Compile mineral accounts at the sub-national or provincial level

Use of mineral accounts in decision-making

- Provide a holistic/comprehensive view of the mineral assets as basis for development
- Better policies to address issues on revenue and benefit among levels of government
- Assessment of the impacts of mining to the economy, environment and well-being as a whole
- Assessment of the existing policies, which would result to more relevant ones
- Provide basis for new policies (e.g., allow or not allow mining activities in certain area)



THANK YOU