Philippines: Use of Mineral Accounts

BRESILDA M. GERVACIO
Director
Knowledge and Information Systems Service
Department of Environment and Natural Resources
Philippines
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
<table>
<thead>
<tr>
<th>Who Influence Policy &amp; Decision-making</th>
</tr>
</thead>
<tbody>
<tr>
<td>Members of the Congress</td>
</tr>
<tr>
<td>Local government units</td>
</tr>
<tr>
<td>National Economic and Development Authority</td>
</tr>
<tr>
<td>Line agencies such as finance, trade and industry, budget &amp; management, agriculture, agrarian reform, environment &amp; natural resources</td>
</tr>
<tr>
<td>Host communities</td>
</tr>
<tr>
<td>Indigenous peoples</td>
</tr>
<tr>
<td>Business owners</td>
</tr>
<tr>
<td>Civil society organizations</td>
</tr>
<tr>
<td>Academe</td>
</tr>
</tbody>
</table>
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