

PHILIPPINES

BASIC FACTS ABOUT PEI PHILIPPINES

Timescale: Phase I (2011–2012), Phase II (2013-2015).

Partners: The Department of Interior and Local Government and the Department of Environment and Natural Resources along with the Department of Finance, Department of Budget and Management, and the National Anti-Poverty Commission.

Focus: Demonstrating that natural resources can be extracted with reduced social and environmental impacts by ensuring natural resource revenues are used for poverty reduction.

MAINSTREAMING CONTEXT

Despite experiencing positive economic growth over the last decade, 25.2% of the population in the Philippines still lives below the poverty line. Poverty remains predominantly rural and development achievements are vulnerable to environmental challenges and frequent natural disasters. Irrespective of the quality of environmental assets to sustain livelihoods, or of the particular threat posed by environmental hazards – the poor usually lose out on a proportionate share of benefits from natural resource wealth. For instance, the general experience in extractive industries in the Philippines has proven to be quite detrimental to local areas and communities, leaving behind only a degraded environment and limited development impacts. Recently, there has been a substantial increase in applications for mining licenses in many parts of the country, backed by national legislation. Mining can cause pollution, compete with biodiversity areas and undermine the rights of local populations.

MAIN ACTIVITIES

Maximize timely collection and release of environment and natural resource revenues to local government units (LGUs) based on a review of revenue collection and then implementation of recommendations.

Improve the existing LGUs' planning and budgeting systems through mainstreaming pro-poor sustainable environment natural resource management with piloting in selected LGUs and guidance for up scaling.

Promote the use of natural resource revenues for improved social services delivery, poverty reduction and environmental sustainability by LGUs with piloting in selected LGUs and guidance for up scaling.

ACHIEVEMENTS

Production of Public Environmental Expenditure Reviews at national and local levels; review of the collection and distribution of revenues from natural resources followed by improved capacity among government, business and civil society stakeholders at national and local levels to utilize revenues and benefits from environment and natural resources for poverty reduction.

The capacity of national and local governments to use revenues from natural resources extraction to reduce poverty is increasing. This comes as a result of the PEI-supported review, documentation, and sharing of best practices from LGUs in the use of revenues from natural resources both from mining and renewable energy generation towards reducing poverty. It is supporting the aggregation of relevant information and studies into formal knowledge management platforms.

PEI supported LGU's hosting extractive industries with the process of establishing networks across 123 provinces, 26 municipalities, and five cities to lobby for and monitor a benefit-sharing scheme. This would enable better planning and budgeting for P-E development interventions at the local level.

The development of a computerized system for the Mines and Geoscience Bureau has been underway since 2013 to document and monitor properly fees, taxes, and royalties paid by mining companies and other stakeholders. This boost in transparency will contribute to policy reforms and improve related governance processes in the Philippines.

PEI provided inputs to the landmark 2012 Executive Order 79 on mining on the need to increase local government shares of natural resource revenues, better regulate small scale mining as well as large mines and increase transparency in the collection of these revenues through membership of the Extractive Industry Transparency Initiative (EITI).

LESSONS LEARNED

PEI Philippines had a long preparatory phase, but ultimately this ensured government ownership of the programme and a middle ground starting platform between pro- and anti-mining lobbies in the Philippines.

PEI's pragmatic approach was well placed to provide technical inputs into this conducive political context. The programme also established partnerships with key individuals who have had a major role in drafting the recent Executive Order.

WAY FORWARD

The recent Executive Order on mining has raised the political profile of the PEI's focus and provided a clear framework of activities for the PEI Phase 2 to support the Department of Local Government and Department of Environment and Natural Resources with its implementation.

PEI Philippines is redefining its scope of work to include wealth creation from biodiversity conservation especially among the rural poor, including the indigenous people. This is to develop sustainable industries and natural resource management options for the stakeholders in defining growth path for local economic development.