



10 SEP 2012

ADMINISTRATIVE ORDER

No. 2012 - 07

SUBJECT: RULES AND REGULATIONS TO IMPLEMENT EXECUTIVE ORDER NO. 79 DATED 06 JULY 2012 ENTITLED: INSTITUTIONALIZING AND IMPLEMENTING REFORMS IN THE PHILIPPINE MINING SECTOR PROVIDING POLICIES AND GUIDELINES TO ENSURE ENVIRONMENTAL PROTECTION AND RESPONSIBLE MINING IN THE UTILIZATION OF MINERAL RESOURCES

Pursuant to Section 19 of Executive Order (EO) No. 79 dated 06 July 2012, entitled: *Institutionalizing and Implementing Reforms in the Philippine Mining Sector Providing Policies and Guidelines to Ensure Environmental Protection and Responsible Mining in the Utilization of Mineral Resources*, the following rules and regulations are hereby promulgated for the guidance and compliance of all concerned:

Section 1. Title

The title of this Administrative Order shall be "The Implementing Rules and Regulations of Executive Order No. 79."

Section 2. Objective

These implementing rules and regulations are promulgated toward the attainment of the following six-point agenda adopted by the Climate Change Adaptation and Mitigation, and Economic Development Cabinet Clusters in a Joint Resolution dated 16 March 2012, which sets the direction and lays the foundation for the implementation of Responsible Mining Policies:

- a. Ensure mining's contribution to the country's sustainable development (i.e., economic and social growth and environmental protection);
- b. Adopt international best practices and promote good governance and integrity in the sector;
- c. Ensure the protection of the environment by adopting technically and scientifically sound and generally accepted methods as well as indigenous best practices;
- d. Ensure the consistency of local issuances with the Constitution and national laws;
- e. Ensure a fair, adequate, and equitable shared economic benefit for the country and the people; and



- f. Deliver efficient and effective management of the mining sector.

Section 3. Definition of Terms

As used in and for purposes of these implementing rules and regulations, the following terms are defined accordingly:

- a. "Abandoned ores" refer to ores that were abandoned during their transport or shipment and not covered by valid and existing Ore Transport Permit, Mineral Ore Export Permit or were illegally sourced;
- b. "Environmental management record" refers to a mining applicant's compliance with all environmental standards in its past resource use ventures and that its present technical and financial capability meet all the requirements to undertake resource protection, restoration and/or rehabilitation of degraded areas and similar activities: *Provided*, that this shall not be required in cases where the mining applicant has no previous experience in resource use ventures, locally or internationally;
- c. "Fish refuge and sanctuaries" refer to areas designated by the Department of Agriculture (DA) where fishing or other forms of activities that may damage the ecosystem of the area is prohibited and human access may be restricted;
- d. "Impact areas of mining" refer to areas situated in the vicinity of a mining area, as determined by current and existing mapping technologies in the Environmental Impact Assessment (EIA), where previous/current mining operations may have probable effects or consequences on the physical, biological, and socio-economic environment, which can be direct or indirect, cumulative and positive or negative, and which the Department of Environment and Natural Resources (DENR) may hereafter identify as closed to mining pursuant to existing laws, and rules, and regulations;
- e. "Island ecosystems" refer to terrestrial, inland water and coastal marine environments in an oceanic island possessing unique but fragile and vulnerable ecosystems, where community of living organisms (plants, animals and microbes), in conjunction with the nonliving components of their environment, are interacting as a system;
- f. "Mineral/Mining concessions" refer to mining agreements, permits and/or contracts;
- g. "National Government-Owned Mining Assets" refer to mining areas, mining tenements and/or claims previously held by operators, including, but not limited to, Basay Mining Corporation/CDCP Mining Corporation, Marinduque Mining



and Industrial Corporation, Nonoc Mining and Industrial Corporation, and Hercules Minerals and Oils, Inc., which were previously assigned by government financial institutions and/or government-owned or -controlled corporations to the Asset Privatization Trust/Privatization and Management Office;

- h. "Network of Protected Areas for Agricultural and Agro-industrial Development (NPAAAD)" refers to agricultural areas identified by the DA through the Bureau of Soils and Water Management in coordination with the National Mapping and Resource Information Authority (NAMRIA) in order to ensure the efficient utilization of land for agriculture and agro-industrial development and promote sustainable growth. The NPAAAD covers all irrigated areas, all irrigable lands already covered by irrigation projects with firm funding commitments; all alluvial plain lands highly suitable for agriculture whether irrigated or not; agro-industrial croplands or lands presently planted to industrial crops that support the viability of existing agricultural infrastructure and agro-based enterprises, highlands, or areas located at an elevation of five hundred (500) meters or above and have the potential for growing semi-temperate and high-value crops; all agricultural lands that are ecologically fragile, the conversion of which will result in serious environmental degradation, and mangrove areas and fish sanctuaries;
- i. "Other critical areas" refer to areas declared as permanent danger zones by the Mines and Geosciences Bureau (MGB), Philippine Institute of Volcanology and Seismology and other relevant agencies, and those defined as critical habitats by RA No. 9147 or the Wildlife Resources Conservation and Protection Act;
- j. "Prime agricultural lands" refer to lands that can be used for various or specific agricultural activities and can provide optimum and sustainable yield with a minimum of inputs and development cost as determined by the DA. These are included in the NPAAAD and the Strategic Agriculture and Fisheries Development Zones, and lands covered by RA No. 6657 or the Comprehensive Agrarian Reform Law of 1988, as amended;
- k. "Protected areas" refer to areas categorized and established by law or by Proclamation under RA No. 7586 or the National Integrated Protected Areas System (NIPAS) Act;
- l. "Social acceptability" refers to the acceptability of a project by affected communities based on timely and informed participation in a consultation process, particularly with regard to environmental impacts that are of concern to them. It is not a simple "yes" or "no" vote where the majority wins. It includes addressing valid concerns through a series of dialogues, information and negotiation among stakeholders, especially with the people living in surrounding communities;



- m. "Strategic Agriculture and Fisheries Development Zones (SAFDZs)" refer to the areas within the NPAAAD identified under RA No. 8435, the Agriculture and Fisheries Modernization Act of 1997, for production, agro-processing and marketing activities to help develop and modernize, with the support of Government, the agriculture and fisheries sectors in an environmentally and socio-culturally sound manner;
- n. "Strategic minerals" refer to minerals essential to national economic development, which are required to supply the industrial needs of the country, including, but not limited to, base metals (iron, nickel, lead, zinc and copper), or other minerals as may be declared by the President. This also includes rare earth elements whose unique properties make them essential to emerging technologies that contribute to environmental, energy efficiency and health solutions; and
- o. "Tourism Development Areas" refer to specific tourism sites within an area, including its attendant landscapes, identified in national and local tourism development plans, as well as those designated through legislative and executive issuances, to be developed into Tourism Enterprise Zones, tourism complexes, integrated resorts, leisure and recreation centers, and other tourism related facilities and activities.

Other terms used in these implementing rules and regulations shall have their meaning as defined in R. A. No. 7942, the Philippine Mining Act of 1995, and its Implementing Rules and Regulations.

Section 4. Areas Closed to Mining Applications

Applications for mineral contracts, concessions and agreements shall not be allowed in the following:

- a. Areas expressly enumerated under Section 19 of RA No. 7942 and Section 15 of DENR Administrative Order (DAO) No. 2010-21, or the Implementing Rules and Regulations of RA No. 7942, as may be amended hereafter;
- b. Protected areas categorized and established under the NIPAS under RA No. 7586;
- c. Prime agricultural lands, in addition to lands covered by RA No. 6657 or the Comprehensive Agrarian Reform Law of 1988, as amended, including plantations and areas devoted to valuable crops, and SAFDZ and fish refuge and sanctuaries declared as such by the Secretary of the DA;
- d. Tourism development areas, as identified in the national and local tourism development plans; and



- e. Other critical areas, island ecosystems, and impact areas of mining as determined by current and existing mapping technologies, that the DENR may hereafter identify pursuant to existing laws, rules, and regulations, such as, but not limited to, the NIPAS Act.

The agencies concerned shall submit to the NAMRIA within one (1) month after the 1st meeting of the Mining Industry Coordinating Council (MICC) on July 25, 2012, the list and the corresponding maps with technical descriptions of the areas closed to mining for inclusion in the integrated map in accordance with Section 19 hereof.

Mining contracts, agreements and concessions approved before the effectivity of the EO shall continue to be valid, binding and enforceable: *Provided*, that they strictly comply with existing laws, and rules and regulations and the terms and conditions of the grant thereof. The DENR, in coordination with other agencies and local government units concerned, shall conduct periodic reviews and monitoring of compliance of said mining contracts/ agreements/concessions. The first review shall be accomplished within six (6) months from the effectivity of the EO, with subsequent reviews conducted every two (2) years thereafter.

All pending mining applications situated within any of the above areas closed to mining shall be deemed denied upon the effectivity of the EO.

Section 5. Full Enforcement of Environmental Standards in Mining

The Government in general and the DENR in particular, in coordination with Local Government Units (LGUs) concerned, shall ensure that environmental standards in mining, as prescribed by the various mining and environmental laws, and rules and regulations, shall be fully and strictly enforced, and appropriate sanctions meted out against violators thereof.

When any mining operations violates the provisions of the RA No. 7942 and its Implementing Rules and Regulations, the EO and the Presidential Directives, and other applicable laws and regulations, the MGB Director/Regional Director shall require the mining contractor/permittee/permit holder/operator concerned to undertake the necessary remediation measures for the affected areas, including any communities involved, and shall summarily issue pertinent suspension order/s until the danger is removed.

On the other hand, the Environmental Management Bureau (EMB) Director/Regional Director shall issue Notice of Violation/s and Cease and Desist Order/s, and/or impose fines and penalties from the mining contractor/permittee/permit holder/operator concerned for violation/s of the Environmental Compliance Certificate (ECC) and/or the provisions of Presidential Decree (PD) No. 1586, DAO No. 2003-30 and other environmental laws.



Mining rights shall be granted only to those who are able to strictly comply with the environmental management record requirement, among other pertinent requirements, pursuant to the applicable provisions of RA No. 7942, the EO and the Presidential Directives, and other applicable laws and regulations. Thus, all mining applicants, including the individual owners/officials of juridical entities, with record(s) of environmental incidents, where the required remediation measures for the affected areas under applicable laws and regulations were not implemented by them, such as, but not limited to, destructive tailings spill and indiscriminate mining operation, shall be permanently disqualified from acquiring mining rights and operating mining projects. This shall not be required in cases where the mining applicant has no previous experience in resource use ventures, locally or internationally.

Section 6. Review of the Performance of Existing Mining Operations and Cleansing of Non-Moving Mining Rights Holders

To ensure compliance with environmental standards, laws, rules and regulations, and to rationalize the management and utilization of minerals toward sustainable development, a multi-stakeholder team led by the DENR shall be created to conduct review of the performance of existing mining operations. This review is to be undertaken within six (6) months from the effectivity of the EO and every two (2) years thereafter.

The said review shall be based on guidelines and parameters set forth in the specific mining contract, agreement or concession and in other pertinent or applicable laws, rules and regulations, such as the Philippine Mining Act of 1995 and the Labor Code. The review shall include assessment of performance, compliance with other terms and conditions of the mining contract/permit, and field validation, among others.

Appropriate action shall be immediately taken by the Government agency(ies) concerned against proven violators based on the findings and recommendations of the review.

The cleansing of non-moving mining rights holders shall be undertaken in accordance with DENR Memorandum Order No. 2010-04.

Section 7. Grant of Mineral Agreements Pending New Legislation

No new mineral agreements shall be entered into until a legislation rationalizing existing revenue sharing schemes and mechanisms shall have taken effect: *Provided*, that any expansion of existing contract areas shall not exceed the maximum hectarage per province set by the Philippine Mining Act of 1995: *Provided, further*, that the National Government-Owned Mining Assets may be subject to the Financial or Technical Assistance Agreement (FTAA) in accordance with Section 9 of these implementing rules and regulations.



The DENR may continue to grant and issue Exploration Permits (EPs) and other forms of mining permits, such as Mineral Processing Permits, Government Seabed Quarry Permits, Special Minerals Extraction Permit, Industrial Sand and Gravel Permits as provided for in the Philippine Mining Act of 1995 subject to Section 4 hereof and under existing laws, rules and guidelines: *Provided*, that no EP shall be allowed in the National Government- Owned Mining Assets. The grantees of EPs shall have the rights under applicable laws, rules and guidelines over the approved exploration area and shall be given the right of first option to develop and utilize the minerals in their respective exploration areas upon the approval of the declaration of mining project feasibility and the effectivity of said legislation. Holders of EPs must put their respective areas into operation within the period provided under the terms and conditions of the EP, otherwise, they automatically lose their priority right over the said area and the Government can bid the same pursuant to Section 9 hereof.

The meridional blocks shall be used in identifying areas to be covered by EP applications as provided for in Section 13 of the Philippine Mining Act of 1995. In case where a meridional block covered by an EP application is situated within an area closed to mining application, then said block shall be removed from the coverage of the said application.

An EP application shall be approved or disapproved within six (6) months from the date of its acceptance by the MGB on condition that all pertinent requirements are fully complied with. For this purpose, the following internal deadlines are set for the various agencies concerned:

- a) DENR Sector concerned, for the issuance of Area Status and Clearance – within one (1) month from date of filing the application.
- b) National Commission on Indigenous Peoples (NCIP), for the issuance of a Certificate of Non-Overlap – within three (3) months

or Compliance Certificate (Certification Precondition) – within six (6) months from the date of filing the application.
- c) LGU concerned, for the issuance of certification of posting of the Notice of Application – within one (1) week from the last day of completion of posting.
- d) Panel of Arbitrators, for the issuance of certification as to any adverse claim or opposition – within one (1) week from the date of filing the request.

Provided, that the above requirements shall be deemed waived if the agencies concerned are not able to issue them within the prescribed deadlines.



The DENR shall likewise undertake a review of existing mining contracts and agreements for possible renegotiation of the terms and conditions of the same which shall, in all cases, be mutually acceptable to the Government and the mining contractor.

Section 8. Establishment of Mineral Reservations

Potential and future mining areas with known strategic mineral reserves and resources shall be declared as Mineral Reservations for the development of strategic industries identified in the Philippine Development Plan and a National Industrialization Plan, pursuant to the pertinent provisions of RA No. 7942, after proper consultation with all stakeholders concerned such as, but not limited to, residents of affected communities, LGUs, the business sector, and non-government and civil society organizations.

For the above purpose, the MGB shall intensify mineral exploration, and research and development program for the delineation of mineral resources and reserves of the entire country in coordination with LGUs concerned, local communities and Indigenous Peoples.

This shall be without prejudice to the agreements, contracts, rights and obligations previously entered into by and between the government and mining contractors/operators.

Section 9. Opening of Areas for Mining through Competitive Public Bidding

The grant of mining rights and mining tenements over areas with known and verified mineral resources and reserves, including those owned by the Government and all expired mining tenements, shall be undertaken through competitive public bidding : *Provided*, that in the case of expired mining tenement, the previous holder, if qualified, may also participate in the bidding process: *Provided, further*, that in the case of expiring 25-year mining tenements, the qualified mining tenement holder electing to exercise its right to renew the said mining tenement for another 25-year term shall file the pertinent mining application in the MGB not later than six (6) months prior to the expiration of the same mining tenement. The mining contract/agreement that may be renewed shall be subject to new terms and conditions pursuant to the laws, and rules and regulations that are existing at the time of renewal or may be hereafter issued, such as, but not limited to, the establishment of the contract area as a Mineral Reservation.

The MGB shall prepare the necessary competitive bid packages and formulate the proper guidelines and procedures to conduct the same, which shall include ensuring that the social acceptability of the proposed project has been secured. The competitive bid packages shall contain such vital technical information as technical description, geology, mineral commodities, volume/tonnage and grade of



resource/reserve, assay results, feasibility study, and details of resource estimation, among others.

All other mining applications shall be processed and approved through existing procedures.

Section 10. Disposition of Abandoned Ores and Valuable Metals In Mine Wastes and Mill Tailings

All abandoned ores, and valuable metals in mine wastes and/or mill tailings generated by previous and now defunct mining operations, except those that have been awarded with finality by the court, belong to the State. These shall include those that were abandoned during their transport or shipment and are not covered by valid and existing Ore Transport Permit, Mineral Ore Export Permit or Delivery Receipt. These shall be developed and utilized through competitive public bidding in accordance with the pertinent provisions of law: *Provided*, that such abandoned ores and valuable metals in mine wastes and/or mill tailings are not involved in any pending or decided cases in court.

In the case of existing mining operations, all valuable metals in mine wastes and/or mill tailings shall automatically belong to the State upon the expiration of the pertinent mining contracts and shall be similarly developed and utilized through public bidding: *Provided*, that where two or more mine sites, covered by their respective mining contracts, share a single tailings pond, both or all mining contracts must expire before the State can claim ownership over the said tailing pond.

The State's assumption of responsibility over the structures and facilities relating to mine wastes and mill tailings shall be without prejudice to any liability/ liabilities that may be found against mining contractors for any harm or damage caused by said structures and facilities, mine wastes and mill tailings prior to the said assumption of responsibility in accordance with existing laws, and rules, regulations and the terms of the grant of the mining rights.

Section 11. Value-Adding Activities and the Development of Downstream Industries for the Mineral Sector

A multistakeholder committee shall formulate within a period of six (6) months a national program and roadmap, based on the Philippine Development Plan and a National Industrialization Plan, for the development of value-adding activities and downstream industries for strategic metallic ores. This shall be submitted to the MICC for review and endorsement to the President.

The multistakeholder committee shall be composed of the following officials or their duly authorized representative(s):

- a. Secretary of the Department of Trade and Industry (DTI)
as Chair;



- b. Secretary of the DENR as Member;
- c. Secretary of the Department of Science and Technology (DOST) as Member;
- d. Secretary of the Department of Finance (DOF) as Member;
- e. Director General of the National Economic and Development Authority (NEDA) as Member; and
- f. President of the Union of Local Authorities of the Philippines (ULAP) as Member.

Other members of the committee shall include representatives from the business, civil society, and academe. The committee can invite other stakeholders as necessary.

The Board of Investments shall act as the Secretariat of the Committee.

Section 12. Constituting the Climate Change Adaptation and Mitigation and Economic Development Cabinet Clusters as the Mining Industry Coordinating Council

The Climate Change Adaptation and Mitigation and Economic Development Cabinet Clusters, shall constitute themselves into an interagency forum to be known as the Mining Industry Coordinating Council (MICC).

The MICC shall be co-chaired by the Chairpersons of the two (2) clusters and shall have the following additional members: Secretary, Department of Justice (DOJ), Chairperson, NCIP, and President, ULAP.

The NEDA shall provide Secretariat support to the MICC.

Section 13. Powers and Functions of the Council

The Council shall have the following powers and functions:

- a. Submit a work plan for the implementation of the EO and other reforms related to the mining industry within sixty (60) days from the effectivity of the EO;
- b. Ensure continuing dialogue and coordination among all stakeholders in the industry;
- c. Conduct and facilitate the necessary capacity and institutional building programs for all government agencies and instrumentalities concerned;
- d. Conduct an assessment and review of all mining-related laws, rules and regulations, issuances, and agreements with the view to formulating recommendations to improve the



allocation of revenues and risk between the government and the mining sector, to enhance coordination between the National Government and LGUs to ensure implementation of mining laws and regulations, and to properly regulate small-scale mining participants and ensure that they are accountable to the same environmental and social obligations as large-scale mining companies;

- e. As may be directed by the President, constitute and create a Task Force Against Illegal Mining and seek the assistance of all law enforcement agencies, such as, but not limited, to the Philippine National Police; and the Armed Forces of the Philippines to ensure strict compliance with relevant laws, rules and regulations;
- f. Serve as the Oversight Committee over the operations of Provincial/City Mining Regulatory Boards (P/CMRBs);
- g. Request the assistance of any government agency or instrumentality, including government-owned and controlled corporations and LGUs, in the implementation of the EO;
- h. Submit periodic reports to the President on the status of the implementation of the EO; and
- i. Perform such other functions and acts as may be necessary, proper or incidental to the attainment of its mandates and objectives, or as may be directed by the President.

Section 14. Measures to Improve Small-Scale Mining Activities

To improve and address issues on small-scale mining, the following measures shall be undertaken:

- a. Compliance with RA No. 7076.

Small-scale mining activities shall be governed by the provisions of RA No. 7076, or the People's Small-Scale Mining Act of 1991, and its Implementing Rules and Regulations (DAO No. 34, Series of 1992), and shall be undertaken only within the declared People's Small-Scale Mining Areas or *Minahang Bayan*: *Provided*, that for metallic minerals, small-scale mining shall be allowed only for gold, silver, and chromite.

Small-scale mining operations under Small-Scale Mining Permits (SSMP) issued under PD No. 1899 shall be recognized until their expiration unless the same are earlier revoked, cancelled or terminated with cause: *Provided*, that the affected small-scale miners operating under SSMPs involving gold, silver and chromite and non-metallic minerals may have the option to continue small-scale mining operations thru a Small-scale Mining Contract (SSMC) issued pursuant to the provisions of RA No. 7076: *Provided, further*, that holders of



SSMPs with a remaining term of less than one (1) year may be given a temporary SSMCs by Governor/City Mayor concerned upon the recommendation by the P/CMRB concerned to continue small-scale mining operations within a period of six (6) months or until their area is declared as a Minahang Bayan, whichever comes first.

Large-scale mining tenement holders shall not be allowed to undertake small-scale mining operations in their contract areas.

- b. Compliance with the Environmental Impact Statement System requirements under PD No. 1586 entitled "*Establishing an Environmental Impact Statement System including other Environmental Related Measures and for other Purposes*," and other applicable environmental laws, rules and regulations.

The following documents shall be among the requirements prior to issuance of SSMC:

1. ECC for the Minahang Bayan secured thru an Environmental Impact Statement from the EMB;
 2. Potential Environmental Impact Report, which is a simplified Environmental Protection and Enhancement Program, and a Final Mine Rehabilitation/Decommissioning Plan duly approved by the MGB Regional Office concerned; and
 3. Community Development and Management Program, a simplified Social Development and Management Program, duly approved by the MGB Regional Office concerned.
- c. Hydraulicking (water jetting), compressor mining and the use of mercury in small-scale mining operations shall be strictly prohibited.

Due to the serious safety, health and environmental impacts, the conduct of hydraulicking, compressor mining, and the possession, sale and/or use of mercury in small-scale mining and milling operations shall be prohibited. Any violation thereof shall cause the cancellation of the small-scale mining contract/permit.

The MGB and DOST, together with other academic institutions shall undertake studies on alternative method(s) in the recovery of gold.

d. P/CMRB

The P/CMRBs pursuant to Section 24 of RA No. 7076 shall be operationalized in provinces and cities where they have not



REGIONAL OFFICE OF DENR
DEPARTMENT OF ENVIRONMENT
AND NATURAL RESOURCES



SENRO33505

been constituted within three (3) months from the effectivity of the EO and shall be composed of the following:

1. MGB Regional Director concerned as Chairperson;
2. Provincial Governor/City Mayor as Co-Chairperson;
3. One (1) Small-Scale Mining representative as Member;
4. One (1) Large-Scale Mining representative as Member;
and
5. One (1) representative from a DENR-accredited environmental nongovernmental organization as Member.

Representatives from the private sector and civil society shall be selected by their respective organizations and appointed by the MGB Regional Director concerned.

The Regional Office concerned of the MGB shall provide the Technical Secretariat/Staff.

e. Training and capacity building measures.

Technical assistance thru trainings, seminars, for capacity building to small-scale miners, mining cooperatives and associations shall be conducted by the government agencies concerned.

f. Selling of produce

Sale of gold shall only be to Bangko Sentral ng Pilipinas and its accredited buyers.

In view of the provisions of the EO, the DENR shall, within one (1) month after the effectivity of these implementing rules and regulations, issue an amendment to DAO No. 34, Series of 1992.

Section 15. Consistency of Local Ordinances with the Constitution and National Laws/LGU Cooperation

The Department of the Interior and Local Government (DILG) and the LGUs are hereby directed to ensure that the exercise of the latter's powers and functions is consistent with and conform to the regulations, decisions, and policies already promulgated and taken by the National Government, the Constitution and national laws relating to the conservation, management, development, and proper utilization of the State's mineral resources, particularly RA No. 7942 and its Implementing Rules and Regulations, while recognizing the need for social acceptance of proposed mining projects and activities.

LGUs shall confine themselves only to the imposition of reasonable limitations on mining activities conducted within their



respective territorial jurisdictions that are consistent with national laws and regulations.

Government agencies concerned, in particular the DENR, the Department of Budget and Management (DBM), and the DOF, are hereby directed to ensure the timely release of the share of LGUs in the National Wealth pursuant to Section 289 of RA No. 7160, or the Local Government Code of 1991. These agencies are likewise directed to study the possibility of increasing LGUs' share, as well as granting them direct access similar to existing arrangements with the Philippine Export Zone Authority.

LGUs, DENR, and the MGB working together shall strictly implement RA No. 7076, to ensure the protection of the environment, address various issues in small-scale mining, and ensure that violators thereof are subjected to appropriate administrative and criminal liability.

Section 16. Creating a One-stop Shop for all Mining Applications and Procedures

The DENR shall establish an inter-agency one-stop shop for all mining related applications and processes within six (6) months from the effectivity of the EO. The DENR shall issue authority to verify mineral deposits only for areas open to mining, as defined in the EO: *Provided*, that no Mineral Production Sharing Agreement (MPSA), FTAA, Joint Venture Agreement (JVA), or Co-Production Agreement (CPA) shall be approved without the Free and Prior Informed Consent of the Indigenous Peoples concerned and compliance with the social acceptability requirement of the communities affected. All concerned government agencies and instrumentalities, including, but not limited to the DENR-MGB, NCIP, DSWD, DOF, and LGUs concerned are hereby directed to ensure an efficient and effective consolidation of functions, and to cooperate and render assistance as may be necessary.

Section 17. Improving Transparency in the Industry by Joining the Extractive Industries Transparency Initiative

In order to improve transparency, accountability, and governance in the sector, the government shall support and commit participation in the Extractive Industries Transparency Initiative (EITI). The DENR and the MICC are mandated to ensure that mechanisms are established to operationalize the EITI in the mining sector, in consultation and coordination with the mining industry and other stakeholders concerned. Philippine candidacy to the EITI shall be submitted within six (6) months of the effectivity of the EO.

The MICC shall constitute a multistakeholder group in accordance with EITI rules.



Republic of the Philippines
DEPARTMENT OF ENVIRONMENT
AND NATURAL RESOURCES



SEN033505

Section 18. Creation of a Centralized Database for the Mining Industry

The DENR shall create a centralized database of all mining-related information such as, but not limited to, existing mining tenements, drilling and production reports, maps and track records of mining companies. The database shall initially include all available data on the industry from all government agencies and instrumentalities. Qualified academic and civil society organizations and private sector groups working in the sector and/or with mapping capabilities shall be invited to submit relevant information and maps for possible inclusion in the Database. It shall be publicly accessible, transparent, complete, and comprehensive, and shall be created within six (6) months from the effectivity of the EO.

Information and data gathered by the Climate Change Commission from the conduct of Resource Accounting or Full-Cost Benefit Analysis Studies, in line with the Wealth Accounting and Valuation of Ecosystem Services (WAVES) initiative spearheaded by DENR and NEDA; and the National Climate Change Action Plan, shall also be made part of the centralized database.

The central database herein created shall be used for evaluation of future mining projects and for the performance review of existing mining operations.

Section 19. Integrated Map System to Include Mining Related Maps

The NAMRIA, in coordination with other agencies concerned, shall create within four (4) months after the effectivity of these rules and regulations an integrated map system for the common and uniform use as guide in all planning and decision-making processes of all government agencies and instrumentalities, which shall include all mining-related maps, such as, but not limited to, mining tenement maps, geo-hazard and multi-hazard maps, ancestral lands and domains, protected areas under the NIPAS, and forecast of climate change impacts.

The said integrated map system shall be periodically updated and reviewed by NAMRIA in coordination with the agencies concerned.

Areas closed to mining operations, as provided for in Section 4 of these implementing rules and regulations and in other pertinent laws, rules, and regulations, shall be clearly defined and delineated under the integrated map system.

Section 20. Use of the Programmatic Environmental Impact Assessment

The DENR and the EMB shall study the adoption of the Programmatic Environmental Impact Assessment (PEIA) in the implementation of the Philippine Environmental Impact Statement System (PEISS) under PD No. 1586, for mining projects and related



activities. The necessary amendatory rules and regulations shall be issued for the implementation of this Section.

The DENR-EMB is also hereby directed to study the use and implementation of the PEIA for small-scale mining operations and other industries and activities covered by the PEISS.

Section 21. Funding

All government agencies involved in the implementation of the EO are authorized to allocate from their existing funds such amounts as may be necessary for the budgetary requirements that may be needed to pursue the objectives of the EO, subject to the usual government accounting and auditing rules and regulations.

Section 22. Separability Clause

If any clause, sentence, section or provision of these implementing rules and regulations is held or declared to be unconstitutional or invalid by a competent court, the remaining parts of these implementing rules and regulations shall not be affected thereby.

Section 23. Repealing and Amending Clause

All orders, rules and regulations and issuances or parts thereof that are inconsistent with or contrary to the provisions of these implementing rules and regulations are hereby repealed or modified accordingly.

Section 24. Effectivity

These implementing rules and regulations shall take effect fifteen (15) days following its publication in a newspaper of general circulation and fifteen (15) days after registration in the Office of the National Administrative Register.


RAMON J. PAJE
Secretary



REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF ENVIRONMENT
AND NATURAL RESOURCES



SENR033505