

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Diliman, Quezon City

Fifteenth Congress
First Regular Session

House Bill No. 5474



HON. BERNARDO M. VERGARA AND HON. RONALD M. COSALAN

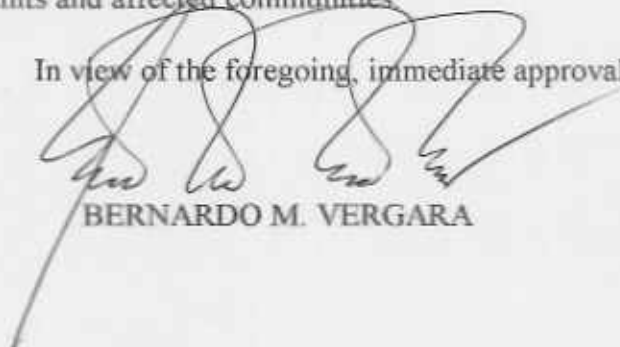
EXPLANATORY NOTE

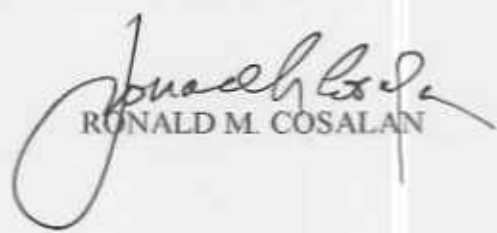
INVESTMENTS in the mining industry serve a critical role in accelerating national development, especially in alleviating poverty incidence through increased employment and livelihood opportunities. It is therefore vital for government to provide a favorable environment in the creation of support systems that will encourage a sustainable mineral exploration and processing program, identify responsive research and development priorities, and enhance capability building for industry manpower.

As an initial endeavor towards these support systems, it is essential for the government to establish a Minerals Development Council that will set clear, stable, and enduring investment and regulatory practices, raise industry standards, and promote a favorable environment for mining investments towards a responsible mining industry whose activities are undertaken in compliance with environmentally protective laws, rules and regulations.

Under this bill, this Council will be composed of all stakeholders to ensure that policies promulgated will redound to the national welfare, safeguard the ecological integrity of areas affected by mining operation, and make certain that economic and social benefits derived from mining are equitably shared by and among local government units and affected communities.

In view of the foregoing, immediate approval of this bill is earnestly sought.


BERNARDO M. VERGARA


RONALD M. COSALAN

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Diliman, Quezon City

Fifteenth Congress
First Regular Session

House Bill No. 5474

HON. BERNARDO M. VERGARA AND HON. RONALD M. COSALAN

“AN ACT CREATING THE MINERALS DEVELOPMENT COUNCIL OF THE PHILIPPINES, DEFINING ITS POWERS AND FUNCTIONS, APPROPRIATING FUNDS THEREFOR, AND FOR OTHER PURPOSES.”

Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:

SECTION 1. *Declaration of Policy.* Pursuant to the regalia doctrine of State ownership of all mineral resources, it is hereby declared the policy of the Government to promote the responsible exploration, development and utilization of mineral resources, in a manner that adheres to the principles of sustainable development and due regard for justice and equity, and respect for Philippine sovereignty, by mobilizing the entire government bureaucracy to support, enhance, and strengthen the operations and programs relative to minerals development.

SECTION 2. *Guiding Principles.* The pursuit of the foregoing policy shall be guided by the following principles:

- a. Government recognizes the critical role of investments in the mineral industry for national development, especially in poverty alleviation through increased employment and livelihood opportunities.
- b. Support systems shall be established for a sustainable exploration, development, and utilization of mineral resources, a responsive research and development priorities, and a capability building effort for continuing industry manpower.
- c. Investment and regulatory policies shall be instituted for clear, stable, predictable and forward-looking standards in attracting and facilitating investments in mining towards an equitably prosperous mining industry.
- d. Value-added regulations shall be emphasized to encourage optimum benefits from minerals for the Filipino people through the development of downstream industries that will contribute greater productivity and efficiency.
- e. Efficient technologies shall be adopted to ensure the judicious extraction and maximum utilization of non-renewable mineral resources so as to enhance greater sustainability.
- f. The protection of the environment shall be a paramount obligation in every stage of mining operations, towards which goal adequate mitigation and progressive rehabilitation measures shall be instituted.
- g. The ecological integrity of areas affected by mining operations, including biodiversity resources and small-island ecosystems, shall be upheld so as to enhance public welfare, safety, and environmental quality.

- h. Mining operations shall be conducted within the framework of multiple land use and sustainable utilization of mineralized areas.
- i. The remediation and rehabilitation of abandoned mines shall be prioritized to address the negative effects of past mining projects.
- j. The economic and social benefits derived from mining shall be equitably shared by and among the various units of government and the affected communities.
- k. Sustained information, education and communication programs about the mining industry shall be undertaken vigorously, jointly with the industry and other stakeholders, to enhance public awareness, to attain full respect for community rights, and to encourage informed decisions on mining and related projects, both at the national and local levels.
- l. Continuous and meaningful consultation processes with the industry and all stakeholders shall be instituted so as to integrate concerns on minerals in resource management policy and planning.

SECTION 3. *Creation of the Minerals Development Council.* To carry out the provisions of this Act, there is hereby created a Minerals Development Council, hereinafter referred to as the Council, under the Office of the President. The Council shall have the primary responsibility of advancing the government policy of responsible and sustainable development of the State's mineral resources.

SECTION 4. *Composition.* The Council shall be composed of the heads of offices of the following:

Department of Environment and Natural Resources - Chairman
 Presidential Adviser for Multilateral Development - Vice Chairman
 Department of Interior and Local Government - Member
 Department of Finance - Member
 National Economic and Development Authority - Member
 Department of Trade and Industry - Member
 Department of Agrarian Reform - Member
 Department of Agriculture - Member
 Department of National Defense - Member
 Department of Labor and Employment - Member
 Presidential Management Staff - Member
 National Commission on Indigenous Peoples - Member
 National Anti-Poverty Commission - Member
 Philippine Information Agency - Member
 Chamber of Mines of the Philippines - Member
 League of Municipalities of the Philippines - Member
 League of Provinces of the Philippines - Member
 League of Cities of the Philippines - Member
 Liga ng mga Barangay sa Pilipinas - Member

The Chairman, serving in an *ex officio* capacity, shall preside at all meetings of the Council and ensure that all policies, directive, plans and programs of the Council are faithfully carried out.

There shall be an Executive Director with the rank of Undersecretary who shall be appointed by the President to manage the day-to-day affairs of the Council.

The representatives from the members of the Council shall have the rank of Undersecretaries. The Chamber of Mines of the Philippines shall be represented by its President.

SECTION 5. *Meetings.* The Council shall meet regularly at least once a month or as often as necessary at the call of the chairperson or a majority of the members. A majority of the members of the Council shall constitute a quorum to do business. The members of the Council shall be entitled to honoraria based on existing government accounting and auditing rules and regulations.

SECTION 6. *Powers and Functions.* The Council shall exercise, among others, the following powers and functions:

- a. Enlist the assistance of any branch, department, bureau, office, agency, or instrumentality of the government, including government-owned and controlled corporations, to implement programs relative to mineral development, to harmonize investment-related requirements and procedures, and to facilitate investments in the minerals sector.
- b. Assist investors in the minerals sector by providing information, guidance, direction and solutions.
- c. Facilitate easier direction of tasks and reporting of accomplishments of the objective set out in the Minerals Action Plan that arose from Executive Order No. 270, series of 2004, as amended, otherwise known as the *National Policy Agenda on Revitalizing Mining in the Philippines*.
- d. Review all aspects related to the investments in the mineral industry, recommend short-term and long-term measures, and take appropriate actions to address critical policy institutional implementation, and operational issues and concerns relative to the investments in the mineral industry, and monitor the effective implementation of all programs on minerals development.
- e. Advise the President on timely and effective solutions to the problems affecting the influx of investments in the minerals industry.
- f. Promote investments in the minerals industry, including but not limited to, organizing and coordinating investment road shows, missions, trade fairs, etc.
- g. Prepare and submit reports to the President on the status of investments in the minerals industry.
- h. Create regional Mineral Development Councils in key regions where there exist mineral development projects as determined by the DENR-MGB; and
- i. Perform such other functions as may be directed by the President.

SECTION 7. *Funding.* Initial funding for the operations of the Mineral Development Council shall be sourced from such available resources as may be determined by the Department of Budget and Management.

SECTION 8. *Implementing Guidelines.* The Mineral Development Council shall adopt such operating guidelines as may be necessary to implement and achieve the objectives of this Act.

SECTION 9. *Annual Report.* The Council shall, within ninety (90) days after the end of every fiscal year, submit to the President and to Congress an annual report on its compliance with, or accomplishments under this Act, together with its plans and recommendations to improve and develop its capability to enforce the provisions of this Act, and a complete accounting of transactions with respect to any funds received under this Act.

SECTION 10. *Repealing Clause.* All other laws, decrees, orders, issuances, rules and regulations which are inconsistent with the provisions of this Act are hereby repealed, amended or modified accordingly.

SECTION 11. *Separability Clause.* If, for any reason, any provision of this Act, or any part thereof, is declared invalid or unconstitutional, all other sections or provisions not affected thereby shall remain in force and effect.

SECTION 12. *Effectivity.* This Act shall take effect fifteen (15) days after publication in the Official Gazette and two (2) newspapers of general circulation.

APPROVED,