PHILIPPINE MINING SITUATION 2018

RESISTING PLUNDER, DEFENDING PATRIMONY
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I. Introduction

Warning that large-scale mining companies in the Philippines had better “shape up” and that “the spoiling of the land” has to stop, President Rodrigo Duterte promised early in his term the closure of big mines that will be found not up to environmental standards. Today, more than a year later, not a single big mine has been effectively shut down.

The promise of tough regulations on the large-scale mining industry was clearly the centerpiece policy directive of the Duterte administration. Duterte appointed Regina Lopez, a stalwart environmental crusader from the Lopez business clan who have long campaigned against big mines, as secretary of the Department of the Environment and Natural Resources (DENR). Lopez subsequently launched a national audit of all operating large-scale mines that resulted in the closure or suspension of 28 big mines.

In Congress, Bayan Muna representative Carlos Zarate was appointed as chairperson of the Natural Resources Committee. The progressive lawmaker prioritized the hearings on HB 2715 or the People’s Mining Bill, a proposed comprehensive mining policy filed by Bayan Muna framed on national industrialization, environmental protection, and people’s welfare.

This unprecedented pace of progress, however, was to be short-lived. A year into the Duterte presidency, Lopez has been replaced by ex-general Roy Cimatu, a former protector of logging and mining projects in Mindanao and a government official involved in many corruption controversies. The closure and suspension orders have been stayed by no less than the Office of the President itself.

Rep. Zarate has also been removed from his chairmanship. HB 2715 remains in limbo. As if an expression of darker times ahead, Duterte’s first year has become the bloodiest year of extrajudicial killings and other human rights violations perpetrated against anti-mining activists and other environmental defenders.

It can now be said that despite all his bluster against big mining, Duterte did nothing to challenge the roots of the mining problem. The current orientation of the mining industry remains geared not towards national development and the rational utilization of our mineral resources, but towards corporate plunder by the foreign and local elite. Duterte and his economic managers have ensured that this economic framework remains intact, a framework that continues to have tremendous impact on our environment and people’s welfare.

Despite the return to business as usual, the national debate on mining has resulted in a revitalized environmental and nationalist movement. The unceremonious removal of Lopez from the DENR clearly demonstrated that a government that talks tough on big mining but walks like a collaborationist of oligarchs and corporations will never allow for genuine reforms and regulations on mining.

This has only strengthened the resolve of communities and social movements to dig in deep and stand their ground against big mines. In fact, Metro Manila played host
to the biggest protest rallies against mining it has seen in recent years as hundreds of national minorities and environmental activists led by Kalikasan People’s Network for the Environment (Kalikasan - PNE) and Sandugo Movement of Moro and Indigenous Peoples for Self-determination (Sandugo) stopped the annual mining conference of the Chamber of Mines of the Philippines at Sofitel for more than an hour earlier this September.

This latest iteration of our National Mining Situation aims to provide updates on the current state of the mining industry—and the people’s response—in the country. It also aims to contribute to the current discourse that mining should always be within the development framework of agrarian reform and national industrialization, in an economically viable, ecologically sound and democratic manner. It is hoped that this will help in strengthening the people’s movement in the face of a Duterte government that has fully unmasked its trappings of progress and environmental concern and has fully unfolded as a harbinger of plunder and militarization in our mineral-rich lands.

II. Mining under monopoly capitalism

WHY DOES THE GLOBAL MINING’S “BOOM AND BUST” MATTER TO THE LOCAL MINING INDUSTRY AND THE PEOPLE’S RESISTANCE MOVEMENT?

“Capitalist mining moves in a boom and bust cycle, like the capitalist economy as a whole,” said Andy Whitmore1 in the International People’s Conference on Mining (Center for Environmental Concerns [CEC], 2015).

The country’s mining concessions are owned and controlled by multi-national corporations that operate under the neoliberal framework of development where resources and labor are treated as commodities for super profits. Global mining capitalists extract minerals at the least cost disregarding externalities and exchanged them for the highest price. When there is a high demand for mined products, the prices go up and miners intensify and expand extraction operations to earn more profits. However, when demand and prices go down, they scale down operations or close mines to cut costs.

Presently, the global mining industry appears to have been slowly recovering and stabilizing after finding itself in the rut in 2015 due to low mineral prices, according to Price Waterhouse Cooper (PwC, 2017), a consortium of economic consultants from various firms across the world.2 Among the highlights of the report are the recovering prices of mineral commodities since the first quarter of 2016 (Figure 1).

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1 Andy Whitmore is the co-chair of the London Mining Network

2 PwC tracks the important trends in the global mining industry and releases annual reports in its publication Mine.
The graph tells us that the prices of iron ore and coal (dark red and violet lines) have been increasing relative to their original prices in January 2016. The prices of copper, nickel, and gold remained comprehensively sluggish.

The report also showed that China retained its dominance in the industry consuming 40% of the global copper supply and the leading importer of iron ore. However, its economy's shift from manufacturing-based to a service-based economy may in the long-term result to decline in demand and price of global bulk and base metals (Shuiyu, 2017).

Even as China is experiencing a slowdown in its economic growth rate, the present 6% growth rate is still considered robust enough, that in the immediate term, Chinese demand for metals will continue to be an important driver of metal demand and prices. In fact, for the past three years, Chinese investors had been the leading buyers of mine assets, as the Chinese have more capital to dispose of compared with their entrenched counterparts from other countries. For example, private firm China Molybdenum Co., Limited (also known as "China Moly"), recently bought niobium and phosphate assets from another mining giant, Anglo. China Moly also bought the copper and cobalt Tenke mine from mining giant Freeport, which operates Grasberg, the largest gold mine in the world (PwC, 2017).

During times of mining boom, mining companies undertake unrestrained capital spending programs in an effort to increase production and sell more ore. In their rush to take advantage of the high metal prices, mines may expand operations, dig more and faster, and grab more lands to get more ore to sell. To increase production, mining companies need to acquire more lands for mining operations. These often result in land grabbing and dislocation of traditional settlements including the loss of ancestral domains of the indigenous peoples. Mining-induced displacement and resettlement occur at any stage of its lifecycle (Kemp & Owen, 2014). Extraction of targeted
minerals is also escalated as well as the use of other natural resources found in the mines’ tenements for the mines’ operations such as water and timber.

While the companies destroy ecosystems and displace people in their rush for profit, their frenzied operations also create a fiscal situation that would render their companies vulnerable to debts and losses as metal prices are also volatile and quickly-shifting compared to the physical operation and production of mine operations on the ground. By virtue of their physical bulkiness and complexity, physical mine operations are unable to quickly adapt their production to the price swings of the anarchic market. They are left with excess ore that they cannot sell when metal prices plunge; usually, they set aside these stockpiles while they wait for prices to rebound to profitable levels.

When the capitalist system itself is in a longer-term slowdown, the company might close down and abandon its mines or sell them to other buyers. If it has deep enough pockets to endure the crisis, it may also instead wait out the slump in demand that characterizes the capitalist boom-bust cycle. To endure this, they may cut down operations and lay off workers or cut their wages or choose to sell assets, or manage their debts, pinning their hopes that the risks they took will someday transform them into winners when prices rebound again. Almost a third of the global top 40 mining companies had acknowledged having to shed assets by the end of 2015 (PwC, 2016) as growth among the leading national economies remains sluggish and vulnerable eight years since the 2008 Global Recession, and as China’s demand for ore is anticipated to decline along with its planned transitioning towards a less manufacturing-driven economy into a more services-driven economy.

The 2017 Mine also report that miners embarked on cost-cutting measures in response to the downturn of the mining industry that has been ongoing since late 2015. Unsurprisingly, the report made no mention of lay-offs, wage cuts, and cuts in social responsibility measures as part of the aforementioned cost-cutting measures, but it merely made a vague reference to “increased production efficiency.” The PwC reported that the results of this “increased production efficiency” bore some fruit when the Top 40 largest mining companies of the world reported 17% decrease in their operating costs for 2015 even as they were able to produce higher output volumes in 2014. In that same period, world mining number one BHP Billiton was reported to have removed 17,000 workers in its mines in Chile and Australia (Chambers, 2015). World mining number two Rio Tinto has begun adopting driverless trucks in its Australian mines in its efforts to cut down labor costs (Smyth, 2015).

Since transnational mining companies’ driving force is profit making and not the development of host countries, this means aiming at the highest production at the least cost. It is witnessed in many countries. Examples of these measures are low wages and lack of security mechanisms to protect workers. China’s Yangzhou Coal Mining
Corporation and US giant Exxon Mobil are among the mining companies that have pursued changes to wages and conditions (Barrett & Bunch, 2016). These firms’ workers are also vulnerable to layoffs since one of the factors behind the company’s downsizing is to plug up declining revenue (Inc. Southeast Asia, n.d.).

Spending on corporate social responsibility programs remain just a meager fraction compared to their profit, especially in the context of the need for these companies to cut down costs as they recover from the 2015-2016 slump. Publicly available data from some of the worlds largest mining corporations themselves show this (Tables 1, 2 and 3).

According to PwC (2017), the world mining industry is more optimistic for 2018 after years of slow demand and debt, as the largest mining industry players are expected to go hand-in-hand with the “weakening global demand” for metal commodities. It added that “this year will be all about assessing options and making the right corporate decisions to sustain the market optimism.” These “right corporate decisions” include “better capital discipline” or cuts in expenditures such as labor, CSR, as well as in environmental impact mitigation efforts.

The anarchic and volatile nature of the global mining industry hold the host countries of mining activities hostage. According the Stuart Kirsch’s *Mining Capitalist and the State of Extractivism* cited by Moore (2016) the boom and bust cycles of the mineral prices on the global market renders the national economies of countries afflicted with the so-called resource curse vulnerable to shocks as well as environmental destruction when companies dig and destroy more to chase market prices or halt operations to cut costs during downturns.

Plunder and environmental destruction have sparked resistance from continues, which in turn drives companies or their armed accomplices such as state and non-state actors to kill those who hinder their ways or expose their crimes. Mining is still one of the top contributors to environment-related killings worldwide. Mining accounted for thirty-six (36) of the 197 environment-related killings worldwide last 2017 that were monitored by the organization Global Witness (Watts, 2018). It was slightly higher than the 33 mining-related killings that the same organization monitored in 2016 (Totaro, 2017). Impunity remains a concern as there had been no reported convictions of companies, company officers, or government personalities over mining-related killings. Intensified plunder and killings of environmental defenders are also anticipated with the stabilization of metal prices and “awakened” global demand for 2018, as governments worldwide still merely ignore the plight of affected communities or suppress them violently.

Governance is also affected, as mining operations include widespread corruption to ensure their unhindered business. Governments are also pressured to have a lax implementation of laws and even to influence laws that will further liberalize regulations giving mining companies more income and lesser barriers in the guise of attracting more investments for national development. In turn, government revenue earnings from the operations of these mines remain anemic due to low tax collections.
Table 1. Glencore CSR Expenditures compared to reported profits

<table>
<thead>
<tr>
<th>Year</th>
<th>CSR/“Community Investments”</th>
<th>Net Profit</th>
<th>CSR as percent of Net Profit</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>$202 million (Glencore: $103m + Xstrata: $93m)(^a)</td>
<td>$5.97 billion(^b)</td>
<td>3.38%</td>
</tr>
<tr>
<td>2013</td>
<td>$168 million(^c)</td>
<td>$3.67 billion(^b)</td>
<td>4.58%</td>
</tr>
<tr>
<td>2014</td>
<td>$114 million(^d)</td>
<td>$2.31 billion(^b)</td>
<td>4.93%</td>
</tr>
<tr>
<td>2015</td>
<td>$94 million(^e)</td>
<td>$1.34 billion(^b)</td>
<td>7.01%</td>
</tr>
<tr>
<td>2016</td>
<td>$84 million(^f)</td>
<td>$1.99 billion(^b)</td>
<td>4.22%</td>
</tr>
</tbody>
</table>

Sources:
\(^a\) (Glencore, 2013)  
\(^b\) (Statista, 2019)  
\(^c\) (Glencore, 2014)  
\(^d\) (Glencore, 2015)  
\(^e\) (Glencore, 2016)  
\(^f\) (Glencore, 2017)

Table 2. Rio Tinto CSR Expenditures compared to reported profits

<table>
<thead>
<tr>
<th>Year</th>
<th>CSR/“Community Assistance Programs”</th>
<th>Net Profit</th>
<th>CSR as percent of Net Profit</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>$331 million(^a)</td>
<td>$3.67 billion(^b)</td>
<td>9.02%</td>
</tr>
<tr>
<td>2014</td>
<td>$261 million(^c)</td>
<td>$6.53 billion(^b)</td>
<td>4.00%</td>
</tr>
<tr>
<td>2015</td>
<td>$184 million(^d)</td>
<td>-$0.87 billion(^b)</td>
<td>n/a</td>
</tr>
<tr>
<td>2016</td>
<td>$166 million(^e)</td>
<td>$4.62 billion(^b)</td>
<td>3.59%</td>
</tr>
</tbody>
</table>

Sources:
\(^a\) (Rio Tinto, 2014)  
\(^b\) (Statista, 2016)  
\(^c\) (Rio Tinto, 2015)  
\(^d\) (Rio Tinto, 2016)  
\(^e\) (Rio Tinto, 2017)

Table 3. Sumitomo Metal Mining Co., Ltd. CSR Expenditures compared to reported profits

<table>
<thead>
<tr>
<th>Year</th>
<th>CSR/“Contributions to Society”/“Donations”</th>
<th>Net profit</th>
<th>CSR as percent of Net Profit</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>¥0.6 billion(^a)</td>
<td>¥80.3 billion</td>
<td>0.75%</td>
</tr>
<tr>
<td>2014</td>
<td>¥1.6 billion(^b)</td>
<td>¥91.11 billion</td>
<td>1.76%</td>
</tr>
</tbody>
</table>

Sources:
\(^a\) (Sumitomo Metal Mining Co., Ltd., 2014)  
\(^b\) (Sumitomo Metal Mining Co., Ltd., 2015)
According to Catherine Coumans\(^3\), when governments try to uphold national laws or protect their citizens, transnational and multinational mining companies use international arbitration tribunals such as the International Center for Settlement of Investment Disputes of the World Bank (ICSID-WB) to assert their interests (CEC, 2015). As of March 2013, there were 169 cases pended in the ICSID-WB with 35.7% related to oil, mining or gas. This was a great leap compared to the 3 pending cases in 2000, and 7 cases filed during the entire decades of the 1980s and 1990s (Anderson & Rocha, 2013). An example of this legal harassment was the case against El Salvador, a case that their people won.

**GLOBAL VICTORIES, GLOBAL UPSURGE**

**El Salvador**

The people of El Salvador won a significant battle versus a large-scale corporate mining that has destroyed water sources in the province of Cabañas. Pacific Rim Mining Corporation of Canada operated in the province of Cabañas since 1994. Their operations caused the drying up of water resources. In 2004, the company applied for a prospecting permit for gold, silver, and copper in the same province. The government tried to conceal the impacts of the company’s operations but the communities were already organizing and conducting educational activities to raise public awareness. Because of this, negative impacts of the mining operations became a national concern.

Pacific Rim responded through the intimidation of communities and organizations, bribing community leaders and environmentalists, and violence. Three environmentalists were killed.

In 2009, Pacific Rim sued the El Salvador government in the ICSID-WB for imposing a nationwide mining moratorium. Four years later, Pacific Rim sold their operations to the Canadian-Australian OceanaGold, a company also known for human rights violations.

In 2016, ICSID-WB announced its decision that Pacific Rim/OceanaGold’s $250 million lawsuit against El Salvador is without merit (Mines and Communities, 2016). This is a victory that inspires countries that are battling with mining companies since it is the latter that often win in such cases.

**Columbia**

Columbia is rich in deposits of gold and copper. AngloGold Ashanti (AGA) has invested some $900 million in the country since 2006, with La Colosa as the largest of its three projects in the country. According to AGA, the La Colosa project had a potential investment of $2 billion and could produce 28 million ounces of gold (Reuters, 2017).

The residents from the town of Cajamarca in the municipality of Tolima in the Andean Mountains, a farming community, were worried about the possible impacts of the proposed open-pit mine in their crops and way of life. Through the Constitutional Court, a referendum was held. The residents won against the mining corporation, with 98.8% voting no, therefore stopping the proposed and existing mining operations. The Constitutional Court overturned the central government’s sole

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\(^3\) Catherine Coumans is the Asia Pacific Program Coordinator of Mining Watch Canada.
authority by allowing provincial governors and mayors to challenge explorations permits (Gurden, 2017).

This triumph resulted in a ripple effect with Colombians in different parts of the country standing against the mining interests on their lands.

III. Mining in the Philippines

ABUNDANT NATURAL RESOURCES

The Philippines is mineral rich (Figure 2). It is the fifth most mineralized country in the world, third in terms of gold reserves, fourth in copper (Geronimo, 2017), and cobalt (U.S. Geological Survey [USGS], 2017), fifth in nickel (Geronimo, 2017) and sixth in chromite in terms of occurrence per unit area (Board of Investments, 2011).

The Philippine’s nickel production reached 500,000 metric tons in 2016 making the country the world’s top producer (USGS, 2017). Gold production is fifth in Asia according to the GFMS Gold Survey 2016 (Inquirer.net, 2016) and is twenty-first globally with production reaching 40.2 tons with an additional 196.34 tons in reserve (Padhy, 2017). Cobalt production is eighth in the world (USGS, 2017).

Around nine million hectares or 30% of the country’s territory has high mineral potential (Mines and Geosciences Bureau [MGB], 2016). According to a US Department of State report on the Philippine economy, the untapped total mineral wealth in 2012 is worth more than $840 billion (US Department of State, n.d.).

As of June 2016, 2.70% or 0.811 million hectares as of the Philippines’ total land area covered by mining tenements (MGB, 2016). The gross production value in mining is pegged at Php 100.6 billion in 2016. The primary mineral commodities are gold, nickel and nickel products, and copper with an estimated value of production in 2015 of Php 35.33 billion, Php 54.90 billion and Php 18.98 billion respectively (MGB, 2016). At present, there are 50 operating large-scale mines spread across the country.

IMPORT DEPENDENT, EXPORT ORIENTED

Mineral exports in 2015 amounted to US$2.797 billion, with Japan, Australia, Canada and China being the main destinations (MGB, 2016). Based on the data of the Mines and Geosciences Bureau (MGB), from 1997 to 2017 the total mineral production value generated was Php 1.69 trillion while the total exports for that period were Php 1.59 trillion (Figure 3). This means that the country lost 93.4% of the total mineral wealth it extracted to foreign big mines over the past 20 years (Kalikasan People’s Network for the Environment [Kalikasan-PNE], 2017).

Most of the minerals exported are raw ore that has no value added and also generates lesser jobs as compared to minerals locally processed. In terms of the process of mining, the country’s mining industry barely hurdled the initial processing stage (Figure 4). The
Figure 2. Potential areas and deposits

**Potential areas and deposits:**

1. Luzon Central Cordillera – Au, Cu, Fe, Mn
2. Northern Sierra Madre – Cr, Ni, Cu
3. Zambales – Cr, Ni, Co, Pt, Cu, Au
4. Vizcaya-Aurora – Cu, Au
5. Bicol – Au, Fe, Cu
6. Southern Tagalog – Cu, Au, Ni, Co
7. Central Visayas – Cu, Au, Mn
8. Samar-Eastern Mindanao – Cu, Fe, Cr, Ni, Co, Pt, Mn
9. North Central Mindanao – Cr, Cu, Au
10. Zamboanga Peninsula – Au, Cu, Cr, Fe
11. Southern Mindanao – Cu, Au
12. Palawan – Cr, Ni, Co, Pt, Au, REE

Source: Mines and Geosciences Bureau, n.d.

Figure 3. Mineral production value generated

Source: Mines and Geosciences Bureau as stated by the Kalikasan People’s Network for the Environment (2017)
The country has only four processing plants/smelters, two are gold processing plants and two are nickel processing plants as of 2017 (MGB, 2017).

In the absence of a copper rod facility, for example, 100% of copper ores are exported and 100% of its copper ore requirements for production of outputs are imported, then 100% of its outputs are exported. In the production of wiring harnesses, a major export product, 100% of copper rod requirements are imported (Aldaba, 2013). According to an article on IBON Foundation (2015), 97% of the mineral production in the Philippines goes to foreign industries and not for the local production of finished products.

This reflects the export-oriented and import-dependent character of the mining industry. Mineral production is not geared towards national industrialization and development but towards quick profit generation of global mining monopolies.

Production is not driven by domestic needs but by market demands resulting in anarchic plunder to our country’s natural resources. Thus, the industry remains extractive in nature and does not entertain perspectives to develop downstream industries and agricultural modernization.

MINING LIBERALIZATION

The liberalization of the industry became a policy through the Philippine Mining Act of 1995. The law removed trade barriers and ownership restriction catering the influx of foreign investments in mining. The policy maintained the export-oriented and import-dependent character of the economy.

Mining companies are enticed with incentives under the Omnibus Investments Code of 1987 (Executive Order 226) and the Philippine Mining Act of 1995 (Table 4).

Not content with incentives, mining companies have found ways to get around their limited tax obligations. Some mining companies locate their mineral processing plants in ecozones to avail of tax holidays.
<table>
<thead>
<tr>
<th>OMNIBUS INVESTMENTS CODE</th>
<th>PHILIPPINE MINING ACT OF 1995</th>
</tr>
</thead>
<tbody>
<tr>
<td>Article 39. Incentives to Registered Enterprises</td>
<td>Chapter XVI. Incentives</td>
</tr>
</tbody>
</table>

Table 4. Incentives for contractors under the Omnibus Investments Code of 1987 (Executive Order 226) and the Philippine Mining Act of 1995

- **a.** Income Tax Holiday
  - Six years for projects with pioneer status; and four years for non-pioneer firms and new firms
  - Three years for expansion/modernization projects
- **b.** Additional deduction for labor expense
- **c.** Tax exemption on importation of machinery and equipment, and accompanying spare parts of new and expanding registered enterprise
- **d.** Simplification of customs procedures
- **e.** Employment of foreign nationals
- **f.** Tax exemption on breeding stock and genetic materials
- **g.** Tax credits on imported raw materials
- **h.** Access to bonded manufacturing warehouse
- **i.** Tax and duty exemption on imported spare parts
- **j.** Exemption of wharfage dues and any export tax, duty, impost and fee

Sec. 91. Exemption from real property tax and other taxes or assessments of pollution control devices

Sec. 92. Income tax-carry forward losses

Sec. 93. Income tax-accelerated depreciation

Source: (Board of Investments, n.d) and (Mines and Geosciences Bureau, n.d.)

(Drilon, 2013). An example is the planned conversion of the 8,100-hectare Diwalwal Mineral Reservation in Compostela Valley into a mineral processing economic zone by the Philippine Economic Zone Authority (PEZA) and the Philippine Mining Development Corporation. According to PEZA, this is being done since many corporations have shown intent to establish mineral processing plants in the area (Magkilat, 2017).

In 2012 alone, the government lost around Php 2 billion due to Income Tax Holidays (ITHs) granted to large-scale metallic mining companies, according to the Philippine EITI Report 2014 and financial statements of companies from the Securities and Exchange Commission (Magno, 2016). Even OceanaGold, the Canadian–Australian mining company and FTAA holder for a gold mining project in Nueva Vizcaya states that their project is “the lowest-cost gold mine on earth” (Ker, 2013).

The types of mineral agreements for large-scale metallic mining under the
Philippine mining law include Mineral Production Sharing Agreement (MPSA), Co-production Agreement, Joint-venture Agreement and Financial and Technical Assistance Agreement (FTAA). The FTAAAs provide for other incentives. These exemptions are usually available for five years or less depending on the contractor’s recovery period or more than five years depending on the approval of the Secretary of the DENR (International Monetary Fund, 2012). According to Magno (2016), these incentives include:

- Exemption from income tax, customs duties and fees on imported capital equipment
- Exemption from value-added tax on imported goods and services
- Exemption from withholding tax on interest payments on foreign loans
- Exemptions on documentary stamps taxes and capital gains tax

Of all the mineral agreements, only the FTAA allows for 100% foreign equity participation or ownership. Ramon Paje, the DENR secretary during the administration of President Benigno “Noynoy” Aquino III, bragged that the mining sector is the only one in the country where foreigners are allowed to own 100% of the operations (United World – USA, n.d.).

According to the MGB as of September 30, 2017, there are 5 existing FTAAAs covering 100,136.0794 hectares (Table 5 and 6) and 36 applications under process as of September 27, 2017 (Table 7) (MGB, 2017).

### MINING UNDER THE DUTERTE ADMINISTRATION

The election of President Rodrigo “Digong” Roa Duterte into office showed the people’s sentiment on the urgency of change which he promised during his campaigns. In his first year, Duterte took a progressive stance on environmental issues, such as mining, claiming to have seen the negative impacts of the industry (Rappler, 2017). He publicly recognized the fact

| Table 5. Approved mining permits and contracts (as of September 30, 2017) |
|--------------------------|--------------------------|--------------------------|
| **Type of Mining Permit and Contract** | **Existing Mining Permits and Contracts** | **Area Covered (Hectares)** |
| Mineral Product Sharing Agreement (MPSA) | 314 | 600,178.2119 |
| Financial or Technical Assistance Agreement (FTAA) | 5 | 100,136.0794 |
| Mineral Processing Permit (MPP) | 32 |  |
| Industrial Sand and Gravel Permit (IP) | 59 | 756.5803 |
| Exploration Permit (EP) | 20 | 33,998.7323 |
| Mining Lease Contracts through Conversion into an MPSA | 2 | 2,486.5797 |
| **TOTAL** | | **737,556.1836** |

Source: (Mines and Geosciences Bureau, 2017)
Table 6. List of existing FTAA holders (as of November 2017)

<table>
<thead>
<tr>
<th>Holder</th>
<th>Location</th>
<th>Area size (in hectares)</th>
<th>Commodity</th>
</tr>
</thead>
<tbody>
<tr>
<td>OceanaGold (Philippines), Inc. (formerly Australasian Philippines Mining, Inc.)</td>
<td>Nueva Vizcaya and Quirino provinces</td>
<td>12,864.0000</td>
<td>Gold, copper</td>
</tr>
<tr>
<td>Sagittarius Mines, Inc.</td>
<td>South Cotabato, Sultan Kudarat and Davao del Sur provinces</td>
<td>28,539.6766</td>
<td>Gold, copper</td>
</tr>
<tr>
<td>Agusan Petroleum and Mineral Corporation</td>
<td>Abra de Ilog, Occidental Mindoro and San Teodoro, Oriental Mindoro</td>
<td>46,050.6500</td>
<td>Gold, silver</td>
</tr>
<tr>
<td>FCF Mineral Corporation</td>
<td>Quezon and Nueva Vizcaya provinces</td>
<td>3,093.5100</td>
<td>Gold</td>
</tr>
<tr>
<td>Altamina Exploration and Resources, Inc.</td>
<td>Magsingal, Sto. Domingo, San Vicente, Sta. Catalina, Vigan, Caoayan, Santa, Narvacan, Sta. Maria, Sinait, San Esteban, Santiago, Candon, San Juan, Cabugao, Ilocos Sur; Currimao, Pinili, Badoc, Ilocos Norte; and San Fabian, Mangaldan, Binmaley, Lingayen, Alaminos and Dagupan City, Pangasinan</td>
<td>9,588.2428</td>
<td>Magnetite sand and other associated minerals</td>
</tr>
</tbody>
</table>

Source: [Mines and Geosciences Bureau, 2017]

Table 7. Number of applications under process (as of July 2017)

<table>
<thead>
<tr>
<th>Type of Mining Permit and Contract</th>
<th>Number of Applications under process</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mineral Product Sharing Agreement (MPSA)</td>
<td>358</td>
</tr>
<tr>
<td>Financial or Technical Assistance Agreement (FTAA)</td>
<td>36</td>
</tr>
<tr>
<td>Mineral Processing Permit (MPP)</td>
<td>65</td>
</tr>
<tr>
<td>Industrial Sand and Gravel Permit (IP)</td>
<td>197</td>
</tr>
<tr>
<td>Exploration Permit (EP)</td>
<td>597</td>
</tr>
<tr>
<td>Certificate of Accreditation</td>
<td>17</td>
</tr>
<tr>
<td>Special Mines Permit</td>
<td>2</td>
</tr>
<tr>
<td>TOTAL</td>
<td>1,272</td>
</tr>
</tbody>
</table>

Source: [Mines and Geosciences Bureau, 2017]
that these impacts are irreversible and the industry’s meager tax contributions could be earned by developing other industries (Bacungan, 2017). He further pronounced that the unhampered issuance of mining permits continued due to corruption at the level of the local government units (LGUs) (Macas, 2016). By the end of more than a year in office, all his progressive pronouncements have been fully unmasked as deception and mere lip service as the quick twist and succession of events showed.

**Reforms under a progressive environment minister**

President Duterte appointed Regina Paz “Gina” Lopez in 2016, a known environmental advocate, as the DENR Secretary. She immediately conducted a mining audit and found rampant violations of the law, and watershed destruction and degradation. Because of this, she ordered the closure of 23 mining operations, the suspension of 5 mining operations and the cancellation of 75 MPSAs. These decisions were based on violations of the mining law and operations on functional watersheds.

This historic move was lauded by local communities, people’s organizations and environmental advocates at the same time shunned by mining companies and their lobbyists who cried unemployment of mine workers as their main concern. President Duterte promised to find new jobs for the displaced workers. The President then alleged that the mining sector responded by funding efforts for the destabilization of the administration (Salaverria, 2017).

The mining companies vehemently appealed the decision of the DENR and were received by the President. Currently, none of the closures has been executed and the Office of the President has been silent on the decision regarding the appeals.

During her term, Lopez released DENR Administrative Order (DAO) 2017-10 banning prospective open pit mines (Miguel, 2017) and DAO 2017-04 giving the DENR secretary sole authority to issue ECCs for both environmentally critically projects (ECPs) and non-ECPs which are within environmentally critical areas (Department of Environment and Natural Resources, 2017).

Unfortunately, Lopez’ term was short-lived. After ten months in office, the Commission on Appointments rejected her appointment on May 3, 2017. The commission was chaired by Ronaldo Zamora, the younger brother of Nickel Asia magnate Manuel Zamora Jr. (Cordero, 2017). Days after, President Duterte then appointed retired general Roy Cimatu, former Armed Forces of the Philippines (AFP) Chief of Staff. In 1994, Cimatu commanded the 603rd Brigade of the Philippine Army stationed in Mindanao and created the Task Force Lumad composed of personnel from the 641st Infantry Battalion of the Philippine Army, the Davao Del Norte Provincial Police Command, and other government units. The Task Force Lumad watched over the Alsons logging tenement in Davao del Norte while training Civilian Armed Force Geographical Unit (CAFGU)
paramilitaries to protect the logging area. This was a reaction to the tribal declaration of armed defense or pangayaw by the Ata-Manobo tribe leaders against the large-scale logging operations of the Alsons Company. The company is owned by the local oligarch Alcantara clan in Mindanao where current Finance Secretary Carlos Dominguez was known to work in this company for many years.

In 2011, Cimatu was linked to the AFP ‘pabaon’ corruption scandal wherein retiring chiefs of staff were given ‘send-off money’. He allegedly received P80 million.


A month after Cimatu’s confirmation, the Mining Industry Coordinating Council (MICC) was convened to review the mines ordered to be shut down or suspended and is expected to release the results in March 2018.

Drilling and blasting Duterte’s Mining Populisms

From what has happened so far, the Duterte regime’s approach to mining can be said to be empty pumice at worst. Concrete facts on the ground belie his regime’s claims and rhetoric to have the erring mines shut down and have the companies’ officials held accountable for their crimes against the people and the environment. On the other hand, his supermajority in Congress plans to pass more sinister mining policies that are expected to aggravate the current mining-related problems the country already has.

The passage of the Tax Reform for Acceleration and Inclusion (TRAIN) law raised the excise tax levied by the state from 2% (MGB, n.d.) to 4% of mining companies’ gross income (Arado, 2018) (De Vera, 2017). The increase is still insufficient compared to the already mediocre share the country already gets from mining production in its territories as well as to the very heavy price communities pay for environmental destruction and the displacement in exchange for cheap royalties and Corporate Social Responsibility funds. Also, only MPSAs will have their excise tax raised; on the other hand, foreign-controlled mines categorized under FTAs would not be included in the said excise tax increase as the Mining Act still exempts them from paying taxes until they recover the costs of their operations (MGB, n.d.). The excise tax on coal, on the other hand, will be passed on to electricity consumers, defeating the purpose of curbing coal mining while contributing to the increase in working people’s electric bills (AGHAM, 2018).

In contrast with these paltry taxes, the People’s Mining Bill that still remains in limbo in Congress proposes a uniform
mandatory 10% share of the government from gross the income of companies from mining its resources, regardless of the type of mining permit or agreement (Brosas et al., n.d.). The same bill also proposes that mining companies should deposit 1/12th of their gross income every six months to a trust fund that will be used for calamity amelioration and in responding to human rights violations that are related to mining (MGB, n.d.). At the minimum, a 5% royalty tax on the gross income of all mining operations should be imposed, as only those mining operations in areas declared as mining reservations are required to pay 5% royalty tax, although there are also mining operations outside of these provinces that are not declared as mining reservations (Bantay Kita, 2017). Only Zambales, Surigao del Norte, Surigao del Sur, and Dinagat Islands are declared as mining reservations, although there are large mine operators outside of these provinces.

The Mining Act does not specify what purposes the windfall of mining profits should be reinvested but only provides broad strokes of what is required to be paid to the government, such as excise taxes and royalties. At best, it specifies that 10% of all the proceeds of all royalties and shares of the government from mine revenues be allocated for the MGB for its operations (MGB, n.d.). Even royalties for Indigenous Cultural Communities (ICCs) set to be affected by mining operations are not clearly quantified by the law as well as the manner of how the royalties are to be disbursed and to whom. This leaves many leeways for companies to use the royalty requirement for sowing discord among indigenous people and using the royalty issue to weaken their resistance to their entry and operations. Implementing rules and regulations for technology transfer of FTAA holders are unclear at best, if not, unimplemented. The People’s Mining Bill, on the other hand, lists the specific targets of the proceeds of mining revenues, such as Scientific Research and Development Fund, Legal Support Fund for human rights and environmental laws, and for community councils monitoring the activities and violations of companies. The People’s Mining Bill also requires companies to pay a separate 10% of its gross income as royalties to ICC’s that gave their consent to the mine operation, even specifying that the royalties’ disbursement will be made according to the ICCs’ customary laws. The People’s Mining Bill also makes technology transfer agreements mandatory regardless of the type of mining agreement or venture (Brosas et al., n.d.).

For as long as concrete and appropriate legislative measures are not enacted by the regime with its supermajority in Congress, the slight increase in excise taxes will not amount to any significant gain for the people compared to how much the companies are earning from destroying the environment and causing human rights violations in their wake. The increase in excise taxes will not prevent mining companies from aggressively pursuing expansion of operations because they will merely lay off some of their workers.
or reduce their salaries and/or cut on other costs such as environmental mitigation technologies.

More importantly, however, are self-serving legislative proposals from Congress that would not do anything to lessen the plunder of our mineral resources but may in fact, exacerbate it. First and foremost is the proposed amendment to the 1987 Constitution through “Charter Change.” As with previous proposals, the charter change proposals being railroaded by Duterte’s supermajority in Congress aims to do away with the protectionist provisions of the 1987 Constitution that forbid foreigners from owning lands and limits foreigners to a 40% share in mining companies. One of the proposals also concentrate on the president the power to engage and approve in mining agreements with foreigners. Charter Change’s push towards federalism is anticipated to empower the states (vis-a-vis the already entrenched feudal landlord dynasties in the provinces that are expected to be the beneficiaries of devolution of power and taxation from the central government) to engage in foreign trade relations and legislate on mineral policy and the environmental policies of their respective domains, surely to the detriment of the welfare of the people and the environment of their states, while prospective companies and their dynastic accomplices get the windfall.

With or without a charter change, another self-serving legislative proposal that would worsen the corruption behind mining deals and environmental destruction is the proposed “Mining Franchise Bill” filed by Duterte’s leading lieutenant in Congress, Speaker Pantaleon Alvarez himself (Yap, 2017). The bill aims to transfer the power to approve mining permits from the executive branch of government toward the legislative branch of government, namely, Congress. If passed, the Mining Franchise Bill will serve as merely an added layer of bureaucracy and an added layer of lobby money where under-the-table deals may be secured from congressmen by prospective mining companies. Although the bill has token provisions such as forbidding mining in watershed areas, the said bill will only formalize and ease talks involving lobby money.

If such proposals push through, mining plunder is expected to intensify as foreign investors flock to the country, with the confidence that all they have to do to successfully start operating is to secure the consent of the President (or secure a franchise from Congress). The president, as the chief commander of the armed forces, is empowered to use military might in order to pave the way for the implementation of mining projects, which are considered “strategic” to the national interest. The regime’s Oplan Kapayapaan, which aims to crush all resistance from communities against the entry and operations of mining companies, will serve as the investors’ guarantee that they will have their say and
way to remove stumbling blocks to their destructive enterprises (KARAPATAN, 2018).

**ECONOMIC IMPACTS**

In 2016, the contribution of the mining industry to the Gross Domestic Product (GDP) was a meager 0.79% while the contribution from agriculture was 9.65% (Figure 5) (Philippine Statistics Authority [PSA], 2017). The total contribution to exports of minerals and mineral products in 2015 was 4.8% (MGB, 2017) while the agriculture accounts for 11% of total exports (Philippines Statistics Authority, 2015).

The MGB (2017) reported the total taxes, fees, and royalties collected from mining in 2016 amounted to Php 33,426.8 million. The DENR also said the industry’s contribution to government revenue only accounts for 0.004% (Schnabel, 2017). This shows the measly contribution of the mining industry compared to agriculture as an industry that also relies on natural resources.

In 2012, this only amounts to less than 10% of their total budget except for Dinagat Islands (Figure 6) according to the Bureau of Local Government Finance (Magno, 2016).

Total taxes, fees and royalties collected by the LGUs from the mining sector amounted to a mere 10.62%, or Php 3,546.7 million, in 2016 (MGB, 2017). This shows that the operations do not significantly contribute to the income of the LGUs.

**Employment**

Large-scale mining operations are not labor intensive. In terms of employment, the mining industry’s contribution to employment is only 0.64% in 2011-2015 while the agriculture sector’s employment contribution is 31.14% during the same period (The Global Economy, n.d.). It is the lowest contributor to employment among industries, with an average of 219,000 (0.53%) employed persons in 2016 as compared to agriculture with 11,023,000 (26.89%) employed persons (Figure 7) (PSA, 2017).

Another factor, as previously mentioned, is that there are only a few processing or smelting plants or downstream industries that have a great potential for employment.

The quality of jobs should also be considered, which are mostly contractual, with low wages, lacking in benefits and has hazardous conditions. One example is the situation of the workers in the Lepanto Mining Consolidated Corporation in 2012 where 800 out of more than 1,400 are contractual workers and get only about Php 200-250 a day (Roc, 2012). This is below the daily minimum wage in that year which is Php 263-280 (Department of Labor and Employment, 2017).

Hazardous working conditions and lack of safety measures in mines have caused the death of workers. In Caluya, Antique on February 13, 2013, the Panian mine of Semirara Mining Corporation caved in wherein 3 were killed and another 5 missing (Rappler, 2013). Another incident involving the same corporation at the same mine on July 17, 2015, left 6 dead and 3 missing because of the collapse of a wall while using heavy machinery to remove seawater from its open pit mine (CNN Philippines, 2015). The Semirara Mining Corporation, owned by the Consunji group, is considered the biggest and only large-scale coal producer
Figure 5. Gross Domestic Product (in million pesos)

Source: (Philippines Statistics Authority, 2017)

Figure 6. Share from national wealth as percentage of the operating income of select mining provinces, 2014

Source: Bureau of Local Government Finance and Philippine EITI 2014 Report
in the Philippines. David Consunji is listed in the American business magazine Ford as the 9th richest Filipino in 2016 (Adel, 2016).

Poverty Incidence

In 2015, Agusan Del Sur, Eastern Samar, and Masbate, 3 of the 13 provinces with mining operations (excluding Dinagat Islands), ranked 10th, 12th and 13th among the provinces with the highest poverty incidence respectively (PSA, 2015). The Caraga Region, host to 23 operating mines, and the Eastern Visayas Region with 3 operating mines (MGB, 2015) are the top 2 and 3 regions with the highest poverty rate respectively (Figure 8).

The profit generated by mining companies does not equate to the income of and development of local communities. The promise of domestic development brought by mining operations has not ever since reflected in the improvement of the quality of people’s lives.

As global companies only spend a pittance on so-called “social responsibility projects” compared to the huge profits they raked in from the tremendous environmental destruction and displacements, so do local mine operators. Canadian mining company OceanaGold spent $2,611,757 for their corporate social responsibility programs in the Philippines in 2014, a measly 2.3% of their total earnings compared to its net income worldwide of $111.5 million (OceanaGold, 2015) (OceanaGold, 2016). For the year 2015, they earned $53.1 million worldwide and spent only $3,589,381 for the CSR programs in the country, which is just 6% of their total income (OceanaGold, 2016; OceanaGold Factbook, 2016).

In 2014, Marcventures Holdings, Inc. (MARC) which operates in Surigao del Sur and serves as nickel ore supplier to China spent Php 19.8 million (Marcventures Holdings, 2017) on “Social Development Program.” This is equivalent to only 2.35% of their net income for that year which was Php 841 million (The Wall Street Journal, 2017). Local mining giant APEX Mining
Co. boasts having spent PhP 38.02 million into their Corporate Social Responsibility programs in 2016 (Apex Mining Co., Inc., n.d.), which was 11.7% of their net profit for the same year which was Php 326 million (The Wall Street Journal, 2017).

ENVIRONMENTAL IMPACTS

Mining Act of 1995 and the Environment

The Mining Act of 1995 implementing rules and regulation created a multipartite monitoring team (MMT) that serves as the monitoring arm of the Mine Rehabilitation Fund Committee (MRFC). The MMT is mandated to monitor every quarter, or more if deemed necessary, the activities stipulated in the Environmental Protection and Enhancement Program (EPEP) of the contract or permit holder. These reports are then submitted to the MRFC. The MMT is chaired by a representative from the DENR Regional Office and the members include a representative from the Department Regional Office, representative of the contractor or permit holder, a representative from the affected communities, a representative from the affected indigenous cultural community (ICC) if any, and a representative from an environmental NGO. However, there are no specifications as to how these are selected and appointed by the regional director of the DENR as well as how they are held accountable for their decisions. This can be seen in the case of Shenzhou Mining Group Corporation where the MRFC were the ones who recommended a foreshore settling pond to be built in 2010 (Adorador, 2013).

Moreover, the framework of the law itself encourages intensifying extraction operations to meet international demands which are far greater than our domestic needs. Even though environmental provisions are in place, as long as this framework is in place, ecosystem destruction and plunder will still exacerbate.

Weak Governance

According to former MGB Director Leo Jasareno, about half of the operating
metallic mines have frequently violated environmental rules such as hazardous operations that expose mine workers, communities and the environment to fumes, dust and mine wastes (Dela Cruz, 2016). These violations, as well as lack of firm enforcement of the environmental protection mechanisms, have led to disasters affecting the environment and communities lives.

There have been at least 7 mining-related disasters in the past 4 years (Table 8). The 2012 Philex mine spill in Benguet was considered the biggest mining disaster in the Philippines according to former MGB Director Jasareno (Dinglasan, 2012). More than 20 million metric tons of sediments flowed into water channels such as the Balog Creek and into the larger Agno River, a Class A river and lifeblood of communities of indigenous peoples living near the body of water. The volume is ten times more than the spill from the Marcopper mine spill disaster in Marinduque in 1996 that also resulted in the “death” of Boac River. Philex is the country’s biggest gold producer and chaired by business tycoon Manuel V. Pangilinan.

After the incident, an Environmental Investigative Mission (EIM) conducted by Advocates of Science and Technology for the People (AGHAM) confirmed that the Balog Creek may be considered biologically dead (AGHAM, 2013). AGHAM reported that the tailing pond leakage destroyed natural biodiversity resulting in the absence of life. Residents in nearby barangays also complained of zero fish catch after the incident.

Philex blamed the heavy rainfall but according to a study, the spill was due to the continuous use of the tailings pond beyond its expected life (Boquiren, 2013). The mine was ordered to be closed and Philex paid a fine of Php 1.034 billion. The mine resumed operations two years later (Quitasol, 2014).

Also in 2012, the mines operated by Citinickel Mines and Development Corporation in Narra, Palawan spilled silt-laden water into the river and irrigation canals. It destroyed 6.8 hectares of farmlands, a fishpond and the Pinagdugunan River (Rappler, 2013). The EMB investigation showed that the spill was due to the mine’s operation lapses of an employee (Rappler, 2013).

The same company had another spill in June 2014, this time in Sofronio Española in Palawan. The breach in the siltation and control facilities caused massive discoloration and build-up of sediments in the Pasi and Pulot Rivers. Laterite sediments were found in the river according to the on-site reports of the MGB. The spill led to fish kills in the area (Magno, 2015).

There was another spill in Itogon in Benguet, this time from the Antamok mine of Benguet Corporation, in October 2016. The oldest mining company in the country leaked an estimated 50,000 metric tons of tailings from the impound area due to a breach in the drain tunnel of an underground mine (Dumlao, 2016) into Liang River then
<table>
<thead>
<tr>
<th>Date</th>
<th>Place</th>
<th>Company</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>August 3, 2012</td>
<td>Itogon and Tuba, Benguet</td>
<td>Philex Mining Corporation</td>
<td>The Padcal mine leak caused 20.6 million metric tons of mine spill which contaminated Balog and Agno Rivers</td>
</tr>
<tr>
<td>August 11, 2012</td>
<td></td>
<td></td>
<td>Leak where two functional load-hauling dump equipment, one functional bulldozer, and several industrial container boxes were blown out of the tunnel and into the river</td>
</tr>
<tr>
<td>August 30, 2012</td>
<td></td>
<td></td>
<td>Wastage spillage at its only operating tailings pond. Discharge of tailings from one of the two underground tunnels of the penstock in the tailings pond of the Padcal mine (Rappler, 2012).</td>
</tr>
<tr>
<td>September 13, 2012</td>
<td></td>
<td></td>
<td>After the fifth spill, dried up and poisoned plants were seen as well as so-called mutant tilapia where the effluents flowed and residents complained of zero fish catch (Salamat, 2012).</td>
</tr>
<tr>
<td>November 25, 2012</td>
<td>Narra, Palawan</td>
<td>Citinickel Mines and Development Corporation</td>
<td>The Toronto nickel site in Palawan spilled silt-laden water from silt pond number 2 which flowed into the river and irrigation canals affecting 6.8 hectares of farm lots and a fish pond as well as the Pinagdugunan River (Rappler, 2013).</td>
</tr>
<tr>
<td>June 5, 2014</td>
<td>Sofronio Espanola, Palawan</td>
<td>Citinickel Mines and Development Corporation</td>
<td>The miner’s siltation control facilities were breached in the Pulot mine that caused massive discoloration and build-up of sediments in the Pasi and Pulot Rivers. The silt pond has not been repaired (Rappler, 2013). The spill caused the contamination of the Pingadugunan, Pasi and Pulot Rivers that led to the decreased harvest and fish kills (Magno, 2015).</td>
</tr>
<tr>
<td>October 27-28, 2016</td>
<td>Itogon, Benguet</td>
<td>Benguet Corporation</td>
<td>In the Antamok mine, an estimated 50,000 metric tons of tailings (Dumlao, 2016) leaked into Liang River then Ambalanga River before reaching Agno River (Dullana, 2016) from the tailings impound area due to a breach in the drain tunnel of an underground mine.</td>
</tr>
</tbody>
</table>
Ambalanga River before reaching Agno River (Dullana, 2016).

There were also blatant violations that caused disasters even without accidents. The Shenzhou Mining Group Corporation, a nickel mining firm operating in Claver in Surigao Del Norte, built a giant settling pond on the shoreline that would act as a last-stage siltation control. The foreshore settling pond directly discharged wastes into the sea causing severe siltation. The company defended that the structure was built based on the recommendation of the MRFC (Adorador III, 2013). The MRFC was headed by Alilo Ensemo Jr. who was also the MGB Director in Caraga. Despite their suspension in July 2012, they were allowed to ship the waste deposits to China in March 2013. This totalled to 200,000 wet metric tons of ore that amounted to around Php 174.9 million.

The weaknesses in the regulation of the government are highlighted by these mining disasters that could have been avoided if there was better governance that the people deserve.

Evidence of violations in regulations was the result of the mining audit conducted by former Secretary Lopez. The audit revealed that 68.29% of all large-scale mining operations were found grossly violating environment, social, and other regulations. This concurred the previous findings of independent scientific investigations proving some of these companies’ operations, such as OceanaGold (Begnotea, 2014), Philex (AGHAM, CEC & Kalikasan-PNE, 2013) and Nickel Asia (Friends of the Earth Japan, 2012), caused environmental destruction and adverse social impacts. These trends are unsurprising, as low cost but environmentally destructive mining practices are more preferred by companies. Neglect of environmental protection mechanisms is also a common practice since these often require a huge amount compensating for externalities and rehabilitation.

**Unaccounted Damages**

The government and industry have insufficient means to account for the damages caused by mining disasters. In the 2012 Philex mine spill disaster, the company was made to pay just Php 1.034 billion for a 20.69-million metric ton spill but based only on a very low tailings fine of Php 50 per ton spilled. On the other hand, a 60-million metric ton spill caused by mining transnational corporations BHP Billiton and Vale in Brazil agreed to a $5.1-billion (Php 255.6 billion at a Php 50.11/dollar exchange rate) penalty with the Brazilian government, covering only rehabilitation and compensation costs and not including other civil suits (Boadle & Eisenhammer, 2016). Going by this standard, Philex should have paid at least Php 4,260 per ton of tailings it spilled, or a total of Php 88.14 billion.

Benguet Corporation was also fined a mere Php 24 million for the leakage of at least 50,000 tons of silt tailings in 2016 (Benguet Corporation, 2016; Dullana, 2016). Going by the rate the Brazilian government fined BHP Billiton, the said company should have paid a fine of at least Php 213 million.

Mining company Lepanto was fined with merely Php 50,000 for the 10 Benguet pine trees it bulldozed. The company has appealed to lower the fine citing that it was they who planted the said trees (Empian, n.d.). Lepanto’s statement implied that
Table 9. Total Economic Valuation (TEV) accounting template

<table>
<thead>
<tr>
<th>Sum of Benefits</th>
<th>Sum of Costs</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Employment (Number of workers * annual salary per capita * number of years of mine operation)</td>
<td>• Damage to agricultural resources</td>
</tr>
<tr>
<td>• Expenditure on Social Development Programs (SDP’s)</td>
<td>• Damage to coastal/marine resources (and/or freshwater bodies/resources where they apply)</td>
</tr>
<tr>
<td>• Multiplier effect of SDP</td>
<td>• Damage to forest resources</td>
</tr>
<tr>
<td>• Remuneration for those who will sell their land to the company</td>
<td>• Biodiversity losses</td>
</tr>
<tr>
<td>• Taxes to the government, communities</td>
<td>• Health impacts</td>
</tr>
<tr>
<td>» Estimated excise tax * number of years of mine operation</td>
<td>• Needed amount to be spent/Amount spent on environmental protection and impact mitigation measures</td>
</tr>
<tr>
<td>» Estimated Income tax payments * number of years of mine operation</td>
<td>• Human Rights Violations (killings, land grabbing, harassment)</td>
</tr>
<tr>
<td>» Royalties per year * number of years of mine operation</td>
<td>• Additional specific factors that are identified to be relevant to the conditions of the affected communities (examples: cultural costs due to damage to ancestral burial grounds; increased vulnerability to landslides or subsidence; livelihood losses)</td>
</tr>
</tbody>
</table>

Source: [Lopez, 2015]
they can cut trees when they want and where they want as long as they were the ones who planted it showing their insincere attitude towards rehabilitation of destroyed ecosystems. Palawan-based Ipilan Nickel Corporation felled at least 5,000 trees within and beyond the scope of their tree-cutting permit (House of Representatives, 2017).

In both Lepanto and Ipilan Nickel cases, the actual value of the cost of damage of the cuttings has yet to be determined. But aside from the market value of the lumber, the biodiversity affected by the cutting trees - the source of drinking water that got polluted from siltation after the trees were cleared, livelihoods dependent on those trees - these values were not even considered in determining the fines, much less, establishing grounds for suspension or cancellation of the company’s mining permit.

In order to comprehensively account for the damage cost from mining plunder, the Total Economic Valuation (TEV) approach may be employed. In essence, TEV is a systematic and evidence-based approach to estimate the cost of pursuing a mining project in the area versus the projected benefits as a function of time (Figure 8) (Lopez, 2015). What distinguishes TEV from the current valuation methods the government is using is its being more holistic and transparent, and the valuation process itself involves stakeholders to give their input, instead of just leaving valuation to expert-outsiders who will not be facing the brunt of mining plunder once they submit their recommendations and leave the mine site. With TEV, accounting and pricing of mining impacts are split between “benefits” and “cost” (Table 9). The findings may be used to argue for heavier penalties from mining companies.

Climate Change Contribution

In terms of greenhouse gases, the mining sector is considered one of the major emitters since it is extremely energy-intensive (Rüttinger & Sharma, 2017).

According to the DENR Forest Management Bureau (FMB), mining is one of the factors that contributed to deforestation in the Philippines especially forest over limestone and ultramafic rocks.

In particular, large-scale open-pit mining can result in significant deforestation since forests need to be cleared to be able to access mineral deposits and open remote forest areas (Philippine Tropical Forest Conservation Foundation, n.d.). This deforestation greatly reduces the carbon sink that could have reduced carbon emissions.

HUMAN RIGHTS IMPACTS

Since President Duterte sat in power, there had been 30 extrajudicial killings related to mining where 12 of the victims are from indigenous peoples (Table 10).

The 30 mining-related killings form a majority (68%) of the 44 environment-related killings that the Kalikasan-PNE has monitored under the Duterte regime and almost 21% of the 145 overall number of environmental activists killed since 2001. Of those 145 cases, 101 (69.6% of killings of environmentalists) are mining related. In contrast, Kalikasan-PNE monitored 11 mining-related killings in the first year of former President Noynoy Aquino III (2010-2011) and 5 mining-related killings in the Arroyo regime’s first year (2001-
2002). With the spate of killings in its first year alone, the present administration is set to upend the Noynoy Aquino regime as the deadliest for environmentalists with 56 environmentalists killed, especially in the context of its open attacks against those tagged as rebels or “sympathizers” and the ongoing prevalence of paramilitary groups in mineral-rich areas.

Paramilitary groups created through the Investment Defense Force (IDF) and the executive order of former President Gloria Macapagal-Arroyo, and the Special Civilian Armed Auxiliary (SCAA) revived by former President Noynoy Aquino that supports the AFP and the Philippine National Police (PNP) to protect “development projects”, remains intact. These groups have been known to act against the residents of communities opposed to the mining operations. They are turning into protectors of the erring mining companies that are destroying the environment and the livelihood of the people. Despite the dismal record of these armed groups and the opposition of human rights advocates and local communities, the laws mandating their existence stands.

Even areas outside of the coverage of Martial Law are not safe. Soldiers from the 202nd Infantry Brigade and the 730th Combat Group of the Philippine Air Force strafed and bombed areas around Mount Banoi in Batangas City and Lobo town in September of last year. Communities surrounding the mountain are known to oppose large-scale mining projects by Canadian companies MRL Gold and Egerton Gold. The bombings caused 400 families to evacuate their homes and farms and seek shelter in schools and barangay centers. Military operations purportedly against rebels caused 133 families in hinterland villages in Kasibu, Nueva Vizcaya to flee their homes. Kasibu is home to a movement against the continued operations of foreign mining outfit OceanaGold in the province.

Illegal arrests of environmental defenders identified as opponents of large-scale mining projects continue. The most recent cases involved the arrest of five local leaders and members of people’s organizations, including a minor, opposing OceanaGold on September 29, 2017. Four of the five arrested have since been released with the remaining one still languishing because of the non-bailable nature of the charges he was slapped with. Five farmers and fisherfolk were also arrested in Calatagan, Batangas on October 5, 2017 in connection with their organizations’ opposition to the entry of Asturias Mining in their town. As of this writing, they are still being held in prison. A group of seven indigenous people and a church worker was also arrested in Agusan del Sur province on October 27, 2017 in connection with their opposition to mining and logging in their area. The year 2017 ended sadly with the arrest of Defend Ilocos Coordinator Sherwin de Vera who was slapped with rebellion charges.

The declaration of Martial Law and its extension to supposedly wipe out “terrorists,” which notably included the New People’s Army (NPA), will provide nothing more but a cover for the military and paramilitary groups to terrorize communities resisting mining operations or their entry. The same table above shows an upsurge in the mining-related killings after Martial Law was declared in Mindanao in May, notably the Lake Ned Massacre that led to eight deaths of indigenous people tagged by the military as NPA rebels.
<table>
<thead>
<tr>
<th>Name</th>
<th>Organization</th>
<th>Position</th>
<th>Date of Incident</th>
<th>Place of Incidence</th>
</tr>
</thead>
<tbody>
<tr>
<td>Makinit Gayoran</td>
<td>Tigwahanon Tribe</td>
<td>Tribal member</td>
<td>July 30, 2016</td>
<td>Brgy. Kawayan, San Fernando, Bukidnon</td>
</tr>
<tr>
<td>Jimmy Mapinsahan Barosa</td>
<td>Tagdumahan</td>
<td>Member</td>
<td>August 12, 2016</td>
<td>Brgy. Baylo, San Luis, Agusan del Sur</td>
</tr>
<tr>
<td>Jimmy Saypan</td>
<td>Compostela Farmers Association</td>
<td>Secretary general</td>
<td>October 10, 2016</td>
<td>Brgy. New Visayas, Montevista, Compostela Province</td>
</tr>
<tr>
<td>Joselito Pasaporte</td>
<td>Panalipdan – Youth Pantukan</td>
<td>Member</td>
<td>October 13, 2016</td>
<td>Brgy. Tagnanan, Mabini, Compostela Valley</td>
</tr>
<tr>
<td>Mario Contaoi</td>
<td>University of Northern Philippines, dzNS Radyo Totoo</td>
<td>Instructor, former environmental broadcaster</td>
<td>January 2, 2017</td>
<td>Brgy. San Ramon, Magsingal, Ilocos Sur</td>
</tr>
<tr>
<td>Veronico Lapsay Delamante</td>
<td>AMPANTRENTO, Kahugpungan sa mga Lumadnong Organisasyon sa Caraga, Kalipunan ng mga Katutubong Mamamayan ng Pilipinas, Mamanwa Tribe</td>
<td>Council member, member, provincial coordinator</td>
<td>January 20, 2017</td>
<td>Brgy. Caagdianao, Claver, Surigao del Norte</td>
</tr>
<tr>
<td>Pedro Pandagay</td>
<td>Golden Valley Banana Planters Association</td>
<td>farmer, board of directors member</td>
<td>March 23, 2017</td>
<td>Barangay Anitapan, Mabini, Compostela Valley</td>
</tr>
<tr>
<td>Jerry Cuyos</td>
<td></td>
<td>Farmer</td>
<td>April 15, 2017</td>
<td>Cawayan, Masbate</td>
</tr>
<tr>
<td>Jocel Rosales</td>
<td></td>
<td>farmer</td>
<td>April 15, 2017</td>
<td>Cawayan, Masbate</td>
</tr>
<tr>
<td>Rodolfo Tagalog Jr.</td>
<td></td>
<td>Farmer</td>
<td>April 15, 2017</td>
<td>Cawayan, Masbate</td>
</tr>
</tbody>
</table>
Table 10. Mining-related Extrajudicial Killings under the Duterte Administration as of January 16, 2018

<table>
<thead>
<tr>
<th>Name</th>
<th>Organization</th>
<th>Position</th>
<th>Date of Incident</th>
<th>Place of Incidence</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reden Luna</td>
<td></td>
<td>Minor</td>
<td>April 15, 2017</td>
<td>Cawayan, Masbate</td>
</tr>
<tr>
<td>Rechely Luna</td>
<td></td>
<td>Minor</td>
<td>April 15, 2017</td>
<td>Cawayan, Masbate</td>
</tr>
<tr>
<td>Lolita Pepito</td>
<td></td>
<td>Farmer</td>
<td>April 15, 2017</td>
<td>Cawayan, Masbate</td>
</tr>
<tr>
<td>Lito Casalla</td>
<td>Samahan ng Magbubukid sa Batangus (SAMBAT)</td>
<td>leader, farmer</td>
<td>June 3, 2017</td>
<td>Brgy. Talibayog, Calatagan, Batangas</td>
</tr>
<tr>
<td>Carolina Arado</td>
<td>HUMABIN</td>
<td>Member</td>
<td>July 14, 2017</td>
<td>Compostela Valley</td>
</tr>
<tr>
<td>Domingo Edo</td>
<td>Diocese of Marbel Social Action Center</td>
<td>church worker</td>
<td>August 22, 2017</td>
<td>Bong Mal, Tampakan, South Cotabato</td>
</tr>
<tr>
<td>Engracio delos Reyes</td>
<td>Samahan ng Maliliit na Mangisingida at Magsasaka</td>
<td>Vice president, peasant and fisherman</td>
<td>September 3, 2017</td>
<td>Brgy. Baha, Calatagan, Batangas</td>
</tr>
<tr>
<td>Obillo Bayao</td>
<td>STTLCI-Salugpongan Ta Tanu Learning Center Inc.</td>
<td>Student</td>
<td>September 5, 2017</td>
<td>Talaingod, Davao del Norte</td>
</tr>
<tr>
<td>Vincent Jaylord Pequero</td>
<td></td>
<td>student, minor</td>
<td>September 16, 2017</td>
<td>Cawayan, Masbate</td>
</tr>
<tr>
<td>Rodrigo Timoteo</td>
<td>Compostela Farmers Association</td>
<td>leader, farmer</td>
<td>November 29, 2017</td>
<td>Brgy. Mambusao, Compostela Town, Compostela Valley</td>
</tr>
<tr>
<td>Victor Danyan</td>
<td>T’boli and Dulangan Manobo Lumad Tribes</td>
<td>tribal member</td>
<td>December 3, 2017</td>
<td>Sityo Datolbong, Barangay Ned, Lake Sebu, South Cotabato</td>
</tr>
</tbody>
</table>
### Table 10. Mining-related Extrajudicial Killings under the Duterte Administration as of January 16, 2018

<table>
<thead>
<tr>
<th>Name</th>
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<th>Position</th>
<th>Date of Incident</th>
<th>Place of Incidence</th>
</tr>
</thead>
<tbody>
<tr>
<td>Victor Danyan Jr.</td>
<td>T’boli and Dulangan Manobo Lumad Tribes</td>
<td>tribal member</td>
<td>December 3, 2017</td>
<td>Sityo Datalbong, Barangay Ned, Lake Sebu, South Cotabato</td>
</tr>
<tr>
<td>Artemio Danyan</td>
<td>T’boli and Dulangan Manobo Lumad Tribes</td>
<td>tribal member</td>
<td>December 3, 2017</td>
<td>Sityo Datalbong, Barangay Ned, Lake Sebu, South Cotabato</td>
</tr>
<tr>
<td>Pato Celardo</td>
<td>T’boli and Dulangan Manobo Lumad Tribes</td>
<td>tribal member</td>
<td>December 3, 2017</td>
<td>Sityo Datalbong, Barangay Ned, Lake Sebu, South Cotabato</td>
</tr>
<tr>
<td>Samuel Angkoy</td>
<td>T’boli and Dulangan Manobo Lumad Tribes</td>
<td>tribal member</td>
<td>December 3, 2017</td>
<td>Sityo Datalbong, Barangay Ned, Lake Sebu, South Cotabato</td>
</tr>
<tr>
<td>To Diamante</td>
<td>T’boli and Dulangan Manobo Lumad Tribes</td>
<td>tribal member</td>
<td>December 3, 2017</td>
<td>Sityo Datalbong, Barangay Ned, Lake Sebu, South Cotabato</td>
</tr>
<tr>
<td>Bobot Lagase</td>
<td>T’boli and Dulangan Manobo Lumad Tribes</td>
<td>tribal member</td>
<td>December 3, 2017</td>
<td>Sityo Datalbong, Barangay Ned, Lake Sebu, South Cotabato</td>
</tr>
<tr>
<td>Matend Bantal</td>
<td>T’boli and Dulangan Manobo Lumad Tribes</td>
<td>tribal member</td>
<td>December 3, 2017</td>
<td>Sityo Datalbong, Barangay Ned, Lake Sebu, South Cotabato</td>
</tr>
<tr>
<td>Jeanni Porras</td>
<td>Compostela Farmers Association</td>
<td>Member</td>
<td>December 15, 2017</td>
<td>Nabunturan, Compostela Valley</td>
</tr>
<tr>
<td>Edwin Magallanes</td>
<td>Abanterong Nakigbisog (ABANTENA)</td>
<td>member</td>
<td>December 21, 2017</td>
<td>Purok Juan, Panikian Banay-Banay, Davao Oriental</td>
</tr>
</tbody>
</table>

Source: (Kalikasan People’s Network for the Environment, 2017), (Kalipunan ng mga Katutubong Mamamayan ng Pilipinas, 2017)
With the threat of nationwide dictatorship looming, a crackdown by the Duterte administration on all dissent, including those against large-scale extractivism of his oligarch cronies and patrons, seems all the more likely.

**Is change really coming? Duterte unfolded**

In the first years of the Duterte administration, it can be seen that his pronouncements most of the time do not reflect his actual actions. His promises to protect the environment and the people did not mirror his decisions in terms of upholding the mine closures, backing the appointment of progressive officials, repealing the Mining Act of 1995, and human rights and peace. It was all mostly lip service and fascist attacks. As such, the reforms Gina Lopez had instituted remain at risk of being overturned. His cohorts in Congress meanwhile plans to railroad a constitutional amendment (Charter Change) that includes the easing of restrictions to foreign ownership in lands and natural resources such as minerals. Charter change intends to permit foreigners to completely (100%) own lands, including mines and forest areas. This move is expected to further intensify plunderous mining nationwide should it push through. Duterte’s mining policy proved no different from that of his predecessors and his crackdown against dissent will definitely be confronted by the people’s resolute resistance.

### IV. People’s response

The people’s struggles to defend their lands, livelihood, and environment from foreign large-scale mining plunder are set to face the Duterte regime that has proven itself favorable towards his cronies and towards an open fascist dictatorship. The regime is set to unleash more neoliberal measures to further open up the Philippines’ natural resources to rape and plunder even as its armed forces institute arrests, killings, and harassments, to clamp down resistance against mineral resources plunder.

**SANDUGO LAKBAYAN**

In October 2016, various national minorities across the country launched a historic alliance called ‘Sandugo’ (a Filipino term referring to a blood compact ritual) composed of various Moro and indigenous people’s groups and communities to heighten their struggle for self-determination against national oppression and the encroachment of their ancestral lands. Thousands of national minorities from Luzon to Mindanao travelled in the massive *lakbayan* (people’s caravan) that converged in the heart of Metro Manila to launch Sandugo. They raised issues of worsening plunder, land grabs, and militarization of their ancestral lands instigated by a foreign state and corporate interests. They have launched two *Lakbayan* caravans and camp-ins.

The first *Lakbayan* was held amid the new Duterte administration’s promises of change then manifesting contradictions from within and among factions of the regime. A year later, the Lakbayan 2017 was held in the backdrop of the Duterte regime’s
Martial Law declaration in Mindanao, increasing vicious attacks against national minorities everywhere, and the reversals of the regime with respect to the mining policy that Gina Lopez initiated. A protest action was staged during the international conference of the Chamber of Mines Philippines (CoMP) held in Sofitel, Manila on September 17. More than 600 indigenous and Moro people successfully approached the conference venue and temporarily disrupted the meeting.

**MINE CLOSURE ORDER PROTESTS**

The weeks leading to the 22nd anniversary of the Mining Act of 1995 on March 3, 2017, was also the crescendo of the standoff between then DENR Sec. Lopez and the large-scale mining lobby led by Finance Secretary Carlos Dominguez and the Chamber of Mines of the Philippines. The mining lobby poured in millions of pesos in a propaganda offensive aimed at derailing the confirmation of Lopez as environment secretary.

Various communities saw the move to block the confirmation of Lopez as a clear effort to undermine the closure and suspension of various mining projects that have violated environmental regulations and people’s rights and mobilized to express support for the secretary and her historic mines crackdown.

In Mindoro province, 5,000 people came out in a broad rally that expressed support for Lopez and her crack down on large-scale mines. Indigenous leaders from the provincial network KALAS Mina highlighted the need to build on the closure of mines and cancellation of mining agreements.

In the CARAGA region, various peace rallies that mobilized at least 9,000 people called for the resumption of the peace talks between the Duterte administration and the National Democratic Front of the Philippines, and linked large-scale mining to the militarization directed against various indigenous and peasant communities. It can be recalled how mining companies in the CARAGA region were the first to openly payroll paramilitary groups to ‘secure’ their investments.

**PEOPLE’S MINING BILL**

The Makabayan Bloc of progressive party-list legislators in the House of Representatives re-filed a refined version of House Bill 2715 or the People’s Mining Bill (PMB) as the 17th Congress commenced. The bill, originally filed during the 15th Congress in 2011, sought to reorient the country’s national mining policy, as inscribed in the Mining Act of 1995, away from its framework of mining liberalization and deregulation towards ensuring needs-based utilization, environmental safety, people’s rights, and national industrialization.
The PMB had improved provisions on the proposed multi-sectoral minerals council to refine its powers, structure, and functions and more stringent environmental regulations, including provisions on ensuring a rigorous environmental impact assessment and requiring environmental insurance and a calamity and human rights protection fund.

Bayan Muna Representative Carlos Zarate, who is part of the Makabayan Bloc, was named chairperson of the House of Representatives’ Natural Resources Committee during the nascent months of the Duterte administration. Rep. Zarate set the PMB as the committee’s priority legislation and convened a technical working group to consolidate the five different new mining policy proposals filed to the committee. He also initiated onsite investigations of large-scale mining projects to confirm the various policy deficiencies abused by mining companies that have led to environmental degradation and the violation of people’s rights.

The leadership of the House, however, removed the committee chairs who voted against the passage of the anti-poor Death Penalty Bill, which included Rep. Zarate and two other Makabayan Bloc representatives. Nevertheless, the progressive legislators vowed to continue working with the people’s movements in advancing the PMB and other pro-people, pro-environment legislation. Nonetheless, the House Committee on Natural Resources has released the chairman’s version of the PMB and is yet to undergo a hearing by the committee.

CONFRONTING TYRANNY

At the eve of the 45th anniversary of the Martial Law proclamation, environmental advocates came together to form the Environmental Advocates against Repression and Tyranny in defense of Human Rights (EARTH) Coalition in support of the broader movement against the creeping tyranny of the Duterte regime. The coalition aims to expose and oppose human rights violations and tyranny under the Duterte regime, especially on environmental defenders. The coalition mobilized dozens of fellow environmental advocates in the mass mobilizations of September 21, the anniversary of the Martial Law proclamation, and on December 10, International Human Rights Day.

STRUGGLING FOR JUST AND LASTING PEACE

Peace talks between the national government and the Communist Party of the Philippines (CPP)-NPA-National Democratic Front of the Philippines (NDFP) are attempting to redress longstanding economic and social injustices that have fueled present armed resistance. At the commencement of his term, President Duterte announced his intention to resume the long-stalled peace negotiations and has demonstrated a level of sincerity in pursuing peace talks with the CPP-NPA-NDFP since then.

Previous agreements between the two parties forged over the past administrations were upheld, supplementary guidelines for the implementation of the Comprehensive Agreement on Human Rights and International Humanitarian Law were instituted, and negotiations over the Comprehensive Agreement on Social and
<table>
<thead>
<tr>
<th>Section</th>
<th>National Democratic Front of the Philippines’ Draft</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Agrarian Reform and Rural Development</strong></td>
<td>Recognizes that the ancestral domains of indigenous communities have been the target of land grab and resource extraction of local and foreign corporate interests and specifically mentions renewable and other alternative energy development taking away agricultural lands and livelihoods. Declares the repeal of policies in conflict with this agreement, including the Comprehensive Agrarian Reform Law, Agriculture and Fisheries Modernization Act, Fisheries Code, and Mining Act, among others.</td>
</tr>
<tr>
<td><strong>National Industrialization and Economic Development</strong></td>
<td>Declares the formulation of a comprehensive and integrated national industrialization program that systematically takes into account available labor power, skills, natural resources, technology, and capacity, the maximum domestic use of locally available raw materials, the destructive impact of industrial processes on health and environment, and the most efficient use, protection and recovery of the country’s resources. Directs the dismantling and expropriation of cartels and commercial operations of big compradors and bureaucrat capitalists, including sources of raw materials. Specifically directs the nationalization of mining, quarrying and minerals processing and the due consideration of nationalized mining’s impact on the development of local communities, the environment, and the economic and social needs of the whole nation.</td>
</tr>
</tbody>
</table>
## National Democratic Front of the Philippines' Draft

Proposes measures for managing the environment and ensuring resilience, including the following major provisions relevant to mining:

1. **Promotion of environmental education especially for organized communities**
2. **Promoting the role of organized communities in environmental protection and management**
3. **Adoption of a national land use policy consistent with goals of agrarian reform, rural development, national industrialization, and ensuring sustained and self-reliant development and ecological balance**
4. **Rehabilitation of environment and natural resources, including recovery of depleted marine resource stocks, watershed reforestation and afforestation using indigenous species, revival of biologically dead rivers, and preservation of biodiversity in critical areas**
5. **A program on water conservation and pollution control**
6. **Compensation of communities affected by disasters, including environmental disasters from logging, mining, energy, agro-chemicals, and military establishments, and affected by environment-related killings. Responsible individuals and corporations will be held criminally liable and penalized.**
7. **A strict environmental impact assessment system, including obliging companies to post environmental insurance cash bonds for each source of pollution and disaster, and requiring rehabilitation of disturbed areas back to the condition of environmental safety.**

Prohibits environmentally destructive practices:

1. **Wanton clearing and levelling of land, reckless open-pit mining and quarrying, large-scale reclamation, export monocrop production will be prohibited, and companies that have caused destruction through these activities will be penalized.**
2. **Entry of hazardous technologies and pollutant industries will be banned.**
3. **Military actions that target civilian populations and devastate the environment, such as indiscriminate live fire and biochemical weapons, will be banned, made criminally liable, and compensation for such events will be demanded.**

Strengthened regulation on mining and marine wealth extraction:

1. **Mining will be regulated towards ensuring domestic downstream industrial production while ensuring environmental protection, social compensation, and democratic consultation and consent of affected communities.**
2. **Mining in environmentally critical areas and the dumping of mine wastes to rivers, lakes, and the sea will be banned.**
3. **Mineral production and development will be directed to help develop local industry and agricultural modernization.**
<table>
<thead>
<tr>
<th>Section</th>
<th>National Democratic Front of the Philippines' Draft</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rights of Working People</td>
<td>Recognition of the rights of farmers, agricultural workers, and fisherfolk to freely access natural resources for the development of agriculture and the countryside.</td>
</tr>
<tr>
<td>Recognition of Ancestral Lands &amp; Territories of National Minorities</td>
<td>Ensure that the use of the natural resources in the ancestral domains is intended for local and national economic development in accordance with national industrialization. Rescind policies that result in the reconcentration of land, plunders the natural resources of ancestral domains, and violates the Free, Prior and Informed Consent of IP communities. Implement a moratorium on projects that violate these and review their operations. Ensure the rehabilitation and compensation of areas destroyed by plunder.</td>
</tr>
<tr>
<td>Foreign Economic &amp; Trade Relations</td>
<td>Cancel neocolonial policies on free trade agreements, bilateral investment treaties and local economic policies that maintain the Philippines as an exporter of raw materials. Decline Investor-State Dispute System that is being used by foreign corporations in filing one-sided cases. Cases should be tried in local courts. All foreign capital should pass through social and environmental regulations.</td>
</tr>
</tbody>
</table>

Economic Reforms (CASER) have begun. Both parties declared unilateral ceasefires during the conduct of these negotiations.

The CASER is the heart of the peace negotiations, as a mere cessation of hostilities does not resolve the grave injustices suffered by the majority of the Filipino people throughout the past century. The CASER draft of the NDFP, the only draft made available to the public, contained provisions on genuine land reform, national industrialization, environmental protection and rehabilitation, and people’s social and economic rights.

The NDFP proposal contained specific regulations on mining, including the nationalization of foreign and comprador big mines, strict prohibition of reckless open-pit mining operation in ecologically-critical areas, greater state support and regulation for small-scale mines, stoppage of farmland conversion to mining and other land use, compensation for mining-affected communities, and reorientation towards developing local industry and modernizing agriculture. Substantial progress has been made before militaristic elements within the Duterte regime sabotaged the peace process.

The Duterte regime declared an ‘all-out war’ targeting rural communities, leading to a spark of extrajudicial killings and other rights violations and the eventual cancellation of peace talks.

Worse, on November 2017, Duterte released Proclamations (numbered 360 and 374) terminating the peace talks with
NDFP and declaring the CPP-NPA as “terrorist organizations.” The proclamations also dangerously broaden the scope of who can be declared as terrorist fronts or sympathizers.

Despite these setbacks, peace and rights advocates continue to urge both parties to return to the table towards forging a genuine peace agreement that will address the social, economic, and environmental injustices long suffered by the masses.

ARMED RESISTANCE

The people’s armed defense of their lands and national patrimony has been a recourse that must be recognized and respected in the context of deep-seated historic injustices and brutal suppression. The revolutionary armed movement in the Philippines led by the CPP-NPA-NDFP has maintained a strong opposition to destructive large-scale mining operations.

In its 48th anniversary statement released last December 26, 2016, the CPP gave the directive to consolidate their revolutionary mass movements to wage “anti-imperialist struggles against big plantations and mining companies.”

On February 9, 2017, the Chadli Molintas Command of the NPA in the Ilocos-Cordillera region carried out a punitive action against Philex Mining Corporation, one of the biggest and most cunning large-scale mining companies in the country that has survived the mining audit of the DENR despite having caused the largest mine spill in Philippine history in terms of volume. Two Philex dump trucks carrying loads of copper concentrates were torched by the NPA unit, which said the action served as “a warning to other destructive and plunderous large-scale mining companies (Quitasol, 2017).

On January 4, 2108, the NPA in Southern Mindanao punished RAM Aggregates, Inc., a nickel mining company. Nickel mines have been notorious for environmental destruction and human rights violations, especially in Mindanao, where they were once considered “untouchables” until the revolutionary movement came along (Ang Minero News, 2018).

The actions and pronouncements made by various NPA units underscore the reality of social injustice and underdevelopment as the root cause of armed conflict in the countryside.

V. Conclusion

RE-ORIENT THE MINING INDUSTRY TOWARD NATIONAL INDUSTRIALIZATION

Mining is vital to the development of the country. It is important in building a developed economy and a prosperous society. It is critical in providing food security and resource base by modernizing agriculture and in establishing light to heavy industries.

Mining should be in the framework of national industrialization. The mineral industry should be aimed at being
Philippine Mining Situation 2018: Resisting Plunder, Defending Patrimony

nationalized thus ensuring the Filipino people’s ownership and control of the country’s mineral resources. This applies to all the stages of mining, from the exploration stage to the fabrication stage. It also holds the people’s needs as the primary consideration as well as building a self-reliant economy. This is by modernizing agriculture and developing basic to heavy industries. This will break the cycle of the export-oriented and import-dependent economy.

Agricultural modernization should be in the framework of genuine agrarian reform. This ensures the production of farm machinery, tools and infrastructure materials for agriculture. In addition, it gears towards enhancing production primarily for food sufficiency and security and not for export. With this, prime agricultural lands and areas for food production cannot be classified as mineral lands.

National industrialization also ensures sustainable development thus ensuring environmental protection and safety. Since mining is based on local needs, extraction will also be based only on what is necessary for national development. This will ensure that the plunder of natural resources for profit will not continue. Mining will be banned in environmentally critical areas and mining-affected areas will be rehabilitated. Proper disposal of mine wastes will also be ensured.

RESIST THE PLUNDER AND MILITARIZATION OF THE DUTERTE REGIME

The Duterte administration has unfolded itself into an openly fascist and tyrannical regime. People’s democratic spaces are becoming undermined by militarists, big businessmen and oligarchs dominating the political landscape. The plunder of our lands and natural resources remains on a business-as-usual trajectory. We are challenged to strengthen our unity and heighten our struggles.

Frontline communities, especially those hosting the closed and suspended mines, should strengthen their people’s organizations and local alliances opposing mining plunder as mining corporations and their figureheads in government openly defy the DENR’s orders. They must wage massive protest mobilizations, barricades, and protest caravans to raise their outstanding issues before the public authorities to demand the compliance of these companies to the closure, suspension, and agreement cancellation orders.

In areas where there is active resistance being met with worsening fascist attacks by police, military, paramilitary and private security forces, the people’s movements must resolutely defend their communities by painstakingly documenting rights violations, mobilizing legal and international support, and going on the offensive by protesting government offices responsible for the rights and welfare of the people.

There is a growing need to build a national movement that pushes for the nationalization of the mining industry, with the push for a new mining policy in Congress and the Government of the Republic of the Philippines (GPH)-NDFP peace negotiations as tactical venues to pursue the passage of a national industrialization program, especially for the mining industry. Frontline communities must link up with environmental groups, scientists and industrialists, and other progressive middle forces that share their common aspiration for genuine development, environmental
protection, and judicious use of our natural resources.

As the Duterte regime approaches the conclusion of its second year, the national movement against mining plunder should expose and oppose the Duterte regime for all its bluster and empty rhetoric against destructive mines. In practice, it actually remains beholden to the interests of mining compradors, foreign corporations, and interventionist foreign governments such as the United States and China who are controlling over our economic and political structures.

The Duterte regime should be vigorously fought as its open fascist dictatorship will attempt to snuff out resistance against global mining capitalist plunder through arrests, killings, and harassment of environmental defenders. We have our national wealth to protect and the people’s rights to defend.

Environmental protection under mining and mining for development will be achieved if it is oriented towards providing the basic needs of our people and achieving genuine economic development. Only then will mining be transformed from a means of plunder to a tool for progress.

References:


