



GET INVOLVED

Visit our website and **download the full report for free!**
Our Mining Contracts portal can be found at: <http://contracts.ph-eiti.org/>



ENVIRONMENTAL FUNDS

QUICK FACTS



Mining operations have an impact on the environment. To ensure the protection, rehabilitation and enhancement of the environment, mining companies are required by law to establish and maintain funds under an environmental guarantee fund mechanism called the **Contingent Liability Rehabilitation Fund (CLRF)**.



The CLRF finances the mandatory **Environmental Protection and Enhancement Program (EPEP)** that contains environmental protection and enhancement strategies to address the impacts of mining operations. Initial environment-related capital expenditures (e.g., environmental studies, waste area preparation, mine waste disposal system, etc.) under the EPEP should be allocated approximately ten percent (10%) of the total capital/project cost.

3-5%
of direct mining & milling cost

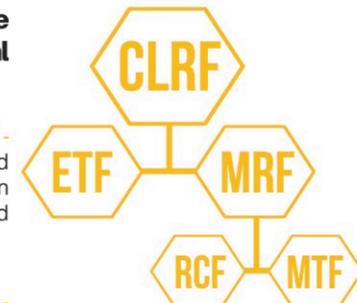
The environmental management work plan of mining companies for each year is outlined in an Annual EPEP which is funded by a minimum of 3-5% of direct mining and milling cost



The Multipartite Monitoring Team (MMT) for each mining project monitors the implementation of EPEP.

CLRF STRUCTURE

The CLRF contains the following environmental funds.



Environmental Trust Fund (ETF) - used to pay for mining-related compensable damages other than those caused by mine waste and mill tailings

Mine Rehabilitation Fund (MRF) - used for the physical and social rehabilitation of areas and communities affected by mining activities and for research on the social, technical and preventive aspects of rehabilitation.

There are two forms of MRF:

- ✦ **Rehabilitation Cash Fund (RCF)** - used for rehabilitation activities, which is equivalent to 10% of the total amount to implement the EPEP or P5 million, whichever is lower.
- ✦ **Monitoring Trust Fund (MTF)** - amount not less than P50,000, replenishable every month, used to cover maintenance and operating expenses for transportation and travel, laboratory analysis, supplies and materials, communication, etc. incurred by the monitoring team.

Mine Waste and Tailings Fee Reserve Fund (MWTFRF) - used for payment of compensation for damages caused by mining operation (specifically, mine waste and tailings). This is equivalent to P0.05 per metric ton of mine waste and P0.10 per metric ton of mill tailings.

Final Mine Rehabilitation and/or Decommissioning Fund (FMRDF) - established to ensure that the full cost of the Final Mine Rehabilitation and/or Decommissioning Plan is accrued before the end of the mine operation.

Mining companies deposit the environmental funds to a government bank.

Who monitors the environmental funds?

- ✦ MRF and FMRDF are monitored by the Mine Rehabilitation Fund Committee (MRFC). Each region has an MRFC with multi-stakeholder members.
- ✦ MRF and FMRDF are also monitored by the Contingent Liability and Rehabilitation Fund Steering Committee (CLRFSC). The CLRFSC is an inter-agency committee that evaluates and approves the EPEP and Final Mine Rehabilitation and/or Decommissioning Plan.
- ✦ MWTFRF is administered by the CLRFSC.



www.ph-eiti.org
<http://contracts.ph-eiti.org/>



eitiphilippines@gmail.com



@ph_eiti



/eitiphilippines



(+632) 525 0487



7th Floor EDPC Building, BSP Complex,
Roxas Blvd., Manila

ANNUAL EPEP EXPENDITURES

Mining Company	Amount disclosed by Company	Amount disclosed by MGB Regional Office	Difference in Disclosures between Company and MGB Regional Office	Reconciled amount	Remaining difference still unexplained after reconciliation
Material Mining Companies (With net sales of Php 1bn and above)					
Nickel					
Adnama		49,689,567.00	(49,689,567.00)	49,742,495.00	
Benguet Nickel Mines, Inc.		14,951,920.00	(14,951,920.00)		14,951,920.00
Carrascal Nickel Corporation	168,966,572.00	168,963,476.00	3,096.00	168,532,710.00	
Eramen Minerals, Inc.		29,700,984.00	(29,700,984.00)	13,716,337.00	
Hinatuan Mining Corporation	85,781,508.00	85,781,508.00		85,781,508.00	
Marcventures Mining and Development	2,900,000.00	14,231,272.00	(11,331,272.00)	14,231,272.00	
Platinum Group Metals Corporation	16,469,478.00	121,006,902.00	(104,537,424.00)	98,766,130.00	
Rio Tuba Nickel Mining Corporation	94,822,000.00	13,060,000.00	81,762,000.00	81,762,000.00	
SR Metals, Incorporated	18,092,553.00	34,491,334.00	(16,398,781.00)	34,491,334.00	
Taganito Mining Corporation	260,100,247.00	100,001,731.00	160,098,516.00	260,100,247.00	
Copper/Gold/Silver/Zinc					
Apex Mining Company Inc.	60,666,065.00	60,666,065.00		60,666,065.00	
Carmen Copper Corporation	363,302,941.00	303,041,572.00	60,261,369.00	363,302,941.00	
Filminera Resources Corporation	91,962,698.00	43,717,465.00	48,245,233.00	48,245,233.00	
Greenstone Resources Corporation	8,716,872.00			9,972,345.00	
Lepanto Consolidated Mining Company	153,426,951.00		153,426,951.00	132,959,301.00	
Oceana Gold (Philippines), Inc.	20,867,648.00	26,441,177.00	(5,573,529.00)	26,195,850.00	
Phillex Mining Corporation	721,938,981.00	207,529.00	721,731,452.00	771,245,563.00	
Rapu-Rapu Minerals, Inc.					
TVI Resource Development Philippines, Inc (Canatuan)	38,192,906.00	33,007,601.00	5,185,305.00	36,080,857.00	
Chromite					
Krominco Inc.	2,488,408.00	2,742,040.00	(253,632.00)		-253,632
Non Material Mining Companies					
AAM-Phil Natural Resources Exploration and Development Corporation		10,666,548.00	(10,666,548.00)	17,140,644.00	
Cagdianao Mining Corporation	11,741,776.00	22,635,236.00	(10,893,460.00)	24,814,584.00	
Johson Gold Mining Corporation	6,888,529.00	790,768.00	6,097,761.00	1,036,041.00	
Leyte Iron Sand Mining Corporation					
LNL Archipelago Minerals Incorporated	14,425,930.00	13,470,982.00	954,948.00	14,425,930.00	
Ore Asia Mining and Development Corporation					
Pacific Nickel Phils., Inc.	3,006,548.00		3,006,548.00	4,586,216.00	
Philsaga Mining Corporation		53,666,813.00	(53,666,813.00)		-53,666,813
Philippine Mining Development Corporation					
Shuley Mine Incorporated	14,166,290		14,166,290	16,090,465	
Sinosteel Phils. H. Y. Mining Corporation	2,863,257	3,735,894	-872,637		-872,637

COMPANY DISCLOSURES ON ENVIRONMENTAL EXPENDITURES

Environmental Fund	Amount disclosed by Companies	Amount disclosed by MGB Regional Offices	Difference in Disclosures between Companies and MGB Regional Offices	Reconciled amount	Remaining difference still unexplained after reconciliation
ETF	841	-	841	250	591
MTF	14,095,088	9,414,371	4,680,717	14,127,448	(320,574)
MWTF	136,321	-	136,321	-	136,321
FMRDF	800,760	-	800,760	-	800,760

ENVIRONMENTAL MANAGEMENT STRATEGIES



Progressive Rehabilitation



Re-establishment of forests and other vegetation



Topsoil Management



Slope and Surface Stabilization



Watershed Development



Landform Reconstruction



Soil Erosion Control Measures



Mangrove Protection

SAMPLE PICTURES ENVIRONMENTAL PROGRAMS IMPLEMENTED BY MINING COMPANIES UNDER NICKEL ASIA CORPORATION



2008



2009



2011

Developmental stages of a rehabilitated mined-out area at Rio Tuba Nickel Mining Corporation. Rehabilitation is done using endemic/indigenous plant species.



Slope stabilization and erosion control measure using coco coir net at Taganito Mining Corporation



Aerial view of the nursery
Apitong, Narra, Kupang, Ipil, Kalumpang, Udling, Tongkat-ali, Mahogany, Auri, Mangium, are some of the forest tree species raised in the nursery. Cover crop species include Australian peanuts and Vetiver.

Central Nursery established under the Mine Rehabilitation and Reforestation Unit of Rio Tuba Nickel Mining Corporation. The nursery is approximately 5 hectares and has a capacity to produce 500,000-1,000,000 seedlings.



Faunal species (birds, mammals, reptiles, amphibians, invertebrates and fish) have recolonized through the rehabilitation efforts of Rio Tuba Nickel Mining Corp. in mined-out areas.

Photo Sources:
Rio Tuba Nickel Mining Corporation
Taganito Mining Corporation