- **Enterprise Development and Networking**
  - animal husbandry
  - provision of farm implements
  - establishment of small/micro-businesses such as household-based food processing
  - support to small local businesses
- **Assistance to Infrastructure Development and Support Services**
  - construction, improvement, and/or maintenance of farm-to-market roads, water systems, post-harvest facilities, bridges, and electric power
- **Access to Education and Educational Support Programs**
  - scholarships from primary to tertiary education
  - technical/vocational education
  - provision of apprenticeship programs
  - construction/repair/improvement of school buildings and related facilities
  - provision of school furniture and fixtures
  - subsidy to teachers
- **Access to Health Services, Health Facilities and Health Professionals**
  - provision of health facilities
  - access to health services, medicines and professionals, health
  - education and preventive measures
  - training of health paraprofessionals
  - maternal-child health care and family planning
  - provision of health insurance
  - establishment of nutrition and immunization programs
  - access to clean and potable water
  - provision of waste and sewage disposal facilities
- **Protection and Respect of Socio-Cultural Values**

  P/P/As geared towards safeguarding the existing socio-cultural values of the host and neighboring communities to promote social cohesion and cultural awareness, and to instill community pride
- **Use of facilities/services within the mine camp or plant site, such as hospitals, schools, among others, by members of the host and neighboring communities**

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PH-EITI
Philippine Extractive Industries Transparency Initiative

SOCIAL DEVELOPMENT AND MANAGEMENT PROGRAM

SDMP & CSR

AND CORPORATE SOCIAL RESPONSIBILITY

BASED ON THE 2015 REPORT COVERING YEAR 2013

QUICK FACTS

- The law mandates operating mining companies, among others, to annually allot a minimum of 1.5% of their operating costs to fund the Social Development and Management Program (SDMP).[1]
- The SDMP is a comprehensive five-year plan towards the sustained improvement in the living standards of host and neighboring communities by creating responsible, self-reliant and resource-based commmunities capable of developing, implementing and managing community development programs, projects, and activities in a manner consistent with the principle of people empowerment.[2]
- Mining companies are mandated to submit the SDMP to the MGB Regional Office concerned for approval.[3] The companies are required to prepare the SDMP in consultation and in partnership with the host and neighboring communities.[4]
- **The SDMP has three major components:** [5]
  - Program on the Development of the Host and Neighboring Communities (DHNC)
  - Program on the Development of Mining Technology and Geosciences (DMTG)
  - Program on Information, Education and Communication (IEC)
- Based on the five-year plan, Annual SDMPs (with the three program components) should also be submitted by the mining companies.[6]

[1] Section 134, DENR Administrative Order No. 2010-21, or the "Revised Implementing Rules and Regulations (IRR) of R.A. No. 7942, otherwise known as the Philippine Mining Act of 1995" (hereinafter, "DAO No. 2010-21"). This provision is based on Sections 57 and 58 of R.A. No. 7942.

[2] Section 5 (co), DAO No. 2010-21
[3] Section 136-A, DAO No. 2010-21
[4] Section 136-B, DAO No. 2010-21
[5] Section 134, DAO No. 2010-21
[6] Section 136-B, DAO No. 2010-21

Examples of Programs/Projects/Activities (P/P/As) creditable under the SDMP

1. Program on the Development of the Host and Neighboring Communities (DHNC)

Objective: To promote the general welfare of the inhabitants
Source of fund: 75% of 1.5% Operating Cost

- **Human Resource Development and Institutional Building**
  - capability-building on project management
  - entrepreneurship
  - organizational development
  - skills development/training

2. Program on the Development of Mining Technology and Geosciences (DMTG)

Objective: To build up resources and mineral discoveries, improve operational efficiency and recovery, and enhance environmental protection and mine safety

Source of fund: 10% of 1.5% Operating Cost

- **Basic and applied research on mining technology, geosciences, and related subjects**
- **Advanced mining-related studies conducted by researchers who are not employees of the mine**
- **Expenditures for scholars, fellows and trainees, including grants for dissertations, on mining technology and geosciences and related subjects**
- **Expenditures on equipment and capital outlay as assistance for research and/or educational institutions which serve as a venue for developing mining technology and geosciences**

3. Program on Information, Education and Communication (IEC)

Objective: For greater public awareness and understanding of responsible mining and geosciences

Source of fund: 15% of 1.5% Operating Cost

- **Establishment of information and publicity centers where stakeholders can access information on a mining project**
- **Publication of IEC materials on social, environmental and other issues/concerns relative to mineral resource development and responsible mining operations**
- **Expenditures for continuing public awareness and education campaigns on mining-related information, issues and concerns**
- **Expenditures on equipment and capital outlay as assistance to the institutionalization of public awareness and education on mining technology and geosciences**

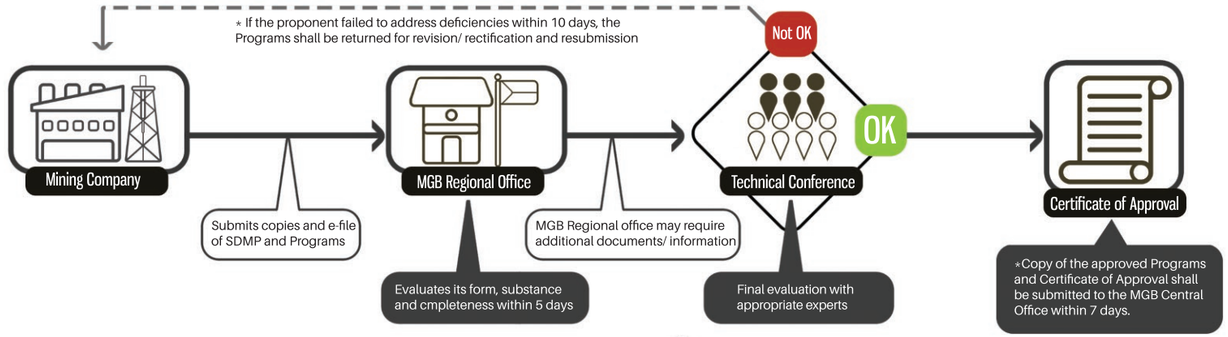
THE SDMP PROCESS

Planning and Development

- Mining companies identify priority projects in consultation with the host and neighboring communities (represented by local government officials, members of people's organizations, members of indigenous cultural communities, etc.)
- SDMP should be based on the results of Social Impact Assessment and Participatory Rapid Appraisal and aligned with existing local development plans.

Processing and Approval

- Mining company submits copies of 5-year SDMP and Programs on IEC and DMTG to MGB Regional Office.
- MGB Regional Office evaluates the form, substance and completeness of Programs within 5 days.
- A technical conference is held among mining company, MGB Regional Office and other experts for final evaluation and approval.
  - o If approved, MGB Regional Office issues Certificate of Approval.
  - o If the Programs require revision and additional information, mining company is required to address the deficiencies within 10 days from the technical conference.



- MGB Regional Office furnishes MGB Central Office with a copy of the approved Programs.
- Mining company should enter into a Memorandum of Agreement (MOA) with the concerned barangay(s)/ municipality/ies within 30 days upon approval of the 5-year SDMP.
- The MOA should be registered with MGB Regional Office.
- Mining company prepares Annual Programs on DHNC, IEC and DMTG based on 1.5% Operating Cost of the previous year and the approved 5-year SDMP. Annual Programs are submitted to the MGB Regional Office for approval.

Implementation and Monitoring

- The Community Relations Officer (CRO) of the mining company is tasked to coordinate and facilitate the implementation of the SDMP and Programs on IEC and DMTG.
- CRO conducts monthly internal monitoring of the implementation of the annual Programs.
- CRO submits quarterly accomplishment report to concerned MGB Regional Office.
- A Multipartite Monitoring Team (MMT) formed for a mining project conducts quarterly monitoring of SDMP implementation and validation of the submitted report.
- MMT submits quarterly monitoring/validation reports to MGB Regional Office.

Indigenous Learning System Program for the Palaw'an tribe under the SDMP of Rio Tuba Nickel Mining Corp. and Coral Bay Nickel Corp. in Bataraza, Palawan

Children of Subanon tribe supported by the education program under the SDMP of TVI Resource Dev't. Phils., Inc. in Siocon, Zamboanga del Norte

Ambulance provided through the SDMP of CTP Construction & Mining Corp. in Carrascal, Surigao del Sur

Automotive Repair Training for out-of-school youths under the SDMP of Krominco, Inc. in Loreto, Surigao del Norte

What is Corporate Social Responsibility (CSR)?

CSR may be defined as voluntary initiatives of companies over and above statutory requirements and obligations under existing laws, undertaken in order to ensure further contribution in attaining social, economic and environmental sustainability while addressing business concerns. Voluntary initiatives may be undertaken in any of the following focus areas:

- Environmental management and sustainability
- Community development
- Safety and health and disaster preparedness management
- Preservation of cultural heritage

Though not mandated by law, oil and gas companies, including Shell Philippines Exploration BV, Chevron Malampaya LLC, Philippine National Oil Company - Exploration Corporation, are implementing joint CSR programs through the following initiatives: