

'Never again'

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Finance Secretary Carlos Dominguez III assured stakeholders of extractive industries that suspensions “on the basis of unseen audits” and honest industries subjected to levies without legal basis would “never again” happen on the Duterte watch.

Dominguez said the Duterte administration will be “firm but fair” in exercising strong governance while practicing transparency in all its processes and abiding by global best practices in ensuring sustainable development.

“The solution is not to arbitrarily ban extractive industries, whatever contractual obligations government has with investors,” Dominguez told attendees of the national conference of the Philippine Extractive Industries Transparency Initiative (PH-EITI) at the Manila Hotel yesterday.

“The solution is to improve governance so that we get the best of both worlds: ensuring the sustainability of our environment on one hand and creating wealth for our people from our natural endowments on the other,” he added.

A strong governance framework for the extractive industries, not an arbitrary ban on this sector, will let the country get the best of both worlds, which is creating wealth for the people from the country’s natural resources and, at the same time, ensuring the sustainability of the environment.

“One could be environment-friendly and business-friendly at the same time. They are not mutually exclusive inclinations. Only the zealots think they are,” Dominguez said.

“We need to encourage and not suppress extractive industries. They are necessary to help our economy develop, to bring the revenues that government needs and to create opportunities for the communities that host these industries,” Dominguez added.

The Duterte government has been taking a less confrontational stance towards mining after the removal of Regina Lopez as secretary of the Department of Environment and Natural Resources (DENR) who ordered the closure of more than half the mines in the world’s top nickel ore exporter to protect water resources.

Duterte this week replaced environmentalist Lopez with former military chief Roy Cimatu, who said it was possible to balance mining and environmental protection.

“We need to encourage and not suppress extractive industries,” said Dominguez, who co-chairs the Mining Industry Coordinating Council (MICC) with the secretary of the DENR.

Dominguez started a second review of the Philippines’ mines after Lopez in February ordered the permanent closure of 22 of 41 mines and the suspension of four others for environmental breaches after a months-long audit that miners said they were unable to access.

“Never again should suspensions be meted out on the basis of unseen audits,” Dominguez said.

Lopez was removed last week by a panel of lawmakers scrutinizing Duterte’s appointments who concluded that she wasn’t fit for the job she had held for 10 months.

Duterte, who had backed Lopez's mining crackdown and once declared that the country can survive without a mining industry, said on Wednesday the government cannot scrap an existing mining law, suggesting he is moderating his stance on mining.

Dominguez likewise expressed his support for the Philippines' participation in EITI to set standards of honesty and openness, along with benchmarks of responsibility to communities hosting the extractive industries.

He lauded government agencies, civil society organizations and the local government units (LGUs) involved in the PH-EITI's work of encouraging all stakeholders to adopt global best practices in governing extractive industries.

"If we have full disclosure of what was taken and what was earned, then we can have a full accounting of what needs to be remediated and how much the commons deserve," Dominguez said.

He said only full transparency can build an atmosphere of trust among stakeholders and assure the public that businesses are run with integrity and regulations enforced with competence.

"Otherwise, there can only be a cloud of uncertainty, suspiciousness and fear. With such an unhealthy cloud, there will be no social peace," he said.

Dominguez noted that good governance and dialogue were not always the norm in the extractive industries, as he recalled the time when poor governance resulted in massive deforestation and left the country with only 11 percent of its forest cover, which then led to calamities involving poorly regulated mines.

"Businesses engaged in extractive industries were once vilified by environmental zealots. Instead of dialogue and broad agreement on the standards of governance, there was recrimination," he said.

"Good governance, in contrast, should embolden us to attract investments in extractive industries, confident that we will be able to assure sustainable forestry and mining," Dominguez said.

"A strong governance framework will ensure that mining companies remediate the mining sites. This is, after all, what government is all about: it enables the community to do things, to create wealth that benefits all and to draw from the environment without diminishing it," he added.

Ma. Teresa Habitan, finance assistant secretary, said the DOF wants to see bigger participation in the EITI, not only from the large-scale metallic mining industry, but also other extractive industries.

"We are doing studies that look at the possibility of including non-metallic, for example quarrying, so we are trying to look whether we can do the same thing that we are doing for large scale metallics," Habitan said.

"The focus at this point is for more large scale metallic companies to participate. So that they have a proper report to communities, what have they done, what are they giving back," she added. **(With Reuters)**

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