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## MEMORANDUM

FOR : **The Directors**  
Legal Affairs Service  
Policy and Planning Service  
Climate Change Service

**The Bureau Directors**  
Environmental Management Bureau  
Biodiversity Management Bureau  
Forest Management Bureau

**The Officer-In-Charge, Office of the Director**  
Mines and Geosciences Bureau

**The Chairman, President & CEO**  
Philippine Mining Development Corporation

FROM : **The Director**  
Legislative Liaison Office

SUBJECT : **INVITATION AND REQUEST FOR COMMENTS FROM THE  
TRADE UNION CONGRESS OF THE PHILIPPINES (TUCP)  
LABOR CENTER AND PARTY LIST**

DATE : 01 February 2023

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In reference to the letter dated 31 January 2023 from the Trade Union Congress of the Philippines (TUCP) Labor Center and Party-list, they are requesting a meeting with the Department to discuss HB 6408, authored by House of Representatives Deputy Speaker and TUCP Partylist Representative Atty. Raymond Mendoza, which seeks to introduce amendments to Republic Act 7076 or the People's Small-Scale Mining Act of 1991, more popularly known as the Minahang Bayan Act. The meeting will be on **February 16, 2023, at 10:00 AM in the Protocol Room, Ground Floor, DENR Central Office.**

In this regard, we would like to **request comments/recommendations on the above-mentioned House Bill.** Kindly submit it **on or before February 15, 2023, at 5 PM** via email at [denrlllo@denr.gov.ph](mailto:denrlllo@denr.gov.ph). Further, your or your representative's attendance at the mentioned meeting is requested as the agenda will deliberate on a bill that is of significance to your mandates.

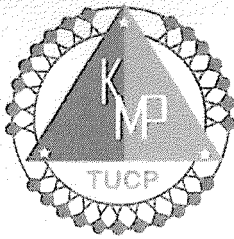
Attached herewith are the invitation letter, fact sheet, and a copy of the House Bill for your reference.

Your attendance is highly encouraged.

ROMIROSE B. PADIN

cc: Undersecretary Special Concerns and Legislative Affairs

MEMO NO. 2023 - 118



# Trade Union Congress of the Philippines

## Katipunang Manggagawang Pilipino

17 January 2023

To whom it may concern:

May we introduce you to Mark Christian B. Villena, Advocacy and Communications Officer for the Trade Union Congress of the Philippines (TUCP) Labor Center and Party-list. He is tasked with representing the TUCP's concerns to its social partners, and performing other duties like research in emerging areas of concern to the labor sector, analysis of proposed labor-related legislation, communicating on behalf of the organization on matters of concern to workers, and advocating for workers' interests in campaigning for legislation proposed by the TUCP.

We hope you would extend courtesies to Mr. Villena, in his effort to communicate or act on our behalf, and that of the workers and workers' organizations that we represent. Thank you.

Kind regards,

**ATTY. RAYMOND DEMOCRITO C. MENDOZA**  
Representative, TUCP Party-List  
President, TUCP Labor Center  
Deputy Speaker, House Of Representatives  
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**LUIS MANUEL CORRAL**  
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## Basic facts on Artisanal and Small-Scale Mining (ASSM) in the Philippines:

- I. Contributions to national and local economies:
  - a. ASSM accounts for 70-80% of total mining industry sector's output.
    - i. The entire mining industry's output, valued in total at P130-180 B annually, accounts for around 0.8 % of GDP. (Last recorded: P180 B in 2018)
    - ii. ASSM accounts for 70-80% of the entire mining industry's output or around P90-145 B annually. (around 0.6% of GDP)
    - iii. However, **a significant value is lost to the black market**, for several reasons:
      1. **Tax policy:** Between 2010-2020, 91-97% of this value was lost, because excise and income tax policy imposed on ASSM-produced gold disincentivized selling to BSP buying stations, and instead drove sellers towards a black market network of buyers. (However, this trend seems to have been addressed by revisions to the Tax Code in 2020, which lifted all taxes on sellers to the BSP.)
      2. **Distance** of BSP buying centers from minahang bayans + **scarcity** of selling stations discourages miners from directly selling ASSM gold to the BSP.
      3. **Competitive rates** offered by black market buyers.
  - b. ASSM provides **significant livelihood opportunities in remote rural areas**, where viable economic opportunities are fewer.
    - i. Large-scale mining regularly employs around 207,000 workers.
    - ii. In comparison, best estimates of ASSM workers is between 200,000 – 500,000 persons employed:
      1. artisanal and small-scale gold mining (ASGM) operations employ an estimated 200,000 - 300,000 workers in mining sites over >30 provinces. (Ban Toxics estimate, cited by EMB, 2010)
      2. The estimate could even be higher, as the National Coalition of Small Scale Miners in the Phils. (NCSSMP), comprised of 81 ASSM associations, represents a total of around 500,000 mine workers, tunnel owners, and mineral processing operators.
    - iii. ASSM benefits secondary economies of small businesses in miners' communities.
- II. Lost benefits from a failure to regulate majority of the ASSM industry:
  - a. **Unregulated informal operating structures** in the ASSM industry result in:
    - i. **Leaks to the black market** through informal selling activities (i.e. non-BSP sales).  
The BSP competes against 3 other kinds of buyers:
      1. Illegal exporters or foreign gold buyers (e.g. China, Singapore, Indonesia, Malaysia)
      2. Big-city buyers: Metro-Manila or buyers from big cities nearer minahang bayans.
      3. Local business end users (e.g. jewelers. When organized as jewelers associations & aided by DTI programs, may become a viable alternative to BSP buying program.)
      4. Approximately 70-90% of local gold trade gets sold to the black market
    - ii. **Lost economic benefits for miners** and their families
      1. unsustainable practices lead to financial ruin for miners/mine operators (e.g. financing operations on debt; incurring more debt to operate a 2<sup>nd</sup> mine to recover from losses on the 1<sup>st</sup> mine, etc.)
      2. Long supply chain in black market sales only benefit buyers or financiers

3. It may be a significant livelihood source in remote areas, but it is a poverty trap when workers only engage in the trade for lack of viable opportunities.
4. Where unregulated, informal ASSM operations are the norm, the use of child labor is rampant, leading to a cycle of poverty from the loss of educational and economic opportunities for the next generation of workers. → No demographic dividend.

iii. **Unfair labor conditions** for ASSM workers:

1. In provinces where informal ASSM operations are the norm, workers earn at minimum wage levels or below it:
  - a. 70% of tunnel miners surveyed reported earning P200-300/daily, comparable to regional minimum wage or below minimum;
  - b. 60% of compressor miners earn below minimum at P200/daily (Note: underwater work conditions are more hazardous than tunnel mining.)
2. ASSM generally provides only a subsistence livelihood for workers, who earn just enough for their immediate needs + children's education, unable to earn surplus for saving or allotting for emergencies.
3. The invisibility and informality leave mine operators open to abuse from extortion, bribery, and other corrupt practices from regulators or police.

iv. **Lapses in complying with environmental standards:**

1. The use of mercury is more common in unregulated, informal ASSM operations.
2. Less than 23% of small-scale mining enterprises are registered, with less than 0.8% operating legally. (Phil. Institute for Dev. Studies, 2022)
3. The Philippines 2021 Minamata report recognizes this gap, stating that the Philippines complies with its obligations in regulated ASSM, but in the rest, does not.

III. **Protecting the interests of primary stakeholders** in artisanal and small-scale mining begins with (**objectives**):

- a. Driving majority of the ASSM industry toward registration and legitimate operation.
- b. Differentiating artisanal from small-scale mining to ensure appropriate policies and standards
- c. Ensuring fair labor practices and a proportionate share of the profits for ASSM miners/communities
- d. Promoting occupational health and the safety of work conditions
- e. Protecting the environment by regulating hazards from chemical and physical agents
- f. Ensuring ASSM miner representation & participation in regulatory structures (i.e. national to local)
- g. Enforcing appropriate licensing mechanisms, fair costs, accessibility in localized (municipal) processes
- h. Curbing the practice of child labor

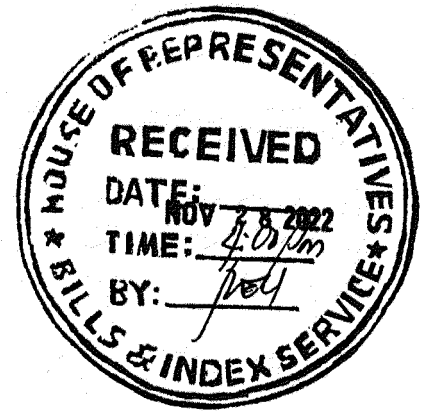
IV. **Gaps and challenges** in the ASSM sector:

- a. Difficulties in obtaining Minahang Bayan declaration and licenses.
  - i. Mineral rights may still be held by large-scale mining corporations, even beyond utility.
  - ii. ASSM applicants' capacities to comply with application requirements (eg. EIS/EIA/ECC/FPIC)
  - iii. Unclear regulatory structures and conflicting motivations for local regulatory authorities
- b. Difficulties in designing intervention structures.
  - i. Lack of census data on the ASSM sector leads to inadequacies in policy & interventions
  - ii. Invisibility continues to expose adult & children workers to occupational hazards, unfair labor practices, and unregulated activities that lead to adverse environmental effects
- c. 4 critical steps in the ASSM value-chain where losses may occur and interventions may be designed: during (i) mining, (ii) transportation, (iii) processing, and (iv) entry to the market.

Republic of the Philippines  
HOUSE OF REPRESENTATIVES  
Quezon City

NINETEENTH CONGRESS  
First Regular Session

House Bill No. 6408



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Introduced by TUCP Party-List  
Rep. RAYMOND DEMOCRITO C. MENDOZA

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#### EXPLANATORY NOTE

FOUR (4) compelling reasons exist for these proposed amendments to Republic Act No. 7076 or the "People's Small Scale Mining Act of 1991".

Foremost is the fact that the country needs bright spots to address unemployment and underemployment and sustainable livelihood for a majority of Filipinos, especially those in rural areas. The Trade Union Congress of the Philippines (TUCP) has been advocating for at least three (3) sectors/industries, in addition to the construction industry, that are low-hanging bright spots that the Government should develop and enhance; these are: (1) training of Filipino Overseas Seafarers and establishment of a Global Crew Change Hub in Manila for employment and added revenue streams; (2) enhancement of agri-fishing industry particularly giving support to the Banana Export Industry and the Tuna/Sardines Fishing Industry; and (3) the enhancement of the Minahang Bayan to ensure environmental protection and socio-economic upliftment of artisanal, small-scale miners and their communities as well as ensuring revenue streams for the host local government unit and the national Government.

Second, it has been more than three decades since the passage of Republic Act No. 7076; however, many small-scale miners' problems persist despite the establishment of Minahang Bayan. The Discussion Paper on Mining in the Philippines (Series No. 2019-22) by the Philippine Institute for Development Studies (PIDS), dated December 2019, assessed the Program as a dismal failure in attaining the State objectives to promote, develop, protect and rationalize viable small scale mining activities to generate more employment and economic opportunities. The PIDS Study has indicated that the implementation of the law "has been beset with policy overlaps, confusion among stakeholders, compliance and enforceability issues, and lack of capacities of regulators and agencies expected to provide the necessary

support infrastructures." The 2019 PIDS study has noted that in "areas known to have high levels of small-scale mining activities, poverty levels are as high as 67%, children comprise 6% of the labor force, over 80% are informal or unregistered, more than 98% of gold produced seems to be smuggled out of the country, mercury is still being used, compressor mining is still being practiced, extortion and policy overlaps continue to exist."

The 2019 PIDS study was confirmed by TUCP's July 2022 series of consultations with small-scale miners and their organizations; most are TUCP affiliates. The litany of woes is long, which brings us the following: too many documentary requirements and too much bureaucracy; alleged bias in favor of large-scale mining companies; non-enforcement of favorable decisions on overlapping claims against large companies; foot-dragging on the application for a Minahang Bayan that some take about 20 years; and even if licensed and with a contract, the definition of small-scale mining is not reflective of actual ground operations making their undertaking vulnerable to regular mulcting and extortion raids by PNP elements costing them millions of pesos in debts. Echoing the PIDS study, they, too, would want to amend RA 7076 and ensure the voice and representation of small-scale miners in the industry. Hence, this Bill tightened the provisions of RA 7076 and proposed the following significant amendments:

- Policy overlaps. RA 7076, on the one hand, allows small-scale mining activities only within the declared Minahang Bayan by licensed individuals or cooperatives. Still, PD 1899, on the other hand, allows small-scale mining operations outside of the Minahang Bayan with permits granted by the provincial governors to individuals, partnerships, and corporations. The overlap was allowed to continue despite the issuance of Executive Order No. 79 in 2012, absent an express repeal of PD 1899. Thus, there are uncontrolled or unregulated small-scale mining activities in several provinces. The amendatory Bill proposes to expressly repeal PD 1899 in the repealing clause without stripping the local government units of their administrative autonomy in implementing national policies or standards. In this amendment, the Provincial Governor or the City Mayor is co-chairperson of the DENR Regional Director at the Provincial/City Artisanal and Small-Scale Mining Regulatory Board (Board). The Board declares and regulates the operations of Minahang Bayan in the area. It is the implementing arm at the province or city level of the People's Small-Scale Mining Program under the direct supervision and control of the DENR Secretary. The MGB, Environment Management Bureau (EMB), and other relevant offices will constitute the Technical Support Committee to the Board.

Additionally, all mining regulatory agencies shall be part, at the national level, of the Inter-Agency on Mines or IAC-Mines, and, at the provincial and city levels, they are ex-officio members of the Board. The integration at the national, provincial, or city levels is for effective collaboration and coordination of mandates and activities from the

national to the regional and field, which should all be directed towards harmonized approaches in ensuring environmental protection, health and safety, sustainable livelihood, and decent work in the Minahang Bayan. The integration also seeks to address confusion among stakeholders.

- Compliance and enforceability. From the IAC-Mines to the Board, the design ensures ease of compliance with regulations to secure a higher level of compliance and sustainability. This requires an understanding of artisanal and small-scale miners' capacity to comply rather than outright enforcement, technical assistance, and capacity-building through orientation and training as a requirement in licensing is proposed. Further, a Pangasiwaang Lokal ng Minahang Bayan (PLMB) is proposed to ground manage the day-to-day operations of the Minahang Bayan. It shall be established by the host LGU of Minahang Bayan and shall hold office thereto but shall submit daily and monthly monitoring reports to the LGU and the Board.
- Licensing and mining activities. Artisanal, Small-Scale Miners, Processors, and Financiers are required to secure a license from the Board. All, including the Financiers, have an obligation to ensure compliance with OSH standards and decent work.
- Artisanal mining activity is differentiated from small-scale mining to reflect the reality and nature of small-scale mining operations and address the issue of health and safety hazards and thriving practice of mulcting or extortions. Artisanal mining, consistent with internationally accepted definitions, is subsistence and manual. In contrast, small-scale mining uses or employs modern technologies and light machinery regardless of production volume. A duly licensed MGB mining engineer supervises its operation, and the use of explosives is supervised by a PNP blaster or by a duly authorized individual or blasting contractor.
- The TUCP is of the view that by addressing the policy overlaps, centralizing artisanal and small-scale mining activities within the Minahang Bayan, integrating all concerned government agencies, and clarifying the gray areas in RA 7076, the issue of the lack of capacities of regulators and agencies expected to provide the necessary support infrastructures will be addressed considering that the objectives of the law would now be pursued through a synchronize whole of government approach.

The third and the most crucial impetus for the proposed amendments is the need to redirect the concept of the People's Small-Scale Mining Program to what it should be – to ensure equitable sharing of the nation's wealth and natural resources to reduce social and economic inequities through the development of environmentally sustainable livelihood and decent work in artisanal and small-scale mining. RA 7076 of 1991 mimicked large-scale mining operations as a commercial or business venture on a smaller scale, which should not be the

case. Small-scale mining under a Minahang Bayan should not be a commercial or business venture similar to large-scale mining. It should be a social enterprise with the State to provide livelihood in the absence of opportunities for socio-economic upgrading in most of the country's rural areas. As it is an extractive undertaking, it should be a social enterprise as it is imbued with the public interest in light of the devastating effects of mining or any extractive industries on the environment, natural resources, and hazards it poses to workers, children, and communities.

Fourth, if developed and organized correctly, small-scale mining offers enormous potential to free workers from cheap labor, and cyclical unemployment and underemployment, which is far more beneficial to the workers than be tied continuously to import-dependent, export-oriented industries as part of low-value-adding global supply chains, which is operating tax-free in various economic zones in the country.

Thus, the passage of this Bill is earnestly sought.



**REP. RAYMOND DEMOCRITO C. MENDOZA**  
TUCP PARTYLIST



Republic of the Philippines  
HOUSE OF REPRESENTATIVES  
Quezon City

NINETEENTH CONGRESS  
First Regular Session

House Bill No. 6408

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Introduced by TUCP Party-List  
Rep. RAYMOND DEMOCRITO C. MENDOZA

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**AN ACT**  
**AMENDING REPUBLIC ACT NO. 7076, OTHERWISE KNOWN AS "AN ACT**  
**CREATING A PEOPLE'S SMALL-SCALE MINING PROGRAM, AND FOR OTHER**  
**PURPOSES"**

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

SECTION 1. Section 2 of Republic Act No. 7076, is hereby amended to read as follows:

**"SECTION 2. Declaration of Policy.** THE STATE AFFIRMS THE CONSTITUTIONAL GUARANTEE TO CREATE ECONOMIC OPPORTUNITIES BASED ON FREEDOM OF INITIATIVE AND SELF-RELIANCE TO PROMOTE SOCIAL JUSTICE.

THE STATE COMMITS TO ENSURING EQUITABLE SHARING OF THE NATION'S WEALTH AND NATURAL RESOURCES TO REDUCE SOCIAL AND ECONOMIC INEQUITIES.

TO THIS END, THE STATE SHALL ENSURE, THROUGH A WHOLE-OF-GOVERNMENT APPROACH, THE DEVELOPMENT OF ENVIRONMENTALLY SUSTAINABLE LIVELIHOOD AND DECENT WORK IN ARTISANAL AND SMALL-SCALE MINING ACTIVITIES. [It is hereby declared of the State to promote, develop, protect and rationalize viable small-scale mining activities in order to generate more employment opportunities and provide an equitable sharing of the nation's wealth and natural resources, giving due regard to existing rights as herein provided.]

SEC. 2. R.A. 7076 is hereby amended by providing a new Section 3, to read as follows:

**"SECTION 3. COVERAGE.** ALL ARTISANAL AND SMALL-SCALE MINING AND MINERAL PROCESSING ACTIVITIES, AS DEFINED HEREIN, SHALL BE COVERED BY THIS ACT.

SEC. 3. Section 3 of R.A. 7076 is hereby renumbered and amended as follows:

**“SECTION 4[3]. Definition OF TERMS.** For purposes of this Act, the following terms shall be defined as follows:

- (a) **[[f)] "Active mining area"** refers to areas WHEREIN ANY OF THE FOLLOWING ACTIVITIES IS BEING UNDERTAKEN: [under] actual exploration, development, [exploitation or] OR commercial production as determined by the Secretary after the necessary field investigation or verification including contiguous and geologically related areas belonging to the same claim-owner and/or under contract with an operator, but in no case to exceed the maximum area allowed by law;
- (b) **“ARTISANAL MINER/S”** AS USED IN THIS ACT REFERS TO A FILIPINO RESIDENT OR GROUP OF FILIPINO RESIDENTS IN A COMMUNITY DULY LICENSED AND WITH PERMIT TO UNDERTAKE ARTISANAL MINING ACTIVITIES IN A DESIGNATED AREA, USING SIMPLE IMPLEMENTS AND METHODS;
- (c) **“ARTISANAL MINING”** [Small-scale mining] refers to SUBSISTENCE mining activities which rely [heavily] on manual labor using simple implementS and methods and do not use explosives or [heavy] mining equipment;
- (d) **“ARTISANAL MINING AREA”** REFERS TO AN AREA SET ASIDE BY THE BOARD FOR ARTISANAL MINING ACTIVITIES WITHIN AN AREA DECLARED AS MINAHANG BAYAN;
- (e) **“BOARD”** REFERS TO THE PROVINCIAL/CITY ARTISANAL AND SMALL-SCALE MINING REGULATORY BOARD created under THIS ACT AS THE IMPLEMENTING ARM OF THE DEPARTMENT AT THE PROVINCE OR CITY LEVEL AND SHALL BE UNDER the direct supervision and control of the SECRETARY OF THE DEPARMENT [which shall be the implementing agency of the Department];
- (f) **[[h)] "Claim-owner"** refers to a holder of an existing mining right;
- (g) **“COMMUNITY DEVELOPMENT AND MANAGEMENT PROGRAM OR CDMP”** REFERS TO THE PROGRAM WHICH AIMS TO ASSIST IN THE DEVELOPMENT OF RESPONSIBLE, SELF-RELIANT, AND RESOURCE-BASED HOST AND NEIGHBORING COMMUNITIES;
- (h) **“DECENT WORK”** AS DEFINED BY THE INTERNATIONAL LABOUR ORGANIZATION INVOLVES OPPORTUNITIES FOR WORK THAT IS PRODUCTIVE AND DELIVERS A FAIR INCOME, SECURITY IN THE

WORKPLACE AND SOCIAL PROTECTION FOR ALL, BETTER PROSPECT FOR PERSONAL DEVELOPMENT AND SOCIAL INTEGRATION, FREEDOM FOR PEOPLE TO EXPRESS THEIR CONCERNS, ORGANIZE AND PARTICIPATE IN THE DECISIONS THAT AFFECT THEIR LIVES AND EQUALITY OF OPPORTUNITY AND TREATMENT FOR ALL WOMEN AND MEN;

- (i) **"DEPARTMENT"** REFERS TO THE DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES (DENR);
- (j) **"ECO-FRIENDLY LEACHING REAGENT"** IS ANY KIND OF SAFE, ENVIRONMENTALLY-FRIENDLY AND LOW-TOXICITY LEACHING SUBSTANCE/CHEMICAL USED IN MINERAL PROCESSING FOR ARTISANAL OR SMALL-SCALE MINING;
- (k) **"EMB"** REFERS TO THE DEPARTMENT'S ENVIRONMENT MANAGEMENT BUREAU;
- (l) [(g)] **"Existing mining right"** refers to perfected and subsisting claim, lease, license or permit covering a mineralized area prior to its declaration as a people's small-scale mining area;
- (m) **"FINANCIER"** AS USED IN THIS ACT REFERS TO INDIVIDUAL OR ENTITY DULY ACCREDITED BY THE BOARD TO ENGAGE IN FINANCING ARTISANAL OR SMALL-SCALE UNDERTAKINGS WHETHER ACTING AS THE OSTENSIBLE EMPLOYER OR UNDER A SHARING SCHEME;
- (n) [(j)] **"License"** refers to the privilege granted to a person to legitimately pursue his/HER occupation as ARTISANAL OR [a] small-scale miner or processor under this Act;
- (o) **"MGB"** REFERS TO THE DEPARTMENT'S MINES AND GEOSCIENCE BUREAU;
- (p) **"MINAHANG BAYAN"** REFERS TO AN AREA DECLARED AND SET ASIDE BY THE DEPARTMENT, THROUGH THE BOARD, FOR ARTISANAL AND/OR SMALL-SCALE MINING ACTIVITIES PURSUANT TO THIS ACT;
- (q) [(a)] **"Mineralized areas"** refer to areas with naturally occurring mineral deposits of gold, silver, chromite, kaolin, silica, marble and like mineral resources;
- (r) **"MINERAL PROCESSING"** MEANS THE MILLING, BENEFICIATION, LEACHING, SMELTING, CALCINATION OR UPGRADING OF

ORES, MINERALS, ROCKS, MILL TAILINGS, MINE WASTES AND/OR OTHER METALLURGICAL BY-PRODUCTS OR BY SIMILAR MEANS TO CONVERT THE SAME INTO MARKETABLE PRODUCTS;

- (s) **"MINERAL RESERVATION"** REFER TO AREAS, INCLUDING SUBMERGED LANDS WITHIN THE CONTIGUOUS ZONE AND EXCLUSIVE ECONOMIC ZONE, ESTABLISHED AND PROCLAIMED AS SUCH BY THE PRESIDENT OF THE PHILIPPINES UPON RECOMMENDATION BY THE SECRETARY;
- (t) **"MINES OCCUPATIONAL SAFETY AND HEALTH PROGRAM OR MOSH"** REFERS TO A MINES OCCUPATIONAL SAFETY AND HEALTH PROGRAM DEVELOPED AND PRESCRIBED BY THE DEPARTMENT AND THE DEPARTMENT OF LABOR AND EMPLOYMENT (DOLE) IN ACCORDANCE WITH REPUBLIC ACT NO. 11058 AND OF INTERNATIONAL LABOUR ORGANIZATION CONVENTION NO. 176 OR SAFETY AND HEALTH IN THE MINES CONVENTION THAT ENSURES JUST, SAFE, AND HUMANE WORKING ENVIRONMENT FOR ARTISANAL, SMALL-SCALE MINERS, MINERAL PROCESSORS, AND SUCH OTHER INDIVIDUALS WORKING OR OPERATING IN THE MINAHANG BAYAN;
- (u) **"MINING PROCESSOR'S LICENSE"** REFERS TO A LICENSE GRANTED TO SMALL-SCALE PROCESSOR TO OPERATE CUSTOM MILLS OR SMALL-SCALE MINERAL PROCESSING PLANT IN THE TREATMENT OF MINERAL OR ORE BEARING MATERIAL, SUCH AS BENEFICIATION, LEACHING, CUTTING, SIZING, POLISHING AND/OR OTHER SIMILAR ACTIVITIES;
- (v) [(k)"Mining plan"] **"MINING WORK PROGRAM"** refers to THE [a two] REQUIRED THREE-YEAR WORK program FOR ARTISANAL AND FIVE-YEAR FOR SMALL-SCALE MINING WHICH OUTLINE THE activities and methodologies employed in the extraction and production of minerals or ore-bearing materials, the financial plan and other resources in support thereof, including details of implementation of the prescribed PEIMP, MOSH and CDMP;
- (w) **"POTENTIAL ENVIRONMENTAL IMPACT MANAGEMENT PLAN OR PEIMP"** REFERS TO ENVIRONMENTAL MANAGEMENT AND REHABILITATION ACTIVITIES DEVELOPED AND PRESCRIBED BY THE DEPARTMENT TO BE STRICTLY FOLLOWED BY ALL FOR THE DURATION OF ARTISANAL ACTIVITIES OR SMALL-SCALE MINING CONTRACT OR SMALL-SCALE MINERAL PROCESSOR'S OPERATIONS;

- (x) **"PROGRAM"** REFERS TO THE PEOPLE'S SMALL-SCALE MINING PROGRAM UNDER THIS ACT WHICH SHALL COVER ARTISANAL AND SMALL-SCALE EXTRACTION OF MINERALS, SMALL-SCALE MINERAL PROCESSING AND FINANCING UNDERTAKEN BY FINANCIERS;
- (y) [(l)] "Director" **"REGIONAL DIRECTOR"** refers to the regional [executive] director of the Department [of Environment and Natural Resources];
- (z) [(m)] **"Secretary"** refers to the Secretary of the Department of Environment and Natural Resources;
- (aa) [(d)] **"Small-scale miners"** refer to Filipino citizens [who, individually or in the company of other Filipino citizens,] AND COMMUNITY RESIDENTS, voluntarily [form a] FORMED INTO A FILIPINO MINING COMMUNITY ASSOCIATION OR cooperative, REGISTERED WITH THE APPROPRIATE GOVERNMENT AGENCY AND duly licensed by the Department [of Environment and Natural Resources] THROUGH THE BOARD to engage, under the terms and conditions of a SMALL SCALE MINING contract, in the extraction or removal of minerals or ore-bearing materials from the ground SUCH AS GOLD, SILVER AND CHROMITE AND OTHER METALLIC MINERALS LIKE ZINC, NICKEL, IRON, COPPER AND MANGANESE;
- (bb) [(c)] **"Small-scale mining"** refers to MINING ACTIVITIES UNDERTAKEN BY SMALL-SCALE MINERS, AS DEFINED ABOVE, WHICH USES OR EMPLOYS MODERN MINING TECHNOLOGIES AND LIGHT MACHINERIES, REGARDLESS OF THE VOLUME OF PRODUCTION, AND WHOSE OPERATION IS SUPERVISED BY A DULY LICENSED MGB MINING ENGINEER AND THE USE OF EXPLOSIVE SUPERVISED BY PHILIPPINE NATIONAL POLICE BLASTER OR PERFORMED BY A DULY LICENSED INDIVIDUAL OR BLASTING CONTRACTOR;
- (cc) [(d)] **"Small-scale mining contract"** refers to co-production, joint venture or mineral production sharing agreement between the State and a small-scale mining contractor for the small-scale utilization of a plot of mineral land;
- (dd) [(e)] **"Small-scale mining contractor"** refers to an ASSOCIATION or a cooperative of small-scale miners, registered with the [Securities and Exchange Commission or other] appropriate government agency, which has entered into an agreement with the State for small-scale

EXTRACTION OR utilization of a plot of mineral land within a [people's small-scale mining] BOARD DECLARED MINAHANG BAYAN;

- (ee) [(i)] **"SMALL-SCALE MINERAL Processor"** AS USED IN THIS ACT refers to aN [person] INDIVIDUAL OR AN ASSOCIATION OR COOPERATIVE [issued a] licenseD to engage in the treatment of minerals or ore-bearing materials such as by gravity concentration, leaching beneficiation, cyanidation, cutting, sizing, polishing and other similar activities; AND
- (ff) **"SUSTAINABLE LIVELIHOOD"** AS USED HEREIN ADOPTS THE UNITED NATIONS' CONCEPT OF SUSTAINABLE LIVELIHOOD THAT REFERS TO ONE THAT CAN COPE WITH AND RECOVER FROM STRESSES AND SHOCKS, MAINTAIN OR ENHANCE ITS CAPABILITIES AND ASSETS, WHILE NOT UNDERMINING THE NATURAL RESOURCE BASE.

SEC. 4. Section 4 of R.A. 7076 is hereby renumbered, amended and integrated therein the provision of Section 26, to read as follows:

**"SECTION 5[4]. People's Small-Scale Mining Program.** A PEOPLE'S SMALL-SCALE MINING (PSSM) PROGRAM IS HEREBY ESTABLISHED TO IMPLEMENT THE DECLARED STATE POLICY ON ARTISANAL AND SMALL-SCALE MINING. THE PROGRAM SHALL BE UNDER THE DIRECT SUPERVISION AND CONTROL OF THE SECRETARY OF THE DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES (DENR).

THE SECRETARY, IN COORDINATION WITH OTHER GOVERNMENT AGENCIES IN THE INTER-AGENCY COUNCIL HEREIN PROVIDED, SHALL DESIGN AND IMPLEMENT SUSTAINABLE LIVELIHOOD AND DEVELOPMENT APPROACH FOR ARTISANAL AND SMALL-SCALE MINING.

[For the purpose of carrying out the declared policy provided in Section 2 hereof, there is hereby established a People's Small-scale Mining Program to be implemented by the Secretary of the Department of Environment and Natural Resources, hereinafter called the Department, in coordination with other concerned government agencies, designed to achieve an orderly, systematic and rational scheme for the small-scale development and utilization of mineral resources in certain mineral areas in order to address the social, economic, technical, and environmental connected with small-scale mining activities.]

The PSSM Program shall include the following features:

- a) Identification, segregation, and reservation of certain mineral lands as [People's Small-Scale Mining areas] MINAHANG BAYAN;

- b) The recognition of prior existing rights and productivity;
- c) The encouragement of the formation of cooperatives OR ASSOCIATIONS;
- d) The [extension] PROVISION of technical and financial assistance TO THE MINAHANG BAYAN, and [other] social services;
- e) The [extension] PROVISION of TECHNICAL assistance AND GUIDANCE ON ENVIRONMENTALLY SOUND EXTRACTION AND processing [and] INCLUDING marketing;
- f) The [generation] DEVELOPMENT of ancillary livelihood activities;
- g) THE DEVELOPMENT OF SIMPLE AND EASY TO FOLLOW REGULATIONS AND MEASURES TO SECURE HIGHER LEVEL OF COMPLIANCE, CONSISTENCY, AND EFFECTIVE ENFORCEMENT TAKING INTO CONSIDERATION THE TECHNICAL CAPACITY TO COMPLY AND TO FACILITATE THE FORMALIZATION OF THE ARTISANAL AND SMALL-SCALE MINING ENGAGEMENT;  
  
[The regulation of the small-scale mining industry with the view to encourage growth and productivity; and]
- h) THE MOSH ORIENTATION OF ALL INDIVIDUALS ENGAGE OR WORKING IN THE MINAHANG BAYAN, AND REQUIREMENT OF TRAINING OF SAFETY OFFICERS AND FIRST AIDERS IN ALL ARTISANAL, SMALL-SCALE AND MINERAL PROCESSING OPERATIONS, AS WELL AS THE CONDUCT OF RESCUE DRILLS AT THE MINE SITE;
- i) THE OBSERVANCE OF THE RIGHTS AND BENEFITS OF ALL INDIVIDUALS WORKING IN EXTRACTION, PROCESSING AND RELATED UNDERTAKINGS IN THE MINAHANG BAYAN; AND
- j) The efficient collection of government revenues.

SEC. 5. A new Section 6 is hereby provided, to read as follows:

**"SECTION 6. INTER-AGENCY COUNCIL ON SMALL-SCALE MINING OR IAC-MINES.** TO EFFECT COHERENCE IN POLICY AND PROGRAM APPROACH ON ARTISANAL AND SMALL-SCALE MINING, AN INTER-AGENCY COUNCIL IS HEREBY ESTABLISHED AT THE NATIONAL LEVEL TO BE CHAIRED BY THE SECRETARY OF THE DENR.

THE INTER-AGENCY, HEREINAFTER REFERRED TO AS IAC-MINES. SHALL BE CO-CHAIRLED BY THE DEPARTMENT OF FINANCE (DOF) AND THE BANGKO SENTRAL NG PILIPINAS (BSP). THE IAC-SSM

SHALL BE COMPOSED OF THE FOLLOWING GOVERNMENT AGENCIES AS MEMBERS: THE DEPARTMENT OF LABOR AND EMPLOYMENT (DOLE), THE DEPARTMENT OF TRADE AND INDUSTRY (DTI), THE COOPERATIVE DEVELOPMENT AUTHORITY (CDA), THE DEPARTMENT OF SCIENCE AND TECHNOLOGY (DOST), THE DEPARTMENT OF INTERIOR AND LOCAL GOVERNMENT (DILG), THE NATIONAL COMMISSION ON INDIGENOUS PEOPLES (NCIP), THE TECHNICAL EDUCATION AND SKILLS DEVELOPMENT ADMINISTRATION (TESDA), THE PHILIPPINE NATIONAL POLICE (PNP), THE DEPARTMENT OF SOCIAL WELFARE AND DEVELOPMENT (DSWD), THE ARMED FORCES OF THE PHILIPPINES (AFP), AND SUCH OTHER RELEVANT GOVERNMENT AGENCIES SUCH AS THE SOCIAL SECURITY SYSTEM (SSS), PHILHEALTH AND PAG-IBIG.

NON-GOVERNMENT ORGANIZATIONS (CSO) AND/OR CIVIL SOCIETY ORGANIZATIONS (CSO) ENGAGED IN ENVIRONMENT PRESERVATION SHALL BE INVITED AS WELL AS THE NATIONAL COALITION OF SMALL-SCALE MINERS IN THE PHILIPPINES AND RELEVANT TRADE UNION ORGANIZATION.

THE IAC-MINES SHALL BE THE PRIMARY PLANNING, COORDINATING AND IMPLEMENTING BODY OF THE PSSM PROGRAM. IT SHALL MEET REGULARLY AND SHALL CONSULT AND COLLABORATE WITH ALL STAKEHOLDERS.

IN ADDITION TO THE PRECEDING SECTION, IAC-MINES SHALL HAVE THE FOLLOWING POWERS AND FUNCTIONS:

- a) SERVE AS THE PRIMARY BODY RESPONSIBLE FOR THE PROMOTION AND ENHANCEMENT OF THE PSSM PROGRAM AND ITS IMPLEMENTATION;
- b) PROVIDE TECHNICAL ASSISTANCE, WITH THE DENR-MGB ON THE LEAD, IN COST-BENEFIT ANALYSIS OR FEASIBILITY STUDY ON MINERAL RESERVES IN THE PROJECTED MINAHANG BAYAN, INCLUDING THE DEPUTIZATION OF ASSISTING GEOLOGISTS, GEODETIC AND MINING ENGINEERS;
- c) ENSURE SUPPORT IN TERMS OF SKILLS DEVELOPMENT, EXPOSURE TO BUSINESS NETWORKS, AND LOW INTEREST CREDIT ASSISTANCE FROM GOVERNMENT FINANCIAL INSTITUTIONS FOR CAPITALIZATION, ACQUISITION OF MODERN MINING TECHNOLOGIES AND LIGHT MACHINERIES FOR USE IN THE MINAHANG BAYAN;
- d) PROVIDE PRIORITY ACCESS, WITH DTI ON THE LEAD, TO ARTISANAL OR SSM START-UPS TO SUPPORT FACILITIES AND FINANCIAL ASSISTANCE;



- e) IN COLLABORATION WITH THE LOCAL GOVERNMENT UNITS, WITH THE DOLE ON THE LEAD, ENSURE COMPLIANCE, WITHIN THE MINAHANG BAYAN, WITH RIGHTS AT WORK, PROHIBITION ON CHILD LABOR AND DISCRIMINATION AT WORK, OBSERVANCE OF MOSH AND GENERAL LABOR STANDARDS, AND PROVISION OF TECHNICAL ASSISTANCE FOR EASE OF COMPLIANCE, ENFORCEMENT AND MONITORING;
- f) DEVELOP AND IMPLEMENT, WITH THE DOST ON THE LEAD, ALTERNATIVES TO TOXIC OR HAZARDOUS MINERAL EXTRACTION AND TREATMENT OF MINERAL OR ORE BEARING MATERIAL, SUCH AS BENEFICIATION, LEACHING, CUTTING, SIZING, POLISHING AND/OR OTHER SIMILAR ACTIVITIES;
- g) FORMULATE AN ACCREDITATION AND BLACKLISTING SYSTEM FOR FINANCIERS AND ESTABLISH TERMS AND CONDITIONS THAT ENSURE FAIR SHARING AGREEMENT AND SAFEGURDS THE RIGHTS AND HEALTH OF ARTISANAL AND SMALL-SCALE MINERS, AND THE ENVIRONMENT;
- h) COORDINATE WITH THE PROVINCIAL/CITY ARTISANAL AND SMALL-SCALE MINING REGULATORY BOARDS THE IMPLEMENTATION OF ANY IAC-MINES MEMBER'S PROGRAMS AND ASSISTANCE FOR THE MINAHANG BAYAN;
- i) ESTABLISH AN INTER-AGENCY COUNCIL'S SECRETARIAT, WHICH SHALL BE LODGED WITH THE DEPARTMENT; AND
- j) PERFORM SUCH OTHER FUNCTION AS MAY BE NECESSARY TO CARRY OUT THE DECLARED STATE POLICY AND THE PSSM PROGRAM.

SEC. 6. Section 24 is hereby renumbered and amended as follows:

**"SECTION 7[24]. ARTISANAL AND SMALL SCALE MINING REGULATORY BOARD.** There is hereby created, under the supervision and control of the Secretary of the DEPARTMENT, AN ARTISANAL AND SMALL-SCALE MINING REGULATORY BOARD, HEREIN REFERRED TO AS THE BOARD, in the province/city with ARTISANAL AND/OR small-scale mining activities[, which shall be].

THE BOARD SHALL BE THE PROGRAM IMPLEMENTING ARM OF THE DEPARTMENT IN THE PROVINCE OR CITY, AS THE CASE MAY BE, and subject to review by the Secretary, shall exercise the following powers and functions:

- (a) Declare and segregate existing gold rush area [for small-scale mining] AS MINAHANG BAYAN;
- (b) Reserve future gold and other mining areas for MINAHANG BAYAN [small scale mining];
- (c) REGISTER AND LICENSE ALL ARTISANAL, SMALL-SCALE MINERS, PROCESSORS AND ACCREDIT FINANCIERS IN THE AREA AND MAINTAIN A REGISTRY OF LICENSEES/ACCREDITED FINANCIERS;
- (d) Award contracts to LICENSED small-scale miners ASSOCIATION OR COOPERATIVE TO DO EXTRACTION ACTIVITIES WITHIN THE MINAHANG BAYAN;
- (e) ISSUE PERMIT TO OPERATE TO LICENSED ARTISANAL MINERS WITH CLEAR DESIGNATED AREA OF OPERATION INSIDE THE MINAHANG BAYAN THAT SHOULD NOT IN ANY WAY INTERFERE OR OBSTRUCT OR ENDANGER OTHER OPERATIONS OR ACTIVITIES WITHIN THE AREA;
- (f) DESIGNATE OPEN AREAS FOR ARTISANAL MINING WITHIN THE MINAHANG BAYAN;
- (g) [Formulate and] ABIDE BY AND Implement THE rules and regulations related to small scale mining IN THE PROVINCE OR CITY;
- (h) Settle disputes, conflicts or litigations over conflicting claims within the [People's Small-Scale mining area,] MINAHANG BAYAN AND/OR OVERLAPPING CLAIMS BETWEEN AND AMONG MINAHAN BAYANS OR WITH LARGE-SCALE MINING [an area that is declared a small-mining], IN THE EVENT OF NON-SETTLEMENT THE DISPUTE SHALL BE ELEVATED TO THE DEPARTMENT FOR RESOLUTION;
- (i) ACCREDIT OR BLACKLIST FINANCIERS PURSUANT TO TERMS AND CONDITIONS SET BY THE DEPARTMENT TO ENSURE FAIR SHARING AGREEMENT AND PROTECTION OF THE RIGHTS AND OCCUPATIONAL SAFETY AND HEALTH OF ARTISANAL AND SMALL-SCALE MINERS;
- (j) ACCREDIT OR BLACKLIST AN AUTHORIZED PHILIPPINE NATIONAL POLICE BLASTER OR A DULY LICENSED BLASTING CONTRACTOR; AND

- (k) DEPUTIZED EXISTING MULTIPARTITE MONITORING TEAM (MMT) AS THE MONITORING ARM OF THE BOARD IN COORDINATION WITH THE REGIONAL MINE REHABILITATION FUND (MRF) COMMITTEE. IN THE ABSENCE OF AN MRF COMMITTEE AND MMT, THE BOARD SHALL CREATE A MINAHANG BAYAN MULTIPARTITE MONITORING TEAM; AND
- (l) Perform such other functions as may be necessary OR REQUIRED BY THE SECRETARY to achieve the goals and objective of this Act.

SEC. 7. Section 25 is hereby renumbered and amended to read as follows:

**"SECTION 8[25]. Composition of the Provincial/City ARTISANAL AND SMALL-SCALE Mining Regulatory Board.** The Board shall be composed of the Department REGIONAL DIRECTOR AS CHAIRPERSON WITH THE GOVERNOR OR CITY MAYOR, OR A DESIGNATED REPRESENTATIVE, AS THE CASE MAY BE, AS CO-CHAIRPERSON. [of Environment and Natural Resources representative as Chairman; and the representative of the governor or city mayor, as the representative of the governor or city mayor, as the case may be, one (1) small scale mining representative, one (1) big-scale mining representative, and the representative from a nongovernment organization who shall come from an environmental group, as members.]

THE VICE-CHAIRPERSON SHALL BE ELECTED FROM AMONG THE MEMBERS OF THE BOARD REPRESENTING THE PRIVATE SECTOR. THE REPRESENTATIVES OF THE SECTOR SHALL COME FROM THE ARTISANAL MINERS, SMALL-SCALE MINERS, AND LOCAL REPRESENTATIVE FROM THE NATIONAL COALITION OF SMALL-SCALE MINERS IN THE PHILIPPINES, WITH AT LEAST ONE (1) REPRESENTATIVE EACH. IN AREAS WITH A CERTIFICATE OF ANCESTRAL DOMAIN TITLE (CADT) OR CERTIFICATE OF ANCESTRAL LAND TITLE (CALT), A REPRESENTATIVE OF THE INDIGENOUS COMMUNITY, SHALL SIT AS A MEMBER OF THE BOARD.

The representatives from the private sector shall be nominated by [their respective organizations] DULY REGISTERED AND MOST REPRESENTATIVE organization/s and SHALL be appointed by the SECRETARY of the Department [regional director. The Department shall provide the staff support to the Board].THE NOMINATING OR DESIGNATING ORGANIZATION SHALL HAVE THE RIGHT OF RECALL OF THEIR REPRESENTATIVE IN THE BOARD.

FURTHER, FOR THE GOVERNMENT SECTOR, THE INDIGENOUS PEOPLES' REPRESENTATIVE IN THE SANGGUNIANG PANLALAWIGAN OR PROVINCIAL BOARD, THE REGIONAL DIRECTOR OF THE DOLE AND SUCH OTHER IAC-MINES MEMBER-AGENCIES' REGIONAL DIRECTORS, AS MAY BE NECESSARY, SHALL BE *EX-OFFICIO* MEMBERS OF THE BOARD.

THE APPROPRIATE REGIONAL OFFICE OF THE MGB AND THE EMB, IN CLOSE COORDINATION WITH EACH OTHER, SHALL BE THE TECHNICAL SUPPORT ARM OF THE BOARD AND HEREIN CONSTITUTED AS THE TECHNICAL SUPPORT COMMITTEE OF THE BOARD. ADDITIONALLY, THE BOARD SHALL CREATE AS MANY COMMITTEES DEEM NECESSARY TO CARRY OUT ITS FUNCTIONS. THE SECRETARIAT AND OTHER SUPPORT PERSONNEL SHALL BE PROVIDED BY THE LOCAL GOVERNMENT UNIT.

THE BOARD SHALL MEET REGULARLY AT AN INTERVAL IT MAY DEEM NECESSARY. IT SHALL GIVE NOTICE OF SUCH MEETING AND THE AGENDA, AT LEAST FIFTEEN (15) DAYS BEFORE THE INTENDED DATE, TO INFORM THE PUBLIC AND ALLOW THE FILING OF MANIFESTATION/APPLICATION, AMONG OTHERS.

SEC. 8. A new Section 9 is hereby provided to read as follows:

**"SECTION 9. PANGASIWAANG LOKAL NG MINAHANG BAYAN (PLMB).** THERE IS HEREBY ESTABLISHED, UNDER THE BOARD, A PANGASIWAANG LOKAL NG MINAHANG BAYAN (PLMB) TO GROUND MANAGE THE DAY-TO-DAY OPERATIONS OF THE MINAHANG BAYAN. IT SHALL BE ESTABLISHED BY THE HOST LGU OF MINAHANG BAYAN AND SHALL HOLD OFFICE THERETO. IT SHALL SUBMIT DAILY AND MONTHLY MONITORING REPORTS TO THE LGU AND THE BOARD.

AS MUCH AS PRACTICABLE, IT SHALL BE HEADED BY A GEOLOGIST OR A MINING ENGINEER, OR A GRADUATE AND/OR PRACTITIONER OF ANY RELATED FIELDS, WHO SHALL BE APPOINTED BY THE PROVINCIAL GOVERNOR OR CITY MAYOR. IT SHALL ALSO HAVE A RESEARCH, MONITORING, AND EVALUATION OFFICER (RMEO), IP COORDINATOR, COMMUNITY ORGANIZER, SANITARY AND HEALTH OFFICER, OCCUPATIONAL SAFETY AND HEALTH OFFICER, AND SECURITY AND SAFETY COORDINATOR.

IN CASE OF MULTIPLE MINAHANG BAYAN IN ONE PROVINCE OR CITY, THE COMPOSITION OR THE NUMBER OF PLMB SHALL ACCORDINGLY BE ADJUSTED, IF THE LGU REVENUES FROM MINING WOULD ALLOW.

ALL PMLB SHALL PERFORM THE FOLLOWING FUNCTIONS AND SUCH OTHER TASKS THAT THEREAFTER MAY BE REQUIRED FOR

**THE EFFECTIVE MANAGEMENT OF THE MINAHANG BAYAN AND OPERATIONS OF ARTISANAL AND SMALL-SCALE MINERS THEREIN:**

- (a) ENFORCEMENT OF THE RULES AND REGULATIONS ON A DAY-TO-DAY BASIS;
- (b) IMPLEMENT AND ENSURE DAY-TO-DAY OBSERVANCE OF OCCUPATIONAL SAFETY AND HEALTH AND SAFETY STANDARDS IN ACCORDANCE WITH EXISTING LAWS AND REGULATIONS;
- (c) SUBMIT A TRAINING PLAN TO THE BOARD COVERING OSH, ENVIRONMENTAL PROTECTION, SKILLS UPGRADING AND DOWNSTREAM LIVELIHOOD TRAINING;
- (d) FACILITATE THE CONDUCT OF TRAINING REQUIRED FOR LICENSING OF ARTISANAL AND SMALL-SCALE MINERS;
- (e) MAINTAIN PEACE AND ORDER IN THE MINAHANG BAYAN;
- (f) EXTEND TECHNICAL ASSISTANCE IN THE DEVELOPMENT OF THE FOLLOWING SUPPORTING REQUIREMENTS FOR PETITION AND/OR DECLARATION OF AN AREA AS MINAHANG BAYAN:
  - 1) A FIVE-YEAR LIVELIHOOD DEVELOPMENT PROGRAM (LDP) WITH CLEAR OBJECTIVES, TRAINING PLAN AND ANNUAL OUTCOME INDICATORS CONTRIBUTING TO POVERTY REDUCTION IN THE COMMUNITIES SURROUNDING THE MINAHANG BAYAN. IT SHALL MOBILIZE RESOURCES FROM LIVELIHOOD PROGRAMS OF IAC-MINES AGENCIES.
  - 2) POTENTIAL ENVIRONMENTAL IMPACT MANAGEMENT PLAN (PEIMP) FOR THE PETITIONED OR TO BE DECLARED MINAHANG BAYAN. IT SHALL DESCRIBE THE EXPECTED AND CONSIDERED ACCEPTABLE IMPACT AND SHALL SET UP MITIGATING STRATEGIES TO BE APPLIED BASED ON BEST PRACTICES IN ENVIRONMENTAL MANAGEMENT IN ARTISANAL OR SMALL-SCALE MINING OPERATION. IT SHALL BE BASED ON THE ENVIRONMENTAL COMPLIANCE CERTIFICATE AND SHALL BE INCORPORATED IN THE WORK PROGRAM.
  - 3) A FIVE-YEAR SAFETY AND HEALTH PROGRAM (SHP) WITH ANNUAL OUTCOME INDICATORS COVERING THE AREA OF OPERATIONS. THE SHP SHALL COMPLY WITH THE MGB AND DOLE OSH STANDARDS PURSUANT TO REPUBLIC ACT NO. 11058 OR THE OCCUPATIONAL SAFETY AND HEALTH LAW OF 2018 AND THE SMALL-SCALE MINING SAFETY RULES AND REGULATIONS.

- (g) PROTECT IP RIGHTS AND PROMOTE THEIR GENERAL WELFARE AND PRESERVATION OF THEIR CULTURE AND TRADITION IN CERTIFICATE OF ANCESTRAL DOMAIN TITLE (CADT) AREAS HOSTING THE MINAHANG BAYAN; AND
- (h) CONDUCT VERIFICATION OF MINERALS FOR SMALL-SCALE MINING OPERATION IF WITH AUTHORITY TO VERIFY MINERALS IS GRANTED BY THE CONCERNED MGB REGIONAL OFFICE.

ALL SMALL-SCALE MINING CONTRACTORS SHALL BE REQUIRED, PRIOR TO APPROVAL OF APPLICATION FOR DECLARATION OF A MINAHANG BAYAN OR PERMIT TO OPERATE, TO CONSTITUTE THEIR RESPECTIVE PLMB COORDINATOR THAT ENSURES OPERATIONAL COMPLIANCE WITH ALL THE REQUIREMENTS AND RESPONSIBILITIES IMPOSED UNDER THIS ACT AND ITS IMPLEMENTING RULES AND REGULATIONS. THE CONTRACTOR'S PLMB COORDINATOR MUST BE APPROVED AND ACCREDITED BY THE BOARD FOR CAPACITY BUILDING AND PROPER ORIENTATION ON THEIR ROLES AND FUNCTIONS AT THE MINAHANG BAYAN.

SEC. 9. A new Section 10 is hereby provided as follows:

**"SECTION 10. COMMUNITY DEVELOPMENT; DEVELOPMENT OF DOWNSTREAM LIVELIHOOD.** THE PLMB, WITH THE DTI, DOLE, DOST, TESDA, AND DSWD, SHALL ENSURE THE DEVELOPMENT OF THE SURROUNDING COMMUNITIES OF THE MINAHANG BAYAN. THE OFFICE SHALL, AMONG OTHERS, TRAIN AND DEVELOP CAPACITY FROM AMONG THE MINERS, THEIR HOUSEHOLD MEMBERS, AND/OR RESIDENTS FROM SURROUNDING COMMUNITIES ON SUPPORT SERVICES OR SUSTAINABLE DOWNSTREAM LIVELIHOOD SUCH AS JEWELRY-MAKING OR ORNAMENT-CRAFTING. SUBJECT TO APPROVAL BY THE BSP, PLMB DOWNSTREAM LIVELIHOOD MAY BE ALLOWED TO UTILIZE TWENTY PER CENT (20%) OF GOLD PRODUCED BY THE MINAHANG BAYAN FOR THE PURPOSE.

SEC. 10. A new Section 11 is hereby provided as follows:

**"SECTION 11. MINES OCCUPATIONAL SAFETY AND HEALTH IMPLEMENTATION AND MONITORING.** (a) THE PLMB, IN COLLABORATION WITH THE MGB AND DOLE, SHALL ENSURE THE PROVISION OF TRAINING AND TECHNICAL ASSISTANCE TO ARTISANAL, SMALL-SCALE MINERS, CONTRACTORS AND PROCESSORS ON OCCUPATIONAL SAFETY AND HEALTH STANDARDS IN THE MINES CONSISTENT WITH THE PROVISIONS OF REPUBLIC ACT NO. 111058, OR THE OSH LAW.

- (b) THE MGB AND DOLE, IN COORDINATION WITH THE HOST LGU, SHALL SECURE HIGHER LEVEL OF COMPLIANCE BY ALL MINAHANG BAYAN WITH LABOR LAWS AND MOSH, AND DEVELOP AN INCENTIVE SCHEME TO ENCOURAGE ROBUST AND SUSTAINED COMPLIANCE.

SEC. 11. Section 5 of R.A. 7076 is hereby renumbered and amended as follows:

**"SECTION 12[5]. Declaration of MINAHANG BAYAN [People's Small-Scale Mining Areas].** The SECRETARY, THROUGH THE Board, is [hereby] authorized to declare and set aside MINAHANG BAYAN [people's small-scale mining] areas in sites onshore DETERMINED BY THE BOARD'S TECHNICAL SUPPORT COMMITTEE TO BE TECHNICALLY SUITABLE, ENVIRONMENTALLY SUSTAINABLE AND COMMERCIALY VIABLE [suitable] for ARTISANAL AND/OR small-scale mining. A MINAHANG BAYAN MAY BE ESTABLISHED AND MANAGE BY THE LOCAL GOVERNMENT UNIT (LGU), *MOTU PROPRIO*, OR DECLARED BY THE BOARD UPON A PETITION OF A DULY REGISTERED SMALL-SCALE MINING ASSOCIATION OR COOPERATIVE. IN BOTH SITUATION, THE OPERATION OF THE MINAHANG BAYAN MUST BE IN COMPLIANCE WITH THE PROVISIONS OF THIS ACT AND SUBJECT TO CONTROL AND SUPERVISION OF THE SECRETARY, THROUGH THE BOARD. [, subject to review by the Secretary, immediately giving priority to areas already occupied and actively mined by small-scale miners before August 1, 1987: *Provided*, that such areas are not considered as active mining areas: *Provided, further*, that the minerals found therein are technically and commercially suitable for small-scale mining activities: *Provided, finally*, that the areas are not covered by existing forest rights or reservations and have not been declared as tourist or marine reserved, parks and wildlife reservations, unless their status as such is withdrawn by competent authority.]

SEC. 12. A new Section 13 is hereby provided to read as follows:

**"SECTION 13. CONVERSION OF PRE-EXISTING ARTISANAL OR SMALL-SCALE MINING AREAS.** AREAS ALREADY OCCUPIED AND ACTIVELY MINED BY ARTISANAL OR SMALL-SCALE MINERS BEFORE AUGUST 1, 1987, AS DETERMINED BY THE BOARD, SHALL BE PRIORITY FOR CONVERSION INTO A MINAHANG BAYAN: *PROVIDED*, THAT SUCH AREAS ARE NOT CONSIDERED AS ACTIVE MINING AREAS: *PROVIDED, FURTHER*, THAT THE MINERALS FOUND THEREIN ARE TECHNICALLY AND COMMERCIALY SUITABLE FOR SMALL-SCALE MINING ACTIVITIES: *PROVIDED, FINALLY*, THAT IF THE AREAS ARE COVERED BY EXISTING FOREST RIGHTS OR RESERVATIONS AND HAVE BEEN DECLARED AS TOURIST OR MARINE PARKS AND WILDLIFE RESERVATIONS, CLEARANCE OR CONSENT OR WITHDRAWAL OF SUCH STATUS BY COMPETENT AUTHORITY SHALL FIRST BE OBTAINED BEFORE THE AREA CAN BE

DECLARED AS A MINAHANG BAYAN. ARTISANAL OR SMALL-SCALE MINERS WHO HAVE BEEN IN ACTUAL OPERATION OF SAID MINERAL LANDS SHALL NOT BE DISPOSSESSED, EJECTED OR REMOVED FROM SAID AREAS: PROVIDED, THEY COMPLY WITH THE PROVISIONS OF THIS ACT.

SEC. 13. A new Section 14 is hereby provided to read as follows:

**"SECTION 14. PROHIBITIONS.** OWING TO THE NATURE OF MINING AND THE HAZARDS IT POSES TO PEOPLE, COMMUNITIES, AND THE ENVIRONMENT, NO ARTISANAL OR SMALL-SCALE MINING SHALL BE ALLOWED OUTSIDE OF THE MINAHANG BAYAN AND NO ENTITY SHALL ENGAGE IN SMALL-SCALE MINING ACTIVITY WITHOUT A CONTRACT. LIKEWISE, NO PERSON SHALL WORK OR BE HIRED TO WORK IN SMALL-SCALE MINING AND OTHER SIMILAR OPERATIONS, INCLUDING FINANCING ACTIVITIES, UNLESS LICENSED BY THE BOARD.

SEC. 14. Section 6 of R.A. 7076 is hereby renumbered as follows:

**"SECTION 15[6]. Future MINAHANG BAYAN [People's Small-Scale Mining] Areas.** The following lands, when suitable for ARTISANAL AND/OR small-scale mining, may be declared by the SECRETARY, THROUGH THE Board, as MINAHANG BAYAN [People's Small-Scale Mining] areas:

- (a) Public lands not subject to any existing right;
- (b) Public lands covered by existing mining rights [which are not active mining areas] BUT WITH CONSENT FROM APPROVED MINING TENEMENT HOLDERS; *PROVIDED*, THAT EXPLORATION PERMITS (EP) WITH NO DECLARATION OF MINING PROJECT FEASIBILITY (DMPF) FILED WITHIN THE LAST TERM THEREOF SHALL BE OPEN TO ARTISANAL AND/OR SMALL-SCALE MINING; and
- (c) PUBLIC LANDS COVERED BY MINING APPLICATIONS SUCH AS:
  - 1) AREAS COVERED BY EXPLORATION PERMIT APPLICATIONS: *PROVIDED*, THAT THE TOTAL PROPOSED AREA FOR MINAHANG BAYAN IS WITHIN THE APPLIED EXPLORATION PERMIT AREA AND DOES NOT EXCEED TWO (2) MERIDIONAL BLOCKS: *PROVIDED*, FURTHER THAT UPON FILING OF THE PETITION AND DUE NOTICE, THE AREA SHALL BE EXCISED FROM THE COVERAGE OF THE EXPLORATION PERMIT APPLICATION: *PROVIDED*, *FINALLY*, THAT IF SUCH PETITION IS DENIED, THE AREA



SHALL BE REVERTED TO THE AFFECTED EXPLORATION PERMIT APPLICATION; OR

- 2) AREAS COVERED BY DENIED APPLICATIONS FOR MINERAL AGREEMENTS BUT WITH PENDING APPEAL WITH THE BUREAU OR DEPARTMENT CENTRAL OFFICE: *PROVIDED*, THAT THE PROPOSED AREA FOR MINAHANG BAYAN IS WITHIN THE APPLIED AREA FOR MINERAL AGREEMENT AND DOES NOT EXCEED TWO (2) MERIDIONAL BLOCKS: *PROVIDED, FURTHER*, THAT UPON DECLARATION OF THE MINAHANG BAYAN, THE AREA SHALL BE EXCISED FROM THE COVERAGE OF THE APPEALED DENIAL; OR
- 3) PUBLIC LANDS COVERED BY CANCELLED MINING TENEMENTS: *PROVIDED*, THAT THE SAID TENEMENTS WERE CANCELLED ON GROUNDS OF NON-RENEWAL OF EXPLORATION PERIOD FOR FIVE YEARS; OR NO APPROVED EXPLORATION WORK PROGRAM/ EXPLORATION PERIOD: *PROVIDED, FURTHER*, THAT THE CANCELLED TENEMENTS ARE NOT SUBJECT OF ANY GOVERNMENT DISPOSITION.
- d) Private lands, subject to certain rights and conditions, except those with substantial improvements or in bona fide and regular use as a yard, stockyard, garden, plant nursery, plantation, cemetery or burial site, or land situated within one hundred meters (100 m.) from such cemetery or burial site, water reservoir or a separate parcel of land with an area of ten thousand square meters (10,000 sq. m.) or less; AND
- e) PUBLIC LANDS WITHIN PROCLAIMED ONSHORE MINERAL RESERVATION; *PROVIDED*, THAT A SMALL-SCALE MINING COOPERATIVE SHALL BE GIVEN PREFERENTIAL RIGHT TO A MAXIMUM AGGREGATE AREA OF TWENTY-FIVE PER CENT (25%) OF SUCH MINERAL RESERVATION, SUBJECT TO VALID EXISTING MINING/QUARRYING RIGHTS.

SEC. 15. A new Section 16 is hereby provided to read as follows:

**"SECTION 16. AREAS CLOSED TO ARTISANAL AND SMALL-SCALE MINING.** NO MINAHANG BAYAN SHALL BE DECLARED OR ANY ARTISANAL OR SMALL SCALE MINING SHALL BE ALLOWED IN THE FOLLOWING:

- a) IN MILITARY AND OTHER GOVERNMENT RESERVATIONS, EXCEPT UPON PRIOR WRITTEN CLEARANCE BY THE GOVERNMENT AGENCY CONCERNED;

- b) NEAR OR UNDER PUBLIC OR PRIVATE BUILDINGS, CEMETERIES, ARCHAEOLOGICAL AND HISTORIC SITES, BRIDGES, HIGHWAYS, WATERWAYS, RAILROADS, RESERVOIRS, DAMS OR OTHER INFRASTRUCTURE PROJECTS, PUBLIC OR PRIVATE WORKS INCLUDING PLANTATIONS OR VALUABLE CROPS, EXCEPT UPON WRITTEN CONSENT OF THE GOVERNMENT AGENCY OR PRIVATE ENTITY CONCERNED;
- c) IN AREAS COVERED BY VALID AND EXISTING MINING RIGHTS;
- d) IN AREAS EXPRESSLY PROHIBITED BY LAW; AND
- e) OLD GROWTH OR VIRGIN FORESTS, PROCLAIMED WATERSHED, FOREST RESERVES, WILDERNESS AREA, MANGROVE FORESTS, MOSSY FORESTS, NATIONAL PARKS, PROVINCIAL/MUNICIPAL FORESTS, PARKS, GREENBELTS, GAME REFUGE AND BIRD SANCTUARIES AS DEINED BY LAW AND IN AREAS EXPRESSLY PROHIBITED UNDER THE NATIONAL INTEGRATED PROTECTED AREA SYSTEM (NIPAS) UNDER REPUBLIC ACT NO, 7566 AND OTHER LAWS.

SEC. 16. Section 7 of R.A. 7076 is hereby renumbered and amended as follows:

**"SECTION 17[7]. Ancestral Lands.** No ancestral land WITH A CERTIFICATE OF ANCESTRAL DOMAIN (CADT) may be declared as a [people's small-scale mining] MINAHANG BAYAN area without [the] prior [consent of] CONSULTATION WITH the cultural communities concerned: *Provided*, that, if ancestral lands are declared as MINAHANG BAYAN [People's Small-Scale Mining areas], the members of the cultural communities therein shall be given priority in the awarding of small-scale mining contracts: *PROVIDED, FURTHER*, THAT REPRESENTATIVES OF THE AFFECTED INDIGENOUS CULTURAL COMMUNITIES (ICC)/ INDIGENOUS PEOPLES (IP) SHALL BE INVOLVED IN THE AREA STATUS AND EVALUATION ASSESSMENT CONDUCTED BY THE DEPARTMENT AS PART OF THE FIELD BASED INVESTIGATION; *PROVIDED, FINALLY*, THAT THE ICC/IP SHALL BE ENTITLED TO A ROYALTY FEE OF MINIMUM OF ONE PER CENT (1%) OF GROSS PRODUCTION.

SEC. 17. Section 8 of R.A. 7076 is hereby renumbered and amended as follows:

**"SECTION 18[8]. [Registration] LICENSING of ARTISANAL AND Small-Scale Miners.** All persons undertaking ARTISANAL OR small-scale mining activities shall [register] APPLY FOR A LICENSE WITH THE Board [and may organize themselves into cooperatives in order to qualify for the awarding of a people's small-scale mining contract.] TO WORK IN THE MINAHANG BAYAN. A LICENSE SHALL BE ISSUED TO THE APPLICANT FREE OF CHARGE UPON COMPLETION OF THE

MANDATORY 8-HOUR OCCUPATIONAL SAFETY AND HEALTH ORIENTATION AND BASIC TRAINING ON ENVIRONMENTALLY SUSTAINABLE MINING PRACTICES. SUCH LICENSE SHALL BE VALID FOR AT LEAST THREE (3) YEARS, UNLESS SOONER REVOKED FOR VIOLATION OF THIS ACT, AND RENEWABLE FOR THE SAME PERIOD AFTER COMPLETION OF THE ORIENTATION OR TRAINING REQUIREMENTS.

SEC. 18. A new Section 19 is hereby provided to read as follows:

**"SECTION 19. ARTISANAL MINING PERMIT; REQUIREMENTS AND VALIDITY.** ALL DULY LICENSED ARTISANAL MINER, WHETHER AS INDIVIDUAL OR IN GROUP, SHALL SECURE FROM THE BOARD A PERMIT TO UNDERTAKE ARTISANAL MINING. SUCH PERMIT SHALL BE ISSUED UPON COMPLIANCE WITH THE REQUIREMENTS SET BY THE BOARD AND CO-TERMINUS WITH THE ARTISANAL LICENSE, WHICH IS FOR A PERIOD OF AT LEAST THREE (3) YEARS AND RENEWABLE FOR THE SAME PERIOD UPON VERIFICATION OF COMPLIANCE BY THE PLMB AND THE MMT. THE PERMIT SHALL SPECIFY THE AREA COVERED FOR THE ACTIVITIES, THE METES AND BOUNDS, AND THE CONDITIONS FOR THE GRANT, WHICH INCLUDE A PROHIBITION ON THE USE OF MERCURY, CHILD LABOR, BLASTING, AND A POST MINING REHABILITATION AND RESTORATION OF THE MINED AREAS. VIOLATION OF ANY OF THE CONDITIONS OF THE PERMIT SHALL RESULT TO IMPOSITION OF PENALTIES FROM FINES TO BLACKLISTING FROM ENGAGING IN ANY FORM OF MINING ACTIVITIES.

SEC. 19. A new Section 20 is hereby provided to read as follows:

**"SECTION 20. CONVERSION OF ARTISANAL MINING PERMIT TO SMALL-SCALE MINING CONTRACT.** ARTISANAL MINERS MAY CONVERT THEIR MINING PERMIT TO SMALL-SCALE MINING CONTRACT, SUBJECT TO COMPLIANCE WITH THE REQUIREMENTS FOR SMALL-SCALE MINING UNDERTAKINGS.

SEC. 20. Section 9 of R.A. 7076 is hereby renumbered and amended as follows:

**"SECTION 21[9]. Award of [People's] Small-Scale Mining Contracts.** [people's] Small-scale mining contract may be awarded by the Board to small-scale miners who have voluntarily organized and [have] duly registered with the appropriate government agency as [an individual miner] ASSOCIATION or cooperative: *Provided*, that THE ASSOCIATION OR COOPERATIVE IS ALSO REGISTERED WITH THE BOARD AND ALL MEMBERS ARE DULY LICENSED SMALL-SCALE MINERS.

Only one (1) [people's] small-scale mining contract [may] SHALL be awarded at any one time to AN ASSOCIATION OR COOPERATIVE [a small-scale mining operations within one (1) year from the date of award *Provided, further, that priority*]. SUCH CONTRACT shall ONLY be given to ASSOCIATION OR COOPERATIVE OF small scale miners residing in the province or city where the small-scale mining]is located.

Applications for a contract shall be subject to a reasonable fee to be paid to the Department'S [of Environment and Natural Resources] regional office having jurisdiction over the area. IN NO CASE, HOWEVER, SHALL THE FEE AND COMPLIANCE REQUIREMENTS BE EQUAL TO OR HIGHER THAN THOSE REQUIRED FROM LARGE-SCALE MINING. ALL AGENCIES INVOLVED IN REGULATING SMALL-SCALE MINING OPERATION SHALL BE STREAMLINED WITH THE BOARD'S OFFICE SERVING AS ONE-STOP-SHOP TO FACILITATE THE FORMALIZATION OF SMALL-SCALE MINING OPERATIONS, INCLUDING EASE IN ENSURING ENVIRONMENTAL PROTECTION, DECENT WORK AND OCCUPATIONAL SAFETY AND HEALTH. THE CONTRACT SHALL BE FOR A PERIOD OF FIVE (5) YEARS AND RENEWABLE FOR THE SAME PERIOD UPON VERIFICATION OF COMPLIANCE AND RECOMMENDATION BY THE BOARD'S TECHNICAL COMMITTEE.

SEC. 21. Section 13 of R.A. 7076 is hereby renumbered as follows:

**"SECTION 22[13]. Terms and Conditions of the SMALL-SCALE MINING Contract.** A contract shall have a term of [two (2)] FIVE (5) years AND renewable FOR THE SAME PERIOD [subject to verification by the Board for like periods as long as the contractor], UPON VERIFICATION AND RECOMMENDATION BY THE BOARD'S TECHNICAL COMMITTEE [complies with the provisions set forth in this Act. [and]. THE CONTRACT confers upon the contract[or] HOLDER the right to mine within the MINAHANG BAYAN [contract area: provided, that the holder of a small-scale mining contract shall have] AND IN ADDITION TO SECTIONS --- AND ---, SHALL OBSERVE the following duties and obligations:

- (a) Undertake mining activities only in accordance with THE DULY APPROVED FIVE-YEAR WORK PROGRAM [a mining plan duly approved] by the Board;
- (b) Abide by the Mines and Geosciences Bureau and the small-scale Mining Safety Rules and Regulations;
- (c) NOT UNDERTAKE HYDRAULICKING OR COMPRESSOR MINING AT ANY STAGE OF THE SMALL SCALE MINING;
- (d) NOT USE MERCURY IN ANY PHASE OF SMALL-SCALE MINING;
- (e) Comply with [his] obligations to the holder of an existing mining right;

- (f) Pay all taxes, royalties or government production share as are now or may hereafter be provided by law;
- (g) Comply with pertinent rules and regulations on environmental protection and conservation, particularly those on tree-cutting mineral-processing and pollution control;
- (h) File under oath at the end of each month a detailed production and financial report to the Board; [and]
- (i) Assume responsibility [for] IN ENSURING [the safety] OCCUPATIONAL SAFETY AND HEALTH, AND SOCIAL WELFARE BENEFITS of persons working in the mines, INCLUDING A FAIR AND EQUITABLE SHARE IN CASE OF SHARING COMPENSATION SCHEME WITH FINANCIER;
- (j) USE OF ECO-FRIENDLY LEACHING REAGENT IN MINERAL PROCESSING SUBJECT TO LICENSING BY THE ENVIRONMENT MANAGEMENT BUREAU FOR THE USE OF REAGENTS;
- (k) ENGAGE ONLY AUTHORIZED AND BOARD ACCREDITED PNP BLASTER OR CONTRACTOR; AND
- (l) ENSURE NON-ENGAGEMENT OF CHILD LABOR IN THE MINING ACTIVITIES.

SEC. 22. Section 10 of R.A. 7076 is hereby renumbered and amended as follows:

**"SECTION 23[10]. Extent of Contract Area.** The Board shall determine the reasonable size and shape of the contract area following the meridional block system established under [Presidential Decree No. 463, as amended, otherwise known as the Mineral Resources Development Decree of 1974,] REPUBLIC ACT NO. 7942 but in no case shall the area exceed twenty hectares (20 has.) per contractor and the depth or length of the tunnel or adit not exceeding that recommended by the [director] MGB TECHNICAL TEAM taking into account the following circumstances:

- (a) Size of membership and capitalization of the cooperative or association;
- (b) Size of mineralized area;
- (c) Quantity of mineral deposits;
- (d) Safety of miners;
- (e) Environmental impact [and other considerations]; and
- (f) Other related circumstances.

SEC. 23. A new Section 24 is hereby provided to read as follows:

**"SECTION 24. EXEMPTION OF ARTISANAL AND SMALL-SCALE MINING OPERATIONS FROM EXCISE TAX.** THE SALE TO THE BSP OF GOLD SOURCED FROM ARTISANAL AND SMALL-SCALE MINING SHALL BE EXEMPT FROM EXCISE TAC IN ACCORDANCE WITH SECTION 2C AND 3 OF REPUBLIC ACT NO. 11256.

SEC. 24. A new Section 25 is hereby provided to read as follows:

**"SECTION 25. SALE OF GOLD.** ALL GOLD PRODUCED BY ARTISANAL AND SMALL-SCALE MINERS SHALL BE SOLD TO THE BANGKO SENTRAL NG PILIPINAS (BSP), OR TO ANY OF ITS DULY AUTHORIZED REPRESENTATIVE OR BUYING STATION, WHICH SHALL BUY AT COMPETITIVE PRICES WITH THOSE PREVAILING IN THE WORLD MARKET REGARDLESS OF VOLUME OR WEIGHT. FOR THIS PURPOSE, THE BSP SHALL ESTABLISH AS MANY BUYING STATION AS POSSIBLE, AND AT ITS DISCRETION, MAY ACCREDIT TRADERS OR ALLOW SALE OF GOLD TO BSP LICENSED BUYERS TO FULLY SERVICE THE REQUIREMENTS OF MINERS.

SEC. 25. Section 12 of R.A. 7076 is hereby renumbered and amended, as follows:

**"SECTION 26[12]. Rights Under a [People's] Small-Scale Mining Contract.** A [people's] small-scale mining contract entitles the small-scale mining contractor [to] the right to mine GOLD, SILVER, CHROMITE AND SUCH OTHER METALLIC MINERALS LIKE ZINC, NICKEL, IRON, COPPER AND MANGANESE, extract, and dispose of ALL mineral ores for commercial purposes ON CONDITION THAT GOLD SHALL BE SOLD PURSUANT TO SECTION \_\_\_ OF THIS ACT. FURTHER, in no case shall a small-scale mining contract be subcontracted, assigned or [otherwise] transferred, OR THE EXTRACTED GOLD BE SOLD TO UNAUTHORIZED BUYERS OR IN THE BLACK MARKET.

SEC. 26. Section 11 of R.A. 7076 is hereby renumbered and amended as follows:

**"SECTION 27[11]. Easement Rights.** Upon the declaration of a MINAHANG BAYAN, [people's small-scale mining area, the director] THE BOARD, in consultation with the operator, APPROVED MINING TENEMENT HOLDER, [claim owner,] landowner or lessor of an affected area, shall determine the right of the small scale miners to existing facilities such as mining and logging roads, private roads, port and communication facilities, processing plants, which are necessary for the effective OPERATION OF THE MINAHANG BAYAN. [implementation of the People

Small-Scale Mining Program, subject to] THE SMALL-SCALE MINERS, UPON PAYMENT OF JUST COMPENSATION SHALL BE ENTITLED TO ENTER AND OCCUPY SAID MINING AREAS OR LANDS. [reasonable fees to the operator, claim-owner, landowner or lessor.]

SEC. 27. Section 14 of R.A. 7076 is hereby renumbered as follows:

**"SECTION 28[14]. Rights of Claim-owners.** In case a site declared and set aside as a [people's-scale mining area] MINAHANG BAYAN is covered by an existing mining right, the claim-owner and the small-scale miners therein are encouraged to enter into a voluntary and acceptable contractual agreement with respect to the small-scale utilization of the mineral values from the area under claim. In case of disagreement, the claim-owner shall be entitled to the following rights and privileges:

- (a) Exemption from the performance of annual work obligations and payment of occupation fees, rental, and real property taxes;
- (b) Subject to the approval of the Board, free access to the contract area to conduct metallurgical tests, explorations and other activities, provided such activities do not unduly interfere with the operations of the small-scale miners; and
- (c) Royalty equivalent to one and one half percent (1 1/2%) of the gross value of the metallic mineral output or one percent (1%) of the gross value of the nonmetallic mineral output to be paid to the claim owner: *Provided*, that such rights and privileges shall be available only if [he] THE CLAIM OWNER is not delinquent [and other performance of his] WITH THE annual work obligations and other requirements for the last two (2) years prior to the effectivity of this Act.

SEC. 28. Section 15 of R.A. 7076 is hereby renumbered as follows:

**"SECTION 29[15]. Rights of Private Landowners.** The private landowner or lawful possessor shall be notified of any plan or petition to declare [his] THE land OR PART THEREOF as a [people's small-scale mining area] MINAHANG BAYAN. Said landowner may oppose such plan or petition in an appropriate proceeding and hearing conducted before the Board.

If a private land OR PART THEREOF is declared as a [people's small-scale mining]MINAHANG BAYAN area, the owner and the small-scale mining contractor are encouraged to enter into a voluntary and acceptable contractual agreement for the small-scale utilization of the mineral values from the private land: *Provided*, that the owner shall in all cases be entitled to the payment of actual damages [which he may suffer] as a result of such declaration: *Provided, further*, that royalties paid to the owner shall in no case exceed one percent (1%) of the gross value of the minerals recovered. [as royalty.]

SEC. 29. Section 16 of R.A. 7076 is hereby renumbered as follows:

**"SECTION 30[16]. Ownership of [Millings] MILL TAILINGS.** The small-scale mining contractor shall be the owner of all mill[ings] TAILINGS produced from the contract area. He may sell millings or have them processed in any custom mill in the area: Provided, that, if the small-scale mining contractor decide to sell its millings, the claim owner shall have a preemptive right to purchase said millings at the prevailing market price.

SEC. 30. A new Section 31 is hereby provided as follows:

**"SECTION 31. TRANSPORT OF ORE BEARING MATERIALS AND MILL TAILINGS.** THE DEPARTMENT SHALL PROMULGATE GUIDELINES FOR THE TRANSPORT OF ORE EXTRACTED FROM AN ISSUED SMALL-SCALE MINING CONTRACT WITHIN A DECLARED MINAHANG BAYAN AREA AND MILL TAILINGS PRODUCED MINERAL PROCESSING ZONE.

SEC. 31. A new Section 32 is hereby provided as follows:

**"SECTION 32. MINE WASTE AND TAILINGS FEE.** MINE WASTE TAILINGS (MWT) FEE SHALL BE COLLECTED ANNUALLY FROM EACH CONTRACTOR/LICENSEE. THE MWT FEE SHALL ACCRUE TO THE MWT RESERVED FUND EXCLUSIVELY FOR PAYMENT OF DAMAGES TO:

- a) LIVES AND PERSONAL SAFETY;
- b) LANDS, AGRICULTURAL CROPS AND FOREST PRODUCTS, MARINE LIFE AND AQUATIC RESOURCES, CULTURAL RESOURCES; AND
- c) INFRASTRUCTURE AND THE REVEGETATION AND REHABILITATION OF SILTED FARMLANDS AND OTHER AREAS DEVOTED TO AGRICULTURE AND FISHING CAUSED BY SMALL-SCALE MINING POLLUTION.

SEC. 32.. Section 21 of R.A. 7076 is hereby renumbered as follows:

**"SECTION 33[21]. Rescission of Contracts and Administrative Fines.** The non-compliance with the terms and conditions of the contract or violation of the rules and regulations issued by the Secretary pursuant to this Act, as well as the abandonment of the mining site by the contractor, shall constitute a ground for the cancellation of the contract and the ejection from the [people's small-scale mining] MINAHANG BAYAN area



of the contractor. In addition, the Secretary may impose fines against the violator in an amount of not less than [Twenty Thousand Pesos (P20,000.00)] FIFTY THOUSAND PESOS (P50,000.00) and not more than One Hundred Thousand Pesos (P100,000.00). Non-payment of the fine imposed shall render the small-scale mining contractor PERPETUALLY ineligible for ANY [other small-scale] mining contracts.

SEC. 33. Section 22 of R.A. 7076 is hereby renumbered as follows:

**"SECTION 34[22]. Reversion of MINAHANG BAYAN [People's Small-Scale] Mining Areas.** The Secretary, upon recommendation of the Director AND CONSULTATION WITH THE WOULD-BE AFFECTED STAKEHOLDERS, shall withdraw the status OR DECLARATION of [the people's small-scale mining] MINAHANG BAYAN area when it can no longer feasibly BE operated on a small-scale mining basis or when the safety, health and environmental conditions warrant that the same shall revert to the State for proper disposition.

SEC. 34. Section 18 of R.A. 7076 is hereby renumbered as follows:

**"SECTION 35[18]. MINERAL PROCESSING [Custom Mills].** The establishment and operation of safe and efficient customs mills to process minerals or ore-bearing materials shall be limited to mineral processing zones duly designated by the local government unit concerned upon recommendation of the Board.

In mining areas where the private sector is unable to establish custom mills, the DEPARTMENT OF TRADE AND INDUSTRY (DTI) [Government] shall construct such custom mills AS A SHARED FACILITY upon the recommendation of the Board based on the viability of the project.

The Board shall issue licenses for the operation of custom mills and other processing plants subject to pollution control and safety standards.

The Department shall establish assay laboratories to cross-check the integrity of custom mills and to render metallurgical and laboratory services to miners.

[Custom mills]MINERAL PROCESSOR'S LICENSEES shall be constituted as withholding agents for the royalties, production share or other taxes due the Government.

SEC. 35. Section 19 of R.A. 7076 is hereby renumbered as follows:

**"SECTION 36[19]. Government Share and Allotment.** The revenue to be derived by the Government from the operation of the mining program herein

established shall be subject to the sharing provided in the Local Government Code.

SEC. 36. Section 20 of R.A. 7076 is hereby renumbered as follows:

**“SECTION 37[20]. [People's] ARTISANAL AND Small-Scale Mining [Protection] SOCIAL AMELIORATION Fund.** There is hereby created a [People's] ARTISANAL AND Small-scale Mining SOCIAL AMELIORATION [Protection] Fund which shall be fifteen percent (15%) of the national government's share [due the Government which shall] TO be used primarily for ARTISANAL AND SMALL-SCALE MINERS ON:

- (a) Information dissemination ON GOOD MINING PRACTICES;
- (b) Training, including benchmarking, [of small-scale miners] on safety, health and environmental protection, AND MODERN METHODS ON MINERAL EXTRACTION;
- (c) Establishment of mine rescue and recovery teams including the procurement of rescue equipment necessary in cases of emergencies such as landslides, tunnel collapse, or the like;
- (d) ESTABLISHMENT OF ARTISANAL AND SMALL-SCALE MINING SHARED FACILITIES IN MINING AREA DETERMINED TO BE APPROPRIATE;
- (e) IMPLEMENTATION OF SOCIAL AND ECONOMIC PROGRAMS FOR THE ARTISANAL AND SMALL-SCALE MINERS; AND
- (f) [The fund shall also be made available to address the needs of the] FINANCIAL AID TO artisanal and small-scale miners [brought about] AFFECTED by accidents and/or fortuitous events, AS MAY BE RECOMMENDED BY THE ASM TRIPARTITE COMMITTEE (ASM-TC), AS CREATED HEREIN.

FOR THIS PURPOSE, AN ASM INDUSTRY TRIPARTITE COMMITTEE (ASM-TC) IS HEREBY CREATED TO ACT AS THE ADVISORY BODY ON THE USE OF THE ASM SOCIAL AMELIORATION FUND. REPRESENTATIVES OF THE DEPARTMENT AND DOLE SHALL BE EX-OFFICIO PRESIDING HEADS OF THE COMMITTEE WITH MEMBERS FROM THE ARTISANAL MINERS AND SMALL SCALE MINERS, ENVIRONMENTAL NGO AND LGU, BUT IN NO CASE SHALL THAT THE TOTAL MEMBERSHIP SHALL EXCEED TEN (10).

SEC. 37. Section 23 of R.A. 7076 is hereby deleted and its provision is fused with Section 13:

**[Section 23. Actual Occupation by Small-Scale Miners.** Small-scale miners who have been in actual operation of mineral lands on or before August 1, 1987 as determined by the Board shall not be dispossessed, ejected or removed from said areas: provided, that they comply with the provisions of this Act.]

SEC. 38. Section 24 of R.A. 7076 is hereby deleted and its provision transposed as Section 6.

**[Section 24. Provincial/City Mining Regulatory Board.** There is hereby created under the direct supervision and control of the Secretary a provincial/city mining regulatory board, herein called the Board, which shall be the implementing agency of the Department, and shall exercise the following powers and functions, subject to review by the Secretary:

- (a) Declare and segregate existing gold-rush areas for small-scale mining;
- (b) Reserve future gold and other mining areas for small-scale mining;
- (c) Award contracts to small-scale miners;
- (d) Formulate and implement rules and regulations related to small-scale mining;
- (e) Settle disputes, conflicts or litigations over conflicting claims within a people's small-scale mining area, an area that is declared a small-mining; and
- (f) Perform such other functions as may be necessary to achieve the goals and objectives of this Act.]

SEC. 39. Section 25 of R.A. 7076 is hereby deleted and its provision transposed as Section 7.

**[Section 25. Composition of the Provincial/City Mining Regulatory Board.** The Board shall be composed of the Department of Environment and Natural Resources representative as Chairman; and the representative of the governor or city mayor, as the representative of the governor or city mayor, as the case may be, one (1) small scale mining representative, one (1) big-scale mining representative, and the representative from a nongovernment organization who shall come from an environmental group, as members.

The representatives from the private sector shall be nominated by their respective organizations and appointed by the Department regional director. The Department shall provide the staff support to the Board.]

SEC. 40. Section 26 of R.A. 7076 is hereby fused with Sections 6 and 27.

**[Section 26. Administrative Supervision over the People's Small-scale Mining Program.** – The Secretary through his representative shall exercise

direct supervision and control over the program and activities of the small-scale miners within the people's small-scale mining area.

The Secretary shall within ninety (90) days from the effectivity of this Act promulgate rules and regulations to effectively implement the provisions of the same. Priority shall be given to such rules and regulations that will ensure the least disruption in the operations of the small-scale miners.]

SEC. 41. Section 27 is hereby amended and renumbered as follows:

**"SECTION 37 [27]. Penal Sanctions.** Violations of the provisions of this Act or of the rules and regulations issued pursuant hereto shall be FINED OF NOT LESS THAN FIFTY THOUSAND PESOS (P50,000.00) BUT NOT MORE THAN FIVE MILLION PESOS (P5,000,000.00) AND/OR penalized with imprisonment of not less than six (6) months nor more than six (6) years, OR BOTH SUCH FINE AND IMPRISONMENT, AT THE DISCRETION OF THE COURT, and shall include the confiscation and seizure of equipment, tools and instruments. IN ADDITION, DAMAGES AND COMPENSATION FOR THE MINERALS REMOVED AND EXTRACTED, AND THE REHABILITATION OF THE DISTURBED AREA/S SHALL BE IMPOSED.

IN CASE OF ASSOCIATION, COOPERATIVE, CORPORATION OR PARTNERSHIP, THE PRESIDENT, GENERAL MANAGER OF THE COOPERATIVE AND/OR ASSOCIATION, AND THE BOARD OF DIRECTORS SHALL BE SOLIDARY LIABLE FOR THE OFFENSE COMMITTED WHETHER PUNISHABLE WITH A FINE OR IMPRISONMENT.

FOREIGN NATIONALS WHO VIOLATE THE PROVISIONS OF THIS ACT SHALL, UPON PAYMENT OF IMPOSABLE FINES AND DAMAGES, BE SUBJECT TO SUMMARY DEPORTATION PROCEEDINGS BY THE BUREAU OF IMMIGRATION AND SHALL BE PERMANENTLY BARRED FROM RE-ENTERING THE COUNTRY.

FOR THIS PURPOSE, THE IAC-MINES SHALL ISSUE A LIST OF PROHIBITED ACTS WITH CORRESPONDING ADMINISTRATIVE FINES AND/OR IMPRISONMENT DEPENDING ON THE SEVERITY AND DAMAGE CAUSED TO THE ENVIRONMENT AND THE COMMUNITY, WITHOUT PREJUDICE TO THE APPLICATION OF RELEVANT LAWS PENALIZING CRIMES AGAINST THE ENVIRONMENT.

SEC. 42. A new Section 38 is hereby provided:

**"SECTION 38. SUBMISSION OF ANNUAL REPORT.** THE DEPARTMENT SHALL SUBMIT AN ANNUAL REPORT TO CONGRESS WITHIN THIRTY (30) DAYS FROM END OF EACH CALENDAR YEAR, DETAILING THE NUMBER OF ARTISANAL AND SMALL-SCALE MINERS

NATIONWIDE, NUMBER OF EXISTING MINAHANG BAYAN, ISSUES AND CONCERNS ON COMPLIANCE WITH OCCUPATIONAL SAFETY AND HEALTH IN THE MINES, DECENT WORK OBSERVANCE, SOCIO-ECONOMIC AND ENVIRONMENTAL IMPROVEMENTS AND ACCOMPLISHMENTS AND PLANS OF THE IAC-MINES.

SEC. 43. **IMPLEMENTING RULES AND REGULATIONS.** THE SECRETARY SHALL, IN CONSULTATION WITH THE DILG, DOLE, DTI AND SMALL SCALE MINING STAKEHOLDERS, PROMULGATE THE RULES AND REGULATIONS TO EFFECTIVELY IMPLEMENT THE PROVISIONS WITHIN NINETY (90) DAYS FROM THE EFFECTIVITY OF THIS ACT. PRIORITY SHALL BE GIVEN TO SUCH RULES AND REGULATIONS THAT WILL ENSURE THE LEAST DISRUPTION IN THE OPERATIONS OF THE SMALL-SCALE MINERS.

SEC. 44. **Repealing Clause.** All laws, decrees INCLUDING PRESIDENTIAL DECREE NO. 1899, AMONG OTHERS, letters of instruction, executive orders, rules and regulations, and other issuances, or parts thereof, in conflict or inconsistent with this Act are hereby repealed or modified accordingly.

SEC. 45. **Separability Clause.** Any section or provision of this Act which may be declared unconstitutional shall not affect the other sections or provisions hereof.

SEC. 46. **Effectivity.** This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in a national newspaper of general circulation.

Approved