

[MEMORANDUM CIRCULAR NO. 2018-02, July 06, 2018]

GUIDELINES FOR COMPLIANCE MONITORING AND RATING/SCORECARD OF MINING PERMITS/CONTRACTS

Adopted: 03 July 2018
Date Filed: 06 July 2018

Pursuant to Section 9 of Republic Act (RA) No. 7942 or the Philippine Mining Act of 1995, Section 7 of Department of Environment and Natural Resources (DENR) Administrative Order (DAO) No. 2010-21 re: Providing for a Consolidated Department of Environment and Natural Resources Administrative Order for the implementing Rules and Regulations of Republic Act No. 7942, otherwise known as the "Philippine Mining Act of 1995", and RA No. 10964 or the General Appropriations Act of 2018, particularly the provisions for Performance Informed Reporting, the following are hereby promulgated for the guidance and compliance of all concerned:

Section 1. Basic Policy

The exploration, development and utilization of the country's mineral resources shall be undertaken responsibly and shall always comply with the laws, rules and regulations. It shall be guided by best practices in mining operation, safety and health, environmental management and social development which are regularly monitored and measured toward ensuring the enhancement of national growth in a way that effectively safeguards the environment and protect the rights of affected communities.

Section 2. Objectives

This Memorandum Circular is issued for the following purposes:

1. Provide an efficient and effective Standard Monitoring System, by using checklists, that shall ascertain the compliance of Contractors/Permittees/Permit Holders with the terms and conditions and laws, rules and regulations; and
2. Provide a performance rating system by using scorecards to determine the compliance level of Contractors/Permittees/Permit Holders.

Section 3. Scope and Coverage

This Memorandum Circular shall cover the Monitoring of Exploration Permits, Mineral Agreements and Financial or Technical Assistance Agreements on the compliance with the terms and conditions and provisions of all pertinent laws, rules and

regulations, and the corresponding scoring/rating system.

Section 4. Standardized Monitoring System

To ensure compliance with the terms and conditions, and pertinent laws, rules and regulations, a Standardized Monitoring System for Contractors/Permittees/ Permit Holders shall be implemented. The Standardized Monitoring System hereby provides Monitoring Checklists and the Guide for the Conduct of the Monitoring Mining Permits/Contracts and Accomplishing the Monitoring Checklists.

Section 5. Standardized Monitoring Checklist

To ensure the effective and uniform monitoring of the Tenements, and Safety and Health, Environmental Management, and Social Development (T-SHES) mandatory compliance requirements, implementation of Work Programs, terms and conditions of the Mining Permits/Contracts, and pertinent laws, rules and regulations, the Guide for the Conduct of Monitoring of Mining Permits/Contracts and Accomplishing the Monitoring Checklist (Tenement and SHES Compliances) [Annex 1], and the following Standardized Monitoring Checklists are hereby provided and shall be utilized by the Mines and Geosciences Bureau (MGB) Regional Offices (RO) personnel for the conduct of monitoring:

- a. Tenement (Exploration) Monitoring Checklists [Annex 1A];
- b. Tenement (Development/Operating) Monitoring Checklists [Annex 1B];
- c. Safety and Health (Exploration and Development/Operating) Monitoring Checklists [Annex 1C];
- d. Environmental Management (Exploration) Monitoring Checklists [Annex 1D- 1];
- e. Environmental Management (Development/Operating) Monitoring Checklists [Annex 1D-2];
- f. Social Development (Exploration) Monitoring Checklists [Annex 1E-1]; g. Social Development (Development/Operating) Monitoring Checklists [Annex 1E-2].

Section 6. Compliance Scorecard of Mining Permits/Contracts

The Compliance Scorecard measures the level of compliance of Mining Permits/Contracts with the mandatory Tenements and Safety and Health, Environmental Management, and Social Development (T-SHES) requirements of RA No. 7942 and its implementing rules and regulations (IRR), implementation of Work Programs, other pertinent laws, rules and regulations, and the terms and conditions of the Mining Permits/Contracts. The following Compliance Scorecards are hereby provided for this purpose:

- a. Tenement (Exploration) Compliance Scorecard [Annex 2A*];
- b. Tenement (Development/Operating) Compliance Scorecard [Annex