COLLABORATIVE GOVERNANCE AND COMMUNITY SUSTAINABILITY INDICATORS: THE CASE OF MINING OPERATIONS IN PALAWAN

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Background/Rationale

- The search for democratic and authentic approach for governance remains a challenge and needs a continuing research in the field of public administration.

- The objective remains the same- “to uphold public values of efficiency, effectiveness and economy of public good/service delivery”.

- The emphasis now is on greater democratic pluralism founded in more pronounced citizens participation and involvement in the conduct of government affairs. In short, a paradigm shift “from traditional decision-making processes to collaboration”.

- Literature showed that the field of natural resource governance/management has pioneered and adopted collaboration as a new genre of public reform

- Literature also emphasized that it is only through effective collaboration that sustainable development in the natural resource may be attained.

- The Philippine Mineral Industry is a good laboratory to observe and study the interplay of collaborative governance in the creation of wealth in a sustainable manner.

- Collaborative resource partnerships are initiatives in which diverse stakeholders work together to address the management of natural resources.

- RA 7942 or the Revitalized Mining Act of 1995 under its IRR or DENR Administrative Order No. 96-40 provides adherence to the principle of ***SUSTAINABLE DEVELOPMENT***

- The National Policy Framework on Mineral Development recognizes Multi-stakeholderships (MSPs) as a form of collaboration in mining governance

The Research Problem

- 2 issues: greater number of stakeholders involved in all phases of the development process and their various demands, and the call for the socio-economic, governance and ecological dimensions of mining activities as being inherent in the concept of sustainable development.

- The study attempted to assessed and analyzed the collaborative governance and socio-economic and ecological goals of mining operations in Palawan. It sought and answered the following problems:

- What is the present socio-economic conditions of mining's host communities?

- What is the present ecological conditions of mining's host communities?

- Are there sustainable socio-economic indicators in the host communities?

- Are there ecological sustainability indicators in the host communities?

- What is the current landscape/patterns of collaboration in the host communities?
- Are there sustainable collaborative governance indicators in the host communities?

- Does the current collaborative governance system meet the stakeholders expectations?

- What are the various aspects of collaborative governance within mining's decision making in Palawan?

- Is there a need to improve /enhance the collaborative governance system in the host communities? how can collaborative governance be improved/enhanced?

Objectives of the Study

- The main objective of the study was to assess and analyze the aspect of collaborative, ecological and socio-economic goals and outcomes of mining operations in Palawan

Specifically, the study has:

- Assessed the existing socio-economic conditions of the mining's host communities
- Assessed sustainable socio-economic indicators of host communities

- Assessed the current landscape/patterns of collaborative governance in mining's host communities

- Identified and assessed the ecological conditions of the host communities

- Identified and assessed ecological sustainability indicators in mining host communities

- Identified and assessed sustainable collaborative governance indicators of mining in Palawan

- Assessed the current collaboration in mining in meeting the stakeholders' expectations and how they feel it can be improved

- Examined various aspects of collaborative governance with environmental decision-making in Palawan(degree of inclusiveness, nature of deliberation and sharing of decision authority

- Suggested ways on how to improve/enhance collaborative governance system in mining governance

Significance of the Study

- Provided insights on governance issues in mining
- Provided insights on good practice on mining governance

- Encouraged mining stakeholders in carrying on their distinct and collaborative roles effectively to attain sustainable development

- Results of the study will be a good input for future decisions concerning engagement of stakeholders in project management and best practices in socio-economic and ecological programme implementation

Theoretical/Conceptual Framework of the Study

- According to Smith and Gronbjerg (2006), collaborative governance as a new form of public sector management may span from all stages of the public policy process- from formulation, enactment, implementation to evaluation and feedback

•It draws on the unique attributes and resources of participating sectors, with each expected to add significant value to the joint project.

- In broad terms, government brings to the project public legitimacy as representatives of the public's needs and desires, the authority of the state, the necessity of public transparency and accountability, and public service goals.

- Private sector actors bring funding secured through private capital markets

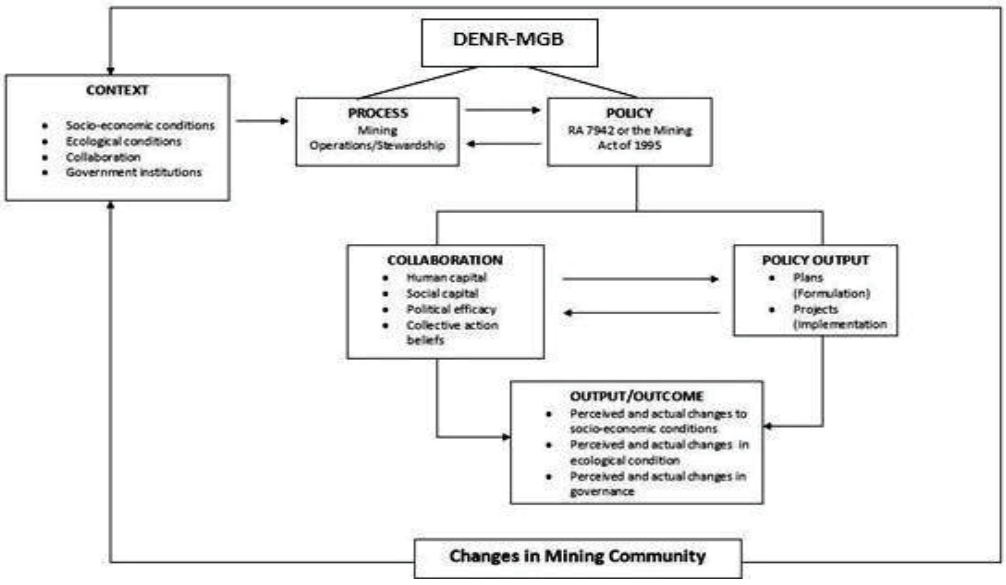
- The most valuable assets of nonprofits and civic organizations and people's organizations are their commitment to serve those in need, willingness to perform as intermediaries in the provision of goods and services, the use of moral suasion and social capital (Smith and Gronbjerg 2006).

- The study also draws from Robert Putnam's civic community and civic engagement and social capital theory which argues that there was a strong link between the performance of political institutions and the character of civic life. Interaction enable people to build communities, to commit themselves to each other, and to knit the social fabric.

- Applying the concept to present day governance perspective, collaboration does increase social capital that is particularly useful in attaining greater productivity for socio-economic prosperity and environmental consciousness and practice.

- The study posits that collaborative governance in mining will directly influence the sustainability of the well-being of the host communities, in terms of socio-economic and environmental conditions with the presence of a well established and strong national policy framework (RA 7942).

- The Conceptual Framework of the Study



- Through effective collaboration, a good policy outputs (plans and projects) are expected to produce desirable outputs/outcome of socio-economic prosperity and ecological soundness in mining host communities

RESEARCH METHODOLOGY

Qualitative Research

Case Studies

Survey

Focus Group Duscussions (FGDs)

Document review and analysis

Ocular survey/groundtruthing

Map of Palawan Showing the Location of the Study Sites

Research Findings

CASE 1: Rio Tuba Nickel Mining Project, Bataraza, Palawan

Brief Profile

•One of the pioneering large scale mining project in Palawan operating since 1975

•It mines nickel ore from laterite and supplies various types and grades of nickel ore to customers located in Japan, China, and the Philippines.

• Annual Production is 10,000 MT for nickel, 7,050 MT for cobalt

- RTNMC is owned by Nickel Asia Corporation (NAC)
- With approved Mineral Production Sharing Agreement (MPSA No. 114-98-IV)
- With approved MPSA No. 213-2005-IVB for Gotok Limestone Property

Performance of the Project (Document Analysis/Ground truthing

- **Socio-Economic**
  - established the RTNFInc Hospital, a primary hospital with complete facilities;working to upgrade its facilities and manpower to become a secondary hospital
  - established the Leonides S. Virata Memorial School (LSVMS), a private school recognized by DepEd and under the supervision of the University of La Salle-Bacolod)

-established 10 Indigenous Learning Centers to cater to functional literacy of the IPs

-established 2 Gawad Kalinga Housing Projects for the IPs with 118 dwelling units

-provision of scholarship program at all levels.

-provision of working animals (carabaos) to farmers

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-infrastructure projects: 16 Day Care Centers, 11 health centers,13 tribal halls, 30 road construction and repair; 2 gymnasiums; 3 public libraries; 3 irrigation systems; 18 churches and mosques; 13 communal buildings; and 26 multipurpose pavements

-Livelihood projects: 13 handtractors with trailers; 10 unit fishingboats with accessories; 37 fattening cows; and 113 heads of swine; 14 motorcycles with sidecars
-11 units multicabs for barangays
-Outreach programs: medical missions
-Communication: 65 ICOM radio units for the barangays

Electricity:

-19 generator sets for barangay lighting purposes
-62 units of petromax

Collaborative Governance Performance
-institutionalized and functional Multipartite Monitoring Team (MMT)

-forged MOAs with GOs/NGOs/private entities

-lack of coordination between various agencies of gov't:-LGUs, PCSD, DENR-MGB

-collaborative governance has been the weak link in mining

- mining projects lacks reporting framework

Ecological Performance
7 parameters to be measured:
-deforestation/devegetation
-land destruction
-soil erosion
-siltation
-water quality degradation
-air quality degradation

A. <u>Reforestation/Forest Program</u>

-maintenance of 3 nurseries with 134,712 seedlings cumulative production; inventory of stocks as of June 30,2009 is 79,098 seedlings

-Reforested mined area is 369.9 has; 899.909 has are yet to be rehabilitated

-community-based reforestation program such as:
Adopt-A-Mountain Project with an area of 49.664 has; 34,390 assorted trees planted; a 6.25 has rubber estate; 12 has Green Phils Highways; 4.5 has Perpetual Forest Project; 4 has Mangrove plantation

B. Siltation
-MMT's latest report (Oct-Dec 2009) showed silt containment appeared stable and under normal conditions with enough provisions for free boards

C. Air Quality
-air quality is within DENR standards as of the last quarter evaluation of MMT

D. Water Quality

-water quality is within standards and at safe level but with cadmium and lead exceedances at some water sampling points at Rio Tuba river. Further research and analysis is conducted by the MMT to determine the cause and source of these exceedances.

E. Noise

-Noise level at Gotok quarry is measured at 65.6 which is within the DENR standards; MMT recommends to maintain present noise level.

Performance of the Project
(Survey)
A. Socio-Economic
-stakeholders are generally poor in terms of family income

-majority are farmers; having other sources of income to augment family needs and expenses

-stakeholders are members of community organizations, i.e. PTA, farmers orgns, tribal ass'n, church organizations

-diverse views on mining; but believed it has adverse effects on the environment and also believed to bring socio-economic development

-stakeholders claimed to have not participated in planning activities related to mining

-the barangay officials and chieftains are those involved in planning activities

-claimed that mining company is not transparent of their operations

-rated the mining company's performance as:

FAIR - in Collaborative governance
SATISFACTORY –in socio-economic
UNSATISFACTORY- in ecological development

SUMMARY OF OUTCOMES (FGDs RESULT)

CATEGORY	OUTCOMES
COLLABORATIVE GOVERNANCE	-proper implementation of mining laws -forging of MOAs -increase crime rate -peace and order problem -absence of mining advocacy groups
SOCIO-ECONOMIC	-provided labor and employment -increased business opportunities -improved standard of living -health and safety of the community is secured
ECOLOGICAL	-degradation of the forest -depleting water supply -rehab and reforestation -displacement/placement of IPs -absence of mining disaster -absence of major negative environmental impact -absence of air and water pollution

SUMMARY OF SUSTAINABILITY INDICATORS (FGDs Result)

CATEGORY	INDICATORS
COLLABORATIVE GOVERNANCE	-zero violation of mining and environmental laws -absence of protest or opposition on mining -regular assembly meetings -regular public consultation -presence of community organizations -community monitoring system -presence of Decommissioning Plan
SOCIO-ECONOMIC	-presence of infrastructures, i.e. roads, schools, tribal hall,solar dryer -water system -housing projects -employment -vibrant economy -peace and order -health and safety
ECOLOGICAL	-community-based reforestation projects -community monitoring system -progressive nursery development -increased forest cover -air and water quality within standard -ecological balance maintained

Case 2. Berong Nickel Mining Project, Quezon, Palawan

-established in 2004, BNC is owned and operated by Toledo Mining Corp
-operated since 2006 under a Special Mine Permit
-it mines nickel ore laterite
-with approved Mineral Production Sharing Agreement (MPSA No. 235-2007-IVB) covering 288 has.

Performance of the Project (Document Analysis/Ground truthing

Socio-economic
-scholarship program
-provision of 2-classroom building
-provision of parateachers to elementary and high schools
-livelihood projects: tribal consumers coop; coconut plantation; rice farming intensification project

-Infrastructure projects: road network improvement; hanging bridge

-health: water purifying station;bgy health station; ambulance; medical assistance

-Organization of Berong-Aramaywan Tribal Association (BATA)

-Local employment of 40% at BNC

-the 1% royalty has improved the quality of life of the IPs
-open access to transport facilities of the company for barangay use
-Improved financial standing of LGU-Quezon and Bgy Berong with taxes paid by the company(P 6,064,912.29 from 2007-2009)
-influx of migrants had increased business opportunities in the area

Collaborative Governance Performance

-institutionalized the Multipartite Monitoring Team (MMT)

-forged MOAs with GOs/NGOs

lack of coordination between various agencies of gov't:-LGUs, PCSD, DENR-MGB

-collaborative governance has been the weak link in mining

- mining projects lacks reporting framework

Ecological Performance
7 parameters to be measured:
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-soil erosion
-siltation
-water quality degradation
-air quality degradation

A. <u>Reforestation/Forest Program</u>

-a nursery which houses 100,000 seedlings of tree species

-progressive rehabilitation of mined out areas with 25 has planted to endemic and rainforest trees

-Biofencing project around river banks and buffer zones and planted 15,000 trees

- Spearheads tree planting activities outside the mining leased area and distributed 20,000 tree seedlings

B. Water Quality

-MMT's reports showed water quality is safe and within the DENR standards

-established a 500 gal capacity Potable Water Treatment Plant (reverse osmosis treatment plant)

C. Air Quality

-air quality within DENR standards

-mitigating measures to control dust generation: stockpiles are covered by tarpaulins

Performance of the Project
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SUMMARY OF OUTCOMES (FGDs Result)

CATEGORY	OUTCOMES
COLLABORATIVE GOVERNANCE	-increased participation of community in decision-making process -"community sense" of ownership of development projects -harmonious relationship of mining stakeholders -transparency of the company in its operation -strong linkages among company, barangay and municipal government
SOCIO-ECONOMIC	-availability of jobs and business opportunities -increased literacy rate -decrease incidence of morbidity/mortality -increased tax revenue collection -peaceful and orderly community -improved health opportunities -availability of livelihood financial assistance
ECOLOGICAL	-new landscape/landuse of mined areas -silted river, creeks, streams if mitigating measures are not properly implemented -disturbed watershed -polluted water source -deforestation -absence of major mining disaster -disturbed biodiversity

SUMMARY OF SUSTAINABILITY INDICATORS (FGDs Result)

CATEGORY	INDICATORS
COLLABORATIVE GOVERNANCE	-rights of IPs and host communities were respected and recognized -balance social relationship of the company with the host community -zero violation on mining and environmental laws -local skills and labor are recognized and given priority -mutual understanding of stakeholders role in mining operation -strong linkage of the company with barangay and municipal governments -established linkage with GOs/NGOs/POs -presence of Decommissioning Plan
SOCIO-ECONOMIC	-job oppurtunities available to local labor and skills -increased business opportunities -increased LGU revenue collection -vibrant economy -peace and order situation is maintained despite the influx of people -good health and safety of the community people -established peoples organization such as the BATA -established agri-based livelihood projects
ECOLOGICAL	-mining operation should adhere to standards set by the regulatory agency -rehabilitation of mined areas; conversion to other landuse suited to the environment -enhanced forest cover -continous tree planting activities -air and water quality maintained within standards -siltation measures installed -ecological balance maintained,

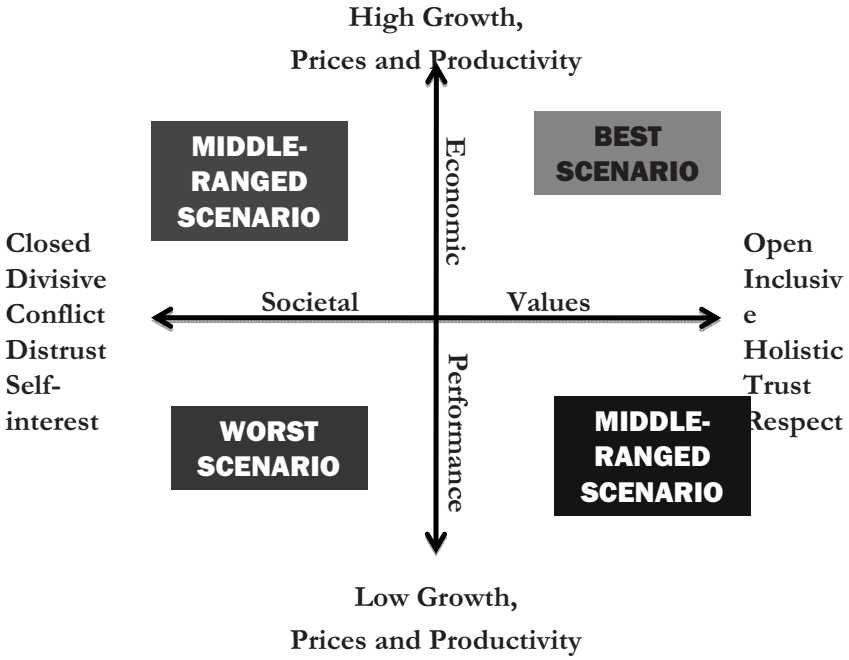
SCENARIOS

Best Scenario

-with the presence of a well developed Decommissioning Plan, good road network, complete facilities and infra project, well-financed SDMP, good EPEP, the mining communities would likely to become an economic zone.

Worst Scenario
-mining is a risky business; there is conflict of interest under RA 7942 and RA 7611, and RA 7160. If not given due attention, conflict may become cumulative. This worst scenario takes as its guide the axiom that "past practice is the most reliable guide to future behavior." Mining communities will never be sustainable.

SCENARIO FRAMEWORK



CONCLUSIONS

-the mining projects failed to impact the economic life of the individual family income

-the ecological conditions of mining communities are within the DENR-MGB standards

-the presence of sustainability indicators of mining in terms of collaborative governance, socio-economic, and ecological development

-the present landscape of collaborative governance in mining in general is more of a conceptual than actual. The traditional "command-and-control"approach still reigned.

RECOMMENDATIONS

-the need for fiscal management frame-work

-consensus building re: community sustainability indicators identified

-Information system of mining companies needs improvement.

-regular reports should be copy furnished the LGU and affected barangays

RECOMMENDATION

(A Framework for Collaborative Governance In Mining)