



Republic of the Philippines  
**DEPARTMENT OF FINANCE**

Roxas Boulevard Corner Pablo Ocampo, Sr. Street  
Manila 1004

September 16, 2021

**Ms. LINNET MADELANE C. CHAN**  
Consultant

**Subject: NOTICE TO PROCEED**

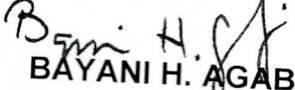
**Dear Ms. Chan:**

This Notice to Proceed is hereby issued in connection with the implementation of the Engagement of a Technical Consultant for Data Assurance Quality/ Reconciliation of the Eight (8<sup>th</sup>) PH-EITI Report (FY 2020) (Highly Technical Consultant) in the Department of Finance.

You are hereby directed to commence the delivery of your service according to the terms and conditions stipulated in the Contract effective September 16, 2021 to December 31, 2021.

Thank you.

Very truly yours,

  
**BAYANI H. AGABIN**  
Undersecretary

  
**MARK DENNIS Y.C. JOVEN**  
Undersecretary

CONFORME:

  
**LINNET MADELANE C. CHAN**

Date: Sept. 16, 2021

**CONTRACT AGREEMENT FOR THE ENGAGEMENT OF SERVICES  
OF A TECHNICAL CONSULTANT FOR DATA ASSURANCE QUALITY/  
RECONCILIATION OF THE EIGHT (8<sup>TH</sup>) PHILIPPINE EXTRACTIVE  
INDUSTRIES TRANSPARENCY REPORT (FY 2020)**

**KNOW ALL MEN BY THESE PRESENTS:**

This CONTRACT entered into this \_\_\_\_\_ day of **OCT 06 2021** 2021 in the City of Manila, Philippines, by and between:

The **DEPARTMENT OF FINANCE**, a government agency of the Republic of the Philippines with principal office at the 6<sup>th</sup> Floor, DOF Building, Roxas Boulevard, Manila, herein represented by **Undersecretary BAYANI H. AGABIN and Undersecretary MARK DENNIS Y.C. JOVEN**, hereinafter referred to as the “**DEPARTMENT**”;

-and-

**Ms. LINNET MADELANE C. CHAN**, of legal age, Filipino and a resident of \_\_\_\_\_, hereinafter referred to as the “**CONSULTANT**”.

The **DEPARTMENT** and the **CONSULTANT** shall be collectively referred herein as the **PARTIES**.”

**WITNESSETH That:**

WHEREAS, the Extractive Industries Transparency Initiative (EITI) is an international multi-stakeholder initiative that promotes a global standard for the open, accountable, and good governance of oil, gas, and mineral resources. Each member country works to implement the EITI Standard, which requires a multi-stakeholder group (MSG) to oversee the EITI process and publish timely, relevant, and comprehensive data and information on the extractives either in an annual country report, or, whenever feasible, through systematic disclosure in publicly accessible platforms or portals. The required EITI disclosures include beneficial ownership, exploration, production, export, revenue, employment, and social and environmental data, among other useful information. The EITI Standard encourages MSGs to explore innovative approaches in extending EITI implementation, to increase the comprehensiveness of EITI reporting and public understanding of revenues, and to encourage high standards of transparency and accountability in public life, government operations, and in business;

WHEREAS, the Philippines committed to implement the EITI through Executive Order No. 79 (EO 79), series of 2012, and operationalized this commitment through Executive Order No. 147, series of 2013 (EO 147). EO 147 formally created the Philippine EITI, its MSG, and the National Secretariat. Early stakeholder consultations helped the MSG formulate the following implementation goals that are linked to EITI principles and reflective of national priorities for the extractive industries: a) Show the direct and indirect contribution of extractives to national development; b) Improve public understanding of the management of natural resources and public availability of data; c) Strengthen government systems for natural resource management; d) Create opportunities for dialogue and constructive engagement in natural resource management in order to build trust and reduce conflict among stakeholders; and e) Pursue and strengthen the extractive sector’s contribution to sustainable development;

WHEREAS, on behalf of the Philippine government and the PH-EITI MSG, the DEPARTMENT seeks a competent and credible firm or individual, free from any conflict of interest, to render consultant services to achieve the following objectives:

1. Contribute to EITI reporting by providing independent administrator services in data reconciliation in accordance with the EITI Standard and MSG direction, ultimately producing the Reconciliation chapter of the 8th Report;
2. Produce a comprehensive, consistent, coherent, and cohesive report by working in coordination with other 8th Report consultants, specifically the consultant for the Report's contextual information chapter; and
3. Contribute to plans for mainstreaming EITI implementation by identifying and commenting on the quality, timeliness, and comprehensiveness of required data disclosures that are already publicly accessible through routine government and corporate reporting.

WHEREAS, the Department of Finance (DOF) needs to engage the services of Technical Consultant for the PH-EITI;

WHEREAS, as provided under Section 53.7 of the 2016 Revised Implementing Rules and Regulations (2016 Revised-IRR) of Republic Act (RA) No. 9184, negotiated procurement is allowed in the case of individual consultants hired to do work that is: (i) highly technical or proprietary; or (ii) primarily confidential or policy determining, where trust and confidence are the primary consideration for the hiring of the consultant, provided that the term of the individual consultant shall, at the most, be on a six month basis renewable at the option of the appointing Head of the Procuring Entity (HoPE), but in no case shall exceed the term of the latter;

WHEREAS, the engagement of the services of Ms. Linnet Madelane C. Chan is necessary where her technical expertise can be fully tapped;

WHEREAS, under the DOF Bids and Awards Committee (BAC) Resolution No. 077-2021, it was resolved to recommend the engagement of the consulting services of Ms. Linnet Madelane C. Chan through negotiated procurement because the work to be performed is highly technical in nature;

WHEREAS, the DEPARTMENT shall engage the services of the CONSULTANT for the provision of the Services for the period of September 16, 2021 to December 31, 2021;

WHEREAS, the CONSULTANT is willing to provide the services and technical assistance to the DEPARTMENT;

WHEREAS, the DEPARTMENT has issued Obligation Request and Status No. 011011012021-09-002405 dated September 15, 2021 certifying that adequate funds have been duly appropriated for this procurement in accordance with existing accounting and auditing rules and regulations;

NOW THEREFORE, for and in consideration of the foregoing premises, the PARTIES hereto have agreed as follows:

1. **SCOPE OF SERVICES**

**The CONSULTANT shall prepare the necessary documents and evaluate the EITI data for the following stages:**

### Stage 1: Inception report and preliminary analysis

The purpose of this stage is to confirm that the scope of the EITI reporting process has been clearly defined by the MSG, including the reporting templates, data collection procedures, and the schedule for publishing the PH-EITI Report. The scope of EITI reporting must be in line with the EITI Standard and with the MSG's objectives for and agreements regarding the EITI process.

### Stage 2: Data collection, initial reconciliation, and investigation of discrepancies

The purpose of this stage is to perform an initial reconciliation of the data, especially the revenue data, in order to identify gaps or discrepancies to be further investigated. The CONSULTANT is expected to undertake the following tasks during this stage:

1. Create, for use in the reconciliation process, an omnibus database of all the payment and revenue data gathered from the ORE tool, the reporting entities, and other sources; and provide the MSG and secretariat access to the same;
2. Reconcile the data, identifying any discrepancies (including offsetting discrepancies) and any other gaps in the information gathered (e.g. assurances) in accordance with the agreed scope;
3. Recommend, upon request by the MSG, an acceptable margin of error in determining which discrepancies should be further investigated. Where this has been agreed, the CONSULTANT should identify any discrepancies above the agreed margin of error established at x% of total revenues; and
4. Contact the reporting entities to clarify the causes of any significant discrepancies or other gaps in the reported data, and to collect additional data from the reporting entities concerned, if necessary.

### Stage 3: Analysis and draft report

The purpose of this stage is to produce a draft EITI report that reconciles financial data and explains any discrepancies above the margin of error determined by the MSG, where applicable.

1. Prepare an initial reconciliation report based on the reported (unadjusted) data for consideration by the MSG in accordance with the agreed scope. The said report shall be submitted in print and electronic copies to the MSG and must:
  - a. Include an executive summary of the work performed by the CONSULTANT, particularly the reconciliation results and findings;
  - b. Describe and explain the methodology used for the reconciliation of the data and demonstrate compliance with the applicable international professional standards;
  - c. Include a description of each revenue stream and corresponding/related materiality definitions and thresholds (Requirement 4.1);
  - d. Include a description and assessment of the comprehensiveness, quality, and reliability of the financial data presented, including the process of data collection and validity and accuracy of the data. The limitations of the assessment done should also be stated;

- e. Indicate the coverage of the reconciliation exercise, based on the government's disclosure of total revenues as per Requirement 4.1(d);
  - f. Include an assessment of whether all the companies and government agencies within the agreed scope of the EITI reporting process provided the requested information. Any gaps or weaknesses in reporting must be disclosed in the report, including naming any entities that failed to comply with the agreed procedures and an assessment of whether this is likely to have material impact on the comprehensiveness of the report. In cases where companies do not sign the necessary waivers or they refuse to participate in the reporting process, the reconciliation report should include unilateral reporting by government agencies;
  - g. Document whether the participating companies and government agencies had their financial statements for the year/s covered by the PH-EITI Report audited. Any gaps or weaknesses must be disclosed. Where audited financial statements are publicly available, the Consultant should provide information on how to access them;
  - h. Include contextual and other non-revenue information necessary for the reconciliation process, such as but not limited to:
    - a discussion on the reporting cycles of the reporting entities and availability dates of their reports/data; and
    - a discussion on the flow of revenue streams and how transfers are facilitated between and among the different levels and/or offices of government.
  - i. Provide an in-depth analysis of the data generated by the reconciliation exercise, including as regards contribution to the economy and the compliance or consistency of the numbers with existing laws and regulations;
  - j. Include an assessment of how the findings and recommendations of the Independent Administrator in previous PH-EITI Reports have been addressed by the MSG and/or concerned entities; and
  - k. Be well-written and comprehensible and observe standards of professional technical writing.
2. Make recommendations to strengthen the reconciliation process in the future, including any recommended reforms to bring audit practices in line with international standards as well as recommendations to strengthen this Terms of Reference in accordance with the EITI Standard.

#### Stage 4: Final report

The purpose of this stage is to ensure that any comments by the MSG on the draft report have been considered and incorporated in the final EITI report. The CONSULTANT shall undertake the following tasks during this stage:

1. Ensure that the final Reconciliation Report addresses and/or incorporates the comments and concerns of the MSG on the draft report;
2. Produce electronic data files that can be published together with the final report. For this purpose, the Consultant should encode the data from the companies' financial statements from the Securities and Exchange Commission (SEC) and other data not yet in electronic and open format into a dataset that can be analyzed using statistical software. A codebook should accompany data set;

3. Submit printed and electronic copies of the final Reconciliation Report to the MSG at least one (1) week before the findings are presented to the MSG;
4. Ensure that the final Report demonstrates high standards of professional technical writing and reporting;
5. Following approval of the final report by the MSG, submit electronic summary data derived from the final report using the standardised format prescribed by the International Secretariat;
6. Contribute to a report analysis workshop that may be conducted with the MSG members and key stakeholders after the publication of the 7th PH-EITI Report; and
7. Turn over to the secretariat all documents and data gathered in connection with the production of the Report.

## 2. CONSULTANCY FEE

For and in consideration of the Services rendered by the CONSULTANT the DEPARTMENT hereby agrees to pay the former a total amount of THREE HUNDRED SIXTEEN THOUSAND FIVE HUNDRED SEVEN PESOS AND 80/100 (P316,507.80) to be paid upon accomplishment of each of the deliverables with the corresponding percentage of completion as indicated below subject to withholding tax and any and all taxes payable to the government.

Milestone	Objective	Output	Payment (% of Contract Amount)	Amount (In ₱)
Following the submission of an inception report	To establish work plan and set expectations of deliverables, and confirm the scope and processes of reconciliation agreed by the MSG	Inception report with: a) Detailed outline of the report b) Work plan indicating the approach and methodology in producing the report	20%	63,301.56
Following the submission of results of the initial reconciliation process and investigation of discrepancies	To collect data, and perform initial reconciliation and investigation of discrepancies	Report on initial reconciliation results	30%	94,952.34
Following the presentation of a draft report to the MSG	To present a draft report to the MSG for the MSG's analysis and comments	Draft report, and record of proceedings of the MSG meeting where the draft report was presented	30%	94,952.34
Following the submission of a final	To wrap up the project and ensure that MSG comments and	Final reconciliation report incorporating and/or addressing	20%	63,301.56

reconciliation report	inputs are incorporated in the report	all comments and issues raised by the MSG		
<b>Total</b>			<b>100%</b>	<b>₱316,507.80</b>

3. **CONFLICT OF INTEREST**

The CONSULTANT commits to provide technical, objective and impartial services to the DEPARTMENT and at all times uphold its paramount interests without consideration for future work assignments that may place the CONSULTANT in a position of not being able to carry out the assignments in the best interest of the DEPARTMENT.

4. **CONFIDENTIALITY CLAUSE/NON-DISCLOSURE**

Except with the prior written consent of the DEPARTMENT, the CONSULTANT shall not at any time communicate to any person or entity any confidential information acquired in the course of the performance of the Services, nor shall the CONSULTANT make public the recommendations formulated in the course of, or as a result of, the Services. For purposes of this clause, "Confidential Information" means any information or knowledge acquired by the CONSULTANT arising out of, or in connection with, the performance of the Services under this CONTRACT that is not otherwise available to the public.

5. **NO EMPLOYER – EMPLOYEE RELATIONSHIP**

It is expressly understood and agreed that the CONSULTANT assigned to the DEPARTMENT is not an employee of the DEPARTMENT. It is further understood and agreed that any personal injury, death or damage sustained by the CONSULTANT during the performance of her duties or while within premises of the DEPARTMENT attributable to the acts, omissions, or fault of the DEPARTMENT shall be the liability of the official, employee or agent concerned.

6. **CONSULTANT'S LIABILITY**

The CONSULTANT shall indemnify the DEPARTMENT for any and all damages that the DEPARTMENT may incur due to the fault, negligence, error or omission of the CONSULTANT, without prejudice to other legal remedies available to the DEPARTMENT.

7. **EFFECTIVITY DATE AND DURATION OF CONTRACT**

This CONTRACT shall be in force for the period September 16, 2021 to December 31, 2021.

8. **AMENDMENT AND MODIFICATION**

No addendum or amendment to this CONTRACT shall be valid and binding between the PARTIES, unless it is in writing and signed by the PARTIES or their authorized representatives.

9. **VENUE**

In case of any litigation arising from this CONTRACT, the PARTIES agree that the competent courts of Manila shall be the exclusive venue, to the exclusion of all other courts or tribunals.

10. **TERMINATION OF CONTRACT**

Either the DEPARTMENT or the CONSULTANT may terminate this CONTRACT no less than thirty (30) days upon service of prior written notice to the other party.

11. **SEPARABILITY**

If any one or more of the provisions contained in this CONTRACT or any documents executed in connections herewith shall be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired.

12. **DATA PRIVACY COMPLIANCE**

The PARTIES shall comply with the provisions of Republic Act (RA) No. 10173, otherwise known as the "Data Privacy Act of 2012", its Implementing Rules and Regulations (IRR), issuances of the National Privacy Commission (NPC), and other applicable laws on processing of personal information. These shall include compliance with all relevant data protection policies of the DEPARTMENT and other measures reasonably necessary to prevent any use or disclosure of personal data other than as allowed under this CONTRACT.

The PARTIES shall implement security measures aimed at maintaining the availability, integrity, and confidentiality of personal data including the protection of personal data against any accidental or unlawful destruction, alteration, and disclosure, as well as against any other unlawful processing.

13. **CONSENT TO THE PROCESSING OF PERSONAL INFORMATION**

As part of the data privacy compliance, the CONSULTANT hereby grants her consent to the DEPARTMENT's processing of her personal information collected under this CONTRACT, which may include the disclosure of such information to third parties, to comply with requirements of law in relation to the implementation of this CONTRACT.

IN WITNESS WHEREOF, the parties have hereto set their hands this \_\_\_\_\_  
day of \_\_\_\_\_ 2021 at Manila, Philippines.

OCT 06 2021



**CONSULTANT**


By:

  
**LINNET MADELANE C. CHAN**  
Consultant

**DEPARTMENT OF FINANCE**

By:

  
**BAYANI H. AGABIN**  
Undersecretary



**MARK DENNIS Y.C. JOVEN**  
Undersecretary

**SIGNED IN THE PRESENCE OF**

\_\_\_\_\_

\_\_\_\_\_

**ACKNOWLEDGMENT**

Republic of the Philippines)  
City of Manila ) s.s

**OCT 06 2021**

BEFORE ME this \_\_\_\_\_ day of \_\_\_\_\_ at the Department of Finance, Roxas Boulevard, Manila personally appeared Undersecretary Bayani H. Agabin with TIN 172-571-956 and his government issued ID \_\_\_\_\_ issued on \_\_\_\_\_ at \_\_\_\_\_, Undersecretary Mark Dennis Y.C. Joven with TIN 167-305-432 and his government issued ID \_\_\_\_\_ issued on \_\_\_\_\_ at \_\_\_\_\_ in their capacity as the authorized signatories of the DEPARTMENT OF FINANCE and Ms. Linnet Madelane C. Chan with TIN \_\_\_\_\_ and her government issued ID \_\_\_\_\_ issued on \_\_\_\_\_ at \_\_\_\_\_, both known to me to be the same persons who executed the foregoing contract, consisting of eight (8) pages including this page, and who acknowledged to me that the same is their free and voluntary act and deed, and the free and voluntary act and deed of the government entity which they represent.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal at the place and on the day first above written.

Doc No. \_\_\_\_\_  
Page No. \_\_\_\_\_  
Book No. \_\_\_\_\_  
Series of \_\_\_\_\_

**NOTARY PUBLIC**

**ATTY. JOSHUA P. LAPUZ**  
Notary Public for and in Makati City  
Appointment No. M-66 until 12/31/2021  
PTR No. 8531012, Jan. 4, 2021 Until Dec. 31, 2021 Makati City  
Roll No. 45790, LP, Lifetime N. 04897  
MCLE No VI-0010565 / Jan. 14, 2019  
G/F Fedman Suites, 199 Salcedo Street,  
Legaspi Village, Makati City