



WWF

ANNUAL
REPORT

2010

2010 Annual Report WWF-Philippines



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EXECUTIVE SUMMARY

By JOSE MA. LORENZO TAN



“This is WWF’s opportunity. It is also our challenge. It is going to be essential that we continue to domestically mobilize the sustainable resources to initiate and fund a continuing recruitment and training effort designed to increase local capacity for national program enhancement and delivery. Metrics and accountability are crucial.”

Climate Adaptation is today’s ‘big tent’. All the investments, made in sustainable development over the last 50 years, are at risk unless we come to grips with climate change. Recognizing this, almost all of our work over the last year focused on developing solutions for a climate-defined future.

Rather than looking only at species and marine protected areas, WWF has spread its reach to cover improved management and sustainable trade of demersal and pelagic fisheries, full-cycle mariculture and food security. Rather than simply concentrating on planting trees or the management of parks, we made investments in new protocols for water and watershed management. We have grown our work in environmental education, ecotourism and in the promotion of clean and renewable energy options. Here in the Philippines, WWF has begun pro-active and area-wide climate adaptation work in Mindoro and the Central Sulu Sea. This will expand, whether or not a global deal materializes this year. Hunger cannot wait.

All the data we have seen indicates that high population growth, lingering poverty and increasing urbanization, coupled with intensifying climate-related impacts, remain as the major pressures on water, food, health, education, housing, incomes and resource use. These are the very same threats to biodiversity and the natural systems on which all life depends. They also constitute serious threats to social, economic, environmental and political viability. All these sectors and elements are connected and must be managed holistically. WWF is committed to that. Conservation potshots will not cut it.

Knowing that all sectors must work together toward solutions, we continue to nurture our long-standing partnerships with communities, government and aid agencies. However, we stepped up our partnerships with the corporate sector, and made further investments in building a more robust national constituency through Individual Donor and Major Gift programs. WWF’s business alliances in the Philippines continue to grow.

Supply chain management has become a virtual mantra for us. This year, we used several lenses, looking at both supply and demand, sources and uses, today and tomorrow. This must continue if we are to make a felt difference and attain our Network’s two meta-goals, *i.e.* the conservation of nature and the management of the human footprint.

We are seeing a continuing expansion of corporate interest toward engagement with WWF in the Philippines. This interest is driven, primarily, by widespread concerns regarding climate impacts and the desire to maintain products, services, market share and competitiveness in a climate-defined future.

This is WWF’s opportunity. It is also our challenge. It is going to be essential that we continue to domestically mobilize the sustainable resources to initiate and fund a continuing recruitment and training effort designed to increase local capacity for national program enhancement and delivery. Metrics and accountability are crucial. We will do this.

Our Network’s historical emphasis on supply-side interventions is no longer enough. Regional, national and global interest, as well as WWF’s own network meta-goals, indicate that the skills needed to respond positively and exhaustively to this evolving market, will go beyond biology and our traditional links to government and development assistance. It is time to lift ourselves up by our own bootstraps. In the Philippines, this is where investments must be made. This is the path WWF has chosen to take.

“Almost all of our work over the last year focused on developing solutions for a climate-defined future.”



A YEAR OF UPS AND DOWNS

In 2009, the Philippines was affected by natural disasters that were significant in the overall magnitude of their effects. Tropical storm *Ondoy* and typhoon *Pepeng* caused substantial damage and losses, equivalent to P200 Billion. 90% of the damage was suffered by the private sector in terms of capital and income losses. By May 2010, the loss in agricultural production induced by the dry spell was estimated at P12.08 Billion. At the onset of the rains, the dengue epidemic befell mostly children with the death toll reaching a record high of 534 in September, up 40% for the same period in 2009. These disasters can be traced to changing weather patterns. Disasters impaired the ability of the country to grow as funds that should spur growth such as infrastructure spending went to reconstruction and recovery efforts.

In the last two quarters however, a synergistic confluence of factors resulted in two consecutive quarters of GDP growth of over 7%. The peaceful national elections, improved investors confidence, the global economic recovery, increased capital expenditure of government and a low base fueled the domestic economy to a scintillating 7.9% growth in the second quarter of 2010 from 1.2% last year.

With a yawning budget deficit of P197 Billion, the new administration will have to rely on its goodwill to mobilize more private resources to fuel the economy. The same goodwill can be mobilized for environmental management. Private companies will need to examine more closely the environmental risks affecting their core businesses if they are to avoid the damage experienced last year. They will need to step up to calls for private sector funding to reforest denuded watersheds, conserve marine stocks, while looking at how their businesses adapt to these risks from a future that is becoming more and more uncertain.



CONSERVATION HIGHLIGHTS

The Coral Triangle is the most important marine ecosystem on the planet. As part of this highly-productive marine complex, WWF-Philippines has embarked on actively contributing to the six-country regional initiative to sustain and manage the area. Working on a paradigm of biological, economic, social and institutional connectivity, the

management of the world's centre of marine biodiversity requires integrated and collaborative management approaches to ensure the health and productivity of this globally-significant resource base. FY-2010 saw the full integration of WWF's marine conservation programs into the CTI at the regional and national levels.

Consolidation of activities and sites is required to respond to the needs of the initiative. This requires going far beyond the usual site-based municipal waters and MPA scales to effectively contribute to the thematic objectives of the CTI. As a response, the Philippine program has focused its work in strategic areas to deliver and contribute to both national and regional programs.

WWF has since championed four major CTI components: CRM / Fisheries Sustainability; Marine Protected Areas; Species Conservation; Climate Adaptation and Environmental Education.

Fisheries Sustainability:

Live-reef Fish Trade Initiative: The focal area of this initiative is in Palawan, where the LRFT accounts for over 70% of the country's trade in live reef fish. This is considered a billion-peso industry with thousands of artisanal fishers dependent on it as a major source of livelihood.

The anchor site for this initiative in Palawan is the municipality of Taytay, wherein multi-stakeholder sustainability plans have been developed, which include a management regime for a sustainable fishery program for an area covering 184,216 ha. of Taytay Bay. Out of the total municipal waters to be subjected to the management regime, a total of 30,849.26 ha were identified as **'no take zone' areas which represent roughly 17% of Taytay Bay waters. To date about 408 ha of biologically-significant areas such as spawning aggregation sites are effectively managed by the LGU in the Dinot and Tepas reefs complexes. Supporting legislation is in the process of shipping the first batch of LRF from a resource-managed area to Hong Kong.**

As part of the initiative, the program also started to expand to two other sites - namely the municipalities of Araceli adjacent to Taytay and Quezon off to the South-west. The two expansion areas were able to collect baseline information on the trade as well as develop sustainability plans for the fishery as part of a parallel initiative.

In Tawi-Tawi, a preliminary study on the extent of Live Reef Fish activities, particularly on Humphead Wrasse (HHW) rearing has been undertaken. The assessments of enforcement capacities and training for local partners on fisheries monitoring has been conducted. These preparatory activities are essential towards the improvement of management in existing MPAs established during the previous CRFC program. These include various trainings on policy and enforcement. Biophysical monitoring was conducted

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for the previously-established MPAs in Languyan and Sitangkai in Tawi-Tawi. Another innovative approach to support conservation is the implementation of a Population Health and Environment program for the three municipalities of Languyan, Sitangkai and the Turtle Islands. The program at its initial phase of project implementation entails undertaking integrating reproductive health activities to support fisheries management. Traditional practices and diagnostic tools for the program are currently in progress in collaboration with the relevant agencies in the area.

“A milestone for Philippine tuna fisheries, the local hand-line fishery of Mamburao in Mindoro was the source of the first traceable tuna shipment to the European Union in November 2009. The collaborative work of WWF’s CTI Tuna Initiative, WWF-Philippines, local handline fishers and traders, the D&L Tuna processing and export company, the LGU of Mamburao plus the Bureau of Fisheries and Aquatic Resources made the documentation of the chain of custody of the produce a reality as a preliminary requirement towards the certification of a fishery.”

Tuna Sustainability Initiative: The Coral Triangle accounts for over 40% of the total world production of tuna. Sadly, it is now under threat from overfishing. To address the issue of depleting stocks, the Western Central Pacific Fisheries Commission banned two areas in the Pacific for tuna seiners from January 2010 to December 2011. The program is designed to promote sustainable hand-line fishing through a catch-traceable system as required by foreign markets to promote sustainable fishing through appropriate gears and proper documentation of commodities.

A milestone for Philippine tuna fisheries, the local hand-line fishery of Mamburao in Mindoro was the source of the first traceable tuna shipment to **the European Union in November 2009. The collaborative work of WWF’s CTI Tuna Initiative, WWF-Philippines, local handline fishers and traders, the D&L Tuna processing and export company, the LGU of Mamburao plus the Bureau of Fisheries and Aquatic Resources made the documentation of the chain of custody of the produce a reality as a preliminary requirement towards the certification of a fishery.**

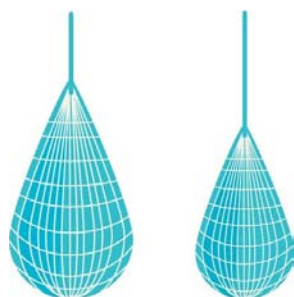
In the initial first semester, implementation of the program and project activities were focused on strengthening the coastal resources management systems at the LGU level. Initial data-gathering to profile the fisheries as well as to revitalize the management bodies such as the MFARMC and Bantay Dagat teams are in the process.

In Tiwi, Albay, collaborative work with the fishery-mandated agencies of BFAR, the Municipal Agricultural Office as well as the FARMC of Tiwi which includes representatives from tuna fishers and boat operators is under progress for the existing handline tuna fisheries.

Extensive primary data collection aimed at determining the current levels of tuna exploitation were undertaken as part of the preliminary assessment. This will also pave the way for the implementation of the profiling of the tuna fishery within the municipality and the Gulf of Lagonoy.

Fishing boat registration schemes were also initiated as a step towards the eventual traceability of tuna catch from a resource-managed area as a requisite for certification of the fishery. Under the auspices of the Municipal Agricultural Office, as of June 2010, a total of 216 (70% of the 309) tuna handline boats have already been registered.

Marine Protected Areas and Climate Change Adaptation Plans: MPAs are fundamental tools in maintaining marine productivity. WWF has **been supporting the management of two of the most important ‘Great Reef’ systems in the country - Tubbataha and Apo Reefs. These two MPAs are to date the only ‘total no-take zones’ in the country. Another MPA initiative**





Artisanal tuna fishers measure the day's quarry in Tiwi, Albay.



Mangrove lagoon in Sablayan, Occidental Mindoro. A prime barrier against storms and typhoons.

supported by WWF is the El Nido Managed Resource Protected Area.

A milestone for **Tubbataha Reef** is the passage of the Tubbataha Act of 2009 signed by the President last 6 April 2010. This provides greater authority for the Tubbataha Protected Area Management Board (TPAMB) and greater responsibility to maintain the outstanding universal value of the area. For almost 15 years, WWF has been involved in the management of Tubbataha as a member of the TPAMB, directly participating in the execution of conservation activities such as the annual ecosystem research and monitoring drive, policy and advocacy implementation, management effectiveness evaluation and **capability building**. **WWF's membership is now more significant for it provides** an impetus for one of the most challenging threats the Park faces today – climate change.

WWF's Tubbataha project now involves mainstreaming climate change impacts, vulnerabilities and solutions following adaptation and mitigation strategies. The relevance and effectiveness of the program as a model MPA system has been translated into the increasing trend of biophysical parameters within the park system: hard coral cover has increased from 38.17% in 2008 to 40% in 2009. Fish biomass is undoubtedly the highest ever recorded in the Philippines at 278mt/km² from 268mt/km² based on the previous reporting period. Seabird population estimates increased by 6000 birds from 24,000 to 30,000. To no avail, Tubbataha can be considered as one of the most effectively-managed marine protected areas within the Coral Triangle.

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For over a decade, WWF has been supporting Asia's largest coral reef – Mindoro's Apo Reef. As a result, governance systems for protected area management have been enhanced through multi-sectoral enforcement schemes, user fee management plus coral and fish monitoring drives. Through the 2008 sponsorship of the local government of the Sablayan, the Department of Environment and Natural Resources elevated the protection **and management of the park as the second 'no take zone' MPA in the country – emulating the status of Palawan's Tubbataha Reefs.**

With global climate change posing serious challenges for Apo Reef, WWF embarked on another conservation milestone by developing a Climate Adaptation plan for Apo reef and its host municipality, Sablayan. Through strong support from Cebu Pacific Air and its passengers, WWF initiated the development of a strategic climate change adaptation plan to bolster adaptive activities at the MPA and community levels. The LGU of Sablayan is now investing resources to improve the management of Apo Reef. A disaster risk management scheme for the coastal communities was also crafted. This plan is considered a first for an MPA-LGU adaptation program for the country. This scheme may now be replicated in Tubbataha and its host municipality of **Cagayancillo under the 'Great Reefs' program.**

El Nido in Palawan is considered one of the most prominent tourist destinations in the country. **WWF's local program has developed a** community-based enforcement program to support the current protected area management. **Regarded as one of WWF's conservation breakthroughs,** the development of the El Nido Enforcement Plan and the El Nido Marine Enforcement Manual through a participatory and consultative process became the precursor for other parallel WWF conservation sites across the country.



As a result of the four-year program (2006 - 2010) a total of 175 apprehensions of violators were undertaken; 53 criminal and 55 administrative cases were also filed. Over 245 community members were trained and mobilized for enforcement work. Forty trained volunteers were deputized in 2010. In terms of financial sustainability, a total of over 8PM was generated from partners and stakeholder groups of which over P1.6M took the form of administrative fines.

At the national level, the program also provided technical and financial support for the formulation of a Marine Protected Areas Assessment Tool also known as MEAT to be adopted as a unified monitoring and assessment tool through the CTI National Coordinating Committee.

“Tagging from 2007 through 2009 shows that most of the released tags were found within 100 nautical miles of the tagging sites, though tags from four sharks were found further northwest in the Philippine Sea (608 nm from the tagging site) and in the northern South China Sea (between 250 nm and 405 nm from the tagging site). Generally, the results suggest that Whale sharks are highly mobile, transient foragers throughout and beyond Philippine waters.”

Species Conservation through Ecotourism: Donsol in Sorsogon hosts one of the largest aggregations of Whale sharks in the world. The area has been drawing more and more tourists, which numbered over 24,000 from January to June 2010 alone. This dramatic increase is attributed to almost-guaranteed sightings during peak months, a well-managed community-based ecotourism program that serves visitors plus the density and frequency of sightings which are considered amongst the highest on Earth.

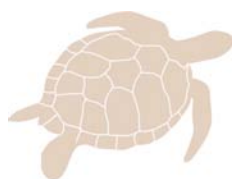
With this continued increase of tourists, WWF and the LGU of Donsol initiated activities to ensure that the needs of both tourists and Whale sharks are addressed through the proper implementation of existing guidelines. As such, Whale shark interaction patrols were launched, leading to the suspension of several guides, boat operators and tourist groups for violating interaction guidelines.

In terms of science work, photo-identification studies conducted over the last four whale shark seasons documented 330 individual Whale sharks frequenting Donsol waters as of the end of June 2010.

From 2007 to 2010, 29 sharks were tagged. Four Whale sharks were tagged with PATs in 2007, with 10 more in 2009. A follow-up study of the shark's movements and habitats was done in April 2010 to document annual differences in foraging patterns which might result from oceanographic and environmental changes associated with the 2010 El-Nino-Southern Oscillation event. Diving patterns were also documented in great detail using data recording, non-transmitting instruments.

A total of nine sharks were tagged this year. Tagging from 2007 through 2009 shows that most of the released tags were found within 100 nautical miles of the tagging sites, though tags from four sharks were found further northwest in the Philippine Sea (608 nm from the tagging site) and in the northern South China Sea (between 250 nm and 405 nm from the tagging site). Generally, the results suggest that Whale sharks are highly mobile, transient foragers throughout and beyond Philippine waters.

Sustainable Coastal Development: The Hamilo Coast project is an innovative approach towards sustainable coastal development. Through a partnership with Costa Del Hamilo Inc., three major initiatives towards sustainability are currently being implemented, designed to minimize and manage coastal and terrestrial development impacts and to maintain the region's overall ecological integrity. The three major initiatives involve MPA



and law enforcement, solid waste management plus renewable energy and energy efficiency drives. After over a year of studies, consultations and lobbying, three coves along Hamilo Coast have been declared as Marine Protected Areas – Santelmo, Etayo and Pico de Loro. Marker buoys have already been installed in two MPAs. An MPA management council was also formed by the local government to oversee the effective management of these protected areas. In terms of **Bantay Dagat** or Sea Coast Patrols, the Barangay Papaya enforcement team was revitalized to conduct new patrol and apprehension activities to operate for about 10 days monthly.

Solid waste management (SWM) plans and policies have been developed through a consultative process. The integration of both Hamilo Coast and the neighbouring Barangay Papaya in terms of an integrated solid waste management system is currently in progress to both harness efficiencies and develop economic opportunities.

The renewable energy component was able to implement a renewable energy and energy-efficiency scheme based on available technologies vis-a-vis the current and projected needs of the development. The project also piloted and showcased RE projects - namely the partial solarization of the lamp post in the main drive as well as the application of solar-assisted air conditioners for the sales pavilion.

Water Resources Management: the LGUs of Sta. Rosa, Biñan, Cabuyao and Silang, together with the Laguna Lake Development Authority, successfully signed an agreement to conduct baseline studies on groundwater, flooding, water supply and water demand for the Sta. Rosa River Basin – a chief highlight of the **Sta. Rosa Watershed Project's third year**. The Coca-cola funded project also organized water summits in both 2008 and 2009 to catalyze stakeholder support.

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WWF also assisted in crafting a flood-engineering study for Sta. Rosa, a water-sensitive environmental code for Silang, an assessment of groundwater pollution levels for both Sta. Rosa and Biñan, the development of watershed institutions to implement the Clean Water Act and an agreement to replicate the Sta. Rosa model for the entire Laguna Lake Basin through an integrated watershed management plan, done with the LLDA.

Also generously funded by Coca-Cola, the **Abuan Watershed Project** finished baseline assessments for watershed services provided by the Abuan river basin for hydropower, irrigation, domestic water supply, ecotourism and REDD mechanisms within its first year of implementation. The project also planted 100,000 forest trees and 17,510 agro-forestry trees for replanting – successfully mobilizing stakeholders to support the watershed program.

A P2M grant from the PTFCF allowed WWF's **Sibuyan Watershed Project** to deliver technical assistance and capacity-building for San Fernando Municipality's indigenous upland farmers. Workshops on nursery management, seedling production and agro-forestry establishment were conducted. An additional three training activities were given to the community leaders on values formation, governance and financial management. The project also facilitated the development of timber and **enforcement protocols, land use and zoning plans for the indigenous people's** ancestral domain claims. Finally, watershed patrols yielded 32 poachers.





Grade three elementary pupils are among the dynamic students of Project Eco-Kids.

Environmental Education: To generate mass-based support and awareness for existing project sites, a series of Environmental Education programs have been developed and implemented for the past three years through generous corporate support. Through the coordination and endorsement of the Department of Education, environmental education projects were able to reach 46 public elementary schools and teach over 11,000 students for academic year 2009 - 2010.

“Through the coordination and endorsement of the Department of Education, WWF’s environmental education projects were able to reach 46 public elementary schools and teach over 11,000 students for academic year 2009 to 2010. WWF trained and mobilized 329 volunteers to serve as educators during these schools visits.”

WWF trained and mobilized 329 volunteers to serve as educators during schools visits. Aside from training, volunteers were also given opportunities to learn about different environmental issues like climate change through workshops. Their teaching experiences helped increase awareness and deepen their concern for the environment. Occasions to promote their advocacy were put into practice even outside their volunteerships.

An environmental education workshop facilitated by WWF for science teachers encouraged more participation not just in the implementation of environmental education projects in their schools, but also in the integration of environmental topics for lessons, class activities and school events. Teachers in the workshop were given an opportunity to assess their personal impacts on the environment through a carbon-footprinting activity. This helped them make more relevant and realistic pledges to help care for the environment. Overall, the project was able to receive positive responses from the students, teachers and volunteers alike.

THE CORAL TRIANGLE

Covering almost six million square kilometres of ocean across parts of six countries including the Philippines, Indonesia, Malaysia, Papua New

Guinea, the Solomon Islands and Timor-Leste - the Coral Triangle contains a myriad of life forms. It hosts over 500 species of reef-building coral, fully 76% of the world's coral species. It is home to 40% of all-known types of coral reef fish, plus six of the world's seven marine turtle species. Within its sheltered coves, 51 of the 70-known mangrove species and 23 of the 50-known seagrass species thrive. This incredibly rich region provides livelihood and food security, particularly for coastal communities. Resources from the area directly sustain over 120 million people.

On 15 May 2009 in Manado, Indonesia, leaders of the six Coral Triangle nations (CT6) signed the *Coral Reef Initiative Leaders' Declaration on Coral Reefs, Fisheries and Food Security*, affirming their commitments to protect and to sustainably-manage the marine, coastal and small-island ecosystems within the region. The Philippines has also adopted its National Plan of Action by virtue of Executive Order 797.

As an NGO member of the Coral Triangle Initiative's National Coordinating Council, WWF-Philippines has helped organize, implement and participate in the following CTI events and planning workshops:

Fast Facts:

"The Coral Triangle hosts over 500 species of reef-building coral, fully 76% of the world's coral species. It is home to 40% of all-known types of coral reef fish, plus six of the world's seven marine turtle species."

CTI Business Summit. Manila, Philippines. 19 - 20 January 2010. More than 160 individuals from the seafood, travel and tourism sectors gathered to develop strong foundations for increased private sector participation to protect resources within the Coral Triangle. Fishing operators and buyers in the seafood sector agreed to address problems of overcapacity and overfishing through a number of measures, such as ensuring that fish are not sourced from illegal, unregulated and unreported (IUU) operations, implementing catch and trade documentation schemes to ensure traceability, reducing bycatch (which include juveniles) by adopting bycatch-appropriate technology and techniques, among others.

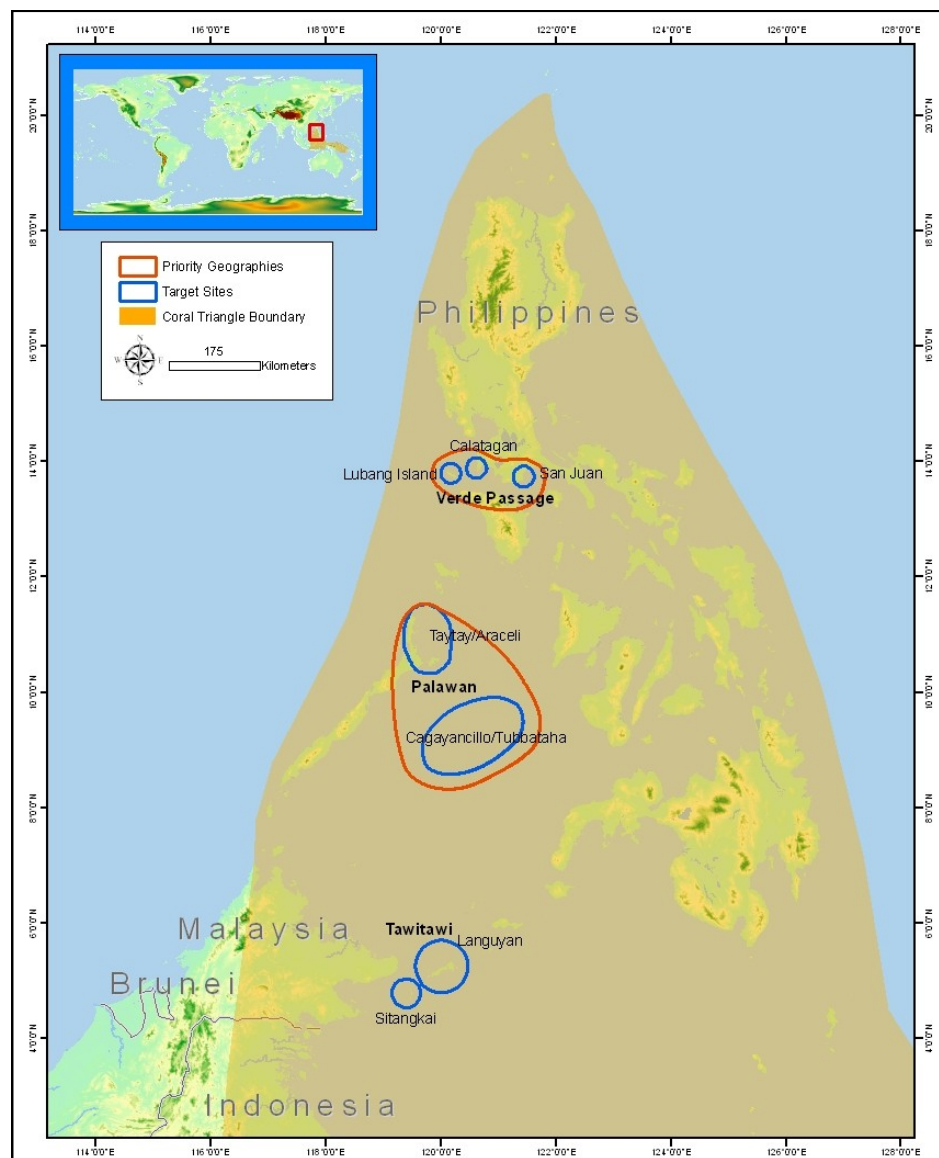
On travel and tourism, Cebu Pacific Air presented a dynamic program to prepare Asia's largest coral reef - Apo Reef - for impending climate shifts. Entitled *Bright Skies for Every Juan*, the initiative allows consumers to donate money with each flight to a WWF climate change adaptation program. The Summit was organized by the Philippine Department of Agriculture and the Philippine Department of the Environment and Natural Resources in collaboration with WWF with the support of USAID.

Regional Exchange on Enhancing Private Sector Engagement to Sustain Marine and Coastal Resources. Manila, Philippines. 18 - 21 January 2010. Twenty-two people from the CT6 plus the CTI Secretariat and an observer from Brunei participated in the Regional Exchange. The Exchange was aimed at developing strategies to engage the private sector and charting a plan on how to establish local public-private partnerships to identify regional needs in order to strengthen private-sector involvement within the Coral Triangle.

CTI Regional Priority Actions and Coordination Workshop 2010 - 2011. Jakarta, Indonesia, 17 - 19 May 2010. The Workshop launched collective planning for implementation of nine regional actions with teams, funding streams and next steps identified in the *CTI Regional Plan of Action*.



The workshop was mandated by the CTI Ministerial Meeting held at Gizo in the Solomon Islands in November 2009 to initiate collective and regional-scale activities towards achieving the ambitious goals of the Regional Plan of Action. Around 60 participants worked in teams (consisting of a country representative, government and non-government partners, technical advisers and observers) defined by the five thematic goals of the Regional Plan of Action (Seascapes, Ecosystem Approach to Fisheries Management, Marine Protected Areas, Climate Change Adaptation and Threatened Species).



The priority sites in the Philippines under the Coral Triangle Support Partnership Project.

GOING GREEN

What does it take to be environmentally-friendly? Or ecologically-responsible? For most businesses, it may mean simple things like reducing paper use, switching to CFL lights or segregating trash.

AND GIVING

However, in this day and age, corporations can no longer deny that going 'green' may also mean helping not just with their hands, but with their pockets.

Corporate Social Responsibility (CSR) has increasingly become an important and integral part of the work of businesses. For many WWF corporate partners, the business model has matured from mere philanthropy to engaging customers to make small and affordable donations to help preserve the environment.

Gone are the days when company CEOs would just whip out a cheque, write out a sizeable donation, and feel good about it. Today, most corporates offer **their businesses as 'enablers' for customers to donate to WWF: fly with Cebu Pacific to offset your carbon footprint and save Apo or the Tubbataha Reefs; drink a Coke and support the company's mission to save the Sta. Rosa and Abuan watersheds in both Laguna and Isabela; bank with HSBC or buy Philips lights to enable WWF to conduct environmental education classes for public school children in the Philippines, and many more.**

Other corporate partners take on a more in-depth level of engagement with **WWF. Lafarge's partnership calls for a Life Cycle Analysis of Pozzolan cement** versus the not so eco-friendly Portland cement variety. In the pipeline also for 2010, the next fiscal year, are partnerships with Bank of the Philippine Islands (BPI) for a business risk and management study to determine if their banks are prepared for climate change and its effects, most notably flooding. Power company Meralco has committed to an Electric Vehicle conference that will jumpstart discussions on how to make electric cars not just a dream for the future, but a commercially-viable option to keep the air clean.

But apart from their monetary contributions, the business community also **serves as a forum for WWF's advocacies** - enabling the organization to reach the general public, media, concerned citizens, government and other stakeholders to listen in to our messages on how to make this part of the world a truly sustainable, living and clean place that we can leave to our children.

In the end, the most progressive companies take on the responsibility of partnering with WWF and other like-minded development organizations not just as an afterthought but rather, as a continuing commitment to do good, while preserving their bottom-lines.

How this can be achieved is largely dependent on WWF's willingness to widen its engagement with businesses through:

- Developing exciting, innovative and easy-to-understand fundraising schemes that will tap a mass base of customers (ATM transactions for banks, donating via text messages, charging P1.00 for tap water requests in restaurants, etc.).
- Capability and resource building for businesses and their employees to be more environment-friendly in their professional work spaces and personal lives.



“Gone are the days when company CEOs would just whip out a cheque, write out a sizeable donation, and feel good about it. In the end, the most progressive companies take on the responsibility of partnering with WWF and other like-minded development organizations not just as an afterthought but rather, as a continuing commitment to do good.”

- Setting up internal mechanisms to ensure that businesses are ethically and environmentally responsible - from manufacture of their products to the protection of their work force.
- Influencing and steering the practice of the corporate sector towards becoming a positive force for WWF issues, particularly on the two meta-goals of biodiversity and climate change.
- Encouraging investments in critical areas for WWF; harnessing the power of corporations in the areas of product and research development to deliver solutions for the challenges posed by environmental degradation and other issues.

Indeed, these are exciting times for WWF and the business community. Should these private sector collaborations with WWF now signal the start of a **revolutionary green, giving ‘movement’**? For now, the funding possibilities and programmatic implications may just be worth a shot.

FY 2010 *Kabang Kalikasan ng Pilipinas* Foundation, Inc. was registered with the Philippine Securities and Exchange Commission on 23 May 1996 as an environmental non-stock, non-profit corporation whose objectives are to dedicate itself by social and educational means to the conservation of nature and ecological processes in order to stop and eventually reverse the accelerating degradation of the natural environment in the Philippines, and to help build a future in which Filipinos live in harmony with nature.

FINANCIAL REPORT

The Foundation is not subject to income tax under Section 30(e) of the National Internal Revenue Code with respect to income received from its non-profit activities such as donations, gifts and charitable contributions.

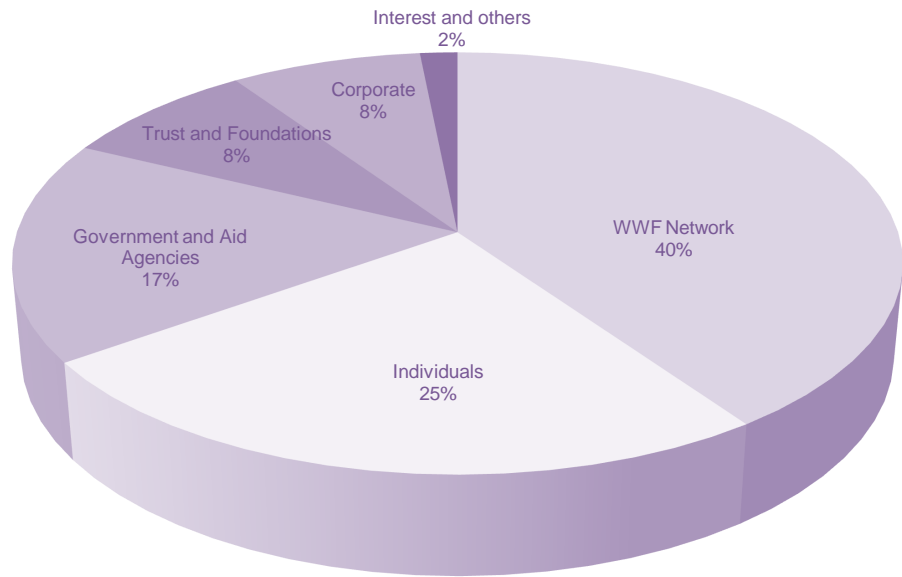
However, income from any of its properties, real and personal, or from any of its activities conducted for profit shall be subject to income tax.

The Foundation is duly accredited by the Philippine Council for NGO Certification (PCNC) and registered as a donee institution in accordance with the provision of revenue Regulation No. 13-98 dated 1 January 1999, and donation/s received shall entitle the donor/s full or limited deduction pursuant to **Section 34 (H)(1) or (2), and exemption from donor’s tax** pursuant to section 101 (a)(3) of the National Internal Revenue Code of 1997.

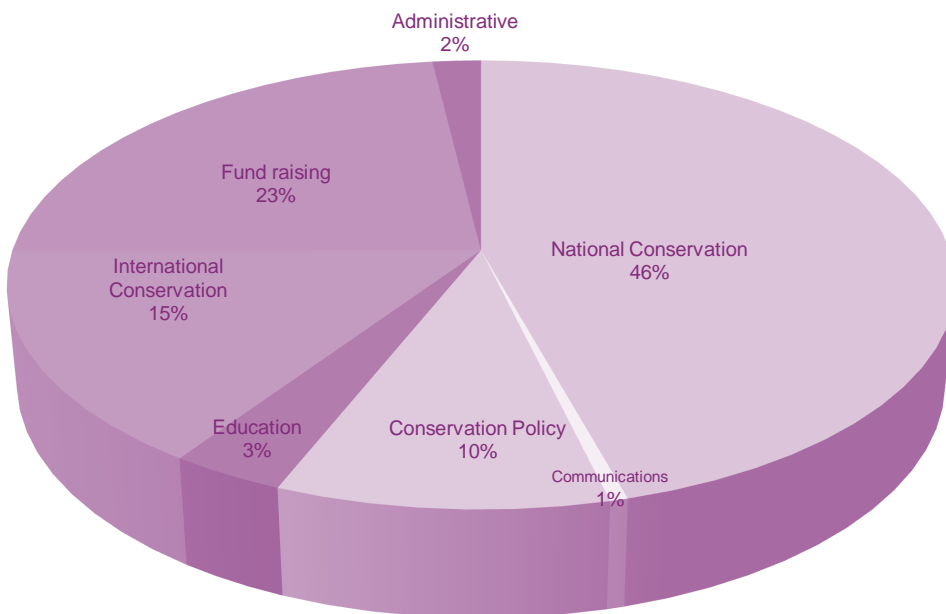
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**Revenue
FY 2010
P103.94M**



**Expenses
FY 2010
P110.47M**



INDEPENDENT AUDITORS' REPORT

The Board of Trustees
Kabang Kalikasan ng Pilipinas Foundation, Inc.

We have audited the accompanying financial statements of Kabang Kalikasan ng Pilipinas Foundation, Inc. (also known as WWF - Philippines/World Wildlife Fund - Philippines, a national organization of Worldwide Fund for Nature - International based in Gland, Switzerland), which comprise the statements of assets, liabilities and fund balances as at June 30, 2010 and 2009, and the statements of revenue and expenses, statements of changes in fund balances and statements of cash flows for the years then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the Philippines for non-publicly accountable entities as described in Note 2 to the financial statements. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Philippine Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Opinion

In our opinion, the financial statements present fairly, in all material respects, the assets, liabilities and fund balances of Kabang Kalikasan ng Pilipinas Foundation, Inc. (also known as WWF - Philippines/World Wildlife Fund - Philippines, a national organization of Worldwide Fund for Nature - International based in Gland, Switzerland) as of June 30, 2010 and 2009, and its revenue and expenses and its cash flows for the years then ended in accordance with accounting principles generally accepted in the Philippines for non-publicly accountable entities as described in Note 2 to the financial statements.

SYCIP GORRES VELAYO & CO.

Manolito Q. Montes

Manolito Q. Montes
Partner
CPA Certificate No. 32649
SEC Accreditation No. 0088-AR-2
Tax Identification No. 123-305-072
PTR No. 2087553, January 4, 2010, Makati City

September 30, 2010



KABANG KALIKASAN NG PILIPINAS FOUNDATION, INC.
(Also Known as WWF - Philippines/World Wildlife Fund - Philippines,
A National Organization of Worldwide Fund for Nature - International
Based in Gland, Switzerland)

STATEMENTS OF ASSETS, LIABILITIES AND FUND BALANCES

	June 30	
	2010	2009
ASSETS		
Current Assets		
Cash and cash equivalents (Note 3)	P52,831,993	P55,943,231
Receivables (Note 4)	1,416,726	1,588,172
Prepayments (Note 5)	5,809,324	3,436,368
Total Current Assets	60,058,043	60,967,771
Noncurrent Assets		
Property and equipment - net (Note 6)	1,867,459	2,393,177
Rental deposits (Note 11)	419,550	299,550
Software costs - net (Note 7)	37,125	-
Total Noncurrent Assets	2,324,134	2,692,727
TOTAL ASSETS	P62,382,177	P63,660,498
LIABILITIES AND FUND BALANCES		
Current Liabilities		
Accrued expenses and other liabilities (Note 8)	P15,751,812	P13,268,184
Current portion of long-term loans payable (Note 9)	4,153,496	-
Short term loans payable (Note 9)	-	2,000,000
Total Current Liabilities	19,905,308	15,268,184
Noncurrent Liabilities		
Long-term loans payable - net of current portion (Note 9)	2,132,228	1,949,475
Retirement benefits payable (Note 12)	947,834	511,093
Total Noncurrent Liabilities	3,080,062	2,460,568
Total Liabilities	22,985,370	17,728,752
Fund Balances		
Restricted	33,679,720	34,267,319
Unrestricted	5,717,087	11,664,427
Total Fund Balances	39,396,807	45,931,746
TOTAL LIABILITIES AND FUND BALANCES	P62,382,177	P63,660,498

See accompanying Notes to Financial Statements.



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STATEMENTS OF REVENUE AND EXPENSES

	Years Ended June 30	
	2010	2009
REVENUE (Note 13)		
Donations:		
WWF Network	P41,805,940	P52,633,142
Individuals and others	25,944,221	10,821,404
Government and aid agencies	17,638,534	5,063,808
Trusts and foundations	8,603,353	16,793,214
Corporate	8,318,099	18,611,818
Interest and others (Note 3)	1,626,252	2,835,868
	103,936,399	106,759,254
EXPENSES		
Projects:		
National conservation:		
National programme	48,721,930	46,371,040
Conservation policy	10,852,573	7,756,862
Education	3,770,267	4,593,891
Communication	592,114	878,120
International conservation	17,139,856	10,750,340
	81,076,740	70,350,253
Operations:		
Fund raising	25,520,263	7,551,736
Administrative (Note 10)	2,295,489	2,763,434
Foreign exchange loss	1,578,846	40,253
	29,394,598	10,355,423
	110,471,338	80,705,676
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	(P6,534,939)	P26,053,578

See accompanying Notes to Financial Statements.



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STATEMENTS OF CHANGES IN FUND BALANCES

	Years Ended June 30	
	2010	2009
FUND BALANCES		
Balances at beginning of year	₱45,931,746	₱19,878,168
Excess (deficiency) of revenue over expenses	(6,534,939)	26,053,578
Balances at end of year	₱39,396,807	₱45,931,746

See accompanying Notes to Financial Statements.



BOARD OF TRUSTEES



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WWF AT WORK





Why we are here

To stop the degradation of the planet's natural environment and to build a future in which humans live in harmony and nature.