



Annual Report

2012-2013

2012-2013 Annual Report WWF-Philippines





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Executive Summary

Jose Ma. Lorenzo Tan

Vice-chair and CEO
WWF-Philippines

We live in the Anthropocene, the age of humankind. This is a period in which human actions play a major role in shaping the biosphere and its processes. Physical processes can no longer be examined in isolation, because human processes have become the dominant driver of development.

Thought leaders now look at the physical environment holistically, as a quantifiable synergy of inter-linked chains, influencing urban-rural, natural-human, and present-future elements. WWF's clear role is to take this forward, beyond science, beyond policy, beyond planning. From the halls of legislation and board rooms, down to the coastlines, rice fields, forests and rivers. Bridging conservation and the human footprint along a spectrum with a clear end goal - to bring lasting positive impacts for the planet, and for people.

The challenge is to grow in balance, along new paths that are much more holistic, resilient, inclusive, equitable and locally-appropriate. This represents the foundation for sustainable development in a climate-defined future. This is the work we do.



“WWF’s clear role is to take this forward, beyond science, beyond policy, beyond planning. From the halls of legislation and board rooms, down to the coastlines, rice fields, forests and rivers. Bridging conservation and the human footprint along a spectrum with a clear end goal - to bring lasting positive impacts for the planet, and for people.”



National Context

For the last three quarters as of June 2013, real GDP growth of the Philippine economy registered at levels beyond 7% from a trajectory of about 5% in 2012. This has been attributed to increased investor confidence and consumer-led growth. The inflation rate stood between 2.5% to 3.5%. Two of the three leading credit rating agencies now score the country as investment grade. The demand for goods, services and power has increased, parallel with robust economic activity. Despite impressive growth, fisher-folks and farmers, comprising 66% of the labor force who depend on healthy ecosystems for their livelihood, remain largely marginalized.

2012 marked the creation of major environmental policies which would have a bearing on the work of the organization. An Executive Order on new mining guidelines has progressively defined areas where mining activities can be initiated while establishing 78 “no-mining-zones” to protect biodiversity and promote tourism. Another recently-promulgated but long awaited policy is the guide for Feed in Tariffs or FiTs for Renewable Energy (RE) investments.

With sound investment policies, increased development activities are projected. All this will invariably weigh in on the planet’s limited bio-capacity through increasing short and long-term consumption patterns.

Mid-term elections were held last May 2013. Election results strengthened the hold of the Aquino administration, both at the local and national levels. The programs of the current administration are built on good governance and anti-corruption platforms.

Extreme weather events have persisted and intensified. In 2012, CRED reported that the Philippines logged the greatest number of disaster-related deaths with 2360 fatalities. Historically, strong typhoons never hit the southern island of Mindanao. Storm Pablo plowed through the island, affecting at least six million people and causing \$2.6 billion worth of property damage. WWF continues to be seen as a leader in national efforts to mainstream climate adaptation, tackling challenges in conservation and in the management of the human footprint, as the Philippines prepares for a climate-defined future.

Conservation Programmes Overview

Our work within the Coral Triangle remains the backbone of WWF's programme in the Philippines, contributing both to the Global Programme Framework (GPF) and the Coral Triangle Initiative (CTI) National Plan of Action.

Initiatives focused on building formulas for sustainability, through market and corporate engagements, remains our priority as evidenced by programs on climate adaptation, renewable energy, coastal and marine conservation, policy, ecotourism, fisheries as well as watershed management. All of these fall within priority geographical zones and themes of the CTI.



Sustainable Live Reef Fish Trade

Coral Triangle Initiative Fisheries Improvement Programmes

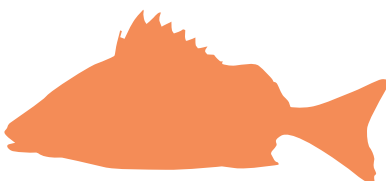
In theory, the Live Reef Fish Trade (LRFT) is simple — reef fish are caught and kept alive until the moment they are cooked in a restaurant or hotel. In reality, the trade is besieged by many issues at every level of the process. At the source, the issues are overfishing, catching of juveniles, using noxious substances (mostly sodium cyanide) to catch fish easily and targeted fishing for high-value species, often to the point of disrupting the food chain in source areas. Although some species of groupers are already being bred in aquaculture laboratories and farms, the leopard coral trout (*Plectropomus leopardus*), a preferred and expensive species for the foreign market, has not yet been bred for production on a commercial scale. In some cases, targeted species like the humphead wrasse (*Cheilinus undulatus*) have been harvested to the point that they are now classified as endangered species under the International Union for the Conservation of Nature (IUCN) Red List. The LRFT initiative of WWF-Philippines had very humble beginnings. It began in 2007 with a USD 2790 grant to search for spawning aggregation sites in Palawan. Over the next years, WWF continued to conduct more research projects on the LRFT, as this programme eventually became a priority of the CTI.



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A project anchored on an ecosystems approach to fisheries management (EAFM), specifically on planning and policy development, LRFT was the rallying point for stakeholders' involvement in EAFM work. Research conducted in partnership with the Western Philippines University (WPU) and the Environmental Legal Assistance Center (ELAC) was used as a basis for new fishery management ordinances in the municipalities of Araceli, Dumarán, Taytay and Quezon to update and synthesize existing fishery management policies with Comprehensive Land and Water Use Plans (CLWUP). Together, these policies cover over 363,000 hectares of municipal waters in Palawan.

The programme also assisted in improving the MPAs of the three municipalities and identifying and declaring new Marine Protected Areas (MPAs). As a result, Araceli transformed 17,000 hectares of its municipal waters into the Hart Reef MPA while 3000 hectares of new MPAs are being proposed in Taytay, allowing it to meet the required 15% of protected municipal waters under the Philippine Fisheries Code. Another 60,000 hectares of MPAs are under consideration in Quezon, Palawan.



Sustainable Handline Yellowfin Tuna Initiatives

Coral Triangle Initiative
Fisheries Improvement Programmes



The WWF Partnership Programme Towards Sustainable Tuna (PPTST) supports the livelihood of artisanal tuna handline fishers by establishing long-term market access and responsible fisheries management while providing mechanisms to supply selectively-caught yellowfin tuna (*Thunnus albacares*) to market actors and environmentally-conscious consumers in Europe. The ultimate goal of the project is to secure Marine Stewardship Council (MSC) certification for this highly selective fishery.

The project is implemented in two project sites – Mindoro Occidental (with one province) for the western Philippines and Lagonoy Gulf (with three provinces) for the east. The initiative seeks to improve the livelihoods of more than 5500 artisanal fishers in 21 municipalities from the abovementioned provinces.

Efforts to improve fisheries management have been very successful. Newly-established tuna handline fishers' organisations are starting to take on greater responsibilities in the tuna fisheries management process. Municipal and provincial fisheries management bodies have been revitalized and mobilized, escalating their roles in the management process. An MSC pre-assessment is in the works to devise a detailed roadmap towards the certification of these fisheries. A parallel initiative is also being undertaken in the small fishing village of Pasuquin in Ilocos Norte. Training sessions on tuna handling and improved links to market systems for better economic benefits have been undergone by some 300 small yellowfin handline fishers. It is envisioned that the programme will expand to nearby municipalities with strong support from the provincial fisheries office.





Climate Change Adaptation (CCA) Programme

The Tubbataha Reefs, Palawan

Nestled at the heart of the Central Sulu Sea are the Tubbataha Reefs, which host the country's most biologically-diverse and productive reef complexes. Because of its globally-significant biodiversity, Tubbataha was declared by the UNESCO as a Natural World Heritage Site in 1993. Tubbataha has often been dubbed as the Mecca of Philippine diving, but it goes beyond being a spectacular underwater destination. It is a marine and economic powerhouse whose protection has never been more critical as it is today.

The Tubbataha Reefs' twin atolls produce at least 200 metric tons of seafood per square kilometre. This is five times greater than the productivity of a healthy reef. The reefs' rich marine biodiversity also ensures an ample food supply for over 20 million Filipinos, who depend on seafood as a major source of protein.

But a burgeoning Philippine population, unmonitored and unsustainable fishing practices, local and foreign ship grounding incidents, plus mounting climate change effects are putting tremendous pressure on the Tubbataha Reefs. It is imperative that we protect this cradle of marine life today.

2013 marks the 25th year since the Philippine government declared Tubbataha as a Marine Protected Area. WWF-Philippines and its allies stand poised to protect the gem of Philippines seas for succeeding generations. A brand-new Tubbataha Ranger Station is currently being constructed with funding from private and governmental institutions through a massive fundraising and media campaign spearheaded by WWF.





Climate Change Adaptation (CCA) Programme

Apo Reef, Occidental Mindoro

Apo Reef is the largest atoll-like reef in the Philippines and the second largest non-contiguous reef on Earth. It covers 34 square kilometers and boasts of two impressive lagoon systems. The area exhibits a wide variety of habitat types and hosts a high diversity of corals, fishes, invertebrates and other fauna. After Tubbataha, Apo Reef became the country's second Marine Protected Area (MPA) where fishing in all its forms is completely banned.

Apo Reef National Park (ARNP) is composed of a diverse assemblage of shallow tropical marine habitats that provide food and shelter for a plethora of invertebrate fauna and fish life. The relatively large distance of the reef complex from the main island of Mindoro is seen as a major factor in helping minimize the negative impacts typically associated with a reef's proximity to man – the most significant of which would include overfishing, sedimentation and pollution. With the reclassification of ARNP as a strict protection zone in 2007, illegal

fishing activities have been dramatically reduced. This management intervention was cited as one of the main reasons for the increase in fish abundance within and around ARNP.

The majority of enforcement activities within the park is provided by WWF and its allies, with at least 135 patrol days conducted in 2012. The number of apprehended violators has significantly been reduced to just a single incident involving three boats compared with over 10 apprehensions per season in previous years. Such a decrease can only be attributed to the deterrence provided by effective and serious park management. Recovering from the stress of overfishing (from when ARNP still allowed fishing in designated zones), recent surveys have concluded that both target and indicator fish species have increased and are stabilizing at about 250 species. Fish biomass per square kilometer has soared to over 75 tonnes – easily twice the levels seen in a typical healthy Philippine reef.



Climate Change Adaptation (CCA) Programme

Davao Gulf / Island Garden City of Samal (IGACOS)

Renowned not just for its unique name but for the extensive wealth of its natural resources, the Island Garden City of Samal (IGACOS) faces a promising future. The ballooning population of Davao City promises millions in revenues from tourism. Unfortunately, unsustainable development, agricultural runoff and climate change have already begun to assail IGACOS' beaches, reefs and lowland forests – negating its differential advantage as a tourism destination. WWF and the local government of IGACOS are attempting to build-up the resilience of the region's coastal ecosystems while identifying and reducing potential climate change-related vulnerabilities – all to improve the lives and livelihoods of native Samaleños.

Effective climate change adaptation strategies have already been developed and are being implemented within IGACOS.

Related adaptation issues are being integrated into local planning frameworks for associated coastal and island ecosystems by newly-empowered stakeholders. The programme is part of a global initiative to develop climate adaptation mechanisms. The two other pilot sites are Madagascar and Columbia.

Thorough assessments of site vulnerabilities have been undertaken. Done in close cooperation with local stakeholders, the assessments shall be integrated into local adaptation plans. Pre-identified livelihood activities shall also be supported to help IGACOS cope with projected climate impacts, providing a model by which small island communities can survive climate shifts.

Tawi-Tawi, ARMM

Strong Climate Change Adaptation (CCA) plans were developed by the municipalities of Sibutu and Sitangkai in Tawi-Tawi. WWF provided technical assistance to two municipal governments by mapping out hazard areas, conducting an inventory of natural and manmade assets, plus providing possible projections for areas, assets and people which might be affected by increased or intensified incidences of climate-induced phenomena. The climate change parameters considered for all areas are sea level rise and increases in sea surface temperatures as well as droughts due to the residents' high dependence on rainwater for their freshwater supplies.

As a result of WWF's presentations, stakeholders identified specific adaptation measures which include structural and engineering adjustments for their stilt communities. Although the two municipalities are highly vulnerable to climate change, the residents of Sitangkai are particularly at risk due to demography and geography as the municipality is composed of small, low lying islands where almost all residents live in stilt houses, half of which are adjacent to islands and the other half being in shallow areas out at sea.

Climate change can have enormous impacts on people's livelihoods for both municipalities, since their economies are based on marine and coastal resources via coastal fisheries and seaweed farming. Having prepared their adaptation plans is but the first step, as there are still many unknowns. The municipal stakeholders must update plans as new information becomes available and as risks are constantly redefined. The measures which must be taken should always be based on the risk by which stakeholders are exposed and

their respective capabilities to handle them. Smarter planning will maximize precious resources and focus stakeholder efforts on the protection of assets which are critical for survival and progress.

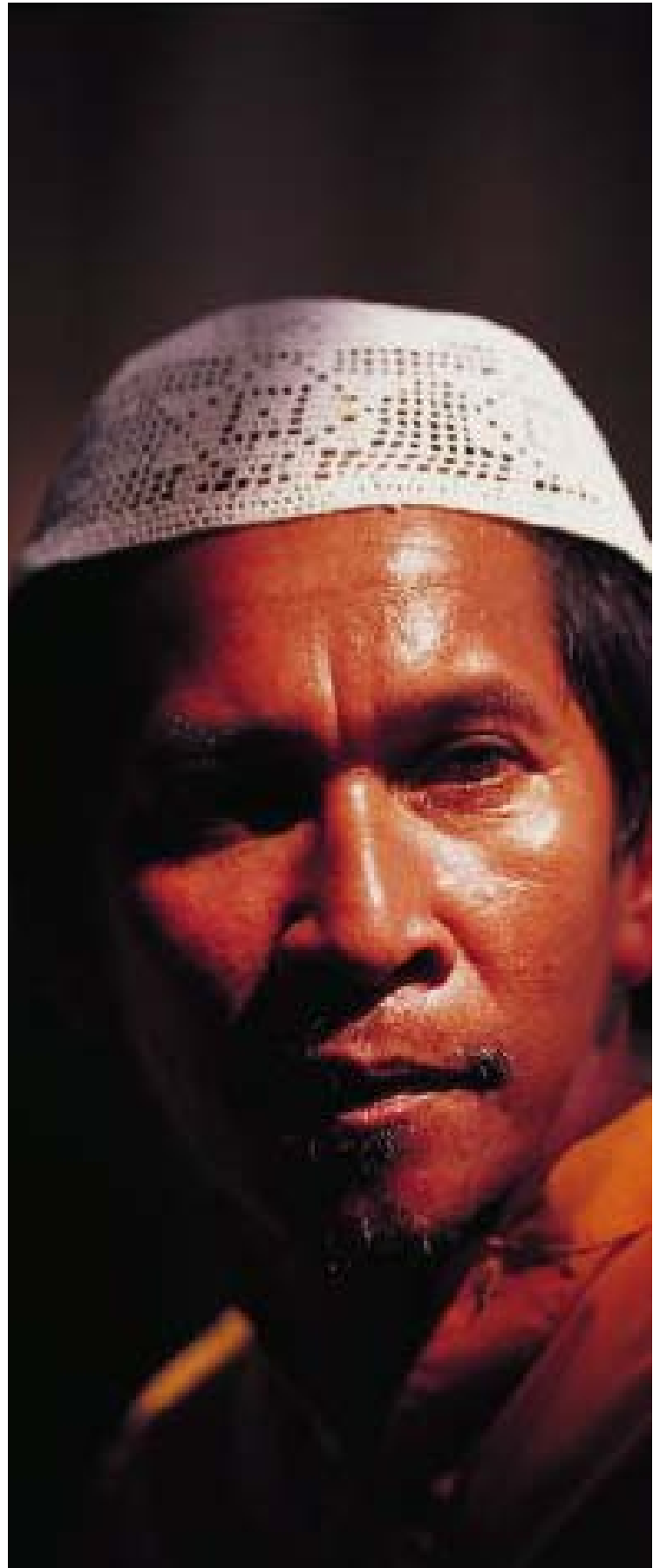


Population Health and the Environment (PHE)

Tawi-Tawi's population is rapidly expanding, posting an annual growth rate of 5.53% per year. Socio-economic variables show that poverty is prevalent in the province. The annual per capita food threshold is USD 205 (NSCB 2006), much lower than regional and national figures (USD 215 and USD 209, respectively). But the percentage of subsistence among the population in the same year was 40.6%, higher than regional and national levels (27.5% and 14.6%, respectively).

A key strategy to reduce poverty in areas where population growth has huge impacts on coastal and marine resources is to facilitate the improved delivery of basic services while promoting the sustainable use of coastal and marine resources. Access to Family Planning (FP) and Reproductive Health (RH) services are hampered by inadequate support facilities, geographic remoteness and the cost of travel. The availability of FP/ RH services is also linked to low demand, which in turn, is correlated with the lack of understanding on FP/ RH, thus the rising impacts of Tawi-Tawi's ballooning population on food security, livelihoods, and incomes.

The PHE project conducted a series of PHE classes in selected sites. The project was able to reach 146 young mothers from Sitangkai and Languyan, 106 from Barangays Likud and Dambilah in the Turtle Islands and 85 in Languyan. WWF was also able to reach out to the youth and conducted classes to educate them on FP and CRM. Sixty-five youths attended classes in Sitangkai and 35 more in Languyan. The PHE class aims to educate the youth on the importance of responsible parenthood and family planning, a major driver of impacts for coastal resources.





Climate Change Adaptation (CCA) Programme

Bud Bongao, Tawi-Tawi

Bud Bongao is one of the last remaining moist forests of the Sulu Archipelago Biogeographic Zone. The protection of Bud Bongao is considered extremely urgent not only among conservation scientists and workers but also by the people living around the mountain, along with government and non-government stakeholders. The spiritual and traditional importance of Bud Bongao to the Sama people adds to its value and the need for protection. Advancing threats raises the urgency of the situation.

Threats generally stem from the rapidly-increasing population and the need for land to develop. Tawi-Tawi has long been the refuge of in-migrants from the restive islands of the Sulu Archipelago. Its relative calm and surging economy, propelled by seaweed mariculture and proximity to the more prosperous Malaysian state of Sabah makes it an attractive destination. The expanding population spawned the consequent expansion of cultivated areas and settlement, higher land values resulting

from urbanization and the diversification of the ethnic composition, which dilutes the cultural and religious values that have long shielded Bud Bongao from destruction.

As a response to this, the project was able to facilitate the formulation of a management plan for both Bud Bongao and the adjoining forest area of Bud Kabugan. A management structure and body nestled in the Municipal government of Bongao has been emplaced to pave the way for a locally-managed protected area with the participation of local stakeholders. The formulated management plan is now under consideration by the municipal council. It is hoped that the plan shall be translated into official policy.



Iglit-Baco Mountain Range, Occidental Mindoro

The world's Tamaraw (*Bubalus mindorensis*) population dropped by 97% within the last century. With only a few hundred remaining, swift action is needed to save these wild dwarf buffalo from extinction.



In 2012, WWF-Philippines partnered with the Far Eastern University and the Department of Environment and Natural Resources for a programme called Tams-2, which seeks to double fragmented and little-studied Tamaraw populations from 300 to 600 by 2020. From an initial count of 153 in 2001, the latest visual count of this endemic species was 345 in 2013.

The International Union for the Conservation of Nature (IUCN) has classified this Philippine dwarf buffalo as critically-endangered – the highest risk rating for any plant or animal species.

The Tamaraw is endemic to the Philippines, foraging up and down Mts. Iglit, Baco, Aruyan, Halcon and Calavite in Mindoro. The Tamaraw can be differentiated from the Carabao (*Bubalus bubalis carabanensis*) through its distinctive V-shaped horns, a shorter tail, and a shaggy coat of chocolate to ebony fur. Adults stand four feet tall and weigh an average of 300 kilograms.

WWF-Philippines and FEU's Western Mindoro Integrated Conservation programme ties in Tamaraw research and improved park management initiatives with existing efforts to conserve Apo Reef and the rich marine habitats off the coast of Sablayan. Behavioural studies are underway with the deployment of camera traps in the Iglit-Baco mountain range, a precursor to future deployments in other sites to monitor and validate the existence of remnant Tamaraw populations beyond the Iglit-Baco mountain range.

Donsol, Sorsogon

After a decade of solid WWF intervention, Donsol became one of the most popular tourist destinations in the Philippines because of the seasonal migration of whale sharks (*Rhincodon typus*), which allowed snorkelers to see the harmless, giant fish up close. The initial results of WWF's research revealed that Donsol hosts one of the highest aggregations of whale sharks on Earth, with 378 individual sharks identified by June 2013.

Donsol's whale sharks brought in droves of visitors – both domestic and international. Year on year, arrivals revealed a dramatic upward trend with a peak of 25,000 tourists. New income, investment and employment opportunities sprang up. Side by side with their traditional livelihood of fishing, ecotourism became the Donsolanos' second engine of economic growth. This dramatic shift was birthed by strong partnerships between WWF, the local government unit of Donsol, the Department of Tourism, direct tourism service providers and other key stakeholders.

As the years went by, it became apparent that sustaining such rapid growth would involve a series of social, economic, environmental and political challenges. In the last two seasons, WWF field personnel observed a drastic decline in whale shark

sightings. Tourist arrivals consequently plummeted by half of what was recorded in the summer of 2011.

To maintain the benefits generated by whale shark ecotourism for Donsol's economy, stronger conservation measures, rather than mere protection of the species, will have to be emplaced. It was originally believed that these animals came to Donsol to feed and possibly breed. To maximize the chances of the sharks' return, it is essential to manage and rehabilitate both the coastal ecosystems and the rivers that provide Donsol's seas with life-giving nutrients.

To address these challenges, WWF facilitates the realization of realistic plans, programmes, policies, studies, advocacies and networking actions. Donsol collaborated with WWF to conduct an assessment of its three major rivers, plus the formulation of a comprehensive land and water use plan (CLWUP) for the entire municipality. The study investigates the wide-ranging parameters of the region's rivers. A river management plan was created as part of a holistic and sustainable approach in developing the area. The CLWUP will also prescribe limits such as carrying capacities, regulations and standards for coastal and other rural developments.



Species and Ecotourism

Hamilo Coast, Batangas

The great puzzle of ecotourism: how can large numbers of people enjoy nature without destroying it? A pioneering eco-development programme seeks to address this by designing a community built for balance. Combining commercial convenience and residential comfort with a solid fusion of nature and adventure, Hamilo Coast, an eco-tourism project of SM Investments Corporation supported by WWF, aims to be the new definition of a pristine coastal paradise.

Unique to Hamilo Coast is its commitment to local tourism by celebrating Philippine culture, flora and fauna. The development is taking the local eco-tourism industry a step further by ensuring that habitat disruption and resource depletion is minimized.

Meticulously designed to meet existing standards of international real estate development and social equity, Hamilo Coast also aims to enhance existing ecological features.

Composed of merging miles of soft white sand, 13 coves of varying sizes, vibrant coral reefs, limestone cliffs that touch the sky and virgin forests which host the endangered Philippine teak (*Tectona philippinensis*), Hamilo Coast also champions solid waste management, renewable energy technologies and coastal resource management.

Abuan Watershed, Isabelala

The goal of this project is to enhance the resiliency of communities and watersheds in the Abuan watershed against the worsening impacts of climate change. The project identified risks from floods and droughts due to the extensive damage caused by past events. Risks are exacerbated by massive deforestation due to upland migration, land conversion, poaching and infrastructure



development. The affected human population within the watershed numbers 15,000 and consists of 3000 families covering 13 barangays. The main strategies are building and enhancing the capacities of mandated institutions such as the Local Government Unit of Ilagan City and the Cagayan Valley Integrated Agriculture and Research Center (CVIARC), an attached agency to the Department of Agriculture.

Their mandates are drawn from legal frameworks such as the Climate Change Act, DRRM Law and Forestry Code. The project will also work with the Department of Science and Technology and the Department of Environment and Natural Resources on smart farming and watershed rehabilitation. The project was able to sign MOAs with the LGU of Ilagan, DOST and DENR while awaiting signatures for the MOA with CVIARC-DA. The MOA with DOST greatly expands the project, allowing it to become part of the DOST programme on SMART agriculture.

The project will use sensor data in crop modelling for use in irrigation planning and crop monitoring. These sensors consist of agro-meteorological, soil and optical images from satellites. Agro-meteorological stations will be established in three agro-zones: floodplains, plus rolling and hilly areas. Flood monitoring sensors will be installed atop the Abuan and Bintacan bridges and a rainfall gauge shall be deployed in Divilacan. Sensor data will be inputted to three models: DSSAT, Aquacrop and the FAO hydro-agronomic model.

Santa Rosa, Laguna

The Santa Rosa watershed is reeling from the impacts of urbanization and industrialization. Rapid population growth, intensive land development and landscape changes have reduced its natural capacity to retain water and hold rainfall during rainy days. This has often resulted in large-scale flooding, water pollution and groundwater scarcity. WWF-Philippines implemented

a five-year programme to assist local stakeholders in managing their watershed zones.

By enhancing the capacities of stakeholders with official mandates in formulating and implementing watershed policies, the water resources of the Santa Rosa Watershed and nearby Laguna de Bay can be better managed.



The City of Santa Rosa offers a good example of an LGU which completed the policy cycle through the formulation of its own Environmental Code. Innovative provisions were introduced such as flood-neutral land development, flood and sewage master plans, groundwater management through partnerships and participatory water governance. The Clean Water Act of 2004 offers the way forward in terms of institutional mechanisms through the Governing Board and formulation of the Integrated Water Resources Management Plan, where water quality management is subsumed. Plans and governing structures have been crafted for the Santa Rosa watershed. For LLDA, the Santa Rosa project provides a template for future replication throughout the Laguna Lake basin. The Hydrologic Atlas for Laguna de Bay was published to standardize hydrological data throughout the Laguna Lake region and provide a sound scientific basis for policy formulation. This is the first step in a long process. Success and continuity will be contingent on LLDA working closely with the watershed LGUs in moving this process forward.

Climate and Energy Programme



The WWF-Philippines Climate Change and Energy Programme deals with a host of domestic issues, including climate and energy policy, energy projects, business cooperation, science-driven work on climate change impacts and resilience-building for communities that are most affected by floods and droughts. The programme also addresses international policy issues, particularly on low carbon frameworks and climate finance.

From a team of two in 2010, the Programme has grown into a complement of nine, handling projects that work with private companies in developing clean energy projects while putting emphasis on sustainable development such as the iconic Ring of Fire Project, looking at business risk and climate adaptation, areas involving sustainable construction and alternative modes of transport, facilitating policy discussions on Sustainable Consumption and Production and the Green Economy (SCPGE), developing country-specific Low Carbon Plans (LCPs) to show how it is possible to support innovation and green economic growth to counter climate change, while conserving biodiversity and improving the living conditions of people, and increasing awareness about climate change and possible solutions through Earth Hour and its Beyond The Hour projects. Several key government partners of the Programme include the Climate Change Commission, the Department of Environment and Natural Resources and the Department of Energy.

Since 2011, some of the results of these projects include studies on key cities across the country including Davao, Cebu, Iloilo, Baguio, Dagupan, Laoag, Zamboanga, Cagayan de Oro, Naga, Tacloban, Angeles and Batangas cities, through the Business Risk Assessment and the Management of Climate Change Impacts project which attempts to look 30 years into the future, in order to provide a more comprehensive grasp of likely future trends that build on existing climate studies while distilling city-specific socio-economic information, as well as drawing from the experiences of local stakeholders, through scenario building exercises which were used to encourage ‘out of the box’ thinking and generate plausible narratives that could be useful for strategic planning, and input and contributions into the Philippine Country Report for Rio+20 through the Scoping Paper and Policy Paper on SCP and the Green Economy in the Philippines.

Through Earth Hour Philippines, more than

20 million Filipinos in 2013 from 10 million in 2009 were mobilized to turn off their lights for an hour, delivering five years of record-breaking media coverage and Local Government support for Earth Hour until 2013, with messages from President Aquino III and participation by the Earth Hour Global Co-founder. Going beyond the hour, an information-education-communications campaign on climate change for Filipinos, revolving around the themes of energy efficiency, renewable energy and climate adaptation saw a total of 3200 participants from 66 LGUs (cities, municipalities and barangays) from 2011 to 2013 participating in the seminar-workshops called 'Liga Para sa Klima.' These LGUs were chosen primarily because of the urgent need for climate change awareness campaigns in the communities and the growing support and initiatives from local government officials. The Teachers' Trainings were attended by 231 faculty members from 87 High Schools in Metro Manila.

The year 2013 saw the launch of WWF's newest global campaign, Seize Your Power (SYP). The Philippines plays a special part in the campaign as it has been identified as a priority country for SYP, focusing on the fight against a coal plant in Palawan and the promotion of the use of indigenous, clean, renewable energy sources by pushing for a shift of financial investments from fossil fuels into renewable energy.





Environmental Life Skills

Mobilizing and shaping a corps of eco-warriors for the next generation, WWF-Philippines' Environmental Life Skills team educates young minds about the importance of protecting the environment.

Throughout its history, WWF-Philippines has reached out to hundreds of thousands of public school children to create young stewards of the environment. As of December 2012, WWF's Environmental Life Skills (ELS) team has been able to teach over 664,898 individuals from 774 elementary schools.

The ELS programme consists of stand-alone modules that focus on five fundamental environmental issues: climate change

solutions, biodiversity conservation, water and energy conservation, waste management, plus shifting to renewable sources of clean energy.

WWF-Philippines also rolled out its Reverse the Bad student membership programme in 2013, which caters to high school and college students who want to take a more proactive role in safeguarding planet Earth.

The student programme is the first in the history of WWF-Philippines. Monthly donations are an investment in the potential of these young minds. Donor support helps enrich their education, as WWF strives to build a more sustainable nation.



Ambassadors

Over the years, WWF has been cultivating a growing family of celebrity ambassadors and stewards who have used their media clout to enliven the most important issues the organization fights for. WWF-Philippines' National Ambassadors are **Marc Nelson** and **Rovilson Fernandez**, with Climate Solutions Steward **Mikee Cojuangco-Jaworski**, Marine Conservation Steward **Luis Manzano**, Forest Conservation Steward **Piolo Pascual**, and Environmental Education Stewards **Carmina Villaroel** and **Zoren Legaspi** with their kids, **Mavy** and **Cassy**. Together, WWF's celebrity ambassadors and stewards actively channel their passion to safeguard the planet's rich resources and raise awareness on biodiversity and climate change solutions.

FY 2012 - 2013

Financial Report

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. 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.

INDEPENDENT AUDITORS' REPORT

The Board of Trustees
Kabang Kalikasan ng Pilipinas Foundation, Inc.
4th floor JDB Plaza, 65 Mindanao Avenue,
Bagong Pag-asa, Quezon City

Report on the Financial Statements

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 statement of financial position as at June 30, 2013 and 2012, and the statement of comprehensive income, statement of changes in fund balances and statement of cash flows for the years ended, and a summary of significant accounting policies and other explanatory information.

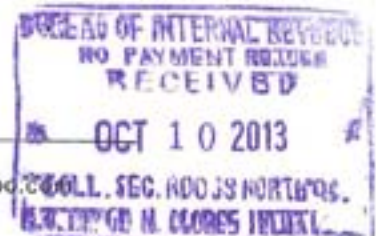
Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Philippine Financial Reporting Standards for Small and Medium-sized Entities, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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 about 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 financial position 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, 2013 and 2012, and of its financial performance and its cash flows for the years then ended in accordance with Philippine Financial Reporting Standards for Small and Medium-sized Entities.

Report on the Supplementary Information Required Under Revenue Regulations 15-2010

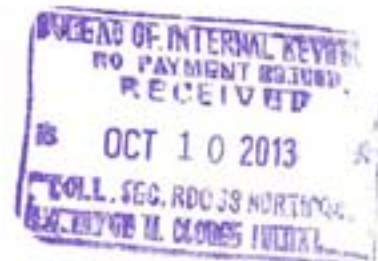
Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information on withholding tax and taxes and licenses in Note 19 to the financial statements is presented for purpose of filing with the Bureau of Internal Revenue and is not a required part of the basic financial statements. Such supplementary information is the responsibility of the management. The supplementary information has been subjected to the auditing procedures applied in our audit of the basic financial statements. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

BANARIA, BANARIA AND COMPANY, CPAs

By: 
ROMULO R. SISON
Partner

CPA Certificate No. 0007030
Tax Identification No. 153-823-980
PTR No. 7701939-B, January 16, 2013, Quezon City
CTC No. 13925647, January 16, 2013, Quezon City
BOA Accreditation No. 0030, valid until December 31, 2015 (Firm)
SEC Accreditation No. 1275-A, valid until January 17, 2016 (Partner)
SEC Accreditation No. 0260-F, valid until January 17, 2016 (Firm)
BIR Accreditation No. 07-000364-2-2012, valid until February 23, 2015 (Firm)
BIR Accreditation No. 07-000372-1-2012, valid until February 23, 2015 (Partner)
Insurance Commission Accreditation No. F-0030-R, valid until April 14, 2014 (BBC)
CDA Accreditation No. 037-AF, valid until January 24, 2014

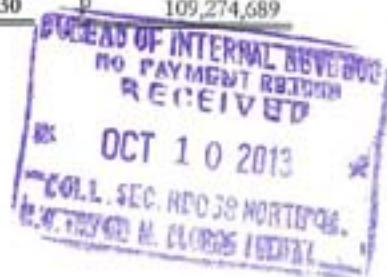
October 2, 2013



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 FINANCIAL POSITION
 June 30, 2013 and 2012

	Notes	2013	2012
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	P 94,803,002	P 82,921,387
Receivables	6	1,169,591	2,290,350
Other current assets	7	641,396	531,245
Total Current Assets		96,613,989	85,742,982
NON-CURRENT ASSETS			
Investment in trust fund	8	35,212,433	22,115,325
Property and equipment - net	9	588,408	1,156,382
Software cost - net	10	365,400	260,000
Total Non-current Assets		36,166,241	23,531,707
TOTAL ASSETS		P 132,780,230	P 109,274,689
LIABILITIES AND FUND BALANCES			
CURRENT LIABILITIES			
Accrued expenses and other liabilities	11	P 19,102,646	P 17,014,657
Current portion of loans payable	12	1,828,669	-
Total Current Liabilities		20,931,315	17,014,657
NON-CURRENT LIABILITIES			
Loans payable - net of current portion	12	-	3,946,906
Retirement benefits liability	16	2,527,500	1,398,167
Total Non-current Liabilities		2,527,500	5,345,073
TOTAL LIABILITIES		23,458,815	22,359,730
FUND BALANCES			
Restricted		78,149,736	65,809,553
Unrestricted		31,171,679	21,105,406
TOTAL FUND BALANCES		109,321,415	86,914,959
TOTAL LIABILITIES AND FUND BALANCES		P 132,780,230	P 109,274,689



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 COMPREHENSIVE INCOME
For the Years Ended June 30, 2013 and 2012

	Notes	2013			2012
		Unrestricted Funds	Restricted Funds	Total	
REVENUE					
Cash Donations					
WWF Network	13	P 1,569,886	P 76,031,717	P 77,601,603	P 58,218,614
Individuals and others	13	42,348,621	12,908,252	55,256,873	49,040,460
Corporate	13	1,840,819	19,764,979	21,605,798	26,717,737
Government and aid agencies		-	9,628,301	9,628,301	11,725,577
Trusts and foundations		-	5,000,000	5,000,000	10,700,000
Total Cash Donations		45,759,326	123,333,249	169,092,575	156,402,388
Non-cash donations		-	3,148,257	3,148,257	28,624,044
Interest income	5,8	165,776	4,539,673	4,705,449	2,396,155
Total Revenue		45,925,102	131,021,179	176,946,281	187,422,587
EXPENSES					
Projects					
National conservation					
National programme		2,239,989	86,839,402	89,079,391	111,414,433
Education		-	4,577,285	4,577,285	4,468,174
Conservation policy		-	4,458,101	4,458,101	2,452,450
Communication		599,147	3,574,584	4,173,731	2,106,878
Intercational conservation		-	14,140,819	14,140,819	11,751,393
Expenses from Projects		2,839,136	113,590,191	116,429,327	132,193,328
Operations					
Fund raising	14	30,404,957	5,090,805	35,495,762	30,549,914
Administrative	15	2,614,736	-	2,614,736	1,592,595
Expenses from Operations		33,019,693	5,090,805	38,110,498	32,142,509
Total Expenses		35,858,829	118,680,996	154,539,825	164,335,837
EXCESS OF REVENUE OVER EXPENSES		10,066,273	12,340,183	22,406,456	23,086,750
OTHER COMPREHENSIVE INCOME		-	-	-	-
TOTAL COMPREHENSIVE INCOME		P 10,066,273	P 12,340,183	P 22,406,456	P 23,086,750

(See notes to financial statements)

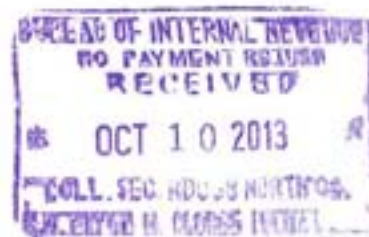


KABANG KALIKASAN NG PILIPINAS FOUNDATION, INC.
 (Also known as WWF - Philippines/ World Wildlife Fund - Philippines, A National Organization of
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STATEMENTS OF CHANGES IN FUND BALANCES

For the Years Ended June 30, 2013 and 2012

	Fund Balances		
	Unrestricted	Restricted	Total
BALANCES AT JUNE 30, 2011	P 8,462,747	P 55,365,462	P 63,828,209
Excess of revenue over expenses for the year	12,642,659	10,444,091	23,086,750
Other comprehensive income	-	-	-
BALANCES AT JUNE 30, 2012	<u>21,105,406</u>	<u>65,809,553</u>	<u>86,914,959</u>
Excess of revenue over expenses for the year	10,066,273	12,340,183	22,406,456
Other comprehensive income	-	-	-
BALANCES AT JUNE 30, 2013	<u>P 31,171,679</u>	<u>P 78,149,736</u>	<u>P 109,321,415</u>



Board of Trustees



Vincent Pérez
Chairman



Jose Ma. Lorenzo Tan
Vice-Chairman



Atty. Melissa Lichaytoo
Corporate Secretary



Nicasio Alcantara
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Atty. Lorna Patajo-Kapunan
Alexandra Prieto-Romualdez
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WWF at Work



