

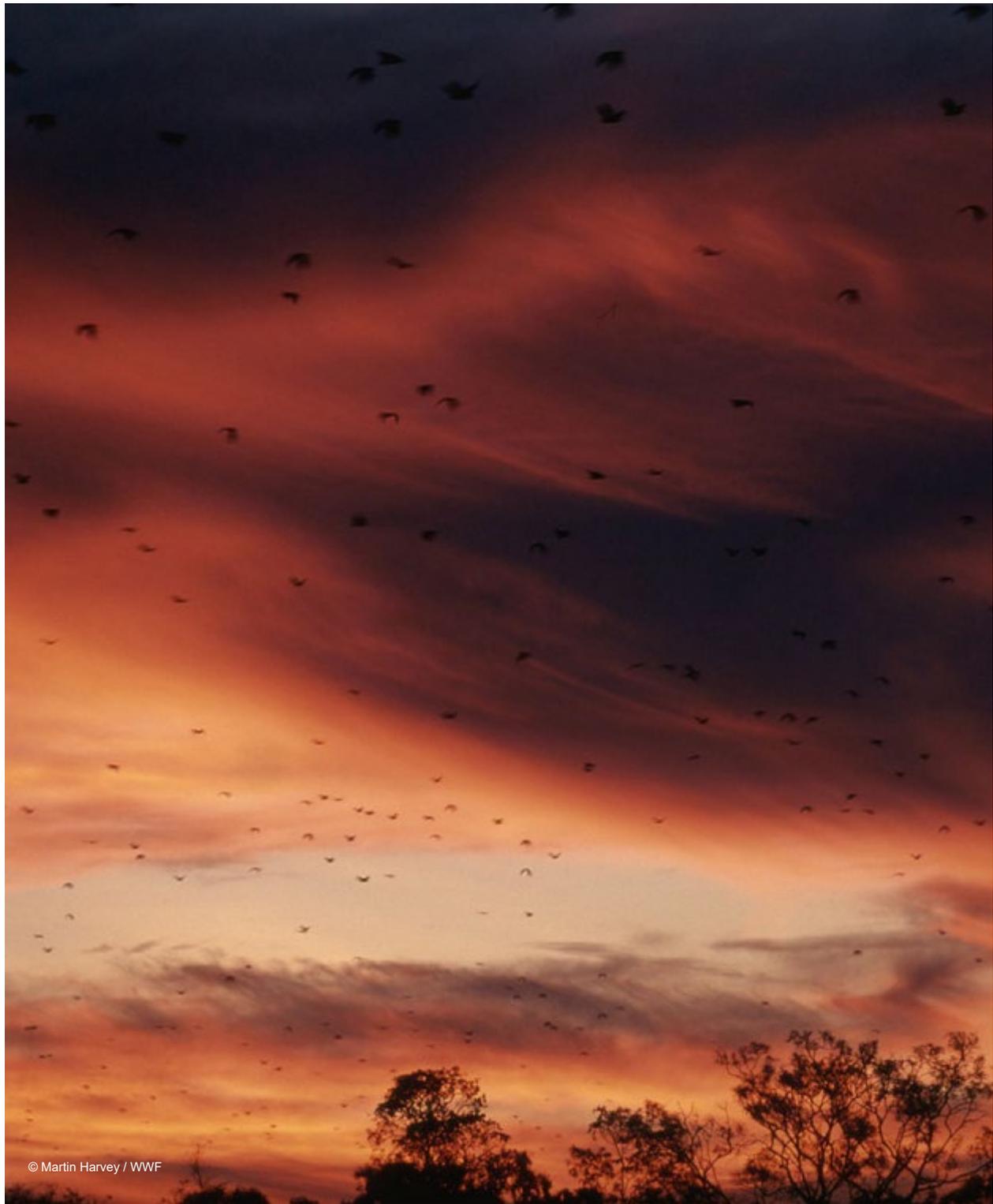


WWF

PHILIPPINES



WWF-Philippines  
**ANNUAL  
REPORT  
2023**



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# CHAIRPERSON'S MESSAGE

At WWF, we cultivate hope but more palpably, we breed action. And that action is rooted in the understanding that everything is connected to everything else in different ways. In order to transform the complex dynamics that caused the twin crisis of the climate emergency and biodiversity loss, we spin and breed a web of active change.

At the center of this web of active change, we at WWF-Philippines focus on people - shapeshifting human roles so that with the changes that need to happen, we remain connected in many ways to natural systems that when compromised, will threaten life as we know and love it.

This web of change is a long and difficult process. A web of damage calls for a web of nature regenerators - our partners across scales and disciplines - and this is why we have come as far as we have. We remain deeply grateful to all our partners.

There is a very short 7-year window to continue to embed nature regenerators from all sectors - communities and their leaders, government, corporate partners, universities, scientists, technologists, everywhere we can and weave a web of the change that we Filipinos do not only want, but desperately need. In this webbed journey, we hope to not only cross paths with you but recreate it with you.

## MARIA ISABEL GARCIA

Chairperson, Board of Trustees



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# EXECUTIVE DIRECTOR'S MESSAGE

2023 marks the mid-point of WWF-Philippines' 2021-2026 strategic plan that has focused our work on four interconnected themes of Sustainable Consumption, Habitat Protection, Energy Transition, and Sustainable Food Production, or CHEF. These themes play out in thirty projects all over the country that are carried out in partnership with people from various sectors and all levels of society, and are designed to respond to the urgency of the nature and climate crises.

This report reflects the collective achievements of WWF-Philippines and all our partners who take action on the ground, and who contribute to various platforms for accelerating change and synergies.

Some of the notable achievements this year: the No Plastics in Nature Initiative reduced plastic waste leakage in three major ports in the country, trained over 1,000 Manila City households on solid waste management, and provided 45 women waste workers with mentorship and grants. We trained 500 fisherfolk in Occidental Mindoro on food safety and established 34 new foodsheds across the country, translating to benefits for over 30,700 households. We helped rehabilitate over 300 hectares of forests and improved management of over 1000 hectares of Marine Protected Areas, and for the first time hosted the WWF Annual

Conference of WWF CEOs and Chairs from all over the world in Palawan, offering an opportunity to showcase to the global WWF Network what we are all working hard to protect and sustain.

This year saw the return of Earth Hour Philippines' in-person event. Held at the Quezon City Memorial Circle, over a thousand attendees gathered in a show of individual and collective action for the environment.

Recognizing the importance of building future sustainability leaders, we launched the YOUth are the Future program in partnership with the SM group. Starting with a pilot cohort of 31 student ambassadors, we hope to engage more youth leaders and reach more places in the country in the coming years.

These results are possible because of the support and collaboration of our network of partners who fuel our passion for our mission of building a future in which people and nature thrive.

Together we can #ChangeTheEnding.

**KATHERINE CUSTODIO**  
Executive Director



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# THE WORLD TODAY

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## GLOBALLY

- 8 billion individuals
- 42,100 species threatened with extinction
- 1.34 degrees Celsius increase in global temperatures experienced
- 4.1 million hectares of undisturbed primary forest lost in 2020

Sources: Worldometers, International Union for Conservation of Nature, National Centers for Environmental Information, World Resources Institute

## IN THE PHILIPPINES

- 117.3 million Filipinos
- 13.2% of families experienced poverty
- 62,900 hectares of natural forest lost in the Philippines in 2022
- 90% of Coral Triangle's reefs projected to be critically threatened by climate impacts by 2050.

Sources: United Nations Population Fund, Philippine Statistics Authority, Global Forest Watch, National Geographic

There is no shortage of crises the world faced in 2023. Around the world, people suffered from environmental disasters such as floods, wildfires, droughts, and extremely powerful storms. At the same time, man-made calamities such as war have broken out in parts of the world causing untold death and destruction. The world is moving on from the COVID-19 health emergency but the impacts of these disasters intensify.

The challenges of 2023 underscore the interconnectedness of nature, climate and human society. Amid the many challenges, there are those who have risen and faced these head on. Look back at their collective efforts.



**228,946**

Social media followers

**29**

Corporate Partners

**1,500**

Individual Donors

**Over 200**

partner schools all over  
the Philippines

**PARTNERS**



# SUSTAINABLE CONSUMPTION

## SUSTAINABLE CONSUMPTION

# No Plastics in Nature

### Pursuing circular economies and keeping plastic waste from leaking into nature.

In 2023, the No Plastics in Nature (NPIN) initiative put an emphasis on capacitating communities to implement solutions to stop the flow of plastic waste into nature.

NPIN worked with ports, local government units (LGUs), and social enterprises to reduce plastic waste leakage in the Batangas, Cagayan De Oro, and Manila ports. They empowered women by providing financial grants, equipment, and training to launch their waste management businesses. They also trained households in Manila on how to segregate waste.

In Palawan, the Plastic Waste Reduction project secured the support of municipal and barangay LGUs, as well as identified solutions to reduce plastic waste leakage in Taytay Bay's small island fishing communities.

In Donsol, the Plastic Pollution Free Coastal Town project implemented four solutions, tapping social enterprises for the segregation, collection, and diversion of plastic waste. Their initiatives also led to the local government committing to a Plastic Smart Cities action plan and the production of communication materials to scale the project.

Building on the passage of the Extended Producer Responsibility law, NPIN continues to push for inclusive and human-centered policies with ongoing studies on producer responsibility organizations, integration of the informal waste sector and plastic alternatives.



**1,780**

Manila City households trained on solid waste management

**7**

solution providers piloted in Manila City

**45**

women in waste provided mentorship and grants

**50%**

reduction of plastic waste leakage in three ports

**24%**

reduction of plastic waste leakage in Donsol

**52,000**

pieces of plastic waste collected by waste workers under the Grieg project

**13,000**

kgs of plastic waste collected by women waste workers under WWEE



# SUSTAINABLE PRODUCTION

## SUSTAINABLE PRODUCTION

# Sustainable Tuna Program

### Protecting and promoting the lives and livelihoods of small-scale fishers.

The projects under the Sustainable Tuna Program underscored the importance of balancing sustainable fishing with economic empowerment by supporting fisherfolk in not only improving their fishing operations, but also working towards financial stability. They assisted communities on how to build their savings through the Group Savings and Loans Committees, gave incentives under the Catch to Cash program and provided financial management training.

Building on the network of fishers established in the last few years, the program opened more opportunities by identifying and helping further develop alternative sources of livelihood, such as squid in Occidental Mindoro. The project spearheaded research and development on squid powder in collaboration with the Food Innovation Center of MIMAROPA, which aims to help expand the market of fishers and increase the value of squid in the province.

The Sustainable Tuna Program continues to advocate for food security while ensuring the economic viability of the fisheries industry.



© WWF-Philippines

**At least 500**  
fisherfolks trained on food safety

**8**  
associations identified and assisted in potential alternative livelihoods

**Over Php 9 million**  
in savings by 86 Group Savings and Loans Committees

**239**  
households trained in disaster risk reduction and management

**47**  
fisherfolk given over Php 72,000 worth of incentives

**48**  
tuna fishers trained in financial management

## SUSTAINABLE PRODUCTION

# Sustainable Food Systems

### Promoting food security and helping farmers adapt to the climate crisis.

Sustainable food systems projects such as the food shed farming enterprise expanded their reach this year by increasing youth engagement. The project empowered 124 youth and community members combined in Quezon City through the installation of food sheds in its three public high schools. It also engaged around 100 youth stakeholders of Baguio City in a sustainable food and food security workshop.

Despite initial challenges in coordination, the team was able to proceed with implementing the GRAINS Project in eight LGUs across the country. The GRAINS Project aims to address local food security and livelihood of rice-producing communities through technology transfer on yield improvement and crop diversification, among others

Our sustainable food systems projects continue to advocate for food security by educating farmers and households on vertical and compact farming, sustainable rice farming, and financial stability through savings programs.



**34**

new food sheds established, a total of 94 established since 2018

**6,140**

farmer beneficiaries

**30,700**

household members benefited from the program

**Php 12.8 million**

savings generated through village banks since 2017



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# ENERGY TRANSITION

## ENERGY TRANSITION

# Earth Hour 2023

**The first in-person Earth Hour celebration since lockdowns started.**

**“The best way to send the message of protecting the environment and the planet is to be with people, talking to them face to face.” Earth Hour Philippines National Director Atty. Angela Consuelo Ibay.**

Earth Hour Philippines 2023 made a successful in-person comeback celebration at the Quezon City Memorial Circle after a couple of years of virtual observances because of lockdowns.

In the spirit of collaboration, WWF-Philippines invited various socio-civic organizations and social enterprises who participated in the Sustainability Fair. WWF-Philippines also continued its long-standing partnerships with national government agencies as well as local government units across the country.

A new feature in this year's stronger Earth Hour was the convening of various NGOs working in different sectors including Oxfam Philippines, Save the Children Philippines, World Vision, Association of Young Environmental Journalists, International Organization for Migration, United Nations Development Program, and The Asia Foundation.



18

national government  
agency partners

8

NGO partners

12

social enterprises  
participated in  
sustainability fair

1200+

attendees in Quezon City  
Memorial Circle

## ENERGY TRANSITION

# Monitoring Renewable Energy Implementation in the Philippines

### Accelerating the renewable energy implementation

The Philippines aims to reach the renewable energy share of 35% of the generation mix by 2030 and 50% by 2040 (DOE 2021). In the past year, the project achieved increased policy engagement and advocacy with the Philippine Government and other critical stakeholders on renewable energy.

The project conducted two roundtable discussions where critical stakeholders discussed the challenges encountered in developing and implementing policies to promote renewable energy. A policy brief was published based on the roundtable discussions.

Participants of the first roundtable discussion pointed out that the mandated minimum increase of 1% in Renewable

Portfolio Standards (RPS) is no longer sufficient to ensure the Philippines meets its renewable energy targets. A few days prior, the Department of Energy (DOE) issued DOE Department Circular No. DC2022-09-0030, which increased the RPS from 1% to 2.52%. According to the latest data published by DOE in June 2023, as of 31 December 2022, the country's renewable energy share is at 29.2% at 8,264 MW.

During the second roundtable discussion, participants discussed extensively the Department of Justice (DOJ) opinion stating renewable energy projects are exempt from the constitutional limitation on foreign investments.

**2**  
roundtable discussions on renewable energy policies conducted

**40**  
critical energy stakeholders from the public and private sectors engaged

**1**  
policy brief on the recommendations made at the roundtable discussions published

## ENERGY TRANSITION

# One Planet Cities

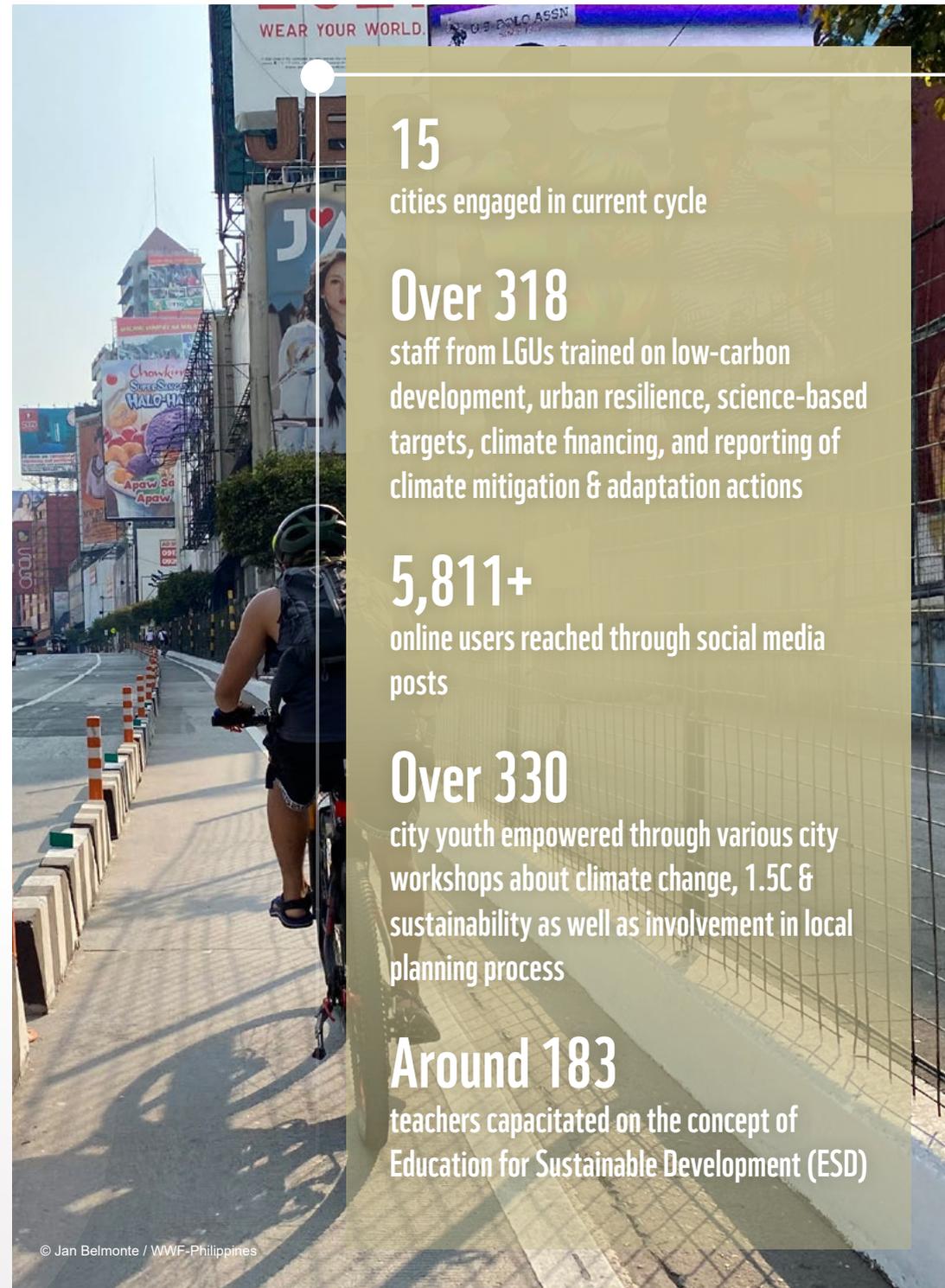
### Engaging and partnering with Philippine cities towards the transition to a low-carbon future.

OPC is a biennial project that aims to assist cities worldwide to act as transformation catalysts, implementing integrated and inclusive plans in line with 1.5 °C, while ensuring urban resilience, and unlocking individual and collective climate actions. The flagship activity, One Planet City Challenge, is a friendly competition that aims to develop and disseminate the best practices in the field of climate mitigation and adaptation of cities worldwide.

The winner from the previous 2021-2022 OPCC, Dipolog City, joined once again as part of the "All-Stars" category, and shared their experience during a recent workshop with other Philippine Cities. The recognition received by this 3rd class component city serves as an inspiration for all cities in the country that everyone can contribute in the transition to a low-carbon future.

The project also focuses on the importance of mobilizing public awareness, community engagement, and youth empowerment.

WWF-Philippines, in collaboration with some OPC Cities, have conducted workshops for the youth and educators. The workshops for the youth provided a platform to present their innovative ideas and sustainable solutions that lead to a low-carbon and sustainable future for their cities. The teachers were introduced to the concept of Education for Sustainable Development (ESD), and provided with updated knowledge on climate change & sustainable development.



**15**  
cities engaged in current cycle

**Over 318**  
staff from LGUs trained on low-carbon development, urban resilience, science-based targets, climate financing, and reporting of climate mitigation & adaptation actions

**5,811+**  
online users reached through social media posts

**Over 330**  
city youth empowered through various city workshops about climate change, 1.5C & sustainability as well as involvement in local planning process

**Around 183**  
teachers capacitated on the concept of Education for Sustainable Development (ESD)



# HABITATS

## HABITATS

# Northeast Palawan Marine Protected Area Network

The “Conservation of Northeastern Palawan Marine Protected Area Network (NEPMPAN)” project has been diligently working towards achieving its three main outcomes, each contributing significantly to the conservation and sustainable management of marine resources in Northeastern Palawan.

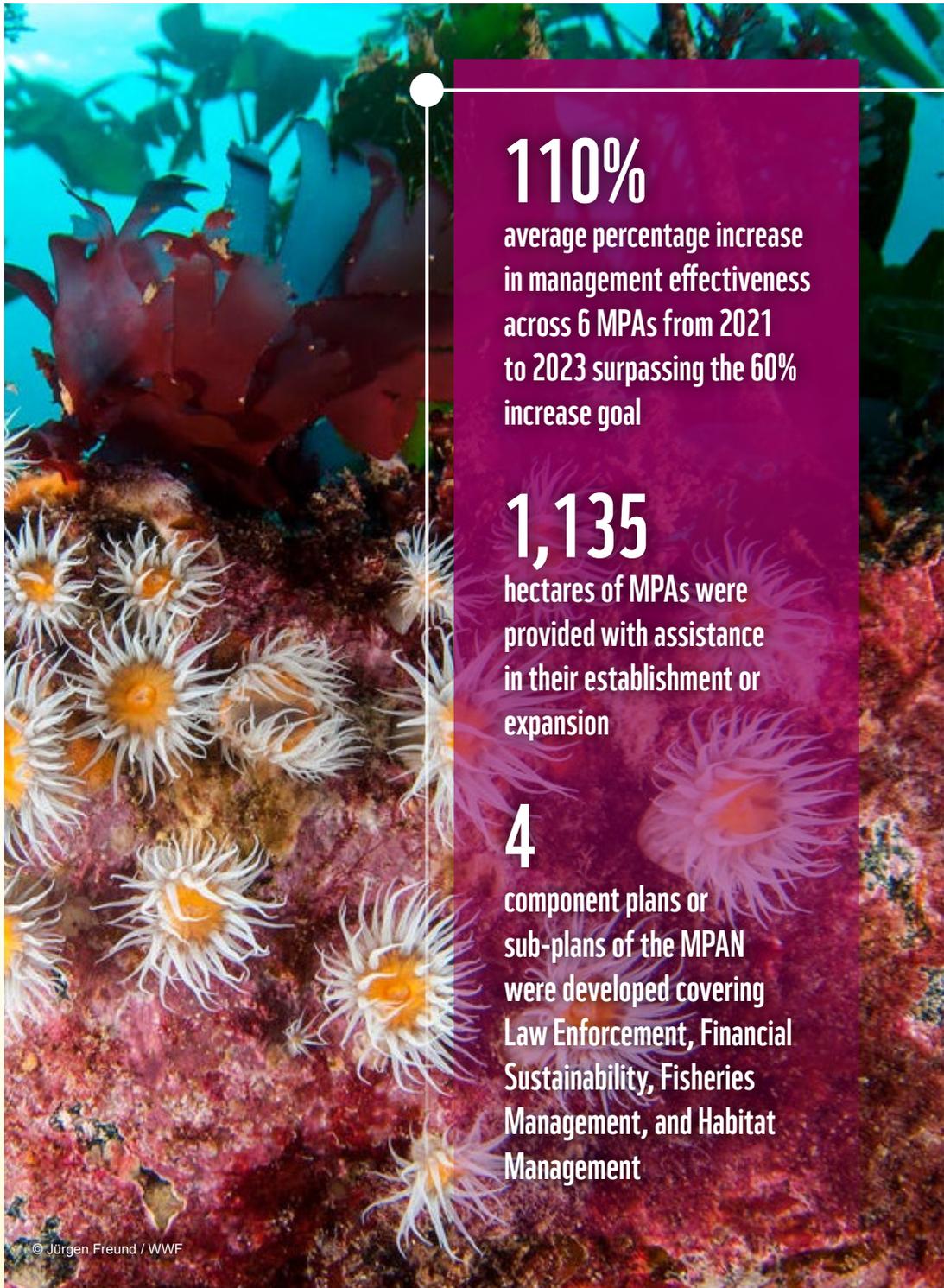
Using the Monitoring Effectiveness and Assessment Tools (MEAT) to evaluate management effectiveness, the project showed an average management effectiveness increase of approximately 109.68% which surpassed the 60% enhancement goal and underscored the dedication to effective management practices in the locality.

The strategies to effectively manage the MPA Network and the six component MPAs in NEP include developing management plans. The municipal waters of the 6 municipalities covers 1,008,350 hectares. The Local Chief Executives (LCE) of the six Cluster 5 MPA Network municipalities signed a Memorandum of Understanding (MOU) which established guidelines and a binding agreement for these municipalities to work together. The LCEs have also signed a Memorandum of Agreement (MOA) marking the beginning of collaborative management efforts covering a significant area of municipal waters. The LGUs also agreed to coordinate their efforts on fisheries management.

MPAN were developed –Law Enforcement, Financial Sustainability, Fisheries Management, and Habitat Management. These plans were presented to the new TWG and are currently in the process of being incorporated into the NEPMPAN Framework. The Barangay Council has adopted some plans, while others at the municipal level are pending adoption, emphasizing the importance of local-level engagement and commitment to conservation efforts.

The project went above and beyond the target of establishing and developing or updating management plans for 100 hectares of new or expanded MPAs by assisting in establishing or expanding MPAs covering a total of 1,134.6 hectares. This expansion focused on seagrass meadows and coral reefs, reflecting a strong commitment to protecting critical marine habitats. These efforts are crucial for preserving biodiversity and sustaining the livelihoods of local communities.

Despite the challenges such as the COVID-19 pandemic and the impact of change-related disturbances, such as coral bleaching and severe typhoons like Typhoon Rai (Odette), the project continues to make strides toward its goals. The project’s resilience in the face of adversity highlights its dedication to safeguarding marine ecosystems and enhancing the well-being of local communities in Northeastern Palawan.



110%

average percentage increase in management effectiveness across 6 MPAs from 2021 to 2023 surpassing the 60% increase goal

1,135

hectares of MPAs were provided with assistance in their establishment or expansion

4

component plans or sub-plans of the MPAN were developed covering Law Enforcement, Financial Sustainability, Fisheries Management, and Habitat Management

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## HABITATS

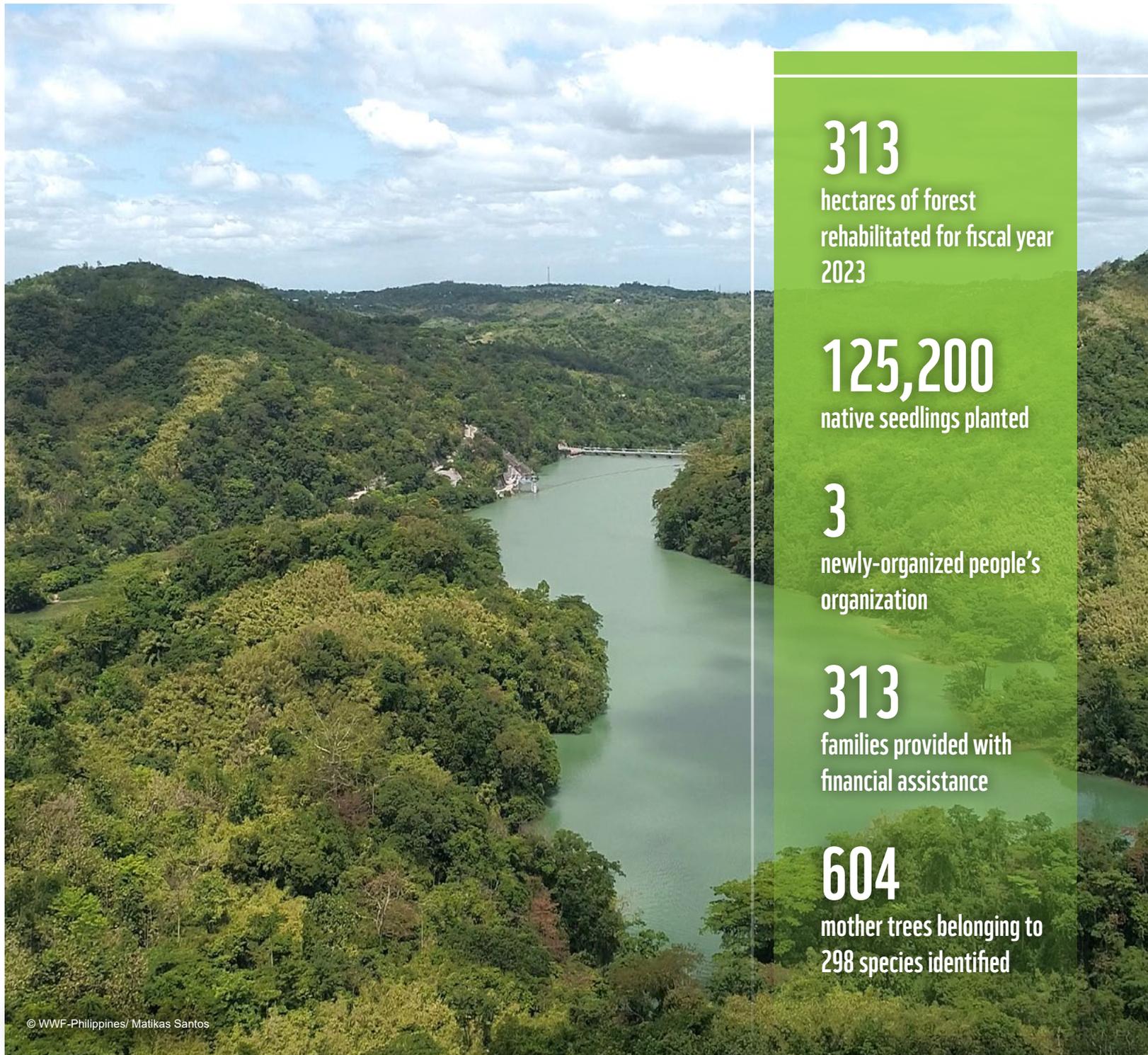
# Forests for Water

### Strengthening the link between indigenous communities, forests, and our water supply

The challenges of a changing climate are always present and putting more pressure on systems that rely on the environment. Metro Manila sources almost all of its freshwater from the Ipo Watershed but the area has faced a multitude of problems over many years including deforestation. Incidents involving peace and security have flared in recent months of 2023 creating risks to the safety of staff and community partners.

WWF-Philippines' Forest for Water project has been working in Ipo Watershed since 2016 and continues to make great progress in ensuring that the forests in the Bulacan reservoir are restored to a healthy and productive state. As of 2023, the indigenous Dumagat tribe that reside in the watershed remain central to the project as long-term community partners.

Despite multiple challenges in the year 2023, the forest Pandas successfully navigated through a team transition and are looking to expand the project to the adjacent Angat Watershed Forest Reserve through a partnership with the Forest Foundation Philippines.



© WWF-Philippines/ Matikas Santos

**313**  
hectares of forest  
rehabilitated for fiscal year  
2023

**125,200**  
native seedlings planted

**3**  
newly-organized people's  
organization

**313**  
families provided with  
financial assistance

**604**  
mother trees belonging to  
298 species identified

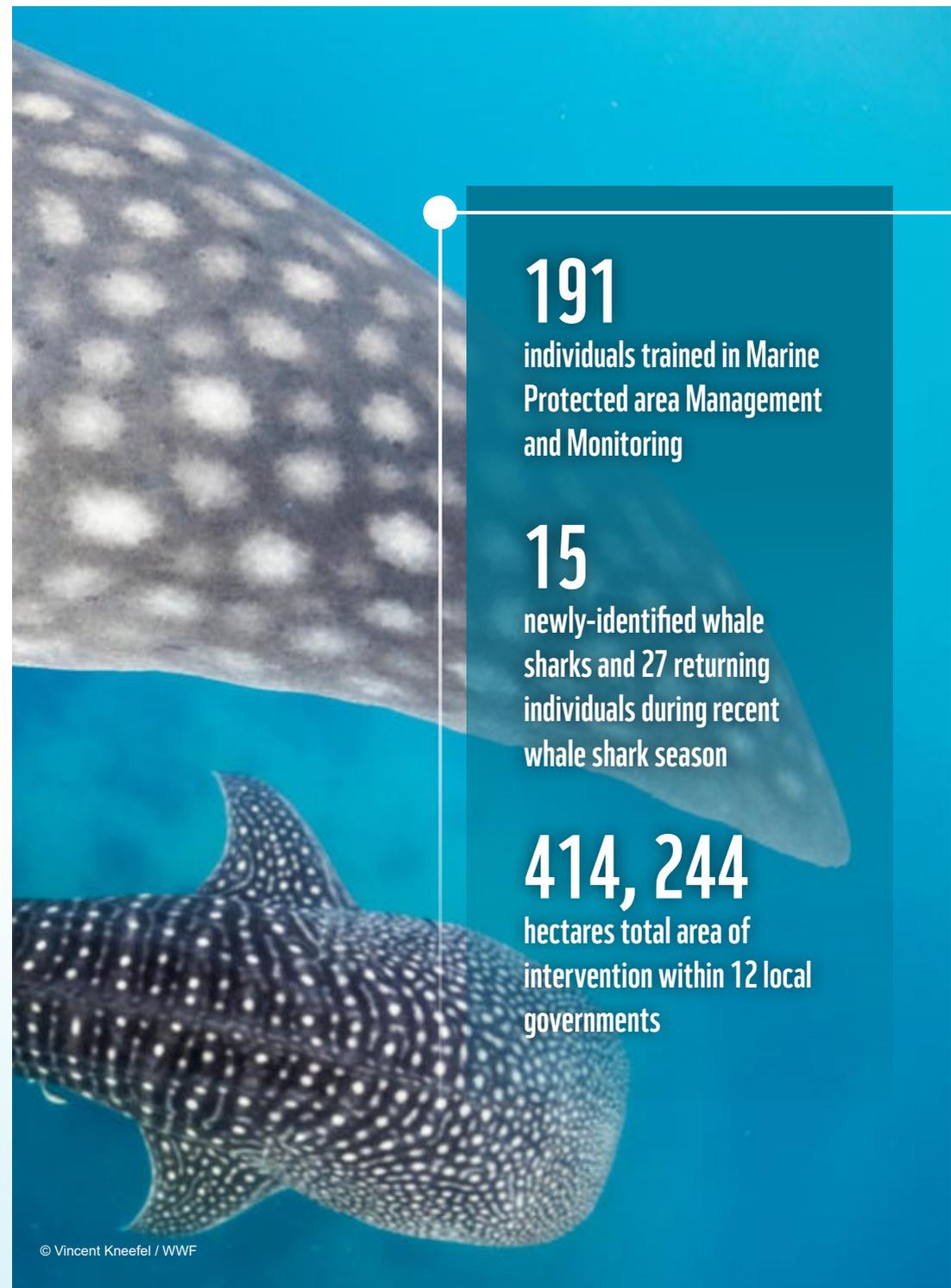
## HABITATS

# Ticao-Burias Pass Protected Seascape (TBPPS)

The Ticao-Burias Pass Protected Seascape is rich with marine resources and biodiversity and it is crucial that there are protection and conservation measures put in place to cushion the impact of a changing climate. WWF-Philippines faced the challenges by forging partnerships with the local governments of 4 provinces and with indigenous peoples whose ancestral lands are within the protected seascape.

The first-ever Free, Prior, and Informed Consent Conference was held last December 6-7, 2022 that led to the eventual signing of the first Memorandum of Agreement between the Indigenous People groups Agta Cimaron and Agta Tabagnon of Donsol and Pilar. The Indigenous People were introduced to the project and gave their approval to conduct activities in their ancestral land. This recognizes the significant role of the IPs in their own land.

The conference gave the Indigenous People of Donsol and Pilar a rare chance to speak about their stand and expectations. It ended in high spirits with both sides agreeing to a partnership for a common conservation mission that both sides are ready to commit to. As of November 2023, livelihood training, mangrove nursery establishment, and other capacity-building training have already been conducted. The Pandas are working above and beyond to reach their goal to rehabilitate 120 hectares of mangroves in the Ticao-Burias Pass Protected Seascape despite the limited manpower of the project.



**191**  
individuals trained in Marine Protected area Management and Monitoring

**15**  
newly-identified whale sharks and 27 returning individuals during recent whale shark season

**414,244**  
hectares total area of intervention within 12 local governments

© Vincent Kneefel / WWF



© WWF-Philippines

# EDUCATION FOR SUSTAINABLE DEVELOPMENT

In their ESD for 2030 Roadmap, UNESCO identified these five priority action areas: policy, transforming learning environments, building capacities for educators, empowering and mobilizing youth, and accelerating local level actions. This year, the ESD Unit of WWF-Philippines contributes to the last four areas through both online and onsite opportunities.

## Transforming Learning Environments

The ESD continues its whole-year partnerships with schools like Poveda, Assumption Antipolo and Creative Learning Paths in integrating environmental topics in their curriculum and implementing environmental activities in their school activities.

## Building Capacities for Educators

Capacity-building training sessions have been conducted to support teachers in adopting education for sustainable development in their classroom

teaching. This includes engagements with the School Division Offices (SDO) of Muntinlupa, Batangas City, Nueva Ecija, and Nueva Vizcaya.

## Empowering and Mobilizing Youth

The ESD team continues to conduct turo sessions with students and youth leaders on various topics like climate change, biodiversity, waste management, water and sustainable lifestyle. But aside from learning sessions, they also facilitated citizen science workshops, design-thinking, solution-generation and action planning activities.

As part of WWF-PH's partnership with Clean Cities, Blue Oceans, a Citizen Science Camp was held in Batangas City last April. From this, 6 school programs initiated by the students are being supported by the project.

In partnership with the Department of Education, the ESD Team facilitated and

supported Camp Kalikaunan, the National YES-O Camp organized by the Youth Formation and Development (YFD) Unit of the department. Other engagements with the YFD include participation in the National Learner's Convergence last July and International Youth Day Celebration last August.

Through its partnership with SM Prime, WWF Philippines launched the Youth are the Future program that included a 3-day eco camp with student leaders from 13 schools.

Under the One Planet City Challenge program, visioning and action planning workshops with the youth of Baguio City, Makati City and Quezon City have been conducted.

The ESD team also represented WWF-Philippines in the 25th World Scout Jamboree held in Korea last August and participated in various other events such as the USAID O2 National Youth Leaders'

Summit, Baliwag Youth Conference, Lutheran Youth Climate Camp and Move2Change Youth Summit.

## Accelerating Local Level Actions

Aside from schools and the youth, the ESD team also works with communities and corporate partners to promote local level actions. Throughout the year, more than 10 coastal clean-ups were organized with various partners.

Under the PSC-TVA program, the ESD team helped create a learning module on waste management. This module is being used during educational learning sessions conducted for household members and community members of different barangays in the city of Manila. The team also came up with TAKPUL (Takbong may Pulot), a localized version of the fitness activity plogging, which was conducted in the historical site Intramuros.

200,000

people reached on social media

Almost 600,000

people reached via print media

Over Php 1.1 million

overall media value

Over 40,000

individuals reached in in-person events since 2016

Partnered with 60

institutions, groups and school organizations



# NATIONAL YOUTH COUNCIL

© WWF-Philippines / Kathryn Faith Isobel Resurreccion

## The talented youth advocates of WWF-Philippines

The National Youth Council continued to make the presence of the youth known in the conservation and sustainability movement. They played the vital role of engaging with audiences during the first in-person Earth Hour event since the COVID-19 pandemic.

The NYC held various activities, including an exhibit on Earth Day featuring the photos of fellow members and award-winning photographers Gab Meija and Ganden Po, while biologists Romina Lim and Justin Domingo hosted marine conservation sessions for the community members in El Nido, Palawan. On International Youth Day, the council led by Giselle Lapid, Mirus Ponon, and Romina Lim organized an eco-exploration activity

with youth leaders at the Ninoy Aquino Parks and Wildlife Center. Another notable initiative was led by Ron Cagulido, who helped organized relief efforts for the communities affected by the oil spill in Oriental Mindoro.

Individually, the members continued to create ripples of change by representing the organization and participating in local and international events, including

conferences, symposiums and paper presentations in Batangas, Japan, Singapore and Mexico.

As the latest batch of members graduates in December 2023, WWF-Philippines prepares to welcome fresh young advocates for the new council in 2024 whose terms will last until 2026.

# FUNDRAISING EFFORTS



© James Morgan / WWF

Switch off and join this virtual run for Earth.

## Earth Hour Virtual Run 2023

March 25, 2023 – April 30, 2023  
5km | 10km | 20km | 40km | 60km

FINISHER

60 EARTH HOUR

60 EARTH HOUR

60 EARTH HOUR

POWERED BY: PINDY FITNESS

**SIGN UP NOW!**

WWF

Want to help?  
By symbolically adopting a species today, you're supporting WWF Philippines' conservation efforts.

ADOPT AN  
**Irrawaddy Dolphin**

WWF

Want to help?  
By symbolically adopting a species today, you're supporting WWF Philippines' conservation efforts.

ADOPT A  
**Panda**

WWF

Want to help?  
By symbolically adopting a species today, you're supporting WWF Philippines' conservation efforts.

ADOPT A  
**Tamaraw**



Individual Donors Program is a fundraising unit that focuses on individual giving. Its goal is to contribute to the organization's diverse and sustained income growth that enables scale and flexibility, and engagement with millions of Filipinos to be advocates.

various campaigns and events such as the Earth Hour Virtual Run, Yelo Para sa Yellowfin Tuna, and Adopt a Species.

On Earth Hour Virtual Hour alone, we engaged with over 4,035 individuals. Proceeds from the run will support WWF's conservation efforts

### RESULTS IN 2023

We continue to develop and enhance our multi-channel fundraising efforts through



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© WWF / Ana Chavez

# WWF ANNUAL CONFERENCE



© WWF-Philippines



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Over 130 delegates and leaders from across the World Wide Fund for Nature (WWF) International Network gathered last May 2023 in Palawan, Philippines to discuss the most pressing issues and opportunities to progress the organization's mission of building a future in which people live in harmony with nature. The global WWF leadership meeting is the organization's first in person meeting since 2019 and was hosted by WWF-Philippines at the Astoria Hotel, Puerto Princesa.

Secretary Ma. Antonia Yulo-Loyzaga from the Philippine Department of Environment

and Natural Resources (DENR) delivered a keynote speech to members of the WWF network during the event. External speakers from the youth sector, NGOs, local communities and Indigenous Peoples also participated in a panel discussion to give their perspectives on shared issues and priorities.

The WWF meeting in Palawan also served as a venue to recognize outgoing WWF International President ad interim Neville Isdell, and to welcome Dr. Adil Najam as the WWF International President from July 2023.

# BOARD OF TRUSTEES



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Chairperson, BOT



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Executive Director



**PERLA CHRISMA SALAO**  
Director for Programs



**MARA FARA SARMIENTO**  
Chief Finance Officer



**LUZ TERESA BASQUIÑAS**  
Director for Project Development



**MARIELLE BORDADO**  
Head of Communications



**CLODA MARIE MONALIA URQUICO**  
Director, Resource Generation and Partnerships

# WAYS TO SUPPORT

Our work continues as we head towards a sustainable tomorrow for all. We remain committed to promoting sustainable livelihoods, protecting natural resources and preserving the natural ecosystems that give life to all.

Support our efforts and be a part of the panda family as we build a future where man lives in harmony with nature. Donate through the following channels, and help change the ending of the environmental crisis.

Individual donations can be made through [wwf.org.ph/make-a-donation](https://www.wwf.org.ph/make-a-donation)



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# BE A PARTNER FOR CHANGE

We are also looking for businesses and corporations who are open to being a partner for change alongside us. Through sustainable operations, transformative partnerships and innovative campaigns, we remain at the forefront of conservation as we explore new frontiers in the fight for our planet.

Reach out to any of the following to join us in our journey.

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Support WWF-Philippines today, and be a partner for change. For volunteer opportunities, please send an email to [teampanda@wwf.org.ph](mailto:teampanda@wwf.org.ph).



## INDEPENDENT AUDITOR'S REPORT

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

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of Kabang Kalikasan ng Pilipinas Foundation, Inc. (the Foundation), which comprise the statements of assets, liabilities and fund balances as of June 30, 2023 and 2022, and statements of receipts and expenses, statements of changes in fund balances and statements of cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the statements of assets, liabilities and fund balances of the Foundation as of June 30, 2023 and 2022, and 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 (PFRSs for SMEs).

#### Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Foundation in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics) together with the ethical requirements that are relevant to our audit of the financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with PFRSs for SMEs, 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.

In preparing the financial statements, management is responsible for assessing the Foundation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Foundation or to cease operations, or has no realistic alternative but to do so.



Those charged with governance are responsible for overseeing the Foundation's financial reporting process.

#### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with PSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with PSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Foundation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Foundation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Foundation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

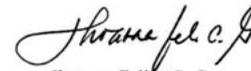
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



#### Report on the Supplementary Information Required Under Revenue Regulations Nos. 34-2020 and 15-2010

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information required under Revenue Regulations Nos. 34-2020 and 15-2010 in Note 18 to the financial statements is presented for purposes of filing with the Bureau of Internal Revenue and is not a required part of the basic financial statements. Such information is the responsibility of the management of Kabang Kalikasan ng Pilipinas Foundation, Inc. The 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.

SYCIP GORRES VELAYO & CO.



Jhanna Feliza C. Go  
Partner

CPA Certificate No. 0114122

Tax Identification No. 219-674-288

BOA/PRC Reg. No. 0001, August 25, 2021, valid until April 15, 2024

SEC Partner Accreditation No. 114122-SEC (Group A)

Valid to cover audit of 2021 to 2025 financial statements of SEC covered institutions

SEC Firm Accreditation No. 0001-SEC (Group A)

Valid to cover audit of 2021 to 2025 financial statements of SEC covered institutions

BIR Accreditation No. 08-001998-103-2022, November 7, 2022, valid until November 6, 2025

PTR No. 9564628, January 3, 2023, Makati City

October 12, 2023



**KABANG KALIKASAN NG PILIPINAS FOUNDATION, INC.**

(Also known as WWF - Philippines/World Wide Fund - Philippines,  
A National Organization of World Wide Fund for Nature - International)  
(A Nonstock, Nonprofit Corporation)

**STATEMENTS OF ASSETS, LIABILITIES AND FUND BALANCES**

	June 30	
	2023	2022
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents (Note 4)	P178,413,635	P146,148,057
Receivables (Note 5)	1,449,802	731,107
Other current assets (Note 6)	2,894,993	29,156,125
<b>Total Current Assets</b>	<b>182,758,430</b>	<b>176,035,289</b>
<b>Noncurrent Assets</b>		
Investments in securities (Note 7)	56,050,497	54,393,377
Property and equipment (Note 8)	105,129	205,244
<b>Total Noncurrent Assets</b>	<b>56,155,626</b>	<b>54,598,621</b>
<b>TOTAL ASSETS</b>	<b>P238,914,056</b>	<b>P230,633,910</b>
<b>LIABILITIES AND FUND BALANCES</b>		
<b>Current Liability</b>		
Accrued expenses and other payables (Note 9)	P49,391,340	P33,847,823
<b>Noncurrent Liability</b>		
Retirement benefit obligations (Note 10)	8,407,038	6,991,805
<b>Total Liabilities</b>	<b>57,798,378</b>	<b>40,839,628</b>
<b>Fund Balances</b>		
Restricted	174,668,619	167,089,476
Unrestricted	6,447,059	22,704,806
<b>Total Fund Balances</b>	<b>181,115,678</b>	<b>189,794,282</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>P238,914,056</b>	<b>P230,633,910</b>

See accompanying Notes to Financial Statements.

**KABANG KALIKASAN NG PILIPINAS FOUNDATION, INC.**

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**STATEMENTS OF RECEIPTS AND EXPENSES**

	Years Ended June 30	
	2023	2022
<b>RECEIPTS</b>		
Donations (Note 11)	P280,570,230	P204,179,404
<b>COSTS AND EXPENSES</b>		
Project (Note 12)	249,352,638	199,655,499
Fund raising (Note 13)	11,153,560	10,938,208
Administrative (Note 14)	29,486,817	23,025,801
	<b>289,993,015</b>	<b>233,619,508</b>
<b>OTHER INCOME (EXPENSES)</b>		
Mark-to-market gain (loss) on investments (Note 7)	1,657,120	(809,137)
Foreign exchange losses - net	(995,143)	(1,392,121)
Others (Note 4)	82,204	49,124
	<b>744,181</b>	<b>(2,152,134)</b>
<b>DEFICIENCY OF RECEIPTS OVER COSTS AND EXPENSES</b>	<b>(P8,678,604)</b>	<b>(P31,592,238)</b>

See accompanying Notes to Financial Statements.



**KABANG KALIKASAN NG PILIPINAS FOUNDATION, INC.**  
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**STATEMENTS OF CHANGES IN FUND BALANCES**  
FOR THE YEARS ENDED JUNE 30, 2023 and 2022

	Unrestricted	Restricted	Total
<b>Fund balances at July 1, 2021</b>	P22,368,448	P199,018,072	P221,386,520
Excess (deficiency) of receipts over costs and expenses for the year	336,358	(31,928,596)	(31,592,238)
<b>Fund balances at June 30, 2022</b>	P22,704,806	P167,089,476	P189,794,282
Excess (deficiency) of receipts over costs and expenses for the year	(16,257,747)	7,579,143	(8,678,604)
<b>Fund balances at June 30, 2023</b>	<b>P6,447,059</b>	<b>P174,668,619</b>	<b>P181,115,678</b>

See accompanying Notes to Financial Statements.



**KABANG KALIKASAN NG PILIPINAS FOUNDATION, INC.**  
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**STATEMENTS OF CASH FLOWS**

	Years Ended June 30	
	2023	2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Deficiency of receipts over costs and expenses	(P8,678,604)	(P31,592,238)
Adjustments for:		
Impairment loss on advances to project partners (Note 6)	21,241,342	–
Provision for potential loss (Note 9)	17,346,489	–
Mark-to-market loss (gain) on investment (Note 7)	(1,657,120)	809,137
Retirement benefit expenses (Note 10)	1,415,233	2,818,040
Foreign exchange losses - net	995,143	1,392,121
Depreciation and amortization (Notes 8 and 14)	176,257	215,592
Interest income (Note 4)	(64,802)	(49,124)
Excess (deficiency) of receipts over costs and expenses before working capital changes	30,773,938	(26,406,472)
Decrease (increase) in:		
Receivables	(491,676)	(573,497)
Other current assets	5,019,790	42,222,745
Increase (decrease) in accrued expenses and other payables	(2,870,649)	5,353,732
Cash generated from operations	32,431,403	20,596,508
Interests received (Note 4)	64,802	49,124
Net cash flows generated from operating activities	32,496,205	20,645,632
<b>CASH FLOWS FROM AN INVESTING ACTIVITY</b>		
Acquisitions of property and equipment (Note 8)	(102,100)	(133,497)
Withdrawal from investment in securities (Note 7)	–	6,894,612
Net cash flows from (used in) investing activities	(102,100)	6,761,115
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>32,394,105</b>	<b>27,406,747</b>
<b>EFFECT OF FOREIGN EXCHANGE RATE CHANGES IN CASH AND CASH EQUIVALENT</b>	<b>(128,527)</b>	<b>(16,895)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<b>146,148,057</b>	<b>118,758,205</b>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 4)</b>	<b>P178,413,635</b>	<b>P146,148,057</b>

See accompanying Notes to Financial Statements.



**NOTES TO FINANCIAL STATEMENTS**

**1. General Information**

Kabang Kalikasan ng Pilipinas Foundation, Inc. (the Foundation) was registered with the Securities and Exchange Commission on May 22, 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 the ecological processes in order to stop and eventually reverse the accelerating degradation of the Philippine natural environment and to help build a future in which humans live in harmony with nature and for this purpose, to undertake such activities for the preservation of genetic species and ecosystem diversity, promote the use of renewable resources both now and in the longer term for the benefit of all life on earth, promote actions to reduce to a minimum, pollution and the wasteful exploitation and consumption of resources and energy, develop local and worldwide moral and financial support for the conservation of nature in the Philippines and to cooperate with other organizations both local and international in the field of conservation, finance conservation activities and projects including research and the exchange of scientists, specialists in the conservation of nature, students and others and to promote and participate in the conferences, seminars, lecturers and meetings and discussions in furtherance of conservation of nature worldwide.

In 1997, the Foundation started to work as a national organization of the World Wide Fund for Nature (WWF) International.

The Foundation is duly accredited by the Philippine Council for NGO Certification (PCNC), a private, non-voluntary, non-stock, non-profit corporation that serves as a service organization whose main function is to certify NGOs that meet established minimum criteria for financial management and accountability. On November 13, 2019, the Foundation has been awarded with additional five (5) years of accreditation with the organization, valid until November 12, 2024.

As a nonstock, nonprofit corporation intended for charitable purposes, the Foundation's income is exempt from payment of income tax as set forth in Section 30(E) of the National Internal Revenue Code (NIRC). Such exemption, however, does not apply to income or whatever kind and character derived from the use of its properties, real or personal, or any of its activities conducted for profit, regardless of dispositions made of such income.

Principal Office Address

The registered principal office address of the Foundation is 4/F JBD Plaza, 65 Mindanao Avenue, Bagong Pag-asa, Quezon City.

Authorization for Issuance of the Financial Statements

The financial statements of the Foundation as of and for the years ended June 30, 2023 and 2022 were approved and authorized for issuance by the Board of Trustees (BOT) on October 12, 2023.



**2. Basis of Preparation, Statement of Compliance and Summary of Significant Accounting Policies**

Basis of Preparation

The financial statements of the Foundation have been prepared under historical cost basis and presented in Philippine peso (₱), which is the Foundation's functional and presentation currency. All amounts are rounded off to the nearest ₱, except when otherwise indicated.

Statement of Compliance

The financial statements of the Foundation are prepared in accordance with the Philippine Financial Reporting Standards for Small and Medium-sized Entities (PFRSs for SMEs).

Summary of Significant Accounting Policies

*Current versus Noncurrent Classification*

The Foundation presents assets and liabilities in the statement of assets, liabilities and fund balances based on current/noncurrent classification. An asset is current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within 12 months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

All other assets are classified as noncurrent.

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within 12 months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period.

The Foundation classifies all other liabilities as noncurrent.

*Cash and Cash Equivalents*

Cash and cash equivalents in the statements of assets, liabilities and fund balances comprise of cash on hand and in banks, and short-term deposits with original maturities of three (3) months or less from dates of acquisition and that are subject to insignificant risk of changes in value. Cash in banks earns interest at the respective bank deposit rates.

*Receivables*

Receivables are recognized initially at its transaction price and subsequently measured at amortized cost using the effective interest rate (EIR) method. At end of each reporting period, the carrying amounts of receivables are reviewed to determine whether there is any objective evidence that the amounts are not recoverable. If so, an impairment loss is recognized immediately in the statement of receipts and expenses.

*Advances to Project Partners*

Advances to project partners are unliquidated funds that were distributed to project partners for the implementation of a project.



*Other Current Assets*

Other current assets include rental deposits and prepayments. Rental deposits pertain to refundable deposit to lessor which are initially recorded at transaction cost and subsequently measured at cost less impairment loss, if any. Prepayments are expenses paid in advance and are recorded as asset before they are utilized. This includes prepaid rentals which are apportioned over the period covered by the payment and are charged to the appropriate accounts in the statement of receipts and expenses when incurred. Prepayments that are expected to be realized for a period of no more than 12 months after the financial reporting date are classified as other current assets; otherwise, these are classified as other noncurrent assets.

*Investments in Securities*

Investments in securities are initially carried at transaction cost and subsequently measured at fair value. Any gains and losses resulting from the changes in the fair value from initial measurement are recognized in the statement of receipts and expenses.

*Property and Equipment*

Property and equipment are measured at cost less accumulated depreciation and any allowance for impairment in value.

The initial cost of property and equipment includes its purchase price, including import duties and non-refundable purchase taxes and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditures incurred after the property and equipment have been put into operation, such as repairs and maintenance, are normally recognized in the statement of receipts and expenses in the period when the costs are incurred. In situations where it can be clearly demonstrated that the expenditures have resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property and equipment beyond its originally assessed standard of performance, the expenditures are capitalized as an additional cost of property and equipment.

Depreciation commences once the property and equipment are available for use and is computed using the straight-line method over the estimated useful lives of the property and equipment as follows:

<u>Category</u>	<u>Number of years</u>
Computer equipment	3
Office furniture and fixtures	3 to 5
Transportation equipment	5

The depreciation method and useful lives are reviewed periodically to ensure that the periods and methods of depreciation are consistent with the expected pattern of economic benefits from items of property and equipment.

When property and equipment are sold or retired, their cost and accumulated depreciation and any allowance for impairment in value are eliminated from the accounts and any gain or loss resulting from their disposal is recognized in the statement of receipts and expenses. Fully depreciated property and equipment are retained in the accounts until these are no longer in use.

*Impairment of Nonfinancial Assets*

The carrying value of advances to project partners and property and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amounts, the assets or cash-generating units are written down to their recoverable amounts.



The estimated recoverable amount is the higher of an asset's fair value less costs to sell and value in use. The fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction less the costs of disposal while value in use is the present value of estimated future net cash inflows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. Impairment losses are recognized in the statement of receipts and expenses.

Reversal of impairment losses recognized in prior years is recorded when there is an indication that the impairment losses recognized for the asset no longer exists or has decreased. The reversal is recorded in statement of receipts and expenses. However, the increased carrying amount of an asset due to a reversal of an impairment loss is recognized to the extent it does not exceed the carrying amount that would have been determined (net of depreciation or amortization) had no impairment loss been recognized for that asset in prior years.

*Accrued Expenses and Other Payables*

Accrued expenses and other payables are recognized initially at the transaction price and subsequently measured at amortized cost using the EIR method.

*Retirement Benefit Obligation*

The Foundation has a funded, noncontributory defined benefit plan covering all of its regular qualified employees.

Retirement benefit obligation represents the excess of the present value of defined benefit obligation over the fair value of the plan assets on the retirement plan of the Foundation's employees.

The cost of providing benefits under the defined benefit plan is actuarially determined by an independent qualified actuary using the projected unit credit method.

*Fund Accounting*

To ensure the observance of limitations and restrictions placed on the use of resources available to the Foundation, the accounts of the Foundation are maintained in accordance with the principles of fund accounting in which resources for various purposes are classified, for accounting and reporting purposes, into funds established according to their nature and purposes. Accordingly, all financial transactions have been recorded and reported by fund group, as follows:

- "Unrestricted fund" represents the portion of expendable funds available to support the general operations of the Foundation.
- "Restricted fund" represents the amount set aside by the Foundation's donors for a specified purpose as mutually agreed upon by the donor and donee.

*Revenue Recognition*

Revenue is recognized when it is probable that the economic benefits will flow to the Foundation and the amount of revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized:

*Donations, Grants and Other Contributions*

Proceeds from donations, grants and other contributions are recognized as revenue when the donors' conditions, if any, are substantially complied with.



Interest Income

Interest income from bank deposits is recognized as it accrues using the EIR method.

Costs and Expenses

Costs and expenses are decreases in economic benefits during the accounting period in the form of outflows or decrease of assets or incurrence of liabilities that result in decreases in fund balance. Expenses are generally recognized when the services are used, or the expenses arise. Cost and expenses are divided into three (3) categories based on its nature – project expenses, fund raising expenses and administrative expenses.

Project Expenses

Project expenses pertains to expenses incurred during the implementation the Foundation’s activities.

Fund Raising Expenses

Fund raising expenses pertains to expenses related to sourcing of donations.

Administrative Expense

Administrative expenses consist primarily of general and administrative expenses of the Foundation.

Operating Lease

Lease payments under an operating lease, which substantially all risks and rewards of ownership of the leased assets remain with the lessor, are recognized as an expense in the statement of receipts and expenses on a straight-line basis over the lease term.

Foreign Currency-Denominated Transactions

Transactions in foreign currencies are initially recorded at the functional currency spot rate prevailing at the date of transaction. Outstanding monetary assets and liabilities denominated in foreign currencies are translated to ₱ using the prevailing exchange rate at the financial reporting date. All differences are taken to the statement of receipts and expenses as part of “Foreign exchange losses - net” account. Nonmonetary items that are measured at historical cost in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

Provisions

Provisions are recognized when the Foundation has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to passage of time is recognized as interest expense.

Contingencies

Contingent liabilities are not recognized in the financial statements. These are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized in the financial statements but are disclosed when an inflow of economic benefits is probable.

Where the realization of income is virtually certain, then the related asset is not a contingent asset and its recognition is appropriate.



Events after the Reporting Date

Events after the reporting date that provide additional information about the Foundation’s position at reporting date (adjusting events) are reflected in the financial statements. Events after the reporting date that are not adjusting events are disclosed in the notes to the financial statements when material.

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**3. Significant Accounting Judgment and Estimates**

The preparation of the Foundation’s financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of receipts and expenses, assets and liabilities, and disclosures at the financial reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require material adjustments to the carrying amounts of assets or liabilities in the future.

Judgment

In the process of applying the Foundation’s accounting policies, management has made the following judgment, apart from those involving estimations, which has the most significant effect on the amounts recognized in the financial statements:

Operating lease - The Foundation as a lessee

The Foundation has entered into various leases of commercial spaces as lessee. The Foundation has determined that it does not hold the significant risks and rewards of ownership of these properties and classified these as operating leases.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Estimating impairment of receivables

The Foundation reviews the receivables at the end of each reporting period to recognize or maintain an allowance for impairment of receivables at a level considered adequate to provide for potential uncollectible receivables. The level of this allowance is evaluated by management on the basis of factors that affect the collectability of the accounts. These factors include, but are not limited to, the length of the Foundation’s relationship with the employees and consultants, their payment behavior and known market factors. The methodology and assumptions used for the individual and collective assessments are based on the management’s judgement and estimate. The Foundation identifies and provides for specific accounts that are doubtful of collection and reviews the age and status of the remaining receivables, and establishes a provision considering, among others, historical collection and write-off experience.

No impairment of receivables was recognized for years ended June 30, 2023 and 2022. The carrying amount of receivables amounted to ₱1.4 million and ₱0.7 million as of June 30, 2023 and 2022, respectively (see Note 5).



*Estimating impairment of nonfinancial assets*

The Foundation assesses impairment on advances to project partners and property and equipment whenever events or changes in circumstances indicate that the carrying value of these nonfinancial assets may not be recoverable. The factors that the Foundation considers important which could trigger an impairment review include the following:

- Significant underperformance relative to expected historical or projected future operating results;
- Significant changes in the manner of use of the acquired assets or the strategy for overall business; and
- Significant negative industry or economic trends.

An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. The estimated recoverable amount is the higher of an asset's fair value less costs to sell and value in use. The fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction less the costs of disposal while value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Recoverable amounts are estimated for individual assets or, if it is not possible, for the cash-generating unit to which the asset belongs.

The Foundation recognized an allowance for impairment loss on advances to project partners amounting to P21.2 million and nil as of June 30, 2023 and 2022, respectively. The carrying amount of advances to project partners amounted to P0.8 million and P28.1 million as of June 30, 2023 and 2022, respectively (see Note 6). No impairment loss on property and equipment was recognized for the years ended 2023 and 2022.

*Estimating retirement benefit obligation*

The cost of the defined benefit retirement plan is determined using the projected unit credit method of actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The assumed discount rates were determined using the market yields on Philippine government bonds with terms consistent with the expected employee benefit payout as at financial reporting date. The mortality rate is based on publicly available mortality tables for the specific country and is modified accordingly with estimates of mortality improvements. Future salary increases and pension increases are based on expected future inflation rates in the Philippines.

As of June 30, 2023 and 2022, the retirement benefit obligation amounted to P8.4 million and P7.0 million respectively (see Note 10).

**4. Cash and Cash Equivalents**

	2023	2022
Cash on hand and in banks	P178,176,930	P145,911,811
Cash equivalents	236,705	236,246
	<b>P178,413,635</b>	<b>P146,148,057</b>



Cash in banks earn interest at the prevailing bank deposit rates. Cash equivalents consist of money market placements which are made for varying periods of up to three (3) months depending on the immediate cash requirement of the Foundation and earn interest at the respective short-term investment rates.

Total interests earned on cash and cash equivalents, net of final tax, amounted to P0.1 million in 2023 and 2022.

**5. Receivables**

	2023	2022
Advances to employees and consultants	P1,106,677	P717,357
Receivable from funders	154,374	-
Others	188,751	13,750
	<b>P1,449,802</b>	<b>P731,107</b>

Advances to employees and consultants represents cash advances of project employees for construction of food sheds, travel, office running cost and project expenditures. These cash advances are subject to liquidation within ten (10) days after completion of travel or end of project or event.

Receivable from funders pertains to donations secured by an agreement and mostly composed of receivables from WWF networks and from local donors for various project expenditures.

"Others" include emergency loan fund and social security system receivable.

**6. Other Current Assets**

	2023	2022
Prepayments and deposits	P1,016,326	P923,920
Advances to project partners	793,853	28,094,885
Others	1,084,814	137,320
	<b>P2,894,993</b>	<b>P29,156,125</b>

Prepayments and deposits pertain to advance office rental and deposits equivalent to three (3) months or less rental payments.

Advances to project partners pertains to unliquidated funds distributed to project partners for the implementation of a project. Advances were made to Association of Isolated Electric Cooperatives - Missionary Green Energy Corporation (AIEC-MGEC), University of the Philippines, through its Asian Institute of Tourism (UP-AIT), Siargao Electric Cooperative Inc. (SIARELCO), and Dinagat Island Electric Cooperative, Inc. (DIELCO) in relation to the "SolarBnB Community-Based Island Livelihood Energizer Platform" (SMILE) project. In 2023, the Foundation recognized an allowance for impairment loss on its advances to AIEC-MGEC amounting to P21.2 million.



As of June 30, 2023 and 2022, the Foundation has an outstanding unliquidated advances from its project partners amounting to P0.8 million and P28.1 million, respectively.

“Others” pertains to amounts due from various suppliers for goods and services provided to the Foundation.

#### 7. Investments in Securities

The Foundation has various investment management agreement (IMA) for the management and investment of the Foundation’s funds.

As of June 30, 2023 and 2022, the Investment Manager of the Foundation is BDO Unibank, Inc. - Trust and Investments Group. Among others, the following are the significant provisions of the IMA:

- The agreement is an agency and not a trust agreement. As such, the Foundation shall at all times retain legal title to funds and properties subject of the agreement.
- The IMA is for financial return and for the appreciation of assets of the account. The IMA does not guaranty a yield, return or income on the investments or reinvestments made by the Investment Manager. Any loss or depreciation in the value of the assets of the fund shall be for the account of the Foundation.
- Subject to availability of funds and the non-diminution of the investments in securities below P1.0 million (or its equivalent in the relevant foreign currency in case of foreign currency denominated funds) at the time of withdrawal, the Foundation may withdraw the income/principal or a portion thereof upon instruction or order given to the IMA. Any income not withdrawn shall be accumulated and added to the principal for further investment and reinvestment.

The fund investments include quoted government securities, other quoted securities and debt instruments.

The Foundation accounts for the entire investment as a single line item in the statements of assets, liabilities, and fund balances as “Investments in Securities”. Mark-to-market gain or loss adjustments on these securities are presented under “Mark-to-market gain (loss) on investments” in the statements of receipts and expenses.

As of June 30, 2023 and 2022, the movements of investments in securities account are as follows:

	2023	2022
Balances at beginning of year	P54,393,377	P62,097,126
Mark-to-market gain (loss) for the year	1,657,120	(809,137)
Withdrawal	-	(6,894,612)
<b>Balances at end of year</b>	<b>P56,050,497</b>	<b>P54,393,377</b>



#### 8. Property and Equipment

##### June 30, 2023

	Computer Equipment	Office Furniture and Fixtures	Transportation Equipment	Total
<b>Cost:</b>				
Balance at beginning of year	P2,344,833	P2,605,482	P2,799,125	P7,749,440
Additions	102,100	-	-	102,100
Disposal and reclassification	(44,499)	(1,140)	-	(45,639)
<b>Balance at end of year</b>	<b>2,402,434</b>	<b>2,604,342</b>	<b>2,799,125</b>	<b>7,805,901</b>
<b>Accumulated depreciation:</b>				
Balance at beginning of year	2,149,874	2,595,197	2,799,125	7,544,196
Depreciation (Note 14)	165,972	10,285	-	176,257
Disposal and reclassification	(18,541)	(1,140)	-	(19,681)
<b>Balance at end of year</b>	<b>2,297,305</b>	<b>2,604,342</b>	<b>2,799,125</b>	<b>7,700,772</b>
<b>Net book value</b>	<b>P105,129</b>	<b>P-</b>	<b>P-</b>	<b>P105,129</b>

##### June 30, 2022

	Computer Equipment	Office Furniture and Fixtures	Transportation Equipment	Total
<b>Cost:</b>				
Balance at beginning of year	P2,211,336	P2,605,482	P2,799,125	P7,615,943
Additions	133,497	-	-	133,497
<b>Balance at end of year</b>	<b>2,344,833</b>	<b>2,605,482</b>	<b>2,799,125</b>	<b>7,749,440</b>
<b>Accumulated depreciation:</b>				
Balance at beginning of year	1,945,495	2,585,713	2,799,125	7,330,333
Depreciation (Note 14)	204,379	9,484	-	213,863
<b>Balance at end of year</b>	<b>2,149,874</b>	<b>2,595,197</b>	<b>2,799,125</b>	<b>7,544,196</b>
<b>Net book value</b>	<b>P194,959</b>	<b>P10,285</b>	<b>P-</b>	<b>P205,244</b>

#### 9. Accrued Expenses and Other Payables

	2023	2022
Accrued expenses	P20,228,991	P23,100,168
Employee benefits payable	4,204,975	4,499,977
Withholding and other taxes payable	1,384,606	642,470
SSS and other contributions payable	794,772	612,418
Others	22,777,996	4,992,790
<b>Total</b>	<b>P49,391,340</b>	<b>P33,847,823</b>

Accrued expenses represent outstanding obligations to suppliers, staff and consultants, and for rentals and utilities, which were incurred during the fiscal year but were paid after the reporting period. These are normally settled on 30 to 60 days term.

“Others” include provision amounting to P17.3 million and nil as of June 30, 2023 and 2022, respectively. The Foundation is contractually obliged to return any excess unused funds to its funder after the end of the project.



#### 10. Retirement Benefit Obligation

The Foundation has a funded, non-contributory defined benefit plan covering all of its regular qualified employees. The benefits are based on age, years of service and compensation at date of retirement. The fund is administered by a local bank as trustee and is invested in various debt and equity securities, mostly in bonds, treasury bills and indices. By the nature of their agreement, the investment is not guaranteed by the trustee, any loss or damaged suffered by the investment shall be for the account of the Foundation.

The most recent actuarial valuation of the present value of the defined benefit obligation of the Foundation was carried out at June 30, 2023 by a qualified independent actuary. The present values of the defined benefit obligation, the related current cost and past service cost of the Foundation were measured using the projected unit cost method.

The reconciliation of the present value of the defined benefit obligation and the fair value of the plan assets to the recognized liability included under "Retirement benefit obligation" account in the statements of assets, liabilities and fund balances are as follows:

	2023	2022
Present value of defined benefit obligation	<b>₱8,845,344</b>	₱7,432,777
Fair value of plan assets	<b>(438,306)</b>	(440,972)
	<b>₱8,407,038</b>	₱6,991,805

The amounts of retirement expense in 2023 and 2022 are recorded as part of "Cost and expenses" in the statements of receipts and expenses and are shown as follows (see Note 14):

	2023	2022
Current service costs	<b>₱1,297,430</b>	₱633,324
Interest costs	<b>501,019</b>	207,936
Actuarial loss (gain)	<b>(383,216)</b>	1,976,780
	<b>₱1,415,233</b>	₱2,818,040

The movements in the present value of the defined benefit obligation are shown below:

	2023	2022
Balances at beginning of year	<b>₱7,432,777</b>	₱4,616,608
Current service costs	<b>1,297,430</b>	633,324
Interest costs	<b>505,429</b>	212,364
Actuarial loss (gain)	<b>(390,292)</b>	1,970,481
Balance at end of year	<b>₱8,845,344</b>	₱7,432,777

The movements in the fair value of the plan asset are shown below:

	2023	2022
Balances at beginning of year	<b>₱440,972</b>	₱442,843
Retirement loss on plan assets	<b>(7,076)</b>	(6,299)
Interest income	<b>4,410</b>	4,428
Balances at end of year	<b>₱438,306</b>	₱440,972



For determination of retirement benefit obligation, the following actuarial assumptions were used:

	2023	2022
Discount rate	<b>6.30%</b>	6.80%
Salary increase rate	<b>5.00%</b>	5.00%
Expected rate of return on plan assets	<b>1.00%</b>	1.00%

#### 11. Donations

	2023	2022
WWF network	<b>₱188,055,771</b>	₱103,005,621
Trusts and foundations	<b>36,136,655</b>	34,625,420
Corporate	<b>26,768,973</b>	25,560,934
Government and aid agencies	<b>16,936,345</b>	28,050,803
Individuals and others	<b>12,672,486</b>	12,936,626
	<b>₱280,570,230</b>	₱204,179,404

The WWF network cash donations represent grants from other WWF network office including grants awarded to them by the public sector partnerships (PSP) intended to support the Foundation's projects and programs. The PSPs are partnerships with public sector finance institutions at the national, regional and multilateral levels.

The Foundation also enters into partnerships with other local and international foundations in carrying its advocacies in which are also part of the source of its cash donations.

Corporate cash donations are grants coming from the Foundation's corporate partners. These donations are intended to support National Conservation projects mutually agreed by both parties.

Government and aid agencies cash donations are grants from foreign government agencies and other agencies which are intended to support specific projects indicated in the agreement. Government and aid agencies are referred to as PSPs.

There were also donations coming from various individuals intended to support the Foundation's existing projects. Such donations are merely voluntary and transactional in nature.

#### 12. Project Expenses

	2023	2022
National conservation		
National programme	<b>₱198,616,123</b>	₱158,991,891
Conservation policy	<b>28,747,441</b>	20,335,232
Education	<b>2,203,549</b>	3,257,045
Communication	<b>5,801,986</b>	685,868
International conservation	<b>13,983,539</b>	16,385,463
	<b>₱249,352,638</b>	₱199,655,499



National Programme

These costs are activities implementing projects on habitats, sustainable consumption, sustainable production and energy transition, utilizing inclusive, integrative and participatory approaches to find solutions that work for the environment and for the people that live in and depend on it.

Conservation Policy

These are costs incurred by activities related to policy analysis, advocacy and lobbying, and policy publications aimed at influencing international, regional, governmental and intergovernmental institutions, as well as commercial institutions and non-governmental organizations. Said activities include case studies, position papers, discussion documents and costs of face-to-face advocacy.

Education

These are costs incurred in promoting environmental education, capacity building and related projects to achieve the Foundation's mission. This includes teacher training, curriculum development, production of professional education materials, organizing educational clubs and youth clubs, and the conduct of vocational training and community activities.

Communication

These includes costs in generating awareness, concern and positive action among various audiences including the general public and certain target segment of the public via publications, productions, advertisements, and cost for print and broadcast media.

International Conservation

These include cost for WWF International Secretariat expense, program management and contribution to WWF international project.

**13. Fund Raising Expenses**

This account represents expenses for the Foundations fundraising activities including but not limited to fund raising campaigns, mailings for funds from supporters, courier expenses for sending letter of gratitude and membership kit to donors and other solicitations for contributions. It also includes fees paid to professional fund-raising companies and other management and general expenses.

	2023	2022
Salaries and allowances	P8,290,209	P7,875,375
Purchased services	748,473	2,575,502
Materials and supplies	642,590	155,879
Communications	179,093	161,774
Fund raising costs	147,787	154,892
Others	1,145,408	14,786
	<b>P11,153,560</b>	<b>P10,938,208</b>



**14. Administrative Expenses**

	2023	2022
Salaries and allowances	P18,258,423	P14,132,644
Retirement benefit expense (Note 10)	1,415,233	2,818,040
Depreciation and amortization (Note 8)	176,257	215,592
Rent (Note 15)	173,072	536,091
Others	9,463,832	5,323,434
	<b>P29,486,817</b>	<b>P23,025,801</b>

"Others" include family services contribution, purchased services, trainings, transportation, supplies, communication, repairs and maintenance, among others.

**15. Leases**

The Foundation entered into various contract of lease for four (4) units of office space in JBD Plaza located at 65 Mindanao Avenue, Quezon City. Each contract is for a period of one (1) year, renewable upon mutual agreement of both parties through another written contract of lease. The rental payments are based on a monthly fixed rate with required security deposit.

The Foundation also entered into various contract of lease for field offices located in Butuan, Davao, Mandaluyong, Occidental Mindoro, Cagayan de Oro, Puerto Princesa, Tabaco, Tacloban, Sorsogon, Bulacan and Quezon City. The lease term of the contracts is for a period ranging from one (1) to three (3) years, renewable upon mutual agreement with respective lessor. The rental payments are based on a monthly fixed rate. Certain contracts require advance payments and security deposits.

Total deposits as of June 30, 2023 and 2022 amounted to P1.0 million and to P0.8 million, respectively. These are refundable upon termination of the contract (see Note 6).

Rent expense for office spaces for the years ended June 30, 2023 and 2022 amounted to P3.5 million and P3.2 million, respectively.

**16. Donor Retention and Management Services Contract**

On May 1, 2013, the Foundation entered into a donor retention and management service agreement with SG Global Support Services SDN BHD where latter will provide services in relation to the Foundation's fund-raising campaign particularly its individual donor's program (IDP) which include administration, housing and maintenance of the database, processing of donations, finance reconciliations, project management, and customer service and donor retention. The term of the contract is for a period of three (3) years from May 1, 2013 to April 30, 2016 renewable for another three (3) years or such other period as the Foundation may at its sole discretion determine.

The most recent renewal commenced on July 1, 2022 and the agreement will expire on June 30, 2025.



**17. Grant Agreements**

The Foundation entered into several grant agreements with public sector partnerships such as European Union, foundation, corporate donors, individual donors and other major donors.

Fund received in excess of expenditures for those grants and donations for specific purposes is returned to the donor or form part of the Foundation's unrestricted funds whose use are specifically confined to project activities of the Foundation which mainly aims on the following: (a) preserving specific genetic, species and ecosystem diversity; (b) ensuring that the use of renewable natural resources is sustainable to both now and in longer term for the benefit of all life on earth; and (c) promoting actions to reduce to a minimum, pollution and wasteful exploitation and consumption of resources and energy.

**18. Supplementary Tax Information under Revenue Regulations (RR) Nos. 34-2020 and 15-2010**

Disclosures Required by RR No. 34-2020

On December 18, 2020, the Bureau of Internal Revenue (BIR) issued RR No. 34-2020 which requires the filing and submission of BIR Form 1709 (RPT Form) for the following:

- a. Large taxpayers;
- b. Taxpayers enjoying tax incentives;
- c. Taxpayers reporting net operating losses for the current taxable year and the immediately preceding two consecutive taxable years
- d. A related party which has transactions with (a), (b), and (c).

The Foundation did not meet the conditions required by RR No. 34-2020, therefore, it is not required to submit an RPT Form.

Disclosures Required by RR No. 15-2010

In compliance with BIR RR No. 15-2010, which requires additional disclosures mandated under the PFRSs for SMEs, and such other standards and convention, the notes to the financial statements shall include information on taxes, duties and license fees paid or accrued during the taxable year.

The Foundation reported and/or paid the following types of taxes for the year ended June 30, 2023:

*Taxes and Licenses*

The Foundation incurred taxes and licenses amounting to P0.4 million which pertain to business permits, clearances and BIR registration, among others.

*Withholding Taxes*

For the fiscal year ended June 30, 2023, the Foundation accrued and paid the following:

Tax on compensation	P6,043,946
Expanded withholding tax	3,457,955
	P9,501,901



*Tax Assessment and Court Cases*

There were no deficiency tax assessments issued by the BIR to the Foundation for the fiscal year ended June 30, 2023. There were also no pending tax cases nor litigation and/or prosecution in courts or bodies outside the BIR as of June 30, 2023.





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