



**PEACE AND EQUITY  
FOUNDATION**

REPORT FOR

**2007**

**FINDING NEW FORMS  
OF PARTNERSHIP**

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The Peace Equity Access for Community Empowerment Foundation, Inc. (or Peace and Equity Foundation, PEF) is a non-stock, non-profit organization founded in October 2001 to empower the poor and marginalized communities in Philippine society. PEF administers an endowment fund established by the Caucus of Development NGO Networks (CODE-NGO).

PEF focuses its assistance to the country's poorest provinces (initially focusing on 28 priority provinces and the National Capital Region). Based on a national poverty mapping conducted in 2003, these are areas with low income, large magnitude of poor residents, inadequate health and education services, and other generally accepted indicators of poverty.

PEF works in partnership with civil society organizations such as peoples' organizations, cooperatives, faith-based groups, non-government organizations, and similar entities that serve the struggling households in the poorest communities.

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# MESSAGE FROM THE CHAIRPERSON

Every year, we look back on what we have accomplished in the past 12 months and do our best to put into numbers our impact and influence in poverty reduction. We try to calculate the number of families provided with water, livelihood generated from our enterprise projects and the revenues from trade fairs. We sum up the value of the water systems we have constructed and the aid for typhoon victims and we add up the cost of producing our poverty maps and the training for NGO professionals.

All these numbers are important and meaningful, but they only tell part of the story. The other part is told by the communities which we have helped transform. In 2007, we see some of the stories of the past six years unfold.

Take the case of Barangay Kahikukuk, a remote coastal village in Sulu. Women and children used to fetch water from makeshift wells a kilometer away from their homes. Water from these wells had to be boiled to make them safe for drinking. In 2005, we gave a grant to the community to construct a potable water system. Today, they continue to maintain the system making safe water accessible to all of the 250 families in the barangay.

There is also the town of Ubay in Bohol. Before, farmers harvested once a year because they rely solely on rain water for their crops. PEF provided funds to construct 20 water impounding structures to irrigate small holder farms especially during dry months. Now, the 19 peoples organizations have since gained ownership of these catchments and the 142 farming families have year-round harvests.

In what ever way we measure our success, this was another remarkable year for PEF – one that allowed us to continue with our mission to reach the poorest. We invite you to read more about our progress and the communities we have helped.

This year also marked my final year of two terms as Chairperson of the PEF Board of Trustees. The past six years have been rife with start-up challenges of setting strategic directions and managing the endowment fund, but have been incredibly rich with the fulfillment of partnerships with communities and organizations.

The determined and dedicated Board members led the way and it was my privilege and delight to serve with them.

  
Fr. Noel D. Vasquez, S.J.



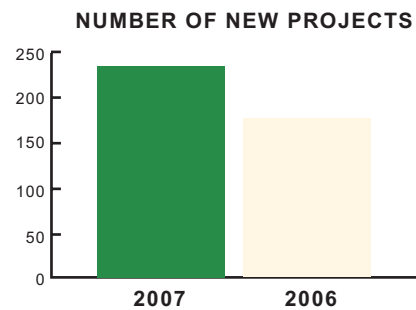
# FINDING NEW FORMS OF PARTNERSHIP

Expanding Our Reach to the Poorest Communities



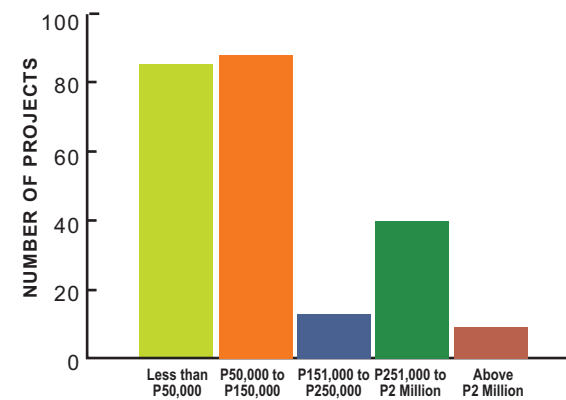
## HIGHLIGHTS OF 2007

PEF continued and expanded programs that address poverty throughout the country. Support in the form of basic services, livelihood opportunities, capacity building and calamity assistance increased in number over the year, reaching 30 percent more partners as we did in 2006 and committing close to P115 million in new projects.



### New Projects, Diversified Financial Assistance

Our national and area offices worked closely with local NGOs, cooperatives, partnership and access centers and peoples' organization in poor communities from our priority provinces. Channeling our resources through these organizations allowed us to access even the remotest barangays.



In 2007, we funded 236 projects worth P114.76 million. Close to 80 percent of the total number of projects were for small projects requiring less than P250,000. These were mostly for capacity building and micro-business projects for peoples' organizations and support for seven trade fairs and marketing events. Trade fairs served as one of the venues for promoting social entrepreneurship among our partners and formed part of our business development assistance.

While there were more small projects in numbers, the larger projects contributed more than half of the

## 2007 MP3 Projects

- Assistance for Social Advancement Program - Gata Daku Multi-Purpose Cooperative
- Workers Employees Livelihood Program - Bansalan Cooperative Society
- Rural Credit for Microfinance and Agri-Enterprise Development Project - Sta. Catalina Multi-Purpose Cooperative
- Angat Buhay Microfinance and Enterprise Development - Katotohanan, Pagkakaisa at Serbisyo – Small Enterprise and Economic Development, Inc (KPS-SEED Inc.)
- Palay- Rice Trading Expansion - Ipuan Farmers Multi-Purpose Cooperative

amount for new projects. Nine projects received P62 million in funding. The PEF-CORDAID partnership, Mindanao Partnership Project for Peace (MP3), accounted for five projects, which benefited 6,700 farmers and microentrepreneurs in Misamis Occidental, Sarangani Province and North Cotabato.

### PARTNERSHIP INNOVATIONS

For the past six years, we have continued to innovate based on the needs of our

partners. In 2007, we developed new ways to work towards fighting poverty in our areas of operation.

### A Fresh Take on Localization

PEF usually works with a network of NGOs and POs in each province or a cluster of towns to come up with a poverty agenda suited to their needs. Through this process, we have built the capacity of local leaders in pursuing a more targeted and responsive approach to improving communities.

Where the lack of a strong NGO network could have prevented PEF from working in the province, the Organizing Networks and Enterprises in Biliran (ONE Biliran) created a venue for 14 cooperatives to unify and act as one. These groups were originally agrarian reform beneficiaries formed as multi-purpose cooperatives in the two poorest towns of the island of Biliran in the Visayas. Requiring funds to mobilize their projects, they accessed the Development Support Fund (DSF) to initiate their micro-credit and production loan projects. They also sought technical assistance from the local government and the national line agencies.

This served as a new approach to localization and one that could be replicated in other areas with similar conditions.

## FINDING NEW FORMS OF PARTNERSHIP



We also tested the convergence approach to localization in three provinces in 2007 – Sorsogon, Negros Occidental and Sarangani provinces. Convergence required strong collaboration with local governments and the private sector and the adoption of an industry and enterprise focus. The result is a locally-defined poverty reduction agenda, which is drawing the support of key stakeholders and resources.

### New Grant Window

The Large DSF served as a new grant window offering up to P250,000 in assistance. This was a take off from the regular DSF of P150,000. The ONE Biliran project was first to avail of the fund. The grant was used for organizational mentoring and capital for micro-enterprises; both of which were critical for businesses of community organizations in the start up phase.

### New Financing Partnerships

PEF invested in two projects that have the potential to affect the microfinance sector in Mindanao and the cooperative sector in the country.

- The Mindanao Alliance of Self-Help Societies – Southern Philippines Educational Cooperative Center (MASS

SPECC) used the funds to create the Mindanao Cooperatives Access Center, where cooperatives in Regions 10, 11 and Caraga can access microfinance funds.

- The stake of PEF in Cooperative Insurance System of the Philippines is expected to provide insurance coverage to cooperative members and promote savings and self-help programs.

### Renewable Energy and Microfinance

PEF introduced the Building Economic, Social and Technological Opportunities and Foundations to Promote Renewable Energy Nationwide (BEST OF PREN) program in late 2006 to encourage the use of renewable energy technologies in rural communities. The prohibitive cost of these technologies proved to be a



challenge – one that could be addressed by microfinance.

In 2007, six partners applied for a loan to purchase solar lanterns, which was later purchased by poor households in off-grid areas through a microfinancing scheme. Almost 400 households in Negros Occidental, Oriental Mindoro, Sorsogon, Marinduque, Camarines Norte and Cagayan province benefited from these projects.

## Microentrepreneur Rebounds After a Typhoon

Typhoon Reming might have brought down houses and buildings in Guinobatan, Albay but not Melinda Morante's spirit. She was determined to move past the destruction and rebuild her business. She has now resumed designing abaca handicrafts and managing 40 artisans working from their homes.

Melinda's persistence belies the hardship she has endured to start her business and to build it again after the devastating typhoon. Almost 20 years ago, she began with P5,000 in capital and a sincere desire to help her neighbors. She had no technical training and only had six workers to assist her.

Knowing she needed additional capital, she approached Alternative Systems for Community Development Foundation or ASCODE to secure a small loan. In 2002, PEF worked with ASCODE to support the Micro-enterprise Economic Development Program (MEEDP), a microfinance project that provides microentrepreneurs like Melinda who cannot otherwise borrow money from banks because of lack of collateral but would need loans to grow their businesses.

For Melinda, the initial P1,500 loan from ASCODE enabled her to meet an order of an exporter for abaca butterflies. Her line of products has since grown and

includes angels, Christmas décor, mats, slippers and packaging materials – all made from indigenous materials. Her success has also made her eligible to access a loan of up to P30,000 from ASCODE.

In 2007, all her hard work was lost when the floods came with the typhoon. It was a major blow but she had to persevere since many families were depending on her for their livelihood. She had to find ways to source the raw materials outside of Albay. Melinda can count on ASCODE for support through these tough times.

Like Melinda, ASCODE is also forging ahead. With PEF's

assistance, ASCODE has expanded MEEDP and is now on its sixth year. Today, ASCODE counts microentrepreneurs, marginal farmers and women in Guinobatan, Bacacay and Sto. Domingo in Albay as MEEDP clients.

Melinda sees a bright future ahead despite the setback. With the support of ASCODE, Melinda is more determined than ever to rebuild her abaca business and help her neighbors anew.

*Excerpt from "Saved by the Abaca Angels" by Tina Arceo-Dumlao, Philippine Daily Inquirer*

# FINDING NEW FORMS OF PARTNERSHIP

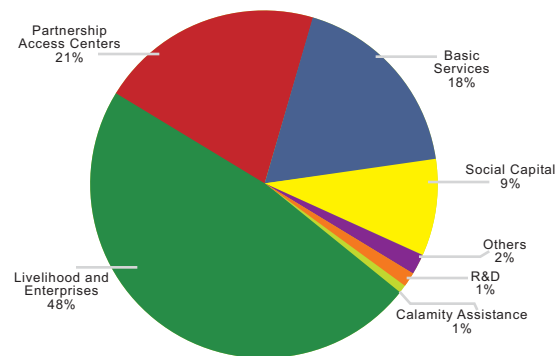
## A QUICK LOOK AT THE PAST SIX YEARS

### Development Portfolio

Our development portfolio reflected PEF's commitment to reach the poorest communities in the country.

We saw changes in our mix of supported projects largely owing to the strengthening of Partnership and Access Centers (PAC) in 18 of the priority poor provinces. Majority of funds went to basic services and livelihood and enterprise projects. For the past six years, the cumulative total of 952 projects had been provided with P891 million.

DEVELOPMENT PORTFOLIO  
2001-2007



### Livelihood and Enterprises

Livelihood and Enterprise projects comprised 48 percent of total portfolio or P429 million. Microfinance projects accounted for almost 75 percent of livelihood projects or P320 million for 127 projects. By 2007, we completed 74 microfinance projects, which served more than 41,000 micro-entrepreneurs, farmers and urban poor.

Assistance to micro-enterprise also contributed significantly to total portfolio with P106 million for 179 projects.

### Basic Services

It is still not surprising that the poor still lack access to basic services such as safe drinking water, education, health and shelter. As such, we stand by our commitment to provide these necessities to the poorest communities.

#### Sense of Community Brings Water to Two Barangays

"It was either you walk 10 kilometers to the closest spring or pay P35 per drum from contaminated deep wells" recalled Noel Quintero. These were the only options for residents of Barangay Suha and Matuya-tuya in Torrijos, Marinduque. Today, Mr. Quintero's family is one of 255 household beneficiaries of the partnership between PEF and the Torrijos Municipal Employees Association (TORMEA).

At first the people of the two barangays were skeptical of yet another water project. Their first attempt to manage a water system four decades earlier was a failure. Since then they have not tried to do another – until TORMEA vouched the idea of a network of tap stands. It was not long before the entire community grew excited with the promise of clean and safe water.

Through a grant from PEF, TORMEA constructed 34 tap stands complete with a pump house and then developed a fee collection system for each cluster of houses. The mayor in Torrijos also provided additional funding while the Department of Public Works and Highways assisted in the construction. With everything in place, TORMEA transferred the management to the Matuya-tuya Suha Waterworks System Association (MSWA) earlier than expected. MSWA was instrumental in finishing the project on time and demonstrated that they could manage the project after TORMEA hands in the responsibility to them.

The water project not only provides safe water to the residents of Suha and Matuya-tuya but represents a source of pride and a symbol of cooperation.

Excerpt from "Building Communities from Sharing Tap Stands" by Arvin Yana, [www.pef.ph](http://www.pef.ph)



In the past six years, we saw 18 percent of the total development portfolio going to basic services projects or a total of P162 million. Two-thirds of this total or P109 million, went to water projects. These benefited more than 47,000 individuals plus 15,000 households and 22 schools since 2002.

### Partnership and Access Centers

The creation of PACs signified the adoption of a localization strategy for poverty reduction. We looked to NGO networks to provide assistance in identifying, developing and implementing projects that are suited to a particular place, as well as strengthening our presence in the priority areas. PACs received P186 million in funds over a six year course. From 2004 to 2006, PAC financial support amounted to P151 million. In 2007, this significantly decreased to P3 million for 2 PACs, as the others were just picking up pace from previous years' funding.

Forty percent of the total fund support was channeled to the PACs of South Cotabato, Negros Occidental and Palawan.

Collectively they were able to move P77 million, which reached 30,517 individuals and 10,210 households.

#### Coconut Farmers Fuel Biodiesel Growth in Romblon

Romblon is best known for its marble industry. Now, it is slowly being recognized for biodiesel and coconut farmers are part of this emerging industry.

Romblon is home to the first coconut biodiesel plant in the country. In 2005, St Vincent Ferrer Parish Multi-purpose Cooperative (SVFPMPC), Department of Science and Technology and the local government of Romblon established the Romtron Biodiesel Plant. Romtron has been supplying part of the diesel requirement of the Tablas power plant and aims to corner a portion of the diesel market in Odiongan. To maintain a consistent supply of biodiesel, Romtron has to make sure that copra is readily available. Here, coconut farmers play an important part.

Linking the biodiesel plant with the farmers is SVFPMPC. Through a P1.75 million loan from PEF, SVFPMPC established two buying stations where farmers can get a rate of "one-peso-higher" than market price for their copra. They also started a training program on proper copra production techniques for farmers to ensure quality of the biodiesel from a grant also from PEF.

Today, farmers are more than happy to sell their copra. Gone are the days when coconuts were left on the roadside because there were no buyers or prices were simply too low. Copra prices in the province are now stabilizing and are following the rates set by the cooperative.

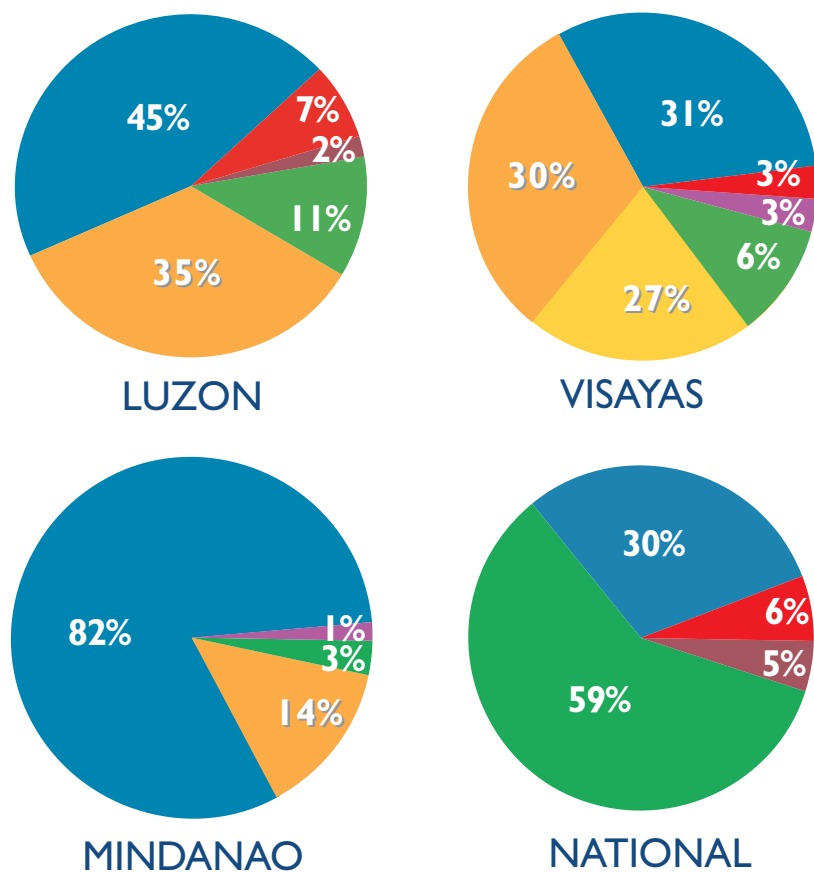
With the initial success of Romtron, plans are underway for a P6.8 million expansion with funds coming from the local government of Romblon and the DOST.

Excerpt from "Empowering Coco Farmers for Biodiesel Production" by Arvin Yana, [www.pef.ph](http://www.pef.ph)



## PROFILE OF 2007 PARTNERSHIP PROJECTS

Together with our partners, we develop projects that are suited to the needs of a community. In 2007, our area offices and our national office provided funds to different types of projects. Luzon projects were mostly livelihood and enterprise (45%) and basic services (35%) while majority of Visayas projects were divided among livelihood (31%), basic services (30%) and PAC (27%). A large majority of Mindanao projects were for microfinance which falls under the livelihood and enterprise category (82%). Projects under the National office were mostly for capacity building (59%).

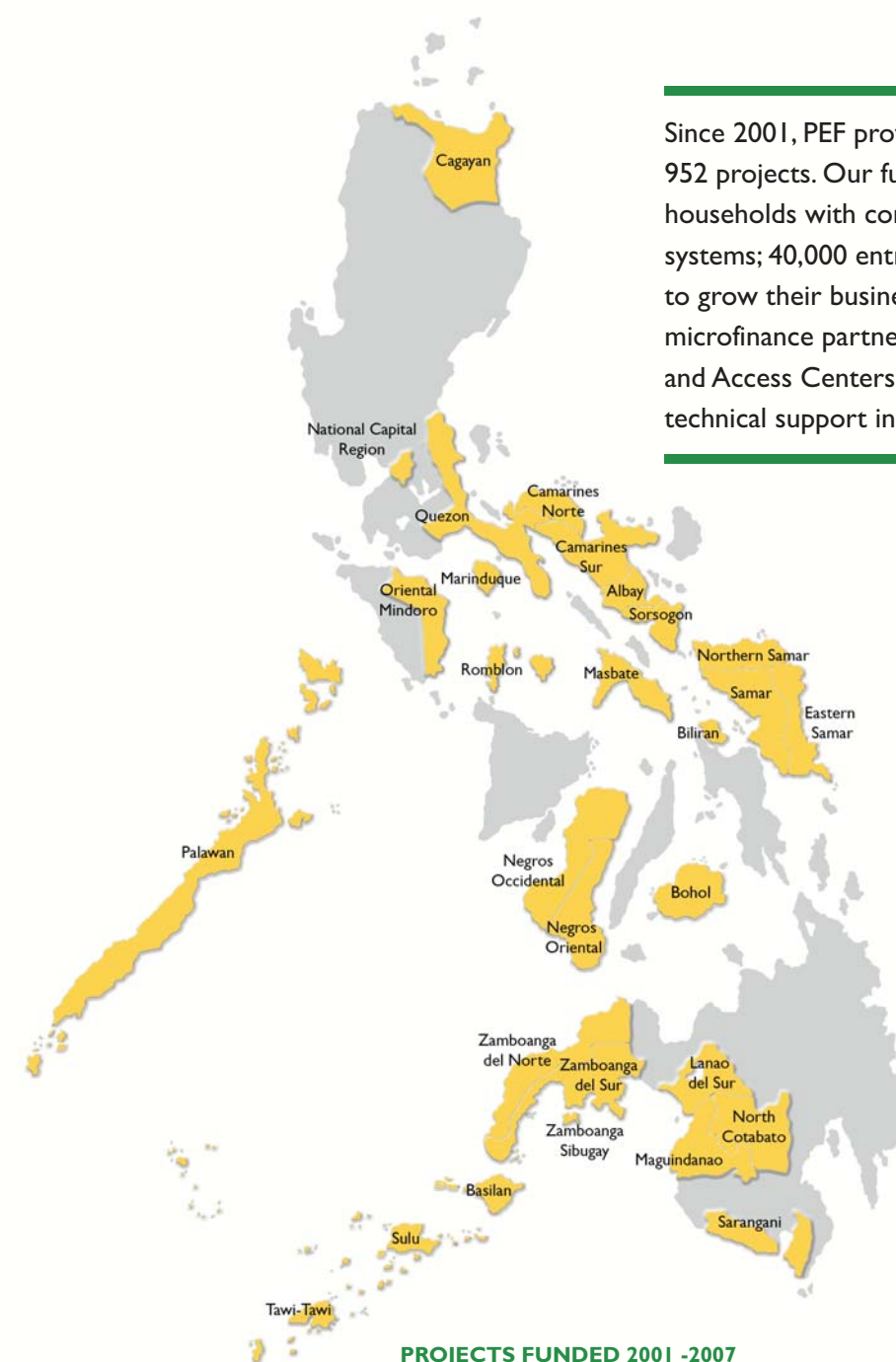


### LEGEND

- Livelihood and Enterprises
- Basic Services
- Capacity Building
- PAC
- Calamity Assistance
- R&D
- Others

## PRIORITY AREAS

Since 2001, PEF provided P891 million to 952 projects. Our funds gave 15,000 poor households with community potable water systems; 40,000 entrepreneurs with money to grow their business through our microfinance partners; and 17 Partnership and Access Centers with financial and technical support in PEF priority provinces.



PROJECTS FUNDED 2001 -2007  
(Amount In Million Pesos)

	2007		Total Portfolio	
	No. of Projects	Amount	No. of Projects	Amount
Basic Services	22	19.05	150	161.78
Livelihood and Enterprises	113	62.86	430	428.94
Social Capital	73	24.07	252	79.28
PAC	2	3.78	28	186.31
Calamity Assistance	8	0.99	31	8.10
Research & Development	5	1.13	35	10.72
Others	13	2.87	26	16.19
<b>TOTAL</b>	<b>236</b>	<b>114.75</b>	<b>952</b>	<b>891.31</b>





# PARTNERSHIP PROJECTS

## LUZON

Proponent	Project Title	Total	Grant	Loan
<b>BASIC SERVICES</b>				
Banton Multi-Purpose Cooperative	Rain for Life (Banton Rainwater Harvesting) - Phase II	597,862	597,862	0
Batanes Barangay Health Workers Federation, Inc. (in partnership with Leaders for Health Program)	Water Supply Improvement for Ivana & Itbayat (Batanes)	599,805	599,805	0
Bicol Center for Community Development, Inc.	Accreditation and Equivalency-cum-Skills Training	112,540	112,540	0
Dumarao Waterworks and Sanitation Association	Construction of Level 2 Water Systems in Dumarao	1,537,293	1,537,293	0
Mendoza Waterworks and Sanitation Association	Rehabilitation of Level 2 Water System in Mendoza	1,282,098	1,282,098	0
Monark Foundation, Inc.	PEF-MFTI- Tayabas Scholarship Program	150,000	150,000	0
Northville 1 Homeowners Association	Northville 1 Water Wells Project	846,254	846,254	0
Samahan ng mga Mangingisdang Naglalalayon ng Sentrong Kaunlaran sa Pangkabuhyan	Rainwater Harvesting for Cobrador Island	419,943	419,943	0
San Nicolas Waterworks Association	Construction of Level 2 Water System in San Nicolas	1,119,738	1,119,738	0
Simon of Cyrene Children's Rehabilitation and Development Foundation, Inc.	Grant for a Braille Machine	28,000	28,000	0
St. Joseph Multi-Purpose Cooperative	Promoting Community Health and Hygiene through Clean Water	713,714	713,714	0
Sta. Fe Multi-Purpose Cooperative	Bridging Sustainability through Construction of a New Water System	698,400	698,400	0
<b>LIVELIHOOD &amp; ENTERPRISES</b>				
Atikha Overseas Workers and Communities Initiative, Inc.	Developing Fair Trade Community-based Coconut Enterprises	1,498,400	748,400	750,000
Calancan Bay Fisherfolk Federation	Charcoal Briquette Production Pilot Research	150,000	150,000	0
Cordillera Network of Development NGOs and POs, Inc.	Exposure Trip to the Mindanao Veggie Congress	65,500	65,500	0
Cordillera Network of Development NGOs and POs, Inc.	Bigasan of Coastal POs of Alaminos	100,000	100,000	0
KASAGANA-KA Development Center, Inc.	Micro-insurance for the Poor	5,000,000	0	5,000,000
Kooperatiba ng Maliliit na Magniniyog ng Brgy. Kanapawan	Strengthening of Essential Oil Processing	102,000	102,000	0
Labo Progressive Multi-Purpose Cooperative	Provision of Brusher Machine and Basic Skills Trainings on Hand and Machine Embroidering of Handwoven Piña Cloth	150,000	150,000	0
Lobo Community Development Center, Inc.	Sustainable Micro-Credit Project for the Women of Lobo - Phase II	1,262,000	262,000	1,000,000
Marinduque Organized Ventures Services	Acquisition of Mechanized Tools for the Production of Butterfly Crafts	50,000	50,000	0
Puerto Galera Tourism Sector Coordinating Association	Hiking Trail Improvement and Joint-Management with Iraya Mangyan	995,421	995,421	0
UPICOB Balikatan Multi-Purpose Cooperative, Inc.	Mango Trees Rehabilitation Project	140,000	140,000	0
<b>CAPACITY BUILDING</b>				
Ateneo De Manila University: Pathways to Higher Education Program	The Educ8liber8 Fair: Launching of Schoogle.Ph	133,000	133,000	0
Coalition for Bicol Development	Crafting a Rehabilitation Assistance Framework and Plan	85,000	85,000	0
Cordillera Network of Development NGOs and POs, Inc.	Social Marketing and Normin Veggies Experience Sharing	100,000	100,000	0
Cordillera Network of Development NGOs and POs, Inc.	Launching of Weaving Congress and Exposure of Weavers Representatives to Successful Weavers in Palawan	398,625	398,625	0
Cordillera Network of Development NGOs and POs, Inc.	Acquisition of Thread Bulk for Product Development	50,000	50,000	0
Institute for Social Change and Urban Development (for Caloocan City Urban Poor Campaign Working Group)	Assessment and Planning	62,000	62,000	0
Kabinnulig Para Iti Panagdud-As Ti Abra	Capability Building of KAPPIA Network Management Committee	90,000	90,000	0
Katutubong Samahan sa Cagayan Valley	Strengthening Tribal Justice System Governance	70,000	70,000	0
Marinduque Organized Ventures Services, Inc.	Bridge Fund for the Partnership and Access Center in Marinduque	150,000	150,000	0
Marinduque Organized Ventures Services, Inc.	Resource Mobilization Training	81,168	81,168	0
MIRIAM Foundation Inc. - MIRIAM P.E.A.C.E. (Public Education and Awareness Campaign for the Environment)	Laiban Dam Construction Consultation and Preliminary Assessment	62,000	62,000	0
Novadeci Institute for Social Services	Strategic Planning	51,200	51,200	0
Oriental Mindoro NGO/PO Network	PAC Strengthening towards Effective Delivery of Services	566,000	566,000	0
Oriental Mindoro NGO/PO Network	RE Project Appraisal Training Course	15,700	15,700	0
Palawan Center for Appropriate Rural Technology	Project Development for the STAR TREK Project	82,425	82,425	0
Pambansang Kilusan ng mga Samahang Magsasaka	Rebuilding Our Homes, Rebuilding Our Lives: PAKISAMA Disaster Response Campaign in the Bicol Region	70,000	70,000	0
Philippine Partnership for the Development of Human Resources in Rural Areas	Enhancing the PhilDHRRRA-Partnership Center's Marketing Program through the Development and Maintenance of a Website	50,000	50,000	0

Proponent	Project Title	Total	Grant	Loan
<b>CAPACITY BUILDING</b>				
Provincial Alliance of NGOs and POs for Development, Inc.	Project Appraisal Training Course	17,000	17,000	0
Provincial Alliance of NGOs and POs for Development, Inc.	Strategic Planning to Combat Poverty in Sorsogon Province	70,000	70,000	0
Samahan ng Nagkakaisang Mangyan Alangan	Livelihood Training and Development for Mangyan Farmers	150,000	150,000	0
Sarmiento Foundation, Inc.	Capacity Building towards Organizational Sustainability and Outreach	150,000	150,000	0
<b>RESEARCH &amp; DEVELOPMENT</b>				
Socio Pastoral Action Center Foundation, Inc.	Assisting LGUs in Fast Tracking the Community-Based Monitoring System Survey in Camarines Norte	434,000	434,000	0
<b>OTHERS</b>				
Bagong Silang Development Cooperative	PUV Gas Conversion	150,000	150,000	0
Euro Credit Cooperative	Solar Lantern, Light for Life	510,000	15,000	495,000
Fair Deal Multi-Purpose Cooperative	Solar Lantern for Marinduque Island Lighting Energy System	240,000	15,000	225,000
Oriental Mindoro NGO/PO Network	Solar Lantern Project	202,500	15,000	187,500
Provincial Alliance of NGOs and POs for Development, Inc.	Solar Lantern Project - Pilot Phase	202,500	15,000	187,500
Socio-Pastoral Multi-Purpose Cooperative	Solar Lantern: A Renewable Energy Project	283,500	21,000	262,500

## VISAYAS

Proponent	Project Title	Total	Grant	Loan
<b>BASIC SERVICES</b>				
Antique Federation of Non-Government Organizations, Inc.	Livelihood Security through Health Plus Social Franchising	250,000	250,000	0
Center for Empowerment and Resource Development, Inc.	Community Managed Level II Potable Water System in Brgy. San Pedro, Biri, Northern Samar	955,086	955,086	0
Lapay Agrarian Reform Beneficiaries Multi-Purpose Cooperative	Rehabilitation of Community-Managed Level II Potable Water System in Brgy. Dawis, Bayawan City, Negros Oriental	1,999,991	1,999,991	0
Multi-Sectoral Alliance for Development - Negros (MUAD)	Secondary Education Enhancement of Delivery of Services - Pilot Phase	979,000	979,000	0
<b>LIVELIHOOD &amp; ENTERPRISES</b>				
Bol-anon United Sectors Working for the Advancement of Community Concerns	Social Development Week Celebration in the Province of Bohol	150,000	150,000	0
Boracay Ati Multi-Purpose Cooperative	Enhancing Livelihood for Ati's Empowerment	150,000	150,000	0
Bunga Libertad Fishermen and Rural Improvement Club	Enhanced Economic Activities of Fishing Households in Bunga, Cabucgayan, Biliran	250,000	250,000	0
Cabibihan Agrarian Reform Beneficiaries Multi-Purpose Cooperative	Micro-lending project	150,000	150,000	0
Cabucgayan Corn Farmers Association	Provision of Working Animals for Improved Farm Production	225,500	225,500	0
Cabucgayan Guso Producers Association	Micro-lending Project	150,000	150,000	0
Handicraft of Aklan Multi-Purpose Cooperative	Abaca Silk Weaving	200,000	200,000	0
Kaulanguhan Agrarian Reform Beneficiaries Multi-Purpose Cooperative	Financial Support to Agrarian Reform Beneficiaries of Barangay Kaulanguhan through Micro-Lending	150,000	150,000	0
Looc Cabucgayan Agrarian Reform Beneficiaries Multi-Purpose Cooperative	Provision of Additional Capital to LCARB MPC members through Micro Lending	250,000	250,000	0
Maurang Agrarian Reform Beneficiary Multi-Purpose Cooperative	Lending of Farm Inputs for Muruang Sayao Agrarian Reform Community Cooperative Members	150,000	150,000	0
Nagkaisang Magsasaka nang Caibiran Consumer's Store	Increase Capitalization of the Consumer Store and Establishment of Outlets in 17 Barangays	150,000	150,000	0
Nortehanon Access Center	Community-based Geo-Textile Production	1,500,000	300,000	1,200,000
Tinabanan Healthy Women Organization	Vegetable Production and Marketing Project	310,000	310,000	0
Ubay Dairy Multi-Purpose Cooperative	Product Packaging Enhancement of Milky Bath Soap	15,000	15,000	0
Union Agrarian Reform Beneficiaries Multi-Purpose Cooperative	Financial Support to Agrarian Reform Beneficiaries Multi-Purpose Cooperative of Union	150,000	150,000	0
Villa Vicenta Agrarian Reform Beneficiaries Multi-Purpose Cooperative	Financial Support to Agrarian Reform Beneficiaries Multi-Purpose Cooperative of Villa Vicenta	195,000	195,000	0
<b>PARTNERSHIP &amp; ACCESS CENTERS</b>				
Bol-anon United Sectors Working for the Advancement of Community Concerns	Advancement of Community Concerns for Economic empowerment and Sustainable Services	1,779,795	1,779,795	0
SAC -Diocese of Calbayog	Promoting Sustainable Enterprises for Fisherfolks in VILTADA, Samar	2,000,000	1,500,000	500,000

# PARTNERSHIP PROJECTS

## VISAYAS

Proponent	Project Title	Total	Grant	Loan
<b>CAPACITY BUILDING</b>				
Bacolod City Cooperative Development Council	1st Negros Occidental Cooperative Congress	45,000	45,000	0
Bol-anon United Sectors Working for the Advancement of Community Concerns	Water Forum and Project Turn-over	150,000	150,000	0
Federation of Agricultural Resource Management, Inc.	Packaging Improvement and Display Racks for Processed Products and Clay Arts	15,000	15,000	0
Iloilo Caucus of Development Non-Government Organizations, Inc.	Forum on Lymphatic Filiriasis	82,475	82,475	0
Iloilo Caucus of Development Non-Government Organizations, Inc.	FISHLINK 2007 - Towards Responsible Aquaculture	72,680	72,680	0
Marine Aquarium Council, Inc.	Paralegal Capability Building for Sustainable Trade of Marine Ornamental Fish Collectors	119,880	119,880	0
Multi-Sectoral Alliance for Development - Negros	Masskara Trade Fair	120,000	120,000	0
Multi-Sectoral Alliance for Development - Negros	Resource Mobilization Training	81,168	81,168	0
Philippine Partnership for the Development of Human Resources in Rural Areas-Visayas	Generating a Unified Stand among Multi-stakeholders on Oil and Gas Exploration in the Central Visayas Waters	135,575	135,575	0
Trowel Development Foundation, Inc.	Eastern Visayas Provincial Seaweed Industry Development Conferences	75,000	75,000	0
<b>CALAMITY ASSISTANCE</b>				
Alliance for Land and Livelihood for the Rural and Urban Poor of Cebu	Shelter for Urban Poor Fire Victims of Sitio Bato, Cebu	150,000	150,000	0
Environmental Legal Assistance Center, Inc.	Relief Assistance for the Diarrhea Outbreak in Loon, Bohol	100,000	100,000	0
NORFIL Foundation, Inc.	Housing Assistance to Sixteen NWRMC Tipolo Mandaue Fire Victims	111,500	111,500	0
<b>OTHERS</b>				
Cebu Uniting for Sustainable Water Foundation, Inc.	Preparing Buhisan River Watershed as an Ecotourism Destination	150,000	150,000	0
Federation of Agricultural Resource Managers, Inc.	Home Lighting Project for Enhancement of Remote Communities Living Conditions	146,250	15,000	131,250
Panamao Development Initiatives	Production and Dissemination of IEC Materials on Solid Waste Management	150,000	150,000	0

## MINDANAO

Proponent	Project Title	Total	Grant	Loan
<b>BASIC SERVICES</b>				
Integral Development Services, Inc.	Bao Unity and Growth through Networking and Water Development Project	2,586,250	2,586,250	0
Integrated Mindanaons Association for Natives, Inc.	Punol-Szopad Water and Sanitation Project	680,640	680,640	0
Kalimudan Foundation, Inc.	Panggao A Lupa - Peace Alliance for Water System Project	1,318,712	1,318,712	0
Little Margos Barangay Renewable Energy and Community Development Association	Community-Managed Potable Water System Project	672,072	672,072	0
Lupah Sug Advocators for Peace and Development, Inc.	Batuhabah Peace and Development Community Water System Level II	1,041,919	1,041,919	0
Nagdilaab Foundation, Inc.	Elimination of Lymphatic Filiriasis in Basilan	100,000	100,000	0
New Harvest Multi-Purpose Cooperative	Bubonga Guilopa Water Community System Project	385,627	385,627	0
<b>LIVELIHOOD &amp; ENTERPRISES</b>				
Bansalan Cooperative Society - Credit Cooperative	Workers Employees Livelihood Loan Program	10,200,000	200,000	10,000,000
Gata Daku Multi-Purpose Cooperative	Assistance for Social Advancement Program	5,750,000	150,000	5,600,000
Ipuan Farmers Multi-Purpose Cooperative	MP3 Palay Trading	1,335,000	85,000	1,250,000
Katotohanan, Pagkakaisa at Serbisyo - Small Enterprise and Economic Development	Angat Buhay Microfinance & Enterprise Development	10,300,000	300,000	10,000,000
Religious of the Good Shepherds Outreach Program	Cagayan de Oro Women Small Lending Project	150,000	150,000	0
Sta. Catalina Multi-Purpose Cooperative	Rural Credit for Micro-Finance & Agri-Enterprise Development Project	10,000,000	0	10,000,000
Tommuanan Development Foundation, Inc.	Peace Education and Housing Reconstruction/ Rehabilitation Project	395,770	395,770	0
<b>CALAMITY ASSISTANCE</b>				
Mindanao Tulong Bakwet, Inc.	Relief Assistance for Internally Displaced Peoples in North Cotabato	53,067	53,067	0
Foundation, Inc.	Supplementary Assistance to Children and Communities of Affected by Heavy Rainfall in Davao del Norte	125,000	125,000	0
Sentro Sa Maayong Magbalantay, Inc.	Relief and Rehabilitation	75,000	75,000	0
Tribal Filipino Program of Surigao del Sur	Relief Assistance for the Lumad Evacuees in Surigao del Sur	177,750	177,750	0
WAQAF Foundation	Emergency Relief Assistance for IDPs in Sulu, Mindanao	200,000	200,000	0
<b>CAPACITY BUILDING</b>				
Claret Samal Foundation, Inc.	Bajao-Design Training Workshop	120,000	120,000	0
Coalition of Social Development Organization in South Cotabato	Alleviating Poverty through Education Program Delivery in South Cotabato	150,000	150,000	0
Mindanao Coalition of Development NGO Networks	Renewable Energy Development Training	116,950	116,950	0
Mindanao Coalition of Development NGO Networks	Mindanao Trade Fair 2007	103,000	103,000	0
Mindanao Integrated Network Development Center, Inc.	Reorganising and Reformalisation of Kutawato Coalition of Development NGOs (KCODE)	118,000	118,000	0
Mindanao Tulong Bakwet, Inc.	Assistance to Research for Active Learning of Bio-Sand Filter Projects	146,300	146,300	0
Nagdilaab Foundation, Inc.	Ferrocement Training	132,000	132,000	0
Panagtagbo Mindanao	GRP-MILF Peace Process	47,024	47,024	0
Sarangani Province Empowerment and Community Transformation Forum	Social Enterprise Business Planning and Development Seminar-Workshop	112,836	112,836	0
Sarangani Province Empowerment and Community Transformation Forum	Sarangani Bay Trust Fund Launch	150,000	150,000	0
Sarangani Province Empowerment and Community Transformation Forum	ABTIKTA thru GILAS	150,000	150,000	0
Xavier University College of Agriculture	1st Mindanao Agriculture Forum	100,000	100,000	0
Zamboanga Coalition of Development NGOs	Resource Mobilization Training	140,069	140,069	0



# PARTNERSHIP PROJECTS

## NATIONAL

PROPONENT	PROJECT	TOTAL	GRANT	LOAN
<b>LIVELIHOOD &amp; ENTERPRISES</b>				
Association of Foundations	National NGO Trade Fair	150,000	150,000	0
National Federation of Cooperatives of Persons with Disability	Bridge Financing for the Armchair Project with DepEd	2,000,000	0	2,000,000
Partnership of Philippine Support Service Agencies	Piloting Integrated Urban Poverty Reduction and Development Strategies in Selected Barangays in Quezon City	2,000,000	2,000,000	0
Visually Impaired Brotherhood for Excellent Services	Upgrading of Massage Equipment (SDW Grant Awardee)	25,000	25,000	0
Visually Impaired Brotherhood for Excellent Services	Establishment of Massage Clinics as a Livelihood Project of the Blind	250,000	250,000	0
<b>CAPACITY BUILDING</b>				
AIM-Mirant Center for Bridging Societal Divides	Democratic Dialogue Workshop	80,000	80,000	0
Aksyon para sa Kapayapaan at Katarungan -Center for Active Non-Violence, FORPhil., Inc.	Follow-Through of the Project Proposal-Making by the Base Groups	44,140	44,140	0
Association of Foundations	Social Development Week 2007	2,495,000	2,495,000	0
Association of Foundations	Building and Strengthening Community Foundations	700,000	700,000	0
Association of Foundations	AF Network Consultation	100,000	100,000	0
Association of Foundations	National Congress of Development Civil Society Organizations	1,520,200	1,520,200	0
Caucus of Development NGO Networks	Initiating Inter-network and Multi-sectoral Partnerships for Regional Development	918,600	918,600	0
Center for Agriculture and Rural Development, Inc.	Capacity Building for CARD Expansion in Cagayan Valley and Sulu, Mindanao	1,000,000	1,000,000	0
Coalition for Bicol Development	Consultation on Electoral and Constitutional Reforms	51,150	51,150	0
Cordillera Network of Development NGOs and POs, Inc.	Strengthening Civil Society Response to the Political Crisis	75,000	75,000	0
Dairy Confederation of the Philippines	Empowering Small-hold Dairy Enterprises through Capacity Building	500,000	500,000	0
Iloilo Caucus of Development Non-Government Organizations, Inc.	WevNet Regional Pre-congress Consultation	30,000	30,000	0
Institute for Migration and Development Issues	Pursuing Efficiency and Meaning by "Changemakers": The Second Conference on Filipino Migrant Philanthropy	100,000	100,000	0
International Center for Innovation, Transformation, and Excellence in Governance	Getting Communities Involved in the Process of Formulating a National Social Protection Strategy	130,200	130,200	0
Mindanao Coalition of Development NGO Networks	Pre-congress Regional Consultation	90,000	90,000	0

PROPONENT	PROJECT	TOTAL	GRANT	LOAN
National Confederation of Cooperatives	Pre-congress Consultation	75,000	75,000	0
National Cooperative Movement	4th National Conference of Century Cooperatives	50,000	50,000	0
National Council of Social Development of the Philippines	Strategic Planning Workshop for Phase 2	134,000	134,000	0
National Council of Social Development of the Philippines	Pre-congress Consultation	100,000	100,000	0
Negros Oriental Network of Non-government Organizations	CenVisNet Pre-NGO Congress Consultation	30,000	30,000	0
Pambansang Kilusan ng mga Samahang Magsasaka	Support to Sumilao Farmers' Campaign for Agrarian Reform	100,000	100,000	0
Partnership of Philippine Support Service Agencies	Institutional Support for PHILSSA's 17th National Assembly	100,000	100,000	0
People's Alternative Study Center for Research and Education in Social Development	Defining, Finetuning and Applying the Three-in-One Organizing Strategy to Barangay Level Organizing and Engagement and for the Preparation towards Capturing Barangay Seats	137,500	137,500	0
Philippine Consortium on Migration and Development/Upland Marketing Foundation, Inc.	Social Enterprise Forum on Migration and Sustainable Development	120,000	120,000	0
Philippine Partnership for the Development of Human Resources in Rural Areas	Strengthening PhilDHRRA's Advocacy on Political/Electoral Work 2007	100,000	100,000	0
UP Administration Research and Extension Services Foundation, Inc.	5th ISTR Asia Pacific Regional Conference: The Third Sector as Vital Contributors to the Attainment of the Millenium Development Goals	75,000	75,000	0
Urban Poor Associates	Consultation and Orientation to Local Communities	100,000	100,000	0
Women's Media Circle Foundation, Inc.	Launching Activities for the Mini-drama Modules on Women Issues	129,000	129,000	0
<b>RESEARCH &amp; DEVELOPMENT</b>				
Center for Agrarian Reform and Rural Development	Dalawang Dekada ng Repormang Agraryo: Nasan na Tayo? (The Journey of ARBs in 20 Landholdings in Batangas, Zambales, Capiz, and Iloilo)	130,000	130,000	0
Cordillera Network of Development NGOs and POs, Inc'	A Case Study on the Current Situation of the Weaving Industry in the Cordillera Region	99,960	99,960	0
Philippine Partnership for the Development of Human Resources in Rural Areas	Philippine Asset Reform Report Card	350,000	350,000	0
Social Enterprise Development Partnerships, Inc.	Microfinance Initiative Impact Assessment	112,000	112,000	0
<b>OTHERS</b>				
Baguio Center for Young Adults, Inc.	Sponsorship of 30 Children to the UP Summer Extension Program	60,000	60,000	0
Caucus of Development NGO Networks	Forum on the National Situation and CSOs	113,500	113,500	0
Lihok Pilipina Foundation, Inc.	Bantay Banay: Sharing Good and Challenging Experiences in Responding to Domestic and other Gender-based Violence	412,410	412,410	0
Philippine Business for Social Progress	Business in Development Challenge Prize Partnership	250,000	250,000	0

## EQUITY FINANCING

PROPONENT	AMOUNT INVESTED
MASS-SPECC Cooperative Development Center	<b>5,500,000</b>
Cooperative Insurance System of the Philippines	<b>5,000,000</b>



# PARTNERSHIP PROJECTS

## TRADE FAIRS AND SPECIAL EVENTS

Panagbenga Flower Festival 2007		227,040
Partnership and Access Center-Albay Marinduque Organized Ventures Services Provincial Alliance of NGOs and POs for Development, Inc.	Coalition for Bicol Development Palanan Wilderness Development Cooperative Cordillera Network of Development NGOs and POs	
Social Development Week - Visayas 2007		108,000
Partnership and Access Center – Albay Cordillera Network of Development NGOs and POs	Marinduque Organized Ventures Services Provincial Alliance of NGOs and POs for Development, Inc.	
Kababayen-an Alang sa Teknolohiya ng Haum sa Kinaiyahan ug Kauswagan	Coalition of Social Development Organizations in South Cotabato	
Mindanao Trade Fair 2007		376,580
Oriental Mindoro NGO/PO Network Marinduque Organized Ventures Services Provincial Alliance of NGOs and POs for Development, Inc. Hinuang Kababayen-an nga Mopanday alang sa Kalambuan Claret Samal Foundation, Inc.	Partnership and Access Center – Albay Nagdilaab Foundation Inc. Cordillera Network of Development NGOs and POs Unlad Kabayan Migrant Services Foundation Inc. Ubay Dairy Multi-Purpose Cooperative	
Kababayen-an Alang sa Teknolohiya ng Haum sa Kinaiyahan ug Kauswagan	Mindanao Coalition of Development NGO Networks	
Multi-Sectoral Alliance for Development – Negros Sarangani Province Empowerment and Community Transformation Forum (for the Association of Sarangani Quality Producers) Kapwa Upliftment Foundation Inc.	Handicraft of Aklan Multi-Purpose Cooperative Coalition of Social Development Organizations in South Cotabato	
Maskara Trade Fair 2007		124,000
Partnership and Access Center – Albay Cordillera Network of Development NGOs and POs, Inc.	Ilonggo Producers Association Kababayen-an Alang sa Teknolohiya nga Haum sa Kinaiyahan ug Kauswagan	
Barangay Luz Homeowners Multi-Purpose Cooperative Ubay Dairy Multi-Purpose Cooperative Antique Development Foundation Inc.	Handicraft of Aklan Multi-Purpose Cooperative La Libertad Weavers' Association Hiniusang Katauhan Sa Bantayan Cooperative	
Social Development Week 2007		266,000
Bahandi Producers Association of Eastern Visayas	Coalition of Social Development Organizations in South Cotabato	
Cordillera Network of Development NGOs and POs Isla Bila Bila Oriental Mindoro NGO/PO Network	Multi-Sectoral Alliance for Development in Negros Marinduque Organized Ventures Services Ubay Dairy Multi-Purpose Cooperative	



Social Development Week 2007		266,000
Palanan Wilderness Development Cooperative Palawan NGO Network, Inc. Upland Marketing Foundation Inc.	Provincial Alliance of NGOs and POs Development Partnership Access Center-Albay Visually Impaired Brotherhood for Excellent Services	
Development Market @ Trinoma		90,500
Bahandi Producers Association of Eastern Visayas Oriental Mindoro NGO/PO Network Provincial Alliance of NGOs and Pos Development Partnership and Access Center – Albay	Cordillera Network of Development NGOs and POs Palawan NGO Network, Inc. Visually Impaired Brotherhood for Excellent Services	
Ayala Center Charity Cart Program		129,167
Cordillera Network of Development NGOs and POs, Inc. Oriental Mindoro NGO/PO Network Marinduque Organized Ventures Services Coalition of Social Development Organizations in South Cotabato Ubay Dairy Multi-Purpose Cooperative Pagkaiusa sa mga Kapunungan sa mga Inahang Nagpakabana sa Bohol La Libertad Weaver's Association	Palanan Wilderness Development Cooperative Partnership and Access Center – Albay Claret Samal Foundation, Inc. Kababayen-an Alang sa Teknolohiya ng Haum sa Kinaiyahan ug Kauswagan Uswag Arts & Crafts Handicraft of Aklan Multi-Purpose Cooperative	
Noel the Discovery Bazaar		22,000
Cordillera Network of Development NGOs & POs	Isla Bila Bila	

# TREASURER'S REPORT

In behalf of the Board of Trustees, the financial results of the Peace Equity Access for Community Empowerment Foundation, Inc. (PEF) as of December 31, 2007 are hereby presented.

The PEF continues to focus on its two-pronged mission to preserve the value of the PEACE endowment fund and to address the needs of the urban and rural poor primarily through development financing and technical assistance. At the close of its six years of operation the fund balance of the Foundation has grown by 27% to P1.681 billion from the original P1.318 billion and the cumulative projects expenditures during the same period amounted to P931 million. We hope to sustain this growth level onwards.

Total revenues earned in 2007 amounted to P230 million, 4% lower than 2006 results of PhP239 million. Income from trustee-managed investments registered a 7% decrease from 2006, P209 million versus P225 million owing to the negative pull of the global financial markets. Interest income from project loans amounted to P15 million which was 10% better than prior year.

On the disbursement side, project expenditures posted a total of PhP147 million which was the lowest since 2003. As a result of this lower than expected performance, thematic groups were formed in 2007 to review and assess the efficiency of the existing sectors and the geographical mix approach of the PEF in processing project proposals.

Project loans released in 2007 amounted to PhP55 million or 5% less than prior year's PhP58 million. On the other hand, grants releases dropped by almost 65% to PhP45 million in 2007. Investment in equities, which is the latest financing instrument was made to cooperative networks, with a total of PhP10 million.

Project support expenses comprising of cost related to poverty mapping, research and publications, capacity building, project development monitoring and evaluation (PDME), project audits, and institutional support projects amounted to PhP38 million or 6% over prior year.

General and administrative expenses amounting to PhP11 million was about 5% of revenues and 7% of total project expenditures.

The Foundation continues to allocate a certain percentage from the investment earnings to cover the cost of inflation. As of the end of 2007, total provision amounted to PhP350 million, calculated at an average of 4% annual inflation starting 2002.

2007 in PEF was marked by strategy assessment. Relevant policies and practices were validated and proposed changes were scrutinized. As a consequence, a convergence strategy program was adopted in the area of localization, education and health sectors priority in project fund allocation was increased, and a reduced graduated interest scheme for development loan financing is now in place.

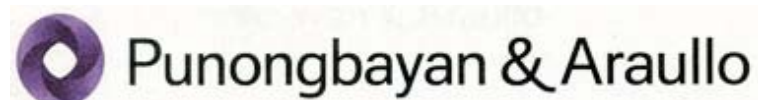
The PEF remains steadfast in striving to be a major effective institution in the challenging task of poverty reduction in the country. In behalf of the Board of Trustees, I thank you, our partners and stakeholders in your continued support to this undertaking.



Senen C. Bacani  
Treasurer



# REPORT OF INDEPENDENT AUDITORS



## Report of Independent Auditors

**The Board of Trustees**  
**Peace Equity Access for Community Empowerment**  
**(PEACE) Foundation, Inc.**  
(A Non-stock, Nonprofit Organization)

### Report on Financial Statements

We have audited the accompanying financial statements of Peace Equity Access for Community Empowerment (PEACE) Foundation, Inc., which comprise the statements of assets, liabilities and fund balances as at December 31, 2007 and 2006, and the revenues and expenses statements, statements of changes in fund balances and cash flow statements for the years then ended, and notes to financial statements comprising of a summary of significant accounting policies and other explanatory notes.

#### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Philippine Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

#### *Auditor's Responsibility*

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



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

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

#### *Opinion*

In our opinion, the financial statements present fairly, in all material respects, the assets, liabilities and fund balances of Peace Equity Access for Community Empowerment (PEACE) Foundation, Inc. as of December 31, 2007 and 2006, and of its revenues and expenses and its cash flows for the years then ended in accordance with Philippine Financial Reporting Standards.

### Report on Other Legal and Regulatory Requirements

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The applicable supplementary Schedules I to II of the Foundation as at December 31, 2007 and for the year then ended as required by the Securities and Exchange Commission, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The information in such supplementary schedules has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

**PUNONGBAYAN & ARAULLO**

By: **Ramilito L. Nañola**  
Partner  
CPA Reg. No. 0090741  
TIN 109-228-427  
PTR No. 0986666, January 4, 2008, Makati City  
SEC Accreditation No. 0395-A  
BIR AN 08-002511-19-2006 (Sept. 8, 2006 to 2009)

March 12, 2008

PEACE EQUITY ACCESS FOR COMMUNITY EMPOWERMENT (PEACE)  
FOUNDATION, INC.  
(A Non-stock, Nonprofit Organization)  
**STATEMENTS OF ASSETS, LIABILITIES AND FUND BALANCES**  
DECEMBER 31, 2007 AND 2006  
(Amounts in Philippine Pesos)

<b>A S S E T S</b>	<b>2007</b>	<b>2006</b>
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	P 20,765,992	P 5,292,836
Loans and receivables – net	73,036,691	57,575,402
Available-for-sale financial assets	1,544,748,393	1,640,914,202
Total Current Assets	<u>1,638,551,076</u>	<u>1,703,782,440</u>
<b>NON-CURRENT ASSETS</b>		
Loans and receivables – net	123,365,302	86,979,438
Property and equipment – net	37,736,546	32,256,974
Investment property	3,145,789	3,145,789
Total Non-current Assets	<u>164,247,637</u>	<u>122,382,201</u>
<b>TOTAL ASSETS</b>	<b>P 1,802,798,713</b>	<b>P 1,826,164,641</b>
<b>LIABILITIES AND FUND BALANCE</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable, accrued expenses and other liabilities	P 7,757,273	P 19,316,894
Grants payable	48,934,613	80,205,835
Funds held in trust	64,716,097	28,114,042
Total Current Liabilities	<u>121,407,983</u>	<u>127,636,771</u>
<b>FUND BALANCES</b>		
Unrestricted	13,206,839	30,919,038
Restricted	1,668,183,891	1,667,608,832
<b>TOTAL FUND BALANCES</b>	<u>1,681,390,730</u>	<u>1,698,527,870</u>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>P 1,802,798,713</b>	<b>P 1,826,164,641</b>

Full report on 2007 audited financial statements is available at the pef website, [www.pef.ph](http://www.pef.ph) or upon request

PEACE EQUITY ACCESS FOR COMMUNITY EMPOWERMENT (PEACE)  
FOUNDATION, INC.  
(A Non-stock, Nonprofit Organization)  
**REVENUES AND EXPENSES STATEMENTS**  
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006  
(Amounts in Philippine Pesos)

	<b>2007</b>	<b>2006</b>
<b>REVENUES , GAINS AND OTHER SUPPORTS</b>		
Investment income - net	P 209,666,605	P 224,907,723
Interest income	15,249,569	13,747,944
Reversal of impairment losses	3,685,527	-
Others - net	1,931,174	532,687
	<u>230,532,875</u>	<u>239,188,354</u>
<b>EXPENSES</b>		
Foreign exchange losses	93,380,745	56,080,700
Grants	44,649,160	127,645,937
Project expenses	37,640,690	35,329,515
General and administrative	10,717,875	8,540,216
Depreciation	3,014,850	2,846,930
Impairment losses	2,352,105	6,829,151
	<u>191,755,425</u>	<u>237,272,449</u>
<b>EXCESS OF REVENUES OVER EXPENSES</b>	<b>P 38,777,450</b>	<b>P 1,915,905</b>

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**PEACE EQUITY ACCESS FOR COMMUNITY EMPOWERMENT (PEACE)  
FOUNDATION, INC.**  
(A Non-stock, Nonprofit Organization)  
**STATEMENTS OF CHANGES IN FUND BALANCES**  
**FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006**  
(Amounts in Philippine Pesos)

	Members' Contribution	Cumulative Excess (Deficiency) of Revenues Over Expenses	Revaluation Reserve on Available-for-sale Financial Assets	Total Unrestricted	Restricted Fund	Total
Balance at January 1, 2007	P 100,000	(P 58,394,336)	P 89,213,374	P 30,919,038	P 1,667,608,832	P 1,698,527,870
Excess of revenues over expenses for the year	-	38,777,450	-	38,777,450	-	38,777,450
Fair value adjustments	-	-	( 55,914,590)	( 55,914,590)	-	( 55,914,590)
Provision for cost of inflation	-	( 575,059)	-	( 575,059)	575,059	-
Balance at December 31, 2007	P 100,000	(P 20,191,945)	P 33,298,784	P 13,206,839	P 1,668,183,891	P 1,681,390,730
Balance at January 1, 2006	P 100,000	P 18,689,759	P 21,729,777	P 40,519,536	P 1,588,608,832	P 1,629,128,368
Excess of revenues over expenses for the year	-	1,915,905	-	1,915,905	-	1,915,905
Fair value adjustments	-	-	67,483,597	67,483,597	-	67,483,597
Provision for cost of inflation	-	( 79,000,000)	-	( 79,000,000)	79,000,000	-
Balance at December 31, 2006	P 100,000	(P 58,394,336)	P 89,213,374	P 30,919,038	P 1,667,608,832	P 1,698,527,870

*Full report on 2007 audited financial statements is available at the pef website, www.pef.ph or upon request*

**PEACE EQUITY ACCESS FOR COMMUNITY EMPOWERMENT  
(PEACE) FOUNDATION, INC.**  
(A Non-stock, Nonprofit Organization)  
**CASH FLOW STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006**  
(Amounts in Philippine Pesos)

	2007	2006
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Excess of revenues over expenses	P 38,777,450	P 1,915,905
Adjustments for:		
Investment and interest income	( 224,916,174)	( 238,655,667 )
Unrealized foreign exchange losses	93,380,745	51,279,136
Reversal of impairment losses	( 3,685,527)	-
Depreciation	3,014,850	2,846,930
Impairment losses	2,352,105	6,829,151
Provision for retirement benefits	390,050	( 268,412 )
Contributions to retirement fund	( 114,216)	( 318,401 )
Loss on disposal of property and equipment	-	56,347
Operating loss before working capital changes	( 90,800,717 )	( 176,315,011 )
Increase in loans and receivables	( 48,047,410 )	( 14,742,497 )
Increase in available-for-sale financial assets	( 55,481,631 )	( 101,281,226 )
Increase (decrease) in accounts payable, accrued expenses and other liabilities	( 11,949,671 )	6,114,648
Increase (decrease) in grants payable	( 31,271,222 )	31,423,867
Increase in unused project funds	36,602,055	28,114,042
Net Cash Used in Operating Activities	( 200,948,596 )	( 226,686,177 )
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Investment and interest income received	224,916,174	238,655,667
Acquisitions of property and equipment	( 11,521,139 )	( 13,815,681 )
Proceeds from sale of property and equipment	3,026,717	83,109
Increase in investment property	-	( 480,258 )
Net Cash From Investing Activities	216,421,752	224,442,837
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	15,473,156	( 2,243,340 )
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	5,292,836	7,536,176
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	P 20,765,992	P 5,292,836

*Full report on 2007 audited financial statements is available at the pef website, www.pef.ph or upon request*



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**Perlita C. Vivar**  
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Program Manager, Renewable Energy

**Emmanuelle V. Garalde**  
Program Officer, Renewable Energy

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**Sostenes Genzola**  
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**Joan Cris G. Lazaro**  
Program Assistant

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**Mercedita C. Coca**  
Program Officer

**Marla A. Ares**  
Program Assistant

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Area Manager

**Leonardo S. Valle**  
Senior Program Officer

**Ana Maria L. Caspe**  
Program Officer

**Cecille A. Manreza**  
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**Ulysses Diva**  
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General Services Assistant

**Editorial Supervision**  
Veronica F. Villavicencio

**Writer**  
Emmanoelle V. Garalde

**Production  
Coordinator**  
Pia V. Villapando

**Design and Layout**  
Eliza V. Garalde

**Photos by**  
PEF Operations Staff  
And Project Partners

**Peace Equity Access for Community Empowerment  
Foundation, Inc.**

**PEF-National/Luzon Regional Office**  
69 Esteban Abada Street, Loyola Heights, Quezon City 1108  
Tel: (02) 426-8402 locals 104/105/118  
Fax: (02) 426-8402 local 102  
Email: [pef@pef.ph](mailto:pef@pef.ph)  
[pef-luzon@pef.ph](mailto:pef-luzon@pef.ph)

**PEF-Visayas Regional Office**  
Room 301 Krizia Bldg., Gonzales Compound  
Gorordo Ave., Lahug, Cebu City 6000  
Telefax (6332) 231-8853  
Email: [pef-visayas@pef.ph](mailto:pef-visayas@pef.ph)

**PEF-Mindanao Regional Office**  
No. 37, 3rd Street, Ecoland Subdivision  
Quimpo Boulevard, Matina, Davao City 8000  
Telefax (6382) 299-3588  
Email: [pef-mindanao@pef.ph](mailto:pef-mindanao@pef.ph)

Visit our website, [www.pef.ph](http://www.pef.ph)