



PEACE &  
EQUITY  
FOUNDATION



# 2023 ANNUAL REPORT

Empowering Change for Lasting Impact

The Peace Equity Access for Community Empowerment Foundation, Inc. (also known as Peace and Equity Foundation or PEF) aspires to drive positive change in poor Filipino households by investing in social enterprises that will provide them with viable livelihood and better access to basic services. PEF works with individuals or entities who share this vision by developing models and best practices that will build, promote and scale-up social enterprises.

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# CHAIRPERSON'S Message

In 2023, the Peace and Equity Foundation navigated through challenges and seized opportunities as we positioned ourselves to embark on a year of growth, innovation, and success.

When members of the Board and the Program Committee visited our projects in Quezon province, I witnessed first-hand the transformative impact of our work in the communities we serve. Our partners shared inspiring stories of how our initiatives empower fisherfolk and farmers, develop their organization's resilience and sustainability, and foster collaboration with other institutions to broaden impact.

As we look back on PEF's journey, particularly since we focused on supporting social enterprises in 2011, it is clear that our vision of changing lives is being validated. During that visit, we saw how social enterprises became drivers of economic opportunity and social change. More than a decade later, we see evidence of their transformative power.

Some of the key points of our performance stand out to me, however. First, PEF strives to be a trailblazing organization. Our willingness to invest in social enterprises when others hesitate shows our innovative spirit. This "unang taya" has led our partner SEs and our own Foundation to grow and innovate. But it's not just about numbers or money. We need to dig deeper into the outcomes of our projects. Social enterprises should deliver more than just profits; they should have a clear vision for their communities and bring about tangible and meaningful impact.

Moving forward, we must understand better what SEs can achieve in the areas we support. We must explore new avenues to expand this vision, ensuring robust local institutions are poised to carry it forward.

One way to do this is by sharpening how we capture and share knowledge. Continuous learning is essential to meet the evolving needs of our partners, and while we may not have all the answers, we are committed to learning and growing. PEF persists in fostering an environment where knowledge flows seamlessly within the organization and is readily accessible to our partners, communities, and fellow development organizations.



The success of social enterprises also hinges on the ability and agility of the staff to think critically and systematically. We have to continue asking tough questions and sharing insights in practical ways. The leadership of the Board and the General Assembly is crucial for this.

The Foundation extends its sincere appreciation to all stakeholders who have worked with us on important issues affecting society, communities, sectors, organizations, and PEF itself. We will keep on looking for worthwhile partnerships that further our mission, catalyzing positive social change to fulfill the promise of social enterprise. This collective commitment propels us toward a future defined by progress and purpose.

**MARIA AURORA F. TOLENTINO**



# 2023: EMPOWERING CHANGE FOR LASTING IMPACT

In 2023, the Peace and Equity Foundation continued its mission of empowering households in partner communities through its core programs. The Foundation contributed financial resources to organizations that will deliver needed community support, provided technical assistance to strengthen the organizations and the enterprises, and developed partnerships to drive sustainability and resilience in the focus areas.

Signs of impact are becoming evident: coffee from communities in Sultan Kudarat and Bukidnon is gaining recognition in regional and national cupping competitions; fisherfolks in Quezon are producing more fish and aquatic products with accessible markets; small businesses run by mothers in Caloocan are bouncing back from the

pandemic; and rice farmers are adopting better practices after training and field trials.

Despite global economic uncertainties postpandemic, funds disbursed for programs and operations totaled ₱109.22 million for the year. New project approvals totaled ₱69.5 million.



## VISION

Self-sustaining and resilient households in partner communities.



## MISSION

As a steward of an endowment fund, PEF promotes socio-economic solutions, builds capacities, and fosters collaboration towards collective impact.

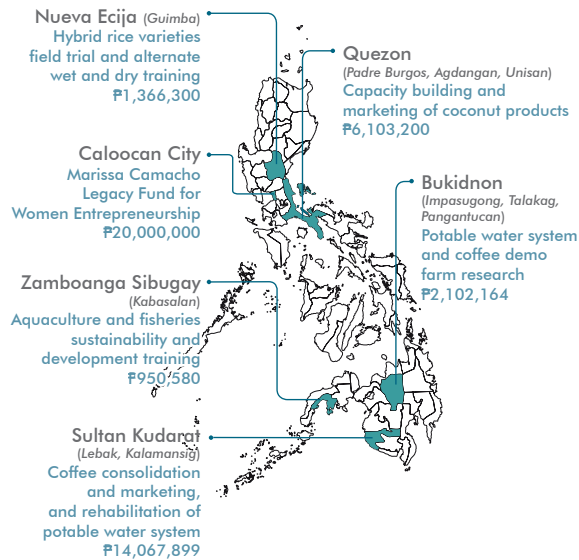




# BUILDING Resilient Enterprises

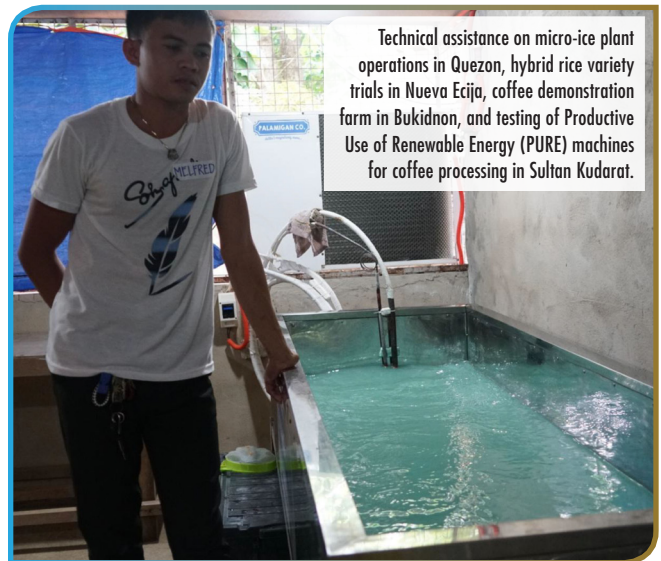
PEF allocated ₱62 million to support 20 organizations, involving over 1,100 households for coffee, rice, and abaca farming, fishing, potable water systems, and small businesses. The Foundation channeled most of these investments into its six focus areas.

## Focus Areas



Training/mentoring on strategic planning, regulatory compliance, sustainable agricultural practices, business management, cooperative development, water system management, and agricultural technologies.

[Bacbacan Multipurpose Cooperative, Bayanihan Millennium Multipurpose Cooperative, Casongsong Farmers Association, Coco Deli, Cooperative Enterprise for True Economic Reform, MILALITRA Farmers Agricultural Cooperative, Sta. Rita Agriculture Cooperative, Agdangan Fishermen Cooperative, Padre Burgos Farmers Consumer Cooperative, Yakap at Halik Multipurpose Cooperative Quezon 2]



Technical assistance on micro-ice plant operations in Quezon, hybrid rice variety trials in Nueva Ecija, coffee demonstration farm in Bukidnon, and testing of Productive Use of Renewable Energy (PURE) machines for coffee processing in Sultan Kudarat.

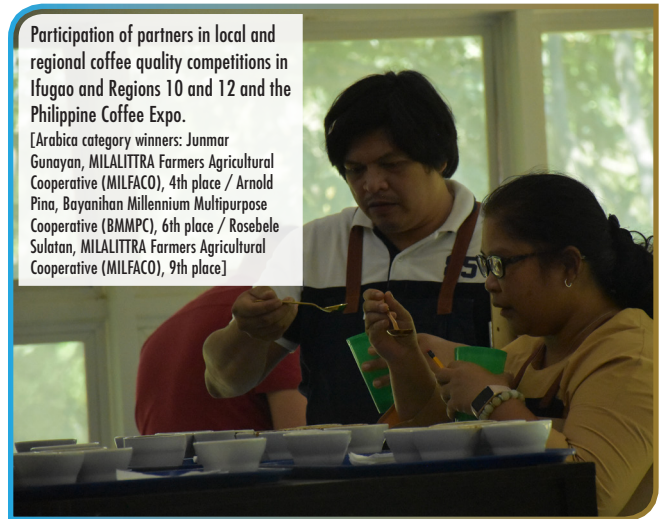


Relief assistance to 3,000 families affected by Typhoon Egay, flash floods in Samar, and earthquakes in Surigao del Sur and Sarangani.



Enterprise development, institution-building, and technology assessments of nine organizations in Bukidnon, Sultan Kudarat, and Quezon.

[Bayanihan Millennium Multipurpose Cooperative, Kauyagan Savers Multipurpose Cooperative, Pangantuanan Maramag Kalilangan Farmer's Dairy Cooperative, Impalutao Dalwangan Sawaga Agrarian Reform Cooperative, Keytodac Coffee Growers, Kalamansig Farmers Agricultural Development and Marketing Association, Bacbacan Multipurpose Cooperative, Yakap at Halik Multipurpose Cooperative Quezon 2]



Participation of partners in local and regional coffee quality competitions in Ifugao and Regions 10 and 12 and the Philippine Coffee Expo.

[Arabica category winners: Junmar Gunayan, MILALITRA Farmers Agricultural Cooperative (MILFACO), 4th place / Arnold Pina, Bayanihan Millennium Multipurpose Cooperative (BMMPC), 6th place / Rosebele Sulatan, MILALITRA Farmers Agricultural Cooperative (MILFACO), 9th place]

## CALOOCAN

### Women of Bagong Silang

In her house in barangay Phase II, Jean Lamayo, 51, is busy gathering her neighbors, fellow women entrepreneurs in the vicinity. Her “sentro” is where Kabuhayan sa Ganap na Kasarinlan Credit and Savings Cooperative (KCOOP) members can pay and apply for loans.

Cluster leader Jean coordinates the status of loan payments and communicates the cooperative’s new programs and services. As a sari-sari store owner herself, she takes pride in the system KCOOP has introduced to them.

Through its loan programs, such as K-Kabuhayan and K-Kalinga, KCOOP members can avail of loans for their livelihood, education of their children, or health emergencies. The cooperative also offers savings and insurance to its members.

The Marissa Camacho Legacy Fund (MCLF) was awarded to KCOOP in 2022 to support its programs. The MCLF, created by the Peace and Equity Foundation in honor of PEF founder Marissa



Camacho, is a P22 million fund to support women empowerment, social enterprise innovation, and youth leadership development.

So far, the MCLF support has reached more than 800 members in Bagong Silang. As the implementation progresses, more and more women are being driven to build businesses for their own, creating change for their families and their respective communities.



## ZAMBOANGA SIBUGAY

### Hope springs eternal in Kabasalan water project

For her family’s daily water supply, Melba Acotanza, a resident of barangay Concepcion in Kabasalan, Zamboanga Sibugay, relied on the existing water system in their area for years. However, water tanks are sometimes empty, so they had to buy gallons of water from private suppliers.

“Kapag walang ulan ng isang linggo, nawawalan ng tubig. Nagbabayad kami ng seven pesos kada galon ng tubig. Dalawampung galon (20 gallons) ang kailangan namin kada linggo,” Acotanza said.

To address this, the Kapunungan sa Gagmay’ng Mangingisda sa Concepcion (KGMC), in partnership with the Peace and Equity Foundation (PEF), Coca-Cola Foundation Philippines, Inc. (CCFPI) and Xavier Agricultural Expansion Service Foundation, Inc. (XAESFI), developed a water system to provide water for the 300 residents of Brgy. Concepcion.

The project is a level 3 water system that will address the high cost of water consumption and the unreliability of other sources.



“Mababa na din ang magagastos namin sa tubig. Malaking tulong talaga ito sa amin,” Acotanza said.

With the water system, Nanay Melba and other households said they can now enjoy uninterrupted access to water.



# BUILDING Strong Partnerships

PEF collaborated actively with various development institutions, government agencies, private organizations, academe, and local government entities. These partnerships aimed to reinforce systems that strengthen climate change resilience, advocate for renewable energy

technologies, and contribute to the fight against hunger and extreme poverty. These alliances are crucial in advancing PEF’s mission to create positive social impact across sectors and communities.



**PROJECT TRANSFORM**  
Transdisciplinary Approach for Resilience and Environmental Sustainability Through Multistakeholder Engagement

Project TRANSFORM (Transdisciplinary Approach for Resilience and Environmental Sustainability through Multi-Stakeholder Engagement) in Ormoc City, Siargao, Bataan, and Rizal

[PEF, Department of Environment and Natural Resources, National Resilience Council, Philippine Business for Social Progress, Zuellig Foundation, and Energy Development Corporation]  
*This initiative aims to bring together effective strategies from the government, private sector, and civil society to address the impacts of the rapidly escalating climate emergency.*

Coffee demonstration farm and research in Pangantucan, Bukidnon

[PEF, Bayanihan Millennium Multipurpose Cooperative, Central Mindanao University, East-West Seed, Education Development Center, and Department of Trade and Industry Rural Agro-Industrial Partnership for Inclusive Development and Growth]

*This project aims to showcase various coffee production practices and promote intercropping of diverse cash crops.*




**MINDANAO CLEAN ENERGY FORUM x RECONNECT TO RENEWABLE ENERGY**  
20-21 November 2023 | Acacia Hotel, Davao City  
Gearing Towards 50% RE Mix by 2030

Mindanao Renewable Energy and Acceleration Hub (Mindanao REACH)

[PEF, Mindanao Development Authority, and Ateneo de Davao University]  
*This platform convenes the region’s local government officials and energy stakeholders to advocate for a transition to clean energy access for underserved communities.*

Zero Extreme Poverty (ZEP) 2030 coalition and CSO Collab

PEF supports social development initiatives that contribute to the fight against extreme poverty, both in urban areas, indigenous people’s communities, and people in remote regions throughout the country.



Training and research on the rice industry in Guimba, Nueva Ecija

[PEF and Central Luzon State University]

*This partnership aims to jointly develop and implement training, mentoring, research, and other projects that will benefit farmers and farmer organizations in Central Luzon.*





## BUKIDNON

# Bringing Bukidnon coffee to a higher level

The Bayanihan Millennium Multipurpose Cooperative, the Peace and Equity Foundation (PEF), and the Central Mindanao University (CMU) signed a memorandum of agreement in May 2023 to establish a coffee demonstration and research project in Pangantucan.

The project aims to showcase sustainable coffee agricultural practices to enhance farm productivity, improve quality, and ensure the economic resilience of smallholder farmers.

Other enablers will also pitch in for this project: Department of Trade and Industry RAPID Growth Region 10 for coffee seedlings, East-West Seed for assorted vegetable seedlings and technical support, Education Development Center on farm maintenance, and the Pangantucan



Municipal Agriculture Office on monitoring and dissemination of the research.

“This collaboration will provide us with information on the best coffee farming system and practices based on the economic and scientific evidence we have gathered during the research,” PEF Area Officer Redentor Aquino shared.

## SULTAN KUDARAT

# First Kape Dose competition showcases quality of region’s coffee

Forty-eight (48) farmers from Region XII competed in the first-ever Kape Dose Coffee Cupping Competition, organized by the Department of Trade and Industry Region XII, in partnership with PEF, Agricultural Cooperative Development International-Volunteers in Overseas Cooperative Assistance (ACDI-VOCA) under their PhilCAFE Project, Sultan Kudarat State University (SKSU), and Sultan Kudarat Coffee Council.

Eight Q Graders, professional evaluators of green coffee beans, were invited to the green bean grading, roasting, and cupping event in the SKSU Cupping Laboratory. Out of the 48 entries, 29 were considered fine and specialty (coffee



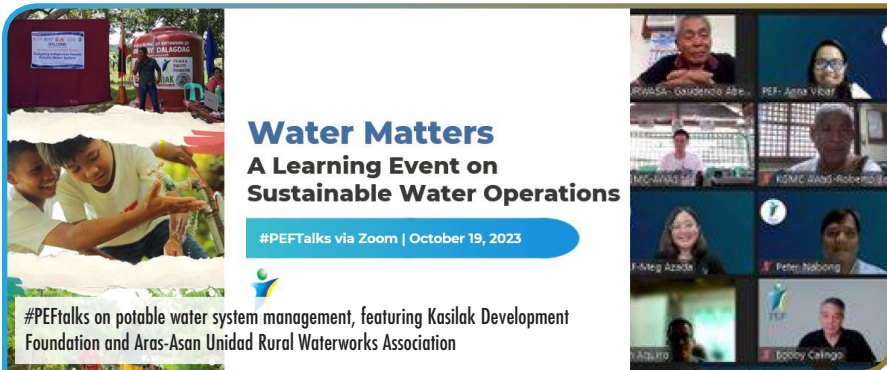
samples with an 80 and above rating): Robusta (25), Arabica (2), and Excelsa (2). The winners represented the Region in the Philippine Coffee Quality Competition.

“This activity will encourage farmers to improve the quality of their coffee and help them tap potential markets that offer premium prices,” PEF Area Officer Shunie Pearl Palacios said.



# BUILDING Relevant Knowledge

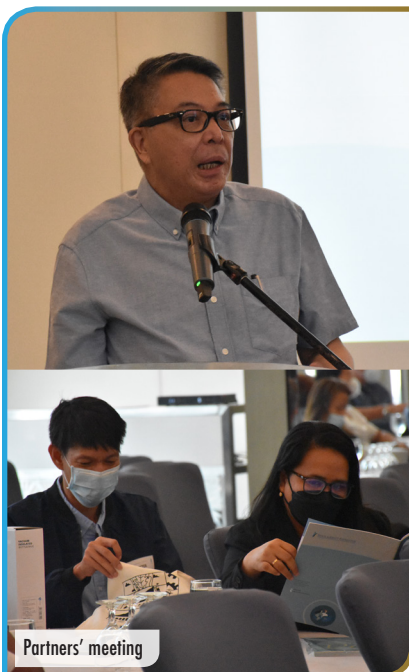
PEF developed knowledge products and organized knowledge-building activities such as assessments, briefings, learning exchanges, and events to enhance program effectiveness and foster a learning culture within the organization.



**Water Matters**  
A Learning Event on Sustainable Water Operations

#PEFTalks via Zoom | October 19, 2023

#PEFTalks on potable water system management, featuring Kasilak Development Foundation and Aras-Asan Unidad Rural Waterworks Association



Action research on agricultural value chains, covering Kapunungan sa Gagmay'ng Mangingisda sa Concepcion's (KGMC) fisheries value chain in Zamboanga Sibugay, block farming in Negros Occidental, and organic rice and supermarket value chains of GlowCorp. The research team and Mr. Roberto Ballon, Chair of KGMC, presented the KGMC study at the 10th International Conference on Fisheries and Aquaculture in Bali, Indonesia.

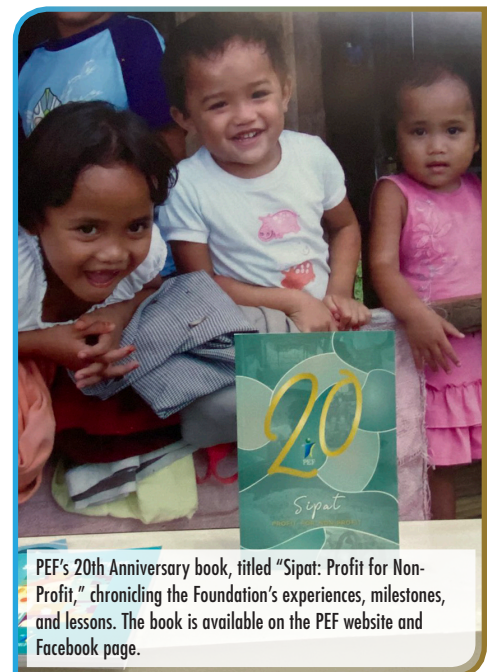


Public Policy Monograph Series 2022-07

**Going Against the Tide**  
Kapunungan sa Gagmay'ng Mangingisda sa Concepcion (KGMC)

Land for Food: The Peace and Malaga Cuencia Cooperative (PT) Agrarian Reform Case Study

Ernest Barreiro • Wilma C. and Tara Abrina



PEF's 20th Anniversary book, titled "Sipat: Profit for Non-Profit," chronicling the Foundation's experiences, milestones, and lessons. The book is available on the PEF website and Facebook page.

## NUEVA ECIJA All about rice

In the middle of the vast expanse of rice fields in Brgy. Casongsong, Guimba Nueva Ecija, a rice processing center was established to maximize the benefits of rice mechanization and bring in additional income for farmers in the areas.

To enhance their technical knowhow and learn how to manage the rice processing center, members of the Cooperative Center for True Economic Reform (CENTER) visited the Saradit sa Kristyanong Komunidad Farmers Corporation (SKKFC) in Libmanan, Camarines Sur.

The SKKFC taught CENTER members the technical aspects of running the rice mill. They also expressed their willingness to help the cooperative compute pricing. Meanwhile, the SKKFC farmers, who have reorganized themselves as Oragon Farmers Agriculture Cooperative



and are looking for ways to increase their yield, learned good farming techniques from the visiting cooperative as they shared tips on synchronous farming, proper fertilization, and proper seed selection.

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## QUEZON Reflections on SEs and collaboration

Members of the PEF Board of Trustees visited social enterprise partners in Quezon in June to get acquainted with the projects in the province.

The Yakap at Halik Multipurpose Cooperative Quezon 2, Quezon Federation and Union of Cooperatives, Greenlife, and CocoDeli were able to showcase their programs and PEF-supported projects that benefit the community.

During the visit, the Board emphasized PEF's role as a model builder, its agile ways of creating interventions that fit the community's needs, and how complementation in programs with other institutions can increase the chances of success.



The exchange between the Board and partners affirmed that continued collaboration with different stakeholders will help boost the chance of success in the communities and eventually lead to improvement of lives of target households.



# BUILDING Organizational Agility

To swiftly adapt to emerging needs and opportunities, PEF continues to embrace an agile approach, refining processes and tools to deliver better and faster results.

## Human resource management and staff development

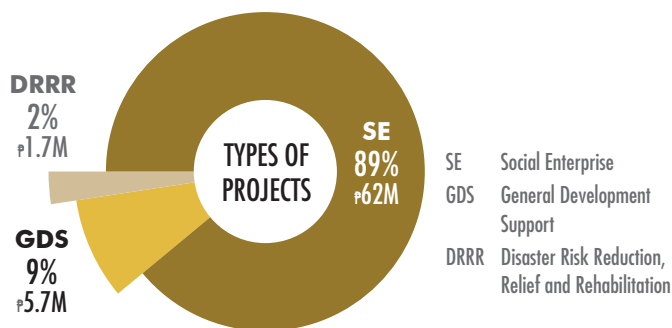
PEF invests in the development of its staff by providing opportunities that will enhance their knowledge and skills.

1. There were also learning sessions on mental health awareness and values reinforcement.
2. The operations team participated in the training on local government engagements, due diligence, and credit policy, while support staff underwent training on results-based monitoring and evaluation.
3. In response to the work protocols issued by the government, the Foundation amended its COVID-19 health policy and work guidelines to ensure the safety and well-being of its staff while maintaining operational effectiveness.

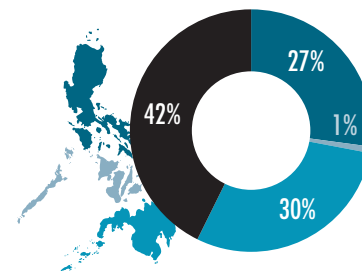
## Governance

1. Ma. Aurora Tolentino has assumed the role of Chair of the Board, succeeding Senen Bacani. Former PEF Chair Most Reverend Antonio Ledesma rejoined the Board and was elected Vice Chair.
2. Sub-committees within the agile framework have been formed to offer guidance and recommendations to the staff on priority concerns.
3. The project development, monitoring, implementation, evaluation (PDIME) manual, which provide guidelines for the Foundation's operational activities, has been updated.
4. The PEF Board also approved the credit and resource leveraging policy and amendments to the Trustees, Officer, Members, and Related Interest (TOMRI) policy.
5. As part of the Marissa Camacho Legacy Fund, the Board has approved a research fellowship program dedicated to developing leadership skills and promoting the growth and sustainability of women-led enterprises.

# 2023 APPROVED PROJECTS



## PROJECT FUNDING PER REGION



<b>LUZON</b>	₱ 18,828,500
<b>VISAYAS</b>	₱ 470,000
<b>MINDANAO</b>	₱ 20,730,480
<b>MULTIPLE AREAS</b>	₱ 29,525,000

## SOCIAL ENTERPRISES AND LIVELIHOOD 62,097,980 (in Philippine peso)

### BUKIDNON

Coffee demo farm and research  
486,000  
Bayanihan Millennium Multipurpose Cooperative

Potable water system  
1,070,164  
Egg production  
546,000  
Kauyagan Savers Multipurpose Cooperative

### NUEVA ECIJA

Organic Fertilizer Production  
100,000  
Angat Buhay Nueva Ecija

Rice high-yielding variety field trial and documentation  
730,000  
Cooperative Enterprise for True Economic Reform Primary Multipurpose Cooperative

Alternate Wet and Dry Training  
245,000  
Casongsong Farmers Association

Rice Processing Center Feasibility Study  
391,300  
Central Luzon State University

### QUEZON

Coco coir production  
336,000  
Tropical Prime Coir Corporation

Coconut processing and marketing  
5,000,000  
Greenlife Coconut Products

Partner assessment and capacity building  
137,200  
Quezon Federation and Union of Cooperatives

Vertical farming and mushroom production  
630,000  
Coco Deli Coconut Products

Micro ice plant power installation  
200,000  
Yakap at Halik Multipurpose Cooperative Quezon 2

### SULTAN KUDARAT

Computerized accounting system  
447,750  
Keytodac Coffee Growers Inc.

Coffee consolidation and trading  
8,150,000  
Renewable energy facilities operationalization  
154,837  
Bacaban Multipurpose Cooperative

Water system rehabilitation  
4,876,000  
Keytodac Rural Waterworks Sanitation Association

Renewable energy facilities operationalization  
594,149  
Sultan Kudarat Electric Cooperative

### ZAMBOANGA SIBUGAY

Cooperative training and development  
980,580  
Kapunungan sa Gagma'y ng Mangingisda sa Concepcion

### OTHER AREAS CAMARINES SUR

Demo farm support and training  
360,000  
Oragon Farmers and Agriculture Cooperative

### IFUGAO

Coffee cupping competition support  
55,000  
Hojap Multipurpose Cooperative

### RIZAL

Vegetable trading and consolidation  
5,000,000  
Organic Options

### BATAAN

Vegetable production technology demonstration  
608,000  
Tucop Farmers Association

Capacity-building for social entrepreneurs  
100,000  
Ang Hortaleza Foundation

### MULTIPLE AREAS

Organizational and enterprise assessment  
1,600,000  
Asian Partnership for the Development of Human Resources in Rural Asia

### MULTIPLE AREAS

Marketing of agricultural products  
13,000,000  
Organic products trading and processing  
1,300,000  
Global Organic and Wellness Corporation

### PEACE AND EQUITY HOLDINGS

MULTIPLE AREAS  
Women entrepreneurship support  
15,000,000  
InBestKap Lending

## DISASTER RISK REDUCTION, RELIEF AND REHABILITATION 1,751,000 (in Philippine peso)

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### TYPHOON EGAY RELIEF OPERATIONS

#### BULACAN, RIZAL

Kabuhayan sa Ganap na Kasarinlan Credit and Savings Cooperative  
206,000

#### PAMPANGA

Center for Emergency Aid, Rehabilitation and Development  
250,000

### NORTHERN SAMAR FLASH FLOOD

Sacred Heart Institute for Transformative Education  
470,000

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### MINDANAO EARTHQUAKE

#### SURIGAO DEL SUR

Aras-Asan Unidad Rural Waterworks and Sanitation Association  
575,000

#### SARANGANI

Maguindanao Development Foundation  
250,000

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## GENERAL DEVELOPMENT SUPPORT 5,705,000 (in Philippine peso)

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### NETWORK STRENGTHENING

16th International Cooperative Alliance in Asia-Pacific Regional Assembly and Congress  
100,000  
National Confederation of Cooperatives

Awardee Engagement Program and Social Innovation Hub  
2,000,000  
Ramon Magsaysay Awards Foundation

Adapt, Innovate & Diversify Summit  
25,000  
Philippine Partnership for the Development of Human Resources in Rural Areas

CSO and CSR advocacy radio program support  
150,000  
Radyo CSR

CSO and private sector coalition secretariat and operational support  
1,000,000  
General Assembly  
100,000  
Association of Foundations

Metro Manila Cooperative Congress 2023  
100,000  
Union of Metro Manila Cooperatives

Music Ecology Camp  
30,000  
Jesus Fisherfolk Association

National Cacao Congress 2023  
50,000  
Philippine Cacao Industry Association

Secretariat Support for Transdisciplinary Approach for Resilience and Environmental Sustainability through Multistakeholder Engagement (Project TRANSFORM)  
1,000,000  
National Resilience Council

Microfinance Practitioners Summit 2023  
50,000  
Mindanao Microfinance Council

Zero Extreme Poverty (ZEP) Coalition secretariat and operational support  
1,000,000  
ZEP 8th General Assembly  
100,000  
Philippine Business for Social Progress

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# TREASURER'S REPORT

## Status of the endowment fund

As of December 31, 2023, the total fund balance stood at **₱2.13 billion**, an increase of **₱22.42 million** over the previous year-end. The fund generated a return of investment (ROI) of **5.79%**, which was higher compared to the previous year's ROI of **4.02%**.

Emerging from the challenges of 2022, some gains were reaped in the second half of last year through investments in fixed-income securities, denominated in both pesos and dollars. Fixed-income securities fared better than equities during the period. On the equities side, although the Philippine economy slowly re-opened and the national health emergency was lifted by July 2023, investor sentiment remained cautious so that the PSEI index stayed at levels lower than those of 2022. Meanwhile, the recovery of the rest of the world was characterized by high inflation owing to stretched supply chains and geopolitical tensions. As a result, monetary authorities, particularly in the U.S., began to raise interest rates in response. Philippine monetary authorities, by necessity, had to keep in step, which explains the higher yield on fixed-income securities relative to past years.

The finance committee noted these trends and, therefore, shifted more of the portfolio to dollar-denominated fixed-income paper issued by Philippine corporations. This was in order to take advantage of the high rates, favorable tax treatment earnings from these assets, and possible peso depreciation in the medium term. Accomplishing this measure necessitated the adjustment of the board-approved foreign exchange-denominated portfolio ceiling from 40% to 50%.

Our investment approach continued to be defensive. The aim is to minimize the risk of losses to the fund and at the same time ensure a steady cash flow from interest and dividends to fund our operations.

For 2023, we continued to implement the advance provision for inflation that we started in 2022 and increased it by **₱40.76 million**. The cumulative provision for inflation therefore closed at **₱760.57 million**. The purpose of this decision is prudence, in order to preserve the value of the fund and to provide a reserve when financial conditions become unfavorable.

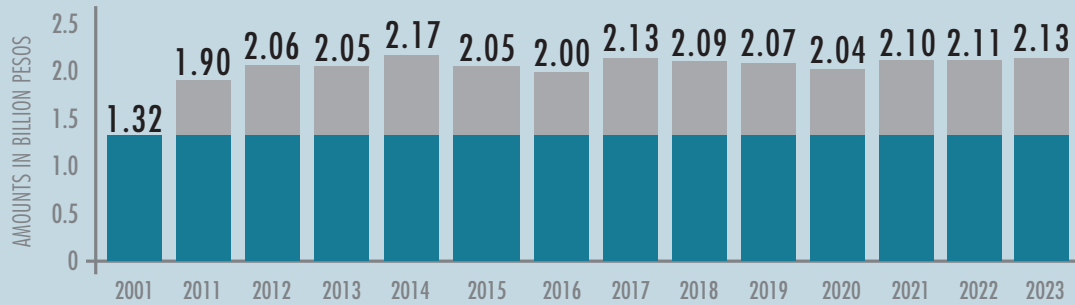
The unrestricted fund balance as of December 31, 2023 closed at **₱55.43 million**

## Investment portfolio mix

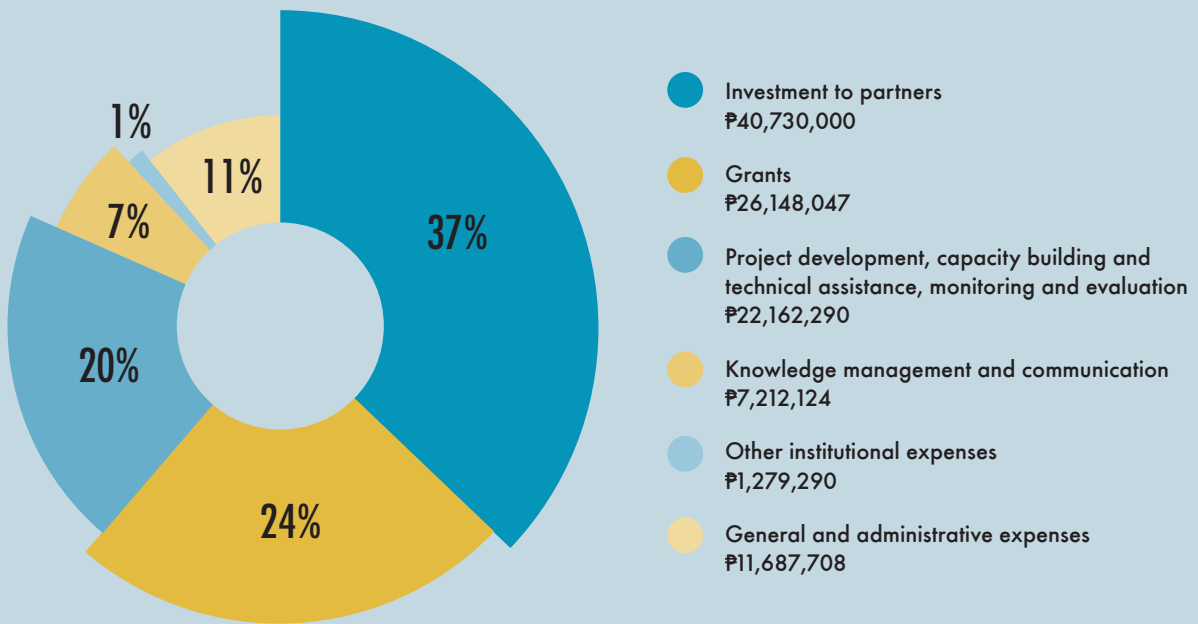
In the middle of last year, the Board approved the higher ceiling for investment in foreign-exchange-denominated securities from 40% to 50% subject to annual review. As already discussed, this was to facilitate the portfolio shift to dollar-denominated assets (see item c) below.)



### Comparative Total Fund Balance For years 2011-2023 (in billion pesos)



### Disbursements for the year 2023





Important highlights of PEF's 2023 investment portfolio were as follows:

- a) Cash held was kept low, ending at **2%** by year-end, in order to maximize the amounts available for investment;
- b) Equities are **28%** of our portfolio. Our equities investments are generally restricted to high-quality, dividend-paying issues that provide cash to fund our operations.
- c) Dollar-denominated fixed-income investments are **46%** of the portfolio and consist of bonds issued by Filipino corporations; and
- d) Peso-denominated fixed-income investments, composed of bonds and preferred shares, are **24%** of the total portfolio.

By the end of 2024, we expect this portfolio to generate around ₱83.87 million realized investment income or equal to 4.58% return of investment. This amount excludes market price adjustments on common stocks. Increases in the market value of fixed-income investments may also occur if and when global and domestic interest rates turn lower later in 2024.

## Financial position

Total assets at year-end amounted to ₱2.23 billion. These consist of short-term assets of ₱1.15 billion and long-term assets of ₱1.08 billion.

Total liabilities closed at ₱97.46 million.

## Summary of disbursements and sources of funds for 2023

A total of ₱109.22 million was disbursed for the year and applied to the following purposes:

- Investments to partner organizations in the form of project loans totaled ₱40.73 million;
- Grants extended to social enterprises and other general development programs amounted to ₱26.15 million;
- The cost incurred in project development, capacity building and technical assistance, monitoring and evaluation amounted to ₱22.16 million;
- Disbursements for knowledge management amounted to ₱7.21 million;
- An additional amount of ₱1.28 million was spent for other institutional expenses; and
- General and administrative expenses amounted to ₱11.69 million.

Funds for the Foundation's programs and operations as indicated above were generated from the following sources:

- Net realized income from investments in various financial instruments such as stocks and bonds, amounted to ₱85.08 million; and
- Project reflows in the form of principal payments and interest on loans received from partner organizations totaled ₱59.54 million.

Also in 2023, we raised ₱21.30M in leveraged funds, which are co-managed with our partners. These include additional capital funds for projects, working capital and investments in capacity building and donor funded projects.

The Board through its finance committee is committed to ensuring that the Foundation's financial standing is resilient and supportive of the goals of the social enterprise program for our partner communities.

**EMMANUEL S. DE DIOS**

Peace Equity Access for  
Community Empowerment  
(PEACE) Foundation, Inc.  
*(A Nonstock, Not-for-profit Corporation)*

Parent Company Financial Statements  
December 31, 2023 and 2022

and

Independent Auditor's Report



A member firm of Ernst & Young Global Limited



SyCip Gorres Velayo & Co. Tel: (632) 8891 0307  
6760 Ayala Avenue Fax: (632) 8819 0872  
1226 Makati City ey.com/ph  
Philippines

## INDEPENDENT AUDITOR'S REPORT

The Board of Trustees and Members  
Peace Equity Access for Community Empowerment (PEACE) Foundation, Inc.

### Report on the Audit of the Parent Company Financial Statements

#### Opinion

We have audited the parent company financial statements of Peace Equity Access for Community Empowerment (PEACE) Foundation, Inc. (a nonstock, not-for-profit corporation) (the Parent Company), which comprise the parent company statements of assets, liabilities and fund balances as at December 31, 2023 and 2022, and the parent company statements of comprehensive income, parent company statements of changes in fund balances and parent company statements of cash flows for the years then ended and notes to the parent company financial statements, including material accounting policy information.

In our opinion, the accompanying parent company financial statements present fairly, in all material respects, the financial position of the Parent Company as at December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with Philippine Financial Reporting Standards (PFRSs).

#### 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 Parent Company Financial Statements* section of our report. We are independent of the Parent Company 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 parent company 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 Parent Company Financial Statements

Management is responsible for the preparation and fair presentation of the parent company financial statements in accordance with PFRSs, and for such internal control as management determines is necessary to enable the preparation of parent company financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the parent company financial statements, management is responsible for assessing the Parent Company'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 Parent Company or to cease operations, or has no realistic alternative but to do so.



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

### **Auditor's Responsibilities for the Audit of the Parent Company Financial Statements**

Our objectives are to obtain reasonable assurance about whether the parent company 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 parent company 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 parent company 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 Parent Company'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 Parent Company'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 parent company 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 Parent Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the parent company financial statements, including the disclosures, and whether the parent company 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.





- 3 -

**Report on the Supplementary Information Required Under Revenue Regulations 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 34-2020 and 15-2010 in Notes 27 and 28 to the financial statements, respectively, 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 Peace Equity Access for Community Empowerment (PEACE) 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.

Ma. Emilita L. Villanueva  
Partner

CPA Certificate No. 95198

Tax Identification No. 176-158-478

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

BIR Accreditation No. 08-001998-141-2021, November 10, 2021, valid until November 9, 2024

PTR No. 10082036, January 6, 2024, Makati City

March 15, 2024



**PEACE EQUITY ACCESS FOR COMMUNITY EMPOWERMENT  
(PEACE) FOUNDATION, INC.**

**(A Nonstock, Not-for-profit Corporation)**

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

	<b>December 31</b>	
	<b>2023</b>	<b>2022</b>
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents (Notes 6 and 25)	<b>₱64,987,537</b>	₱90,560,188
Receivables (Notes 7 and 25)	<b>75,739,407</b>	85,847,176
Financial assets at fair value through profit or loss (FVTPL; Notes 8 and 25)	<b>490,619,975</b>	556,356,581
Investments in debt instrument - current portion (Notes 10 and 25)	<b>520,239,130</b>	259,995,124
Other current assets (Note 9)	<b>3,010,987</b>	2,355,614
<b>Total Current Assets</b>	<b>1,154,597,036</b>	995,114,683
<b>Noncurrent Assets</b>		
Receivables - net of current portion (Notes 7 and 25)	<b>10,134,858</b>	20,745,860
Investments in debt instruments (Notes 10 and 25)	<b>563,350,681</b>	730,500,474
Financial assets at FVOCI (Notes 10 and 25)	<b>170,923,332</b>	147,149,281
Property and equipment (Note 11)	<b>126,355,543</b>	117,403,580
Investment properties (Note 12)	<b>58,496,000</b>	58,496,000
Investment in a subsidiary (Note 13)	<b>125,000,300</b>	125,000,300
Other noncurrent assets (Notes 9 and 21)	<b>23,022,881</b>	7,077,492
<b>Total Noncurrent Assets</b>	<b>1,077,283,595</b>	1,206,372,987
	<b>₱2,231,880,631</b>	₱2,201,487,670
<b>LIABILITIES AND FUND BALANCES</b>		
<b>Current Liabilities</b>		
Accounts payable and accrued expenses (Notes 14 and 25)	<b>₱11,348,778</b>	₱10,573,950
Grants payable (Notes 15 and 25)	<b>32,419,578</b>	25,973,438
Funds held in trust (Notes 16 and 25)	<b>24,715,870</b>	25,284,818
<b>Total Current Liabilities</b>	<b>68,484,226</b>	61,832,206
<b>Noncurrent Liability</b>		
Deferred tax liability (Notes 11, 12 and 23)	<b>29,022,683</b>	27,705,253
<b>Total Liabilities</b>	<b>97,506,909</b>	89,537,459
<b>Fund Balances</b>		
<b>Restricted</b>		
Endowment fund (Note 1)	<b>1,318,371,694</b>	1,318,371,694
Provision for inflation (Note 26)	<b>760,567,660</b>	719,804,144
	<b>2,078,939,354</b>	2,038,175,838
<b>Unrestricted</b>		
	<b>55,434,368</b>	73,774,373
<b>Total Fund Balances</b>	<b>2,134,373,722</b>	2,111,950,211
	<b>₱2,231,880,631</b>	₱2,201,487,670

*See accompanying Notes to Parent Company Financial Statements.*



See Notes to Financial Statements at [www.pef.ph](http://www.pef.ph).

**PEACE EQUITY ACCESS FOR COMMUNITY EMPOWERMENT  
(PEACE) FOUNDATION, INC.**

**(A Nonstock, Not-for-profit Corporation)**

**PARENT COMPANY STATEMENTS OF COMPREHENSIVE INCOME**

	<b>Years Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
<b>REVENUES</b>		
Interest income (Notes 6, 7 and 10)	<b>₱63,980,910</b>	₱53,728,935
Dividends (Note 10)	<b>34,788,081</b>	28,188,459
Gain on investment at fair value through profit or loss (Note 8)	<b>5,182,868</b>	-
Trading gain (Note 10)	<b>2,271,878</b>	-
Foreign exchange gain - net (Notes 6 and 10)	-	60,367,239
Fair value gains on investment properties (Note 12)	-	1,595,000
Other income (Note 20)	<b>540,824</b>	287,802
	<b>106,764,561</b>	144,167,435
<b>EXPENSES</b>		
Grant expenses (Note 15)	<b>26,148,047</b>	32,504,458
Project expenses (Note 17)	<b>30,653,704</b>	25,772,088
General and administrative (Note 18)	<b>11,687,708</b>	12,393,271
Provision for impairment losses on receivables (Note 7)	<b>992,970</b>	621,586
Depreciation and amortization (Note 11)	<b>3,185,935</b>	1,437,693
	<b>72,668,364</b>	72,729,096
<b>INCOME FROM OPERATIONS</b>	<b>34,096,197</b>	71,438,339
<b>OTHER CHARGES</b>		
Foreign exchange loss - net	<b>4,900,669</b>	-
Trustee fees (Note 10)	<b>2,521,265</b>	2,533,527
Loss on investment at fair value through profit or loss (Note 8)	-	49,767,766
Trading loss (Note 10)	-	7,652,973
Others (Note 10)	<b>6,539,384</b>	1,856,305
	<b>13,961,318</b>	61,810,571
<b>INCOME BEFORE TAXES</b>	<b>20,134,879</b>	9,627,768
<b>PROVISION FOR TAXES (Note 23)</b>		
Final tax	<b>2,318,260</b>	2,147,483
Deferred tax	-	95,700
	<b>2,318,260</b>	2,243,183
<b>NET INCOME</b>	<b>17,816,619</b>	7,384,585
<b>OTHER COMPREHENSIVE INCOME (LOSS)</b>		
<i>Items not to be reclassified to profit or loss in subsequent periods:</i>		
Net movement in revaluation increment on land and building and improvements (Note 11)	<b>5,167,513</b>	1,661,915
Tax effect	<b>(1,291,878)</b>	6,270,205
Remeasurement loss on defined benefit plan (Note 21)	<b>76,645</b>	(500,663)
<i>Items to be reclassified to profit or loss in subsequent periods:</i>		
Change in fair value of financial assets at FVOCI (Note 8)	<b>654,612</b>	(340,697)
	<b>4,606,892</b>	7,090,760
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>₱22,423,511</b>	₱14,475,345

*See accompanying Notes to Parent Company Financial Statements.*



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**PEACE EQUITY ACCESS FOR COMMUNITY EMPOWERMENT (PEACE) FOUNDATION INC.**  
(A Nonstock, Not-for-profit Corporation)

**PARENT COMPANY STATEMENTS OF CHANGES IN FUND BALANCES  
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022**

	Unrestricted Funds							Total	Grand Total
	Members' Contribution	Cumulative Excess of Revenues over Expenses	Fair Value Reserve on Financial Assets at FVOCI	Revaluation Increment on Land and Building and Improvements	Remeasurement Gain on Defined Benefit Plan	Endowment Fund	Provision for Inflation		
At January 1, 2023	P100,000	(P64,319)	P(16,482,019)	P89,050,258	P1,170,453	P1,318,371,694	P719,804,144	P2,038,175,838	P2,111,950,211
Net income	-	17,816,619	-	-	-	-	-	-	17,816,619
Revaluation increment on Land and Building and Improvements	-	-	-	5,167,513	-	-	-	-	5,167,513
Tax effect of revaluation increment	-	-	-	(1,291,878)	-	-	-	-	(1,291,878)
Remeasurement gain on defined benefit plan	-	-	-	-	76,645	-	-	-	76,645
Change in fair value of financial assets at FVOCI	-	-	654,612	-	-	-	-	-	654,612
Adjustment in provision for inflation	-	(40,763,516)	-	-	-	-	40,763,516	-	-
<b>At December 31, 2023</b>	<b>P100,000</b>	<b>(P23,011,216)</b>	<b>(P15,827,407)</b>	<b>P92,925,893</b>	<b>P1,247,098</b>	<b>P1,318,371,694</b>	<b>P760,567,660</b>	<b>P2,078,939,354</b>	<b>P2,134,373,722</b>
At January 1, 2022,	P100,000	P32,515,328	P(16,141,322)	P81,118,138	P1,671,116	P1,318,371,694	P679,839,912	P1,998,211,606	P2,097,474,866
Net income	-	7,384,585	-	-	-	7,384,585	-	-	7,384,585
Revaluation increment on Land and Building and Improvements	-	-	-	1,661,915	-	-	-	-	1,661,915
Tax effect of revaluation increment	-	-	-	6,270,205	-	-	-	-	6,270,205
Remeasurement loss on defined benefit plan	-	-	-	-	(500,663)	-	-	-	(500,663)
Change in fair value of financial assets at FVOCI	-	-	(340,697)	-	-	-	-	-	(340,697)
Adjustment in provision for inflation	-	(39,964,232)	-	-	-	-	39,964,232	-	-
<b>At December 31, 2022</b>	<b>P100,000</b>	<b>(P64,319)</b>	<b>(P16,482,019)</b>	<b>P89,050,258</b>	<b>P1,170,453</b>	<b>P1,318,371,694</b>	<b>P719,804,144</b>	<b>P2,038,175,838</b>	<b>P2,111,950,211</b>

See accompanying Notes to Parent Company Financial Statements.

See Notes to Financial Statements at [www.pef.ph](http://www.pef.ph).





**PEACE EQUITY ACCESS FOR COMMUNITY EMPOWERMENT  
(PEACE) FOUNDATION, INC.**  
**(A Nonstock, Not-for-profit Corporation)**

**PARENT COMPANY STATEMENTS OF CASH FLOWS**

	<b>Years Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Income before final tax	<b>₱20,134,879</b>	₱9,627,768
Adjustments for:		
Unrealized foreign exchange (gain)	<b>4,900,669</b>	(60,367,239)
Depreciation and amortization (Note 11)	<b>3,185,935</b>	1,437,693
Trading loss (gain)	<b>(2,271,878)</b>	7,652,973
Unrealized changes in prices - FVTPL (Note 8)	<b>(5,182,868)</b>	49,767,766
Interest income (Notes 6, 7 and 20)	<b>(63,980,910)</b>	(53,728,935)
Dividend income	<b>(34,788,081)</b>	(28,188,459)
Gain on sale of property and equipment (Notes 11 and 20)	-	(31,127)
Gain on sale of investment property (Notes 12 and 20)	-	(42,000)
Changes in fair value gains on investment property (Note 12)	-	(1,595,000)
Operating loss before working capital changes	<b>(78,002,254)</b>	(75,466,560)
Decrease (increase) in:		
Receivables	<b>20,718,771</b>	22,075,435
Other current assets	<b>(655,373)</b>	634,993
Increase (decrease) in:		
Accounts payable and accrued expenses	<b>774,828</b>	(9,087,839)
Grants payable	<b>6,446,140</b>	1,756,707
Funds held in trust	<b>(568,948)</b>	723,034
Net cash used in operations	<b>(51,286,836)</b>	(59,364,230)
Interest income received	<b>287,020</b>	1,315,536
Final taxes paid	<b>(2,318,260)</b>	(2,147,483)
Net cash flows used in operating activities	<b>(53,318,076)</b>	(60,196,177)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Net proceeds from sale of / additions to investments	<b>(43,022,300)</b>	(112,582,486)
Proceeds from sale of:		
Property and equipment	-	35,912
Investment property	-	210,000
Additions to property and equipment (Note 11)	<b>(1,895,358)</b>	(697,213)
Net movement in other noncurrent assets	<b>(20,918,219)</b>	(1,697,779)
Interest received	<b>63,693,890</b>	52,413,399
Dividends received	<b>34,788,081</b>	28,188,459
Additional investment in subsidiary	-	(300)
Net cash flows provided by (used in) investing activities	<b>32,646,094</b>	(34,130,008)
<b>EFFECTS OF FOREIGN EXCHANGE RATE CHANGES ON CASH</b>	<b>(4,900,669)</b>	60,367,239
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(25,572,651)</b>	(33,958,946)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<b>90,560,188</b>	124,519,134
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 6)</b>	<b>₱64,987,537</b>	₱90,560,188

See accompanying Notes to Parent Company Financial Statements.



See Notes to Financial Statements at [www.pef.ph](http://www.pef.ph).



# BOARD OF TRUSTEES



The nine-member Board of Trustees is composed of one eminent person in social and economic development; three civil society leaders from national NGO/PO networks; three civil society leaders from Luzon, Visayas and Mindanao NGO/PO networks; one business sector leader; and one basic sector leader.

## BOARD COMMITTEES

- Governance
- Programs
- Finance and Investments
- Human Resource and Organizational Development
- Audit

**CHAIRPERSON**  
**Ma. Aurora F. Tolentino**  
National NGO networks and coalitions representative

**VICE-CHAIRPERSON**  
**Most Rev. Antonio J. Ledesma, SJ DD**  
Development community representative

**TREASURER**  
**Emmanuel S. de Dios**  
Business sector representative

**Nestor R. Carbonera**  
Mindanao NGO networks and coalitions representative

**Liza L. Lim**  
National NGO networks and coalitions representative

**Rev. Fr. Jose Victor E. Lobrigo**  
Luzon NGO networks and coalitions representative

**Ma. Regina B. Martin**  
Visayas NGO networks and coalitions representative

**Cirila M. Oyoa**  
Basic sectors representative

**Allan Robert I. Sicat**  
National NGO networks and coalitions representative

**Roberto R. Calingo**  
Ex-Officio Member

**Atty. Ana Lea H. Uy**  
Corporate Secretary and Legal Counsel

# MANAGEMENT & STAFF



## EXECUTIVE OFFICE

**Roberto R. Calingo**  
Executive Director

**Margeaux M. Azada**  
Executive Assistant

**Val O. Nosares\***  
Internal Audit Officer  
\* until May 15, 2023

## KNOWLEDGE MANAGEMENT

**Maria Pia V. Villapando**  
Manager

**Danica Marra M. Soliman**  
Senior Knowledge Management,  
Evaluation & Monitoring Officer

**Aljan G. Quilates**  
Senior Communication Specialist

**Donie R. Rafael**  
Information and Communication  
Technology Officer

## PEACE AND EQUITY HOLDINGS

**Gracie Kris E. Choy**  
Investment Manager

**Noieky N. Bacani**  
Financial Analyst

## OPERATIONS

**Cauchie C. Garcia**  
Deputy Executive Director

**Joan Cris D. Lazaro**  
Operations Assistant

**John Paul L. Capili**  
Senior Credit Specialist

**LUZON**  
**Peter Floriño C. Nabong**  
Area Manager

**Lyndon S. Bonzon\***  
**Anthony E. Lazo**  
**Alfred John M. Escaño**  
Area Officers  
\* until June 23, 2023

**MINDANAO**  
**Nikki M. Along**  
Area Manager

**Shunie Pearl D. Palacios**  
**Redentor Adrian F. Aquino**  
Area Officers

## PROGRAMS

**Anna Amalia B. Vibar**  
Senior Program Officer for Collaboration

**Laurinette Alice A. Gonzalez**  
Program Officer for Enterprise Development

**Luis Carlos L. Martinez**  
Program Officer for Institution Building

## MANAGEMENT SERVICES

**Maria Lourdes G. Arroyo**  
Manager

**Ma. Lucita P. Satiembre**  
Finance Officer

**Cleafe Linda F. Bautista**  
Finance Assistant

**Crystal Mae P. Religioso**  
Human Resource Officer

**Joan Quennie B. Baldoz**  
Administrative Assistant



# PEACE & EQUITY FOUNDATION

Transforming Poor Communities Through Sustainable Social Enterprise

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Loyola Heights 1108  
Quezon City, Philippines  
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 [ask@pef.ph](mailto:ask@pef.ph)

 [peaceandequityfoundation](https://www.facebook.com/peaceandequityfoundation)