



PRRM in 2009

CREDO OF RURAL RECONSTRUCTION

Go to the people.

Live among them.

Learn from them.

Plan with them.

Work with them.

Start with what they know.

Build on what they have.

Teach by showing.

Learn by doing.

Not a showcase but a pattern.

Not odds and ends but a system.

Not piecemeal but an integrated approach.

Not to conform but to transform.

Nor relief but release.

From the President's Desk

Transition Amid Crisis PRRM in 2009

The year gone by was a singularly difficult year of transition. PRRM went through two major changeovers—at the executive and at the board level—while the world was shaking from an unprecedented global crisis that affected our nation, our local communities, our Movement.

We saw through these trying and troubled times and emerged stronger than we had imagined. Now, we look forward to another three years (2010-2012) of stabilization and further strengthening of our Movement.

From the bottom up

Our local movements in fifteen provinces and in the capital have not only survived the crisis but have continued to achieve with less. Our small cadre of field managers, assisted by the national units, have succeeded in consolidating our local chapters, primary organizations and federations of farmers, fishers, women, youth, and indigenous peoples. They continued building local alliances to advance the interests of the poor and their communities. Together, they engaged local governments in ways that would press these authorities of power to deliver on their commitments to justice and sustainable development.





From the ground up, PRRM and its partners have addressed poverty (in particular, our commitments to the millennium development goals or MDGs) and climate change (in terms of disaster risk reduction, adaptation, and mitigation) within the framework of governance for sustainability. Our small paid workforce on the ground, with little operations subsidy, carried out their plans to educate, organize and mobilize the poor and excluded, not only to challenge government inaction but also to seek some relief and improvement in their lives without government. They have done so under a somewhat hostile and polluted political environment.

Our local movements have continued to promote sustainable and organic farming, agro-forestry and watershed rehabilitation, sustainable fisheries including mangrove restoration and coastal clean-up, to oppose destructive mining operations and environmentally-harmful industries, to do ecological waste management, to improve governance. Our micro-finance operations continued to thrive to finance small social enterprises and livelihood activities and are now poised for expansion of their operations with substantial funding investment from our institution.

PRRM has earned its leading role in sustainable development policy debate and action. Several of our local cadres and community leaders, together with our national officers (from the staff and the board) are now leading voices in poverty and climate issues. They are among the leaders of different local and national coalitions addressing such issues. They have led in engaging government, both local and national, on policies and projects that truly matter to the poor and the environment. They have demonstrated leadership in different forums and platforms, in areas around which citizens, especially the poor among them, would mobilize to advance their causes and interests. They have participated in regional and global activities addressing poverty and climate issues organized by the United Nations and non-state actors. We have participated in official processes such as the Philippines' Second National Communication or SNC on Climate Change to the UN Framework Convention on Climate Change (UNFCCC) and even became part of the Philippine delegation in some of these events, such as the UNFCCC Conference of Parties or COP15 and the UN Convention to Combat Desertification or CCD COP 9.

Our programs on the ground from advocacy to demonstration are concrete interventions to address the most pressing challenge of our times - climate change. What we have been doing up till now to promote sustainable development continues to gain recognition from climate change adaptation advocates, here and abroad..

What we have done and continue to do in our own building—the greening of our home—has now become a model to others in living one's own advocacies for an environment-friendly operation and lifestyle.

We have achieved our project financing target.

Our operations would not have been possible without institutional funding support for our core staff and core Movement activities. But beyond that, we could not have achieved as much as we did had we not met our project financing target.

A good part of our transition, from the grounding of our previous president to date, was dedicated to project development and the aggressive search for funding sources.

Our efforts at project development delivered beyond expectations and with a lot of promise. Project grants exceeded projection by 34% or PhP5 million more than the expected PhP15 million for 2009. We have mobilized additional resources locally, mainly from local governments.

We foresee even brighter prospects. Our major project funding proposal for a multi-year operation is currently awaiting positive result. Were this to be successful we can look to a future of continuity and stability for our core staff and core programs. Add to this the other funding possibilities coming our way, generated both by our field people and at the national level, with assistance from our board and advisers and an 'army' of volunteers. We are confident we can avoid the worst-case scenario of having to cut down on our staff and operations.

We have cut our costs substantially and continued to operate more efficiently.

Operations of our scale necessarily would entail huge costs and strain on our available assets. But we believe we have acquired a level of discipline in spending to say with confidence that we have done and can continue to do more with less.

We have defined and are set to realize our strategic directions for 2010-2012.

The country will be under a new regime, in whatever form it comes. That regime may lead our nation to sustainable development or more disasters. The year 2010 looks better than 2009 but still the problems are many, locked in complex webs indicating unsustainable development.

The prospects for delivering on the MDGs by 2015 are uncertain and threatening to be compromised by all-encompassing climate change impacts. And underlying many of our difficulties is the festering problem of governance as shown in the decline of democratic institutions, principally in terms of transparency, accountability, and failure to deliver on outstanding commitments to social and environmental justice.

The Philippines is among the most vulnerable to the impacts of climate change which may spin out of control in no time. Yet we seem unprepared to deal with the potentially devastating consequences to agriculture and food security, environment and natural resources (such as water, biodiversity, coastal and marine ecosystems, forests), industry and services, and human settlements. Our vulnerability will increase should developments continue as usual.

PRRM commits to help the poor, the nation and government meet these challenges. Our policies and operations are geared to achieve the following outcomes and key result areas over the next three years:

Outcome 1:

Strong local movements and learning centers for sustainable development

- Strong primary organizations at the village level
- Strong local movements with PRRM chapters and partner people's organizations at the core





- Federations, coalitions and networks at the municipal and provincial levels, mobilizing non-poor allies, local philanthropy and private investment, capable of leveraging their organizations to engage and influence local governments for transparency and accountability, food security and poverty reduction, basic social services, environment and natural resource management
- MDG- and climate-sensitive local development plans and budgets
- Five (5) partner national federations of people's organizations further strengthened

Outcome 2:

Strong national influence on sustainable development policy and action

- Strong national and global advocacy and education for sustainability programs
- Strong partnerships with national alliances, coalitions and networks
- MDG- and climate-sensitive Medium-Term Philippine Development Plan (MTPDP)
- Sectoral policies (on food security, agriculture and fisheries, forestry, environment and natural resources, infrastructure, human settlements, and basic social services)

Outcome 3:

Financial sustainability

- Social enterprises around organic and sustainable agriculture, trading and marketing of organic and other products of partner people's organizations through the RR Trade, and micro-finance operations
- Project funding from local government
- Third party financing of education and training services
- Reduction of personnel support from the general fund
- A stable, steadily enlarging fund for institutional administration trust (FIAT)

Executive Summary

PRRM in 2009

Responding to the Year's Challenges

The implementation of PRRM's operations plan for 2009 was set against the backdrop of complex and intensifying crises involving finance, food, feed, and fuels. The chain of consequences was equally complex. The poor, especially the women and children among them, were hit the hardest as expected, leaving deep impacts on food security, jobs, education, health and people's well-being.



The prospects are getting dimmer for the attainment of the MDGs by 2015. These are aggravated even more by the severe impact of climate change, the effects of which, some say, were already felt in the onslaught of the successive typhoons and floods that most recently hit the country.



And underlying many of our difficulties is the festering problem of governance as shown in the decline of democratic institutions, principally in terms of transparency, accountability, and failure to deliver on outstanding commitments to social and environmental justice.

Overall, PRRM's response addressed nine major challenges in 2009.



1. Promotion of Organic Farming and Sustainable Agriculture

PRRM's efforts to strengthen the sustainable agriculture and organic farming movements were boosted tremendously by a major project partnership with the Department of Agriculture and its Bureau of Soils and Water Management beginning November 2008 up to April 2009. Called the Organic FIELDS Support Project or OFSP Phase 1, this project involved building partnerships (between national and local governments, NGOs and POs), training and organization of farmers, research and development, and public promotion of sustainable and organic agriculture.

The OPSF Phase 1 was implemented in seven (7) pilot sites in six (6) provinces. These were Alaminos City in Pangasinan, Guimba in Nueva Ecija, Samal and Dinalupihan in Bataan, Naujan in Oriental Mindoro, Baa0 in Camarines Sur, and Tabaco City in Albay. For the project component on training for organic farming and establishment of learning farms, at least 100 farmers participated in each of the six (6) provincial sites. Learning farm outputs have included the establishment of one-hectare learning farms in each of the six (6) sites, with a half hectare devoted to pure organic rice production and the other half to mixed or combined organic and inorganic rice production.

Last May 8, 2009 the Go Organic! Movement held an organic fair at the PRRM building as the final activity for the OFSP. Billed Organic 101 Fair, the event was such a big success that another fair was held during PRRM's 57th anniversary celebration last July 13-17, the Organic 102 Fair.

Although the OFSP ended last May 2009, the PRRM branch offices in Camarines Sur and Albay continued to implement activities related to sustainable agriculture. In Nueva Ecija, PHP600,000 has been allotted by an LGU for organic rice production. This will be implemented by the more than 100 farmers trained through the OFSP from 11 barangays. The town of Guimba has been declared as the "Organic Capital" of the province.

In Camarines Sur, the PRRM Field Office and partner PO (RINCOMESA) attended and participated in the direction setting of the organic movement in the province with other organic groups during the strategic planning workshop held last August 13-14, 2009. Follow up consultative meetings were also conducted which crafted the by-laws of the Camarines Sur Organic Agriculture Industry Development Council.

In the five provinces of Quezon, Marinduque, Camarines Norte, Camarines Sur, and Albay, the member organizations of PRRM's partner national federation of small coconut farmers' organizations, NIUGAN, continued with the project activities of the Coconut Farms Development Program (CFDP), supported by the Coconut Industry Investment Fund (CIIF). The organizations distributed the seed nuts from their respective nurseries to the local farmer-members. They also submitted the farmers' profiles to the CIIF to start the E-Kiosk, the second component of the CFDP, which involves database build-up and training on database management. NIUGAN also continues to advocate for the creation of local coconut industry development councils (LCIDCs) at the municipal level. Municipal LCIDCs have been established in the provinces of Quezon, Camarines Norte and Camarines Sur.



As part of PRRM's advocacy for zero waste, the Quezon City Chapter, in partnership with Gawad Kalinga (GK), conducted an Ecological Solid Waste Management (ESWM) workshop for the cluster leaders of GK-Visayas Avenue, Brgy. Culiati in Quezon City last September 13, 2009. PRRM and GK have also planned to conduct the same workshop for other GK villages.

PRRM in partnership with Green Drinks Manila organized, hosted and co-sponsored Green Drinks Quezon City last September 25, 2009. Green Drinks is a monthly networking event for those involved and interested in anything green. It has been active in around 600 cities worldwide. Green Drinks Manila is headed by Bryan Benitez McClelland. More than 70 individuals from different environmental organizations participated in the event. One of the event's main attractions was another Organic Fair which featured local and organic products. Also part of the event were the launching of the bamboo bike (by Brian McClelland), re-launching of the PRRM rooftop garden; live band; and GREEN DRINKS!

2. Watershed Management and Provision of Potable Water

The project, "Promotion of Participatory Forest Management in the Critical Watersheds of Nueva Vizcaya Province" is on its second year of implementation (PPFM-II). In the first semester PRRM's partner, the Japan-based Global Link Management Institute (GLMI) supported the conduct of the following activities: hiring of local staff; mobilization of partner LGUs, LGAs, NGOs, academe, other organizations and local farmers; validation of proposed communal irrigation systems (CISs) in three barangays; and finalization of contracts with local suppliers of materials.



Following are the significant outputs of the GLMI project for the second half of 2009:

- Monitored soil and water conservation measures established and survival of delivered seedlings in the 110 Year 1 and Year 2 model farms in three project barangays (Antutot, Carolotan and Sinapaoan)
- 100 local farmers in four project barangays and 4 partners trained on monitoring and dissemination methods for sustainable upland farming
- 34 vermi-compost production stations (out of 34 targeted or 100%) in the four project barangays fully constructed with bed and shed
- At least 3,995 kilograms of vermi-compost harvested in 19 out of 34 stations in the four project barangays since test production started
- Monitored progress of vermi-compost test production by farmer-caretakers in the project barangays
- Policies on facility management, fund management, membership management, watershed management and protection for the Antutot and Sinapaoan CIS projects formulated by 52 individuals composed of barangay officials, CIS users, farmer-cooperators, vermi-compost station caretakers and partners
- 1,000 seedlings planted in the catchments of Tidang village
- 149 barangay residents of Antutot, Carolotan and Sinapaoan oriented on local and national environmental laws



PRRM has also implemented potable water projects in partnership with the Philippine Economic and Cultural Endowment (PEACE-USA). The initial project targeted the completion by December 2008 of eight (8) potable water units in various barangays of Alfonso Lista in Ifugao, and seven (7) units in several barangays of San Miguel Island off Tabaco City, Albay. All units in Albay were completed in March 2009 while all eight units were completed by April 2009 in Ifugao. The delays were largely due to the temporary suspension of construction activities because of continuous rain in both provinces.



The partnership with the PEACE-USA, an organization of Filipino-Americans based in the US, has been facilitated by Mr. Jose Molano who is a member of PRRM's Council of Advisers. Also through Mr. Molano's efforts, a donation from an American married to a Filipina was mobilized for four (4) units of artesian wells in Brgy. Magsaysay, Bayombong, Nueva Vizcaya. Similarly, the Church of Jesus Christ of Latter Day Saints is supporting the construction of two potable water projects in Nueva Ecija and Nueva Vizcaya.

The *Tubig sa Baryo* campaign continued during the second semester in partnership with the Ayala Foundation-USA (AF-USA) with the help of PRRM Adviser Mr. Jose Molano, Jr. who met with Ayala Foundation president, Ms. Vicky P. Garchitorena, last July 9, 2009. A number of potential donors who received the call for support have responded and signified interest in the project. One of these was Mr. Aristotle de la Cruz, president of the Filipino-American Chambers of Commerce in Illinois. A project proposal for the establishment of potable water systems in underserved communities was submitted to Mr. De la Cruz in August 2009. A *Tubig sa Baryo* video has also been produced.

In September 2009, Ms. Mia Saavedra of the AF-USA visited the *Tubig sa Baryo* project sites in San Miguel, Albay to write an article regarding the project. AF-USA published the article entitled, "*The Tubig sa Baryo Project: A Viable Solution to a Basic Social Problem*" on the AF-USA e-bulletin, which has been uploaded to the AF-USA website and sent to more than 7,000 potential donors. A follow-through email regarding the project, along with the AF-USA e-bulletin, was sent to 200 potential donors in October 2009. Also last October 7-9, 2009 Mr. Molano attended the Regional Conference of the National Association of Filipino-American Associations (NAFAA) in Chicago, Illinois.

3. Protection and Rehabilitation of Coastal and Marine Resources

A positive output during the first semester of the year was the approval of the CRM proposal to Japan's People-to-People Aid Movement (P2). Entitled, "Demonstrating and Advocating for Community-Based Coastal Resource Management in Manila Bay", this is funded by the Japan Postal Savings Bank through P2. The approved three-year project provides additional financial and technical assistance specifically for the project and advocacy initiatives of PRRM and partner POs such as KALMADA in Manila Bay. The bay-wide project includes the coastal municipalities of Cavite, Bataan, and Bulacan. This project also complements initiatives in tackling issues such as the delineation of municipal waters and the development of fisher folk settlements.

In Bataan, 50,000 mangrove propagules are inside the mangrove nursery (Bataan School of Fisheries, Brgys. Daan Pare, Santa Elena, Balut, and Camachile). This is

apart from the 20,000 planted in the mangrove reforestation areas in Orion. In addition, sea grass were planted in four target bed sites but were ruined by typhoons Ondoy, Pepeng and Santi. Regular Bantay Dagat patrolling is maintained on Bataan municipal waters to lessen illegal fishing activities. Four (4) PNP law enforcers are detailed to assist the Bantay Dagat members.

Aside from the P2 partnership, PRRM Bataan also deployed 10 modules of concrete Artificial Reefs inside the Orion Fish Sanctuary. The LGU allocated PhP250,000 for the project which came from their Annual Investment Plan. The PRRM Chapter in Bataan also continued activities related to the *pawikan* conservation project in Morong, CRM activities in Orion, and activities of the Bataan NGO-PO Network.

Continuing advocacy is being undertaken by NAMAMANGKA in partnership with PRRM Cavite. The issue on delineation was among the concerns tackled during the provincial-level consultation with the coastal mayors conducted on May 21, 2009. Together with PRRM Cavite, NAMAMANGKA maintained partnership with current networks: Cavite Green Coalition, Cavite Green Consortium and other groups such as the LGUs, academe and other NGOs.

Also in Cavite, NAMAMANGKA with assistance from KALMADA is continuously and actively participating in bay-wide and national-level federation activities such as the enactment of ordinances for the delineation of municipal waters (the towns of Ternate and Maragondon have already passed such laws). Last September 27, members of NAMAMANGKA joined the KALMADA General Assembly.

In Camiguin, PRRM's intervention on CRM is through engagement with the Camiguin Coastal Resource Management Project (CCRMP) and the Municipal Development Council (MDC) of Mambajao. The CCRMP is funded by New Zealand Aid through Tetra Tech, a consultancy firm based in Manila and Siliman University. The result of engagement with the CCRMP is possible funding from DISOP, the technical cooperation arm of the Belgian government as DISOP is looking for a possible NGO partner in Camiguin.

PRRM is also participating in an on-going research and campaign in relation to the proposed Department of Fisheries bill pending in Congress, in coordination with the NGOs for Fisheries Reform (NFR), and PUMALU-MV, PRRM's partner national federation of fisher folk organizations.

The federation also continued its advocacy efforts focusing on the issues of rehabilitating the coastal environment of the Manila Bay area, participation in the implementation of the Comprehensive National Fisheries Industry Development Plan (CNFIDP), and critique of the proposed bill on the creation of a Department of Fisheries. These actions have contributed to the creation of a Manila Bay Coordinating Council or MBCC (in which PRRM sits as a member) in response to the filing of a citizens' suit with the Supreme Court.

For the second half of 2009, PUMALU-MV was fully involved in advocacy for the rehabilitation and protection of Manila Bay. Together with PRRM, NFR and other CRM partners, the group continued in its advocacy regarding the mandamus case filed against government officials for neglecting their duties in the rehabilitation of Manila Bay.



4. Mainstreaming Reproductive Health, Population and Sustainable Development into Public Policy



The project “Good Governance for Population and Sustainable Development” or GG Pop SD, supported by the David and Lucille Packard Foundation, was on its last year of implementation with key networks of NGOs, POs, LGUs and LGAs in five sites: Quezon City, Pasig City and Caloocan City in Metro Manila; Nueva Ecija; and Camarines Sur.



Policy changes have been achieved in Quezon City with the passage of the following ordinances: (1) Establishing a QC Population and Reproductive Health Management Policy with its Implementing Rules and Regulations; and (2) Establishing Population and Migration Information Centers in all Barangays of QC. With the lobbying work of local NGOs and other health advocacy organizations, the city government has allotted PhP10 million for its reproductive health program. A Memorandum of Agreement with the QC LGU and DOLE-NCR/QC was signed to strengthen monitoring and evaluation of the Workplace Family Health Program in 20 private companies. The Quezon City Council for Population has also contributed to strengthening the relationship of parents and teachers by educating them about responsible parenting and how parents can be part of school governance through reproductive health concerns.

In Pasig City, policy changes have been seen in the chief executive’s perception on the relevance of the Pasig City Council on Population and Development (PCCPD) to the city’s overall development direction. City council resolutions have been passed affecting the recognition and incorporation of the PCCPD as drafters of the City’s Medium-Term Development Plan. Contributory to this is the membership of key city agencies in the PCCPD’s board of directors, which manifests the mainstreaming of the reproductive health agenda into the city’s policy making and implementation system, not to mention the city government’s allocation of PhP3 million for its reproductive health program. Focusing on the youth, the PCCPD has also led the drafting and filing of the City Youth Development Plan and the Gender Code with the city council.

The KASECA in Caloocan City has been working closely with the City Health Department and has developed allies among the city councilors. KASECA has remained active in its outreach events for mothers and youths in urban poor barangays. KASECA’s continuing advocacies include the recognition of the important role of barangay health workers (BHWs) in the community through the Annual Search for Ten Outstanding BHWs in Caloocan City. In this connection, KASECA is also assisting in the push to increase the allowances of the BHWs who are mostly local community women.

The Nueva Ecija Women Leaders Caucus (NEWLAC) has succeeded in working through grassroots organizations towards strengthening their roles in the communities as promoters of sustainable agriculture and gender sentinels, all of whom are also reproductive health advocates. It has developed an ally and reproductive health or RH champion in the person of Sangguniang Panlalawigan member Raquel Agapito who has also espoused the Provincial Women’s Code. NEWLAC has enjoined the participation of men through another farmers organization, the Task Force Mandala, to promote non-scalpel vasectomy in the province. It is now in the process of advocating

for adolescent reproductive health and rights among the youth through integration into the curriculum of the Central Luzon State University.

The project in Camarines Sur has succeeded in integrating population and development concerns in the social development programs of the region. PRRM Trustee and Bicol area manager Mr. Dante Bismonte, and an active leader of the local PO network, Unity for the Advancement of Sustainable Development and Good Governance, now sit in the Regional Development Council of Bicol. This will facilitate the approach of simultaneous responses to multi-faceted problems such as lack of livelihoods, perennial natural disasters affecting the natural resources and living environment, violence against women and children, and other reproductive health concerns.

5. Preventing HIV/AIDS

The HIV/AIDS Prevention Project (HAPP) supported by the United Nations Children's Fund (UNICEF) was completed this year in Manila, Quezon City, Pasay City, and Daet, Camarines Sur. PRRM and UNICEF agreed to a no-cost extension of the HAPP from October 2008 to February 2009 to meet the following objectives: (1) increase the awareness of 17,000 target participants about HIV/AIDS prevention; and (2) decrease the risk of HIV/AIDS transmission among 4,700 at-risk youth in the areas of Manila City, Quezon City, Pasay City, and Daet, Camarines Sur.

By February 2009, the project staff and partners reached more than the target number of adults, youths and especially young girls in the provision of basic knowledge and awareness about sexually transmitted infections (STIs), particularly HIV/AIDS. The main strategies were the reproduction and distribution of IEC materials, the conduct of behaviour change communication sessions, the holding of community events and close networking with city and barangay LGUs.

Another major strategy was the organization and training of 313 peer educators (PEs) in the four project sites (86 in Manila; 94 in Quezon City; 78 in Pasay City; and 55 in Daet). With the continuous capability building initiatives, these 313 PEs were enabled to reach 2,830 at-risk youth peers among men who have sex with men, gang members, out-of-school youth, establishment sex workers or, free-lance sex workers, and a few in-school youth.

Another positive output of the project was the strengthening of city-wide HIV/AIDS councils: the Quezon City STI/HIV/AIDS Council, the Pasay City AIDS Council, and the Manila AIDS Council. Complementing this accomplishment is the strong support and partnership with the local Social Hygiene Clinics and the city or municipal LGUs.

A proposal for the continuation of the HAPP is in the pipeline. The new project will focus on the strengthening of peer educators' organizations in Manila, Quezon City, Pasay and Caloocan, and the organizing and training of an additional 75 PEs in these areas. The one-year extension will primarily rely on the capability of the more than 3,100 PEs and their peers in the promotion and advocacy of HIV/AIDS/STI prevention in the four cities of Metro Manila.

Although there are no updates on the proposed continuation of the HAPP, the UNICEF has tapped the organized PEs in their disaster response activities after the country



was hit by typhoon 'Ondoy'. Fifteen (15) senior PEs from Manila and Quezon City were given orientation by the National Services for Community Development to assist the affected youth in the typhoon-hit areas of Cainta, Antipolo, Montalban in Rizal and in Pasig City in terms of the HIV/AIDS/STI issue.

These PEs were also invited by various partners such as Babae Plus and TLF Share to participate in various HIV/AIDS conferences, meetings and fora during the last quarter of 2009. PRRM's Advocacy and Development Cooperation Office also provided governance and advocacy training for the Peer Educators' Movement for Empowerment.

6. Climate Change Action, Disaster Risk Reduction and Response



PRRM participated in the preparation of the Philippines' SNC to the UNFCCC. We did the Vulnerability and Adaptation (V&A) assessment, one the three components of the Project ID #0037339: Enabling Activity for the Preparation of the Philippines' Second National Communication (SNC) on Climate Change to the UNFCCC. The project aims to assist the Department of Environment and Natural Resources–Environmental Management Bureau on behalf of the Inter-Agency Committee on Climate Change in formulating adaptation strategies in selected economic sectors and areas that will demonstrate how policy for adaptation to climate change can be integrated into national sustainable development.

The V&A assessment focused on major economic sectors in the Philippines; namely Agriculture and Food Security, Watersheds (water resources, forestry and biodiversity), Coastal and Human Health sectors. V&A assessments were done in each of the identified sectors in three pilot sites: Albay, Bohol and Surigao del Norte. The SNC project team conducted consultation visits in Surigao del Norte (12–14 March 2009), Bohol (16–18 April 2009), and Albay (10-12 June 2009). On 27 June 2009, a write-shop was conducted to finalize the technical report and manual of procedures.

PRRM participated in the 'Views from the Frontline' monitoring of disaster risk reduction and the country's status as to implementation of the Hyogo Framework for Action (HFA). The HFA is a global blueprint for disaster risk reduction efforts with a ten-year plan, adopted in January 2005 by 168 governments (including the Philippines) at the World Conference on Disaster Reduction in Kobe, Hyogo, Japan. The HFA aims to build the resilience of nations and communities to disaster. It also outlines who is responsible for implementing DRR and the HFA at all levels: state, regional and international organizations. 'Views from the Frontline' is an action-research project undertaken by civil society stakeholders in conjunction with government bodies. It aims to measure progress towards the implementation of the HFA at the *local level* across developing countries and regions.

PRRM is a co-convener of the Disaster Risk Reduction Network Philippines (DRR Net Phil), a national tertiary formation (umbrella) of Philippine CSOs, communities, practitioners and advocates adhering to the HFA on DRR and implementing community-based disaster risk management (CB-DRM). Initially, DRR Net Phil focused its engagement on pushing in Congress for a DRM bill to be passed that incorporates the HFA and the major internationally acceptable norms in DRR and CB-DRM.

Last June 24, the PRRM President met with the Presidential Adviser on Climate Change, Secretary Alvarez, and other climate advocates at the Media Forum on Climate Change Adaptation organized by the CSO Working Group on Climate Change and Development. This July, Secretary Alvarez of the Presidential Task Force on Climate Change issued a special order appointing the members of Technical Working Groups (TWGs) to help government prepare for the 15th Conference of Parties (COP 15) in December 2009 at Copenhagen. The PRRM President was appointed a member of the TWG on climate change adaptation. Other PRRM involvements on CCA/DRR included:

- National Stakeholders' Consultation for the Updating of the Philippine National Action Plan on Adaptation (NAPA) 2008-2018 last September 15, attended by the PRRM President, MFO Director and CBIS staff
- Conference of Parties on the Convention to Combat Desertification (UNCCD) in Buenos Aires, Argentina last September 19-October 2, attended by the PRRM President
- NAPA last October 26-28
- 15th Conference of Parties to the United Nations Framework Convention on Climate Change (UNFCCC COP15) at Copenhagen, Denmark on December 7-18, attended by the PRRM President

In response to the call for help for the typhoon victims (including some PRRM staff and partner-beneficiaries), PRRM and the Quezon City Chapter called for donations from PRRM staff, partners and alumni; organized relief operations; and created TF Tumana and TF Aringay to assist the typhoon-affected communities in organizing relief and restoration efforts. On October 3, 2009 the Task Force Tumana (Marikina) was created to assist the community in setting up a system for coordinating and delivering relief and restoration efforts. On the other hand, the Task Force Aringay (La Union), an initiative of the Quezon City Chapter, was created last October 15, 2009. To date, the Chapter has mobilized a total of PhP50,000 in cash donations.



7. Exacting accountability from government

During this period of global financial and economic crises, PRRM continues to participate actively in national coalitions that deal with economic issues such as the Freedom from Debt Coalition and the Alternative Budget Initiative (ABI), where PRRM serves as co-convenor of the Environment Cluster. PRRM lobbied for augmentations in the 2009 budget for the environment and natural resources sector, resulting to an increase in the allocation for the Community-Based Forest Management Program of PhP115 million. PRRM's advocacy staff wrote the documentation report for the Environment Cluster's three-year experience in the ABI, which will form part of a book to be published by Social Watch-Philippines.

As co-convenor of the ABI Environment Cluster, PRRM participated in the formulation and lobbying for the Alternative Budget for the Environment in the 2010 National Budget. The ABI proposal for financing climate-sensitive actions amounts to PhP11.4 billion which includes programs and projects for renewable/sustainable energy systems, biodiversity, sustainable agriculture, forestry and fisheries, clean and green industrial technology, ecological waste management, climate change adaptation measures, and



disaster response. Partner legislators have adopted the ABI proposals during the budget hearings in Congress. The House Committee on Appropriations also recognized and provided a space for the ABI consortium to present its proposals during one of its hearings.

The Multi-Sectoral Task Force on the Coco Levy Recovery (MSTF) convened by PRRM Chairperson Wigberto Tañada continues to campaign for the rightful use of the coco levy funds and oppose the plans and actions of Danding Cojuangco at the San Miguel Corporation (SMC). The Supreme Court has recently decided in favor of Cojuangco, approving the conversion of 750 million pesos of sequestered common shares into preferred shares. This move will effectively remove the voting rights of the government in SMC and will therefore return the control of the funds back to Cojuangco. The MSTF has exhausted legal avenues and filed manifestations to oppose the maneuverings of Cojuangco, and has continued to inform the coconut farmers of these developments through public fora and media campaigns.

PRRM participated in the activities of the Consortium for Electoral Reform or CER (where PRRM is a member of the Executive Committee and PRRM's advocacy director serves as Secretary General), such as the round table discussions, campaigns, and lobby work on electoral reforms including election automation, the Political Party Development bill, Party List Law, and voter registration. As part of its advocacy for electoral reforms and good governance, PRRM is a member of the *Task Force 2010*, a group of NGOs, bishops and individuals which, in partnership with the COMELEC, sought to drum up the voter registration and cleansing of the voters' list for the 2010 elections. It is also active in the monitoring of all the phases of the 2010 elections through *Bantay Eleksyon*; campaign finance and expenditures through the *Pera't Pulitika*; and election violence through the Vote Peace project of the CER.

At the local level, PRRM participated in the drafting and advocacy for Quezon City's proposed Participation, Accountability and Transparency (PAT) Bill. This bill, sponsored by Councilor Jorge Banal, Jr. of the third district seeks to establish the Quezon City People's Council which shall enhance transparency and participation in the city's local governance and policy formulation. The proposed measure hurdled the second reading on June 24, 2009. On July 6, 2009 however, the proposed measure was sent back for another reading because of Vice Mayor Herbert Bautista's request for additional amendments. At present, meetings are being held between the Office of the Vice Mayor and the Task Force PAT to iron out the additional amendments.

The Quezon City Council approved on third and final reading last July 20, 2009 the ordinance which will strengthen and institutionalize people's participation in promoting good governance in Quezon City. The measure aims to establish the People's Council of Quezon City (PCQC) which will serve as the self-regulating umbrella organization of all accredited CSOs and business/private organizations of the city. PRRM was actively involved in the Task Force PAT, a network of more than 200 CSOs in Quezon City.

8. Raising Revenues

Camiguin MF Program. The micro-finance (MF) project was originally conceptualized as a savings and credit program to support existing economic activities of the POs and enterprises that would be developed later once PO capabilities had

increased over time. The scheme/model being implemented now by the MF program is individual lending, although it started with group lending following the Grameen Bank model. During the last six months of 2009, the MF program of PRRM in the island continued to increase its loan portfolio to PhP3.2 million from PhP3 million in the previous year. It also doubled its clients from 500 to more than 1000, majority of which were women. The project in some ways was able to help stabilize their income.

North Cotabato MF Program. Since 2002, the program has released a total of PhP48.72 million in loans. Its savings generation which serves as compensating balance for the loans has reached PhP1.25 million. The program now has five (5) staff. It operates in four (4) municipalities of North Cotabato (Makilala, Kidapawan, Mlang and Magpet) covering 27 barangays. One good thing about the performance of its operation is that it is self-propelling. It does not rely on other sources of funding. It only uses its retained earnings in providing its financial services. From an asset base of PhP3 million in 2002, its assets have grown to PhP6 million after six years of operation. The program was able to provide easy credit access to women and micro-entrepreneurs. The program facilitated the formation of women's organizations in other PRRM North Cotabato areas.



Kooperatibang Lakas ng Nueva Ecija. The cooperative has been very active in looking for funding to finance its growing clientele for MF as well as its crop production loans and marketing of organic rice. Its Board of Directors (BOD) is composed of PO members and some PRRM Chapter members regularly attend the coop's meetings as part of the BOD. The local group is currently on rehabilitation mode, with PhP7 million in new money infused through soft loans. In addition, it is the emerging poster personality for Sustainable Agriculture of the Rice Watch Action Network, KOOL-NE has already included remittances in its array of services. It is now an authorized agent of Western Union through NATTCO.



NOVOLED. The PRRM Nueva Vizcaya Chapter led the formation of the Novo Vizcayanos for Local Economy Development (NOVOLED Inc.), registered with the Securities and Exchange Commission as a non-stock, non-profit institution to engage in MF, among other developmental undertakings. NOVOLED started operations with PhP300,000. Resource mobilization has been actively done by the officers with assistance from the SLDPO. NOVOLED has been operating self-sufficiently and positive indicators have been manifested in its ten months of operations. From a start-up capital of PhP350,000 it has now released more than PhP2.7 million.

Kalilayan. The Chapter in Quezon province has also formed an entity with the intention of providing financial services to the marginalized sectors in Quezon and parts of Marinduque. The entity was registered as a cooperative, the *Kalilayan Multi-purpose Cooperative*, with the Cooperative Development Authority. *Kalilayan* is the original or indigenous name of Quezon province. *Kalilayan* began with PhP204,000 start-up capital. The capitalization was mobilized by the members of the cooperative. The cooperative's membership is composed of members of the PRRM Quezon Chapter and NIUGAN and PUMALAOT POs.

QC Chapter. The Quezon City Chapter perceived the need for an alternative source of financing for employees of PRRM and other NGOs, thus initiating the discussion on the setting up of a MF operation. An orientation was provided by the SLDPO Director and the Chapter came up with the a plan of action to operate a Quezon City Chapter micro-finance program and to start operations with an initial capitalization of

Php300,000 from PRRM. Committees have been formed and operations guidelines have been initially formulated.



RR Trade. In relation to the operations of the RR Trade, the Kooperatibang Likas ng Nueva Ecija or KOOL-NE, PRRM Albay, PRRM Cavite, RINCOMESA and the Ifugao provincial government are actively participating through the provision of stocks to RR Trade. The stocks include rice (regular, brown, red and black), peanut butter, pickled papaya, rice coffee, coffee, and native bags and accessories. Supply and distribution systems need to be refined. RR Trade also soft-launched the RR Café last July and has continuously operated since then. The Café will likewise serve as an outlet of RR Trade products. RR Trade now maintains a space at the PRRM ground floor.



RR Tours. A task force was created to review and revitalize the eco-development tourism program of PRRM. Thus far, tour packages and brochures have been developed (such as for Camarines Sur and Bicol), and updates on the necessary studies are currently on-going. Some of the tour packages have already been pilot tested. The stakeholders of this undertaking include PRRM and partner POs in PRRM areas. The PRRM Eco-tour Program or RR Tours organized the GLMI Study Tour of five (5) Japanese students and two (2) GLMI staff in Manila and Nueva Vizcaya from August 19 to 29, 2009. They visited the sites of the project “Promotion of Participatory Forest Management in the Critical Watersheds of Nueva Vizcaya Province.”



DALUYONG GAD and SEEW. As part of the activities for the P2-funded Gender and Development project, DALUYONG drafted the business plans for the social enterprises of provincial member organizations last year. For the beginning of this year, DALUYONG operationalized these plans by piloting various micro-enterprises in Nueva Ecija, Marinduque and Camarines Norte, with Php50,000 each as seed capital. The DALUYONG member organizations to be assisted next will be those based in Quezon, Albay and Camarines Sur provinces. In addition, business planning workshops are being conducted by DALUYONG member organizations in Ifugao and Negros Occidental provinces as part of the preparatory activities for the launching of their respective livelihood initiatives.

With the conclusion of the P2-funded three-year project, DALUYONG has been able to negotiate another three-year project extension with P2. This second phase, entitled “Social Enterprises towards Empowering Women” (SEEW), will cover the period July 2009-June 2012. The extension and additional funding will include financial management and leadership training for second-line leaders. DALUYONG member organizations in other provinces are preparing for this project through the conduct of business planning workshops, as well as GAD orientation seminars for PO member-couples.

The following were undertaken during the second semester of 2009:

- Income generating projects continued to be implemented in three (3) provinces: Nueva Ecija, Camarines Norte, and Marinduque. Pilot projects in the 3 provinces include home care products for NE and piggery for the other two.
- New project funds were received from P2 for the first year of DALUYONG’s SEEW. Training on financial management systems and controls is scheduled to be conducted during the project assessment workshop.
- Provincial member organizations are conducting profiling/validation of members as part of efforts to consolidate DALUYONG for the new phase of the project.
- Continuing gender gap analysis (GGA) results validation/write up of full document

9. Improving Efficiency

The President, in consultation with individual members of the Board of Trustees as well as the staff Management Committee, exerted utmost efforts to ensure the attainment of the objectives of the 2009 plan and its major components: strengthening the movement, generating revenues, and improving efficiency.

On October 19, 2009 the Philippine Council for NGO Certification (PCNC) sent a letter informing PRRM that it has passed PCNC standards and has been granted a one-year certification for donee institution status. The PCNC has sent a Secretary's Certificate to the BIR for the confirmation of PRRM's certification. The BIR shall issue the certificate of donee institution status once it finds all of PRRM's papers in order.

Fifteen (15) accreditation-affirmed chapters attended the annual National Council meeting last July 17, 2009 (Albay, Bataan, Camarines Norte, Camarines Sur, Camiguin, Cavite, Ifugao, Ilocos Sur, Marinduque, Negros Occidental, North Cotabato, Nueva Ecija, Nueva Vizcaya, Quezon City, Quezon Province). The major highlight of the meeting was the election of the Board of Trustees to serve the term 2009-2012.

Following are the new PRRM Trustees to serve the term 2009-2012 (*in alphabetical order*):

- | | |
|---------------------------------|------------------------------|
| 1. Mr. Librado B. Abesamis | 9. Mr. Marlon P. Palomo |
| 2. Mr. Ronald Allan A. Barnacha | 10. Ms. Mary Racelis |
| 3. Mr. Raul Roi B. Borejon | 11. Dr. Amelou Benitez Reyes |
| 4. Hon. Hernani A. Braganza | 12. Mr. George K. Sanchez |
| 5. Mr. Edicio G. dela Torre | 13. Mr. Isagani R. Serrano |
| 6. Dr. Lorenzo C. Lapitan, Jr. | 14. Mr. Joselito A. Tambalo |
| 7. Mr. Horacio R. Morales, Jr. | 15. Atty. Wigberto E. Tañada |
| 8. Ms. Ana Maria R. Nemenzo | |

The First Regular Meeting of the new Board of Trustees was conducted last July 24, 2009. The major highlight of the meeting was the election of officers: Atty. Wigberto E. Tañada (Chair); Mr. Edicio G. dela Torre (Vice-Chair); Mr. Isagani R. Serrano (President); Mr. George K. Sanchez (Secretary); Dr. Amelou Benitez-Reyes (Treasurer).

Human resource management and development for 2009 have proceeded on the basis of the following principles:

- Maintaining and sustaining an ideal level of staff complement based on planned activities;
- Designation of more staff and allocation of more staff time for revenue-raising activities such as project development, social enterprises, social marketing, and other resource mobilization activities; and
- Assignment of staff on board to existing projects, project development, consultancies or social enterprises, such as consultants to climate change projects and area managers to the OFSP or to MF operations.

As of 15 November 2009, PRRM had a total staff complement of 65, of which 28 or 43% were assigned to externally funded projects, while 37 or 57% were assigned to institutionally funded programs and projects. During the year, a number of regular staff and on-board consultants were assigned to externally funded projects.



Glossary of Abbreviations

ABI	Alternative Budget Initiative	MDGs	Millenium Development Goals
ADCO	Advocacy and Development Cooperation Office	MF	micro-finance
AF-USA	Ayala Foundation - USA	MFO	Movement Building and Field Operations Office
BHW/s	barangay health worker/s	MSM	men-having-sex-with-men
BOD	Board of Directors	MSTF	Multi-Sectoral Task Force on the Coco Levy Recovery
CB	community-based	MTPDP	Medium-Term Philippine Development Plan
CBIS	Conrado Benitez Institute for Sustainability	NAFAA	National Association of Filipino-American Associations
CCA	climate change adaptation	NAMAMANGKA	Nagkakaisang Maliliit na Mangingisda ng Kabite
CCRMP	Camiguin Coastal Resource Management Program	NAPA	National Action Plan for Adaptation
CER	Consortium on Electoral Reforms	NATTCO	National Confederation of Cooperatives
CIIF	Coconut Industry Investment Fund	NEWLAC	Nueva Ecija Women Leader's Caucus
CIS	communal irrigation system	NCR	National Capital Region
CFDP	Coconut Farms Development Program	NFR	NGOs for Fisheries Reform
CHD	City Health Department	NGOs	Non-Government Organizations
CLSU	Central Luzon State University	NGO-PO	Non-Government Organization-People's Organization
CNFIDP	Comprehensive National Fisheries Industry Development Plan	NIUGAN	Nagkakaisang Ugnayan ng Maliliit na Magsasaka sa Niyugan
COMELEC	Commission on Elections	NOVOLED	Novo Vizcayanos for Local Economic Development
CoP	Conference of Parties	NSCD	National Services for Community Development
CRM	coastal resource management	NSV	No Scalpel Vasectomy
CSOs	civil society organization/s	OFSP	Organic FIELDS Support Project
DENR	Department of Environment and Natural Resources	P2	People-to-People Aid Movement, Japan
DISOP	Organisation for International Cooperation on Development Projects	PAT	Participation, Accountability and Transparency
DOLE	Department of Labor and Employment	PCAC	Pasig City AIDS Council
DRM	disaster risk management	PCCPD	Pasig City Council on Population and Development
DRR	disaster risk reduction	PCQC	People's Council of Quezon City
DRR Net Phil	Disaster Risk Reduction Network - Philippines	PE	peer educator
EMB	Environment Management Bureau	PEACE-USA	Philippine Economic and Cultural Endowment - USA
ENR	environment and natural resources	PNP	Philippine National Police
ESW	establishment sex workers	PO	people's organization
ESWM	Ecological Solid Waste Management	PPFM	Promotion of Participatory Forest Management
FDC	Freedom from Debt Coalition	PRRM	Philippine Rural Reconstruction Movement
FIAT	Fund for Institutional Administration Trust	PUMALAO	Pinag-isang Ugnayan ng Maliliit na Mangingisda sa Look Tayabas
FIELDS	Fertilizers, Irrigation, Extension, Loans, Driers, Seeds	QC	Quezon City
FSW	freelance sex workers	QCCP	Quezon City Council on Population
GG Pop SD	Good Governance for Population and Sustainable Development	QCSAC	Quezon City STI/HIV/AIDS Council
GK	Gawad Kalinga	RINCOMESA	Rinconada Movement for Ecological Sustainable Agriculture
GLMI	Global Link Management Institute	RWAN	Rice Watch Action Network
HAPP	HIV/AIDS Prevention Project	SLDPO	Sustainable Livelihood Development Program Office
HFA	Hyogo Framework of Action	SMC	San Miguel Corporation
HIV/AIDS	human immunodeficiency virus/acquired immune deficiency syndrome	SNC	Second National Communication
IACCC	Inter-Agency Committee on Climate Change	STI/s	sexually-transmitted infection/s
IEC	information-education-communication	SWP	Social Watch - Philippines
KALMADA	Kalipunan ng Mali	TWG/s	Technical Working Group/s
KASECA	Kalipunan ng mga Sektor para sa Kalusugan sa Caloocan	UN CCD	United Nations Convention to Combat Desertification
KOOL-NE	Kooperatibang Lakas ng Nueva Ecija	UNFCCC	United Nations Framework Convention on Climate Change
LCIDC	Local Coconut Industry Development Council	UNICEF	United Nations Children's Fund
LGA/s	local government agency/ies	USWAG	Unity for the Advancement of Sustainable Development and Good Governance
LGU/s	local government unit/s	V&A	vulnerability and adaptation
MBCC	Manila Bay Coordinating Council		
MDC	Municipal Development Council		



REDOR, EMERSON & CO.
 CERTIFIED PUBLIC ACCOUNTANTS
 Phil. Cooperative Center Bldg., 90 Balete Drive Ext., New Manila
 Quezon City, Philippines 1112

REECO
 Tel. (632) 722-6000
 Tel./Fax (632) 411-4063
 Email: redor@i-manila.com.ph
 Website: www.redoremerson.com

SEC Accreditation No. 0134-F
 PRC/BOA No. 0015

The Board of Trustees

THE PHILIPPINE RURAL RECONSTRUCTION MOVEMENT, INC. (PRRM)

#56 Mother Ignacia St., corner Dr. Lazcano, Brgy. Paligsahan, Quezon City.

We have audited the accompanying financial statements of **THE PHILIPPINE RURAL RECONSTRUCTION MOVEMENT, INC.** (a non-stock, non-profit Organization), which comprises the balance sheet as at December 31, 2009 and 2008, and the related statements of revenues, expenses, changes in fund balances and cash flows for the years then ended, and a summary of significant policies and other explanatory notes.

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

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit 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 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.

In our opinion the financial statements present fairly, in all material respects, the financial position of **THE PHILIPPINE RURAL RECONSTRUCTION MOVEMENT, INC.** as of December 31, 2009 and 2008, and of its financial performance and its cash flows for the year then ended in accordance with the financial reporting standards in the Philippines for nonpublicly accountable entities as described in Note 2 to the financial statements.


JOEL C. ROMANO

Partner

CPA Certificate No. 102976

TIN #: 213-631-996-000

SEC Accreditation No. 0637-A

BIR Accreditation No. 07-003011-1-2009

PTR No. 3235206

January 8, 2010

Quezon City, Metro-Manila

THE PHILIPPINE RURAL RECONSTRUCTION MOVEMENT, INC. (PRRM)

(A Non-Stock, Non-Profit Organization)

STATEMENT OF FINANCIAL CONDITION*(in Philippine Pesos)*

December 31,	2009	2008 <i>(As restated)</i>
A S S E T S		
CURRENT ASSETS		
Cash and cash on hand (Note 2,5)	16,611,644	10,262,888
Receivables (Note 2,6)	14,402,660	23,440,744
Prepayments (Note 7)	39,924	52,484
Supplies inventory (Note 8)	1,599,619	1,130,956
TOTAL CURRENT ASSETS	32,653,847	34,887,072
NON-CURRENT ASSETS		
Investments (Note 9)	179,513,703	185,732,942
Property and equipment- net (Note 2,10)	1,130,593,347	1,133,038,811
Other assets (Note 11)	1,880,488	2,379,343
TOTAL NON-CURRENT ASSETS	1,311,987,538	1,321,151,096
TOTAL ASSETS	1,344,641,385	1,356,038,168
LIABILITIES AND FUND BALANCES/DONATED CAPITAL		
L I A B I L I T I E S		
CURRENT LIABILITIES		
Payables (Note 12)	5,144,307	6,876,699
NON-CURRENT LIABILITIES		
Gratuity payable (Note 13)	19,634,823	18,220,703
TOTAL LIABILITIES	24,779,130	25,097,402
FUND BALANCES/DONATED CAPITAL		
DONATED CAPITAL	1,176,355,526	1,176,355,526
FUND BALANCES		
General fund	121,728,556	134,418,033
Program fund	21,778,173	20,167,206
TOTAL FUND BALANCES/DONATED CAPITAL	1,319,862,255	1,330,940,766
TOTAL LIABILITIES AND FUND BALANCES	1,344,641,385	1,356,038,168

See Accompanying Notes to Financial Statements

NOTES to Financial Statement were not included but available upon request.

THE PHILIPPINE RURAL RECONSTRUCTION MOVEMENT, INC. (PRRM)

(A Non-Stock, Non-Profit Organization)

STATEMENT OF OPERATIONS*(in Philippine Pesos)*

Years ended December 31,		GENERAL	RESTRICTED	TOTAL		
		FUND	FUND	2009	2008	
	REVENUES	(Note 2,14)	11,316,259	25,028,451	36,344,710	23,007,708
	LESS:EXPENSES					
	PROGRAM COSTS	(Note 2, 15)	3,718,574	21,362,247	25,080,821	21,180,780
	SUPPORT COSTS	(Note 2,16)	30,186,142		30,186,142	31,899,627
	TOTAL EXPENSES		33,904,716	21,362,247	55,266,963	53,080,408
	EXCESS (DEFICIENCY) OF REVENUES					
	OVER EXPENSES DISBURSED		(22,588,457)	3,666,204	(18,922,253)	(30,072,700)

*See Accompanying Notes to Financial Statements.***THE PHILIPPINE RURAL RECONSTRUCTION MOVEMENT, INC. (PRRM)**

(A Non-Stock, Non-Profit Organization)

STATEMENT OF CHANGES IN FUND BALANCES/DONATED CAPITAL*(in Philippine Pesos)*

Years ended December 31,		GENERAL	PROGRAM	TOTAL	
		FUND	FUND	2009	2008
	FUND BALANCES				
	Beginning balances				
	Fund balances	134,510,831	20,167,206	154,678,037	182,576,080
	Fund reclassification	(92,799)		(92,799)	(92,799)
	Beginning balances as restated	134,418,033	20,167,206	154,585,239	182,483,281
	Add (Deduct):				
	Excess (deficiency) of revenues received over expenses disbursed	(22,588,457)	3,666,204	(18,922,253)	(30,072,700)
	Fund adjustments	9,932,598	(2,055,237)	7,877,362	10,695,395
	Surplus adjustments	(514,205)		(514,205)	(1,757,155)
	Fund reclassification				9,471,811
	Investment prior year's adjustments				(5,560,598)
	Unrealized gains (loss) on investments	480,586		480,586	(10,674,795)
	Ending balances	121,728,556	21,778,173	143,506,729	154,585,239
	Donated Capital	1,176,355,526		1,176,355,526	1,176,355,526
	TOTAL	1,298,084,082	21,778,173	1,319,862,255	1,330,940,765

*See Accompanying Notes to Financial Statements.**NOTES to Financial Statement were not included but available upon request.*

THE PHILIPPINE RURAL RECONSTRUCTION MOVEMENT, INC. (PRRM)

(A Non-Stock, Non-Profit Organization)

STATEMENT OF CASH FLOWS*(Amounts in Philippine Pesos)*

Decemeber 31,	2009	2008
CASH FLOWS FROM OPERATING ACTIVITIES		
Deficiency of revenues over expenses	(18,922,253)	(30,072,700)
Adjustments to reconcile net excess over expenses:		
Depreciation	2,761,965	2,766,573
Adjustments to property and equipment		
Prior year's adjustments:		
Fund adjustments	7,877,362	
Fund reclassification		9,471,811
Surplus adjustments	(514,205)	(1,757,155)
Changes in current assets & liabilities:		
Decrease in receivables	9,038,083	3,260,837
(Increase) decrease in prepayments	12,560	(737,668)
Decrease supplies inventory	(468,663)	
Increase in gratuity liabilities	1,414,121	
Increase in current liabilities	(1,732,393)	6,417,737
Net cash used from operations	(533,423)	(10,650,566)
CASH FLOWS FROM INVESTING ACTIVITIES		
Decrease in investments	6,219,239	10,774,389
Unrealized loss on investments	480,586	
(Increase) decrease in other assets	498,855	(57,515)
Acquisition of office furniture and equipment	(316,501)	(1,312,677)
Net cash provided by investing activities	6,882,179	9,404,197
NET INCREASE (DECREASE) IN CASH	6,348,757	(1,246,369)
ADD: CASH AT BEGINNING OF YEAR	10,262,888	11,509,257
CASH AT END OF YEAR	16,611,645	10,262,888

See *Accompanying Notes to Financial Statements*.*NOTES to Financial Statement were not included but available upon request.*

5. CASH AND CASH ON HAND

This account is broken down as follows:

	2009	2008
Cash on hand	2,217,596	532,799
Cash in banks	14,394,049	9,730,089
Total	16,611,644	10,262,888

6. RECEIVABLES/ALLOWANCE FOR BAD DEBTS

This account is accounted for as follows:

	2009	2008 (As restated)
Receivables before allowance for bad debts	22,472,245	31,081,595
Less: Allowance for bad debts	(8,069,584)	(7,640,851)
Net	14,402,660	23,440,744

7. PREPAYMENTS

This account represents prepaid expenses of the Organization and is carried at net realizable value

8. SUPPLIES INVENTORY

This account represents unused supplies of the Organization and is carried at net realizable value

9. INVESTMENTS

This account represents investments to various Trustee Bank / Savings organization and broken down as follows:

	2009	2008 (As restated)
Available for sale	131,727,432	139,092,680
Other investments	47,786,271	46,640,262
Total	179,513,703	185,732,942

Available for sale are investments invested in various trustee banks and are stated at fair value. Other investments represent investments to non-publicly trading company and are valued at cost.

10. PROPERTY, FURNITURE AND EQUIPMENT

This account consists of:

	2009	Additions/ Adjustments	2008
Land	1,043,743,250		1,043,743,250
Buildings and structures	99,730,891		99,730,891
Furniture, fixture and equipment	19,903,711	316,501	19,587,210
Total	1,163,377,852	316,501	1,163,061,351
Less: Accumulated depreciation/amortization	32,784,505	2,761,965	30,022,540
Property and equipment-net	1,130,593,347		1,133,038,811

11. OTHER ASSETS

This account consists of the following:

	2009	2008 (As restated)
Name of Project/Program		
Health Endowment Fund	1,523,968	1,523,968.00
Project development		514,205.00
Others	356,520	341,169.99
Total	1,880,488	2,379,343

12. PAYABLES

This account consists of:

	2009	2008
Accounts payable	3,460,920	3,866,430
Deferred receipts	30,781	386,306
Other payables		704,014
Funds held in trust	1,652,605	1,919,949
Total	5,144,307	6,876,699

13. GRATUITY PAYABLE

This consists of pension costs set-up by the Organization for the welfare of its employees and payable upon retirement. However, such pension cost is not funded.

14. REVENUES

This account consists of:

	GENERAL FUND	PROGRAM FUND	2009	2008
Funds for Institutional Administration Trustee (FIAT) sources	7,880,088		7,880,088	3,522,248
Grants/donations received from:				
Packard		7,085,098	7,085,098	5,374,097
Department of Agrarian Reform				2,093,535
HIV/AIDS Prevention Project		967,560	967,560	2,752,878
Climate Change		407	407	1,031,619
United Nations Children's Fund		197,232	197,232	778,652
Global Link Management Institute		1,030,322	1,030,322	736,573
Department of Environment and Natural Resources		1,537,583	1,537,583	645,560
System of Rice Intensification		145,299	145,299	467,112
International Foundation on Election System		35,333	35,333	375,645
Climate Action Network Southeast Asia				255,958
Disaster Risk Reduction/Climate Change Adaption		51,363	51,363	237,664
OXFAM-Hongkong				76,445
CB-CRM Manila Bay		1,124,408	1,124,408	
Organic Fields Support Program		11,154,782	11,154,782	
Health Pro		293,886	293,886	
Electoral		354,952	354,952	
People to people		628,438	628,438	
Water Systems		45,918	45,918	
Other donations		2,787	2,787	481,208
Income from investments	522,419		522,419	907,592
Foreign exchange gains				101,408
Other income/sources	2,913,752	373,082	2,913,752	3,169,512
Total	11,316,259	25,028,451	35,971,628	23,007,708

15. PROGRAM EXPENSES

This account consists of:

	GENERAL FUND	RESTRICTED FUND	2009	2008
Project inputs:				
Provincial offices activities	2,684,677		2,684,677	2,878,276
Central office activities				1,450,504
Operational direct cost:				
National training institute	1,326,885	1,326,885	953,697	
Central office	1,033,897		1,033,897	1,307,221
Operational fund				2,102,331
Special projects				51,477
Packard		4,850,194	4,850,194	4,837,736
HIV/AIDS Prevention Project		934,560	934,560	3,533,331

	GENERAL FUND	RESTRICTED FUND	2009	2008
System of Rice Intensification		71,646	71,646	467,112
Philippine Network on Climate Change				1,031,619
People to People Aid-Daluyong		646,968	646,968	240,607
Local Governance Policy Forum				4,644
CB-CRM in Manila Bay		836,895	836,895	
Electoral		255,152	255,152	
Operational Direct Cost - OPC - Silang		116,350	116,350	59,000
Operational Direct Cost-AMC - NO		583,686	583,686	
Organic Fields Support Program		9,327,838	9,327,838	
Climate Action Network Southeast Asia				255,958
Department of Environment and Natural Resources project		1,272,975	1,272,975	648,656
Disaster Risk Reduction/Climate Change Adaptio		51,363	51,363	239,195
Health Pro		173,377	173,377	
Global Link Management Institute		865,322	865,322	743,773
International Foundation on Election System		333	333	375,645
Special Projects		48,705	48,705	
Total	3,718,574	21,362,247	25,080,821	21,180,780

16. SUPPORT COSTS

This account consists of:

	GENERAL FUND	RESTRICTED FUND	2009	2008
Salaries and benefits	16,196,147		16,196,147	16,497,499
Institutional expenses	3,935,673		3,935,673	
Depreciation expenses (Note 2, 6)	2,761,965		2,761,965	2,766,573
Health, Security & Janitorial services	2,113,819		2,113,819	1,852,224
Utilities	1,425,579		1,425,579	1,822,735
Travel and transportation	1,020,986		1,020,986	1,824,364
Communication services	536,056		536,056	883,445
Repairs and maintenance	424,902		424,902	1,006,138
Provision for bad debts	400,000		400,000	3,041,616
Training and workshops	257,843		257,843	887,978
Stationary and supplies	165,646		165,646	478,836
Taxes and insurance	141,459		141,459	258,082
Printing and reproduction	41,516		41,516	238,000
Miscellaneous expenses	764,553		764,553	342,137
Total	30,186,142		30,186,142	31,899,627

17. TAX EXEMPTION

The Organization, as a non-stock, non-profit corporation, is exempt from income tax pursuant to Section 30 (G) of the National Internal Philippines Revenue Code of the. Such exemptions, however, does not apply to income of whatever kind and character derived from the use of its properties real or personal, or any of its activities conducted for profit, regardless of dispositions made of such income.

PRRM BOARD OF TRUSTEES [2009-2012]

Atty. Wigberto E. Tañada, Chairperson
Mr. Edicio dela Torre, Vice-Chairperson
Mr. Isagani R. Serrano, President
Mr. George K. Sanchez, Secretary
Dr. Amelou Benitez-Reyes, Treasurer
Mr. Librado B. Abesamis
Mr. Ronald Allan A. Barnacha
Hon. Raul Roi B. Borejón
Hon. Hernani A. Braganza
Dr. Lorenzo C. Lapitan, Jr.
Mr. Horacio R. Morales, Jr.
Ms. Ana Maria R. Nemenzo
Mr. Marlon P. Palomo
Ms. Mary Racelis
Mr. Joselito A. Tambalo

PRRM TRUSTEES EMERITUS

Ms. Helena Z Benitez, Chairperson Emeritus
Mr. Vicente R. Jayme, Vice-Chairperson Emeritus
Mr. Luis L. Garcia, Trustee-Treasurer Emeritus

PRRM COUNCIL OF ADVISERS

Mr. Randolph S. David
Dr. Cielito F. Habito
Mr. Oscar M. Lopez
Mr. Jose Z. Molano, Jr.
Mr. Conrado S. Navarro
Hon. Jesse M. Robredo
Dr. Sixto K. Roxas
Mr. Washington C. Sycip

EDITORIAL BOARD

Isagani R. Serrano
Marlon P. Palomo
Goyena A. Solis
Rebecca L. Malay
Joseph T. Gloria

EDITOR

Isagani R. Serrano

EDITORIAL WRITER

Ramon D. Duran

PHOTOS

Jimmy Ceguerra
Irene B. Fernandez
Cristy Lomibao
Napoleon "Nappy" R. Manegdeg
Michael Perocho
Charlie Razo
Belarmino Saño
Isagani R. Serrano
Sharon Taylor

COVER DESIGN AND LAY-OUT

Napoleon "Nappy" R. Manegdeg

Published by the
Philippine Rural Reconstruction Movement

EDITORIAL OFFICE

56 Mother Ignacia Avenue corner Dr. Lazcano Street
Brgy. Paligsahan
Quezon City 1103
Philippines

Tel. Nos. : [63 2] 372.4989, 371.4991 / 92 /94 /96
Fax No. : [63 2] 372.4995

WEBSITE

www.prrm.org

E-MAIL ADDRESS

info@prrm.org

