



SUSTAINABRIDGE

2021
ANNUAL REPORT



I. Activity report in Myanmar (January-December 2021) (draft)

Overview

This year, the second year of Sustainabridge's (SB) activities, the organization was not able to operate as planned due to the Coronavirus (COVID-19) pandemic and to the turmoil caused by the military's seizure of power on February 1, when the second administration led by Aung San Suu Kyi was about to begin. As a result, the economy stagnated, unemployment abounded, the financial sector was dysfunctional, and much of what Myanmar had accomplished fell apart, resulting in a major setback for the country's overall development. There is still no route to a recovery.

This year, a new vocational training project was to be launched at the Lay Kay Kaw Vocational Training Center, which symbolized the peace. However, the area was engulfed in conflict that resulted in a suspension of the project, the closure of the office and dismissal of its staff. Although there was controversy over signing a memorandum of understanding (MOU) with the quasi-military-affiliated Ministry of Border Affairs, the MOU was signed in July in order to continue providing the youth with opportunities to gain skills to improve their income. Since the school was to remain closed for a period of time because of the COVID-19 pandemic as well as the deteriorating security situation, SB attempted to conduct part of the training online, but could not obtain permission from the counterparts. Eventually, in-person training resumed on November 22, but the staff members on the counterpart side, who participated in the civil disobedience movement were dismissed, and the number of those who worked on the premises (potential future instructors of the school) were drastically reduced, which impeded the implementation of the project.

1. Management for the Hpa-an Technical Training School

(1) Preparation for resumption of training

Since the school closed in April 2020, we explored the possibility of resuming the course, by preparing to put some courses online. We then conducted demo online classes to show how to prepare PowerPoint presentations, use Zoom, etc., with the aim of bringing some of the training online, but we could not obtain the approval from our counterparts.

It took a long time to resume the program on November 22, 2021, due to the deteriorating security situation caused by the coup d'état in February 2021. The 90 trainees who had been on stand-by were contacted, and eventually 33 returned to continue the training.

We reviewed and translated into Japanese the curriculum for each course. We also interviewed companies and workshop owners to find out what kind of employees they were looking for, and shared this information with the instructors in order to increase the employment rate. In the future, instructors will not only teach technical knowledge

and skills, but also life skills required for establishing relationships and continuing to work in society.

(2) Improvement of school facility environment

Prior to the resumption of training, we made necessary repairs to the premises. In particular, the water pump was repositioned and adjusted to provide sufficient water flow. In the meantime, the site was designated as the COVID-19 Response Hospital, resulting in the temporary relocation of office functions by moving equipment and supplies to the downtown area.

(3) General knowledge, life skills courses, special lectures on Saturdays

To help trainees acquire the general knowledge and life skills needed to live and work, external/internal resource persons are planned to be invited about twice a month to provide learning opportunities. A course was held to date, and the staff members of the SB also participated in this course to deepen their knowledge.

	Date	Organization	Contents
	December 18 (Sat)	Save the Children	Life skills

(4) Expansion of employment opportunities, public relations and communication

We visited relevant companies and contacted them online to gather information and exchange views in an effort to help trainees find employment. Details are as follows:

	Date	Company/Organization	Contents
1	January 20	BHN Association	Employment for the trainees of the Department of Electrical Engineering
2	January 20	PWJ	Water Issues in Karen State
3	February 26	Qualy, Inc	Employment of Myanmar nationals
4	February 26	Wountain Pro Paint	Employment for the trainees of the Department of Automobile Maintenance and Welding
5	February 26	Ever Glory Co., Ltd	Employment for the trainees of the Department of Maintenance Department
6	March 17	UNHCR	Introduction of SB activities and cooperation in public relations and communication

(5) Drafting of technical and operational manuals

The manual has been planned to be drafted over two years, in 2021 and 2022, in anticipation of the handover of this training school to its counterpart. The technical and administrative sections were divided into two sections, and about 60% of the document was drafted through a series of meetings.

(6) Microfinance support

We were working with a Japanese microfinance company (Medium-scale loans) to provide microfinance services to two graduates who had started a business on their own. Based on the results of previous monitorings, we contacted potential beneficiaries. However, the business opportunities had decreased due to the COVID-19 pandemic that none of the identified youth were willing to take out a mid-size loan. Since the situation has changed drastically from the initial plan, it was decided to temporarily suspend this activity.

(7) Support for improving women's income

We started a training for women in support of a local NGO. After interviewing two local NGOs, we promoted a partnership agreement with Women Organization Network (Kayin), which is more relevant to the activities conducted by the SB. A basic sewing course will be offered to five women for three months. After the training, they are expected to take their sewing machines home and earn an income while making use of the skills they learned during the training.

2. Project of the Lay Kay Kaw Vocational Training Center

(1) Preparations for the start of training

In an attempt to start the training in February, we purchased equipment and recruited trainees behind the scenes. The reason these preparatory activities could not be made official was that the government and the former armed forces (KNU) continued to play delicate games and the project agreement was not signed. Ultimately, the coup d'état of February 1 forced the start of training to be postponed.

(2) Freezing of the project

The decision was made to freeze the project because the project site, which had been a symbol of peace, had become a battleground. We proceeded to office closure and staff dismissals. The office was closed at the end of September. The materials and equipment installed at the center were handed over to the former armed forces (KNU) along with its list. However, movable electronic equipment will be transferred to Hpa-an office and kept there until the resumption of the activity. Three instructors willing to work there will be transferred to Hpa-an office to gain experience until the resumption of this project.

3. Yangon office

(1) Banking services and receiving external audits

It was fortunate that the first remittance for the project for FY(Fiscal Year) 2021 was delivered at the end of January. After the coup, banking operations were in chaos. There were rumors of currency closures, restrictions on cash withdrawals, suspension of counter services, restrictions on ATM withdrawals, and other issues that required constant information gathering and a great deal of time and effort.

The project for FY2020 was extended for six months and ended at the end of June 2021, therefore, we responded to the on-site external audit investigation in July. We

received a few observations in the audit report concerning incomplete documents, which we shared with the stakeholders to avoid similar observations.

(2) Conclusion of memorandum of understanding for project implementation

The memorandum of understanding (MOU) for the management of the Hpa-an technical training school was scheduled to be signed in February, but was postponed due to the coup on February 1. Under the complex circumstances, we had some hesitation about whether to conclude the MOU. Nevertheless, we signed the MOU on July 30 since it was essential for the SB to be present in Myanmar and to promote its activities there.

(3) Extension of project term and request for second remittance

Since the project for 2021 could not be completed as planned, a request to extend the project term was made to the Nippon Foundation, and was approved. It was extended until the end of December 2022. The 2nd remittance was also requested in December. Currently, overseas remittances to Myanmar and dollar deposits appear to be working without any problems. However, since cash withdrawals in dollars are still not possible, withdrawals must be made in local currency.

II. Activity report in Japan (January-December 2021) (Draft)

1. Organizational management and fundraising

- The FY2020 General Meeting of Members and Board of Directors was held on Saturday, February 27, and the new directors and auditors were appointed.
- The General Meeting of Members and Board of Directors for the first half of FY2021 was held on Saturday, July 31, and projects were approved and related discussion was held.
- The change of the entity type was made to increase social credibility. The change from an "ordinary type" to a "non-profit type" was made, and the Articles of Incorporation were also changed accordingly, which were accepted on March 11.
- The Board of Directors was officially established and the change to the Articles of Incorporation was eventually accepted on May 7.
- The donation of 200,000 yen was received for the first time from a company. We plan to use it as a source of low-interest loans for graduates and SB staff.

2. Administration / Finances / Human resources

- Every month, a cashbook had been sent to the contracted accountant/ the Certified Public Tax Accountant and subsequently some clarifications were provided, then tax payments were also made.
- Japanese project manager of Hpa-an office, worked remotely from Japan from April 2020. From July 2021, his contract had been revised and his duties were limited to those of a liaison officer, and his contract terminated in December.

- President Ms. Mori contracted COVID-19 in Myanmar in July, and temporarily returned to Japan in August to convalesce and have vaccinations. Due to the deteriorating security situation, she did not return to Myanmar, but worked remotely from Japan.
- In November, SB joined the social insurance system in Japan and signed an advisory contract with a labor management firm.

3. Communication and public relations

- The 2019 and 2020 annual reports (Japanese and English) were posted on the website.
- We did not update any SNS (Social Networking Service) or blogs to avoid unnecessary misunderstandings due to the coup d'état.
- We made efforts to maintain constant communication through monthly e-mails to the experts who have provided technical guidance to us and other concerned parties, so that they can be updated on the situation in Myanmar and the training school.
- We also sought opportunities to meet with business people in Japan to promote the organization's activities and to explore sustainable mechanisms. Specifically, we narrowed down our approach to the introduction of e-commerce, contribution to the shortage of human resources in Japan, and seeking donations by visualizing the benefits of the project.

■ Financial Statement

< Balance Sheet > as of 31 December 2021

(Unit:JPY)

Account title	Current year	Previous year	increase/decrease
I Assets			
1. Current assets			
Cash and Deposit	27,266,806	43,137,831	△ 15,871,025
Total current assets	27,266,806	43,137,831	△ 15,871,025
2. Fixed assets			
(1) Property, machinery and equipment			
tools, equipment and fixtures, tools	2,040,817	2,613,204	△ 572,387
Fixed asset	2,040,817	2,613,204	△ 572,387
Total asset	29,307,623	45,751,035	△ 16,443,412
II Liabilities			
1. Current liabilities			
Account payable	4,950	4,950	0
Income taxes payable	201,594	0	201,594
Advanced grant	52,500	561,200	△ 508,700
Deposit	476,358	416,522	59,836
Suspense receipts	0	258,991	△ 258,991
Total for current liabilities	735,402	1,241,663	△ 506,261
Total Liabilities	735,402	1,241,663	△ 506,261
III Net Assets			
1. Restricted Net Assets			
Private grant	33,057,165	42,892,699	△ 9,835,534
Total restricted assets	33,057,165	42,892,699	△ 9,835,534
2. Unrestricted Net Assets	△ 4,484,944	1,616,673	△ 6,101,617
Total Net Assets	28,572,221	44,509,372	△ 15,937,151
Total Liabilities and Net Assets	29,307,623	45,751,035	△ 16,443,412

<Net property increase / decrease statement>

Duration: 1 January 2021 to 31 December 2021

(Unit:JPY)

Item	Current year	Previous year	increase/decrease
I Unrestricted Net Assets			
1.Operating Activities			
(1) Revenues and Gains from Operating Activities			
①Grants	58,018,881	76,201,529	△ 18,182,648
Transferred Grants	58,018,881	76,201,529	△ 18,182,648
②Donation Expense	220,000	0	220,000
③Other Income	592,557	321,365	271,192
Total Income	58,831,438	76,522,894	△ 17,691,456
(2) Expenditure			
① Project Expense	37,559,503	48,806,631	△ 11,247,128
Salary for International Staff	3,001,053	5,325,389	△ 2,324,336
Salary for National Staff	19,275,262	19,840,977	△ 565,715
Expert Invitation	254,006	862,678	△ 608,672
Training Cost	1,828,568	6,117,289	△ 4,288,721
Infrastructure Cost	0	1,981,271	△ 1,981,271
Meeting	0	63,872	△ 63,872
Traveling and Transportation	1,132,578	3,796,938	△ 2,664,360
Communication	411,825	2,595,070	△ 2,183,245
Expendable Supply	999,067	1,315,517	△ 316,450
Office Supply and Equipment	841,792	399,832	441,960
Vehicle	5,880,121	89,300	5,790,821
Office Hiring	1,088,134	4,550,459	△ 3,462,325
Safety and Security	2,526,037	1,688,228	837,809
Miscellaneous Expenses	321,060	179,811	141,249
②Administrative Expenses	27,320,452	25,256,949	2,063,503
Board Members Compensation	8,704,105	9,194,261	△ 490,156
Staff Salary for National Staff	5,638,387	3,977,844	1,660,543
Legal Benefits	201,594	0	201,594
Welfare	41,086	152,151	△ 111,065
Capacity Developing	0	1,664,237	△ 1,664,237
Meeting	1,580	8,641	△ 7,061
Traveling and Transportation	1,772,068	2,661,862	△ 889,794
Communication	158,729	232,135	△ 73,406
Expendable Supply	34,620	1,873,371	△ 1,838,751
Office Supply and Equipment	177,869	479,718	△ 301,849
Maintenance	0	2,177	△ 2,177
Business Consignment	2,148,416	180,000	1,968,416
Book and Subscription	0	10,120	△ 10,120
Vehicles	694,314	0	694,314
Office Hiring	2,648,963	2,259,711	389,252
Insurances	51,640	0	51,640
Bank Services	39,609	3,080	36,529
Safety and Security	293,930	1,045,421	△ 751,491
Printing and Publishing	153,550	206,001	△ 52,451
Taxes and Dues	30,600	0	30,600
Depreciation	572,387	184,082	388,305
Exchange Loss	2,808,143	594,370	2,213,773
Miscellaneous Expenses	1,148,862	527,767	621,095
Total Expenditure	64,879,955	74,063,580	△ 9,183,625
Profit or loss from valuation before adjustment in total charges of current operation	△ 6,037,517	2,459,314	△ 8,496,831
Total changes in unrestricted assets	△ 6,037,517	2,459,314	△ 8,496,831
Corporate, inhabitant, and enterprises taxes	64,100	561,200	△ 497,100
Total changes in unrestricted net assets	△ 6,101,617	1,898,114	△ 7,999,731
Unrestricted net assets at beginning of year	1,616,673	△ 281,441	1,898,114
Unrestricted net assets at end of year	△ 4,484,944	1,616,673	△ 6,101,617
II Restricted Net Assets			
①Grants	48,183,347	119,094,228	△ 70,910,881
②Transfer to Unrestricted Net Assets	58,018,881	76,201,529	△ 18,182,648
Total Changes of Restricted Net Assets for The Year	△ 9,835,534	42,892,699	△ 52,728,233
Restricted Net Assets at Beginning of Year	42,892,699	0	42,892,699
Restricted Net Assets at End of Year	33,057,165	42,892,699	△ 9,835,534
III Net Asset at End of Year	28,572,221	44,509,372	△ 15,937,151