



SUSTAINABRIDGE

ANNUAL REPORT 2022



Part 1 : Activity and Financial Report for FY2022 (January-December)

I. Activity report in Myanmar (January-December 2022)

Overview

According to the statistics of the Office of the United Nations High Commissioner for Refugees (UNHCR), the number of internally displaced persons (IDPs) after the coup in February 2021 has soared from 330,000 to 790,000 as of January 2022. This figure even doubled in one year reaching over 1.5 million in December 2022. The situation in Myanmar did not improve, with the economy and security situation continuing to deteriorate. The number of people fleeing abroad has continued to increase.

The number of students taking university entrance examinations has dropped by half, and the need for the technical training provided by Sustainabridge (SB) is increasing due to the dysfunction of the public education system. The SB able to continue its activities mostly as planned. The monitoring result showed that the employment rate of the graduates was actually not poor and exceeded the target figure.

The logistical support provided by the Yangon Office continued to be extremely difficult. Activities were carried out discreetly without much publicity, and we had to cope with frequent power cuts, forced currency exchange, limited cash withdrawal from banks, and no withdrawals in US dollars.

The office of the representative Ms. Mori was relocated from Yangon to Tokyo, where she worked remotely. She could nonetheless make follow-up visits to Myanmar in August and December.

After all the preparation, the memorandum of understanding (MOU) with the Ministry of Education and Training failed to be renewed. As a result, we had to continue our activities in a very discrete way. A new MOU was needed to continue our activities, and we had to raise funds and to prepare the necessary documents for it.

1. Management of Hpa-an Technical Training School

(1) Preparation and implementation of training during FY 2022

The training was conducted as follows:

	Training period	Number of applications	Number of interviews	Enrolments	Number of graduates	Remarks
1	Nov 2021~ Mar 2022	NA	NA	33	33	Starts in Feb 2020, the first re-enrolment after COVID-19
2	May 2022~ Oct 2022	180	160	60	60	Accepted only from Kayin and Mon State
3	Nov2022~ Mar2023	178	138	60	NA	Accepted only from Kayin and Mon State

During the past years, we had promoted the information about application on a national wide, while this year we did not do that in order to maintain our activities and to avoid

unnecessary misunderstandings. Instead, we conducted a steady promotional outreach through alumni, local NGOs, and aid organizations. The entire staff worked together to operate the school for the goal of not having dropouts from the school.

(2) Maintenance of school facilities

As more than six years have passed since the school was established, some parts of the facilities have been damaged. Therefore, we will conduct subsequent checks and repair works. During the FY 2022, the following repairs were carried out:

	Period	Areas repaired
1	April 2022	cafeteria roof, shelves of workshop in the construction department, dormitory 1, bathing area, replacement of doors, back fence of workshop in the welding department
2	May 2022	display board
3	June 2022	control room for solar panel, installation of fence
4	July 2022	workshop of vehicle maintenance department, roof, dormitory 2, ceilings
5	August 2022	dormitory 3, ceiling, all classrooms, chairs
6	September 2022	electricity in the school premises, kitchen, pipes of washrooms
7	October 2022	school gate paint, dormitory 2, bathing area tiles partially replaced
8	November 2022	roof of rubbish tank, dormitory interior lights, water pipes
9	December 2022	4 classrooms lights, generator cables replaced

(3) Providing general knowledge and life skills / Organising Saturdays' special lectures

To help employees to acquire the general knowledge and life skills necessary for daily life and work, we have invited external and internal experts to provide learning opportunities. The staff also did attend these lectures to deepen their understanding:

	Date	Conducted by	Contents
1	18 June	Community Partners International	Sexual and reproductive health and rights
2	25 June	Save the Children	Management and leadership
3	23 July	Save the Children	Life skills
4	28 August	Myanmar Red Cross Society	First Aid
5	1 October	Sustainabridge	How to write a CV Interview simulation
6	3-7 October	Hpa-an English School	Basic English conversation

(4) Monitoring

Monitoring after six months of the first term and one month of the second term was carried out simultaneously on 93 participants in November. Graduates who were employed in Hpa-an were interviewed in person and others by telephone.

[1st term of training Feb 2020~Mar 2022]

	Course	Number of enrolments	Number of graduates	1 month monitoring	Employment rate	6 months monitoring	Employment rate
1	Construction	4	4	Employment 1 Freelance 2	75%	Employment 1 Freelance 2 Overseas 1	100%

2	Electricity	10	10	Employment 7 Entrepreneurship 1	80%	Employment 7 Entrepreneurship 1 Overseas 2	100%
3	Automobile Maintenance	10	10	Employment 7 Entrepreneurship 1	80%	Employment 6 Entrepreneurship 1 Overseas 1	80%
4	Welding	9	9	Employment 6 Entrepreneurship 1	78%	Employment 7 Entrepreneurship 1 Overseas 1	100%
Total		33	33	26	79%	31	94%

[2nd term of training May 2022~Oct 2022]

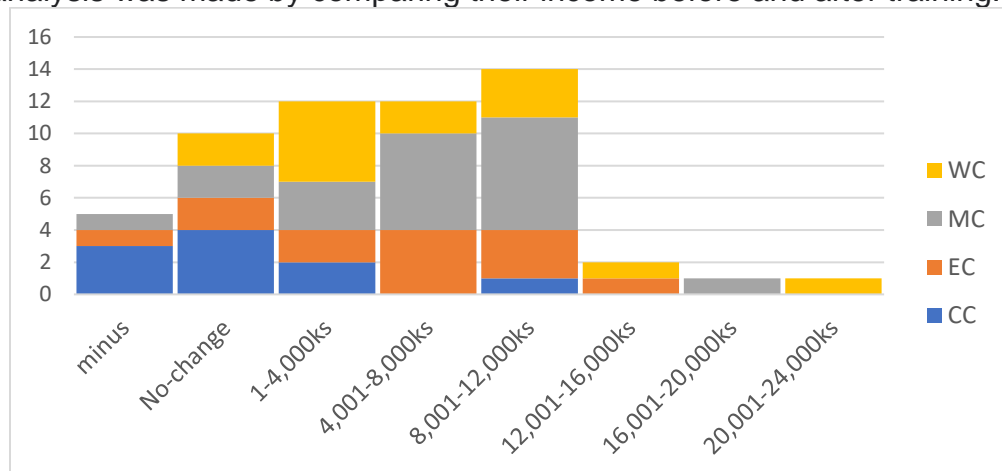
	Course	Number of enrolments	Number of graduates	1 month monitoring	Employment rate
1	Construction	10	10	Freelance 3	30%
2	Electricity	15	15	Employment 10 Family business 2 Entrepreneurship 1 Overseas 2	100%
3	Automobile Maintenance	20	20	Employment 15 Family business 3 Overseas 1	95%
4	Welding	15	15	Employment 10 Entrepreneurship 1 Overseas 3	93%
Total		60	60	51	85%

*Monitoring attributes: employment, family business, entrepreneurship, freelance, overseas, no job, study/training, unknown

It was found out:

- 1) the employment rate was higher after 6 months than after 1 month,
- 2) a good retention rate,
- 3) some became overseas migrant workers,
- 4) the employment rate of construction department (for the 2nd term) was the lowest in history.

In addition to the analysis of the employment rate, as an indicator of the project outcome, further analysis was made by comparing their income before and after training.



■ Evolution in trainees' income (daily allowance)

※Note: WC(welding course),MC(Auto-mechanical course), EC(Electrical course),CC(construction course)

We tried to compare the income of 60 graduates from the second term. Finally, we could analyze the income of 57, while 3 others have no data as they were working abroad. It was found out that many graduates of construction courses were unemployed, and thus their daily allowance has been reduced or unchanged. The most significant change was an increase of 24,000 kyats per day for a graduate from welding courses working in Thailand.

(5) Support for technical qualifications

We have been in close contact with the National Skill Standards Association (NSSA Hpa-an Branch). The NSSA is an organization that provides technical certifications common in Southeast Asia. Although the examinations were suspended due to the COVID-19, the examinations were gradually resumed from October. The number of trainees who took the exam and the number of successful trainees are as follows:

	Examination dates	Subject	Venue	Number of candidates	Passed
1	24-26 Oct 2022	Construction (L1)	Mawlamyaing, Mon State	9	7
2	28 Oct - 1 Nov 2022	Electricity (L1)	Hpa-an, Kayin State	17	17

(6) Sales of the products made by the graduated (e-commerce)

An e-commerce site was set up to sell the products made by the graduated trainees. Graduation takes place twice a year. Finally, only local people buy the products due to transport and payment problems. The project will continue as a preparation for future developments, although this is not to be easy due to the lack of IT literacy among the local population.

	Time	Number of items	Course and number of items	Sales (Ks)
1	15 March 2022	15	Construction 2 Welding 13	1,055,000
2	October 2022	12	Construction 4 Welding 6 Automobile Maintenance 2	1,365,000

(7) Support for women to improve their income

Training for women was initiated in support of local NGOs. A partnership agreement was developed with Women Organisation Network (Kayin) which runs a basic sewing course for women. Five to eight participants are selected for a three month course. After the training, the women take their sewing machines home and sew longyi sets, which are relatively easy to do and demanded and providing them with income. A total of four training sessions were held, benefiting 37 trainees. As victims of sexual abuse and domestic violence were included, in addition to sewing training, a course on women's rights was also provided.

	Training period	Number of participants	Courses
1	11 February - 30 April 2022	5	Basic sewing machine (306 hours), women's rights
2	2 May - 31 July 2022	6	Same as above
3	1 August - 30 October 2022	8	Same as above
4	1 November 2022 - 31 January 2023	8	Same as above

2. Yangon Office

(1) Logistical support for field projects

Yangon office dealt with management of human resources of Hpa-an Office, procurement of supplies, compilation of accounts, submission of reports to the central government, public relations and communication. Two old trucks owned by the Hpa-an office were sold and a new used truck was purchased in Yangon. Special accounts were opened in Yangon and Hpa-an to withdrawal unlimited cash anytime needed. Cash withdrawals were made from the main account (with restrictions on withdrawals) on a regular basis at both offices and transferred to these special accounts. We managed to obtain yen by exchanging local currency cooperating together with organisations in Myanmar that needed local currency.

The local staff of the Yangon office was reduced from a staff of five to a staff of four, in line with the current situation.

New rules on international NGO registration were announced in October. After the political changes, the registration certificates of many organisations expired and renewal procedures had been delayed. Since the expiry of the SB's certificate will be in 2025, it is not directly relevant, nevertheless it is necessary to keep a close watch on future developments.

(2) Extension of Memorandum of Understanding (MOU)

Preparations were made in advance for the extension of the MOU as it expires at the end of July. As there was no progress on the extension, a letter was sent to the Director-General in August to remind him. In reply, there was notification of the new Government policy of not signing MOUs under USD 1.5 million.

Activities using the balance of the project funds were solemnly carried out. At the same time, preparations were made for the signing of a new MOU, which will fund more than USD 1.5 million.

II. Report on activities in Japan (Jan-Dec 2022)

1. Organisational Management and Fundraising

The organisation have been assessed by the Centre for Non-Profit Organisation Evaluation (Good Governance Evaluation) to increase public trust. The application form was submitted in April, a preliminary briefing was given in May, a self-assessment was carried out and 45 files as evidence were submitted. The evaluation by three assessors took place online on 17 June. Their conclusion was that operational processes have been developed even though SB has only been established two and a half years ago. On the

other hand, it was observed that the management of the General Incorporated Association in Japan is still in the process of being developed, as Ms. Mori is practically the only person operating in the country. Although the COVID-19 and political upheaval have made it difficult to carry out publicity activities, the organisation needs to increase the number of employees in Japan, attract supporters and business partners, and develop human resources (in Myanmar and Japan) in order to ensure the organisation's sustainable growth. In the light of this evaluation, we will start from where we can. We confirmed with the Nippon Foundation that obtaining a good governance evaluation is not a prerequisite, and that if we take good actions in accordance with evaluations, we can continue to have status as a grant partner of the Nippon Foundation.

2. General Administration, Accounting and Human Resources

We worked in consultation with the certified public accountant (CPA) and the Labor and Social Security Attorney. The above-mentioned assessors verbally advised us to prepare some regulations. The minimum requirements were put in place: regulations on remuneration policy of the board of directors, the personal data protection policy and the document management policy. Indeed, the Board meetings are currently held twice a year, but there are institutional problems. Therefore, the articles of association need to be changed concerning the Board meetings to three times a year. Otherwise, we can hold the Board meetings four times a year without changing the articles of association. Finally, the latter was chosen.

As of 1 August, the representative Ms. Mori was relocated from Myanmar to Tokyo and activities in Myanmar will be operated by follow-up visits to Myanmar. Therefore, a daily allowance and accommodation policy has also been drawn up.

3. Follow-Up Visits, Trainings and Meetings

As necessary, representative Ms. Mori travelled to Myanmar according to the following schedule:

	Period	Tasks
1	2 - 19 August 2022	Check of vouchers, staff interviews, information gathering
2	24 December - 7 January 2022	Check of vouchers, staff interviews, information gathering, meetings with relevant agencies

As necessary, representative Ms. Mori participated 6 training courses:

As necessary, representative Ms. Mori met 26 individuals, organizations and companies to exchange information:

4. Public Relations, Communications and Building a Sustainable Mechanism

After a short suspension of publicity, blogging in Japanese resumed in June. The following 5 proposals were put forward to ensure self-financing, and the possibilities were explored for each of them:

- 1) Send them to Japan as technical interns
- 2) Receive donations from Japanese companies
- 3) Work with a company to create a sustainable mechanism to generate income
- 4) Earn revenue and technical fees through e-commerce

5) Obtain other grants and subsidies

- We met again with a person who works for an organisation sending Myanmar national to Japan to discuss the possibility of sending graduated trainees as technical interns. We were reminded that a few trainees disappeared after arriving in Japan, and that the sending organisation must be responsible for their disappearance. The gap between the skills taught at our schools and the level of skills required in Japan means that we have to be reluctant to use the technical trainee framework for sending out trainees. The staff's opinion was similar.
- Representative Ms. Mori delivered lectures at universities as follows, providing an opportunity for university students to think about what is support for developing countries:

	Date	University and lectures	Number of students
1	21 June 2022 (Mon)	Japan Women's University International Cooperation and Volunteerism	40
2	11 July 2022 (Mon)	Komazawa University Special Lecture on International Economics	5
3	6 December 2022 (Tue)	Japan Women's University International Cooperation and Volunteering	20
4	16 December 2022 (Fri)	Toyo University Rural Community Development	160

■ Financial Statement

< Balance Sheet > as of 31 December 2022

(Unit:JPY)

Account title	Current year	Previous year	increase/decrease
I Assets			
1. Current assets			
Cash and Deposit	28,158,153	27,266,806	891,347
Total current assets	28,158,153	27,266,806	891,347
2. Fixed assets			
(1) Property, machinery and equipment			
vehicles and transportation equipment	560,325	0	560,325
tools, equipment and fixtures, tools	1,602,805	2,040,817	△ 438,012
Fixed asset	2,163,130	2,040,817	△ 438,012
Total asset	30,321,283	29,307,623	1,013,660
II Liabilities			
1. Current liabilities			
Account payable	5,200	4,950	250
Income taxes payable	200,244	201,594	△ 1,350
Advanced grant	52,500	52,500	0
Deposit	414,831	476,358	△ 61,527
Suspense receipts	500,000	0	500,000
Total for current liabilities	1,172,775	735,402	437,373
Total Liabilities	1,172,775	735,402	437,373
III Net Assets			
1. Restricted Net Assets			
Private grant	29,192,556	33,057,165	△ 3,864,609
Total restricted assets	29,192,556	33,057,165	△ 3,864,609
2. Unrestricted Net Assets	△ 44,048	△ 4,484,944	4,440,896
Total Net Assets	29,148,508	28,572,221	576,287
Total Liabilities and Net Assets	30,321,283	29,307,623	1,013,660

<Net property increase / decrease statement>

Duration: 1 January 2021 to 31 December 2022

(Unit:JPY)

Item	Current year	Previous year	increase/decrease
I Unrestricted Net Assets			
1.Operating Activities			
(1) Revenues and Gains from Operating Activities			
①Grants	57,643,718	58,018,881	△ 375,163
Transferred Grants	57,643,718	58,018,881	△ 375,163
②Donation Expense	0	220,000	△ 220,000
③Exchange Loss/Gain	2,284,204		
③Other Income	3,202,384	592,557	2,609,827
Total Income	63,130,306	58,831,438	4,518,868
(2) Expenditure			
① Project Expense	35,514,126	37,559,503	△ 2,045,377
Salary for International Staff	0	3,001,053	△ 3,001,053
Salary for National Staff	13,322,643	19,275,262	△ 5,952,619
Expert Invitation	0	254,006	△ 254,006
Training Cost	13,754,621	1,828,568	11,926,053
Infrastructure Cost		0	0
Meeting	139,881	0	139,881
Traveling and Transportation	833,991	1,132,578	△ 298,587
Communication	269,237	411,825	△ 142,588
Expendable Supply	160,037	999,067	△ 839,030
Office Supply and Equipment	134,402	841,792	△ 707,390
Vehicle	2,092,320	5,880,121	△ 3,787,801
Office Hiring	2,375,411	1,088,134	1,287,277
Safety and Security	2,339,030	2,526,037	△ 187,007
Miscellaneous Expenses	92,553	321,060	△ 228,507
②Administrative Expenses	23,105,284	27,320,452	△ 4,215,168
Board Members Compensation	8,700,000	8,704,105	△ 4,105
Staff Salary for National Staff	4,297,857	5,638,387	△ 1,340,530
Legal Benefits	1,230,902	201,594	1,029,308
Welfare	15,183	41,086	△ 25,903
Capacity Developing	0	0	0
Meeting	0	1,580	△ 1,580
Traveling and Transportation	2,899,304	1,772,068	1,127,236
Communication	148,025	158,729	△ 10,704
Expendable Supply	207,107	34,620	172,487
Office Supply and Equipment	17,196	177,869	△ 160,673
Maintenance	0	0	0
Business Consignment	1,290,100	2,148,416	△ 858,316
Book and Subscription	0	0	0
Vehicles	775,372	694,314	81,058
Office Hiring	1,178,771	2,648,963	△ 1,470,192
Insurances	0	51,640	△ 51,640
Bank Services	38,267	39,609	△ 39,609
Safety and Security	274,615	293,930	△ 255,663
Printing and Publishing	288,196	153,550	121,065
Taxes and Dues	99,901	30,600	257,596
Depreciation	1,222,466	572,387	650,079
Exchange Loss	0	2,808,143	△ 2,808,143
Miscellaneous Expenses	422,022	1,148,862	△ 726,840
Total Expenditure	58,619,410	64,879,955	△ 6,260,545
Profit or loss from valuation before adjustment in total charges of current operation	4,510,896	△ 6,037,517	10,548,413
Total changes in unrestricted assets	4,510,896	△ 6,037,517	10,548,413
Corporate, inhabitant, and enterprises taxes	70,000	64,100	5,900
Total changes in unrestricted net assets	4,440,896	△ 6,101,617	10,542,513
Unrestricted net assets at beginning of year	4,440,896	1,616,673	2,824,223
Unrestricted net assets at end of year	△ 44,048	△ 4,484,944	4,440,896
II Restricted Net Assets			
①Grants	53,779,109	48,183,347	5,595,762
②Transfer to Unrestricted Net Assets	57,643,718	58,018,881	△ 375,163
Total Changes of Restricted Net Assets for The Year	△ 3,864,609	△ 9,835,534	5,970,925
Restricted Net Assets at Beginning of Year	33,057,165	42,892,699	△ 9,835,534
Restricted Net Assets at End of Year	29,192,556	33,057,165	△ 3,864,609
III Net Asset at End of Year	29,148,508	28,572,221	576,287