

Annual Report

2023



SUSTAINABRIDGE

I. Activity report in Myanmar (January-December 2023)

Overview

Since the February 2021 military coup, Myanmar has been under a state of emergency declared by the military government, resulting in ongoing political instability and economic turmoil. Due to the extension of the state of emergency, general elections were postponed and the security situation in the country remains unstable. In that situation, the local people are facing increasing poverty. Power is cut most of the day, fuel prices have skyrocketed, and it is even sometimes impossible to purchase fuel, making daily life difficult. More Myanmar youth are choosing to work overseas by fearing for future.

Combining with a deteriorating situation caused by the political upheaval, the country has also been affected by natural disasters. In May, Cyclone Mocha made landfalls in Rakhine State, causing extensive damage. Aid response to the affected areas was delayed due to restrictions imposed on humanitarian agencies.

On October 27, an alliance of ethnic minority groups launched coordinated attacks and seized military posts in northern Shan State. According to UN reports, the number of internally displaced persons (IDPs) has risen to 2 million, and 1.71 million people since the political upheaval (as of November 6, 2023).

On the economic side, the local currency (kyats) has plummeted, causing inflation. Companies holding illegal foreign currency were cracked down and foreign currency exchangers disappeared from towns.

Meanwhile, the SB has terminated its 28-month grant program at the end of April before resuming a new grant program in May. Nonetheless, the new program has been postponed due to a lack of a Memorandum of Understanding (MOU). Under that situation, the staff continued to optimize the time by maintaining the facilities, revising the curriculum, and preparing for the training.

At the same time, we gathered information from one of our local NGO partners through whom we could provide humanitarian assistance such as drinking water and daily commodities for IDPs in dire need.

In Japan, the Japan Center for NPO Evaluation certified the SB as a good governance organization. It is a great step forward in enhancing the organization's social credibility. We will make the best use of this certification to increase the number of sponsors.

In conclusion, it was extremely difficult to conduct our activities due to ongoing political unrest during the year 2023.

1. Management of Hpa-an Technical Training School

(1) Preparation and implementation of training

The training was conducted as follows:

	Training Period	Number of applications	Number of interviews	Number of Enrolments	Number of graduates	Remark
1	November 2022 to March 2023	178	138	60	60	Accepted only from Kayin and Mon State

On April 7, all 60 trainees received their diplomas. As for the new courses starting in May, 60 trainees were selected out of 151 applicants as a result of a trainee recruitment campaign.

(2) Maintenance of school facilities

This school has been in operation 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 2023, the following repairs were carried out:

	Period	Areas repaired
1	January 2023	Generator, replace light bulbs
2	February 2023	Water pumps, replacement of light bulbs
3	March 2023	Ceiling replacement in dormitories, sign foundation
4	April 2023	Drainage ditch maintenance, installation of exercise equipment (donated by Kayin State)
5	May 2023	Transformer fuse replacement, roof replacement
6	June 2023	Partial replacement of roof, ceiling, and gutters
7	September 2023	Canteen door frames, doors for MC class
8	October 2023	Dormitory 1 tank for bathing, screen door, ceiling fan, electric switch
9	November 2023	Solar motor for water supply, generator, water pipes
10	December 2023	Generator

(3) Providing general knowledge and life skills / 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	7 January	Community Partners International	Sexual and reproductive health and rights
2	14 January	Save the Children	Management and leadership
3	4 February	Community Partners International	Life skills
4	11 February	Pyigyikhin International	HIV and Sexually Transmitted Diseases
5	11 March	Department of Labor	Safety and Health in the Workplace
6	22 March to 4 April	Sustainabridge	Basic English Conversation
7	25 March	Department of Transportation	Traffic Rules

(4) Expansion of employment opportunities and guidance on job interview

On April 6, a resume writing class and mock interviews were conducted for trainees. In addition, as part of learning experiences, 17 instructors traveled to Yangon from May 19 to 21 and visited companies and workshops that had accepted trainees, and visited also potential future employers for trainees (6 companies for construction, 7 for electricity, 11 for mechanics, and 1 for welding).

(5) Monitoring

After 6 months from the graduation of 60 trainees in April 2023, a monitoring was conducted to assess their employment situation. We could reach out them at some worksites in Hpa-an, otherwise the rest were contacted by phone. Unfortunately, we were not able to contact two trainees due to conflicts.

In fact, the employment rate is usually higher after 6 months than 1 month after graduation, but it declined for the first time. The main reason is a deteriorating security situation that had a direct impact on the employment rate.

	Course	Number of enrolments	Number of graduates	1 month monitoring	Employment rate	6 months monitoring	Employment rate
1	Construction	9	9	Freelance 6	67%	Employment 2 Freelance 4 Overseas 1	78%
2	Electricity	16	16	Employment 10 Entrepreneurship 4	88%	Employment 10 Entrepreneurship 1 Overseas 3	88%
3	Automobile Maintenance	19	19	Employment 13 Entrepreneurship 2 Overseas 1	84%	Employment 13 Entrepreneurship 1 Overseas 1 · 家業 1	84%
4	Welding	16	16	Employment 5 Entrepreneurship 7	75%	Employment 4 Entrepreneurship 2 Overseas 3 Family Business 1	63%
Total		60	60	48	80%	47	78%

(6) Support for technical qualifications

The following qualification examinations were conducted during the relevant period :

	Examination Dates	Subject	Venue	Number of candidates	Passed
1	15-19 March 2023	Electricity (L1)	Hap An, Kayin	16	16

We reinforced communication and interaction with new appointed examiners who visited our school afterward.

The Level 2 of the Automobile Maintenance exam was held for the assistant instructors. They succeeded to the chassis exam. If they pass one more subject, they will be certified as Level 2 holders.

(7) 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. The results are indicated below. Finally, only local people buy the products due to transport and payment problems. The project will continue as a preparation for future developments, despite difficulties due to the lack of IT literacy of the local population.

	Date	Number of Items	Course and number of items	Sales (Ks)
1	April 2023	9	3 items from Construction & 6 items from Welding	1,500,000

(8) External orders for the Welding Department

From June 2023 during non-training hours, we started to get external orders with the aim of self-financing as well as providing further experience for young instructors. Ordered products and its production costs are as follows, totaling 505,000 kyats in 2023.

	Date	Orders	Sales (Ks)
1	June 2023	Water tank stands, racks, shelves, tricycle car floor repairs	150,000
2	July 2023	Bookshelves, swings	65,000
3	August 2023	Bookshelves	20,000
4	September 2023	Tricycle car floor repair, Shelves	100,000
5	October 2023	Exercise Equipment, Tables, Ladders	90,000

6	November 2023	Motorcycle engine covers	25,000
7	December 2023	Doors, garage roofs	55,000

2. Support for women to improve their income

Training for women was initiated in support of a local NGO. A partnership agreement was developed with Women Organisation Network (Kayin) which runs a basic sewing course for women. 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	1 November 2022 to 31 January 2023	8	Basic sewing machine (306 hours), women's rights

Subsequently, we had planned to hold three 3-month training sessions, but it could not be carried out.

3. Others

- Our partner organization that conducts training for women requested us assistance for increasing IDPs. After a consultation within the organization, we made a donation valued at five million kyats collected from internal funds and donations from staff. As part of an emergency humanitarian relief, drinking water and electrolyte powder were distributed to 500 households (approximately 2,500 people).
- We received a project proposal from local NGO to deliver necessary supplies to conflict-affected communities and IDPs. We thus submitted a new application form to seek for subsidy to the Japanese Ministry of Foreign Affairs and to the Taiwan Buddhist Foundation followed by meetings with them, but the application was rejected.

4. Yangon Office

(1) Logistical support for field projects

We dealt with human resources, logistics and accounting for each office. The annual report was submitted to the counterpart in April.

A shared server system was installed at the Hpa-an office, allowing documents to be accessed from Tokyo, Yangon, and Hpa-an.

The 28-month project ended at the end of April, so we underwent an audit by a local auditing firm in May, and received the audit report at the end of June. A project completion report and the audit report were submitted to the Nippon Foundation at the end of July.

We submitted the project completion report to the National Registration Authority.

Without MOU, international remittance are not allowed. However, following a negotiation, we could finally get the permission only for staff's salary. A recommendation letter from the Governor of Karen State is required for every cash withdrawal. A new Governor was appointed in the meantime, so we explained him the project and obtained the recommendation letter.

(2) Toward signing a new MOU

For signing MOU, we contacted our counterpart on a weekly basis to check the progress for obtaining recommendation letters from various ministries and agencies.

We could hold two video conference meetings with the Deputy Director General on November 20th and 24th to hear about the progress of MOU. It was found out that the Education and Training Department themselves are confused by the government's stricter measures in screening. As of the end of December, we have heard from the director of counterpart that MOU is expected to be signed either in February or in March 2024.

(3) Capacity building

- 13 instructors participated in organizational behavior training (May 17th to 18th) and 4 participated in customer service training (May 24th to 25th) given by a contracted training organization.
- From May 19th to 21st, a total of 17 instructors were assigned in different courses and conducted study tours accordingly. The purpose of these study tours was to know the workplaces of graduates, to assess their current situation, to learn about the latest technology, to develop new employment opportunities, and to gather information on teaching materials, tools, and parts available in Yangon. These study tours were good opportunities for them to have a more comprehensive insight into the situation on the ground, which was not always easy from Hpa-an.
- Representative Mori conducted a training on «meta-facilitation» for eight staff leaders. Through factual questions, they learned dialogue methods to get rid of their stereotyped pre-conception in order to have broader perspectives.
- In anticipation of the handover of Hpa-an Technical Training School, we have started to make a handover plan. In addition, we have eventually started a study session with staff in Hpa-an office on «guidance theory on vocational training». There are five main categories: «principles of vocational training», «teaching methods», «safety and health», «psychology of trainees», and «guidance on lifestyle».
- Mushroom cultivation training (3 days) was conducted from November 15th to 17th with 20 participants including staff from Hpa-an office. We grew mushrooms in our office.

(4) Others

From May 8th to 10th, a kickoff meeting was held to look back on last year's activities and shared details of the 2023 project. The topics were as follows :

- Slight revisions of all curriculums in line with the current situation
- External orders received by the welding department to increase income
- Unification of indicators for awarding certificates
- Recruitment of a night janitor/driver
- Revision of criteria to select trainees
- Sustaining motivation and encouragement of trainees
- Enforcing full understanding of regulations among Hpa-an office staff
- Sharing seven important competencies for Sustainabridge



I. Activity report in Japan (January-December 2023)

1. Organizational strengthening and management

- Following the Good Governance Evaluation Report received last year, we requested a re-evaluation to the Japan Non-Profit Evaluation Center. We submitted a document describing our organizational improvements and finally obtained a certification. It is valid for 3 years. This certification brings us benefits for organizational evaluation and certification systems, so we actively consider it.
- The board met quarterly. During each meeting, representative Mori reported on the status of activities and budget execution, then directors and auditors sought explanations. We exchanged opinions and made decisions accordingly.

2. General Administration, Accounting and Human Resources

- Up to the previous project, all project funds had been transferred to our bank account in Myanmar in US dollars, so we had difficulties to obtain Japanese yen. As for the new project, we have decided to get it on our bank account in Japan then remit it to Myanmar by ourselves, as a result of a consultation with the person in charge of the Nippon Foundation. In addition to making it easier to procure yen, this measure made it possible to avoid financial risks by keeping funds in Myanmar banks as little as possible. Regarding this new flow of funds, we confirmed with the Yangon office the annual remittance schedule and how to proceed it.
- A new corporate account was opened in Japan as an internal fund management account, not for grants from the Nippon Foundation.
- We submitted the last project completion report to the Nippon Foundation and returned the surplus funds.

3. Follow-Up Visits, Trainings and Meetings

As necessary, Representative Mori traveled to Myanmar according to the schedule below.

	Period	Tasks
1	14 to 19 May 2023	Prepare for Audit, check of vouchers, staff interviews, information gathering
2	11 to 30 August 2023	Check of MOU's screening progress and vouchers, information gathering
3	30 October to 4 November 2023	Check of MOU's screening progress and vouchers

As needed, Representative Mori attended 10 training sessions and seminars and met with individuals, organizations, and companies 42 times to exchange information.

Representative Mori conducted the activities presentation 7 times at universities and companies for the purpose of making our activities known to the public. We created a short introductory video to allow people to visualize the site.

4. Creating a public relations/sustainable system

- We estimated the costs if private companies operate two of the four courses currently being offered.
- Japan is facing a serious labor shortage and Myanmar people are seeking a job in Japan. In this context, enquiries about the possibility of temporary staffing services have increased.
- We had a meeting with crowdfunding company to explore the possibility of recurring donations. We will seek for regular donors as well. It is scheduled to be released after the MOU is signed, which will enable us to conduct our main activities.

■ Financial Statement

< Balance Sheet > as of 31 December 2023

(Unit:JPY)

Account title	Current year	Previous year	increase/decrease
I Assets			
1. Current assets			
Cash and Deposit	83,894,093	28,158,153	55,735,940
Prepaid Expenses	129,000	0	129,000
Loans to Employees	150,380	0	150,380
Total current assets	84,173,473	28,158,153	56,015,320
2. Fixed assets			
(1) Property, Plant and Equipment			
Vehicle transportation equipment	1	560,325	△ 560,324
Tools and equipment	1,255,381	1,602,805	△ 347,424
Fixed asset	1,255,382	2,613,204	△ 907,748
Total asset	85,428,855	30,771,357	55,107,572
II Liabilities			
1. Current liabilities			
Account payable	0	5,200	△ 5,200
Income taxes payable	207,552	200,244	7,308
Advanced grant	52,500	52,500	0
Deposit	430,578	414,831	15,747
Suspense receipts	0	500,000	△ 500,000
Total for current liabilities	690,630	1,172,775	△ 482,145
Total Liabilities	690,630	1,172,775	△ 482,145
III Net Assets			
1. Restricted Net Assets			
Private grant	77,911,553	29,192,556	48,718,997
Total restricted assets	77,911,553	29,192,556	48,718,997
2. Unrestricted Net Assets	6,826,672	△ 44,048	6,870,720
Total Net Assets	84,738,225	29,148,508	55,589,717
Total Liabilities and Net Assets	85,428,855	30,771,357	55,107,572

<Net property increase / decrease statement>

Duration: 1 January 2023 to 31 December 2023

(Unit:JPY)

Item	Current year	Previous year	increase/decrease
I Unrestricted Net Assets			
1.Operating Activities			
(1) Revenues and Gains from Operating Activities			
①Grants	51,562,024	57,643,718	△ 6,081,694
Transferred Grants	51,562,024	57,643,718	△ 6,081,694
②Exchange Gain	7,445,843	2,284,204	5,161,639
③Other Income	1,131,355	3,202,384	△ 2,071,029
Total Income	60,139,222	63,130,306	△ 2,991,084
(2) Expenditure			
① Project Expense	29,801,500	35,509,126	△ 5,707,626
Salary for Internationa Staff	0	0	0
Salary for National Staff	16,521,924	13,322,643	3,199,281
Expert Invitation	0	0	0
Technical Training	5,620,313	13,754,621	△ 8,134,308
Meeting	76,526	139,881	△ 63,355
Staff Capacity Development	174,602	0	174,602
Traveling and Transportation	793,054	833,991	△ 40,937
Communication	410,476	269,237	141,239
Expendable Supply	141,699	160,037	△ 18,338
Office Supply and Equipment	0	134,402	△ 134,402
Vehicle	1,935,959	2,092,320	△ 156,361
Office Hiring	1,260,401	2,375,411	△ 1,115,010
Safety and Security	2,861,437	2,334,030	527,407
Miscellaneous Expenses	5,109	92,553	△ 87,444
②Administrative Expenses	23,397,002	23,105,284	291,718
Board Members Compesation	8,760,000	8,700,000	60,000
Staff Salary for National Staff	4,913,200	4,297,857	615,343
Legal Benefits	1,247,368	1,230,902	16,466
Welfare	0	15,183	△ 15,183
Traveling and Transportation	849,518	2,899,304	△ 2,049,786
Communication	136,640	148,025	△ 11,385
Expendable Supply	517,009	207,107	309,902
Office Supply and Equipment	74,196	17,196	57,000
Business Consignment	2000232	1,290,100	710,132
Vehicles	56,300	775,372	△ 719,072
Office Hiring	2,253,627	1,178,771	1,074,856
Staff Capacity Developing	347,308	0	347,308
Bank Services	155,736	38,267	117,469
Safety and Security	336,088	274,615	61,473
Printing and Publishing	349,991	288,196	61,795
Taxes and Dues	0	99,901	△ 99,901
Depreciation	907,748	1,222,466	△ 314,718
Insurances	33,934	0	33,934
Donation	327291	0	327,291
Maintenance	130,816	422,022	△ 291,206

Total Expenditure	53,198,502	58,619,410	△ 5,420,908
Profit or loss from valuation before adjustment in total charges of current operation	6,940,720	4,510,896	2,429,824
Total changes in unrestricted assets	6,940,720	4,510,896	2,429,824
Corporate, inhabitant, and enterprises taxes	70,000	70,000	0
Total changes in unrestricted net assets	6,870,720	4,440,896	2,429,824
Unrestricted net assets at beginning of year	△ 44,048	4,484,944	△ 4,528,992
Unrestricted net assets at end of year	6,826,672	△ 44,048	6,870,720
II Restricted Net Assets			
①Grants	100,281,021	53,779,109	46,501,912
②Transfer to Unrestricted Net Assets	51,562,024	57,643,718	△ 6,081,694
Total Changes of Restricted Net Assets for The Year	48,718,997	△ 3,864,609	52,583,606
Restricted Net Assets at Beginning of Year	29,192,556	33,057,165	△ 3,864,609
Restricted Net Assets at End of Year	77,911,553	29,192,556	48,718,997
III Net Asset at End of Year	84,738,225	29,148,508	55,589,717