



Annual Report

to Members & Supporters

2020





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All photos in this Report were taken at TMP partner sites in Myanmar and Laos. No child is identified by name.



The Mandalay Projects

Our VISION is:

that all children will live **free from fear of exploitation**, with **access to a proper education**.

Our MISSION is:

to prevent the trafficking of children into the worst forms of child labour

Our PHILOSOPHY is:

that children's vulnerability to trafficking is directly linked to their **living conditions** and **life opportunities**.

Our **OBJECTIVE** is:

to reduce that vulnerability to trafficking by **giving children a safer and healthier environment** and by helping them to become **more independent and self-sufficient**.

Shelter Health Education Hope

WELCOME



Dear Members and Supporters

Greetings from all of us at *The Mandalay Projects*. We hope that you and your families are safe and well, and coping with the challenges posed by the coronavirus pandemic. The past year was certainly a testing one for all of us. From an operational perspective, 2020 was the most difficult year we have faced as an organisation. International fundraising initiatives were curtailed, and our project work in Myanmar disrupted, by the Covid restrictions. Site visits have been all but impossible since February, and this situation seems unlikely to change in the near future.

As you know, we are a small, hands-on charity, which prides itself in managing a very low cost:income ratio. Thanks to the generous pro-bono support of members of our community, our operating costs are extremely low by the general standards of the charity sector. As a result, we are much less exposed to economic conditions, or to major systemic shocks such as a pandemic. That is not to say we are unaffected by these events, simply to reassure our supporters that we have a stable platform, which is able to ride out shorter term volatility. Of course, we continue to seek funding support for our project work, and like all charities our donation income has been impacted by the current environment, but as far as the cost side of the equation is concerned, we are in good shape. Other charities are not so fortunate, and our Report includes a brief look at the impact of the pandemic on the charity sector.

We also assess the prevailing Covid situation in Myanmar, although we are conscious that this may be old news by the time you read this. The virus is likely to have a lasting impact on the recipients of aid, and we have particular concerns about the longer term damage to the health, education and general well-being of children. As you will be aware, our project strategy focuses our support in the key areas of health, education and vocational training. Our current partnerships also happen to be located in regions of Myanmar where poverty and child vulnerability are highest. We therefore conclude that our development aid is as important in 2021 as it has perhaps ever been.

Just prior to the onset of the virus in Asia we were able to complete a comprehensive review of our more recent strategic initiatives in Myanmar, and we assess these briefly in this Report.

Our local reps in Myanmar have coped remarkably well with the challenging circumstances, and have helped us to monitor conditions at all of our project locations.

We send them our heart-felt thanks for all that they do.

We also send our thanks to all of you for your continued interest in, and support for, our project work.

Best wishes for a safe, healthy and happy year ahead

The Board of Directors of The Mandalay Projects Limited

Ian Love Founder & Chairman

David Gibson Founder & Chief Executive Officer

Anne Love Director

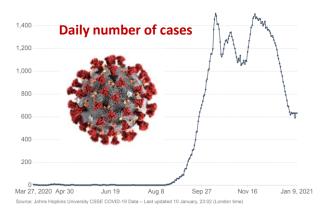
January 2021

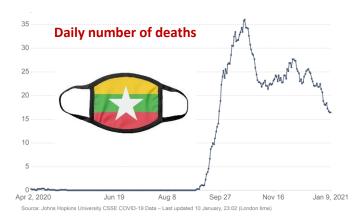


Coronavirus in Myanmar - a brief look

Many of our supporters have asked us for details of the Covid-19 pandemic in Myanmar, and how it has affected our project work there. For a while, as we reported in our Facebook posts, there was very little evidence of the virus, but we were suspicious that the reality was being masked (to coin a phrase) by low levels of testing. We found it hard to believe that a country with such poor sanitation, not to mention a long and porous border with China, could have so few cases, but until mid August that was the official news. The situation changed dramatically in late August, when case numbers surged, and the daily death toll followed soon after.

Myanmar: Covid-19 infection rate and death toll (Source: John Hopkins Uni)





This is Min Min, our senior local representative in Myanmar, with his daughter Suu Suu, just after receiving their negative Covid-19 test results. We are pleased to report that all of our reps and their families are so far safe and well.

Congratulations to Min Min on attaining his Diploma in Law in 2020.

The Government took immediate and strong action to contain the virus, including the grounding of the entire domestic airline fleet, an overnight curfew in the main cities and mandatory mask wearing with severe penalties for failing to comply. This of course meant that our project work had to pause temporarily. In fact, at the time of writing, we have not yet re-commenced any project work, and we await further guidance from the government and from our local team on the ground in Myanmar. Although there have been the virus in the cases communities where we operate, there have been no reports of any cases within our partner orphanages. We are keen to ensure that we do not inadvertently contribute to the spread of the virus, so we have even suspended supply of books to our libraries. We will keep you posted as the situation evolves in the coming



months

Unlike in some other countries, the political leadership in Myanmar led by example.

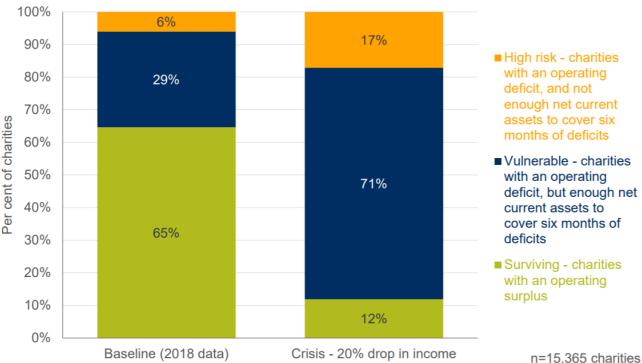
Double trouble

The Covid-19 pandemic is impacting both charities and their beneficiaries

Many charities are finding that their traditional revenue streams have been badly impacted by the coronavirus outbreak. Lockdowns have forced them to close retail shops, street collection campaigns have been banned, and organised fundraising events such as marathon runs have been cancelled. Meanwhile, many corporate donors are slashing their philanthropy budgets in response to their own dire funding situation. In the UK, for example, surveys revealed that up to 20% of charitable organisations doubted their ability to survive through 2021. In the smaller charity sector, that number rose to 45%. ¹

A large study in Australia, of over 15,000 charities, found that many were vulnerable even to a 20% drop in income (see chart below), which now seems a fairly optimistic scenario.

Proportion of charities by financial viability, in baseline and crisis scenarios ²



According to another UK survey ³, the funding gap between income and expenditure could be as much as £10 billion, and up to 60,000 jobs could be lost, as a direct result of coronavirus.

The "double whammy" in this, of course, is that, just as the charitable sector is experiencing its toughest year since the global financial crisis, the *recipients of charitable aid* around the world need assistance more than ever, thanks to the impact of the pandemic.

This is true of all aid sectors, but we are particularly concerned about the ramifications for vulnerable children. While statistics globally suggest that children have been much less exposed than adults to the direct health impact of Covid-19, it is the *indirect* impact that is more worrying. The pandemic has resulted in major disruption to existing vaccination campaigns (for example, there is still a measles crisis in many countries) and delivery of basic healthcare services for common childhood illnesses like diarrhoea and pneumonia. Fear of contracting Covid-19 is causing parents to cancel scheduled visits to clinics. Based on prior experience following the SARS and Ebola outbreaks, medical experts are now predicting a significant increase in child mortality in the coming year. ⁴

- 1 Small International Development Charities Network (UK) Aug 2020
- 2 Centre for Social Impact (Australia) June 2020
- 3 Pro Bono Economics (UK) June 2020
- 4 The Lancet Global Health publication, Aug 2020

In the developed world, while we have been badly affected by the pandemic, we have also been able to make adjustments to our daily lives to help us to cope, some of which we perhaps take for granted. For example, the basic hygiene response to the virus - wash your hands and sanitise regularly - is simple to most of us, but still a distant hope for vast numbers of people in impoverished communities.

Schools have closed around the world, but on-line learning has been possible for many students. Not so in rural communities in countries like Myanmar, where internet penetration is only 40%, a number which is heavily skewed in favour of the urban population. So education of children in these communities has basically been stopped in its tracks. Some children may simply never go back to school.

Children being kept out of school is not just an educational crisis. We know from first-hand experience in Myanmar that school teachers are a critical source of information regarding children's mental and physical health. They are an important independent watchdog, able to alert us to health and other issues which might not otherwise be identified.

We also have concerns that older children who are kept out of school for prolonged periods (as has been happening in Myanmar) will become easier prey for unscrupulous employers and traffickers, who promise a better life elsewhere. There is already some evidence around Yangon city of factories being closed down under the cover of the pandemic, with mass employee redundancies, only for the owner to re-open the factory elsewhere and to recruit under-age workers in place of the previous unionised employees. It is an established fact that, following major disruptive events (such as a natural disaster or pandemic) the incidence of child abductions and trafficking increases.

The resident population of orphanages may also be expected to surge, as the virus results in the death of one or both parents, and extended families are unable to assume responsibility for care of the children. Even where parents survive, the simple economics of daily life may drive families to send their children to live in orphanages. This is not a desirable outcome, but it is likely to be the harsh reality in impoverished rural communities for the foreseeable future.



Those same economic pressures will also compel some families to send their school-age children to work. In the rural agricultural economy of southern Myanmar, rice farmers are struggling due to Covid-related interruptions to the food supply chain, and many have been forced to take out emergency loans to allow their families to survive. Desperate times will result in desperate actions, and in many cases it will be children who suffer most.

These are general observations. What does all this mean specifically for the work of The Mandalay Projects in Myanmar?

Our "Building Blocks of Hope" approach continues to be highly relevant in these challenging circumstances.

We will continue (once travel and other restrictions ease) with our strategic development focus, with an emphasis on health, sanitation, education and vocational training. We have implemented development projects in each of these key areas at most of our partner orphanages, and our first task in the post-Covid environment will be to check the adequacy of those existing projects in meeting the evolving needs of our partners.

Government support in these areas is likely to be reduced, due to the impact of the pandemic on public funds, so there will be a greater need for the NGO sector to step up its activity to fill the void.

With your support, we stand ready to respond to the challenge.

LIBRARIES

We see libraries as an important element of education. This is particularly relevant in the impoverished village communities where we operate. Our libraries may well be the best source of books and journals in the area. The closure of schools across Myanmar has only added to the importance of giving children easy access to reading material.

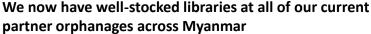


As our regular Facebook followers will know, our Library at the Metta Geha orphanage in the Chin Hills continues to be hugely popular, not only with the residents, but also with children from nearby villages, who have been encouraged to borrow books. We have received a continuous flow of sponsorship for this project, and have earmarked funds to be deployed in the expansion of the Library and Education Fund, as soon as it is practical and safe to do so.

















The opening of our new **light engineering training workshop** at the Mingalar Parahita Orphanage & School marked another significant milestone for our project work. This is the **fifteenth vocational training initiative** we have established in Myanmar. Following the earlier model of our engineering workshop further down the Irrawaddy Delta at Kani, this new initiative is expected to develop skills and employment opportunities for the residents, with the additional potential to generate sustainable income for the workshop. The aim, as with all of our strategic development projects, is that it will eventually become self-sustaining.





Hundreds of young people around the country continue to benefit from our vocational training projects in light engineering, tailoring, horticulture, computing, and other areas.













Over the past year, Myanmar enacted the Child Rights Law, ratified the Child Soldier Treaty, increased the prosecution of human traffickers, and improved support for victims of trafficking.

All good news and welcome signs of progress.

But 10% of Myanmar children are still engaged in illegal labour, including more than 600,000 working in hazardous environments, indicating that there is still a long way to go to eradicate this crime

Source: ILO





Since its foundation in 2003, The Mandalay Projects has completed over 50 projects at 13 partner orphanages in Myanmar, Nepal and Laos, directly and positively impacting the lives of over 3,000 children and providing further support to many nearby schools and village communities.

Thank you to all our supporters who have made this possible

Bits & Pieces

Friend of TMP wins recognition

We were very pleased to see *The Irrawaddy* newspaper naming our friend **Khine Hnin Wai** as one of their "**Ten Myanmar Women Who Inspired Us in 2020**".

Hnin Wai is a Myanmar actress who is also famous for her charitable work, helping single mothers, child rape victims, orphans and abandoned children. She has opened a special child protection centre in Yangon, which is now home to around 40 vulnerable young children. She assisted us with our inaugural child trafficking awareness sessions in the South Yangon district, and her presence ensured that we received good publicity for those sessions in the mainstream TV and print media in Myanmar.



Khine Hnin Wai introduces David at the TMP child trafficking awareness session in Twante

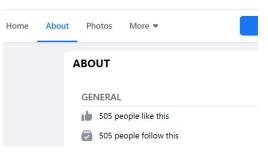
Facebook followers increasing

Great to see more and more supporters following us on Facebook. Please introduce us to all your friends and spread the word!



The Mandalay Projects

@TheMandalayProjects · Cause



Easing administrative burden

In the midst of the Covid pandemic, Australia's Federal government announced an easing of the regulatory burden imposed on small charities. The Council on Federal Financial Relations (CFFR) agreed to develop a framework by mid-2021 to lift the financial reporting thresholds to benefit over 5,000 small and medium charities, allowing those charities to redirect resources to help their target beneficiaries.

Although the recommendations were made before the full impact of Covid had been understood, the onset of the virus has rendered the changes even more welcome in the small charity sector.

Having reviewed this, the Board of *The Mandalay Projects* has decided that it will continue with its current practice of producing full and independently audited annual accounts. Although we welcome the government's flexibility, and understand the reasoning behind the CFFR proposals, we feel that financial transparency is an important element of our governance model, so we will continue as before.



FUNDRAISING

As indicated earlier in this Report, the past year was a quiet one for fundraising, but several of our long-standing donors around the world made additional contributions.

In particular, our supporter group based in Perth, WA, worked hard to raise funds from various sources towards the Liz Lofthouse Library and Study Room at the Metta Geha Orphanage in Kampetlet.

Many of the initiatives were led by members of Liz's family, including a concert and a book reading, with great support from the local community. The involvement of local schools is particularly appreciated, given the links to education of children in Myanmar.







We are also grateful to our supporters who have set up regular bank transfers to TMPL.

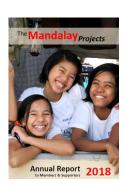
Thank you to all of you who donated funds in 2020. We can't do what we do, without your support





For further information please visit our website at themandalayprojects.net where, among many other things, you will find back copies of our previous Annual Reports













Please also visit our Facebook page and Like and Follow us

The Mandalay Projects Limited

is a licensed fundraiser in Western Australia

ACN 137 216 829

The Mandalay Projects Development Fund

is a developing country relief fund under subsection 30-85(2) of the Income Tax Assessment Act 1997. All donations greater than AU\$2 are tax-deductible in Australia.