

The **Mandalay** *Projects*



Annual Report
to Members & Supporters

2021

Conflict Oppression Poverty Fear

Unprecedented crisis

The people of Myanmar are facing an unprecedented political, socioeconomic, human rights and humanitarian crisis. 14 out of the nation's 15 states and regions are within the critical threshold for acute malnutrition. This year, 14.4 million people will need aid in some form, approximately a quarter of the population. The number includes five million children.

United Nations OCHA

Public services have collapsed.

Doctors, medical staff and teachers have been at the forefront of the civil disobedience movement, with the majority continuing to refuse to work under the junta. Those on strike have been targeted for beatings and arrest, while those who have continued working face violent retaliation from their communities and local defence forces. The upshot is a health system in disarray and schools likewise disrupted, with few teachers in classrooms and few students in attendance. There are widespread blackouts across the country as the regime has been forced to cancel power generation projects pegged to the U.S. dollar that it can no longer afford.

International Crisis Group

Urban poverty is set to triple in Myanmar,

pushing nearly half the population below the poverty line in 2022. Myanmar is set to return to levels of deprivation not seen since 2005, before democratic reforms began.

UN Development Program

The plight of children

Children and their families are fleeing because they have no choice, and we are seeing them forced to hide out in jungles and forests and living in terrible conditions.

Save The Children

Child trafficking increasing again

The risk and incidence of human trafficking, already on the rise in 2021, is expected to further escalate in 2022 due to increased mobility and the use of unsafe migration. In areas affected by conflict, entire communities, including children, are being displaced. This increases the risks being faced by children regarding all forms of conflict-related violence including killing, physical injury, trafficking, recruitment and use in armed conflict, sexual violence, arbitrary arrest, and unlawful detention.

UN OCHA

Inadequate international response

How many more people does Myanmar's military have to detain, torture, and shoot before influential governments act to cut off the junta from its flow of money and arms? Myanmar's people, who have not given up their fight for democracy in the face of daily atrocities, need to know they have the global community's support.

Human Rights Watch

The military junta is functioning as a criminal enterprise,

committing murder, torture, abductions and forced displacement, while stealing revenue and seizing assets of the people of Myanmar. What is worse, they appear to be getting away with it. I am amazed at the resilience of the Myanmar people. The best and worst of humanity is unfolding in Myanmar.

UN HRC Special Rapporteur on the situation of human rights in Myanmar

Out of mind

One year on from the coup, Myanmar is at risk of being forgotten.

The Economist

The image on the front cover of this report (courtesy of The Times of London) is confronting. The boys' guns may be home-made bamboo replicas, but the underlying message is that young children all over Myanmar are once again witnessing armed conflict as a daily reality. Children are being dragged into the conflict, as trainee soldiers or as human shields for the military. Some have been kidnapped and held hostage, either to draw out their parents, who may be sought by the military as alleged insurgents, or simply to extort cash, in response to the collapse of the banking system. It is a truly dreadful and dangerous environment for children. Coupled with the rapid deterioration in sanitation, health care, and levels of education, and the surge in poverty across the entire country, these conditions are an environmental "petri dish" for a resurgence in the exploitation of young people. The strategic development work of The Mandalay Projects may be temporarily on hold, but ultimately it has become more important than ever.



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

Dear Members & Supporters

This year's Annual Report differs significantly from previous editions. When we sent out our 2020 Report, in mid-January last year, the main issue of the day was the onset of the Covid-19 virus in Myanmar. As we reported back then, the pandemic had significantly impacted our project work. We did not want our work, however inadvertently, to increase the risk of exposure to the virus, either for our volunteers on the ground or for the children and staff at our partner orphanages. We had therefore taken the decision to put our projects on hold, pending developments on the Covid front, with a view to re-engaging as soon as it was practical and safe to do so.

Little did we know that, only a few days later, on 1st February 2021, Myanmar would be struck by a military coup, which has resulted subsequently in the brutal oppression and persecution of the population and the collapse of the economy. It is likely that most, if not all, of the progress made over the preceding decade, in child welfare, education, poverty reduction, healthcare, human rights, economic development and democracy has been undone in the space of one horrific year for the people of Myanmar.

So, where we would ordinarily be telling you about progress on our projects, we provide here some brief commentary on the current situation in Myanmar as we see it, and as it impacts our work there. But we also offer a few brighter notes – some “feel good stories” – from around our network.

You will all have seen the headlines and read the stories of the abduction, imprisonment, torture and killing of innocent civilians, whose only crime has been to object to the imposition of military rule. Through our local contacts, we see and hear more detail of what is happening around the country, and it is fair to say that people are generally living in fear. In the border regions, particularly in Chin State, there has been strong, armed resistance to the military, resulting in significant conflict, injuries and deaths. By some definitions, this has already descended into civil war.

The international community has done little by way of response. Some governments (but not Australia) have imposed targeted sanctions against the senior military commanders and their organisations and cronies. Some international companies have decided to withdraw from Myanmar. This is all positive, but the junta is barely affected by these steps. From their perspective, their acts of brutality are not being stopped, so they continue with impunity. Indeed, the stronger the civilian resistance, the heavier the resultant crack-down, with entire towns being torched. Even an orphanage was burned to the ground recently (not one that we are affiliated with), and two officers of Save The Children were killed. Nothing, and no-one, is safe from these atrocious attacks on civil liberties and human rights.

To the best of our knowledge, to date none of our partner orphanages has been damaged, and none of the children or staff injured. Our local reps have had some close encounters with the military, but again, so far, they are all safe.

Everyone at The Mandalay Projects is saddened and gravely concerned by what is happening in Myanmar. We feel rather impotent, but we will continue to monitor the situation carefully, and keep in contact with our team and our partner orphanages to the best of our ability.

Although our strategic project work is on hold for now, we stand ready to re-engage as soon as it is practical and safe to do so. In the meantime, we will provide tactical support where we can.

We thank all of you for your continued support during these challenging and tumultuous times.

**The Board of Directors of
The **Mandalay Projects** Limited**

Ian Love	<i>Founder & Chairman</i>
David Gibson	<i>Founder & CEO</i>
Anne Love	<i>Director</i>

February 2022



A challenging year

In November 2021, we posted on social media a brief statement of our position. We summarise the main elements of that message here (updated as appropriate) for those of our members and supporters who may have missed it.

In March, the military regime issued orders to local banks in Myanmar, requiring them to release bank account and transactional details of all local and international NGOs operating in the country. We feared that this presaged a clamp-down on NGO activity, so we opted to take a low profile for a while.

We did not want any of our contacts to be at greater risk, due to their involvement with The Mandalay Projects and so, amongst other things, we undertook a quick edit of our website, removing certain photos, and ensured that all communication with our reps was via secure, end-to-end encrypted platforms, and not via social media.

The domestic banking system in Myanmar has all but ground to a halt. The only practical means of moving cash to our project locations would now be to carry it physically across country. This would expose our local reps to significant personal danger, and we have decided temporarily to pause all project work.

The economy is being driven into the ground, prices of food and other essentials have shot up, and poverty levels are rising rapidly.

The education system, already one of the weakest in Asia, has collapsed, with most schools and universities closed.

The health sector has been crippled, not least by the detention of doctors and nurses, and Covid infection rates have risen dramatically. Much-needed supplies of vaccines and oxygen tanks have been purloined by the military for its own use.

Homes have been looted and burned to the ground, and there are daily reports of alleged crimes against humanity, particularly in the more remote areas of the country which are home to Burma's ethnic minorities.

More than 500,000 people have been displaced since the coup, including 225,000 children. (Source: UN)

The national uprising against the coup has resulted in children being recruited by local armies and militia.

This was not an environment in which we could safely conduct our main strategic project work. We certainly couldn't ask our local reps to endanger their lives, and those of their families, by continuing to be overtly involved in our work. And so, we took the difficult, but pragmatic, decision to close down our operations in Myanmar until a more stable situation unfolds.



"If this crisis continues, an entire generation of children is at risk of suffering profound physical, psychological, emotional, educational and economic consequences, depriving them of a healthy and productive future."

UN Child Rights Committee

It wasn't all bad news

A few "feel good" stories
from around our network



Meet **Kari Willesee**, one of our greatest supporters. Kari is a student at St. Dominic's School in Perth, and she is a committed fund-raiser for The Mandalay Projects. Her favourite project site is our partner orphanage, Metta Geha, in the Chin Hills of Myanmar, and she has been very active in supporting it. This year, she baked and sold cupcakes to raise money. Her theme for her fabulous cakes was the periodic table of elements, and we hear they sold out very quickly. Thank you, Kari, for all your efforts on our behalf. We particularly like the look of the Noble Gases!

Relatedly, we are grateful to all the staff and students of St. Dom's for their donations through the year.



One project we *were* able to provide direct funding to during 2021 (due to its proximity to the homes of our local team members) was our horticulture initiative at Mingalar Parahita. This program has been running for more than 10 years now. Fresh fruit and veg from the project supplies the orphanage kitchen, with certain plants and flowers being sold in the local market. The head of the project is **Hmet Kyi** (left) who has lived in the orphanage since he was a young boy. He was cast out by his family when he contracted leprosy. He is proud of the self-sufficient nature of the program – other than a small wage for Hmet Kyi, we only provide occasional top-up funding when major renovation work is required.



As always, we
extend a huge
vote of thanks to
everyone who
made donations
to The Mandalay
Projects over the
past year.

We received
contributions
from as far afield
as the UK, the US,
Singapore and
from all around
Australia.

We can't do what
we do, without
your support.



At the height of the Covid pandemic, the Directors of The Mandalay Projects personally funded the purchase of oxygen tanks and an O2 compressor as a gift to TMP team members in Myanmar. The military junta had cut off supplies of oxygen to individuals, purloining imported tanks for use by the army, and warning wholesalers that they would be arrested if they refilled tanks. There were even reports of soldiers shooting at queues of people waiting to buy or refill tanks.



Some of our readers may recall a piece in our 2019 Report about a teacher at one of our partner orphanages who had adopted a young orphaned boy as her son. We won't name the teacher, as she has joined the Civil Disobedience Movement in defiance of the junta, and we must protect her identity, but she named her adopted son Alex. He is now nearly 3 years old and is healthy and happy. He has also decided to adopt a brother – a tiny little baby who was found abandoned behind a supermarket. The pair are reportedly inseparable (photo left). These cases remind us that, although institutional care is perhaps not the optimal solution in dealing with orphaned children, it can offer a caring and loving environment. In any case, at least in rural Myanmar, there is often no other realistic alternative.

Our partner orphanage Metta Geha is located in the town of Kampetlet, in the Chin Hills of western Myanmar. The surrounding area has seen some of the most significant outbreaks of armed conflict since the military coup took place. Many villagers have fled in fear to the forests; homes and churches have been torched, and many civilians caught up in the crossfire. Our contacts had informed us that the orphanage was unscathed, and the children and staff were all safe and well. Nevertheless, we were relieved and uplifted to receive a recent photo of the children, along with some delightful hand-written messages. Amidst all the horror unfolding around them, they had taken the time to write to us. In our reply, we have assured them all that we haven't forgotten about them, and that we will be back to see them as soon we can.



~~Dear~~ U David 1/1/2022
Saturday

How are you
Happy new Year 2022.
We everyday remember you.
I always prayer you.
you god bless Prayer Job:
Peter

Dear Mr. David.
happy New year

A simple line drawing of a house with a chimney. Below the house, there are two stick figures. One figure is holding a long object, possibly a stick or a pipe, and the other is standing next to it.

1.1.2022

Dear Mr. David,

Happy New Year

- My name is Naw Mi.
- I always remember you.
- Always, I praying for you
- May God Bless You!
- "Have a nice year"

Date 1.1.2022
Sat

~~To~~ Oo David
Happy New Year 2022
Everyday I remember you
I pray for you. God bless
you job. God bless you new
year.
Michael

A new direction for philanthropy?

In the for-profit corporate world, businesses are described as being “agile” if they can adapt to changing conditions and reinvent themselves for continued success. The agile business is typically defined as one that can respond quickly to market changes or to shifting customer and client demands. It makes decisions swiftly, and takes rapid and concrete action on those decisions. Relatedly, well-run firms have the ability to “pivot”, meaning that they can fundamentally change direction, when management realises that the existing product or service offering isn’t meeting the needs of the market, or that significantly better opportunities lie elsewhere.



We see these concepts as being just as relevant to the charity sector as they are to the for-profit corporate world. Indeed, we like to think that The Mandalay Projects has exhibited both of these traits over the years.

After all, our first projects back in 2004 were in the field of aged care. Our work in that area was impactful; to this day, our medical clinic at the Old Persons’ Home in Mingun, near Mandalay, is still the primary care centre for that Home. We soon realised, however, that many charitable organisations were providing support to the aged care sector, and government grants also helped to provide a decent, if basic, level of comfort and security. By contrast, the rapid rise in the number of homeless or orphaned children, as a result of military conflict, deepening poverty, natural disasters and poor health (including the spread of the AIDS virus), had meant that the demand for support in the area of child care was far-outstripping supply. And so we enacted our first major “pivot”, shifting totally across to the care of children, which has been our focus ever since.

We have needed to show agility on a number of occasions, such as finding a way to finance our projects in remote areas, where no banking system exists. Or shifting to local artisans for construction work, when our existing engineers and builders were unable to operate in distant, unfamiliar territories. Or changing our approach to handling government bureaucracy when we began our work in Laos, a very different environment to that in Myanmar.



Our initial focus in our early orphanage work was on the provision of primary welfare – donations of rice, construction of hygienic toilets, creation of Health Funds and Clinics, and the like. Those are still elements of our work, but we felt increasingly that we should be reaching for a higher objective.

We had witnessed at first hand, during our many visits to Myanmar, the incidence of child labour. We had heard tales of young children from our partner orphanages being transported to work in industrial centres, or even crossing borders to work in foreign factories.

And so we “pivoted” again, and resolved to do what we could to interrupt the supply of children to the trafficking market. This involved a more strategic approach to our project work, with a focus on education and vocational training, while not ignoring the need for primary care as the foundation on which our longer term development work could be built. As you know, that focus had resulted in the successful launch of many developmental projects around Myanmar, from computing training centres to horticulture projects to light engineering workshops. Our pivoting has arguably led to a more impactful philanthropic model, and one which is leveragable and self-sustainable.

Sometimes necessity is the mother of invention. The shut-down of Myanmar, first in response to the Covid outbreak, and more recently because of the military coup, has meant that we have been unable to carry out our regular project work. Our agility and pivoting ability is being challenged, and we have spent some of this time discussing possible new avenues to explore.

At the same time, and totally separately, our Chairman Ian Love has been busy developing his cryptocurrency investment business. As part of his work in this area, Ian has been researching (and investing in) blockchain gaming and the phenomenon of the 'Play-To-Earn' (P2E) computer games space. Thinking somewhat tangentially, Ian decided to see if some of our Burmese friends might be interested in becoming involved in P2E. Two of them jumped at the chance.

Ian provided a micro-finance loan to them, and within days they were off and running, using their initiative and enterprise to develop the skills they needed to play the game. They became the owners (with good title on the Blockchain) of the assets they earned in the game. The pair have now repaid the initial loan and joined Crypto Gaming United (CGU) where they are now the leading games influencers in Myanmar. They are training other players around Myanmar, and being rewarded well financially for their efforts. In addition they have been involved in translating crypto-related material from English to Burmese, for which again they are earning a fee.

Why is this relevant to a discussion of charity agility and pivoting ability? A letter which Ian received from the two Burmese friends contains a clue – here's an extract:

"First, let me give a very big thank you for introducing us to crypto and for letting us be part of CGU this year. We now have 60+ scholars and really hope it doubles and triples next year. It's undeniable that you and CGU have helped jobless young people in Burma who lost hope due to Covid and the coup crisis. For some, it is for their food, for some, it's for their house rental fee and for some, it's for their education. And we are truly thankful for this."

Ian is very excited by this development. As he points out, "From the very beginning blockchain technology has been seen as technology that can 'bank the unbanked' and provide identity for those with no official documents." Many blockchain-based projects have been aimed at helping people in the developing world. In Ian's view, however, "none of these seem to have the transformative potential of the P2E gaming space. P2E does not even feel like a philanthropic project. In the end people are simply playing computer games and getting paid to do so, it does not have the look and feel of typical philanthropic projects. Yet the impact is the same as if the players were given fishing poles or land for agriculture or livestock to tend."

Is P2E part of the future of philanthropy in the developing world? Is it possible to use P2E computer games as a way to fund projects there? Is this another potential pivot moment for the charity sector in general, and The Mandalay Projects in particular?

It is too early to say. We are simply "flying a kite" here, and we must stress that we have no current plans to move into this space, and we have not used any of The Mandalay Projects' funds in these areas.

We want to encourage some debate around this topic, and we would really like to hear some feedback and suggestions from our members and supporters around the world.



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
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