



The **Mandalay** *Projects*

Annual Report
to Members & Supporters

2016



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,

Child traffickers exploit the disadvantaged, preying in particular on those who lack security and opportunity. During our frequent visits to Myanmar, we have seen at first hand the exploitation of young Burmese children, working on construction sites and roadwork projects, breaking rocks or lifting heavy bags of stones or cement, when they should be at school or playing with their friends. We have discovered that some of the resident children from at least one of our partner orphanages have travelled to other parts of Asia, lured by what purport to be great employment opportunities. Their route is long and dangerous, and involves several illegal border crossings. For all this effort, they are rewarded with very basic, low-paid jobs, for example in car washes.

Such stories bring a stark realism to our work, and motivate us to ensure that these children are given better options in life. **Providing the security and opportunity, which help to fend off the threat of trafficking, is precisely what we do.**

At its broadest level, the scale of the challenge is daunting. We recognise that we can't change the world overnight, and that we have to channel our resources carefully and methodically, to ensure maximum impact. Our bottom-up "*Building Blocks of Hope*" approach, tried and tested over the past decade, continues to work well, and allows us to tailor our support to fit the needs of each community we work with. In a special feature later in this report, we put our own work in the context of other approaches to combatting child trafficking.

Details of our recent project work are also set out overleaf. It hasn't all been plain sailing, and we've had to deal with a couple of challenging issues during the year. In response to these, we have decided to withdraw our support for one of our partner orphanages, at least until we see evidence that the issues are being dealt with appropriately.

The whole subject of institutional child care in Myanmar has been accorded a higher profile of late, not least because of statements by UNICEF and other organisations regarding the impact of tourism on orphanages. We cover this subject in some detail in another special feature. In several cases, our project work is in locations which are so far off the beaten track that very few tourists have visited the town or village, let alone the orphanage. There is no "orphanage tourism" in these cases, but we must remain alert to the risk that a sudden influx of foreign visitors will bring new threats to the safety of the children.

Our approach has received important external scrutiny over the past year, and we are pleased to announce that *The Mandalay Projects Development Fund* has been awarded the status of *Deductible Gift Recipient* under the Australian government's *Overseas Aid Gift Deduction Scheme*. More details are again provided later in this Report, but we have been greatly encouraged by the feedback we have received from the government during this lengthy review process. Being formally gazetted, as a Developing Country Relief Fund, by the Minister for Foreign Affairs, marks another significant milestone in our journey.

During 2016, Lucy Henry decided to step down from our governance Board. We are very grateful to Lucy for her significant contribution to The Mandalay Projects over the past few years, including her involvement in several field trips. We are pleased that Lucy will retain her close association with TMPL, having offered to continue as our website coordinator. We are also pleased to welcome Anne Love to the Board. Anne has been part of the TMPL family since the very beginning, and we are grateful that she has agreed to join the Board as a Director. We also extend our appreciation to our accountant Michael Brown, who again provided valuable advice and support to the Board throughout the year.

Once again over the past 12 months we have been overwhelmed by the generosity of our members and supporters around the world. We keep saying it, but we could not do what we do, without the incredible support we receive from all of you.

We send you our sincere thanks, and our best wishes for 2017.

The Board of Directors of The Mandalay Projects Limited

Ian Love (Chairman)

David Gibson (Chief Executive)

Anne Love (Director)

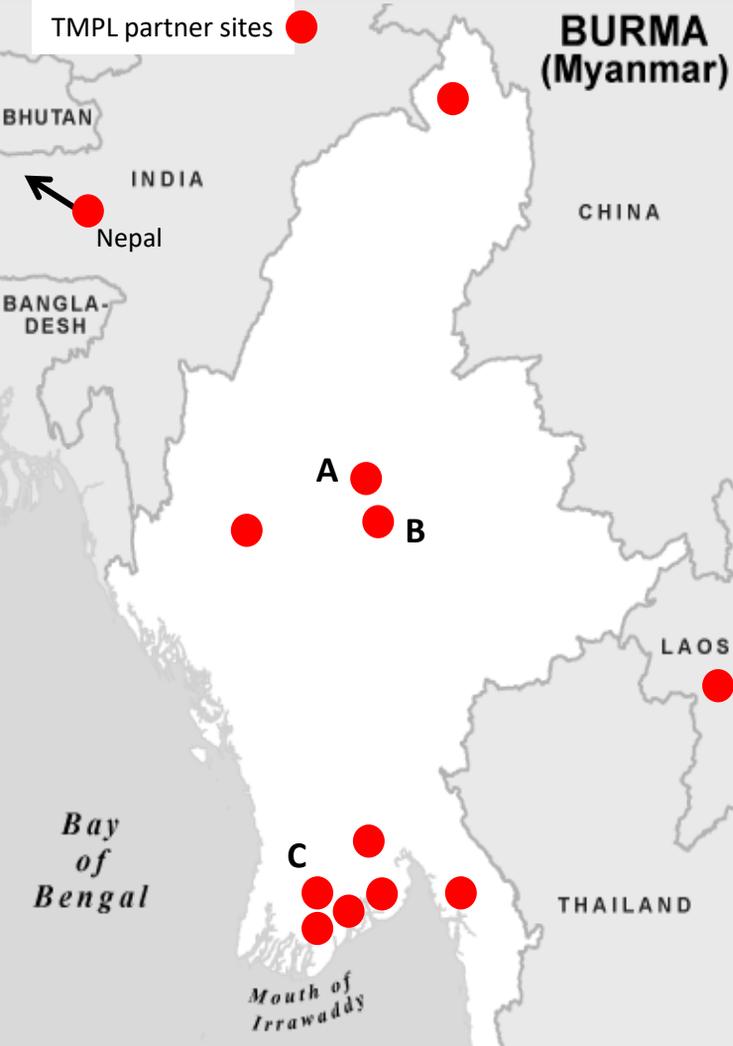
Photos: All of the photos in this Report were taken at TMPL partner orphanages in Myanmar. To protect the privacy of the children, we do not disclose their names.



Every year, the US State Department categorises all countries' attempts to combat human trafficking. In the USSD 2016 *Trafficking in Persons Report*, Myanmar was sadly downgraded to the lowest category, meaning that the State Department believes that the Burmese government does not meet the minimum standards in this area, and is not making significant efforts to do so. This makes the work of international NGOs, such as The Mandalay Projects, all the more challenging, but ultimately all the more worthwhile.

Impact assessment

An important element of our process is to revisit our partner orphanages, to review progress and to evaluate the impact of our project work. Between April 2016 and April 2017 we will have revisited all of our partner sites in Myanmar. Some highlights of our recent visits are set out here.



A MBOA Orphanage, Mandalay

First TMPL project work: 2005

This well-run site is home to over 200 boys. The management team takes an active interest in the education of the residents, with vocational training playing an important role. We helped to establish a computer training centre here in 2005, which is still operating successfully today. All of the boys undergo IT training, with the more able students going on to study technology at colleges in Mandalay and Yangon. Several have secured good jobs in Myanmar and a few are now working overseas with multinational companies.



B Aye Yeik Mon Orphanage, Mandalay

First TMPL project work: 2005

Around 150 girls of all ages call Aye Yeik Mon home. Following our initial visit in 2004, we established a tailoring workshop and training centre here in 2005. The equipment we supplied is still going strong, more than 10 years later, as the manager was keen to show us on our recent visit. All of the girls undergo some form of training in the workshop. Several have gone on to establish their own tailoring workshops in Mandalay.

C Kani Orphanage, Kani Village

First TMPL project work: 2010

When we decided to establish a light engineering workshop at his orphanage, we asked that the training be made available to youths in the village, in addition to the residents of the orphanage. On our recent visit we confirmed that this policy is still in place and has helped to strengthen links between the two groups. The chairman of the orphanage governance board told us proudly that several of the boys are now employed as engineers in larger workshops in the Delta region. Our training programme continues.

The war against child trafficking - we can't boil the ocean

The trafficking of children is a massive crime on a global scale. Tackling it calls for a multi-pronged approach, involving many different players across multiple jurisdictions and areas of expertise.

The means of addressing the issue generally fall into one of four broad categories:

Awareness - Prevention - Intervention - Enforcement

The *Intervention* segment is the preserve of highly skilled professionals who undertake often dangerous work to break up trafficking networks and to rescue and rehabilitate affected children. The *Enforcement* arena is dominated by police forces and judiciaries around the world, who bring perpetrators to justice.

The Mandalay Projects operates primarily within the *Prevention* space.

Within this segment, there are two main approaches – one focusing on demand, the other on supply.

Prevention strategies in the first category approach the issue from the perspective of society at large – in other words, what should governments, companies, and individuals be doing within their own spheres of influence and activity, to reduce the exploitation of children? For example, companies can monitor more effectively every link in their product supply chains, eliminating any which involve child labour. Individual consumers and shareholders can pressurise companies to take a more active stance on this issue. These measures will help to reduce the demand for child labourers. We encourage all of our supporters to consider what each of us can do to contribute personally to this important battle.

Our prevention strategy focuses specifically on disrupting the supply of children who may be vulnerable to exploitation. We undertake development projects which are designed to create living conditions and life opportunities, which in turn reduce that vulnerability. We call our approach our “Building Blocks of Hope” reflecting our philosophy that certain foundations – such as food, shelter, and health – must be solidly in place before education and vocational training can add sustainable value.



As described elsewhere in this Report, we have recently expanded our work into the *Awareness* segment, via a partnership with a local anti-trafficking group based in Myanmar. Given the spread of our project work, which includes initiatives at a number of orphanages in remote areas of the country, we are in a unique position to help facilitate awareness programmes, not only in impoverished and vulnerable orphanages, but in broader village communities, where the understanding of the issues and risks involved is generally poor.

Project news 1 – more libraries across the TMPL network

We are committed to establishing a library at every one of our partner orphanages. In 2016, we added three new libraries – at Metta Geha in the Chin Hills, and at the Kani Boys’ and Pana Wady Girls’ orphanages (see photo) in the Irrawaddy Delta region of Myanmar.

As always, the unveiling of the boxes of books was greeted with great enthusiasm by the children, as each of them was given the opportunity to pick out a book to take away and read. We cater for all ages and tastes, from simple cartoon picture books through to English language biographies and economics textbooks.

A number of our supporters have taken a particular interest in this initiative – thank you for your support.

We are also grateful to our book supplier in Yangon, who covers all of our books in plastic at no extra charge.

“When I have a house of my own, I shall be miserable if I have not an excellent library.”

Caroline Bingley in *Pride and Prejudice*



The challenges of child care in Myanmar

From time to time over the past 10 years we have been asked our views on the effectiveness of institutional child care in developing countries in Asia, and in particular in Myanmar. This issue has been accorded greater publicity recently, with the publication of several reports (notably in Cambodia) which have questioned whether the existence of orphanages and other child care facilities is actually *increasing* the vulnerability of children. The recent surge in overseas visitors to Myanmar has also caused some commentators to highlight the risk of “orphanage tourism”, in which well-intentioned foreigners, by turning up at orphanages with their cameras and their cash, inadvertently jeopardise the safety of the children in care. Leaflets prepared by UNICEF, warning tourists of the dangers of supporting orphanages, are now a regular feature at airline check-in desks and in hotel lobbies.



Children are NOT Tourist Attractions

Myanmar offers many beautiful, exotic and interesting sites to visit. An orphanage is not one of them.

During your visit in Myanmar, you may be invited to visit or volunteer at an orphanage or “children’s home”. You may be asked for a small donation to assist with the running costs. Orphanages can be dangerous and damaging for children. Children are best raised in a family environment.

It is true that, in Cambodia at least, there are private orphanages which are run as “for profit” organisations. Such places are known to recruit children from poor families, simply to boost the numbers of residents, with a view to attracting greater sympathy (and donations) from visiting tourists. Even if such fraudulent activities didn’t exist, the underlying concept of institutional care would still be seen as sub-optimal by many aid agencies. UNICEF, for example, promotes the notion of “kinship care”, in which extended families take responsibility for orphans and other vulnerable children.

At The Mandalay Projects we have a very clear philosophy on this whole issue, at least as it relates to the situation in rural Myanmar.

First of all, of course we accept that, for children everywhere, a life within a loving family home is preferable to a life in an orphanage or other institution. If the intuitive nature of that fact were insufficiently clear, then there is perhaps 100 years of field research in the developed world which supports that basic understanding. But dealing with this subject in an impoverished village community in Myanmar isn’t always that simple. Many families are so poor that there is insufficient means of supporting immediate family members, let alone reaching out to extended family. Decades of neglect by the military regime has resulted in there being no strategy for the care of children outside basic institutionalisation. There is, for example, no network of qualified social workers to provide family support. In our field work, we have to deal with the reality of the here and now, rather than with some theoretical ideology based around the circumstances in other parts of the world. And that reality is, put starkly, that several of the orphanages we work with are often the only safety net which might catch vulnerable children before they fall into a life of neglect and abuse. By assisting these organisations to provide a safer and healthier environment, we are ensuring that the children receive a standard of care which would otherwise be unavailable to them.

The youngest resident of one of our partner orphanages is just 8 months old. Her mother died giving birth to her. She was found in the local market, where she had been abandoned by her father. Other villagers, known to be relatives of this family, refused to have anything to do with the baby. She was immediately taken in by the manager of the orphanage and now has the prospect of a relatively safe and healthy life ahead of her. Having witnessed these circumstances at first hand, we can also report with confidence that this little girl will have a great deal of love in her life, growing up amongst her many older “sisters” in the orphanage. Working with our partners, we will do our level best to ensure that she also receives a good education and has the opportunity of vocational training to prepare her for later life.

That is not to imply that we are complacent about the risks of “orphanage tourism”. Indeed, we fully support the efforts of UNICEF and other organisations in highlighting the issue, and in encouraging tourists to take a responsible approach. Orphanages are not circuses, and their resident children are not there to provide entertainment to foreign visitors, most of whom would never even consider visiting a children’s home in their own countries. We also broadly agree that there are inherent weaknesses in a system that relies almost entirely on institutional care of vulnerable children. We would, however, encourage UNICEF and others to accept that the provision of properly structured support for orphanages can be a positive force in dealing with the dire straits faced by some rural communities, at least until a viable, sustainable alternative support programme comes along. On that, we note the moratorium on registrations of new orphanages announced by the Burmese government late last year, suggesting that a strategic review of the plight of institutionalised children is underway.

There is a critically important sub-text to our basic stance, which relates to the way in which orphanage aid is provided, and in particular the “terms of engagement” in dealing with partner orphanages.

We have a clear approach to this, which includes at a minimum:

- an understanding that not all orphanages are capable of providing the minimum standards of care required in dealing with vulnerable children, and that we should only support those which are;
- a commitment that we will not create dependency on our support, and that we will structure our project work so that, at its conclusion, we are able to walk away, without endangering the health or safety of any children;
- a bias towards strategic development work, (including, most importantly, vocational training facilities) over tactical aid;
- strict controls over the handling of orphanage visits, including police clearance checks for all directors of TMPL who manage such visits;
- no facilitation of “volunteering” programmes at any of our partner orphanages; and
- retrospective assessment of the impact of our support work.



Project news 2 – power to the people

As noted above, we have been pleased with the success of our vocational training initiatives at the Kani Boys' Orphanage in the Irrawaddy Delta region of lower Myanmar. The management team and governance committee provide strong leadership to the resident boys, and our light engineering workshop and computer training facility have both been well-used.

On our recent visit, we discovered that both projects are suffering from the inadequacies of the government power supply. Not only is the power subject to major blackouts without warning, but even when the supply is available it is volatile and unreliable, with surges in voltage likely to damage sensitive equipment, especially in our computer room. We have decided to invest in a transformer which will help the local team to deal with this situation. As a bonus, the transformer will be powerful enough to stabilise the supply of electricity to the newly-completed school in the nearby village, thus reinforcing the links between the orphanage and the local community.



Project news 3 – keep them safe

We have been supporting the Witharkar Orphanage in North Dagon township, near Yangon, for a number of years. Regular readers may recall this as the site with the dozens of dogs and cats, to which the children have become very attached.

Our focus has been on strategic development, having built a computer training facility and a library, amongst other initiatives at the site. On a recent visit we were concerned to find that one of our more basic building blocks – the security of the children – was being threatened by the rapid development of an illegal housing scheme nearby.

The security of the orphanage urgently needs to be upgraded to protect both the children and our earlier investments here. Rather like the perimeter fence work we completed at the Pana Wady orphanage several years ago, we have approved the funding for a robust wall and fence, with lockable gates, to surround the Witharkar compound.



Tax deductible status in Australia

We are pleased to announce that The Mandalay Projects has passed another important milestone in its development history. Following assessments undertaken by the Australian **Department of Foreign Affairs & Trade** (“DFAT”) and the **Australian Tax Office** (“ATO”), TMP’s Development Fund has been awarded the status of *Deductible Gift Recipient* under the government’s Overseas Aid Gift Deduction Scheme.

The Minister for Foreign Affairs, Julie Bishop, declared TMP to be an approved organisation under the Scheme in October 2016. The Minister for Revenue and Financial Services, Kelly O’Dwyer, subsequently announced that our Fund had been recognised, under subsection 30-85(2) of the Income Tax Assessment Act 1997, as a developing country relief fund.



We still have quite a bit of work ahead of us, to ensure that our receiving fund meets all of the government’s administrative criteria, but once we have completed this work, all donations from Australian tax-payers (individual or corporate) may be treated in the donors’ tax returns as tax-deductible expenses. We will send a separate note to Australian resident members and supporters in due course.

The DFAT and ATO assessment criteria are robust and challenging, and the Directors of TMP are proud of the feedback received from this process. DFAT noted that “TMP demonstrates a compelling development philosophy which is consistent with its development projects” and further that “TMP has the procedures and documentation in place to ensure the effective conduct of its development activities.”

We were also encouraged by DFAT’s comment that “The narrative provided through the application shows consideration for a strategic and capacity development approach, with links to Australian government plans and priorities around child trafficking and slavery.”

Project news 4 – healthy eating



Our horticulture project at the remote Metta Geha Orphanage in the Chin Hills of western Myanmar continues to provide a regular supply of vegetables and herbs to the orphanage kitchen, adding important vitamins to the children's daily diet. We have just completed the construction of a new kitchen and dining room which will significantly upgrade the cooking and dining facilities at the site. The existing kitchen was dilapidated and dirty, and posed not only a health hazard but also a safety risk, as the floors and walls were badly decayed.

Project news 5 – sometimes we just have to walk away

We have previously informed supporters of our development initiatives at the Dharmalinkara Orphanage in the township of Twante, lower Myanmar. We had felt that we were making good progress there, having taken many years to assess the quality and the child care philosophy of the management team, before embarking on a strategic programme which included the construction of a 2-storey dormitory and initial plans for a vocational training initiative at the site. Following a series of disappointing meetings with the management team and the governance board, which revealed to us a surprising lack of enthusiasm for, and empathy with, the work of TMP, we have decided to withdraw our support. We are cautiously optimistic that we will be able to re-engage at this site in the future, but until some basic management issues are addressed, we feel that we can, and should, deploy our scarce resources more effectively elsewhere in the region.



Child trafficking awareness campaign



As outlined above, our project work is designed ultimately to improve the living standards and life opportunities of young children, thereby reducing their vulnerability to being trafficked or otherwise abused. Alongside this work, we recognise the importance of increasing basic awareness of trafficking amongst the communities most at risk, in particular the impoverished orphanages where we conduct our project work.

In this regard, we are delighted that we have been able to forge an alliance with a local trafficking awareness and advocacy group based in Yangon. **Equality Myanmar**, and its sister organisation **United Against Child Trafficking** ("United ACT") have considerable experience of organising awareness events, many of which are centred around theatrical productions which are designed to have a high impact on children in their audience.

Our inaugural jointly-sponsored awareness events, held last year in the township of Twante, went very well. It was a bit surreal for our TMP team, to be sharing the stage with famous Burmese movie and pop stars. State and independent media turned up in force, including the Democratic Voice of Burma. Our afternoon show was attended by all the children from the Mingalar Parahita Orphanage, most of whom came back for the evening show which was also attended by over 300 local villagers. There was a great atmosphere, particularly for the evening event, in which the theatre show was a stand-out, including some dramatic shadow acting and a very impactful cartoon movie about a young girl being trafficked into the sex industry. We engaged a professional videography team to record the whole day, and will be able to use the material in our more remote orphanage locations, where it would be logistically tricky to organise a day like this one. Overall a great success, and an initiative we hope to repeat, with the support of United ACT, in 2017 and beyond..

Members & Supporters – fund-raising and site visits



Our Singapore supporters group held yet another hugely successful Quiz Night and Auction to raise funds for TMP's project work. Well done Cathy, Heather, Marie, Lucy, Simon, Shukor, Edmond and Fiona, and thanks to all who attended and contributed to a great evening and a substantial amount raised.



Liz and Mags, teachers from St Dominic's School in Perth, Australia, at the launch of the TMP Library at the Metta Geha Orphanage. The children of St Dominic's have taken an active interest in TMP's work.



David with the local management team at the Metta Geha Orphanage at the start of construction work on our new kitchen and dining block.



TMP fund raisers Annie and Briony, from Adelaide, Australia, visited all of our partner orphanages in the Irrawaddy Delta area, donating much-needed clothing, toys and sports equipment.



The journey to the remote Metta Geha orphanage is never easy, but the welcome we receive from the staff and children always makes the effort worthwhile.



TMP's local Twante Supporters group, without whose assistance our project work would be all but impossible. Thanks Thaw Zin, Shine, Moe and E.M.



TMP's country manager and general super-hero, Min Min, with Lucy and the management team at the Aye Yeik Mon Girls' Orphanage in Mandalay.