

2016 Annual Report

From January 1, 2016 to December 31, 2016



Non-Profit Organization
Bridge Asia Japan

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Greetings from Etsuko Nemoto, Chairperson of Bridge Asia Japan

Here is the annual report 2016.

In the Vietnam projects, we established the second direct-sales store in March 2016 by enlarging our network with farmers. Both first and second stores are steadily gaining more customers.

In the Myanmar projects, there have been new opportunities and attempts to develop our activities. For instance, we managed to secure funds to continue our projects, and we were chosen as a recipient of funds raised by the Osaka Charity Marathon. Moreover, we were offered some CSR (Corporate Social Responsibility) business initiatives from several companies.

The projects in Myanmar are currently underway as scheduled, although the activities were stopped temporarily due to a series of violence in October, which arose from ethnic antagonism in Rakhine State.

The situation in Myanmar requires us to take additional measures to strengthen security. In our activities, we will explore and establish a network for safety in collaboration with local residents.

Since the inception of BAJ, it has been our policy to promote the localization of project activities. In the water supply project in the Central Dry Zone, we hope that the project can be run by local staffs only. Thus, we organized a team for well drilling and construction, which consists of local staffs only, and we continued technology transfer and management training for them. In June, we started withdrawing Japanese staffs. From now on, we are going to hand over the activities to the local staffs after supporting them for a certain period.

As for the projects in Vietnam, direct-sales stores are producing great results. We will continue supporting the stores so that local staffs will be able to operate them by themselves in the future.

Your support and cooperation enabled us to continue these projects. We sincerely appreciate your further support in advance.

Etsuko Nemoto
Chairperson
Bridge Asia Japan, Non-Profit Organization

I. Overseas Support Activities in Myanmar

SUMMARY

Maungdaw, Rakhine State in the northwest of Myanmar, borders Bangladesh and it is an area where many Muslims live. From 1991 to 1992, there was a large-scale outflow of Muslim refugees, and BAJ had began its activities in Maungdaw as a project implementing partner of United Nations High Commissioner for Refugees (UNHCR).

In 2016, a new government led by Aung San Suu Kyi came in power with a promise of "ethnic harmony", which is a major challenge in Myanmar. Amidst various administrative reforms, "21st Century Panglong Conference" was held last May, which seemed to make a start at last. However in October, border security police stations at three locations within the northern Rakhine State was attacked simultaneously by Muslims, and BAJ was forced to terminate part of activities at the project site.

BAJ's water supply project in the South Eastern border which launched in 2004 terminated due to the withdrawal of the donor, UNHCR, failing to achieve the goal of receiving returnees in the refugee camps on the Thai side of the border.

Village water supply project in the Central Dry Zone is underway in keeping with our initial goal of localizing the project. We have been making efforts to have the project operated by local staff by withdrawing Japanese staff, and BAJ is currently at the stage to provide logistical support.

With the operations of Hpa-An Technical Training School, it was decided that the school would receive contributions from Nippon Foundation. This is the result of cultivating new donors which has been our biggest challenge since the completion of the funding from Ministry of Foreign Affairs of Japan Grant Assistance for Japanese NGO Projects. We can now plan for the operational fund for the remaining three years of the project.

Furthermore, we were able to start up several unique projects in Yangon Office with companies that could provide us funding as part of their CSR initiatives.

BAJ Offices are shown below.

- Yangon Office
- Hpa-An Office
- Mawlamyine Office
- Maungdaw Office
- Sittwe Office

1. Activities in Rakhine State

After the attack in October, the joint forces of Myanmar military government and border security police executed search and sweep operations of armed insurgents, but the security situation of nearby areas worsened. As of March 2017, the operation has ended and the region seems to have settled on the surface. However, incidents of stabbing are occurring sporadically and we are watching the proceedings while taking continuous safety measures. Together with international organizations and NGOs that operate in this region, BAJ provided trainings on sewing, computers and machineries, where Muslims and Buddhists learn together, as a part of UNHCR's new project, "Peaceful Cohabitation Project".

i. Maintenance of vehicles and machineries 【Funding: UNHCR】

We provided support to each organization through maintenance of vehicles, generators, outboard motors, etc., for United Nations, international NGOs, and Myanmar government authorities that operate in the region.

ii. Agricultural machine training 【Funding : UNHCR】

In 16 villages that UNHCR provided agricultural machines to, we provided trainings on repair methods for single cylinder engines, which make the basis of agricultural machinery repairs.

iii. For peaceful cohabitation 【Funding: UNHCR】

With the aim of interethnic collaboration by allowing Rakhine, Muslims and other ethnic minorities living in this area to learn together, we provided sewing training (for women) six times for 330 days or more and 117 women participated. We also provided computer trainings (for junior high and high school students) two times for 372 hours and 24 students participated. Machinery trainings (for adults) were held two times for 80 days and 40 people participated. Due to the effects of the attack, training sessions were temporarily suspended, but we restarted the remaining training sessions in 2017.

iv. Educational project 【Funding: UNHCR】

① Kindergarten operations

We implemented activities until March 2016, targeting a total of 116 students for each kindergarten (for four- to five-year old children) in Rakhine, Muslim, and Hindu villages.

② School operations in Muslim IDP (Internally Displaced Persons) communities

We provided support for school operations until March 2016 for 1980 Muslim children and students in five schools in Rathidaung Township.

2. School Construction Project [Funding: Nippon Foundation]

The school construction project funded by Nippon Foundation started in September 2012, aiming to construct 100 schools in 5 years. We aimed to complete 26 schools in the fourth year (from September 2015 to August 2016), but the roads to the construction sites were blocked by heavy rain during the rainy season. These constructions were postponed to the fifth year.

Currently in the fifth year (from September 2016 to August 2017), we are constructing the remaining 27 schools. However, security situation worsened at the sites due to the effects of the attack, so we relinquished two schools and are planning for substitute schools to be constructed.

Aiming to improve the quality of the schools to be constructed, an engineering and construction specialist was invited. They provided technical advice, monitoring, construction management and safety measures to on-site engineers and workers. In 2016, we seconded the specialist four times in February, May, July, and October. We will continue to second specialist in 2017 with similar frequencies.

At each construction site in villages, 10 local youths who requested on-the-job training (OJT) were selected and participated in construction. After the OJT, the youths with approved technical skills who wished to continue working were hired in the next construction site as semi-skilled workers. In 2016, 275 youths participated in OJT, and took part in implementing the project while learning the basics of construction.

We plan to conduct inspection by participative evaluation for 100 schools we construct. To this end, a specialist on participative evaluation was invited from Japan in October, and trainings were provided, targeting local staff and Japanese expatriate staff in Yangon. At the completion of the training, indexes and questionnaires learned in the actual training were used to monitor two schools in Rakhine State ahead of others.

3. Water Supply in the Central Dry Zone

i. New Deep Tube Well Construction Projects [Funding: Myanmar Posts and Telecommunications (MPT), and Department of Rural Development]

We have completed drilling a total of four wells, which were part funded by our own funds. One well was completed as a CSR project for MPT, the largest mobile phone company in Myanmar, two wells were requested from Department of Rural Development and the last well was requested from a village.

No.	Village Name	Township	Requested by	Drilling		Depth (m)	Water Yield (gallon/h)
				Start	End		

-	Hnget Pyaw Kan	Yaynanchaung	Yaynanchaung Department of Development Affairs	Mar 9	Apr 10	263	2,500
-	Thanbo North	Chauk	Chauk Department of Development Affairs	May 1	Jun 12	284	2,000
126	Pi Tauk Kone	Natmauk	Pi Tauk Kone Village	Aug 24	Sep 12	96	2,500
127	Ywar Haung Kan	Magway	MPT	Dec 14	Jan 27	209	2,500

(1 gallon \doteq 4.5 L)

ii. Existing Deep Well Repair Projects 【Funding: Own funds; requests from Department of Rural Development】

155 existing wells were repaired in a year based on the request from Department of Development Affairs, Ministry of Progress of Border Areas and National Races and Development Affairs, Myanmar Government. Major repaired jobs were repairing pumps and cleaning wells.

iii. Towards localization of the project

Through holding discussions with local staff, preparation is underway by providing BAJ's support for the first 2 years with an aim to become completely independent. In particular, decisions have been made such as repayment plans for the initial investment funds from BAJ, putting in place regulations including the articles of incorporation, and management plans.

After starting operations in earnest with only local staff in July, Yangon office is taking the initiative to continually monitor the project.

4. Hpa-An Technical Training School Project 【Funding: Ministry of Foreign Affairs of Japan Grant Assistance for Japanese NGO projects. BAJ fund】

This project was funded by Grant Assistance for Japanese NGO projects as a three-year continuous project, starting in December 2013 and we continued to implement it in the third year, from December 2015 to November 2016. The project main target is Myanmar's young youths who have not had opportunities to learn and we sought trainees from all around the country. We operate the school as a boarding school with no costs incurred to trainees.

The school was built on a 2.5 hectares of land provided by Karen state government, with the school grounds having more than ten facilities including workshops, vocational training building and accommodation

quarters. A total of 356 trainees graduated during this period. BAJ has been planning to extend this project to six years and then to hand over upon completion to our project counterpart, the Department of Education and Training (DET), so we had been fundraising for the fourth year onwards. While seeking financial contributions from Japanese firms as a human resource development project, we were finally able to secure Japan Foundation's support. We are now able to implement the extended three-year project for the remaining period from December 2016.

i. Selection of Trainees

For the trainee selection, a student selection committee was formed consisting of three parties, namely DET, Karen state government and BAJ. The selection was made according to the selection criteria. Prospective trainees were sought through national newspaper advertisements and by visiting public and NGO offices located in Hpa-An township. We explained to each village within the township and asked them to distribute application forms. The selection was made through screening applications first, then conducting interviews with prospective candidates and selecting appropriate candidates. In the interviews, the committee valued candidates' eagerness to acquire technical skills while giving consideration to each candidate's family circumstances (family composition, economic situation, etc.) and his/her views on future prospects. For the third year term, the committee selected a total of 153 trainees who were placed in the following courses:

- Construction - 21 students for four terms
- Electrical Trade- 25 students for three terms, 25 students for four terms
- Automobile Maintenance - 32 students for three terms, 25 students for four terms
- Welding - 25 students for two terms

ii. Technical Training

① Construction

With an aim to acquire basic construction skills for general building forms in Myanmar, namely, wooden, brick and reinforced concrete (RCC), the course offered three units: wood work, stone mason and fabrication of reinforcements. As part of practical work, students constructed the gate and fences within the school grounds.

② Electrical Trade

This course mainly offered skills for interior electrical wiring, as well as incorporating basics for air conditioner installation which has increasing demands in Myanmar. In practical work, students participated in electric wiring and repair works for facilities on the school grounds and also for external on-site work.

③ Automobile Maintenance

The curriculum was designed and textbooks were created in accordance to Myanmar's unique demands for automobile maintenance and repairs, including technical training for single-cylinder engines and automobile system (engines, chassis and electric devices).

④ **Welding**

The course provided technical trainings for metal work, mainly arc welding, gas welding and gas cutting. As on-the-job training, students created beds, swings and tables. They also participated in a study tour to visit and learn about vocational training facilities and city workshops, raising their awareness for future job hunting.

⑤ **Special Course for Automobile Maintenance on EFI (Electric Control Fuel Injection Device);**

EFI class was provided to the top performing students among the first graduates and we taught EFI-equipped vehicles which are becoming more mainstream, from its principles and structure to methods for inspection and repairs.

iii. Employment Support and Employment Status Survey

We created a list of “Job Openings” by asking and collecting information from firms, workshops and contractors in Hpa-An and Yangon to become employers for our graduates. We distributed this list to all trainees. We conducted employment status survey on our school graduates through telephone interviews and on-site visits to their workplaces.

Of the 140 graduates for the third-year term, 120 graduates found employment where more than half were working at local construction and electrical work sites, automobile repairs and maintenance workshops and welding factories. As trained technicians, they have actively contributed to technical skills improvement and economic revitalization of their local communities. We had been reaching out to Japanese companies in Yangon and over the past three years, 37 graduates found employment at automobile related companies, bridge construction companies, construction companies and electrical work companies. Accumulated employment rate over the past three years was at 83 per cent with the following breakdowns of courses:

Course	No. of Graduates	Employed	Employment Rate
Construction (first- to fourth-year term)	91	71	78%
Electrical Trade (first- to fourth- term)	107	94	88%
Automobile Maintenance (first- to fourth-year term)	106	89	84%
Welding (first- and second-year term)	52	43	83%
Total	356	297	83%

iv. School Management

The school management committee, including residing DET staff posted at the school, makes management decisions. The school is a boarding school and students are provided with items needed for living and

learning. Moreover, we provide meals and prompt actions for health care, creating the living environment where students can focus on learning and acquiring technical skills.

On Saturdays, we provide opportunities for students to learn general knowledge other than technical lessons, by inviting teachers who work in various fields externally. They gave lectures and allowed students to visit their facilities.

5. Yangon Office

Yangon office submits reports to the central government, holds meetings, and applies for visa approval for Japanese staff and specialists. The office also handles administrative affairs such as human resources, procurement, insurance, and consolidating accounts for all Myanmar offices.

i. Holding Meetings

① Annual General Meeting

After the general meeting of BAJ Headquarters in Tokyo, topics such as the annual reporting of projects, planning and operational tasks were discussed with the local management staff from all Myanmar offices. The Headquarters took this opportunity to update its rules and regulations and held a workshop on disaster prevention and reduction.

② Management committee and Japanese staff meeting

Every October, the management in Tokyo Headquarters and a representative of BAJ Myanmar, Ms. Mori, hold the management committee meeting in Yangon office to check on the status of tasks as well as review the rules, regulations, and problems. Following this meeting, Japanese staff in the Myanmar office reported on each topic and discussed the problems, which would be reflected on project plans for the next fiscal year.

ii. Disaster risk reduction in Ayeyarwaddy Delta 【Funding : Kokusai Kogyo Co., Ltd】

As part of the project, “Mangrove planting for functional enhancement of disaster prevention in coastal areas” which Kokusai Kogyo conducts in Deli and other areas, BAJ contracted a disaster drill program. In 2016, workshops for disaster prevention were held at three villages in the Delta area.

iii. Book & Toy Project 【Funding and cooperation : Tomoiki Foundation, All Nippon Airways Co. Ltd., crowd funding, individual donations】

Under a collaborative project with the Tokyo Toy Museum, Book & Toy Library 100, 250 books and toys such as Ken-dama (cup-and-ball game), ring toss, and the game “GO” were donated to 16 elementary schools in Myanmar’s remote districts in the fiscal year of 2016 in order to provide quality learning opportunities for children without books and equipment. Along with donation of the items, the importance of reading as well as usage rules and handling were explained to the students and the teachers.

BAJ Tokyo was successful in fundraising for this project by trying various different ways. In particular, BAJ was eligible as a donation recipient organisation at the Osaka charity marathon, which was held in Osaka in October, BAJ could raise a good sum.

iv. Construction of an elementary school 【Funding : Kumagai Gumi Co., Ltd】

As a part of the Kumagai Gumi CSR initiatives, BAJ helped construct and donate an elementary school nearby Kumagai Gumi's construction site in Myanmar. Construction of the school began in February, then a completion ceremony was held in May, and the school was opened in the new school year in June.

v. Participatory evaluation training program 【Funding : The Nippon Foundation】

For two weeks in October, Mr. Hiroshi Tanaka was invited from Japan to Myanmar as a specialist in participatory evaluation methods and provided this evaluation training for BAJ local staff. In the future, all stakeholders in completed projects will share achievements and problems using method to enhance the motivation and improve future projects.

II. Overseas Support Activities in Viet Nam

In 1982, we donated a generator to support livelihood of Cu Chi, a fierce battleground in the Vietnam War. Our donation became the start of our activities in Ho Chi Minh city, more specifically we supported children with disabilities, conducted surveys on waste in urban areas, and donated Japanese garbage trucks to the City. In 2002, BAJ sent one liaison representative officer to station in Ho Chi Minh City and began full scale activities in Vietnam.

At that time, the heart of our activities conducted in Ho Chi Minh was at an area called Anh Kahn in District 2, situated opposite by crossing the Saigon River to lively and flourishing District 1. Anh Kahn is the place where many under-privileged people live in shanty huts built on riverbanks. We saw quite many children in Anh Kahn were not going to school. They were selling lottery tickets and postcards to help their parents for living. BAJ began to group these children together and conducted various supporting activities for these children, including forming a drawing club for small children, setting tutoring classes for elementary school aged children by calling university student volunteers. Meanwhile, we also provided family finance support through a micro-credit financial scheme to parents struggling with debts.

By 2010, as Anh Kahn district was designated as one of the redevelopment zones, the relocation of residents from the area became well underway. As such, we had to discontinue our core activities in Anh Kahn such as child-led waste collection and separation, tutoring classes for elementary school-aged children.

Given this situation, we relocated our activity base to Hue City. Hue is known to be a world-renowned tourist destination where the Imperial Royal Palace of Nguyen dynasty is located. However, there also are under-privileged people living in shanty huts by the side of moat embankments of the palace wall as well as those living on boats on banks of Huong River. BAJ approached the communities in Hue where these disadvantaged people live and started environmental education for children, including supports for local waste collection and separation activities, tutoring classes, and family finance support through a micro-credit scheme for parents. The city was increasingly seeing developments of new residential areas due to urbanization. We came to know that local farmers, especially those subsistent farmers, were inclined to sell their land. Some of the reasons for selling their land were said due to issues associated with raising pigs; i.e., bad smells and untreated pig manures and urine discharged untreated to land and river, which were contaminating the environment.

To help the farmers coping with swine wastes related issues, BAJ went in to their villages and installed biogas digesters (BD). Farmers became able to utilize compost and liquid fertilizer produced in the process to grow value added organic vegetables. Our BD installation eventually led to the opening of the first Hue Farmers' Store in 2014 in Hue City that was jointly operated by BAJ and the farmer's group to market organically grown fresh vegetables. As the story was picked up by Newspapers and TVs, sales of the store increased dramatically. In response to the request of visiting coming from far away, we increased the number of farm

produce suppliers and opened the second store. Our next step is to transfer the shops in the hand of the farmers' groups in the future. To do so, we will be looking after various management and operational related issues before it happens.

1. Thinking about environmental issues [Funding: Canon Inc., LIXIL Corporation, "Shine! Children of Asia" Fund]

In Vietnam, the country where rapid developments are taking place, deteriorating environment has become the critical issue that can no longer be ignored. Even in the school class room studies, brining environmental education is a challenge as there are not many teachers capable and trained to teach this subject. Through our track record of accumulated experiences in addressing environmental issues in the field of education, some schools in Hue City adopted and implemented BAJ's environmental education lessons in their curriculums. Also, there are other schools that started environmental education activities as part of an after-school curricula.

i. Environmental Education at Schools

Schools allocated time for a class entitled "Activities to Strengthen the Power of Living" in the curriculums. BAJ conducted environmental education lessons in the form of classroom lectures, experiments, and actual site observations. In these lessons, we used textbooks which we had created with a company involved in sanitation and hygiene businesses in the past; namely "Let's think about water and study" and "Let's think about toilet". At the Thuy Xuan Primary School in Hue City, 385 students in seven classes of 3rd and 4th grade students participated in total.

Similarly, at the Lam Mong Quang Junior High School in Vinh My Village, Phu Loc District, we conducted lessons using the same textbooks for 6th to 9th grade students. A total of 79 students participated in experiments such as "Making recycled paper", "Creating clay animation" and "Making a wall newspaper".

ii. Environment Group's Extracurricular Activities

During summer vacation in June and July, we organized hands-on farming experiences in farmers' fields for children's environment groups from Thuy Xuan Ward. Farmers' group who installed BDs cooperated and assisted the occasion.

2. Educational Support Program [Funding: "Shine! Children of Asia" Fund]

The "Shine! Children of Asia" Fund was launched in 2004 with an aim to promote school attendance of Vietnamese children. BAJ has so far provided many children with opportunities to go to school through the above fund. In 2016, we decided to grant scholarships for 52 students upon consulting with Thuy Xuan Elementary School and Lam Mong Quang Junior High School. Award ceremonies took place in September and October (refer to the table below).

Grade	Jan to Apr	Nov to Dec
3 rd Grade (Class 1 to 3)	121	81
4 th Grade (Class 1 to 4)	75	108

Figures indicate no. of students

**3. Management Support Project to Strengthen Agriculture and Livestock Industry
[Funding: JICA Grassroots Technical Cooperation Program (Partnership), LIXIL Corporation, BAJ Donation]**

The “Management support Project for Small Scale Farmers to Strengthen Agriculture and Livestock Industry in Hue City is one of the BAJ projects in Vietnam adopted and funded by Japan International Cooperation Agency (JICA) partnered with LIXIL Corporation. The project is a five year period with the implementation began in May 2014 and to end in April 2019. Prior to this project, BAJ has been implementing various projects with the scope to support children and poor areas in need of help in Hue City. The Hue City government had an on-going subsidy project entitled “High Quality Pig Acquisition and Biogas Digester Installation”. Hue city government wanted to expand farmers’ utilization of the subsidy and requested BAJ for assistance. In response, we implemented the BD installation project which began in 2011. The city’s subsidy project ended in 2016, we also had to discontinue our BD installation project. We negotiated for the project continuation which resulted the city government to secure an alternate budget, enabling the project to resume in June.

i. Biogas Digester (BD) Installation Project

① Activities in Hue City [Funding: Hue City]

Under the Strengthening Management Support project, Hue City conducted livestock farm survey, selected potential farmers for BD installations, and organized meetings and seminars for new farmers mainly in three districts, namely Thuy Xuan, Thuy Bieu, and Huong Lon. For six farm households, BD was installed.

Furthermore, for familiarization and installation of BDs, we collaborated with the local government and provided on-the-job training for officials of the economic department of the Hue city government and relevant officials of local councils.

It costs approximately 50,000 yen to install one BD. Farmers who plan to have BD are required to save certain sum of money installed in, so called “BD Fund”, each week. The plan is to utilize the reserved fund to subsidize farmers who are going to install BD on and after fiscal year 2017. By using accumulated bio gas produced by the installed BD, famers are able to reduce fuel cost, for example, fuel to cook leftovers to feed pigs.

② **Activities in Quang Dien District 【Funding: BAJ Donation】**

Quang Ngan villagers who observed the project in Hue city through on-site visit came back and told us that they wanted to install BDs, too. Given the above, BAJ installed 10 BDs in their village for the period between June through to September, covering half of the installation costs with the rest paid by the residents themselves.

ii. **Expanding Direct Sales Shops for Agriculture Produces and Livestock Products 【Funding: JICA Grassroots Technical Cooperation Program, BAJ Donation】**

“Hue Farmers’ Store”, a direct sales outlet for agriculture and livestock products, was opened in December 2014. The store is run by ten farmer suppliers with opening hours from 7am to 4pm. By the request of customers in Hue City, we increased the number of suppliers and opened a branch in the north of the city in August. Overall, they started make sufficient profits to cover running costs without any project subsidies by around March and April. We came to realize that there are increasing demands for safer vegetables in urban areas.

iii. **Sending specialists and trainings**

For local farmers, operating the direct sales store was for the first-time experience. We invited specialists in the areas of organic farming as well as direct sales store management from Japan. These specialist gave useful advises on cultivation technique and on direct sales operations with examples in Japan as well as in Vietnam. On 27th August, we had a seminar attended by people related to the BAJ direct sales store operation (farmers, local government officials, and consumers). Especially, consumers’ participation was provided an important opportunity for other participants to hear opinion.

	Business trip period	Specialist	Contents
1	Feb 22 nd – 28 th	Masaaki Ooe	Organizational structure of direct sales store; Maintenance of operating conditions; Cultivation plan
2	May 6th	Tokyo University of Agriculture	Agriculture and livestock technology training
3	June 13 th - 18 th	Shiho Segawa	Making organic composts
4	August 23 rd - 27 th	Etsuko Nemoto	The history of organic farming in Japan and nurturing consumers
5	August 23 rd - 27 th	Yoshiro Kishida	Operation know-hows from the perspective of successful direct sales stores in Japan
6	September 12 th - October 8 th	Shiho Segawa	Making good quality organic composts; Ways to control pests

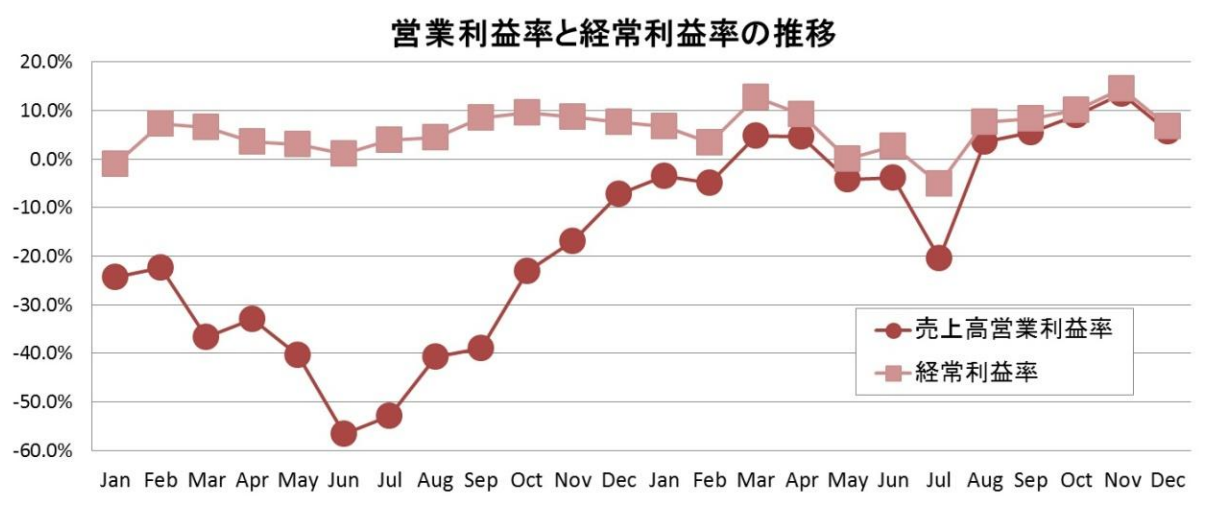
iv. Exchange with Other Organizations in Vietnam

In August, five farmer suppliers who works at the BAJ direct sales stores visited Ben Tre, where organic vegetables are grown by farmers who supply to the direct sales shop operated by Viet Tam direct store in Ho Chi Minh City. Our suppliers observed creative solutions for organic growing such as disinfecting soil by covering fields with films before planting seeds and controlling pests by covering ridges with nets.

Changes in Operating Margin and Profit Margin

Operating profit in sales (売上高営業利益率)

Profit margin (経常利益率)



III. Activities in Tokyo Headquarters

We have been able to complete 2016 without huge difficulties. One of the issues we had was fundraising for “BAJ Technical Training School Operations Project” in Karen State, but we were able to secure the funding for after the third year of the project. Furthermore, for the school construction project in Rakhine State, we are forecasting to complete the construction of 100 schools in 5 years, which was our initial target. Both projects are funded and supported by the Nippon Foundation.

“Book & Toy Library 100” is a collaborative project with Tokyo Toy Museum, which is a project to donate a library of books with toys encased in bookshelves to each elementary school in remote areas of Myanmar. To fundraise, we challenged ourselves to use crowd funding, to be selected as a donation recipient organization in “Osaka Marathon”, and to explore and find new donors.

In Vietnam where we implement support project to strengthen management for impoverished farmers in Hue city in Vietnam central area, we installed biogas digesters, as well as developed organic vegetable farming by utilizing the by-product of digesters such as composts, liquid fertilizers and gas. We also put our efforts into the management of “Farmers’ direct sales store” where farmers can directly sell to consumers, and opened the second shop to increase sales smoothly.

As for the relevant NGO movements in Japan, the UN set the replacement for ‘the Millennium Development Goals’ called ‘Sustainable Development Goals’ to be achieved by 2031. Domestically, ‘SDGs Civil Society Network’ has been formed to mobilize the power of civil society beyond the network of international cooperation sector.

The management of Tokyo Headquarters resolved a shortage of staff in Tokyo by incorporating work-from-home arrangements and flexible working hours to create a pleasant working environment and aimed for a “select-few” organizational structure. We have also increased training opportunities for our employees and cooperated with external organisations such as NPO Nimaime no Meishi (the Second Business Card) program, initiating collaborations among various corporate individuals.

1. Operations of Tokyo Headquarters

Activities of NGO and NPO are generally founded on operating projects with donations and membership fees from supporters. Like previous years, we received support from a great number of people in 2016. We sincerely thank you for all your support. In 2016, we received contributions from organizations listed in the table below. Names of individual donors are not shown here due to privacy information.

	Organizations
Myanmar	Ministry of Foreign Affairs Grant Assistance for Japanese NGOs, UNHCR, The Nippon Foundation, Kokusai Kogyo Co., Ltd., Bridgers Co., Ltd., Kumagai Gumi, Tomoiki Foundation, Loyalty Marketing Inc.
Vietnam	JICA Technical Cooperation Program (Partnership), Canon Inc., Consumer Co-operative Institute of Japan, LIXIL Group Corporation, A.N.Lab Joint Stock Company, “Shine! Children of Asia” Fund, Environmental Partnership Council, Ohki-gumi
Other	Japan Development Service, Nikko Bussan Co., Ltd., WAVE, Ohki-gumi, Yutaka Hoikuen, IdoSeal Co., Ltd., Birotasu Co., Dynax Corporation, NPO Care Center YAWARAGI, Shuho Kogyo, Bridgers Co. Ltd., Capital Industry Co., Ltd., Kokusai Kogyo Co. Ltd., Sowa Consultants Inc., Rikkyo University, LIXIL, Bookoff Corporation Limited, Yahoo Japan, JANIC, Sowa Consultants, gooddo, Salesforce

i. Operations in Tokyo

Funding problem is a challenge that many NGO organizations face and funding the operational costs of Headquarters is a difficult issue. Generally, NGOs are seen as volunteer organizations, and sometimes operational costs such as employment costs are not recognized. Fortunately, we see more cases of such costs approved by many grant organizations and public funds, but they do not cover all costs.

Tokyo Headquarters needs to think about programs that make profit, however, therein lies an issue of having ‘for profit’ projects as an NGO organization.

For programs in Tokyo, we have implemented five programs that are based on donations, which are ‘Shine! Children of Asia Fund Supporter’, ‘BAJ All-Round Supporter’, ‘Furu-kuru Project’, ‘Book & Toy Library 100’ and ‘Happy Book’.

① “Shine! Children of Asia” Fund

This fund was launched in December 2004 as a monthly payment system, with an aim to support school children in impoverished areas of Vietnam and children with disabilities. We called for support members starting from 1,000 yen per lot and we have been improving local environment and providing scholarships. As of December 2016, we have 34 members with the total annual donation amount of 1,057,000 yen.

② BAJ All-Round Supporter

There are many donations which specify projects, but we started this donation program that can cover operational costs of the Headquarters in October 2006. We call for members starting from 2,000 yen per lot. As of December 2016, we have 57 supporters with the total annual donation amount of 1,789,000 yen.

③ **Furu-kuru Project (Secondhand clothes collection)**

Support for BAJ includes not only monetary contributions but also stamps, paid postcards, secondhand clothes and shoes which are fully utilized at our project sites. In particular for secondhand clothes, we launched “Furu-kuru Project” where we have been collecting secondhand clothes with cooperation from Nikko Bussan Co., Ltd. BAJ mainly calls for contributions of secondhand clothes and people send them directly to warehouses in Nikko Bussan, which are then bought by the company and donated to BAJ. BAJ has been expanding this project by sending flyers to municipal social welfare councils. Furthermore, in Lumine department stores located near or within stations, each store runs secondhand clothes collection events as part of their sales promotions. BAJ has been selected as one of the organizations that they donate to. In 2016, we collected 43,604kg of secondhand clothes, generating a total donation amount of 701,209 yen.

④ **Book & Toy Library 100**

We collaborate with Tokyo Toy Museum in this project to donate book cabinets with children’s books and Japanese quality toys as a set to elementary schools in remote areas of Myanmar. It is a project that has evolved from “Small library donation program” for BAJ’s 20th Anniversary and since its launch in 2016, we have been reaching out in various ways to fundraise for this project. When donating these book cabinets, we also provide workshops to instruct how to manage the library.

In 2016, the total donated amount was 12,229,154 yen. As of April 2017, we have donated to 16 schools.

⑤ **Happy Book**

We started this project with an agreement with Bookoff Corporation Limited, however various other organizations are also taking part in this project. We have not been able to expand this project as much as we would like but in 2016, the donated amount was 63,087 yen.

2. Public Relations

We believe that public relations is one of the ways to reach out to more people to let them know about BAJ activities and to support BAJ. However, to be chosen from many existing international cooperation NGOs as a donor recipient organization, we need a significant amount of financial power. In BAJ, we increased the number of supporters through letting them know about project contents and then having empathy towards our activities. Moreover, by connecting supporters and project sites, we utilize many promotional means such as ‘BAJ Newsletter’, annual reports, website, ‘BAJ E-mail Magazines’, blogs and a Facebook page. We also have our expatriate staff to speak about our activities in briefing sessions when they temporarily return to Japan.

i. Publishing information

① Publishing 'BAJ Newsletter' and annual report

To inform what is happening at our project sites, we sent 'BAJ Newsletter' quarterly. After the Annual General Meeting, we mailed our annual report that summarizes our annual activities to our members and supporters.

② Utilizing digital tools for E-mail Magazines and other social media

We utilize digital tools to send e-mail magazines twice a month to share our latest project activities, volunteering information and upcoming events. In 2016, we published 12 issues of BAJ E-mail Magazines to 4,500 subscribers. On our website, we update blogs written by expatriate staff about their hottest news.

③ Reporting sessions, presenting at other organizations and giving lectures at universities

We had five reporting sessions for the supporters by BAJ expatriate staff and dispatched specialists who were temporarily returning from our project sites. When other organizations or universities requested us to present or lecture, we proactively offered to participate to promote BAJ. In 2016, we provided six lectures to five different universities. In Tokyo Headquarters, we also provided talks to groups of middle and high school students to broaden their understanding of international cooperation.

ii. Increasing number of supporters through events and fundraising campaigns

When we closely examined which website pages people access, we found that 'the summary of secondhand clothes collection' page was significantly higher than other pages. It has been six years since the launch of Furu-kuru project and due to our efforts in distributing our flyers on widespread areas, many individuals and corporations have collected secondhand clothes with some repeating these donations. For such donors, we introduced the fundraising campaigns by sending BAJ Newsletter. We now have a few donors of clothes who stepped up to become monetary contributors and we are gradually increasing these supporters.

Up until now, we had fundraising campaigns in summer and winter by combining them with different events. However, this hasn't been effective in acquiring new contributors. To manage events and campaigns with a small number of people, we need to reconsider and choose effective approaches by examining event briefs in the future.

Campaign Title		Period
a	Winter Campaign: Education in Remote Areas Reporting sessions	October 2015 – January 2016
b	BAJ Technical Training School Operating Funds Campaign	March 1 st – May 31 st
c	Summer Campaign: Supporting Women in Rakhine State, Myanmar	June 1 st to August 31 st
	Weaving Tatting Lace Workshop	June 3 rd

	Think about Village Life at Tropical Botanical Garden	July 10 th
	Relax ★ Yoga Experience	July 23 rd
	Learning from a Professional Cameraman/Tips on shooting photos	August 6 th
	Hiking Takao Mountain with Multi-nationals	August 11 th
d	Live Event: To Vietnamese Children	July 16 th
e	Book & Toy Library 100	October 2015 (ongoing)
f	Fundraising for Vietnamese agricultural and livestock products direct sales branch	September 1 st – November 30 th
g	Winter Campaign: Creating the Future with Own Hands	November 2016 – February 2017

3. **Operational Management**

i. **Donor Relations**

We systemized the levels of supporters and implemented a client management software “Salesforce” in 2012. This has made various management of information possible and enabled us to efficiently deliver administrative tasks. As of April 2017, we have 1,597 organizations and 13,869 individuals registered.

① **Volunteer Café**

At our volunteer café, we pack our quarterly “BAJ Newsletter” for mail and introduce BAJ activities while having tea and snacks. We had over 10 volunteers at each café we held.

② **NPO Nimaime no meishi (The Second Business Card)**

As a target organization for “NPO Support Project” by NPO Nimaime no Meishi, various corporate individuals participated to undertake BAJ’s challenges over 3 months. As a result, they collaborated on Furu-kuru Project and our website.

③ **Accepting Interns**

In 2016, we took in six students from two universities at our Tokyo Headquarters and at Vietnam Office. For the ACT program, we took in one Vietnamese international student.

④ **Participating in networks**

We proactively participated in networks organized by NGO/NPO alliances such as international cooperation agencies, international organizations, government agencies and community-based organizations to share information, to engage in dialogues and to promote.

⑤ Supporting Overseas Divisions

We supported in procuring items requested by project operations team in each country, for example procuring machinery parts and requesting repairs of machineries. Furthermore, we procured water quality survey kits and Coliform bacteria basic detection kits that were necessary for activities in Vietnam.

In Hpa-an Technical Training School, Myanmar, we dispatched specialists who could provide technical guidance to instructors and engineers. We also had advisors providing guidance for direct sales management in Vietnam.

Period	Specialist	Activities/Services provided
February 22 nd – 28 th	Masaaki Ooe	Site visit to direct sales store in Vietnam Seminar instructor
February 2 nd – 17 th	Katsuki Fukushima	School construction project in Rakhine State, Myanmar Construction specialist
April 22 nd – December 15 th	Koreaki Kaizuka	Hpa-an Technical Training School, Myanmar Welding and electricity specialist
May 8 th – 28 th	Katsuki Fukushima	School construction project in Rakhine State, Myanmar Construction specialist
July 5 th – December 16 th	Masaichi Kanazawa	Hpa-an Technical Training School, Myanmar Automobile maintenance specialist
July 10 th – 23 rd	Katsuki Fukushima	School construction project in Rakhine State, Myanmar Construction specialist
August 23 rd – 27 th	Yoshiroo Kishida	Hue project, Vietnam Direct sales store advisor
October 1 st – 22 nd	Katsuki Fukushima	School construction project in Rakhine State, Myanmar Construction specialist
October 20 th – November 4 th	Hiroshi Tanaka	Yangon Office, Myanmar Specialist in participative evaluation training

⑥ **Staff Training**

Our staff participated in upskilling trainings and seminars as well as various trainings to collect information, etc.

IV. Financial Report (January 1, 2016 – December 31, 2016)

INCOME AND EXPENDITURE

ACTIVITIES ACCOUNT STATEMENT FOR FY 2016 (From January 1st, 2016 to December 31st 2016)

	(Unit: Yen)
INCOME	
1. Membership Fees #1	1,480,000
2. Donations #2	27,124,712
3. Grants	212,060,867
Grants #2	324,734,155
Public Funding #3	112,673,288
4. Project Earnings	10,109,152
5. Other Profits	6,026,322
Total Income (A)	369,474,341
EXPENDITURE	
1. Project Cost	89,089,086
Personnel Cost	336,568,334
Other Cost	247,479,248
2. Management Cost	16,851,354
Personnel Cost	24,028,608
Other Cost	7,177,254
Total Expenditure (B)	
Balance for 2016 (A) – (B)	8,877,399
Balance Brought Forward from 2015 (C)	68,238,932
Balance Brought Forward to 2016 (A) – (B) + (C)	77,116,331

#1 Breakdown of Membership Fees	(Unit: Yen)
1. Individuals	1,060,000
2. Corporations	420,000
Total Membership Fees	1,480,000

#2 Breakdown of Donations and Grants	(Unit: Yen)
1. BAJ Donation	15,917,351
2. All Round Supporter	1,789,000
3. Myanmar Donation	218,501,492
4. Vietnam Donation	1,920,736
5. "Shine! Children of Asia" Fund (Vietnam)	1,057,000
Total Donations and Grants	239,185,579

NB: For all major donations, please refer to the table in "Domestic Activities Report
1. NPO Authorization Status and Fundraising (1) Fundraising"

#3 Breakdown of Public Funding	(Unit: Yen)
1. United Nations High Commissioner for Refugees (UNHCR)	
Myanmar Rakhine State: Repairs and Maintenance of Machineries including Vehicles, and Peaceful Cohabitation Project	38,660,281
Myanmar Southeastern Region: New Constructions and Rehabilitations of Water Supply Facilities	16,706,669
2. Japan International Cooperation Agency	
Vietnam Hue City: Support for Strengthening Management of Agriculture and Livestock Industry for Small-sized Farmers	8,058,730
3. Ministry of Foreign Affairs, Japan	
Myanmar Hpa-an City, Karen State: Management of Technical Training School	49,247,608
Total Public Funding	112,673,288

Income and Expenditure for Each Operation

ITEM	Myanmar: Northern Rakhine State Regional Development Project	Myanmar: School Building Construction and Community Development in Dawkins State	Myanmar: Secure Water Supply Program in the Central Dry Zone	Myanmar: Southeastern Border Project	Myanmar: Project in Hpa-an Karen State	VIETNAM OPERATIONS	DOMESTIC OPERATIONS	PROJECT TOTAL	MANAGEMENT	TOTAL
I INCOME										
1 Membership Fees	0	0	0	0	0	0	0	0	1,480,000	1,480,000
2 Donations	1,583,158	1,139,117	3,707,137	58,888	1,469,448	1,722,110	0	9,679,858	17,444,855	27,124,712
3 Grants etc.										
Grants	-7,846	210,551,591	0	0	0	1,255,626	0	211,799,371	261,496	212,060,867
Public Funding	38,660,281	0	0	16,706,669	49,247,608	8,058,730	0	112,673,288	0	112,673,288
4 Project Earnings	926,927	300,758	6,217,147	12,233	37,004	142,975	2,094,990	9,732,034	377,119	10,109,152
5 Foreign Exchange Profit	0	0	0	0	0	0	0	0	5,957,805	5,957,805
6 Other Income	0	0	0	0	0	31,411	0	31,411	37,106	68,517
Total Income	41,162,520	211,991,466	9,924,284	16,777,789	50,754,060	11,210,852	2,094,990	343,915,961	25,558,381	369,474,341
II EXPENDITURE										
1 Personnel Cost										
Salaries and Allowances	23,002,885	29,717,391	2,991,375	5,263,636	24,219,475	3,501,949	392,375	89,089,086	11,581,671	100,670,757
Compulsory Fringe Benefits	0	0	0	0	0	0	0	0	4,888,303	4,888,303
Severance Benefits/Mutual Aid F	0	0	0	0	0	0	0	0	381,380	381,380
Subtotal for Personnel Cost	23,002,885	29,717,391	2,991,375	5,263,636	24,219,475	3,501,949	392,375	89,089,086	16,851,354	105,940,440
2 Other Expenses										
Equipment	8,792,186	159,910,236	3,474,173	3,758,828	11,233,706	2,772,778	624,601	190,566,208	0	190,566,207
Public Relations and Printing	0	0	0	0	24,000	25,792	1,450,826	1,500,618	201,801	1,702,419
Travel Expenses	1,283,376	7,853,152	319,810	437,474	1,630,499	2,068,484	738,134	14,330,929	946,279	15,277,208
Communication and Shipment	1,156,885	3,802,088	121,606	226,227	323,687	83,781	400,870	6,115,144	384,138	6,499,282
Consumable Goods	300,349	2,095,448	113,095	174,266	958,257	446,776	120,332	4,208,523	1,206,471	5,414,995
Repairs	1,257,043	13,802,716	523,081	467,713	789,250	0	50,678	16,890,481	0	16,890,481
Rental Fees	917,224	5,851,156	1,087,715	1,030,453	495,288	439,563	135,885	9,957,284	522,100	10,479,385
Depreciation	0	0	154,221	0	0	0	0	154,221	0	154,221
Insurance	500,236	517,258	15,928	416,986	309,871	72,490	5,030	1,837,799	1,140,680	2,978,480
Research and Training	5,708	409,272	3,771	1,903	207,260	395,239	2,140	1,025,293	47,440	1,072,733
Accounting Fees	0	0	0	0	0	0	0	0	846,502	846,502
Tax and Public Charges	0	0	0	0	0	0	0	0	20,000	20,000
Corporate Tax etc.	0	0	0	0	0	0	0	0	70,000	70,000
Commission Paid	11,756	148,795	748	4,425	65,870	2,521	3,768	237,893	637,952	875,835
Foreign Exchange Loss	0	0	0	0	0	0	0	0	0	0
Miscellaneous	42,365	99,480	4,984	5,090	423,028	53,858	26,058	654,863	1,153,891	1,808,754
Subtotal for Other Expenses	14,267,127	194,489,602	5,819,133	6,523,066	16,460,716	6,361,282	3,558,322	247,479,248	7,177,254	254,656,502
Total Expenditure	37,270,013	224,206,693	8,810,508	11,786,702	40,680,191	9,863,231	3,950,697	336,668,335	24,028,608	360,596,942
Balance for 2016	3,892,507	-1,215,627	1,113,775	4,991,087	10,079,869	1,347,621	-1,855,707	7,347,625	1,529,773	8,877,399

BALANCE SHEET

Balance Sheet (As at December 31st, 2016)

ASSETS		(Unit: Yen)	
	Cash	651,216	
	Deposits	150,180,491	
	Cash and Deposits in Myanmar	183,729,039	
Current Assets	Cash and Deposits in Vietnam	6,380,591	
	Advances	167,768	350,756,756
	Accounts Due	8,745,779	
Current Assets	Advance Payment	0	
	Temporary Payment	54,736	
	Contribution for Incomplete Construction	847,136	
Fixed Assets	Tangible Fixed Assets	154,225	154,225
	Investments and Other Assets: Rental Deposit	0	
Total Assets			350,910,981
LIABILITIES			
	Accrued Corporate Tax Payable	70,000	
	Accrued Account Payable	0	
	Deferred Membership Fees	0	
	Deferred Donations	0	
Current Liabilities	Deferred Grants	264,908,626	269,973,835
	Deferred Public Funding	3,451,375	
	Other Deferred Payable	0	
	Deposits Payable	1,011,507	
	Temporary Receipts	532,327	
Fixed Liabilities	Accrued Retirement Benefits		3,820,815
Total Liabilities			273,794,650
Net Assets			
	Balance brought forward from Previous Year		68,238,932
	Balance for Current Year		8,877,399
Total Net Assets			77,116,331
Total Liabilities and Net Assets			350,910,981

Notes on Financial Statement

Notes on Financial Statement

1. Key Accounting Policies

- The financial statement is prepared according to NPO Accounting Standard (by NPO Accounting Standard Committee on July 20th, 2010).
 In this standard, Income and Expenditure Account Statement in Article 28 of Paragraph 1 of the Act to Promote Specified Non-profit Activities is called Activities Account Statement.
- (1) Depreciation method of fixed assets
 Tangible fixed assets are depreciated using the straight-line method based on regulations of corporate tax.
 - (2) Reserve account recording standard
 •Severance benefits reserve amount
 To be prepared for the severance benefits for staff, estimated amount of contribution by the organization is shown, of which mutual aid premium is excluded from term-end necessary payments for voluntary resignation based on work regulation.
 - (3) Accounting method of GST
 All accounts are GST inclusive.

2. Breakdown on donations constrained on usage

Project Detail	Balance brought forward from previous term	Amount received in the current term	Amount used in the current term	Notes		
				Closing Balance	Advances Received	Project Period
Repairs and Maintenance of Machineries including Vehicles and Training for Sawing Skills in Rakhine State, Myanmar / UNHCR	1730445	39,339,114	38,660,281	0	2,409,278	2016/1/1-2017/2/28
School Building Constructions and Community Development Project in Rakhine State / Nippon Foundation	153823261	235,747,816	205,061,591	0	184,509,486	2015/9/1-2016/8/31 2016/9/1-2017/8/31
Management of Technical Training School in Hpa-an City, Karen State, Myanmar / Nippon Foundation	0	80,348,636	0	0	80,348,636	2017/1/1-2017/12/31
New Constructions and Rehabilitations of Secure Water Supply Facilities in Southeastern Region, Myanmar / UNHCR	7109257	9,610,552	16,719,809	0	0	2016/1/1-2016/6/30
Management of Technical Training School in Hpa-an City, Karen State, Myanmar / Ministry of Foreign Affairs, Japan	73,250	49247608	49,320,858	0	0	2015/12/14-2016/12/13
Support for Strengthening Management of Agriculture and Livestock Industry for Small-sized Farmers in Hue City, Vietnam / Japan International Cooperation Agency	1093598	8,007,229	8,058,730	0	1,042,097	2015/4/1-2016/3/31 2016/4/1-2017/3/31
Environmental Education in Vietnam / LIXIL Corporation	355,626	0	355,626	0	0	2015/4/1-2016/3/31
Asian Students Internship Program, Grants for Asian Exchange Students / Asian Community Trust	27,054	312,000	288,550	0	50,504	2016/8/1-2016/8/19

3. Details on transactions with directors and close relatives (Unit: Yen)

Item	Amount shown in the financial statement	Transaction amount of directors and close relatives
(Activities Account Statement)		
Membership Fees Received	1,480,000	70,000
Donations Received	27,124,712	468,899
Management - Rental Fees	522,100	350,000
	23,572,100	1,039,000

4. Balance details for fixed assets (Unit: Yen)

Item	Initial value	Acquired	Depreciation	Term-end value	Accumulated depreciation	Term-end book value
(Tangible fixed assets)						
Machinery & equipment	15,422,173	0	0	154,221	15,267,948	154,225
Drilling machines for wells						

Authorized Non-profit Organization

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