

CIRCUIT INTERNATIONAL INCORPORATED

Statement of Service Performance

"What did we do?", When did we do it?"

For the year ended

31 March 2018

Description of the Entity's Outcomes:

Through business and sustainable development, we seek to reduce extreme poverty within communities in north-eastern Myanmar. Through our **Grainsaver Bag programme** and our **Seed Bank Programme**, we seek to give subsistence farming families ways to make a living wage, so that they won't need to sell their children as child brides to China, or into prostitution in Thailand. Through our **Coffee for Opium Replacement programme**, we seek to give communities who are farming and addicted to opium, a viable alternative way to make a living. Through our **Cash Cows and Buffaloes programmes**, we seek to provide for elderly people who have no family left to care for them, drug addicts in rehabilitation, and parents who don't have enough income to pay their children's school fees. Our Traditional Sewing Training programme also seeks to provide for students whose parents don't have enough income to pay their school fees.

Description and Quantification (to the extent practicable) of the Entity's Outputs:*	Actual	Budget	Actual
	This Year	This Year	Last Year
How Donations Were Spent: Field Programmes - 50.03% Promotion & Fundraising - 6.61% Administration - 9.56% Retained for Future Programme Expansion after 31 March 2018 - 33.8% Total Expenditure - \$283,510 Less than 10% admin!!! Over 83% going to field programmes!!			
New Heaven Learning Centre: comprised 7 special needs students and 3 teachers. This programme reached its third and final phase - that of handover by Circuit in January 2018, to the local programme manager. This programme indirectly benefitted 61 people, which included students and their families, and teachers. The income-generating project has been handed over to the head teacher of the school. Initially, the teachers were selling educational toys to support the school. One year on, the business was not making a profit as hoped. At that point, the business changed to selling homemade soap, with the added benefit of training the students and their families to make soap. However after one year, this too was not making a profit, and the initial capital invested was consumed. At this time, Circuit decided to close the programme. Today, New Heaven continues on but is not self-sustainable. Circuit feels we have done all we can to support them. An awareness raising project ran concurrently over the last year. A music video CD was produced, featuring songs from famous Burmese singers with appearances by the special needs students. These CDs have been made available to the major donors in NZ, and within Myanmar. This project was not intended to make a profit, and has achieved its awareness raising aim. The main donor for these projects was very happy with the results of the awareness raising project and the learnings from the income generating project.	\$0		\$15,139
New Hope Seed Banks: a community seed bank for subsistence farmers, loaning seed and fertilizer at low-interest for the growing season roughly from May to November. In the first phase of this programme in 2016, 200 families in the Man Khat village tract were able to plant 152 acres of corn without going into debt. In 2017 the programme grew to benefit three communities. This year the programme now covers 6 village communities, and 800 acres were planted out, without the farmers going into debt. This year the programme was also launched in Mong Gerng, and in Special Area 7 where we did our coffee feasibility study. This has been our most successful programme to date, and is becoming the backbone of Circuit's work in Myanmar.	\$49,798		\$6,246

Coffee for Opium Replacement: a substitution crop programme. It is still in its pre-startup phase. Our field programmes leader made one trip to the project site, Special Area 7 in Shan State, to take part in the feasibility study.

\$3,283

\$929

Circuit and LCA (the Love Conquers All foundation which is our implementing partner) had been invited to the special area 7 region in Southern Shan State to help the community rehabilitate after decades of farming opium and associated drug use. This is a massive undertaking, and we are realistic that we are only able to work on part of the root problem. In order to make coffee a viable replacement crop to opium, coffee buying centres, wet and dry mills, and channels for marketing need to be developed. Additionally coffee farms need to be properly husbanded to achieve high enough returns for farmers. Before investing large amounts of funds, Circuit undertook a comprehensive feasibility study. After translating this and sending it to all stakeholders, leaders in the region have concluded that it is too early to launch this project, and have decided to delay the launch. Coffee shrubs take a minimum of 3 years to begin producing fruit. Subsistence farmers in this area are currently not in a position to sustain their livelihoods without getting an income for 3 years. Consequently implementation of this plan is delayed until we can enable farmers to rise above the subsistence level. To do this, Circuit is bringing the Seed Banks programme to the area, and we anticipate a minimum of 3 years before we can reconsider launching the coffee programme. This does have a significant benefit, in that we are able to continue raising funds for the coffee for opium project, meaning that we will be cashed-up when the time comes to launch this programme.

Cash Cows and Other Livestock: two income generating Cash Cow projects: firstly at Loi Lem, comprising six dairy cows, making an income to support elderly people who have no family to look after them, and secondly at Muse, comprising four dairy cows making an income to support a drug rehabilitation centre, which supports 8 ex-drug addicts and 2 staff members. This year we started a third livestock programme - the Kyaukme buffalo breeding project.

This programme directly benefits 8 people, and 50 of their extended family. It has also positively affected others in the region, mainly Baptist church members who donated to the project last year to keep it running.

\$1,916

\$20,987

Circuit has supported the startup of two dairy farms in two locations - one in southern Shan State and one in northern Shan State. Dairy farming is not easy because of the number of tropical diseases, as well as the climate challenges. Both projects have had their difficulties including animal death and sickness. However both have held their own. One has produced a small profit to support elderly in their community. The drug rehabilitation centre received investment from other international donors which allowed a greater expansion and this appears to have enabled it to more successful financially. Our third livestock programme is the Kyaukme buffalo project. At the request of local leaders, Circuit invested in a mountainous community near Kyaukme (pronounced Jo' Mae), in southern Shan State. Because it is mountainous, communities in that region don't have arable land and are frequently very low in protein, as well as having no disposable income to send their children to school. Buffaloes are a hardy type of cattle which graze in forests around Myanmar. They are expensive but very strong. Funds provided by Circuit purchased 24 buffaloes, and these animals are now breeding. The breeding programme supports community initiatives including education.

Traditional Sewing Training: The Pyin Nyar Parami Dormitory which has been in operation for several years, provides a sewing training programme for students who come to the city to study at high school, from the provinces where there are no high schools. Many of the families are unable to afford the accommodation fees because they are very poor subsistence farming families. Circuit purchased five sewing machines and sewing supplies to start a small business based at the dorm. The dormitory brought in a skilled It was hoped that this programme would benefit more students however many of the students failed their year's studies at the local school and have moved on. We aim to have a higher number of students learning sewing next school year.

\$5,490

\$0

Grainsaver Bags: A storage programme running in conjunction with the seed bank programme. In 2017 the equipment was imported to store grain in bags. We developed a relationship with a grain mill owner and began implementation of the grain saver process. As a test we invested a small amount into a seed bank in the area through the mill owner. Unfortunately, the mill owner either through incompetence or devious intent, attempted to keep the money we invested and did not use the grain saver bags as intended. Using a variety of Asian style conflict resolution methods we have managed to get all our money back. However grain bags were not used and the intended result not achieved for this year, even though this year would have rendered very good returns for anyone using this system. This has left us and our local partners in the difficult situation of not having a miller to dry the grain out, before storing it in the bags. Therefore in 2018 Circuit along with LCA are in the process of buying a large volume grain drier, which will work in tandem with the grain storage bags. The end result of this, is that we now have full control of the storage process which means that we are able to much better guarantee the results of this programme. In 2018 the new mill and storage facility will be based in the capital of Shan State Taunggyi, near our local LCA office. Grain from all over the state can be trucked to this location.

\$3,630

\$107,843

Purchase of Machinery &

Additional Output Measures:

We have three staff working fulltime in New Zealand. Two staff members (Executive Director and Field Programmes Leader) are partially sponsored/supported by Kiwis so they don't need to take a full salary from the charity, and more funds can go to the field programmes. The accountant is a fulltime volunteer. Two staff work part time and have agreed to be a basic living wage so that more funds can go to the field. The comms strategist and graphic designer work on average 4 hours a week. We also have two paid staff working fulltime in Myanmar - the LCA director and accountant, who have agreed to be paid a local wage, not a high salary like some other INGOs pay their staff, so that more funds can be used for the programmes. Along with them, we have two young women who are monitoring and evaluation volunteers, and dozens of local volunteers, including the individual programme managers who happily volunteer their time, especially at the busiest times of planting and harvesting.

The main learnings we have taken from this year have been: to focus more on plant based rather than animal-based projects as they do not carry as much risk from climatic conditions and disease, and to focus more on community-owned projects rather than individually owned projects, as the community is able to keep the manager accountable to making progress towards self-sustainability after the initial start up investment is made.

Additional Information:

For more information on the outcomes and outputs of our programmes go to: <https://www.circuitinternational.org/seed-banks/>
<https://www.circuitinternational.org/grain-saver-bags/> <https://www.circuitinternational.org/cash-cows/>
<https://www.circuitinternational.org/coffee-for-opium/>