



# Myanmar Teachers Project Project Summary



Developing People



CUFA

Strengthening Communities



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## Myanmar Teachers Project

### Project Summary

- The Myanmar Teachers Project is a 3 year, \$240,000 project run by CUFA to help poor communities and teachers in Myanmar. Over 150 teachers who teach about 5,500 students will benefit from the program.
- The funds are used to build extra capital for 20 financial cooperatives within the Buddhist network. This increases the loan pool, and the extra returns generated are used to help pay teachers' salaries.
- Myanmar, formerly Burma, is one of the poorest countries in Asia.
- CUFA has been working with communities in the Shan region in Myanmar for nearly two years. In partnership with a local Buddhist network in the Shan State, CUFA is assisting the local financial cooperatives to develop communities and help them have a brighter future following 60 years of civil unrest.
- Teachers Mutual Bank, QT Mutual Bank and Victoria Teachers Mutual Bank are collaborating to support the project.

Many parents in the Shan Region cannot afford to send their children to government run schools, so the local Buddhist network has set up schools that operate out of the temples. Unfortunately, the network cannot afford to pay the teachers so their salary is dependent on donations from the local community and because the community is so poor and donations are mostly small teachers are often forced to find employment elsewhere to make a living. As a result, the children's education suffers. In order to overcome this issue, CUFA has started the Myanmar Teachers Project where the donations from Teachers Mutual Bank, QT Mutual Bank and Victoria Teachers Mutual Bank are used to fund the program.

The most sustainable way for the whole community to benefit from the program is to put the donations into the loan pool in 20 financial cooperatives within the Buddhist network. Those who take out the loan will be charged interest and it is the interest on those repayments that will be used to help supplement the income of the teachers in the region. Over 150 teachers who teach close to 5,495 students will benefit from the program. This will keep the teachers focused and dedicated to providing a quality education to the Shan region's children.

In March 2013 a Memorandum of Understanding was signed between CUFA and our partnering network. Since the signing, the local Buddhist network CUFA are partnering with have employed one local staff member to work on collecting the data on teachers, schools, and financial cooperatives in the Shan Region that will formulate the Myanmar Teachers Project.

The Buddhist network has been working with the staff members to create a policy, criteria and a system of how to provide loans that are funded through the Myanmar Teacher's Project and the kind donations from Teachers Mutual Bank, QT Mutual Bank and Victoria Teachers Mutual Bank, to the members' financial cooperatives.

Photo Credit: Corin Millais



The interest earned on the loans given out will create help pay teacher's wages who are employed in the Buddhist network schools.

CUFA's partnering network conducted a trip to visit all the schools and the financial cooperatives to inform them further about this project and how it will benefit their community. The concept was met with great enthusiasm because it meant that the loan pool for the community was increasing, thanks to the donations received from the Australian Teachers Mutual Banks and also that the teachers will benefit from the scheme. The overall benefit the project will bring to the community is really motivating for the local community members who take out loans to pay back the interest on time and regularly.

The Buddhist network works with over 200 financial cooperatives in the Shan region. In order to assess that the funds go to the most needed areas, criteria and eligibility tests have been put in place to assess which financial cooperatives will benefit most from the program. Twenty financial cooperatives will benefit from the program which will help over 150 teachers and close to 5,550 children.

CUFA staff in Myanmar have been involved in explaining and working with financial cooperatives to explain how the Teachers Project will work. They have been involved in educating them on how the interest made on the loans will generate an income to support the teachers and the community. In addition CUFA staff have been involved in updating information on local schools, their teachers and the local financial cooperative, as well as working out how the contributions will be distributed amongst all 157 teachers involved in the program.

The monks and nuns who make up CUFA's partnering Buddhist network are very happy and committed to providing children with access to an education. Both monks and nuns have travelled to different villages to inform the inhabitants about the importance of getting a good education and have encouraged teachers to invite their students to enroll for the next year of school. Registration and school materials will be provided free of charge to encourage parents to enroll their children again. So far, many parents have enrolled their children for school next year. As a result, the communities are on the right path to improving their children's futures. The future already looks brighter for these communities.





Photo Credit: Corin Millais

## Myanmar Teachers Project

### QUICK STATS:

- **\$80,000 contributed each year** to the project over **3 years** - \$240,000 in total
- Project operates in the **Shan State** in Myanmar located to the east of the country bordering China, Laos and Thailand.
- The funds donated will be distributed between **20 financial cooperatives** within the Buddhist network
- **9,000 members** will benefit from increased loan pool
- Current loan applications 2,700, only 1,350 are successful
- Will reach **22 schools**
- **157 teachers** will be supported through the program
- **5,495 school children** will benefit as a result
- **Ratios of teachers to children** are:  
Kindergarten – 1:10  
Primary – 1:30
- Education is based on a creative learning methodology
- Teachers working in **Government schools** earn equivalent to **\$90 per month**
- Teachers salaries in **non-government schools** rely on donations from the community paid through the Buddhist network, the **payment varies** each month
- Through the project, in the **first year**, each teacher (157 in total) will **receive \$90 per year** for their services – this figure will **increase each year** after as setup costs for the project had to be taken into account in the first year. This totals to an **extra \$7.50 per month** per teacher on top of the donations they receive.
- Price comparison - **1 bag of instant noodles costs 150-200 kyats = AUD \$0.17-\$0.23**





Photo Credit: Anne Casey

## Problem Statement

In order to attend a government run school in Myanmar, parents are required to pay an amount for the attendance. Unfortunately, many living in Myanmar live below the poverty line meaning that they are unable to afford to send their children to school. As a result, non-government schools run by local Buddhist temples have emerged. Teachers that work in these non-government schools work on a salary dependent on donations from their local Buddhist temples. Unfortunately, those living in the communities are extremely poor and unable to contribute a great deal to the temples and as a result teachers often work with little to no salary. In order to supplement their incomes, teachers are often forced to seek outside income generation activities and their dedication to teaching often slips. This sadly affects the children's access to an education – a vital tool for breaking out of the cycle of poverty.

## A sustainable solution

CUFA, through their partnership with the local Buddhist network in the Shan State of Myanmar, are helping overcome this problem by working in collaboration with the communities' local financial cooperative movement.

In order to achieve a sustainable solution to the problem at hand, CUFA and the Myanmar Teachers Project aims to not only assist the local teachers but the community as a whole.

The donations received from Teachers Mutual Bank, QT Mutual Bank and Victoria Teachers Mutual Bank will go towards increasing the loan capital available in local financial cooperatives in the region. This will give members an increased opportunity to access loans. The interest received on the loans will be used to help contribute to the 157 teachers so that they become motivated and empowered to nurture and enlighten the children who attend the 22 local schools.

## Project Goals and Measures

The overall goal of the Myanmar Teachers Project is to provide communities in Myanmar with increased access to funds to help lift themselves out of poverty with the extended goal of helping teachers access an income.

*Measures:*

- Teachers – The commitment of teachers will be confirmed by considering student attendance, measurement of student learning (intellectual progress), and the effort placed in the set-up of the classroom i.e. if it is engaging and embracing of education and the general treatment of the children by the teacher.



## How the loans system works in practice

Local financial cooperatives currently do not have the fund to meet the lending needs of their members.

The donations received from Teachers Mutual Bank, QT Mutual Bank and Victoria Teachers Mutual Bank will be used to help increase the loan pool available to members and will provide them with the opportunity to borrow funds. The donations received from the Mutual Banks will be gradually transferred to the local financial cooperatives in small instalments. These funds will then be lent out to members of the financial cooperatives to help them build their business, afford health care and treatment, build a house etc.

### Loan Application Process:

A fair and equitable loan application process will be involved for any members wishing to borrow any funds. This will be assessed by their ability to repay the loans. The local financial cooperative will assess members, using their savings history as well as any budgets, to ensure that they are able to repay the loan in the timeframe specified.

## Teachers Eligibility

The teachers who receive a salary contribution need to demonstrate their passion and commitment to their role as a child educator, be compassionate in nature and contemplative and work to the benefit of the children's education.

## Context

### Teaching

The Buddhist network in the Shan State has established a network of twenty-two schools to provide an education to the poor communities who cannot afford to attend the user-pays government school system.

The schools operate using a creative learning methodology focussing on: recognising the individuality of children, promoting creativity; catering for the needs of the child; and nurturing children's imagination within a learning framework.

The Buddhist network struggles to pay the teachers in the non-government schools. For those working in government school, an industry appropriate salary of \$90 per month is given for their dedication and commitment to providing a good quality education to the children enrolled. Parents are required to pay school fees to send their children to government schools. Teachers in non-government schools are paid with donated funds they receive from the community but these funds are limited, insufficient and inconsistent.



## Finance:

In Myanmar, there are currently 17,092 formally recognised financial cooperatives with 400,000 people as members. CUFA currently partner with the Buddhist network in the region which have started informal, democratically controlled financial cooperatives which fall outside the formally recognised cooperative movement. The network currently includes 238 financial cooperatives which service 65,354 members in 35 townships.

Loans taken from the financial cooperatives that are part of the Buddhist network vary depending on the size and length of membership of the member (20,000 to 3,000,000 kyat which is AUD \$22 - \$3,300) and are usually repaid in 7-8 months. Interest rate is generally 3% per month (36% per annum).

## How the funds are allocated

CUFA will provide a grant of \$80,000 AUD per annum for a period of three years (\$240,000 AUD in total). The grant of funds provided to the Buddhist network will be distributed to 20 credit unions that meet eligibility criteria set by the Buddhist network.

The credit unions are assessed prior to distribution of the funds and a Memorandum of Understanding was signed with each to ensure the protection of the funds as well as maximising the potential earning capacity of the increased loan pool.

The financial cooperatives will distribute the funds to their membership based on their usual loan application process and loan committee assessment. The interest then earned on the loaned sum will then be used to pay the teachers.

- The capital (AUD \$80,000) provided will not be eroded (after expenses) and will keep pace with inflation (measured at 5%)
- The capital (\$80,000AUD) will generate a return of at least 15% (after expenses and an allowance for inflation) to contribute to 157 teacher's salaries
- From this, up to 20 financial cooperatives will have an increased loan pool to help meet member demand
- In the interest of equality, the funds received from the interest made will be evenly distributed amongst all 157 teachers, as per the request of the Buddhist network
- 157 school teachers will receive a salary payment, contributing to the retention of teachers and the on-going provision of a free education to children from the local community.
- 5,495 students receiving a better education.  
1 school = 1 teacher – 1:40-90



## About CUFA

CUFA is an international development organisation that works with poor communities in the Asia Pacific to improve their livelihoods and provide them with the knowledge and resources to achieve a sustainable future free from poverty. CUFA do this by educating communities on basic financial concepts such as saving and borrowing and helps develop and support a village savings bank that will benefit the whole community.

Many people and families living in poor communities throughout the Asia Pacific region live on only a few cents a day. That money needs to cover food, shelter, clothing, clean water, their children's education and access to medicine and health care. For this reason, it is extremely important to know how to manage and save money. CUFA teaches people how to manage their money for their future and provides them with the resources to do so.

CUFA support these communities by providing them with access to a financial institution referred to as a village saving bank, CUFA give people a safe place to save their money and take out loans, in order to better their situation. By establishing or growing a village savings bank in a community, CUFA is helping to keep money within the village, creating employment opportunities and promoting solidarity.

CUFA is an international Non-Government Organisation (NGO) with over 40 years experience in delivering projects in the Asia Pacific region. CUFA is a well-respected community development organisation within the development movement for transparency and delivery of projects. **CUFA's 2012 Social Return on Investment Report found that overall for every \$1 of donor funding invested in CUFA's projects, on average, \$5.13 of social value was created by our development programs.** That is a 500% return on investment and shows how far CUFA's efficient projects are making each donated dollar go.

CUFA is a member of the Australian Council for International Development (ACFID) and is a partner organisation with AusAID and receives annual funding for our projects from them.





### Important note

*As you will be aware, the political history and climate in Myanmar is a troubled one. For this reason, the areas that we work in Myanmar cannot be publicised nor can the names of our partners or beneficiaries. Use of images needs to be confined to ones where the individuals pictured cannot be easily identified.*





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