



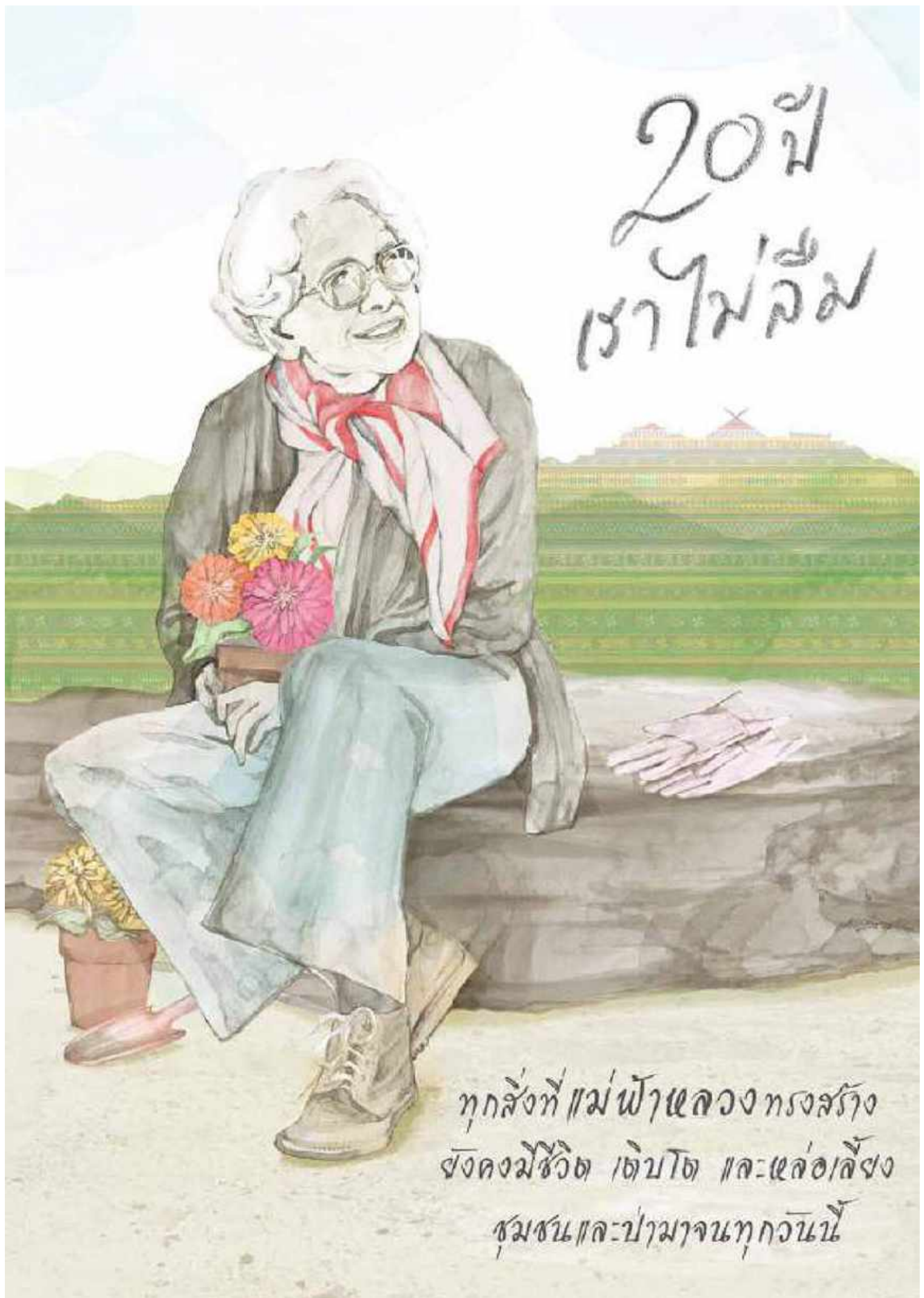
มูลนิธิแม่ฟ้าหลวง ในพระบรมราชูปถัมภ์
Mae Fah Luang Foundation under Royal Patronage

Annual Report

20
15

Helping People
to Help themselves

20 ปี
เราไม่ลืม



ทุกสิ่งที่แม่ฟ้าแดง ทรงสร้าง
ยังคงมีชีวิต เติบโต และหล่อเลี้ยง
ชุมชนและป่ามาจนทุกวันนี้



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Vision

The Mae Fah Luang Foundation under Royal Patronage aims to develop communities, society, environment and cultures following the work of Her Royal Highness the Princess Mother in order to create happiness, sustainability, and stability.

Mission

- To catalyze the growth of sustainable economic, social, cultural and environmental development by providing integrated development cooperation, consultation, and training.
- To establish the Foundation's approach as Thailand's principal development model.

Brief History of the Foundation

The Mae Fah Luang Foundation under Royal Patronage (MFLF) was originally founded in 1972 as the Thai Hill Crafts Foundation under the Patronage of Her Royal Highness the Princess Mother to preserve the arts, traditions and cultures of the hill tribes, and improve their income by promoting their crafts and finding a market for tribal products, thereby reducing the risk of being taken advantage of by middlemen.

In 1979, the Thai Hill Crafts Foundation set up a program named the Hill Tribe Youth Leadership, funded by Her Royal Highness the Princess Mother and the United States Agency for International Development (USAID). This program granted educational opportunities that were previously unavailable for local youths living in the remote areas. These children were housed at the Rai Mae Fah Luang - now known as Mae Fah Luang Art and Cultural Park - in Chiang Rai as a large extended family. They received scholarships to attend schools and were taught a set of basic knowledge and social skills. In particular, Her Royal Highness the Princess Mother promoted values such as compassion, self-sufficiency and a sense of duty, that helped them transition into mainstream society.

In 1985, the Thai Hill Crafts Foundation was renamed the Mae Fah Luang Foundation under the Patronage of Her Royal Highness the Princess Mother. The objectives and scope of the Foundation were defined and expanded at this turning point, assuming an increasingly important role in elevating the local communities in areas of social, economic and environmental development. The geographic scope of these activities was defined as Thailand and abroad – and its application had no regard for race or religion.

After the passing of Her Royal Highness the Princess Mother, His Majesty the King accepted Mae Fah Luang Foundation under his Royal Patronage. The Foundation continues to develop based on her methodologies and concepts in socio-economic and environmental aspects, and encourages cultural activities in order to elevate the quality of life of the people. MFLF uses a people-centric approach to development that gives villagers a sense of participation and ownership from the very onset of the projects, solves problems at the roots and promotes alternative livelihoods so villagers can earn legitimate incomes, and find ways that allow people to coexist with the surrounding forests.

The Mae Fah Luang Foundation has three flagship projects, namely the Mae Fah Luang Arts and Cultural Park, the Doi Tung Development Project (DTDP), and the Hall of Opium at the Golden Triangle Park. The DTDP is the pioneering and the most significant holistic development model which builds on and adapts Her Royal Highness the Princess Mother's development principles to tackle the problems of poverty and to improve the quality of life in a sustainable manner.

From the knowledge and lessons learned from DTDP, the MFLF has been able to expand its work into various regions through its outreach programs:

Domestic Outreach

- Reforestation Project in commemoration of His Majesty the King FTP 33, Pang Mahan Village, Mae Fah Luang District, Chiang Rai Province, Thailand (2005-2009)
- Tea Oil and Other Oilseed Crops Research and Development Project (2006 - present)
- Integrated Rural Livelihood Development Model in Nan Province, based on Royal Initiatives (2009 - 2011)
- Kladee Sustainable Flood Rehabilitation Program (2011 - 2012)
- Nan Reforestation Project (2013 - 2017)
- Profiling Project of Nine Temporary Shelters along the Thai-Myanmar Border (2013 - 2014)
- Capacity Building Program on Sustainable Agriculture for Displaced People (2014 - present)

International Outreach

- Sustainable Alternative Livelihood Development Project (SALD), Republic of the Union of Myanmar
 - Yong Kha Village, Shan State (2002 - 2004)
 - Yanan Chaung Township, Magway Division (2011 - 2016)
 - Tachileik and Mong Hsat Districts, Shan State (2013 - 2018)
- The Balkh Livestock and Rural Enterprise Development Project, Balkh Province, Islamic Republic of Afghanistan (2008 - 2012)
- Aceh Sustainable Alternative Livelihood Development, Aceh Province, Republic of Indonesia (2006 - 2010)
- Greater Mekong Sub-Region Medical Training Center (2006 - 2010)

MFLF aims to be the world's leading organization in Sustainable Alternative Development (SALD) by being a 'doer', consultant and a learning center in Alternative Development, Sustainable Development and Social Entrepreneurship, in order to further expand the concept of development to an ever growing circle and to create a more sustainable society.



Scalability

2002

The UNODC presented DTDP a label with its logo recognizing that income from Doi Tung products "contributes to the achievement of a drug free world".

2006

"Doi Tung III" project commenced in Balkh Province, Afghanistan.

2007

"Doi Tung IV" project commenced in Aceh Province, Indonesia.

2009

Mom Rajawongse Dismadda Diskul, then-Secretary General of Mae Fah Luang Foundation, received the award of "Social Entrepreneur of the Year 2009" for the region of East Asia and South East Asia from the Schwab Foundation for Social Entrepreneurship.

2011

"Doi Tung V" project commenced in Yenai Chaung Township, Magway Division, Myanmar.

2013

The UN General Assembly (UNGA) adopted the United Nations Guiding Principles on Alternative Development (UNGPs on AD), borne out of the International Workshop and Conference on Alternative Development (ICAD) organized by the Mae Fah Luang Foundation and Ikeminded partners in

Thailand in 2011. The UNGPs on AD serve as universal guidelines for countries to work effectively and sustainably in addressing the problem of narcotic crop cultivation through sustainable development.

"Doi Tung VI" commenced at Tachileik and Mong Hsat districts, Shan State, Myanmar.

2014

The Mae Fah Luang Foundation received the 19th Nikkei Asia Prize, organized by Nikkei Inc. Japan, as an "Outstanding Organization for Culture and Community".

2015

The Mae Fah Luang Foundation, in collaboration with the Economic and Social Council (ECOSOC) High Level Political Forum on Sustainable Development in New York, USA.

Mom Rajawongse Dismadda Diskul, Chairman of the Mae Fah Luang Foundation, showcased the King's Sustainable Development

approach at the side event of the UN Economic and Social Council (ECOSOC) High Level Political Forum on Sustainable Development in New York, USA.

Establishing International Recognition

Executive Summary

For decades, the world has been searching for solutions to issues of poverty, inequality, drug abuse, human trafficking, and the depletion of natural resources. It seems however that past efforts, approaches and methods to alleviate these problems were both insufficient and ineffective, or may even have worsened the problems.

Despite having achieved one of the Millennium Development Goals (MDGs) in 2015 - the reduction of the number of people living on less than \$1.25 per day in developing countries from 47% to 14% of the population, the world's problems have hardly reduced. In fact, they actually took a turn for the worse due to the increase in related issues, such as the rapid depletion of natural resources relative to the growing population, and the huge issue of climate change. These are pressing issues that directly impact on how we live.

The Mae Fah Luang Foundation has carried out the royally-conceived initiatives of Her Royal Highness the Princess Mother for over 40 years, based on a people-centric approach to development. The core to these development principles include solving each problem at its root cause, investing time to understand the issues, analyzing and making decisions based on solidly researched facts, and a fundamental belief in the potential of human beings. The Foundation provides fragile communities with opportunities to gradually grow to their full potential, creating a balance between the social, economic and environmental factors within their own villages while having the awareness when it's time they have enough to support themselves to help others in need.

The DTDP model has expanded considerably over the years through both domestic programs in the north as well as in other regions of Thailand and internationally in Myanmar, Indonesia, and Afghanistan. These projects have successfully enabled communities to manage their social, economic and environmental well-being by themselves and with dignity, and to learn to rely on themselves and their own resources and skills. The satisfactory results of the on-going projects are testimony that the Mae Fah Luang model is truly applicable in any geo-social context; as such, the model has garnered the attention and interest of the international community at large.

From the moment Her Royal Highness the Princess Mother made it her mission to provide opportunities for

underprivileged people to improve their lives and to co-exist with the surrounding forest, to the expansion of pilot projects in neighboring countries, and to the implementation of these projects farther afield in countries with a greater and different level of complexity, all of these events have contributed to a wealth of knowledge, experience and improved efficiency. The result has been an increasing confidence in the validity of the DTDP development principles that have now been embodied in international guiding principles for countries working on sustainable development.

In 2015, Thailand was the target of much international attention due to the political upheavals in the country. Outsiders often made snap judgments based on the limited information they received or their own perceptions. The Mae Fah Luang Foundation believes there is much more about Thailand that the world is not aware of, experiences which can benefit society at large - in particular the development initiatives that are based on the legacy of Her Royal Highness the Princess Mother. MFLF, in collaboration with the United Nations Office on Drugs and Crime (UNODC), hosted the ICAD2 conference in November as a global platform to promote the proven experiences of the Mae Fah Luang development model. A total of 170 international representatives - operations experts, academics and policy planners - conducted field visits to the Doi Tung Development Project and the SALD project in Myanmar. The conference generated important discussions about implementing the United Nations Guiding Principles on Alternative Development, and how to ensure greater success for alternative development projects.

The Foundation realizes the dynamic nature of constant change and continuing issues that arise. Therefore, it is important to stay equally dynamic to adapt to this change. In 2015, the Foundation's strategic direction was re-aligned to improve the ability of the Doi Tung social enterprises to better respond to external factors such as dynamic market changes and internal factors such as increasing the capabilities of employees. On the development side, intensive training workshops were held to nurture a new generation of Doi Tung leaders to ensure the continued success of the project's development work. This was based on "three S's" model - Survival, Sufficiency and Sustainability - which has become a development case study model, and provides viable and tangible means for further implementation.

Project implementations in 2015

Mae Fah Luang Foundation's Model Project

1. Doi Tung Development Project (DTDP)

Domestic Outreach Projects

2. Nan Reforestation Project
3. Tea Oil and Other Oilseed Crops Research and Development Project
4. Capacity Building Program on Sustainable Agriculture for Displaced People

International Outreach Projects

5. Sustainable Alternative Livelihood Development Project (SALD), Yen-an Chaung Township, Magway Division, Republic of the Union of Myanmar
6. Thai-Myanmar Sustainable Alternative Livelihood Development Project (SALD), Tachileik and Mong Hsat Districts, Shan State, Republic of the Union of Myanmar





Doi Tung Development Project, Chiang Rai province

The Doi Tung Development Project (DTDP) in Chiang Rai was founded in 1988 by Her Royal Highness the Princess Mother to develop initiatives that tackle problems of sickness, poverty, and ignorance for the 11,000-strong community members living in the area. To survive, they exploited the surrounding natural resources and cultivated drugs - earning an illicit livelihood. But the root causes of these problems were grinding poverty and the lack of opportunities.

DTDP introduced vocational training to develop the skills and knowledge of the local community in Doi Tung that would help them earn a stable and sustainable income. Today, the skill and knowledge-base of the villagers have helped to establish four social enterprise units under the Doi Tung brand, namely handicrafts, agriculture, food processing, and tourism. This success is based on the principle that economic initiatives must be balanced with social stability, coupled in the Doi Tung area with an abundance of natural resources, together this has led to truly sustainable development.

Doi Tung's handicraft products comprise hand-woven textiles and carpets, mulberry paper, ceramics and tufted carpets. In 2015, Doi Tung began experimenting with natural dyes for textile products, refined from indigenous plants - indigo, tea oil husk, coffee cherry pulp and the ashes from macadamia shells. Biofuel from macadamia nut shells has also been used in the mulberry paper, ceramics and yarn-dyeing factories to generate heat and consequently reduces the cost of cooking gas and landfill waste.

In 2015, amidst the economic and market challenges, the strategic priorities were re-aligned in DTDP's agricultural unit - re-evaluating the market potential, and redesigning products to best match the capabilities and skills development of our new and older generation employees. We believe that this will help propel the brand into new markets and will enhance product innovation.

The food business relies on the base raw material - coffee and macadamia nuts - both sourced from the economic forest in Doi Tung; its success bears witness to the co-existence between the people and the forest. In 2015, the entire process of coffee production and management has been examined and improved to prepare for the challenge of the ASEAN Economic Community (AEC) and to become a holistic learning center for coffee - from trees to cups.

In the previous year, DTDP welcomed an international panel of coffee experts to share their knowledge on the coffee production process, from managing coffee plantations, harvesting, and quality improvement in all processing stages- storing coffee beans, roasting and packaging. Improvement in the management of the Doi Tung coffee-slopes and barista training will propel Doi Tung coffee into the Third Wave coffee establishments.

The tourism unit offers on one hand a leisure activity for tourists amidst the beautiful landscape of the Mae Fah Luang Garden and Arboretum, with extensive facilities such as the Doi Tung lodge, restaurants and souvenir shops, all of which help to generate income and develop skills and knowledge for local villagers. On the other hand, we have an example of knowledge-based tourism with its own Living University and a real-life learning center based on the determined vision of Her Royal Highness the Princess Mother to "cultivate forests, cultivate people." The lessons learned from the DTDP's development and reforestation projects are now models for sustainable development in Thailand and beyond. Doi Tung also boasts of its own cultural diversity with six hill tribes in 29 villages living in 150 square kilometers of abundant forests.

General Information

Project Area

14,962.4 hectares
29 villages
1,827 households situated
in Mae Fah Luang and
Mae Sai districts,
Chiang Rai province

Beneficiaries

10,759 people

Akha tribe	44%
Lahu tribe	15%
Shan tribe	14%
Lua tribe	8%
Chinese	7%
Tai Lue	4%
Others	9%

Project Duration

1988 - present

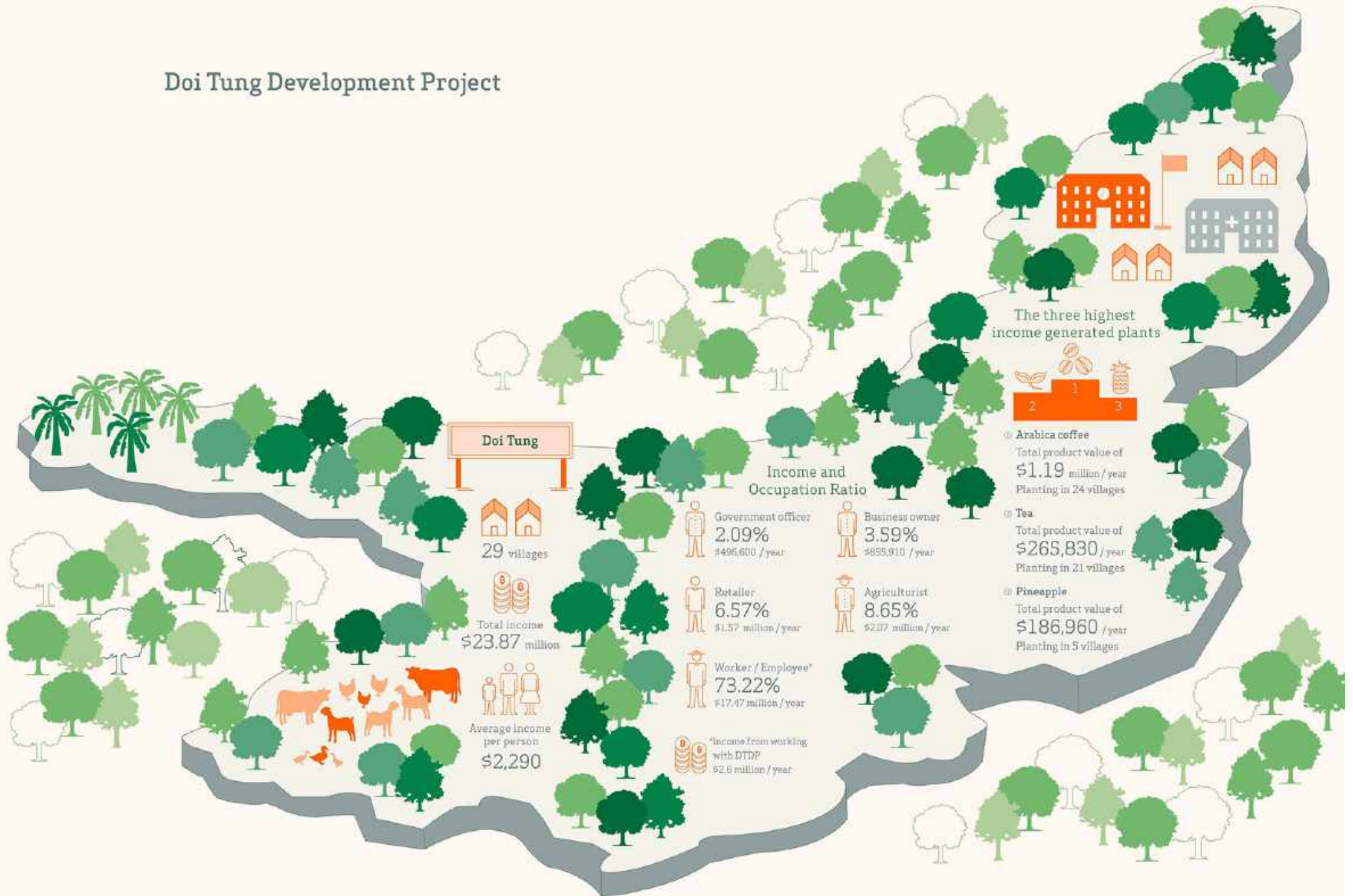


In 2015, trekking routes were opened for local children, youths, and young visitors from the city to explore the natural environment. The strong local communities were encouraged to set up homestay opportunities in their villages that would allow visitors to learn about local culture, and their co-existence with forests. To achieve long-term sustainable community development, it is crucial to groom the younger generation to inherit the responsibilities of their own community. In preparation for this, child centered learning, life skills development and Her Royal Highness the Princess Mother's principles are the core values of Doi Tung educational development programs. Most of the school children in the 8 schools in the Doi Tung area speak their own dialects. Teaching Thai becomes therefore the priority in order to improve the communication skills necessary to further their studies and in day-to-day life. The project has developed Thai language teaching using the Montessori approach, and the results have been very promising. In 2015, Thai language teaching was extended into all schools and the improvement in Thai language skills in the children was clearly visible.

In 2015, a new Open Approach to education was introduced on a trial basis, encouraging children to think, ask questions and to find solutions themselves. This approach was combined with the existing Montessori method and Project Based Learning. With new techniques and approaches, it is however necessary to change mindsets and re-train both the teachers and the heads of schools. With the collaboration of Khon Kaen University and the Virtuous Youth Foundation, "on the job" training sessions were implemented in 8 schools.

In 2015, DTDP organized for the first time the festival "Colors of Doi Tung" and the highest "walking street market" in Doi Tung. The festivities spanned nine days concurrent with the new year celebrations and were designed to showcase Doi Tung and promote its uniqueness as a tourist attraction through local art and culture, beautiful natural surroundings and quality local products. The event also provided access to market for the villagers with the skill, capacity and funding to try out their potential to become micro entrepreneurs.

Doi Tung Development Project







Nan Reforestation Project

In 2009, the Foundation partnered with the Royal Initiative Discovery Institute to implement an integrated rural development model inspired by royal initiatives in 20 villages in Ta Wang Pa, Song Kwae, and Chalermphrakiet districts of Nan province.

The project was focused on developing resource bases for economic production while encouraging activities that help lower spending and increasing income. After the improvement of the local socio-economic situation, the Foundation launched the re-forestation phase in 2013. The objective of the project was to revive the Nan forests and at the same time to develop the quality of life of villagers, to give them greater stability and enable them to coexist with nature, preserving watershed forests and mitigating floods. This was an effort to counter deforestation caused by crop rotation, particularly the cultivation of corn crops in the watershed areas of Nan used for producing animal feed.

This project focuses on working with local communities on proper land management, through three types of reforestation, in order to create stable livelihoods and income. The initiative starts with a survey of existing indigenous plants and mapping out the needs of the villagers in order to organize appropriate saplings for the community. The project then establishes nurseries to tend to the saplings to ensure they are of good quality and size, ready to be planted. The project engages the local villagers throughout the process to foster ownership and understanding and ensure that they are involved in the land zoning and demarcation process. The community themselves set their own regulations on forest usage and conservation as well as fire prevention measures.

From 2013 to 2015, the key activity was to instill understanding within the community of the importance of economic forests in order to engage their cooperation to convert original cultivation areas into economic forests.

General Information

Project Area
40,000 hectares
covering 20 villages
in three districts of
Ta Wang Pa, Song Kwae,
and Chalermphrakiet

Beneficiaries
8,588 people
in 1,787 households

Project Duration
2013 - 2017

The project's goals in 2015 were to achieve the target forestation coverage according to the 'Doi Tung model' and to engage community participation in proper land management. Today the project has successfully converted original cultivation areas into economic forests and planted more trees in the conservation and sustenance forest areas that now cover 14,058.4 hectares (the target for 2017 is 17,973.44 hectares). In addition to this is the previous conservation forest of 2,215.68 hectares, making a total of 16,274.08 hectares. This includes 1,090.08 hectares of cultivation area that villagers surrendered to the reforestation project following successful negotiations.

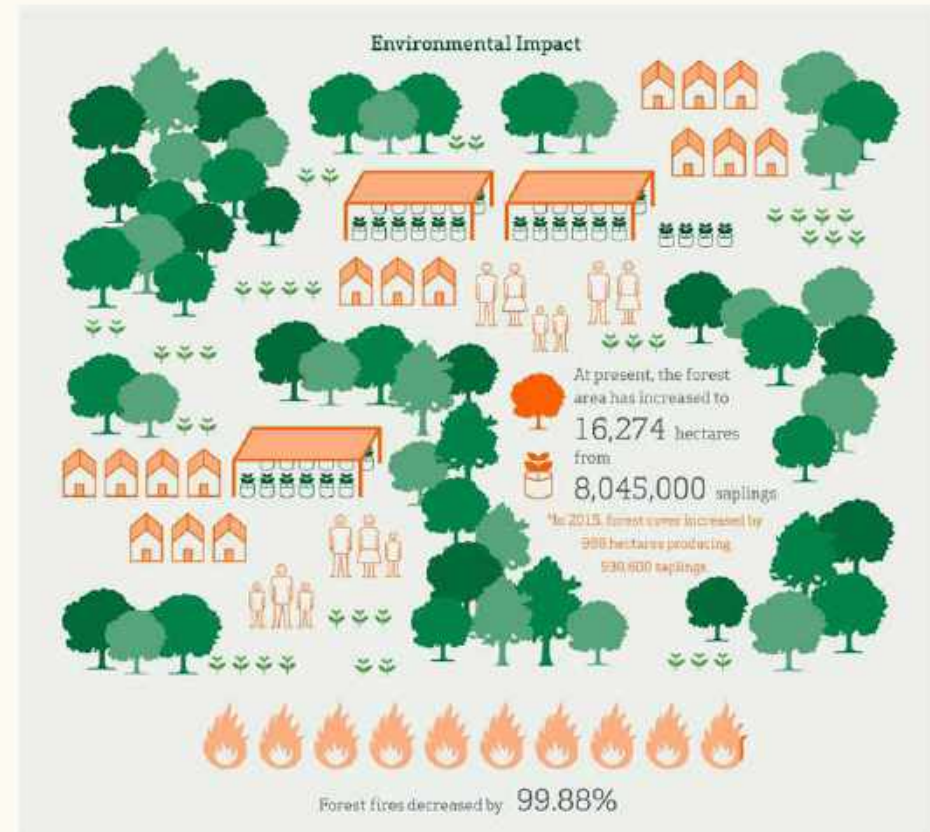
The success of the DTD reforestation project led to the government's decision in 2015 to use the Nan model as a pilot project for the 2015 - 2016 strategic management plan for depleted highland watershed forests. This will allow local communities to legally use 10,892.64 hectares of denuded forest land for cultivation purposes.

Another important activity is the fire prevention measures that were initiated and implemented by the local communities themselves. The measures include creating fire blockade,

building watch towers, keeping constant vigil, and controlling the burning of weeds for crop preparation.

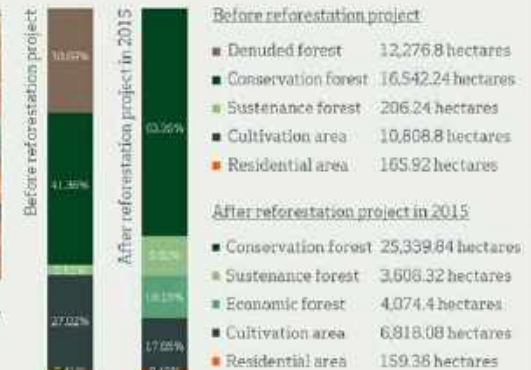
This initiative led to a mutually agreed set of rules for fire prevention measures. In 2015, the Ta Wang Pa project successfully advocated the 'Fire Prevention Network for Three Tambons and Two Tributaries' (the Ngow and the Sai Khua Kab rivers), while Nam Chang village in Chalermphrakiet district also reached an agreement with Nam Ngern village, in Laos, to apply fire prevention measures and a joint buffer zone.

Other parallel activities include the building of 1,700 weirs to help rebalance humidity in the forest and accelerate forest recovery; training and capacity building workshops with local communities and government units; the facilitating of community fire prevention committees; the facilitating of youth empowerment camps 'We Care for Forests, Forests Care for Us'; culminating with the youth-program entitled 'Planting Burma Padauk, Growing Forests, Building Future' to plant the seeds of awareness on the importance of forest conservation while building valuable assets for themselves and the generations to come.



3,500 weirs were built to provide humidity to the forest and reduce soil erosion.

*In 2015, 1,700 weirs were built.





Tea Oil and Other Oilseed Crops Research and Development Project

In 2006, Her Royal Highness Princess Maha Chakri Sirindhorn requested the Mae Fah Luang Foundation to conduct studies and to grow tea oil trees in collaboration with the Chaipattana Foundation. The Princess recognized the economic potential and global demand for tea tree oil, and envisioned that it would generate stable incomes for the highland people. DTDP obtained tea oil tree seeds and saplings from the People's Republic of China for trial planting at Pang Mahan and Puna projects at Mae Fah Luang district, Chiang Rai. MFLF was responsible for the research, output and quality control of tea oil tree produce, while the Chaipattana Foundation was responsible for product development as well as securing markets for the increasing volume of products.

This project was the catalyst to bring communities together to manage and better utilize their land, and to exchange knowledge and skills from planting through to harvesting. The project also improved irrigation systems and supported a variety of income-generating activities to reduce expenses and increase short, medium, and long-term income. This provided alternative sustainable livelihoods for the communities, allowing them to co-exist with the forests in a sustainable manner.

In 2015, MFLF increased the number of people who benefited from growing, maintaining, and harvesting tea oil tree produce, and also of those who protected the forest area from exploitation. MFLF, in collaboration with local authorities, village headmen, and community leaders, selected an additional 1,415 villagers, or 283 households, who were poor and lacked opportunities to join the tea oil tree project. Each household was given responsibility for 0.8 hectares of tea oil tree crops. Villagers who joined the project earned an income from caring for the crops and selling the harvest to the oil factory run by the Chaipattana Foundation. The project also implemented fire prevention measures with a 34-km long fire blockade of banana trees, with villagers taking shifts to keep an alert for forest-fires during the entire dry season.

General Information

Project Area
Mae Fah Luang district,
Chiang Rai Province,
Thailand

Tea Oil plantation areas

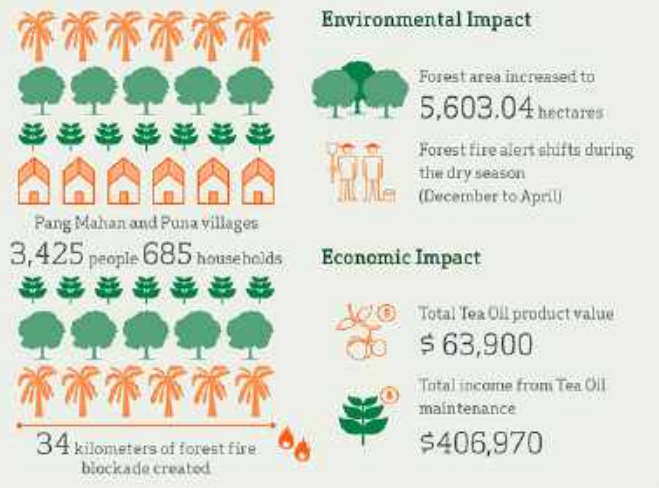
-Pang Mahan village,
225.12 hectares with
377,918 Tea Oil trees

-Mae Mhor, Puna
and Jatee villages,
321.6 hectares with
534,660 Tea Oil trees

-DTDP and Pha Mhee
research center,
37.28 hectares with
39,430 Tea Oil trees

Total of 3 areas:
584 hectares,
952,008 Tea Oil trees

Project Duration
2004 - present



Capacity Building Program on Sustainable Agriculture for Displaced People

From the Profiling Project on displaced people staying in the temporary shelters along the Thai-Myanmar border between 2013 to 2014 and commissioned by UNHCR, MFLF saw the need to prepare the displaced people to transition back into society post-temporary shelter life. Thus, with the co-operation of local government representatives from Umphang district and leaders from Nu Po Temporary Shelter, MFLF set up an initiative to educate the displaced people on sustainable agriculture and to equip them with the necessary skills and knowledge to earn their living in the future.

This project, based in Nu Po village, Umphang district, Tak province, provides agricultural training that emphasizes self-sufficiency and farming for household consumption to reduce food expenses, and potentially to increase income. An irrigation system was installed to ensure a sufficient supply of water for domestic consumption and agricultural requirements throughout the year. Furthermore, a network was established in the Mae Klong River watershed area to restore natural resources and to create awareness of their natural resource benefits among the local villagers.

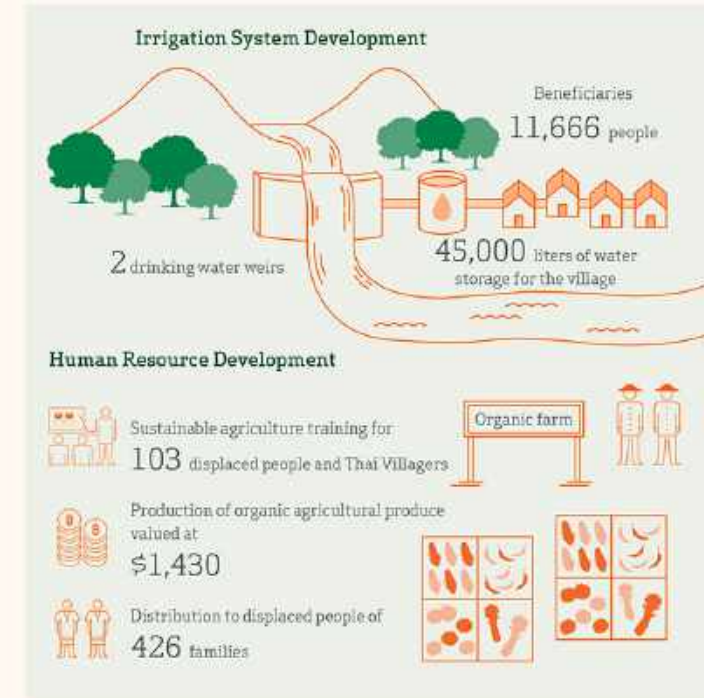
General Information

Project Area
Nu Po village, Umphang
district, Tak province

Beneficiaries
Displaced people in
Nu Po Temporary Shelter
and surrounding areas
totaling 11,666 people

Project Duration

2014 - present





Sustainable Alternative Livelihood Development (SALD) Yen-an Chaung Township, Magway Division, Republic of the Union of Myanmar

After the Sustainable Alternative Livelihood Development (SALD) project in Yong Kha, Myanmar was concluded in 2004, MFLF returned to Myanmar in 2011 to embark on another SALD project, this time in Yen-an Chaung, Magway division, in the "Dry Zone" in the middle of the country, and one of the poorest areas of Magway division. Lack of water sources had limited the possibilities for viable agricultural projects, even for rice growing for personal consumption. Villagers therefore relied mainly on livestock – goats and cows.

The main crops produced are peanuts, sesame seeds, cotton and sunflowers. The SALD project was initiated through a partnership between MFLF and the Ministry of Livestock, Fisheries, and Rural Development of Myanmar, and funded by the Office of the Narcotic Control Board, Office of the Royal Development Projects Board, and the International Development Cooperation Agency under the Ministry of Foreign Affairs.

The SALD project has three main objectives: 1) To improve the quality of life and to reduce household expenses, 2) to increase income for the community so that they may tackle the problems in a systematic manner, and 3) to provide capacity building for the villagers.

The project therefore included multiple activities: securing water sources and increasing capacity of water storage for consumption and usage, setting up a serum bank to reduce fatalities from snake bites, setting up seed banks to reduce agricultural costs; teaching husbandry to help reduce livestock mortality and thereby to increase villagers' assets; creating community enterprises to generate added-value from local commodities such as peanuts and sesame seeds under the brand "Happy Owl". Since its inception, the above activities have generated an income of approximately \$1.09 million for the community.

In 2015, the Foundation aimed to leverage the impact of its project goals by creating sustainable development models and enhance capacity building so the community could manage its own projects. One of the major successes in the past was the holistic livestock development project, whereby locals were trained to become para-vets, medical funds for livestock were set up, the quality of animal feed was improved, and the "Sheep Bank" was created to allow the poorest families to take out a loan in goats. Loaned goats thus became revolving assets that generated income for the communities.

In 2015, MFLF collaborated with the Livestock Breeding and Veterinary Department of Myanmar (LBVD) to host the annual Goat Day, with diverse activities such as a goat-breeder contest, a mutton curry contest, high quality seeds for goat-feed giveaways, and exhibitions to provide

useful information. Over 2,000 participants joined the event, promoting Yen-an Chaung's role as an important goat center and a sustainable development learning center for the region. The event also underscored the importance of the government of Myanmar's livestock development initiative to be replicated in other regions.

Besides livestock development in 2015, MFLF also prepared local communities to manage various future activities by themselves, such as the setting up and management of a reservoir maintenance fund. Furthermore, community products from the local "Happy Owl" enterprise are now distributed through 33 branches of City Mart, one of the country's leading malls. The products are also part of the "Pride of Myanmar" campaign, and are also available at various tourist destinations.

General Information

Project Area

6 village tracts in
29 villages of Yen-an
Chaung Township,
Magway division,
Republic of the Union
of Myanmar

Beneficiaries

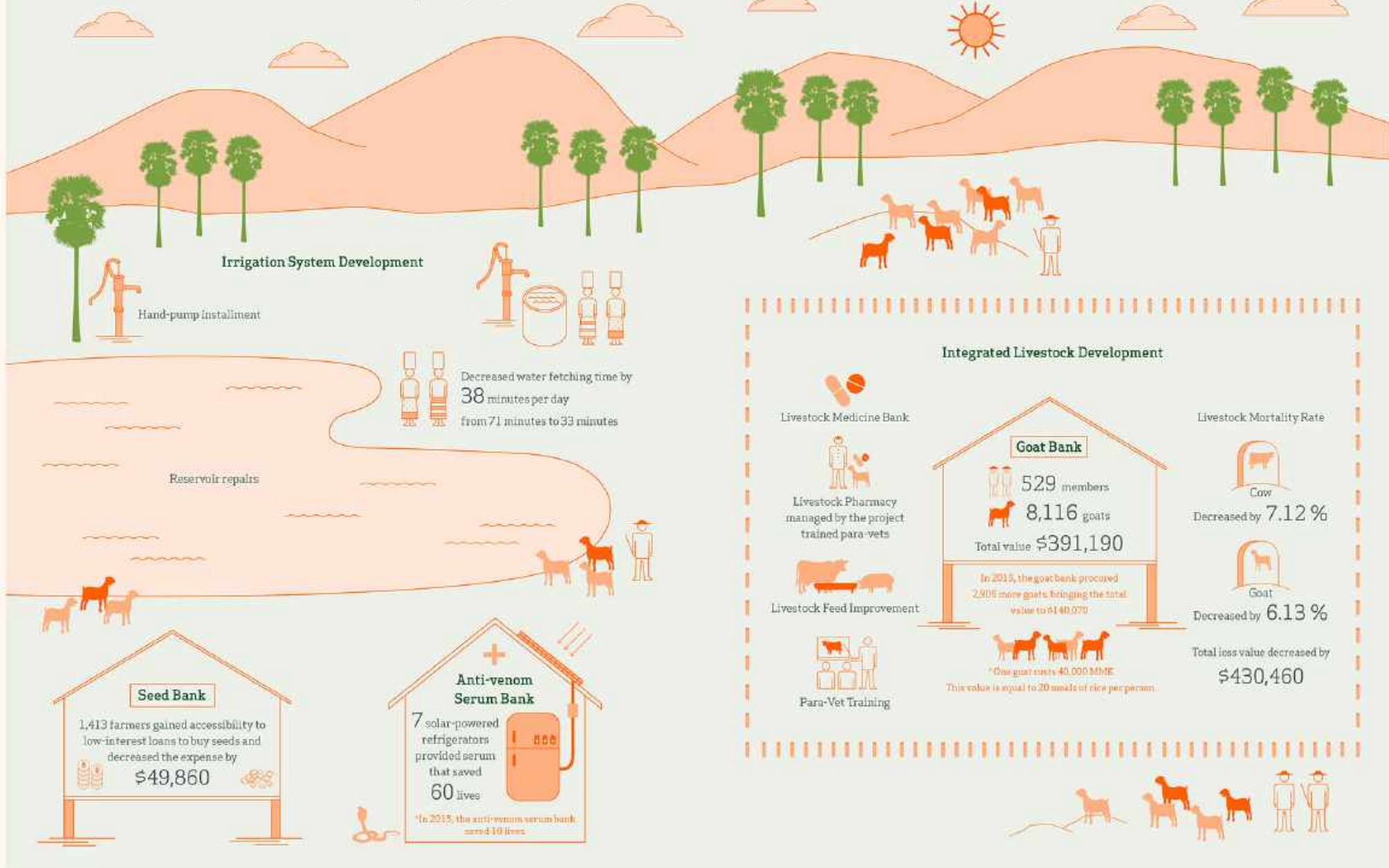
13,459 people,
3,218 households

Project Duration

2011 – 2016



Sustainable Alternative Livelihood Development (SALD)





Thai-Myanmar Sustainable Alternative Livelihood Development Project (SALD), Tachileik and Mong Hsat Districts, Shan State, Republic of the Union of Myanmar

General Information

Project Area

56 villages in 4 areas of Tachileik and Mong Hsat Districts, Shan State.

1. Loi Taw Kham village tract, Tachileik district (Akha tribe)
2. Satone village tract (Lahu tribe)
3. Talarn village tract (Wa tribe)
4. Mong Twan area, Mong Hsat District (Shan tribe)

Beneficiaries

12,844 people,
2,510 households of
four ethnic groups

Project Duration

2013 – 2018

The Thai-Myanmar SALD project is a collaborative venture between the governments of Thailand and Myanmar. Representing Thailand are the Office of the Narcotic Control Board (ONBC) and the Mae Fah Luang Foundation (MFLF) with the Central Committee for Drug Abuse Control (CCDAC) and Progress of Border Areas and National Races Department (NATALA) representing Myanmar. This project came to fruition as a result of the Central Level Consultation Meeting on Alternative Development Project between Thailand and Myanmar on March 3, 2012. In the meeting agenda, both parties discussed issues of poverty and the need to raise the quality of life for those residing along the Thai-Myanmar border. The objectives of the meeting were to build immunity in the target communities, so they become self-reliant and, as a consequence, to reduce the risks of involvement with drugs.

The project has a six-year timeline with the first three years focusing on public health services, irrigation development, food security improvement, cost reduction, and increase in earnings through agriculture and livestock farming. In 2015, important goals for the initiative were to improve the efficiency of the local team and to create additional short-term income.

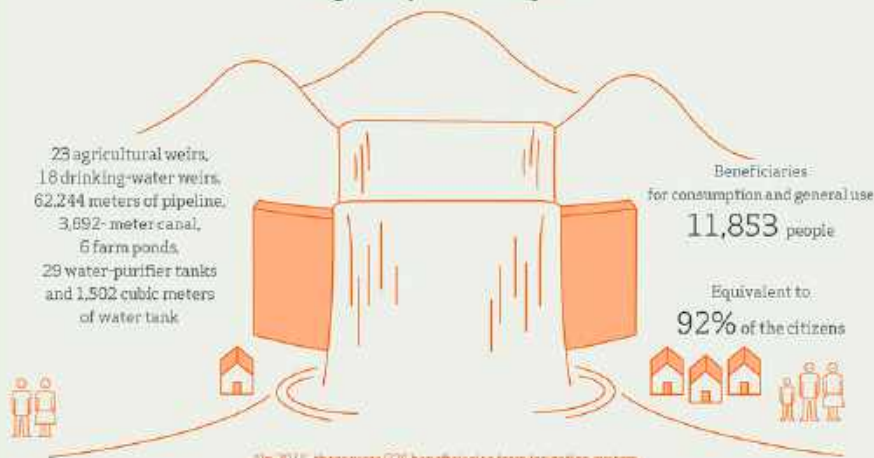
In 2015, a variety of activities generated immediate additional income for the community, such as the seed bank which provided over 130,000 fruit saplings and economic plants for 1,647 farmers, valued at more than \$110,550. Members of the post-harvest crop group have increased from 49 to 431, and the post-harvest land utilization has also increased from 8.96 hectares to 62.56 hectares. A livestock bank was set up valued at \$75,950, increasing household assets for 255 households. Animal husbandry reduced the livestock mortality rate with an improvement value of \$584,240, while the donation of a noodle-making machine generated an average of \$1,330 per month for the group of ten women. The project also acted as an intermediary between the farmers and the market. In the past year alone, the project purchased a total of \$70,110 worth of agricultural produce from 428 farmers.

Apart from economy-related activities, capacity training programs were conducted for 66 social development, livestock, and public health volunteers. There were supports for irrigation development in the area with technical know-how and equipment, while locals contributed labor to build and repair the irrigation system. They now have access to enough water supply for consumption and for planting more than one crop a year. In terms of public health, the mobile medical service provided health checkups and treatment, malaria and dengue fever screening, dental services, health-care knowledge and awareness for adults and school children, medical supplies and improvements to the local public health center.



Thai-Myanmar Sustainable Alternative Livelihood Development Project

Irrigation System Development



*In 2015, there were 929 beneficiaries from irrigation system development with the 1.2 hectares of increased catchment area. The irrigation system development consists of 5 agricultural weirs, 5 drinking-water weirs, 21,984 meters of water pipeline, 2 connecting ponds and 210 cubic meters of water tanks.



Public Health Care



- 1,361 beneficiaries from the mobile dental clinic
- 2,053 student beneficiaries from oral health care training



- Trained 25 public health care volunteers
- Trained local nurses and doctors
- Community education on health and contagious disease



- Tuberculosis Center set up
- Medicine, medical supplies and equipment supplied

Education



Training for local teachers;
provision of tables and chairs;
improvement of school infrastructure;
teachers' rooms and toilets

Income-Generating Activities



Community market was set up in front of Mong Twan Office, Mong Hsat District, managed by the Mong Twan community themselves.

Food Security



57
livestock and agriculture
volunteers

1. Livestock



Set up the livestock bank: goat, black bone chicken
and Meishan pig with the total value of
\$75,950

2. Agriculture



Vegetable seeds and fruit saplings
for post-harvest season provided

Decreased
mortality rate by



12.08 %

Increased income
to over



\$584,240

Total
beneficiaries



255 people

Total
reduced expense



\$70,110

Total
beneficiaries



1,945 people

Reforestation and Income Generating Activities

Economic forest increased by
174.56 hectares.



300,961

economic saplings provided



*In 2015, 95,296 economic saplings provided coffee, cashew nut, Yang Hong and macadamia, increasing economic forest cover by 104.0 hectares.

Value-Added Activity

Noodle producing community enterprise
for a group of 10 women



Noodle production average
1,520 kilograms / month



Average income
\$1,330 / month



Average supplementary income
generated for each member
\$50 / month

MFLF Overall Achievements in 2015



Total development projects area

112,686.1 hectares

Beneficiaries

166 villages

12,848 households

63,167 people

Local employment and capacity building

2,422 people

Total livestock value

\$1,725,680

Total agricultural product value

\$805,360

Forest area under MFLF projects

51,501.76 hectares



Statement of Financial Position

Assets	Currency: Baht	
	30 September	
	2015	2014
Current assets		
Cash and cash equivalents	100,817,314	111,030,323
Cash and deposits to financial institution for special projects	38,356,867	397,198,164
Current investments	794,278,000	-
Investments in short-term securities	349,171,268	471,301,058
Trades receivable	26,807,149	26,959,471
Inventories	170,508,071	183,392,703
Accrued interest	2,629,560	1,963,320
Other current assets	14,146,895	12,299,110
Total current assets	1,496,715,124	1,204,144,149
Non-current assets		
Investment under equity method	13,750,000	13,750,000
Other long term investments	295,000,000	292,000,000
Property, plant and equipment	262,719,926	307,143,881
Other non-current assets	11,894,811	13,782,707
Total non-current assets	583,364,737	626,676,588
Total Assets	2,080,079,861	1,830,820,737
Liabilities and accumulated capital		
Current liabilities		
Trades payable and other payable	43,877,844	29,076,727
Unearned revenues	4,080,547	3,140,076
Accrued expense	40,760,949	28,447,263
Other current liabilities	2,393,515	2,019,009
Total current liabilities	91,122,855	62,683,075
Total liabilities	91,122,855	62,683,075
Special project funding	501,197,310	330,681,927
Accumulated capital or reserved money		
Accumulated capital	1,489,726,249	1,438,765,358
Unrealized gain (loss) fair value adjustments of investments	(1,966,553)	(1,310,623)
Total accumulated capital	1,487,759,696	1,437,455,735
Total liabilities, special project funding and accumulated capital	2,080,079,861	1,830,820,737

Statement of Income

	Currency: Baht	
	30 September	
	2015	2014
Revenues		
Sales and service revenues	487,229,391	453,316,001
Donation income	69,700,834	35,773,842
Investment income	33,059,886	25,304,979
Insurance compensation	553,634	681,746
Other income	174,975,828	302,445,877
Total revenues	765,499,573	817,522,445
Expenses		
Cost of goods and services	215,129,144	207,070,789
Sales and service expense	175,500,618	149,676,165
Administrative expense	323,909,920	247,086,459
Total expense	714,539,682	603,833,412
Revenue over expense	50,959,891	213,689,033
Average foreign currency exchange rate:	2015	2014
1 USD: THB	34.2524	32.4841
1 EUR: THB	38.0151	43.1576
100 JPY: THB	28.3134	30.7661

The Year in Review



June 25, 2015

The Mae Fah Luang Foundation partnered with the United Nations Economic and Social Commission for Asia and the Pacific (ESCAP) to host the Bangkok Forum on Well-Being and Sustainable Development.



July 8, 2015

M.R. Disnadda Diskul, the Chairman of Mae Fah Luang Foundation, joined the discussion panel on the Thai approach to rural development at the side event "Outcome of Regional Consultation on Sustainable Development & Post-2015 Development Agenda in Asia and the Pacific" during the Economic and Social Council (ECOSOC) organized by the Social Commission for Asia and the Pacific (ESCAP).



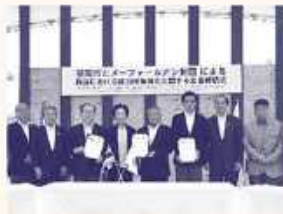
February 25 - 26, 2015

A delegation of Supervisory Program students and faculty from Mahidol University visited Doi Tung for a study visit to learn about development work and effective implementation of the model for practical use.



December 19 - 20, 2015

An MBA student delegation from the Stanford Graduate School of Business paid a study visit to Doi Tung Development Project to learn about its food business and agriculture model.



April 30, 2015

M.R. Disnadda Diskul and Khunying Puangroi Diskul signed a memorandum of cooperation on ceramic creativity between Mae Fah Luang Foundation and the City of Kasama at the Ceramic Festival in Kasama, Ibaraki Prefecture, Japan.



November 1, 2014

Interior Minister General Anupong Paochinda visited the Reforestation Project in Chalermprakiet, Pua and Ta Wang Pa districts in Nan Province.



May 29, 2015

Natural Resource and Environment Minister General Dapong Ratanasuwana visited and exchanged knowledge with the villagers of Nam Pak village within Nan province's Reforestation Project.



June 1 - July 31, 2015

The Mae Fah Luang Foundation hosted the Sixth International Internship Program. The interns learned about the Foundation's development principles which they would later apply in their feasibility research for the high quality bamboo charcoal project as well as for the development of a business plan for mulberry products.



October 2014 - September 2015

MFLF organized a number of camps for the development of children and youths in Doi Tung and the vicinity. These include "Camp for Positive Energy Children" (17 camps with 880 pupils between the ages of 9 to 13); "Camp for Positive Energy Teenagers" (6 camps with 284 teenage participants aged between 14 to 18).



October 8 - 10, 2014

Representatives of the Joint Project Steering Committee (JPSC) Thailand-Myanmar led by U Htwe Hla, Secretary-General of Progress of Border Areas and National Races Department (NATALA), and Ms. Rachanikorn Sarasiri, Secretary-General of Office of the Narcotic Control Board (ONCB), made a study visit to the Doi Tung Development Project in Mae Fah Luang, Chiang Rai.



December 5, 2014

The Sustainable Alternative Livelihood Development (SALD) Project in

Yenan Chaung, Magway Division, Myanmar, launched its first social enterprise brand "Happy Owl" at the Royal Thai Embassy in Yangon.



February 21, 2015

MFLF collaborated with the Livestock Breeding and Veterinary Department of Myanmar (LBVD) to host the annual Goat Day to establish Yenan Chaung as the center for goat farming in Magway Division, and present its model project for sustainable development.



The Philanthropist Award

Khunying Puangroi Diskul, Deputy Secretary-General of the Mae Fah Luang Foundation, was awarded the Harper's Bazaar Icon award in the category of philanthropist.



The Orchid Award

Six paphiopedilum orchids of DTFP won the Award of Merit (AM) from the Royal Horticultural Society of Thailand under the Royal Patronage.

Five paphiopedilum won the Best Award in the paphiopedilum category from annual orchid shows and competitions in Thailand.



Doi Tung coffee

Doi Tung coffee was granted Geographical Indication (GI) by the European Union.



Premium Products of Thailand

Products from the Doi Tung Development Project were listed as "Premium Products of Thailand" by the Ministry of Industry's judging panel.



Mae Fah Luang Art and Cultural Park and Hall of Opium, Golden Triangle Park

were awarded the Certificate of Excellence and Traveler's Choice 2015 from TripAdvisor, a travel website trusted by travelers around the world.



All experiences lead to inspiration
All inspirations lead to development

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The Living University, Doi Tung Development Project
livinguniversity@doitung.org



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Mae Fah Luang Foundation under Royal Patronage

MFLF Annual Report 2015 Figures and Maps

1. This annual report summarizes the activities of the MFLF in fiscal year 2015 (October 1, 2014 to September 30, 2015)
2. Please note that some figures are provisional values and figures may vary according to the timing and method of calculation.
3. All sums indicated with a dollar sign (\$) refer to US dollars and are calculated at an exchange rate of 51.00 = 34.2524THB (Bank of Thailand rate in 2015)
4. All maps contained in the report are approximate.

April 2016

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