

Summary Note on Cash Working Group (CWG) Meeting

Date/ Time & Venue	12 August 2021, 10.00 – 12.00 (via MS Teams)	
Chair / Co-chair	Mercy Corps (John Nelson), WFP (Barbara Pfister) and MRCS (Moe Thida Win)	
Participants	Action Aid, Acted, American Red Cross, ACF, CARE, CRS, CSI, DRC, DFID, FCA, FCDO, Helvetas, ICRC, IFRC, INGO Forum, IOM, JICA, IRC, Malteser, Mercy Corps, MRCS, Metta, NRC, OCHA, UNHCR, PATH, PUI, PiN, Protection Sector, SCI, Tearfund, TDH, TGH, UNHCR, UNDP, UNFPA, UNICEF, UNICEF – WASH, UNOPS, UN Women, USAID, WFP, WFP – FSS, WFP – Sittwe, WFP- Myitkyina, WVI	
Agenda items and summary of discussion	Action Points	
<p>1. CVA situation update and feedback from partners</p> <p>The current situation around cash/banking remains challenging - no improvement or deterioration was observed. To gain a better overview of suspended programmes and successful approaches for continuation in the current dynamic situation, the CWG leadership will conduct a short survey before the next CWG meeting on the status of CVA activities.</p> <p>Partner Updates</p> <p>WFP is launching a small commodity voucher program next week in Yangon, Hlaing Thar Yar township, for around 200 households.</p> <p>TGH is piloting a cash programme in Paletwa and Samee. While the distribution in Samee is finalized, Paletwa has been delayed due to the lockdown and road blockages.</p> <p>CARE is implementing a livelihood project and cash assistance in Northern Rakhine, and is planning cash assistance in Kayah, based on a rapid market analysis which is being conducted.</p> <p>MC is implementing electronic voucher programmes in Maungdaw and Sittwe to provide both commodities and cash. Rising operating costs and that only large traders accept bank transfers as a means of payment are a challenge.</p> <p>SCI continues MCCT payments in Yangon, Shwe Pyi Thar Township, expanding to children under 5. In northern Shan, cash assistance is provided, with cash in hard-to-reach areas and mobile money in others. Distributions in Sittwe/Pauktaw have been completed, and interventions in Kayin and Kayah will commence in September. A pilot project with True Money was completed.</p> <p>SI had to suspend cash interventions because of challenges around Travel Authorizations (TA) and cash liquidity.</p> <p>IOM is assessing with CSO partners the feasibility of cash programs in different parts of the country, but has not yet launched any interventions.</p> <p>UNICEF and TDH have started cash transfers in Yangon, Hlaing Thar Yar township. The first distribution to 5052 beneficiaries through Wave money was completed.</p> <p>DRC managed to conduct cash distribution to 249HH in 2 villages in MRO, under it's MPCA programme through cash voucher using a Financial Service Provider. Did not manage to complete the total target of 1158 HH (comprising 3 villages in KTW). For HH that received support got a once off cash support of 271 000 MMK/HH.</p>	<p>#CWG leadership to conduct a short survey on CVA activities</p>	
<p>2. Sub-national CWG updates</p> <p>Rakhine</p> <p>De facto authorities have not issued TA's due to the official holidays, so most activities have been suspended. The liquidity challenges have not yet subsided, but negotiations with de facto</p>		

<p>authorities on possible solutions continue. While the price of rice is stabilizing, prices for other commodities like eggs increased significantly. Since the cost of living has gone up slightly, an analysis of current transfer values is being conducted by some partners.</p> <p>Kachin</p> <p>It was noted that the situation is similar to Rakhine, especially with the increasing challenges related to TAs. WFP is trying to distribute cash, but access to cash remains difficult. Discussions on increasing transfer values due to growing vulnerabilities are ongoing.</p> <p>Southeastern Myanmar (SE)</p> <p>Access to local markets remains challenging throughout the SE, with many markets functioning at decreased capacity. In Kayah, markets are not operating in Demoso, whereas markets function at limited capacity in other parts of the State. In Bago, markets are disrupted by road blockages. Throughout the SE, increased prices in commodities have been reported. Restricted cash flow was observed in many places, particularly in Tanintharyi.</p>	
<p>3. Markets Update</p> <p>WFP market price report update (July 2021): WFP updated on latest price developments. Compared to June, prices of rice, onions and oil were quite stable, while prices of eggs (overall +26%) and chickpeas (+5%) increased. Among the key factors driving price changes are domestic transportation challenges exacerbated by COVID-19 travel restrictions and flooding. Egg prices increased dramatically, likely due to rumors that eggs boost immune system against COVID-19. Rising chickpea prices are caused by the low supply.</p> <p>Overall, prices have significantly increased compared to July 2020 and pre-crisis. The price of rice has particularly increased <u>compared to last year</u> in Central Rakhine (+32%) and Chin (+27%). For cooking oil, the increases are most significant in Magway (+99%), Southern Rakhine (+90%) and Central Rakhine (+86%). Mixed oil prices have particularly increased in Northern Magway (+75%), Northern Rakhine (+72%) and Southeast (+68%).</p> <p>Mercy Corps market reports: Mercy Corps Market Analysis Unit (MAU) collected data in Rakhine in July. Essential food prices in Rakhine State/Southern Chin have mostly seen slight increases, as well as winter vegetables due to seasonality. Fish saw the most significant price increases in July. Across Rakhine/Southern Chin, most NFI prices have remained relatively stable. In Paletwa, NFI prices have increased due to road closures. Analysis on the market actor perspective indicates, e.g., lower sales in July 2021 than last year for seed, pesticides and urea and compound fertilizers, suppliers require advance cash payment, and that high prices and limited cash are major challenges. Better access to cash and loans for farmers was noted as helping to reduce the obstacles.</p> <p>The MAU dashboard and full reports are available on the MIMU website: http://themimu.info/rakhine-market-analysis-unit</p>	
<p>4. Learning from Northern Syria CWG- Financial Service Options</p> <p>The co-chair of the Northern Syria CWG briefed on Hawala, an informal method of transferring money without physical cash moving. The Arabic term Hawala can be translated as payment or debt transfer. The main difference between Western Union and Hawala is the absence of a third party with authority to execute the contract. With the lack of formal mechanisms to enforce property rights, Hawala is a purely trust-based system.</p> <p>In its original form, Hawala was used to delegate payments or transfer claims, and transformed into an institution to reduce the uncertainties and risks associated with transactions. Hawala networks have a flat network structure minimising the costs of bureaucracy in the formal banking system. Hawaladars provide several services and functions to humanitarian organisations, including the provision of liquidity, currency exchange, the physical transfer of cash from one</p>	

<p>area to another, and the transfer of risk. Hawaladars are only paid after the service delivery and thus bear the risk of losing money during the transaction. The advantages of Hawala include:</p> <ul style="list-style-type: none"> • Low cost, with low commissions and advantageous exchange rates. • Safe, even in countries with political unrest or no rule of law. • Efficient, with payment made within 24 hours. • Reliable, being based on trust, and a breach of trust means loss of social and economic capital for Hawaladar. • Anonymous. <p>A challenge in the NWS was the perception of Hawala, with donors and humanitarian agencies having concerns about the associated risks. An essential need was to bridge risk perceptions, particularly in the context of remote management. A risk task force was established to map the various risks and develop a risk management matrix.</p> <p>Mapping financial service providers at the earliest possible stage is helpful to understand the capacities and qualities of providers and facilitate information sharing between agencies. Due to the sensitivities in the NWS, this has not been possible so far, but the process is underway. CaLP has produced standards for FSPs, but otherwise, guidance is not widely available.</p> <p>In terms of due diligence, it was noted that donors had adopted regulations in the NWS, with organisations proposing Hawalas and donors vetting them. Establishing a due diligence task force is useful to develop minimum standards for all organisations, including standards for vetting FSPs and capacities and qualities. For due diligence, a third-party monitoring system has also been established in the NWS for all transfers of funds, with the organisation, implementing partner or a donor present during the transfers.</p> <p>Regarding the humanitarian agencies' decision to use Hawala, it was noted that the banking structures were not in place from the beginning. Since Hawala was used by Syrian NGOs on the ground, the UN, managing operations remotely, had to adopt it.</p> <p>The CWG co-Chair remarked that if there is interest, a task force can be set up to look at some of the issues around FSP, including Hundi. It was noted that donors have also expressed interest in standards for the use of Hundi.</p>	<p>#CWG leadership to follow up on the topic and arrange a task team meeting on the topic</p>
<p>5. CVA capacity building for CSOs – update</p> <p>The regional CWG has developed the training session plan for CSOs, with MRCS and CaLP material used where relevant. The training is geared towards remote programming and adapted to the Myanmar context. The ToT will be delivered to interested agencies' focal points who will cascade the training to local organizations. As next step, agencies are encouraged to appoint a focal point (local language speaker) with cash programmatic experience to contribute either as a possible trainer of the TOT. The overall training package, with focus on partnership with local organization, can be delivered in seven consecutive days or split sessions depending on the availability of focal points. Although it is likely to be reduced to only a few days given demands on program staff at this time. The training will be open to all agencies. More information and formal invitation will be sent out soon.</p>	<p>#CWG Partners to recommend any of their (Myanmar speaking) staff who could support in giving some of the training modules.</p>
<p>6. MEB update</p> <p>The draft MEB is ready to be presented. The discussion on MEB is scheduled to take place on Tuesday, August 17, 2021 (10:30 am-12:00 pm).</p>	<p>#MEB meeting on Tuesday, 17 August</p>
<p>Useful links</p> <ul style="list-style-type: none"> • Myanmar: Cash Working Group (CWG) on MIMU Page • Myanmar CWG final Terms of Reference (June 2020) 	

- [Myanmar CWG 4Ws \(as of 10 November 2020\)](#)

Next CWG meeting: Thursday, 10:00 – 12:00, 9 September 2021