

FINAL: Summary Note on Cash Working Group (CWG) Meeting

Date/ Time & Venue	10 June 2021, 10.00 – 12.00 (via Webex)
Chair / Co-chair	Mercy Corps (John Nelson), WFP (Thin Thin Aye) and MRCS (Moe Thida Win)
Participants	ACTED, American Red Cross, ACF, AVSI, CARE, Canadian Embassy, CRS, CSI, FCA, FCDO, HelpAge, ICRC, IFRC, INGO Forum, IRC, MA-UK, Malteser, Mercy Corps, MRCS, NRC, OCHA, SI, SVC, UNHCR, PUI, PiN, Tearfund, UNDP, UNHCR, UNICEF, UNICEF – WASH, UNOPS, UNWOMEN, USAID, WFP, WFP – FSS, WFP – Sittwe, WHH, WVI, WVM
Agenda items and summary of discussion	Action Points
<p>1. CVA situation update and feedback from partners</p> <p>The CWG co-chair provided an update on the current CVA situation. Since it becomes increasingly challenging to access physical cash, there is an informal market for exchanging mobile money for cash. Fees to access cash via mobile money agents or informal markets are rising, varying from 5 % to 10%. Intense scrutiny towards international remittance has been reported. Some agencies are looking into the possibilities to access MMK using the new Flexi Bank accounts.</p> <p>The implementation of CVA activities continues to be challenging. Agents fees increase, with Sittwe at around 8% and other regions around 10 to 15 %. Some agencies are accessing physical money through foreign currency exchange or informal market; however, it remains uncertain whether this is a sustainable option. Agencies are also looking into using voucher programs and paying vendors via bank transfers.</p> <p>Partner Updates</p> <p>WFP is implementing cash programs in Rakhine, Kachin and northern Shan. Due to liquidity challenges and increasing fees, e-cash distributions have been temporarily shifted to cash in envelope in Kachin and Central Rakhine. Despite rising market prices, the transfer values remain adequate, but WFP is monitoring the situation closely. It has been reported, however, that beneficiaries increasingly need to use CVA for food for NFIs as well.</p> <p>CARE developed a template for GBV risk analysis in CVA, both in English and Myanmar. An agreement with M-Pitesan for a cash transfer program in Maungdaw, Rakhine, is planned.</p> <p>Save the Children reached out to all fintech providers, and a pilot with TrueMoney is planned, which has agreed not to charge additional fees. Cash distributions continue in Rakhine, with top-ups for child nutrition and productive grants. In peri-urban areas, distributions under an MCCT pilot project continue. In northern Shan, a program with productive grants and cash for improved nutrition is being implemented. An RNA with IDPs in Chin and Kayah indicated that CVA is not feasible due to poor market access and fear among beneficiaries.</p> <p>SI resumed cash for work activities. Due to the cash unavailability, many CVA activities in Sittwe and other areas are being delayed.</p> <p>IRC implements a cash program in Myebon, switching to in-kind distribution because of cash unavailability.</p>	
<p>2. Markets Update</p> <p>WFP market price report update (May 2021): WFP updated on latest price developments. Compared to April, prices of oil, rice, pulses, onions and tomatoes continue to increase. Overall, since 1 February, prices have significantly increased. Mixed oil prices have particularly increased in Northern Rakhine (+61%), Southeast and Magway (+39%), Sagaing (+36%) and Kachin (+33%). For palm oil, the increases are most significant in Central Rakhine (+54%), Southern Rakhine (+49%), Magway (+47%), Sagaing (+43%) and Northern Rakhine (+40%). Also rice has seen increases, notably in Central Rakhine (+19%), Kachin (+18%) and Sagaing (+14%).</p>	

<p>Mercy Corps market reports: Mercy Corps Market Analysis Unit (MAU) collected the market price data from Rakhine at the end of May. Palm oil and rice prices increased across Rakhine, with an increase of median prices of rice by 40% and of palm oil by 50% since December. The prices of other food and NFIs remain relatively stable.</p> <p>The MAU dashboard and full reports are available on the MIMU website: http://themimu.info/rakhine-market-analysis-unit</p> <p>Vision Fund Myanmar is also monitoring market prices and updated on their findings. Prices are monitored since March 2021, focusing mainly on urban areas, inter alia, Yangon, Mandalay, Bahan and Sagaing. The findings are similar to the WFP's and MC's, with general increases up 30-40% since March, in particular for chicken and pork. It was noted that prices seem to have stabilized in recent weeks, the coming weeks will show if this trend continues.</p>	
<p>3. Atuutuu Trustlines Community Currency Presentation</p> <p>Miranda Phua (miranda.phua@gmail.com) and Loring Harkness (loring.harkness@gmail.com) presented Atuutuu, an e-voucher program. Atuutuu e-vouchers are designed to circulate as a medium of exchange between beneficiaries, vendors and suppliers. In addition to boosting the local economy, this reduces the demand for cash payouts by vendors and the need for international bank transfers. E-vouchers are 100% collateralized by USD in foreign accounts, protecting against inflation. Voucher disbursement is limited, namely for large amounts and foreign accounts. Atuutuu's technology includes a user wallet allowing beneficiaries to check their account balance and send/receive vouchers and an admin wallet for program administrators.</p> <p>Atuutuu is being piloted for one to three months with about 200 beneficiaries and 100 vendors. For localities, urban and peri-urban areas in Yangon and IDP camps in Kachin State are being explored, but they are open to working with partners in other areas if there is a specific use. Exchange and collaboration with CWG members are encouraged, including for co-pilot opportunities. <u>Agencies interested in partnership should reach out to Loring Harkness and Miranda Phua directly.</u></p> <p>It was clarified that Atuutuu was set up specifically to address liquidity for vendors/suppliers, as cashing in e-vouchers is challenging in the current situation. Vendors/suppliers can make payments to other actors within the local markets, providing a way to achieve liquidity. Since Atuutuu is not subject to fluctuation, some vendors will likely prefer to keep the vouchers.</p> <p>Regarding digital literacy and availability of technology, it was noted that individuals with experience in mobile money apps and access to smartphones were identified for the pilot. Further options to extend usage will be explored at a later date.</p> <p>It was noted that Atuutuu would run parallel to other mobile money operations, with the difference that Atuutuu has e-vouchers in USD and includes cash as well as in-kind vouchers. In addition, Atuutuu is designed to be circulated and spent rather than being a temporary store of value.</p> <p>In terms of regulations, e-vouchers are not covered by any national regulatory framework. However, a law firm ensures compliance with inter alia anti-money laundering laws.</p>	
<p>4. Vision Fund Myanmar -- MFI Support</p> <p>Vision Fund Myanmar (VFM), World Vision's financial services provider, presented on MFIs in Myanmar. MFIs have grown substantially over the last years in Myanmar, with over 180 MFIs, 3.5 m clients and a reach of 244 townships today. Although MFIs are affected by the current crisis, VFM could continue disbursements with a volume of around 60% and collections about 75% of the expected amount. MFIs have different possibilities to support CVA programs, inter alia:</p>	

<ul style="list-style-type: none"> • extending financial services to suppliers involved in CVA programs, such as loans or savings accounts; • supporting in financial and digital literacy programs; • supporting the delivery of cash & voucher programming - notably, MFIs can support beneficiaries after cash transfers and track progress over a few years. <p>Regarding e-credit loans and disbursements, VFM clarified that while these are encouraged, many customers are not digitally literate, requiring a learning process to further increase usage.</p> <p>On risks of indebtedness, VFM noted that risks are monitored and considered, noting, for example, a common MFI platform ensuring that clients cannot obtain different loans.</p> <p>On the development of a mobile money ecosystem, VFM noted an ongoing initiative involving MFIs working with mobile money providers to develop an interoperable payment platform, bringing significant potential to increase the use of mobile money.</p>	
<p>5. WFP Post Distribution Monitoring Report</p> <p>WFP presented on their April/May 2021 post-distribution monitoring findings. Household food consumption deteriorated notably in central Rakhine and Kachin compared to November/December 2020. Also, almost half of beneficiary households in Chin and Shan have inadequate food consumption. Extensive use of negative coping mechanisms has been observed, such as borrowing food. A decrease has also been noted in income, with 51% beneficiaries reporting reduced income and 13% no income at all. Household debts are on the rise (+5%). Increasing market prices result in higher food expenditure, with 73% of total household expenditure spent on food. Urban households are experiencing more hardship, as nearly twice as many urban households have poor food consumption.</p> <p>On cash assistance, 99.7% of beneficiaries purchased food, 35% covered health expenses, and 16% repaid loans. The preference for modalities is cash (54.4%), followed by food (30.7%) and food and cash (14.9%).</p>	
<p>6. Social Protection Update</p> <p>UNICEF briefed on the Social Protection Working Group (SPWG), co-chaired by governmental counterparts before 1 February, and now led by UNICEF. As activities and strategies overlap between the CWG and SPWG, monthly briefings are introduced. Current discussions focus on joint advocacy and communication on social protection in the current complex environment, with UNOPS LIFT in a leading role. Further, the continuity of the MMCT program is being discussed, since no payments have been made since 1 February. A joint strategy to engage with de-facto authorities is being discussed with development partners.</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) 	
<p>Next CWG meeting: Thursday, 10:00 – 12:00, 8 July 2021</p>	