

UNHCR Myanmar

Feasibly Study for Cash Based Interventions (CBIs)



Rakhine State & Kachin State

Myanmar

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1. Introduction

UNHCR is considering using Cash Based Interventions (CBIs) for current and future programming in Myanmar. The current UNHCR priorities include the stateless populations and IDP populations in Rakhine, the IDPs in Kachin and northern Shan as well as the anticipated voluntary return of refugees from Thailand to the south-eastern border areas. CBIs are not new in Myanmar having been used in recent years to respond to emergencies, providing short term to medium term relief to populations afflicted by disasters. The recent flooding in some states has given an impetus in the use of CBIs to address different issues such as shelter, food and nutrition security as well as livelihoods recovery. The Union government has also been promoting the use of cash in the provision of housing, shelter and shelter solutions. In the cyclone affected areas, concerted efforts are underway to help the affected households to reconstruct. Other agencies are using CBIs to respond to the displacement and statelessness crisis in Rakhine state.

The protracted displacement of communities in Rakhine means that traditional positive coping mechanisms have disappeared among many. In this emergency like many emergency situations, the most vulnerable households are the ones bearing the brunt of the crisis. The current restrictions in movement for these populations sets the backdrop for understanding every other problem faced by the IDPs (140,000) and stateless populations (800,000) and colours every discussion of proposed solutions. This study sought to understand how CBIs can be used as a tool of addressing some of the challenges faced by the people of concern in Rakhine.

According to a recent study done by the World Bank¹, agencies implementing cash-based interventions in Myanmar have identified the following conditions as being necessary for the successful implementation of CBIs in a particular location:

- a) Availability and accessibility of well-functioning markets,
- b) Preference of beneficiaries;
- c) Cost-efficiency compared with in-kind assistance
- d) Availability of appropriate cash delivery mechanisms;
- e) General safety and security of beneficiaries and agencies implementing
- f) Inflationary risks

In this study, these preconditions were assessed to determine if the UNHCR locations have the necessary conditions for the successful implementation of CBIs.

1.1 Objectives and Deliverables

The objectives of this study are as follows:

- 1) To assist UNHCR operation determine whether CBIs would be an appropriate tool to achieve its protection and humanitarian assistance objectives, and if so, provide a set of recommendations on design and planning, implementing and monitoring CBIs;

¹ The experience of cash transfers in Myanmar: Lessons from a social protection and poverty reduction perspective. The World Bank

- 2) To support the Cash Working Group with mapping out NGO, CBO and FSP actors involved in CBIs in Myanmar, and assessment of their capacities and gaps, including the integration of protection risk analysis and mitigation measures in planning and implementing CBIs; and
- 3) To assist UNHCR and CWG members in Myanmar in identifying capacity building needs and opportunities,

1.2 Outputs:

- (a) Conduct a feasibility study or programme review (where cash-based assistance is implemented) and propose response options for UNHCR Myanmar concerning CBI programmes in various situations, namely:
 - IDPs in central Rakhine State who have been displaced since the 2012 violence;
 - Rakhine communities in central Rakhine State affected by the cyclone in areas of IDP return;
 - Stateless population and other groups affected by the cyclone in northern Rakhine State;
 - IDPs in Kachin and northern Shan State; and
 - Voluntary return of refugees to south-eastern border areas from Thailand (this part of feasibility study covers UNHCR Thailand operations, UNHCR Myanmar, as well as WFP Myanmar and other relevant stakeholders).
- (b) Produce actors and capacity mapping for the two IDP situations as well as the voluntary return and suggest capacity building options; and
- (c) Based on the above capacity building assessment, conduct capacity building activities for UNHCR staff, CWG members as well as partner organizations.

2. Data Collection Methods

2.1 Information Sources

Mostly qualitative data was gathered in this analysis. In order to achieve the required types of data a multi-pronged assessment design was adopted. The design comprised of desk research for secondary data as well as qualitative and quantitative methodologies that yielded primary data. Data were collected from programme relevant documents and reports. Primary data were solicited from potential and actual beneficiary households for UNHCR, WFP and partner agencies. People and community leaders that live in the target locations and have knowledge of the environment were interviewed as key informants. Furthermore focused group discussions were held with selected representatives of the beneficiary communities. Local and international humanitarian agencies operating in Rakhine state were also consulted during the visit to Rakhine.

2.2 Detailed Data Collection Procedure and Techniques

2.2.1 Desk Analysis

The first step in this study was the review of secondary documents relating to cash transfers in Myanmar. This included UNHCR documents, WFP reports as well as other reports shared by humanitarian agencies.

2.2.2 Field Visits

Field locations in central Rakhine and northern Rakhine were visited. Both Muslim and Rakhine communities were assessed. Focused group discussions were held with beneficiaries and potential beneficiaries. In-depth interviews with Village Administrators (VAs) and other community leaders were conducted. In total 8 FGDs and 8 in-depth interviews were held. A total of 8 – 10 IDPs participated in each FGD.

2.2.3 Partner Agency Visits

Local and international organizations were consulted with relevant staff from the agencies being interviewed. In central Rakhine, agencies consulted included WFP, OCHA, ICRC, Myanmar Heart Development Organization (MHDO), Reach Initiative, Myanmar Red Cross, Plan and DRC. In Muangdaw, WFP and Care were consulted. Some of the agencies interviewed are currently implementing CBIs and others have done similar interventions before with varying degrees of success.

2.2.4 Market Assessment

Markets in both central and northern Rakhine were assessed through visits to the markets, discussions with traders as well as discussions with selected households to establish if communities were able to access the markets. Traders were interviewed to collect information about pricing, product availability, sources of items found in the market, trade volumes, access to credit, trade barriers as well as capacity of the markets to supply the required items should there be an increase in the demand of certain items. Both formal retail outlets and open markets were analyzed. The markets analyzed included the food markets, the construction materials markets as well as the non-food items (NFI) markets.

3. Findings of the Study

3.1 Coordination/Partner Mapping

Despite the fact that there are many agencies currently implementing CBIs, there is currently no coordination mechanism in place for CBIs in Sittwe. However, there are plans to have cash transfers discussed within the Early Recovery Cluster. There were discussions with WFP and some members of the Food Security Cluster in Sittwe to have the Cash Working Group established. The challenge is that there is no agency willing to lead the group. A number of options were discussed and this information has been shared with the CWG lead in Yangon. Hopefully, once the discussions start under the Early Recovery Cluster, the need to have a separate working group that will have in-depth discussion about CBIs including sharing of lessons learned will be clearer. Table 1 shows the agencies currently implementing CBIs in Sittwe and their current locations. This information was collected through a meeting that was held with some agencies in Sittwe as well as through separate one on one meetings held with both local and international organizations.

Table 2: Agencies Implementing CBIs

SN	Agency (Who)	Activities (What)	Locations (Where)	Comments
1.	Lutheran World Federation (LWF)	Assisting 508 households whose houses were completely destroyed by flooding to reconstruct. Each family will receive an unconditional grant of \$300. This project will start in October 2015 with cash disbursements expected in early November.	Central Rakhine	The project is funded by UNHCR.
2.	ICRC	<p>Flood response - affected households received 50,000MMK to help them recover. This activity was implemented in Mrauk U (Rakhine communities)</p> <p>Conditional cash grants for asset creation – This project is targeting Rakhine villages and people in IDP like situations. Each household receives about \$200 depending on business plans. So far project has had 95% success rate and significant increases in household income. Targets mostly vulnerable households headed by women.</p> <p>Cash for Work has been designed and will be starting soon</p>	<p>Central Rakhine</p> <p>Cash For Work (CFW)- Nyahouk and Mimbya (Mrauk U)</p>	
3.	Relief International (RI)	<p>RI is implementing a conditional cash transfer programme for agricultural livelihoods (specifically winter crops)</p> <p>Number of beneficiaries: 360</p> <p>Dates: 20 Sept to 20 Dec 2015</p>	6 village tracts in Mrauk U Township	
4.	Myanmar Heart Development Organization	<p>MHDO is implementing the following:</p> <p>Cash relief- this activity is targeting vulnerable households (PRRO)</p> <p>Cash for Assets- post cyclone recovery targeting villages affected by the cyclone. Objective is to rehabilitate infrastructure</p>	WFP Locations in Buthidaung and Maungdaw	Implementing partner for WFP

5.	Plan International	<p>Plan will be implementing the following CBIs in Partnership with WFP:</p> <p>Cash relief- 40,000 households for a period of 3 months. Size of the cash envelope is 13,000 Kyats per person per month.</p> <p>Cash for Assets planned to start after the cash relief project</p>	This activity will be implemented in central Rakhine	Market assessments will be done before the project is implemented.
6.	Myanmar Red Cross Society	Information not yet received		
7.	Danish Refugee Council	<p>DRC is currently implementing the following CBIs:</p> <p>Livelihoods- conditional grants for livelihood support for IDPs. Implemented in 16 locations</p> <p>Grants for female headed households- 800 households received \$160 per household.</p>	16 locations in Zone 1	
8.	WFP	<p>WFP is implementing a cash relief programme targeting populations affected by the cyclone. Number of Households being assisted is 13,641. Beneficiaries receive 8,500 kyats per person per months (up from 7,300 Kyats)</p> <p>Cash for Assets (CFA) programme- focusses on rehabilitation of assets destroyed by the cyclone. CFW participants will get 3500 kyat per month (up from 2,200 kyats in 2014).</p> <p>Partners:</p> <p>Myanmar Heart Development Organization (MHDO) operating in</p>	Buthidaung and Maungdaw in Northern Rakhine	For CFA, 200 households will participate in each village and the duration of the projects is about 3 months.

		Maungdaw and Bauthidaung. Action for Green Act (AGA) operating in Maungdaw (Cash Relief only).		
9.	UNHCR	UNHCR is directly implementing a Shelter program targeting households whose houses were completely destroyed by the cyclone. Each household receives a conditional cash grant of \$500 for reconstruction purposes in 2 installments. Number of cash grants – 472	Northern Rakhine	The cash will be disbursed in November and December 2015 depending on the approval by authorities
10.	Care	Care is implementing the following CBI related activities: <ol style="list-style-type: none"> 1. Agricultural Input Support- inputs are provided in-kind but there is a cash component for labour costs. This is being implemented in 14 Care villages 2. VLSA- cash contribution comes from the group members 3. Village Grants- communities will identify projects for each village and will develop a proposal and submit to care for funding. Grants will vary depending on the needs for each village. 4. Flood Response – affected households will be receiving an unconditional cash grant of \$75. Selection criteria include the landlessness and female headed households affected by flooding. Total of 1900 households in Bauthidaung and Maungdaw in 14 existing Care villages 	Care villages in Maungdaw	

3.2 Capacity Mapping and Capacity Building

A capacity mapping exercise was carried out in both central Rakhine and northern Rakhine to determine the training needs of UNHCR and other agencies implementing CBIs. In central Rakhine, many of the agencies interviewed expressed concern about lack of capacity in CBIs in general and cash for work (CFW) in particular. In central Rakhine, training was provided to 9 staff from UNHCR,

DRC and LWF. The training was a basic introductory course with focus on of monitoring CBIs and this was the first formal training on CBIs for all the participants.

In northern Rakhine, 2 training sessions were conducted. In the 1st training session, 29 staff from different agencies (UNHCR, DRC, LWF, BAJ, CFSI, MI) were trained. In this training, there was more emphasis on market monitoring as well as post distribution monitoring of CBIs. A second training session was conducted with UNHCR field staff who are directly involved in the implementation of the shelter programme targeting households affected by the cyclone and 9 staff were trained. In addition to trainings provided, the SOP for the current UNHCR intervention was reviewed and some tools provided to the team. Also potential risks were identified and mitigation strategies discussed with staff. For long term training, the agencies interviewed identified the following areas for capacity building:

- Assessments- Rapid Market Assessments
- Protection mainstreaming
- Monitoring- Post Distribution Monitoring (PDM); Market Monitoring
- Beneficiary accountability- Community feedback mechanism/complaints response mechanism
- Assessments- Rapid Market Assessments
- Cash for Work training

3.3 Market Assessments Findings

The markets were assessed in the context of the current UNHCR CBIs as well as to make recommendations for future programming. The current interventions are focused only on shelter/house reconstruction. In addition, the food markets were also assessed during the visits with WFP. Because there is scope for providing cash for NFIs, the NFI markets were also assessed. In addition to collecting prices and pricing information, we also assessed access to markets, availability of items, capacity of the markets as well as availability of financial services.

3.3.1 Access to Markets

A. Central Rakhine

In general, non Rakhine communities have restricted access to the markets in central Rakhine. The situation is worse for IDPs in camps. There are variations from camp to camp but the problem is more serious in camps located far away from non-displaced communities. Movement restrictions mean that IDPs cannot access the basic household items. Most of the IDPs are currently dependent on aid from humanitarian actors. IDPs in camps reported that they were selling food and NFIs distributed to them by humanitarian agencies in order raise money to cover other unmet needs. All the IDPs that we interviewed indicated that they will prefer in-kind assistance as opposed to cash because they do not have access to markets. The non-displaced Muslim communities are restricted to small markets around their villages. Their situation is better off than the IDPs living in camps.

In Rakhine communities, the situation is quite different. Markets are fully operational, well integrated with regional markets and accessible to all the villages visited. There are no movement restrictions in these villages and communities have access to their land and are actively involved in

income generating activities such as farming, fishing and informal trade. Markets in the Rakhine communities have capacity to support CBI.

B. Northern Rakhine

The stateless populations in northern Rakhine face the same challenges that are faced by IDPs in central Rakhine. However, unlike the IDPs in central Rakhine, the stateless populations have access to markets in and around their towns and villages and these markets are functional. This includes the markets for food, construction materials as well as non-food items. Some, beneficiaries are able to travel to towns which have bigger markets, to access items like construction materials and non-food items. In these markets, prices are relatively low compared to village markets. In northern Rakhine, most of the stateless communities have access to their land and are also able to participate in livelihoods activities such as fishing, agriculture, sale of firewood and timber. Some able bodied men and women are employed as casual workers by companies harvesting forestry products in the area. The village markets are well integrated with the main markets in the towns ensuring a continuous flow of goods to the smaller markets. River and road transportation is available for beneficiaries who want to access larger markets.

Non-Muslim villages have better access to markets because they are not affected by the restrictions in movements.

3.3.2 Market System Capacity

A. Supply Side

Central Rakhine

In the non-displaced communities, the markets are functioning with a variety of items including fresh farm produce, rice, vegetable oil, clothing and household items. In the IDP camps, market activity is limited and markets are fragmented. Traders we spoke to have limited access to suppliers. There are a few shops selling small items like sweets, snacks, chilies, etc because of restrictions in bringing in items from outside the camps and engaging in livelihood activities. The population is largely dependent on aid provided by humanitarian actors. Non-of the shops stocked food supplies, NFIs and other household supplies. These main items are sold through “social networks” meaning that IDPs have to call intermediaries who will then deliver the items to the camp at exorbitant prices.

During the visit to the markets, we noted that there were some shops selling NFIs distributed by UNHCR. This included buckets, tarpaulins, mats and other items. The selling of relief supplies is a sign that IDPs require other items which are not provided by the humanitarian actors and in such cases, CBIs will be appropriate if other conditions for CBIs such as functional markets were met. The other challenge in the camps is that



beneficiaries will not be able to get the quality that UNHCR has been providing at the market if they receive cash. We also explored the capacity of retailers to participate in cash and voucher programmes and it was noted that many of the traders in the IDP camps do not have enough capacity. Although they were willing to participate, many of them also expressed concerns about the unavailability of credit facilities for them to stock up.

Northern Rakhine

The markets visited in northern Rakhine have capacity to meet the demand should there be an increase. Markets such as the Buthidaung markets and Phone Nyo Lake market are well supplied with both food and non-food items and have capacity to meet increased demand. These markets are well integrated with regional markets. Maungdaw also has large and functional markets with capacity to supply the required items should there be changes in demand. This includes both food and non-food items and there are multiple traders for the main items being bought by households. The construction materials are also available since most of them are locally materials like bamboos, jungle poles and the leaves used for roofing.



We also noted that there were a number of shops selling construction materials in and around the villages that we visited. Some of the shops still had stockpiles of materials from 2014 which is a sign that shops do not normally run short of these materials. The calculations done with the community and the market price check showed that the size of the cash envelope proposed by UNHCR will be adequate for the construction of the houses. The households will also have enough money for the transportation of the materials.

Table 2: An example of a village in Buthidaung

SN	Local Construction Materials	Average Price in Krim Tha Ma Play Tango Village	Average Price in Tax U Chaung Village
1	Jungle poles	120,000	160,000
2	Bamboos for walls	160,000	80,000
3	Roofing materials (local)	100,000	100,000
4	Nails	10,000	10,000
5	Roofing poles	30,000	80,000
5	Labour	100,000	200,000
	Total	520,000	630,000**

** Excludes price of sawn timber. This was not mentioned in Krim Tha Ma Play village

B. Demand Side

Traders we spoke to expressed concern about subdued aggregate demand caused by lack of purchasing power. IDPs in central Rakhine also mentioned that the non-displaced communities decided what to bring and what not to bring to the camps making commodity availability unpredictable. There were also concerns by some traders that massive distribution of both food and non-food items will reduce aggregate demand and therefore affect the markets. Demand was high in bigger markets compared to the small markets in and around villages. There also seasonal variations for some products. For example, the demand for food items normally goes down after a good harvest.

3.3.3 Market Price Stability, Integration and Competition

A. Central Rakhine

In general, the prices of items in the IDP areas were much higher than the prices in the non-displaced communities. Prices of food items in the IDP camps visited normally rise just before WFP distributions and decline immediately after distributions. At the time of our visit, WFP had not delivered food for October and the price of rice had gone up since the IDPs who had run out of supplies were now relying on the market to get food. The prices of items in the markets located in the IDP areas are much more volatile because of limited access to supplies. Also markets in most of these locations are fragmented and critical items, services or food items are less easily available and prices change more frequently. The situation is different in non-displaced communities. Prices are stable because markets are operating normally and there are well integrated with regional markets in Sittwe and other towns. There is free entry and exit into the market by bigger and better resourced players resulting in competition which keeps prices low.

B. Northern Rakhine

The markets are more stable in northern Rakhine and demand is strong because beneficiaries have disposable incomes since they are actively involved in livelihood activities such as agriculture, fishing as well as informal trading. Even the ongoing humanitarian interventions implemented after the cyclone have not had much effect on the prices. Prices of locally produced items have generally been stable compared to imported items whose prices are dependent on the stability of the MMK. There are also seasonal variations in prices for locally produced items. Local market systems are well integrated with wider markets in Maungdaw and Ruthidaung and are much more likely to be able to expand trade to meet emergency needs.

3.4 Availability of Financial Services

It was noted that in both central and northern Rakhine, there is poor penetration of financial services especially in small towns and rural areas. This affects the way cash will be distributed to the

communities for CBIs. In most cases, direct cash distributions will be the only mechanism available for agencies distributing cash. The challenge with this is that it places all the risks pertaining to handling large sums of money on the hands of the implementing agency. However, because of the heavy presence of security personnel in many towns and villages, the risk of being robbed is very low to the implementing agency. It was also noted that there is very limited capacity for voucher interventions. Most of the retailers in the small towns and villages will not have capacity to support voucher programmes.

3.5 Beneficiary Preferences

3.4.1 Central Rakhine

The beneficiaries in central Rakhine prefer in-kind assistance for both food and NFIs in those camps that we visited. Reasons given for this are as follows:

We rely on what the Rhakhine bring to the camp and if they do not bring the rice, we will starve. We can't eat money. (IDP in central Rakhine))

- i. **Localized inflation** - there is fear that once beneficiaries receive cash, prices of basic household items will increase and the cash received will not be enough for the households to buy basic items that UNHCR and partners have been providing.
- ii. **Dysfunctional markets** - the markets in and around the camps do not have capacity to provide all the items required (both food and non-food).
- iii. **Movement restrictions** - current restrictions in movement mean that beneficiaries will not be able to access markets where they will get the value for their money.
- iv. **Corrupt officials** - beneficiaries in and outside camps are normally asked by corrupt representatives to pay for being registered /assisted. The Village Administrators and the Camp authorities are the ones who request for payment and normally this payment is requested in advance. There is fear that cash may be more attractive to the authorities and that the percentage of fees will go up significantly.

3.5.2 Northern Rakhine

The stateless populations in northern Rakhine as well as Rakhine communities are willing to receive cash as long as the money paid out will be enough to buy the items that were being distributed. The reasons given were as follows:

- i. **Fungibility of cash** - when beneficiaries receive cash, they will be able to buy the quality that they are used to from the markets. They will also be able to prioritise items that they need as a household. The only worry was that some items like tarpaulins are not available in the market and if ever they are there, the quality is not that good. Some communities however mentioned that they didn't like tarpaulins and would instead prefer cash equivalent so that they can buy local produced materials which they are used to.

- ii. **Ability to negotiate prices with traders** - beneficiaries believed that if they receive cash, they will be able to negotiate prices. Beneficiaries also mentioned that will prefer cash instead of receiving NFIs.
- iii. **Cash injection will support markets** - traders supported the idea of cash assistance noting that any cash injection into the community will help markets to recover especially those markets affected by the cyclone. Some traders also highlighted the fact that food distribution by humanitarian agencies is affecting those involved in the trading of rice and other items supplied by humanitarian actors.
- iv. **Possible extortion** – The issue of extortion was reported in many villages that we visited. This has been happening and the perpetrators are the Village Administrators (VAs) and members of the defense forces. There is fear that extortionists may ask beneficiaries to for what is called “facilitation fees”. Although this is also happening where in-kind assistance is being provided, the fear now is that with cash assistance, the extortionists will demand even larger amounts and the money that beneficiaries will receive will not be enough to buy items that they are supposed to be buying.
- v. **Transportation costs** - beneficiaries mentioned that cash assistance will be better as they will not be required to pay for transportation of the items back home.

“If you receive cash, there is a possibility that you end up prioritizing other things and you may end up not buying good quality NFIs to save money”- beneficiary in Buthidaung.

A few beneficiaries mentioned that they would prefer in-kind assistance. These beneficiaries strongly believe that the cash assistance may not match in-kind assistance in terms of the value of the items distributed.

3.6 Non IDP Locations in Central Rakhine

The situation in non IDP locations is different since there is better access to markets compared to IDP locations. The markets are also functioning with a variety of traders providing all the basic household items at competitive prices. Although there are restrictions in movement for the non Rakhine communities, households can now access small markets in and around their communities. The situation was different previously but the intervention by the Rakhine State Government helped the non-Rakhine communities to access markets and at the same time helping Rakhine traders to benefit from assistance provided to non-Rakhine communities.

The households currently benefitting from the construction programmes have been able to source materials locally and construct houses to completion with no negative effect on the markets, the environment and the communities at large. There are success stories from the government supported construction programme. The owner driven construction programme seems to have been more successful (see blue house on the right) than the other





programme where the government hired contractors to build for the beneficiaries (see green house on the left). Some beneficiaries we spoke to expressed concern about the design and size of the structures constructed whereas those who came up with their own designs were content with the final product.

The labour market was also assessed and it was established that there were enough skilled people in and that the reconstruction exercise will not necessarily result in an increase in labour costs.

4. Protection Risk Analysis

A protection risks analysis was done using information provided by the communities as well as by UNHCR staff. This was done for the current CBI interventions being implemented by UNHCR in Rakhine. The table below shows some of the protection risks. The risks mitigation strategy applies specifically to the current UNHCR interventions in northern Rakhine. Most of the protection and gender issues raised within the context of this study are not new or unique to cash and voucher transfers. These issues often affect in-kind assistance as well.

Table 3: Protection Risk Analysis

SN	Protection Risk	Likelihood of this Happening	Recommended Mitigation Strategy
1.	Extortion - authorities may request some payment from beneficiaries (eg for registration as a beneficiary or permission to construct/reconstruct). Amount of money involved could be up to 50,000 MMK. Authorities may threaten beneficiaries or stop construction if this amount is not paid. Extortion by security forces/military is also possible.	Very high	<p>To manage this risk, there will be a need to explain to beneficiaries in the presence of village administrators (VAs) that beneficiaries are not supposed to pay anyone for the services provided. In-case the beneficiaries are asked to pay, they should inform UNHCR immediately through the established beneficiary feedback mechanisms.</p> <p>The Town Administrators (TAs) will be requested to inform the VAs that it is criminal to request beneficiaries to pay for authorities for the services provided and that offenders will be dealt with.</p>

2.	Localized inflation – there is a possibility that injecting cash into the small markets may cause localized inflation and this will affect both beneficiaries and non-beneficiaries.	Low	UNHCR has already conducted a market assessment and the risk of inflation is very low because of the main household items are available in the markets. UNHCR will continue collecting and analyzing market information during implementation.
3.	Misuse of cash – there is a possibility that cash might not be used for the benefit of the household.	Low	UNHCR will ensure that where possible, cash is placed directly into the hands of women. For child headed households, during the registration exercise, the communities will be asked to appoint a proxy to be registered to receive cash on behalf of the children. In addition, field teams will ensure that there is awareness about the project before cash is distributed. Frequent monitoring visits will be carried out to ensure that beneficiaries spend the cash according to the plans. The involvement of local authorities will ensure help to enforce the terms and conditions of the grant.
4.	Security - theft harassment of the most vulnerable eg the woman headed and child headed households is possible.	Low	Beneficiaries will be advised to immediately purchase the materials after receiving the grant.
5	Lack of proper identification documents may result in the most vulnerable not being able to receive the grants	Low	Where there is no individual identification document, household lists and CSCs are available and will accept for identification purposes.

6	Exclusion of the most vulnerable during registration – there is a possibility that the criteria developed for the intervention is selectively applied. This practice is not unique to CBIs only.	High	Where possible community targeting will be followed with UNHCR providing guidance to the communities to ensure that criteria is followed.
7.	Harassment against beneficiaries if their household (HH) number plate does not correspond with the actual building that is repaired	Medium	UNHCR will work with local authorities to ensure that the vulnerable households are not harassed. If there are problems, the complaints and response mechanism in place should be followed to resolve any issues relating to the project.
8.	Likelihood of privacy violations of IDP data	Low	UNHCR will not share the full details of IDPs with third parties. Only the name of the household head and their plate number will be shared. The other information will be for UNHCR use only.
9.	Payments do not reach the most vulnerable beneficiaries	High	The staff doing the payments will work in teams to ensure transparency. At the village level, VAs will sign the beneficiary lists together with the beneficiary to acknowledge receipt. During Post Distribution Monitoring, households will be interviewed to ascertain if they received the full grant.

5. Conclusion and Recommendations

5.1 Central Rakhine State

- i. **Limited access to markets** - the current restrictions in movement for IDPs in central Rakhine limits their access to markets leaving many IDPs to depend on humanitarian assistance. The

conditions for a successful implementation of CBIs do not exist in these locations. In-kind assistance will continue to be more relevant in the IDP camps up to such a time that the movement restrictions in the camps and camp like situations are relaxed.

- ii. **Weak trader capacity and fragmented markets in the IDP locations** - the existing markets do not have capacity to supply the household items required by the communities. The weak trader capacity is exacerbated by the fact that IDPs have limited livelihoods and income generating opportunities because of the current restrictions. This leaves many households without purchasing power thus affecting markets. This lack of capacity also means that such markets cannot support voucher interventions. Any CBI will have to be carried out through direct cash distributions. Cash transfers in such markets will fuel inflation due to overall large amounts of cash that would be injected into these small markets.
- iii. **Beneficiary preferences** – in general, IDPs in central Rakhine prefer in-kind assistance because food and NFIs are not readily available at the market. This coupled with restrictions in movement means that getting items from the market will be a challenge especially for the most vulnerable households. In non IDP locations, the situation is different and CBIs will be more effective since markets are functional and beneficiaries are more inclined to CBIs as opposed to in-kind assistance.
- iv. **Complaints and response mechanism (CRM)** - the complaints and response mechanism needs to be activated to ensure that the protection issues are reported promptly and acted upon by the agencies including UNHCR. The current complaints and response mechanism in place needs to be strengthened before CBIs can be implemented.
- v. **Improving information sharing and coordination among agencies** – currently there is no coordination mechanism in place for CBIs in Rakhine state. There are plans to have CBIs discussed under the Early Recovery Cluster in Sittwe. Looking at the number of agencies implementing or planning to implement CBIs, it will be important to activate the Cash Working Group. The impact of coordination on the overall quality of the response could be enhanced if these meetings could include sharing of best practices and lessons learned in terms of operational response and by encouraging local actors to actively participate and share their experience and lessons learned. Also, WFP is implementing CBIs in northern Rakhine. There are also plans to start similar activities in central Rakhine. It will be important for UNHCR to coordinate with WFP to ensure that the CBI operations are harmonized.
- vi. **Use of technology** - the limited availability of technology and lack of network connectivity in some locations hinders the immediate deployment of electronic distribution and payment systems. Any CBI interventions at this stage will have to be done manually.
- vii. **Training and capacity building**- lack of capacity was a concern expressed by many agencies interviewed. Agencies considering implementing CBIs need to conduct a training needs assessment and ensure the capacity gaps are narrowed before they start implementing CBIs.

Recommendations for the UNHCR Conditional Cash Transfer Project

- viii. **Monitoring** - there is a need to ensure that a robust M&E system is developed before implementing any CBIs. Monitoring tools and a monitoring plan should be developed in advance and staff trained so that they are familiar with the tools. The tools should capture both process and impact monitoring information.
- ix. **Market Analysis:** market information should be collected before the start of the project and as implementation proceeds, market information should be collected regularly (Availability of items and price movements).
- x. **Cash delivery mechanisms-** The suggested “cash in envelopes” payment system is the only option at the moment. Any other method will not be cost effective considering the geographical dispersion of the selected households.

In general, this study found that there is low potential for cash-based solutions in Central Rakhine especially in and around the camps. Challenges such as low trader capacity, inadequate market infrastructure, poor transport infrastructure in some locations, lack of financial services and poor market-integration collude to reduce the efficacy of cash based interventions.

5.2 Recommendations for Northern Rakhine

- i. The markets in northern Rakhine are functioning and the stateless populations have access to markets in and around their locations. Food, NFI and construction materials markets were assessed and all these items are locally available. Based on the observations and feedback from stakeholders, it is recommended that UNHCR should consider CBIs in these locations as opposed to in-kind assistance. There is limited potential for voucher programmes. Direct cash payments will be the only way to implement CBIs unless if the interventions are of a very small scale.
- ii. There is possibility for extortion in some locations. This also happens where NFIs are distributed. Agencies implementing CBIs should strengthen the complaints and response mechanism to ensure that such cases are reported promptly and dealt with immediately and decisively. It also recommended that during the information awareness campaigns, beneficiaries should be informed that this aid is being delivered to them free of charge and that they should immediately report if they are asked to pay for receiving the assistance.
- iii. Coordination with partners and sharing information – although there are fewer agencies implementing CBIs in northern Rakhine, there is need for coordination and sharing of information. Currently UNHCR, WFP and Care are the main actors. Sharing of information about locations, lessons learned as well as market information will help to strengthen implementation and contribute towards the achievement of the desired goals.

Recommendations for the UNHCR Cash for Shelter Project (Direct Implementation)

- iv. Targeting - a community targeting system is in use. However, this should be monitored closely to avoid abuse by authorities. There were reports of underserving people being registered for NFI assistance and there is fear that the village authorities will abuse the system if cash assistance is introduced.

- v. UNHCR should ensure that there is a robust monitoring system and this should include process monitoring, impact monitoring as well as market monitoring. This was discussed with the team during the 10 day visit.
- vi. Additional training is recommended for the UNHCR field teams especially in monitoring. Most of the staff are doing CBIs for the first time and additional training will help to elevate their capacity.
- vii. Experienced partner: where possible, for the successful implementation of CBIs, UNHCR should consider working through a partner and such a partner should have enough technical expertise to implement CBIs. This will help strengthen implementation. Accountability oversight and fiduciary responsibility will reside with UNHCR.

KACHIN STATE Myitkyina

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1. Introduction

The conflict in Kachin State broke out in 2011 forcing thousands of people to flee their homes. Violence flared up in June 2012 triggering a second wave of displacement in both Kachin and northern Shan states and to date, more than 113,000² people have been displaced. The majority of the displaced live in camps located in both government controlled areas (GCA) and non-government controlled areas (NGCA). The IDPs depend primarily on aid from humanitarian agencies ranging from protection, shelter, WaSh, health services to food and livelihoods security. Most of the camps in the GCA are accessible while many agencies have difficulties reaching camps in NGCA.

In the NGCA, contraction of humanitarian space has been precipitated by factors such as travel restrictions³ for UN and other international aid agencies (humanitarian aid agencies must seek permission to access areas controlled by non-state armies), continued fighting in some areas and the destruction of infrastructure such as roads and bridges. This has continued to affect delivery of humanitarian assistance in some locations. However, some local faith based organizations have effectively navigated this complex environment to ensure uninterrupted delivery of assistance and protection of people of concern in both GCA and NGCA.

Agencies face challenges in delivering aid to some camps such as those at the boarder with China due to logistical reasons and the fact that China does not allow supplies with logos of foreign aid agencies to be transported across its borders⁴. In addition, Chinese authorities restrict the transportation of food and medicines procured in Myanmar to China. For this study, we were only able to assess the camps in the GCA mostly in and around Myitkyina and Wiang Maw because of travel restrictions. Secondary data about NGCAs was collected from agencies that have access to these locations. Other than the visits to the markets, this study did not cover the host communities in Kachin state.

2. Study Methodology

2.3 Information Sources

Mostly qualitative data was gathered in this analysis. In order to obtain the required types of data a multi-pronged assessment design was adopted. The design comprised of desk research for secondary data as well as qualitative and quantitative methodologies that yielded primary data. Data were collected from project relevant documents and assessment reports. Primary data were solicited from IDPs and markets. Furthermore, focused group discussions were held with selected IDP representatives. Local and international humanitarian agencies operating in Kachin state were also consulted during the visit to Myitkyina.

² <http://www.themimu.info/emergencies/kachin>

³ <http://www.unhcr.org/pages/49e4877d6.html>

⁴ ACAPS. Kachin State displacement report. 10 April 2014 - 1 May 2014

2.4 Detailed Data Collection Procedure and Techniques

2.4.1 Desk Analysis

The first step in this study was the review of secondary documents relating to cash transfers in Myanmar. This included UNHCR documents, WFP reports as well as other reports shared by humanitarian agencies.

2.4.2 Field Visits

Selected camps in Myitkyina town and Wiang Maw were visited. Focused group discussions were held with IDPs and in-depth interviews with camp leadership. In total 6 FGDs and 5 in-depth interviews were held. A total of 8 – 10 IDPs participated in each FGD. Because of restrictions in movement, we were not able to travel to NGCA. The only camps visited are those in GCA. It was also not possible to visit Bhamo and Northern Shan.

2.4.3 Partner Agency Visits

Local and international organizations were consulted with relevant staff from the agencies being interviewed. Agencies consulted included Shalom Foundation, WFP, ICRC, KBC, Oxfam, Metta Development Foundation, World Vision, Myanmar Red Cross Society, DRC and KMSS. Some of the agencies interviewed are currently implementing CBIs and others have done similar interventions before with varying degrees of success. For the NGCA, this study relied on information provided by agencies with access to the camps in NGCA mostly ICRC and Oxfam.

2.4.4 Market Assessment

Markets in GCAs were assessed through visits to the markets, discussions with traders as well as discussions with selected IDPs to establish if camp populations were able to access the markets. Traders were interviewed to collect information about pricing, product availability, sources of items found in the market, trade volumes, access to credit, trade barriers as well as capacity of the markets to supply the required items should there be an increase in demand. Both formal retail outlets and open markets were analyzed. The markets analyzed included the NFI markets, the construction materials markets and to a lesser extent the food markets.

3. Findings of the Study

3.1 Income Sources and Household Expenditure

In the camps around main towns, casual labor is the most common source of income for the IDPs. Able bodied men and women work in farms/plantations and other businesses. The host communities normally hire IDPs for activities such as cleaning, weeding in the farms and harvesting. Daily wage on average is 4,000MMK for women and 5,000MMK day for men. Some women headed households are not able to participate in labour intensive activities. The money received is normally spent on items such as soap, vegetables, curry, firewood and stationery for school going children. Some IDPs are involved in small businesses and other income generating activities in the camps. In addition to own purchases, WFP and its partners provide food in most of the camps where WFP and partners have access. IDPs in the camps are also currently implementing a number of livelihoods initiatives that include the following:

- Backyard gardening

- Tailoring
- Piggery
- Mushroom cultivation
- Soap making
- Fishing
- Amber gemstone cutting and polishing
- Motorbike repairs
- Grocery shops

Most of these activities are implemented through cash grants. However, because many IDPs are producing the same kind of products which are also available in the surrounding markets, IDPs are finding it difficult to get enough customers for their products. Slow business is affecting the participation of IDPs in some of the projects especially where the market is the camp residents only. Also, group activities are proving to be more of a challenge with individual activities outperforming group based interventions. In the more remote camps, income earning opportunities are limited and IDPs have to rely primarily on humanitarian assistance.

3.2 Beneficiary Preferences

For this assessment in Kachin, the appropriateness of cash was limited to a discussion about the CBIs and provision of NFIs and other non-food assistance. In IDP camps around Myitkyina (GCAs), many IDPs mentioned that they had no problems receiving cash as opposed to in-kind assistance. They believed that with this protracted crisis, cash will help them start some income generating activities which will help the IDPs in the long term. Other reasons given in favour of cash were as follows:

- The household will be able to prioritize
- The household will have the freedom of choice (both quantity and quality)
- The household can also decide when to spend the cash

Although this study did not specifically focus on food markets, some IDPs expressed concern about the availability of rice in some camps should they receive cash to buy their own rice. IDPs mentioned that rice production in the state has been affected by the protracted displacement and the state is now an overall importer of rice and prices may increase if demand increases. In the NGCA, secondary data sources showed that the situation varied from camp to camp as there are problems with market access in some of the locations. IDPs in some of these locations generally would prefer to get in-kind assistance.

“Our needs are different from household to household. If we get cash, we will have the flexibility to buy what is important for our household” – Beneficiary in Jan Mai Kawng Baptist Church camp

3.3 Coordination

Currently there is no coordination mechanism in place in Myitkyina for CBIs. Previous attempts to activate the CWG were not successful. All the agencies we talked to expressed concern about the lack of coordination. However, the biggest challenge is “who will lead the group?” Some of the agencies whose names had been put forward to lead mentioned that they could not take the lead because they didn’t have the right technical people in the teams to lead such a technical group. This issue has been discussed with the CWG coordinator in Yangon. It is likely that WFP may lead the group next year once WFP rolls out its CBIs in 2016. Considering that there are at least 12 organizations involved in CBIs, it will be important to have the CWG activated as soon as possible. If WFP accepts to lead, it will be important for one of the international NGOs to co-chair the working group with WFP. Because WFP is a food aid organization, many agencies tend to associate meetings chaired by WFP with food security and agencies not dealing with food security issues end up not being part of the group. There is a need to avoid such perceived biases by having a multi-sectoral agency co-chairing.

Some mapping exercise was conducted (who is doing what and where?). The table below provides the details.

Table 1: CBIs in Kachin

SN	Agency	Activities	Locations
1.	Danish Refugee Council (DRC)	DRC has been providing cash grants for livelihoods in both GCA and NGCA. The grants range from 120,000 MMK to 150,000MMk. The grants are conditional and DRC monitors activities to ensure that the grants are used properly.	This activity is being implemented in 5 camps
2.	World Food Programme (WFP)	WFP is planning to implement CBIs at the beginning of 2016. Camps with access to markets will receive cash. Households will get cash equivalent to the cost of the WFP food basket. Less vulnerable households will get 70% of the food basket. The project will be implemented through partners.	In-kind assistance will continue in volatile areas and NGCA and locations with limited access to markets
3.	Karuna Mission Social Service (KMSS)	KMSS is implementing a livelihoods programme where households receive conditional grants of between \$100	The donors for this activity are Caritas, and

		and \$500. This activity is implemented both in GCA and NGCA. KMSS will also be partnering WFP in 2016 in the cash transfer programme.	Troicare.
4.	Oxfam	<p>Unconditional cash grants- Oxfam is targeting houses with malnourished children. The households receive 6,000MMK per person per month in GCA. In NGCA, beneficiaries received 8,500 per person per month in 3 camps</p> <p>Conditional cash grants- Oxfam is supporting livelihoods activities in the camps through conditional cash grants. IDPs form groups of 3-5 people per group with the majority of the members being women. There was limited success with groups and approach has change to individual. Individuals receive 140,000MMK in 2 installments.</p>	<p>Wai Chyai</p> <p>Hpung Lum Yang</p> <p>A Len Bum</p> <p>Implemented in 22 camps</p>
5.	Kachin Baptist Convention (KBC)	KBC is currently implementing unconditional cash grants to cover basic needs. This project is being implemented in 27 camps with each household receiving 6,000MMK per person per month. Total number of beneficiaries is 9,189. Monthly market monitoring is being done to monitor prices. In 2016, the approach will be changed to focus more on vulnerable groups and sustainable livelihoods.	27 camps in GCAs
6.	World Vision Myanmar	WVI is currently a WFP partner in the food distribution programme. WVM will partner WFP in 2016 in the cash transfer programme that WFP will be implementing. WV is currently working in 16 camps and is currently assisting 7,000 beneficiaries.	Wiang Maw (16 camps) & Chipwi (2) Camps.
7.	Myanmar Red Cross Society (MRCS)	MRCS is currently implementing 2 conditional cash grants programmes	Myitkyina, Wiang Maw and Moeguang (total

		<p>funded by IFRC and ICRC:</p> <p>IFRC programme: 600 households receive conditional cash grants meant to support livelihoods programming. Funding is based on the business plans that the households submit to MRCS. Maximum grant size is 250,000MMK. The grant is paid in 2 installments</p> <p>ICRC Programme: 250 households receive conditional cash grants. Main activities supported include piggery, amber polishing, grocery shops, and tailoring.</p>	of 9 camps)
8.	United Nations Development Programme (UNDP)	<p>UNDP is implementing livelihoods interventions outside IDP camps to support the newly resettled. Households receive grants (startup capital) for income generating activities such as amber polishing, tailoring, motor bike maintenance and repairs. UNDP is also assisting households to establish marketing links.</p>	NGCA
9.	Shalom Foundation	<p>Shalom is implementing the following:</p> <ol style="list-style-type: none"> 1. Livelihoods Cash Grants- households receive cash grants of up to 150,000MMK. Households can also form groups to apply for the cash grants. Activities supported include piggery, amber polishing, sewing, grocery shops, mushroom cultivation and weaving. 2. Shalom will be partnering with WFP to provide the cash grants to food insecure households as from January 2016 	<p>Myitkyina (6 camps)</p> <p>Waingmaw (8 camps)</p> <p>Chipwi (16 camps)</p>
10	International Committee of the Red	ICRC is implementing conditional cash transfer projects directly and through	ICRC is implementing

	Cross (ICRC)	MRCs. Selected households receive up to 300,000MMK for income generating activities. Target is 750 households supported directly There is possibility of starting cash for work (CFW) activities soon for infrastructure rehabilitation	directly in NGCA. Laiza – 3 camps Myi Mai Ja Yang – 2 camps and 7 villages
11.	Metta Development Foundation	Since 2011, Metta has been implementing unconditional cash grants projects in Laiza and Pang War. This is a blanket distribution with each household receiving 7,000MMK per person per month. The approach is now being changed from cash grants to multipurpose vouchers and fairs with vouchers reported to be favored by beneficiaries.	Laiza and Pang War
12.	UNHCR	Current CBI related activities include the shelter maintenance programme as well as the support given to EVIs. Amount paid out is 80,000 MMK per PWSN and can be increased on a case-by-case basis if there is a need.	NGCA and GCA

3.2 Availability of Functioning Markets

3.2.1 Non-Government Controlled Areas (NGCA)

Information received through secondary sources shows that in NGCAs, some camps have limited access to markets. Roads are blocked in some cases only opening for humanitarian aid convoys and this is affecting deliveries to the markets. In some location, roads are either not passible because of broken bridges or because of military blockages. IDPs face difficulties in moving from NGCA to GCA with those without proper identification failing to pass through these military check points. This limits access to markets in some of the locations. Some camps are located at the boarder region and access to these camps is only through China. Agencies who have access to these camps reported that there is limited access to the markets in those locations. The following camps were identified as having no access to markets:

Table 2: Some camps located in the difficult to reach areas in NGCA

SN	Camp Name	Location
1.	Hpare Hkyet	Boarder Region

2.	Hkaw Shau	Boarder Region
3.	Jan Mai/Pa Jaw	Boarder Region
4.	Maga Yang	Boarder Region
5.	Mung ga Zup	Boarder Region

With no access to markets as well as land for livelihood activities, in these camps IDPs rely primarily on aid. Access in and out of the camps is also controlled and the only way currently into the camps is through China. Unfortunately not all the IDPs have passports and other documentation required to access the Chinese markets. The documents are obtainable at the GCA which some IDPs cannot access. The same problem affects IDPs who want to sell their items. The only market they have is the camp market. The IDPs in these camps currently rely on aid provided by Oxfam.

3.2.2 Government Controlled Areas

A significant number of the camps in GCA have access to markets. Many camps with access to markets are located close to towns and IDPs can freely travel to the nearest towns to access markets. In these camps, CBIs will be more applicable. It was also noted that the shops around IDP locations were stocked with all the basic household items and IDPs and the host communities are able to get supplies from markets. Prices were reported to have been stable for some time although seasonal fluctuations exist for some items. In the GCA, there are camps such as Hpakant which have limited access to markets because of security. In these camps, a thorough market analysis will have to be done.

Market Integration: In the camps around towns and cities, markets are well integrated with regional markets and transportation for goods is readily available. However, in some places like Chipwi, there are problems with traders getting supplies into the market because of military controls. If you are transporting, for example more than 3 bags of rice, prior approval from the military is required. This affects traders who want to transport large quantities of rice into Chipwi. IDPs are dependent on humanitarian supplies from WFP but the non-displaced are affected by the restrictions.

In the rest of the camps in IDP locations, markets are accessible and traders also bring certain goods to the camps for sale. Many vegetable vendors normally set up roadside markets near these camps especially in the mornings and IDPs can easily access these markets. Many IDPS in GCA supplement their monthly rations with income from daily work at the farms and companies operating in the towns close to the camps.

3.3 Protection Risks Analysis

Table 3: Protection risks Analysis

SN	Risks	Likelihood of this happening (1=low – 5 Very	Impact if it happens	Risk Mitigation Strategy
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high)				
1.	Security issues - there is a possibility for security incidents in the border region with China and also in NGCA.	3	High	Where the security risk is high, cash will not be recommended. In-kind assistance will continue to be the best option.
2.	Possible conflict between hosts and IDPs - this happened previously where WFP could not deliver food to IDP locations because of challenges with access. The IDPs were forced to get food supplies from the market causing localized inflation. The host communities decided to stop IDPs from buying going to the market.	2	High	CBIs are designed benefit the host communities and markets.
3.	Localized inflation- in Kashang China town, the rice prices went up 3 times within 2 months after WFP failed to deliver food to the IDPs	1	Medium	Most of the markets in GCAs are well integrated with regional markets and localized inflation is unlikely. There is possibility of use of vouchers in some locations and this can be further explored especially where price increases are likely to happen.
4.	Abuse of cash- there is a possibility that man can abuse the money eg buy alcohol and drugs	1	Low	Some agencies have changed the approach from direct cash transfers to vouchers and fairs. This approach seems to be working better than direct cash

				transfers.
5.	Possible conflict at the household level because of failure to agree on priorities.	1	Low	Where possible, cash should be paid directly to women as they are the ones responsible for day to day household purchases. If this is well explained to men, it shouldn't result in conflict. There should also be regular post-distribution monitoring to assess protection risks. Most of the IDPs in this location are used to handling cash and they should be able to manage cash from CBIs.

3.4 Availability of Appropriate Cash Delivery Systems

Myanmar is generally a cash economy with less than 20 percent⁵ of the population having access to formal financial services. In Myitkyina and Wiang Maw, there are a number of banks with branches and in theory it is possible to pay beneficiaries around these locations through financial institutions. The following financial institutions have branches in Myitkyina.

Table 4: List of Banks in Myitkyina

#	Name of Bank	Ownership
1	Asia Green Development Bank	Private
2	Ayeyarwady Bank	Private
3	Innwa Bank Limited	Private
4	Yoma Bank	Private
5	Kanbawza Bank	Private
6	Myanmar Economic Development Bank	Government

⁵ www.cgap.org/sites/default/files/Microfinance%20in%20Myanmar%20Sector%20Assessment.pdf

However, a significant number of camps are located outside towns where there are no banks. The only way to pay beneficiaries will be through direct cash distribution (cash in envelopes). The situation is the same in both GCA and non GCA. Also, there are some challenges with use of technology as there is poor mobile phone coverage in most of the locations. A significant proportion of IDPs come from rural locations where there is poor network coverage and therefore most of them do not even have mobile phones. Official statistics shows that nationally, only 40% of the population has access to mobile phones. The situation is most likely to be worse in the conflict zones in Myitkyina. Oxfam tried using the Last Mile Mobile Solutions (LMMS) and this couldn't work because of challenges in NGCA. They needed to be getting clearance to move in with the equipment each time they travelled to the field.

The possibility of using bank debit cards linked to bank accounts for payments was also explored. It was found that this will not be a feasible alternative due to the limited number of ATMs in Myitkyina and surrounding towns. There were also concerns that many of the people of concern especially the elderly will not be able to use ATMs. In general, use of debit cards and cashless transactions is still developing in Myanmar and both businesses and individuals currently prefer using cash as opposed to electronic transactions. Even the most established businesses in Myitkyina do not have debit/credit card readers making it difficult for cardholders to access financial services outside banking halls.

3.5 Training and Capacity Building

The agencies interviewed highlighted the need for training and capacity building before the massive rollout of CBIs planned for 2016. It was noted that most of the staff have not received any formal training in CBIs. Training topics identified by some agencies include the following:

- Markets assessments
- Monitoring of CBIs- post distribution monitoring (PDM), market monitoring
- Protection main streaming
- Setting up a complaints and response mechanism (CRM)
- Cash for work training

An introductory training in CBIs was provided to UNHCR and WFP staff in Myitkyina. A total of 8 staff were trained.

3.6 Other Issues

There is possibility to use a combination of vouchers and fairs in both the GCA and NGCA in some locations. The voucher interventions will help deal with issues such as possible localized inflation. Metta Foundation is currently using vouchers and has received positive reviews from the IDPs especially women. It will be interesting to explore this intervention to see if it can be replicated in other locations.

6. Recommendations

- A. UNHCR should consider implementing CBIs in all the camps with access to markets in Kachin state. Conditions exist for the successful implementation of CBIs. Many of the camps in the

GCA have access to markets. For NFIs, shelter maintenance and other assistance, CBIs will be a good alternative. Such an approach will also help prepare IDPs for return once their original locations become safe. A detailed analysis will have to be done camp by camp if large scale interventions are considered. For small targeted interventions, it will be possible to use cash in most of the NGCA camps.

- B. Detailed SOPs for distributions of cash should be developed in advance and specifically tailored to the local context and staff trained in the content. It was noted during this study that each state has a completely different context and SOPs developed for one state may not be applicable in another state.
- C. It is recommended that market assessments should be carried out in isolated camps and those camps in NGCA to determine the suitability of CBI in these locations. Because of travel restrictions, this study did not include these camps.
- D. Other agencies are currently considering implementing cash for work (CFW) in some locations to repair broken community infrastructure. Where cash for work is being considered in both GCA and NGCA, wages for the unskilled labourers should be slightly lower than local labour rates. This will help to reduce the probability of cash for work pulling away laborers from their normal day to day activities which are more sustainable. This will also help in targeting as the most vulnerable will opt for cash for work.
- E. Most of the CBIs currently being implemented were designed as a knee jerk response to the displacement crisis. The protracted nature of the crisis now calls for a comprehensive market analysis for livelihood activities supported through conditional cash grants. There is potential for saturating the markets. Once this happens, the continued participation of IDPs in current and future income generating activities will decline. It will be important to carry out a comprehensive market analysis that will help in the selection of products and services that have a ready market.
- F. Before CBIs are implemented, for protection monitoring purposes, it will be important to ensure that there is a complaints and response mechanism (CRM) in place so that beneficiaries can report protection issues and other abuses immediately. Currently, many agencies implementing CBIs do not have such a system in place.
- G. Cash for Work (CFW) payment amounts and any other grant should take seasonal price fluctuations into account (for example for rice, prices go up just before the harvesting period). IDPs purchasing power may be eroded if such fluctuations are not taken into consideration during the budgeting period.
- H. Coordination meetings - considering that there are many agencies currently implementing CBIs, the CWG should be activated as soon as possible in Myitkyina. This will enable agencies to share experiences, best practices and lessons learnt. There is a lot of interest amongst the agencies in taking part in such coordination mechanisms.
- I. Voucher interventions should be considered especially where aid is targeted. A detailed market analysis will have to be carried out before any voucher interventions are

implemented. Activities such as shelter maintenance can be implemented through vouchers for maintenance materials and maybe a direct cash component for the labour costs.

- J. Creating marketing links between beneficiaries (producers) and external buyers/markets – many agencies are implementing the same types of income generating activities. IDPs are currently struggling to find markets for their products. Helping IDPs to access outside markets will make these interventions sustainable in the long run.
- K. Consider providing support to host communities – there is significant potential to support local supply and demand of commodities and labour and thus promote IDP and host livelihoods and stimulate local economic development. Current interventions are focusing primarily on IDPs and are not designed to support local markets and livelihoods. If CBIs are considered for future interventions, host community support should be taken into consideration especially building the capacity of local traders so that they are able to meet the increased demand.