PRELIMINARY FINDINGS

Rakhine State
# CURRENT INTERVENTIONS

<table>
<thead>
<tr>
<th>CBI Type (Current and Planned)</th>
<th>Organizations</th>
<th>Activities Supported through Cash Grants</th>
</tr>
</thead>
</table>
| Conditional Cash Grants       | DRC, ICRC, WFP, UNHCR, AGA, LWF, Plan, Care, MHDO, Relief International, Myanmar Red Cross | 1. Shelter construction/repairs  
2. Livelihood activities  
• Winter cropping,  
• Petty trade,  
• Agric inputs |
| Unconditional Cash Grants     | ICRC                                                                         | Unconditional for vulnerable households affected by the cyclone.                                        |
| Cash for Assets/Work          | WFP, MHDO, ICRC                                                              | Infrastructure rehabilitation                                                                        |
MARKET ACCESS - NORTHERN RAKHINE

Stateless Populations

- Stateless populations in northern Rakhine 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.
- Most of the households have access to their land where they can engage in agricultural activities.

Rakhine Communities

- Markets are fully operational, well integrated with regional markets and accessible to most of the villages.
- 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.
MARKET ACCESS - CENTRAL RAKHINE

IDPs
IDPs and people in IDP like situations have restricted access to the markets in central Rakhine.

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.

The non-displaced Muslim communities are restricted to small markets around their villages.

Rakhine Communities

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 are actively involved in income generating activities such as farming, fishing and informal trade.
MARKET SYSTEM CAPACITY

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.
- Even the ongoing humanitarian interventions implemented after the cyclone have not had much effect on the prices.
- 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.

Central Rakhine: IDP Camps

- Traders have limited access to suppliers.
- There are a few shops open selling small items like sweets, snacks, chillies 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.
BENEFICIARY PREFERENCES

IDPs - in kind assistance preferred because of the market situation

Stateless communities – Cash will be accepted where markets are accessible. Some worries about rice

Rakhine communities – markets full functional and cash acceptable where assistance is to be provided
Lack of coordination - 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.

Technology limitations - 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.

Capacity - 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.

Market Analysis: There has been no comprehensive market analysis. There is need for a more detailed study considering that many agencies will soon be using cash.

Financial institutions lack capacity to support CBI payments - Direct cash payments “cash in envelopes” is the only option at the moment. Any other method will not be cost effective considering the wide geographical dispersion of the selected households.
OTHER FINDINGS

- There is possibility for extortion in some locations - agencies implementing CBIs should strengthen the complaints and response mechanism to ensure that such cases are reported promptly and dealt with immediately and decisively.
<table>
<thead>
<tr>
<th>SN</th>
<th>Risks</th>
<th>Likelihood of this Happening</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>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 is also possible.</td>
<td>Very high</td>
</tr>
<tr>
<td>2.</td>
<td>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.</td>
<td>Low in nRakhine and High in IDP locations in cRakhine</td>
</tr>
<tr>
<td>3.</td>
<td>Misuse of cash – there is a possibility that cash might not be used for the benefit of the household.</td>
<td>Low</td>
</tr>
<tr>
<td>4.</td>
<td>Security – theft, threats and harassment of the most vulnerable eg the woman headed and child headed households is possible.</td>
<td>Low</td>
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<tr>
<td>5</td>
<td>Gender imbalances – possibility of CBI assisting mostly able bodied eg CFW/A. Also possibility of women being paid less than man for equal work</td>
<td>Low</td>
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MAIN RECOMMENDATIONS

1. This study found that there is low potential for cash based solutions in central Rakhine especially in and around the camps and in camp-like situations. Challenges such as low trader capacity, inadequate market infrastructure, poor transport infrastructure, inadequate, financial services and poor market-integration collude to reduce the efficacy of CBIs.

2. The markets in northern Rakhine are functioning and the stateless populations have access to markets in and around their locations. Based on the observations and feedback from stakeholders, use of CBIs should considered in n-Rakhine.

3. 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.

4. There is a need to activate the CWG. CT will not be a priority if discussed under the Early recovery cluster.

5. Complaints and response mechanism (CRM) - the complaints and response mechanism needs to be strengthened to ensure that the protection issues are reported promptly and acted upon by the agencies including UNHCR.
6. Process and Impact Monitoring – monitoring systems need to be strengthened. Many agencies mentioned that they will need some training in M&E.