

CASH TRANSFER PROGRAMMES REVIEW IN KACHIN/ NORTHERN SHAN AND RAKHINE STATES

REVIEW

An independent review
commissioned by the
HARP Facility

Authored by Key Aid Consulting
January 2022.



Supported by:



This material has been funded by UK aid from the UK government; however the views expressed do not necessarily reflect the UK government's official policies.

EXECUTIVE SUMMARY

CONTEXT

The use of Cash and Voucher Assistance (CVA) in Myanmar dates to 2008, with the first CVA emergency response to Cyclone Nargis. By 2020, more than one million people received a total of 35.6 million USD worth of CVA, distributed by 63 organisations nationwide. Even so, government acceptance of CVA was not uniform in all contexts and sectors of implementation.

On 1st February 2021, the Myanmar military overthrew the government in a coup d'état. The combined effects of COVID-19 as well as the February 2021 coup have turned back the development clock by years. The resulting economic crisis comprised of inflation, depreciation of the Myanmar kyat (MMK) against the United States dollar (USD), as well as a liquidity crisis/low supply of bank notes and closure of banks.

Objectives

In light of this, this review aimed to harness lessons learned from the design, implementation and monitoring of past and current humanitarian CVA projects by humanitarian actors before and after 1st February 2021 in order to inform future crisis response in Rakhine, Kachin and Northern Shan states. Accordingly, the review mapped the use of CVA and CVA stakeholders, collated qualitative accounts of challenges and opportunities faced by humanitarian organisations, identified adaptations to the change in economic situation, market functionality and protection risks.

Methodology

The review took place from October 2021 to March 2022 and utilised a qualitative approach relying on a variety of primary and secondary data sources, both capturing qualitative and quantitative data. The research team reviewed a total of 56 documents and interviewed 39 humanitarian practitioners.

Findings

Yearly CVA volume

- **Rakhine** accounted for the largest volume of cash transfer programming in 2021 with a total of USD 21,212,651. This is a significant increase compared with 2019 and 2020, USD 6,294,712 and USD 20,714,603 respectively.
- In **Kachin** and **Northern Shan**, the CVA volume in 2020 amounted to USD 7,261,976 and USD 1,022,432 respectively. In 2021, the volume in **Kachin** and **Northern Shan** increased to USD 8,856,565 and USD 1,420,218.

CVA actors

- In **Rakhine**, WFP accounted for the largest share of the CVA volume transferred with 75% (USD 15,586,124) in 2020 and 93% (USD 19,578,449) in 2021. 34% of the assistance was distributed to recipients by local and national organisations acting as implementing/cooperating partners of international organisations.
- In **Kachin** and **Northern Shan**, WFP is the largest and most active cash implementer accounting for 76% (USD 778,605) and 59% (USD 4,287,130) of total transfer volumes respectively in 2020. This remains similar in 2021 with WFP representing 63% (USD 5,380,683) in Kachin and 95% (USD 1,348,369). 57% of CVA in Kachin and 42% in Northern Shan respectively are distributed to recipients by local and national organisations acting as implementing/cooperating partners of international organisations.

Sector

- In **Rakhine**, **Kachin** and **Northern Shan**, CVA for food represented the biggest CVA volume since 2019 until the time of this review. This is due to the WFP being the largest CVA actor in the three states.

Delivery mechanism

- In **Rakhine**, the main delivery was direct cash/cash in envelopes provided through humanitarian agencies accounting for 89% of transfers in 2020 and 98% in 2021.
- **The same is true in Kachin with direct cash/cash in envelopes covering** 50% in 2019 and 2020, and 72% in 2021. Implementers had used mobile money and e-vouchers since 2018. However, this was halted as a result of the liquidity crisis, with coverage dropping from 28% in 2020 to 0% in 2021.
- In **Northern Shan**, the main delivery mechanism was direct cash/cash in envelopes as well, accounting for 87% in 2019, 100% in 2020 and 98% in 2021.

Choice of modality

- In all three contexts of **Rakhine**, **Kachin** and **Northern Shan**, interest in implementing CVA has not decreased with COVID-19 and the military takeover. **Cash transfer remains the community's preferred modality**, in light of the freedom and access that cash affords, so long as markets are functional.
- De facto government acceptance for cash appears to be guaranteed for food assistance in the whole of Rakhine, while the authorisation for MPCA and cash for other sectors depends on the organisations and the location. There have been no obstacles regarding acceptance in **Kachin** and **Northern Shan** since the military takeover.
- **From a market standpoint, CVA feasibility has largely remained unchanged.** The military takeover had temporary effects on market availability/supply, due to extra checkpoints and roadblocks, but the availability of goods for basic needs has not been affected. **Markets have largely proven resilient; however, the equilibrium remains fragile.** Access to credit and cash flow remain severely constrained and transportation is expensive and challenging. There is a risk of decrease in production and long-term damages to key supply chains, such as the one for locally produced rice. This means that the operational limitations and difficulties relate not only to cash modality, but also to in-kind.
- In-kind assistance implemented by humanitarian organisations requires obtaining travel authorisations (TA) in place in most areas of the country, which are reportedly increasingly difficult to obtain, even more so than for CVA. Hence despite the challenges, cash remains the most feasible and relatively simpler option compared with other modalities.

Design decisions: Transfer value, frequency, duration

- As a result of inflation, the purchasing power of households receiving CVA in MMK has been eroded.
- Although a Minimum Expenditure Basket (MEB) exists as a reference towards transfer values since 2021, **it is inconsistently used across humanitarian agencies** and is based on poverty data that do not reflect the current situation. Besides the MEB that is in use, humanitarian organisations utilise a monthly analysis of the food basket conducted by the WFP to adapt their transfer values.
- There are some **conflicting reports of humanitarian organisations being able to adjust their transfer value to the crisis to maintain the purchasing power of recipients.** It appears that about half of organisations were not able to increase their transfer value because of budget limitations.

Delivery mechanism and FSPs

- The liquidity crisis has challenged the feasibility of using CVA in Myanmar. As a result of the crisis, FSPs were unable to operate in such a cash-constrained environment, and hence had initially stopped operations with CVA partners.
- Implementers have resorted to the only delivery mechanism available, which is **cash in envelopes**, due to the liquidity constraints and the temporary cease of activity of FSPs.
- The liquidity crisis has led to the emergence of new market actors, who offer money withdrawal services with fees ranging from 3 to 13% – Hundi service providers. Most international and national actors have resorted to using Hundi services since the military takeover. There is **secrecy among humanitarian actors about the specifics of the use of Hundis, and more generally speaking on how the liquidity crisis is being managed.** Hundis may pose a risk as they might be influenced by political or social agendas depending on the proclivities of the individual business operators.

TABLE OF CONTENTS

EXECUTIVE SUMMARY	2
TABLE OF CONTENTS	5
TABLE OF FIGURE	6
ACRONYMS	7
I. INTRODUCTION	8
I.1. Context	8
I.2. Objectives	11
I.3. Methodology	12
II. FINDINGS	12
II. 1. State of CVA programming since the military takeover	12
II. 2. Adaptation by humanitarian organisations since 1st February	15
II.2.1. Choice of modality	15
II.2.2. Design decisions: Transfer value, frequency, duration	17
II.2.3. Delivery mechanism and FSPs	18
II.2.4. Protection measures	21
II.2.5. Localisation of assistance	23
III. RECOMMENDATIONS	25
IV. ANNEXES	29
IV.1. Bibliography	29
IV.2. Study Matrix	31

TABLE OF FIGURE

Figure 1: Hundi transfer processes 19
Figure 2: GSM coverage of Telecom International Myanmar Company Limited.. **Error! Bookmark not defined.**

Table 1: Yearly CVA volume implemented reported by implementers from 2019 to 2021 (USD) 12
Table 2: CVA volume per sector from 2019 to 2021 [% of CVA disbursed] 14
Table 3: CVA volume per delivery mechanism from 2019 to 2021 [% of CVA disbursed] 15

Cover template: © Molly Webster

Cover Photo: ©HARP-F partner

ACRONYMS

4W	Who-What-Where-When
AA	Arakan Army
AAP	Accountability To Affected populations
CBM	Central Bank of Myanmar
CCT	Conditional Cash Transfer
CDM	Civil Disobedience Movement
CERP	COVID-19 Economic Relief Plan
CFM	Complaints and Feedback Mechanism
CMC	Camp Management Committee
COVID-19	Corona Virus Disease 2019 caused by SARS-CoV-2
CSO	Civil Society Organisation
CVA	Cash and Voucher Assistance
CWG	Cash Working Group
DSW	Department of Social Welfare
FCDO	Foreign, Commonwealth and Development Office (UK)
FSP	Financial Service Providers
GBV	Gender-Based Violence
GCT	Group Cash Transfer
GCA	Government-Controlled Areas
HH	Household
IDP	Internally Displaced Persons
INGO	International Non-Governmental Organisation
IP	Implementing Partner
KIA	Kachin Independence Army
KMSS - Bhamo	Karuna Mission Social Solidarity - Bhamo
LNGO	Local Non-Governmental Organisation
MAF	Myanmar Armed Forces
MEB	Minimum Expenditure Basket
MIMU	Myanmar Information Management Unit
MLCS	Myanmar Living Conditions Survey
MMK	Myanmar Kyat
MoSWRR	Ministry of Social Welfare Relief and Resettlement
MoU	Memorandum of Understanding
MPCA	Multi-Purpose Cash Assistance
NFI	Non-Food Items
NGCA	Non-Government Controlled Areas
NGO	Non-Governmental Organisation
PDM	Post Distribution Monitoring
PSEA	Prevention of Sexual Exploitation and Abuse
SAC	State Administration Council
SAD	Sex, Age and Disability
SOP	Standard Operating Procedure
TA	Travel Authorisation
UN	United Nations
UNFPA	The United Nations Population Fund (formerly the United Nations Fund for Population Activities)
UNICEF	United Nations International Children's Emergency Fund
USD	United States Dollar
WASH	Water, Sanitation and Hygiene
WFP	World Food Programme

I. INTRODUCTION

I.1. Context

The state of Cash and Voucher Assistance in Rakhine, Kachin and Northern Shan

The Government of Myanmar has historically been averse to Cash and Voucher Assistance (CVA).

Nonetheless, at its earliest, one or more humanitarian organisations have implemented emergency Cash and Voucher Assistance (CVA) as a response to Cyclone Nargis in 2008. Since 2014, the use of CVA has been allowed for humanitarian organisations by the Department of Social Welfare (DSW) of the Ministry of Social Welfare Relief and Resettlement (MoSWRR) towards emergency and early recovery responses and for social protection. In 2016, the first “Who-What-Where-When” (4W) of the Cash Working Group (CWG) shows that 640,000 persons received cash assistance during that year.¹ **In 2020, more than one million people received a total of 35.6 million USD² worth of CVA, distributed by 63 humanitarian organisations nationwide.**³ Although CVA has been predominantly used in the food security sector, it is increasingly being used for other sectoral outcomes, as well as multisectoral assistance, in Internally Displaced Persons (IDP) contexts as well as in post flood responses.⁴ **Rakhine, Kachin states** and **Northern Shan region** are areas in country with the highest CVA volume provided by humanitarian organisations. As a social protection response to the start of the COVID-19 pandemic in 2020, the then government had set up a COVID-19 Economic Relief Plan (CERP) with an estimated cost between 2.9 to 3.7 trillion Myanmar kyat (MMK), and by September 2020, had been able to distribute an overall 1.9 trillion MMK towards relief activities. Among the areas of spending, cash transfer to households accounted for 17% – making it the second-biggest area of spending following soft loans and business credit [52%].⁵

Although significant strides had been made regarding CVA in Myanmar, the post-coup economic crisis, the Civil Disobedience Movement (CDM), bank closures, a cash liquidity crisis as well as depreciation of the Myanmar kyat (MMK) have made cash assistance difficult for humanitarian organisations.⁶

Evolution of context since the military takeover of February 2021

On 1st February 2021, the Myanmar military overthrew the government in a coup d'état. The combined effects of COVID-19 as well as the February 2021 coup have turned back the development clock by years. In early 2022, twice as many people as in 2019 are expected to be living in poverty. In 2021, Myanmar's legitimate economy contracted by an expected 18%.⁷ **The economic crisis in Myanmar has multiple facets:**

- **Inflation**,⁸ which has three causes: (1) Demand-pull inflation as a result of supply chain failures linked to COVID-19 preventive measures, international sanctions and boycott as well as a drastic decrease

¹ HARP-F, “Review of Cash Transfer Programmes in Kachin and Northern Shan States,” 2018.

² This does not include the social protection transfers.

³ Cash Working Group Myanmar, “Infographic: 2020 Cash and Voucher Assistance Activities,” 2020, https://themimu.info/sites/themimu.info/files/documents/Infographic_Myanmar_Cash_and_Voucher_Activities_2020.pdf.

⁴ Myanmar Cash Working Group, “Terms of Reference Myanmar - Cash Working Group,” 2020.

⁵ The World Bank, “Myanmar Economic Monitor, Coping with COVID-19,” December 2020.

⁶ Cash Working Group Myanmar, “Bi-Weekly Update N°37 - 24 September 2021,” 2021.

⁷ “Economic Activity in Myanmar to Remain at Low Levels, with the Overall Outlook Bleak,” Text/HTML, World Bank, accessed February 23, 2022, <https://www.worldbank.org/en/news/press-release/2022/01/26/economic-activity-in-myanmar-to-remain-at-low-levels-with-the-overall-outlook-bleak>.

⁸ “Inflation is the increase in prices of goods and services in an economy over a given unit of time. It is typically measured at a national level and as a percentage increase per year, based on the average price level of a basket of selected goods and services in an economy.” Pelly I. 2021, Good Practice Review on Cash Assistance

in market integration due to security issues; [2] Cost-push inflation: higher prices of inputs (as a result of a decrease in imports and currency depreciation) and oil prices (as a result of a major decline in fuel imports as well as increase in oil prices) feeding into higher costs, which also affect and are affected by transportation services whose costs are additionally influenced by strikes and protest activities; and [3] Depreciation of the Myanmar kyat, increasing the cost of imported goods. There was a sharp exchange rate depreciation in September 2021, which led to a bump in import across the economy, including of fuel and other critical inputs.⁹ At the end of 2021, inflation impacted both food and non-food commodities with a year-to-year inflation of respectively 7.3% in 2021 and 9.8% in 2022.¹⁰

- **Depreciation**, which is a fall in the value of Myanmar's kyat against the US dollar (USD) within the floating exchange rate¹¹ system. Since August 2021, the Central Bank of Myanmar (CBM) adopted a pegged float exchange rate MMK/USD. The CBM required commercial banks and money changers to keep currency trading rates within 0.8% of the official rate issued by the CBM. This has led to the development of multiple exchange rates: the official exchange rate set by the CBM, the commercial rate (i.e., within 0.8%) used by banks but also parallel/black market rates (e.g., on 31st August 2021, the CBM official rate was 1,614 MMK/USD, exchange counters were selling USD (in limited amounts) at 1,687, and the black market rate ranged from 1,770 to 1,785).^{12,13} The MMK depreciation is the result of a) less foreign currency entering the country (decreasing foreign investments and tourism as well as the suspension of aid and international loans as a result of sanctions) and decreasing foreign currency reserve levels as well as b) increased domestic demand for hard currency (e.g., USD or Thai baht) and gold. In September 2021, a sharp depreciation in the exchange rate had occurred but later stabilised. However as of mid-January 2022, the MMK reference rate was 5 percent lower compared with the rate of the USD at the end of August 2021.¹⁴
- **Liquidity crisis**, which stems from a high demand and low supply of bank notes. This high demand mostly results from the lack of trust in the banking sector following the military takeover. The high scrutiny on any transaction is likely to further fuel mistrust. Following the military takeover, the CBM has had to cap withdrawals (as of September 2021: MMK 2 million per week for personal accounts, MMK 20 million per week for corporate accounts, and MMK 500,000 from ATMs per day).¹⁵ In practice, most of the Financial Service Providers (FSP) have a lower cap and use a token system (on a first come first served basis – see 0) to try to limit the demand for cash. Supply of cash is short because deposits are scarce as clients are uncertain whether they will be able to withdraw the money they deposit in the banks, and there was an increase in attempts to withdraw money. Thus, immediately after the military takeover, supply was short, which was further exacerbated by the fact that banks were unable to function as a result of their employees joining the CDM. Internet blockages and power shortages further limited the supply of cash. Finally, the supply of cash is also short because Myanmar has been unable to print bank notes, while more physical notes are needed to buy the same amount of goods and services due to the currency depreciation and its subsequent loss of value. The German-based company that provided the raw material to print bank notes terminated its contract because of international sanctions. During the last quarter of 2021, Myanmar received a supply of raw materials from another company and printed additional bank notes. These notes are of poor quality and easily identifiable as such, which further depleted the trust in the banking system.¹⁶

in Contexts of High Inflation and Depreciation https://www.calpnetwork.org/wp-content/uploads/2021/10/good_practice_review_final_edited.pdf

⁹ World Bank, "Contending with Constraints - Myanmar Economic Monitoring," January 2022.

¹⁰ World Bank.

¹¹ In a floating exchange rate system, market forces determine the floating currency's (i.e., the MMK) value loss.

¹² Myanmar now, n.d., <https://www.myanmar-now.org/mm/news/8136>.

¹³ It is worth noting that the difference between exchange rates fluctuated over time and that differences were sometimes fairly limited.

¹⁴ The World Bank, "Myanmar Economic Monitor, Contending with Constraints," January 2022.

¹⁵ The World Bank, "Myanmar Economic Monitor Progress Threatened; Resilience Tested," 2021, <https://pubdocs.worldbank.org/en/525471627057268984/Myanmar-Economic-Monitor-July-2021.pdf>.

¹⁶ Cited by one KII from an expert interview.

Furthermore, **market functionality has been affected by both the military takeover and COVID-19**. Both have led to reduced mobility and demand. In addition, the military takeover has also led to security concerns affecting trade and trade routes, as well as international sanctions affecting imports and international trade.¹⁷ As a result of the economic crisis, traders have lower access to credit. The financial providers who would traditionally lend them money are currently under liquidity constraints. Terms of trade have also changed, as wholesalers are now requesting upfront cash payments as opposed to payment on credit. This may have implications going forward should traders need to increase their stock rapidly. Difficulties to access credit could also, in the longer term, negatively affect agricultural production should producers face challenges accessing credit. This may especially be the case considering their cash inflow has reduced as a result of a drop in demand from consumers who have lost purchasing power. Farm gate prices have also dropped because of high transportation costs, thus reducing the margins of retailers.

At the time of the data collection, markets were functional but there was a lower market integration and prices were generally increasing. Over the country, prices for imported goods are on a general increasing trend because of the MMK depreciation and crisis-induced constraints. Supply has reduced due to supply chain failures linked to COVID-19 preventive measures, which were applied in waves, international sanctions and boycott as well as a drastic decrease in market integration due to security issues. In parallel, the prices of inputs, such as fuel, fertilisers, non-food items, etc., have increased due to a decrease in imports and currency depreciation. Nonetheless, effects are context dependent – given the state of conflict in the locations, dependence on imports, etc.

Following the military takeover, there were **reports of human rights violations** that further added to the challenges experienced by those who were already in need of humanitarian assistance, especially internally displaced populations.¹⁸ Across the country, out of the 593,000 IDPs who were living in new and protracted IDP sites nationwide, more than 223,300 have been displaced once again since the military takeover.¹⁹ The economic crisis that unfolded in the aftermath of the military takeover led to a deterioration of the economic situation and increased the risks of exploitation. In late 2021, the situation was very volatile, especially in **Northern Shan** and to a lesser extent in **Kachin**, which led to large displacements. The increased number of check points in Northern Shan and Kachin because of the military takeover has led to increased risks of extortion and of gender-based violence (GBV), especially for women and girls. Following the military takeover, fighting between the Kachin Independence Army (KIA) and the Myanmar Armed Forces (MAF) broke out. This triggered a cessation in displacement, which had lasted for two years prior, forcing 11,000 people to flee²⁰ and effectively disrupting the returnee and durable solutions programmes in Kachin.

On the other hand, the military takeover seems to have had little effect on the protection-related situation in **Rakhine**, which was already and still is concerning. This is partly influenced by a ceasefire between the Arakan Army (AA) and the MAF that began in November 2020. However, flare ups were reported in October and November 2021, resulting in IDPs being resistant to repatriation efforts by the AA and MAF due to safety concerns as well as property seizures.²¹ Nonetheless, the relative calm has been favourable for humanitarian action. The Rohingya people in Rakhine, however, still face difficulties in accessing humanitarian services due to limited freedom of movement imposed by both formal and informal restrictions [resulting primarily from gender norms]. They face “institutionalised” extortion by military personnel at checkpoints. For the Rohingyas living in camps **who receive CVA**, risks of extortion also stem from the Camp Management Committee [CMC].²² CMC members have to pay to become part of the committee and therefore expect a “return on investment”.

¹⁷ United Nations Office for Coordination of Humanitarian Affairs (OCHA), “HCT Myanmar – Inter-Agency Emergency Response Preparedness (ERP) Plan,” June 2021.

¹⁸ Human Rights Council, “Report of the Special Rapporteur on the Situation of Human Rights in Myanmar” (Koninklijke Brill NV), accessed August 2, 2021, https://doi.org/10.1163/2210-7975_HRD-9970-2016149.

¹⁹ OCHA, “Humanitarian Needs Overview (HNO) Myanmar,” 2021.

²⁰ Internal Displacement Monitoring Centre, “Expert Opinion: Post-Coup Displacement in Myanmar: What We Know, and What We Don’t,” September 2021.

²¹ OCHA, “Humanitarian Needs Overview (HNO) Myanmar.”

²² Source: one key informant, and Mercy Corps, 2020, Humanitarian CVA Feasibility study Rakhine State, Myanmar.

In both areas, the distribution of CVA has been perceived as a potential source of tensions in households, exposing women to increased Intimate Partner Violence.²³ This is, however, not borne out by evidence: neither global evidence²⁴ nor country-specific evidence as measured by Mercy Corps or WFP.²⁵

1.2. Objectives

Although significant strides had been made regarding CVA in Myanmar, the post-military takeover economic crisis, civil disobedience movements, bank closures, internet cuts affecting mobile money services, a cash liquidity crisis as well as depreciation of the MMK have made cash assistance difficult for humanitarian organisations.

This review aimed to harness lessons learned from the design, implementation and monitoring of past and current humanitarian CVA projects before and after 1st February 2021. This formative review is intended to inform future crisis response in Rakhine, Kachin and Northern Shan states.

To achieve this overall objective, the consultancy addresses the **four following specific objectives:**

- **Mapping** the use of CVA and CVA stakeholders in Rakhine, Kachin and Northern Shan in 2021 since the military takeover;
- Collating qualitative accounts of **challenges and opportunities** faced by humanitarian organisations when designing, implementing and monitoring emergency projects using CVA in Rakhine, Kachin and Northern Shan since the military takeover;
- Identifying how humanitarian organisations have adapted their CVA programmes to the change in context, especially due to the **economic situation, the change in market functionality and increased protection risks;**
- Providing recommendations for cash practitioners regarding delivery through local organisations, digital cash and informal money transfer agents.

Scope of the review

The work reviews projects implemented in Rakhine, Kachin and Northern Shan. As part of this review, the lifespan of the projects/programmes looked at covers from 2019 to 2021. The review looks at projects implemented by all types of organisations (local, national and international). The review focuses on crisis response, i.e., projects implemented in response to an event described by the organisation as a humanitarian crisis and that last a maximum of 12 months.

The review encompasses all CVA modalities (cash grants and vouchers), using any delivery mechanisms (direct distribution, card or mobile based) for any population type (host community, IDP, stateless people).

Audience of the review

This review is intended to be used by HARP-F's implementing partners, FCDO and other donors as well as the humanitarian community in Myanmar (particularly the UN, international NGOs, national NGOs). The review will be public and available on the HARP-F website. It is aimed to be shared as well on MIMU via the Cash Working Group.

²³ Source: two key informant interviews, and Mercy Corps, 2020, Humanitarian CVA Feasibility study Rakhine State, Myanmar.

²⁴ Allyson Cross, Tenzin Manell, and Melanie Megevand, "Humanitarian Cash Transfer Programming And Gender-Based Violence Outcomes: Evidence And Future Research Priorities" (Women Refugee Council, 2018).

²⁵ There is currently WFP research on CVA-related risks in households, the results of which are yet to be known and which could contribute to strengthening the body of evidence on this matter.

I.3. Methodology

The objectives for this review were met through a **qualitative approach, relying on a variety of primary and secondary data sources, both capturing qualitative and quantitative data**. The research team reviewed a total of 56 documents and interviewed 39 humanitarian practitioners²⁶ as follows:

- 21 implementing agencies, 5 donors, 5 protection experts, 3 contextual experts, 3 financial service providers and 2 market experts;
- 18 informants had relevant information for both contexts, 12 for **Rakhine** and 9 for **Kachin/Northern Shan**.

The review took place **from October 2021 to March 2022**, with the inception phase spanning from October to November, the data collection from December to January and the reporting from January to March 2022.

The main limitations of this review include:

- While sufficient to generate findings for all review questions, a total of 40 key informants for both the review in Kachin/Northern Shan and Rakhine states was not a sufficient sample to explore all aspects of CVA in three distinct states and contexts. As such, it is likely that this review does not reflect all the experiences faced by humanitarian actors, or cover the CVA context since the military takeover in an exhaustive manner.
- While the terms of reference initially envisioned two reports - one for Rakhine and one for Kachin/Northern Shan - the research team produced one joint report instead, because there were not enough differences in granular information between the three contexts to justify the production of two separate reports.

II. FINDINGS

II.1. State of CVA programming since the military takeover

Yearly CVA volume

According to data captured in the 4Ws of 2019, 2020 and 2021, the CVA volume in 2021 has slightly increased compared with 2020. A significant number of informants reported that the volume committed to by their donors from 2020 to 2021 had either remained similar or increased.

Table 1: Yearly CVA volume implemented reported by implementers from 2019 to 2021 (USD)

	2019	2020	2021
Rakhine	6,294,712	20,714,603	21,212,651
Kachin	9,266,530	7,261,976	8,856,565
Northern Shan	2,541,484	1,022,432	1,420,218

Rakhine accounted for the largest volume of cash transfer programming in 2021 with a **total of USD 21,212,651**. There has been a significant increase in the volume of CVA implemented, bumping from USD 6,294,712 in 2019 to USD 20,714,603 in 2020, which is linked to the growing acceptance by the government at the time. Key government officials were aware and accepting of CVA, depending on the sectors of implementation and context.²⁷

²⁶ Key informants were selected using purposive sampling to include people who are best placed to provide valuable information and represent the various operational locations/stakeholder groups, based on the following criteria: (1) Membership in the cash working group (CWG); (2) Size of cash transfer programming and areas of intervention as reflected in the 4W; (3) Representation of local, national and international organisations, including FSPs; and (4) Expertise on a review topic (liquidity; markets; protection, gender and AAP).

²⁷ Humanitarian Assistance and Resilience Programme Facility (HARP-F), "Humanitarian Cash and Voucher Feasibility Study, Rakhine State Myanmar," February 2020.

A survey done by Mercy Corps indicates that, as of 2020, CVA was only accepted as a form of assistance by the government in Sittwe for Cash+ projects such as WFP's cash + rice, cash for oil, or 100% cash for food programmes, implemented through three partners – Save the Children, Plan International and People for People.²⁸ Nevertheless, there was an increase in uptake throughout 2020 as cash assistance became an approved modality for reaching the newly displaced, particularly in Central Rakhine. As a testament to the flourishing acceptance of CVA, the government had taken over a pilot project by Save the Children regarding the Maternal and Child Cash Transfer programme, which was undertaken in 275 villages in Rakhine between 2015 and 2018. In 2020, the then government had started using CVA as part of its safety net response to COVID-19 and allowed humanitarian organisations to utilise CVA nationally. With national funds and a grant from the Access to Health Fund, the Myanmar Humanitarian Fund had allocated almost USD 4 million towards preparedness and response to COVID-19 in 2020.²⁹

In **Kachin** and **Northern Shan**, the CVA volume in 2020 amounted to **USD 7,261,976** and **USD 1,022,432** respectively. While the CVA volume has reduced compared to 2019, especially in Northern Shan, it increased again in 2021. Furthermore, In 2021, similarly to Rakhine, although humanitarian implementers struggled to implement cash programmes at scale due to the liquidity issue, there has been an increase of CVA volume to **USD 8,856,565** in Kachin, and **USD 1,420,218** in Northern Shan, related to increase in needs and in transfer values.

CVA actors

In **Rakhine**, **WFP accounted for the largest share of the CVA volume transferred** with 75% [USD 15,586,124] in 2020 and 92% [USD 19,578,449] in 2021. The second-biggest actor in 2020 was Save the Children with 10% [USD 2,171,303] of the volume transferred. In 2021 on the other hand, the second-biggest actor was CARE International accounting for 2% [USD 474,419]³⁰ of the remaining volume transferred.

In 2020, only 1.6% of the CVA volume was disbursed by national and local organisations directly, it remained consistent in 2021, with 1.4%.³¹ On the other hand, the volume of the assistance distributed to recipients by local and national organisations acting as implementing/cooperating partners of international organisations increased from 34% to 45% from 2020 to 2021.

In **Kachin** and **Northern Shan**, **WFP is the largest and most active cash implementer as well** accounting for 59% [USD 4,287,130] and 76% [USD 778,605] of total transfer volumes respectively in 2020.³² This remains similar in 2021 with **WFP representing 60% (USD 5,380,683) in Kachin and 95% (USD 1,348,369) in Northern Shan.**

No local actors got direct funding to implement CVA programmes in **Northern Shan in both 2020 and 2021.** On the other hand,, direct funding to local actors reduced from 2020 to 2021: It represented 16% of direct CVA funding in 2020 and only 4,3% in 2021. This reduction is possibly misleading, as the 2022 4W was incomplete when analysed. On the other hand, there was 57% of CVA in **Kachin** and 42% in **Northern Shan** respectively distributed to recipients by local and national organisations acting as implementing/cooperating partners of international organisations. In 2021, these percentages were respectively 53% and 85%.

Therefore, in Kachin, national and local organisations implement 90% of the CVA. This figure corroborates the perception from informants that Kachin has strong national and local organisations that can implement CVA programmes on their own [see 0]. The CVA volume implemented **in 2021 has increased to 76% for Kachin and to % for Northern Shan.**

²⁸ Humanitarian Assistance and Resilience Programme Facility (HARP-F), "Humanitarian Cash and Voucher Feasibility Study, Rakhine State Myanmar," February 2020.

²⁹ OCHA, "COVID-19 Addendum to the 2020 Myanmar Humanitarian Response Plan April - December 2020," 2020.

³⁰ There was no data for Save the Children in the 2021 4Ws reviewed in February 2022.

³¹ At the time of analysis, the 2021 4W was not finalized. Therefore, this percentage may currently be undervalued.

³² 4Ws 2020.

Sector

In **Rakhine**, **Kachin** and **Northern Shan**, CVA for food represented the biggest CVA volume since 2019. Other sectors or multisectoral cash assistance remain fairly limited. The predominance of the food sector stems from the fact that WFP is by far the main CVA actor in the three states, and its programmatic portfolio focuses on food assistance.

Table 2: CVA volume per sector in 2020 and 2021 [% of CVA disbursed]

	Rakhine		Kachin		Northern Shan	
	2020	2021	2020	2021	2020	2021
Food	75%	93%	78%	86%	71%	95%
Livelihood	17%	0%	1%	4%	7%	2%
Multisectoral	7%	6%	5%	3%	12%	0%
WASH	1%	0%	0%	0%	0%	0%
Agriculture	0%	1%	1%	1%	0%	0%
Protection	0%	0%	7%	1%	4%	0%
Education	0%	0%	1%	1%	6%	0%
NFI/Shelter	0%	0%	4%	3%	1%	0%
Health	0%	0%	1%	0%	0%	0%
Nutrition	0%	0%	0%	1%	0%	3%

In the case of **Rakhine**, the use of cash transfers has been predominantly restricted to food assistance, because the government wanted to minimise the CVA volume disbursed outside of Sittwe, due to concerns that transfers would be directed to resistance groups such as the Arakan Army.

Delivery mechanism

In 2020, due to the COVID-19 pandemic, the government of Myanmar had begun to ease its restrictions on different modalities and mechanisms in order to scale up its social safety net system. This, in turn, created an opening for humanitarian organisations to explore using mechanisms such as mobile transfers and e-vouchers. However, this uptake was halted due to the liquidity issue [see section 1.1]. As a result, CVA was scaled down because of withdrawal limits at banks, hence cash in envelopes became the delivery modality of choice, using a token system by which beneficiaries withdraw by turns.³³ Therefore, following the military takeover, most organisations **had prioritised cash in envelopes/direct cash**.

In **Rakhine**, the main delivery mechanism was **direct cash/cash in envelopes provided through humanitarian agencies**, with **89% in 2020 and 98% in 2021**. This was followed by **e-vouchers**, which accounted for **2% in 2020, but decreased to 1% in 2021**. Finally, **mobile money accounted for 9% in 2020 but decreased to 0% in 2021**. In 2019, Mercy Corps conducted a feasibility study towards the use of e-vouchers, which were favoured by the government due to the restricted nature of e-vouchers, which were later turned into e-money. This explains why the share of direct cash reduced from 100% in 2019 to 89% in 2020. However, in 2021, due to the liquidity crisis, most implementers reported going back to direct cash, as demonstrated by the 2021 4W data of 98%.

In **Kachin**, the main delivery mechanism was **also direct cash/cash in envelopes**, but it only represented 50% in 2019 and 2020 and 72% in 2021. Since 2018, implementers (especially WFP) have been gradually shifting their delivery mechanism to mobile money and e-vouchers. However, in 2021, implementers had to go back to cash in envelopes because mobile money operators, such as Wave Money for WFP and M-Pitesan, stopped their operations due to the liquidity crisis. This explains the reduction of mobile money from 44% in 2020 to 0% in 2021 in Kachin.

In **Northern Shan**, the main delivery mechanism was **direct cash/cash in envelopes** prior to the military takeover. It went from 87% in 2019 to 100% in 2020 and 98% in 2021. This trend is the opposite of the other two states. According to one informant, this comes from a lower acceptance of mobile money from recipients [see 11.2.3]. Since 1st February, the shares of delivery mechanisms have not changed.

³³ Cited by two KIIs from international organisations.

Table 3: CVA volume per delivery mechanism from 2019 to 2021 [% of CVA disbursed]

Delivery mechanism	Rakhine			Kachin			Northern Shan		
	2019	2020	2021	2019	2020	2021	2019	2020	2021
% of direct cash/cash in envelopes	100%	89%	99%	50%	51%	99%	87%	100%	98%
% of bank transfers	0%	0%	0%	0%	0%	1%	0%	0%	2%
% of e-voucher	0%	2%	1%	0%	0%	0%	0%	0%	0%
% of paper voucher	0%	0%	0%	0%	3%	0%	0%	0%	0%
% of mobile money	0%	9%	0%	2%	44%	0%	2%	0%	0%
% of direct cash + mobile	0%	0%	0%	48%	0%	0%	11%	0%	0%
% of other delivery mechanisms	0%	0%	0%	0%	2%	0%	0%	0%	0%

II. 2. Adaptation by humanitarian organisations since 1st February

II.2.1. Choice of modality

In all three contexts of **Rakhine**, **Kachin** and **Northern Shan**, interest in implementing CVA has not decreased with COVID-19 and the military takeover. Cash Feasibility Assessments remain the main source of information to decide which modality is appropriate and relevant, where humanitarian implementers look at community acceptance, government acceptance, market access and functionality, availability of safe delivery mechanism and operational conditions. For most informants, cash remains the most feasible option to tackle growing needs throughout the country.³⁴

Cash transfer remains the community's preferred modality, as largely demonstrated through feasibility studies and Post Distribution Monitoring (PDM)³⁵. End users of CVA programming prefer the freedom and access that cash affords, so long as markets are functional. There were reported exceptions in contexts such as Maungdaw and Pauktaw townships of **Rakhine**, where limited market access necessitated the use of in-kind assistance in place of CVA [see II.2.2]. Although e-vouchers were priorly accepted by the government and deemed feasible by humanitarian organisations such as Mercy Corps³⁶ and were even progressively turned to e-cash, the cash liquidity crisis following 1st February saw the uptake of e-vouchers dwindle [See II.1. Delivery mechanism]. In explaining this phenomenon, a key informant from one international NGO noted:

"E-cash [without any physical currency] does not work in Myanmar. Even if transactions without physical currency remain possible, vendors are not able to get cash with e-money and then restock, so e-cash would not work."

Government acceptance for cash is guaranteed for food assistance in the whole of **Rakhine**. For other sectors as well, multi-purpose cash assistance (MPCA) acceptance varies depending on the locations and actors. The WFP, a UN actor, has more bargaining power as the largest CVA actor. Mercy Corps was similarly able to implement MPCA via local organisations. In contrast, a few actors reported facing difficulties in obtaining government approval for MPCA outside of main cities and north of Rakhine. On the other hand, there was no reported acceptance issue with the de facto government in **Kachin** and **Northern Shan** since the military takeover.

Market functionality has been severely tested over the past 12 months. However, all informants confirmed that, **from a market standpoint, CVA feasibility has largely remained unchanged**. The military takeover had temporary effects on market availability/supply, due to extra checkpoints and roadblocks, but the

³⁴ Cited in four KIs from international organisations.

³⁵ Cited in eight KIs from international organisations.

³⁶ Humanitarian Assistance and Resilience Programme Facility (HARP-F) and Mercy Corps Myanmar, "Cash & Voucher Assistance in Myanmar, Learning Brief #1, Assisting Vulnerable Populations with Electronic Vouchers in Sittwe Township," n.d.

availability of goods for basic needs has not been affected. However, there have been notable price increases. Therefore, beyond adjusting the transfer value, as discussed in section [11.2.2](#), humanitarian organisations have not taken specific mitigation measures. In regard to this, a key informant noted:

“We are still planning to implement CVA because the market is functioning and there is still a community preference for CVA. If this [changes], our willingness to implement CVA may change, but I don’t foresee this being the case.”

Markets have largely proven resilient; however, the equilibrium remains fragile. Consequently, should access to credit and cash flow remain severely constrained and transportation expensive and challenging, there is a risk of decrease in production and long-term damages to key supply chains, such as the one for locally produced rice. This means that the operational limitations and difficulties relate not only to cash modality, but also to in-kind.

At country level, transportation remains one of the major challenges to market functionality. Following the military takeover, the transport sector has been affected by strikes and protest activity. This, in tandem with the global increase in the price of oil, has led to an increase in the cost of transportation as well as to build-ups of imported cargo in the main country entry points. In late 2021, movement restrictions, road blockades and check points as well as insecurity were the main constraints to internal transportation.³⁷ In **Rakhine**, the military takeover had a comparatively lesser impact on market functionality. First, because the security situation did not deteriorate as much as it did in other areas following the military takeover. Second, because market actors have long faced challenges and hence, have become more resilient.³⁸ In **Rakhine**, the availability of locally produced products has remained constant, but the availability of internationally produced products has decreased. On the contrary, in **Kachin** and **Northern Shan**, where imports play a big role in supplying the markets, border closures with China following the COVID-19 outbreak in 2020 have affected trade further by limiting the supply coming into the country.

In terms of **operational conditions**, in-kind assistance implemented by humanitarian organisations requires obtaining travel authorisations (TA) in most areas of the country. TAs are reportedly increasingly difficult to obtain and necessitate travel permissions at checkpoints as well as ‘under-the-table’ payments. Comparatively, more than half of informants noted that TAs for CVA are simpler to obtain than for in-kind assistance in all three contexts of **Rakhine**, **Kachin** and **Northern Shan**. Furthermore, with the depreciation of the MMK, large-scale in-kind assistance relying on import is less cost-efficient.

Hence, **despite the challenges, cash remains the most feasible and relatively simpler option compared with other modalities, according to a vast majority of informants**, because operational challenges are either not modality-specific or are greater for in-kind assistance.³⁹ As a result, in certain cases, there has even been an increase in the willingness to implement CVA from humanitarian agencies to address the increasing needs. This led to extending support to Civil Society Organisations (CSO), which have become key actors on the ground following the COVID-19 pandemic and the military takeover.⁴⁰

However, the preference for cash varies across organisations and contexts. While international organisations are predominantly in favour of cash, some local organisations were more severely impacted by the restriction imposed on cash by banks. For example:

- In **Rakhine**, although a national organisation had planned on rolling out their CVA programme in 2021, a decision was made to change from cash to in-kind in some project locations in light of the national cash constraint caused by the military takeover. In the larger context, government acceptance of CVA was contingent on implementation and context (i.e., cash + rice, cash for oil, or 100% cash for food programmes).⁴¹ And although there has been a new government policy capping the maximum amount that can be withdrawn by individuals, CVA continued largely through direct cash facilitated through formal and informal transfer agents (see [11.2.3](#)) with occasional delays in transfer time.

³⁷ The World Bank, “Myanmar Economic Monitor Progress Threatened; Resilience Tested.”

³⁸ Cited in three KIIs from international organisations.

³⁹ Cited in 17 KIIs from local and international organisations.

⁴⁰ Cited in three KIIs from international organisations.

⁴¹ HARP-F, “Review of Cash Transfer Programmes in Kachin and Northern Shan States.”

- In **Kachin**, in place of opting between modalities, some actors used mixed modalities, e.g., 'cash + rice' for remote Non-Government Controlled Areas (NGCA), despite the logistical difficulties of distributing in-kind assistance.⁴² This was done as the needs of crisis-affected populations in NGCAs tend to be relatively more severe. Moreover, according to two interviewees, organisations operating cross-border interventions in NGCAs were not as affected as those operating within. This can be explained by the fact that they mainly utilised foreign currency instead of Myanmar kyat (MMK), sparing them of the scrutiny and cash limitations that followed the military takeover. This, however, could not be fully triangulated, and should be investigated further.

The appetite of national and local organisations for CVA did not reduce despite the military takeover. Similar to international organisations, their rationale for using a specific modality was based on a situation and response analysis, with the caveat that their operational capacity to deliver cash was more impacted than that of international organisations. This is due to their lower capacity to circumvent the liquidity crisis. First, they did not have the necessary cash flow and reserves to deal with the fact that the transfers from international organisations were delayed and with the increase in the FSP fees (see 0).

According to interviewees, while cash remains the most appropriate modality and is viewed as the most adequate one to deal with the growing needs in country, the national cash constraint had nonetheless impacted both cash and in-kind assistance and caused delays for food assistance. These delays can be explained by supply chain disruptions caused by protests and the fuel price increase. In terms of planned levels of CVA interventions, although **the same volumes⁴³ of CVA are reported by most humanitarian agencies, implementers are not currently able to deliver at scale⁴⁴ and on the expected volume given the constraints.** This remained the case despite the improvement in the national cash constraint situation towards the end of the year.

II.2.2. Design decisions: Transfer value, frequency, duration

Following the economic crisis, which manifested itself through inflation, the depreciation of the MMK, and cash constraint/liquidity crisis, "people simply have less money to buy more expensive items".⁴⁵ They also face challenges in accessing markets as a result of COVID-19 preventive measures, insecurity as well as difficulties accessing physical currency due to the rampant liquidity crisis. As a result of inflation, **the purchasing power of households receiving CVA in MMK has been eroded.** Hence, they are now unable to access the same commodities and services with the same CVA grants as before. Inflation also increases the costs of inputs and transportation, leading to further increases in the price of items.

Price increases affect key commodities such as rice and cooking oil. As per the WFP, between December 2020 and 2021, the highest yearly price increase of rice has been in Eastern and **Northern Shan** (+34%), while **Kachin** saw a relatively lower increase (+27%). Central **Rakhine** saw a higher increase than other parts of Rakhine (+24%).⁴⁶ In regard to cooking oil, the WFP's Market Price Update of December 2021 notes: "palm and mixed oil prices were up +82% and +88% respectively" compared with the year before, putting a further strain on households' food budget. Price patterns also tend to be unpredictable. In October 2021, one retailer out of five was unable to predict prices one week in advance. Paramount to the costs of most items in country, oil prices have skyrocketed because of a major decline in fuel imports. As of mid-July 2021, fuel prices were up around 50 percent since the end of January. By December 2021, monthly prices remained stable, but significantly higher (78%)⁴⁷ compared with pre-crisis times.⁴⁸ This in turn, leads to difficulties with transportation.

Considering the aforementioned, **the relevance of CVA transfer values set by humanitarian agencies is naturally put into question.** Among the actors interviewed, four implementers have increased their transfer

⁴² Cited in four KIIs from local organisations.

⁴³ Referring to total allocation of funds dedicated towards CVA interventions.

⁴⁴ Referring to the geographic coverage, intended target population size and group.

⁴⁵ The European Union Nexus Response Mechanism (NRM) and The Conflict Analysis and Research Facility (CAR), "Rapid Brief: Worsening Myanmar Currency Crisis," October 2021.

⁴⁶ WFP, "Myanmar Market Price Update," December 2021.

⁴⁷ The World Bank, "Myanmar Economic Monitor, Contending with Constraints."

⁴⁸ WFP, "Myanmar Market Price Update."

value. Other actors have not reported increasing transfer value, despite acknowledging that recipients had been steadily losing purchasing power. Various reasons can explain why implementers did not increase their transfer value. First, although a Minimum Expenditure Basket (MEB) exists as a reference towards transfer values since 2021,⁴⁹ it is **inconsistently used across humanitarian agencies**⁵⁰ and is based on poverty data that do not reflect the current situation.⁵¹

Second, **market monitoring remains a rather nascent practice in country**. Overall, besides the MEB that is in use, humanitarian organisations utilise a monthly analysis of the food basket conducted by the WFP to adapt their transfer values. Such monitoring is limited to food commodities when it comes to WFP; and Mercy Corps has just started conducting this type of monitoring as well as NFI monitoring limited to Rakhine/Southern Chin and four townships in the southeast. UNICEF was monitoring WASH-related items but stopped doing so in 2021. As of late 2021, WFP and Mercy Corps are the only humanitarian organisations consistently conducting market monitoring and sharing data.

Conflicting reports indicate that some humanitarian organisations have been able to adjust their transfer value to the crisis in order to maintain the purchasing power of recipients. According to a donor, in some cases, humanitarian agencies were able to increase transfer values as a result of leveraging the devaluation of the MMK. Indeed, in theory, humanitarian organisations receiving funding in USD or EUR have access to a larger pot of MKK. Some informants reported that their organisation was not able to increase the transfer value because of budget constraints in 2021. However, the concurrent inflation outpaced the devaluation gains. The cost to transfer money is higher than before, and banks apply the official exchange rate to this money wired internationally. So, the difference between exchange rates benefits the banks rather than humanitarian organisations.

When it comes to adapting the frequency or the duration of assistance, the review has not encountered any examples of such practices, except for one organisation that reported having changed the transfer frequency as a way to mitigate protection risks. They distribute a one-off grant as opposed to regular grants to limit the occurrences of households moving around with CVA. This rationale seems, however, quite thin in comparison with the limitation to needs coverage that a one-off grant offers. Regarding this, an informant from an international organisation noted:

“Households did not like it when three months’ worth of transfers were transferred all at once, as the cash recipients found it more difficult to plan for expenses.” [Rephrased]

II.2.3. Delivery mechanism and FSPs

The liquidity crisis has challenged the feasibility of using CVA in Myanmar. As a result of the crisis, FSPs were unable to operate in such a cash-constrained environment, and hence had initially stopped operations with CVA partners.

Digital transactions, which are currently being encouraged, are not common in Myanmar, even less so since the military takeover. Recipients will need to cash out the grant at some point, irrespective of the delivery mechanism used to distribute CVA. However, the liquidity crisis causes difficulties for recipients to access

⁴⁹ “A Minimum Expenditure Basket (MEB) that is applicable nationwide is in place to be used by humanitarian agencies. The MEB uses the Myanmar Living Conditions Survey (MLCS) national poverty line relative to a household of two adults and three children. As of 2021, the MEB was increased to 314,377 MMK per household (HH)/month, with food expenditure accounting for 190,555 MMK HH/month and recurrent NFI expenditure as 123,822 MMK/ HH / month. With this, transfer value is calculated as 25% of the MEB (79,286 MMK/month). This amount is intended to account for the gap between the national poverty line as per the MLCS and the 1st wealth quintile as of 2017”. Source: Myanmar Cash Working Group, “Myanmar Minimum Expenditure Basket (MEB) Technical Note,” September 2021.

⁵⁰ For instance, in Kachin, an INGO that has operations calculate transfer values based on individuals as opposed to HHs as done by the MEB.

⁵¹ Even though the MEB accounts for inflation, updated poverty line data are needed to complement that of the MLCS as it covers the period from 2015 to 2017, after which Myanmar experienced significant shocks and inflation.

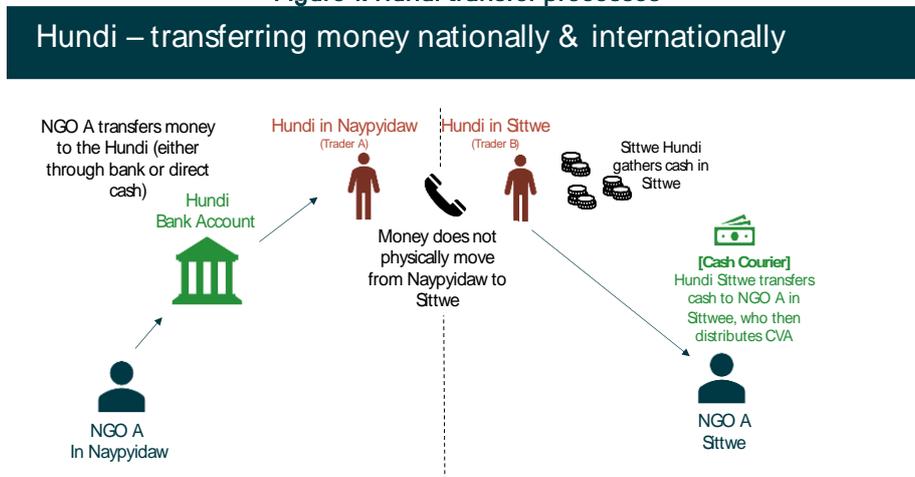
bank notes. As a result, **implementers have resorted to the only delivery mechanism available, which is cash in envelopes**. Cash in envelopes has been chosen to replace mobile money in **Kachin** and **Rakhine**. On the other hand, there was not much change in the delivery mechanism in **Northern Shan**. Informants were concerned that this had halted the progress towards the uptake of mobile money made by CVA implementers, as mobile money was starting to gain traction following the COVID-19 pandemic. One international organisation decided to stick with mobile money due to compliance⁵² and risk mitigation measures.⁵³ However, their transfers were reported to have faced delays of several weeks due to the internet cuts and banking disruptions. Mercy Corps, on the other hand, was able to implement MPCA through e-vouchers in the contexts of Maungdaw, Mrauk and Sittwe. This was done alongside cash-in-envelopes as an alternative.⁵⁴

Not all bank notes, of the same supposed fiscal values, have the same value on the market. Poor quality bank notes are more difficult to use and usually incur the depreciation of their fiscal value. This mainly resulted from international sanctions, which limited the import of quality raw materials needed to print bank notes. A key informant from an international organisation notes:

“The Central Bank has resorted to printing more money, but there is a problem with getting the paper from Germany. However, the Central Bank has received some new raw materials to print money. On the market, you can tell there are some recently printed [lower quality] bank notes. This will further fuel the inflation.”

The supply chain for bank notes is facing major constraints, and **bank notes have become a commodity in short supply and high demand**. The liquidity crisis has led to the emergence of new market actors, who offer **money withdrawal services**. These informal services are offered by agents who were either not involved in financial transactions before the military takeover or previously involved such as Hundi. These agents provide physical cash minus a fee ranging from 3 to 13%. Money withdrawal therefore implies two transactions (from the client’s bank to the agent’s bank, and from the agent to the hand of the client) and therefore two layers of fees (see [Figure 1](#) below). There has been an increase in service fees to distribute cash because of double layered fees.

Figure 1: Hundi transfer processes

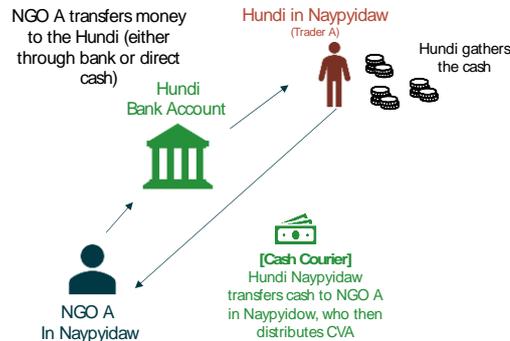


⁵² Their organisation policy does not allow them to work with informal agents.

⁵³ Cash in envelopes was deemed to be a delivery mechanism that is unsafe for programme staff.

⁵⁴ According to one key informant.

Hundi – withdrawing money



For international organisations, the use of Hundi before the military takeover was very limited, except for international actors doing cross-border programming. However, they were sometimes used by organisations doing cross-border work in the country.⁵⁵ Except for the UN agencies interviewed, which have policies against using Hundis, **most international and national actors interviewed have resorted to using the services of Hundis since the military takeover.** And some that work cross-border had done so even before. There is **secrecy among humanitarian actors about the use of Hundis, and more generally speaking on how the liquidity crisis is being managed.** While discussed in coordination meetings, actors are not willing to give specific details. There are different reasons behind this level of secrecy:

- Although necessary in the current context of CVA delivery in Myanmar, the use of third-party cash withdrawal agents such as the Hundi also poses the risk that they might have politically and socially motivated objectives other than the accepted profit-driven approach. This could present risks for humanitarian agencies.⁵⁶ These concerns stem from the involvement of Hundi agents in illicit activities as well as from targeting by government authorities as they are designated as “unsanctioned money transfer agents.” In light of this, a feasibility assessment is needed to determine whether these networks can serve as a way of mitigating the liquidity crisis holistically, and there needs to be a case-by-case decision on whether or not the use of Hundis would be necessary or appropriate.⁵⁷
- There are increased compliance risks as a result of using informal agents to withdraw money. As per the World Bank, “there are signs of a ‘de-formalisation’ in the provision of financial services, with informal service providers playing an increasingly important role in meeting the public’s demand for cash.”⁵⁸
- Finally, there are some concerns regarding donor reporting and the extent to which the systematic use of Hundis will eventually be accepted and for how long. Donors interviewed have loosened some of their requirements and eased strict policies, such as those concerning the location of an implementer’s bank, informal money transfer mechanisms, bank transfer claims, the use and financial reporting requirements.⁵⁹ Yet, some concerns remain among implementers.

The liquidity crisis and the use of Hundi also questions the ability of humanitarian actors to scale up the use of cash where needs are increasing. While Hundi is tolerated, the de facto government have been pushing inhabitants and organisations to use the formal banking system. According to three informants, the State Administration Council (SAC) government is to take a harder line on the use of Hundis, especially towards NGOs. INGOs working from Myanmar will require a Memorandum of Understanding (MoU) with SAC, which will make the use of Hundi de facto illegal. Therefore, as long as the economic situation does not improve,

⁵⁵ Community Analysis Support System, “Hundi Networks: Transferring into Post-Coup Myanmar,” April 2021.

⁵⁶ Community Analysis Support System, “Hundi Networks: Transferring into Post-Coup Myanmar,” April 2021.

⁵⁷ Community Analysis Support System, “Hundi Networks: Transferring into Post-Coup Myanmar,” April 2021.

⁵⁸ World Bank, July 2021 <https://pubdocs.worldbank.org/en/525471627057268984/Myanmar-Economic-Monitor-July-2021.pdf>

⁵⁹ The European Union Nexus Response Mechanism (NRM) and The Conflict Analysis and Research Facility (CAR), “Rapid Brief: Worsening Myanmar Currency Crisis.”

international organisations may have to consider working from abroad to wire money in country. Should this scenario unfold, international organisations would be even further reliant on national and local organisations.

Four organisations interviewed were about to resume working with some FSPs, which were selected because they are able to deliver some assistance. Among these service providers are True Money and another payroll servicing company, which operate across the whole country. In the case of True Money, the process works in the following way: an international organisation transfers money to a True Money bank account, True Money then withdraws the cash in bulk and hands it over to INGOs' preferred locations as required. This process adds another layer of fees, which ranged between 10 – 15% in the early months of 2021 and now range between 5 – 6%. One international organisation, on the other hand, used **Ongo** to free up time for implementing partners, because a lot of time is spent in the banks and getting cash from the banks had caused delays. Ongo loans money from private companies to get the cash, which gives them the ability to operate. These services were nonetheless used to pay for NGO staff salary to bypass withdrawal limits. However, according to one informant, these FSPs sometimes appear to be using Hundi services to be able to deliver the transfers. This does not necessarily provide a solution from an operational point of view, but instead, it transfers the risk from the FSPs to the informal Hundi service providers. One international organisation has started using a "Flexi account", a type of account set up at the end of 2021 following a new policy applicable to local banks, and which supposedly has no limit. However, the unlimited withdrawal is subject to the banks' available cash, which is itself subject to the nationwide liquidity crisis.

Finally, two informants reported that their organisation found a way to get more liquidity from their bank or from the central bank than the limit set by using the Token system. However, they did not wish to share more information on this topic.

II.2.4. Protection measures

Aligned with global evidence,⁶⁰ all five key informants who discussed CVA and protection highlighted that **protection risks are context specific rather than modality specific**. These observations were echoed as lessons learned⁶¹ on cash transfers by the WFP as well.⁶² Furthermore, informants highlighted how **the use of CVA and certain delivery mechanisms were adopted as a mitigation measure in and of themselves**, as the design of CVA programmes takes into account the safety of recipients and humanitarian workers (i.e., carrying cash near check points, risks of extortion, etc.). In the wider sense, a key informant from an international organisation noted that humanitarian organisations are also mindful of the de facto government's perception of CVA and advocate towards changing perceptions and maintaining trust:

"The more you scale up the use of CVA, the more careful you need to be on the perception that CVA may fuel the rebellion."

Issues and risks

Across the country, the economic crisis that unfolded in the aftermath of the military takeover led to a deterioration of the economic situation and **an increased risk of exploitation**. In late 2021, the situation was very volatile **in Northern Shan and Kachin**, which has led to large displacements. The increased number of check points in Northern Shan and Kachin due to the military takeover has led to an increased risk of extortion and of GBV, especially for women and girls.

In **Northern Shan, Kachin** and **Rakhine**, key informants noted that the distribution of CVA has been perceived as a potential source of tensions in households, exposing women to increased Intimate Partner Violence.⁶³ However, these perceptions are not supported by evidence: neither global evidence⁶⁴ nor country-specific

⁶⁰ See for example : <https://www.globalprotectioncluster.org/tools-and-guidance/essential-protection-guidance-and-tools/protection-mainstreaming-in-cash-and-voucher-assistance/>

⁶¹ World Food Programme, "Cash-Based Transfers Lessons Learned from Central Rakhine State," 2021.

⁶² "No major security, access or protection risks for beneficiaries due to cash-based transfers were noted."

⁶³ Humanitarian Assistance and Resilience Programme Facility (HARP-F), "Humanitarian Cash and Voucher Feasibility Study, Rakhine State Myanmar."

⁶⁴ Ana Maria Buller et al., "A Mixed-Method Review of Cash Transfers and Intimate Partner Violence in Low and Middle-Income Countries," 2018.

Figure 2: GSM coverage of Telecom International Myanmar Company Limited



preferred way to give feedback – perhaps owing to cultural preferences towards social interaction – had to be halted for the most part. Key informants who discussed **the hotline all highlighted that it is neither widely used nor known**. Furthermore, the hotline is not effective in remote areas with patchy mobile network.

The 2021 Emergency Response Preparedness Plan⁷⁰ as well as two key informants stressed **the importance of scaling up the CFM but also of ensuring a coordinated approach to it**. This way, recipients would not need to navigate between multiple hotlines and have access to a single desk for support, or at least, they would be effectively referred to the appropriate CFM.

Two organisations also worryingly reported involving camp committee members in the collection of feedback and complaints as well as in targeting, even though the same committee members had reportedly been involved in extortion.

Collection of Sex, Age and Disability (SAD) disaggregated data

Eight organisations reported collecting SAD data and enforcing the collection of SAD data with their partners. However, the collection and analysis of SAD data seem limited to some specific projects and there is an overall lack of SAD data at country level.

Collaboration on risk mitigation

Risks assessment and mitigation are discussed in the CWG. GBV and Prevention of Sexual Exploitation and Abuse (PSEA) focal points are also reportedly engaging in the CWG, which contributes to mainstreaming those topics during the design and implementation of CVA. For example, WFP did a presentation to the CWG members on the protection risks when using CVA. Also, the United Nations Population Fund (UNFPA) delivered a protection, GBV and PSEA training to cash stakeholders through the CWG.

One of the main issues highlighted by implementers when prompted about protection is the issue of access. That is both the challenges of gaining access in a context where travel authorisations have

become even more challenging to obtain, and the challenges of maintaining access despite COVID-19-related restrictions. Access is, however, of a different nature than protection and goes beyond the use of CVA. It is therefore not discussed in this report.

II.2.5. Localisation of assistance

National and local organisations

In **Kachin** and **Northern Shan**, local organisations have historically been involved in the implementation of CVA programmes since these modalities have started being used. In **Rakhine**, on the other hand, the shift to CVA has begun more recently in 2018, and LNGOs have had less exposure to CVA comparatively.

Each international organisation has different policies and ways of working with local organisations, which stem from a different implementation model (direct implementation vs. partnership), stance on localisation, risk aversion and compliance policies. The two more traditional forms of partnership between international and local organisations are:

- Partnership agreement, where the local organisation, called implementing partner or cooperating partner, is usually fully in charge of the implementation of the programme, and the international organisation leads on the design and monitoring, with the support of the implementing partner.
- Funding agreement, where an INGO or UN agency funds a local organisation and provides technical support (programmatic and grant management). These agreements usually have the dual objective

⁷⁰ United Nations Office for Coordination of Humanitarian Affairs (OCHA), “HCT Myanmar – Inter-Agency Emergency Response Preparedness (ERP) Plan.”

of implementing basic needs programmes for communities affected by crisis and of building the technical CVA capacity of LNGOs.

Even prior to the military takeover, local organisations had increasingly been accessing direct funding from organisations, such as HARP-F or UNFPA. For instance, more than 50% of HARP-F funding goes to local organisations.

Since 2018, there has been a strong emphasis on giving a more prominent role to LNGOs in the design of programmes, especially in **Kachin**, where there is a stronger civil society than in **Northern Shan** and **Rakhine according to most interviewees**. Firstly, in **Kachin/ Northern Shan**, only LNGOs had access to the areas and therefore the capacity to implement humanitarian assistance in Non-Government Controlled areas. Secondly, this shift comes from the fact that international actors have growing localisation agendas, which in the case of Myanmar is pushed by donors who are aware that there is growing capacity among LNGOs and that access is now best ensured by local actors.

The combination of COVID-19 and the military takeover have accelerated this transition. Firstly, it has been increasingly difficult for international organisations to secure travel authorisations to access field locations, even for monitoring, whereas local organisations are based in the locations or can get TAs more easily and informally.

With COVID-19 and the military takeover, some international organisations went completely into remote management, accepting the fact that accessing the locations outside of the main cities would be increasingly difficult/impossible. Concrete actions were put in place to deal with the situation, such as simplifying some of the processes and tools - like the PDM tools - and strengthening the specific CFM channels - like hotlines. Other organisations, which had limited experience with local partners, had to rapidly devise a localisation strategy and processes to be able to continue to work. Four international organisations reportedly had diversified their partners, and others changed their ways of working by putting implementing partners (IP) in the driver's seat, transferring technical capacity and building institutional capacities as well. Their partnership model therefore went from a "partnership agreement" to a "funding agreement."

Despite the growing role of local organisations, **there is a discrepancy between the expectations of humanitarian organisations on the role that local actors should play in humanitarian response.**

On the one hand, LNGOs - especially the bigger organisations - have been frustrated for some time^{71 72} for the two following reasons. They feel that the credibility of organisations depends on their international status, rather than on their technical capacity, and that some international organisations are just an additional link in the chain between donors and them. This frustration appears to have been growing with COVID-19 and the military takeover, with local organisations taking on an even greater role in programme delivery. A growing number of LNGOs are cooperating/implementing partners, while receiving direct funding for similar programmes for which they are de facto in charge of design, implementation, and planning. Some of the local actors interviewed do recognise the added value of technical support regarding CVA, reporting and financial management, whereas others do not. On the other hand, INGOS feel that they have been progressively building the capacity of local actors, while ensuring that compliance, accountability to affected populations (AAP), humanitarian principles and anti-fraud requirements are being met. From the perspective of some local NGOs, technical gaps remain in most local organisations, preventing them from being able to manage the entire project cycle on their own. Two informants noted that donors have been advocating for some time to INGOS to build the capacity of local actors and have discovered that the capacity building has been somewhat opportunistic and not as intensive as initially thought. Donors have not only increased funding to existing partners but have also diversified their funding to more actors as well. Fund facilities, given their support for capacity building and funding to local actors, may have a different experience, which could be examined. Overall, informants reported that **the military takeover has not changed the division of roles and responsibilities significantly, and international organisations are still in charge for the most part and the tensions from some local actors appear to be growing.**

⁷¹ Véronique De Geoffroy, François Grunewald, and Réiseal Ní Chéilleachair, "More than the Money – Localisation in Practice" (Trocaire, 2017).

⁷² Christian Aid, Tearfund, CARE, ActionAid, CAFOD, Oxfam, "Accelerating Localisation through Partnerships: Recommendations for Operational Practices That Strengthen the Leadership of National and Local Actors in Partnership-Based Humanitarian Action in Myanmar," 2019.

Among the local or international actors interviewed, **there are different points of view on the technical CVA capacity of local actors**. This probably comes from the wide variation in CVA capacity that has been reported among local actors. However, a geographical trend was reported. In **Kachin**, many LNGOs had no technical CVA gaps – perhaps owing to the long engagement of actors with CVA. Only smaller CSOs needed CVA capacity training. In **Northern Shan** and **Rakhine**, on the other hand, informants felt the gaps were stronger. Various key informants praised the CVA training targeting local organisations delivered in December 2021, which was needed to bridge the technical gap and to complement the reported “learning by doing” ways of building the capacity of local organisations.

In addition to the above, INGOs, UN agencies and LNGOs agree that the main gaps of LNGOs are related to having a **system in place for monitoring, financial and technical reporting, and Standard Operating Procedures (SOPs) for targeting and delivering CVA**. There are also gaps in terms of market assessment and monitoring and the use of mobile money. According to three informants, CVA capacity aside, **the ability of LNGOs to implement at scale is questionable**, mainly because of insufficient financial support from donors or international organisations. As a result, local actors lack the necessary reserves to adjust when needed. In the early days of the cash liquidity crunch, many LNGOs were immediately at a big disadvantage, as they did not have the digital systems in place to overcome the liquidity challenges. However, they were eventually able to scale up and use Hundi as those systems became more prominent.

Some international actors have also raised concerns about the ability of local actors, especially the newly selected ones, to respect AAP and humanitarian principles, such as the principle of neutrality. Although, one informant questioned the ability of international organisations to do so as well, given only LNGOs can work in NGCAs.

Communities

While increasingly used in Myanmar prior to the military takeover, Community Cash Grants⁷³ were not reported to have increased or decreased since the military takeover. This would require further investigation to know if some implementers have used this modality of assistance as mitigation measure to a lack of access.

In **Rakhine**, although not specific to CVA, the military takeover and the subsequent financial crisis prompted some implementers (e.g., WASH implementers) to let communities take ownership and manage the camps. Though the strategies to handover camps to CSOs had started as early as 2015 in some camps, two informants reported that the liquidity crisis meant that implementers could not pay for volunteers and had to hasten the handover process. Both informants felt that, though done as a necessity, the handover to communities worked well and should be continued, even as the liquidity situation improves.

III. RECOMMENDATIONS

General conclusions on CVA

Despite the aftermath of the military takeover of 1st February 2021, the use of CVA to cover a range of needs remains a viable option. This is illustrated by the increased uptake of CVA by humanitarian organisations between 2020 and 2021. The key CVA feasibility takeaways are:

- There is still a preference from communities for CVA.
- Considering the demonstrated benefits of CVA to meet basic needs in COVID-19 response as well as the economic crisis following the coup, the de facto government has adopted a relatively favourable attitude towards CVA.
- Markets are still accessible and functioning, despite significant increases in prices due to the inflation and currency depreciation.

⁷³ “The GCT approach seeks to transfer decision-making power and agency to affected communities (typically delimited by geographical location) or community groups to enable them to better respond to their own needs and priorities”. Source: Maja Tønning and Rediet Kabeta, “Group Cash Transfers: Guidance and Tools. Pilot Version.” (Key Aid Consulting, 2021).

- Humanitarian organisations have access to a safe delivery mechanism, cash in envelopes, with the support of Hundis, to replace digitalised solutions that were not functioning in 2021.
- There is an overall sufficient CVA capacity in the country to design and implement CVA at scale, despite the change in context, which may require specific capacity-building, especially for new actors.
- CVA does not exacerbate protection risks and has in fact the potential to reduce them.

Despite deteriorations in CVA feasibility due to the military takeover and the subsequent economic crisis, CVA remains more feasible and easier to manage than the alternative, in-kind assistance. However, this situation is versatile and should be monitored. First, the tolerance on the use of Hundis could disappear, thus making it impossible to deliver CVA at the same scale. Second, the use of CVA has become less efficient, with the increase in distribution costs and inflation. The economic situation could further deteriorate, thus questioning the added value of CVA compared with in-kind assistance to maintain the purchasing power of recipients.

In a context of growing humanitarian needs throughout the country, it appears critical that humanitarian actors are able to further increase the scale of their CVA response. Although they have been able to maintain the same level as before the military takeover, the liquidity crisis, combined with the lack of digitalised delivery mechanism, the loss of access of international organisations and the need for more numerous and capable LNGOs and CSOs, question the ability to scale up their CVA response.

Recommendations

Based on the research findings, this section provides recommendations for consideration, along with their justification and consideration. This review has not unveiled any significant differences across states; therefore, all recommendations apply to Rakhine, Kachin & Northern Shan. However, considering that the CWG have representation in Kachin/Northern Shan and in Rakhine, it would be worth getting their views on the following recommendations to make them more state-specific.

Design of CVA programme
Humanitarian organisations need to create or maintain the ability to shift between modalities (in-kind assistance and CVA) and to be able to combine modalities. This requires that: <ul style="list-style-type: none"> ▪ Implementers have SOPs in place, a sufficiently staffed supply department and storage space available, if necessary. ▪ Implementers have pre-negotiated agreements with pre-identified suppliers and service providers. ▪ Donors, such as FCDO among others, agree to fund the modality preparedness implementing CVAs. In concrete terms, donors should provide implementers with the flexibility to shift modality without the need to amend the project. They should also be willing to fund more preparedness activities, which means temporarily accepting to decrease the ratio of money transferred to beneficiary/total cost of the programme.
The CWG, with its members, should collectively agree on triggers (based on the inflation rate) based on which they would review the costs of the MEB and/or change cash transfers to commodity vouchers or in-kind assistance. For such triggers to be operational, however, it is paramount that the MEB developed in 2021 is used by all implementers when setting their transfer value, which was not the case at the time of the review. The CWG should consider setting up a Survival MEB as well, building on the existing MEB.
The donors should consider a crisis modifier for CVA programmes based on the inflation rate in all their proposals, based on the triggers set by the CWG, to enable implementers to increase the transfer value to maintain the same purchasing power for recipients, and without having to go through an immediate contractual amendment.
The donors should consider a modifier and contingency funding as well for FSP service fees, to enable implementers to maintain the same transfer value for recipients.
Delivery mechanism and FSP
The CWG should develop a lessons-learned document on the use of Hundi in 2021 and aim to develop a set of common practices on how to implement CVA with Hundis. This could be formulated in association

with organisations that have already started engaging with Hundis and started their own lessons review such as HARP-F.
Coordinated by the CWG, humanitarian organisations should appeal to the corporate social responsibility of FSPs to keep their fees as limited as possible for humanitarian programmes (to contribute to the coverage), to invest into expanding their geographic coverage and to limit KYC requirements to the minimum legally possible.
CWG members should collectively conduct quarterly monitoring of registered FSPs to decide where mobile money and e-voucher will be feasible. This joint exercise could be done by dividing the FSPs to be monitored among members.
Should the difference between official and unofficial exchange rates increase, CVA implementers should try to negotiate a specific exchange rate for humanitarian assistance, as well as different withdrawing amounts with the SAC. Given such negotiations are likely to take time, it would be worth considering them already, even if the exchange difference is still manageable.
Market monitoring & market-based monitoring
Donors should fund basic market assessment training through the CWG and more advanced market assessment and analysis training with a few market champions that would be able to run market analysis (which goes beyond just doing price monitoring) and design market-based programme going forward.
CVA implementers, with the support of the CWG, should set regular market monitoring and analysis that is not limited to food items. The CWG should explore whether WFP, although just conducting food monitoring, could monitor other commodities such as oil and NFI as it has the system in place via its Vulnerability Analysis and Mapping unit. This set-up would be temporary until other implementers develop their capacity in terms of market monitoring. Mercy Corps is also monitoring markets, especially non-food items, with a limited geographic scope. The CWG should explore whether MC has the capacity to broaden its geographic scope.
Humanitarian donors should fund market monitoring activities in humanitarian programmes, i.e., provide a budget for INGOs and LNGOs for extra staff and resources to develop market monitoring and analysis. In the meantime, donors could provide funding for inter-agency price monitoring, while the market monitoring of agencies is developed, i.e., they can collect and contribute to an inter-agency analysis process.
The CWG members should consider a partnership with specialised international organisations such as the World Bank or the International Food Policy Research Institute to get an analysis of national inflation forecasts and what trends to anticipate. If possible, this analysis could also determine which goods and services are likely to be the most affected by price increases.
Protection
All humanitarian organisations implementing CVA should run messaging campaign to inform their recipients about the existence of hotlines for complaints and feedback.
Humanitarian organisations should coordinate on a referral policy and train their CFM staff to identify the recipients of a specific programme and refer the complaint to the organisation implementing the programme. The CWG could support the collation of the information needed so that organisations have access to relevant information about the other implementers' programme to then train their staff accordingly on referrals.
Localisation
The CWG should organise another CVA training targeting national and local organisations to contribute to filling the CVA capacity gap. The training could take place in Yangon to allow representatives from all states to come. An alternative could be state-specific trainings, in which case priority should be given to Rakhine and Northern Shan.
The main CVA gaps that came out of the interviews in terms of the capacity of local actors mostly relate to CVA design and monitoring. There were non-CVA related gaps as well such as financial reporting and grant management, but this falls beyond the purview of CVA.

<p>The CWG, with the support of the protection cluster, should propose a training for national and local organisations on protection, PSEA, AAP, and data protection, because these gaps were considered to be quite common among local actors.</p>
<p>The growing involvement of LNGOs in the design and implementation of CVA programmes questions whether the transfer of risks is proportionate and whether LNGOs have the capacity and resources to manage the risks (security, compliance, etc.). The CWG should consider a training on access, risk assessment and management for national and local organisations. International actors working with LNGOs should consider dedicating more resources to accompanying them with risk management, e.g., with coaching from their HQ, paying for temporary external support.</p>
<p>International organisations working with national and local organisations should further strengthen their capacity in terms of designing and implementing post distribution monitoring, as well as in using the data from it to adjust the programming. While trainings could first help bridge the theoretical gaps, capacity strengthening requires different partnership modal, wherein LNGOs are fully in charge of the project management cycle, with coaching from INGOs.</p>
<p>International organisations should prioritise partnerships in which they let LNGOs carry out the design, implementation & monitoring fully, with technical support and backstopping, due to the existing capacity of local actors and the fact they have access to field locations while international actors do not.</p>
<p>Donors with a strong localisation agenda should encourage funding to LNGOs which allows those LNGOs to be fully in charge of the design, implementation, and monitoring. If the capacity of NGOs is not considered to be sufficient, they should fund facilities (which can be INGOs), whose role will be to provide support to LNGOs and CSOs.</p>
<p>Future research topics</p>
<p>As there were conflicting views and experiences on MPCA government acceptance in Rakhine, the CWG could study whether, and in what conditions, the authorities accept MPCA in the whole of Rakhine.</p>
<p>There are topics for which the research team had conflicting information, such as the CVA capacity of local actors, the use of Hundis, the effectiveness of CFM, and the use of Group Cash Transfers (GCT), which could call for more research. These topics, and related research agenda, could be discussed in an upcoming CWG meeting.</p>
<p>Based on the data collection, it is not clear whether Community Cash Grants/Group Cash Transfers (GCT) could be a suitable modality given the context. On the one hand, it could reduce some of the access issues faced by INGOs. On the other hand, there are potential protection problems (extortion, government stance against providing CVA to specific groups) and market access functionality that design decisions (e.g., frequency) might not sufficiently mitigate. To further investigate this, it would be fruitful to document existing GCT initiatives to evaluate how relevant and feasible they are to the current context.</p>

- . 'Terms of Reference Myanmar - Cash Working Group', 2020.
- 'Myanmar National Social Protection Strategic Plan', 2014.
- OCHA. 'Humanitarian Needs Overview (HNO) Myanmar', 2021.
- The New Humanitarian. 'Post-Coup Cash Shortages Put the Squeeze on Myanmar Aid', 2 March 2021.
<https://www.thenewhumanitarian.org/news-feature/2021/3/2/myanmar-coup-cash-shortages-pressure-on-aid-to-conflict-zones>.
- Reuters. 'Myanmar Currency Drops 60% in Weeks as Economy Tanks since February Coup'. Reuters, 29 September 2021, sec. Asia Pacific. <https://www.reuters.com/world/asia-pacific/myanmars-junta-powerless-currency-drops-60-four-weeks-economy-tanks-2021-09-29/>.
- Save the Children. 'Cash Emergency Preparedness [CEP] Assessment, Myanmar', 2013.
<https://www.calpnetwork.org/wp-content/uploads/2020/01/save-the-children-myanmar-cep-report.pdf>.
- Sullivan, Daniel P. 'Dire Consequences: Addressing the Humanitarian Fallout from Myanmar's Coup', October 2021.
- 'Summary Note on Cash Working Group [CWG] Meeting', October 2021.
- 'Summary Note on Cash Working Group [CWG] Meeting', November 2021.
- Frontier Myanmar. 'The Currency Crisis, and Why We Should Brace for Stagflation', 9 October 2021.
<https://www.frontiermyanmar.net/en/the-currency-crisis-and-why-we-should-brace-for-stagflation/>.
- The European Union Nexus Response Mechanism [NRM], and The Conflict Analysis and Research Facility [CAR]. 'Rapid Brief: Worsening Myanmar Currency Crisis', October 2021.
- KrASIA. 'The Missing Piece of Myanmar's Fintech Puzzle: Cross-Border Remittance', 25 September 2020.
<https://kr-asia.com/the-missing-piece-of-myanmars-fintech-puzzle-cross-border-remittance>.
- The World Bank. 'Myanmar Economic Monitor Progress Threatened; Resilience Tested', 2021.
<https://pubdocs.worldbank.org/en/525471627057268984/Myanmar-Economic-Monitor-July-2021.pdf>.
- Tonning, Maja, and Rediet Kabeta. 'Group Cash Transfers: Guidance and Tools. Pilot Version.' Key Aid Consulting, 2021.
- 'Traders Using Hundi System For Convenient Cash Flow Of Border Trading - Global New Light Of Myanmar', 9 May 2021. <https://www.gnlm.com.mm/traders-using-hundi-system-for-convenient-cash-flow-of-border-trading/>.
- UNHCR, UNICEF, UNOCHA, and WFP. 'Myanmar Joint Cash Transfers Programming Feasibility Report', 2017.
- United Nations Office for Coordination of Humanitarian Affairs (OCHA). 'HCT Myanmar - Inter-Agency Emergency Response Preparedness (ERP) Plan', June 2021.
- 'Webinar on Market-Based Approaches for National WASH Cluster Response Plans', n.d.
- WFP Myanmar. 'Cash Based Transfers', 2016.
https://cdn.wfp.org/wfp.org/publications/Cash%20Based%20Transfer.pdf?_ga=2.226529245.1561489158.1643169999-1194663612.1643169999.
- WFP Myanmar Country Office. 'Community Engagement Mechanism Report', 2021.
- . 'Decentralised Evaluation, WFP's Relief Food and Cash Assistance for Conflict-Affected People in Kachin and Northern Shan', July 2020.
- World Food Programme. 'Cash-Based Transfers Lessons Learned from Central Rakhine State', 2021.
- . 'Myanmar Market Price Update', October 2021.
- World Food Programme, and USAID. 'Cash Transfer Programming, Preparedness Data Profiles Disaster Prone States Myanmar', June 2019.

IV.2. Study Matrix

Study question	Sub-question	Indicator	Source of information
I. What is the current state of CVA programming in Rakhine and Kachin/Northern Shan since 1 st February 2021?	1. How is CVA being used by humanitarian organisations?	1.a CVA mapping: - Financial volume of CVA in USD per organisation per project - Key CVA stakeholders in Myanmar - Use of different modalities [cash grant & voucher, condition & restriction] - Use of different delivery mechanism types [over the counter, card based and mobile based] and FSP - Type of outcomes CVA is distributed for - Average transfer value distributed - Average number of people targeted - Number and diversity of organisations regularly participating in the CWG	Desk review [CWG minutes and presentations, cash feasibility studies, 3W, 4W] Email with table to gather volume of CVA, areas of interventions, sectors, modalities, conditionalities, transfer values KIIs with international and national NGOs, UN agencies
		1.b Qualitative accounts of the evolution over time of the financial volume distributed, modalities used through CVA in 2021	Desk review [CWG minutes and presentations] KIIs with international and national NGOs, UN agencies, FSPs
II. How do organisations implementing CVA adapt to the current context?	2. What changes have humanitarian organisations made to their CVA programmes [modalities, transfer value, delivery mechanism, FSP, ...] as a result of the military takeover?	2.a Changes in feasibility and interest from stakeholders in CVA programming	Desk review [CWG minutes and presentations] KIIs with international and national NGOs, UN agencies, FSPs
		2.b Effect of the military takeover on the CVA design and implementation and mitigation measures put in place by humanitarian organisations	Desk review [CWG minutes and presentations] KIIs with international and national NGOs, UN agencies, FSPs

		<p>2.c Reported changes in modalities, delivery mechanisms, frequency, duration, transfer value since 1st February</p>	<p>Desk review [CWG minutes and presentations, cash feasibility studies, 3W, 4W]</p> <p>Email with table to gather volume of CVA, areas of interventions, sectors, modalities, conditionalities, transfer values</p> <p>KIIs with international and national NGOs, UN agencies</p>
<p>3. How do organisations adapt to the change in economic situation (liquidity crisis, inflation, depreciation)?</p>		<p>3.a Understanding of the economic situation and its macro effect on CVA programming</p>	<p>Expert interviews</p>
		<p>3.b Effects of the economic situation since the military takeover on CVA programmes for recipients and humanitarian organisations</p>	<p>Desk review [CWG minutes and presentations]</p> <p>Expert interviews</p> <p>KIIs with international and national NGOs, UN agencies</p>
		<p>3.c Solutions and mitigation measures put in place by recipients and humanitarian organisations to deal with the economic situation</p>	<p>Desk review</p> <p>Expert interviews</p> <p>KIIs with international and national NGOs, UN agencies</p>
<p>4. How do organisations adapt to changes in market functionality?</p>		<p>4.a Assessment of the effects of the military takeover on market functionality</p>	<p>Desk review [CWG minutes and presentations, cash feasibility studies]</p> <p>Expert interviews</p> <p>KIIs with international and national NGOs, UN agencies</p>
		<p>4.b Effect on the change in market functionality on CVA programming and mitigation measures put in place by humanitarian organisations</p>	<p>Desk review [CWG minutes and presentations, cash feasibility studies]</p> <p>Expert interviews</p> <p>KIIs with international and national NGOs, UN agencies</p>
<p>5. What specific protection measures organisations put in place in CVA programmes as a result of the military takeover?</p>		<p>5.a Extent to which CVA programmes include protection, gender and AAP measures</p>	<p>Desk review of programme documents</p> <p>Expert interviews</p> <p>KIIs with international and national NGOs, UN agencies</p>

		5.b Extent to which specific protection measures have evolved since the military takeover and how	Desk review (tender and contracting documents) Expert interviews KIIs with international and national NGOs, UN agencies
6. To what extent are current CVA projects encouraging the localisation of CVA design and implementation?		6.a Percentage of project budget that is directly allocated to local or national organisations for projects using CVA	Desk review (HARP-F programme documents) KIIs with international and national NGOs, UN agencies
		6.b Number of local and national organisations regularly participating actively in the CWG	Desk review (CWG meeting minutes, 3W, 4W) KIIs with international and national NGOs, UN agencies
		6.c Reported roles and responsibilities of international and national/local organisations in CVA programmes	KIIs with international and national NGOs, UN agencies
		6.d Perceived capacity of local and national actors to implement CVA in the current context	KIIs with international and national NGOs, UN agencies

