

# Cash Based Transfers WFP Myanmar



WFP is the recognized global leader in the fight against hunger. In this role, WFP is committed to meeting the needs of the people it serves with the most effective support, and cash-based transfers (CBT) is the reflection of the progress made in innovative delivery of food assistance in an ever-changing world.

CBT is the provision of monetary assistance in the form of physical cash to the targeted most food-insecure and vulnerable communities enabling access to food directly, through cooperating partners, or service providers in areas with accessible markets and functioning cash infrastructure—two key preconditions for this transfer modality.

CBT has rapidly become an important and appropriate assistance tool for WFP to address hunger and improve livelihoods outcomes particularly for populations affected by conflicts and natural disasters. CBT are particularly useful where food is available but people lack the resources to buy it – where access to food is the problem, rather than availability. CBT has proven to be efficient and effective when applied in appropriate circumstances. CBT can be integrated into broader social protection and safety net systems. WFP recognizes the importance of building and/or using government systems and infrastructure to support this kind of quick and effective deployment. Over the past six years, WFP's use of CBT has extended across crises, affected populations and economies, and geographic areas, including Myanmar.

## CBT in Myanmar

With the launch of the current five-year protracted relief and recovery operation (PRRO) in 2013, WFP in Myanmar started implementing conditional CBT through its community assets creation programme where participants from marginal and vulnerable population groups in Magway, northern Rakhine and Shan received cash for themselves and their families in return for work. The initiative has proven to be successful and been scaled up further, particularly under the WFP flood response for early recovery following the devastating flooding and landslides which struck the country in July-August 2015.

Since 2016, as part of its revised Country Strategy and based on the successful combined food and cash pilot for 2,500 internally displaced persons (IDPs) from six camps in northern Shan in 2013-2015, WFP in Myanmar has also started making a gradual shift from food to CBT for relief considering the advantages of this transfer modality.

### Benefits of CBT

**Dignity:** Cash beneficiaries ought not to receive food baskets, the content of which is predetermined by WFP.

**Empowerment:** With cash, beneficiaries are enabled to purchase their preferred food and have control over the assistance received, prioritising their particular food needs and diversifying their diet.

**Flexibility:** Due to the absence of lengthy procurement and delivery process, CBT affords great flexibility in reaching beneficiaries in a timely and targeted manner, particularly in emergencies.

**Cost efficiency:** CBT can cut down the costs of transporting and storing food as well as reduce overhead operational costs in the longer term. CBT may also result in a lower rate of assistance diversion or sale because recipients meet self-identified needs.

**Strengthened local markets:** CBT can directly benefit local markets and host communities, as well as can restore local economies particularly in the aftermath of emergencies, thus providing local responses to local problems.

Beneficiaries, participating in assets creation programme, receive approximately MMK3,500 (US\$3.5 equivalent) per person per day in return for work. In relief operations, monthly CBT are distributed based on the number of persons per targeted household. Considering inflation rate and seasonality variations, CBT amount to the 100 percent value of the WFP food basket on the local market for those identified as 'most vulnerable' and 70 percent - for 'less vulnerable'. In Kachin, the most vulnerable households receive monthly MMK13,000 (US\$13) per person, while less vulnerable - MMK9,000 (US\$9). In northern Shan State, targeted IDPs receive 13.5 kg of rice combined with MMK6,000 (US\$6) per person.





In 2016, CBT requirements amount to US\$9 million targeting more than 150,000 people in need: 37,700 IDPs in Rakhine, Government controlled areas of Kachin and northern Shan; 37,700 most vulnerable and people in northern Rakhine benefiting from relief assistance during the lean season; 28,500 flood affected populations in Chin, Magway, Rakhine and Sagaing and 1,200 regular community assets creation programme participants from the most food-insecure communities in Magway and Shan.

## Monitoring

Context analysis was conducted with special focus on mitigating protection and gender issues such as access, security, social dynamics in the households and community. Post Distribution Monitoring for relief assistance is conducted twice a year to observe beneficiary awareness and satisfaction, distribution management, protection and gender related concerns, including feedback and complaint mechanism, household consumption and use of cash, food based coping mechanisms. Since February 2016, the beneficiary complaint and feedback mechanism is in place and each Sub-Office and Country Office can be reached via hotline (separate line to assure confidentiality), e-mail and 'traditional' letter boxes on display in the IDP camps.

## Cash Working Group

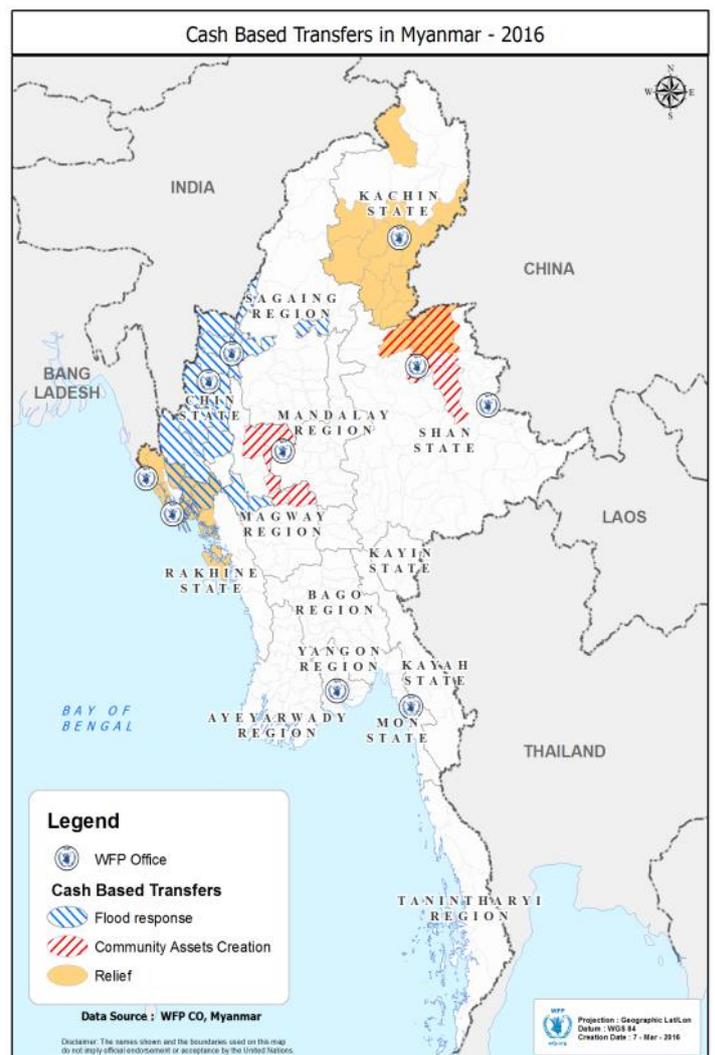
Since August 2015, following the emergency flood response in Myanmar, a Cash Working Group (CWG) chaired by WFP has been formed. The establishment of CWG was of fundamental importance, especially during the early stages of introducing CBT for massive early recovery activities among the flood affected populations. This coordination body has provided an opportunity to strengthen the effectiveness and efficiency of CBT across sectors and clusters in disaster preparedness and response. With growing interests in CBT, currently more than 20 member organizations, including WFP cooperating partners, UN agencies, and other stakeholders, collaborate on the most efficient and effective delivery of assistance that saves and improves people's lives.

## Partnerships

WFP works with partners - AGE, ACTED, ACRD, ALARM, KMSS, MEET, MHDO, NCV, OISCA, Plan, REAM, Save the Children and World Vision - to deliver cash in envelope as well as through local suppliers using hondi service/ advance cash delivery in order to reduce the security risks associated with this transfer modality. WFP is exploring possibilities to expand its network of financial service providers in 2016, which includes mobile cash service provider.

## The Way Forward

In the near future, WFP is planning to further scale up CBT in safety net programmes such as asset creation and nutrition through conditional cash transfer in peri-urban areas and relief activities (preparedness initiative/ multi-sectoral assessment and response mechanism). Upon successful identification of new service providers, WFP will gradually shift from immediate physical delivery of cash at the collection points to transferring cash through more sophisticated solutions such as electronic mobile vouchers. WFP will also continue capacity building efforts with the Government and other key partners, who will play a crucial role in making WFP's CBT successful.



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