CASH AND VOUCHER
FEASIBILITY STUDY
KACHIN, MYANMAR
OCTOBER 2016

OXFAM
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<td>CMC</td>
<td>Camp Management Committee</td>
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<td>DPP</td>
<td>Durable Peace Programme</td>
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<td>EFSVL</td>
<td>Emergency Food Security and Vulnerable Livelihoods</td>
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<td>Focus Group Discussion</td>
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<td>GBV</td>
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<td>(Myanmar) Government Controlled Area</td>
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<td>Household Economic Approach</td>
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<td>IDP</td>
<td>Internally Displaced Person</td>
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<td>KBC</td>
<td>Kachin Baptist Convention</td>
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<tr>
<td>KCA/NGCA</td>
<td>KIO-Controlled Area/Non-Government Controlled Area</td>
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<td>KIA</td>
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<td>KII</td>
<td>Key Informant Interview</td>
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<td>KIO</td>
<td>Kachin Independence Organisation</td>
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<td>MMK</td>
<td>Myanmar Kyat</td>
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<td>NCA</td>
<td>National Ceasefire Agreement</td>
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<tr>
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<td>Non-Food Item</td>
</tr>
<tr>
<td>SLA</td>
<td>Sustainable Livelihood Approach</td>
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<tr>
<td>SWOT</td>
<td>Strengths, weaknesses, opportunities and threats</td>
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EXECUTIVE SUMMARY

This research is part of the ECHO-funded consortium programme Protection Driven Humanitarian Action for Displaced and Conflict Affected Persons in Myanmar, managed by the Danish Refugee Council, and including Oxfam and the Kachin Baptist Convention (KBC) as consortium members conducting joint programming. This cash feasibility study was conducted to analyse the potential for Oxfam and KBC’s current Emergency Food Security and Vulnerable Livelihoods (EFSVL) programming in Kachin to shift away from in-kind support for internally displaced persons (IDPs) towards a cash or voucher-based system.

Since establishing a widespread humanitarian response in Kachin in 2011, Oxfam and KBC’s programming has scaled down to its current focus on six camps for internally displaced persons (IDPs) in the remote border areas of Kachin neighbouring China. Located in Kachin Independence Organisation (KIO) controlled areas (KCA – also known as non-Government controlled areas - NGCA1), these six camps have limited functioning markets and livelihood opportunities. When combined with extensive access limitations from the Myanmar side, this causes distinct challenges for EFSVL programming.

Oxfam and KBC’s current programme seeks to ensure food security for a population of just over 9,000 IDPs across the six camps through the provision of in-kind food rations. To achieve SPHERE minimum standards, each IDP is provided with 13.5KG of rice, 1.8KG of chickpeas, one litre of oil and 0.15KG of salt per month. Considering local market limitations and the remote locations of the camps, the provision of in-kind food rations was considered the most appropriate EFSVL option.

As is evident in this report, the conditions continue to justify some level of in-kind food rations, particularly for rice, but there is also significant potential to shift towards increased cash programming to replace the distribution of chickpeas, oil and salt, in five2 of the six target camps. This report recommends that in-kind distribution of rice is maintained across all six camps – this is largely due to constraints on purchasing rice from outside of Myanmar as reported by IDPs and traders during interviews for this research3 – key informants reported that this impedes the capacity of retailers within camps to supply sufficient rice for IDPs. Nevertheless, in four of the other camps, IDPs should receive a combination of cash plus rice. For one extremely remote camp, Hkau Shau, it is recommended that in-kind rations remain for all four staples, due to greater market limitations than the other camps. For Pa Jau camp, despite cash programming being technically feasible, it is not recommended to switch to cash at this time due to protection concerns raised by the women in Pa Jau – further analysis is required.

These conclusions are based on findings that community/small retailers are currently operating in the camps, selling non-food items (NFIs) and some basic food items, such as potatoes, snacks and instant noodles. These retailers generally don’t sell rice, chickpeas, oil and salt, as any market share is eroded by in-kind food rations, while the selling of rice is limited due to constraints around purchasing rice from China as reported by IDPs and traders (see above). Although the retailers have varying levels of capacity, they could adapt to meet increased demand through a gradual transition towards cash. Aside from market capacity, the transition would also be strengthened by the presence of Camp Management Committees (CMCs) which support overall camp coordination. Additionally, the social cohesion amongst IDPs, most of who identify as ethnically Kachin, further lessens the risks of shifting towards cash.

1 Note: Oxfam uses the term KCA/NGCA, in recognition of the different governance systems operating in Myanmar and in seeking to be conflict sensitive.
2 Hpare, Shing Ja, Mung Ga Zup, Maga Yang and Pa Jau.
3 Key informants interviewed for this research reported that rice in larger quantities can only be purchased from China by traders with official licenses which are difficult and in some cases impossible to obtain, particularly for those smaller traders operating out of Non Government Controlled IDP camps.
Nonetheless, there are distinct risks and challenges in shifting towards cash. Despite some existing supply infrastructure of retailers, IDPs are not confident of retailers’ ability to meet substantially increased demand, with IDPs trust of retailers also low. Arguably, in-kind distribution has led to a high level of dependency amongst IDPs, but there are valid fears over cash being insufficient to achieve the same level of food security. These fears are exacerbated by the remote locations of the camps, on-going conflict and natural disasters, all of which remain a constant threat to food security. Furthermore, IDPs access to alternative retailers or markets is limited, due to high transport costs to reach the nearest markets in China, immigration restrictions and harassment by border guards. Finally, women in Pa Jau camp raise concerns around the potential increases in domestic violence, resulting from shifting towards cash. These key reasons reinforce the need for a staggered approach towards any change away from in-kind distribution to cash or voucher systems.

The accumulation of these IDP concerns (and other factors such as a possible fear of change) also results in IDPs preferring in-kind food assistance rather than cash or voucher-based programming. Therefore, it must be noted that shifting away from in-kind assistance goes against the wishes of the majority of IDPs. Project implementation must seek to allay IDPs’ fears through a well-planned transition, while at the same time maintaining IDPs’ current levels of food security. Ensuring information sharing about any transition, IDP participation in decision-making and processes, and robust and responsive feedback mechanisms, are just some of the key steps that the project should take as part of any transition. These issues need to be proactively addressed, regularly monitored, and mechanisms put in place to resolve any arising problems.

This study recommends a mixed approach with in-kind rice distribution remaining for all six camps while chickpeas, oil and salt are replaced with cash in Hpare, Shing Jai, Maga Yang, and Mung Ga Zup camps. For Hkau Shau and Pa Jau, it is recommended that in-kind distribution remains for all four items, due to poor market access with the nearest intermediate market five hours drive away and/or protection concerns. Close monitoring of the transition will be critical to ensure food security does not decrease, while targeted technical support may also be required for retailers to ensure a smooth transition. Finally, considering the transition towards cash goes against the preference of IDPs, it absolutely critical that IDP concerns are proactively addressed and any transition remains flexible.

ACKNOWLEDGEMENTS

First and foremost, thank you to all the interviewees involved in this study, particularly the IDPs that provided extensive insights. This research was made possible by extensive contributions from KBC and Oxfam staff throughout all stages of the research. Thank you to all involved staff and volunteers for your contributions and commitment. Finally, thanks to ECHO for their long-term support of Oxfam and KBC, including funding for this current program and this research.
INTRODUCTION

BACKGROUND

Since armed conflict resumed in June 2011, over 110,000 people have been displaced in Kachin and northern Shan States. Despite a push from the former military-backed Government for the National Ceasefire Agreement (NCA) in late 2015, key ethnic armed groups in Kachin and northern Shan are yet to sign the NCA, including the KIA. As of mid 2016, fighting continues and in many cases is intensifying in Kachin and Northern Shan, causing further displacement of people.

IDPs are situated predominantly in IDP camps, both in KCA/NGCA and Myanmar Government-controlled areas (GCA). In KCA/NGCA, IDPs tend to be located more remotely and in rural areas with particularly limited livelihood opportunities, whereas IDPs in GCA are more likely to be located in urban settings with better livelihood opportunities and market access. However, Kachin has many micro contexts resulting from geography, governance systems and proximity to conflict, meaning the situations for each IDP camp can vary significantly. Some instances of return and/or resettlement have taken place, but ongoing conflict, proximity to military bases and landmines remain major barriers (amongst many) to further returns en masse. Thus, IDPs remain in camps and humanitarian assistance remains critical.

This research is part of the ECHO-funded consortium programme Protection Driven Humanitarian Action for Displaced and Conflict Affected Persons in Myanmar, managed by the Danish Refugee Council. ECHO continues to be a major donor of humanitarian action in Kachin and made this research possible through funding. As part of this broader programme in Kachin, Oxfam and KBC are supporting IDPs in six camps in remote, mountainous border areas within KCA/NGCA, namely Maga Yang, Hpare, Shing Jai, Hkau Shau, Pa Jau and Mung Ga Zup. These six camps host just over 9,000 IDPs. For the last three months of the programme, Oxfam and KBC are seeking to explore the possibility of shifting towards cash or voucher-based implementation instead of in-kind food rations, in order to provide IDPs greater flexibility in purchasing and to stimulate local economic development.

An initial phase of this transition was a Preliminary Market Analysis of the market supply chain for the six target camps in November 2015, conducted by Oxfam, KBC and Metta. The market analysis provided an understanding of the market mechanisms and supply for key food items of rice, pulses, oil and salt. The assessment elucidated details about key market actors and approximately 70 small retailer shops owned by IDPs that sell limited food and non-food items (NFIs). Amongst various findings, the analysis found that the shop owners believed the in-kind food rations undermined their businesses, making them inclined to not stock the four main food items provided through Oxfam and KBC’s humanitarian programme. The analysis also critiqued different market actors along the supply chain and their capacity to adjust to a cash or voucher based system, finding that a cash/voucher-based system may be feasible, but also recommended deeper analysis to explore security, risks and other dynamics. Therefore, this feasibility study is designed to build upon the market assessment, providing sufficient details to subsequently embark on the transition from in-kind food to a cash or voucher-based system.

LINKAGES TO OTHER EUROPEAN UNION AND OXFAM PROGRAMMING

Complementing Oxfam and KBC’s ECHO-funded humanitarian programming, Oxfam launched the Durable Peace Programme (DPP) in 2015, funded by the European Commission, and implemented by a consortium including KBC, Karuna Mission Social Solidarity (KMSS), Metta, Nyein, SwissAid and Trócraire. Bridging humanitarian assistance with longer-term development, the DPP works with communities to increase their capacity to engage in peace and development initiatives, including a

significant focus on livelihoods. The DPP also has substantial focus on engaging authorities to be more responsive to community needs. For Oxfam and KBC’s humanitarian programming, linkages are being made with the DPP (and other development programming), in an effort to improve IDPs’ long-term resilience. Therefore, although this feasibility study focuses on humanitarian assistance, it must be understood in a broader context of concurrent peace and development programming that together can ideally address IDPs’ current needs and lay the ground work for voluntary, dignified returns and/or resettlement.

RATIONALE OF THE STUDY

In December 2015, Oxfam and KBC presented the results of Preliminary Market Analysis to the IDP and Refugee Relief Committee of the KIO to encourage local stakeholders to explore market-based interventions. The meeting concluded that a cash/voucher programme should be taken into consideration, but on the condition that a more detailed assessment was conducted to better understand the capacity of market actors in the camps. Therefore, this feasibility study was designed to meet this requirement and provide further details on how to best shift towards a cash or voucher system. Ultimately, this feasibility study should provide sufficient basis to begin the transition in programming, while minimising risks and maintaining IDP food security.

OBJECTIVES OF THE STUDY

The study aimed to achieve the following four objectives:

1. To conduct a market review in all six IDP camps, focusing on:
   a) The capacity and willingness of small traders in the camps and traders/suppliers to participate in a cash/voucher programme; and
   b) Potential protection risks, mitigation strategies, and benefits for IDPs and traders related to market dynamics within the camp and between the camps and suppliers in China;

2. To conduct logistics and finance assessments for partnership with traders in China and in the camps, and assess potential financial institutions to be involved in cash/voucher implementation;

3. To capture the perspectives of IDPs and Camp Management Committees (CMCs) on their basic needs and cash/voucher programming; and

4. To provide recommendations on how the transition to cash/voucher programming could be implemented in the six camps, including protection risks analysis and mitigation measures.

METHODOLOGY

This study utilised primarily qualitative methodologies, but also included quantitative data, such as market prices. The two main data sources are secondary data and field-based data collection with details as follows:

Secondary Data
A literature review was conducted to help frame the approach of the study and ensure the study built upon existing research. Oxfam and KBC’s Preliminary Market Analysis (December 2015) was a key document for the literature review, while post distribution monitoring findings, project proposals and external literature also fed into the literature review process.

As part of the review process, discussions were held with Oxfam and KBC field staff to develop an appropriate study design and assessment framework. The focus group discussion (FGD) and key informant interview (KII) questionnaires were developed by customising existing available tools, such
as market mapping, 24 hour gender roles, the 48 hour EFSVL assessment and seasonal calendars.

Data Collection
Oxfam and KBC staff formed four data collection teams, involving seven women and 13 men, tasked with collecting data within and around the six focus camps. Prior to data collection, a three day induction and orientation workshop was delivered to data collectors, covering topics such as FGD and KII techniques and the questionnaires, dietary diversity and expenditure pattern data collection techniques, gender and conflict sensitivity, and finalising the overall data collection process.

Following the induction, data collectors embarked on the following:
- Two FGDs in each of the six camps, conducted separately with a women’s group and men’s group, totalling 58 women and 67 men;
- One FGD was held with each CMC in all six camps;
- KIIs were conducted with 38 camp-level small traders/retailers (32 women and six men) across all six camps;
- KIIs were conducted with 17 traders (12 women and five men) in seven supplier & intermediate markets (linked to the six camps);
- Discussions were held with other relevant stakeholders, such as Trócaire, the World Food Programme and KMSS, both in Kachin and Yangon; and
- Engagement with people with special needs, totalling 12 women and 10 men.

Table 1: List of Representatives of People with Special Needs

<table>
<thead>
<tr>
<th>Camp</th>
<th>Female</th>
<th>Male</th>
<th>Total</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pa Jau</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>Elderly, malnourished and no income.</td>
</tr>
<tr>
<td>Hpare</td>
<td>4</td>
<td>2</td>
<td>6</td>
<td>Elderly, illiterate, language barriers and illness.</td>
</tr>
<tr>
<td>Hkau Shau</td>
<td>2</td>
<td>1</td>
<td>3</td>
<td>Elderly, malnourished and illness.</td>
</tr>
<tr>
<td>Munga Zup</td>
<td>2</td>
<td>1</td>
<td>3</td>
<td>Elderly, no income, malnutrition and illness.</td>
</tr>
<tr>
<td>Maga Yang</td>
<td>1</td>
<td>1</td>
<td>2</td>
<td>Elderly, no income and no family.</td>
</tr>
<tr>
<td>Shing Jai</td>
<td>2</td>
<td>3</td>
<td>5</td>
<td>Elderly, illness, illiterate and deafness.</td>
</tr>
<tr>
<td>Total</td>
<td>12</td>
<td>10</td>
<td>22</td>
<td></td>
</tr>
</tbody>
</table>

For market actors, two separate KII questionnaires were developed – one for camp-level retailers and another for the larger suppliers/intermediate markets. The questionnaires were designed to better understand market actors’ capacity to supply high volumes of food items, current market challenges, and the availability and access of infrastructure and support services.

For the FGDs with IDPs, the questionnaire was designed to primarily understand the current food security scenario, market availability and access, preferences towards cash/vouchers or in-kind assistance, and risks relating to protection and security. The FGDs also explored the availability of financial institutions and other services required for cash transfers. Finally, to gather quantitative information about the food security situation, participatory rural appraisal techniques were utilised,
such as proportional piling, which requires respondents to preference certain choices, such as for expenditures.

**Assessment Framework**

For the implementation of the feasibility study, Oxfam and KBC utilised the following framework, which was developed during a consultation process with Oxfam and KBC staff.

Table 2: Feasibility Study Framework

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<tr>
<th>Respondent Group</th>
<th>Assessment Areas</th>
<th>Implementation</th>
</tr>
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<tbody>
<tr>
<td>IDPs (women, men and women-headed households) and CMCs</td>
<td>• Basic food security needs; &lt;br&gt;• Assistance delivery preferences; &lt;br&gt;• Suitability of different cash/voucher modalities; &lt;br&gt;• Coping strategies; &lt;br&gt;• Income and expenditure; &lt;br&gt;• Gender dynamics, including roles and responsibilities; &lt;br&gt;• Market access; &lt;br&gt;• Social dynamics; and &lt;br&gt;• Risks and mitigation related to cash/voucher systems.</td>
<td>Three FGDs in each camp: one with women IDPs, one with men IDPs and one with CMC members.</td>
</tr>
<tr>
<td>Small traders, small shop owners in the camps, and transportation suppliers. China-based traders and suppliers and traders in intermediate markets.</td>
<td>• Overall opinion on cash/vouchers, including benefits, risks and mitigation measures; &lt;br&gt;• Existing and potential capacity; &lt;br&gt;• Safety and security challenges; &lt;br&gt;• Current business practices; &lt;br&gt;• Access to/from camps; &lt;br&gt;• Skills and capacity requirements; &lt;br&gt;• Conditions for partnership with traders; &lt;br&gt;• Requirements for access to financial institutions; &lt;br&gt;• Logistics and financial procedures; &lt;br&gt;• Perceptions on gender and protection risks.</td>
<td>KIIs held with a diversity of retailers in each camp, as follows: Hpare (2 of 6), Shing Jai (10 of 10), Maga Yang (8 of 21), Mung Ga Zup (9 of 31), Pa Jau (5 of 10), Hkau Shau (4 of 4). KIIs with 17 suppliers in intermediate markets and Yin Jaing.</td>
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</table>

**Data Analysis**

Following field data collection, the research/advisory team and data collectors held a three-day analysis workshop to analyse the collected data and develop findings.

The study team analysed the data by referring to the three strands of Emergency Market Mapping and Analysis as follows:

1. **Gap analysis “people”**<br>The analysis aims to build understanding of IDPs’ food security and livelihood needs.
2. **Market analysis**<br>The analysis aims to build understanding of market systems, in terms of constraints and capabilities to play a role in the intervention.
3. **Response analysis**<br>The analysis aims to explore different options and opportunities of response models. It looks at various response options, benefit and risks.

Oxfam’s EFSVL technical experts facilitated the analysis further by using Oxfam’s ‘Working with Markets and Cash: Standard Operating Procedures and Guidance Notes,’ including the cash transfer response modality decision tree (link included as Annex 1).

Due to the different contexts of each camp, analysis for each was conducted separately in order to
develop specific, appropriate analysis and recommendations. Oxfam’s EFSVL Coordinator also contrasted the workshop information with the final data sheets. Finally, data was also compared with secondary sources, particularly Oxfam’s Preliminary Market Analysis.

LIMITATIONS OF THE STUDY

The following are the key limitations of the study:

- International and non-ethnic-Kachin staff were unable to access all six of the camps, although Myanmar (non-Kachin) staff could access Yin Jaing Market and Myitkyina intermediate market. Thus, non-Kachin staff were limited to supporting the field assessments remotely;
- The assessment areas have four primary languages spoken (Kachin: Jinghpaw and Lachid, plus Burmese and Chinese). Thus, field assessments required significant translation, which risked losing important information;
- The remoteness of the six camps resulted in long travel times (three to four days) and additional risks related to rain and landslides. This slowed the overall assessment process;
- The research team was unable to interview Myanmar Government and KIO authorities to understand their perspectives on cash/voucher programming, although the KIO was engaged prior to the research during the Preliminary Market Analysis; and
- The depth of needs analysis of People with Specific Needs during the study was limited. However, Oxfam and KBC commit to meet specifically with these people during any transition period and proactively address issues.

KEY FINDINGS

A. FOOD SECURITY & LIVELIHOODS

CAMP SITUATION

In terms of food dynamics, the four staples of rice, chickpeas, oil and salt are all produced in Myanmar (and China), but flow through China, due to travel restrictions in Myanmar for five of the six camps. Since the end of 2015, Shing Jai camp gained direct access to Myitkyina and Waingmaw markets. The other five camps can only access markets in China, due to security concerns, travel restrictions and the poor quality of roads and bridges.

In terms of security, all six camps face many challenges. Sustained and even intensifying armed conflict continues, creating significant risks for travel and short-term displacement. Meanwhile, heavy militarisation and land mines pose threats to movement. Very poor road conditions and damaged bridges limit movement and pose security threats.

In terms of livelihoods, options are very limited for IDPs in all six camps and there remains a high level of dependence upon humanitarian assistance as a result. Livelihoods options include limited animal raising, home gardening, small business and daily labouring opportunities, while work in China is also possible, albeit with extensive protection risks caused by people crossing the border illegally (i.e. without passbooks) placing them at risk of arrest at the border. Most IDPs are unable to afford the required passbook to cross the border and enter China - because they do not have a national identity card that is essential in applying for a border passbook. National identity cards are critical for accessing citizen rights within Myanmar - such as Myanmar Government health, education and passport services, as well as the ability to vote.
FOOD SECURITY

IDPs in all six camps are currently accessing sufficient basic food supplies, but with minimal nutritional diversity. The nutritional diversity for each household was calculated following FGDs with IDPs, where IDPs were asked to raise their hand if they had eaten any of a particular food in the past 24 hours. For the 125 participants, the total score came to 731, indicating an overall average of 5.8 on a scale of 0 to 12, with 12 indicating high nutritional diversity. These figures are for the household level, hence not being gender disaggregated.

The overall average of 5.8 indicates low nutritional diversity. This scale is based on questions relating to consumption of foods containing different nutritional benefits (see Annex Two for the list of foods). According to FGDs and KII, main meals generally include rice, pulses and some vegetables, while oil and fat was included mainly for the cooking of food (not from meat consumption).

Although nutritional diversity was low across all camps, Hpare and Hkau Shau camps had the lowest nutritional diversity, 5.1 and 4.3 respectively, due to particularly poor access and highly limited availability of diversified food by retailers. In Hkau Shau 80% of household food is secured from relief support. This indicates the critical role of humanitarian assistance for IDPs and the need for any
transition towards cash/voucher systems to be strategically and carefully implemented to avoid undermining existing levels of food security that humanitarian assistance achieves.

**LIVELIHOOD OPPORTUNITIES IN CAMPS**

Income and livelihood opportunities for IDPs are very limited within the camps and immediate surrounding areas. 70% of respondents from the six camps responded that they have no income, while 24% receive income from casual labour. The remaining 6% mentioned debt, NGO assistance, livestock rearing and business as income sources.

![Graphic 3: Livelihood Options in the Camps](image)

Those engaging in casual labour are generally travelling to the nearest market (often many hours away) and/or to other labouring opportunities in China. Host communities are often reluctant to provide IDPs work and when they do, IDPs get paid less than non-IDPs. Daily wages average about 4,000-5,000 Myanmar Kyat (MMK) for men and 3,000-4,000MMK for women. In accessing these labouring opportunities in China, IDPs often cross the border illegally and routinely face the risk of arrest. Meanwhile, local businesses, such as camp level retailers, are reluctant to invest more in their businesses, due to limited cash flows, uncertainty over the future situation and a lack of capacity.

Meanwhile, the expenditure analysis was calculated by using proportional piling, where participants are required to indicate their preferences for expenditures, even if they lack income. The results highlighted a few key areas of spending. Despite receiving in-kind food assistance, 24% of IDPs (proportionate) expenditure was still on food, which primarily includes snacks, potatoes and other basic food items. Health was the second biggest expense at 21%, while livelihood inputs made up 17% of expenditures. For some camps, such as Hpare, education was the largest expenditure, as many IDPs sent their children to boarding schools. Together, these patterns indicate basic subsistence living and high levels of vulnerability.

**COMMUNITY AND HOUSEHOLD DYNAMICS**

Community dynamics in all six camps demonstrate high levels of social cohesion, due to a number of reasons. Firstly, nearly all IDPs identify as ethnically Kachin and the six camps are located in areas made up mainly of ethnic Kachin. Although ‘Kachin’ are not an ethnically homogenous group, as there are six main subgroups, within the camps these subgroups demonstrate high levels of solidarity, although it must be recognised that Jinghpaw are generally the dominant subgroup amongst both IDPs and nearby communities. In connection, IDPs in the six camps tend to see the KIO as a legitimate Governing body, which not only provides security (through the KIA), but also some humanitarian assistance, coordination and other service provision expected of a Government. Thus, being in KCA/NGCA appears to facilitate social cohesion for Kachin IDPs. Furthermore, the presence of fairly stable and functioning CMCs further improves social cohesion amongst IDPs with CMCs.
playing a prominent role not just in camp coordination, but also addressing complaints and other issues. Consequently, crime and other social ills remain fairly low, although alcohol abuse does exist, albeit not on a large scale.

Household level dynamics are similar to broader dynamics in Myanmar, but the impacts of conflict and displacement are evident. Women make up the majority of camp populations at 51.4%. However, during daylight hours the figure rises to approximately 60-70% as men are more likely to travel outside camps for daily work and other livelihood opportunities, although overall women make up of the camps’ population. Gender roles see women being primarily responsible for domestic work, such as cooking, cleaning and childcare, while men are more likely to be engaged in daily labouring. Some households are engaged in livestock raising (pigs being the preferred animal) and small-scale vegetable gardens, while other livelihood opportunities are very limited, due to a lack of space, inputs and market access. Nonetheless, IDPs are comfortable and familiar with handling cash, as they have experience through humanitarian cash assistance and occasional income. In terms of household relations, GBV exists, but prevalence is difficult to measure. Other issues, such as post-traumatic stress are evident, while there is a strong sense of disenchantment over the current situation and the future.

At both the household and community level, protection issues did not feature prominently during FGDs and KIIs (despite specific protection-related questions), but they certainly exist. For example, a baseline report conducted for Oxfam’s DPP indicated that approximately 23% of IDPs believed domestic violence against women is a problem in their community. Meanwhile, IDP’s attempting to cross the border without valid documentation creates many protection concerns, particularly for women and girls. Otherwise, in the immediate vicinity of camps, military-related protection issues are generally low, as the KIA maintains positive relations with communities, but if IDPs venture further away, protection risks increase dramatically. The threat of the armed conflict coming closer to camps also remains a major concern. Finally, the presence of (non-KIA) military/armed groups, active fighting and landmines are the most severe and common risks, all of which are prominent if IDPs attempt to travel in certain conflict areas and/or visit their land of origin. Natural disasters also pose protection risks with flooding and landslides of particular concern with direct impacts on market access and IDP mobility.

B. MARKET DYNAMICS

PRELIMINARY MARKET ASSESSMENT

Oxfam, KBC and Metta Development Foundation conducted a preliminary market analysis in the same six KCA/NGCA camps for this study, in November 2015. Key findings are as follows:

- Although food items (rice, chickpeas, oil, and salt) were produced within Myanmar territory, supply chain towards five of the six camps flows through Chinese territory.
- Safety threats pose a major barrier to IDPs’ ability to travel, which is exacerbated by poor road conditions and damaged bridges.
- Shing Jai camp recently gained direct access to Sedung and Waingmaw markets, while direct access to Myitkyina is also possible, but further away. The other five camps can only be access via China and few IDPs can afford the official papers to cross the border.
- Women are responsible for the majority of household chores, such as cooking, cleaning, childcare and other chores. Men on the other hand to engage more with daily labouring opportunities outside the camps.
- Humanitarian assistance (rice, chickpeas, oil and salt) is the primary food source, while IDPs generally purchase other items that are not provided through in-kind assistance.
- Livelihood options are very limited for IDPs, due to restrictions on movement because of safety concerns and remote locations. Food production is also severely constrained by minimal access to arable land.
At the start of 2016, Oxfam and KBC would be the only organisations delivering humanitarian assistance to the six camps.

MARKET MECHANISMS AND PRICES

Across the six camps, there are highly variable levels of access to markets and quality of markets. Local retailers are the main direct market source for IDPs with retailers supplied by nearby intermediary markets. Only two major supply markets serve the six camps – one in Myitkyina and the other in Ying Jaing, Yunnan Province, China, although Waingmaw can also be considered a supply market. The following market map provides an overall view of supply chains for the six camps.

![Illustration 1: General Market Map – 6 KCA/NGCA Camps, Kachin](image)

**Large-scale Supply Markets: Yin Jaing and Myitkyina**

Yin Jaing is home to six large-scale suppliers with sufficient capacity and willingness to supply essential food commodities to the six camps (although Shing Jai camp is better served by Myitkyina/Waingmaw). Assessments indicate that five of the six suppliers have an average of 2,500 tonnes of storage capacity and four of the suppliers had experience supplying on average 500 tonnes of rice to IDP camps in KCA/NGCA. The large-scale suppliers have high capacity to transport food items and are well connected with the intermediary markets. The Yin Jaing-based suppliers get their stock from China and Myanmar, and have reasonably stable prices on rice and to a lesser degree on other items, due to their substantial storage capacity, although seasonal fluctuations still occur.

Yin Jaing is also served by six private banks and one Government bank, in addition to Hondi cash transfer systems, which is the current system utilised for purchasing in-kind food assistance by Oxfam and KBC. Western Union also operates at the market. However, as explained above, the difficulties reported by smaller Myanmar traders in purchasing rice from China in larger quantities mean that Ying Jaing cannot be effectively used as a market for supply Myanmar IDPs with rice. Therefore, there appears sufficient market capacity in Yin Jaing to transition towards cash/voucher programming for chickpeas, oil and salt, but not for rice.

Meanwhile, the Myitkyina (and Waingmaw) markets are relatively stable, albeit with less capacity and
stability than Yin Jaing. The Myitkyina market is only relevant for Shing Jai camp, but appears capable of supplying IDP needs. Although most transactions are done in cash, numerous banks operate in Myitkyina, and transactions are relatively simple (with no restrictions on transporting rice to Shing Jai). Suppliers have adequate storage facilities and there is a diversity of suppliers. However, there can be substantial fluctuations in prices, particularly due to seasonal variations or natural disasters, such as the 2015 Myanmar floods. There is an additional risk that access to Shing Jai may change suddenly, as restrictions on movement in Myanmar can rapidly change, while the quality of rice is also unreliable. Thus, there appears sufficient market capacity for a transition towards cash/voucher programming for chickpeas, oil and salt.

**Intermediate Markets**
There are a diversity of intermediate markets between Yin Jaing and five of the target IDP camps, with Shing Jai camp served by Sedung and Waingmaw intermediary markets. The intermediate markets in China have good linkages with Yin Jaing and the five camps, albeit with variations, such as travel times ranging from 40 minutes to five hours drive. All the intermediary markets in China are located near the border and checkpoints, in what are essentially small towns or villages. All of those intermediary markets supply and store food and NFIs. Their storage capacity varies from approximately 40 to 75 tonnes, but with potential to expand if demand increased. In one or two instances, the intermediary suppliers also offer credit facilities to large retailers in the camps. In terms of financial facilities, there are no financial service providers in any of the intermediary locations, with transactions made in cash. Meanwhile, the Sedung and Waingmaw intermediary markets have reasonable storage facilities and easy access to further capacity in Myitkyina. Financial facilities are limited with transactions primarily made in cash, although Waingmaw has some bank transfer capacity.

Table 3: Traders’ capacity and challenges in big market and intermediary market

<table>
<thead>
<tr>
<th>Markets</th>
<th>Storage Capacity</th>
<th>Capacity to transport material to KCA/NGCA camps</th>
<th>Payment Modality</th>
<th>Challenges in doing business in KCA/NGCA camps</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ying Jaing</td>
<td>750 MT</td>
<td>Yes</td>
<td>Bank transfer, Hondi and cash</td>
<td>Rice export restrictions</td>
</tr>
<tr>
<td>Hka Sang</td>
<td>65 MT</td>
<td>Yes</td>
<td>Mostly Cash</td>
<td>Rice export restrictions, transportation and checkpoint blockages</td>
</tr>
<tr>
<td>Sama</td>
<td>50 MT</td>
<td>Yes</td>
<td>Cash and bank transfer</td>
<td>Rice export restrictions</td>
</tr>
<tr>
<td>Sedung</td>
<td>40 MT</td>
<td>Yes, to Shing Jai camp</td>
<td>Cash</td>
<td>Transportation difficult due to landslides during wet season</td>
</tr>
<tr>
<td>Waingmaw</td>
<td>75 MT</td>
<td>Yes, to Shing Jai camp</td>
<td>Bank transfer and cash</td>
<td>Transportation difficult due to landslides during wet season, nine checkpoints at the time of research and no experience in large-scale supply</td>
</tr>
</tbody>
</table>

**Prices of the Four Staples**
As the below graph indicates, the rice price remains relatively stable across all locations, although it is slightly cheaper in Yin Jaing. For chickpeas and oil, significant variations exist and should be accounted for in any transition towards cash/voucher programming. Close monitoring of prices is important to ensure any transition towards cash/vouchers does not reduce IDPs’ current food security.
Specific Camp Dynamics

Each of the six IDP camps has varying levels of food availability and access, which will be explored separately here. All camps have at least some availability of other basic foods, such as snacks and potatoes. Broadly speaking, the four camps of Pa Jau, Maga Yang, Mung Ga Zup and Hpare can be clustered together. All four have functioning retailers, reasonable access to intermediate markets and the same challenge faced by smaller local traders in purchasing rice from China. Hkau Shau is the most inaccessible camp and demonstrates very limited capacity to adjust to cash/voucher programming. IDPs in these five camps have some potential access to intermediate markets in China, but this is limited by prohibitive costs/time and the requirement of possessing a valid passbook. Shing Jai on the other hand is the only camp that is (relatively) easily accessible from the Myanmar side, thus resulting in reasonably good market and retailer access for IDPs and without the challenges posed by the export restrictions on rice.

**Pa Jau**
**IDP population:** 672 (375 women and 297 men)
**Time to intermediate market:** three hours on tuk tuk-style truck
**Cost to intermediate market:** 160 Yuan ($24US)
**Number of retailers in camp:** 10

Ten retailers exist within the camp, five of which are selling food items, including vegetables, oil, dried fish and noodles. Sima Market (in China) is the nearest intermediate market, but prohibitively expensive to access. Although the cost can be shared between multiple families, IDPs rarely access the intermediate market. Aside from the transport expense, IDPs also struggle to access the market because they usually don't possess a valid passbook. The one Chinese retailer in Pa Jau is significantly larger than the other retailers and also keeps small quantities of rice, which is uncommon for most retailers across all of the camps. Most of the retailers have good connections with Sama market, enabling a relatively stable supply of goods. Ultimately, it appears feasible to transition towards a cash/voucher system for chickpeas, oil and salt, but rice remains challenging, due to the constraints faced by smaller traders in purchasing rice from outside of Myanmar.

**Maga Yang Camp**
**IDP population:** 2558 (1392 women and 1166 men)
**Time to intermediate market:** 45 minutes on tuk tuk-style truck
**Cost to intermediate market:** 80 Yuan ($12US)
**Number of retailers in camp:** 21

Maga Yang is one of the largest IDP camps in Kachin with many retailers. Five of the retailers are selling small quantities of rice, but most focus on selling snacks, vegetables, eggs and non-food items (NFIs). Hka Shung (in China) is the nearest intermediate market; all retailers are reasonably well
connected to that market. Similar to Pa Jau, IDPs can also access the market if they have a valid passbook. If not, they are dependent on local retailers. Transportation services between the camp and Hka Shung are good with mobile traders also coming to the camp a few times a week to sell eggs, meat, vegetables and other goods. Between January and March when there was a shortage in humanitarian assistance, two retailers increased their sales of rice to fill the gap, demonstrating some capacity to shift towards cash/voucher programming. Ultimately, it appears feasible to transition towards a cash/voucher system for chickpeas, oil and salt, but not rice, as per the other camps’ challenges with purchasing rice from outside of Myanmar.

**Mung Ga Zup Camp**
**IDP population:** 2584 (1361 women and 1223 men)
**Time to intermediate market:** two and a half hours on tuk tuk-style truck
**Cost to intermediate market:** 80 Yuan ($12US)
**Number of retailers in camp:** 21

Also one of the largest IDP camps in Kachin, Mung Ga Zup has many retailers, alongside two wholesalers. The retailers sell similar items to those in other camps, namely basic snacks, vegetables and NFIs. Of the two wholesalers, one mainly sells NFIs, but during the January to March humanitarian gap, they also sold food. The other wholesaler sells both food and NFIs. Both wholesalers are Chinese and considered very influential in the camp. The nearest intermediate market is Hka Shung (in China), which can be accessed if IDPs possess a valid passbook. The wholesalers have very good connections with the intermediate market, while most of the retailers also have good connections with the intermediate market, including the ability to phone in requests for deliveries. Ultimately, it appears feasible to transition towards a cash/voucher system for chickpeas, oil and salt, but not rice.

**Hpare Camp**
**IDP population:** 752 (300 women and 452 men)
**Time to intermediate market:** 30 minutes on tuk tuk-style truck
**Cost to intermediate market:** 25 Yuan ($4US)
**Number of retailers in camp:** six

The retailers in Hpare sell NFIs and basic food items, but not rice. One of the retailers is considerably larger than the others and has good linkages with suppliers from intermediate markets in Theng Chon and Shi Jang, while the other retailers primarily access the closer, but smaller Zigee market (30-minute drive). IDPs are also able to access Zigee market, but this is once again dependent on having a valid passbook. Thus, IDPs tend to primarily access local retailers. It's even more difficult for IDPs to access larger markets, such as Theng Chon and Shi Jang, due to prohibitive transport costs and time, plus language barriers, as Kachin languages and/or Burmese are rarely spoken. Ultimately, it appears feasible to transition towards a cash/voucher system for chickpeas, oil and salt, but not rice.

**Hkau Shau Camp**
**IDP population:** 1058 (520 women and 538 men)
**Time to intermediate market:** five hours on tuk tuk-style truck
**Cost to intermediate market:** 300 Yuan ($45US)
**Number of retailers in camp:** four

Hkau Shau is the most inaccessible of the six camps and with the least food infrastructure. The retailers sell basic food and NFIs. They all operate on a small scale and have limited capacity to diversify and/or scale up their businesses. The nearest intermediary market, Hka Shang (in China), is prohibitively expensive and time consuming for IDPs to reach, while also adding extensive costs for retailers. Consequently, Hkau Shau IDPs demonstrated the highest level of dependency on in-kind food assistance and the surrounding infrastructure has minimal capacity for change. Therefore, it appears unfeasible to transition towards a cash/voucher system at this stage for rice, chickpeas, oil and salt.
Shing Jai
IDP population: 872 (421 women and 451 men)
Time to intermediate market: 40 minutes on a motorbike
Cost to intermediate market: 5,000 MMK ($4US)
Number of retailers in camp: 10

Shing Jai is distinctly different to the other five camps. Despite still being in KCA/NGCA, Shing Jai is directly accessible from Myitkyina, which makes direct access to Waingmaw and Myitkyina markets possible. The retailers provide basic food items and NFIs, but not rice. The nearest market is in Sedung, while there is a larger market at Waingmaw town, which is a two-hour drive. Retailers and IDPs primarily access Sedung, but sometimes also access Waingmaw. Additionally, mobile traders from Sedung visit the camp selling meat, fruits, spices, fish and other goods. Similar to the other camps, Shing Jai retailers generally don’t sell rice, but this is due to the existing in-kind food assistance rather than constraints faced by smaller traders in purchasing rice from China, as it's possible for rice to be sourced from Sedung and Waingmaw in Myanmar. However, there are concerns over the quality of rice supplies and the stability of supply, due to fluctuations in the armed conflict and the political situation. Ultimately, it appears feasible to transition towards a cash/voucher system for chickpeas, oil and salt, but not for rice.

It is noted that in all camps except Hkau Shau, retailers are able to do purchase orders through mobile phones to intermediate market traders as a result of their established relationship and acceptable travel time.

STAPLE & NON-STAPLE MARKET MAPS

To better understand the critical market systems in the six KCA/NGCA camps, market analysis was conducted by developing the market maps for the main staple (rice) and for the non staple items (oil, chickpeas and salt).

Market System Map: Staple (Rice)

Market Chain: For five KCA/NGCA camps (except Shing Jai camp), wholesalers in Yin Jaing market are the main suppliers of rice - IDPs from Shing Jai camp access rice supplies from wholesalers in Myitkyina market. The Yin Jaing market wholesalers get their rice supplies from Muse market located in Myanmar territory, while some rice supplies also arrive from domestic producers in China. Ten
intermediate markets connect the big markets to the IDPs in the camps. The supply of rice from the big to the intermediate markets functions smoothly, with good market linkages. However, supply chains between the traders in the intermediate markets and the small retailers located in the IDP camps are more challenging. These retailers have little warehouse capacity making it difficult for them to ensure rice supplies for the IDPs. Currently Oxfam and KBC are supplying rice to the IDPs by purchasing directly from the bigger rice markets through larger suppliers who are (Ying Jaing, Myitkyina) transporting the rice directly to the camps. For the most part, the camp level retailers are not selling rice.

**Market Environment:** In analysing the market environment for rice, the constraints faced by local traders on purchasing rice from China, and the restrictions of obtaining valid border passes for IDPs without official Myanmar identity documents are the most critical issues for five of the camps. Shing Jai camp also has restrictions of movement related to checkpoints between Myanmar and KIA controlled areas. Unpredictable conflict and security issues at the IDP camps also contribute to restrictions on the supply of rice.

**Infrastructure, Inputs and services:** Limited infrastructure and financial capacities of the camp level retailers is a reason for the disrupted rice supply chain. The poor road condition and remote access are further blockages to the high volume supply of rice in the camps.

**Market System Map: Non Staple (Oil, Chickpeas & Salt)**

**Market Chain:** As with the rice supply chain there are many different market actors in the big and intermediate markets, with good linkages between the two. From the intermediate market to the IDPs (consumers) a few additional market actors are present. In Hka Sàng and Sedung intermediate market there are some mobile traders who are directly selling non staple food items to IDPs. Hka Sang based mobile traders are mainly doing the business in Mung Ga Zup & Maga Yang camps and mobile retailers based in the Sedung intermediary market do their business in Shing Jai camp. In the non-staple market chain the camp level retailers also play an active role (with the exception of Hkau Shau Camp). There are very few retailers in Hkau Shau camp and those that are operational have very limited capacity to meet the needs of the entire camp population. Currently Oxfam & KBC is directly supplying non-staple food items – oil, salt and chickpeas.
**Market Environment:** The market environment for the non-staples is more conducive than for rice. However, the same challenges exist posed by the security and conflict scenario, the availability of border passes and the checkpoints within Myanmar. With the exception of Hkau Shau, all other camp level retailers have good contacts with the intermediate market wholesalers - in many cases the border / checkpoints related risks are taken care of by the intermediate market actors.

**Infrastructure, Inputs and Services:** The poor infrastructure and financial capacity of the camp retailers remains a constraint to the market system. Remote access, poor road conditions and high transportation costs also impact upon the effective functioning of the market system.

Illustration 3: Market maps – non staple, 6 KCA/NGCA Camps Kachin

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**C. PERCEPTIONS TOWARDS CASH/VOUCHER PROGRAMMING**

**COMMUNITY PERCEPTIONS**

In all FGDs, IDPs indicated their preference for continuing in-kind food assistance rather than cash, due to a variety of concerns. Firstly, IDPs were concerned that cash would be diverted to meet other basic needs, thus increasing food insecurity, whereas in-kind food assistance ensures greater food security. IDPs also lacked confidence in the capacity of local retailers to meet increased demand for food items. Another major concern was that the amount of cash would be insufficient to purchase the same quantity of in-kind food aid, as is currently received, particularly due to IDPs being vulnerable to rapidly fluctuating prices, as a result of access issues, and political and armed conflict volatility. Finally, IDPs were also concerned about domestic disputes (and potential GBV) related to the use of cash for different spending priorities, despite IDPs reporting shared women-men decision-making over spending. These concerns are generally compounded by a fear of change, especially when IDPs continue to face severe uncertainty over their future.

Despite that feedback, some prerequisites for transitioning towards a cash/voucher system are evident, such as IDPs being interested in having greater choice over food items and possessing...
experience in handling cash for daily expenses. However, there are limited financial institutions serving the camps and financial literacy is generally quite low amongst IDPs. Meanwhile, the provision of assistance from Oxfam and KBC since 2011 has built a high level of trust with IDPs, although this has also created dependency on the current system of in-kind food assistance.

Thus, it is evident that IDPs preference is clearly for in-kind food assistance rather than cash and that transitioning towards cash will be against the preference of IDPs. This doesn’t discount the potential for shifting towards cash/voucher programming, but any change must be done strategically and carefully to ensure a smooth transition and maintain IDPs’ current levels of food security. The team analysed the concerns towards cash/voucher programme during the study. The calculation of cash amount should take into consideration the risk of inflation. The diversion of cash (from food to other non-food basic needs) meets the spirit of “power transfer” and “provision of choices” for the IDPs. On the concern around domestic dispute, the team drew conclusion on the need for gender awareness raising and facilitation as part of intervention design.

TRADERS’ PERCEPTIONS

All of the camp retailers in five of the camps (excluding the remote Hkau Shau) are confident that they can improve their capacity to meet the increased demand that will arise from any transition towards cash/voucher programming. The current storage capacity of the camp retailers is generally between three and ten tonnes. The retailers confirmed that they have existing linkages for non-staple food items with the suppliers at the intermediate markets, and that 30-50% of the retailers can purchase from the intermediate supplies on credit. According to the camp retailers, between 50% and 75% of their customers are women. The camp retailers were also enthusiastic about engaging with any transition towards cash/voucher programming. Alternatively, retailers in Hkau Shau were concerned that they would be unable to meet the increased food demand due to their remote location and their poor access to the intermediate markets.

SWOT ANALYSIS

The following strengths, weaknesses, opportunities and threats (SWOT) analysis utilised Oxfam’s Working with Markets and Cash: Standard Operating Procedures (Annex One), particularly the Modality Decision Tree for cash transfer programmes. The SWOT analysis provides an overall picture of the possible transition and is followed by specific recommendations for each camp, recognising the distinct contextual differences. The SWOT analysis considered a broad range of issues, such as gender dynamics, food security, nutritional diversity, community dynamics, market capacities, political/conflict dynamics and many other issues.

<table>
<thead>
<tr>
<th>Strengths</th>
<th>Weaknesses</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Large-scale suppliers have sufficient capacity to supply intermediary markets</td>
<td>• The capacity of most camp retailers is very low, in terms of both physical and financial infrastructure</td>
</tr>
<tr>
<td>• Intermediary markets are functioning well and have effective linkages to large-scale suppliers and camp-based retailers</td>
<td>• IDPs have limited trust in local retailers’ capacity to meet increased demand</td>
</tr>
<tr>
<td>• High levels of social cohesion reduce some of the risks associated with a transition to cash/vouchers</td>
<td>• IDPs are largely constrained to accessing only local retailers</td>
</tr>
<tr>
<td>• Effective CMCs and the presence</td>
<td>• Constraints faced by smaller local Myanmar suppliers in purchasing rice from outside of Myanmar without sufficient documentation to obtain official licenses to</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### Strengths
- of various stakeholders in the KCA/NGCA can support a smooth transition
  - There are existing humanitarian cash transfers provided to many IDPs

### Weaknesses
- make larger scale import feasible
  - Financial services are unavailable in the camps and IDP financial literacy is low

### Opportunities
- A transition to cash/vouchers can stimulate local economic development
- Cash/vouchers may improve IDP nutritional diversity, which is currently very low
- A transition could improve IDP financial literacy
- The transition could increase the efficiency of humanitarian assistance, thus enabling greater reach and/or increased food security

### Threats
- The transition could reduce IDPs’ food security
- The transition could increase domestic disputes over money, potentially leading to GBV, reduced food security and/or other issues
- The transition could increase protection risks if IDPs increasingly seek out intermediary markets
- Armed conflict and natural disasters could suddenly reduce access and thus food security
- IDPs’ low levels of financial literacy could cause problems for the handling of cash/vouchers

### RISK ANALYSIS

<table>
<thead>
<tr>
<th>Risk</th>
<th>Possible Consequences</th>
<th>Mitigation Measures</th>
<th>Likelihood</th>
</tr>
</thead>
</table>
| Retailers struggle to meet increased demand | • Retailers and/or IDPs cross illegally to China, presenting many risks  
  • Rapid price inflation and reduced food security | • Facilitate improved linkages between retailers and suppliers  
  • Create agreements with suppliers for transport  
  • Maintain regular communication with retailers and provide timely support  
  • Maintain good relationship with big suppliers who have capacity to supply rice and other non-staple items, in case there gaps emerge due to increased demand | High       |
| Misuse of cash (alcohol, drugs, arms, etc.) | • Reduced food security  
  • Increased protection risks  
  • Reduced social cohesion | • Extensive consultation with IDPs on process  
  • Regular monitoring of transition  
  • Establish accessible and responsive feedback mechanisms | Medium     |
| Disputes over cash use                     | • Increased GBV  
  • Breakdown of family cohesion | • As above | Medium     |
<table>
<thead>
<tr>
<th>Risk</th>
<th>Possible Consequences</th>
<th>Mitigation Measures</th>
<th>Likelihood</th>
</tr>
</thead>
<tbody>
<tr>
<td>Robbery of staff carrying cash</td>
<td>• Loss of money&lt;br&gt;• Disrupt cash supplies and thus food supplies&lt;br&gt;• Personal harm to staff</td>
<td>• Try to use Hondi and other cash transfer systems&lt;br&gt;• Develop safe, low risk mechanisms&lt;br&gt;• Training for staff</td>
<td>Medium</td>
</tr>
<tr>
<td>Insufficient staff capacity on cash programming</td>
<td>• Poor implementation&lt;br&gt;• Food security and social cohesion diminished&lt;br&gt;• Trust with IDPs lowered</td>
<td>• Capacity development for implementation staff&lt;br&gt;• Accessible technical support always available</td>
<td>Medium</td>
</tr>
<tr>
<td>High inflation, due to conflict, cash injection, access issues and/or other causes</td>
<td>• Reduced food security and social cohesion&lt;br&gt;• Increased protection risks, as IDPs seek alternatives</td>
<td>• Close monitoring and quick/decisive solutions&lt;br&gt;• Facilitate diversified linkages between retailers and suppliers</td>
<td>Medium</td>
</tr>
</tbody>
</table>

**CONCLUSIONS**

After five years of renewed armed conflict in Kachin, the situation for IDPs remains one of high vulnerability and stagnation, particularly in the six focus camps of this study. The protracted nature of this crisis continues to take a high physical and psychological toll on IDPs, while also entrenching a significant level of aid dependency. Considering the context, dependency is difficult to avoid, but interventions should always seek to improve sustainability and efficiency. Considering this direction, a transition away from in-kind food assistance towards cash programming has the potential to stimulate local market development, provide IDPs with greater flexibility in purchasing and improve IDPs’ financial literacy, while ideally improving the efficiency and effectiveness of humanitarian assistance. As outlined in this study, there are significant challenges for this process, making it essential that any transition is strategic and gradual with ample feedback mechanisms and flexibility to ensure IDPs’ current food security is maintained (or ideally improved).

This study finds that there is significant scope to transition towards a cash distribution system to replace chickpeas, oil and salt in five of the six camps, while the provision of rice in-kind should be maintained for all camps, primarily due to the export restrictions. Hkau Shau should maintain in-kind assistance for all four food items, due to its unique difficulties; and for the time being Pa Jau should also maintain in-kind assistance for all four food items while more research is done on the protection concerns. The four other camps should transition to a mixed modality of cash plus rice. However, it must be noted that such a transition goes against the preference of IDPs, due to many valid concerns. It is critical that these concerns are addressed proactively, from the household level (concerns related to spending and potential domestic conflict/GBV) to the broader market level, where there is little faith in the ability of retailers to meet increased demand, while also addressing IDPs general fear of decreased food security, as the result of any transition. Proactively addressing these concerns means ensuring extensive IDP consultation and influence throughout the transition process, in addition to the feedback mechanisms and flexibility mentioned earlier. From the delivery side, stakeholders, such as NGOs, INGOs, UN agencies and donors, must continue to reflect on the transition and critically analyse its impact. Ensuring all of these basic requirements are met, a systematic roll out of the transition adapted to the many micro contexts of Kachin has potential.
CONCLUSION – GAP (PEOPLE’S ANALYSIS)
- Food security remains a gap for IDPs in 6 KCA/NGCA camps in Kachin. In all six camps, IDPs access their main staple food (rice) and essential non staple such as oil, chickpeas, and salt from relief distribution.
- Income options are very limited, 70% of IDPs are not able to access work hence they have no capacity to purchase their food. Food production is also challenging in camps. IDPs (24%) earn income from wages as casual labours in the nearby intermediate markets (often with hours to travel) with high safety and security risks due to illegal movement to China.
- Wages inequality is an issue for women in accessing work opportunities. Women receive lower daily wages compared to men.

CONCLUSION – MARKET ANALYSIS
Market analysis was conducted with reference to Oxfam Cash & Market Standard Operational Procedures Guidelines. Based on the SOP, the study team analysed and decided the market status for staple (rice) and non-staple (chickpeas, oil, and salt) for all 6 camps.

- **Green channel** is when local area market has capacity to supply the commodities/services to quantity and quality required.
- **Amber channel** is when local area market has some capacity, but needs support to supply the commodities/services to quantity and quality required.
- **Red channel** is when local area market does not have capacity (even with support) to supply commodities/services to quantity and quality required.

<table>
<thead>
<tr>
<th>Camp</th>
<th>Staple - Rice</th>
<th>Non Staple – chickpeas, oil, salt</th>
</tr>
</thead>
</table>
| **Shing Jai Camp, Maga Yang Camp, Munga Zup Camp, Hpare Camp** | Red Channel  
Retailers in camp do not have the capacity to respond to rice quantity and quality required. In current project, there is no project component for traders’ support, therefore the team did not explore to conclude it as amber channel. | Green Channel  
Retailers in camp are with capacity to respond increase demand of non-staple items. They are confident to meet the quantity and quality required, even without support. |
| **Pa Jau Camp**             | Red Channel  
Retailers in camp do not have the capacity to respond to rice quantity and quality required. In current project, there is no project component for traders’ support, therefore the team did not explore to conclude it as amber channel. | Green Channel  
Retailers in camp are with capacity to respond increase demand of non-staple items. They are confident to meet the quantity and quality required, even without support. However, women group raised concern around potential increased family dispute around access and control over cash. |
| **Hkau Shang Camp**         | Red Channel  
Retailers in camp do not have the capacity to respond to rice quantity and quality required. In current project, there is no project component for traders’ support, therefore the team did not explore to conclude it as amber channel. | Red Channel  
Retailers in camp do not have the capacity to respond to non-staple items with specific quantity and quality required. In current project, there is no project component for traders’ support, therefore the team did not explore to conclude it as amber channel. |
CONCLUSION – RESPONSE ANALYSIS

The team referred to following tools while conducting response analysis:
- Decision making tree for EFSVL response – Oxfam 48 Hr Assessment Tool
- Decision making tree for CTP – Cash & Market SOP
- Response options and recommendation framework – EMMA Toolkit

Based on the discussion, the study team recommends following activities:

Table 5: Response recommendation

<table>
<thead>
<tr>
<th>Camp Name</th>
<th>Channel</th>
<th>Response Recommendation</th>
<th>Reasoning</th>
</tr>
</thead>
</table>
| Hpare Camp, Mung Ga Zup, Maga Yang, Shing Jai | Red Channel for rice, Green Channel for non rice | In-kind provision of rice, while cash for replacing chickpeas, oil and salt | - Suppliers and retailers appear able to supply chickpeas, oil and salt  
- Rice cannot be supplied in camps, due to Chinese export restrictions  
- Storage capacity is also limited for bulk rice  
- Cash/vouchers will stimulate local markets and improve IDP purchasing flexibility  
- Cash/vouchers may improve IDP financial literacy  
- In Shing Jai camp, instead of rice export restrictions, quality and the quantity of rice cannot be guaranteed. |
| Pa Jau Camp        | Red Channel for rice, Green Channel for non rice | In-kind provision of rice and chickpeas, oil and salt. | - Despite market for non-staple in Pa Jau camp is green channel, the team decided to provide in-kind distribution rather than cash.  
- Women group has raised concern around increased domestic violence as result of access and control over cash. |
| Hkau Shau Camp     | Red Channel                  | In kind support (continue with current practices) | - Inadequate capacity of retailers and suppliers to meet increased demands  
- Severe access limitations mean stable supply and prices will be challenging |
SPECIFIC CASH VALUE RECOMMENDATION

It is critical that the transition from in-kind food assistance to a cash/voucher system maintains IDPs' current level of food security. It is recommended that the initial cash/voucher amount equal to value of 7,500 MMK per month based on the replacement costs for chickpeas, oil and salt at current market rates and accounting for potential inflation of 8%, particularly due to unpredictable political and conflict fluctuations. The prices of the three commodities should be regularly monitored to ensure the cash/voucher system continues to enable IDPs to purchase sufficient chickpeas, oil and salt (or other items). The calculations of the three commodities are as follows:

<table>
<thead>
<tr>
<th>Item</th>
<th>Quantity</th>
<th>Cost (MMK)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Oil</td>
<td>1 Litre</td>
<td>3200</td>
</tr>
<tr>
<td>Chick Pea</td>
<td>1.8 KG</td>
<td>3300</td>
</tr>
<tr>
<td>Salt</td>
<td>0.15 KG</td>
<td>300</td>
</tr>
<tr>
<td><strong>Sub-total</strong></td>
<td></td>
<td><strong>6800</strong></td>
</tr>
</tbody>
</table>

Annually Maximum Inflation Rate 8%

Proposed Cash amount 7,344 (round up to 7,500 MMK)

FUTURE RECOMMENDATIONS

More broadly, the following recommendations are designed to address IDP concerns and support the stability and sustainability of food supplies:

- Cash programming is trialled for a three month period with close monitoring and a three month review to assess whether to expand or continue the cash-voucher programming, or revert to in-kind assistance;
- Ensure comprehensive post-distribution monitoring related to the cash/voucher transition, including key areas of expenditure, community attitudes and market prices of chickpeas, oil and salt;
- Closely monitor protection risks to quickly identify any emerging or increased risks resulting from the cash/voucher transition, and take action to address these risks;
- Establish easily accessible feedback mechanisms for IDPs and CMCs in relation to the transition and on-going cash/voucher programming;
- Continually document lessons learned throughout the transition and implementation process in order to share and discuss with other relevant actors in Kachin; and
- Ensure regular coordination with other actors in Kachin that are implementing EFSVL.
- Detailed livelihood assessment (SLA or HEA) in all 6 KCA/NGCA camps. This can be jointly done with other NGOs/INGOs working in KCA/NGCA areas through the Joint Strategy Team – ADRA, Trocaire noted interest.
- Explore and seek out greater synergies with Oxfam’s DPP and other development programming.
- There is to be an upcoming protection project funded by the Start Network and implemented by Oxfam with KBC which will be working to look at “safe spaces” within the camps to see how they can be better utilised. Currently they are not being used properly because of the stigma attached to going to a “safe place”. This project will look at de-stigmatising those spaces to be used by everyone and for more education purposes. This project should be integrated into the cash based interventions to fully understand any potential negative impacts which could be created by the Cash Transfer Programme.
ANNEXES

Annex One:
Oxfam Working with Markets and Cash: Standard Operating Procedures Guidance Notes

Annex Two
24-hour food consumption survey

<table>
<thead>
<tr>
<th>Food Group</th>
<th>Tick if consumed in the past 24 hours</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cereals (rice, noodles, bread, etc.)</td>
<td></td>
</tr>
<tr>
<td>Roots and tubers (potatoes, etc.)</td>
<td></td>
</tr>
<tr>
<td>Pulses/legumes/nuts (soybeans, chickpeas, etc.)</td>
<td></td>
</tr>
<tr>
<td>Vegetables &amp; leaves (tomatoes, salad, mustard leaves, cabbage, etc.)</td>
<td></td>
</tr>
<tr>
<td>Fruit (mango, pineapple, bananas, etc.)</td>
<td></td>
</tr>
<tr>
<td>Meat (beef, goat, lamb, poultry, pork, etc.)</td>
<td></td>
</tr>
<tr>
<td>Fish and seafood</td>
<td></td>
</tr>
<tr>
<td>Milk/Dairy products (milk, yogurt, etc.)</td>
<td></td>
</tr>
<tr>
<td>Eggs</td>
<td></td>
</tr>
<tr>
<td>Sugar, sugar products, honey</td>
<td></td>
</tr>
<tr>
<td>Oil/fats (oil, fat or butter)</td>
<td></td>
</tr>
<tr>
<td>Condiments (spices, tea, coffee) or other similar miscellaneous items</td>
<td></td>
</tr>
<tr>
<td>HDDS Score – (0-12)</td>
<td></td>
</tr>
</tbody>
</table>