

# Guidance Note

MAY  
2024

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## RISK SHARING FOR QUALITY PARTNERSHIPS

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### Background

Following the February 2021 coup and the intense escalation of armed violence across Myanmar over the months and years since, international actors have by and large lost their hold of the limited threads of direct access they previously used to provide assistance to people in need. As a result, international responders have had to pivot away from direct implementation strategies and identify new ways to work with and through a wide range of local partners to support vulnerable communities. Over time, conflict dynamics have transformed considerably, with the State Administration Council (SAC) now [losing ground](#), resistance forces [taking over](#) new swathes of territory, and civilians across the country still [bearing the brunt](#) of increasingly desperate SAC reprisal assaults — including arson attacks that [raze](#) entire communities, aerial bombardments that [flatten](#) medical, religious, educational and residential structures, and [artillery attacks](#) that target central marketplaces, private homes, and any other civilian structure within range. With the effects of armed violence now further reaching, more intense, and more likely to be felt by vulnerable communities than at

any time before, local responders across many areas are contending with greater mobility challenges than they previously faced. Within this context, the emergency responses across Myanmar have become even more hyper-localised; local partners of international entities now often rely on numerous even-more-local partners of their own, including tiers of community-based actors and teams of volunteers. Highly local actors are thus carrying out the vast majority of the emergency response across Myanmar — while sitting squarely in the crosshairs of the SAC.

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## Response Adaptations

These response dynamics present international actors with a range of new [risks](#) that must be mitigated and navigated carefully to ensure assistance operations attain maximum impact without compromising key [humanitarian principles](#), unfairly transferring risk to local actors, or failing to uphold necessary aspects of financial compliance. At the same time, the shift in response dynamics — and the vast expansion of the scope and scale of emergency response — mean that more local responders than ever before are now taking part in assistance activities across Myanmar. In contrast to the ethnic service providers that have amassed decades of expertise in safely navigating conflict dynamics to deliver emergency assistance across their respective areas, many of these actors now comprising Myanmar's response landscape have emerged in response to the escalating needs following the February 2021 coup. For example, in Sagaing Region, members of youth groups who had never experienced the impacts of armed violence before 2021 are leading relatively large-scale response activities across a region where displacement now exceeds one million people. In Sagaing Region and elsewhere across Myanmar, there are now more local responders, with less experience, facing greater needs, in more dangerous and unfamiliar circumstances than ever before.

A dynamic that further complicates the Myanmar response is that while the number of direct service providers working to deliver assistance across Myanmar has increased exponentially since the 2021 coup, the pool of organisations with the structure and capacity to enter contracts with international donors has not expanded nearly as rapidly. Some international response organisations are also facing internal headquarters pressure not to take on additional partnerships, and to 'consolidate' existing partnerships. These trends are part of efforts to reduce risk, streamline administration and oversight, and avoid direct (over)reliance on inexperienced community responders. As a result, many local partners of international organisations are themselves now managing multiple downstream partners. These tiers of response provision generate challenges in communications, visibility, and reporting from the level of international actors down to those providing direct assistance.

## Key figures

Estimated # of IDPs

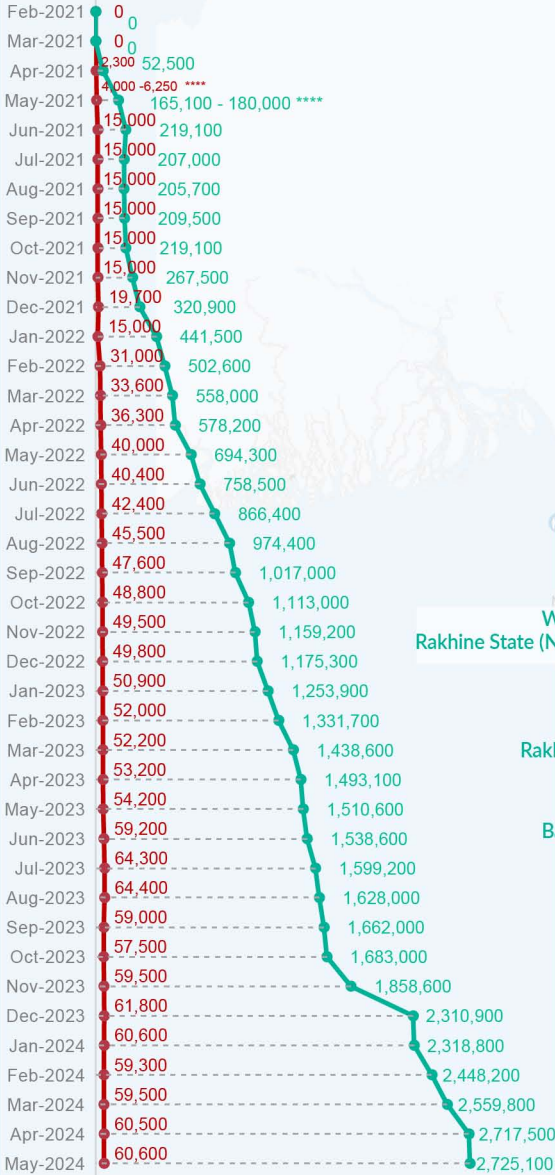
→ 2,725,100

Estimated # of displaced to neighbouring countries

→ 60,600

Source : UN in Myanmar

## Estimated displacement figures by Month



\*125,100 persons are displaced by armed conflict in neighbouring Kayah State while 7,000 persons are displaced by inter-EAO conflict between SSPP and RCSS.

\*\*UN Estimates

\*\*\*Estimates by Tak Border Command Center (TBCC)

\*\*\*\*Range of figures was used while data collection was in progress.

→ Estimated internal displacement within Myanmar since 1 February 2021 (rounded to the nearest hundred)

→ Estimated displacement to neighbouring countries since 1 February 2021, who remain displaced (rounded to the nearest hundred)

- △ IDP unplanned settlement (pre-1 Feb 2021)
- 🏠 IDP Center (pre-1 Feb 2021)
- 📍 IDP spontaneous location (pre-1 Feb 2021)
- △ IDP planned settlement (pre-1 Feb 2021)
- 🚒 Temporary shelter for displaced people from Myanmar
- 🏠 Refugee, planned settlement
- 🇲🇲 States/Provinces with new arrivals
- International boundaries
- 🏢 UNHCR Regional Bureau
- 🏢 UNHCR Multi-country office
- 🏢 UNHCR Country Office
- 🏢 UNHCR Sub-Office
- 🏢 UNHCR Field Office
- 🏢 UNHCR Field Unit
- 🏢 UNHCR Liaison Office

## Further Needs: Risk Sharing

Local responders in touch with this analytical unit have provided a range of feedback, observations and suggestions as to how international partners and their donors can better navigate the new multi-tiered response architecture and engage in quality partnerships. Many international donors and response organisations have recently expanded efforts to provide enhanced technical and financial support to ease the burden borne by local actors in Myanmar. Nonetheless, pressures continue to mount on the individuals and organisations providing assistance in tremendously dangerous circumstances. As discussed in the [Guidance Note: Reducing Partner Risks in Myanmar](#), donors can work with partners to develop custom strategies to reduce risks through enhanced communication, coordination, and collaboration. More broadly, donors and international responders can also act immediately to adjust their own policies and procedures across the board to focus on adopting more equitable risk sharing postures.

Of the broad spectrum of risks that local partners face, international donors and partners are typically best equipped to take on a greater share of financial and administrative risk. By making several key adjustments to their administrative and financial procedures, international donors and responders can help local partners to avoid incurring ineligible costs, reduce the chances they will need to refund project money, and dodge multiple rounds of no cost extensions. At the same time, these shifts in policies and procedures would also allow project money to provide support more quickly and consistently to vulnerable people across Myanmar within project timeframes — as intended by funding allocations and project contracts in the first place. The following key adjustments would enable international donors and responders to increase their risk-sharing with local actors and strengthen the quality of their partnerships.

### ADMINISTRATIVE ADJUSTMENTS

To help absorb a greater share of the risk their partners face, donors and responders can focus administrative overhauls around three main pillars: posture, operations, and oversight.

#### POSTURE:

To ease risks that partners endure by nature of their set-up, presence and basic structure, international actors can make several adjustments. First, they can waive any residual ‘registration’ requirements for local actors in their partnership agreements, enabling partners to base their operations wherever they feel safest and best able to conduct activities. Donors and responders can add budget lines, provide additional resources, and offer guidance to facilitate visas or residency documents for partner staff wherever possible. International actors can also support local actors’ efforts to open bank accounts in areas where partners seek to establish a presence, and can increase coordinated pressure on states like Thailand and India to ease restrictions on access to financial systems and other tools that can greatly support emergency response activities.



**OPERATIONS:**

Local actors report that they need lighter, more standardised and more widely-translated reporting templates, as well as extended timelines for implementation and reporting — to anticipate further travel delays and activity freezes due to armed violence. They also stress that they need greater flexibility to redirect funds and shift activities quickly — at least from one village or township to another, in order to meet emergent needs and provide support to communities that they can reach even when they are unable to travel to original ‘target’ geographies identified in programme documents. Administratively, donors could do more to coordinate reporting templates and timelines, extend reporting timeframes, simplify and translate reporting documents, reduce procedural requirements for activity amendments and create systems to fast-track approvals for urgent adjustments. These measures would give local partners greater agency to make real-time decisions based on context developments, allow them to invest more energy in the safe and expeditious delivery of assistance, and reduce the time and effort they must devote to the navigation of administrative hurdles.

**OVERSIGHT:**

With respect to project oversight, international actors can take on a greater share of the burden of project monitoring and ensuring accountability to donors as well as affected populations. Where possible, international responders can provide greater support and training with respect to remote monitoring, evaluation and learning (MEAL) efforts, to support local actors in remaining compliant with donor requirements. Donors can also take up a greater share of responsibility in terms of ensuring inclusion and accountability to affected populations by contracting outside organisations to conduct third party monitoring (TPM), in order to help capture the impact of project activities and give voice to communities receiving assistance, without diverting project funds or adding to the workload of local partners.

**FINANCIAL ADJUSTMENTS**

Most international donors and responders have undertaken a range of financial adjustments to try to work more effectively with local partners. These measures are a good start to financial risk sharing, but more is needed to empower local actors to make important project decisions quickly and ensure they have the funds at hand to implement project adjustments on an immediate basis. By adopting measures to afford greater autonomy and flexibility to partners, donors and international responders can absorb a larger share of risk while improving the quality of their partnerships.

Most international actors have made financial shifts including adopting the use of informal value transfer systems — Hundi networks — rather than the Myanmar banking system, and adjusting project budgets to include lines to cover the cost of emergencies. Notably, some international donors and responders have already built ‘emergency’ budget lines of 5% of project costs into all partners’ project budgets. These funds are used to defray losses incurred due to sudden shifts in context — including changes in conflict dynamics that can impact security, access, and activity viability. Local actors note that greater flexibility for the use of emergency funds — as well as greater amounts of funding and quicker access to cash when needed — would help them meet urgent operational needs. For example, local organisations report that they need cash to support the families of staff imprisoned by the State Administration Council (SAC), including by covering legal fees, living costs, and relocation expenses.

On top of these emergency budget lines, local partners report that they need greater access to direct funding from international donors, rather than through intermediaries. Adoption of the administrative adjustments above, such as waiving registration requirements and providing support for those seeking to obtain bank accounts, could improve partners' access to direct funding. In addition, where organisational bank accounts remain out of reach to local actors, donors could seek to waive organisational bank account requirements and accept the use of joint individual bank accounts where available.

Finally, access to funds to allow for the prepositioning of materials, wherever prepositioning is considered safe and possible, could greatly help local actors to prepare for foreseeable shifts in context and ensure they can respond as quickly and effectively as possible to the needs of communities in crisis.

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## Final recommendations

As they look to further operationalise their localisation agendas, international donors and response actors should consider a range of adjustments to ensure the effectiveness, sustainability and flexibility of their interventions, as well as to provide needed support to the vulnerable members of local communities who are conducting direct assistance delivery and taking on an expanding array of roles and responsibilities across Myanmar. To ensure they are moving towards stronger, more equitable partnerships, international actors should immediately implement measures to increase their risk sharing with local actors and enhance the quality of their partnerships.

1. **Extend administrative flexibility.** To navigate the growing tiers of distance between implementers and international responders, donors and international actors should act to overhaul administrative requirements with respect to partners' organisational posture, operations, and oversight.
2. **Enhance administrative coordination efforts.** To allow emergency responders to focus their limited resources on emergency response rather than project administration, donors and international actors should seek to cooperate and adopt more harmonised reporting timelines and light-touch, accessible templates.
3. **Extend financial flexibility,** to give local actors faster access to greater resources, enabling them to make critical decisions in real time and better meet urgent needs as they arise.

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## Guidance Note

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