



NOTE FROM THE HUMANITARIAN COORDINATOR

In 2014, the Myanmar Emergency Response Fund (ERF) provided more funding to partners than during any previous year. The US\$3.1 million allocated to ten projects covered critical gaps in the humanitarian response that were not being addressed by other donors.

The Fund is now positioned to more significantly impact the overall humanitarian response by targeting priority gaps and by providing a contingency response capacity to respond to new emergencies.

This has been a rewarding – and challenging – year for the Myanmar ERF. Continuing community tensions, lack of security and limited access often mean that the humanitarian community is unable to respond in a timely manner. We continue to appeal for consistent access to ensure that the affected population receives the humanitarian assistance that they need.

The introduction of new funding windows will enable the ERF to be more strategic. The Emergency Reserve and Special Allocation mechanisms allow us to be responsive to sudden changes in the humanitarian situation, and to ensure that the highest priority issues are addressed in a timely manner.

The ERF will continue to evolve, benefiting from global best practices and further implementation of the

reforms introduced during 2013. This includes strengthening the governance mechanisms and needs-based prioritization of projects and putting in place a risk management framework to increase the transparency and accountability.

Myanmar NGOs are often the only organisations able to provide assistance directly to the people in need, especially in isolated or “hard to reach” areas, and they are often the most cost effective. Despite this fact, few donors fund national NGOs directly. I will continue to support the Fund’s strategy to prioritise those local NGOs who have sufficient capacity for direct implementation of ERF projects whenever possible.

I take this opportunity to extend my sincere appreciation for the generous support provided by Australia, Sweden and the United Kingdom to the Emergency Response Fund since 2007. Both the recipients of humanitarian assistance and our implementing partners benefit greatly from their cooperation and confidence. With this support, it has been possible to address urgent humanitarian needs of the people in Myanmar due to the joint efforts and commitment of all the stakeholders of the Myanmar Emergency Response Fund.



Renata Lok-Dessallien
Resident and Humanitarian Coordinator

Cover photo: Children at a school in Kyauktaw Township in Rakhine that has received new latrines through the ERF. (Photo: OCHA/J. Weatherill)

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EXECUTIVE SUMMARY

The Myanmar Emergency Response Fund (ERF) continues to play an important role in ensuring that essential humanitarian assistance is provided to the most vulnerable people affected by conflict and natural disasters in Myanmar. During 2014, the ERF received US\$4.2 million in new contributions and allocated \$3.1 million to ten projects to cover critical gaps in the overall humanitarian response in the Kachin and Rakhine crises. The total number of project beneficiaries from ERF-funded projects implemented during 2014 was approximately 192,000.

Myanmar remains vulnerable to a wide range of crises, both natural and man-made which cause large-scale human suffering, including the displacement of hundreds of thousands of people. In Rakhine State, inter-communal tensions continue, and more than 139,000 people remain displaced across ten townships as a result of the violence that erupted in 2012. In Kachin and northern Shan States, continued armed clashes in 2014 between Government forces and the ethnic armed groups have resulted in the new displacement of several thousand people.

Donor support for the ERF

In 2014, the ERF received contributions of \$4.2 million from Australia, Sweden, and the United Kingdom, the highest level of funding received by the ERF, and the first year that all three ERF donors provided funding during the same year.

Between 2007 and 2014, the ERF received \$12.1 million in contributions from Australia, Sweden, and the United Kingdom. Because of the Fund's low profile during the first six years of the Fund's existence, the ERF did not receive broad donor support. ERF donors are encouraged to provide more consistent, and predictable contributions, earlier in the calendar year, to enable the Myanmar ERF to remain a viable Fund.

2014 ERF Allocations

The Myanmar ERF approved ten new projects across four sectors during 2014, with a total cost of \$3.1 million. Of these ten projects, seven projects supported humanitarian projects in Kachin/northern Shan, and three in Rakhine.

The programmatic results shown in this 2014 ERF annual report come from eight projects that were *implemented* during 2014, but were not necessarily funded during 2014. Four of the projects were funded in 2013, and four were

funded in 2014 with implementation concluding in 2014 or January 2015. The total cost of the eight projects reporting the results included in this report is \$2.6 million.

ERF Advisory Board and Review Board

The Advisory Board, bringing together representatives from the donor, UN and NGO community met once during 2014 to endorse a new ERF fund strategy paper. The new strategy created two funding allocation windows, the Reserve and the Standard Allocation, with the aim to make the ERF a more strategic funding mechanism. The first Standard Allocation was launched during October 2014 with a \$1.2 million call-for-proposals for Rakhine. The projects selected as a result of this call are expected to be funded during the first few months of 2015.

The Review Board, composed of cluster coordinators and NGO representatives, met in person when required to review proposals. The active participation of the Review Board has increased transparency of project selection, and ensured that funded projects correspond with the Humanitarian Coordinator's priorities, as described in the Fund Strategy paper.

Through regular field visits, the OCHA Humanitarian Financing Unit ensured that each ERF-funded project implemented during the year was monitored through a site visit at least once during the project lifetime, in accordance with the ERF field-monitoring plan.

Plans for 2015

During the next year, the primary challenge to the ERF will be the successful implementation of the strategic reforms to the ERF allocation process. In addition to the Standard Allocation where most resources will be allocated, the ERF will need to ensure that it retains the flexibility to target priority non-emergency humanitarian needs through narrowly defined allocations to address priority gaps in the humanitarian response.

The ERF expects to integrate the forthcoming global guidance for country-based pooled funds during the first quarter of 2015, which will include the introduction of a comprehensive capacity assessment of all ERF partners. OCHA will also introduce a new global online system to manage all aspects of the ERF project cycle. The new system will allow for a better tracking of the project cycle, and enable increased analysis of project results.



The boundaries and names shown and the designations used on this map do not imply official endorsement or acceptance by the United Nations.

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CHAPTER 1: INFORMATION ON CONTRIBUTORS

During 2014, the Myanmar ERF received US\$ 4,242,657 in contributions from three donors: Australia (\$1,867,494), Sweden (\$725,163), and the United Kingdom (\$1,650,000).

The \$4.2 million received is the highest level of donor support for the Fund in a single year since the creation of the Fund in 2007. The year also marked the first time that three donors contributed to the Fund during the same year, making it a true pooled funding mechanism for the first time since 2009.

Donor contributions were paid between March and November, with 71 per cent of all donor contributions made during the months of June and July. To effectively serve as a reliable and efficient humanitarian funding mechanism, the ERF requires predictable financing, with payment early in the calendar year, in keeping with the principles of Good Humanitarian Donorship.

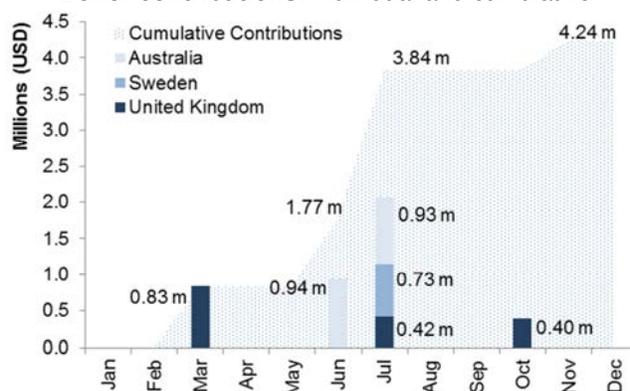
In March 2014, the United Kingdom's Department for International Development (DFID) signed a multi-year Memorandum of Understanding (MOU) to support the ERF with GBP 1.5 million (\$2.5 million) during 2014 and 2015. DFID's multi-year commitment had originally been intended to provide support over three years, from 2013 to 2015. The MOU, however, could not be signed until after DFID completed a "due diligence" assessment of the Myanmar ERF and OCHA's organisational capacity in March 2014. As a result, DFID provided both the 2013 (\$833,333) and 2014 (\$816,667) contributions during 2014.

Since the ERF was created in 2007, it has received support from three donors: Australia, Sweden and the United Kingdom. These three donors have provided a cumulative total of \$12,118,304 since 2007.

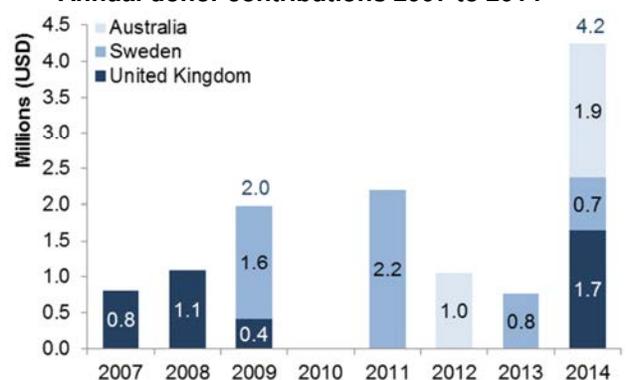
2014 donor contributions: by date of payment

Donor	Contribution (USD)	Date of Pledge	Date of Payment
United Kingdom	833,333	Mar 2014	Mar 2014
Australia	939,850	Jun 2014	Jun 2014
Sweden	725,163	Jun 2014	Jul 2014
Australia	927,644	Jun 2014	Jul 2014
United Kingdom	416,667	Mar 2014	Jul 2014
United Kingdom	400,000	Mar 2014	Nov 2014
Total	4,242,657		

Donor contributions: individual and cumulative



Annual donor contributions 2007 to 2014



Annual donor contributions to ERF 2007 to 2014

Donor	2007	2008	2009	2010	2011	2012	2013	2014	Total
Australia	-	-	-	-	-	1,047,200	-	1,867,494	2,914,694
Sweden	-	-	1,563,540	-	2,199,674	-	762,079	725,163	5,250,456
United Kingdom	801,603	1,086,957	414,594	-	-	-	-	1,650,000	3,953,154
Total	801,603	1,086,957	1,978,134	-	2,199,674	1,047,200	762,079	4,242,657	12,188,304

CHAPTER 2: ALLOCATION OVERVIEW

2.1 Allocation Strategy

The allocation strategy of the Myanmar ERF evolved during the year to enable the ERF to more strategically target priority humanitarian needs identified by the humanitarian community in Myanmar.

For the first eight months of the year, the ERF continued to employ the funding strategy that had been endorsed by the ERF Advisory Board (AB) in September 2013. This strategy allowed the ERF to provide humanitarian response to new emergency needs caused by natural disaster or conflict throughout Myanmar, and to fill funding gaps within the on-going core humanitarian response programme under the 2014 Strategic Response Plan for Myanmar.

Operating in accordance with the 2012 ERF Global Guidelines, the Fund received proposals from organisations on a rolling basis, with submitted proposals addressing needs that had been identified by the applicant organisation, and affirmed by the relevant cluster coordinator. Because projects were reviewed on a first-come, first-served basis, each proposal was reviewed in isolation from other proposals. To make the ERF funding more competitive and to provide more predictability to the meetings of the Review Board (RB), the ERF introduced monthly submission of proposals for projects to fill priority gaps in June 2014. To ensure that priority emergency needs were addressed in a timely way, the ERF continued to accept emergency proposals on an as-needed basis.

While the monthly submission of projects increased the competition for resources by enabling the RB to compare projects against each other, the use of ERF funds remained un-strategic, because submitted proposals always responded to needs that had been identified by individual organisations, rather than the priorities identified by the broader humanitarian community.

Funding Windows:

Emergency Reserve and Standard Allocation

In August 2014, the AB endorsed a new funding strategy that created two separate funding windows for the ERF to ensure the strategic use of ERF resources: the Emergency Reserve, and the Standard Allocation. The creation of these funding windows was in accordance with the draft operational guidance for country-based pooled funds, which were subsequently adopted globally in February 2015 (“Operational Handbook for Country-based Pooled Funds”).

The Emergency Reserve window operates like the traditional ERF: proposals that provide immediate emergency response to unforeseen emergencies through life-saving interventions are accepted on a rolling basis to ensure a timely response to newly identified needs.

The new Standard Allocation window enables the ERF to fund projects that correspond with the Humanitarian Response Plan, and are in accordance with a call-for-proposals endorsed by the AB. At least two broad calls-for-proposals will be issued per year, with additional narrowly targeted calls-for-proposals issued on an as-needed basis.

The first Standard Allocation call-for-proposals of each year is scheduled for May, after most bilateral donors have made their own funding allocations and outstanding gaps and priorities can be identified. The strategy for the call-for-proposals will be developed by OCHA with the support of the inter-cluster coordination group (ICCG) to identify the highest priority needs. The draft call-for-proposals will be reviewed by the Humanitarian Coordinator, and, if needed, the Humanitarian Country Team (HCT). Each call-for-proposals will be endorsed by the AB.

Because the ERF is intended to be a flexible funding instrument that is able to provide response to identified needs, additional narrowly targeted calls-for-proposals can be issued as needed, following requests from the Humanitarian Coordinator, Area Humanitarian Coordination Teams (AHCT) and area ICCGs, the national HCT, and the national ICCG. A narrow call-for-proposals is issued when a specific non-emergency humanitarian need is identified and prioritised, such as cooking fuel in Sittwe camps. For these situations, OCHA HFU will prepare a draft call-for-proposals on the basis of the identified needs, and request review by the AB and the Humanitarian Coordinator, with input from cluster coordinators. The Humanitarian Coordinator and/or the AB can request to have the draft call-for-proposals reviewed by the HCT.

ERF Funding Eligibility

During the August 2014 AB meeting, the AB considered the possibility of expanding eligibility of ERF funding beyond NGOs to include UN agencies and the International Organization for Migration (IOM). The ERF, and its predecessor, the Humanitarian Multi-stakeholder Fund (HMSF), had limited funding eligibility to only national and international NGOs since the creation of the Fund in 2007. During 2013, the Advisory Board

expanded eligibility to include members of the Red Cross/Red Crescent movement. Because the AB was unable to reach consensus on the issue, the ERF remained closed to UN agencies. The ERF is expected to expand eligibility to UN agencies and IOM in 2015, in compliance with the 2015 CBPF operational guidelines.

First Call-for-Proposals issued in 2014

In October 2014, on the basis of needs identified by the Rakhine HCT, affirmed by the national HCT, and endorsed by the AB, the first call-for-proposals was developed. The call-for-proposals provided up to \$1.2 million to support three

projects in the health, education, and water, sanitation, and hygiene (WASH) sectors employing an early recovery, conflict sensitive approach. The call-for-proposals targeted both Rakhine and Muslim communities identified in the 2014 Strategic Response Plan who are displaced, isolated, or are hosting the displaced population. The allocation strategy reflected the Rakhine context and aimed to provide immediate early recovery support to communities affected by inter-communal violence and thereby contributing to the restoration of trust and the strengthening of social cohesion between the communities.

2.2 Allocation Breakdown

ERF funds available

During 2014, the ERF had a total \$5.4 million available to be allocated to new projects. The total includes \$4.2 million of new 2014 donor contributions and \$1.1 million of funding carried over from 2013.

Summary of ERF funds available in 2014 (US\$)

Funding source	Funds available
Carry over from 2013	1,138,900
2014 contributions	4,242,657
Total available 2014	5,381,557

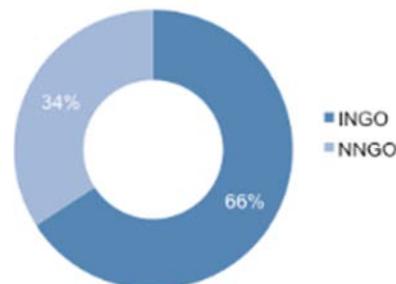
ERF funds allocated to projects

The ERF allocated \$3.1 million to ten projects during 2014, averaging \$309,000 per project. The ERF allocated more funding to more projects during 2014 than during any previous year. The total funding provided to projects in 2013 was \$1.7 million.

one project was implemented solely by a national NGO. As a result, more than a third of all funding allocated during the year was channelled through national NGOs.

All projects were funded through the emergency Reserve, the ERF's traditional process, on a rolling basis. No proposals submitted in response to Myanmar's first call-for-proposals issued in October 2014 had been finalised in grant agreements by the end of the year. These projects are expected to be finalised during the first quarter of 2015.

ERF funds programmed by partners during 2014



Because the Myanmar ERF limits funding eligibility to only NGOs (and the Red Cross movement), 100 per cent of all funding to date has been provided to NGOs. The ERF entered into eight agreements with international NGOs (INGOs), and two agreements with national NGOs (NNGOs).

Of the \$3.1 million allocated by the ERF during 2014, \$2.8 million was allocated to nine projects that provided emergency response to identified humanitarian needs in Myanmar.

ERF funds allocated to projects during 2014

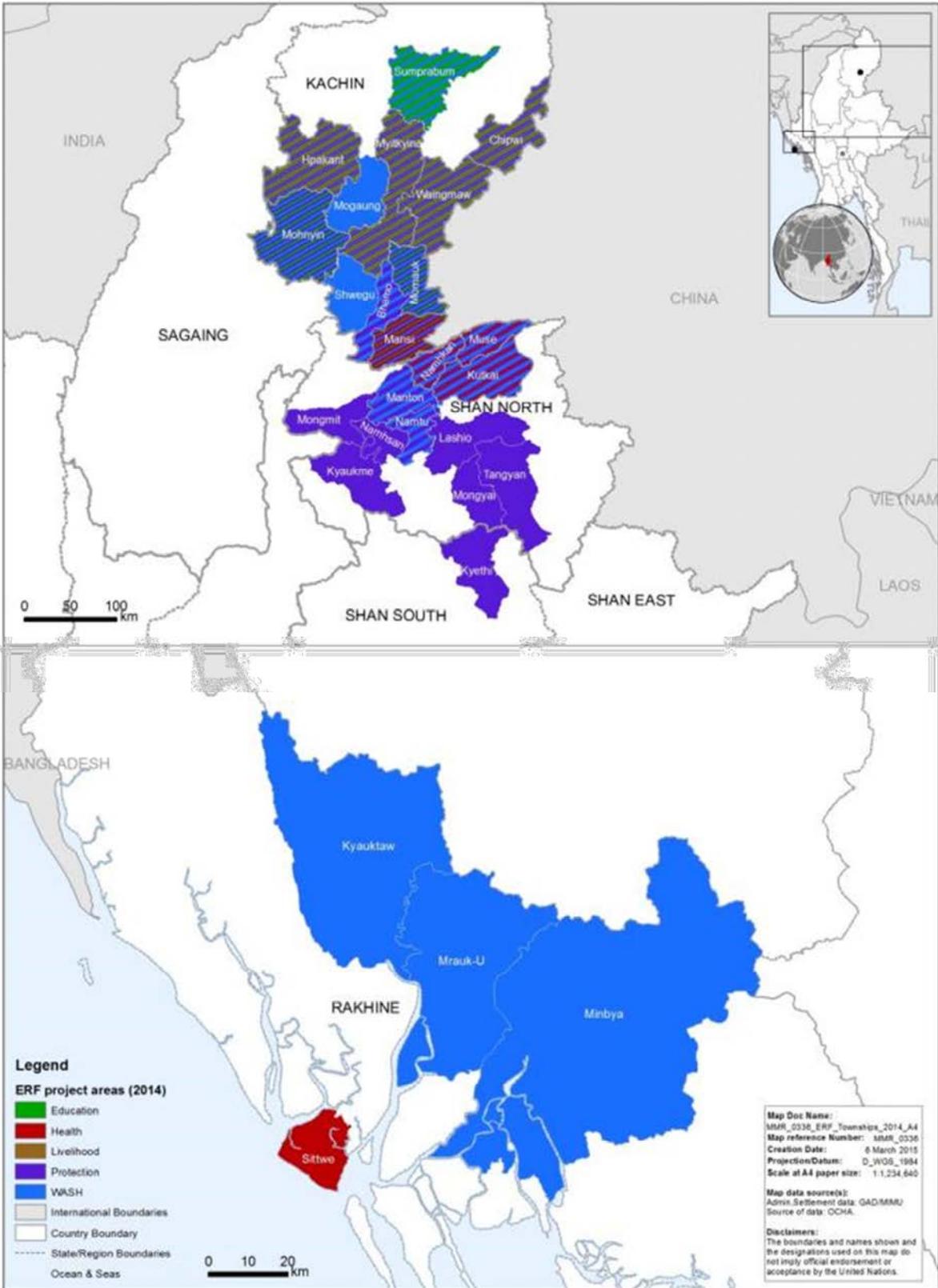
Partner Type	No. of projects	Allocated to projects US\$	%
UN	0	0	0%
INGOs	8	2,475,253	80%
NNGOs	2	612,679	20%
Total	10	3,087,933	100%

ERF funds allocated to projects during 2014

Project Type	No. of projects	Allocated to projects US\$	%
Emergency response	9	2,820,743	91%
Preparedness	0	0	0%
Early Action	1	267,190	9%
Total	10	3,087,933	100%

Four of the ten projects funded during 2014 were implemented solely by international NGOs, five projects were implemented by international NGOs in partnership with national NGOs, and

MYANMAR: EMERGENCY RESPONSE FUND (ERF)
Projects Funded During 2014

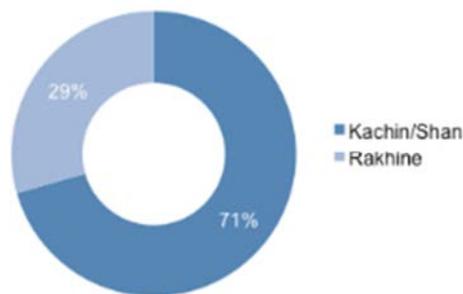


One innovative project in Kachin and Shan States provided an emergency WASH response to expected displacement in an area of on-going conflict. This early action project was designed to provide emergency potable water and sanitation to the expected continued displacement of people in Kachin and northern Shan, and is a follow-on project of a successful pilot funded in 2013.

The Kachin/Shan crisis has been known as a "forgotten" crisis, because it is often overshadowed by the larger crisis in Rakhine State. Most donor funding that falls under the 2014 Strategic Response Plan was channelled to Rakhine, and the funding that has been provided for humanitarian action in Kachin has mostly been provided to the food, shelter, and WASH sectors.

As a result, the ERF was used to address priority gaps in Kachin/Shan in the lesser funded sectors, primarily protection. Funded projects supported child protection activities, mainstreaming mine-risk education, a project to counter human trafficking, and a project to address gender based violence in camps. The 2015 Humanitarian Response Plan has identified protection as a priority concern in Myanmar, with Protection programming the second largest funding request, after food security.

ERF funds allocated by region



ERF funds allocated by sector (millions US\$)



2.3 Fund Performance

ERF and humanitarian priorities

Despite being a small fund, the Myanmar ERF successfully provided important response to key humanitarian needs during 2014. Early in 2014, in response to a request from the WASH cluster, the ERF funded two projects to fill a critical gap in WASH coverage in several townships in Rakhine State, ensuring that the affected population had access to adequate supplies of potable water, and sanitation systems. After the suspension of operations of the largest provider of health assistance in Rakhine, Médecins sans Frontières, the ERF provided critical funding to expand the health services of one of the remaining health organisations.

In Kachin and northern Shan, the armed conflict that re-ignited in 2011 has not yet been resolved and negotiations towards a nation-wide ceasefire continue. Armed clashes continue, and people in both Kachin and northern Shan continue to risk displacement. Recognising that armed clashes were likely to continue into 2015 resulting in additional displacement, the ERF, with support of the Kachin HCT and the WASH cluster, supported a rapid response mechanism to provide emergency water and sanitation services

to the newly displaced within days of the displacement.

After the AB adopted the new allocation strategy in August 2014, creating the two allocation windows, the Standard Allocation and the Reserve, the ERF issued its first call-for-proposals to support communities affected by inter-communal violence in Rakhine. The call-for-proposals targeted the rural Rakhine and Muslim population identified as in need of humanitarian assistance in the 2014 Strategic Response Plan, but which had to date received little humanitarian assistance. The call-for-proposals' strategy to address education, health, and livelihood needs was developed in collaboration with the Early Recovery sector, and with the support of the HCT in Rakhine, the national HCT, and the Humanitarian Coordinator.

The timeliness of ERF processes

As the Myanmar ERF grows in size, the OCHA Humanitarian Financing Unit (HFU) has implemented procedures to streamline the process and minimize the time required to review and provide feedback to applicant organisations.

Steps of ERF proposal review process with average number of days for each step



The HFU has reduced the average number of days between submission of proposals and the convening of the meeting of the Review Board (RB) to 5 business days. Likewise, the HFU has averaged just 1.4 days between the meeting of the RB and the transmittal of comments to the partner. For endorsed proposals, the review of revised proposals is conducted upon receipt, with the HFU again averaging 1.4 days to provide additional comments to the partner, if required, or to submit a technically-sound proposal to OCHA Headquarters for budgetary clearance. In July 2014, OCHA moved the headquarters proposal clearance from the Geneva-based Administrative Services Branch (ASB) to the Funding Coordination Section (FCS) in New York. During this transition period, some delays were encountered with the clearance process. With the transition to New York fully completed, together with the continued integration of a new, web-based information management system and the rollout of the Global Guidelines on Country-Based Pooled Funds (CBPFs) in 2015, the project cycle is expected to become more efficient, transparent and rational.

Once an agreement has been cleared by FCS New York, it is immediately sent to the Humanitarian Coordinator for signature and then to the implementing partner for countersignature. Depending upon the time taken by the implementing partner to countersign the agreement, the finalisation of the grant agreement can take between two and six business days. The signed agreement, together with a request for payment of the first tranche of funding for the project, is then submitted to FCS for processing. Although the grant agreement promises a maximum of ten business days to process the first payment, this target was not reached during 2014, when an average of 11 days was taken. Because the bank transfer itself takes an average of 3.9 business days, three weeks pass on average between the signing of the grant agreement and the first payment received by the partner.

Strengthening leadership with ERF funds

The adoption of the new ERF strategy in August 2014, with the creation of the two allocation windows, provides the Humanitarian Coordinator with a greater ability to direct the use of the ERF resources. Rather than receiving ad hoc proposals that address priorities of individual applicant organisations, the new allocation process enables the Humanitarian Coordinator to

ensure that the ERF resources are being used to address the highest humanitarian priorities through her endorsement of the strategy of each call-for-proposal. The ERF's first call-for-proposals in Rakhine was developed to address a need highlighted by the Humanitarian Coordinator.

The process to develop the strategy for the call-for-proposals for each Standard Allocation will also support greater coordination. OCHA will lead the process with the ICCG to collectively identify the highest priority needs through a consultative process.

ERF Partnerships with National NGOs

While the primary purpose of the ERF is to provide effective and timely response to identified humanitarian needs, the ERF has also worked to strengthen partnership with national NGOs. Although the ERF only funded two national NGOs directly during the year, the ERF has prioritised working directly or indirectly with national NGOs.

In the Kachin/Shan crisis, there is a broad presence of national NGOs with strong implementation capacity. These NNGOs are critical to the overall humanitarian response, as they are often the only organisations able to access the affected population. Six of seven projects funded by the ERF in Kachin were implemented in full or part by national NGOs. International NGOs working in partnership with the national NGOs help to strengthen project and financial management, and improve monitoring systems of national partners. In the Rakhine crisis, very few national organisations are currently operational, and most international organisations operating there are forced to implement directly.

Throughout 2014, the HFU met extensively with national organisations, in both Yangon and the field, to increase their awareness of the ERF and to encourage their application for funding through the ERF.

Several national partners have expressed reservation about accessing the ERF due to the OCHA policy that requires the implementing partner to pre-finance 20 per cent of each project's budget. Existing rules allow OCHA to provide only 80 per cent of the budgeted amount after signature of the grant agreement. The final 20 per cent, however, is only provided after the

project has been completed and the final project audit has been approved.

This funding limitation is expected to be resolved in 2015, as the forthcoming 2015 global guidance will introduce new operational modalities for funding of projects. Rather than requiring partners to pre-finance 20 per cent of each

project, partners will receive the project funding via a system of advances. As each advance is liquidated, the partner will submit a financial report to receive the next advance, through the end of the project.

CHAPTER 3: ALLOCATION RESULTS

The ERF allocates funding to projects throughout the year. Project implementation may take place during more than one calendar year, and many of the projects funded during 2014 will be substantially implemented during 2015. To ensure the coherence of project results, the allocation results section will review results only for those projects that completed implementation during 2014. Results described in this section are for projects that were funded by the ERF during 2013 and 2014, but had completed implementation by the end of 2014.

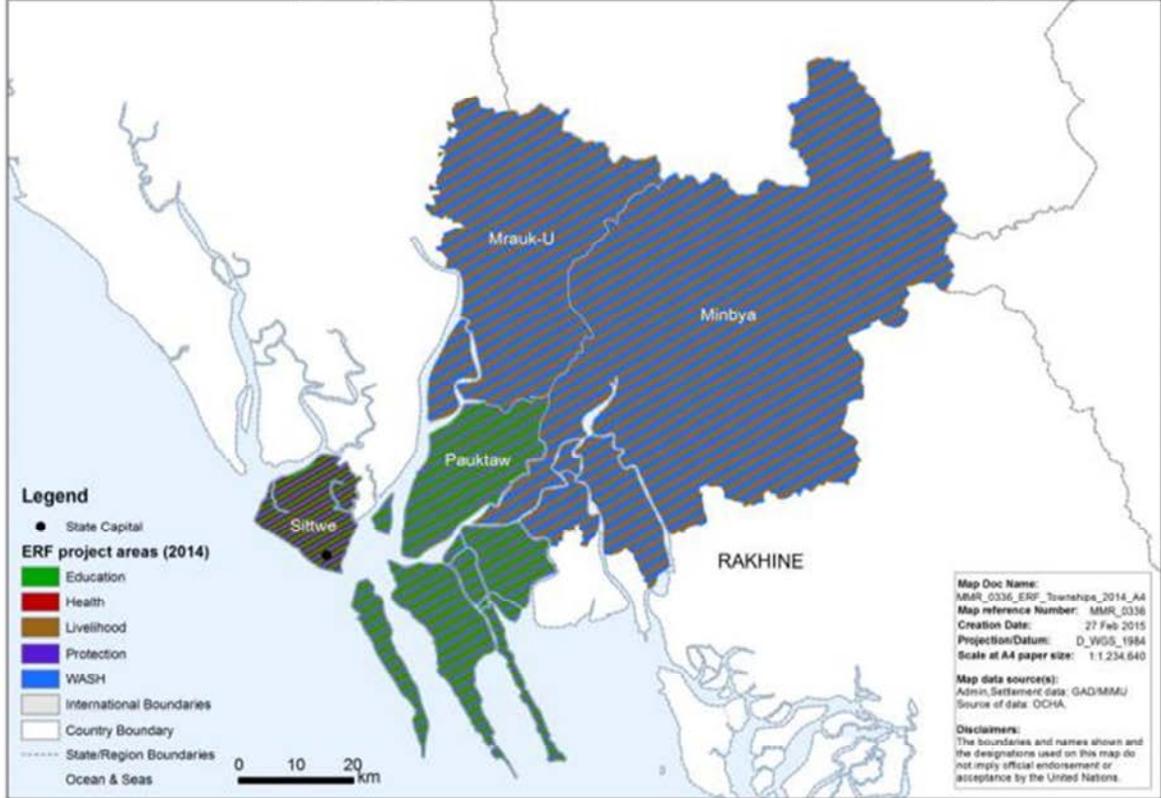
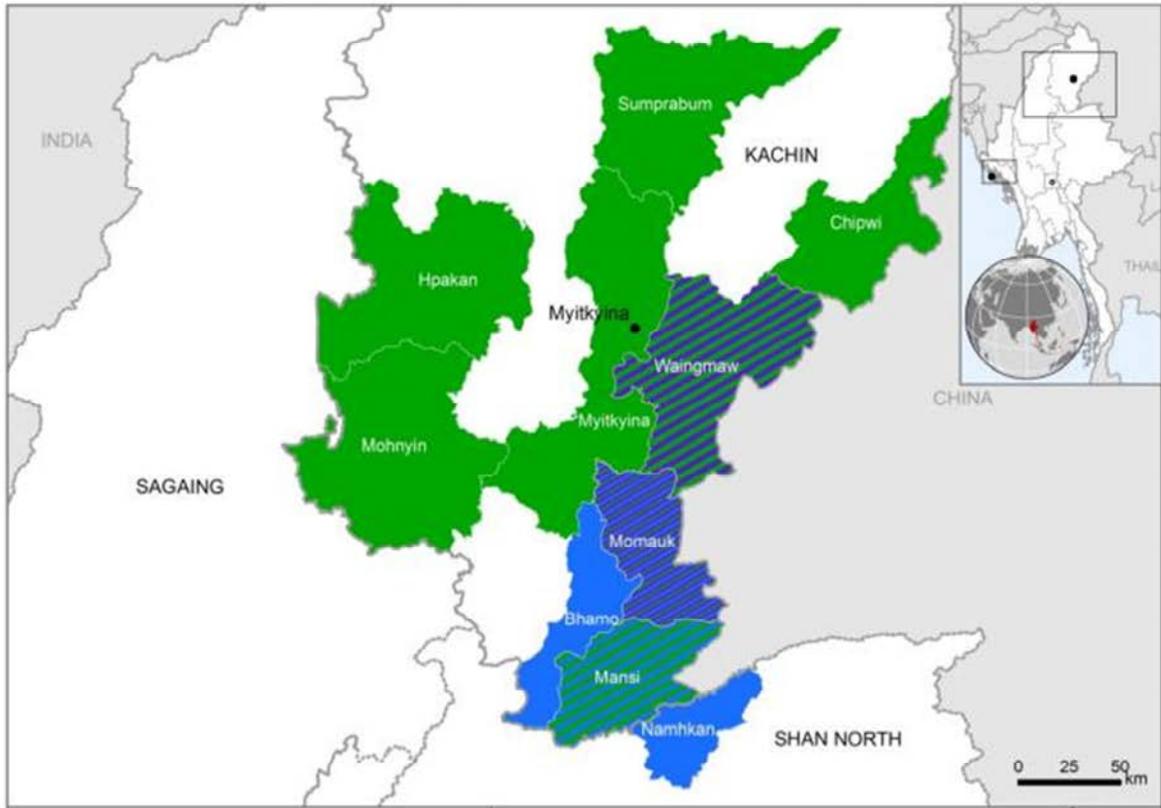
Of the eight ERF-funded projects that completed implementation during 2014, four received funding in 2013, and four in 2014. The eight projects cover the sectors of early recovery (livelihoods), education, health, protection and WASH, with a total cost of \$2.58 million.

The total number of people assisted from the eight projects implemented during 2014 was approximately 192,000. Because several projects reached the same beneficiaries, the total number of beneficiaries includes beneficiaries who have been counted more than once. The actual number of individual people reached is not known.



An IDP camp in the Laiza area of Kachin, on the border with China.
(Photo: OCHA/P. Peron)

MYANMAR: EMERGENCY RESPONSE FUND (ERF)
Projects Completed During 2014





Children in Sittwe camps attend class in a Temporary Learning Space
(Photo: OCHA/J. Weatherill)

Key Achievements of Education Sector Projects

No. of projects	Budget in US\$	Implementing agencies	Geographic Area
3 projects with an education component	709,473	Save the Children Fund (SCF) (Kachin and Rakhine) (Kachin) Nyein (Shalom) Foundation	Kachin: Mansi, Momauk, Waingmaw, Sinbo, Monyin, Hpakan, Lawhkawng, Sumprabum, Mai Ja Yang and Laiza Townships Rakhine: Sittwe and Pauktaw Townships

Outputs

- Total number of people assisted (targeted and reached):
 - Targeted: 24,082 people, including IDP and non-IDP children, and teachers
 - Reached: 21,083 people (Girls: 10,506; Boys: 10,013, Women: 461, Men: 103)
- Project results:
 - In Rakhine State, in the townships of Sittwe and Pauktaw, improved access to inclusive education for 4,566 displaced children (1,960 girls, 2,606 boys) from both Rakhine and Muslim communities through the construction of 16 Temporary Learning Spaces; on-going training, monitoring and support of 48 volunteer teachers (32 male, 16 female) and school management; and, increased community participation and strengthened community responsibility in education through the establishment, training and support of 12 parent-teacher associations with a total of 185 members (155 male, 30 female).
 - In the non-government controlled areas (NGCA) of Kachin State, improved access to quality primary education for 10,973 conflict-affected displaced primary school aged children (5,709 girls, 5,264 boys) and assurance of continuity support to 471 education service providers including IDP volunteer teachers through training and support.
 - Supported learning access and improved quality education facilities and services for 2,854 children (1,561 girls and 1,293 boys) in NGCA of Kachin State through training of teachers/caregivers, provision of teaching and learning materials, and nutritious and supplementary food.
- ERF's added value to the response:
 - The ERF remains an important source of funding for the sector especially in Kachin where the ERF represents 44 per cent of the funding received by the education sector.



Rakhine woman in Minbya shows her village shop supported with funds from the ERF
(Photo: OCHA/J. Weatherill)

Key Achievements of the Early Recovery (Livelihoods) Sector

No. of projects	Budget in US\$	Implementing agencies	Geographic Area
1 project with a livelihood component	224,770	Consortium of Dutch NGOs (CDN)	Rakhine State: Minbya, Mrauk-U, and Pauktaw Townships

Outputs

- Total number of people assisted (targeted and reached):
 - Targeted: 415 farmers and 80 people for small business support
 - Reached: 668 farmers received fertilizer/seeds and 80 people (21 women and 59 men) received small business support
- Project results:
 - 668 displaced farmers living in their villages were supported with fertilizer and seeds for winter vegetable crops
 - 336 displaced people received home gardening training and were supported with six different types of vegetable seeds to develop home gardens. All participants received tools, including a short-handled shovel.
 - Six of a planned 14 rice banks were established. Eight remaining rice banks were partially constructed, with work to be completed by the beneficiary communities. In each of the 14 communities, a nine-member committee was established and received training to manage the rice bank.
 - 80 people were trained in small business development and received cash grants 100,000 MMK as start-up capital after submitting the simple business plans.
- ERF's added value to the response:
 - ERF support for livelihoods projects enables the affected communities to begin to restore their ability to support themselves, thereby reducing their reliance on humanitarian assistance. The inclusion of rice banks in the Rakhine programme design potentially enabled targeted camps and villages to ensure sufficient rice seed for future planting seasons. Unfortunately, the short implementation timeframe of humanitarian projects made it difficult to ensure the continuity of operation of the rice banks beyond the scope of the project.



Women in Sittwe IDP camps receive health promotion information while waiting to see the doctor
(Photo: OCHA/Naw Gay Htoo)

Key Achievements of the Health Sector

No. of projects	Budget in US\$	Implementing agencies	Geographic Area
1 project with a health component	314,535	International Rescue Committee (IRC)	Rakhine State: Sittwe Township

Outputs

- Total number of beneficiaries (targeted and reached):
 - Targeted: 39,600 displaced people to receive medical consultations
 - Reached: 26,160 (Girls: 5,199; Boys: 4,728, Women: 8,277, Men: 7,956) received medical consultations
- Project results:
 - Access to primary health care services in 16 locations was improved and 26,160 new consultations were reached among conflicted affected communities (8 Muslim IDP camps and 8 Rakhine villages) in Sittwe township were made through five mobile clinic team.
 - Mobile clinics supported through the ERF project provided the first time antenatal care (ANC) to 643 pregnant women.
 - 157 malnourished children under five were identified and referred to service providers operating nutritional programmes run by Action Contre la Faim (ACF) for severe cases and Myanmar Health Assistant Association (MHAA) for moderate cases.
 - The quality and composition of in-camp mobile clinic infrastructure improved to align with the World Health Organization (WHO) standards for quality service delivery.
- ERF's added value to the response:
 - The ERF addressed a significant gap in the provision of health services in Sittwe camps and rural villages following the suspension of health actors MSF-Holland and Malteser.
 - The ERF helped improve the working relationship with key authorities beyond the project period to continue the provision of live-saving medical services.



IDP girls in their room in a boarding house in Laiza, Kachin, before installation of elevated beds
(Photo: OCHA/Naw Gay Htoo)

Key Achievements of the Protection Sector

No. of projects	Budget in US\$	Implementing agencies	Geographic Area
1 project with a protection component	221,723	Save the Children Fund (SCF)	Kachin State: Mai Ja Yang and Laiza

Outputs

- Total number of people assisted (targeted and reached):
 - Targeted: 650 IDP children from ECCDs (Early Childhood Care and Development) and 3,112 IDP children from boarding houses
 - Reached: 554 IDP children (261 girls, 293 boys) from ECCDs and 2,330 IDP children (1,330 girls, 1,000 boys) from boarding houses
- Project results:
 - Promoted the development and wellbeing of the conflict affected displaced children through the renovation and refurbishment of 6 ECCD centres and 6 boarding houses in NGCA to improve the protective and safe environment. Renovation included structural upgrades to windows and rooms, installation of room dividers, the provision of bedding, desks and chairs for learning, etc.
 - Improved protection from potential recruitment, sexual abuse and trafficking of children through the support to teachers and caregivers by providing training and developing child safeguarding policies for each boarding house.
- ERF's added value to the response:
 - The upgrading/refurbishing of ECCD centres and boarding houses in NGCA supports the critical improvement of safe physical environment for displaced children who are at risk of potential recruitment, sexual abuse and trafficking.



The central sludge treatment site in Sittwe ensures that effluent from IDP camp latrines is properly treated.
(Photo: OCHA/J. Weatherill)

Key Achievements of the Water, Sanitation and Hygiene Promotion (WASH) Sector

No. of projects	Budget in US\$	Implementing agencies	Geographic Area
4 projects with a WASH component	1,110,690	Consortium of Dutch NGOs (CDN) Oxfam International Solidarites International	Kachin State: Mansi, Mogaung, Bhamo townships Rakhine State: Minbya, Mrauk-U, Pauktaw, Sittwe Townships

Outputs

- Total number of beneficiaries (targeted and reached):
 - Targeted: 111,164 people of 18,530 households
 - Reached: 118,403 people (5,084 girls, 4,891 boys, 53,282 women, 55,146 men) and 20,623 households
- Project results:
 - Sittwe camps have the capacity to respond to the need for desludging operations through the construction of a central sludge treatment site and eight on-site sludge treatment centres; training of all WASH actors and local labourers in desludging and on-site sludge treatment operating in all Sittwe camps; provision of desludging pumps and materials to minimise the risk of excreta-led contamination especially during the rainy season; the potential contamination of water points and acute watery diarrhoea outbreaks in 16 target camps significantly reduced.
 - Access to safe drinking water and reduction of diarrhoea through the distribution and utilisation of ceramic water filters by 3,958 households of both Rakhine and Muslim communities in Minbya, Myebon and Mrauk-U townships; increased awareness about appropriate hygiene practices and cleaning of the environment through the deployment of trained community volunteers.
 - Provided emergency WASH support to 6,395 recently displaced people through the establishment of a WASH emergency response mechanism in Kachin and northern Shan in 16 different locations (62% of locations in GCA, 32% in NGCA) in close collaboration with local partners.
- ERF's added value to the response:
 - ERF funds have been used to fill two critical funding gaps in the WASH response in Rakhine State. The ERF ensured the IDPs in three townships had access to sufficient supply of potable water, hygiene supplies and had access to proper sanitation facilities. The ERF also launched the first excreta disposal project in Sittwe camps to de-sludge latrines and treat the waste to reduce the risk of disease.

CHAPTER 4: ACCOUNTABILITY AND RISK MANAGEMENT

Risk Management

OCHA's management of more than \$850 million of pooled funding each year through the Central Emergency Response Fund (CERF) and 17 country-based pooled funds, such as the Myanmar ERF, presents a potentially consequential organisational risk to the United Nations. As such, risk management has become increasingly important across the UN system. To minimise the potential consequences of OCHA's management of the Myanmar ERF, the HFU has identified potential risks, and implemented procedures to mitigate these risks.

Governance Risk

The ERF governing bodies in country, including the Humanitarian Coordinator, the Advisory Board, and the Review Board, are engaged in the governance of the Fund. The new Humanitarian Coordinator, who arrived in Myanmar in January 2014, reviewed all funding decisions and project amendment requests, and provided guidance on the first call-for-proposals issued in October 2014. The Advisory Board, which met only once during the year, reviewed the Fund's strategy and endorsed the introduction of the standard allocation window to increase the strategic relevance of the Fund. The Review Board, created during the second half of 2013, met as necessary to review each proposal submission, and to make a funding recommendation.

The biggest governance risk to the ERF is the continued small size of the Fund and the lack of predictability of the timing of donor contributions. Even though 2014 was the first year that the ERF received contributions from three donors, and received the highest overall level of contributions, the number of donors remains low, and the \$4.2 million contributed makes the Myanmar ERF one of the smallest CBPFs in the world. One ERF donor, the United Kingdom, has entered into a multi-year (2014-2015) funding agreement with OCHA, which included a payment schedule, providing predictable funding. The two remaining donors, Australia and Sweden, were unable to make a commitment to the ERF until mid-year. The lack of predictability in funding contributions, and the late payment during the year, makes it difficult for the ERF to plan the standard allocation or develop strategies for the call-for-proposals. Earlier and more predictable donor contributions would improve the management of the ERF.

Strategic Risk

The HFU has worked to ensure that the Fund is aligned with global ERF policy and guidance. The 2013 Fund Strategy paper, which was in effect until August 2014, enabled the ERF to

respond to any urgent or chronic humanitarian need of people affected by natural disaster or conflict, anywhere within Myanmar. Projects funded in accordance with this strategy had to respond to critical humanitarian needs, and while the Fund had not formally adopted the CERF Life-Saving Criteria, these criteria were influential in determining which assistance projects to fund.

Despite managing the ERF in accordance with the 2012 Global ERF Guidelines, the HFU recognised that the ERF's allocation modality was the biggest risk to the strategic allocation of ERF resources. In Myanmar, like many other countries with CBPFs, most of the outstanding humanitarian needs are caused by gaps in the core humanitarian response, not by new on-set emergencies. The ERF's allocation modality of accepting proposals on an *ad hoc*, as needed basis, is best suited to providing urgent response to sudden on-set humanitarian emergencies. It does not, however, ensure that the highest priority non-emergency needs are addressed. To increase the strategic nature of non-emergency allocations, the ERF Advisory Board adopted a new funding strategy in August 2014 that created two funding windows: the Emergency Reserve, which operates like a standard ERF to provide response as needed, and the new Standard Allocation, which uses calls-for-proposals endorsed by the AB to solicit proposals to address the most important priority needs. This new funding modality is in line with the forthcoming 2015 CBPF guidance.

Hazard Risk

Unforeseen hazards such as natural disasters and political violence can create risks to the implementation of on-going projects. To address these risks, the ERF must manage projects flexibly to allow them to adapt to the changing operational environment.

On 26 and 27 March 2014, the premises of UN and NGOs in Sittwe, Rakhine State, were attacked, disrupting humanitarian activities, and caused the loss of over US\$ 1 million in damages, and the temporarily relocation of more than 300 aid workers. The violence delayed project implementation, and forced some organisations to cease operations in Rakhine. By July 2014, most critical humanitarian activities had resumed, but at reduced capacity due to higher operational costs and insufficient office/accommodation availability. Three ERF-funded WASH projects and one education project were impacted by the violence, and required additional time and budget modifications to complete implementation.

In southern Kachin and northern Shan, renewed conflict throughout the year caused renewed displacement. Unpredictable political and security context hampered principled humanitarian action and restricted access. Until September 2014, international organisations were able to access NGCA areas of Kachin through regular cross-line assistance missions. From mid-September 2014 through the end of the year, however, no missions were conducted because the Government stopped providing authorisation. Coordination with Government authorities continues, and cross-line missions are expected to resume during the first quarter of 2015. To ensure that assistance reaches the population in need, outreach and coordination with national NGOs, who provide most assistance in NGCA, is required. The ERF prioritises implementation through national NGOs to reduce the risk of access constraints negatively impacting project implementation.

Financial risk

OCHA's management of a CBPF creates financial risks related to the use of funds that must be mitigated. All CBPFs risk fraud, corruption or theft on the part of the implementing partners. In addition, poor financial management and reporting can result in inadvertent misuse of ERF resources.

The ERF has procedures in place to mitigate these risks. To ensure that ERF partners have the capacity to financially manage projects, all partners must successfully complete a capacity assessment before they are eligible to receive ERF funding. The assessment requires that potential partners have experience managing grants of comparable size, and have worked with a range of multiple donors, including bilateral, UN and other NGOs. To reduce the risk of fraud, corruption and theft, the HFU conducts site visits to monitor all funded projects, including a spot check of financial procedures.

Monitoring and Reporting

Since the Myanmar ERF adopted the Global ERF Guidelines in mid-2013, the HFU set a target of conducting at least one monitoring visit to each ERF project during the period of project implementation. Five of the ten ERF-funded projects that were funded during 2014 were visited at least once during the year. The remaining five projects are scheduled to be monitored during 2015.

Because the primary responsibility for monitoring project implementation lies with the organisation implementing the project, each ERF partner must ensure continual monitoring of all activities throughout the implementation project.

The HFU monitors project implementation to verify that the implementing partner's monitoring is effective and accurate, and to independently verify results reported by the organisation. Field monitoring of an individual project includes an assessment of the progress and achievements against the project's implementation plan, interaction and discussion with beneficiaries to understand first-hand the beneficiaries' perspectives on the project, and sometimes financial spot check at the field office. In addition to assessing results, the monitoring visit can identify issues to be addressed to improve project implementation. Where possible, projects the HFU endeavours to visit projects twice – at the mid-point and the completion of a project. A monitoring visit conducted at the mid-point of project implementation can ensure that there is sufficient time to address issues that are observed. Project site visits by the HFU can also identify best practices and lessons learnt to inform the funding strategy and future funding decisions of the ERF. Monitoring also manages risk by increasing transparency and improving accountability of the use of ERF funds.

In addition to monitoring site visits, the HFU systematically reviews the narrative and financial reports submitted by implementing partners. When necessary, the partner is requested to provide additional information or clarification before the reports are accepted. The HFU also subsequently provides individual feedback and guidance on any adjustments required to the project's implementation. Furthermore, projects that require modification of scope or duration due to unforeseen events, must submit an interim financial report to verify the financial status of project implementation.

Both project monitoring visits and the review of financial and narrative reports has revealed that most partners require continued support in understanding ERF rules and regulations. In addition, local partners require continued support to build their financial management capacity. During 2014, the HFU has presented and explained ERF procedures and processes to the partners in cluster meetings and coordination meetings in Yangon as well as in the field.

Gender Mainstreaming

Since the adoption of the 2012 ERF Global Guidelines, Myanmar ERF partners are expected to mainstream gender consideration into the design of the project. For a project proposal to successfully integrate gender consideration into its design, it must describe the differing needs of girls, boys, women, and men and propose a humanitarian response that equitably addresses these needs. To encourage ERF partners to better integrate gender, they are required to

evaluate their project proposals prior to submission using the Gender Marker (GM). Starting from 2013, ERF partners began to regularly employ the GM in the evaluation of their project proposals.

During 2014, the two GenCap advisors assigned to Myanmar served as members of both the ERF Advisory Board and the Review Board, and actively participated in the 2014 technical review of proposals. To ensure that gender is properly considered during project design process, the GenCap Advisor provided several trainings for ERF partners on the Gender Marker in both Yangon and the field.

During the project design, each partner assigns a GM score (0, 1, 2a, or 2b) to the project proposal indicating the degree to which the project will

ensure that women, men, girls, and boys will benefit equally from the humanitarian response and whether the project will advance gender equality. The use of the GM tool during the design of the project proposal helps to ensure that gender is considered throughout the assessment, planning, implementation and monitoring of a project. During the proposal review process, the Review Board, with support of the IASC Gender Capacity (GenCap) Advisor, assigns a GM score to the proposal.

Nine ERF projects out of ten funded during 2014 evaluated their project proposals as GM 2a or 2b indicating that the project is expected to significantly contribute to gender equality. One WASH project was evaluated as having only the potential to contribute in a limited way to gender equality (GM 1).

CHAPTER 5: CONCLUSIONS AND WAY FORWARD

Recurring conflict in Kachin and northern Shan States, and on-going tensions from inter-communal conflict in Rakhine State continue to cause protracted internal displacement in Myanmar. The humanitarian challenges of 2014 remain unresolved, and are expected to continue through 2015. Conflict-affected communities that have little or no access to livelihoods and essential services will continue to need humanitarian assistance until durable solutions for the populations can be achieved.

During 2014, the crises in Rakhine and Kachin/northern Shan continued to be the focus of the overall humanitarian response in Myanmar, as described in the 2014 Strategic Response Plan. These crises remain the focus of the 2015 Humanitarian Response Plan for Myanmar. The 2014 Strategic Response Plan provided strategic guidance for the use of ERF resources during the year.

The ERF in 2014

2014 was a pivotal year for the Myanmar ERF. During the year, the ERF received more donor contributions and allocated funding to more projects than during any previous year. The Fund was supported by three donors for the first time, making the ERF a true country-based pooled fund for the first time since 2009.¹ The ERF Advisory Board also adopted structural changes to the funding strategy to allow the ERF to more strategically allocate the Fund's resources. The introduction of the Standard

Allocation window, in addition to the traditional emergency Reserve window will help to ensure that the highest priorities of the Humanitarian Coordinator, clusters and HCT are addressed

During 2014, the ERF provided \$3.1 million to ten projects, representing the highest level of funding allocated in a single year since the creation of the Fund. In contrast to the first six years of the Fund's operation, the Fund's operational environment is now permissive, and the ERF and its partners are able to operate openly. The HFU made extensive efforts to promote the Fund to raise its visibility during the year, providing briefings to all clusters, and travelling to Kachin and Rakhine to present the Fund in the field. As the visibility of the Fund has increased, so has the demand for ERF support. The ERF received 20 proposals/concept papers during 2014, more than during any previous year.

Challenges for 2015 and Way Forward

The Myanmar ERF grew substantially during the year, and the steps taken and reforms adopted will make the ERF more effective during 2015. Nevertheless, despite these advances, the Fund faces several challenges during 2015.

The primary challenge to the ERF will be the successful implementation of the strategic reforms to the ERF allocation process. While it is expected that most ERF funding will be allocated through the Standard Allocation process that will take place during May and June 2015, the ERF will need to ensure that it retains the flexibility to target priority non-emergency humanitarian needs as they are identified and prioritised by the humanitarian community. As these needs will

¹ Between 2007 and 2013, the ERF was supported by more than one donor only in 2009 when two donors supported the Fund

likely not correspond to the schedule of the Standard Allocation, additional, narrowly defined allocations may be necessary to address priority gaps in the humanitarian response.

In order for the ERF to be a relevant mechanism that justifies the level of effort of the various humanitarian actors involved in the allocation process, additional resources are required. After several years of managing country-based pooled funds, there is growing consensus that a CBPF should represent at least ten per cent of the overall humanitarian funding provided in response to a crisis to play an effective role in the overall humanitarian response. The Financial Tracking Service (FTS) managed by OCHA identified \$126 million in donor contributions provided under the 2014 Strategic Response Plan for Myanmar. At ten per cent, the Myanmar ERF should have received at least \$12.6 million during the year, compared with the \$5.4 million available. During 2015, one of the greatest challenges will be to identify new potential donors and broaden the donor base of contributing donors.

In 2015, OCHA has introduced and will progressively rollout the Global Guidelines on Country-based Pooled Funds. The Guidelines are the outcome of extensive internal and external consultations conducted by OCHA with stakeholders both at headquarters and country level over the last three years. They have emerged to harmonize processes and procedures, to clarify roles and responsibilities with regard to the management of funds, and to strengthen accountability mechanisms. They also support greater strategic alignment of CBPFs to humanitarian requirements.

An integral part of this process is the Grant Management System. The GMS is a web-based enterprise system that supports the management of the entire grant life cycle for all CBPFs. It was developed to support the management of all CBPFs and rationalize the workload of HFUs in the field. The GMS is being rolled out in 2015 for all CBPFs and will, among other things, harmonize process, promote efficiency, ensure transparency and provide real-time data.

With regard to the GMS, one of the concerns is that the system is not yet sufficiently adapted for use in areas without reliable internet access. In the two main operational areas of Myanmar, Rakhine and Kachin, fast and reliable internet access is not available. While all of the ERF partners are able to use email, many do not have fast enough connections to use the internet on a regular basis. The current GMS process requires partners to use the online system to apply for eligibility, develop and submit proposals, review and revise proposals, and submit all reporting.

During the first quarter of 2015, OCHA plans to upgrade its internet connectivity in the Kachin and Rakhine field offices. This is to support partners to access the GMS. The offline system will still be available for partners to develop proposals considering difficult connectivity in the country.

Throughout 2015, the OCHA Country Office will continue to collaborate with ERF stakeholders, including the Humanitarian Coordinator, the Advisory Board, Review Board, donors, implementing partners, and clusters/sectors, to ensure the effective management of the ERF and the efficient allocation of funding to the highest priority needs.

GLOSSARY

ACF	Action Contre la Faim
AHCT	Area Humanitarian Coordination Team
ARI	Acute Respiratory Infection
ANC	Antenatal Care
CBO	Community-based Organization
CDN	Consortium of Dutch NGOs
CERF	Central Emergency Response Fund
CO	Country Office
DFID	Department for International Development, United Kingdom
ECCD	Early Childhood Care and Development
ERF	Emergency Response Fund
FBO	Faith-based Organization
FCS	Funding Coordination Section
FM	Fund Manager
GCA	Government Controlled Area
GenCap	Gender Capacity
GM	Gender Marker
HC	Humanitarian Coordinator
HCT	Humanitarian Country Team
HFO	Humanitarian Financing Officer
HFU	Humanitarian Financing Unit
HH	Household
HMSF	Humanitarian Multi-Stakeholder Fund
IDP	Internally Displaced Person
IOM	International Organization for Migration
IP	Implementing Partner
IRC	International Rescue Committee
KMSS	Karuna Myanmar Social Services
MHAA	Myanmar Health Assistant Association
M&E	Monitoring and Evaluation
NFI	Non-Food Item
NGCA	Non-Government Controlled Area
NGO	Non-Governmental Organisation
PTA	Parents and Teachers Association
RAT	Rapid Assessment Team
RB	Review Board
SCF	Save the Children Fund
SHD	State Health Department
SI	Solidarités International
SIDA	Swedish International Development Cooperation Agency
UN	United Nations
WASH	Water, Sanitation and Hygiene
WHO	World Health Organization