

Myanmar

GAPS AND NEEDS ANALYSIS (GNA)

Assessment and recommendations report

March 2021



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1. Executive Summary

- 1) The 20 Gaps and Needs Analysis (GNA) respondents constitute a representative cross-section of the humanitarian logistics community in Myanmar. The report reflects their answers to the questions and their recommendations for the possible activation of a Logistics Cluster and/or current strategy for a Logistics Working Group (LWG).
- 2) Though most organisations interviewed have well-established supply chains, they have been put under pressure by recent rapid changes to the political and economic landscape in the country.
- 3) The supply chains of humanitarian organizations operating in Myanmar are adversely impacted by the current in-country crisis. Large sections of government and civil society are suffering from widespread absenteeism, which is creating significant backlogs in a variety of transactions such as banking and ministerial approvals. In addition, new regulations imposed by the Central Bank of Myanmar have instituted limits on bank cash withdrawals, hindering the ability of private sector companies to operate as per their business requirements.
- 4) The overall logistics infrastructure of the country remains largely intact; however, the challenges of lack of manpower and resources hamper the ability to access this infrastructure. The proposed introduction of Logistics Cluster lead assets or common services cannot address this.
- 5) Pressure should be continuously applied to relevant authorities to ease restrictions and promote humanitarian access to funds and the free movement of cargo.

2. Background

While implementing activities to mitigate the spread of COVID-19 and managing regular core programming, humanitarian partners have been heavily impacted by the evolving political crisis in Myanmar, which has altered some of the components of how supply chains inside of the country function. After the impacts of the evolving political crisis in Myanmar, WFP initiated the establishment of an informal Logistics Working Group (LWG), through which many organizations active on the ground are currently coordinating and sharing information.

Why a GNA?

The initial logistics Gaps and Needs Analysis (GNA) came as a result of the need by the logistics community in Myanmar to empirically assess the situation post February 1 events in order for the community to collectively determine whether the activation of the Logistics Cluster would be conducive in resolving current bottlenecks.

3. Tasks and Methodology

3.1. The GNA update (scope of work)

Definition of the Gaps and Needs Analysis (GNA)

The GNA included a series of interviews with logistics coordinators and managers working on behalf of organisations that have humanitarian logistics operations in country. The Myanmar GNA was conducted by Global Logistics Cluster (GLC) team of experts, with the support of the WFP Myanmar (Country Office direction and logistics unit), with the aim of specifically identifying the major logistics gaps and the bottlenecks faced by the community. Should the GNA report identify gaps and needs, the WFP Country Office (CO) can use the report and its recommendations to advocate accordingly to the Humanitarian Country Team (HCT), the Humanitarian Coordinator (HC), and relevant government authorities.

3.2. GNA Timeline

- **21-Feb-2021:** WFP received formal request from UNICEF to active logistics cluster.
- **22-Feb-2021:** GLC asked to facilitate
- **1-Mar-2021 to 9-Mar-2021:** Interviews conducted
- **10-Mar-2021:** GNA update final draft completed.

3.3. Data, Focus Groups and Operational Context

The GNA respondents and their answers are based on direct experiences inside of Myanmar and focus on the constraints of the current situation. Questions were presented in a standardized format, focusing on a predefined series of thematic areas.

- a) The GNA data was collected from a representative cross-section of the humanitarian logistics management community – 14 INGO/National NGOs and 6 UN agencies – who have a current working presence in Myanmar.
- b) The respondents are largely logistics personnel, with multiple years of experience in emergency logistics management. Many of the organisations represented have been operating in Myanmar for many years, often throughout acute emergencies.
- c) The GNA covers a broad range of humanitarian logistics needs in Myanmar and maps the respondents' geographical presence and sectoral focus of their activities. The GNA exercise highlights where resources that logistically support operations are available, and where gaps and/or bottlenecks remain.

4. Preliminary Findings (PFs)

PF 1: Organisations report extreme difficulty in obtaining and managing road and river movement of cargo in the current context.

- a) Selected transport companies are not taking on assignments in the current unstable environment
- b) Most organizations are experiencing extreme cash shortages (PF 2) and are unable to establish contracts or pay for transportation services.
- c) Some organisations working in areas requiring approvals to move road cargo have indicated that the administrative process has become more complex due to additional information being required from authorities or longer times to obtain approval, particularly in Rakhine state. At least one organisation reported encountering unannounced road closures or roadblocks.
- d) Economic volatility has led to an increase in security incidents. At least two organisations reported that their drivers refused to work due to the extreme insecurity situation.
- e) The sharp decrease of domestic flights has diminished the ability to use commercial or private air service in lieu of road and river movement.

PF 2: Restrictions on banks and the flow of money have adversely affected the supply chain activities of humanitarian organizations.

- a) The recent cap on withdrawals imposed by the Central Bank of Myanmar has limited the types of commercial activities organizations can participate in:
 - a. Transactions linked to locally procured items risk to be severely impacted by the new regulations. While humanitarian organizations can electronically deposit payments to vendors inside of Myanmar, it is predicted that eventually those vendors will not be able to pay for staffing costs or raw materials which require cash transactions. Local contracts and purchase agreements are at risk of failing.
 - b. Transport companies cannot afford to operate without cash liquidity, and many are opting to simply halt activities.
- b) Limited cash reserves will have implications for field programming of all kinds – the inability to obtain cash or to buy/transport goods could virtually halt all forms of beneficiary support.

PF 3: Enhanced administrative burdens and employee absenteeism are severely impacting the process of importing goods into Myanmar.

- a) Organisations are reporting considerable delays in importing goods into Myanmar. Across all organisations, just over 25% of all procurement occurs internationally. However, only four organisations make up the majority of all imports, each importing more than 60% of their goods from international sources. Of the four major importers, three are UN (UNICEF, WHO, UNFPA) and one is an INGO (MSF – two offices reporting).
- b) Organisations indicate difficulty getting cargo into Myanmar through all transport means – land, sea and air. Organisations indicate that it is difficult to locate appropriate personnel and to get paperwork moving in a timely manner from the respective authorities associated with international importation.
- c) Several organisations reported problems sourcing international air transport, however it is unclear if this simply due to the limited availability because of reduced flight schedules.

PF 4: The general logistics capacity of organisations and the areas of operation within Myanmar appear quite good when not impacted by the current instability.

- a) Most organisations reported being able to find and acquire the necessary warehouse space, with only three of the twenty organizations indicating less than an “average” level of acceptability in their respective areas of operation.

- b) Organisations reported a significant drop in the availability of cargo transport services due to the current crisis. However, prior to this, no major constraints were reported, and organisations were freely able to access road, air and sea transport.
- c) Though organisations indicated that they would welcome an IASC Cluster Activation, most reporting organisations didn't indicate they anticipated having increased unmet needs in the next six to twelve months. The largest anticipated change in needs was the need for additional temporary warehouse space in Yangon and Sittwe, however this appeared to be largely in response to the fact that cargo was unable to move due to lack of transport, and existing warehouse space was running out.

PF 5: The coordination services provided by WFP and idea of a Logistics Cluster in general are well received by the humanitarian community, while still seemingly poorly understood.

- a) Almost 50% (nine of the twenty) reporting organisations indicated that they would like to see a Logistics Cluster activated when asked directly. However, 60% (twelve of the twenty) organizations reported having little to no knowledge of the Logistics Cluster's mandate.
- b) Several organisations reported that they thought a Logistics Cluster was already active, confusing the current ongoing LWG coordination meetings with an actual Cluster.
- c) Several organizations believed that because WFP was running COVID-19 supplies through the GHRP, an activated Logistics Cluster would automatically translate to international air operations.
- d) 100% of reporting organizations indicated the current coordination mechanism for Logistics through the LWG as either "average" or "good," implying that the current structure is largely adequate.

5. Perceived Gaps and Needs

When addressing the overall gaps and needs identified in this process, it is important to keep in mind the current political and social contexts in the areas of operation. Notable gaps include:

a) Cargo movement within areas of response

The unavailability of trucking services has severely impacted the flow of material goods to areas of need. The arbitrary closure of national airports has also compounded this problem.

b) Pipeline breaks in the supply chain of imported goods

Lack of personnel and changing procedures have severely impacted the importation process, delaying import through sea and airports significantly. Additionally, fewer international flights are arriving in-country.

c) In-country procurement activities severely hampered

Closure of banks and arbitrary limits to the amount of physical currency that can be withdrawn have drastically impacted procurement of goods and services locally, as well as impacted their ability to pay national salaries or daily casual labour.

d) Coordination mechanisms still limited for humanitarian actors

Though most organizations report being satisfied with the current level of coordination of logistics activities, several key areas of coordination may be underserved. At least 15-20% of reporting agencies report deficiencies in logistics training, national logistics capacity, and in availability of shared manuals and guidelines. Half of reporting organizations report having little to no access to geospatial and mapping resources. Several agencies reported that though WFP is doing a sufficient job, it is still focused on its own mission and doesn't have the time or resources to support or interface with partners in all cases.

6. Recommendations Based on the Gaps and Needs Analysis

6.1. Considerations

After review of organizational needs through a formal GNA, the official recommendation of the Global Logistics Cluster (GLC) headquarters office is to not request a formal activation of a Logistics Cluster in Myanmar in response to the current political crisis at the current time. There may be additional areas of enhanced support both GLC and the local CO can provide, but they would be outside of a formal activation.

Considerations taken when weighing a potential activation:

Politically Driven Gaps - The current shortages of goods, money and resources is a direct result of political instability. All fundamental logistics infrastructure and resources were functioning healthily prior to the current political crisis, and assets such as vehicles, roads and airports remain intact, albeit unused. The authorities' perception (over an IASC-formally activated Logistics Cluster) could be problematic, i.e.: WFP could be perceived as partial).

A Logistics Cluster Cannot Solve a Cash Crisis – Though WFP may currently have relatively better access to cash resources than other agencies, it cannot substitute to partner's logistics infrastructures and roles. At the very best, a (IASC activated) Logistics Cluster may (under specific conditions) be able to leverage WFP's logistics advantage and make some common trucking available.

Notes:

1. WFP's ability to pay for services also only extends as far as WFP's own access to money, which may be shut off at any time.
2. As partner organizations lose their ability to pay for goods and personnel their supply chains, there may soon be no alternative to commercial transport services but a common trucking solution.

A Cluster Activation is an acknowledgment that national capacity has been exceeded - The IASC Guidance states that "IASC clusters are formally activated clusters, created when existing coordination mechanisms are overwhelmed or constrained in their ability to respond to identified needs in line with humanitarian principles". The HCT would therefore need to consider the impact that a formal activation would have on the relationship with the authorities.

6.2. Recommendations and areas of potential support

1. Enhanced Coordination

While a formal activation may not be required, GLC and the WFP CO can actively find ways to enhance coordination at the local level. This might include:

- Hiring a full-time dedicated staff member knowledgeable in coordination to head the local Logistics Working Group (LWG).
- GLC extend some level of support, including generating a response specific page on the GLC website where the LWG can post and disseminate approved updates and information.
- GLC can provide basic guidance and coordination tools to the head of the LWG, focusing on coordination and partner engagement.
- GLC may be able to provide some degree of GIS support where required, however the scope and funding would need to be fully mapped out.

2. Some form of localized Service Provision:

Even in the absence of an activated Logistics Cluster, the WFP CO can consider extending bilateral support to key actors inside of the response on a cost recovery, or potentially short-term free basis. The decision of

whom and how to support would need to be coordinated by the local head of the LWG, and probably work in conjecture with the local Inter Cluster Working Group (ICWG) to determine priorities. Possible support actions may include:

- Provision of temporary storage, either at cost recovery through existing WFP warehouses, or temporary loan of MSUs to requesting agencies through the standard “Loan of Asset Agreement” process.
- Potential support to some key trucking activities if considered urgent or lifesaving – if the WFP CO funding situation allows, it may be possible to receive direct wire payment from interested parties for at-cost transport services.
- WFP may be able to act as consignee or clearing entity for other UN agencies requiring assistance, however such an action would require legal oversight. An LWG may also be able to coordinate with other implementing organizations to work with their UN counterparts to streamline cargo clearance as well.

3) High Level Advocacy:

Remaining cognizant that issues facing humanitarian actors are due to cross-cutting political issues, continued advocacy for humanitarian access and free movement of humanitarian goods and funds will be the best and likely only long-term solution. Even if a country level Logistics Cluster were to have enough funds and freedom of movement to support common services, the halt of banking and physical currency will impact operations in ways the Cluster cannot address. The office of the HC – or potentially even higher – should make a clear and cogent argument for the free movement of humanitarian goods and funds, and at the very least push for a resumption of normal humanitarian related supply chain activities. This comes with its own challenges, notably that civil society in general will still suffer from restrictions, so the broadest approach may be advisable.

7. Annexes and Attachments

7.1. Annexes

List of participating agencies and organizations:

| | |
|--|---|
| <ul style="list-style-type: none"> • World Vision • CARE • Handicap International • WHO • ACF • Medical Action Myanmar (MAM) • IOM • MSF-CH • NRC • OCHA | <ul style="list-style-type: none"> • PIN • Save the Children International • Samaritan's Purse • UNFPA • UNHCR • UNICEF • MSF-H • IRC • MRCS+IFRC • OXFAM |
|--|---|

7.2. Attachments

1. Sample Survey Questions
2. Survey Results

GNA-ENGLISH VERSION - MYANMAR

What the Gaps and Needs Analysis (GNA) represents:

- 1. A preliminary activity to any (IASC type) Logistics Cluster (CL) or Logistics Sector activation.**
- 2. A series of interviews (45-60 min) with the partners to:**
 - Create and/or reinforce a network of logisticians (to identify individuals and initiate personal relations)**
 - Evaluate the logistics gaps and needs with rated and qualified estimations**
 - Reinforce recommendations (e.g.: activation, strategy revision, deactivation)**
- 3. Activating a LC or a LS, or establishing a Logistics Working Group (LWG) is a strategic decision that must be based on needs.**
- 4. The GNA is therefore designed to evaluate the actual/potential logistics gaps and needs for which support may be required by humanitarian organisations (i.e.: the “partners”).**

A gap is considered when commercial services are unavailable (i.e.: inexistent or discontinued) or when no collaboration between partners is possible.

What the GNA produces:

- 1. An official report**
- 2. A comprehension of the partners' expertise and perception**
- 3. Quantitative and qualitative estimations coming from the partners**
- 4. Preliminary findings and recommendations from the GLC (on the approach to adopt and the solutions to implement)**
- 5. The partners' endorsement**
- 6. An essential tool to inform the Humanitarian Coordinator / Humanitarian Coordination Team on the actions required and the priorities to be considered.**

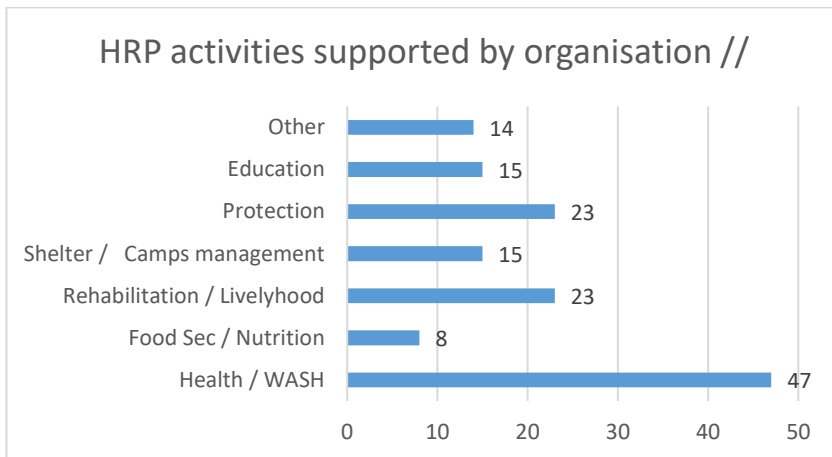
2. Sample Survey Results

20 Responses

54:21 Average time to complete

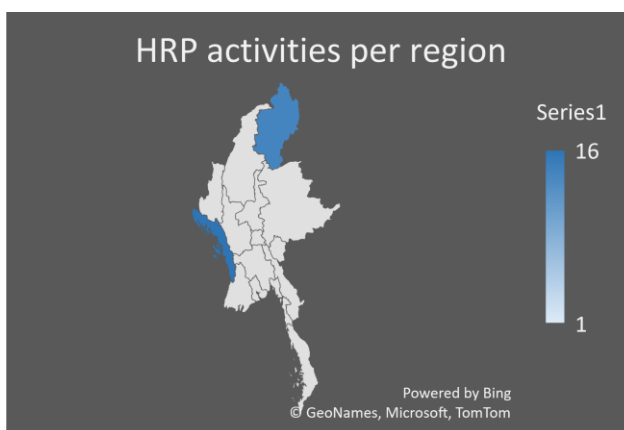
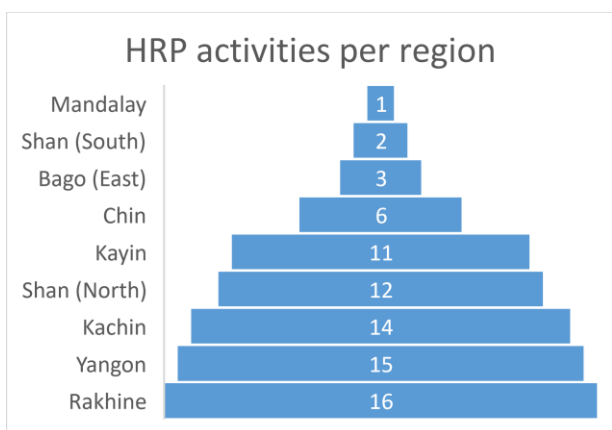
Overview of the Humanitarian Response Plan (HRP) and the activities supported by the logistics organisation

Please indicate the sectors in which the organisation is involved and if possible, indicate the number of projects per sector.



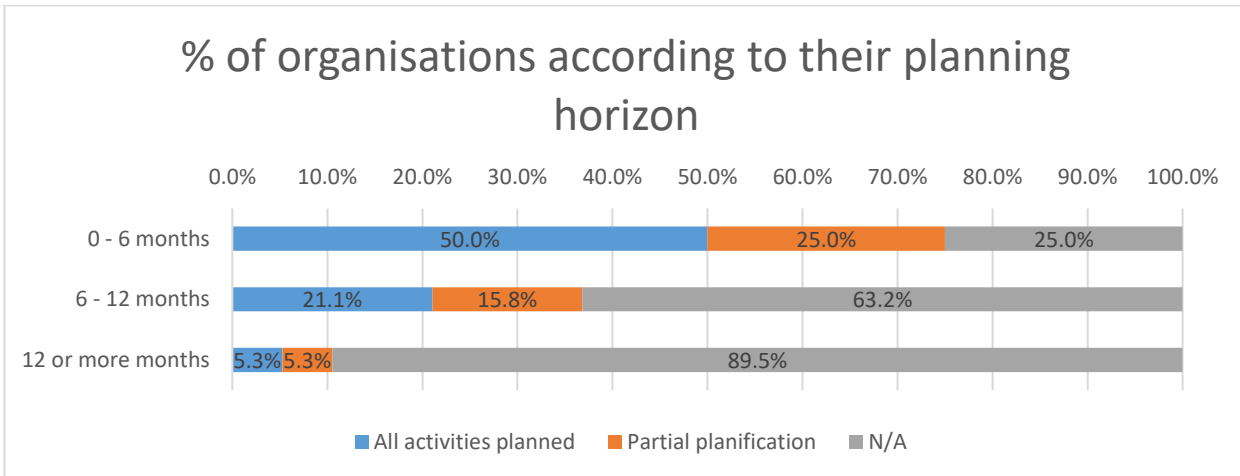
Overview of the HRP and the logistics activities (per regions)

Please indicate the regions where the organisation is involved and if possible, indicate the (existing) logistics resources per regions or per provinces.



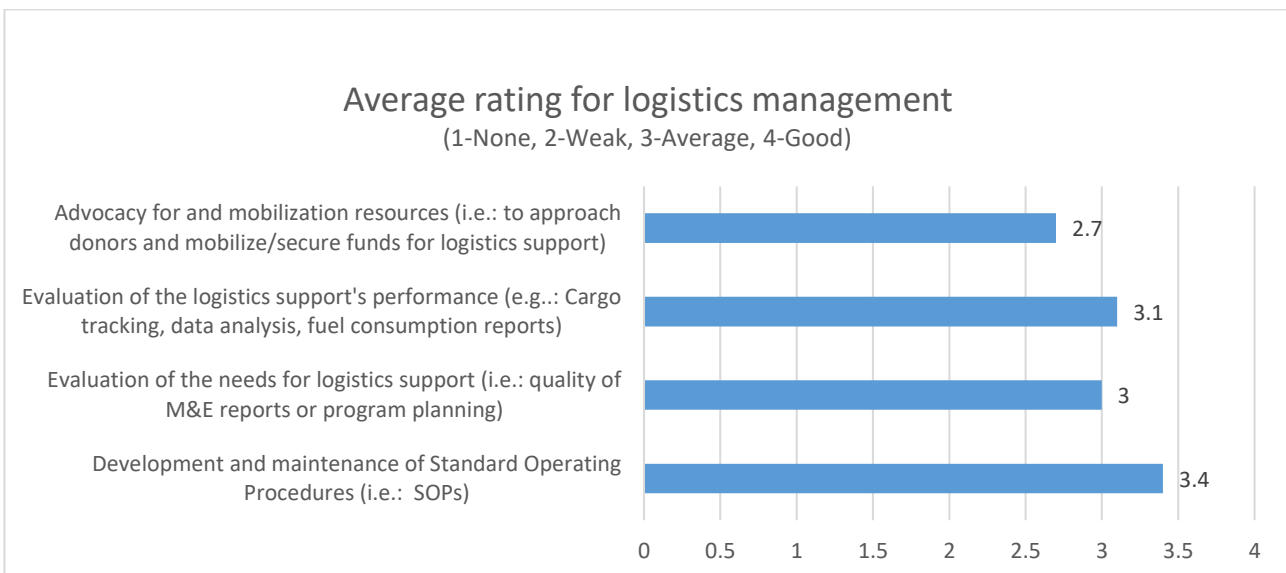
Logistics planning horizon

Considering the HRP, please estimate the extend of the logistics planning horizon (i.e.: how far logistics activities are planned / secured / funded)



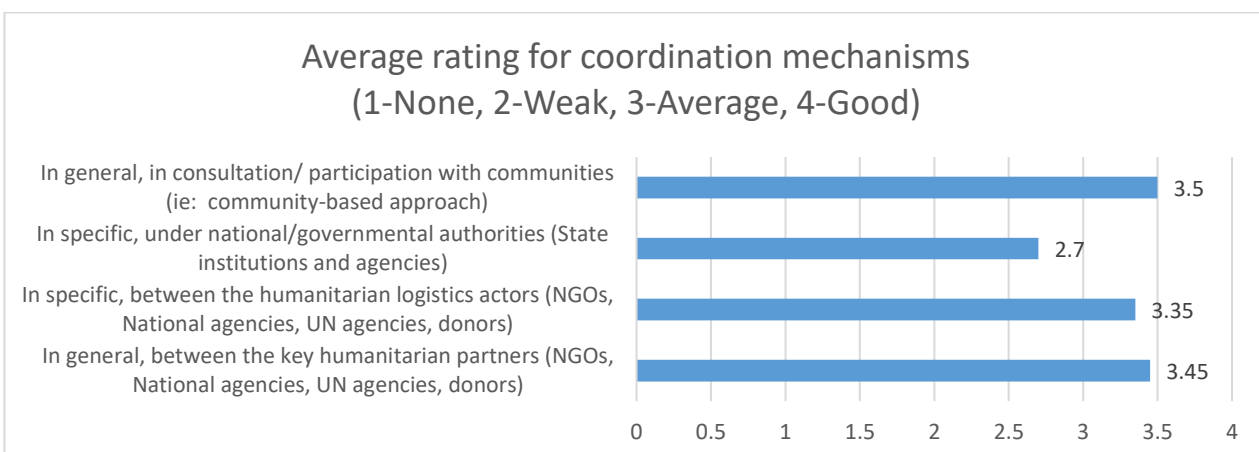
Logistics strategy and planning development and revision

Please rate the following (logistics management) abilities from 1 to 4



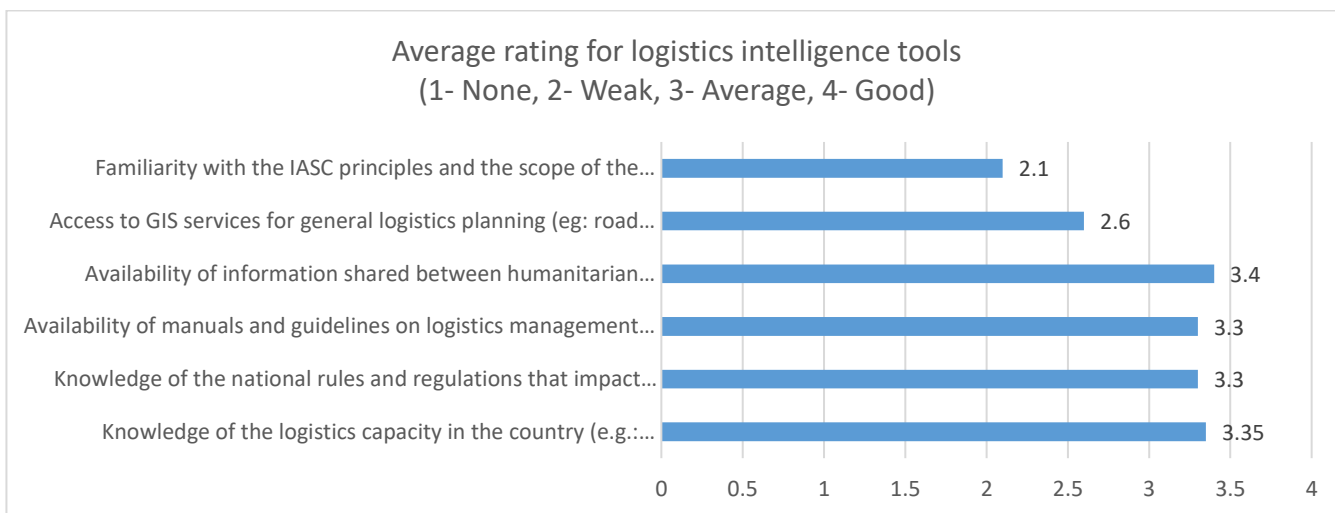
Reliability of coordination mechanisms *

Please rate the strength/efficiency/effectiveness of the coordination mechanisms



Logistics intelligence tools *

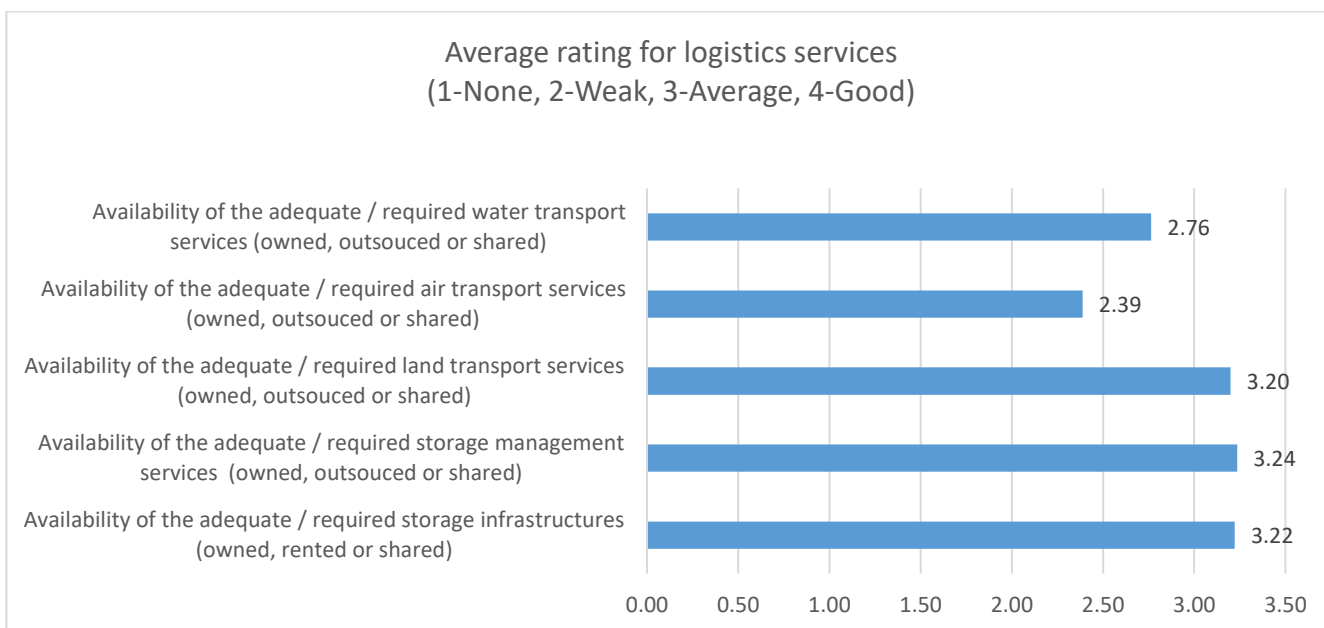
Please evaluate from 1 to 4



Logistics infrastructures and services *

Please evaluate the availability of logistics services* (in your operational areas and according to your needs)

*Owned, commercial or shared



Recommended approach for the Logistics Cluster *

Considering your actual needs and the general situation in the country, what is, according to you, the approach that the Logistics Cluster (ie: GLC) should adopt?

