

## The Border Consortium Mid-year Overview: January to June 2023



### Context

The State Administration Council (SAC) announced a six-month extension to the State of Emergency (for the third time) on 1st February 2023 which implicitly acknowledges that they do not have sufficient control of the nation to administer the Generals' proposed sham elections. Martial law was also expanded in 37 additional townships where armed resistance is strengthening across Sagaing, Magwe, Bago and Tanintharyi Regions as well as Kayah, Karen, Mon and Chin States. Since the February 2021 coup, the SAC has killed over 3,800 civilians, detained, and imprisoned over 24,000 human rights defenders and displaced at least 1.5 million people.<sup>1</sup>

Economic conditions stabilised slightly during the first half of 2023 compared to deep contraction in 2021 and volatility in 2022. However, electricity outages became even more pronounced and logistical constraints associated with conflict continue to raise costs and investment remains negligible. The shift away from a rules- and market-based system continues to enable privileged access to import licences, foreign exchange, and state contracts for SAC affiliated businesses. Inequalities in welfare have been exacerbated with 48% of farming households reporting acute food security concerns and conditions are particularly severe in conflict-affected areas.<sup>2</sup>

Tropical Cyclone Mocha wreaked a path of destruction through Rakhine State and Sagaing Region in May, which displaced or otherwise affected over a million people. However, restrictions imposed by the SAC on the delivery of life-saving aid highlighted an even greater challenge. Given humanitarian access to communities affected by a natural disaster was obstructed, the prospects appear dim that negotiations with the junta will lead to a meaningful response to the complex emergency elsewhere.

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<sup>1</sup> <https://aappb.org/> & <https://reliefweb.int/report/myanmar/myanmar-humanitarian-update-no-31-15-july-2023>

<sup>2</sup> <https://www.worldbank.org/en/country/myanmar/publication/myanmar-economic-monitor-reports>

As the Myanmar Armed Forces (MAF's) operational control of rural areas reduces, its capacity to sustain light artillery units in contested areas has decreased. However, MAF airstrikes were launched in 40 townships across Myanmar during the first quarter of 2023, which reflects the widespread and systematic scale of indiscriminate military attacks in violation of humanitarian law. Such violations of international humanitarian law have been widespread and gained prominence since June 2023 as over 9,000 civilians have fled from air strikes in Me Se and Shadaw Townships into Thailand.

At the end of June 2023, UNHCR estimated there were 472,600 internally displaced persons in southeastern Myanmar, which represents an increase of 133,600 people since the end of 2022.<sup>3</sup> These are generally considered conservative figures with civil society estimates approximately double the UN's assessment.

UNOCHA reports that USD 292 million was raised for UN Myanmar's Humanitarian Response Plan in 2022. A total of 4.4 million people were assisted through these formal mechanisms but 60% of beneficiaries were in Yangon or Rakhine State and only 748,000 were internally displaced persons (IDPs). Overall, informal border-based mechanisms are estimated to have reached double that number of IDPs with only 10% of the HRP funding in 2022. The lack of proportionality in funds allocated for border-based agencies remains the primary obstacle to reinforcing the resilience of the most vulnerable communities suffering from the SAC's commission of atrocities in ethnic administered areas.

More than 20,000 people crossed into Thailand during this period. New arrivals, in accordance with Thai Policy, were disallowed official access to the existing nine refugee camps, with many instead kept in tightly controlled "temporary safety areas" (TSA). Numerous concerns have been raised regarding the adequacy of these TSAs as suitable living spaces for individuals. The restricted access to these areas has posed significant challenges in ensuring adequate protection and the provision of humanitarian aid. Many of the newly arrived individuals have been pressured into returning, fully aware that they will not be granted long-term refuge in Thailand.

Thailand held a general election on May 14<sup>th</sup>. The Move Forward Party received the majority share of the vote at 38%, yet ended up excluded from the eventual ruling coalition, led by Pheu Thai, which received 29% of the vote. After a long series of political negotiations, Pheu Thai's candidate for PM, Srettha Thavisin was elected Prime Minister on 22nd August.

87,114 refugees remain in nine camps in Thailand, representing a 7.5% increase for the six-month period. In these camps the COVID-19 vaccination programme continued and by the end of June 57% of refugees over 18 years of age had received at least one dose, with 50% of refugees being fully vaccinated. By end June there were 7,434 cumulative cases of COVID-19 among encamped refugees, with 43 deaths from Coronavirus-related illness.

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<sup>3</sup> UNHCR, Myanmar South East – Emergency Overview Map, 26 June 2023

## PROGRAMME RESPONSES

Programme interventions were guided by the TBC Strategy 2023-2025<sup>4</sup> and adapted to respond to the military coup and the ongoing humanitarian crisis. TBC and local partners in Myanmar scaled up low-profile, community-led emergency responses during a time when the international community's formal humanitarian architecture's reach has been severely curtailed.

### **STRATEGIC DIRECTION 1: Prioritise the Humanitarian Imperative:**

Address the humanitarian needs of displaced and conflict-affected communities, with a focus on especially vulnerable people. Provide equitable access for displaced communities to food, shelter and non-food items.

In Thailand, at least 21,000 displaced people crossed into Tak and Mae Hong Son Provinces seeking assistance. Many of these new arrivals came under the purview of the Royal Thai Army (RTA) and were held in temporary safety areas. For the majority of the first half of 2023, INGOs and UNHCR were repeatedly denied formal access to such sites, with increased but sporadic access being granted in Q2. A considerable number of refugees continued to seek refuge in hidden locations, either within local rural communities along the border or as urban refugees in Mae Sot. In response to the changing circumstances following the coup, TBC revised its Food and Shelter Emergency Logistics plan to provide assistance to newly arrived individuals in Thailand. The efforts of the National and Provincial Inter Sector Emergency Response Working Groups continued to play a role in guiding the provision of aid to these newcomers. Given the limited access for international non-governmental organisations (INGOs), the effective delivery of assistance heavily relied on the involvement of local organisations.

In 2022, TBC successfully ensured stable food security for 15,435 households in refugee camps. To counter the challenges posed by Covid-19 and escalating food prices, TBC persistently provided augmented food card assistance to refugee households. This enhanced level of assistance aimed to uphold food security, alleviate refugees' concerns regarding food assistance, mitigate the impact of livelihood limitations, and guarantee the fulfilment of nutritional needs amidst economic uncertainty. In-camp Shelter Teams responded to shelter damage which affected 1,739 households primarily caused by floods, landslides, fires, storms and general deterioration. To prepare for the upcoming rainy season, households with special needs, and standard households on appeal, were provided essential materials such as bamboo, eucalyptus poles, and leaf thatch to ensure their shelters were in satisfactory condition. Additionally, stockpiles of crucial construction materials were replenished in all camps. In collaborative meetings between Shelter Teams and Camp Committees, various aspects such as monitoring questionnaires, methods, processes, and annual work plans were reviewed to ensure effective shelter management across the entire border area. Ongoing shelter maintenance efforts included the implementation of fire prevention activities, such as constructing fire breaks, distributing sand and water bags to each household, and providing metal hooks for the swift dismantling

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<sup>4</sup> TBC's 2023-5 strategic plan for 2023-25 is available in [Burmese](#), [S'gaw Karen](#), [Thai](#), & [English](#).

of flammable thatch roofs in case of fire. Furthermore, households received important fire safety messages, educating them about best practice for preventing fire incidents.

In Myanmar, during the first half of 2023 TBC supported a network of local partners to distribute life-saving aid to over 150,000 civilians affected by atrocities in the rural areas of southeastern Myanmar. This achievement is remarkable given that emergency responses were incapacitated by a funding gap during January and February due to contractual delays and cash flow constraints. Unconditional cash transfers equivalent to three months' rice supply were distributed to almost 50,000 people. Food aid was delivered to over 30,000 internally displaced persons. This was complemented by basic medical treatment and referrals for 100,000 civilians in remote areas.

### **STRATEGIC DIRECTION 2: Reinforce Resilience and Recovery:**

Mitigate the longer-term impact of displacement on food security and nutrition. Enhance nutrition, environmental hygiene, climate-smart agriculture, small businesses and access to employment for displaced and conflict-affected communities.

In Thailand, TBC continued to ensure adequate food provision and reinforced food security throughout the first half of 2023. The Food Security post-distribution monitoring results for June 2023 showed how the food card system supported access to diverse and nutritious food with 95.2% of households reporting a diverse diet and 99.5% little to no hunger.

In addition to providing supplementary feeding programs for pregnant and nursing mothers, TBC addressed the broader needs of households through the "Healthy Babies, Bright Futures" Mother, Infant, and Young Child Feeding Programme (MIYCF). This program has around 2,000 children enrolled on a monthly basis and offers fortified blended food supplements called BabyBRIGHT, along with MIYCF education to promote optimal nutrition for infants.

Furthermore, throughout the specified period, TBC conducted capacity building and vocational skills trainings. These trainings were specifically designed to empower refugees with income-generating skills that they can utilise to improve their livelihoods in Thailand or wherever they may choose to build their future.

In Myanmar, sustainable natural resource management was promoted in collaboration with more than 4,000 villagers. Agricultural productivity was enhanced for over 17,000 subsistence farmers during this period. Malnutrition was mitigated for more than 14,000 people and access to water, sanitation and hygiene was improved for more than 23,000 civilians in communities afflicted by atrocities.

In spite of these endeavours to strengthen human security, a growing body of evidence points to a pressing public health crisis in rural communities within southeastern Myanmar. Initial findings from a population-based survey carried out in June 2023, encompassing 662 households across nine village tracts and seven townships, indicate that 17% of children under the age of five are grappling with global acute malnutrition, characterised by moderate or severe wasting.

### **STRATEGIC DIRECTION 3: Promote Protection and Safer Futures:**

Reduce the exposure of displaced and conflict-affected communities to harm and mobilise safe and dignified pathways. Defend human rights including access to human security in Myanmar, temporary shelter and work in Thailand and resettlement to third countries.

In Thailand, the prospect of returns to Myanmar remains unfeasible for the foreseeable future. Despite this, the exploration of legal pathways for refugees in camps to obtain work and livelihoods in Thailand has persistently continued throughout the first quarter of 2023, with several discussions being held with Thai authorities. TBC and our local partners continued our long-term active planning and preparation for dignified futures.

Programme staff, Camp Committees, and security personnel have participated in a series of meetings, trainings, and orientations to ensure comprehensive understanding of TBC's and Refugee Committees' policies and procedures. These sessions have centred on the Code of Conduct, and the prevention of sexual exploitation, abuse, and harassment (PSEAH), along with the Child Protection Policy. Additional specialised trainings have been conducted to promote social inclusion and gender sensitivity. The aim of these trainings is to empower local camp governance to establish safe and protective environments.

To enhance livelihood opportunities and resource management, various vocational trainings have been organised. These have specifically focused on skills such as constructing bamboo furniture, tree germination, cement block construction, and household budgeting. These trainings equip refugees with the means to generate income and efficiently plan their household expenditure, and importantly, these newly acquired skills are transferable and can be utilised both within and outside the camp setting.

TBC and its partners actively participated in various forums, webinars, and panel discussions addressing the humanitarian crisis on both sides of the border. The primary objective of these engagements was to increase awareness about the requirements of displaced individuals, as well as to advocate for enhanced access to refuge in both the short and long term.

As a result of the military coup and dire humanitarian situation in Myanmar, the camp population numbers have risen. The camp population at the end of June was 87,116, an 8.7% increase from 79,516 in June last year.

In Myanmar, the reinforcement of social protection mechanisms directly benefitted more than 3,000 especially vulnerable individuals during the first half of 2023. Social safety nets mobilised by local partners included seed and rice banks, nursery schools for early childhood development, human rights promotion, civilian protection monitoring and supporting victims/survivors of sexual and gender-based violence. With information compiled from field assessments, TBC and local partners provided briefings about responding to atrocities for the UN mandate holders, diplomats, donors, academics and journalists amongst others.

#### **STRATEGIC DIRECTION 4: Strengthen Local Governance:**

Diversify representation and enhance accountability in the ownership and oversight of programs and services. Responsibly and transparently manage change in collaboration with refugee and civil society partners, local authorities, donors and other stakeholders.

#### **Thailand**

In line with our stated commitment to localisation, TBC continually works to strengthen local ownership. Regular capacity-building training sessions were conducted on topics such as leadership, fraud mitigation, team building, meeting facilitation, and office management. In tandem with these training sessions, consistent communication between TBC and camp partners ensured the smooth flow of accurate and current data between each camp and TBC. This communication ensured that all staff were up-to-date, enhancing their ability to coordinate responses to issues and effectively manage programme activities.

While immediate plans for return remained on hold, long-term preparation persistently moved forward. Emphasis was placed on enhancing refugees' management and vocational skills, ensuring their capacity to take on proactive roles in their communities and contribute meaningfully to the economies of their future residences. TBC received two complaints through the Beneficiary Complaints and Response Mechanism (BCRM), both regarding shelter material allocations. All complaints were resolved within 30 days. As previously noted, TBC provided an extra allowance on the Food Card to all households to compensate for price increases.

Camp Information Teams disseminated a variety of information to refugees during this period. This included updates on camp activities and developments inside Myanmar as well as Covid-19 related information. The Camp Information Teams used a variety of methods to safely share this information, including socially distanced film screenings, home visits and loudspeakers.

In Myanmar, TBC and local partners are supporting the expansion of local governance systems. During the past six months, this has included strengthening the capacities of 57 mid-career professionals who enrolled in the second iteration of a six-month long diploma course in governance and public administration. This was complemented by an intensive, in-service training for 33 local authorities working with ethnic governing bodies. In terms of environmental governance, community-driven conservation initiatives were supported to promote sustainable natural resource management skills. Local partners were also supported to strengthen mechanisms for safeguarding children; preventing sexual exploitation, abuse and harassment; promoting gender equality; detecting fraud and corruption and soliciting beneficiary feedback and complaints.

## Future Outlook

Current trends suggest the Myanmar Armed Forces (MAF) will continue to be the primary perpetrators of atrocities targeting civilians. The National Unity Government (NUG) and ethnic revolutionary organisations are expanding their influence but capacities to defend communities from airstrikes remain limited. International and regional stakeholders appear unwilling and unable to stop the violence and hold the SAC to account. In the short term at least, the prospect of threats to human security escalating in Myanmar appears high.

It is imperative that options for refugees' long-term future are broadened and all refugees are able to live in safety and in dignity. TBC will continue to advocate for local legal work opportunities for refugees among other solutions.

TBC is committed to steadfastly carrying out its 2023-25 strategy throughout the latter half of 2023. The adaptable nature of this strategy is essential in addressing the varied humanitarian requirements of displaced communities across different scenarios.

## TBC FINANCIAL REVIEW January- June 2023

TBC 2023 financial overview and update as of 30 June is presented in the following table:

Financial Summary 2023			
Item in THB (Millions)	Original Budget	Updated Projections	Variance
Income	803	837	34
Expenses	-900	-900	0
<b>Net Movement in Funds</b>	<b>-97</b>	<b>-63</b>	<b>34</b>
Opening Fund Balance	550	531	
<b>Closing Fund Balance</b>	<b>454</b>	<b>468</b>	<b>14</b>
Restricted Funds	368	386	18
Designated Funds	62	60	-2
General fund	24	22	-2
<b>Total fund Balance</b>	<b>454</b>	<b>468</b>	<b>14</b>
<b>Balance Sheet:</b>			
Net Fixed Assets	1	1	0
Receivable from Donors	368	397	-29
(Payable) to Suppliers	-60	-60	0
Bank Balance	145	130	15
<b>Net Assets</b>	<b>454</b>	<b>468</b>	<b>14</b>
Liquidity	85	70	

### Income

TBC has accrued THB 246M in income with projections that it could reach THB 837M by year-end. This 4% increase from initial expectations can be attributed to two major factors: larger grants accruing at favourable FX rates, and additional funds secured for the ongoing emergency response.

Government contributions are the backbone of our financial support, making up 98% of total portfolio. The US-PRM remains the largest donor, contributing 58% of the funds. Their support plays a vital role in providing cash assistance for food and the cooking fuel needs in all nine border camps, along with bolstering emergency response efforts on both sides of the border. A new three-year agreement, signed in August 2022, will enter year two of the agreement in August 2023.

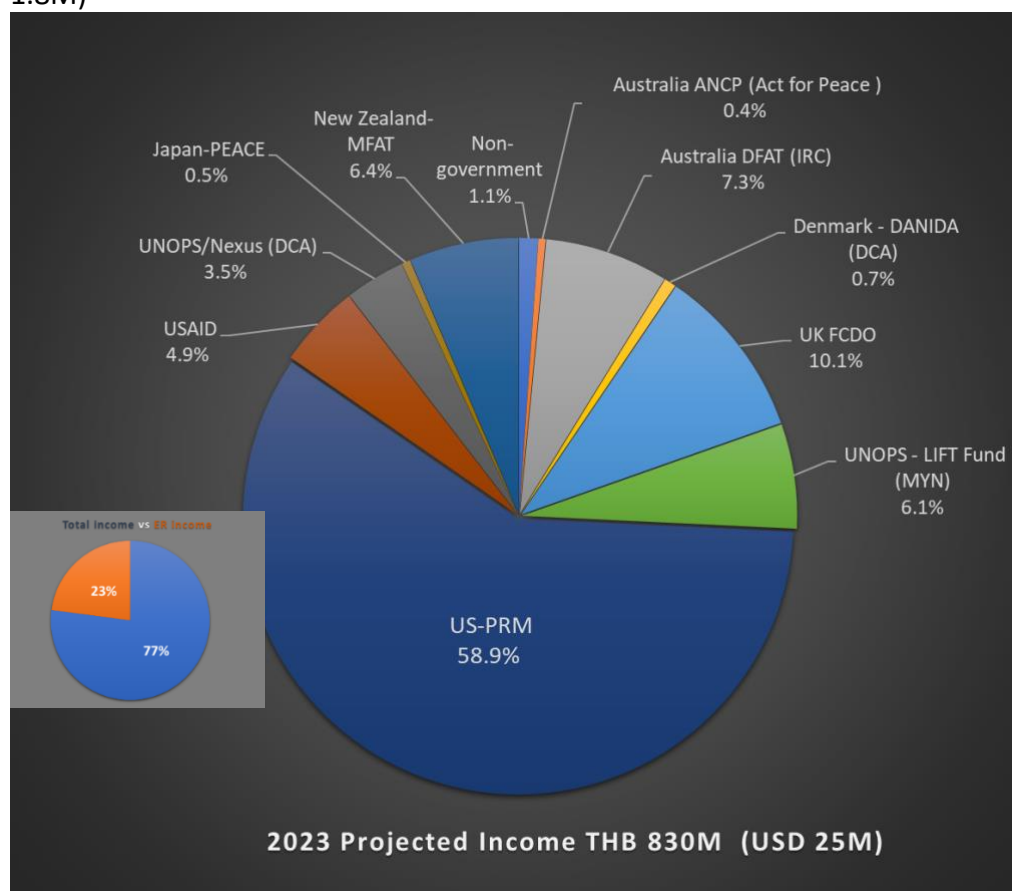
A new grant agreement was signed with UK-FCDO and runs from October 2022 until March 2024, constituting 10% of the overall income portfolio. This funding supports a broad spectrum of TBC programmes in both the refugee camps and Myanmar. Additionally, a portion of the budget is allocated to various activities related to the emergency response on both sides of the border.

TBC's third largest donor this year is Australia-DFAT. Funding makes up 7% of TBC's portfolio and is delivered via IRC. DFAT's support aids operations in the nine refugee camps along the border, with a portion of the funds going toward the emergency efforts within Myanmar.



Other governmental funding aiding the camp operations is sourced from various international partners. This includes Australia-ANCP via Act for Peace, Denmark-DANIDA via DCA, the Polish Embassy in Thailand, and MOFA-Japan via PEACE. Additionally, two crucial donors supporting programmes in Myanmar are UNOPS-LIFT and USAID. TBC greatly values the support from non-governmental organisations, which make up 1% of the total portfolio. These funds help run Thailand’s camp programmes and include Caritas Australia, Church World Service, and ICCO.

Approximately THB 189M is expected in income to support the emergency response efforts, with THB 185M already received. Key contributors to date include USA-PRM (THB 80M), New Zealand- MFAT (THB 53M), UNOPS-NEXUS (THB 30M), and KIA in the Netherlands (THB 1.8M)



## Expenditure

Expenditure in the first half of 2023 totalled THB 418M, or 46% out of the THB 900M projection. The expenditures align with TBC budget’s expectation so far and the urgency of deploying funds for the ongoing emergency. Any unspent balances will carry over to 2023, where eligible. Travel restrictions due to COVID are now rare, thus enabling TBC to resume the activities and support we were providing before the pandemic.

Figure 3: Expenditures by Strategic Objectives:

Strategic Objectives 2023-2025	2023 Budget	Actual 30 June	Variance
1. Prioritise the Humanitarian Imperative	466,000,000	226,500,000	49%
Emergency	178,000,000	78,500,000	44%
2. Reinforce Resilience and Recovery	54,000,000	20,000,000	37%
3. Promote Protection and Safer Futures	62,000,000	27,000,000	44%
4. Strengthen Local Governance	34,000,000	20,000,000	59%
Organizational Costs & Governance	106,000,000	46,500,000	44%
<b>Grand Total THB</b>	<b>900,000,000</b>	<b>418,500,000</b>	<b>47%</b>
<b>Grand Total USD</b>	<b>26,470,588</b>	<b>12,308,824</b>	<b>47%</b>

Highlights:

- Several global crises have had spillover affect into Thailand and TBC’s operations. The war in the Ukraine has resulted in increased costs of travel and supplies, including cooking fuel, which is our second largest expense. Additionally, the recent banking fallout and the battle against inflation have led to heightened instability with foreign exchange rates. TBC is highly sensitive to major fluctuations, especially the USD, causing us to carefully manage and project cash conversions to get the best rates possible.
- The Food Card System is TBC’s largest expense, accounting for 36% of this year’s budget. At the beginning of the year, we budgeted for a population of 80,000 refugees in the camps. However, a recent survey conducted in June reveals that the population has surged to over 86,000 people. TBC initially hoped to maintain Covid-level food support until the end of the year but due to the drastic rise in camp populations, we are compelled to revert to pre-pandemic rations in October.
- The Shelter budget has been fully utilised and even exceeded the available amount by 13%. This is attributed to the additional funding provided by PEACE Japan to construct new shelters.
- TBC will continue to respond to the emergency response as funds are raised. These funds are typically utilised at a much faster rate compared to the funds used for normal operations and management in the camps.
- The Myanmar programme makes up approximately 22% of TBC’s overall budget compared to 30% last year. The funding supports various types of relief and recovery activities aimed at mitigating displacement.

All of the additional funding to support the emergency fall within the Humanitarian Need Objective. They cover primarily food assistance, natural disasters within the camps, and emergencies caused by the Myanmar crisis.

## **OTHER FINANCE RELATED NEWS**

TBC engaged KPMG-UK to perform the audit of the 2022 financial statements and intends to continue with their services in 2023.

TBC is still in the process of trying to open a new bank account in the UK. Although the current banking situation continues to prove adequate, TBC wishes to keep footing in the UK if possible.

## **Financial Outlook 2024**

TBC will consider the following variables as it plans the operational budget for 2024:

1. Population potential of 92,000 refugees by the start of the year.
2. Food card values and cooking fuel prices will include a 4% inflation factor and remain the largest expenditure item. It is anticipated that charcoal prices could increase another 10% in 2024, due to increasing production costs. TBC is also considering alternative cooking fuels.
3. TBC will assume similar funding levels from all its current donors to minimally assure adequate coverage of costs to support the nine refugee camps along the border.
4. FX rate fluctuations will remain a significant factor impacting TBC's budget and cash flow management. The drastic downturn of the USD in the latter months of 2022 resulted in a substantial FX loss compared to the mid-year projections. This serves as a reminder of the organisation's sensitivity to such fluctuations.
5. In response to the growing workload and rising demands from donors, TBC has taken proactive steps by expanding its staffing size with the addition of 14 full-time positions. While a few of these positions are new, others were previously part-time or contractors and have transitioned to full-time roles.
6. TBC will remain nimble enough to support emergencies as funding becomes available.