

Comparing in-kind food and cash-based food transfers

Food transfers generally recommended when:

1. Markets do not function well
2. Beneficiaries don't have physical or social access to markets
3. Food intake is prioritized for nutritional purposes (including targeted feeding and micronutrient objectives), or certain nutritional foods are not available in the local markets
4. Intra-household dynamics favor food over other transfers that might not go towards improved child and household welfare
5. Inflationary risks are a significant concern
6. Security conditions favor transfers of food over other resources (i.e., food commodities are highly visible)
7. Targeting of beneficiaries through inferior goods
8. Quality concerns with local foods

Cash /voucher transfers generally recommended when:

1. Markets function well
2. Supply is able to meet the demand generated by cash transfers
3. Affected populations are net buyers of food
4. Households have non-food needs
5. Beneficiaries have physical and social access to markets; markets are a main source of food for targeted households
6. Production disincentives due to food aid delivery are a significant concern
7. Security conditions permit (i.e., cash is less visible but offers greater incentive for theft)
8. Cost and time savings through lower logistical and management overhead
9. Cash transfer systems exist, e.g. pathways for remittances, micro-finance institutions, mobile telephone technology

Comparing cash and vouchers

When cash may be more appropriate

1. HH have multiple and varied needs
2. HH prioritize purchases that meet program objective(s)
3. HH do not require behavior change to meet objective(s)
4. Do not need to target within hh
5. Beneficiaries prefer cash
6. Beneficiaries are mobile
7. Good quality products in market
8. Want to include more/small traders
9. Limited security/corruption concerns with cash
10. Delivery mechanisms available
11. No other options available

When vouchers may be more appropriate

1. Project has specific objective(s) that likely won't be met with cash
2. Behavior change required to meet objective(s); introduce new products
3. Concerns over anti-social use of cash
4. Want to target transfer within hh
5. Beneficiaries prefer vouchers
6. Want to target specific value chains or market actors
7. Concern over supplies; induce demand for certain products
8. Concerns over quality
9. Targeting cash difficult
10. Security concerns over cash