

ANNEXES

1. Additional criteria for comparing alternative transfer modalities

Table A-1 Criteria for comparing transfer modalities

Issue	Cash	Vouchers	In-kind
Cost efficiency	<p>Are there savings on delivery, distribution and logistics costs?</p> <p>How much does it cost beneficiaries to access markets?</p> <p>Can the response be mobilized faster?</p>	<p>Are there savings on delivery, distribution and logistics costs?</p> <p>How high are the administrative costs?</p> <p>Will the establishment of the system – particularly in the case of fairs- delay the start-up and timeliness of the response?</p>	<p>Are there savings on commodity costs through bulk purchases?</p> <p>What are the costs of procurement and transportation?</p> <p>What proportion of the commodities may be sold to meet other needs and at what cost?</p>
Market impacts	<p>What are the possible positive secondary impacts on the local markets and economy?</p> <p>Is there a risk of a supply failure affecting beneficiaries?</p> <p>May inflation erode the purchasing power of beneficiaries and non-beneficiaries?</p> <p>Could the intervention have positive or negative impacts on non beneficiary consumers?</p>	<p>What are the possible positive secondary impacts on the local markets and economy?</p> <p>Could the market benefits be monopolised by a few suppliers?</p> <p>Is there a risk of a supply failure affecting beneficiaries?</p> <p>May inflation erode the purchasing power, require supplier agreements to be renegotiated or affect the project budget?</p>	<p>Does this address an availability problem?</p> <p>Are local purchases used to support local markets?</p> <p>Is there a risk of undermining local production and markets, especially if transfers are sold by beneficiaries?</p>
Flexibility	<p>How important is it for beneficiaries to have high flexibility and individual choice in the use of resources?</p> <p>Can the necessary quality of commodities or services</p>	<p>How important is it to restrict the commodity or service provided to meet specific project objectives?</p> <p>What is the risk that the specified commodities or services may not meet</p>	<p>How important is it to restrict the commodity or service provided to meet specific project objectives?</p> <p>What is the risk that the specified commodities or services may not</p>

	<p>be assured?</p> <p>Have the needs and targeting of beneficiaries been thorough enough that the cash won't be used for unintended or 'anti-social' uses?</p>	<p>priority needs?</p> <p>Are the modalities of payment to the shop owner/suppliers acceptable by both parties and sufficiently flexible?</p>	<p>meet priority needs?</p> <p>Is the reliability of the in-kind pipeline suitable during the entire action?</p>
Security	<p>What are the specific risks with distribution of cash to agency staff and beneficiaries?</p> <p>Can different transfer mechanisms reduce the visibility of the transfer and lower the security risk?</p> <p>Is anonymity beneficial for <i>Do no harm</i>?</p>	<p>What are the specific risks with distribution of cash to agency staff and beneficiaries?</p> <p>What are the risks of copying vouchers?</p>	<p>What are the specific risks with distribution of cash to agency staff and beneficiaries?</p> <p>What are the specific risks with distribution of in-kind to agency staff and beneficiaries?</p>
Corruption	<p>What are the specific threats linked to theft and corruption?</p> <p>Can different transfer mechanisms reduce the risk?</p>	<p>What are the specific threats linked to theft and corruption?</p> <p>Is there a lower theft risk for vouchers?</p> <p>Can the coupons be copied or the redeeming outlets attract corruption?</p>	<p>What are the specific threats linked to theft and corruption?</p> <p>What are the corruption risks distribution points?</p> <p>What are the corruption risks at other stages (eg. contracting)?</p>