Adjust value to price changes

Adjusting the value is necessary when prices reach levels that make it difficult for beneficiaries to access the expected goods and services at the local market. This tool will help you understand which steps can be necessary to promptly and efficiently adjust the value to price changes. They mostly refer to actions that need to be taken at the project design and monitoring phases.

* Determine how frequently you will make decisions about revising the value of the transfer (monthly, quarterly, etc.).
* Set cut-off levels for prices of key commodities that would trigger the adjustment of the transfer value.
* Develop a plan to monitor prices regularly and to communicate changes promptly to decision-makers.
* Budget for contingency resources to allow for adjustments of the transfer value.
* Inform beneficiaries on the rationale behind potential adjustments.
* Sensitize the community and gain its agreement when considering decreasing the value of the transfer, in case prices have dropped.
* Inform local authorities and other agencies on the rationale behind potential adjust­ments, to avoid conflicting approaches with other actors operating in the same area.

There are other possible responses to price changes, like shifting modality, setting agreements with traders and supporting the market. The tool responding to price changes, made available in the monitoring and evaluation module, deals with these alternative responses.

Based on Market Analysis Guidance (MAG)