Advantages and Disadvantages of response modalities

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| **Modality** | **Advantages** | **Disadvantages** |
| **In-kind** | * Useful when markets have been disrupted and/or required items are not available locally * If items are available locally but at high prices, bringing in items in bulk may be cheaper * Ensures beneficiaries receive the goods and services they are expected to access * Facilitates the quality control of the items made available for beneficiaries | * No freedom of choice * May have high procurement, transportation and storage costs * May undermine local markets * Potential to cause deflation of prices * High risk of corruption in large contracts with suppliers * Requires greater accessibility to the area (e.g. trucks) * May create or exacerbate stigma (beneficiaries queuing or being pointed out as poor) |
| **Unconditional cash transfers (grants)** | * Quick to distribute * Minimal administrative burden * Can be given to moving populations * Cash can be spent where and on what beneficiaries choose | * Risks of leakage/theft during payment or transfer process. * Can be difficult to target due to popularity * May be used for anti-social purposes * May not address the causes of vulnerability and may encourage a return to negative coping strategies |
| **Conditional Cash transfers** | * Can be used for a range of objectives and result in increased access to goods, services, labour opportunities or re-building of housing or infrastructure * While it is conceivable to provide productive assets in-kind, the grants aimed at assisting traders to purchase start-up stock should always be provided in cash so that the recipient can purchase goods that match an identified niche market and to source different providers | * Cash transfers require adequate and accessible services, labour opportunities or specific commodities to be available and of sufficient quality |
| **Vouchers** | * Encourages productivity and stimulates markets * Allows tracking for theft * Quality of goods and prices can be monitored * Items purchased can be monitored * If specific commodities are scarce, vouchers can ensure that everyone is able to access them * Commodity vouchers protect recipients against inflation (which is then borne by the implementing organization) * Allows for greater security for the implementing organization and recipient as no large amounts of cash are handled * Increased accountability * Limited security risks if shops are allocated a small number of recipients. * Can direct recipient choice | * Less applicable with moving populations * Can limit recipient choice * Requires more planning, preparation and administrative back-up * Traders who are not involved in the programme may be disadvantaged * Discounts are difficult to ensure through voucher programmes (unlike food distributions, where significant discounts can be expected because of bulk purchases and VAT refunds). As such, voucher programmes are often as expensive as food distribution |
| **Cash for Work** | * Can be self-targeting (the type of work can exclude some of the better-off population) * Results in the rebuilding of community facilities/clean-up of damaged areas * Potential for skills transfer (possible link to livelihoods   programmes)   * Encourages return to villages/localities as there will be a source of income * Community infrastructure can be rebuilt taking into account risk-reduction strategies * If labour is the norm, CFW will allow for a return to a normal way of life * Reduces the risk of economic migration * Community empowerment | * Disruption of local labour markets * Possible disruption of cultural coping and recovery mechanisms * Often short term in nature * Can take time away from seasonal livelihood activities e.g. planting * May exclude those not physically able to work (although there are some specific forms of work that can target physically disabled people) |
| **Seed voucher fairs** | * Greater choice for farmers in terms of commodity preference and quality * Strengthens local procurement systems. * Can encourage traders to affected areas * Creates awareness of alternative seed sources and varieties * Allows for links and information sharing between farmers * Supports local crop production and agricultural initiatives * Short planning time frame | * Reluctance of traders to participate. Insufficient traders within the vicinity of the potential recipient population |