

Decision Tree: Which Type of CTP to Use?

In “Types of CTP” (Chapter 1), we introduced you to the general forms of CTP. Having conducted your assessments and analysis – and with an understanding of your program’s objectives and your target population – you are well-positioned to decide which specific type of CTP is most suitable. Below is a breakdown of common advantages and disadvantages to each type. It is important to carefully weigh these, as well as their timing and feasibility, when choosing a CTP type.

In addition, *please remember to review local income/employment tax considerations for Mercy Corps and program participants* when deciding between transfer types. Certain CTP types may create tax burdens for participants, thereby eroding the value of assistance. (See “Setting the Transfer Amount” below for a real-life example of how tax policy affected the frequency of disbursement in a UCT program in Tajikistan.)

CASH TRANSFERS ²⁹	VOUCHERS	CASH-FOR-WORK (CFW)
Advantages		
<ul style="list-style-type: none"> • Quick to distribute and circulate. • Minimal involvement of implementing agency at point of trade. • Low administration costs. • Most flexible form of CTP and Mercy Corps’ preference. 	<ul style="list-style-type: none"> • Can be directed towards specific items to be purchased. • Security risks are sometimes lower than for CFW or cash transfers. • Voucher exchange can be monitored. • Agency can assume hardships associated with minor inflation/ devaluation. 	<ul style="list-style-type: none"> • Easier to select participants than vouchers or cash transfers. • Creates community assets. • Keeps participants engaged in recovery. • Easier to determine CFW wages than cash transfer/ voucher amounts.
Disadvantages		
<ul style="list-style-type: none"> • Difficult to monitor usage after transfer. • Selection and registration are difficult because cash is desirable to everyone. • Difficult to prevent anti-social uses of cash (e.g., alcohol or tobacco purchases). 	<ul style="list-style-type: none"> • High administration costs, including significant staff time. • Risk of forgery. • May create a parallel economy through resale of vouchers. • May need regular adjustment by agency to protect from inflation. • Can take four to six weeks or more to organize. 	<ul style="list-style-type: none"> • High administration costs. • Some of the poor or food-insecure households may not be able to participate (e.g., elderly, ill, labor-poor households.) • Can take up to six weeks to organize and procure necessary supplies or services. • May interfere with labor markets or other household activities or priorities.

31 This table and the decision tree following were both adapted from Creti and Jaspers, eds., *Cash Transfer Programming in Emergencies*.

Now that you understand some advantages and disadvantages of specific CTP interventions, you may want to use the following decision tree to determine which CTP type is most appropriate. This is not meant to be your sole framework for choosing your CTP intervention; rather, it is a visual aid that synthesizes many of the topics we cover in narrative form. If you find it useful, great! If not, that is okay, too. Only you and your team can truly design the most appropriate CTP intervention given your local context.

DECISION TREE

