



World Food
Programme

SAVING
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SETTING THE TRANSFER VALUE FOR CBT OPERATIONS

GUIDANCE NOTE

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INTRODUCTION

The transfer value is more than how much it costs a beneficiary to buy a reference food basket in their local market. It is a strategic decision driven by a holistic understanding of the people we serve and how they live, while considering the market environment and the overall context, including government and donor preferences.

Getting the value right for WFP's Cash-based Transfers (CBT) can make all the difference for our beneficiaries. It means understanding what gaps they face and how the amount of money transferred will help them to meet food and other essential needs. The decision on how much to provide and with which frequency is rarely a clear-cut one and it depends on broader programme parameters.

This Guidance Note outlines the key considerations that inform the transfer value decision-making process. It aims to guide WFP staff in this process, whether it takes place in an interagency forum or is done by WFP on its own. It can also help WFP Country Offices provide advice to governments for their cash programmes, although other considerations come into play in that case.

This guidance focuses on unrestricted cash transfer values for General Food Assistance (GFA) and Unconditional Resource Transfers (URT). For conditional programming such as Food Assistance for Assets, Food Assistance for Training, or Nutrition and School-based programmes where the CBT transfer is linked to health or education conditionalities, please consult respective programmatic guidance and/or ask global.cbtsupport@wfp.org for specific advice.

Country case studies with experiences, challenges and lessons learned on setting transfer values in different regions will be available in 2022, and further research on the breadth vs. depth dilemma, gap analysis and responding to inflation and depreciation environments is being conducted. The results and evidence will inform regular updates to this document, ensuring coherence with other WFP guidance. Setting the transfer value is a sub-process of the Operational Plan Design as per the [Business Process Model \(BPM\)](#) and [Responsible, Accountable, Consulted, Informed \(RACI\) Matrix](#).

This document has been developed jointly by the Cash Based Transfers (CBT) and Research, Assessment and Monitoring (RAM) Divisions at WFP Headquarters. It has benefitted from consultations with colleagues in cross-functional divisions in Headquarters and from Regional Bureaux.

KEY MESSAGES:

1. The transfer value is a strategic decision. It requires a holistic understanding of the people we serve and how they live, while considering the market, government, and donor context.
2. The transfer value is a key component of the design of any CBT operation and is influenced by other programme design features.
3. The ultimate goal of setting the transfer value is to empower beneficiaries to meet their essential needs in the local market, often alongside other programmatic goals of achieving positive market impacts and supporting governments.
4. Enabling digital financial inclusion and women's economic empowerment through CBT is a top priority for WFP and this entails specific considerations on the transfer value level, in addition to how we deliver entitlements and what type of complementary actions we pursue.
5. The transfer value should be calculated based on a gap analysis that relates to the Minimum Expenditure Basket (MEB) threshold (or to another similar threshold). The transfer value might cover or not the full gap up to the MEB, depending on availability of resources and other considerations.

6. The most common challenges when setting a transfer value are:
 - Balancing breadth vs. depth of the entitlements when resources are limited
 - Setting a transfer value in an emergency context where there is limited data or time
 - Alignment with other actors – in particular with governments

Remember you can always ask global.cbtsupport@wfp.org for specific advice.

DEFINING THE TRANSFER VALUE

The transfer value is the net monetary amount that WFP transfers to beneficiaries as cash or vouchers. It can be complemented by additional entitlements (including in-kind), sensitization or Social and Behavior Change Communication (SBCC), market development activities, protection interventions and other complementary activities, delivered by WFP or partners.

Historically, WFP has calculated the transfer value by converting a reference food basket into a currency value based on prevailing local market prices. This approach is obsolete and reflects a legacy of in-kind programming. It is being replaced by a gap analysis methodology which is explained below.

However, placing beneficiaries' needs and preferences at the center means going beyond a mere technical gap exercise. It requires understanding behaviors such as resource-sharing practices and preferences on the payment's frequency, among other considerations. Monthly disbursements as a default frequency are also obsolete, and different frequencies can be redefined for CBT operations. Focus group discussions, community feedback mechanisms, post-distribution monitoring and user experience journeys, can provide relevant insights on beneficiaries' preferences¹.

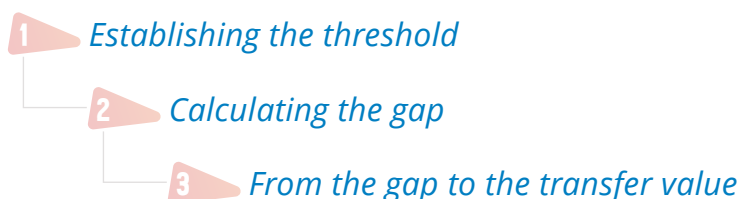
In addition, WFP has evolved towards better understanding and meeting the essential needs of the people we serve as part of a more holistic vision that goes beyond food needs². Unrestricted cash is the preferred way of providing choice and purchasing power to people, and multipurpose cash interventions that are deliberately designed to meet essential needs are on the rise, which has implications for transfer value setting.

CBT operations also have a great potential in increasing Women Economic Empowerment (WEE) through [Digital Financial Inclusion \(DFI\)](#) initiatives, by opening bank accounts and placing cash in women's hands. Setting the right transfer value is key to achieve these priority objectives.

¹ Please contact Global CBT support (global.cbtsupport@wfp.org) for specific advice on User Experience journeys and discuss with the CO monitoring teams the best approach.

² ENA links [external](#) and [internal](#).

HOW TO SET THE TRANSFER VALUE?



1 – ESTABLISHING A THRESHOLD (COST OF NEEDS)

To establish your threshold, you need to understand what are the beneficiaries needs, which of them are covered through the local market and at what cost.

- **Needs assessments** help to understand the profile of the people in need of assistance, how many and where they are, and particularly what type of assistance they may require. You can refer to the [Essential Needs Assessment guidance](#).
- Make sure to **focus on those needs that can be met by people in the local market** and can therefore be supported through a cash-based transfer. There can be important household needs that go beyond what can be bought in the market (e.g., health and education services) that are not considered in the gap analysis. Understanding these supply-side constraints helps to inform overall programme design and complementary activities. You can refer to the [Supply Assessment guidance](#).
- Traditionally, WFP has based the transfer value for its CBT operations on the value of a reference food basket in local market prices. While this is still a common practice, it is a legacy of in-kind programming which is obsolete and should be discontinued.
- Find below a description to determine the cost of needs and refer to the [MEB guidance](#).

BOX 1: COMMONLY USED METHODS FOR DETERMINING THE THRESHOLD FOR 'COST OF NEEDS'

Some common examples on how to estimate the 'cost of needs' are listed below. Make sure the analysis is always rooted in evidence and provides an up-to-date depiction of needs. The analysis should always be applicable to the population of interest for the programme.

The most common way to determine the cost of meeting food and non-food needs is to establish a **Minimum Expenditure Basket (MEB)**. The MEB defines what an average household requires to meet their essential needs, on a regular or seasonal basis, and its cost. It is a monetary amount describing the cost of average, recurrent household essential needs for a household, typically for one month. It comprises both food and non-food. As such, it puts a price on the minimum cost of living and can hence provide a basis to determine transfer values. The MEB should reflect actual consumption patterns of people who can adequately cover their needs and is often built using expenditure data. More detail on how MEBs are constructed can be found in the [MEB Guidance](#).

The **Cost of the Diet (CotD)** analysis estimates how much it would cost households to purchase a nutritious diet from locally available foods and whether a diet based on them can provide required nutrition. CotD establishes the lowest cost diet that can meet requirements for energy, protein, fat and 13 micronutrients, for individuals in a population (such as a one-year-old or an adolescent girl; these individuals compose the modelled household). The estimation covers food and nutrition but not non-food. Find the CotD methodology on the Fill the Nutrient Gap page [here](#).

If both a MEB and CoTD analysis has been conducted, the two can jointly be used to explore how consumption patterns and nutrition interplay and to inform **holistic programme design to support meeting essential food and nutrition needs**. Find [here](#) the joint technical note on Cost of the Diet and Minimum Expenditure Basket.

Now you have your threshold (MEB or other) established. The threshold is the monetary amount that allows people to cover their food and essential needs. If people are above the threshold, they are able to cover their needs by themselves, and hence, we are interested in those people below the threshold. The next step is therefore to calculate the gap for these people – that is, the difference between their own economic resources and the threshold – in order to understand "how far" they are from the threshold. This is called a gap analysis.

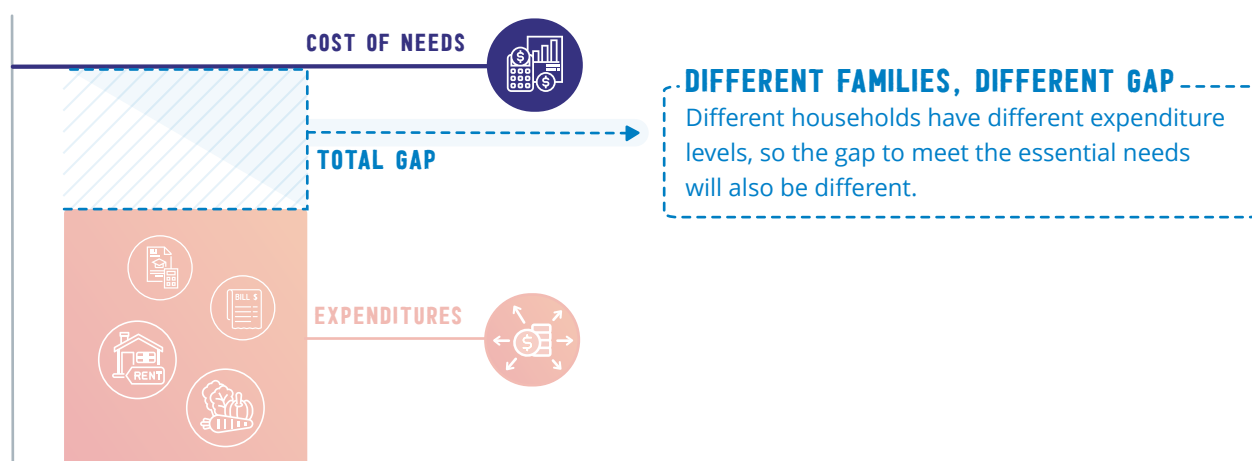
2 – CALCULATING THE GAP

Once you established the threshold, identified which households are below that threshold and what their economic capacity is, you can calculate the gap.

$$\text{“GAP} = \text{MEB} - \text{HOUSEHOLD ECONOMIC CAPACITY”}$$

- The gap analysis determines the distance between the threshold (MEB), and what targeted households can cover through their own economic capacity. It should focus on the type of households targeted for the programme.

FIGURE 1: CALCULATING THE GAP



- You should consider if the households are **already receiving assistance from other agencies and governments**, and if these are regular or one-off assistances. It is advisable to first undertake the gap analysis without including any existing assistance received, to understand the 'true' household gap. Once this gap is established, estimate how much of it is already covered by other agencies and/or governments.

3 – FROM THE GAP TO THE TRANSFER VALUE

The gap analysis explains how far away households are from meeting their needs (in monetary terms). However, to define the transfer value, there are many other design parameters to keep in mind, always placing the beneficiaries at the center and understanding their preferences and needs. Find below a reality check on which parameters to consider when setting the transfer value:

- **Resources:** for how long can you guarantee the delivery of the transfers? Should you transfer more to fewer or less to more (breadth vs. depth dilemma)?
- **Transfer delivery mechanism and operational considerations:** how to transfer can be as important as how much, both on the beneficiaries' impact as well as on the programme's cost.
- **Transfer frequency:** transfer's frequency and timing of the transfer can be adapted to the beneficiaries' preferences.
- **Tiered transfers:** 'layering' transfers, with different values for different groups or for different periods of the year
- **Household or individual payments:** although the gap is typically calculated at the household level, the transfer's recipients can be individuals depending on the programme objectives (i.e., prioritizing women for boosting their economic empowerment).
- **Adjustment for household size:** It is often relevant to adapt the transfer value to the size of the household. As a household grows, its needs grow. However, exactly how needs develop with household size depends on different factors.
- **Alignment with other stakeholders:** bear in mind alignment with governments social protection programmes and donor preferences.

TRANSFER FREQUENCY

CBT entitlements are traditionally provided as monthly transfers, but this does not have to be the case. You can consider higher or lower frequencies to align with the programme objectives and beneficiaries' preferences, bearing in mind administrative costs, liquidity constraints, assurance considerations and other operational issues. To promote Digital Financial Inclusion (DFI) WFP is increasingly delivering unrestricted cash transfers through mobile payment systems, which enables flexibility in the frequency of transfers. "Ask them" is the main suggestion here – how often do people, and particularly women, prefer to receive their entitlement? There might be good reasons for one or the other option that we might not be aware of! The table below presents arguments and situations when more/less frequent transfers are preferred:

LESS FREQUENT TRANSFERS

- Increase people's ability to choose when to spend on what, save, possibly invest in assets, or improve their livelihood options;
- Enable beneficiaries meeting a range of needs such as rent, utilities, school fees, or seasonal needs (winterization, agricultural inputs, etc.);
- Reduce transfer costs and are operationally easier;
- Are less disruptive for beneficiaries when they need to travel or stop their daily activities to receive their entitlement (particularly for women) - which is not an issue with digital transfers;
- Can help people on the move or recently displaced (as a "portable" entitlement);

MORE FREQUENT TRANSFERS

- Do not require beneficiaries to carry or store large amounts of money (if entitlement is cash in hand or cashed out in full);
- Allow for more frequent adjustment to transfer values, which in high inflation scenarios can help maintain beneficiaries' purchasing power;

TIERING OF TRANSFERS

Needs can change throughout the year and the beneficiaries' expenditure pattern can be modified (school fees, seasonal agricultural inputs, etc.). This may require additional considerations in times of enhanced needs. Instead of a one-value-fits-all, WFP can decide to transfer different values for different groups, by applying a tiering approach (often used by governments), which can be a practical solution for the breadth vs breadth dilemma (see section below). Consider the following options:

- Providing a basis grant to all targeted people and a **higher level of transfer for different sub-groups of the targeted population**. For instance, in a resource constrained environment WFP could provide a basic transfer to all, and a top-up only for women-headed households, households with a certain number of children under 5, or other well-identifiable criteria.
- Splitting the household transfer among its members, i.e., **ensure both the man and the woman receive part of it, each of them on an account in their own name**. This would help both men and women build a transaction history on their digital accounts and therefore enable them to access additional financial services to fulfil their aspiration and build their digital financial capability, while also reducing the risk of ignoring specific needs of women.
- Providing **targeted top-ups during specific periods** of the year such as the lean season or during periods where the expenditure analysis shows regular one-off expenditures that take a toll on resources, like the beginning of the school year, the planting season, or winter season. Information on indebtedness collected during the needs assessment should also help to identify the specific periods of the year when households tend to get indebted or rely on negative coping strategies.

CHECKLIST FOR ADOPTING A TIERED APPROACH:

- ✓ Is it possible to communicate clearly to beneficiaries the differentiated approach?
- ✓ Could the approach create tensions or misunderstandings between those receiving a basic entitlement and those receiving additional top-ups?
- ✓ What is the beneficiary preference on this tiered approach and how can we understand the preferences of sub-groups of beneficiaries?
- ✓ Would this approach help the programme to be more inclusive and equitable?
- ✓ Will it be possible to maintain the level of assurance needed with differentiated entitlements?
- ✓ Will the partners and FSPs have enough capacity to support this approach?

If it is not possible to answer these questions, a simpler approach would likely be better.

ADJUSTING FOR HOUSEHOLD SIZE

It is often relevant to adapt the transfer value to the size of the household. As a household grows, its needs grow. However, exactly how needs develop with household size depends on different factors. In the simplest of cases, household needs grow proportionally: if one person requires \$15 to cover needs, two people require \$30, three \$45, etc., multiplying the needs of one person by the household size.

Often, however, needs do not simply multiply by household size. This is the case if there are **economies of scale in household consumption**, i.e., when households get bigger, they can share certain costs among more people. For instance, costs such as rent, or electricity are typically shared within the household and do not increase by the number of individuals in the household. The rent for a household of two members can be the same or very similar to that of a household of three or more members.

The per person cost of need will hence be higher for smaller households and smaller for larger households because the total cost is split among fewer people. How 'strong' the economies of scale are depends on different factors such as the composition of the household, the dependency ratio, and importantly, how many of the household costs can be shared (rent, electricity, etc.) compared to how many are not shared (for instance: food or hygiene items that are individually consumed).

There are different ways to adapt the TV to household size. The most common are outlined in the table below:

TABLE 1: ADAPTATION TO HOUSEHOLD SIZE

Transfer Type	What info do I need?	Advantages	Disadvantages	When to use it?
<p>A: Flat transfer (all households receive the same transfer value regardless of size, based on an average-sized household)</p>	<p><i>The need and gap for an average-sized (or otherwise typical) household</i></p>	<ul style="list-style-type: none"> - Simple and quick to apply - Low administrative burden when all households receive the same amount - Easy to communicate the transfer value to beneficiaries - Indirectly accounts for (some) economies of scale - Households do not have an incentive to miscommunicate their household size 	<ul style="list-style-type: none"> - May overlook differences in needs by household sizes - A 'crude' approach often adopted for the sake of ease more than accuracy - May not adequately meet needs in larger households/ may give small households more than needed - Could provide an incentive for households to split up to gain access to more grants 	<ul style="list-style-type: none"> - When a value needs to be determined rapidly - If there is limited variation in the distribution of household size for the population of interest - When adjustment for household size is not possible, or not necessary according to the needs analysis - Where there is little detailed information available on needs or accurate household sizes

Transfer Type	What info do I need?	Advantages	Disadvantages	When to use it?
<p>B: Per capita-based transfer (a per capita transfer scaled to each household size)</p>	<p>The per capita need and gap. Typically, this is calculated from the need and gap for an average sized household which is then divided by the average household size (for instance, the cost and associated gap for a household size of 5, divided by 5). This per capita gap is then multiplied with each household size to arrive at the household-size specific transfer values</p>	<ul style="list-style-type: none"> - Straightforward way to calculate the transfer value per household size - Easy to communicate to beneficiaries how their transfer was calculated 	<ul style="list-style-type: none"> - May underestimate the needs of smaller households or conversely overestimate needs for very large households, especially in presence of large economies of scale 	<ul style="list-style-type: none"> - When needs are assessed to be reasonably proportional to household size
<p>C: Combination transfer (households receive a combination of a proportional and a flat transfer value)</p>	<p>The per capita need and gap, for needs that tend to behave proportionally to household size (e.g., food) The flat household need and gap, for the needs that tend to be disproportional to household size This is a combination of approach A and B. It entails combining a transfer that is the same regardless of the size of the household (e.g., 60 USD for all households) with a transfer that is scaled to household sizes (e.g., 10 USD for each person in the household).</p>	<ul style="list-style-type: none"> - Provides an intuitive way to consider both shared and non-shared needs in one transfer - Can be a useful entry point for partner collaboration on transfers (where one agency provides the per capita part and another the flat rate) 	<ul style="list-style-type: none"> - Requires analysis of which needs, and associated costs can be considered per-capita and which can be considered shared 	<ul style="list-style-type: none"> - When there is significant presence of economies of scale in consumption - Potentially where partner collaboration on entitlement or longer-term assistance is envisioned

Transfer Type	What info do I need?	Advantages	Disadvantages	When to use it?
<p>D: Adaptation based on different household sizes (transfers are adapted to household size or groups of household sizes based on needs and gaps of each household size/ group)</p>	<p><i>The need and associated gap defined for each different size of household or groups of household sizes (for instance where a MEB has been computed specifically for each size of household or for groups of household sizes (e.g., household sizes 1-2, 3-5, 6-8, 9 and above, or other grouping as appropriate to the context) and adapted to each group</i></p>	<ul style="list-style-type: none"> - Gives the most accurate results - Alternatively, combining household sizes together in groups is a pragmatic way to adapt transfers to household sizes were implementing different transfers for each and every size may not be feasible 	<ul style="list-style-type: none"> - Requires data and in-depth needs and gap analysis for each household size, or by household size groups - Differences in transfer values between household sizes may be difficult to explain to beneficiaries and may lead to perceived 'unfairness' - If grouping household sizes, the transfer provided within each group may over- or understate the need for some of the households within a group 	<ul style="list-style-type: none"> - When detailed analysis is available - When programmatically feasible to have household size tailored transfers, or - When adaptation to household sizes is desired but not feasible for every household size

Consider if the planned adaptation to household size **might incentivize beneficiaries to inflate their registered size** – if households receive the same amount per person regardless of household size – **or to split themselves up** – if transfer values are larger per person in smaller households. In such cases transfers may need to be capped at a maximum household size.

COMPLEMENTARY ACTIVITIES RELEVANT TO TRANSFER VALUE SETTING

In addition to designing the transfer value itself, achieving programmatic objectives often requires thinking around **complementary activities or support that enhance the impact of the transfer value**.

Providing a transfer value to beneficiaries is a demand-side intervention, as purchasing power is transferred to the hands of the recipients. However, there could be constraints on the supply side of essential goods and services. This might hinder beneficiaries from meeting their needs in local markets and would require ensuring that markets can provide the necessary goods and services.

The **Market Functionality Index (MFI)** is a quantitative measure to benchmark market functionality along the different dimensions and is part of WFP's new Business Process Model for cash-based transfers, informing the choice of transfer modality. The MFI and the Market System Analysis (MSA), which identifies why a market is not functioning, can be used to understand potential market gaps and opportunities for WFP to address them. To strengthen markets and support communities, Market Development Activities (MDA) are

implemented to improve availability, quality and prices in marketplaces. An analysis of the value chains for the items intended to be covered by a transfer value can provide information on which value chains may need strengthening.

Additionally, you can encourage certain demand behaviors amongst beneficiaries. Some programmes choose to accompany the transfer value with complementary programming such as Social & Behavior Change Communication (SBCC). SBCC draws from the understanding that knowledge and skills are necessary, but not sufficient, for behavior change. SBCC and CBT can be jointly designed to achieve programme objectives, providing the recipient with the knowledge, skills and motivation to optimize the utilization of cash assistance, while the transfer allows them to put this into practice. For further detail on how to do this, please refer to WFP's [Social and Behavior Change Communication guidance](#).

REVISING THE TRANSFER VALUE

Regarding the gap calculation, there are two types of triggers that could lead to a gap update and possibly a transfer value revision: **changes to the needs and gaps** faced by beneficiaries, and **price changes**. However, **changes in the budget or in donor requirements** can also trigger a revision. Regardless of what the trigger is, decide at the outset of the programme on a realistic frequency for reviewing and possibly updating the transfer value.

- **Changes in needs and gaps:** The gap can change if needs change – for instance, if new needs arise in the aftermath of a shock – or if people's capacity to cover needs on their own change – for instance, an economic crisis impairs their ability to earn income. Even without the advent of shocks, the gap might be altered over time. For example, if consumption patterns have changed significantly since the cost of needs threshold was determined, it is advisable to revise its composition, and if livelihoods change over time, people's capacity to cover needs may be affected.
- **Changes in prices:** WFP monitors inflation regularly, as so do most governments through their statistical offices. How and when to take inflation into account in a transfer value revision will depend on what price information is available and the context of the programme. Inflation is monitored by tracking the composite price of a basket of goods monthly. This basket can correspond to the MEB, to a pre-defined food basket or to an inflation index such as the consumer price index (CPI). In any case, its composition should align with the beneficiaries' consumption patterns to be relevant for triggering transfer value updates.

With inflation monitoring established, consider the following basic principles:

1. Decide on a price change threshold that will lead to a review of the transfer value:
 - Thresholds are often set around **10-15%** price increase (or decrease);
 - Where inflation is monitored monthly or more frequently, to avoid implementing adjustments to transfer values based on a one-off price spike that may be quickly reversed, you can add a condition of a sustained price trend over a longer period before deciding on triggering a revision³, particularly helpful if spikes are unexpected.
2. Once the price change threshold has been passed and it is decided to revise the transfer value, this can be done in different ways, depending on how the transfer value was articulated in the first place (using the example of a transfer value defined against the MEB):
 - If the transfer values built on a gap expressed as a percentage of the MEB, it can be updated by inflating the MEB and applying the same percentage to the inflated MEB to arrive at the inflated gap.

³ In a simple version, this could entail that if one month sees a sudden price increase above the set threshold, a transfer value change will only be triggered if the new, higher price level is sustained the following month (e.g. there the following month has a 0 or positive inflation, so that the price increase is not reversed). Another version could be that an increase above the threshold only triggers a revision if there has been sustained positive price development for 2-3 months prior.

- If the gap is expressed in absolute values, the gap itself can be inflated⁴.

WHAT ELSE TO WATCH OUT FOR?

- Significant **changes in market conditions** impacting prices, livelihoods or incomes.
- **Outcome monitoring** showing that results of the programme are not achieved or community feedback suggesting that the value is not appropriate to meet outcomes.
- Other agencies, donors or government altering their assistance and **changes in the budget**, impacting beneficiaries' overall support.
- The formulation of a new **Country Strategic Plan** could be opportune timing to review the transfer value per new activity or target group, and if objectives of the assistance change.

COMMON DILEMMAS FOR TRANSFER VALUE SETTING

BREADTH VS. DEPTH

Limited availability of resources often requires prioritization and difficult trade-offs between how many beneficiaries can be reached and the value of the transfer. In those cases, **should you provide more value to less people (depth) or less value to more people (breadth)?**

This is a dilemma that both humanitarian cash actors and governments face and approach differently, considering the different purposes and focus. It will also be approached differently in emergency response programming with immediate life-saving objective.

Main considerations that can guide the decision-making process:	If your reply is "YES"	If your reply is "NO"
1) Is the main objective of your intervention providing immediate life-saving assistance?	<i>For example, for people recently displaced.</i> Normally WFP would opt for providing less value to more people - all those in dire humanitarian need - even if the entitlement meets only part of those needs. Why? Because targeting takes time, and in a life-saving situation we don't have time. Also, as soon as the targeting process starts there is always the risk of excluding some of the people who really need the assistance. There is no perfect targeting, and evidence shows that the tighter we target assistance, the higher the inclusion and exclusion error is.	<i>For example, it's a cash-based intervention in a protracted crisis context or a new intervention with different primary and secondary objectives.</i> WFP can consider providing more value to less people, depending on the programme objectives. But even in these scenarios, if social cohesion is a problem or there isn't enough quality data available to identify the most vulnerable, universal and/or categorical targeting is a better approach. This is fundamentally about "doing no harm", a prime humanitarian principle.

⁴ Both approaches will provide the same result. It assumes that, in the gap analysis, the cost of the MEB, household economic capacity and the gap are subject to the same nominal price increases. This will most often be a reasonable assumption as price increases affect household expenditures throughout the wealth distribution.

Universal and categorical targeting are fast, fair, and easy to explain to people, all very important in an emergency setting. In parallel, WFP should advocate for increased resources and coordinate with partners to ensure more adequate humanitarian assistance is provided to the targeted population. Often people will use part of what WFP is giving them for food to buy other essential goods, like accommodation and medicine, because food assistance is usually the most regular and reliable assistance that people receive. As resources become available or as the situation stabilizes, other approaches can be explored (increasing value for all or some combination of the below).

If your reply is “YES”

Simple approaches and possibly flat value for all as above is more suitable. More sophisticated prioritization approaches like adding another layer of categorical targeting might delay the process and will need to be communicated well to affected people. The layers can always be added later, to refine the transfer value.

If your reply is “NO”

More sophisticated or tiered approaches can be considered (see below).

2) Linked to the question above - Is timeliness of the response essential to avoid negative coping mechanisms and meet programme objectives?

3) If you decide to prioritize, within the overall eligible population, only the most vulnerable categories/groups (eg PLW, single-headed households, HHs with children U5, HHs taking care of a person living with a disability or chronic illness, elderly persons etc), will this be understood by the community?

If properly justified and well communicated.
Then WFP can consider this approach (more value to fewer people) while at the same time advocating with donors/partners to cover the needs of the eligible population who will be not prioritized in this phase. Once again, social cohesion and doing no harm must take precedence over any prioritization or targeting. Keep it as simple as possible and take the time to engage with the community and address their concerns; introduce the new approach only once you have sufficient consensus and support. In all cases, it is best to have highly respected pillars of the community (who may or may not be the official “leaders”) to communicate the new approach rather than relying on cooperating partners. And it is very important to equip everyone (CPs, field monitors, community members, gov’t officials) with key messages that

If it will be seen as an injustice and might create tensions.

Consider a flat entitlement to all eligible people noting that a smaller value will only cover part of their needs and will not meet all programme objective.

can be used to answer frequently asked questions.

Note: There are other ways to prioritize, for instance using geographical targeting/starting with communities in most affected areas (more value to less people) and expanding to others as resources become available. See the [Targeting and Prioritization guidance](#) for more information.

If your reply is “YES”

If your reply is “NO”

4) If you can't prioritize one group over another and want to cover as much as possible all eligible population while providing more to the most vulnerable, can you consider a small basic entitlement for all plus additional transfers to some? Would this approach be understood/agreed by the community? Can it be easily communicated? Would it be feasible without delaying the process or over-complicating the implementation?

Design a tiered transfer value approach.
Contact global.cbtsupport@wfp.org for support.

Revert to a simpler approach.

Joint coordination and analysis are key to effectively meet beneficiaries' needs. Consider how different actors within the humanitarian and development sphere can complement each other's' assistance to ultimately reach all people in need with adequate entitlements to meet those needs.

Consider a **flexible prioritization approach** that is simple to adjust (ensure the programme can expand/contract depending on changes in needs or resources). The only way to have “flexible prioritization” is to communicate accordingly, pre-agree and then re-agree with the communities about who should be prioritized, and keep everyone updated about resource constraints.

How do Governments approach this same dilemma for safety net transfer values?

Considering the different objectives of social protection programmes and Government-to-Person payments compared to humanitarian cash transfers, governments approach this topic differently. While trade-offs vary widely from country to country, breadth is often prioritized over depth, for several reasons:

- Political economy reasons.
- Preference **to gradually build confidence in the system**/programme and reach as many people as possible, even if initial resources transferred are low. The more resources the higher transfers can be channeled through the systems when available or for different groups and needs (tiered transfers are used widely in more advanced social protection programmes).
- **Support citizen-state trust and mitigate risks of social tensions** by showing large coverage. For example, to spread equally and fairly the dividends of peace or reallocate resources freed up from reduction in subsidies or other new sources of government revenue.
- **Focus on poverty headcount results/reduction rather than poverty gap** – often leads Government to concentrate on low-hanging fruits and large numbers of people around the poverty line, rather than those furthest from it (smaller investments can show bigger results).

IMPORTANT: WFP is increasingly transferring resources and humanitarian cash through government social protection systems, when this does not burden the regular programmes and is more efficient and effective than parallel interventions. In these cases, the decision on breadth vs. depth is particularly sensitive, as on one hand you are designing and delivering a humanitarian cash intervention with specific objectives for people, while on the other side you are piggybacking on a national system that supports also other programmes and provides regular safety net transfers: the two purposes might be confused (or might create tension if one group is receiving the humanitarian top-up while another one is not). **You can reach out to the global CBT and Social Protection teams for specific advice.**

ALIGNMENT WITH OTHER ACTORS

In many contexts, a variety of cash-based programmes exist, at different scale and for different purposes, targeting the same or different groups. These could include national safety nets as part of broader national social protection systems, which in many instances provide cash-based transfers. Hence the **importance to understand what transfers are provided by other stakeholders, and to which beneficiaries.**

Alignment at its minimum means agreeing on an approach to how the transfer value is established. Another version of alignment could imply all actors transferring the same transfer value, or different actors contributing to separate parts of the transfer value. Ultimately, the question of linking transfers with social safety nets or whether to align humanitarian transfers across agencies will depend on the programmatic objectives.

Coordinating analysis and efforts with other actors enables better assistance. Coordination mechanisms such as the Interagency or Intersectoral Working Groups are examples of the type of fora to discuss alignment. Where there is no formal discussion forum it is important that large actors coordinate on the objectives of different CBT operations, and the need (or not) to align transfer values and frequency depending on the objectives and target population.

The table below presents the main advantages of aligning with other humanitarian agencies and with government actors, as well as the potential challenges.

Actors	Advantages	Challenges
HUMANITARIAN AGENCIES	<ul style="list-style-type: none"> - Avoid tensions and reduce confusion between people with similar needs receiving different transfers - Coordinated approach can lead to joint programming - Coordinated approach can encourage 	<ul style="list-style-type: none"> - Time-consuming - Implies that all actors are aligned on an approach (i.e., ENA, or needs-based approach) - Strong coordination and consensus between partners needed, not always possible

joint targeting, further reducing administrative burden to agencies and more cohesiveness towards beneficiaries

- Easier to expand (geographical coverage)
- Potential to explore greater data sharing among cash actors in terms of joint assessment, targeting, monitoring and CFM

Advantages

Challenges

GOVERNMENT ACTORS

- Increases overall adequacy of transfers (e.g., if the government has resource limitations, instead of reducing coverage to provide an adequate transfer, it can keep the planned scale and maintain adequacy thanks to a WFP complementary top-up, aligned with the base transfer).
- Alignment with government transfers can also be important where there is a high risk of tensions between communities, for example between refugee and host populations.
- It can facilitate the possible handover from WFP to the government and the integration of people previously supported by WFP into national social protection schemes.

- Risk to overlook different vulnerabilities of the targeted population (for instance emerging needs vs needs of crisis-affected populations)
- Discussion can become political
- May confuse beneficiaries who might believe that they are de facto part of the national system/schemes

SETTING TRANSFER VALUES IN EMERGENCIES WHERE WFP HAS LIMITED DATA

Constructing thresholds and calculating the gap is not always possible in emergencies. The CBT in Emergencies toolkit and Annex 6 on setting transfer values in emergencies provide alternatives for rapidly determining a transfer value in the event of an emergency where even a pre-identified amount might no longer be relevant or appropriate to circumstances. Find [here](#) the mapping tool for Minimum Expenditure Baskets and Transfer Values.

DOCUMENTING YOUR TRANSFER VALUE DECISION

Documenting the process and motivation that led to the decision on transfer value is critical. Not only for audit purposes, but to also understand the rationale behind the decision. This is commonly documented in a Note for the Record or Decision Memo. Any format is acceptable, provided that a full range of considerations are taken into account to inform the transfer value decision, including alignment with partners, complementary activities, potential adjustments and other relevant considerations.