

Technical Note

Transfer Modalities Evaluation¹

Version August 2017

1. Introduction

1. The purpose of this TN is to clarify the specificities of a transfer modalities evaluation noting that the Process Guide is the main reference to describe key characteristics common to all evaluations. This note only includes information specific to TRANSFER MODALITIES evaluations.

Key characteristics of an transfer modalities evaluation	
Focus	Means for delivering assistance to recipients not an end
Scope	Transfer modalities (either a single one or comparison between various transfer modalities)
Criteria	Relevance, efficiency and effectiveness of transfer modalities are the criteria mostly used for such evaluations. In some instances, sustainability can also be used.

2. What is an evaluation of transfer modalities?

2. In WFP, transfer modalities are **means** for delivering assistance to recipients. In line with the institutional shift from food aid to food assistance, WFP food assistance can be provided through one or a combination of the main transfer modalities: in-kind food or Cash-Based Transfers, set out in Box 1 below. Although the provision of in-kind food remains the largest assistance modality, WFP has been increasingly expanding the use of Cash-Based Transfers over the last few years and food-based interventions should no longer be seen as the default modality.

¹ For the purposes of this Technical Note, the term Transfer Modalities is used to refer to all WFP modalities of delivery/transfer of in-kind, food, or cash assistance- or a combination thereof.

Box 1: Types of Transfer Modalities²

1. **Food In Kind** (in-kind contribution and/or procured by WFP): Food assistance to a targeted individual or household in the form of dry or wet rations (cooked meals).
2. **Commodity Vouchers**: Assistance to a targeted individual or household in the form of a paper or electronic entitlement that can be redeemed, in selected retailers, for fixed quantities of specific foods.
3. **Cash based transfers (CBT)**: if the recipients are provided with purchasing power either in the form of cash and/or value entitlement (e.g. value vouchers).
 - 3.1 **Cash**: A cash transfer is monetary assistance in the form of money (either physical currency/cash or electronic cash) to a targeted individual or household, thereby enabling direct access to food from the market place.
 - 3.2 **Value Voucher**: A value voucher is assistance to a targeted individual or household in the form of a paper or electronic entitlement redeemable for a pre-defined list of commodities at pre-selected retailers or at specifically organized fairs. Retailers where vouchers can be redeemed are selected and contracted by WFP or its partners based on specific selection criteria. Entitlements are not limited to specific quantities of specific commodities but provide beneficiaries with a choice within a range of items and certain retail networks
 - **Transfers are restricted** if beneficiaries' choice regarding the use of the transfer is limited. This might be for the purpose of adding value to food security outcomes. Transfers can be restricted in terms of where or when beneficiaries may exercise their entitlements (e.g. value vouchers redeemable only at specified retail networks, or only before a certain date).
 - **Transfers are unrestricted** if beneficiaries have no programmed limitations on how they use the transfer e.g. to purchase food, pay rent, save or repay loans.
 - Transfers are **multi-purpose** if the transfer is unrestricted and recipients are targeted based on multi-sectoral criteria to cover a set of basic needs. Well-targeted multi-purpose transfers can reinforce hunger results while also achieving outcomes across multiple sectors.
4. **Combination**: Use of more than one type of/a combination of transfer modalities for selected types of intervention, or for target groups (sometimes the same, sometimes different) in a given area.

Transfers are **conditional** if recipients must engage in, or refrain from, specified behaviours, or fulfil qualifying conditions in order to receive a benefit (e.g. participate in work or training or adhere to a health treatment, etc.).

3. What do evaluation of transfer modalities assess?

3. They mostly assess the design, implementation and results of particular transfer modalities against specific evaluation criteria and questions. Such evaluations often **compare** the use of various transfer modalities, evidence of the basis for choice or selection of the modalities, beneficiaries' preferences and what factors influence the success of one modality over the other in achieving intended outcomes e.g. improving household food consumption. Transfer

² Adapted from WFP intranet page on CBT – terminologies (August 2017)

modalities evaluation may also assess introduction of one modality e.g. introduction of cash, determine its efficiency and effectiveness and to draw lessons, without necessarily comparing with another modality.

4. How is an evaluation of transfer modalities used?

4. Findings from evaluations of transfer modalities are often used:
 - **To refine and adjust the design and implementation arrangement for a given transfer modality** in ongoing interventions (e.g. a switch from in-kind to vouchers or cash, or electronic transfer vs cash delivery, or revert to in-kind)
 - **To inform adoption of new transfer modalities** e.g. the introduction of cash in a context which has previously used only in-kind or voucher modalities.
 - **To assess the effectiveness of the transfer modalities** in enabling the intervention to achieve its stated objectives (e.g. the role of cash transfers vs in-kind to reducing under-nutrition)
 - **To identify the potential, and conditions, for replication and scale-up of the transfer modalities** for other interventions (e.g. whether a nutrition activity being implemented in another district or area of the country should consider using vouchers).

5. When should an evaluation of transfer modalities be conducted?

9. Often it is most effective to undertake an evaluation of transfer modalities mid-way through an intervention, to determine how the transfer modalities are working—or to compare transfer modalities. This allows for refining of the transfer modalities while there is still time to make adjustments before the intervention ends. This type of evaluation would have a strong focus on learning. When conducted at the end of the intervention, the evaluation can test how results have been achieved in comparison with expected outcomes.
10. Transfer modalities evaluations are also undertaken on an ad-hoc basis, rather than at a specific point in time, provided that the modalities have been implemented sufficiently long enough to generate significant learning, and that the evaluation is timely to inform key decisions and processes.

6. What criteria and questions should be applied for the evaluations of transfer modalities?

11. The [Technical Note on Evaluation Criteria and Questions](#) provides the definitions of the evaluation criteria, and explains how they should be applied.
12. Transfer modalities evaluations **mostly** assess **relevance, effectiveness and efficiency**, and in some instances **sustainability**.
13. Within each selected evaluation criteria, **specific evaluation questions will be identified** depending on the transfer modalities, the context within which they are being implemented, as well as the areas the Commissioning Office wants to explore. Table 1 below shows some example questions for evaluation criteria for WFP transfer modalities.
14. In developing evaluation questions for transfer modalities, it is important to remember that the transfer modalities are a **means of providing food assistance, not an end** – they do not therefore directly affect the objectives of the intervention, though they can affect results and have different unintended (potentially positive and negative) effects.
15. The **Cash and Voucher Manual**³, contains relevant information on the evaluation of Cash and Voucher transfer modalities and should be consulted prior to, and throughout the course

³ WFP (2014) Cash and Vouchers Manual. Second Edition

of, the evaluation. The Manual provides an indicative list of evaluation questions, but points out that these are far from exhaustive, and not binding. These questions have been integrated into the list in Table 1 below.

Table 1: Examples of specific Evaluation Questions for Evaluation of Transfer Modalities

Key Evaluation Question	Evaluation Sub-questions
Criteria: Relevance	
To what extent do the transfer modalities respond to the needs of recipients?	<ul style="list-style-type: none"> • To what extent were the transfer modalities based on an analysis of beneficiary needs? • Were the transfer modalities selected the most appropriate to meet beneficiary needs? • Were the transfer modalities the most relevant to the context (market conditions, availability of food, supply chain, risks, gender considerations, seasonal factors, etc.)?
To what extent are the transfer modalities aligned with the policies and priorities of the government, WFP and other development or humanitarian actors in the country?	<ul style="list-style-type: none"> • How well the transfer modalities are aligned with /integrated into the design objectives of the intervention, if relevant, and/or with other similar activities in the country? • To what extent are the transfer modalities coherent with and complementary to transfer modalities used by other humanitarian and development partners, UN agencies and donors operating in the same context?
Criterion: Effectiveness	
To what extent were the results of the intervention affected by the transfer modality selected?	<p><i>The transfer modalities are a means and not an end, and therefore it should not affect the project objectives. However, different transfer modalities may have different unintended effects.</i></p> <ul style="list-style-type: none"> • Did the choice of transfer modalities affect: <ul style="list-style-type: none"> • Participant numbers and/or the level of support per participant? • Local markets and production? • Non-recipients in terms of inflation and price increases? • Women and children's access to food and resources? • How did the type of transfer used affect whether or not intervention results were achieved? • Did the chosen transfer modalities induce a significant and lasting change (positive or negative) which would not have happened had other transfer modalities been selected? • Did the benefits from transfer modalities differ across outcomes (nutrition, gender dynamics, intra-household resource allocation, etc.), • Do certain household members (women, young children) benefit more from one type of modality or another?
Criterion: Efficiency	
Were the transfer modalities cost-efficient?	<ul style="list-style-type: none"> • What was the cost-efficiency of the respective transfer modalities compared to alternatives? • How efficient were the delivery mechanisms (shops, outlets, banks, etc.)? • Was WFP & partners resource capacity appropriate for the selected transfer modalities?

	<ul style="list-style-type: none"> • Was the efficiency of targeting affected by the transfer modalities used i.e. inclusions/exclusion errors? • Did the transfer modalities affect women's access to resources? • Are there differences in cost efficiency across modalities, and are there differences by modality in who (WFP vs. recipients) bears these costs?
Were the transfer modalities implemented in a timely manner?	<ul style="list-style-type: none"> • How did the selected transfer modalities affect the timeliness of the intervention? • Were the transfer modalities implemented according to the intervention's planned implementation schedule?

7. Key issues to consider when undertaking an evaluation of transfer modalities

16. Key issues to consider when undertaking an evaluation of transfer modalities are:

Strategic importance	<p>The strategic importance of the intervention which employs the transfer modalities affects how the evaluation is designed and managed. Questions include:</p> <ul style="list-style-type: none"> • How will the evaluation provide learning about the effects of WFP's interventions across the country portfolio? • Would this evaluation have broader relevance for informing the selection and design of transfer modalities in different country contexts? • Is there momentum within the government/donor community/other actors in relation to the transfer modalities that can be informed by and/or inform this evaluation? (E.g. a wider transition from in-kind to cash or vouchers)? • What will be the effect of evaluating these transfer modalities in terms of utilization of resources (human, financial, time, capacity to manage) relative to the need/requirements for evaluation of other activities within the portfolio?
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8. What are the different approaches to and type of data required evaluations of transfer modalities?

- Any evaluation requires a minimum level of existing data on which to base its enquiry. Part of the preparation process for the decentralized evaluation of transfer modalities will include gathering existing data sources for the evaluators and identifying any gaps.
- The choice and balance of specific methods for the transfer modalities evaluation will depend of the context within which the concerned intervention(s) are being implemented. To ensure that evaluations meet quality standards, WFP recommends that **a combination of mixed methods be applied**. This includes qualitative and quantitative methods for data collection and analysis. The [Technical Note on Methodology](#), available as part of the DEQAS Guidance Package, provides more detail on individual methods and how they can be combined.
- Efficiency is likely to be a significant focus for evaluations of transfer modalities;** this will require the use of more quantitative data sources from administrative systems as well as programme implementation data. **An evaluation employing primary data collection e.g. from recipients of the different transfer modalities** – such as their opinions on the form of transfer, and/or how it has been used - will require more resources (time and

budget), but may generate more detailed and otherwise inaccessible insights, through for example the use of a survey. It will also facilitate triangulation with existing quantitative data.

20. Evaluation of transfer modalities will usually have to use the following approaches:

- **Cost efficiency and cost effectiveness analysis** According to the Cash and Voucher manual⁴, it is expected that prior to selecting a modality an ex-ante cost efficiency⁵ and cost effectiveness analysis is conducted. The evaluation should access these data and update them to assess the actual cost effectiveness and cost efficiency of transfer modalities adopted.
- **Market analysis** is also critically important to inform such evaluations, including secondary data from WFP and partner service-providers e.g. retailer records, financial service providers' data etc.
- **Calculation of the Omega Value.** This approach offers an innovative approach to understanding the often implicit nutritional trade-offs across cash, vouchers, Local Regional Procurement and transoceanic food aid. Methods such as these can assist agencies choosing among several different responses for maximizing value for money for better programme results, impact on recipients and cost savings.

21. More details on cost analysis methodology are provided in Annex 1.

⁴ WFP 2014 Cash and Voucher Manual part A.4.2

⁵ A cost-efficiency analysis measures outputs against inputs in monetary terms and facilitates the comparison of alternative transfer modalities in order to use available resources as efficiently as possible.

For more information on Decentralized Evaluations visit our webpage
<http://newgo.wfp.org/how-do-i/do-an-evaluation>

Or contact the DE team at: wfp.decentralizedevaluation@wfp.org