



Transfer Modality Selection

MULTIPLE MODALITIES

WFP can design programmes that integrate cash, voucher and in-kind assistance to maximize impact on households and markets.

Depending on the context and programmatic objectives, WFP chooses the modality, or combination of modalities to achieve the best food and nutrition outcomes. WFP also has the flexibility to sequence and switch between modalities across time and geography, increasing the organization's ability to respond contextually and swiftly to people's needs. For example, WFP can use 'in-kind food' during the lean season and 'cash' after the harvest.

SELECTING THE RIGHT TRANSFER MODALITY

Selecting the right transfer modality is a key step to ensure WFP achieves food and nutrition outcomes for intended beneficiaries in a given context, and is a risk control that provides accountability to donors, host governments and affected populations.

WFP has substantial experience in implementing in-kind, voucher and cash assistance in different contexts, and has gained a refined understanding of the key factors that influence transfer modality selection.

In 2019-2020, it is a priority for WFP to support Country Offices select the right transfer modality as well as the right delivery instrument - the payment instrument selection in the case of cash. Payment instrument decisions are also based on context and intended outcomes. For instance, cash in an envelope has no associated durable financial service; while a bank account can last years and is a step towards financial inclusion.

WHAT'S NEW: ESSENTIAL NEEDS AND CHOICE

Due to the interdependent nature of people's essential needs – food, water, health, shelter – etc. - there is growing consensus that addressing them coherently across sectors would positively impact households' well-being. WFP is structuring transfer modality decision-making around helping beneficiaries address their essential needs in a way that promotes food security and nutrition results.

More Country Offices are moving away from binary decision-making of one modality over another towards blending different modalities to provide beneficiaries **real choice in how they want to access and use their assistance.**

In the effort of improving the selection of the modality, at the end of 2018 WFP published a new transfer modality selection [guidance](#) that:

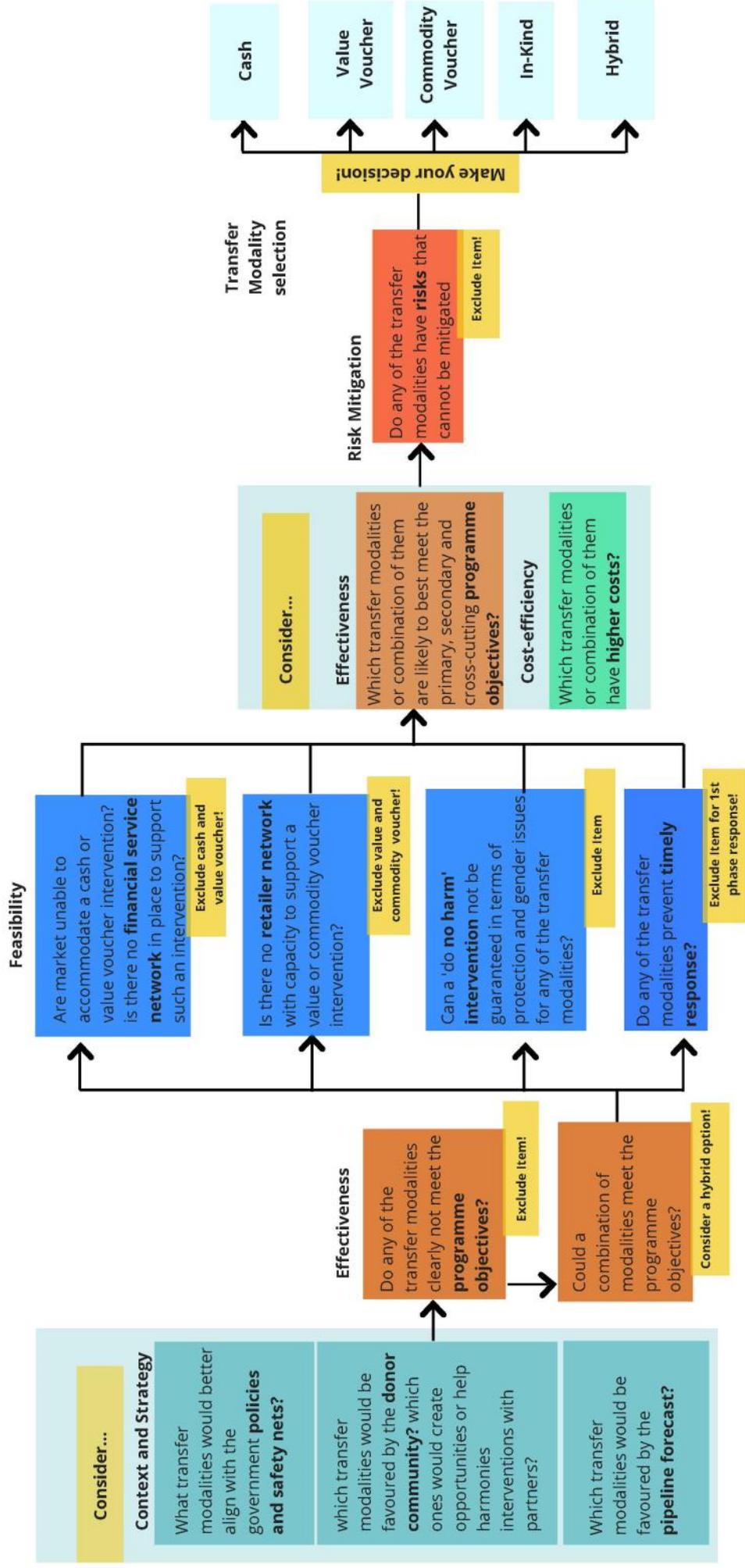
- Allows Country Offices to maintain their agility to respond within short time frames – especially in emergencies – with the most appropriate type of modality, or combination of these;
- Envisions a lighter process for decision-making ahead of a response, building on information available prior to an intervention, and
- Replaces the current use of the Omega Tool in the post-intervention analysis of cost-efficiency, effectiveness and externalities of the programme.

The guidance has been used to select modalities in Bangladesh, Mauritania, Mali and Dominica. WFP is exploring ways to include beneficiary feedback and preferences to shape transfer modality selection decision-making that empowers people with choice to address needs; and will measure the impact of doing so.

The revised approach to modality selection build on four main categories of influencing factors:

CONTEXT	FEASIBILITY	COST-EFFICIENCY	PROGRAMME OBJECTIVE(S)/ EFFECTIVENESS
How do the modalities fit with government policies and programmes? With donor policy? With the socio-economic context of the target population? How do they align with other humanitarian actors' activities?	Which modalities are feasible considering: Functioning of markets? Capacity of network and financial service providers? Retail capacity? Security environment?	Is one of the modalities more cost-efficient relative to the others? How significant is the difference in cost across transfer modalities?	Which modality is best suited to meet the programme's primary and cross-cutting and secondary objectives? Is it in line with beneficiary preferences?

TRANSFER MODALITY SELECTION REFLECTION PROCESS



This visual shows how the decision-making process is likely to flow when all different factors are considered.