



Modality Decision Tool for Humanitarian Assistance

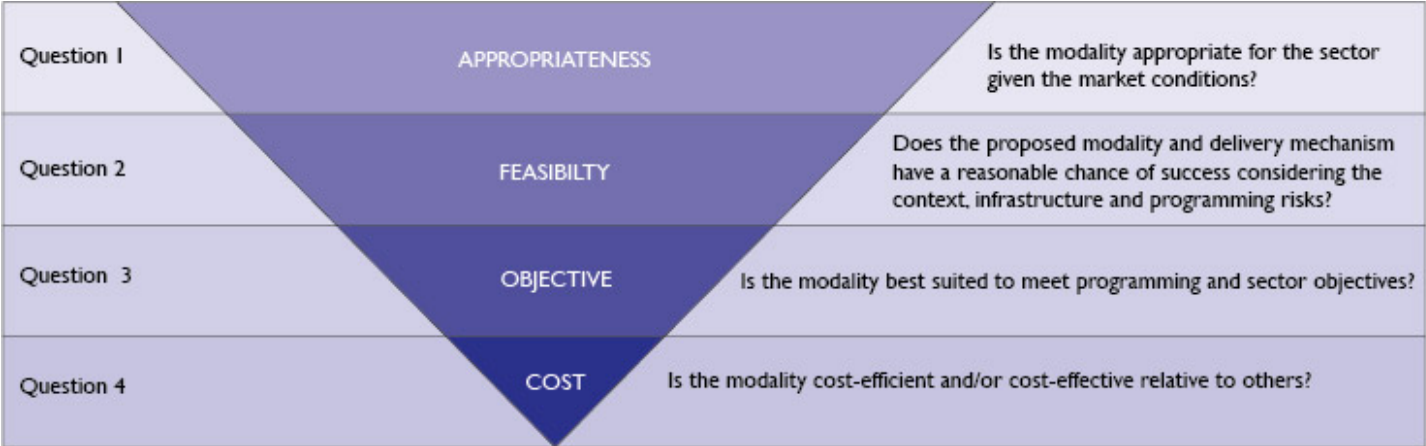
Purpose:

The purpose of the Modality Decision Tool (MDT) is to provide harmonized guidance to selecting among modalities (cash, vouchers, in-kind¹) across United States Government (USG) humanitarian assistance programs. The guidance reflects the USG position of context-driven approach which starts from a modality neutral position (i.e. “even playing field”). The needs and preferences of affected people, and the mandate to provide an efficient and effective response, are paramount. The tool relies on context-specific information to justify the modality or mix of modalities used. We recognize that flexibility and complementarity are key: a combination of humanitarian response options are often best suited to meeting programming objectives and beneficiary needs.

How To Use:

This tool is recommended for USG partners conducting response analysis and program design for humanitarian assistance programs. This involves starting with all modality response options for a given need, and evaluating them against four key questions. Answers should be informed through reviewing available data and engaging sector-specific and regional experts². The questions can be answered in the order they are presented as it narrows down and prioritizes the options (e.g. if a modality is determined to be inappropriate (Q1) then it is not necessary to consider whether it is feasible (Q2)).

Modality Decision Tool:



¹ Service provision is a major part of humanitarian assistance, but is outside the scope of this document.

² Some items, e.g. human pharmaceuticals, are restricted and not currently eligible for provision through cash or vouchers. For such items, no modality analysis is needed. See the OFDA Proposal Guidelines for further information.

Question 1: Is the modality appropriate for the sector given the market conditions?

- Supply: Is there adequate supply of the needed items or services, in the quantity and quality required, both now and through the program time frame?
- Competition and market power: Are there a variety of vendors who can meet the need for the relevant goods/services? What are the relevant market power dynamics?
- Prices: Are prices stable or stabilizing relative to historical and seasonal trends?
- Market integration: Are markets well integrated to adjust to fluctuations in supply and demand, with market actors able to restock as necessary? Are there any significant barriers to trade?

Question 2: Does the proposed modality and delivery mechanism have a reasonable chance of success considering the context, infrastructure and programming risks?

- Timeliness: Will the modality allow for a timely response to the humanitarian needs?
- Delivery mechanism: What are the available financial service providers (FSPs), including mobile money providers? What are their capacities, coverage, reliability, and ability to meet program needs? Is the target population able to meet applicable “Know Your Customer” (KYC) requirements? How do beneficiaries prefer to receive money? What delivery options are safest, most convenient, and most accountable, including data protection concerns?
- Market accessibility: Do target populations have regular and safe access to markets? Are they within a reasonable distance?
- Security: Given security risks and humanitarian access, is the proposed modality feasible?
- Market infrastructure: What is the state of the transportation and storage infrastructure?
- Risk mitigation: Are there adequate risk mitigation measures in place (risk mitigation plan, accountability mechanisms)?
- Operational Capacity: Is there adequate operational support and staff to effectively utilize the chosen modality? Is there adequate technical expertise and capacity to successfully deploy the selected modality?
- Political environment: Is the modality permitted and/or acceptable to relevant authorities?

Question 3: Is the modality best suited to meet programming and sector objectives?

- Preference: Has the modality considered beneficiary preferences?
- Protection: Are there specific modalities which could mitigate or exacerbate protection concerns at both the intra-household and community levels? Have potential impacts been assessed from an inclusive perspective (age, diversity, gender, disability)?
- Gender: Are there concerns regarding impact on gender dynamics or resource allocation?
- Vulnerable Populations: Are specific concerns of vulnerable populations addressed through the modality?
- Conflict Sensitivity: How might resource transfers mitigate or exacerbate conflict dynamics at community or household levels?
- Program Objectives: Is the modality an effective means to achieving sector-specific objectives? What are the consumption habits, cultural behaviors, or other dynamics which should be considered? Could restrictions or conditionalities help to better achieve program objectives?

Question 4: Is the modality cost-efficient and/or cost-effective relative to others?

- Cost-Efficiency: Is the proposed modality cost-efficient relative to other modalities?
- Cost Effectiveness: Is there evidence to indicate one modality is more cost-effective than another?

Limitations:

Analysis should be geographically specific and time-bound. If context changes sufficiently across area and/or time, further analysis will be needed. Final discretion depends on available resources.