

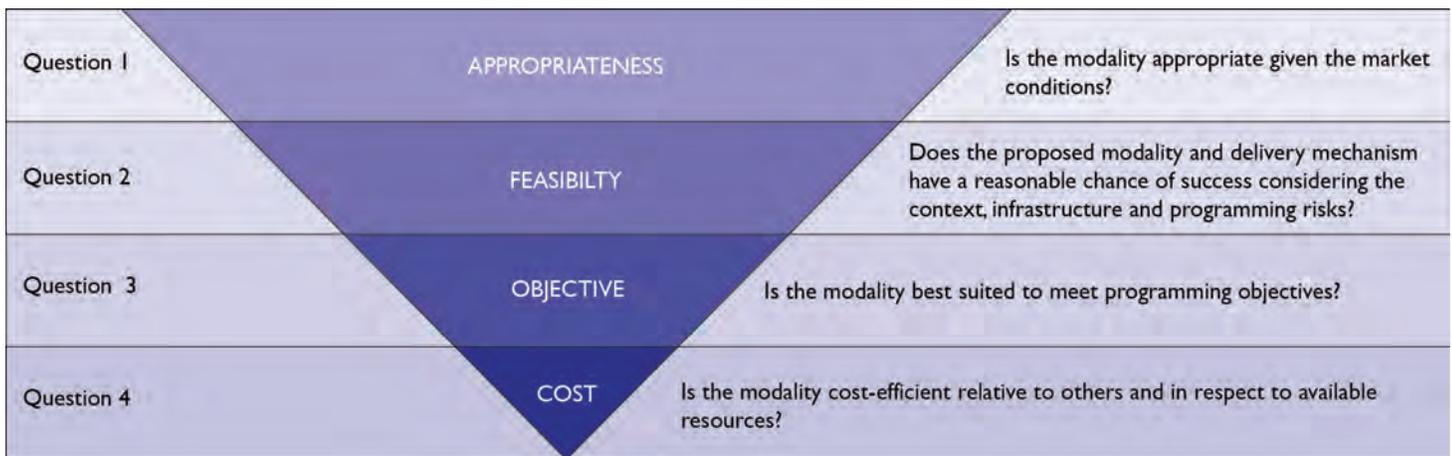
Purpose:

The purpose of the Food for Peace Modality Decision Tool (MDT) is to provide a standardized and logical process for building consensus around modality choice (cash, vouchers, US in-kind, local, regional and/or international procurement).

How To Use:

The process involves evaluating all modality response options against four key questions. It is intended to use all available data and build consensus through engaging content or context experts. It is certainly possible to complete the process on an individual basis; however, there are distinct advantages to completing the process together with other relevant staff. The questions should be answered in the order they are presented as it narrows down and prioritizes the options. Results could potentially indicate that several suitable modality options exist for a specific context.

The flexible nature of the MDT allows it to fit anywhere into the application development or review process. It can be applied to a specific application or be completed to reflect consensus on a homogenous geographic area. The MDT process could and should be applied whenever there is a need to identify modality recommendations.



MDT Matrix:

Teams might find it useful to complete the MDT matrix below as they answer each one of the key questions. Completion of the matrix also serves the purpose of acting as a written justification of modality choice. Each key question should be applied to the list of modalities and a corresponding answer (or color) of yes, partially or no should be entered in the table.

	Yes
	Partially
	No

	Appropriateness	Feasibility	Objective	Cost
Local Procurement				
Regional Procurement				
International Procurement				
US In-kind				
Cash Transfer				
Food Vouchers				

*Note that any modality with a red label needs strong justification for proceeding and should explore mitigation measures or wait for contextual changes.

Question 1

Is the modality appropriate given the market conditions?

Market functionality helps define the appropriate modality options. There should be limited risks of inflation, deflation or market distortions due to the modality selected.

Availability: Is there adequate availability of needed commodities in the quantity and quality required? What about specialized products?

Competition: Is it a competitive market environment with a variety of market actors able to enter/exit the market.

Price Stability: Are prices relatively stable considering historical and seasonal trends?

Market Integration: Are markets well integrated and market actors able to rapidly restock?

Trade Barriers: 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? In-kind commodities in prepositioned sites should also be considered.

Market Accessibility: Do target populations have regular and safe access to markets? Are they within a reasonable distance?

Security: Given security risks and accessibility; is the proposed modality feasible?

Market Infrastructure: What is the state of the transportation and storage infrastructure?

Financial Infrastructure: What is the condition of the financial sector including number and type of service providers, liquidity, and regulatory environment? Are there sufficient locations where money can be reliably withdrawn? Are there mobile money providers and where do they have coverage?

Risk Mitigation: Are there adequate risk mitigation measures in place (risk mitigation plan, accountability mechanisms)?

Question 3

Is the modality best suited to meet programming objectives?

Gender: Are there concerns regarding household food or resource allocation?

Protection: Are there specific modalities which could mitigate or exacerbate protection concerns?

Conflict Sensitive: Are there concerns regarding intra or inter-community resource allocation?

Culturally Sensitive: Does the modality allow for beneficiary preference as far as possible?

Consumption Habits: Are there consumption habits or nutritional deficiencies that could be improved through modality choice?

Question 4

Is the modality cost-efficient relative to others and in respect to available resources?

Cost-efficiency: Conduct price comparison across modalities using local, regional, international, and US In-kind commodity prices. Ensure that as far as possible similar commodities are being compared. Local food basket prices can be a proxy indication of cost-efficiency of voucher/cash programs.

Cost Ratio: Calculate ratio between transfer costs (to beneficiaries) and total costs. Note this calculation is highly sensitive to the size of the proposed food basket, beneficiary caseload and inclusion of complementary services.

Available Resources: Evaluate modalities against available resources for the context.

Limitation: Analysis is geographically and time bound. If the context changes sufficiently across area and/or time then analysis should be redone.