



Innovative Food Assistance Instruments - Omega Value

Efficiency and Effectiveness analysis for selection of one or a combination of transfer modalities: food, cash, or voucher.

The transition from food aid to **food assistance** has given the World Food Programme a broader choice of transfer modalities with innovative solutions to promote food and nutrition security. In the context where food is available, **cash and vouchers transfers** are being scaled up in lieu of in-kind direct food transfers and empower recipients by providing choice when giving access to local foods and diets.

The rationale for the choice of the **transfer modalities** is outlined and consistent with: i) the needs identified through the food security and market assessments; ii) the risk analysis; iii) Government policies; iv) multi sectoral capacities assessment (Cooperating Partners, IT, Finance, Logistics, Procurement, Security) capacities; v) **cost-efficiency and effectiveness in addressing the programme objective(s)**. Country Offices can then choose one or a combination of the three main transfer modalities: food, cash, or voucher.

Scrutinising **cost-effectiveness of potential responses** is therefore becoming an integral part of response analysis supported by a transparent and evidence-based decision-making process. In that context, analytical tools for **ex-ante Economy, Efficiency, Effectiveness and Externalities** (such as Multiplier effects on local economy) **analysis** are needed to support the selection of transfer modality.

The **Omega Value** tool developed by a WFP cross functional team is assessing the relative nutrient cost effectiveness of various response choices by comparing nutrition and cost implications of different bundles of food baskets to achieve nutrition and dietary objectives of the programme.

The Omega Value approach thereby offers an **innovative approach** to understanding the often implicit nutritional trade-offs across cash, vouchers, LRP Local Regional Procurement and transoceanic food aid. Innovative methods such as these can assist agencies choosing among several different responses for **maximizing value for money** for better programme results, impact on beneficiaries and cost savings.

The “Omega Value” has been **published**¹ in a World Development special issue on “Impacts of Innovative Food Assistance Instruments” and was also referenced in *The State of Food and Agriculture 2013: Food systems for better nutrition*.

The Omega Value has raised a great interest among WFP Donors and Partners and is getting **mainstreamed** through WFP Cash & Vouchers Manual, Training and E-learning. The Omega Value is supporting a more **integrated approach** and when explicitly considering the cost and “nutrition value” along the **Value Chains** offers an opportunity for **inter-agency collaboration** to strengthen local food systems on both the demand and supply sides thus to enhance nutrition outcomes.

¹ Ryckembusch, D. et al., *Enhancing Nutrition: A New Tool for Ex-Ante Comparison of Commodity-based Vouchers and Food Transfers*, World Development special issue on “Impacts of Innovative Food Assistance Instruments”, Vol. 49, pp. 58–67, September 2013).