WFP
World Food Programme

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WFP EVALUATION

IMPACT EVALUATION OF FARMER SUPPORT ACTIVITY IN GHANA

Ghana faces rising poverty, particularly in its northern regions, where slow economic growth, food insecurity, and high agricultural costs have worsened due to COVID-19, global conflicts, and weather shocks. Limited fertilizer support and soaring production costs have made farming less viable. Additionally, violence in Burkina Faso has led to a refugee influx that is further straining Ghana's limited resources and social services.

To address these challenges, the World Food Programme in Ghana launched the Farmer Support Activity (FSA) in April 2023 (funded by USAID), providing mobile cash transfers of GHS 3,465 (USD 315) to more than 17,000 smallholder farmers. The programme also provided financial and agricultural training, facilitated connections to access agricultural inputs, and promoted sustainable practices to boost agricultural productivity.

While cash transfers are widely recognized for improving food security, consumption, and well-being, there is limited evidence, especially in humanitarian settings, on how the design of transfer size, frequency, and timing could help meet the needs of households more effectively and create additional value given limited resources.

To fill this gap, WFP's Office of Evaluation, with support from USAID, partnered with the World Bank's Development Impact (DIME) Department to conduct a rigorous impact evaluation that compares two transfer modalities within the FSA framework: lump-sum payments vs. three equal instalments during the lean season. The total transfer size was held constant across the two groups.

KEY EVIDENCE

The timing and size of cash transfers significantly influence household spending patterns in northern Ghana. If made before planting, lump-sum transfers help maximize agricultural investment, leading to higher agricultural revenue. Monthly transfers, however, encourage more diversified spending, including investments in livestock, assets, and education. Finally, beneficiaries receiving lump support enjoy better food security in the short run. However, the advantage fades, and households from both groups report the same levels of food security in the medium to long run.

CLIMATE AND RESILIENCE IMPACT EVALUATION WINDOW

This impact evaluation is part of the Climate and Resilience Impact Evaluation Window, which has been created by WFP's Office of Evaluation (OEV) and the Climate and Resilience Division, in partnership with the World Bank's DIME department. It is also part of OEV's **humanitarian workstream** for impact evaluations, which works across thematic windows and is focussed on optimizing humanitarian interventions through impact evaluation.

READ THE FULL REPORT

July 2025


WFP/Derrick Botchway

KEY FINDINGS

1 **What is the impact of providing lump-sum cash transfers on smallholder farmer-households' food security, coping strategies, and mental health and well-being, as compared to smaller monthly transfers?**

Households receiving lump-sum support show an early advantage in food security and the use of fewer negative coping strategies. This is the equivalent of a 3.5 percent increase in the food consumption score and a 10.1 percent decrease in the reduced coping strategies index. Over time, however, once the households assigned to monthly support receive their additional transfers (totalling the same USD 315 as in the lump-sum group), both groups reach very similar levels of food security. Importantly, the lump-sum group never becomes significantly worse off due to their initial disproportionate focus on reducing food insecurity, thus indicating a net welfare gain for this group.

There is also evidence of a slight heterogeneity regarding farm size: smaller farms benefit more in terms of food security if they receive lump-sum support as opposed to monthly instalments. For households with bigger farms, however, it does not matter whether the transfer is made as lump-sum or monthly support; their food security is largely the same.

Differential mental health impacts were modest and temporary. The group receiving large payments noted slight mental health improvement directly after the transfer, but it faded shortly after. A few months after the last transfers, mental well-being in the two groups was similar.

2 **What is the differential impact of providing lump-sum versus monthly cash transfers on agricultural outcomes, livelihoods, and other financial outcomes?**

Lump-sum payments help farmers use more inputs and increase agricultural sales. Households receiving lump-sum support report better agricultural outcomes, such as higher input use, harvesting more crops, and increased sales revenue. This is likely because lump-sum transfers enable large, upfront investments at the start of the agricultural season. Farmers receiving lump-sum support cultivate slightly more land (5 percent), use significantly more household labour (18 percent), and spend more on chemical fertilizers (7.5 percent). Their relatively more intensive use of agricultural inputs translates into a greater harvest too (5 percent more than the monthly group's harvested average). The lump-sum households also report significantly more revenue from the sale of crops: between 13 and 17 percent as compared to the sales of the group receiving monthly transfers.

A farmer from the East Mamprusi district expanded his maize field – from the usual two or three acres to five – using the lump-sum payment to immediately plough, buy fertilizer and hire labour, something he said would not have been possible with smaller, incremental payments. In a focus group discussion, he said: *"If the money had come in small amounts, I would have spent it little by little on food, on small things. But this way, I was able to make a real investment."*

Others in his village echoed similar experiences, leading to better yields and higher revenues.

The effects on other livelihood outcomes, such as livestock, business activities, and wage employment, are more nuanced. For instance, making monthly payments favours investments in livestock (i.e., households buy more livestock) as compared to lump-sum support: the monthly group owns 22, 16, and 40 percent more cattle, sheep, and pigs, respectively. For reference, the average household ownership of livestock in the lump-sum group was 0.65 cows, 1.47 sheep, and 0.15 pigs.

Despite its ability to influence livestock decisions, transfer type does not impact business engagement or employment. The behaviour and decision-making processes related to business and wage activities show no sensitivity to the payment schedule.

Households receiving monthly payments borrow more from formal institutions. They also have a higher outstanding balance at the end. This is likely linked to this group's significantly higher investments in assets such as phones, beds, mattresses, and carts, which likely require loans.

KEY CONSIDERATIONS

Both disbursement methods have their respective merits, and each approach is relatively better suited at improving a specific set of outcomes. Thus, the choice of payment modality largely relies on project objectives and the outcomes deemed important.

1 OPT FOR LUMP-SUM SUPPORT IF THE GOAL IS TO INCREASE CROP INVESTMENTS AND REVENUES.

Lump-sum support enabled the channelling of significantly more resources toward crop cultivation, for example, the purchasing of farming inputs and use of more household resources (labour and land) for agriculture.

Thus, households produce and sell slightly more and collect significantly higher revenues. Projects that aim to boost agricultural outcomes should therefore consider providing a larger and timely lump-sum support that enables farmers to optimize investments and simultaneously increase food security in the short run. The "labelling" of the FSA support for agricultural support might have additionally favoured spending on agricultural inputs.

2 CHOOSE MONTHLY SUPPORT IF THE GOAL IS TO GROW FARMERS' LIVESTOCK AND ASSET BASE.

Households from the monthly group report significantly more livestock ownership, such as sheep, cows, and pigs. However, the timeframe of data collection does not allow to formulate any insights regarding the potential uses of the additional livestock units (whether for consumption or investment). The monthly group also reports significantly higher access to formal lending and ownership of some assets, the latter of which, however, are not all productive (beds and mattresses), but some can be (bicycles, phones, and motorbikes).

3 FAVOUR LUMP-SUM TRANSFERS TO SUPPORT SMALLER FARMS.

Farmers cultivating smaller plots (less than five acres) experience the most significant food security boost based on their receipt of a lump-sum as opposed to monthly support. Additionally, lump-sum support also enabled higher spending on chemical fertilizer by smaller farms relative to equally-sized farms receiving monthly transfers. Future projects aiming to boost the livelihoods of smaller farms might therefore lean toward using lump-sum transfers.

4 INTRODUCE SMALL (OFTEN COSTLESS) TWEAKS FOR CONSIDERABLE EFFECTS.

The simple switch from business as usual (monthly transfers) to lump-sum has increased agricultural revenue by an amount which represents roughly 9 percent of the total FSA support (or 5 percent if profits are the measure). This shows that projects can create additional value by making small changes to their implementation strategy. In many cases, as was the case of the FSA, these changes do not incur additional costs.

WFP/Derrick Botchway

DESIGN & METHODOLOGY

Most humanitarian cash transfer programmes rely on regular payments to help recipients smooth their consumption efficiently. These transfers are typically designed to assist households in meeting their basic needs. However, larger lump-sum payments may enable beneficiaries to invest in their livelihood activities more effectively than if they received smaller, more frequent instalments.

This impact evaluation deployed a cluster randomized controlled trial to compare two cash disbursement schedules. A lean design was used, whereby there was no pure comparison group. All participants received support: either as a lump-sum payment or in monthly instalments.

The evaluation team implemented the randomization at the village level: 163 beneficiary communities were randomly assigned to the two comparison groups.

Then, within each community, a subset of 20 beneficiary households were randomly selected for interviews. In total, roughly 3,200 farmer households were sampled for the impact evaluation.

Three waves of household data were collected. The waves were timed such that household information would be collected:

1. after the first transfer took place
2. after all transfers took place and
3. at the end of the agricultural season

163
COMMUNITIES
random assignment

82
communities
randomly assigned to
lump support
315 USD

81
communities
randomly assigned to
monthly payments
3x**105** USD

WFP/Marie Dasylva

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