Since the mid-1990’s, social protection programmes have become an effective and efficient poverty reduction tool across the developing world. Cash transfer programmes, a key element of social protection initiatives, are now implemented in Latin America, Asia and Africa and reach millions of families.

With regards to Ghana, in order to tackle extreme poverty and achieve the United Nations Millennium Development Goals (MDGs), the government has, in recent years, adopted a number of initiatives, including the launch of the National Social Protection Strategy (NSPS) in 2007. The strategy, which represents the Government of Ghana’s vision of ‘creating an all-inclusive society through the provision of sustainable mechanisms for the protection of persons living in situations of extreme poverty, vulnerability and exclusion’, consists of three main components designed to tackle extreme poverty:

1. The establishment of a new social grant scheme to provide a basic and secure income for the most vulnerable households.
2. Better poverty targeting of existing social protection programmes.

It is within this context that the Livelihood Empowerment Against Poverty (LEAP) programme, the flagship programme of Ghana’s National Social Protection Strategy, was introduced in 2008. The programme, which is currently administered by the Ministry of Gender, Children and Social Protection and managed by the Department of Social Welfare, aims at providing a safety net for the poorest and most marginalised groups in Ghanaian society, notably the bottom 20% of the extreme poor in Ghana who, according to the 2005 Ghana Living Standard Survey, comprise 3.7 million of the country’s population. To this end it seeks to protect and empower extremely poor families consisting of the elderly (aged 65 and above), the disabled who are unable to work, and carers of Orphans and
Vulnerable Children (OVC) by providing them financial support (cash grants), as well as access to complementary services such as the National Health Insurance Scheme.

While the LEAP grant is unconditional for the disabled and those over 65, carers of OVC are asked to adhere to conditionalities which include: enrolment and retention of school-age children in school; birth registration of new born babies and their attendance at post-natal clinics; full vaccination of children up to the age of five; and non-trafficking of children and their non-involvement in the ‘worst forms of child labour’.

The programme, which is largely funded from the general revenues of the government of Ghana as well as by the World Bank and DFID, receives the technical support of a social protection unit within UNICEF. The programme was launched in March 2008 and expanded each year and has reached over 71,000 households in all 10 regions of the country as of June 2013; it will cost the government 30 million GHc in this financial year. The transfer value of LEAP was tripled in the second half of 2012 and now ranges from a minimum of 24 GHc (US$ 12.5) per beneficiary per month to a maximum of 45 GHc (US$24.6) for four or more dependents per month. Beneficiaries are paid bi-monthly through the national postal service agency (Ghana Post).

Since the launch of the programme, studies have shown that LEAP is reaching the poorest households; in particular, a World Bank study compared the targeting effectiveness of the main social protection programmes in Ghana and found LEAP to be the most effective.

Evidence on the Impacts of LEAP

The LEAP cash transfer programme has had a significant impact both on beneficiaries and their families, especially in relation to food security, health, education, savings and investments, as well as on their wider communities particularly in terms of community development and economic growth.

A number of research studies and evaluations have been conducted utilising a range of qualitative and quantitative methods.

Notably, an Impact Evaluation has been undertaken to study the benefits of the programme on beneficiaries and their communities. This quantitative study, conducted with technical assistance by the University of North Carolina and the Institute for Statistical, Social and Economic Research (ISSER) collected data, comparing LEAP families with other families who have the same socio-economic profile but do not receive the LEAP grant.

From these rigorous studies, it can be seen that the LEAP cash transfer programme has had a significant impact both on beneficiaries and their families, especially in relation to food security, health, education, savings and investments, as well as on their wider communities particularly in terms of community development and economic growth.

LEAP Ensures that Households Survive and Meet Basic Food Needs

Food insecurity has significantly reduced for LEAP families (by 25 percentage points) especially for those headed by women (by 32 percentage points) between 2010 and 2012. As payments were made in lump sums in recent years due to delays in the programme receiving its funds, families were able to pay for items in bulk such as food grains and rice which has strengthened their ability to withstand economic shocks.

In particular, it helped beneficiaries in the northern regions to avoid starvation during the lean season. Furthermore, despite the fact that there is no overall change in food...
LEAP has led to an increase in the consumption of fats (by GHc 0.88) and food eaten out (by GHc 4.12) and a reduction in starches (by GHc 2.58) and meats (by GHc1.99), particularly for smaller families. While the decline in meats may raise concern for some, this may be explained by the increase in the number of LEAP families being able to eat out. For extremely poor families, the increase in fats is seen as a positive development as many are now able to use more cooking oil and seasoning, leading to the preparation of meals of better quality without incurring debt.

LEAP has allowed for improvements and changes in the diets of beneficiaries. Beneficiaries are now able to cook with good Maggi and more fish. “There is also more variation of foods we eat” (Female beneficiary, Dalung, Northern region).

One of the conditions of the LEAP programme is free enrolment in the National Health Insurance Scheme. As of early 2012, 90% of LEAP families were enrolled in the National Health Insurance Scheme which was an increase of 7 percentage points compared to 2010. LEAP has led to a significant increase in the number of children aged 6-17 (16 percentage points) and aged 0-5 (34 percentage points) enrolled in the National Health Insurance Scheme. In addition, children in the age group 6-17 are less likely to be ill (5 percentage points): this is a vital point as healthy children are able to attend school on a regular basis.

One of the main outcomes is the increased number of beneficiaries seeking preventative care especially for young girls aged between 0 and 5 which is crucial given the importance of this stage of life for cognitive development and longer-term well-being.

LEAP has also enabled beneficiaries to maintain their health, paying for prescriptions and medicines and even major operations. According to an elderly man in Dompoase (Central Region), he was able to use his LEAP grant to pay for a long-awaited eye surgery and he is now able to visit the doctor as required and buy the necessary medicine.

For families with Orphaned and Vulnerable children, regular school attendance has improved at all levels. According to beneficiaries and key informants in Dompoase, not only has school attendance increased due to LEAP, beneficiary families are now able to keep up with additional fees and also spend more on school books and uniforms.

While LEAP has not had a significant impact on primary school enrolment rates, the programme has reduced school absenteeism (by 8 percentage points). LEAP had a greater impact for older children’s schooling. For children aged 13-17 the programme significantly increased enrolment (by 7 percentage points), although mainly for boys, and reduced grade repetition (by 10 percentage points).
Reducing Poverty and Promoting Growth in Ghana

points), grade repetition (by 11 percentage points) and the chance of missing an entire week of school (by 5 percentage points).

LEAP had a greater impact for older children’s schooling. For children aged 13-17 the programme significantly increased enrolment (by 7 percentage points), although mainly for boys, and reduced grade repetition (by 10 percentage points). LEAP also reduces the likelihood of older girls missing school (by 11 percentage points). Hence, while girls already in school experienced an improvement in their attendance, boys experienced an increase in secondary school enrolment.

LEAP Provides Opportunities to Exit Poverty and is Transforming Lives

In line with its overall objective to empower poor families to ‘leap’ out of poverty, the LEAP programme has also provided opportunities for beneficiaries to transform their lives in the longer-term. Specifically, a number of LEAP families have felt sufficiently empowered to use their cash to increase loan re-payment (by 23 percentage points) or savings (by 10.8 percentage points). The LEAP transfer also increased the capacity of beneficiaries to access credit as they are now able to borrow:

Before LEAP, if you faced a problem... you couldn’t go to your friend or neighbour to borrow. The lender would typically ask “what would you pay me back with? (Amongst) us Dagomba if you have no source of livelihood it’s difficult to borrow”. (Beneficiary, Dalung, Northern region).

Additionally, a number of beneficiaries have used their LEAP payments for longer term investment activities. For example, in both the Central and Northern regions some beneficiaries mentioned that they have used the cash transfer for petty trading, investing in animals, household items and kerosene:

Some of the beneficiaries have started small businesses. They have put up temporary tables where they sell sweets, biscuits, matches etc. Others also fry koshe and kulikuli and they sell them in the market on the road (Female Beneficiary, Tali, Northern Region).

Others have started vegetable gardens or increased on-farm productivity by hiring labour, purchasing farm assets and inputs and, in a few instances, by embarking on more ambitious livelihood diversification strategies.

With regards to own farm labour, LEAP beneficiaries work, on average, 8-9 days more over the season. Smaller families work an extra 13 days over the season. Furthermore, those who are not able to work on their own farms now have the option to hire labour. For example, in South Natinga (Northern Region), those who lack the physical strength said they are now able to pay for tractor services or hire labour to help on their farms and pastures.

“A number of beneficiaries have used their LEAP payments for longer term investment activities. Some beneficiaries mentioned that they have used the cash transfer for petty trading, investing in animals, household items and kerosene.”
LEAP Builds the Capacities of Beneficiaries to Become Active Participants in their Communities

In a society where reciprocity is critical to the maintenance of traditional social welfare mechanisms, LEAP is enabling beneficiaries to contribute to various groups in their communities such as livelihood/farming groups and savings groups such as susu.

At the family level, LEAP has strengthened the capacity of beneficiaries to contribute to key social events and ceremonies in their communities. This has improved their self-esteem as well as increased their visibility and social status in their communities. For example, in Dalung (Northern Region) prior to the introduction of LEAP, beneficiaries had felt excluded and marginalised as they were not invited to participate in decision-making in the community and were also not well received during social gatherings and other events. Once they became LEAP beneficiaries, the transfer enabled beneficiaries to contribute to their communities, which is enhancing their sociability, strengthening their social networks and expanding their social capital.

According to a caretaker in Dalung, ‘I always give a proportion of the LEAP to the aged beneficiary (father) so he could contribute to social events such as funerals and weddings.’ Another beneficiary in Gbare (Northern Region) said: ‘Now, we too feel like a part of society.’ A consequence of their active participation in their communities is an increase in self-reported happiness, self-esteem and feelings of hope amongst LEAP families who are 16 percentage points more likely to feel happy about their life. This figure increases for female-headed families (23 percentage points). According to one key informant in Dompooase, ‘before LEAP they [the beneficiaries] looked miserable but [they now look] happier and hopeful’.

LEAP Boosts Local Economies

LEAP beneficiary families spend about 80% of their income inside the local economy, and as a result, the entire community benefits from the programme. For instance, a recent study estimated that every 1Ghc transferred to a beneficiary family has the potential to increase local income by 2.50 GHc. This means the impact of the cash transfer on the local economy is likely to significantly exceed the amount transferred to beneficiaries which is a significant impact.

A recent study estimated that every 1Ghc transferred to a beneficiary family has the potential to increase local income by 2.50 GHc. The impact of the cash transfer on the local economy is likely to significantly exceed the amount transferred to beneficiaries.

These indirect benefits occur due to trading and purchases from stores and markets within beneficiary villages and surrounding areas. The local economy of Dompooase is a good example. Here, local traders and beneficiaries confirmed that trading activity has increased due to LEAP as it has enabled beneficiaries to buy more in the local shops especially after payment day. In addition, informants reported that there are now more food vendors and petty traders than before, further increasing economic opportunities and preventing increases in price.
Ensuring LEAP’s Lasting and Sustainable Impact

The LEAP programme is undoubtedly having significant positive impacts on the lives of beneficiaries and their families. In particular LEAP has led to: improved food security; better nutrition; increased enrolment in the National Health Insurance Scheme as well as an increase in families seeking preventative care services, regular and prolonged attendance in schools especially with regards to secondary school, the ability to build up savings, investments, working capital, the re-payment of loans, and the ability to re-enter social networks and contribute to reciprocal arrangements in families and communities.

Most of these impacts have been felt particularly strongly in smaller families (i.e. with four members or less) and those headed by women. However, LEAP has also had an impact beyond individual families as LEAP enables beneficiaries to purchase items in their local economy. In this way, cash enters the local economy and benefits entire communities across the country. Thus LEAP is an effective tool that has not only had a significant impact on the lives of beneficiary families, but also has the potential to make an even greater contribution to the government’s long term strategy for tackling poverty, especially as a result of the transformative impact the programme has had on targeted families who are now able to save, work more, invest in the development of human capital (education and health) and contribute to economic growth in their local communities and beyond.

These achievements notwithstanding, it must be noted that the impact of the programme has been limited primarily as a result of the following factors: irregular payments due to delayed receipt of funds at the central level; the relatively small number of targeted families in each community; and a weak linkage to other pro-poor interventions. There is an urgent need to take steps to ensure that the impacts already achieved are not only deepened, but also have a lasting effect on the lives of a greater number of beneficiaries, their families and wider communities.

Note: This briefing paper is based on the following studies:
D. Korboe (2011), Participatory Poverty Vulnerability Assessment (PPVA): Understanding the Regional Dynamics of Poverty with a particular focus on Ghana’s Northern, Upper East and Upper West Region, Accra: Government of Ghana
A briefing paper with detailed reference sources is available and can be shared upon request.

October 2013