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SOCIAL PROTECTION BUDGET BRIEF

Strengthening Social Protection through Sustainable Public Financing

October 2026



KEY MESSAGES AND ADVOCACY

Protect and strengthen social spending commitments under the Policy Coordination Instrument (PCI)

The inclusion of social spending floors in Ghana's fiscal framework under the 36-month PCI with the IMF provides an important safeguard for vulnerable populations during fiscal consolidation. However, maintaining the effectiveness of these commitments requires sustained attention to budget adequacy, execution, efficiency and transparency. The Ministry of Finance is therefore encouraged to:

- Maintain and fully implement the social spending floors established under the PCI, ensuring that social protection, health, and education expenditures are protected from disproportionate spending adjustments during fiscal consolidation.
- Sustain the commitment for automatic inflation indexation of LEAP benefits to prevent erosion in real value.
- Improve the timeliness of LEAP payment through strict adherence to the LEAP payment cycle SOPs.
- Include targets to progressively increase coverage of LEAP to reach the 40% of Ghanaians living below the poverty line, including pregnant women and infants, over the medium-term.
- Increase school feeding grant per child per day to sustain quality and quantity of meals served.
- Fully provide funding for Productive Inclusion programs to support transition for those graduating from LEAP and strengthen youth employment opportunities.
- Allocate a dedicated budget to sustain the operations of the Ghana National Household Registry (GNHR).

1 INTRODUCTION

The passage of the Social Protection Act, 2025 (Act 1148) marks a significant milestone in strengthening Ghana's social protection system by providing a clear legal framework to support vulnerable populations. The Act adopts a life-cycle approach, ensuring protection against poverty, exclusion, shocks and other risks from childhood to old age. Social protection in Ghana contributes to poverty reduction, inequality reduction, human capital development and resilience building. Key interventions include social assistance, social insurance, labour market programmes and social welfare services. The Ministry of Gender, Children and Social Protection leads implementation, including the Livelihood Empowerment Against Poverty (LEAP), Ghana School Feeding Programme (GSFP), social welfare services and the Ghana National Household Registry, while institutions such as the National Health Insurance Authority (NHIA), Ministry of Local Government, Chieftaincy and Religious Affairs (MLGCRA), the Ministry of Education and the Social Security and National Insurance Trust (SSNIT) play complementary roles.

Strengthening and expanding investment in social protection systems is more critical than ever. The growing impacts of climate change, food insecurity, conflict, and displacement are increasing vulnerabilities, particularly among children, women, and marginalized populations, while placing greater pressure on social protection systems. To effectively address these challenges, social protection programmes must be adequately financed, inclusive, shock-responsive, and capable of adapting to evolving risks and crises. Building resilient systems requires stronger coordination across sectors, including humanitarian action, climate adaptation, agriculture, disaster risk management, and employment interventions. Such an integrated approach is essential to protect vulnerable populations, promote resilience, and ensure that no one is left behind in an increasingly uncertain and complex global environment

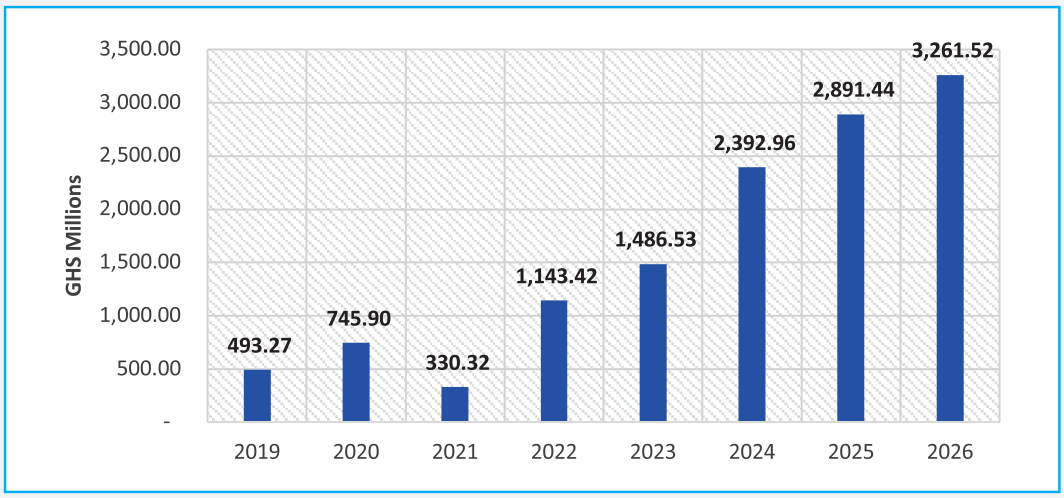




2 TRENDS IN SOCIAL PROTECTION SPENDING

Budget allocations to the Ministry of Gender, Children and Social Protection (MoGCSP) – the lead institution responsible for implementing Ghana's key social protection programmes – have increased nearly tenfold, from GHS330.3 million in 2021 to a record GHS3.3 billion in 2026 as indicated in figure 1 below. This substantial increase reflects the Government's commitment to strengthening social protection despite a constrained fiscal environment, in line with commitment under the Extended Credit Facility (ECF) (2023 to 2026) to protect vulnerable households. However, relative to the scale of poverty, vulnerability and the growing demand for social assistance, allocations to the Ministry remain insufficient to adequately expand programme coverage, improve benefit adequacy and strengthen the resilience of vulnerable households, particularly children.

Figure 1: *Ministry of Gender, Children and Social Protection Budget Allocation*

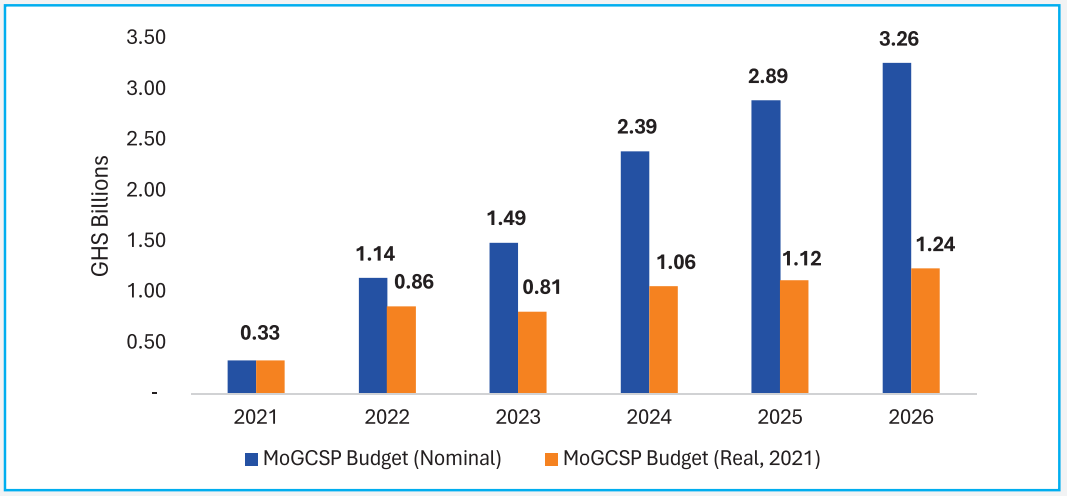


Source: *MoF Annual Budgets (2019-2026); MoGCSP PBB (2019-2026)*

2.1 Impact of Inflation on MoGCSP Budget

High inflation, particularly during the period 2022 - 2024, significantly eroded the real value of budget allocations to the MoGCSP, reducing its purchasing power and limiting its ability to deliver social protection programmes effectively. The impact has been particularly pronounced for budgets allocated for Goods and Services and Capital Expenditure (CapEx), where rising costs have constrained programme implementation and capital investment. Although nominal allocations have increased over time, they have either substantially declined or stagnated in real terms. After adjusting for inflation, the Ministry's budget has lost on average about 41% of its purchasing power since 2021 (Figure 2).

Figure 2: *MoGCSP Budget in Nominal vs Real Terms*



Source: *MoF Annual Budgets (2019-2026); MoGCSP PBB (2019-2026)*

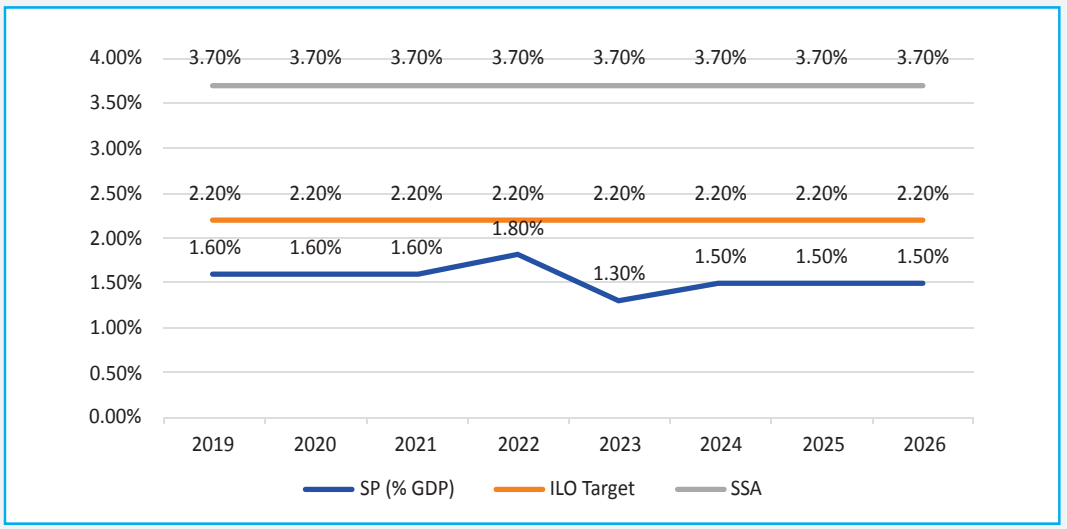


2.2 Social Protection Spending as a Share of GDP

Social protection spending has seen modest growth over the past decade but continues to decline relative to total government expenditure and GDP[12]. Despite gradual increases over the past decade, Ghana's social protection (both contributory and non-contributory) spending remains low by international standards.[3]

Social benefits account for 1% of government expenditure, however, when NHIS is included, this share rises to around 4% of total government expenditure. In terms of GDP, social Protection spending (including NHIS) averaged 1.6%, significantly below the ILO social protection floor of 2.2%[4] and the LMIC average of 3.7%.[5] Current allocation is insufficient to expand programme coverage, improve benefit adequacy, build shock-responsive systems and reduce child poverty sustainably.

Figure 3: *Social Protection[6] as a share of GDP*



Source: *MoF Annual Budgets (2019-2026); MoGCSP PBB (2019-2026)*

[1] Parliament of the Republic of Ghana, Appropriation Act, 2025 (Act 1126) and Parliament of the Republic of Ghana, Appropriation (No. 2) Act, 2025 (Act 1163

[2] International Labour Office, World Social Protection Report 2024-2026: Universal Social Protection for Climate Action and a Just Transition, Geneva: International Labour Office, 2024. © ILO.

[3] Parliament of the Republic of Ghana, Appropriation Act, 2025 (Act 1126) and Parliament of the Republic of Ghana, Appropriation (No. 2) Act, 2025 (Act 1163

[4] International Labour Office, World Social Protection Report 2024-2026: Universal Social Protection for Climate Action and a Just Transition, Geneva: International Labour Office, 2024. © ILO.

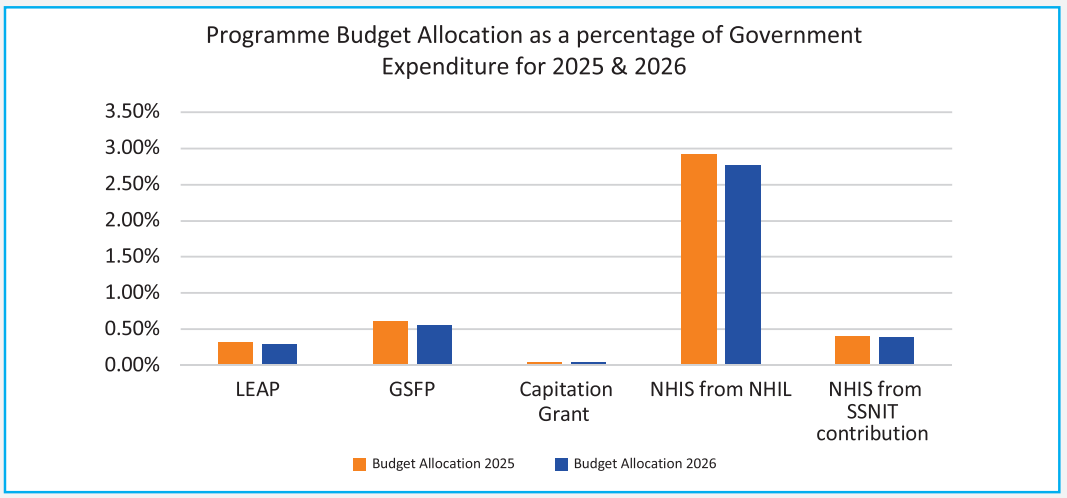
[5] World Bank. 2025. State of Social Protection Report 2025: The 2-Billion-Person Challenge. Washington, DC: World Bank. doi:10.1596/978-1-4648-2156-1. License: Creative Commons Attribution CC BY 3.0 IGO

[6] Social Protection coverage in the graph covers LEAP, GSFP, SSNIT, NHIS and Capitation Grant

2.3 Social Protection Spending as a Share of Government Expenditure

From 2025 to 2026, although the nominal budgetary allocation to the social protection programmes increased by approximately 15%, LEAP, GSFP, Education Capitation and NHIS experience a decline in their share of total government expenditure. This reflects a broad reduction in the relative fiscal priority of social protection and health-related spending within the overall budget framework. These trends warrant close monitoring to assess their implications for poverty reduction, educational access, nutrition outcomes, and healthcare financing, considering ongoing socioeconomic pressures on vulnerable populations.

Figure 4: *SP Programmes Budget allocation as a share of Total Government Expenditure*

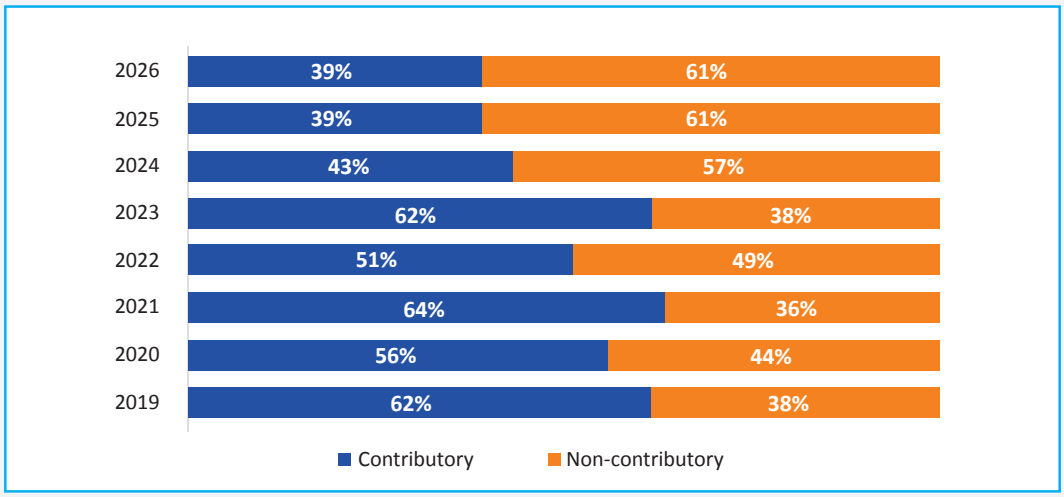


Source: *Appropriation Act (Acts 1126 and 1163)*

2.4 Contributory and Non-contributory Social Protection

Contributory social protection, driven largely by Social Security and National Insurance Trust (SSNIT) contributions, accounted for more than 50% of total social protection spending from 2019 to 2023. However, this trend shifted in 2024, when the non-contributory component exceeded 50% and continued to increase, reaching over 60% in 2025 and 2026. This growing prominence of non-contributory social protection underscores its importance as a key instrument for reducing poverty and protecting vulnerable households. Government should therefore strengthen investment in non-contributory social protection to enhance coverage, adequacy and the overall effectiveness of Ghana's social protection system.

Figure 5: *Categories of Social Protection Contributions*



Source: *MoF Annual Budgets (2019-2026)*

3 PRIORITY ACTIONS

3.1 Improve the Timeliness of LEAP Payments

Improve the timeliness of LEAP payments to ensure their predictability, enabling beneficiary households to plan effectively and strengthen their coping capacity in the face of economic shocks.

KEY FACT:
[LEAP payment delayed 6 months with limited communication]



The timeliness of LEAP payments to the beneficiaries improved in 2024-2025 with average delays reducing from a peak of 117 days in 2022 to 28 days in 2025, though this still exceeds the 22-day average observed in 2020 (Table 1). Despite assurance for continual payment during the LEAP reassessment transition by the MoGCSP, three cycle payments (equivalent to 6 months payments as of August 2026) were delayed until September when two cycles covering May – August were combined and paid to 202,710 households out of the targeted 400,000, thus leaving January – April outstanding.

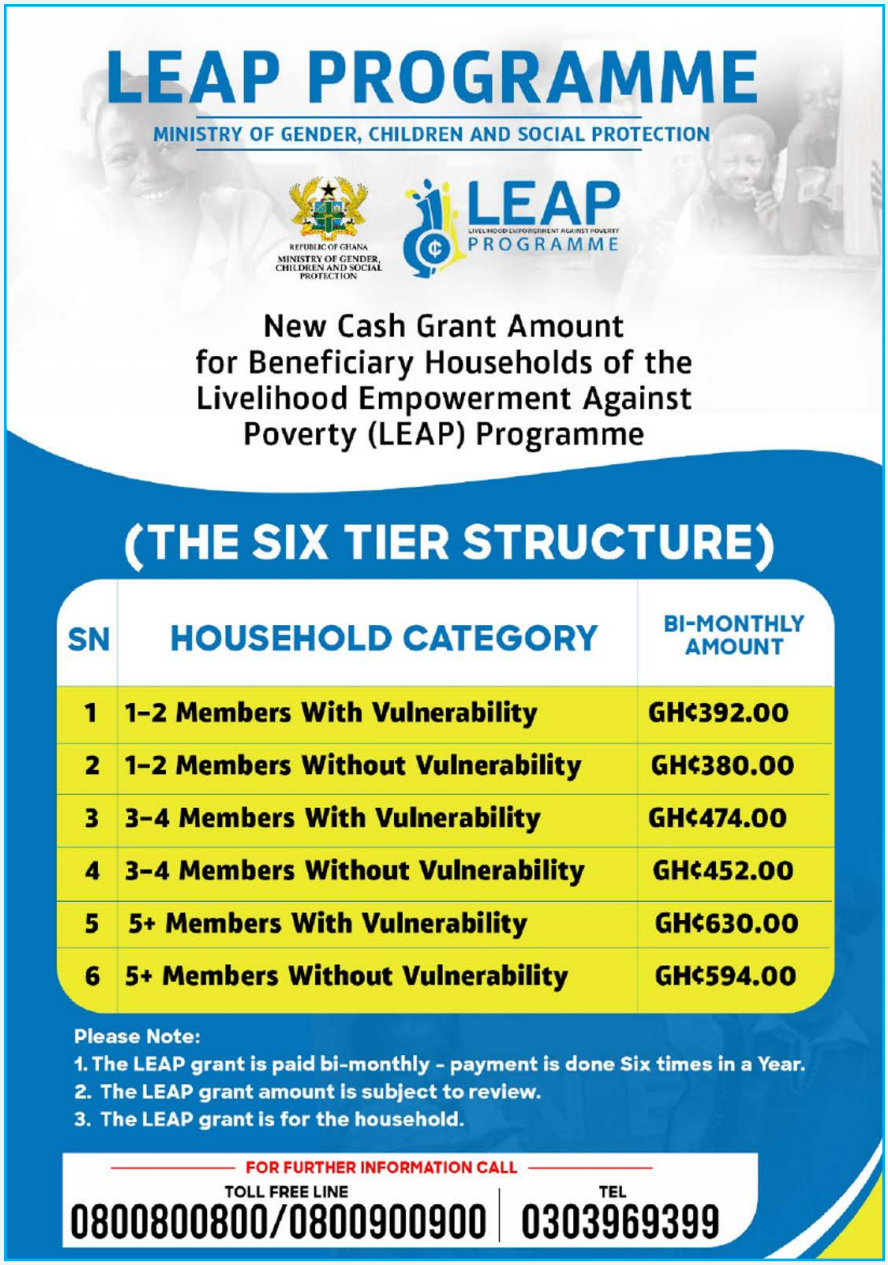
Reasons for non-payment of January – April grants are partially due to the reassessment, but also more on inadequacy of budgetary allocation to the LEAP programme for the 2026 fiscal year. Under the 2026 budget allocation of GHS1.1 billion to LEAP, fully financing LEAP payments for January-December would create a funding gap of GHS418.1 million for 400,000 households, rising to GHS 448.8 million if coverage expands to 450,000 households. A more feasible option is to finance payments from May-December, which would cost about GHS1 billion and leave a positive balance of about GHS43 million while accommodating the planned scale-up.

Delays in social cash transfer payments, particularly when not accompanied by timely communication to beneficiaries, can increase the risk of negative coping strategies among beneficiary households. Such disruptions undermine households' ability to smoothen consumption, erode confidence in the programme and reduce its effectiveness as a mechanism for resilience building. Moreover, as the ongoing reassessment may result in some households exiting or graduating from the programme, timely communication with affected households is essential to enable them to understand their status and make informed plans for their livelihoods and future needs.

Table 1: *LEAP Payment Schedule Tracker*

Cycle	Accrued	Scheduled Payment	Actual Payment	Timeliness of Payment
88th	Nov & Dec	2024 Jan 15- 19	2024 Feb 1-7	2 weeks delayed
89th	Ian & Feb	2024 March 18 - 22	2024 July 1-5	3 months (14 weeks) delayed
90th	Mar & Apr	2024 May 20 - 24	2024 Aug 12 - 16	3 months (12 weeks)
91st	May & June	2024 July 22 - 26	2024 30 Sep - 4 Oct	2 months (9 weeks)
92nd	Jul & Aug	2024 Sep 16 - 20	2024 30 Sep - 4 Oct	2 weeks delayed
93rd	Sep & Oct	2024 Nov 18 - 22	2024 28 Nov - 4 Dec	1 week delayed
94th	Nov & Dec	2025 Jan 20 - 24	2025 March 24 - 28	2 months (8weeks) delayed
95th	Jan & Feb	2025 March 17 - 21	2025 24 - 28	1 week delayed
96th	Mar & Apr	2025 May 19 - 23	2025 30 Jun - 4 July	1 month (5 weeks)
97th	Mav & June	2025 July 21 - 25	2025 Aug 4 -8	2 weeks delayed
98th	Jul & Aug	2025 Sep 15 - 19	2025 Oct 13 - 17	3 week delayed
99th	Sep & Oct	2025 Nov 17 - 21	2025 Dec 22nd - 26	4 weeks delayed
100th	Nov & Dec	2025 Jan 19 - 23	2076 Feb 11 - 20	2 months (8weeks) delayed
Reassessment and launch of New LEAP				
1st	May - Aug		2076 Sep 14 - 18	6 months since the last payment in Feb

Source: *Authors compilation based on provision in the LEAP Operations Manual*



3.1.1 Adequacy of the LEAP Grant Value

Since 2023, the Government has indexed LEAP benefits to inflation to preserve the real value and purchasing power of transfers in the face of rising cost of living. Consistent with this approach, the 2026 budget allocation for LEAP increased by **11%**, from **GHS953.5 million** in 2025 to **GHS1.1 billion.** The increased allocation is intended to finance the ongoing LEAP reassessment and support the planned expansion of beneficiary households from **350,000 to 450,000 by December 2026**, while accommodating upward adjustments to grant values. The MoGCSP in 2025 announced key adjustments to the benefit structure of LEAP. The revised structure aims to enhance benefit adequacy and rebase benefit levels to reflect the needs of extremely poor households based on household size rather than eligible members.

3.2 Increase budget allocation to the LEAP Programme

To sustainably finance transfers for all 450,000 beneficiary households in 2027, with coverage projected to increase to 470,000 households by June 2027, the Government would need to allocate approximately GHS1.9 billion to the programme. This estimate is based on a projected annual grant indexation rate of 9 per cent[7] and increased in coverage from 450,000 to 470,000 from June 2027.

Table 2: *Projected budget required to finance LEAP in 2027*

LEAP Grant cost - Projections for 2027					
Month	**Average Benefit (2026 value indexed by 9%)**	**Beneficiary Households**	**Cost (benefit x beneficiaries)**	**Other costs (e.g., cost of transferring the benefit)**	**Total (in GHS)**
January	310.65	450,000	139,792,500	11,183,400	150,975,900
February	310.65	450,000	139,792,500	11,183,400	150,975,900
March	310.65	450,000	139,792,500	11,183,400	150,975,900
April	310.65	450,000	139,792,500	11,183,400	150,975,900
May	310.65	450,000	139,792,500	11,183,400	150,975,900
June	310.65	450,000	139,792,500	11,183,400	150,975,900
July	310.65	470,000	146,005,500	11,680,440	157,685,940
August	310.65	470,000	146,005,500	11,680,440	157,685,940
September	310.65	470,000	146,005,500	11,680,440	157,685,940
October	310.65	470,000	146,005,500	11,680,440	157,685,940
November	310.65	470,000	146,005,500	11,680,440	157,685,940
December	310.65	470,000	146,005,500	11,680,440	157,685,940
2027 Projected Grant cost			**1,714,788,000**	**137,183,040**	**1,851,971,040**
Transfer and Other Costs (as a function of benefits x beneficiaries): 8.0%					
Assumption that coverage of 450,000 households are maintained for first half, increased to 470,000 by second half and grant is indexed at 9% of 2026 values base on projected inflation by year end 2026					

Source: *Calculation based on LEAP indexation formula and the indicative targets in Ghana-IMF PCI for LEAP*

[7] World Bank. 2026. Making Industrial Policy Work in Africa. Africa Economic Update (April 2026). World Bank, Washington, DC. doi: 10.1596/978-1-4648-2333-6. License: Creative Commons Attribution CC BY 3.0 IGO.

3.3 Increase allocation to the Ghana School Feeding ProgrammeProgramme

Increase the per-child allocation from GHS 2.00 to GHS4.50 to reflect rising food prices and enhance the nutritional quality and adequacy of meals provided to pupils each day.

KEY FACT:
[Every GHS1:00 invested in feeding a child yields GHS3.30 economic returns]

The GSFP provides one hot, nutritionally adequate meal daily to pupils in deprived public primary and kindergarten schools using locally produced food. It aims to reduce hunger, poverty, and malnutrition by increasing enrolment, attendance, and retention, while boosting domestic food production. By end-2025, the programme covered 11,028 schools, benefiting over 4.2 million pupils nationwide and providing jobs for about 34,000 caterers. The GSFP has seen increased budgetary allocation over the years since 2022 with feeding grant per child per day increasing from GHS 1.00 in 2022 to GHS 2.00 in 2025/2026 (Table 3).

Table 3: *Ghana School Feeding Allocations*

Year	2022	2023	2024	2025	2026
Budget (GHS Million)	881.00	969.00	1,393.66	1,797.34	1,982.90
No. of Pupils	3,620,468	3,801,491	4,029,580	4,231,059	
Rate per child per school day	1.00	1.20	1.50	2.00	2.00
Number of Schools	10,832	10,832	11,028	11,028	

Source: *MoGCSP, PPMED*

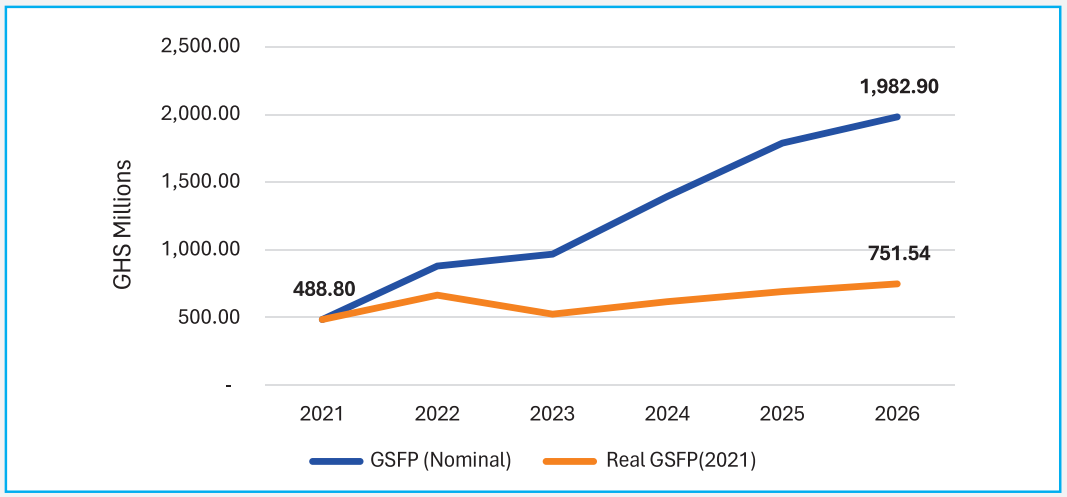
Evidence from a Cost-Benefit Analysis indicates that **every GHS 1.00 invested in the GSFP generates an estimated GHS 3.30 in economic returns**[8], demonstrating that school feeding is a high-return investment in human capital rather than a recurrent cost. These returns could be further enhanced by addressing implementation bottlenecks and strengthening the programme's home-grown school feeding component, which promotes linkages with local agriculture.

Despite the high returns associated with investing in children during their formative years, current spending patterns appear to place greater emphasis on later stages of life. This is reflected in the school feeding grant of GHS2.00 per child per day, which is inadequate in the context of rising food prices and substantially lower than the GHS 4.50 per student per day at the senior high school level[9].

[8] Alexander Dunaev & Federica Corona (WFP). School Feeding in Ghana. Investment Case: Cost-Benefit Analysis
[9] Free Senior High School Secretariat, Ministry of Education

The insufficient grant limits the programme's ability to provide nutritionally adequate and diverse meals, with inflation further eroding its real value. Between 2019 and 2026, the nominal allocation to the GSFP lost an average of 41 of its purchasing power due to inflation and rising costs. The impact was particularly severe in 2025, when more than 60 of the nominal allocation was eroded, significantly reducing the programme's capacity to provide adequate and nutritious meals to beneficiaries (Figure 6).

Figure 6: *Ghana School Feeding Programme Budget Nominal vs. Real*



Source: *MoGCSP, PPMED*

3.4 Sustaining the Productive Inclusion programme (CLASS)

The government should allocate GHS168 million to support the Complementary Livelihood and Asset Support Scheme (CLASS), to sustain the gains and ensure programme continuity

KEY FACT:
[CLASS have enrolled 62,316 with women accounting for 69% across 108 MMDAs]

The Government of Ghana should establish a dedicated budget line for the Complementary Livelihood and Asset Support Scheme (CLASS) under the Ministry of Local Government, Chieftaincy and Religious Affairs (MLGCRA) to ensure the sustainability and scale-up of productive inclusion interventions.

CLASS is Ghana's flagship productive inclusion programme and serves as a graduation pathway for poor and vulnerable households, particularly beneficiaries of the Livelihood Empowerment Against Poverty (LEAP) programme, who comprise 86 per cent of participants. The programme combines skills training, entrepreneurship development,

coaching, financial literacy, market linkages, and start-up grants to support sustainable livelihoods and economic self-reliance. Evidence shows strong programme outcomes, with 97 per cent of beneficiaries sustaining their income-generating activities and 81 per cent reporting increased production levels three years after participation.

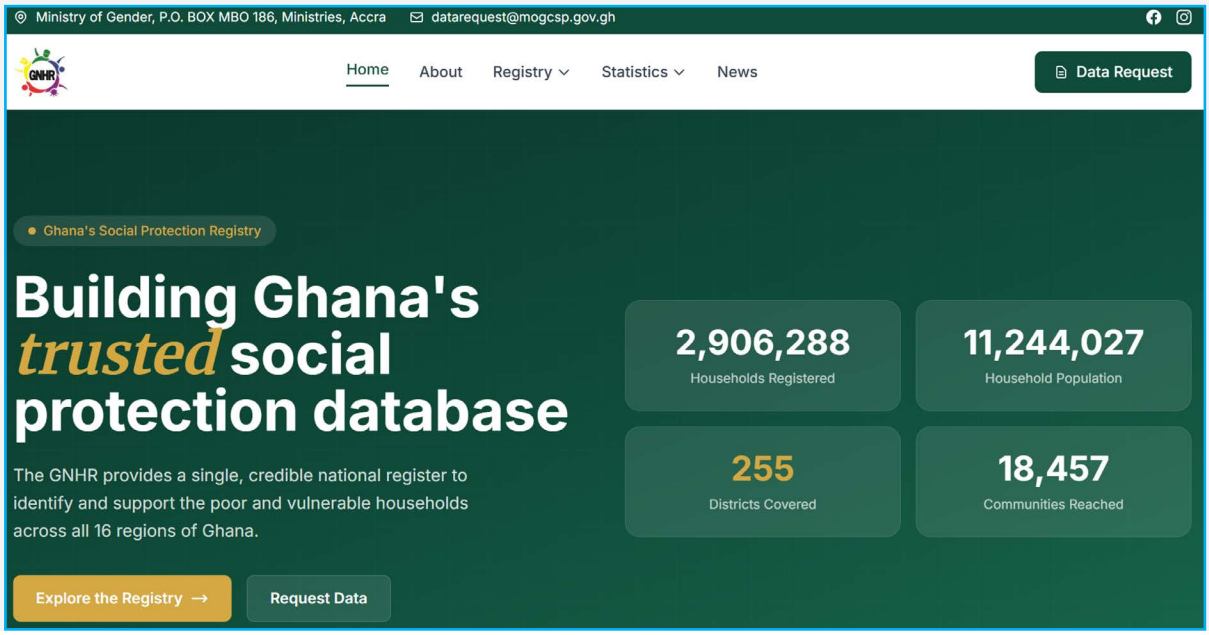
Despite reaching over 62,000 beneficiaries across 108 MMDAs, of whom 69 per cent are women, CLASS continues to operate without a dedicated government budget allocation. As current funding arrangements near completion, the programme faces significant sustainability risks. Funding constraints have already limited programme implementation, with only 30,513 beneficiaries receiving start-up grants, while more than 23,000 trained beneficiaries remain unable to launch income-generating activities.

A dedicated budget line and funds would strengthen government ownership, improve expenditure transparency and accountability, and provide predictable financing for programme continuity and expansion. It would also support Ghana's commitment under the Policy Coordination Instrument (PCI) to expand social protection interventions and strengthen pathways out of poverty.

UNICEF therefore recommends that Government establish a dedicated budget line for CLASS under MLGCRA. GHS 168 million is required for 40,000 vulnerable and poor persons at a unit cost of GHS 4,200 per beneficiary for the 2027 fiscal year[10]. Sustained investment in CLASS will strengthen the graduation agenda, enhance returns on LEAP investments, promote women's economic empowerment, and contribute to long-term poverty reduction and economic inclusion.



[10] Ministry of Local Government, Chieftaincy and Religious Affairs (MLGCRA)



3.5 Institutionalise GNHR funding by Allocating dedicated budget line within national budget

KEY FACT:
[Without continued funding for data updates and system maintenance, the effectiveness of Ghana's social protection targeting could be significantly reduced]

The Ghana National Household Registry (GNHR) is a critical component of Ghana's social protection infrastructure, supporting the identification and targeting of vulnerable populations. The Registry has been instrumental in supporting the ongoing LEAP reassessment and identifying newly eligible households to facilitate the planned expansion of the programme to 450,000 households by December 2026.

As at August 2026, the GNHR contains data on over 2.9 million households out of over 8.3 million households across 255 out of the 261 districts, making it one of the country's most important social protection information systems. By August 2026, LEAP covered 357,428 households (2.23 million individuals) selected through the GNHR. Children aged 0-5 represented 7.2% of beneficiaries, closely matching their 7.65% share of Ghana's projected 2026 population. Children under 18 comprised 45% of members, while females accounted for 51% and males 49%[11].

Beyond LEAP, the registry has significant potential to strengthen targeting for other social protection interventions, disaster response, health and education programmes across all districts. However, the absence of a sustainable domestic financing mechanism poses risks to its continued development, maintenance, and expansion. The Government of Ghana should therefore establish dedicated budgetary provisions to ensure regular updates of household data, routine system maintenance, and continuous data collection and validation. Sustained investment in the Registry is essential to preserve data quality and reliability, strengthen targeting accuracy, and enhance the effectiveness, efficiency, and equity of social protection interventions.

[11] LEAP Management Information System data pullout on targeted households from GNHR to LEAP (August, 2026)

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