Social Protection Review 2019

Final report
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Government of Uganda

Ministry of Gender, Labour and Social Development

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We hope that the evidence, analysis and argument presented in this review report will prove useful to the further development of social protection in Uganda, and wish you the very best of luck in taking this agenda forward.

From the social protection sub-sector review team:

Steve Ashley, lead consultant
Matthew Greenslade, policy and planning consultant
Shea McClanahan, contributory system consultant
Nkatha Ntoburi, DIS performance and operations consultant
Elayn Sammon, social care consultant
Fred Golooba-Mutebi, political economy consultant
Rosemary Nantambi-Amiri, review coordinator and adviser on contributory system

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Executive summary

1. Introduction

Uganda started on the road to establishing a social protection system with the approval of the national social protection policy (NSPP) in 2015. This policy has the mission of establishing comprehensive social protection services to address risks and vulnerabilities. A programme plan of implementation (PPI) was also developed to provide guidance on how to implement this new policy, given the newness of this area of work in Uganda.

This social protection sub-sector review assesses progress with implementation of the national social protection policy and its PPI since 2015. Its scope is the entirety of the social protection sub-sector, its policies, laws, plans and activities. It compiles and weighs the evidence to look at progress since the last SP sector review in 2014, the achievements that have been made, the challenges that have been faced, and sets out proposals for how the performance of social protection in Uganda can be enhanced in future.

The case for social protection in Uganda has been convincingly evidenced in recent years. It hinges on investment in social protection improving human capital, national development and growth rather than being simply a cost. Recent research in Uganda and more widely points to growth impacts from investments in social protection being comparable to those of investment in infrastructure. Social protection also enhances the benefits arising from other investments such as in health and education by addressing demand-side constraints to accessing other services. The potential demographic dividend in Uganda is not automatic and will be capitalised on when human capital is developed sufficiently to take advantage of opportunities. Social protection has a huge potential role in this.

2. Wider context for social protection

Uganda has suffered a period of lagging growth which has limited resources for spending, though resources are expected to improve in future. Economic growth and human capital development in Uganda have both fallen behind neighbouring countries over the last decade. Growth is expected to recover over the medium term but risks to growth remain. In addition, available resources for social spending have been limited by the government's focus on infrastructure and energy, and much infrastructure spending has been financed by borrowing which has tightened the fiscal context. Economic growth and gradual improvements in tax administration and policy and infrastructure projects ending should improve available resources. But, there is a need to invest more in human capital development.

A young and fast-growing population is exceeding the capacity of the economy to create employment. As a result, the proportion of the working age population not working is increasing. This will need to change to create a demographic dividend. In addition, informality and underemployment remain widespread in Uganda reflecting the high proportion still employed in subsistence agriculture. The vast majority of workers remain uninsured and these are more likely to work in rural areas, with many working in agriculture though many uninsured workers also work in service and industrial sectors. Urbanisation is continuing at a rapid rate in Uganda: the share of the population living in urban areas has doubled since 2012/13.

Environmental hazards have serious economic impacts, especially on the vulnerable, and the refugee population is high. The population of Uganda is vulnerable to a range of environmental hazards, with drought the most common, which have the greatest impact on the most vulnerable. The economic impact of environmental shocks is high, reflecting the ongoing role of rain-fed agriculture in economic growth, and the risk of these shocks is expected to increase. The impact of environmental shocks needs to be mitigated. In addition, Uganda currently hosts 1.3 million refugees who are vulnerable and in need of support, as are host communities. The increased number of refugees interacts with vulnerability to environmental shocks because many refugees live in marginal agricultural areas.

3. Poverty, vulnerability and social analysis

Poverty and inequality in Uganda have increased recently. Poverty has increased recently after a long period of decline: future growth will need to be more inclusive for further significant poverty reduction. Inequality has also increased. The vast majority of the population are on low incomes with high income insecurity. Eastern Uganda now has the highest poverty rate and the highest population in poverty. The geographical spread of poverty and inequality illustrates the importance of national social protection provision.

Vulnerability remains high at all stages of the life cycle, including children and young people. Social protection is required across lifecycle groups, but supporting children is a priority. Poverty is highest among children who make up half the population. A majority suffer multidimensional poverty and a high proportion have suffered violence. Uganda has high maternal, newborn and child mortality rates compared to other countries and only half of 0-2-year olds have received basic vaccinations. Stunting of 0-4 year olds is still around a third across the bottom three wealth quintiles, though it has improved since the 2014 social protection review. Secondary school attendance has worsened and is very low, particularly for poorer households. Girls face extra challenges such as child and early forced marriage and teenage pregnancy. A high and rising proportion of youth are neither in education or employment. Additional challenges for young people with disabilities are extra costs of living and working. Disability affects the population at all stages of the lifecycle - nearly a quarter of those with disabilities are children.

Vulnerability is also high for those of working age, especially women, and for older people. The labour market participation rate for those of working age is falling and both youth and others of working age often suffer low-wage, insecure and precarious working conditions. Men are more likely to be in the labour force than women, and earn more, while women are more likely to have caring responsibilities and face the additional challenge of violence. Exposure to violence and disability related shocks extends to people living across all wealth quintiles suggesting social care and support needs extend beyond those on lowest incomes. Those of working age are vulnerable to environmental shocks, as are other age groups, with 40 percent still dependent on subsistence agriculture. Older persons have a falling capacity to work and more than half live with a disability. They can become dependent on younger family members affecting older persons' sense of self-worth and generating social exclusion.

Older people that work depend on subsistence farming and can be left behind in more marginal rural areas following the migration of those of working age. Older persons have an important caring role themselves – one in six live only with children, and these households have a poverty rate nearly 25 per cent higher than average.

4. Overview of the social protection sector

There have been a number of areas of progress on policy and planning since the 2014 social protection review. The publication of the National Social Protection Policy (NSPP) in 2015 has been a significant step forward. In addition, a draft vision for social protection is being developed to implement the NSPP and set out expansion plans until 2030. The right to social protection in Uganda is already set out in the Constitution, some existing legislation and national planning documents such as Vision 2040. The current third National Development Plan (NDP3) includes an expanded role for social protection. Uganda has also ratified a number of international and regional agreements related to social protection and committed to the SDGs.

Institutional arrangements set out in the 2015 NSPP have largely been implemented, though not locally. MGLSD is the coordinating ministry for social protection, chairing new coordination committees set out in the NSPP. There are separate coordination structures for shock response and supporting refugees and host communities. Delivery of social protection continues to involve multiple ministries as at the 2014 social protection review. Changes to local government anticipated in the NSPP have not been implemented. Development partners (DPs) have played an important role in the development of social protection in Uganda from the outset, especially on supporting programming.

Social security programmes' coverage remains low and reform of the NSSF and PSPS has been very slow. Ongoing direct income support programmes are the Senior Citizens' Grant (SCG), which has expanded and is due for a national roll-out, and the third phase of the Northern Uganda Social Action Fund (NUSAF3). Overall recipients reached by direct income support programmes has fallen since the 2014 review because of programmes ending. There are other livelihoods and resilience programmes, including those managed by OPM, but these are beyond the NSPP definition of direct income support. Only 5 per cent of the working age population is contributing to social insurance programmes. The main scheme is still the NSSF, for which membership and benefit levels remain low and which awaits reform from a Provident Fund to a social insurance scheme. Reform of the PSPS from a tax-financed defined benefit to a contributory defined benefit pension is still awaited. A major change since the 2014 Review is the operationalisation of URBRA. Health insurance coverage remains very limited.

Element of social protection	Number involved	Coverage %
Direct income support	329,000 in 2018/19	1% of Ugandan population direct recipients

		4% of population in supported households
Contributory schemes	Approximately 2.4m of a working age population of 19m	Coverage around 12% of working population 5% of the working age population contribute to mandatory or licenses schemes
Social care and support	Not known due to lack of data, but likely very limited compared to need	Not known
Health insurance	138,000 members of active community-based health insurance schemes	5% of the Ugandan population 15 years and over according to 2016/17 NHS
	700,000 people have private health insurance	1.5% of the total population according to Ministry of Health

The NSPP set out provision for social care and support, but this has not been implemented. The NSPP set provision for social care and support, though for separate services rather than an integrated system. Government provision of social care and support at a national scale is small, though there has been some limited progress on gender-based violence, youth and children and older people though not for people with disabilities. Most investments in social care and support have been funded by donors.

Progress against existing plans for the social protection sub-sector as a whole has been limited. National plans with social protection elements include the following: the National Development Plan 2, the NSPP and its Programme Plan of Intervention, the NSPP Roadmap and the Social Development Sector Plan. These show progress in some areas, but these are often process-related areas such as developing strategies, but not on more challenging areas of reform. Only 20% completion of milestones in the Roadmap have been completed. The fact that no progress has been made on high level social care objectives since the 2014 review needs addressing as a matter of urgency.

5. Governance of social protection in Uganda

A number of important institutional constraints currently inhibit the performance of social protection. All of these issues inhibit effective management of social protection, which is a major finding of the review, and so inhibit social protection performance. Unaligned planning, M&E, actor roles, and institutional anomalies contribute to coordination difficulties; the lead role played by MGLSD is muddied when the position of SP in MGLSD itself is unclear; this in turn inhibits engagement with, and coordination of, other MDAs; and none of these issues help MGLSD engagement with MoFPED and NPA over finance for social protection, when the sector cannot be described clearly or convincingly. The major issues are described in following paragraphs.

The social development sector and its sector plan

Implementation of the SD sector plan is overseen by the Social Development Sector Steering Committee (SDSSC) and the Social Development Sector Working Group (SDSWG). The SDSSC was formulated to replace the planned SP cabinet committee but appears not to have TOR and has not met since February 2016 and may therefore be considered to be non-functional. The SDSWG is 'the apex technical organ that guides evolution of policies, programs and plans for the Sector. Alongside MGLSD it is comprised of other stakeholders namely MDAs, Development Partners, Social Partners, NGO Forum, Private Sector, Academia, Religious and Cultural Institutions'. However review of SWG minutes over the last three years suggests infrequent meetings, uneven participation, and agendas which do not consistently address strategic issues for SP within the sector.

Social protection is described in the social development sector plan (SDSP) as a 'thematic sub-sector' but this is inconsistently applied and sits uneasily among other sub-sectors. The five thematic sub-sectors in the SDSP are: Labour, Productivity and Employment; Community Mobilization and Empowerment; Social Protection for the Vulnerable and Marginalised Groups; Gender Equality and Women's Empowerment; and Institutional Capacity Development. However, these five areas are predominantly defined as 'thematic areas' or 'thematic programme areas' and it is not until page 73 that the term sub-sector is used about them. The sections on social protection itself do not use the term sub-sector at all, instead describing it as a thematic area, suggesting the term sub-sector has little meaning in practice and that the five areas are mostly used as the titles for workstreams under the SDSP. And the identification of institutional capacity development as a sub-sector alongside social protection introduces doubt as to what is meant by a sub-sector – which is not defined – in the SDSP.

The SP 'sub-sector' in the SDSP falls between whether it focuses only on MGLSD roles in SP and whether roles for other MDAs should be included. The SDSP is mainly the plan of the MGLSD and associated bodies, but reference is made to health insurance, public works and social insurance schemes which fall beyond MGLSD. Issues include the following: no elaboration of the contributory system elements that are considered to fall within social security; the inclusion of youth programmes which do not fit the criteria for SP and are not in the policy and PPI; inclusion of gender-based violence under the gender equality sub-sector and not SP; inclusion of public works programming which is the responsibility of other MDAs (OPM in this case); identification of the equal opportunities commission as a social protection intervention; the fragmentation of social care into its component services across social protection outputs without a system view meaning that social care has no boundary or definition within the SDSP; the lack of clarity about the position of SP and its two pillars within MGLSD; the difficult fit between thematic areas, sub-sectors, strategic objectives, and overall sector priorities.

The policy and planning hierarchy for social protection contains some institutional anomalies. The SP policy is hierarchically above MGLSD and the SDSP. And yet MGLSD considers social protection to be a sub-sector of the SDSP, which would place it below the

SDSP hierarchically. Similarly, as illustrated in Figure 53, the SP thematic sub-committee is the highest level functioning committee responsible for implementation of the SP policy – which sits above MGLSD – and yet is constituted as a sub-committee of the SWG, which falls below MGLSD.

The definition of social protection as a sub-sector is therefore institutionally problematic. MGLSD considers the position of social protection within its own wider ministerial programme as a sub-sector, but the position of the SP policy above MGLSD and the SDSP in the policy and planning hierarchy – and therefore above the social development sector – suggests that from a national perspective it is not really a sub-sector at all. If it is not a sub-sector, then where does it fit into the policy and planning hierarchy and how should it be described? The review wonders if there are other similar situations for other policies and ministries in Uganda for which a similar situation applies, and suggests that further institutional analysis would be helpful here.

Social protection planning and monitoring

There are a number of current SP planning documents which do not always fit neatly together. Some documents do not fit easily together, even if their core agenda, to expand social protection provision, is similar. Current live documents include the NSPP and its PPI, the SDSP, the NSPP roadmap, and budget submissions. M&E frameworks set out in these and in the relatively new SP M&E strategy are not always fully consistent. For example, the SDSP contains targets for 'output results' which do not map directly onto the PPI 'interventions' and 'activities'. An example of this is Disability Grants are mentioned in the SDSP but are not among the PPI activities which refer to the SCG and 'gender sensitive social transfer programmes'. Another example is the new M&E strategy has created a new set of targets within a logframe which, as mentioned in Chapter 4, do not directly map onto objectives and targets in other documents. While different documents may have different purposes and go into different levels of detail, it is important they nest together transparently rather than giving the impression of being developed as separate processes.

Monitoring is not regularly conducted at a system level. There is no continuous or routine monitoring of progress against targets at a system level; those efforts that do exist are confined to occasional events, and as a result there are major gaps in understanding about what is and is not being achieved. This means that successes are not recognised and challenges are not identified as they happen, and are left to perhaps materialise later on. This has a number of negative consequences: people and organisations are not held accountable for doing what they are meant to do; learning opportunities to build on successes and to address challenges in a timely way are foregone; and overall the level of performance may be lower than it otherwise would have been. Monitoring that does take place tends to be at the programme level and is often donor-driven.

Future social protection planning needs to be aligned across all documents. The analysis in Chapter 4 demonstrates that performance against planning document targets is highly variable. More transparent and consistent planning documentation is a prerequisite to this improving. In the coming year the NDP3, a new SDSP, and a review and revision of the NSPP PPI are due. Alignment of these key documents will go a long way to introducing greater coherence to social protection.

Roles in social protection

The national policy is clear that multiple organisations have roles in delivery and management of social protection. The lead agency for social protection is MGLSD, but there are also roles for other MDAs, as illustrated in Figure 53 above.

Roles for different MDAs in social protection differ depending on the source document. As for planning and M&E of social protection there are a number of live documents which provide different information on the roles of the different MDAs in SP. Different tables are presented in the NSPP, the NSPP PPI, the NSPP roadmap, and in the SDSP. But none of these documents state how they relate to others, and which of these roles tables takes precedence.

The expected roles of different actors in SP are therefore unclear. This raises the question of what are the actual expected roles of different MDAs in social protection, which authority is important in stating these clearly, and therefore what are different MDAs meant to do? Given the long-standing and widespread reports of problematic coordination of social protection in Uganda,[1] it is highly likely that this is an important contributing factor.

Most roles required to address key institutional issues probably reside within MGLSD. MGLSD is the lead agency for social protection, and the natural institutional home for non-LIPW DIS programmes, for much of social care, and for the NSSF scheme. It is also responsible for leading policy, law, planning and the other functions allocated to a lead agency. It is likely therefore that a large proportion of the key roles related to social protection fall within the MGLSD mandate, and that coordination with other MDAs – while nevertheless important – does not affect the majority of the work to be done on social protection in Uganda. If this is true, then poor coordination with other MDAs should not be seen as an excuse for weak delivery against plans, at least where the necessary actions fall within the role of MGLSD.

Current MGLSD structure

The structure of MGLSD is not conducive to aligned implementation of the NSPP. The structure of MGLSD was defined before the SP policy was developed and so is not organised to best deliver the policy, and is not organised along the lines of the two pillars and three components of SP in the national SP framework. A number of structural anomalies exist, including the existence of SP responsibility outside the SP directorate; a fragmented and duplicated structure of departments within MGLSD's three directorates; and (unlike the other two directorates) the absence of a State Minister with responsibility for SP despite it being one of the ministry's most significant mandates and that with the largest budget.

Social protection coordination arrangements

SP is likely to always remain a sector which spans several ministries and so effective inter-ministerial coordination will be essential. A number of coordination mechanisms exist but many committees do not meet as frequently as intended, participation can be poor, and so coordination is not as effective as required. Perhaps a bigger issue is the connection between coordination meetings taking place and effective coordination in practice. The last time the apex cabinet level committee on social development met was in February 2016, suggesting gaps in cabinet level oversight of the sector. The specific details around these issues in Uganda

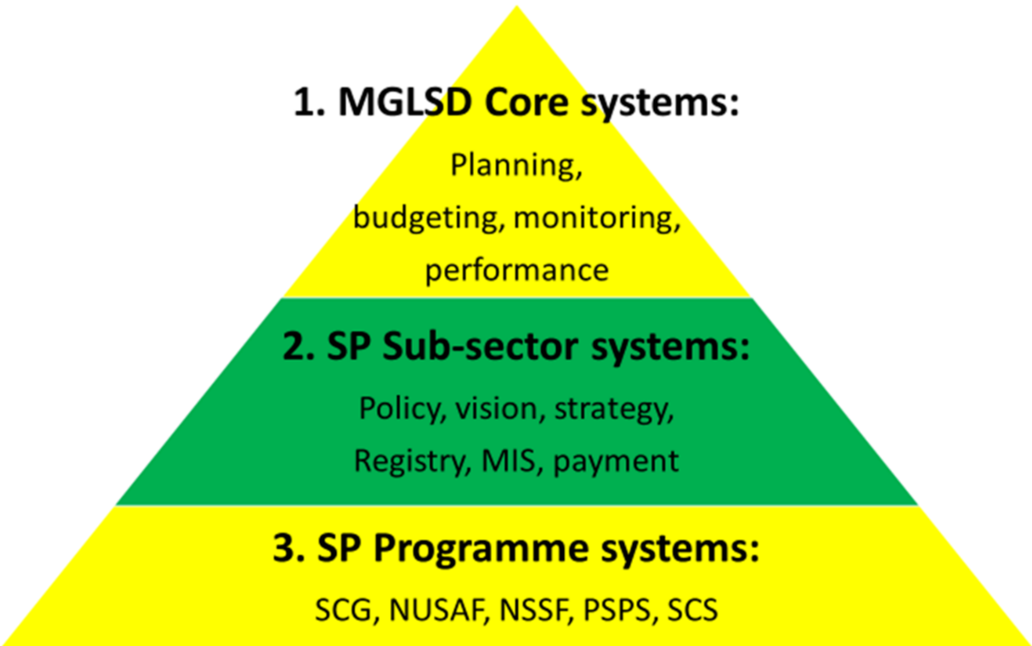
[1] Source: See box 5, below

have not been analysed as part of this review, and would benefit from such deeper analysis, but it may be noted that inter-ministerial and cross-sectoral coordination is a standard problem in government in Uganda and elsewhere, for which solutions are often elusive.

A clear vision, system, strategy and stronger MGLSD leadership will help, but will be insufficient to resolve the coordination problem. These will all provide a clearer sense of direction and of roles of different partners and how they contribute to and fall within the whole. However, it is also probable that further specific efforts will be required to address the specific coordination issues faced in the sector. This is at least likely to require: further clarity on the shared framework and specific roles and responsibilities; enhanced understanding and buy-in across all partners; institutionalisation of specific actions into ministerial plans and budgets; more focused, regular and strategic meetings of coordination groups, with influence in practice; and enhanced management and accountability across the sector by MGLSD.

Balance across different levels of social protection system development

Elements of the SP system can be regarded as falling into three categories, or levels. The lowest level of the system comprises programme-specific systems: those required to deliver existing programmes, such as targeting systems, financial management systems, payment systems and complaint and grievance mechanisms. The middle level is the sector-level SP systems, including the single registry, national identification system (which goes wider than social protection), national payments systems (which also goes wider), or an integrated MIS. The top level is the crosscutting systems that need to work for the whole SP system to be effective: strategic planning, budget submissions, strategy, performance management and accountability. A suggested listing of systems in each of these levels is presented below in Table 8, but this is subject to further refinement as Uganda's thinking on this issue continues.



The focus on building these systems is currently unbalanced, with more effort put into the lower levels and less on the upper level. This is reasonable since it is important to ensure that existing programmes are implemented effectively if they are to achieve their potential impact, and to play a demonstration role for the wider development of the system. Effort on the middle level has focused on joint efforts towards a single registry and associated MIS work, but this remains partial and there remain several important gaps, discussed in Chapter 8. Going forward, there is a need for systemic effort to enhance the ability of the SP system to function overall and to put more focus on the highest level of system development.

Developing a comprehensive system for social protection

The 'comprehensive SP system' that is the focus of the NSPP has yet to be fully elaborated. The NSPP proposes as its central strategic objective the development of a comprehensive SP system in Uganda. This was stated to the review by most stakeholders as the key focus of SP sector efforts. However, this system has not yet been described in all its elements, including programmes as well as wider system human and physical infrastructure and governance arrangements. There is a lack of clarity about what the system entails in its entirety. The focus on individual SP programmes is evidently distracting from appreciation of the value of foundational systems necessary for the sector to work. Without a clear understanding of this system it will be difficult to put it in place.

Some necessary elements of the future system can be anticipated now. It will need to contain five elements. **First**, the system will need to specify its scope as per the agreed definition. **Second**, it will need to elaborate on the institutional arrangements for the sector, the roles and responsibilities of all actors, at all levels, and the governance arrangements which guide them. **Third**, it will need to specify the programmes and services expected under each of the three elements and two pillars. **Fourth**, it will need to define the operational systems that will need to be in place and function effectively in order for the system to work. And **fifth**, all of these things will be shaped by the longer-term vision and trajectory for the social protection system – as is currently being developed under the SP vision process. These elements are all captured in **Figure 57**, and this should be developed as the key questions are addressed.

The vision for SP programmes can be the starting point, followed by a strategy to develop the comprehensive system. There is, as yet, no clear strategy on how to move the sector forward. The policy sets out strategic **objectives** and elements of the sector; the PPI sets out **actions** over a five-year period to implement the policy; the roadmap complements the PPI by providing **guidance** to sector stakeholders to facilitate proper planning, effective coordination and regular review of progress; the SD sector plan list **activities** to be conducted by the sub-sector; and the draft vision paper presents some ideas on how programmes will unfold over the next decade (at the moment, restricted to social security programmes). But the strategy MGLSD will follow to build the comprehensive system for SP, and which will address all the key questions that this will entail, is not currently clear. It will be important to represent this strategy through existing plans, rather than creating another parallel planning process. The review suggests that a revision to the NSPP Roadmap and also the new NSPP PPI in 2020 will be already-institutionalised vehicles for capturing the strategy; the strategy can however also be an informal one, owned by Director Social Protection and the Permanent Secretary MGLSD. Hopefully this sector review will assist with thinking through some of these issues.

The systems agenda

Priority should now be allocated to addressing the social protection systems agenda. The systems agenda has two main components: **First** the recognition that systems required for effective social protection can broadly considered as falling into three levels: 1. Core government systems; 2. Social protection sector systems, and 3. Social protection programme systems. Efforts to date in establishing social protection have mainly focused on programme systems, with some attention to sector systems, but with little attention paid to the core government systems, such as those described in the paragraph above. All of these levels need to be effective if social protection itself is to be effective. And so a rebalancing is required to strategically decide which systems are in need of enhancement. **Second**, the national policy envisages establishment of a comprehensive system for social protection, but this system has yet to be defined, or its elements described. Having a clear idea of the future trajectory will focus efforts around a single vision, and will help address the current fragmentation seen in the sub-sector.

Further institutional challenges arise within the specific components of DIS, social insurance and social care. In DIS the issues are the definition and scope of DIS; legislation to support DIS programming; public works; shock-responsive social protection; and refugees. Social insurance issues include the definition of social insurance; the legal framework and legislative reform; and the institutional framework. Social care issues include the definition of social care and support; understanding social care as a system; coordination across institutional boundaries; and legislation and regulation of social care.

These institutional constraints are key contributors to the low performance of social protection and addressing them will likely have a major impact on performance. The review suggests that the issues analysed in this chapter play a major role in the current low levels of overall performance on social protection. They represent the foundational systems and processes that are required for the whole sector to work, and which will need to be addressed to build a sustainable system that works into the future. It may be tempting to focus on what may be perceived as an arena of greater control – for example through delivery of specific programmes. But the review analysis is clear that these issues will need to be addressed at some stage for social protection to move to the next level, and so the sooner this is done the better the future will be.

Most of these institutional constraints are in fact within the control or under the leadership of MGLSD to resolve and may be considered as 'low-hanging fruit'. Analysis presented in chapter 5 demonstrates that most of the institutional issues can be addressed within MGLSD, and others can be mainly addressed through processes that MGLSD can lead. This is important because it means that it is not necessary to fix problems which have persisted for some time and are perceived as difficult – such as coordination – before the work can start. While our political economy analysis means it is important to understand the power dynamics influencing any reform, it is possible for immediate action on planning, M&E, clarity on roles, alignment of SP within the system. Forthcoming preparation of NDP3, the next SDSP and revision of the NSSP PPI are urgent opportunities which must be taken. This will establish a far better basis for engaging in the more challenging issues such as structural reform, coordination and financing.

The key issue binding the institutional issues is management, and this will require enhanced sector leadership. Improving management of the social protection agenda will undoubtedly go a long way towards improving social protection delivery and results. But enhanced management will require stronger and more strategic leadership of the agenda. Supporting the structures and positions in MGLSD whose role it is to provide such leadership is an urgent priority.

6. Expenditure and financing of social protection in Uganda

Social security spending has risen to 0.9% percent of GDP, but this reflects increases in NSSF and PSPS while direct income support spending is static and social care spending is unknown. NSSF and PSPS spend increases are a result of a growing number of recipients, and together they account for 84% of social security spending. DIS spend at 0.06% of GDP is low by international standards, and total social spending is a falling share of government spending. Spending on social care and support is mainly from development partners but government spending on social care and support is not readily available.

The share of social security financed by government is unchanged while the share from contributions has increased and the share from development partners has decreased. DIS remains mainly financed by development partners, but government now funds the majority of the senior citizen grant. Expansion of social security should come from core tax revenues. Modelling for the SP vision suggests this will still allow room for expansion plans in other sectors to be implemented, because of the gradual expansion of support and the increasing revenue pot as a result of economic growth. For social care the system remains inadequately defined to be able to develop a costing for its future implementation. Arrangements for financing shock-response will need to be developed if this area of activity is to be expanded in future, and any decision on eligibility of refugees to core social protection will also have funding implications.

7. Assessment of individual social protection programmes

Available information for the senior citizen grant and NUSAF3 suggests acceptable levels of performance and value for money, with more analysis currently available for SCG. Coverage of the two programmes is low compared with need, and impact data suggests SCG enhances consumption and reduces monetary poverty. There is little analysis on adequacy for either scheme. Sustainability of programming and result for SCG appears positive due to its core funding, but NUSAF3 is largely World Bank-funded and so depends on continued resourcing. The effectiveness of targeting requires further investigation for NUSAF3, as does value for money metrics. NUSAF3 has a shock-responsive element that was used in 2016.

Contributory social security remains under-developed. The second and third tiers of mandatory and voluntary contributory social security have low legal coverage, and the scope of risks covered is very limited. Efforts to bridge this gap through voluntary schemes have had little impact, and most workers in Uganda are not in a position to benefit from social insurance. NSSF membership is low, and there is a gender gap among existing members. Benefits under NSSF are inadequate, due to the inherent weaknesses of provident funds, and it is proposed to convert NSSF lump sums to periodic benefits at retirement. The PSPS also has inadequate benefits and suffers delays in disbursements. A multi-tiered social protection system is required to cover all that require support, regardless of whether they can pay into contributory schemes or whether they are in the formal or informal sector.

Equitable and adequate access to social care and support is limited because there is no overarching government-led framework for provision. Provision is primarily donor supported, and limited to small-scale interventions at local level that achieve short-term results. Lack of oversight means that quality of direct provision and consequent impact cannot be assessed. Rates of return for social care and support, are not available but the short-term nature of current support suggests investments are neither effective nor efficient.

8. Social protection operations and business and administrative systems

Government of Uganda has made considerable investments towards strengthening and enhancing the operational processes in social protection programmes, and progress is ongoing:

- **Registration**: Since 2014, there has been significant improvement in adoption of more efficient and accountable registration mechanisms for direct income support programmes. But, challenges remain for example in identifying and registering persons with disabilities.
- **Enrolment**: Identity documentation remains a key constraint in the process of enrolment
- **Payment systems**: There have been improvements in DIS payment delivery, including on accountability, but gaps remain and rigorous assessment of efficiency and effectiveness has not been undertaken
- **Complaints and grievance**: There has been an improved common approach to C&G mechanisms in DIS programmes
- **MIS**: Major progress has been made in adopting an integrated approach to management information systems for social protection and developing a Single Registry, though some gaps remain
- **M&E**: There is need to coordinate monitoring processes across all DIS programme operations
- **Capacity**: Significant capacity gaps in delivery of DIS programmes still exist, especially in local government
- **NSSF:** has achieved good investment performance since 2014 and has improved compliance among active members, but non-registered enterprises are a challenge. NSSF has a national presence and has excelled in day-to-day operations and service delivery
- **URBRA:** URBRA has played a key role in regulation, including third-tier occupational and voluntary schemes
- **PSPS:** The PSPS has benefitted from the new Integrated Personnel and Payroll System (IPPS), and has improved service delivery in the context of wider public service reforms.
- **Social care workforce:** there are not enough people in post in local government to deliver services, and there has been a tendency to rely on volunteer community cadres supported by CSOs

- **Social care operations gaps:** investments in workforce and infrastructure, mechanisms for referral, multi-sectoral coordination and systematic regulation of CSO and private sector providers is required
- **Case management**: is on a project basis and is not systematised nationally.

9. Conclusions

Social protection remains a relatively new area for government in Uganda, but much work has been put into developing the sub-sector. This includes putting in place policy, legislation, operational systems and programmes to enable its contribution to national development objectives. Key achievements include:

Direct Income Support:

- The approval by cabinet of the national policy and the development of the PPI to implement the policy;
- The decision to roll out the Senior Citizens' Grant (SCG) nationwide and government resources now providing the majority of funds for the SCG;
- The provision of significant, geographically-focused coverage through NUSAF3 and the development of Uganda's first shock-responsive financing mechanism; and
- The development of the Single Registry and programme management information systems, as well as improvements in payment delivery mechanisms and some other systems

The contributory system:

- Establishment of URBRA and the regulatory environment, which now subjects funds to licensing and reporting requirements, and has potential to limit corruption;
- Forward motion on the NSSF Amendment Bill, which would increase the legally covered population (extends to all employers, regardless of size) and makes important changes to governance (tripartite representation on the Board);
- Initiated review of Workers Compensation Act, which could bring about mandatory risk pooling for employment injury; and
- Additional clarity on the PSPS reform, even if slow, where URBRA has confirmed maintenance of the defined benefit structure but to implement a pay as you go financing structure.

Social care and support:

- The development of new policies on early childhood development (ECD) and youth;
- Operationalisation of the National Council for Older Persons;
- New strategies, such as MLGSD's Alternative Care Framework which supports prevention of separation and family-based care (rather than residential institutions);

- Gender Based Violence (GBV) and Orphans and Vulnerable Children (OVC) data bases managed by MGLSD; and
- Development of the conceptual model for social care which begins to move towards establishing clarity on the future social care system.

The place of SP in the provision of government services in Uganda has been increasingly established in the last ten years, and since the 2014 review. The key question now is how it moves to the next level, towards the establishment of a comprehensive national system with comprehensive national coverage, as envisaged in the national social protection policy. Despite some scepticism around the suitability of social protection in Uganda at the current time, SP is increasingly institutionalised within national plans and budgets. But coverage of programmes remains low, and the argument over expansion of funding is far from resolved. Securing transformative funding will be an important focus of discussion and advocacy going forward.

The focus of future effort for social protection now shifts from establishing a presence and a legitimacy for social protection towards building a comprehensive system. The national vision for social protection as envisaged by Vision 2040, the emerging NDP3 and the national social protection policy itself, requires a considerable broadening and expansion of provision across the two pillars of social security and social care. Enabling this broader and expanded provision will require a strong focus on development of the logistics and funding for a comprehensive system for social protection, and putting in place the institutions, systems, and programme capacity that need to be effective for the comprehensive system to deliver as intended.

Across social protection

Poverty and vulnerability in Uganda remain high and, as a result of vulnerability, incomes remain highly volatile. More than 70 percent of the entire population are vulnerable to falling into poverty, and using the international benchmark of USD 3.20 (PPP), 70 percent may currently be already considered below the poverty line. Does this matter? Yes it does: a poor and vulnerable population will have severely constrained livelihood options and will make risk-averse decisions when it comes to investments in productivity, and also in basic needs such as health and education. Human capital indicators will remain low and very hard to shift. There will be little chance of Uganda capitalising on the potential demographic dividend, and long-term growth will be threatened, when security of livelihoods is so precarious for such a large proportion of the population.

Spending on social protection is too low, inhibiting growth and development and the implementation of government policies and plans. Uganda is constrained by a very limited discretionary cash budget which limits the room for manoeuvre for increased social protection spend. However, government spending remains imbalanced when only 0.15 percent of GDP is allocated to direct income support, which is very low by comparison with other developing countries. Impact evaluation evidence from the SCG and modelling by MoFPED suggests high returns to investment from increased spending on social protection, from both the direct benefits it will generate and the impact it will have on the returns to investment in other sectors such as health and education. A key reason is that investments in supply of basic services do not address the significant demand-side constraints that inhibit access to those services, whereas this is a key result of social protection investments. Because of the impact on growth and improved tax policy and administration on tax revenues, there is scope for increasing spending in a gradual and phased way while still allowing other sectors to expand. Whether or not spending becomes more balanced depends on decisions made through the budget process which in turn depends on the effectiveness of the case made by advocates for social protection.

A number of important governance and institutional challenges hinder SP sub-sector performance. Many can be addressed with a clear plan and good leadership: ensuring adherence to the policy and defining social protection unambiguously; settling on and committing to implementation of the longer-term vision; defining more clearly the SP system and focusing all efforts towards putting in place critical building blocks in a sensible order and timeframe; and developing and implementing a clear strategy by which social protection will be built in Uganda in coming years. Others are more systemic: addressing the structural anomalies identified in this report; the difficulties encountered in achieving effective coordination of social protection efforts; and introducing clarity into the institutional identity of social protection in Uganda and its fit into wider government systems and plans.

These institutional and systems issues will be the most important in defining sub-sector performance in future, and together define a 'systems agenda'. Addressing the various institutional issues identified in this review represents the systems agenda going forward. Within the framework of building a comprehensive system for social protection, it will be necessary to get the framework for social protection, and its foundational systems, right to allow other efforts to come together. Tempting as it may feel to 'get on with it' and focus on programme-level design and delivery, the higher level systems and a strategic balance across the three levels of the systems hierarchy must be the focus in coming years if Uganda is serious about building its comprehensive system.

There have been many achievements in this relatively young sub-sector, but delivery against plans has been poor. This review found that only 20% of expected actions in the PPI – the vehicle for implementing the national policy – have seen any progress since the 2014 review; and that performance against objectives set out in the NSPP Roadmap and the Social Development Sector Plan has also been patchy, especially on progressing social insurance and the social care and support pillar. Any enhancement of performance for social protection in Uganda will absolutely require more effective management and delivery of plans.

Development partner support must now focus on the systems agenda. Without the sustained support from some of the development partners the status of Uganda's social protection sub-sector would be far behind where it is today. But that does not mean that alignment and effectiveness cannot be improved. Renewal of efforts to work with government to identify and focus on the key strategic priorities for social protection going forward will have a transformative effect on the development of the sub-sector. This will be helped by supporting government to develop high quality strategy for the sub-sector, following the analysis presented in this review, and to align and harmonise the efforts of the wider development partner group to the priorities that emerge. In particular it will be important for development partners to move beyond fragmented programmes which involve high transaction costs and may not reflect the new strategic sub-sector priorities or the forward-looking systems agenda.

There is room for optimism if sector leadership can be reinvigorated. In this instance, effective sub-sector leadership is defined as having a clear sense of what needs to be done, in a strategically prioritised and sequenced order; managing the whole sub-sector team and organisations to ensure it is done; and routinely monitoring how things are going and addressing any departures from the plan as a matter of urgency. In practice this includes ensuring that: the findings of this review, once agreed by stakeholders, inform clear planning and action; the national vision for social protection is approved and institutionalised (including the social care and support component); the systems agenda is clearly understood as the forward priority at this stage and a logical plan for its sequential development is developed; a clear strategy for taking the sub-sector forward is developed and built into a revision of the NSPP Roadmap and the new PPI; management of all these processes is proactively pursued by sub-sector leadership so that it is clear what is needed and this is planned and implemented based on quality strategic planning; and, all partners work together in pursuit of the shared agenda.

This will all require improved management of social protection in Uganda. The majority of institutional constraints identified in this review are symptoms of a lack of clarity, focus and strategy and can be substantially addressed by enhancing the effectiveness of management of the social protection agenda. Strong and clear leadership will go a long way towards improvements in planning, alignment of social protection M&E; establishment and communication of clear roles; the effectiveness of the various layers of coordination meetings, internal and external to MGLSD; delivery against plans; and a more focused and supportive development partner group. All of these areas will be improved by a more concerted and strategic approach to ensuring the social protection agenda is well-managed. And this will enable effective, convincing and successful engagement in the more difficult challenges of structural reform, coordination, and financing.

Most of the key institutional challenges can be addressed within MGLSD and many may be seen as 'low hanging fruit'. Our analysis demonstrates that many of the greatest constraints are in fact within either the control of, or the leadership of, MGLSD itself to address. Evidence and argument provided by the review suggests that if the key institutional constraints are addressed, there is scope for a significant and game-changing enhancement in performance of social protection in Uganda. The review hopes that MGLSD, as the lead agency for social protection in Uganda, will be able to rise to this challenge and deliver for the poor and vulnerable people in Uganda who rely on it.

Direct income support

Establishment of the SCG within government systems is a major achievement. The decision of government to roll out the SCG to all districts in the country and to institutionalise funding within the recurrent part of the government budget is a testament to the work of those who have advocated for social protection in Uganda. The very recent and contested history of establishing social protection in Uganda suggests that this was not inevitable, and the evidence-based approach combined with strategic engagement and advocacy has strongly contributed to this result. The SCG has now become a permanent feature of the social protection scene. This provides a sound footing for further discussions on what comes next and how the sub-sector continues to develop from this point.

However, the SCG remains the sole core DIS programme in Uganda, alongside a small number of temporary programmes. This is still only early days in the development of the comprehensive social protection system envisaged by the national policy. The draft vision document maps out a slow and evidently reasonable pathway for expanding the scope and scale of DIS (and other) programming which delivers on the ambitions of the raft of national policy and planning statements around the future profile of social protection in Uganda. Pursuing this agenda now becomes the focus of future effort.

Progress with establishment of DIS operational systems through the years has been good, but much remains to be done. The key priorities identified by this review include: building and operationalizing the single registry for consolidation of social protection programme MISs, which will enhance coordination, operationalize the national M&E plan and inform policy dialogue on expansion and design of social protection schemes; while the social protection M&E plan has been developed, the framework is yet to be fully implemented in the sub sector and there is need to strengthen the governance structures for implementation of the framework; furthermore, investment in robust payment delivery mechanisms based on the capacity and capabilities of PSPs by geographical coverage will ensure recipients receive the right amount of benefits, in the right way at the time of need, while guaranteeing efficiency gains; and finally enhancement of existing grievance mechanisms will further enhance accountability and transparency of sector operations.

An innovation in social protection in Uganda since the 2014 social protection review has been the introduction of shock-responsive social protection, but a strategy for going forward need to be developed. A national social protection system is a prerequisite for developing a shock responsive element, and the expansion of direct income support will itself provide support against shocks. Against this background, options for shock-responsive social protection in both the short and long-term need to be considered. This includes considering whether adapting public investment programmes to put a higher priority on employment objectives is a viable way forward. Shock-responsive social protection will also need to be incorporated in the NSPP or its revised PPI.

And the position of refugees will need to be established within both policy and programmes. As for shock-responsive social protection, refugees are not catered for in the NSPP which refers to supporting 'citizens'. There is a need to clarify the long-term rights of refugees in terms of social protection in the light of Uganda's open door policy towards refugees.

The contributory system

There is no public contributory social insurance scheme currently in Uganda. This is because the NSSF does not meet the criterion of risk pooling and so is not insurance, and the PSPS is wholly funded by state revenues and is not contributory. The scope of contingencies covered by these two schemes are also very limited. As a result of the current profile of the contributory system, there is very limited experience with social insurance in Uganda, including a very limited body of expertise to advise on establishment of future systems.

Coverage of the contributory system is currently very low and imbalanced. Current levels are around 5 per cent of the working age population, with the balance being workers in the informal economy. Those covered are dominated by higher earners, peaking at mid-career level, with minimal representation of lower income groups, and most are men. Coverage of voluntary schemes is very small and likely to stay that way.

The contributory system currently faces two key challenges. These are the predominance of fragmented, scheme-based institutional arrangements; and a prevalence of (and reliance on) the savings model and voluntary initiatives. Addressing both of these will be necessary if CSI is to develop to provide effective social security to a large proportion of the population.

A key priority is to establish a system, not just focus on individual schemes. Current initiatives are all scheme-based and this means Uganda is missing out on the benefit of thinking about and establishing a national multi-tiered system, consisting of a basic tax-financed tier, mandatory contributory social insurance and voluntary, private occupational schemes. The MGLSD is responsible for policy and strategy for the social protection sub-sector as a whole, and will need to ensure that a holistic perspective is applied to discussions around the contributory system, and to ensure that all work done fits within the wider vision for social protection in Uganda beyond either just the contributory tiers or individual schemes alone.

There is a clear case for a single national scheme based on social insurance principles of regular payments, risk pooling, and guaranteed support. This would avoid the challenges presented by a system comprising different providers, such as the profusion of different product and process architecture and rules, and limited portability, and would resolve many of the governance and supervision challenges under the oversight of URBRA. The review proposes placing NSSF at the centre of the contributory system as the basic national scheme and believe this will address the system's two key challenges.

This will require reforms to current schemes, but current proposals do not go far enough. There is increasing agreement that NSSF will become the single national scheme, and the current draft of the NSSF Amendment Bill makes contributions to NSSF mandatory for all formal sector workers. However current proposals rely too heavily on voluntary provision without improving the scheme's fundamental attractiveness, as a social insurance scheme offering benefits earlier in the lifecycle would do. And, most importantly, the draft bill makes no provision for the structural reform to the NSSF that would convert it from a Provident Fund (savings scheme) into a national social security scheme.

Current thinking for inclusion of informal sector workers in contributory schemes is over-optimistic. Based on the profile of the informal labour force and their level of security, levels of income and vulnerability, disposable income and consumption patterns, analysis presented in this review suggests that contributions will be unlikely for people below incomes of 215,000 UGX per month. This level of income is only currently achieved by a maximum of around 25 per cent of the working age population, which means that contributions from informal sector workers are not likely to be an effective means for significantly expanding coverage of contributory social insurance without expensive subsidies or other support. There is a strong argument that resources are better spent on improving income security for the vast majority through a lifecycle-based tax-financed system, thereby promoting inclusive growth and building a future workforce with higher contributory capacity. Efforts in this area need to be evidence-based and need to work with the reality as it exists and not based on wishful thinking.

Further analytical work, strategy and subsequent reform will now be required. Reform of the NSSF to become the single, national mandatory social insurance scheme will go a long way toward building the institutional architecture fit for a growing economy like Uganda's. To achieve the government's emerging vision for providing regular, predictable social insurance benefits across the lifecycle, actuarial studies will need to be carried out to determine feasibility and the appropriate schedule and conditions for a transition to the new system. In the meantime, the government objective of expanding coverage of the contributory system in Uganda to the informal sector will be limited to higher earners. The analysis presented in this review will hopefully help further discussions along these lines proceed in a constructive way with realistic chance of success.

Social care and support

The review has found no evidence that social care support is systematically available to those who need it. Despite its equal standing with social security in the national social protection policy, a web of relevant commitments in other policies and plan, a number of strong recommendations in the 2014 sector review, and clear plans in the SP policy PPI which as we have seen have barely been implemented, only limited progress has been made in bringing life to this important strand of work. In practice this means that people in need of social care support across the country are unable to receive it, with presumably significant effects on the large likely caseload which goes unattended and unsupported.

Social care and support is not a standalone area of work but has been treated as such. The reason social care is a pillar in the national policy alongside social security is that the two are complementary and inter-dependent. While the caseloads for each of the pillars are separate, it is likely that there is considerable cross-over between the two. In reality social care is a system which connects the multi-sectoral service provision needed to address its mandate.

Social care and the future social care system have not been defined. It remains unclear what the boundaries are of social care, what is in and what is out, and what the envisaged system looks like. Like for the wider social protection sub-sector, social care is in need of a vision, in need of a final destination for where the system is envisaged to be heading. This will enable a detailed costing of future provision which is currently not possible due to the lack of specification of what to cost, and a clear way forward for putting in place a system in line with the wider process for building social protection in Uganda.

There is emerging clarity on what such a system might look like and its key components. The work on the conceptual model in 2018, complemented by this review, maps out some of the elements of the future system. This includes policy and legislative improvements; a case management system managed by social workers which ensures access to social transfers, social care, justice, education and health services; improved capacity within government and community systems; mandatory multi-sectoral coordination at district and national level, linked to regulation, and a single registry and MIS; monitoring-based regulation; and access to finance.

The key challenge now is to move from concept to implementation. In addition to putting in place the vision, and planning for the different elements of the system, a financing strategy will be critical since none currently exists. It is unclear what the appetite is in Uganda to finance social care, the potential sources of finance, its extent, and over what timeframe.

10. Recommendations

Each chapter of this sector review presents a chapter summary, chapter conclusions, and a set of chapter recommendations. These recommendations are summarised in the table below, to bring the way forward from the review together, and to make easier subsequent monitoring of actions against these recommendations.

All recommendations arise from the review's analysis and are necessary to maximise the performance of social protection in Uganda. However, the highest priority recommendations relate to vision, strategy and the higher-level institutional issues discussed above, and are bolded in the list below. It will be for government and its partners to develop these recommendations into an action plan which focuses on the most important issues and sequences them accordingly.

Summary of review recommendations

Recommendation
Chapter 3: Poverty, vulnerability and social analysis
3.1: Invest in national social protection provision – for the reduction of poverty, inequality and vulnerability in all regions in Uganda – and in regional provision where specific geographic risks are being addressed
3.2: Develop a clear understanding of the nature, extent and location of the potential caseload for social care support, to inform development of the social care system
3.3: Prioritise social protection for children because of high poverty and vulnerability and the high cost of not providing support, though not to the long-term exclusion of supporting other vulnerable groups
3.4: Factor in protection against both lifecycle and covariate shocks when developing the social protection system
Chapter 4: Overview of the social protection sector
4.1: **Complete the social protection vision with the addition of social care and support, shock-responsive social protection, support to refugees, public works, and intended institutional arrangements, and work towards its institutionalisation as the long-term national vision for social protection**
4.2: Conduct an institutional analysis of social protection in Uganda which reviews the underlying institutional issues affecting performance, and plan next steps in the context of this review's analysis
4.3: Take steps to improve adequacy and coverage of contributory schemes in Uganda, which will require looking across individual schemes and adopting a systems-based perspective to reforms, including putting in place a national scheme that provides adequate, regular and predictable income security
4.4: Urgently address the lack of a defined social care and support system which is a prerequisite for obtaining additional funding to meet need
4.5: Ensure the social protection M&E strategy contains targets that are consistent and aligned across government documentation, in particular that SDSP targets are nested within broader NSPP objectives
Chapter 5: Governance of social protection in Uganda
5.1: **Clarify the definition of social protection as set out in the policy for each of the components, and for shock-responsiveness and refugees, to support planning and budgeting**
5.2: Put in place governance arrangements required for the comprehensive SP system, informed by the vision for social protection, this review and comprehensive institutional analysis
5.3: Work towards institutionalisation of the national vision for social protection through validation and communication and put the vision at the centre of MGLSD SP system planning

5.4: Ensure planning of the next Social Development Sector Plan and the National Social Protection Policy Programme Plan of Interventions are fully aligned with the policy, the future vision for social protection, each other, and incorporate lessons from this review

5.5: Ensure regular and systematic monitoring of progress against NSPP and SDSP targets to allow learning and course-correction

5.6: Develop strategy for how the social protection sector will be taken forward in the light of this review and its focus on the 'systems agenda', which captures the key elements of the vision, policy and governance issues and is mainstreamed in core planning documents including a revised NSPP Roadmap and a revised NSPP PPI

5.7: Progressively coordinate and align development partner support to assist government to develop its strategy on social protection and implement its policy and future vision

5.8: Address legislative gaps for direct income support, PSPS and NSSF reform including the introduction of pooled risk and employee rights, and social care and support

5.9: Develop governance structures for the contributory system as a whole, which will require clarifying the policy direction; tightening control of social security policymaking within MGLSD; clarifying the remit and channels of communication between the Directorates of Labour and Social Protection; and bringing in all relevant current and future stakeholders

5.10: Develop a shock-responsive social protection strategy nested within the vision for social security and ensure NDP3 reflects what shock-responsive social protection can do in response to shocks

5.11: Ensure shock-responsive social protection is embedded within wider social protection system development and does not run ahead

5.12: Identify actions required to enhance performance at local government level to enable vertical coordination of social protection

5.13: Review the role of LIPW in Uganda and incorporate conclusions in the final vision document

5.14: Integrate the delivery of social protection support to refugees within the social protection delivery system and consider whether programmes for refugees should be integrated with support to the rest of the population

5.15: Clarify the rights of refugees to social protection in secondary legislation and national policy

Chapter 6: Expenditure and financing of social protection in Uganda

6.1: Advocate for increasing government spending on direct income support significantly, in line with the draft vision for social protection, funded by core tax revenues

6.2: Monitor and evaluate current spending on social care and support, when the pillar has been defined, including from donors - without this it will be difficult to advocate for increased spending

6.3: Urgently make the investment case for increased financing of social care and support, when information on cost versus need is available, highlighting the significant cost of inaction

6.4: Invest in a national social care and support system to meet the multiple needs of children and adults both in the short-term and as they change across the life course

6.5: Carry out forward-looking actuarial studies to test the financial feasibility of scenarios put forward in the draft vision for social protection, which implies a social insurance, pay-as-you-go financing structure

6.6: Urgently proceed with anticipated reforms to the PSPS to introduce an element of employee financing

6.7: Develop the financing proposals for the NHIS in the context of their potential to contribute to developing the contributory system as a whole

6.8: Engage in development of a comprehensive disaster risk financing strategy, to go beyond drought response, and to include sectors other than social protection, which should be aligned with the wider strategy for development of shock-responsive social protection in Uganda

Chapter 7: Assessment of individual social protection programmes

7.1: Conduct a comprehensive comparative analysis of transfer values in DIS programmes to inform the policy discourse on setting transfer values for universal SP programmes as well as LIPW programmes. This evidence will further inform the arguments on fiscal space for SP

7.2: All direct income support programmes to introduce measurement and communication of programme cost-efficiency annually to manage costs and increase accountability, and to allow effective sub-sector planning

7.3: Investigate further the costs and benefits of shock-responsive social protection in the context of developing the shock-responsive social protection strategy

7.4: Design and scale up of direct income support programmes in future should be informed by value for money considerations including robust impact evaluations, where appropriate, and estimated rates of return.

7.5: Estimate the significant costs to employers, the self-employed and the economy of providing social security through employer liability arrangements and private provision; and the savings and benefits that would come from providing this protection through the social security system

7.6: Analyse the causes and consequences of low contribution density and high numbers of dormant NSSF members for maintaining the status quo (provident fund, potentially with annuitization options) versus pursuing structural reform (social insurance)

7.7: Estimate rates of return for investing in social care and support to support advocacy to underpin advocacy for increased budget allocations to social care and support

7.8: Advocate for progressive mobilisation of a professional social care and support workforce

Chapter 8: Social protection operations, administrative and business systems

Registration and Enrolment

8.1: Invest in dynamic and robust IT systems for registration and enrolment

8.2: Scale up NIRA registration (particularly identification and registration of vulnerable groups)

8.3: Consider provision of demand registration and enrolment processes

8.4: Consider a harmonised approach to registration and enrolment where possible for optimal efficiency gains

8.5: Define the mobilisation process in operations manuals, and sensitise implementers

8.6: Decentralise registration centres for accessibility and proximity

8.7: Mainstream communication throughout the registration and enrolment process

Payments

8.8: Invest in comprehensive mapping and analysis of possible multiple payment options in context including banks/mobile money or cash for all the pillars.

8.9: When planning future PSP arrangements consider engaging multiple PSPs depending on their geographical coverage to create competition which will improve service delivery

8.10: Devise and implement mechanisms for addressing non-compliance of PSPs to their contractual obligations

8.11: Regularly monitor payment processes and take action on the results to improve service delivery

MIS

8.12: Explore opportunities to harmonise and consolidate more functions in the medium to long term

8.13: Ensure the social care and support service MISs incorporate relevant SP indicators as defined in M&E framework

8.14: Expand MIS personnel and invest in staff capacity

8.15: Update existing operations manuals and develop manuals for new programmes that align with the SP vision and frameworks

8.16: Consider digitising manual processes for efficiency and accuracy gains

8.17: Explore and adopt a payment gateway integration functionality as an opportunity to standardize management of payment cycles / processes

8.18: Enforce data protection and privacy principles

M&E

8.19: Reinforce a balance between demand and supply of M&E across all programmes

8.20: Implement in practice an improved and integrated SP M&E plan and develop measures to ensure compliance to the national SP M&E plan

8.21: Strengthen existing M&E systems (personnel, capacity, motivation etc)

8.22: Integrate SP indicators in programmes and MIS systems to facilitate reporting

8.23: Incorporate gender and equity sensitive indicators in national M&E plan

8.24: Strengthen implementation and coordination structures for M&E

8.25: Ensure social protection programme M&E reports and, eventually, MISs, report progress on variables that are relevant to the social protection M&E framework

Table of Contents

Acronyms

AFPS	Armed Forces Pension Scheme
ALREP	Northern Uganda Agriculture Livelihoods Recovery Programme
API	Application Programming Interface
ARC	Africa Risk Capacity
C&G	Complain and Grievance
CBHI	Community-Based Health Insurance
CBO	Community Based Organisation
CBR	Community-Based Rehabilitation
CBT	Community-Based Targeting
CDO	Community Development Officer
CDW	Community Development Worker
CFA	Cash and Food for Assets
CRRF	Comprehensive Refugee Response Framework
CSI	Contributory Social Insurance
CSO	Civil Society Organisation
DB	Defined Benefit
DC	Defined Contribution
DCRM	Displacement Crisis Response Mechanism
DFID	Department for International Development (UK)
DIS	Direct income Support
DP	Development Partner
DRDIP	Development Responses to Displacement Impacts Project
DRF	Disaster Risk Financing
DRM	Domestic Resource Mobilization
DSP	Directorate of Social Protection
ESP	Expanding Social Protection Programme
EU	European Union
FBO	Faith Based Organisation
FEWSNET	Famine Early Warning Systems Network
FGD	Focus Group Discussion
FGM	Female Genital Mutilation
GBV	Gender-Based Violence
GDP	Gross Domestic Product
GoU	Government of Uganda
ILO	International Labour Organisation
IMF	International Monetary Fund
IPPS	Integrated Personnel and Payroll System
ISPA	Inter-Agency Social Protection Assessments
ISSA	International Social Security Association
KALIP	Karamoja Livelihoods Programme
LC1	Local Council I (smallest administrative unit in Uganda)
LIPW	Labour Intensive Public Works
M&E	Monitoring and Evaluation
MDA	Ministries, Departments and Agencies
MGLSD	Ministry of Gender, Labour and Social Development
MIS	Management Information System
MoFPED	Ministry of Finance, Planning and Economic Development
MoH	Ministry of Health
MoLG	Ministry of Local Government
MoPS	Ministry of Public Service
MTR	Mid-Term Review
NDP	National Development Plan
NECOC	National Emergency Coordination and Operations Centre
NEET	Neither in education nor employment

NGBVD	National Gender-Based Violence Database
NGO	Non-Governmental Organisation
NHIS	National Health Insurance Scheme
NIRA	National Identification and Registration Authority
NPA	National Planning Authority
NPC	National Population Council
NSPP	National Social Protection Policy
NSSF	National Social Security Fund
NUSAF	Northern Uganda Social Action Fund
OPM	Office of the Prime Minister
OPTs	Occupied Palestinian Territories
OVC	Orphans and Vulnerable Children
PAYG	Pay As You Go
PFM	Public Financial Management
PMU	Programme Management Unit
PPI	Programme Plan of Interventions
PPS	Parliamentary Pension Scheme
PRDP	Peace Recovery and Development Plan
PSP	Payment Service Provider
PSPS	Public Service Pension Scheme
PWD	Person with disability
PWO	Probation and Welfare Officer
PWP	Public Works Programme
SAGE	Social Assistance Grants for Empowerment
SCG	Senior Citizens' Grant
SCS	Social Care and Support
SDG	Sustainable Development Goal
SDSP	Social Development Sector Plan
SDSSC	Social Development Sector Steering Committee
SDSWG	Social Development Sector Working Group
SIDA	Swedish International Development Cooperation Agency
SLA	Service Level Agreement
SP	Social Protection
SPWG	Social Protection Working Group
SWG	Sector Working Group
TCTR	Total Cost to Transfer Ratio
UBOS	Uganda Bureau of Statistics
UNCDF	United Nations Capital Development Fund
UN DESA	United Nations Department of Economics and Social Affairs
UNDP	United National Development Programme
UNHCR	United National High Commissioner for Refugees
UNHS	Uganda National Household Survey
UNICEF	United Nations Children's Fund
UNMA	Uganda National Meteorological Authority
UNFPA	United Nations Population Fund
URA	Uganda Revenue Authority
URBRA	Uganda Retirement Benefits Regulatory Authority
USAID	United States Agency for International Development
UWEP	Uganda Women's Entrepreneurship Programme
UWONET	Uganda Women's Network
WFP	World Food Programme
WHO	World Health Organisation
YLP	Youth Livelihoods Programme

1 Introduction

1.1 Background

Social protection plays a central role in national development strategies worldwide. Since its inception in the early 20th century, its use has grown and, as stated by the Chairman of Uganda's Population Council while launching the 2019 Population Report, "Social Protection is now recognized all over the world as a critical component of national development strategies and key to achieving all inclusive, pro-poor, equitable development and social transformation".[2] There is now international consensus on the importance of coherent and effective social protection systems, and this is reflected in the strategic frameworks of major international organisations including FAO, ILO, OECD, UNICEF, WHO, and the World Bank[3].

Social protection is a central element to the Sustainable Development Goals to which Uganda is a signatory. In 2015 world leaders, including from Uganda, signed up to a number of ambitious and challenging commitments aimed at achieving a better and more sustainable future for all by the year 2030.[4] SDG target 1.3 aims to "implement nationally appropriate social protection systems and measures for all, including floors,[5] and by 2030 achieve substantial coverage of the poor and the vulnerable".

Social protection is a universal human right, an economic necessity and a social necessity[6]. Social protection policies contribute to a broad range of economic and social development objectives by enabling people to have income security, access to health care, education and other social services, and to be able to take advantage of economic opportunities. There is now overwhelming international evidence to support social protection's role in boosting domestic demand, supporting structural transformation of national economies, promoting decent work, and fostering inclusive and sustainable growth. Social protection systems foster economic stability and productivity, as well as economic and social development.[7]

Social protection systems are built through progressive realisation. This means that systems typically grow from their initial starting point by adding more coverage and more instruments. Social protection includes benefits for children and families, maternity, unemployment, employment injury, sickness, old age, disability, survivors, as well as health protection. Few countries have introduced such support all at once, but instead build up policy areas and increase population coverage over time.[8]

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[2] Source: National Population Council, NPC (2019)
[3] Source: ILO (2017)
[4] Source: https://www.un.org/sustainabledevelopment/sustainable-development-goals/
[5] Note: A social protection floor offers social security coverage to all citizens across the lifecycle, in particular basic income security for children, persons of working age who are unable to earn sufficient income due to sickness, unemployment, maternity and disability, as well as older persons.
[6] Source: ILO (2017).
[7] Source: ibid
[8] Source: ibid

Uganda has many social and economic challenges which social protection can help to address. The Social Development Sector Plan (SDSP) 2015/16-2019/20[9] within which social protection falls mentions six key challenges facing the sector, namely:

- High and increasing numbers of vulnerable and marginalised persons, including workers, orphans and other vulnerable children, persons with disabilities, unemployed youth, displaced persons, marginalised women, older persons and ethnic minorities;
- Multiplicity of child protection interventions with limited technical and geographic coverage, most of which are donor-funded, uncoordinated and subject to overlap and duplication;
- Limited social protection coverage, which leaves many vulnerable people without protection;
- High youth unemployment, which is linked to low levels of overall employment together with a dearth of vocational and technical skills, poor access to capital, low participation in entrepreneurial activities, among other challenges;
- Limited coverage of social security, where less than 10 per cent of older people have access to a pension; and
- Limited access to social justice, which prevents marginalised groups from realising their rights.

Uganda started on the road to establishing a social protection system with the approval of the national social protection policy[10] in 2015. This policy has the mission of establishing comprehensive social protection services to address risks and vulnerabilities. A programme plan of implementation (PPI) was also developed to provide guidance on how to implement this new policy, given the newness of this area of work in Uganda.

This social protection sub-sector review assesses progress with implementation of the national social protection policy and its PPI since 2015. Its scope is the entirety of the social protection sub-sector, its policies, laws, plans and activities. It compiles and weighs the evidence to look at what progress has been made since the last SP sector review in 2015, the achievements that have been made, the challenges that have been faced, and sets out proposals for how the performance of social protection in Uganda can be enhanced in future.

1.2 The contribution of social protection to national development

Investing in social protection is investing in social justice and economic development. Social security and provision of social care and support represents an investment in a country's human infrastructure no less important than investments in its physical infrastructure.[11] The contribution of social protection to wider national development has been well-analysed and described in Uganda – for example in the NSPP[12] and the 2014 social protection sector review,[13] and more recently and comprehensively in a paper prepared for the Expanding

[9] Source: MGLSD (2016c)
[10] Source: MGLSD (2015a)
[11] Source : NPC (2019)
[12] Source : MGLSD (2015a)
[13] Source : MGLSD (2014)

Social Protection Programme[14] and a draft social protection vision paper prepared by government.[15]

Social protection is an investment in the human capital required for a successful national development strategy. The value of investments in infrastructure and energy are well-documented and easily understood as part of national development plans. Expenditure on social protection is not just a cost but is also an investment, and one that complements other investments by enabling development and maintenance of the healthy and productive workforce that is necessary to take advantage of economic development opportunities.[16] It adds value to those wider expenditures by allowing them to be well-used and to fulfil their potential development impacts.

Social protection enhances other investments, by unlocking the potential of individuals. Table 1 outlines the value of social protection within national development plans around four key dimensions of human capital development:

- Promoting **healthier citizens** by improving food security, nutrition and access to health care;
- Building a more **educated and adaptable workforce** by raising educational enrolment, attendance and performance;
- Contributing to a more **dynamic economy** by enabling people to work more and in better jobs, to open businesses, to increase consumption and to access financial services – all of which add to growth multipliers; and
- Contributing to a more **stable, cohesive and dignified society** by fulfilling people's fundamental right to social protection.

Table 1: Social protection operates through human capital

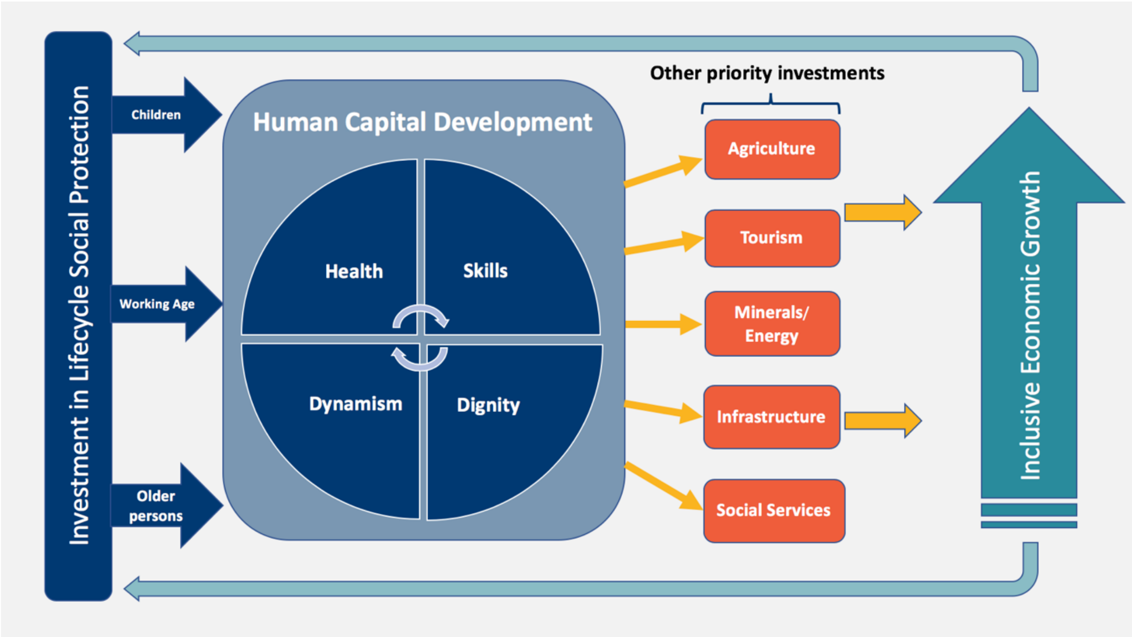
Dimension of human capital development	Role of social protection
Good health	• Improves nutritional outcomes • Improves health access and outcomes
Education and Skills	• Improves school enrolment • Reduces child labour • Improves school attendance and performance
Economic dynamism and resilience	• Enables people to work more and in more decent forms of work • Encourages entrepreneurship, savings, investment and promotes resilience against shocks • Increases capacity to spend locally • Expands financial services
Dignity and social cohesion	• Improves overall well-being • Builds social cohesion and the social contract

Source: McClanahan et al (2018)

[14] McClanahan et al (2018)
[15] MGLSD (forthcoming)
[16] McClanahan et al (2018)

Better human capital contributes to a virtuous cycle which stimulates growth. The process by which social protection impacts on these four broad dimensions of human capital development, enhances other investments, and contributes to more inclusive economic growth is pictured in Figure 1.

Figure 1: How social protection enhances other investments



Source: McClanahan et al (2018)

The demographic dividend is not automatic and will require specific action and investment. Evidence, and logic, clearly shows that social protection is critical to enhancing Uganda's future human capital and unlocking the potential of the youthful population to accelerate, and sustain the socio-economic transformation anticipated in the Uganda Vision 2040. However, as stated recently by the Principal Secretary of MGLSD, "the process to reap the demographic dividend is not an automatic one. Government and families must deliberately invest in building their human capital now, to maximise their productivity and earnings as adults".[17]

1.3 The sub-sector review

This social protection sub-sector review is commissioned by MGLSD as a five-year follow-up to the NSPP introduced in 2015. The 2014 review preceded the development of the NSPP and was designed to inform that policy and also planning for its implementation.[18] Five years later much has changed, and the MGLSD (which is responsible for social protection) is interested to examine the sub-sector progress in detail.

[17] MGLSD (2019a)
[18] MGLSD (2014)

The objective of the review is framed around the implementation of the NSSP. It is to conduct an in-depth assessment of progress made towards implementation of the NSSP and its PPI and make recommendations for further progress.

The review will inform several national planning processes. This is an important time for the social protection sub-sector in defining its future trajectory and its place within wider national development processes. The review is designed to influence the long-term vision for social protection that is captured in the third National Development Plan (NDP3) which will be published in 2020. It will also inform the development of detailed implementation plans in the Social Development Sector Plan (2020-24) within which the social protection sub-sector sits. And it will inform the second five-year programme plan of implementation for the NSPP during the 2019-20 financial year.

The review was conducted by a team of consultants working closely with an oversight committee. The review is intended as an independent exercise providing objective analysis and advice to government. The team comprised specialists in policy and programming, contributory social insurance, social care and support, social protection operations, political economy and coordination, alongside the lead consultant. The team worked very closely at all stages under the supervision of the Social Protection Thematic Committee,[19] and a nominated core group drawn from that committee.

This is a strategic review. The focus of this review is aimed at the bigger questions facing the social protection sub-sector, as is appropriate given the five-year timeframe since the previous review. The review mobilises evidence to support its argument, but it does not seek to go into a granular level of operational detail; its focus is higher than that, on the most important issues that can be addressed to enhance sub-sector performance.

The approach to the review is firmly evidence-based. The role of the team conducting the review is not to assert our view, but to assemble evidence, weigh up its messages, and assess what we can learn from what we know. This focuses around three key questions:

- What is meant to be happening with social protection?
- What is actually happening, and
- Why is it happening in that way?

Based on this understanding, proposals for adjustments to improve the performance of the sub-sector can be put forward. This analytical framework is presented in Figure 2.

[19] A sub-group of the Social Development Sector Working Group, see chapter 4

Figure 2: Analytical framework for the social protection sub-sector review 2019

1. What is meant to happen?	As defined in: • Policy, institutions, legislation • Strategy • Plans, budgets, targets
2. What actually happens and why?	Mobilise and present evidence: • Delivery • Effectiveness • Changes since 2014 • Challenges and gaps • Issues
3. How to enhance performance?	What does this imply for: • Policy and strategy • Options and choices • Agreed conclusions • Recommendations

The review was participatory and included consultations with the key stakeholders for social protection. Following a period of review design and inception, individual consultations and analysis began in September 2019. Two additional consultative workshops with social protection stakeholders were conducted in October and November, and the report was finalised in December.

1.4 The structure of this report

This document has nine chapters organised in three parts, with each chapter ending with conclusions and recommendations. The first part of the review presents the context in which the discussion of social protection is taking place and comprises two chapters. Chapter One provides background to the review and social protection in Uganda. Chapter Two reviews the wider context in which social protection takes place, including the economy, demography and the labour market, the political context, environmental trends, and the social situation including that of refugees. Chapter Three assesses the current status of poverty, inequality and vulnerability in Uganda.

The second part of the review assesses the current social protection provision and performance and comprises five chapters. This begins with an overview of the social protection sub-sector in Chapter Four and is followed in Chapter Five by an analysis of governance issues influencing social protection in Uganda. Chapter Six compiles data and assesses social protection expenditure and financing. Chapter Seven assesses the performance of individual social protection programmes comprising the sector, and Chapter Eight analyses the operations systems currently in use to deliver social protection.

The third part of the review comprises a single concluding chapter. Chapter Nine presents the overall conclusions and recommendations arising from the review, across the sub-sector as a whole and also for direct income support, contributory social insurance, and social care and support. The analysis is complemented by a number of annexes providing more detailed information in support of the main report.

2 Wider context for social protection

Chapter summary

- Economic growth and human capital development in Uganda have both fallen behind neighbouring countries over the last decade.
- Growth is expected to recover over the medium term but risks to growth remain.
- Available resources for social spending have been limited by the government's focus on infrastructure and energy.
- Much infrastructure spending has been financed by borrowing which has tightened the fiscal context, though economic growth, gradual improvements in tax administration and policy and infrastructure projects ending should improve this.
- Uganda has a young and fast-growing population, especially the population of working age.
- Jobs need to be generated more quickly to match the expanding labour force: the proportion of the working age population not working is increasing.
- Informality and underemployment remain widespread in Uganda reflecting the high proportion still employed in subsistence agriculture.
- Uninsured workers are more likely to work in rural areas, with many working in agriculture, but many uninsured workers also work in service and industrial sectors.
- Urbanisation is continuing at a rapid rate in Uganda: the share of the population living in urban areas has doubled since 2012/13.
- The population of Uganda is vulnerable to a range of environmental hazards, with drought the most common, which have the greatest impact on the most vulnerable.
- The economic impact of environmental shocks is high, reflecting the ongoing role of rain-fed agriculture in economic growth, and the risk of these shocks is expected to increase.
- Uganda currently hosts 1.3 million refugees who are vulnerable and in need of support, as are host communities.
- The increased number of refugees interacts with vulnerability to environmental shocks because many refugees live in marginal agricultural areas.

2.1 Economic context

Uganda has had historically high levels of growth from 1990 to 2010, but this has slowed in the last decade relative to neighbouring countries. Since the 2014 social protection review, economic growth is mostly lower than for neighbouring countries (**Figure 3**). It has recovered somewhat, from 3.9 percent in 2016/17, when it was affected by drought, to 6.2 percent in 2017/18 and 6.1 percent in 2018/19, with a strong services sector and a recovery in agricultural output.[20]

Uganda's GDP per capita has also fallen below all neighbouring countries since the 2014 social protection sector review. GDP per capita takes account of growth in the population. **Figure 4** shows that Uganda's GDP per capita is now the lowest amongst all the neighbouring countries. It has fallen below Rwanda for the first time since the genocide in Rwanda in 1994.

[20] Source: MoFPED (2019a).

Figure 3: Economic growth in Uganda and neighbouring countries[21]

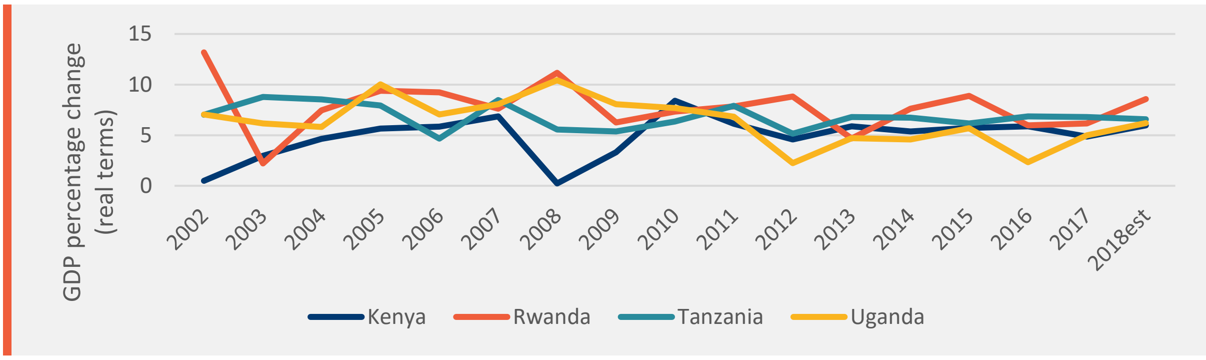
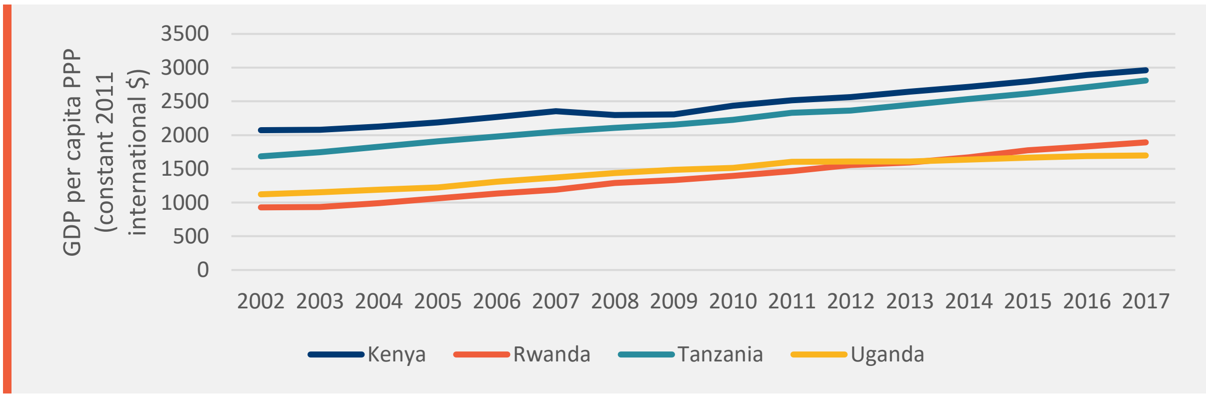


Figure 4: Real GDP per capita in Uganda and neighbouring countries[22]



Growth is forecast at between 6 and 7 per cent in the medium term, but risks to growth remain. Risks to growth are the weak implementation of public investments, though this has improved recently, low rainfall, regional tensions and domestic political risks. Over the medium term, growth is expected to stay at 6 to 7 percent, which is 3 to 4 percent in per-capita terms. But this depends on infrastructure and investments related to oil extraction going ahead as planned.

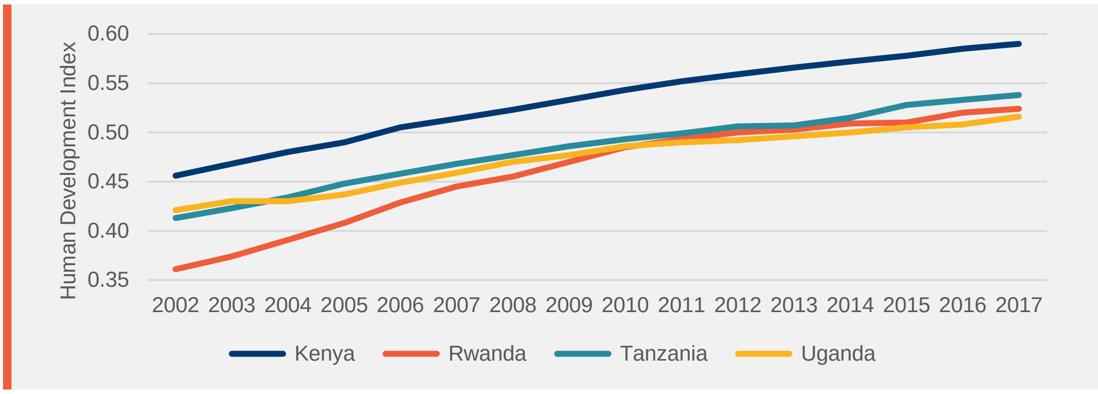
Oil revenues are expected in increase growth from the mid-2020s. Oil production is forecast to begin in 2023 and last for over 25 years, generating ½ to 4 percent of GDP.[23] However, a recent disagreement between oil companies and government over tax arrangements may result in a delay.

The decline in relative growth over the last decade is matched by lagging human development in Uganda. Figure 5 show trends in human development relative to the same regional neighbours, with Uganda falling behind over the last decade (a similar pattern is seen for agricultural productivity). This has implications for the condition of the labour force in Uganda, in the short-term and longer-term, when children currently at school become working age. International evidence is that, while physical infrastructure is important, investment in human capital is equally imperative for growth.[24] This needs to be addressed

[21] Source: IMF (2019).
[22] Source: World Development Indicators.
[23] Source: IMF (2019).
[24] Source: Ibid.

as a matter of urgency if Uganda is to benefit from its rapidly expanding working age population and reap a demographic dividend.

Figure 5: Human Development Index in Uganda and neighbouring countries[25]

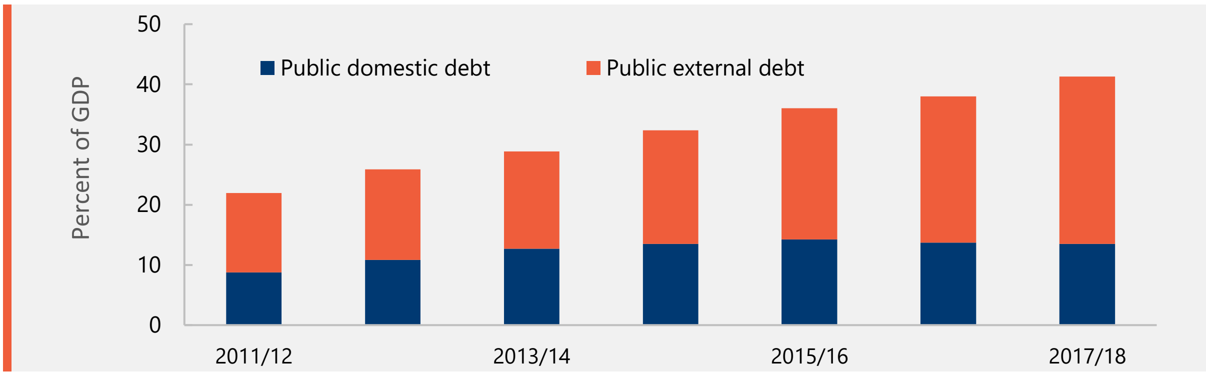


Available resources for social spending have been limited by the government's focus on infrastructure and energy. The government has focused on infrastructure and energy in recent years, to promote growth and higher revenues in the longer term. Priority areas in the forthcoming third National Development Plan and in the strategy for the 2020/21 budget include strengthening infrastructure, strengthening productive sectors (such as agriculture), governance and the private sector, as well as "increasing the productivity, inclusiveness and wellbeing of the population" which will involve "systematic expansion of national social protection programmes".[26] But, evidence of the reduced emphasis on human capital is the decline in overall social spending as a proportion of total government spending in the last decade (discussed further in Chapter Six).[27]

Much of the government's spending on infrastructure has been funded by borrowing, which has tightened the fiscal context. Uganda has used external borrowing to fund much of infrastructure development, including semi-concessional loans from China. As a result, debt has increased along with annual spending on interest payments, which is the second largest item by sector in the 2019/20 budget after Works and Transport. Figure 6 shows that public debt in Uganda as a percent of GDP has doubled in the six years to 2017. This reflects trends happening in other Africa countries and the level of debt is not unusually high by international standards. Uganda remains at low risk of debt distress, according to the IMF.[28] Nevertheless, it is close to the threshold of medium debt distress and debt servicing is now the second highest item of spending in the government budget. Future borrowing will need to be carefully controlled.

[25] Source: UNDP Human Development Data.
[26] Source: NPA (2019) and MoFPED (2019b).
[27] Source: IMF (2019).
[28] Source: Ibid.

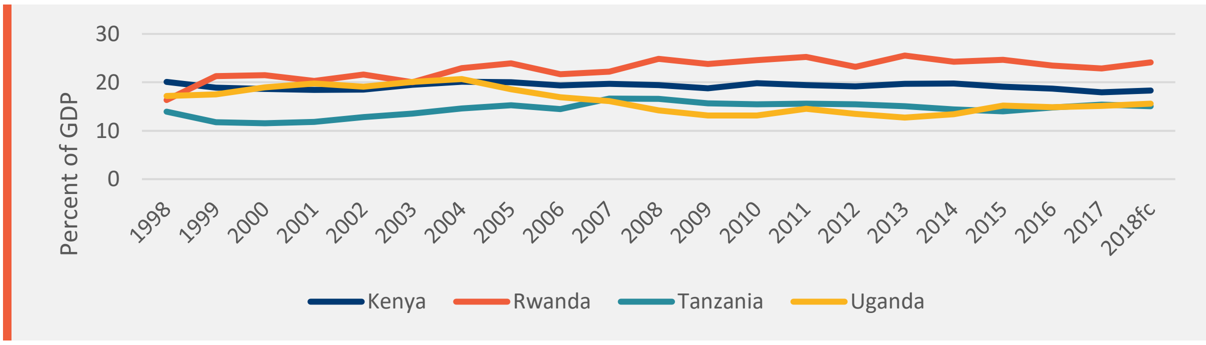
Figure 6: Public internal and external debt in Uganda[29]



The fiscal context should be helped by economic growth and infrastructure projects ending. The fiscal context in Uganda is tight in the short-term, especially in the lead up to the 2021 General Election when there will be significant spending pressures. In the medium-term things should improve with the completion of certain infrastructure projects including hydro-electric dams. Economic growth of 6 to 7 percent is forecast, helped by continued investments in infrastructure and in oil extraction. Growth in the longer-term will be helped by oil production, forecast to begin in the mid-2020s, to last at least two decades and to generate up to 4 percent of GDP per year. But risks to growth continue to be weak implementation of public investments although this has improved recently, low rainfall, regional tensions and domestic political instability.

Also, tax revenue as a proportion of GDP should increase in the medium-term, from its relatively low level. Tax revenues will be increased in real terms by economic growth and should also rise as a result in improvements in tax policy and administration. Total government revenue as a proportion of GDP has risen slightly since the last social protection sector review but is still low compared to neighbouring countries (Figure 7), suggesting there is room for growth. Tax revenue is forecast to rise one percentage point to 15.5 percent of GDP in 2018/19.[30] The government aims to raise tax as a proportion of GDP by 0.5 percentage points a year over five years through its Domestic Resource Mobilization (DRM) strategy.

Figure 7: Government revenue in Uganda and neighbouring countries[31]

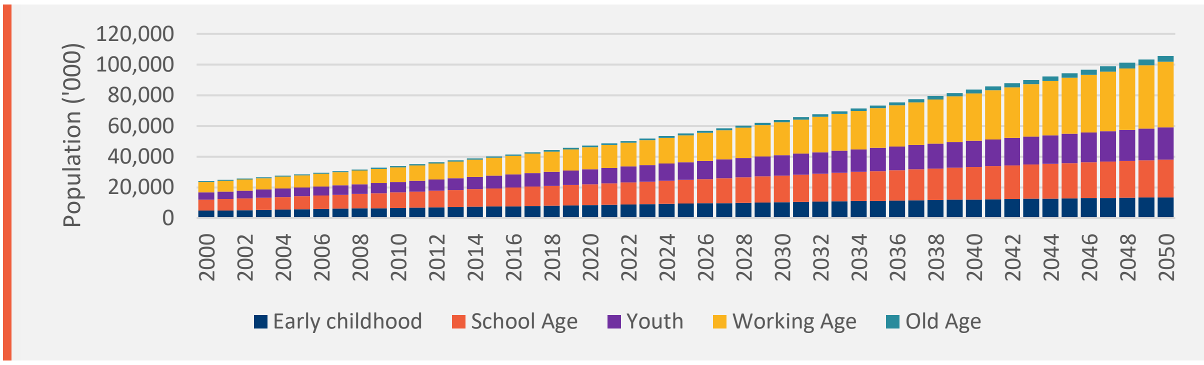


[29] Source: IMF staff.
[30] Source: MoFPED (2019a).
[31] Source: IMF (2019).

2.2 Demographic change and the labour market in Uganda

Uganda has a young and fast-growing population, especially the population of working age. Uganda has an annual population growth of over 3 per cent.[32] This increase in population is occurring across age groups (Figure 8). In 2018, roughly half the population was in early childhood or school age. The working age population, including young people, is rising in terms of absolute numbers and as a proportion of the total population. Uganda has a total population of working age of 18.8 million people compared to 16.3 million in 2012/13.[33]

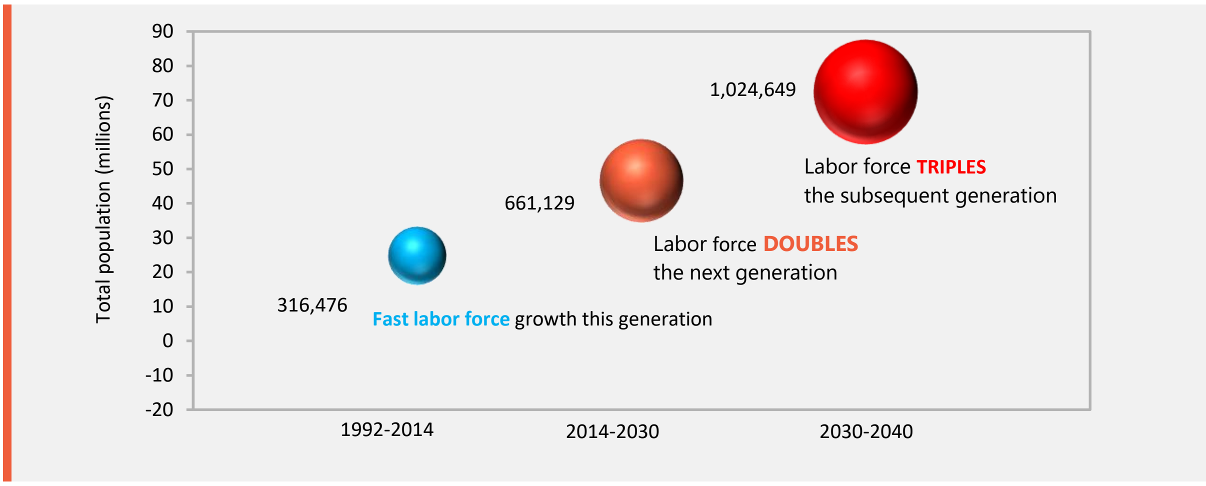
Figure 8: Demographic trends in Uganda[34]



This creates a potential demographic dividend, but people are entering the workforce faster than jobs are being created.[35] The labour force is expected to double over the next generation and triple the generation after that (Figure 9).[36] This creates a potential demographic dividend if human capital is developed and economic opportunities are generated (or a possible risk of social unrest if they are not). Uganda currently needs to create over 600,000 jobs per year to match population growth. To date, the working age population in Uganda has been growing faster than the rate at which the economy is generating new employment opportunities. Party as a result of this, the Labour Force Participation Rate (those in work or actively looking for work as a proportion of the total working age population) declined from 62 percent to 52 percent between 2012/13 and 2016/17.

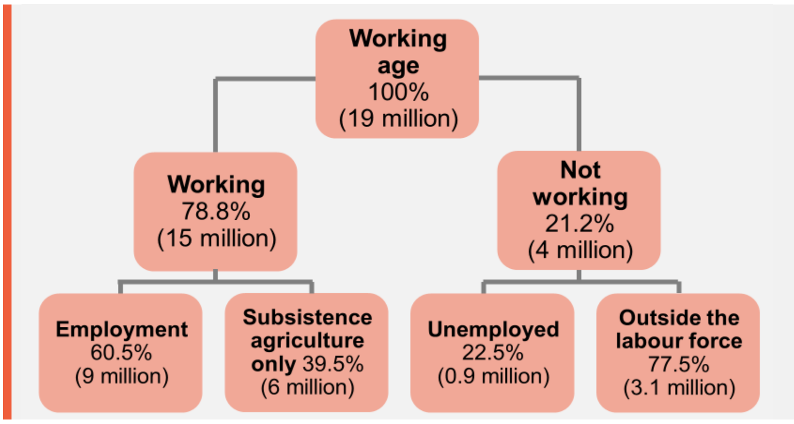
[32] Source: IMF (2019).
[33] Source: UBOS (2018b).
[34] Source: UN DESA.
[35] Note: A demographic dividend refers to the potential economic benefits for a society when .. the ratio of working-aged adults increases relative to young dependants. With fewer children to support, there is a window of opportunity for rapid economic growth if a country develops the right social and economic policies and makes the right investments. Source: UNICEF (2019b).
[36] Source: IMF (2019).

Figure 9: Uganda labour force entrants per year versus total population[37]



In terms of the labour force, the proportion of the working age population not working has increased in recent years, since the 2014 social protection review. Figure 10 shows a breakdown of the working age population in Uganda in 2016/17. 21 percent of the working age population are not working, an increase from 16 percent in 2012/13. Of those not working, more than three quarters are outside the labour force (not seeking work). Of those working, 40 percent, or 6 million people, are dependent on subsistence agriculture only, which is down from 43 percent in 2012/13.

Figure 10: Breakdown of the working age population in Uganda, 2016/17[38]

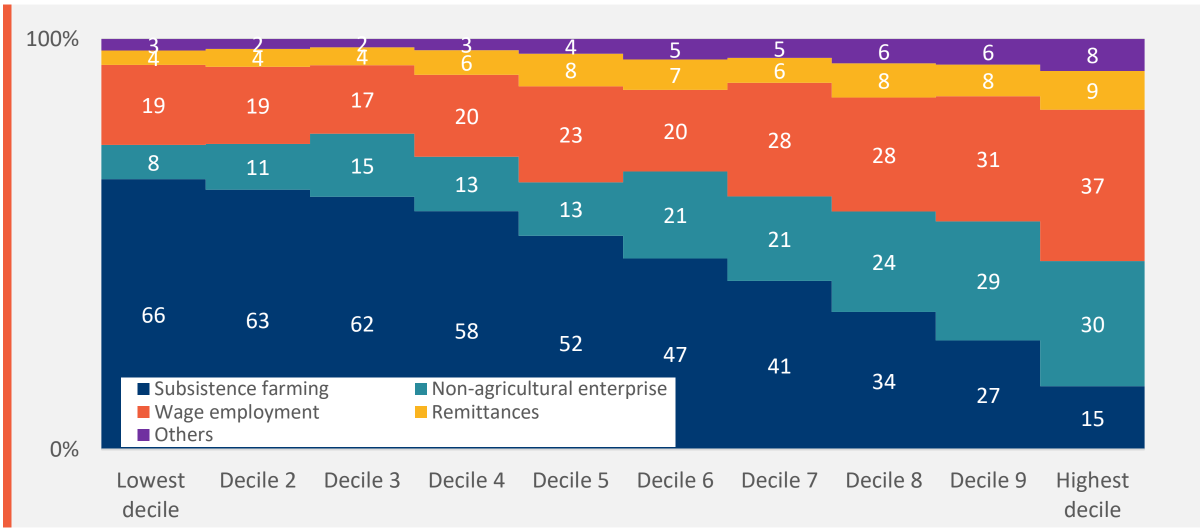


Among those working, informality and underemployment are widespread and persistent. Over 90 percent of the employment in Uganda occurs in the informal sector.[39] This covers a range of work types characterised by smaller establishment sizes, an absence of fringe benefits, lower and more unpredictable earnings and underemployment (around 50 percent of Ugandan workers work less than 35 hours).[40] Informality in Uganda is persisting, in line with a global pattern of persistent informality in developing country contexts.[41]

[37] Source: World Bank (2018).
[38] Source: UBOS (2018b). Working age population is defined as those 14 to 64 years of age.
[39] Source: World Bank (forthcoming).
[40] Source: Ibid.
[41] Source: World Bank (2019c).

The high degree of informality partly reflects the large proportion of Ugandan workers who are still employed in subsistence agriculture (Figure 11**)**. This includes around two thirds of those in the lowest wealth deciles. Figure 11 also shows that wealthier households are less likely to have subsistence farming[42] as their main source of income, although a significant share still do (e.g. 15 per cent of households in the highest income decile).

Figure 11: Main source of income by wealth deciles[43]



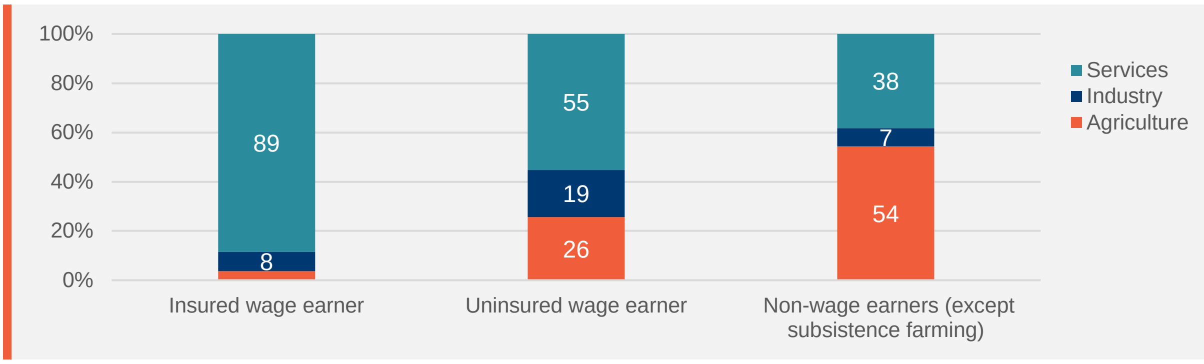
There are stark differences across different categories of workers, with implications for the Government's strategy for reaching them through the social security system. Two key defining features are whether or not workers claim to be contributing to social security (i.e. whether they are 'insured'), and whether or not they are wage or non-wage earners (including those who in subsistence farming and other non-wage earners). Household surveys reveal striking differences among these key groups with regard to the sectors in which they work, where they live, and their gender make-up. Reaching different types of workers and their families may require different social protection strategies and instruments.

There is large variation in the economic sectors where different types of workers are represented. Figure 12 shows that more than half of non-wage earners not working in subsistence farming are nonetheless working in agriculture, while 38 per cent work in services and 7 per cent in industry. In contrast, more than half of uninsured wage earners work in services, and around 1 in 5 works in industry. Insured wage earners, on the other hand, are heavily concentrated in services.

[42] 'Subsistence farming' is most likely a misnomer since the majority of this category engage in markets

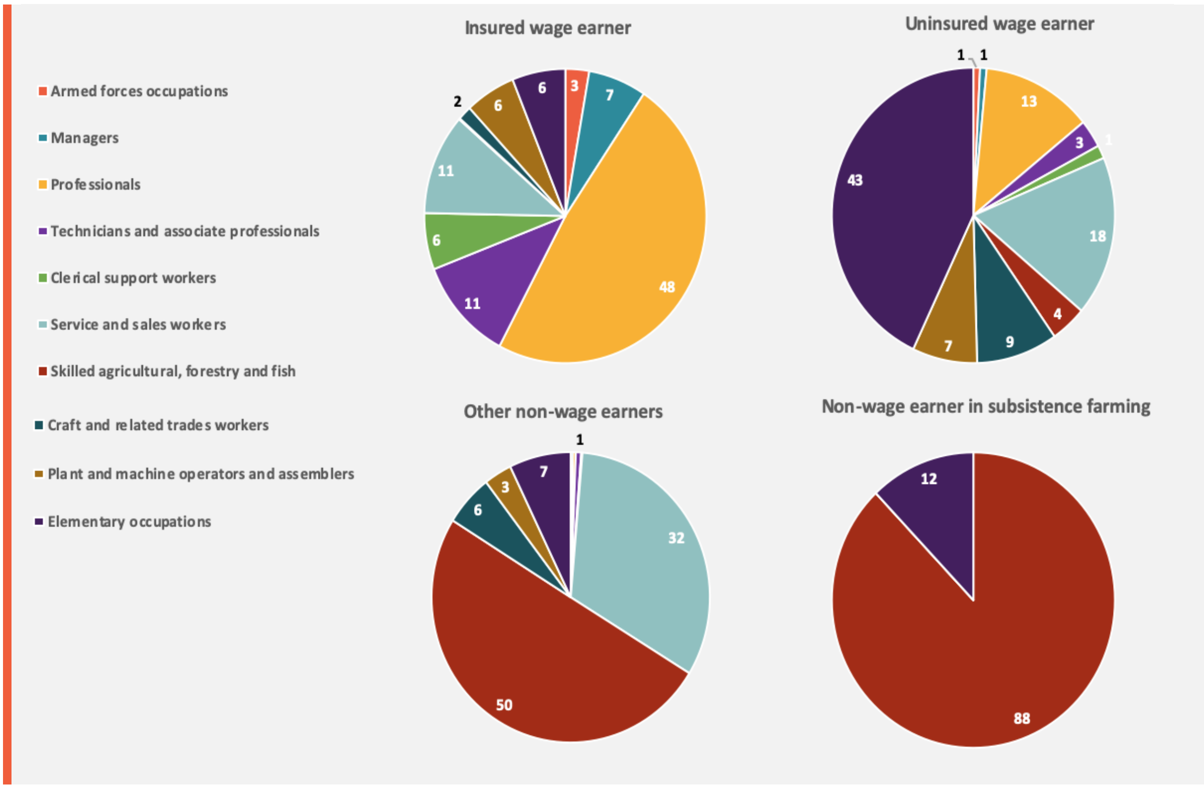
[43] Source: Based on UNHS 2016/17.

Figure 12: Percentage distribution of workers, by type of worker and broad economic sector[44]



Uninsured workers tend to work in low income jobs. More than two thirds of insured wage earners claim to be professionals (including technicians and associate professionals) or managers, uninsured wage earners are much more likely to work in elementary occupations or lower-skilled jobs with very low incomes (Figure 13). However, notably, around 17 per cent of uninsured wage earners are professionals or managers (jobs characterised by higher earnings) but are currently not covered under the contributory system, likely due to low compliance enforcement.

Figure 13: Percentage distribution of workers by type of worker and occupation[45]



[44] Source: Based on UNHS 2016/17.
[45] Source: Ibid.

Uninsured workers (both wage earners and non-wage earners) are much more likely to work in rural areas than insured workers. At the same time, wage earners —whether or not they are insured— are much more likely to live in urban areas than their non-wage-earning counterparts (Figure 14). Notably, three quarters of self-employed people who are not engaged in subsistence farming nonetheless live in rural areas. We can also see from Figure 15 that insured wage earners are more likely to live in the Central region, while other groups appear to be more evenly distributed.

Figure 14: Distribution of workers by type of worker and location (rural-urban)[46]

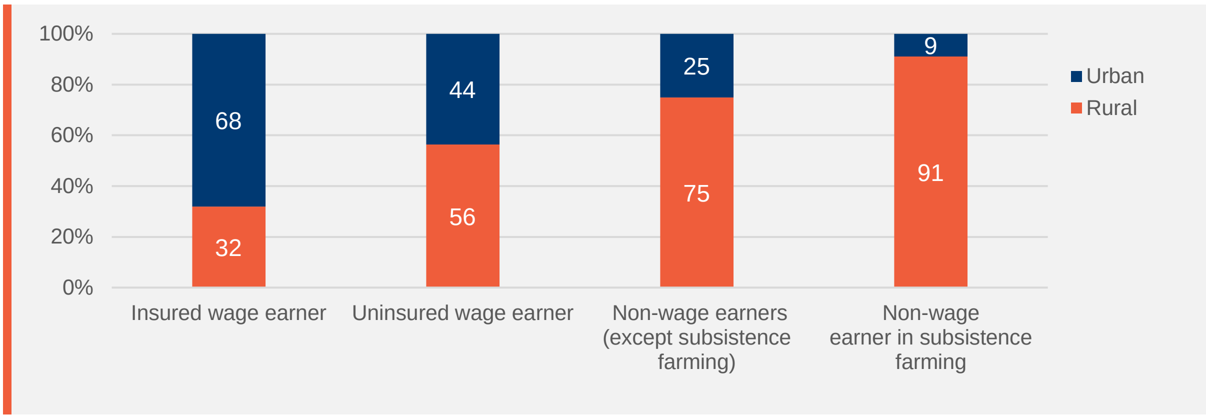


Figure 15: Distribution of workers by type of worker and location (region)[47]

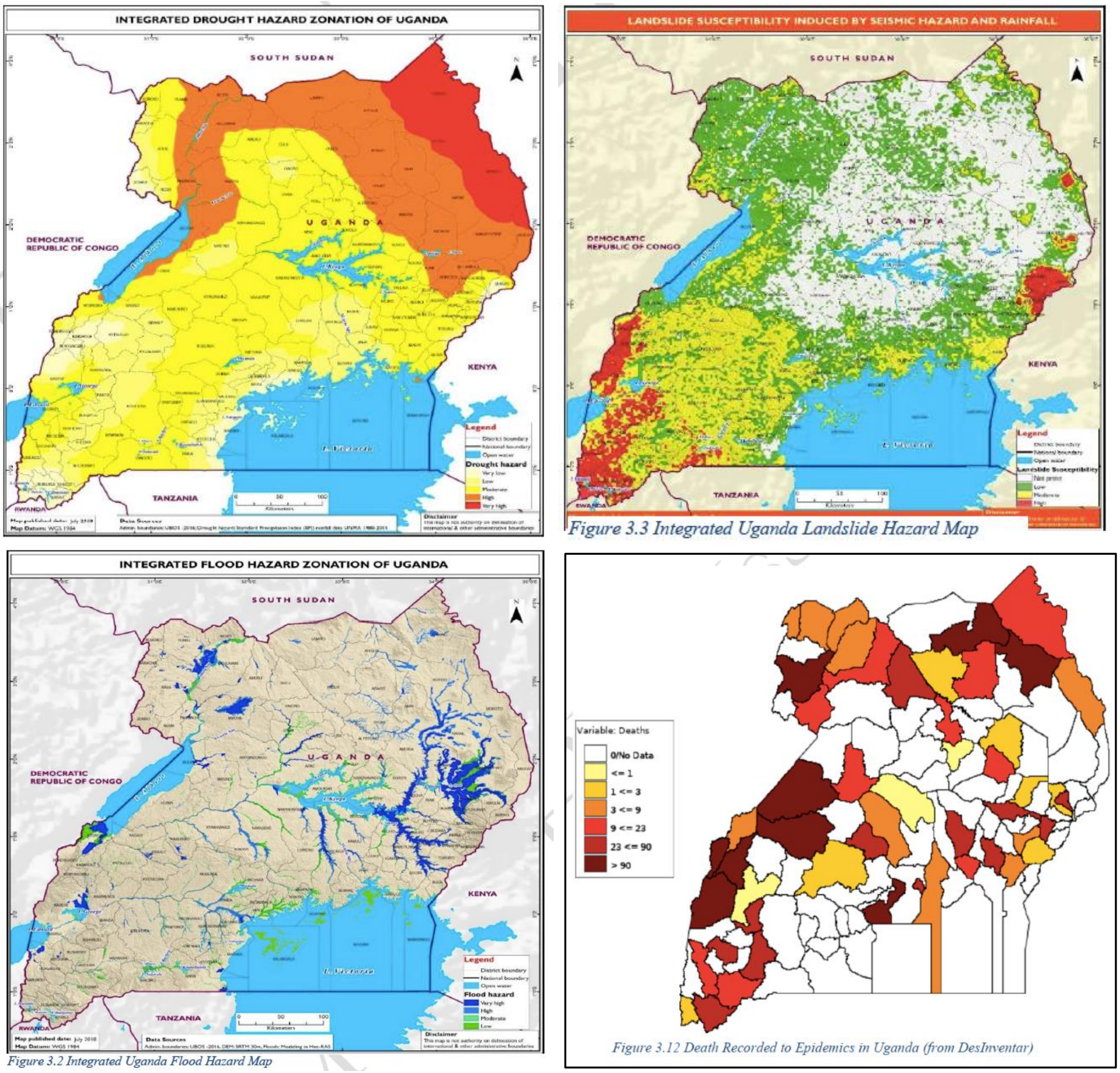
The labour market characteristics of those in urban areas are likely to change with the progress of urbanisation in Uganda. Urbanisation is continuing at a rapid rate in Uganda. Eighty per cent of Uganda's population still lives in rural areas, but the share of the population living in urban areas has doubled since 2012/13. Most of the urban working population are already employed in the informal sector and the proportion will increase if the impact of workers moving from rural areas outweighs the speed of formalisation of urban workers.[48]

[46] Source: Based on UNHS 2016/17.
[47] Source: Ibid.
[48] Source: UNICEF (2018a).

2.3 Environmental context

Uganda is vulnerable to a range of environmental hazards. These include floods, which affected 700,000 people in central Uganda in 2007; the risk of drought, especially in the North-East; landslides, which happen almost annually in districts such as Bududa in the Eastern region and are the highest cause of hazard mortality in Uganda; epidemics - Uganda has faced 30 epidemics over the past two decades, including cholera and Ebola; and pest infestations, such as Fall Army Worm, which was experienced across the country in 2018/2019.[49] Figure 16 shows vulnerability to drought, landslides, floods and epidemics across Uganda.

Figure 16: Vulnerability to drought, landslides, floods and epidemics in Uganda[50]

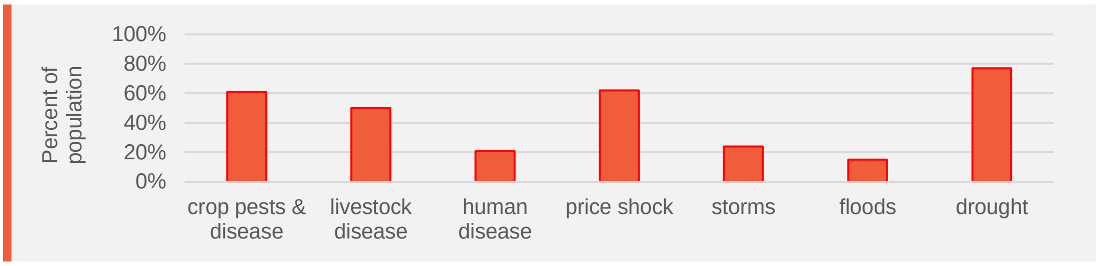


Drought is the most common of a range of shocks affecting vulnerable populations and is becoming more frequent. Over the last half century, significant drought events happened in

[49] Source: Irish Aid (2019).
[50] Source: OPM and UNDP (2019).

1967, 1979, 1987, 1998, 1999, 2002, 2005, 2008, 2010 and 2017.[51] Figure 17 shows the proportion of households affected by different shocks of which drought is the most common (snapshot in the 2016/17 Uganda National Household Survey). The northern region of Uganda is particularly affected by drought, especially the northern 'cattle corridor' which experiences highly variable rainfall. Drought has recently affected 71 percent of the population in northern region compared to 9 and 18 percent in other regions.[52]

Figure 17: Proportion of households affected by shocks in Uganda[53]



Climate change is having a number of detrimental impacts. These include creating land and water scarcity, displacement of people and reduced agricultural production through reduced crop yields and loss in livestock, which lowers food security.[54] This disproportionally affects those most vulnerable to hunger and losses impact heavily on the population dependent on subsistence farming, estimated to be 40 percent of the working age population. In addition, floods and landslides are anticipated to exacerbate health-related issues such as the spread of waterborne diseases.[55]

The most affected part of the population need support to increase their resilience. To quote a recent Irish Aid study, "A resilience approach will be required to empower countries, communities, institutions, women, and men to anticipate, absorb, adapt to or transform shocks and stresses".[56] Groups such as women, children, persons with disabilities and older persons are more vulnerable, as they are least able to migrate and more dependent on care, or provide care themselves.

The frequency of extreme events is expected to increase. Future rainfall in the typically dry months of December, January, and February is predicted to increase. By 2030, it is estimated that an additional 34,600 people will be at risk of inland river floods annually.[57] The wider risk from drought is also forecast to increase. Desertification from the Sahara in the north is likely to make Uganda more vulnerable to drought and water shortages.[58] Climate change may increase the pace of rural-urban migration.

The combined impact of environmental shocks will have major impacts on the national economy unless mitigating action is taken. According to the Economic Assessment of the Impacts of Climate Change 2015, damage caused by climate in the agriculture, water,

[51] Source: Disaster risk profile for Uganda at https://www.gfdrr.org/sites/default/files/publication/uganda_low.pdf .
[52] Source: World Bank (forthcoming).
[53] Source: UBOS (2018b).
[54] Source: Ibid.
[55] Source: Ibid.
[56] Source: Ibid.
[57] Source: Ibid.
[58] Source: World Bank (forthcoming).

infrastructure and energy sectors in Uganda will be worth 2 to 4 percent of GDP between 2010 and 2050. This, in part, reflects the ongoing dependency of the Uganda economy on rain-fed agriculture. If action is not taken on widespread adaptation to climate change, annual costs are forecast at USD 3.2 - 5.9 billion within a decade, or between 10 and 20 percent of the current level of GDP.[59]

2.4 Refugees

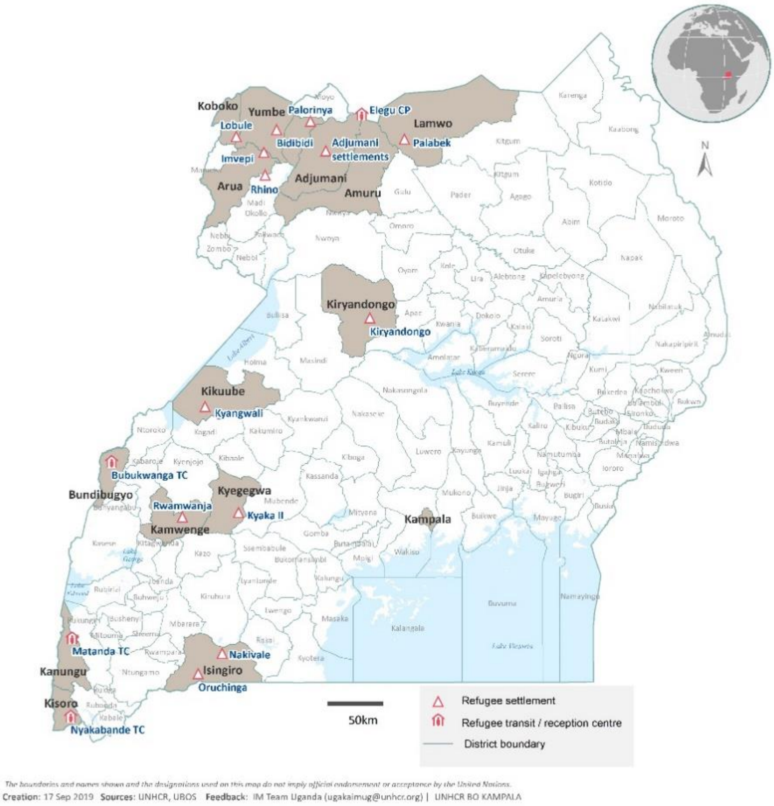
Uganda currently hosts the largest number of refugees in Africa and the third largest in the world.[60] It is currently hosting 1.3 million refugees: 0.4 million from the Democratic Republic of Congo (DRC) and 0.8 million from South Sudan.[61] Refugees comprise more than 10 percent of the population in the districts of Arua, Adjumani and Yumbe. Most refugees are in the west of Uganda, in particular the north west (Figure 18).

Both refugee populations and host communities are vulnerable. Food insecurity is higher than the national average for both refugees and hosts in the Southwest and West Nile regions. Around half of the refugee population in the country (48 percent) are living in poverty, while poverty among the refugee population in the West Nile is 60 percent.[62] Three quarters of refugees are unemployed. Refugee children are made more vulnerable by the fact that less than half live with both parents.[63]

The increased number of refugees interacts with other sources of vulnerability. Climatic factors interact with refugee populations and host communities. Refugee settlements are often in semi-arid and agriculturally marginal areas. Refugees increase pressure on natural, social and economic resources meaning the impact of climate change is likely to be exacerbated. Though there can also be positive benefits from growing refugee populations including through additional local economic activity.[64]

59 Source: Markandya et al (2015).
60 Source: World Bank (forthcoming).
61 Source: UNHCR dashboard https://data2.unhcr.org/en/country/uga .
62 Source: UNICEF (2019a).
63 Source: World Bank (2019d).
64 Source: Irish Aid (2018).

Figure 18: Refugee-hosting areas in Uganda, 2019[65]



There is a need to consider how to support refugees and host communities. Fifty-four percent of the refugee population reports aid as their main source of income. The proportion is higher in West Nile which has more recent arrivals.[66] Regional crises show no sign of ending. There remains a significant risk of further violent conflict in South Sudan, Somalia, and the Democratic Republic of Congo which may generate further population movements. Refugees and host communities require significant and ongoing support. Host communities often perceive refugee populations as being better supported, which can lead to tensions and needs to be addressed. In West Nile, refugees report more favourable access to basic services than host communities.[67]

2.5 Chapter conclusions

The wider context for social protection in Uganda points to a number of important priorities. There is evidence that government needs to rebalance spending so that social spending can increase human development which will support economic growth. Growing public debt suggests this needs to be done in a way that carefully maintains fiscal balance. Economic growth and rising tax revenues as a proportion of GDP should create fiscal space in the medium-term, though there are risks. There is also a need to create economic

[65] Source: UNHCR staff.
[66] Source: UNICEF (2019a).
[67] Source: Ibid.

opportunities to take advantage of population growth and create a demographic dividend – jobs are not being created fast enough at the moment and labour market participation rates are falling. A high proportion of workers remain working in agriculture where rates of informality are high and a lack of insurance for workers is very common. In addition, the growing impact of climate change needs to be mitigated, especially for vulnerable groups, at the same time as supporting the refugee population and host communities. Increasing climate change-related risks and a growing refugee population interact as refugees live in often agriculturally marginal areas.

3 Poverty, vulnerability and social analysis

Chapter summary

- Poverty has increased recently after a long period of decline, so future growth needs to be more inclusive for further significant poverty reduction; inequality has also increased.
- The vast majority of the population are on low incomes with high income insecurity; among higher earners, those that are insured have much higher levels of consumption.
- Eastern Uganda now has the highest poverty rate and the highest population in poverty.
- Disability affects the population at all stages of the lifecycle - nearly a quarter of those with disabilities are children.
- Poverty is highest among children who make up half the population. A majority suffer multidimensional poverty and a high proportion have suffered violence.
- Uganda has high maternal, newborn and child mortality rates compared to other countries and only half of 0-2-year olds have received basic vaccinations.
- Stunting of 0-4s is still around a third across the bottom three wealth quintiles and secondary school attendance is low, particularly for poorer households.
- Girls face extra challenges such as child and early forced marriage and teenage pregnancy
- A high and rising proportion of youth are neither in education or employment and the labour market participation rate for youth is falling as it is for others of working age.
- Additional challenges for young people with disabilities are extra costs of living and working.
- Men are more likely to be in the labour force than women, and earn more, while women are more likely to have caring responsibilities and face the additional challenge of violence.
- Working age are vulnerable to shock, like other age groups – 40 percent still depend on subsistence agriculture
- Older persons have a falling capacity to work and more than half live with a disability.
- Older people can become dependent on younger family members affecting older persons’ sense of self-worth and generating social exclusion.
- Older people that work depend on subsistence farming and can be left behind in more marginal rural areas following the migration of those of working age.
- Older persons have an important caring role themselves – one in six live only with children, and these households have a poverty rate nearly 25 per cent higher than average.

3.1 Poverty and inequality in Uganda

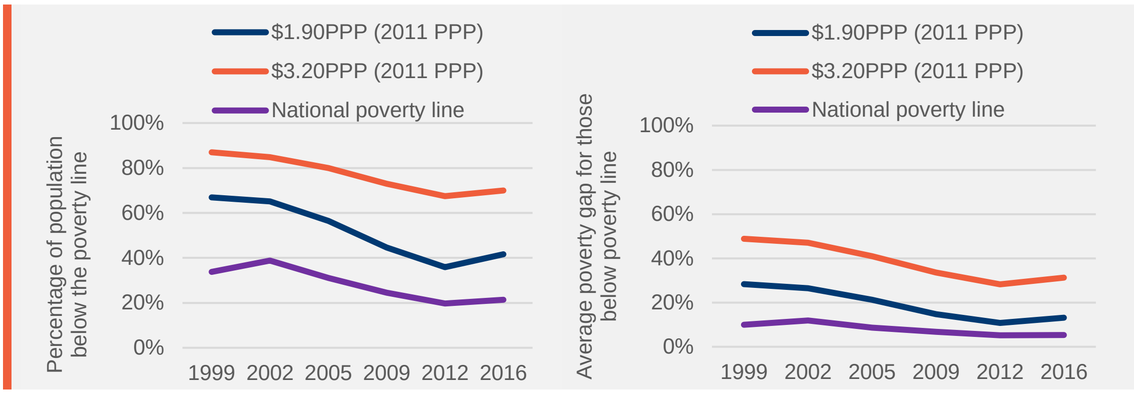
3.1.1 Trends in poverty and inequality

Poverty in Uganda has fallen significantly in the last two decades but has increased since the last social protection sector review in 2014. Figure 19 shows the poverty headcount and poverty gap in the last two decades. It shows the poverty rate, measured by the national poverty line, halved between 2002 and 2012. This was largely as a result of the strong economic growth of the last two decades.[68] But poverty has increased recently, despite economic growth.[69] These broad trends are reflected in different poverty measures. The poverty gap, the average distance between income and the poverty line (as a proportion of the poverty line), shows a broadly similar trend.

[68] Source: Mira (2014).
[69] Notes: Economic growth was between 3.9 percent and 5.2 percent from 2012/13 and 2016/17.

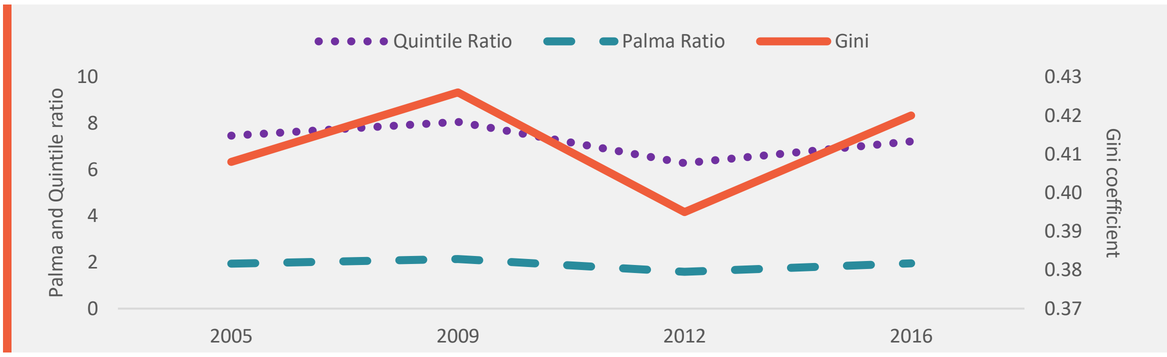
The small recent increase in the poverty rate appears to be a result of shocks, from which vulnerable groups need to be protected. These are shocks in the form of severe drought and crop pests. This makes it difficult to assess whether the upturn in poverty will persist. But, it suggests economic growth may not be enough to ensure poverty reduction: growth needs to be more inclusive, and people need to be protected from shocks.[70] Evidence for growth not being enough is in the fall in the poverty-growth elasticity, from -0.5 for 2009 to 2016 to -1.24 for 2000 to 2016 according to World Bank analysis.[71]

Figure 19: Trends in poverty headcount and poverty gap in Uganda[72]



Like poverty, inequality is on a downward trend in the longer-term but has increased since the 2014 social protection sector review. Figure 20 shows inequality over the last decade, by different measures of inequality. The Gini coefficient, which is the most commonly used, increased from 0.40 in 2012/13 to 0.42 in 2016/17. The other measures of inequality also increased.[73]

Figure 20: Trends in inequality in Uganda[74]

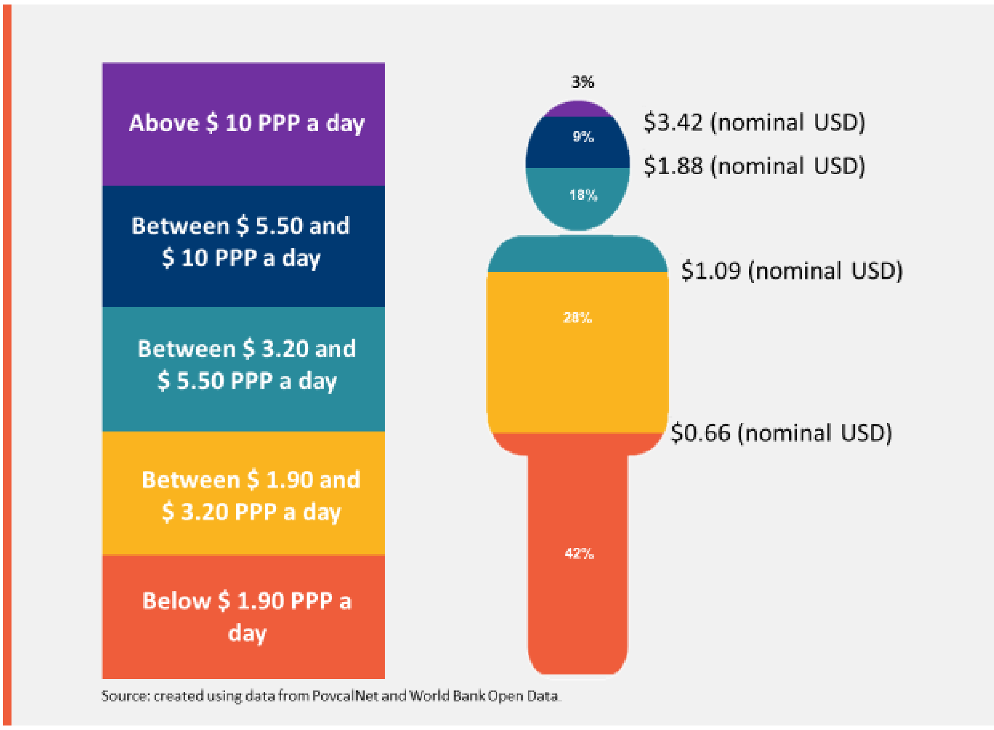


The rate of poverty does not reflect that the vast majority of the population are on low incomes. Figure 21 shows how many Ugandans live below different international poverty lines. It shows that, using the international poverty threshold of USD 3.20 (PPP) per day (or

[70] Source: IMF (2019) and World Bank (forthcoming).
[71] Source: World Bank (2019b). The poverty-growth elasticity is the elasticity of the poverty headcount under the international poverty line to GDP per capita growth.
[72] Source: UNHS various years.
[73] Note: The Palma ratio is the ratio of the share of gross national income (GNI) for the wealthiest 10 percent to the share of GNI for the least wealthy 40 percent, while the Quintile Ratio is the income ratio of the richest and poorest quintiles.
[74] Source: UNHS various years.

USD 1.09 in nominal terms), 70 percent of Ugandans are living in poverty.[75] If the poverty were much higher, at USD 10 (PPP) per day (USD 3.42 in nominal terms), to allow, arguably, a reasonable level of consumption, nearly all of the population would be in poverty. This reflects the somewhat arbitrary nature of poverty lines.[76]

Figure 21: Proportion of population beneath different poverty lines in Uganda[77]



3.1.2 Income volatility

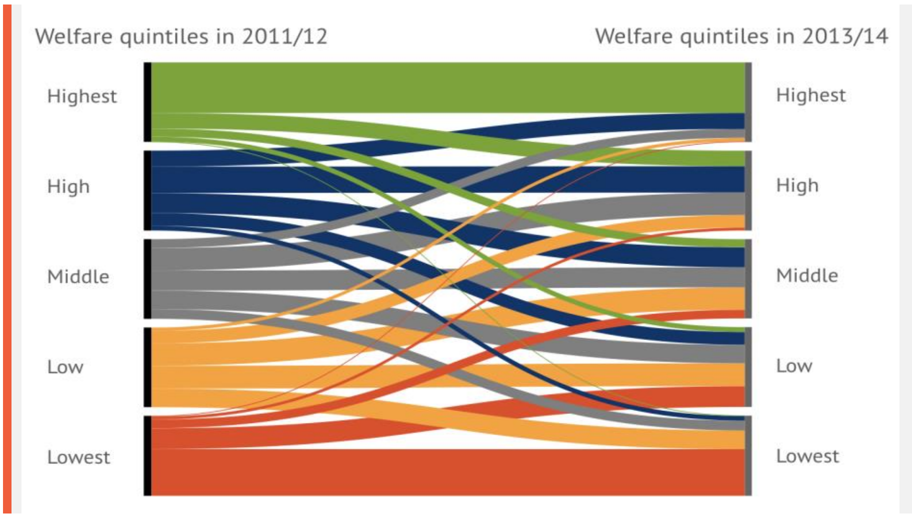
In addition, there is significant movement between income levels over short periods of time. For example, Figure 22 shows the movement between welfare levels over a recent two-year period. More than a third of those in the lowest income quintile were not there two years earlier. Over a longer period, between 2009 and 2014, more than half of households in Uganda had spent at least one year below the national poverty line.[78] This means the 'poor' are not a static group and that social protection programmes and other support must be designed to take account of these movements.

Income volatility and insecurity are a result of vulnerability to shocks, which affects the vast majority of the population in Uganda. These shocks can be lifecycle-related, which affects all the population at some point in their lives, or they can be covariate, affecting large parts of the population, frequently as a result of climate change. And they can have a cumulative impact. To quote a recent study, "It is not the experience of a single shock but the accumulation of multiple shocks…propelling households into negative poverty trajectories".[79]

[75] Note: the international poverty line of USD 3.20 is measured in purchasing power parity terms, which takes account of the cost of living in Uganda compared to the USA. It is equivalent to around UGX 4,400.
[76] Source: https://www.cgdev.org/blog/world-bank-progresses-poverty-lines.
[77] Source: UBOS (2018b).
[78] Source: Calculation based on Uganda National Panel Survey.
[79] Source: USAID (2016).

It is estimated that while 21 percent are below the national poverty line a further 44 percent are currently non-poor but vulnerable. It is also estimated that those in early childhood and in old age are most likely to be non-poor but vulnerable (as well as being the most likely to live in poverty), though proportions are similar across age groups.[80] The fact two thirds of the population of Uganda are vulnerable is a risk to human capital development and provides a rationale for social protection programmes that have high coverage.

Figure 22: Population movement between welfare quintiles in Uganda[81]



Vulnerability, defined as the probability of being poor in future, remains high though it has fallen since the 2014 social protection review. 55 percent of the population of Ugandan are estimated to be currently highly vulnerable to being in poverty in 2020, though this has reduced from 65 percent in 2017 and 62 percent in 2015.[82]

3.1.3 Poverty and inequality by region

There has been a geographic shift in poverty since the last social protection sector review - Eastern Uganda now has the highest poverty rate and the highest population in poverty. Figure 23 shows change in the poverty headcount and population in poverty by region since the 2014 social protection sector review. Eastern Uganda now has a higher poverty rate and a higher population in poverty than Northern Uganda. The reasons for this change are not yet clear but may be partly a result of significantly increased remittances in Northern Uganda.[83] Karamoja remains the sub-region with the highest poverty rate.

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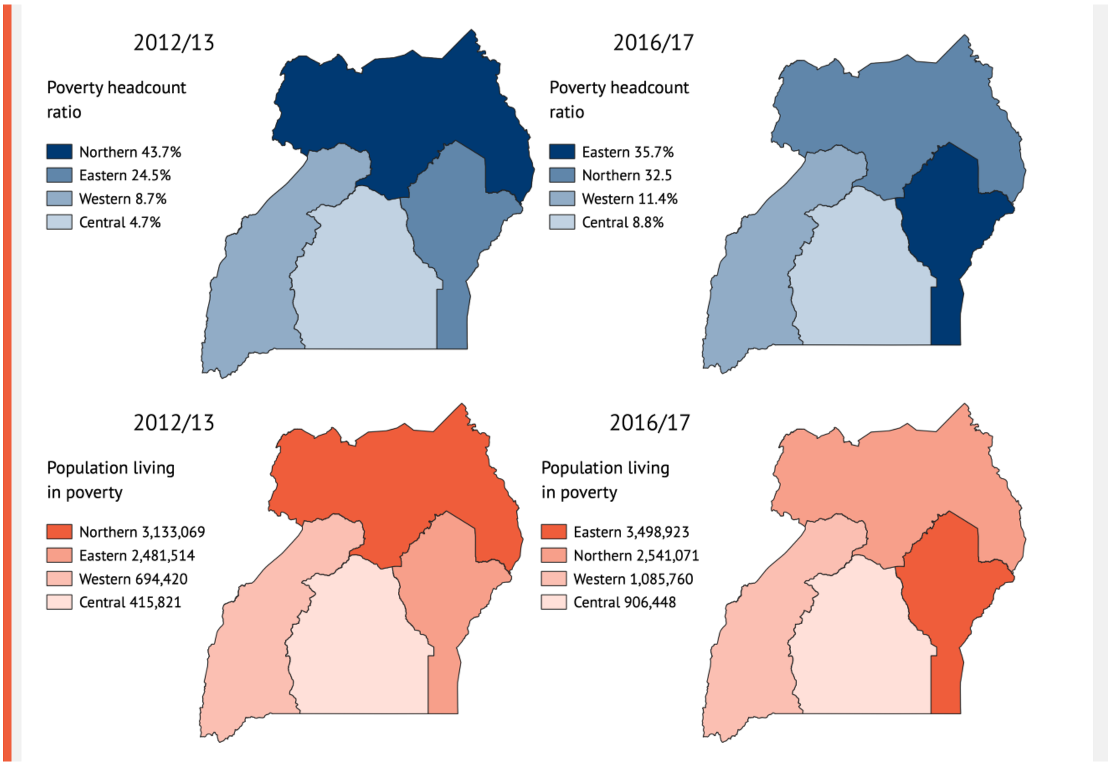
[80] Source: World Bank (forthcoming). Calculations based on the Uganda National Panel Survey. Income dynamics in Figure 10 are based on 2016/17 UNHS.

[81] Source: calculation using data from Uganda National Panel Survey.

[82] Source: UNDP (2019). Note: the 55 percent includes those already in poverty.

[83] Source: World Bank (forthcoming).

Figure 23: Poverty headcount and population in poverty by region in Uganda[84]



Eastern and Northern Uganda also have the highest rates of food insecurity. Figure 24 shows that in Eastern and Northern Uganda, more than 20 percent of the population has either poor or borderline food consumption.

Inequality is high in all regions in Uganda and this affects economic growth. Inequality is highest in the Central region, which is more urban than other regions and has a larger proportion of the population on higher incomes (Figure 25). It is falling in the Central and Eastern regions, though it remains high, and is mostly flat in the Western region and rising in the Northern region, though it fell in 2016/17. High levels of inequality, both in the Central region and nationally, are a matter of urgency. There is international evidence on the detrimental impact of high inequality on growth. The IMF estimate that, when national Gini coefficients are above 0.27, inequality begins to harm growth.[85] Inequality is 0.42 in Uganda. The IMF observe that: 'When income is more concentrated in the hands of a few individuals, this can lead to less demand by the general population and lower investment in education and health, impairing long-term growth'.[86]

[84] Source: UNHS, 2012/13 and 2016/17.
[85] Source: Grigoli F. (2017).
[86] Source : IMF (2017).

Figure 24: Food insecurity by region in Uganda[87]

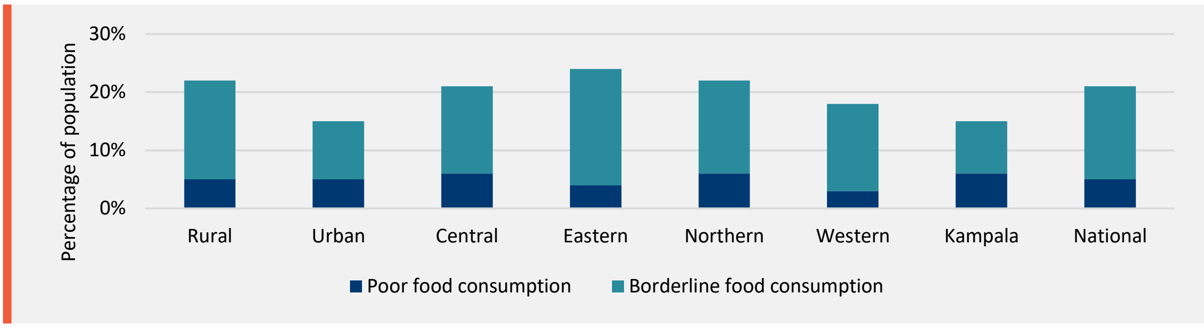
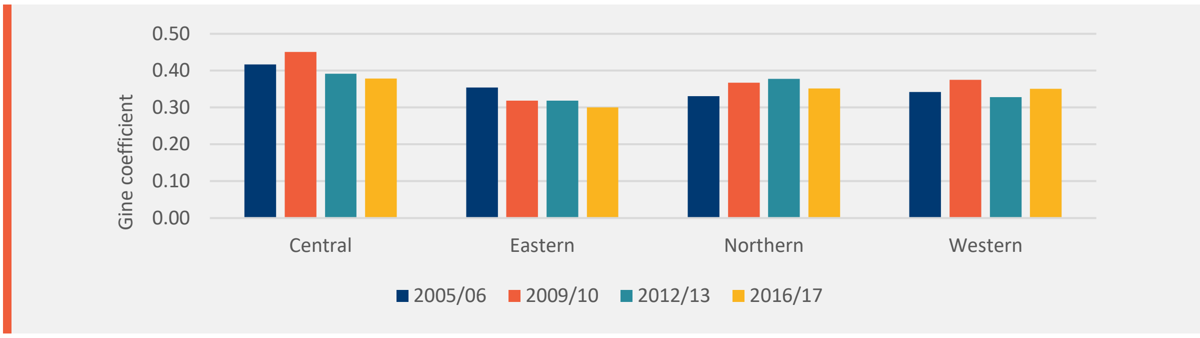


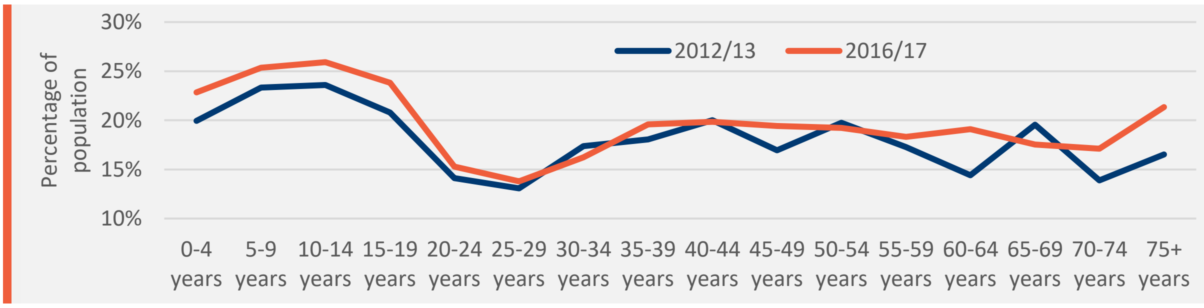
Figure 25: Inequality trends by region in Uganda (Gini coefficient)[88]



3.1.4 Poverty by age

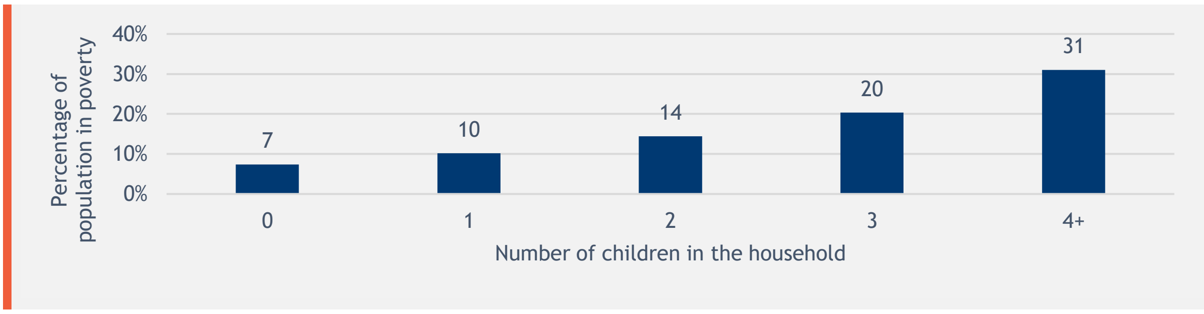
By age, poverty rates are highest among children, and households with higher numbers of children are much more likely to be in poverty. Figure 26 shows poverty headcount by age, now and at the time of the 2014 social protection sector review. It shows that poverty rates are highest among children 0 to 17 years of age and that the largest increases in poverty since the last social protection sector review have been, broadly, for young children and older people. Figure 27 shows a higher number of children in the household is related to a greater likelihood of being in poverty.

Figure 26: Poverty headcount by age group in Uganda[89]



[87] Source: UBOS (2013).
[88] Source: UNHS, various years.
[89] Source: UNHS, 2012/13 and 2016/17.

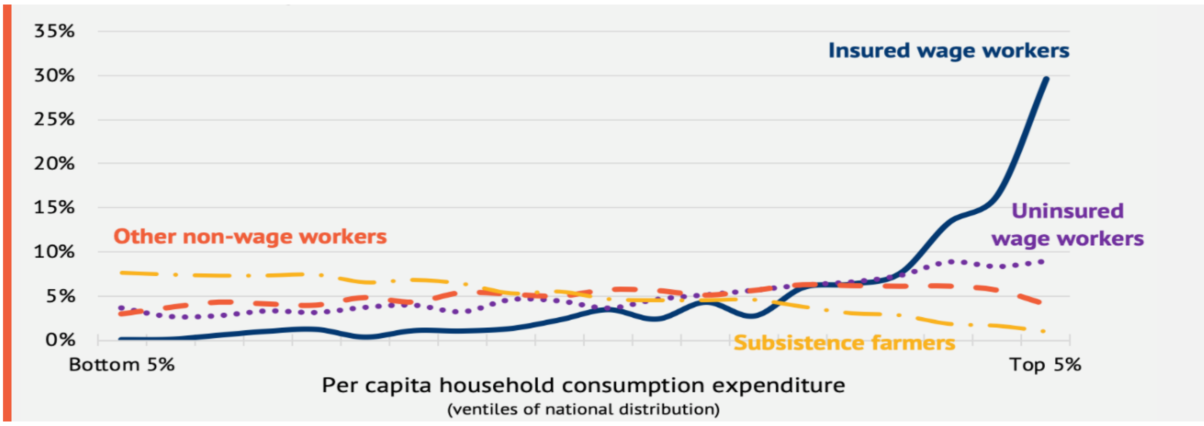
Figure 27: Poverty headcount by number of children in households in Uganda[90]



3.1.5 Poverty by employment status

Income patterns and levels differ significantly between insured and uninsured workers and depending on whether they are wage or non-wage earners, and whether or not they work in subsistence agriculture. As shown in Figure 28, consumption levels at the lower end of the distribution are relatively similar for all workers, and only begin to significantly diverge among the top 15 per cent of households, at which point there is a sharp divergence between those who report contributing to social security and those who do not.

Figure 28: Percentage distribution of household consumption per capita, by ventile



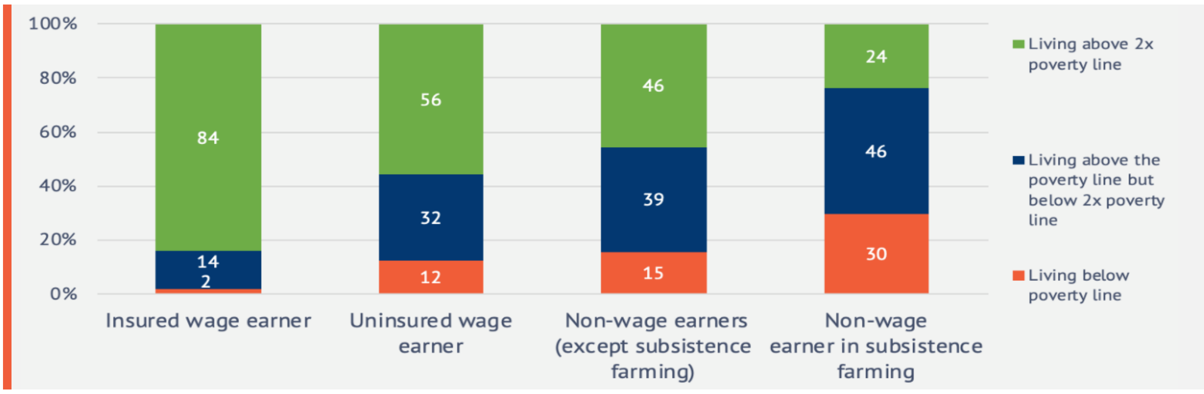
Source: Based on UNHS 2016/17

Similarly, uninsured workers in general, and non-wage earners in particular, are far more likely than insured workers to be classified as poor or to be vulnerable (Figure 29). Almost a quarter (23 per cent) of all non-wage earners live in households below the national poverty line, compared with 12 per cent of uninsured wage earners and only 2 per cent of insured wage earners. But many more are living below twice the poverty line, or UGX146,000 a month, and would be considered vulnerable by many standards.[91] Only 56 per cent of uninsured wage earners and just under half non-wage earners (except subsistence farmers) live in households with a per capita consumption of above twice the poverty line, while some 14 per cent of households with an insured wage earner live below this threshold. Non-wage earners working in subsistence farming are more likely than any other group to be classified as poor or to live below twice the poverty line.

[90] Source: UBOS (2018b).

[91] Note: By comparison, a bill that would have established a monthly minimum wage of UGX130,000 was recently rejected by President Museveni but may be re-tabled before Parliament.

Figure 29: Percentage distribution of workers, by poverty status[92]

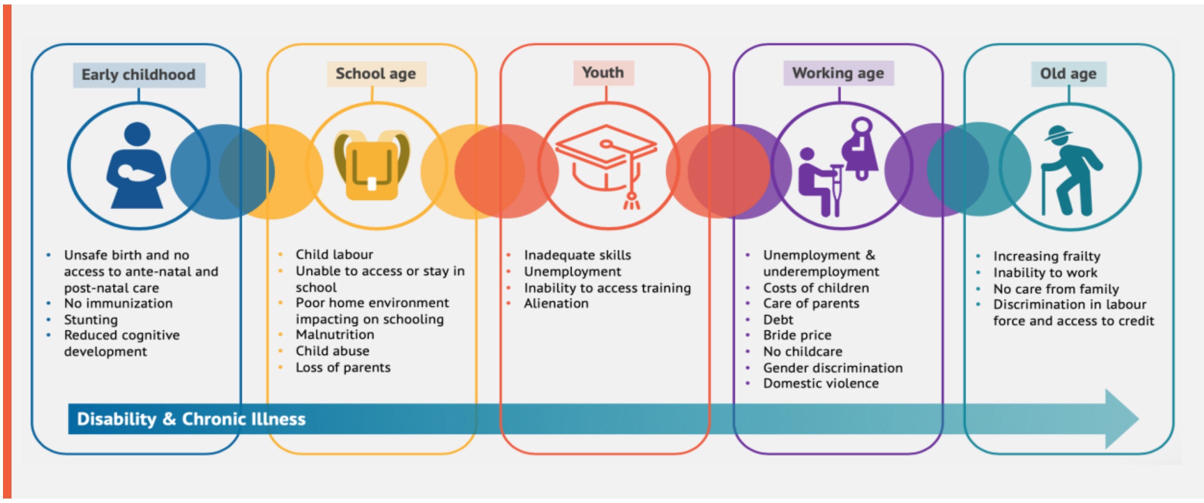


3.2 Dimensions of vulnerability by lifecycle stage

3.2.1 Introduction

Vulnerability in Uganda has both economic and social dimensions. The distribution of multidimensional poverty levels in Uganda shows that almost half the population experience significantly higher levels of deprivation than for monetary poverty alone. The proportions are 47 per cent and 21 percent respectively, using the national poverty line.[93] Risks and shocks requiring social care and support can also affect non-poor households and individuals, for which there is no overall measure or rate. For example, gender-based violence, child marriage, and disability.

Figure 30: Lifecycle risks faced by all citizens in Uganda[94]



All citizens of Uganda face lifecycle risks as well as vulnerability to wider shocks. This helps to explain patterns in poverty. Risks are often a natural part of life, such as having children and growing older. But some arise from low and insecure incomes or sudden shocks such as

[92] Source: Based on UNHS 2016/17.
[93] Source: UNICEF (2019). Multidimensional poverty takes account of access to health care and education, having a social and family life, access to clean and safe drinking water and housing that is not squalid and overcrowded, adequate clothing, and regular meals with sufficient and nutritious food.
[94] Source: MGLSD (forthcoming).

serious illness. They also arise from wider shocks, for example climate-change related events or economic shocks such as sudden price changes (Figure 30). Women often face higher risks, for example from childbirth and gender-based discrimination as do people living with disabilities. Figure 30 summarises key lifecycle risks by age category.

The definition of lifecycle stages is set out in Box 1 and the proportion of the population in each age group is set out in Figure 31. Figure 31 shows that nearly half (48 percent) of the population are of school age (0-14 years of age). It also shows the proportion of working age (defined as 15-64 years of age) has risen, from 46 to 49 percent, since the 2014 sector review.

Box 1: Definitions of the lifecycle stages

Early childhood and school age is defined as 0 to 14 years old, youth from 15 to 24 years old, working age from 15 to 64 years old and older persons 65 years and over.

These definitions have been used because they are mutually exclusive and allow a coherent description of vulnerability by lifecycle stages. There are overlaps and inconsistencies in the official definitions of the different age groups.

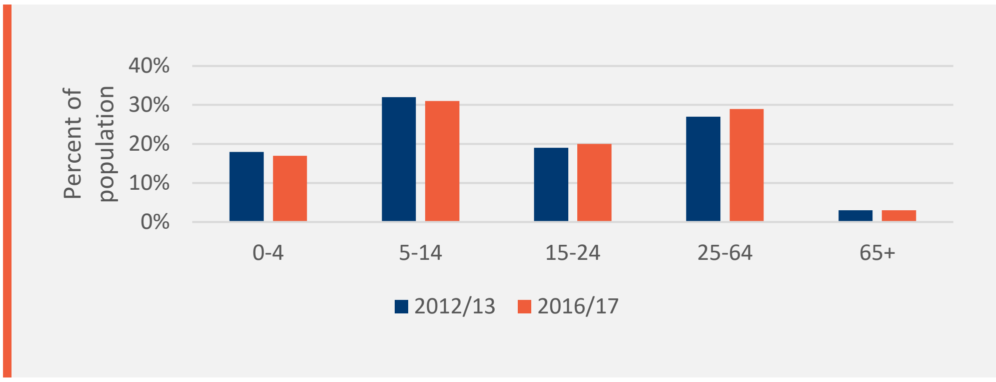
The official definitions of early childhood in Uganda from conception to 8 years.[95] In terms of school age, pre-primary education is defined as for children aged two to five years, primary education for children six years and above and for a period of seven years and secondary education for four years subsequent years for ordinary secondary and two subsequent years for advanced secondary schooling, to 18 years of age. [96]

School age therefore overlaps with working age which is defined in the Uganda National Household Survey (UNHS) as 14 to 64 years and older persons 65 years and over.[97] The minimum age for work is defined as the age of 16.[98] Older persons are defined as aged 60 and over according to national policy.[99]

A particular issue in Uganda is the definition of youth, which is 12 to 30 years according to Uganda's youth policy,[100] 18 to 30 years according to legislation[101] and the UNHS, and someone below 35 years of age according to the Constitution of Uganda. The internationally accepted definition is 15 to 24 years.[102]

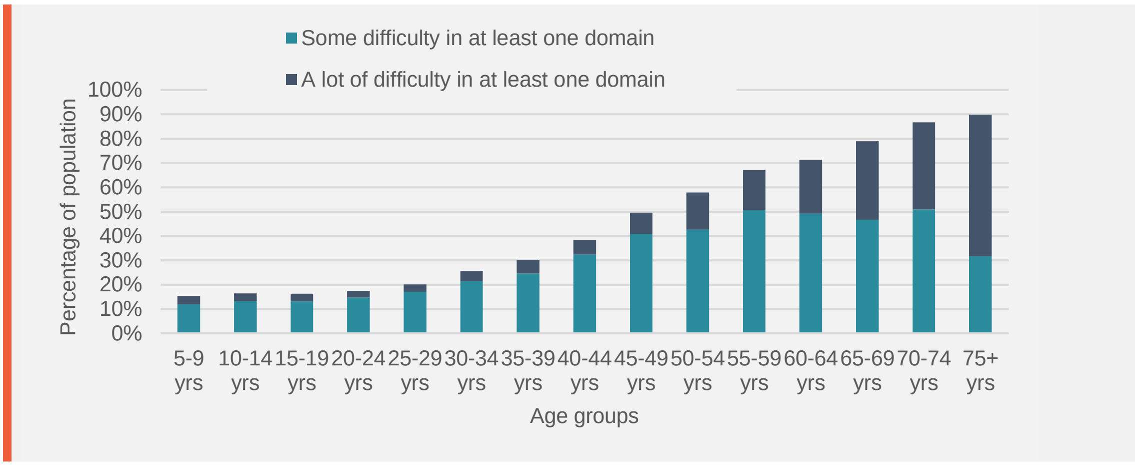
[95] Source: MGLSD (2016b).
[96] Source: Government of Uganda (2008).
[97] Source: UBOS (2018b).
[98] Source: Government of Uganda (2016). Section 7.
[99] Source: MGLSD (2009).
[100] Source: MGLSD (2001).
[101] Source: Government of Uganda (2016). Section 7.
[102] https://www.un.org/development/desa/youth/what-we-do/faq.html

Figure 31: Proportion of population in Uganda by age group[103]



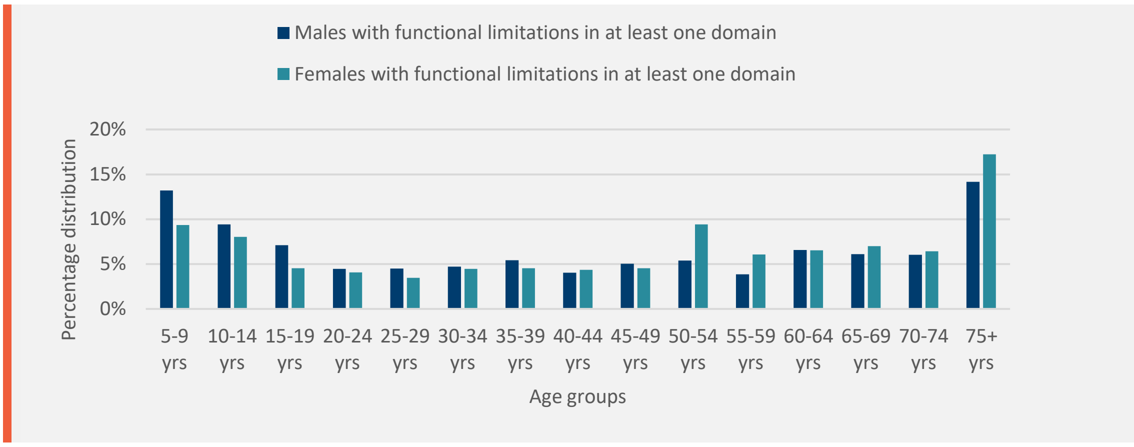
Disability affects significant parts of the population of Uganda at all stages of the lifecycle. Nearly 20 percent of households in Uganda have a member with some level of disability. These households are particularly vulnerable to falling incomes and dropping below the poverty line because of the extra costs of disability. The prevalence of disability increases sharply with age, with very high prevalence among older people (Figure 32). However, because of the young age profile of the Uganda population, children make up a large proportion of those with disabilities at around 23 per cent (Figure 33).[104] Reflecting global prevalence estimates, 3.5 per cent of Ugandan children aged 2-4 and 7.5 per cent of children aged 5-17 are estimated to have a disability.[105] UNICEF report that although more than half of households with a disabled member were aware of economic assistance programmes, only 4 per cent had received external economic support.[106]

Figure 32: Disability prevalence by age group in Uganda[107]



[103] Source: UBOS (2014) and UBOS (2018b).
[104] Source: UBOS (2018a). Notes: comparable estimates of disability prevalence are not available from previous surveys.
[105] Source: UNICEF (2019b).
[106] Source: Ibid.
[107] Source: UBOS (2018a).

Figure 33: Percentage of population in Uganda with disabilities by age group[108]



HIV continues to affect an estimated 1.4 million Ugandans with the highest prevalence rate of 7.1 percent amongst women age 15-49. Stigma associated with HIV and AIDS affects the uptake of testing and treatment. In 2018 it stood at around 33 per cent.[109] Whilst a number of legal and policy instruments are available to support HIV management, civil society organisations continue to be at the forefront of community awareness raising and other HIV prevention and response approaches.[110]

3.2.2 Early childhood and school age

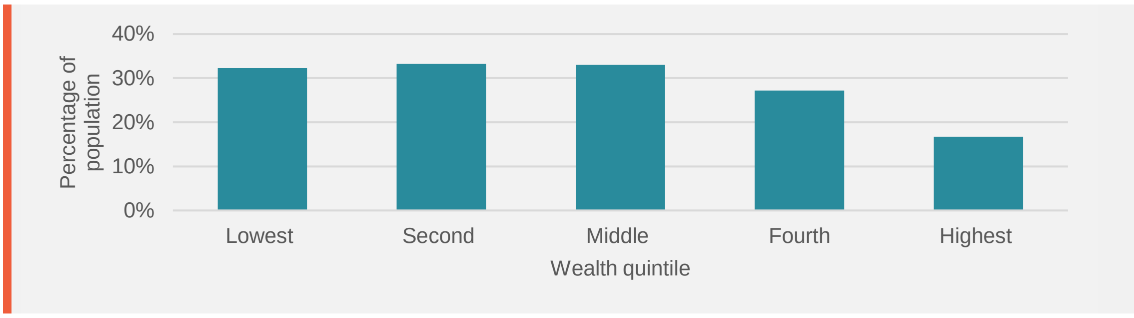
Around half the population in Uganda is in early childhood or school age (Figure 31) and is vulnerable in a range of areas. Risks in early childhood begin before birth. Pregnant mothers without adequate diets can affect the nutrition of unborn children, and many births happen without adequate health services. Uganda is among the top 10 countries in the world for high maternal, newborn and child mortality rates. Health services can continue to be scarce in early childhood. The proportion of children 0 to 2 years who have received basic vaccinations was 55 percent in 2016, though this is up slightly from 52 percent in 2011.[111] Malaria, diarrhoea, pneumonia and infections such as HIV still account for most under-five deaths.[112] Poor maternal and newborn healthcare and inadequate nutrition are significant contributory factors in childhood disability.[113]

Many young children, across all wealth quintiles, experience undernutrition. Among 0 to 4 years olds in the Uganda population, 4 percent are wasted (thin for their height), 11 percent are underweight (thin for their age) and 29 percent are stunted (short for their age), though all of these figures have improved since the 2014 social protection sector review.[114] Stunting is equally prevalent across the bottom three wealth quintiles, and is almost as high among the fourth quintile (Figure 34), reflecting the fact that most Ugandans live on low incomes. This is also reflected in that the proportion of underweight childbirths is also broadly similar

[108] Source: Ibid.
[109] Source: UNAIDS (2018).
[110] Source: Uganda AIDS Commission (2017).
[111] Source: UBOS (2018a).
[112] Source: UNICEF (2015).
[113] Source: UNICEF (2013).
[114] Source: UBOS (2018a). Note: wasting improved from 5 to 4 percent, underweight from 14 to 11 percent and stunting from 33 to 29 percent between the 2011 UDHS and the 2016 UDHS.

across wealth quintiles.[115] Nearly half, 48 percent, of children in Uganda do not have three meals a day and this rises to two thirds for children in poverty.[116]

Figure 34: Stunting among 0 to 4-year-olds in Uganda[117]



Spending on education has dropped from 4 percent of GDP in 2003 to 2.3 per cent in 2018. As a result, large numbers of children have no access to pre and post-primary education. Hidden costs such as uniforms, and school materials prohibit poor families from sending their children to school. In terms of beginning the education process, only 43 percent of children aged 3 to 5 years attend pre-primary school, in part as a result of low incomes.[118] UNICEF report that only 62 percent of children completed primary school in 2016.[119]

For school age children, school attendance varies significantly by wealth quintile and secondary school attendance is particularly low for poorer households. Primary school attendance ratios increase by wealth quintile although they are relatively high across the board (Figure 35). However, secondary school enrolment varies dramatically by consumption quintile and only 6 percent of children in the lowest quintile attend secondary school. Attendance rates have increased since 2012/13 for 6 to 12-year-olds but decreased for 13 to 18-year-olds.[120]

Low secondary school attendance reflects the challenge of attending school from home environments where regular meals are less common and where child labour may be an economic necessity. Poor quality education and low retention in secondary school are also particular challenges in Uganda.[121] By comparison with other countries in the region, a child born today in Uganda is expected to complete only 7 years of education by age 18, compared to a regional average of 8.1.[122] In terms of beginning the education process, only 43 percent of children aged 3 to 5 years attend pre-primary school, in part as a result of low incomes.[123]

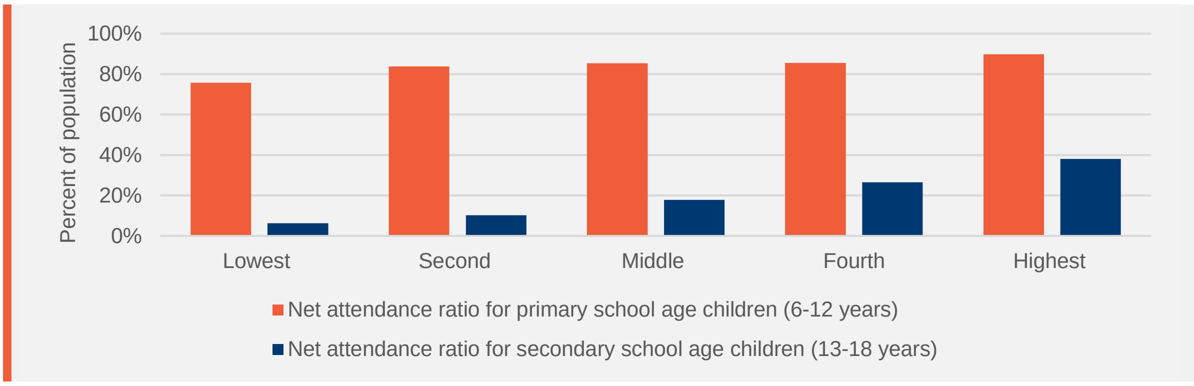
Harmful gender norms discriminate against girls. In Karamoja, only a reported 6 percent of primary school children are girls,[124] and child domestic workers are predominantly girls aged

[115] Source: UBOS (2018a).
[116] Source: UNICEF (2019b).
[117] Source: UBOS (2018a).
[118] Source: UBOS (2018b).
[119] Source: UNICEF (2019b).
[120] Source: UBOS (2018a).
[121] Source: Bashir et al (2018).
[122] Source: World Bank (forthcoming).
[123] Source: UBOS (2018b).
[124] Source: Coffey (2016).

12-17 years.[125] Forty per cent of girls in Uganda are married before their 18th birthday and one in ten is married before the age of 15; Ending child marriage in Uganda could generate USD 514 million in earnings and productivity.[126] Adolescent girls in the lowest wealth quintiles tend to have children earlier than those in the highest quintile.[127] Pregnancy in adolescence is an important contributor to school dropout and a leading cause of death among adolescent girls.[128]

Children with disabilities are only two-thirds as likely to attend school compared to children without disabilities.[129] Disabilities among children are often the result of ante- and neonatal complications as a result of a lack of basic health services.[130] Children with disabilities are restricted by higher transport costs, a lack of assistive devices and, sometimes, their family's attitude to disability.

Figure 35: Net attendance ratio by wealth quintile[131]



Children are at substantial risk of violence at home and in school. One in three girls (35 per cent) and one in six boys (17 per cent) report experiencing sexual violence during their childhoods and more than one-third of female children with a disability have experienced sexual violence; 44 per cent of girls and 59 per cent of boys aged 13-17 years report experiencing physical violence in the previous 12 months and fewer than one in ten had received appropriate services.[132] Ugandan boys and girls report their own homes, followed by on a road or at school as the most common locations of sexual violence. Corporal punishment although prohibited in Ugandan legislation remains the primary source of discipline in schools.[133] In addition, cases reported to the child protection and family department of the Uganda Police Force have increased by over 60 per cent in the last six years.[134] Toxic stress, a consequence of violence, can have a cumulative toll on an individual's physical and mental health.[135] Thus violence experienced in childhood can have a significant

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125 Source: IDAY International (2015).
126 Source: Girls not Brides and World Bank (2017).
127 Source: UNICEF (2019b).
128 Source: Ibid.
129 Source: UBOS (2018b). Note: Prevalence rates by age group weighted by 2014 Census populations.
130 Source: UNICEF (2015).
131 Source: UBOS (2018b).
132 Source: MGLSD (2015d).
133 Source: Ibid.
134 National Child Protection Working Group, November 2018
135 Source: Centre on the Developing Child, Harvard University https://developingchild.harvard.edu/science/key-concepts/toxic-stress/

impact on happiness and productivity in later life, which among other things could threaten the potential gains of the demographic dividend.[136]

One in seven school-aged children (14 percent) are engaged in child labour, with the likelihood of working increasing with age. Child labour is detrimental to their health and development - though it is depended on as a source of income by many poorer households. The likelihood of being engaged in child labour increases with age. This in part explains why net secondary school enrolment and completion rates are so low in Uganda.

Children in Uganda engage in the worst forms of child labour in commercial sexual exploitation, sometimes as a result of human trafficking. Children also perform dangerous tasks in gold mining. The lack of a centralized supervisory authority, as well as inadequate funding, training, and resources, has hampered the capacity of law enforcement agencies to conduct child labour inspections and investigations.[137] Children from the Karamoja region are considered particularly vulnerable, both through trafficking and voluntary migration, for commercial sexual exploitation.[138]

Children also suffer from loss of parental care from bereavement or migration. More than one in ten children (11 percent) aged less than 18 years, or 2.4 million children, have lost either one or both parents. This has reduced from 15 percent in 2005/06. In addition, parents are absent because of migration, driven by the need to find work, often in urban areas. Around one in six (16 percent) of the population of Uganda lived elsewhere in the last five years and this rises to nearly a third (31 percent) of the population in Kampala.

More than 50,000 children are living in residential institutions. This is despite residential institutions being a provision of last resort in Ugandan legislation.[139] These institutions are almost entirely unregulated, and some are unknown to the government. A 2015 study in three districts identified 29 institutions, of which 27 were privately owned and only 9 registered.[140] A boom in residential institutions is occurring despite global and regional evidence of the harmful effects. Institutionalised children are at significant risk of violence, abuse, exploitation and neglect, including child trafficking.

Childhood vulnerability interacts with climate change in different ways. Droughts increase the likelihood of stunting, while higher rainfall puts children at risk of being wasted. Girls are more vulnerable to climate-related hazards. In addition, malaria prevalence increases with rainfall and can increase the impact of climate variability on malnutrition. Climate shocks also have an effect on school attendance. Higher rainfall increases the likelihood of school drop-out for older children, though for younger children, higher rainfall enables them to stay on in school.[141]

The majority of children in Uganda suffer from multidimensional poverty. Multidimensional poverty measures deprivation beyond household income taking account of health care and

[136] Source: UNICEF (2018b).
[137] Source: US Department of Labor (2018).
[138] Source: Ibid.
[139] Source: Walakira E.J. et al (2015).
[140] Source: Ibid
[141] Source: UNICEF (2017a).

education, a social and family life, clean and safe drinking water, housing that is not squalid and overcrowded, adequate clothing, and regular meals with sufficient and nutritious food. These are regarded by the majority of the population as necessary for an adequate standard of living. The majority, 56 percent, of children in Uganda experience multidimensional poverty. Within this, 24 percent of children are severely water-deprived, having to travel long distances or wait in long queues for safe water, and a quarter in rural areas do not have access to adequate sanitation. In terms of shelter, 40 percent of children live in overcrowded homes or in non-durable dwellings (with a mud floor). Almost three quarters do not have their own bed and almost two thirds do not have their own blanket. For children in larger households, with three or more children, multidimensional poverty is more than 60 percent. In some of the poorest and most densely populated regions of the country, three-quarters or more of children are multidimensionally poor.[142]

Disadvantages including poor nutrition in early childhood and limited access to education at school age have significant economic implications. Poor nutrition affects early cognitive development and a lack of education directly affects productivity. This impacts on lifetime earnings. It is estimated that a child born in Uganda today will only be 38 percent as productive when he or she grows up as they could be if they enjoyed complete education and full health. Uganda's GDP per worker could be 2.6 higher if everyone reached the benchmark of complete education and full health.[143]

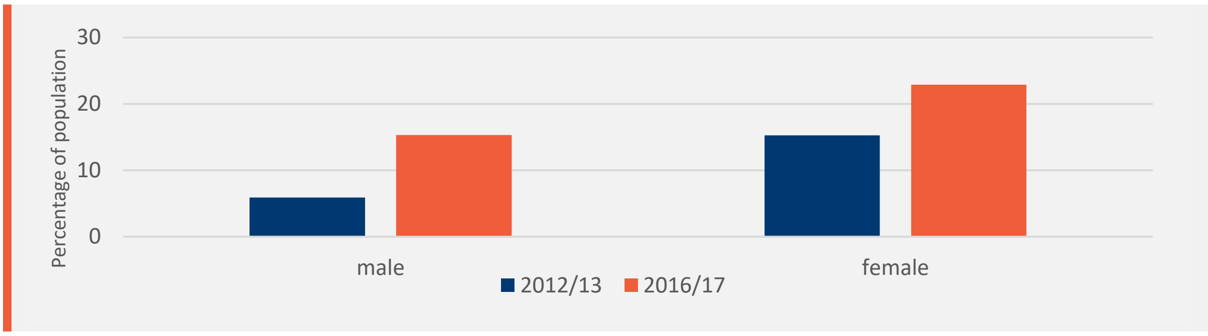
3.2.3 Youth and working age

A significant challenge faced by youth is the growing proportion that are neither in education nor in employment and a fall in labour force participation. The number of young people seeking work is growing faster than economic opportunities. As a result, the number of youth aged 15 to 24 years that are neither in education or employment has grown significantly for men and women since the last social protection review, to 15.3 and 22.9 percent respectively (Figure 36). This is matched by a fall in labour force participation for those 15-24 years, from 52.4 percent to 40.7 percent.[144] There is also a shortage of vocational training opportunities: a little over a quarter of a million students are enrolled in the training institutions compared to the population aged 15 to 24 years of 9.4 million.[145]

The lack of jobs and training opportunities creates a risk of alienating young people instead of making full use of their productive potential. Ugandan youth cite poverty as a barrier to civic engagement, employment, entrepreneurial activity and employment. They also express a distrust of government mechanisms for engagement such as the National Youth Council.[146]

[142] Source: UNICEF (2019b).
[143] Source: World Bank (forthcoming).
[144] Source: UBOS (2018b).
[145] Source: UBOS (2018d). Population data from UNDESA population data base.
[146] Source: USAID (2011).

Figure 36: Percentage of 15 to 24-year-olds neither in education nor employment (NEET) [147]



As for other age groups in the population, young women and young people with disabilities face additional challenges. The proportion of young females not in education or employment is significantly more than the level for males (Figure 37). This partly reflects young women having children; one quarter of young women aged 15-19 years have begun childbearing and the proportion is higher for poorer women.[148] This means young women are less able to work and also face the extra costs of childcare. Adolescent girls and young women are also disproportionately represented within the estimated 1.3 million people in Uganda living with HIV.[149] Young people with disabilities face extra costs associated with living and working and often face workplace discrimination.

The challenges faced by young people often continue into later working age, including a lack of secure work. Both women and men suffer from insecure jobs and low incomes, mainly in the informal sector. Figure 37 shows that for both youth and those that are older but still of working age, the vast majority work in the informal sector. Moreover, as for youth, the labour market participation rate fell for those older but still of working age. For example, the labour market participation rate fell for those of working age, 65.7 percent in 2012/13 to 60.3 percent in 2016/17 for those 31 to 60 years of age, reflecting lower economic opportunities.[150] Men are more likely than women to be in the labour force and are paid more: the median monthly earnings for men is UGX 240,000 and for women UGX 120,000.[151] This compares to UGX 154,000 and UGX 88,000 in 2012/13, which means earnings are almost unchanged in real terms. As people age, their chances of developing a disability increase and they are less likely to be able to work. Both men and women with disabilities are less likely to be in paid employment.

[147] Source: UBOS (2018b).
[148] Source: UBOS (2018a).
[149] Source: MGLSD (2018a).
[150] Source: UBOS (2018b).
[151] Source: UBOS (2018e).

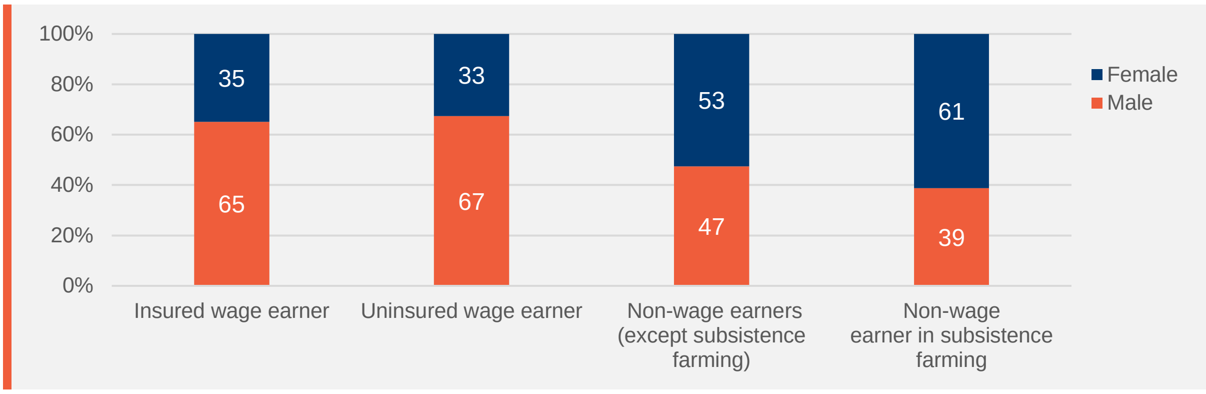
Figure 37: Breakdown of those of working age in wage employment by formal and informal employment, 2016/17[152]

Women of working age are more likely than men to have caring responsibilities, which restricts their economic opportunities. Uganda has the 8th highest fertility rate in the world, with total fertility standing at 5.59 children per woman in 2018.[153] Having children often means the mother stops or reduces work. Working age adults also face the need to care for ageing parents. Women spend 8 hours a day on domestic and unpaid care work, including childcare, compared to 4 hours for men,[154] and nearly two thirds of Ugandan households that slipped into poverty did so due to a significant increase in family size as a result of having children.[155] The additional costs of caring increase when children, ageing parents or people of working age have a disability.

Partly because of this, women tend to be disproportionately represented in jobs and sectors that are hardest to reach through the social security system. As shown in Figure 38, nearly two thirds of insured and uninsured wage earners are male, whereas the proportions are reversed among non-wage earners engaged in subsistence farming, while other non-wage (self-employed) workers are more evenly divided between men and women. In contributory systems, this means that women are far less likely to earn an entitlement to a contributory benefit (or pension) over their working lives. Because of these employment and different life course patterns, women usually disproportionately benefit from tax-financed systems where they exist.[156]

[152] Source: UBOS (2018b). Working age population is defined in the UNHS as those 14 to 64 years of age. The proportion of those employed that are in waged employment are 52.7 percent for males 14-24 years of age, 50.7 percent for both females 14-24 and males 25-64 and 30.4 for females 25-64.
[153] Source: World Bank (forthcoming).
[154] Source: UWONET et al (2018).
[155] Source: ESP (2013)
[156] Source: See for example Arza (2012).

Figure 38: Percentage distribution of workers by type of worker and sex[157]

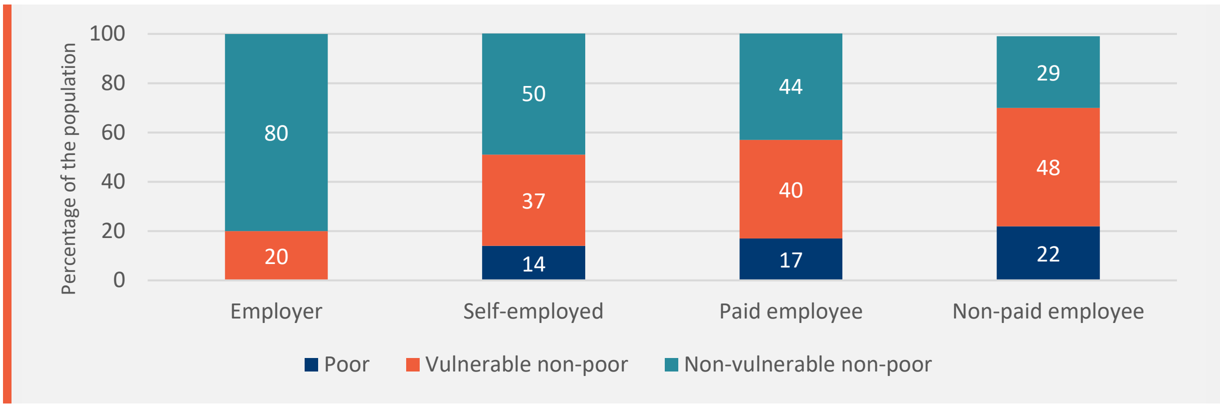


Women also face additional challenges from domestic violence and lone parenthood. The majority of women between 20 and 59 years of age have experienced physical violence, nearly always from current or former partners.[158] Gender-Based Violence (GBV) is reported as endemic in Karamoja.[159] In addition, 12 percent of the total population of women aged 15 years and above are widows.[160] And, close to a third of households in Uganda are female-headed.[161] Single parents face greater challenges than those with partners, especially when children or the parent themselves have a disability.

Working age people are vulnerable to shocks, in common with others in the population. Around 40 per cent of working age people still depend on subsistence agriculture. This includes more than two thirds of those in the lowest income quintile.[162] So large parts of the working age population vulnerable to climate-related events such as drought. Like all age groups, they are vulnerable to other types of shock including health events: more than a quarter of the population aged 31 to 49 years has suffered illness or injury in the last month.[163] Figure 39 shows how poverty and vulnerability changes with employment status, and that a high proportion are vulnerable non-poor among the self-employed (37 percent), paid employees (40 percent) and non-paid employees (48 percent).

[157] Source: Based on UNHS 2016/17.
[158] Source: UBOS (2018b).
[159] Source: Coffey (2016).
[160] Source: UBOS (2018b).
[161] Source: Ibid.
[162] Source: calculations based on UNHS 2016/17.
[163] Source: UBOS (2018b).

Figure 39: Poverty and vulnerability by employment status in Uganda, 2016/17 (%)[164]



Vulnerability can lead to damaging coping strategies. A common response among the working age population to crises is to borrow money or assets to cover the loss of income.[165] However, only a third of the population of Uganda has an account with a financial institution.[166] People often employ damaging coping strategies such as reducing meals, selling productive assets, forgoing healthcare and taking children out of school. Lack of access to credit also affects the rate at which working age people can invest in businesses.

3.2.4 Older persons

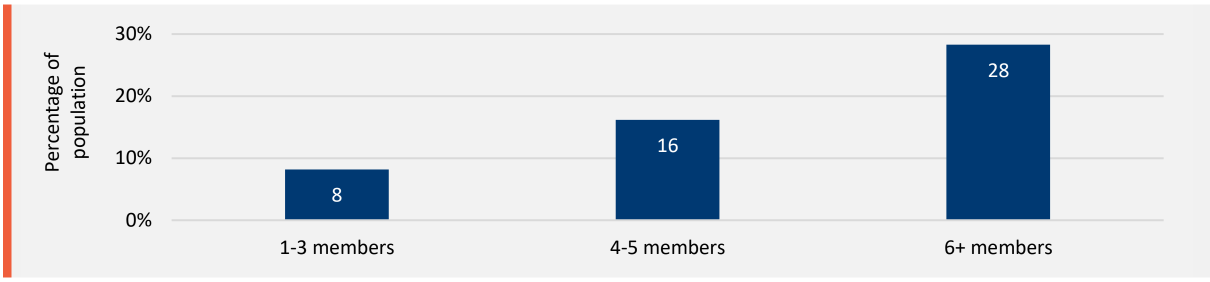
Older persons are affected by increasing disability and sickness and a falling capacity to work. The prevalence of disability increases steadily with age: more than half of older people live with a disability (Figure 32). Older people are also 65 percent more likely to be sick than younger people.[167] Most older people continue to work to support themselves and their dependents. But they are less likely to be in engaged in paid employment and have to rely on self-employment especially subsistence farming. Older people are often left behind, along with other more vulnerable groups, in more marginal rural areas after migration. Because incomes are very low, levels of savings are low among older persons in Uganda, so there is little for them to fall back on in the absence of social security. Only 14 percent of individuals 15 years of age and above are saving for old age, and only 9 percent in the poorest two quintiles.[168] Women are disproportionately affected by the challenges faced in old age as they make up more than half (55 percent) of older people.

Without financial support, the dependency of senior citizens on younger family members can increase. Caring for older people affects a high proportion of the population: more than one in six households in Uganda include an older person and women are most likely to be their carers.[169] Most older persons live in multigenerational or skipped generation households; 63 percent of male older persons and 51 percent of female older persons.[170] Figure 40 shows how larger households are significantly poorer on average. Older persons are

[164] Source: UNPS (2015).
[165] Source: UBOS (2018b).
[166] Source: World Bank (forthcoming). Although IMF (2019) states that 85 percent of Ugandans have access to financial services, including through mobile money.
[167] Source: MGLSD (2018b).
[168] Source: World Bank (forthcoming).
[169] Source: UBOS (2018a).
[170] Source: UBOS (2018b).

at risk of neglect, violence and abuse, including gender-based violence (GBV).[171] The loss of the ability to generate income can affect older person's sense of self-worth and generate social exclusion.[172]

Figure 40: Poverty headcount by household size in Uganda[173]



Older people have an important caring role themselves. They can have an important caring role, looking after children, including orphans, and disabled adults. One in six older persons in Uganda live only with children under 18 years of age.[174] This affects women in particular, who are twice as likely as men to live alone with children. Older persons living only with children have a poverty rate nearly 25 per cent higher than the national poverty rate.[175]

3.3 Chapter conclusions

Progress has been made in some areas of poverty, inequality and vulnerability since the 2014 social protection review, but not in other areas and levels of poverty and vulnerability remain high. There has been some progress in, for example, nutrition in early childhood and primary school attendance, but a significant worsening in secondary school attendance and in labour market participation, especially for young people. Poverty and inequality are also worsening after a long period of improvements.

There remain high levels of vulnerability for all age groups, arising from major often climate-related shocks and also lifecycle events. The latter include lack of access to nutritious food, a lack of access to health services; the absence of employment, especially for younger workers, and the prevalence of low-wage, insecure and precarious working conditions; the need for children to work; and the requirement, especially for women, to care for others in the household, often alone. Women and people with disabilities face additional challenges from violence and discrimination, as do children for whom there is growing evidence of multidimensional poverty. International evidence shows the need to reduce inequality in Uganda, by investing in the current and future labour force to increase growth.

Exposure to violence and disability related shocks extends to people living across all wealth quintiles. Social care and support needs extend beyond just those on lowest incomes. And, they extend both across stages of the life course and across government sector. For example, a child may have a disability requiring rehabilitation support, assistance to be in school and

[171] Source: MGLSD (2018b).
[172] Source: Ibid.
[173] Source: UNHS 2016/17.
[174] Source: MGLSD (2018b).
[175] Source: UBOS (2018b).

to access adequate healthcare. The same child may experience sexual violence requiring psychosocial support and assistance to manage the justice process. As children age out of primary school and into late adolescence, they may require advice and support on alcohol and substance use. This suggests that social care and support requires systematic approach in which individuals can enter and leave the system as their needs change.

The geographical spread of poverty and inequality illustrates the importance of national social protection provision. This is provision that reaches the whole country rather than just one particular region. This is especially true given high rates of migration and urbanisation. There may be a need for additional, regional support to address specific issues such as drought and support in refugee-hosting areas, but this should not displace national social protection programmes.

Social protection is also required across lifecycle groups, and children should be prioritised. Social protection is required for all vulnerable groups including older people and people with disabilities, for whom poverty and vulnerability are relatively high. Children should be prioritised, as they have the highest levels of poverty, high levels of vulnerability and the economic costs of not providing support and investing in the future labour force are particularly high.

3.4 Chapter recommendations

3.1: Invest in national social protection provision – for the reduction of poverty, inequality and vulnerability in all regions in Uganda – and in regional provision where specific geographic risks need to be addressed.

3.2: Develop a clear understanding of the nature, extent and location of the potential caseload for social care support, to inform development of the social care system.

3.3: Prioritise social protection for children because of high poverty and vulnerability and the high cost of not providing support, though not to the long-term exclusion of supporting other vulnerable groups.

3.4: Factor in protection against both lifecycle and covariate shocks when developing the social protection system.

4 Overview of the social protection sector

Chapter summary

- The publication of the National Social Protection Policy (NSPP) in 2015 has been a significant step forward.
- A draft vision for social protection is being developed to implement the NSPP and set out expansion plans until 2030.
- The right to social protection in Uganda is set out in the Constitution, some existing legislation and national planning documents such as Vision 2040.
- The current third National Development Plan (NDP3) includes an expanded role for social protection.
- Uganda has ratified a number of international agreements related to social protection and committed to the SDGs.
- Institutional coordination proposals in the NSPP (PPI) have largely been implemented nationally but not locally.
- MGLSD is the coordinating ministry for social protection, chairing coordination committees.
- There are separate coordination structure for shock response and supporting refugees and host communities.
- Delivery of social protection continues to involve multiple ministries as at the 2014 social protection review.
- In terms of programmes, direct income support recipients in Uganda have fallen since the 2014 review, as programmes have come to an end.
- There are OPM livelihoods and resilience programmes beyond the NSPP definition of direct income support.
- Programmes included in 'social insurance' are largely unchanged since the 2014 Review with only 5 per cent of the working age population is contributing.
- The main scheme remains the NSSF, for which membership and benefit levels remain low and which awaits reform from a Provident Fund to a social insurance scheme.
- There are a number of additional, private occupational retirement benefit schemes.
- Reform of the PSPS from a tax-financed defined benefit to a contributory defined benefit pension is still awaited.
- A major change since the 2014 Review is the operationalisation of URBRA.
- Health insurance coverage remains very limited, as it was at the time of the 2014 Review.
- The NSPP sets out provision for social care and support, but for separate services rather than an integrated system.
- Government provision of social care and support at a national scale is limited, though there has been some progress on gender-based violence, youth and children and older people though not for people with disabilities.
- Development partners (DPs) have played an important role in the development of social protection in Uganda from the outset, and MGLSD set out the planned future role of donors in the PPI.
- As well as contributing to direct income support and contributory programme reform, most investments in social care and support have been funded by donors.
- In terms of the social protection sub-sector as a whole, there are a number of existing plans against which to measure progress, in particular in the NSPP PPI and Roadmap and the SDSP.
- These show progress in some areas, often process-related areas, but not on more challenging areas of reform.

4.1 Introduction

This chapter provides an overview of the social protection sub-sector in its entirety, as a foundation for understanding the more detailed analysis that is presented in later chapters. It begins with a description of the current policy and institutional environment for social protection, then key features of each of the three main components of the sub-sector are described. Finally, the chapter ends with an assessment of the performance of the sub-sector in terms of progress against a number of plans that define its expected activities in recent years.

4.2 The National Social Protection Policy

The publication of the National Social Protection Policy (NSPP) in 2015 was a very significant moment for social protection in Uganda. The NSPP states, "The Government of Uganda recognises that social protection is a critical pre-requisite for achieving national development goals". It aims for 'comprehensive social protection services to address risks and vulnerabilities' and identifies groups to be supported: workers in the formal sector; workers in the informal sector; orphans and other vulnerable children; labour constrained individuals and households; unemployed persons; older persons aged 60 years and above; persons with severe disabilities; ethnic minorities; and disaster-affected persons.

The vision, mission, goal and objectives of the NSPP are set out in Box 2. They form an ambitious vision for a national social protection system in Uganda and one that is in line with global experience of social protection system development.

4.2.1 The definition of social protection in NSPP

The NSPP has provided a clearer definition of social protection than at the time of 2014 Review. Social protection was defined in the 2014 Review only in broad terms, because the NSPP had yet to be agreed and published. A change since the 2014 Review is emergency support is excluded from the definition of social protection. The NSPP defines social protection as comprising two pillars. These are:[176]

> **Pillar 1, Social security:** protective and preventive interventions to mitigate income shocks – retirement, ill-health, unemployment, old age, disability or disasters.
>
> The social security pillar has two components:
>
> a. **Direct Income Support** – non-contributory cash and in-kind transfers that provide relief from deprivation to vulnerable groups. Programmes include Senior Citizen grants and Public Works Scheme.
> b. **Social Insurance** – contributory schemes targeting the working population that seek to mitigate shocks arising from ill-health, retirement and disability. Programmes include the National Social Security Fund, Public Service Pensions Scheme and health insurance.
>
> **Pillar 2, Social care and support services:** providing care, support, protection and empowerment to vulnerable individuals who are unable to fully care for themselves.

[176] Source: MGLSD (2015a).

Box 2: Vision, mission, goal, objectives of the National Social Protection Policy

Vision: A society where all individuals are secure and resilient to socio-economic risks and shocks.

Mission: Provision of comprehensive social protection services to address risks and vulnerabilities.

Goal: To reduce poverty and socio-economic inequalities for inclusive development by 2024.

Objectives:

1. **To increase access to social security**
   - i) Expand the coverage and scope of contributory social security in both the formal and informal sectors;
   - ii) Undertake reforms in the provision of contributory Social Security;
   - iii) Establish and expand direct income support schemes for vulnerable groups;
   - iv) Enhance access to health insurance services; and
   - v) Enhance access to compensation by workers in both the private and public sectors.

2. **To enhance care, protection and support for vulnerable people**
   - i) Promote community-based response mechanisms for supporting vulnerable people;
   - ii) Expand the scope and coverage of care, support and protection services;
   - iii) Promote public-private partnerships in the delivery of social care, support and protection services; and
   - iv) Build the capacity of social care and support service providers.

3. **To strengthen the institutional framework for social protection service delivery**
   - i) Establish coordination mechanism for social protection at various levels;
   - ii) Establish an effective monitoring and evaluation system for social protection;
   - iii) Strengthen the functionality of civil registration system;
   - iv) Develop Management Information Systems for different components of social protection;
   - v) Strengthen the technical and logistical capacity for delivery of social protection services; and
   - vi) Develop a long-term financing mechanism for social protection.

Policy Outcomes: i) Improved quality of life of the vulnerable population; ii) Enhanced social inclusion of vulnerable persons in the development process; and iii) Increased life expectancy of the population.

4.2.2 The vision for social protection

A draft vision for social protection is being developed to implement the NSPP. Towards the end of 2018 government conducted a consultative and analytical process for defining a forward vision for social protection in Uganda up to 2030, in order to shape the development of the sub-sector in coming years. This has so far produced a draft vision for social security, with the vision for social care expected to be added shortly. The vision has the following purpose and rationale:

- The **purpose** of the draft vision document for social security – part of a wider vision for social protection - is to describe how Uganda will develop and expand a national social security system.

- The **rationale** for the vision is to implement government planning objectives set out in the strategic planning documents listed in Table 2.

Table 2: Social protection in high level Government of Uganda strategic planning documents

Government document	Objective
Constitution of Uganda	'The State shall endeavour to fulfil the fundamental rights of all Ugandans to social justice and economic development … implementing policies and programmes aimed at redressing social, economic or educational or other imbalances in society'
Vision 2040	'**universal pension** for every citizen above the age of 65 years … social protection systems for the orphaned **children**, **the disabled** and the destitute … For the vulnerable youth and other able-bodied persons, social protection interventions will be channelled through **public works schemes**'
National Development Plan 2	'increase the number of vulnerable people accessing social protection interventions from about 1,000,000 in 2013 to about 3 million by 2020 … expanding access to contributory social security for workers in the informal sector and gradual roll-out of a **non-contributory social pension scheme** for older persons'
National Social Protection Policy	'Provision of comprehensive social protection … contributory social security in both the formal and informal sectors … expand direct income support schemes for vulnerable **children**, **youth**, **women**, **persons with disabilities** and **older persons**'
National Development Plan 3	'Strengthen social protection systems for resilience … **Child support** … **social insurance** … **social assistance'**

The development of the vision has been consultative process governed by a number of key principles. The process of developing the vision for social security involved dialogue and consensus building between government, research and civil society organisations, held between October 2018 and May 2019. The design of the vision is guided by the following **key principles**: social security will be universal, inclusive and a right for all citizens; it will promote equity and be gender-sensitive; it will be financially sustainable; it will address lifecycle risks and reduce vulnerability to major shocks such as droughts; it will be multi-tiered, comprising direct income support and social insurance; those who contribute more to social security through contributory benefits will gain more in benefits; the design of social security will encourage labour market formalisation; social security payments will be adequate for the needs of recipients, and delivered in a timely manner; and, social security will be transparent and accountable to Uganda's citizens.

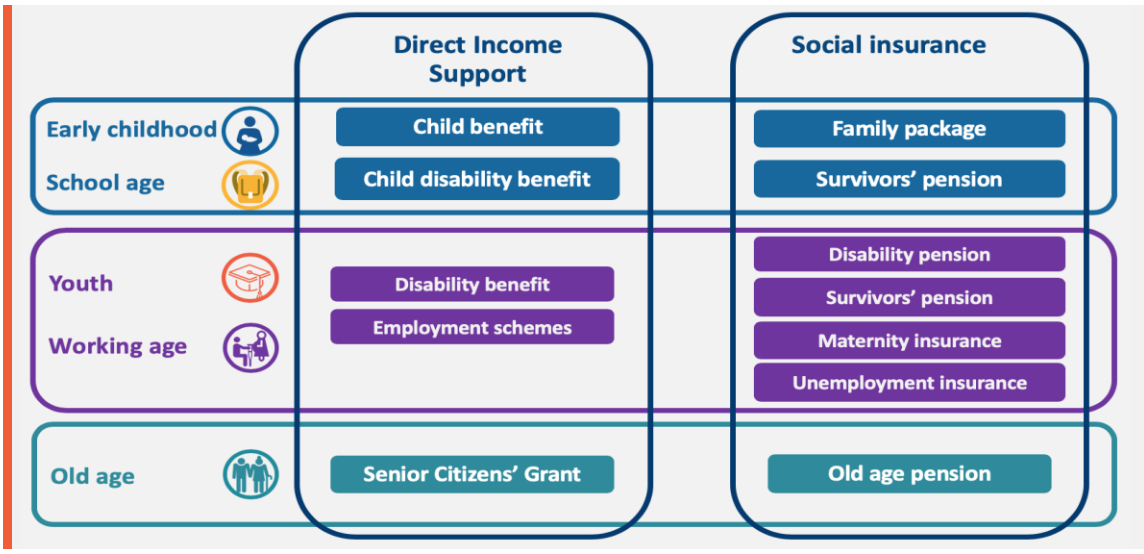
In terms of programmes that will be introduced under the vision (Figure 41):

- For **young and school age children**, a new child disability benefit and child benefit will be introduced in 2021/22 along with a family package in the NSSF;
- For **young people**, public works and public employment will be expanded to address unemployment;
- For those of **working age**, an adult disability benefit will be introduced in 2023/24 and the NSSF will also introduce a disability benefit for members that become incapacitated during their working life, through industrial injury, accident or illness as well as unemployment insurance for up to six months, paternity and maternity insurance, and a survivors' pension.

- For people in **old age**, the Senior Citizens' Grant (SCG) will be fully rolled out and a new contributory retirement pension developed.

In addition, direct income support programmes will be designed to be **shock-responsive**, to protect against climate change events such as droughts and other crises.

Figure 41: Programmes to be introduced as part of the social security vision



For direct income support, the number of recipients is shown in Figure 42. Coverage is expected to be 81 percent of the population of Uganda by 2030. The **cost** of the direct income support part of the vision will be 1.5 percent of GDP by 2030 (Figure 43).

Figure 42: Recipients of direct income support in social security vision

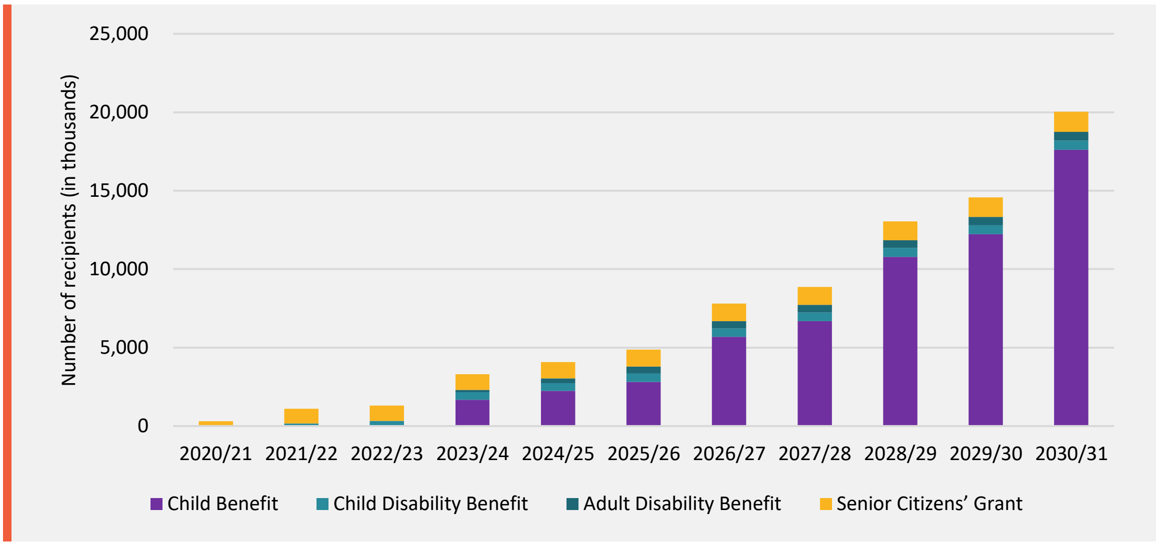
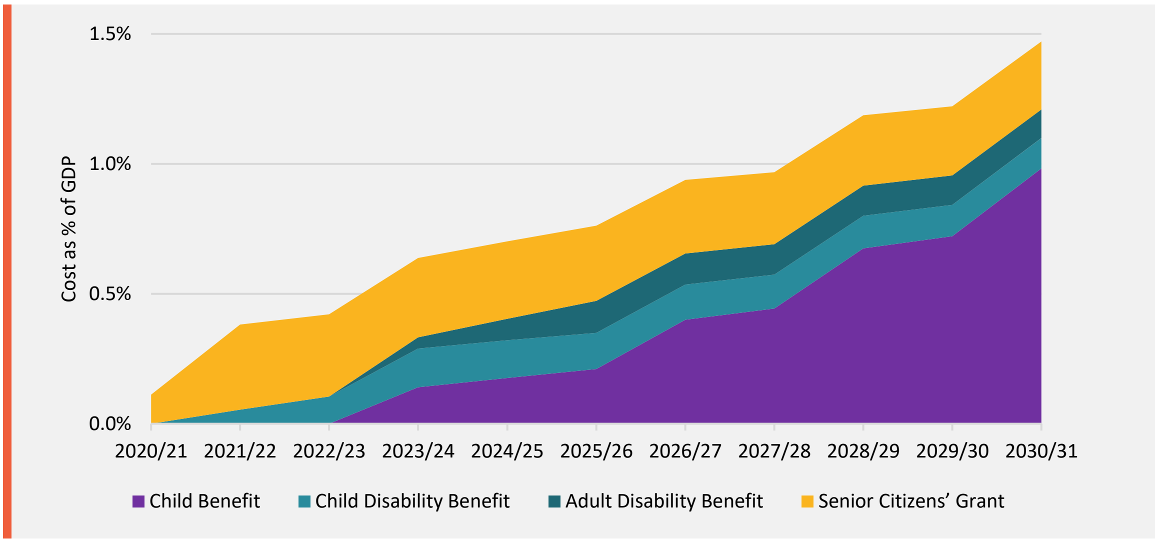
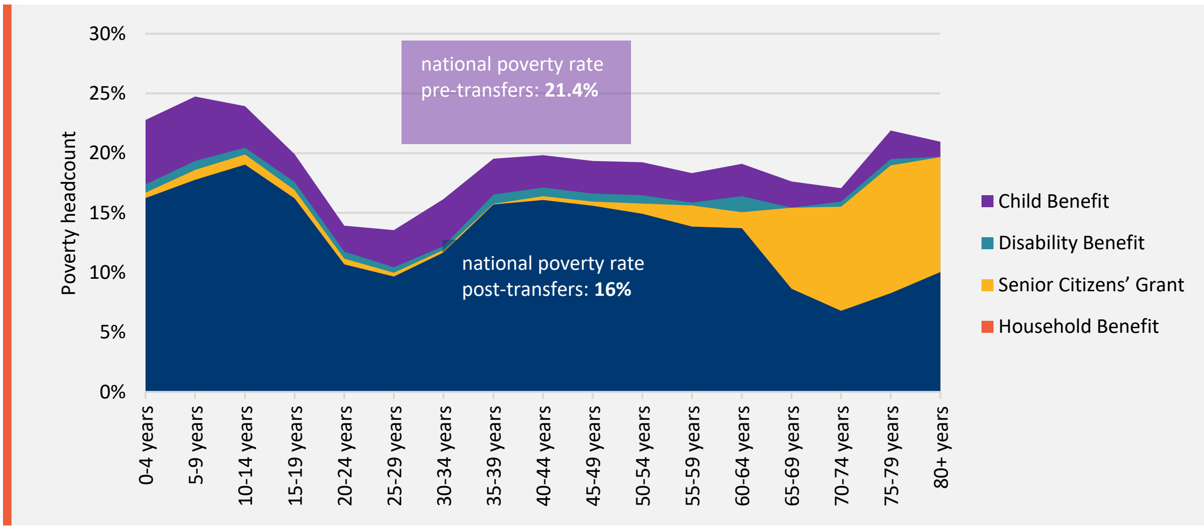


Figure 43: Cost of direct income support in social security vision



The expected impact of expanding social security in Uganda is broad. It will reduce lifecycle vulnerability, increase human capital development and productivity, support national economic transformation, protect households and economy as a whole against major shocks, reduce inequality and poverty (Figure 44) and strengthen the social contract between government and citizens and support refugees and host communities.

Figure 44: Modelling of the effects of the vision on reducing poverty



Modelling suggests financing the expansion in direct income support will be feasible from core tax revenues. For sustainable and manageable financing, programme coverage will be increased gradually. It is estimated the impact on real growth in spending in other sectors will be relatively small (a reduction from 8.0 percent to 7.4 percent per year) because current direct income support spending is low relative to government spending as whole and because of the positive impact of economic growth and improvements in tax administration and policy on tax revenue (this is resilient to large changes in assumptions on growth and tax revenue as a percent of GDP). This will be for the benefit of more balance government spending which will in turn support increased economic growth and tax revenue. This positive impact on growth has not been factored in, though it is established in recent modelling work by the IMF with the African Development Bank, specifically for Uganda, and by modelling work commissioned by MOFPED.[177]

Before completion the draft vision needs to add plans for development and expansion in a number of areas. Apart from the draft vision being finalised and validated, it needs to add information on shock-responsive social protection, refugees and public works, which are discussed further in Chapter 5. In addition, as mentioned, social care and support plans need to be added to transform it from a social security vision to a social protection vision.

4.3 Wider policy and legislative framework

The right to social protection in Uganda is set out in the Constitution and a number of pieces of legislation that were already in place at the time of the 2014 Social Protection Sector Review. The Constitution provides for the rights of all people, including the poor and vulnerable, to access social services and have equal opportunities in the development process. Legislation already in place includes, for example, the Public Service Retirement Benefits Act (1999), the Workers' Compensation Act (2000), the Employment Act (2006) providing for rights of workers and employers' obligations, the Domestic Violence Act (2010) and the Uganda Retirement Benefits Regulatory Authority Act (2011).

Uganda has also ratified a number of international agreements related to social protection. These are international conventions specifying the right to social security for everyone including: the Universal Declaration of Human Rights; the International Covenant on Economic, Social and Cultural Rights; the Convention on the Rights of the Child (CRC); the Convention on the Elimination of Discrimination Against Women (CEDAW); and the Convention on the Rights of Persons with Disabilities (CRPD).

Further, the Government of Uganda has committed to achieving the Sustainable Development Goals (SDGs) by 2030, which require investments in social protection. Specific commitments to social protection in the SDGs include SDG Target 1.3: Implement nationally appropriate social protection systems and measures for all, including floors, and by 2030 achieve substantial coverage of the poor and the vulnerable.

The SDGs build on the international commitment to Social Protection Floors which was formalised and agreed by Uganda in 2012.[178] A social protection floor offers social security coverage to all citizens across the lifecycle, in particular basic income security for children, persons of working age who are unable to earn sufficient income due to sickness, unemployment, maternity and disability, as well as older persons.

Objectives to expand social protection are set out in national planning processes in Uganda. Uganda's Vision 2040 proposes a universal pension and support to 'orphaned children, the disabled and the destitute'. And, the Second National Development Plan (NDP2), 2015/16 to 2019/20, seeks to 'increase the number of vulnerable people accessing social protection

[177] Source: Khondker et al (2019)
[178] Note: The international commitment on Social Protection Floors is set out in ILO Recommendation No. 202.

interventions from about 1,000,000 in 2013 to about 3 million by 2020'.[179] It also prioritises 'expanding access to contributory social security for workers in the informal sector and gradual roll-out of a non-contributory social pension scheme for older persons'

In addition there are a profusion of other policies which inform the direction of the two social protection pillars, many of which many were already in place at the time of the 2014 Review.[180] These include the National Orphans and Other Vulnerable Children Policy (2004), the National Equal Opportunity Policy (2006), the National Disability Policy (2006), the Uganda Gender Policy (2007), the National Policy for Older Persons (2009), the National Health Policy (2010), the National Policy for Disaster Preparedness and Management (2010) and the National Employment Policy (2011). Policies introduced since the 2014 Sector Review include the Uganda National Youth Policy (2016), the Integrated Early Childhood Development Policy (2016) and the National Gender-Based Violence Policy (2016).

Current planning for the third National Development Plan (NDP3) includes an expanded role for social protection. NDP3 has the current goal of "Increasing Household Income and Improving Quality of life". The proposed theme is "Sustainable Industrialization for inclusive growth, employment and wealth creation".[181] Its objectives are to:

(1) Enhance value addition in Key Growth Opportunities
(2) Increase the Stock & Quality of Productive Infrastructure
(3) Increase productivity, Inclusiveness and wellbeing of population
(4) Strengthen the Private sector to drive growth, and
(5) Strengthen the role of the public sector in the growth and development process.

Objective 3 in NDP3 includes the sub-objective, 'Increase access to social protection'. The focus areas for increasing access to social protection are:

(1) Legislation and operationalization of the National Health Insurance scheme;
(2) Build capacities of vulnerable populations to mitigate and or manage social and economic risks;
(3) Create resilience to cope with shocks (disability, disasters unemployment, age, and sickness); and
(4) Promote equity and inclusive growth through affirmative action to redress imbalances and special needs of discriminated and vulnerable groups/persons.

4.4 Institutional framework

4.4.1 Coordination of social protection

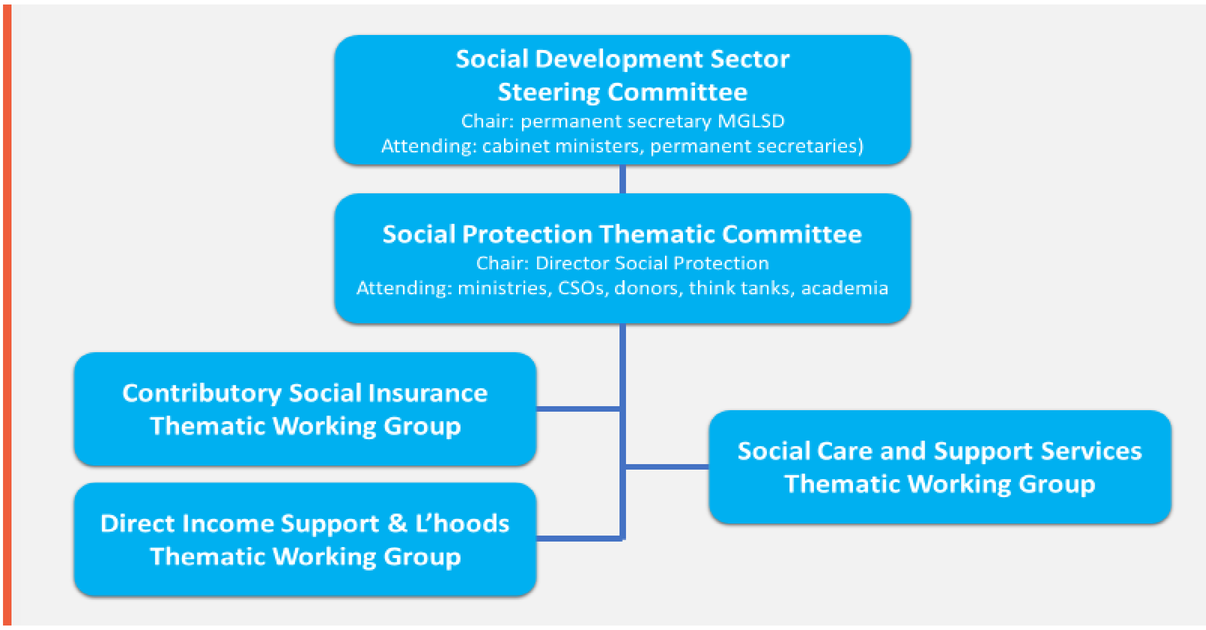
The planned institutional arrangements for implementing NSPP have been carefully set out in MGLSD documentation. Planned institutional coordination of social protection is set out in the Programme Plan of Interventions for Implementation (PPI) of the Uganda National Social Protection Policy.[182] The structure includes a committee system for cross-ministry coordination comprising a Cabinet Committee on Social Protection, a permanent secretary-level Multi-sectoral Technical Committee on Social Protection, a multi-stakeholder Social

[179] Source: NPA (2015).
[180] Source: Government of Uganda (2017e).
[181] Source: NPA (2019).
[182] Source: MGLSD (2015b).

Protection Sub-committee of the Social Development Sector Working Group, chaired by the MGLSD permanent secretary, and thematic technical working groups on Direct Income Support, Contributory Social Security, Public Works and Social Care and Support Services. Local government coordination would be through district, sub-county and village coordination committees. The PPI also proposes new agencies for social protection: a Pensions Authority, a Social Transfers Agency, a Health Insurance Agency and a Social Care and Support Council, in addition to existing ministries.

The PPI proposals for coordination at *national* level have largely been implemented, which is a significant achievement since the 2014 social protection sector review. Figure 45 shows the coordinating committee structure that is in place at a national level. Original plans for a Cabinet Committee and a permanent secretary Technical Committee have been merged into the Social Development Sector Steering Committee, which provides strategic leadership for social protection. It also provides leadership on the social development sector as a whole, so membership is broad. Challenges for the committee are that wide membership has made it harder to prioritise social protection issues and that meetings are only once a year instead of the planned twice a year. The Social Protection Thematic Committee, chaired by the Director Social Protection, coordinates and oversees the social protection sector including the thematic working groups. It oversees shock-response, coordinating with broader emergency and disaster programming. The committee meets twice a year instead of the planned quarterly meetings. The sixty or so members include representatives from key ministries, development partners, civil society, think tanks and academia. Representation from line Ministries is at Principal, Assistant Commissioner and Commissioner levels.

Figure 45: Social protection coordination at national level in Uganda



Thematic working groups are supplemented by numerous additional committees. The thematic working groups in Figure 45 provide coordination and technical leadership for individual social protection pillars, and report to the Social Protection Thematic Committee. Like the Thematic Committee, membership includes ministries, donors, CSOs and academia. Feedback from members suggests the working groups are functional, but could be less formal and include more open discussion forums which would increase accountability. As envisaged in the NSSP Roadmap, there are numerous additional committees below the thematic working groups. For example, there is a technical committee for LIPW, committees coordinating individual programmes, such as the NUSAF Technical Working Group in OPM, and committees for individual areas of social care and support. There is also a Development Partner Working Group.

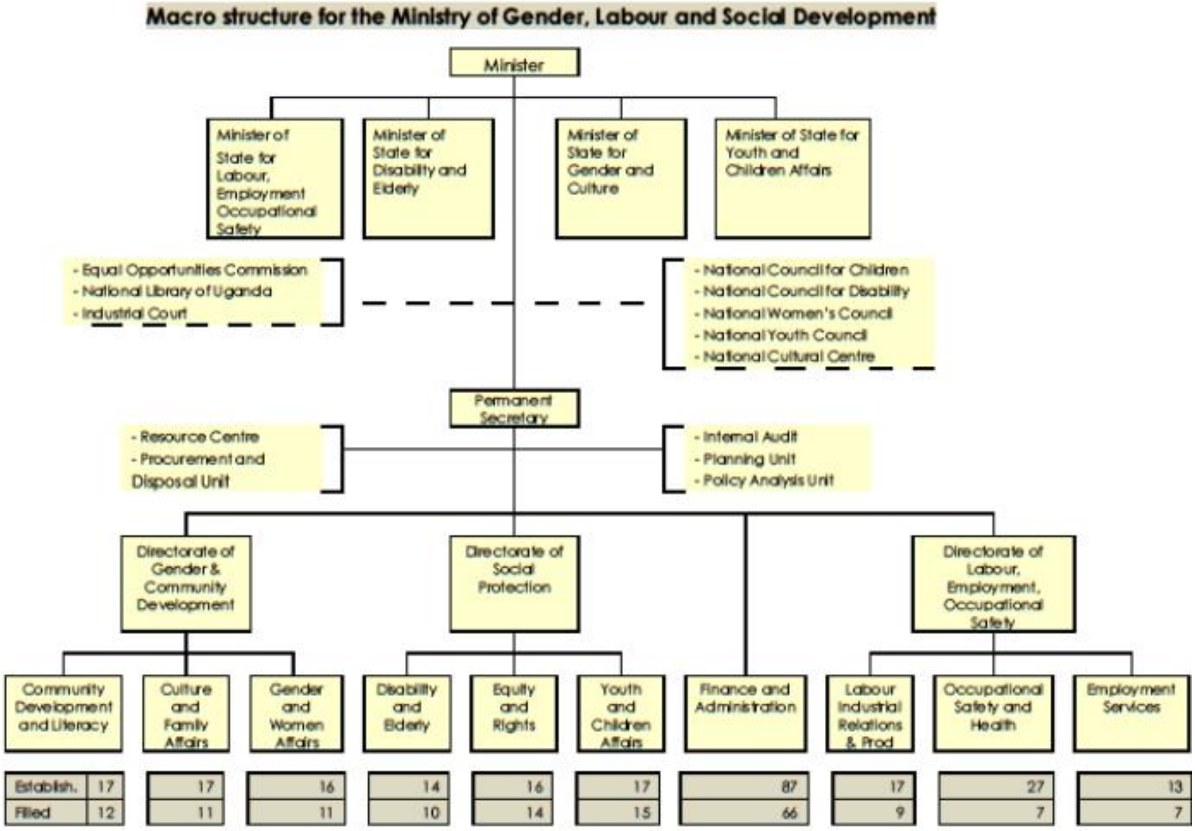
In addition, there are coordination structures outside government. These include, amongst others, the Uganda National NGO Forum which coordinates social protection interventions and engagement for non-state actors. The Forum hosts the Uganda Social Protection Platform, which partners with MGLSD in the implementation and monitoring of the NSPP and PPI. CSOs have regular interaction with the government coordination structure. To quote one CSO, 'There is no plan or strategy that has been developed where CSOs have not participated'. And, the new coordination structure is 'a good and deliberate move'.

Other PPI proposals, on local government coordination and the setting up of new agencies, have not been implemented. The planned District Coordination Committees have not been set up. The purpose of these is to bring together technical personnel, political leadership, donors, CSOs and the private sector in each district, reporting to the Social Protection Thematic Committee. Sub-county Coordination Committees were intended to play a similar role at sub-county level and Parish Development Committees and village committees were to operate at lower administrative levels. These committees are not yet operational, creating a gap in vertical coordination of social protection in Uganda. It is considered that the plans may have been too ambitious, given the absence of extra resources at local government level. An alternative plan for the role of local government committees is currently under development.

4.4.2 The role of MGLSD

MGLSD chairs the social protection coordination committees, reflecting its role as the coordinating ministry for social protection. MGLSD has responsibility for the coordination, policy and regulatory framework for social protection. This includes monitoring the implementation of the NSPP, system-wide capacity strengthening and communications and advocacy. MGLSD's organogram for its internal organisation is presented in Figure 46. Social protection is coordinated by the Director Social Protection. Policy and operational responsibilities for social protection are spread across all three directorates. The Directorate of Labour, Employment and Occupational Safety leads on the NSSF. All three directorates are responsible for areas within social care and support. The Directorate of Social Protection contains the Expanding Social Protection Programme, Phase 2 (ESPII) which is responsible for over-seeing implementation of the NSPP.

Figure 46: MGLSD Organogram



4.4.3 Delivery of social protection in Uganda

Delivery of social protection continues to involve multiple ministries, as it did at the time of the 2014 social protection review. Programme management and oversight for social protection programmes is shared between MGLSD, which manages the implementation of the SCG, through the ESP Programme Management Unit (PMU), and has policy oversight of the NSSF; the Ministry of Finance, Planning and Economic Development (MoFPED), which oversees the investment functions of the NSSF as well as the Uganda Retirement Benefits Regulatory Authority (URBRA), which licenses and regulates public and private occupational pension schemes; OPM, which oversees NUSAF and DRDIP implementation; the Ministry of Health, which leads on health insurance reform; and the Ministry of Public Service, which oversees the PSPS, though delivery has recently been devolved to individual ministries. The Ministry of Local Government oversees local government's role in programme implementation and coordination. In addition, responsibility for legislation for and the regulation of social care and support is shared between MGLSD, the Ministry of Health, the Ministry of Education and Sports and the Ministry of Justice and Constitutional Affairs.

Within MGLSD, responsibility for tax-financed schemes and contributory schemes is managed in separate directorates. On one hand, policy and implementation of the SCG is overseen by the Directorate of Social Protection. On the other hand, the Directorate of Labour has policy oversight of the NSSF, a responsibility which has recently returned to MGLSD after being housed in the MoFPED for the last decade. The placement of NSSF within the Directorate of Labour follows the constituency interest of social partners (and particularly organised labour) in mandatory contributory arrangements. The Directorate of Labour also oversees workers' compensation policy and enforcement.

4.4.4 Additional coordination structures for shock-response and refugees

In OPM, there is a Disaster Risk Financing Committee which manages the financing of shock-responsive social protection. This is within the Department for Relief, Disaster Preparedness and Management. Membership includes relevant ministries, including MGLSD, and technical institutions such as the Uganda National Meteorological Authority (UNMA) and the Famine Early Warning Systems Network (FEWSNET). The National Emergency Coordination and Operations Centre (NECOC), in OPM, which provides 24-hour early warning and to coordinate emergency response and recovery action, also sits on this committee. The committee oversees the triggering of funds for shock-responsive NUSAF LIPW. At a local level, disaster response is overseen by District Disaster Management Committees.

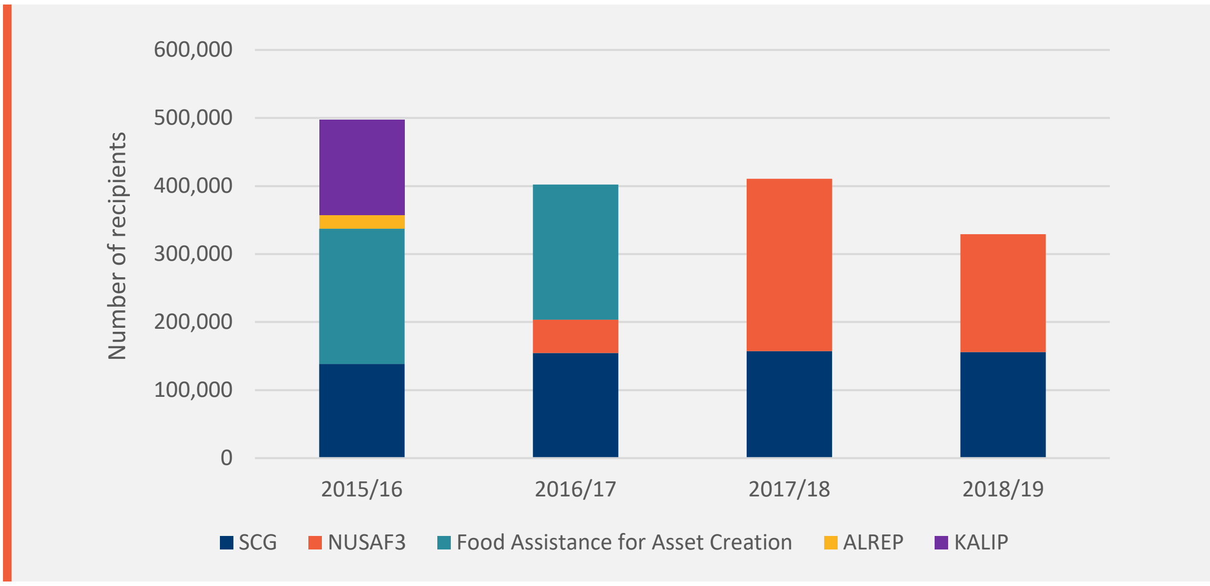
There is also a new coordination structure for support to refugee-hosting areas. A multi-ministerial Comprehensive Refugee Response Framework (CRRF) steering committee, attended by MGLSD, oversees support to refugee-hosting areas and is chaired by the Ministry of Local Government and OPM. One area of support is on refugees accessing government services, including social protection. A multi-sector jobs and livelihoods strategy for refugee-hosting areas is under development, which addresses social protection. This should be included in the next Social Development Sector Plan (SDSP). The current SDSP does not address refugees. In addition, a child-protection sub-group of the wider humanitarian coordination structure in Uganda is developing a refugee child protection policy. MGLSD is leading this process.

4.5 The social protection sector and its components

4.5.1 Direct income support

Direct income support in Uganda has fallen since 2014 but is expected to rise again shortly. Figure 47 shows that total recipients of direct income support has fallen since the 2014 social protection sector review. Programmes such as Northern Uganda Agriculture Livelihoods Recovery Programme (ALREP) and the Karamoja Livelihoods Programme (KALIP) stopped in 2015/16 and Food Assistance for Asset Creation in 2016/17. However, the downward trend is likely to reverse in 2019/20. The Senior Citizens' Grant SCG) and third phase of the Northern Uganda Social Action Fund NUSAF3 is ongoing. In addition, support to refugees and host communities through the Development Responses to Displacement Impacts Project (DRDIP) and child-sensitive social protection supported by SIDA in West Nile is starting up. Another programme that is just starting is the Adolescent Girls' Cash Plus Mentoring Programme, providing cash transfers to 1,500 adolescent girls aged 14 to 18 in Kampala.

Figure 47: Recipients of direct support programmes in Uganda



Direct income support coverage remains low. Total recipients of direct income support in 2018/19 was 329 thousand, but coverage of the overall population is low. SCG reaches only 13 percent of the population of those 65 years of age and over, though this proportion will increase with the planned national roll-out. NUSAF3 reaches 1 percent of the working age population in Uganda though coverage of the working age population will increase with the start of DRDIP. Overall, only 1 percent of the population in Uganda were in receipt of direct income support in 2018/19. Taking account of indirect recipients living in the same household as recipients of direct income support increases coverage to 4 percent, assuming an average household size of 5 persons.[183] By comparison, coverage in Kenya was estimated at 9 percent of the total population in 2017, taking account of indirect recipients, and this proportion will have increased significantly with the introduction of the universal social pension in 2018.[184]

Expenditure on direct income support is correspondingly low. Spending on direct income support, including both government and donor spending, at UGX 149.4 billion was just 0.14 percent of GDP in 2018/19, 0.06 percent SCG, 0.05 percent NUSAF3 and 0.03 percent a new programme DRDIP. This is low in comparison to other developing countries (discussed in Chapter 6). However, it represents an increase from 0.05 percent of GDP in 2015/16.

As mentioned, SCG and NUSAF are the two ongoing direct income support programmes in Uganda. NUSAF 3 started in 2015/16, following the second phase of NUSAF which ended in 2014/15. While many other resilience and livelihoods programmes exist, they do not fit the definition of DIS programmes as stipulated in the policy. The programmes may have common objectives particularly on income support and consumption smoothing but are not necessarily providing regular and predictable transfers to recipients. Figure 48 below summarizes the objectives of the two ongoing DIS programmes (SCG and NUSAF) and complementary programmes. In addition, Table 3 lists direct income support characteristics. DRDIP is

[183] Note: This estimate of coverage will be an overestimate to the extent that more than one person in the household is in receipt of direct income support.
[184] Source: Government of Kenya (2017).

excluded as the programme has only just started and there were no programme recipients in 2018/19.

Figure 48: Objectives of direct income support and complementary programmes

Table 3: Direct income support programme characteristics

Scheme	Responsible Agency	Target Group	Number of registered recipients	Transfer value per month (KES)	Actual spend (UGX)	Actual spend (percentage of GDP)[2]
Senior Citizens Grant	Ministry of Gender, Labour and social Development	Elderly persons 80 years and above	155,810	UGX. 25,000 per month paid every two months (approx. USD 6.75)	69 Billion	0.06%
NUSAF 3	OPM and World Bank	Poor households with labour capacity including a provision for labour-constrained/vulnerable groups	173,535	UGX 4,000 (USD 1) per day, x 54 days + UGX 1,500 in mandatory savings. (18 days per month for 4 months)	51.5 billion (LIPW and direct support only)	0.05%

There are other livelihoods and resilience programmes being implemented under the Office of the Prime Minster (OPM) that are beyond the NSPP definition of direct income support. While these programmes may contribute towards cushioning vulnerable communities from shocks, their objectives are more focused on livelihood support and diversification while building resilience of communities, rather than income support. The current programmes being implemented by OPM include Karamoja Integrated Disarmament Programme (KIDP), Post-War Recovery Development Programme (PRDP), Drylands Integrated Development Project Humanitarian Assistance Programme, Luwero-Rwenzori Development Programme (LRDP), Development Initiative for Northern Uganda (DINU). WFP is also implementing a number of programmes in Northern Uganda including school meals, universal transfer to mothers and children, and General Food Distribution also known as Extremely Vulnerable Households (EVH), in Karamoja, which reached around 215,185 food insecure households without labour capacity in 2018/2019. In addition, support to refugees and host communities through the Development Responses to Displacement Impacts Project (DRDIP) was recently rolled out and child-sensitive social protection supported by SIDA in West Nile. UNICEF will also be launching the urban Adolescent Girls' Cash Plus Mentoring Programme to be implemented in Kampala.

Other programmes that were listed in the 2014 review under social protection sit outside the NSPP definition and have since ended. These include the Northern Uganda Recovery Programme (NUREP), funded by the EU, Rehabilitation of Agricultural Livelihoods in Northern Uganda (RALNUC), funded by DANIDA and Development Assistance to Refugee Hosting Areas (DAR), the Karamoja Productive Assets Programme (KPAP); Resilience through Wealth, Agriculture, and Nutrition (RWANU); Northern Karamoja Growth, Health, and Governance Programme (GHG); Community-based Supplemental Feeding Therapeutic Feeding Program; Micronutrient Supplementation School Feeding; and, Early Childhood Development.

4.5.2 Contributory schemes[185]

The second element of the social security pillar in Uganda's social protection policy relates to the contributory system, which is relatively unchanged since the 2014 Social Protection Sector Review. The contributory system still faces similar reform issues, though the NSSF has expanded and the Uganda Retirement Benefits Regulatory Authority (URBRA) has become operational. The major contributory schemes continue to be structured in a way that fails to ensure that they provide regular, predictable social security. Coverage of the key contributory schemes, including in the informal sector and in terms of range of contingencies, is limited. Around 2 million people salaried employees in the formal sector, or 11 percent of the workforce, are covered under a pension or other mandatory retirement benefit arrangement.[186] Regulation of the retirement benefits sector has improved significantly since the 2014 Review with the operationalisation of the Uganda Retirement Benefits Regulatory Authority (URBRA). The long-awaited National Health Insurance Scheme (NHIS), has yet to be implemented.

Because of the limited size of the formal sector and low compliance among legally covered employers, only around 5 per cent of the working age population is contributing to any of the mandatory or licensed schemes.[187] Table 4 shows coverage of contributory schemes based on administrative data, out of a working age population of around 19 million.[188]

Table 4: Effective coverage of contributory schemes (latest year available)

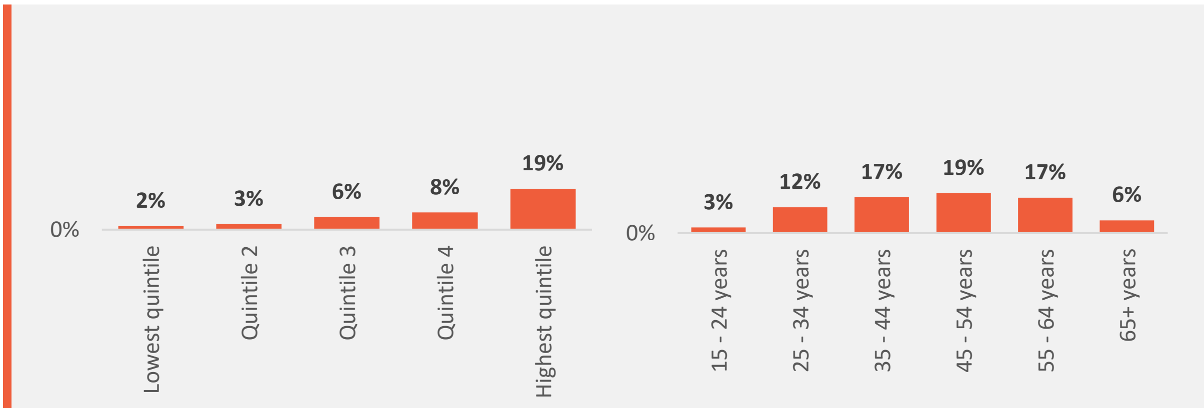
Scheme	Total membership[189]
PSPS[190]	388,853[191]
AFPS	-

[185] Note: We refer to 'contributory schemes' or 'the contributory system' instead of social insurance to describe the existing system in Uganda. The use of the term social insurance is technically erroneous, since there is currently no social insurance scheme in operation in Uganda, although the situation could change with further reform.
[186] Source: World Bank (2018).
[187] Note: Estimate is based on analysis of UNHS 2016/17.
[188] Source: UBOS 2016/17.
[189] Source: Figures are based on URBRA (2019) unless otherwise stated.
[190] Source: Based on MoPS administrative data. Figures are as at June 2018. URBRA (2019) puts this
[191] Note: Of which, around 78,000 were in receipt of pensions as at June 2019 (based on MoPS administrative data).

NSSF[192]	Approximately 1.94 million members • Including around 8,616 voluntary members[193]
Occupational schemes	42,948, including: • 959 —PPS • 29,671 —segregated schemes • 12,318 —umbrella schemes
Voluntary individual schemes	1,159

The likelihood of being covered under one of these contributory schemes increases with income levels, and peaks between ages 45 and 54 (Figure 49). According to the latest UNHS 2016/17, almost 1 in 5 wage earners in the highest income quintile claim to be contributing, compared with only 8 per cent in the next highest quintile. Notably, coverage is particularly low —only 12 per cent— among younger workers who are just starting out in the labour market (ages 25 to 34 years), which is likely to have a negative impact on their ability to build up entitlement to adequate retirement benefits over their working lives.

Figure 49: Percentage of working-age persons in wage employment contributing to 'social security', by welfare quintiles and age groups



Source: Based on the Uganda National Household Survey 2016/17.

National Social Security Fund (NSSF)

As in the 2014 Social Protection Sector Review, the main scheme in operation is the National Social Security Fund (NSSF). The NSSF is a provident fund based on mandatory contributions from employees (5% of earnings) and employers (10% of the employee's earnings). The funds are invested in a common fund and a lump sum paid to members for a limited number of defined contingencies, as described in **Error! Reference source not found.**. Members also r eceive a return on their invested contributions with the lump sum, part (2.5% of the investment) guaranteed and part dependent on market returns. The NSSF has 1.94 million salaried workers, up from 1.3 million in 2013, employed in around 11,000 private firms and total assets of UGX 11.3 trillion.[194]

[192] Source: Based on NSSF administrative data. Figures are valid for FY 2018/19.
[193] Source: NSSF Administrative data. URBRA (2019) estimated this at above 12,000, valid as at June 2018.
[194] Source: NSSF administrative data and World Bank (2018).

Box 3: The NSSF as a provident fund

Internationally, provident funds are the least common mandatory contributory structure and primarily exist only in developing countries. A provident fund is "a compulsory savings program in which regular contributions withheld from employees' wages are enhanced, and often matched, by employers' contributions. The contributions are set aside and invested for each employee in a single, publicly managed fund for later repayment to the worker when defined contingencies occur" (SSA/ISSA 2018).

The NSSF currently offers lump sums for old age (at age 55, or age 50 under certain circumstances), in case of permanent disability, if a fund member dies (to named survivors), or if emigrating permanently. Some provident funds allow for partial withdrawal of funds before the contingency occurs, and a few offer the option of using the balance to purchase an annuity or choosing a pension at retirement. The NSSF currently offers neither of these options.

The NSSF continues to face significant reform challenges, including the prospect of changing from a Provident Fund paying lump sums only, into a social insurance scheme. The cabinet agreed in March 2018 to propose amending the NSSF to begin offering pensions, as well as developing additional products. A reform bill — which would expand the legally covered population to include employees in all establishments (regardless of size), increase the scope and coverage of the voluntary system, and alter the governance and tax regimes, among other changes — has been tabled before parliament.[195]

Despite growth in membership, benefit levels under the NSSF are still low. Some 70 per cent of NSSF members are reported to have balances worth less than UGX 20 million.[196] The average overall lump sum benefit in FY 2018/19 was UGX 18 million, while the average Age Benefit was UGX 16 million, and the average Invalidity Benefit was UGX 9.1 billion.[197] The low average account balances in the provident fund reflect the low salaries of many NSSF members as well as low contribution density. A social insurance reform would offer a means of embedding mechanisms of cross-subsidisation from higher earners to lower earners, but improving compliance and supporting small contributors will continue to be key challenges with any reform going forward.

The Public Service Pension Scheme (PSPS)

Reforms to the PSPS, a non-contributory scheme covering civil servants, are also still pending since the 2014 Review, although there has been some progress. The PSPS is a tax-financed defined benefit pension scheme based on final salary covering around 390 thousand government employees.[198] Benefits are paid at age 45 after 10 years or service, or after 20 years of service (with compulsory retirement at age 60) and can take the form of a full pension or a combination of a lump sum ("gratuity") and a reduced pension. Levels depend on pay and years of service and vary significantly, with a small proportion (around 5 per cent) of pensioners receiving pensions below the level of the Senior Citizen's Grant of UGX 25,000 per month. There are other, relatively small, public schemes for members of parliament, public universities, local government political leaders and presidential appointees.

[195] Source: Uganda Gazette (2019b). Bill No. 16, National Social Security Fund Amendment Bill, 2019.
[196] Source: Interview with senior NSSF official.
[197] Source: NSSF administrative data.
[198] Source: MoPS administrative data.

For financial sustainability, there are plans to convert the PSPS from a tax-financed defined benefit to a contributory defined benefit pension scheme. Benefits will still be determined by a formula related to pay and years of service, but government employees will be required to pay a contribution of 5 per cent of pensionable earnings, and government (as employer), 10 per cent. The contributory reform is to be preceded by salary increments, which are already being gradually implemented. A draft proposal is with parliamentary counsel awaiting a draft bill, which would repeal the current Pension Act (Cap 286).[199] The bill is expected to go through cabinet and be presented to Parliament by the end of 2018, but the reform process has already suffered significant delays.

Other occupational pension schemes

As during the 2014, Review there are a number of additional, private occupational retirement benefit schemes. Currently, around 43 thousand salaried workers participate in occupational pension schemes offered by some 180+ employers.[200] Private contributory pension schemes come in a variety of forms. Some larger schemes are managed by employers and public institutions, and include Makerere University Retirement Benefits Scheme (MURBS), Bank of Uganda Retirement Benefits Scheme and the Parliamentary Pension Scheme. Adequacy remains a major issue, as it does for the NSSF; for example, 90 per cent of benefit payments by URBRA-licensed schemes were made as lump sums during the last reporting period, suggesting that very few people are receiving regular, predictable income security from occupational plans.[201]

The Uganda Retirement Benefits Regulatory Authority (URBRA)

A major change to retirement benefits since the 2014 Review is the establishment of the regulatory and supervisory framework for the retirement benefits sector. URBRA was set up in 2012. After an initial period of recruitment, it has been actively regulating the sector since 2015. URBRA is responsible for regulating and supervising the establishment, management and operation of public and private retirement benefits schemes in Uganda.[202]

URBRA also oversees retirement benefits for the informal sector, where coverage remains very low. The prevailing approach, including as expressed in the PPI, has been to encourage the creation of additional schemes to cover workers in the informal economy. For example, URBRA envisions developing micro pensions for the informal sector and is working with the World Bank to develop a digital platform for use by multiple users. URBRA have piloted and licensed two informal sector schemes, both of which are savings schemes rather than pension schemes. One, MAZIMA, has around 1,000 members, the other, run by the Kampala City Traders Association (KACITA), is still in its infancy. Membership in these schemes is very limited, and they face a number of challenges related to the small market for micro-savings products, high administrative cost, and governance. Both national and international evidence suggests that the significant challenges of extending coverage to low-income, informally employed workers may be better addressed through a single national scheme rather than

[199] Note: The armed forces pension scheme (AFPS) is not part of the PSPS reform process, even though the two schemes are jointly administered.
[200] Source: URBRA (2019).
[201] Source: Ibid.
[202] Note: URBRA does not oversee the PSPS.

through multiple, small voluntary schemes.[203] The key features of the main contributory schemes currently operating in Uganda are summarised in Table 5 below.

[203] Source: see e.g. World Bank (2018) and OECD (2018).

Table 5: Overview of key features of contributory schemes operating in Uganda

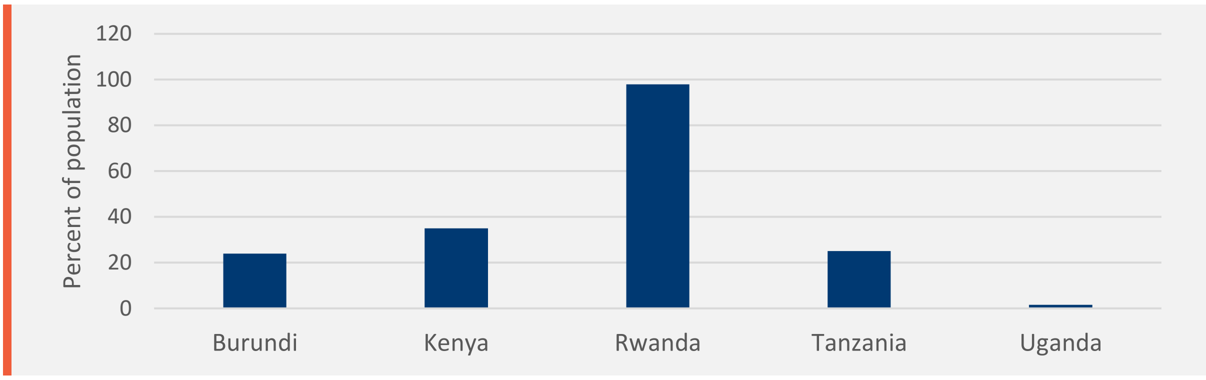
Dimension	Mandatory schemes				Voluntary schemes	
	Public Service Pension Scheme (PSPS)	Armed Forces Pension Scheme (AFPS)	National Social Security Fund (NSSF)	Parliamentary Pension Scheme (PPS)	Occupational Schemes	Voluntary individual schemes (e.g. MVRIBS[204])
Legal framework	Pensions Act [Cap 286] of 1946, as amended[205]	Pensions Act [Cap 286] of 1946 and Armed Forces Pensions Act [Cap 298] of 2000	National Social Security Fund Act [Cap 222] of 1985	Parliamentary Pensions Act of 2007[206]	Uganda Retirement Benefits Act of 2011 / Trust Law	Uganda Retirement Benefits Act of 2011
Coverage	Civil servants, local government employees, police personnel, prison officers, members of the judiciary, doctors, and teachers.	Military personnel	Compulsory: Employees working for registered employers with 5 or more employees (including in executive agencies of the government) Voluntary: Persons previously covered under compulsory system, and workers in establishments with fewer than 5 employees	Members of Parliament	Formal employees in companies offering plans	Informal economy workers
Financing	General revenues	General revenues	Contributions: • Employee: 5% of earnings • Employer: 10% of payroll Plus return on investment	Contributions: • MP: 15% of basic salary, • Government: at least 30% of MP's basic salary Plus return on investment	Contributions from employees and employers (rates depend on the scheme)	Contributions from individual workers
Payment type	Gratuity (lump sum) and monthly pension (defined benefit formula based on accrual rate)	Gratuity (lump sum) and monthly pension (defined benefit formula based on accrual rate)	Lump sums (value of contributions plus accumulated interest)	Individual accounts with annuities or lump sums (if withdrawal) based on value of contributions plus accumulated interest	Annuities or lump sums, depending on the scheme	Lump sums (account balance plus accumulated interest)
Summary of qualifying conditions[207]	From age 45 with at least 10 year of service; mandatory at age 55	Age 45	Age 50 and retired; or age 55	Age 45 with 5 years of service		Any age after a minimum contribution period (e.g. at least 1 year for Mazima[208])

[204] Source: http://mrp.co.ug
[205] Source : https://www.publicservice.go.ug/media/resources/Pensions-Act-Chapter-286.pdf
[206] Source : https://ulii.org/ug/legislation/act/2015/6-1
[207] Note: This table focuses on qualifying conditions for retirement (old age) benefits. See Table 13 for a summary of other benefits covered under each scheme.
[208] Source: http://mrp.co.ug/about-us/faqs/

Health insurance

Health insurance coverage remains very limited, as it was at the time of the 2014 Review. According to the 2016/17 Uganda National Household Survey, 5 percent of the population 15 years and over are covered by health insurance. However, the Ministry of Health estimate coverage at less than 1.5 percent of the population, which is significantly lower than other countries in the region (Figure 50). This is a long way from the universal health insurance envisaged in Vision 2040.

Figure 50: Coverage of health insurance by country in the region[209]



Existing health insurance schemes are private except for community-based health insurance. There are currently 21 active Community-Based Health Insurance (CBHI) Schemes covering 138,000 members. Financing models for them vary between loans and insurance. There is some support from donors. An estimated 700,000 people have private health insurance arrangements.

Since the 2014 Review, plans have been developed for a National Health Insurance Scheme (NHIS). An NHIS bill was approved by Cabinet in June 2019 and is currently being considered in Parliament.[210] Getting a Bill to Parliament represents significant progress since the first draft bill was discussed in 2002. According to the bill's provisions, formal employees in the public and private sector will be insured under the National Health Insurance Scheme along with up to four of their dependants, through a statutory monthly deduction from the salary of members (4 percent) and a contribution by the employer (1 percent). Pensioners will contribute 1 percent of their pension; self-employed workers and will be required to make an annual flat contribution; and persons assessed as vulnerable or defined as 'indigents' will be subsidised or exempt.[211] In addition to significant challenges on the delivery side, key financing challenges will include establishing a functioning contribution collection and compliance system and identifying and supporting those without capacity to pay contributions.

[209] Source: Ministry of Health (2017). Data from WHO.
[210] Source: Uganda Gazette (2019).
[211] Note: See also Section 5.4.

4.5.3 Social care and support

The NSPP sets out provision for social care and support services. Social care and support services are defined in the NSPP as services providing care, support, protection and empowerment to vulnerable individuals who are unable to fully care for themselves. Services are provided by government, NGOs and CBOs. The emphasis in the NSPP on social care and support *services* rather than design of a *system* which will meet multiple needs of individuals over the life-course.

Government provision of social care and support at a national scale is limited, though there have been some positive developments. The extent and availability of social care and support cannot be described with precision because of a lack of available data. There have been some limited positive developments, for example on gender-based violence, youth and children and older people and in developing a conceptual framework for social care and support, discussed below. Examples of activities in social care and support are in Table 6. But provision remains limited set against need.

Progress since the 2014 Review for different vulnerable groups

Activities on gender-based violence (GBV) have increased since 2014. Apart from the new, 2016, policy, a new National GBV Database (NGBVD) has been set up to record and monitor incidents which reaches 96 districts. There is also collaboration with the Uganda Bureau of Statistics (UBOS) to generate data on GBV from the Demographic and Health Survey. There is ongoing UN joint programming on GBV, with more in the pipeline including support from the Government of Sweden and EU and a USD 40m World Bank loan for GBV prevention and support (though taking a loan for this area has been contentious), and support from donors for seventeen GBV shelters spread across Uganda. In addition, MGLSD is playing a greater role in coordinating GBV activities across government ministries and agencies, local government, CSOs and FBOs, for psycho-social support, medical attention and justice for perpetrators. However, support is still not nationwide and local governments continue to complain about districts not covered by support on GBV. Funding is a challenge in the face of reduced support from some donors on GBV shelters. The multi-sectoral nature of GBV, which requires the involvement of agencies including, the police, communities, Ministry of Health and the media is also a challenge. While the policy and legal framework is strong, including laws against domestic violence and FGM, enforcement is more problematic, especially in remote areas.

There has also been increased activity in relation to youth and children, but there remain major gaps in provision. Government-run or private sector residential institutions continue to be the primary support mechanism. It is conservatively estimated that upwards of 50,000 children are living in residential institutions, despite this being acknowledged as a provision of "last resort" in Ugandan legislation.[212] MGLSD report that it is working on a child policy to replace the existing OVC policy. The Youth Livelihoods Programme has been introduced since 2014, as mentioned, along with a Youth Venture Capital Fund, a revolving fund from which individuals or groups can borrow at concessional rates though a challenge is, as for the YLP, the level of support is small relative to the level of need. The externally funded child

[212] Source: Walakira, E.J., Dumba-Nyanzi, I., Bukenya, B. (2015)

Table 6: Social care and support programmes and services reported by MGLSD[213]

Programme/service	Description	Caseload and coverage
Provision of juvenile justice and probation services (with support from Justice Law and Order Sector)	Training on resettlement of juvenile offenders	200 officials in 109 districts
	Resettlement of children after court attendance	517
	Construction of regional remand homes	1
	Renovation of regional remand homes	2
	Provide welfare services to children in Ministry institutions	5,388
	Provision of food and non-food items to youth in Skills Centres	856
Withdrawal and resettlement of street children	Partnered with Kampala Capital City Authority (KCCA), FUFA and Napak DLG to withdraw and resettle street children; Children withdrawn from streets are first taken to Kampiringisa National Rehabilitation Centre for screening	450
Uganda Child Helpline "Sauti" (supported by UNICEF, PLAN Uganda and other CSOs)	Purpose is to facilitate communities to report child abuse	39,382 calls received FY 2018/2019; 710 were abuse cases; 255 sought counselling services; 2,535 calls were categorized as information/ inquiry; 35,882 categorized as others.
Community Based Rehabilitation for Persons with Disabilities	Training hands-on disability and rights	11,432
	Provision assistive devices	744
	Training in non-formal business and vocational skills	1,000
	Awareness raising campaigns on rights of persons with disabilities	53
	Referral for specialised medical and health rehabilitation	338
	Referral of children for inclusive education	3,640
	Renovation works	2 rehabilitation centres and 1 sheltered workshop
Orphans and vulnerable children programme	OVC interventions supported by development partners; included provision of toolkits, food, nutritional support, mosquito nets, basic care, handling of abuse and neglect cases, referral to other support services; includes OVC database/MIS	3,338,854
National Children Authority	Local Government Score Card on Child Rights	9 districts
	Child Rights Clubs in Primary Schools	20
	State of the Children Report 2018 "Children, Local Governments and the SDGs"	1
	Stop Child Labour Partner Forums	Not known

[213] Source: PowerPoint presentation delivered by the Ministry of Gender, Labour and Social Development during the Social Development Sector Annual Review 2018/2019 on 27th-28th August 2019

Advocacy for Welfare of Older Persons	Established National Council for Older Persons	Conducted research on satisfaction of SAGE recipients; monitored registration of older persons with National Identification and Registration Authority; organised meetings of older persons
Examples of other social care and support interventions		
Research on the situation of persons with disabilities in Uganda	Funded by DFID, due 2020	National coverage
Research on violence against children	Funded by USAID, coordinated by UNICEF with CDC and published by MGLSD 2018	National coverage
Case Management	Policy-level support, for example on harmonization of standard operational procedures for case management and for inclusion of child protection indicators in local government assessments	See above OVC programme
Gender-based Violence Initiatives	sexual and reproductive health initiatives provided by UNFPA, including life-skills programmes for girls, GBV database/MIS, advocacy platforms against harmful social norms, health services for sexual violence survivors, and psychosocial support for gender-based violence survivors	Coverage not known
INGO/CSO short-term programming	For example, Help Age International advocates for expansion of the SAGE programme for older persons, to improve health services for older persons and to support older persons' rights in refugee communities. Other international NGOs – Save the Children, World Vision, Plan International, Catholic Relief Services (CRS) – deliver short term project-based assistance in specific geographic locations funded directly through their own organisations' fundraising initiatives or from development partners such as DFID and USAID	

helpline, SAUTI, continues to provide a toll-free service for reporting abuse, staffed by social workers. There are also reported to be District Action Centres to respond to cases of abuse, although their number and functioning could not be validated during this sub-sector review. There is an OVC data base, where information on OVC prevalence is recorded, though not information on individual recipients of OVC services. There is a new National Action Plan on Violence Against Children forthcoming, which will work on sensitisation, parental training, reducing risk and strengthening law enforcement. There are few services for street children, apart from donor-funded resettlement projects, and similarly for youth, except for limited CSO services. A particular need is to address alcohol and drug misuse. Generally, for children and youth, as for other areas, there are big gaps in provision and low service quality. Challenges include, in particular, the lack of local government capacity to protect vulnerable children. Although OVC Committees at district and subcounty level are reportedly operational their capacity and functioning are unknown. In some cases these Committees also operate as Child Protection Committees, "depending on which donor is monitoring".[214] Lack of local government capacity continues to restrict the rehabilitation of children in conflict with the law, for whom Probation and Welfare Officers (PWOs) are required by law to provide social support, counselling and arrange for re-integration.[215]

The MGLSD has endorsed toolkits for children's social work case management for ensuring access to social care and support,[216, 217, 218] however these have yet to be systematically rolled-out and operationalised. This is in part due to the short-term project-based approach to funding and limited workforce capacity at local level. However, should the government identify resources for longer-term investment over time, including expanding the social welfare workforce, the components of the framework for institutionalising case management are available. Case management systems for managing adult care and support are not available. [219]

There has also been some progress for older people, but, again, major gaps remain. In terms of the legal framework, an Older Persons Act is being prepared to repeal the National Council for Older Persons Act (2013), which will cover a range of areas including elected representation, the regulation of institutional care and access to bank loans for older people. NGOs collaborate successfully in Uganda in promoting the needs of older people including applying regulations and guidelines for the election of older persons to district councils, following the 2013 National Council for Older Persons Act. The National Council for Older Persons started in September 2016. MGLSD encourages community care except in exceptional circumstances, such as the lack of wider family members, when institutional care is considered appropriate. There are no formal care structures for older persons run by government. Institutional care is provided by FBOs and NGOs and the private sector but continues to be unregulated. There is a lack of comprehensive information on the provision of support and care to older people versus need. There is no MIS for older persons. It appears

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[214] Source: Personal communication with the authors during Key Informant Interview in connection with this sector review.
[215] Source: Ibid.
[216] Source: MGLSD (2019d)
[217] Source: ibid
[218] Source: MGLSD et al (2014).
[219] Source: Development Pathways (2019)

institutional support may have expanded somewhat since 2014, though it is still inadequate, while the provision of community care is continuing to reduce, in part because of the movement of younger people to urban centres. There is a lack of a structured approach in local government to applying the principles of the NSPP for older people, reflecting a lack of understanding of the policy and general capacity. There is also a need to mainstream older persons needs in other areas such as health. NGOs feel there is scope for expanding complementary services around provision of the SCG. Challenges in providing increased care and support to older people are, apart from financial constraints, the limited devoted posts in MGLSD and limited capacity in the wider population reflected in ageist attitudes. MGLSD is gradually increasing posts devoted to older people and is seeking to develop modules in gerontology in social work bachelor's degrees in Uganda and also post-graduate master's courses.

There has been less progress for people with disabilities, though the legal framework is being reviewed. A new Disability Act is being prepared to replace the Disability Act (2006) and the National Council for Disability Act (2013), in part to better reflect the International Convention on the Rights of Disabled People and other regional initiatives on disability. There is no monitoring of service provision versus need - monitoring of services is on an ad-hoc, local basis, as at the time of the 2014 Review. There remains a need to fill information gaps for people with disabilities in the census and household surveys. Institutional rehabilitation services continue to be run by national government and there continues to be a perceived lack of provision compared to need. Services continue to be of a low quality though government has started to revamp these institutions. Whilst the Community-Based Rehabilitation (CBR) programme is nominally operational in 26 districts the actual provision is more limited since the discontinuation of donor funding and government funding cuts.[220] A special grant continues to provide employment opportunities for groups of people with disabilities organised at a sub-county level, funded centrally. The Ministry of Health has a Disability and Rehabilitation Section that provides rehabilitation and promotes access to health care services by persons with disabilities.[221] Additional support to people with disabilities is funded by donors and implemented by CSOs, but overall provision continues to be inadequate. Access to services is challenged by limited financing, by the multiplicity of CSOs who often lobby in their own specific interests and are not coordinated, by the continued lack of access to affordable assistive devices and by limited awareness of the rights and productive capacity of people with disabilities. But, specific groups such as those experiencing mental health issues, people with intellectual disability and multiple disabilities, and hearing impaired and visually impaired people, remain inadequately supported.

A positive step is the beginning of efforts to strengthen social protection in the national HIV and AIDS response. An estimated 1.3 million people are living with HIV in Uganda. Adolescent girls and young women remain disproportionately affected. The implementation of the National HIV and AIDS Strategic Plan NSP 2015/16—2019/20 calls for strengthening "social support and protection". As an initial step, an assessment will be carried out of the extent to which social protection programming is providing support to those living with HIV and AIDS.[222]

[220] Source: Development Pathways (2019)
[221] Source: Nyeko J. et al (2018).
[222] Source: Government of Uganda (2018).

4.6 Development Partner support to social protection

Development partners (DPs) have played an important role in the development of social protection in Uganda from the outset. DPs have supported social protection in Uganda since before the sector was recognised by government. They have had significant influence on programme design and funding, on policy design, advocacy and more recently on aspects of system design. But Uganda is on the point of developing a more comprehensive social protection system and corresponding challenge is how donors will most effectively support this new direction in the most coherent and coordinated way.

4.6.1 Principles of Aid Effectiveness

The global aid effectiveness agenda was defined in the mid-2000s through a number of evolutionary steps which sought to address the constraints to aid-funded programming that had been observed up to that point. Key events were the first two High level forums on aid effectiveness in Rome in 2003 and Paris in 2005 which led to the Paris Declaration on Aid Effectiveness (2005) which secured commitments to harmonising aid in the context of achieving the millennium development goals. These were followed by a further high-level forum in Accra in 2008 which produced the Accra Agenda for Action, and then the fourth in Busan, Korea in 2011.

The Paris Declaration outlines the five now very familiar fundamental principles for how to make aid more effective:

- **Ownership**: Developing countries set their own strategies for poverty reduction, improve their institutions and tackle corruption.
- **Alignment**: Donor countries align behind these objectives and use local systems.
- **Harmonisation**: Donor countries coordinate, simplify procedures and share information to avoid duplication.
- **Results**: Developing countries and donors shift focus to development results and results get measured.
- **Mutual accountability**: Donors and partners are accountable for development results.

The aid effectiveness principles are internalised in the NDP2 and the NSPP. NDP2 emphasises the need to have a well-coordinated and strategic partnership between government, development partners, and other actors; and the NSPP has the following expectations around DP support:

- Align financial support to the priorities of the NSPP and use existing systems
- Coordinate actions, simplify procedures and share information; and
- Provide technical assistance for social protection

MGLSD set out the role of donors in the Programme Plan of Interventions for Implementation (PPI) of the Uganda National Social Protection Policy.[223] This states that development partners will 'coordinate their funding, advocacy and support to social protection interventions and policy implementation'. The PPI says the key role of donors will be to:

[223] Source: MGLSD (2015b).

- Integrate social protection interventions into their Country Strategic Frameworks;
- Participate in the design, implementation, and management of social protection programmes;
- Mobilise resources and finance social protection programmes in partnership with government;
- Provide technical assistance for social protection;
- Document and share experiences, lessons, and best practices from other countries; and
- Harmonise the social protection interventions funded by different development partners.

These principles are also internalised in the TOR for the Uganda development partner social protection working group (DP SPWG). This reflects the global aid effectiveness agenda and has the following objectives:

1. Collaborate with the relevant government counterparts/ministries on popularization and implementation of the various components of the National Social Protection Policy and Programme Plan of Interventions;
2. To the extent possible, harmonize and align development partners' social protection interventions with each other and in line with GoU policy and planning, including among other things, in the area of financial support to government Social Protection mechanisms;
3. Provide coordinated technical advice and support to Government and its partners based on sharing information and good practices on social protection;
4. Support coordinated high level dialogue and advocacy between development partners and government on expanding social protection.

4.6.2 Current donor support to social protection

In terms of system development, social protection has received significant support from donors since the 2014 social protection review. DFID and Irish Aid have supported the development of the NSPP itself and strategies and guidelines for policy implementation and social protection M&E systems through funding of the Expanding Social Protection programme (ESP), now in its second phase. The World Bank has supported the development of the Single Registry, through NUSAF3, as well as significant research and analysis for the sector. UNICEF has supported a high volume of vulnerability analysis, especially relating to children, and other supportive analysis in support of sector development and improvements in planning and budgeting. And, WFP has supported development of the Karamoja Social Registry System and the MGLSD national LIPW guidelines.[224] **Error! Reference source not found.** shows which donors currently support different parts of the social protection system.

In addition, direct income support programmes have received significant support from donors. DFID and Irish Aid have continued to fund SCG transfers since the 2014 social protection review. The World Bank has continued to fund LIPW, in NUSAF3, which includes a new Disaster Risk Financing (DRF) component. It is also funding the new Development Response to Displacement Impacts Project, which includes the shock-responsive

[224] Source: MGLSD (2016a).

Displacement Crisis Response Mechanism (DCRM). The World Bank has engaged in broader dialogue with the government on developing shock-responsive social protection. UNICEF has also been part of this dialogue and has supported the development of the new Kampala City Council Authority's Adolescent Girls' Cash Plus Mentoring Programme, providing cash transfers to 1,500 adolescent girls aged 14 to 18. SIDA is supporting new child-sensitive social protection to refugees and host communities in West Nile being implemented by WFP and UNICEF.[225] WFP is consciously moving from direct implementation to system support and its Food Assistance for Asset Creation programme (formerly Cash and Food for Work) ended in 2017.[226] And, since the last review, the EU funded LIPW in the Northern Uganda Agriculture Livelihoods Recovery Programme (ALREP) and the Karamoja Livelihoods Programme (KALIP), both of which stopped in 2015.

Social insurance has been supported by the World Bank since the last social protection sector review. The World Bank has provided technical support to PSPS reform, though in the end its advice to convert to a defined contributions (DC) scheme was not followed. Some recommendations however appear to have been taken on board, including potentially adjusting the reference period for calculating the pensionable wage and lowering the accrual rate. It has also supported efforts on the liberalisation of retirement benefits in Uganda, but, again, this direction has not been pursued. The World Bank has also collaborated on developing micro pensions including the development of a digital platform for multiple users. But two pilot schemes, MAZIMA and a second run by the Kampala City Traders Association (KACITA), have yet to reach significant numbers of participants. DFID and Irish Aid have supported a review of the contributory system, which has informed the assessment in this sector review[227]

Most investments in social care and support, including research on levels of current need, have been funded by donors. Locally, services are mostly delivered by civil society organisations on a short-term project-basis, but often funded by bilateral donors, because of a lack of funding and capacity. Services supported include social care and support for communities affected by HIV, for child protection, prevention and response to violence against girls and women and for people with disabilities. This support is mainly off-budget. Most support has been in the area of child protection and support for orphans and other vulnerable children.

[225] Source: MGLSD et al (2019).
[226] Source: WFP (2017).
[227] Source : McClanahan, et al. (forthcoming).

Figure 51: Current donor support to social protection in Uganda

Donor investment in social care and support is driven by donors' own areas of interest. DFID are funding research on the situation of persons with disabilities in Uganda, and UNICEF supported a recent survey on violence against children, funded by USAID.[228] USAID also provide policy-level support, for example on harmonization of standard operational procedures for case management and for inclusion of child protection indicators in local government assessments. USAID also funds direct service delivery to households affected by HIV and AIDS through partner organisations and manages an OVC database/MIS.[229] USAID funding through the 4Children project distributed tablets to all PWOs with a child protection mini-library and access to databases including data entry and analysis functions. Current usage is not known. UNICEF is also working with government to review the social welfare workforce and to support the Child Helpline Service. Support on Gender-based Violence and sexual and reproductive health initiatives is provided by UNFPA, including life-skills programmes for girls, GBV database/MIS, advocacy platforms against harmful social norms, health services for sexual violence survivors, and psychosocial support for gender-based violence survivors.[230] Help Age International advocates for expansion of the SAGE programme for older persons, to improve health services for older persons and to support older persons' rights in refugee communities. Other international NGOs – Save the Children, World Vision, Plan International, Catholic Relief Services (CRS) – deliver short term project-based assistance in specific geographic locations funded directly through their own organisations' fundraising initiatives or from development partners such as DFID and USAID.

[228] Source: MGLSD (2015d).
[229] Note: because USAID funds for social care and support are disbursed through the U.S. President's Emergency Plan for AIDS Relief (PEPFAR) they can only be directed towards HIV affected households.
[230] Source: https://www.unfpa.org/data/transparency-portal/unfpa-uganda

4.7 Progress against social protection plans

There are a number of existing plans against which to measure the progress of social protection in Uganda. This is considering the progress of social protection as a sub-sector, as opposed to progress for individual programmes which is addressed in Chapter 7. These plans include the second National Development Plan (NDP2), the National Social Protection Policy (NSPP), the Programme Plan of Interventions for Implementation of the Uganda National Social Protection Policy (PPI), the NSPP Roadmap and the Social Development Sector Plan.[231] It is also relevant to measure progress against recommendations for taking the sub-sector forward that are set out in the 2014 Social Protection Sector Review.[232]

4.7.1 National Development Plan 2

NDP2 has a specific target for the expansion of social protection. It seeks to 'increase the number of vulnerable people accessing social protection interventions from about 1,000,000 in 2013 to about 3 million by 2020'. While there is regular monitoring of progress against NDP2 objectives at a high level, including an NPA annual development report and a mid-term review of progress in the Social Development Sector, this particular target is not systematically monitored.[233] However, current recipients of the SCG (156 thousand) and NUSAF3 (LIPW and direct income support only, 174 thousand) and membership of the NSSF (1.9 million) suggest that, while significant progress has been made on coverage, this target is not on track to be met.

4.7.2 National Social Protection Policy (NSPP) and the Programme Plan of Interventions (PPI)

More detailed social protection objectives are set out in the NSPP and PPI. Both of these documents were published in 2015 and their objectives provide an important measure of progress since the 2014 social protection sector review. Table A 1 1 in Annex 1 sets out progress against NSPP objectives and against PPI interventions and activities, as scored by the review team (targets for individual years are not shown for reasons of space). As for the NDP2 coverage target, there appears to be no systematic and regular monitoring of progress against NSPP and PPI targets. PPI objectives have been nested within the individual NSPP objectives as neatly as possible given that NSPP and PPI objectives fit together reasonably well but not perfectly.

The extent to which targets were met varies significantly. Table A 1 1 in Annex 1 shows progress has been made in some areas, such as expanding direct income support and coordination of social protection, though gaps in progress remain such as gender-sensitive social protection and grounding programmes in legislation. Less progress has been made in others such as contributory social insurance, including pensions - though progress has been made on compliance through the creation and operationalisation of URBRA - and workers' compensation, health insurance and, in particular, social care and support.

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231 Source: NPA (2015), MGLSD (2015a), MGLSD (2015b), MGLSD (2015c).
232 Source: MGLSD (2014).
233 Source: EU (2019).

4.7.3 NSPP Roadmap

NSPP Roadmap headline milestones give a broad indication of progress in developing sub-sector governance as well as other areas. They do not fit readily onto NSPP and PPI targets in that they are organised by year rather than by the structure of the NSPP. Table A 1 2 in Annex 1 shows progress against NSPP Roadmap headline milestones, scored by the review team. Progress has been made on putting in place coordination structures, developing social protection strategies, for example on equity and social exclusion, developing the Single Registry and guidelines for LIPW and expanding the SCG. Less progress or no progress has been made on reforming the PSPS and developing social care and support, contributory social insurance and health insurance and a disability grant.

A review of progress against Roadmap targets was carried out in 2018.[234] This concluded that in terms of detailed objectives, below the headline targets, only 20 percent of activities for the various ministries have been completed, despite many of these being low cost. The review proposed amended milestones for specific institutions, though not for headline milestone. The review is evidence of monitoring progress against the Roadmap. But as for other documents, there is not regular and systematic monitoring of progress against milestones.

4.7.4 The Social Development Sector Plan (SDSP)

Achievements against SDSP objectives are shown in Table A 1 3 in Annex 1. Table A 1 3 shows targets by year and in doing so shows that some annual targets inexplicably fall below baseline and some of the units seem inconsistent between baselines and targets. These targets are under section '6.4.3 Social Protection' in the SDSP, and more specifically under 'Objective 3: To enhance the resilience and productive capacity of the vulnerable persons for inclusive growth'. There are also a number of additional targets under Objective 3 and target under 'Objective 4: Improve the capacity of youth to harness their potential and increase self-employment, productivity and competitiveness' and 'Objective 7: Redress imbalances and improve equal opportunities for all'. However, these are outside the scope of social protection as defined by the NSPP.

As for other documents, performance against SDSP targets is mixed. Objectives in Table A 1 3 are scored according to performance over the whole period rather than against individual years. Good progress has been on, generally, less significant outputs, with the exception of the Single Registry, and less progress on more challenging reforms. Progress against the many specific SCS targets are not known because of insufficient evidence.

SDSP objectives broadly match NSPP and PPI objectives, though they go into more detail, with specific numerical targets. However, ideally the matching would be more precise between the SDSP and NSPP/PP objectives. While MGLSD carries out an annual review with departments and affiliated agencies, as for NSPP, PPI and the Roadmap there is no regular and systematic review of progress against the SDSP results framework.

[234] Source: MGLSD (2018e).

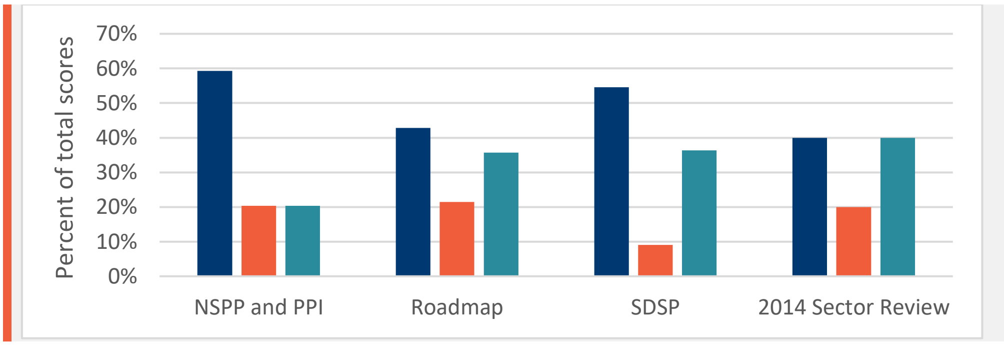
4.7.5 Recommendations in the 2014 social protection sector review

Social protection achievement against recommendations in the 2014 social protection sector review are shown in Table A 1 4 in Annex 1. While progress has been on coordination mechanisms and donor support, and, for the SCG, simple targeting, classification in the budget, payment systems and lobbying, in other areas, in particular capacity strengthening, legislation, setting up a direct income support delivery agency and social care and support, there has been less progress. There has been no systematic monitoring of progress against recommendations in the 2014 review, although the review was quickly superseded by the NSPP, PPI and Roadmap, all published in 2015.

4.7.6 Monitoring and evaluation of social protection going forward

The relative success of social protection can be compared for different government documents. Figure 52 shows a summary of traffic light scores for targets across documents including recommendations from the 2014 sector review (excluding where scores are unknown because of a lack of information, which is the case for a number of objectives in the SDSP). This is based on the review team's scoring and takes no account of the relative importance of targets. Overall, greens traffic lights are often for 'process' objectives such as setting up committees or developing strategies, whereas the red traffic lights are often for more substantive reform of social care and support or social insurance. Even allowing for mis-scoring, a high proportion of targets have clearly not been met, especially for contributory social insurance and social care and support, as discussed for individual target frameworks. Only 40 percent or fewer targets have been fully met.

Figure 52: Social protection performance against government objectives and targets



The failure to meet a high proportion of targets and the lack of regular and systematic monitoring of the sub sector suggest a new approach to M&E is required. It appears there needs to be regular monitoring and stronger accountability so that emerging patterns can be identified and dealt with more effectively. Why, for example, is there a consistent failure to make progress on social care and support? The starting point should be a single and sufficiently transparent framework of targets. The current situation of different objectives in different documents is rendering the overall structure meaningless.

MGLSD has developed a new M&E strategy for social protection, but this may need to be reconsidered.[235] The M&E strategy draws on the vision and goal in the NSPP. However, it

[235] Source: MGLSD (2018c).

contains new outcomes and outputs and moves away from the NSPP/PPI objectives laid out in Table A 1 1. There is some limited read across from the M&E strategy to targets in the NSPP/PPI and SDSP. But the M&E strategy, which is awaiting implementation by MGLSD, may need to be reconsidered so there is consistency of objectives and targets across government documents.

4.8 Chapter conclusions

Uganda has committed many times over to establishing key elements of its social protection system. The constitution, Vision 2040, NDP2, and the national social protection policy – alongside numerous more specific policies outline commitments, specific elements and in some cases plans. Uganda has also signed up to several international treaties which require it to act on social protection, including the SDGs, the ILO social protection floor, and several Africa Union commitments. So the question is not really whether this system should be established or what it should look like, but when this will happen.

The national social protection policy has been approved by cabinet since the last sector review. It sets out the objective of establishing a comprehensive social protection system in Uganda based on the two pillars of social security – comprising direct income support and contributory social insurance – and social care

Institutional arrangements for social protection in Uganda have been set out in the policy but have been unevenly implemented and are not entirely functioning as intended. There are a number of gaps in the system, in particular the establishment of a delivery agency, establishing clear stakeholder roles, aligning structures to functions, and achieving effective coordination

The number of direct income support programmes currently active has reduced since the 2014 review. The relatively large number at the time of the last sector review has reduced to two programmes now, reflecting a rationalisation of small and fragmented programmes as recommended in 2014. Overall coverage of DIS however remains low, at around 329,000 recipients which represents 1% of the population.

The contributory element of social security is very under-developed in Uganda, and there are no current national programmes which can be considered as contributory social insurance. The NSSF is a provident savings fund, and the PSPS is an entirely Government-financed pension scheme. Both are in need of significant reform, and coverage remains very low across all contributory schemes., at only 5 percent of the working age population. Benefit levels are also low and, by and large, fail to offer adequate, regular and predictable income security. A major challenge is to find ways to incorporate workers in the informal economy with the ability to pay, but this will likely depend on securing reforms to improve the system's overall adequacy and attractiveness. A priority will be to establish the national contributory social insurance system and move away from planning on a programme-by-programme basis.

The system for social care and support has changed little since the last review. The social care and support system has still not been adequately defined, as was recommended in 2014, and is largely non-existent in practice outside fragmented development partner projects. Only limited and incomplete data are available on the potential caseload for social care nor the current coverage of services. There is an urgent need to follow up on commitments and plans and establish a functional system.

Progress against plans for the social protection sub-sector are overwhelmingly poor. Many planned actions have not been achieved in recent years and those that have are often easier process-related actions rather than more fundamental reform. There are also several parallel plans which have not been well-integrated. Overall this paints a picture of poor performance of the sub-sector, and the realisation that business as usual will not be enough and that change is needed.

Government has led a process of developing a longer-term vision to 2030 which maps out the trajectory and end-point for development of the comprehensive system envisaged by the NSPP. Most of the elements of this vision have their original source in existing national policy and plans. The vision for social protection remains a work in progress which has yet to include social care and to adequately address shock-responsive social protection, support to refugees and public works. It should be concluded and agreed urgently.

4.9 Chapter recommendations

4.1: Complete the social protection vision with the addition of social care and support, shock-responsive social protection, support to refugees, public works, and intended institutional arrangements, and work towards its institutionalisation as the long-term national vision for social protection

4.2: Conduct an institutional analysis of social protection in Uganda which reviews the underlying institutional issues affecting performance, and plan next steps in the context of this review's analysis

4.3: Take steps to improve adequacy and coverage of contributory schemes in Uganda, which will require looking across individual schemes and adopting a systems-based perspective to reforms, including putting in place a national scheme that provides adequate, regular and predictable income security

4.4: Urgently address the lack of a defined social care and support system which is a prerequisite for obtaining additional funding to meet need

4.5: Ensure the social protection M&E strategy contains targets that are consistent and aligned across government documentation, in particular that SDSP targets are nested within broader NSPP objectives

5 Governance of social protection in Uganda

Chapter summary

- The institutional boundary of social protection in Uganda is unclear meaning it is not easy to plan the sub-sector.
- Social protection is a ‘sub-sector’ in the SDSP but it includes programmes areas managed by other MDAs.
- The policy and planning hierarchy for social protection contains some institutional anomalies in terms of which institutions and committees take precedence.
- There are a number of planning documents which do not fit neatly together and system-level monitoring is not carried out regularly.
- Responsibility for social protection lies within the Directorate of Social Protection in MGLSD, but much of its implementation lies beyond this Directorate in MGLSD and some is beyond MGLSD.
- Roles for different MDAs in social protection differ depending on the source document.
- The structure of MGLSD is not conducive to aligned implementation of the NSPP.
- The Expanding Social Protection (ESP) Programme Management Unit (PMU) is outside the main MGLSD structure.
- The move to programme-based management in NDP3 is an opportunity to address many of these issues.
- Social protection is likely to remain a sector which spans several ministries and so effective inter-ministerial coordination, which is currently proving difficult, will be essential.
- The focus on building the social protection system focusses more at programme level, and system operational level and less at the higher level of, for example, strategic planning and budgeting.
- The ‘comprehensive SP system’ that is the focus of the NSPP has yet to be fully elaborated.
- The vision for social protection can be the starting point - and it is currently well-aligned to the NSPP and PPI, (though it has areas that still need to be addressed - followed by a strategy to develop the comprehensive system.
- On direct income support, the definition in NSPP has not been strictly adhered to by MGLSD - clarification of the position on livelihoods and the definition of labour-intensive public works would help.
- It may help planning to separate core social protection programmes, which should grow over time, and transitional programmes, such as some LIPW programmes, which may decline as the core system expands.
- It may worth addressing whether current public infrastructure programmes in Uganda could become LIPW.
- Direct income support programmes are not grounded in legislation.
- Shock-responsive social protection needs to be developed, and may provide an ongoing role for LIPW, though lifecycle programmes may also be made shock-responsive – and support to refugees needs to be addressed.
- Social insurance is poorly defined in the NSPP.
- The legal framework governing the contributory system in Uganda is fragmented and piece-meal.
- Reform of the NSSF and the PSPS is slow to be implemented and aspects of reform fall short of what is needed.
- Mitigating labour market risks need to be part of social security, as set out in the social protection vision.
- A Minimum Wage Bill could significantly increase income security.
- Health insurance is best managed in the health sector, but the NSSF could have a role in collecting contributions.

- MGLSD needs responsibility for the NSSF if a multi-tiered system as envisaged in the NSPP is to be realised.
- Social care and support is not clearly defined and understood, though there is a new conceptual framework.
- It is important social care and support is developed as a system rather than a collection of services and its development is integrated with the expansion of wider social protection.
- There is a lack of coordination of social care and support and large gaps in provision.
- For social care and support to be multi-sectoral and system-based, secondary legislation is required.
- Development partners are not aligning systematically behind implementation of the NSPP.
- Donor support is fragmented with a focus on programmes rather than policy implementation and system-building.

5.1 Introduction

Chapter 4 described the policy and institutional environment for social protection in Uganda as it stands. It recognised the progress that has been made on many fronts since the 2014 sector review. This chapter identifies a number of remaining challenges related to the governance of social protection and reflects on potential ways forward for the most significant of these. Many of these challenges are relevant to all of the SP pillars in the National Social Protection Policy (NSPP). But there are a number of additional challenges for social insurance and social care and support that are listed, which require additional attention.

Governance is central to the social protection system's ability to deliver on its objectives. This includes policy, legislative and institutional characteristics. Both formal and informal arrangements are considered here, including the 'rules of the game' which are not written down but can influence how organisations act in practice. Donor engagement is also addressed, along with the political economy of social protection. This section addresses governance issues within the constraints of the review. In some areas, a full institutional or governance assessment may be required to add depth and understanding.

5.2 Governance challenges across the sub-sector

5.2.1 Integration of social protection in government systems

The institutional boundary of social protection in Uganda is unclear and not easy to see, plan, manage or assess in practice. The policy is relatively clear that responsibility for SP delivery lies with several MDAs, under the overall leadership of MGLSD, and subsequent documents elaborate the lead role of MGLSD[236]. It therefore requires effective systems for management of a complex sub-sector, and strong leadership by MGLSD. However, a number of institutional anomalies in the framing and description of the sub-sector mean that it is not clearly defined institutionally.

[236] For example MGLSD (2015b), MGLSD (2016c)

The social development sector and its sector plan

The social development sector is considered to be the work programme of MGLSD[237]. The term 'sector' is synonymous in Uganda with ministry[238], and so social development is the term applied to the contents of MGLSD's mandate, and the MGLSD is responsible for delivering the social development agenda, and indeed is described as the 'lead institution in the sector'.[239] The sector has many other state and non-state actors working under the coordination of MGLSD, to 'ensure that sector interventions and crosscutting issues are mainstreamed in their respective plans and budgets and .. implemented to improve service delivery to target groups'.[240]

The programme of the social development sector is described in the Social Development Sector Plan (SDSP). The Social Development Sector Plan is developed following the National Development Plan, and describes the plan of the MGLSD that contributes to the relevant NDP components and objectives. The current SDSP was produced in 2016 to help deliver NDP2 and runs from 2015 to 2020. A new SDSP is to be developed by April 2020 to take forward the agenda of NDP3 in the social development sector, and will begin implementation in July 2020, probably for another five years. The preamble from the Permanent Secretary MGLSD to the current SDSP calls for all actors within the social development sector to align their activities to the priorities of the SDSP, signifying the primary importance of this document to sector planning and implementation.[241]

Implementation of the SD sector plan is overseen by the Social Development Sector Steering Committee (SDSSC) and the Social Development Sector Working Group (SDSWG). The SDSSC was formulated to replace the planned SP cabinet committee but appears not to have TOR and has not met since February 2016 and may therefore be considered to be non-functional. The SDSWG is 'the apex technical organ that guides evolution of policies, programs and plans for the Sector. Alongside MGLSD it is comprised of other stakeholders namely MDAs, Development Partners, Social Partners, NGO Forum, Private Sector, Academia, Religious and Cultural Institutions'.[242] However review of SWG minutes over the last three years[243] suggests infrequent meetings, uneven participation, and agendas which do not consistently address strategic issues for SP within the sector.

Social protection is described in the social development sector plan (SDSP) as a 'thematic sub-sector' but this is inconsistently applied and sits uneasily among other sub-sectors. The five thematic sub-sectors in the SDSP are: Labour, Productivity and Employment; Community Mobilization and Empowerment; Social Protection for the Vulnerable and Marginalised Groups; Gender Equality and Women's Empowerment; and Institutional Capacity Development[244]. However, these five areas are predominantly defined as 'thematic areas' or

[237] Note: Other bodies covered by the sector budget are the Kampala Capital City Authority, the Equal Opportunities Commission, and some elements of local government activities

[238] Note: A sector is defined in MGLSD (2016c) pxvii as 'A framework of institutions including Central and Local Governments, Donor Agencies and Civil Society with shared objectives, priorities, expenditure programmes as well as agreed management, reporting and accounting arrangements'

[239] Source: MGLSD (2016c)

[240] Source: Ibid p3

[241] Source: Ibid p viii

[242] Source: Ibid p xxv

[243] Source: MGLSD (2017f), MGLSD (2018f), and MGLSD (2019e, f and g)

[244] Source: MGLSD (2016c) pxxv

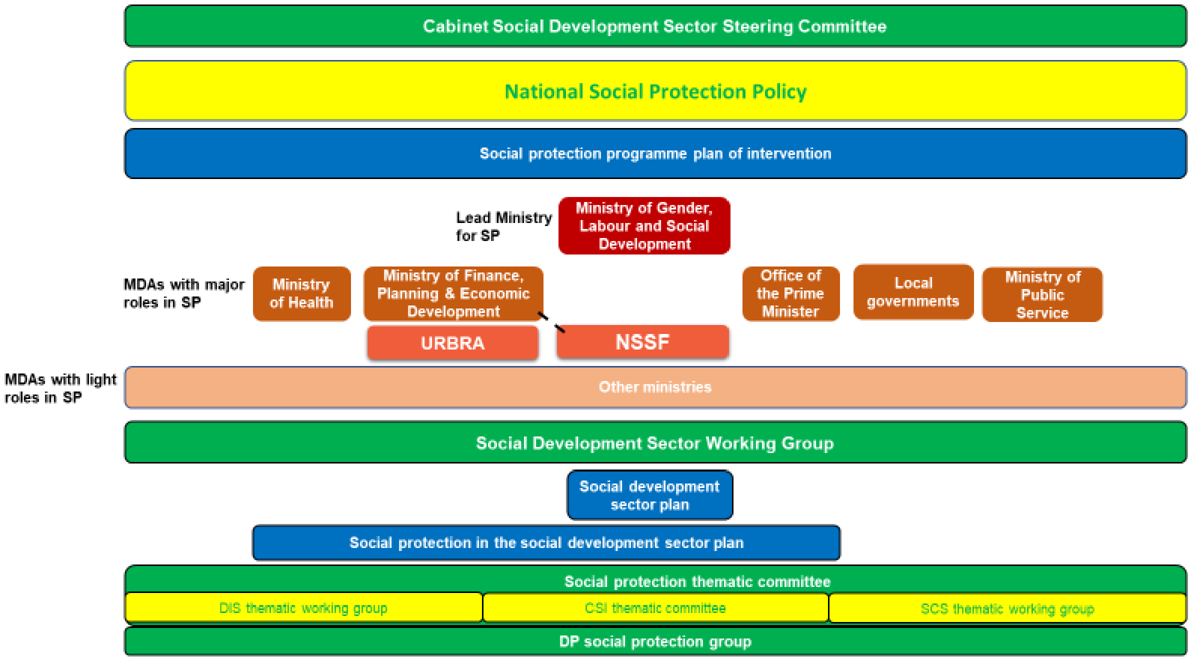
'thematic programme areas' and it is not until page 73 that the term sub-sector is used about them. The sections on social protection itself do not use the term sub-sector at all, instead describing it as a thematic area, suggesting the term sub-sector has little meaning in practice and that the five areas are mostly used as the titles for workstreams under the SDSP. And the identification of institutional capacity development as a sub-sector alongside social protection introduces doubt as to what is meant by a sub-sector – which is not defined – in the SDSP.

The social protection sub-sector

The SP 'sub-sector' in the SDSP falls between whether it focuses only on MGLSD roles in SP and whether roles for other MDAs should be included. The SDSP is mainly the plan of the MGLSD and associated bodies (see Footnote 237 above), but reference is made to health insurance, public works and social insurance schemes which fall beyond MGLSD. Issues include the following: no elaboration of the contributory system elements that are considered to fall within social security; the inclusion of youth programmes which do not fit the criteria for SP and are not in the policy and PPI; inclusion of gender-based violence under the gender equality sub-sector and not SP; inclusion of public works programming which is the responsibility of other MDAs (OPM in this case); identification of the equal opportunities commission as a social protection intervention; the fragmentation of social care into its component services across social protection outputs without a system view meaning that social care has no boundary or definition within the SDSP; the lack of clarity about the position of SP and its two pillars within MGLSD; the difficult fit between thematic areas, sub-sectors, strategic objectives, and overall sector priorities.

The policy and planning hierarchy for social protection contains some institutional anomalies. As illustrated in Figure 53 below, the SP policy is hierarchically above MGLSD and the SDSP. And yet MGLSD considers social protection to be a sub-sector of the SDSP, which would place it below the SDSP hierarchically. Similarly, as illustrated in Figure 53, the SP thematic sub-committee is the highest level functioning committee responsible for implementation of the SP policy – which sits above MGLSD – and yet is constituted as a sub-committee of the SWG, which falls below MGLSD.

Figure 53: Policy and planning hierarchy for social protection in Uganda[245]



The definition of social protection as a sub-sector is therefore institutionally problematic. MGLSD considers the position of social protection within its own wider ministerial programme as a sub-sector, but the position of the SP policy above MGLSD and the SDSP in the policy and planning hierarchy – and therefore above the social development sector – suggests that from a national perspective it is not really a sub-sector at all. If it is not a sub-sector, then where does it fit into the policy and planning hierarchy and how should it be described? The review wonders if there are other similar situations for other policies and ministries in Uganda for which a similar situation applies, and suggests that further institutional analysis would be helpful here.

All of these issues inhibit effective management of social protection, which is a major finding of the review, and so inhibit social protection performance. Unaligned planning, M&E, actor roles, and institutional anomalies contribute to coordination difficulties; the lead role played by MGLSD is muddied when the position of SP in MGLSD itself is unclear; this in turn inhibits engagement with, and coordination of, other MDAs; and none of these issues help MGLSD engagement with MoFPED and NPA over finance for social protection, when the sector cannot be described clearly or convincingly.

5.2.2 Effectiveness of critical social protection operational systems

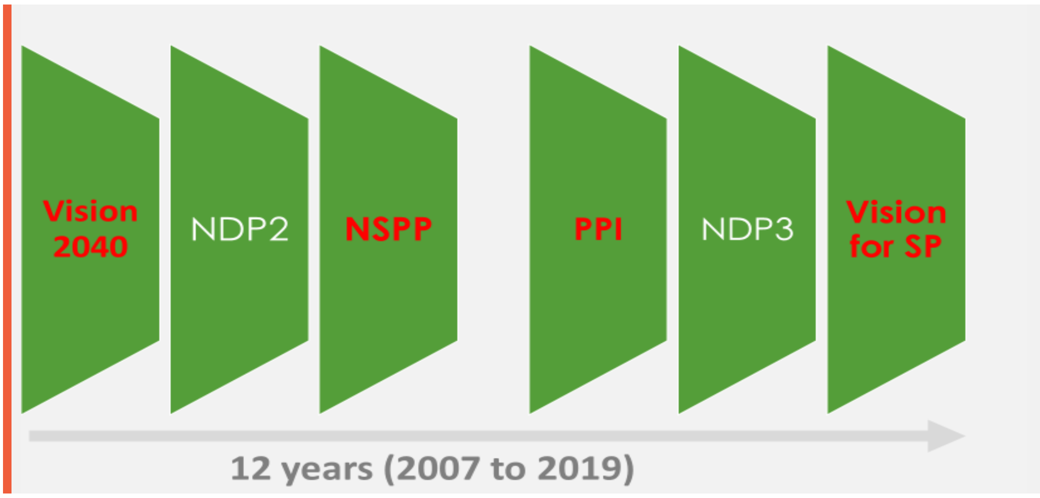
Social protection planning and monitoring

Social protection has increasingly featured in the national planning hierarchy since its introduction only around ten years ago. There is continuity between policy and planning

[245] Note: Figure 53 is vertically consistent, so, for example, the SDSP is below MGLSD because it is the responsibility of MGLSD but 'Social protection in the social development sector plan' includes LIPW and health insurance which tend to fall under OPM and the Ministry of Health respectively.

documents dating back to Uganda Vision 2040 which was published in 2007, through the NDPs, and including the policy and its PPI and up to the current time – as shown in Figure 54.

Figure 54: Clear line of sight for social protection in Uganda policy and planning



There are a number of current SP planning documents which do not always fit neatly together. Beyond the big picture success with policy and planning alignment described in Figure 54 above, there remain specific issues where some documents do not fit easily together, even if their core agenda, to expand social protection provision, is similar. Current live documents include the NSPP and its PPI, the SDSP, the NSPP roadmap, and budget submissions. M&E frameworks set out in these and in the relatively new SP M&E strategy are not always fully consistent. For example, the SDSP contains targets for 'output results' which do not map directly onto the PPI 'interventions' and 'activities'. An example of this is Disability Grants are mentioned in the SDSP but are not among the PPI activities which refer to the SCG and 'gender sensitive social transfer programmes'. Another example is the new M&E strategy has created a new set of targets within a logframe which, as mentioned in Chapter 4, do not directly map onto objectives and targets in other documents. While different documents may have different purposes and go into different levels of detail, it is important they nest together transparently rather than giving the impression of being developed as separate processes.

Monitoring is not regularly conducted at a system level. As reported in section 4.6, and Box 4 below, there is no continuous or routine monitoring of progress against targets at a system level; those efforts that do exist are confined to occasional events, and as a result there are major gaps in understanding about what is and is not being achieved. This means that successes are not recognised and challenges are not identified as they happen, and are left to perhaps materialise later on. This has a number of negative consequences: people and organisations are not held accountable for doing what they are meant to do; learning opportunities to build on successes and to address challenges in a timely way are foregone; and overall the level of performance may be lower than it otherwise would have been. Monitoring that does take place tends to be at the programme level and is often donor-driven.

Box 4: Quotes on M&E from section 4.6 of this report

NDP2: 'While there is regular monitoring of progress against NDP2 objectives at a high level .. this particular target [for SP coverage] is not systematically monitored'

NSPP and PPI: 'There appears to be no systematic and regular monitoring of progress against NSPP and PPI targets'

NSPP Roadmap: 'The review is evidence of monitoring progress against the Roadmap. But as for other documents, there is not regular and systematic monitoring of progress against milestones'.

SDSP: 'While MGLSD carries out an annual review with departments and affiliated agencies, as for NSPP, PPI and the Roadmap there is no regular and systematic review of progress against the SDSP results framework'

Social protection is also not consistently described in sector budget framework papers. The sector budget framework paper 2019/20 for social development makes no mention of the sub-sectors comprising the SD sector, and instead focuses on seven sector objectives, none of which explicitly mention social protection but are instead framed as outcomes. The paper also lists a number of medium-term sector policy objectives none of which, again, explicitly mention social protection. While a social protection programme under the responsibility of Director SP is described, this does not represent well the broader scope of social protection as defined in the policy's two pillars, the apparent fact that SP is a sub-sector, nor its strategic rationale. Other elements of social protection such as labour-intensive public works or social insurance are not described.

Future social protection planning needs to be aligned across all documents. The analysis in Chapter 4 demonstrates that performance against planning document targets is highly variable. More transparent and consistent planning documentation is a prerequisite to this improving. In the coming year the NDP3, a new SDSP, and a review and revision of the NSPP PPI are due. Alignment of these key documents will go a long way to introducing greater coherence to social protection.

Social protection objectives will also need to continue to be built into national results frameworks. Social protection objectives are already incorporated, to some extent, into OPM national government-wide results frameworks. This includes National Standard Indicators, which influence budgets by sector and build on the recent introduction of Programme-Based Budgeting (PBB), and the Government Annual Performance Report (GAPA), which is used by the cabinet to assess overall government performance. There is a need to ensure social protection objectives are included comprehensively and consistently as the sub-sector is developed. Social protection results also need integrating into the NDP3 results framework. There are also additional planning processes which do not interface with the main national documents for social protection, including for example for reforms of NSSF and PSPS, and the introduction of NHIS, where coordination will need to be addressed.

Roles in social protection

The national policy is clear that multiple organisations have roles in delivery and management of social protection. The lead agency for social protection is MGLSD, but there are also roles for other MDAs, as illustrated in Figure 53 above.

Roles for different MDAs in social protection differ depending on the source document. As for planning and M&E of social protection there are a number of live documents which provide different information on the roles of the different MDAs in SP. Different tables are presented in the NSPP, the NSPP PPI, the NSPP roadmap, and in the SDSP. But none of these documents state how they relate to others, and which of these roles tables takes precedence. Table 7 highlights some of the differences.

Table 7: Examples of different statements of MDA roles in social protection

NSPP PPI	SDSP	NSPP roadmap
Ministry of Health		
i. Mobilising resources for implementing the Health insurance component of the PPI; ii. Providing health insurance which covers the informal sector workers and the poor; iii. Implementing the Health Insurance Scheme; iv. Integrating targeted interventions to overcome financial barriers to accessing health services for social protection recipients; and v. Building capacity for health service providers to implement the National Health Insurance Scheme.	Implementation of Health Insurance Scheme Provision of assistive devices for PWDs. Mainstreaming gender, rights and other social development concerns in policies, laws, plans, programmes and budgets Award contracts to women and youth in accordance with the reservation scheme in the PPD Act Support implementation of social safeguards in infrastructural projects Support implementation of integrated early childhood development and reproductive health services	Lead on the establishment and implementation of the National Health Insurance Scheme
MGLSD		
i. Coordinating the implementation of all social protection interventions; ii. Popularizing the PPI among all the stakeholders; iii. Providing technical guidance and leadership on social protection; iv. Initiating and coordinating the review of policies and laws on social protection; v. Establishing mechanisms for delivery of social protection services; vi. Setting standards and guidelines on delivery of social protection services; vii. Building the capacity of other stakeholders to effectively deliver gender sensitive social protection services; viii. Monitoring and evaluating social protection interventions; ix. Establishing and maintaining Social protection MIS; x. Implementing the Direct Income Support and social care and support services components of the PPI. xi. Domesticating international treaties and protocols on social protection; xii. Conducting studies to review the status of implementation of social protection interventions; xiii. Benchmarking and documenting international good practices on social protection for integration in the national planning frameworks; and	policy formulation, guidelines, regulations, capacity building, monitoring and evaluation of sector interventions, and coordinating the	-Provide policy leadership and advice to support the implementation of the NSPP and PPI; -Monitor and evaluate NSPP implementation, including to track and report on the evolution of Uganda's national social protection system; -Coordinate the development and operationalization of a national social protection research agenda to support an evidence-based national social protection system; -Communicate to the public and other stakeholders the vision and status of the national social protection system as per the NSPP and PPI; -Provide support and guidance to implementing partners to ensure that planned activities are contributing effectively to a strong national social protection system in line with the NSPP; -Strengthen knowledge management systems for social protection including to operate as a knowledge broker / knowledge repository for Uganda's social protection system; -Coordinate and support a multi-agency approach to NSPP implementation, including providing secretariat support and participating in key coordination mechanisms including Thematic Working Groups, the Social Protection Sub-

xiv. Support local capacity development for national and decentralized social protection programming xv. Provide support and guidance to mainstream gender across the design, implementation, monitoring and evaluation of social protection programs and services		Committee, the Permanent Secretaries' Technical Committee, and the Cabinet Committee; -Engage with development partners and other non-government stakeholders to ensure their alignment to the NSPP and PPI; -Provide leadership and technical guidance to key social protection systems development and implementation including M&E, MIS, targeting, payment mechanisms and capacity building; -Coordinate, monitor and support development and implementation of the Gender, Equity and Social Inclusion Strategy for Social Protection
Ministry of Local Government		
Reviewing the decentralisation policy and the Local Government Act to integrate social protection as a decentralised service; ii. Enforcing compliance with Memoranda of Understanding on social protection, signed with local governments; iii. Supporting and facilitating local governments to develop bye-laws and ordinances for delivery of social protection services; iv. Enforcing social protection service delivery standards in local governments; v. Ensuring implementation of social protection guidelines in the local governments; vi. Integrating social protection interventions in District Development Plans; and vii. Embedding social protection in the local government assessment tools.	Supervision and inspection for compliance with effective service delivery at local government levels Award contracts to women and youth in accordance with the reservation scheme in the PPD Act Monitor implementation of social safeguards in infrastructural projects in LGs Mainstreaming gender, rights and other social development concerns in policies, laws, plans, programmes and budgets.	Integrating social protection into local level planning, service delivery, monitoring and evaluation Inspect, monitor, and where necessary offer technical advice/assistance Support supervision and training to all Local Governments Coordinate and advise Local Governments for purposes of harmonization and advocacy Act as Liaison Ministry between the Local Governments and other MDAs and actors Research, analyse, develop and formulate national policies on all taxes, fees, levies, rates for Local Governments. Represent local government on each of the thematic working groups.

The expected roles of different actors in SP are therefore unclear. This raises the question of what are the actual expected roles of different MDAs in social protection, which authority is important in stating these clearly, and therefore what are different MDAs meant to do? Given the long-standing and widespread reports of problematic coordination of social protection in Uganda,[246] it is highly likely that this is an important contributing factor.

Most roles required to address key institutional issues probably reside within MGLSD. MGLSD is the lead agency for social protection, and the natural institutional home for non-LIPW DIS programmes, for much of social care, and for the NSSF scheme. It is also responsible for leading policy, law, planning and the other functions allocated to a lead agency. It is likely therefore that a large proportion of the key roles related to social protection fall within the MGLSD mandate, and that coordination with other MDAs – while nevertheless important – does not affect the majority of the work to be done on social protection in Uganda. If this is true, then poor coordination with other MDAs should not be seen as an excuse for weak delivery against plans, at least where the necessary actions fall within the role of MGLSD.

[246] Source: See box 5, below

5.2.3 Current MGLSD structure

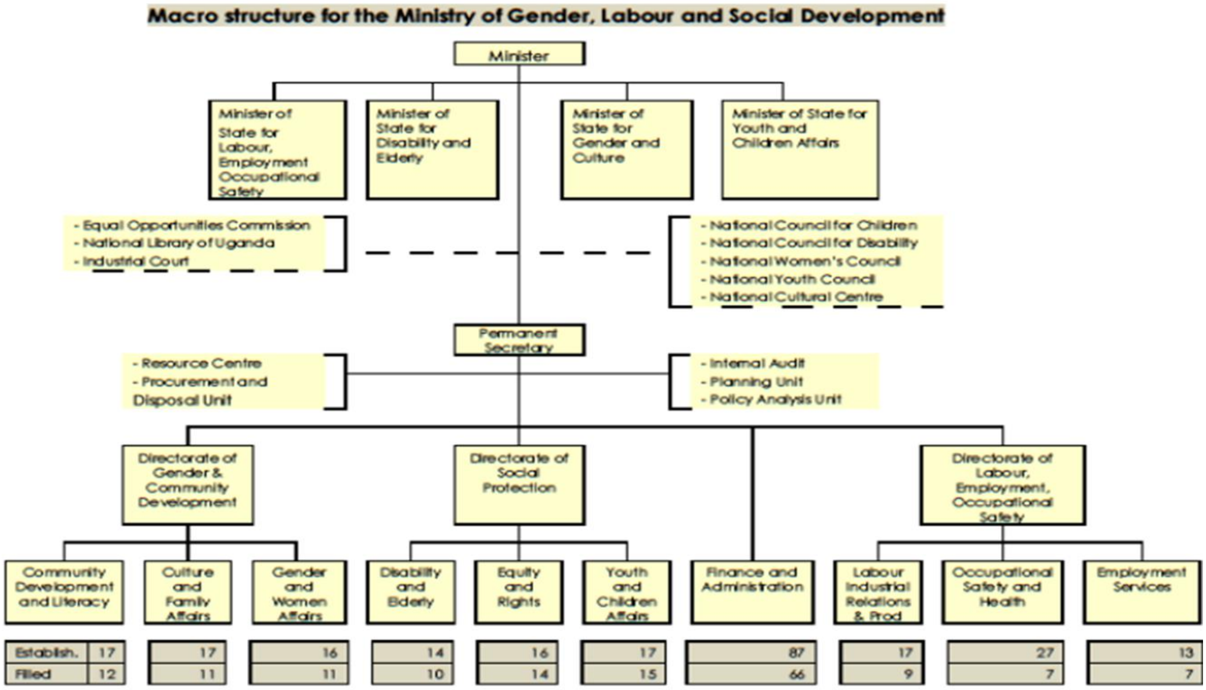
Responsibility for SP lies within the Directorate of SP (DSP) in MGLSD, but much of its implementation lies beyond this Directorate in MGLSD and some is beyond MGLSD. The PS MGLSD has overall accountability for the NSPP, with the lead responsibility allocated to the DSP within MGLSD. MGLSD has three directorates, and elements of SP fall within all three, rather than simply under the DSP (Figure 55). A similar situation arises beyond MGLSD, with a number of other MDAs having responsibility for elements of SP policy delivery (see eg table xx above [roles]).

The structure of MGLSD is not conducive to aligned implementation of the NSPP. The structure of MGLSD was defined before the SP policy was developed and so is not organised to best deliver the policy, and is not organised along the lines of the two pillars and three components of SP in the national SP framework. A number of structural anomalies exist, including the existence of SP responsibility outside the SP directorate; a fragmented and duplicated structure of departments within MGLSD's three directorates; and (unlike the other two directorates) the absence of a State Minister with responsibility for SP despite it being one of the ministry's most significant mandates and that with the largest budget, see **Figure 55**.

The Expanding Social Protection (ESP) Programme Management Unit (PMU) is outside the main MGLSD structure and has an unbalanced staffing profile. The PMU has evolved since its inception as a programme structure aimed at delivering performance in the absence of adequate MGLSD capacity. It is now responsible for a) delivering the SAGE programme cash transfers while maintaining fiduciary propriety, and b) pursuing the SP sub-sector agenda including implementation of the policy. It is the repository of most of the technical expertise in the sector, but it remains outside the MGLSD structure and outside the MGLSD policy unit. Its staffing is also weighed heavily in favour of operations for SAGE delivery rather than the wider sector agenda – with 75 staff against the 4 allocated to policy work. It is perhaps not surprising therefore that delivery of PPI activities, as described in Chapter 4 is so low.

A key question to be answered for SP in Uganda is what structures are required to implement the comprehensive system and deliver on the emerging vision. Most interlocutors for the review agree that as the sector develops some key changes will need to be addressed by MGLSD. Decisions will be needed on three key issues: how to ensure coherent delivery, oversight and management of the SP agenda; where expertise on SP should sit in the longer term; and how the payments system will develop structurally when the current programme-based fund manager arrangements end.

Figure 55: MGLSD Organogram



The structural constraints in MGLSD can be addressed either through structural adjustments or by enhanced coordination. Structural reform would: seek to create a clear pathway for coherent and strategic management of SP in its entirety across the MGLSD; rationalise directorates and departments in line with policy and vision; introduce the SP policy and planning expertise into an appropriate place to influence all SP work; create the conditions for coordination of all elements of SP across the ministry; and, would address the current institutional barriers which dilute the effectiveness of the ministry as a whole at delivering on its SP mandate. In the absence of reform, the emphasis would be on the last of this list, seeking proper and effective coordination of the agenda across the ministry, noting the discussion in the next section on the prevalence of coordination problems for SP in Uganda.

The move to programme-based management in NDP3 is an opportunity to address many of these issues. Structural reform within governments can be slow and difficult and may be delayed, in this case, by a lack of prioritisation or approval by MoPS compared with other needs. Or it may delayed, for example, by MoFPED not perceiving adequate available funds. But, if SP has a clear mandate in one of the NDP3 programmes, as currently seems likely, this allows the argument to be made that a) money is available, and b) the reforms are necessary for those funds to be effectively and efficiently spent.

5.2.3.1. Social protection coordination arrangements

Delivery of the national social protection policy requires effective coordination within MGLSD and also between MGLSD and other MDAs, but both are difficult. Evidence suggests that coordination within MGLSD has not always worked effectively, and that there are a number of general difficulties in inter-ministerial coordination in Uganda and elsewhere that also apply to SP, see Box 5. Both reduce the coherence and organisation of the sub-sector, its ability to effectively strategies, plan and deliver the policy. An important issue probably lies with convening authority, both within MGLSD and between MDAs, whereby it is typically difficult for an organisation or a part of an organisation to coordinate others at the same level hierarchically. Coordination mechanisms that work tend to be led by an organisation or part of an organisation at a higher level than those to be coordinated – which has convening authority.

Box 5: Evidence of coordination challenges with social protection in Uganda

> ‘Interventions have been implemented by different agencies in an uncoordinated manner leading to fragmentation, low coverage and duplication of efforts. Such deficiencies limit the contribution of social protection to poverty reduction, economic development and social transformation’. MGLSD (2015b) p1
>
> ‘The existing social protection services do not cover all the vulnerable persons and are poorly coordinated’. MGLSD (2016c) p28
>
> ‘Much as the MGLSD has the technical capacity to lead coordination of the implementation, it may not have the power to convene all the ministries at a high level to make critical decision and follow up issues agreed.’ MGLSD (2018e) p23
>
> ‘Inter-agency and intra-agency coordination .. is lacking in some cases’, MGLSD (2018e) p25
>
> ‘For effective coordination across multiple MDAs, it is important to clearly appreciate the difference between convening power and technical leadership in a given area ..’ MGLSD (2018e) p25

SP is likely to always remain a sector which spans several ministries and so effective inter-ministerial coordination will be essential. As discussed in Chapter 4, a number of coordination mechanisms exist but many committees do not meet as frequently as intended, participation can be poor, and so coordination is not as effective as required. Perhaps a bigger issue is the connection between coordination meetings taking place and effective coordination in practice. The last time the apex cabinet level committee on social development met was in February 2016, suggesting gaps in cabinet level oversight of the sector. The specific details around these issues in Uganda have not been analysed as part of this review, and would benefit from such deeper analysis, but it may be noted that inter-ministerial and cross-sectoral coordination is a standard problem in government in Uganda and elsewhere, for which solutions are often elusive.

A clear vision, system, strategy and stronger MGLSD leadership will help, but will be insufficient to resolve the coordination problem. These will all provide a clearer sense of direction and of roles of different partners and how they contribute to and fall within the whole. However, it is also probable that further specific efforts will be required to address the specific coordination issues faced in the sector. This is at least likely to require: further clarity on the shared framework and specific roles and responsibilities; enhanced understanding and buy-in across all partners; institutionalisation of specific actions into ministerial plans and budgets; more focused, regular and strategic meetings of coordination groups, with influence in practice; and enhanced management and accountability across the sector by MGLSD.

5.2.4 Balance across different levels of social protection system development

Elements of the SP system can be regarded as falling into three categories, or levels, as per Figure 56. The lowest level of the system comprises programme-specific systems: those required to deliver existing programmes, such as targeting systems, financial management systems, payment systems and complaint and grievance mechanisms. The middle level is the sector-level SP systems, including the single registry, national identification system (which goes wider than social protection), national payments systems (which also goes wider), or an integrated MIS. The top level is the crosscutting systems that need to work for the whole SP system to be effective: strategic planning, budget submissions, strategy, performance management and accountability. A suggested listing of systems in each of these levels is presented below in Table 8, but this is subject to further refinement as Uganda's thinking on this issue continues.

Figure 56: The three levels of operational systems for social protection

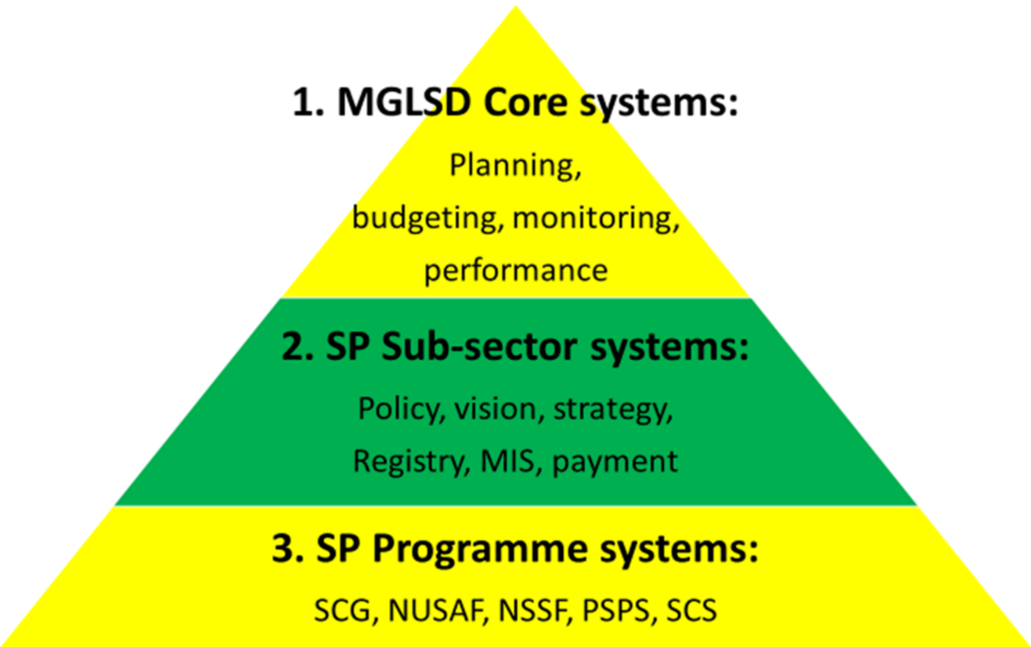


Table 8: Operational systems by level of the systems hierarchy

Level 1:	Level 2:	Level 3:
Structure Leadership Strategic planning Budgeting and financial management Performance management and accountability Staffing and skills Coordination Human resource management	SP policy and legislation Vision Strategy Eligibility rules Payment and delivery systems Management information systems Monitoring, evaluation and learning Documentation Public communications Scaleability	Targeting Enrolment Benefit levels Payment and delivery Grievance and complaint Management information systems Programme management Accountability arrangements Documentation Programme communications Scaleability

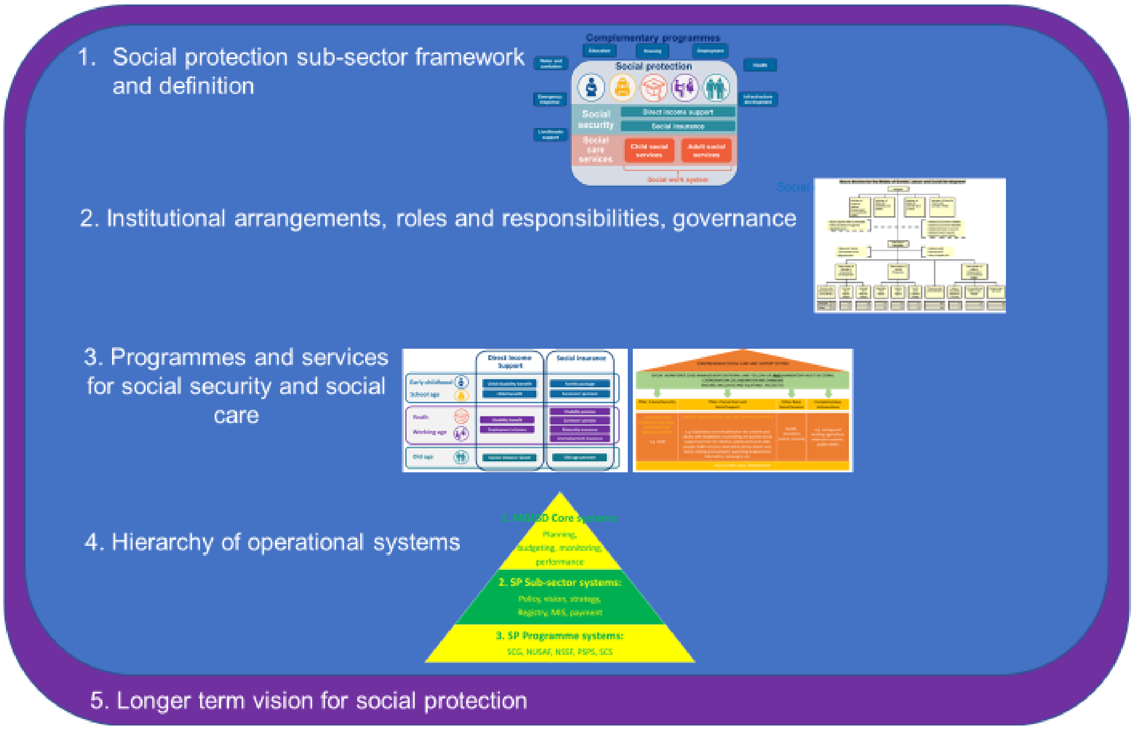
The focus on building these systems is currently unbalanced, with more effort put into the lower levels and less on the upper level. This is reasonable since it is important to ensure that existing programmes are implemented effectively if they are to achieve their potential impact, and to play a demonstration role for the wider development of the system. Effort on the middle level has focused on joint efforts towards a single registry and associated MIS work, but this remains partial and there remain several important gaps, discussed in Chapter 8. Going forward, there is a need for systemic effort to enhance the ability of the SP system to function overall and to put more focus on the highest level of system development.

5.2.5 Developing a comprehensive system for social protection

The 'comprehensive SP system' that is the focus of the NSPP has yet to be fully elaborated. The NSPP proposes as its central strategic objective the development of a comprehensive SP system in Uganda. This was stated to the review by most stakeholders as the key focus of SP sector efforts. However, this system has not yet been described in all its elements, including programmes – on which progress has been made in the government's vision for social security, discussed in Chapter 4 – as well as wider system human and physical infrastructure and governance arrangements. There is a lack of clarity about what the system entails in its entirety. The focus on individual SP programmes is evidently distracting from appreciation of the value of foundational systems necessary for the sector to work. Without a clear understanding of this system it will be difficult to put it in place.

Some necessary elements of the future system can be anticipated now. As in Figure 57, it will need to contain five elements. **First**, the system will need to specify its scope as per the agreed definition. **Second**, it will need to elaborate on the institutional arrangements for the sector, the roles and responsibilities of all actors, at all levels, and the governance arrangements which guide them. **Third**, it will need to specify the programmes and services expected under each of the three elements and two pillars. **Fourth**, it will need to define the operational systems that will need to be in place and function effectively in order for the system to work. And **fifth**, all of these things will be shaped by the longer-term vision and trajectory for the social protection system – as is currently being developed under the SP vision process. These elements are all captured in **Figure 57**, and this should be developed as the key questions are addressed.

Figure 57: Elements of the comprehensive social protection system



This envisaged comprehensive social protection system that all are working towards should be defined in all its elements. This will allow a national discussion to take place, agreement be reached and the system to be built. This could start with a prioritisation of elements of the system and the allocation of funds. It will allow the establishment of a shared sense of focus that can direct the efforts of multiple stakeholders within a single framework and direction, and a rationalisation of existing efforts.

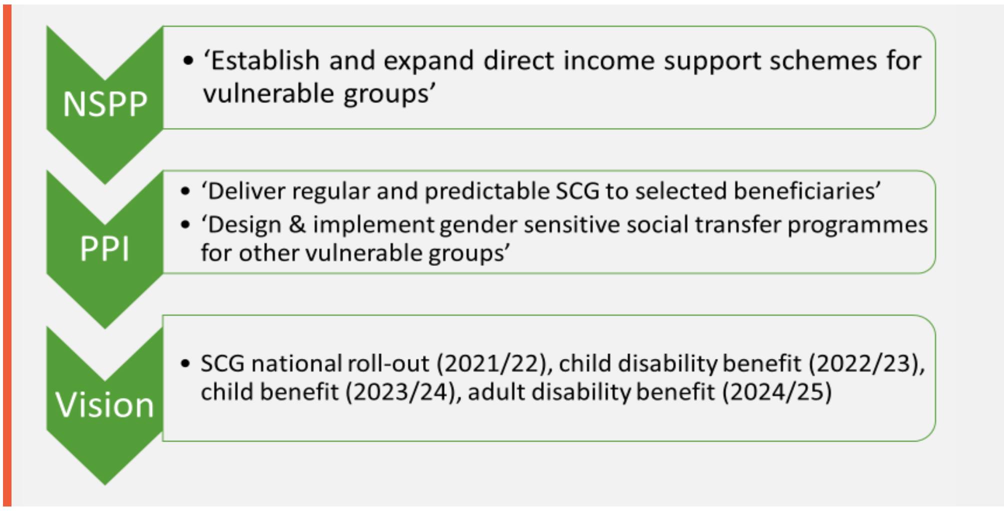
The nature of the comprehensive system required will be driven by what it needs to do, which is why number 5 in 5igure 57 surrounds all other elements. The existing draft vision for social security, which is yet to be finalised and agreed, has made a start on defining social security programmes that will form part of the system going forward. But the development of all of the component parts of the system need to be addressed. This includes social care and support, amongst other areas, but also physical and human infrastructure and governance arrangements.

The vision for SP programmes can be the starting point, followed by a strategy to develop the comprehensive system. There is, as yet, no clear strategy on how to move the sector forward. The policy sets out strategic **objectives** and elements of the sector; the PPI sets out **actions** over a five-year period to implement the policy; the roadmap complements the PPI by providing **guidance** to sector stakeholders to facilitate proper planning, effective coordination and regular review of progress; the SD sector plan list **activities** to be conducted by the sub-sector; and the draft vision paper presents some ideas on how programmes will unfold over the next decade (at the moment, restricted to social security programmes). But the strategy MGLSD will follow to build the comprehensive system for SP, and which will address all the key questions that this will entail, is not currently clear. It will be important to represent this strategy through existing plans, rather than creating another parallel planning process. The review suggests that a revision to the NSPP Roadmap and also the new NSPP PPI in 2020 will be already-institutionalised vehicles for capturing the strategy; the strategy can however also be an informal one, owned by Director Social Protection and the Permanent Secretary MGLSD. Hopefully this sector review will assist with thinking through some of these issues.

5.2.6 The vision

The vision for social protection – currently covering social security only - is well-aligned with the NSPP and PPI (Figure 58). The NSPP and PPI only contain high-level objectives whereas the vision sets out programme detail. But the vision needs completing. It still needs to address governance, social care and support, public employment, shock response and refugees. In addition, the MGLSD Gender and Equity Strategy (2018) needs to be mainstreamed in the vision.[247]

Figure 58: Alignment of the vision for social protection with the NSPP and PPI



5.3 Governance challenges specific to DIS

5.3.1 Definition of social protection

The definition of social protection in the 2015 policy has not been strictly adhered to by MGLSD. Uganda agreed two pillars in the 2015 NSPP: social security and social care. Since then this definition has been diluted in practice by considering youth programming as within the scope of social protection – most notably in the Social Development Sector Plan; by adding livelihoods to direct income support to form 'direct income support and livelihoods', within social security; and by the suggestion to add an equity and inclusion pillar to the definition. There are further definition issues around both contributory social insurance and social care and support which are discussed below.

Flexibility in the definition of social protection may be distracting from focus on its implementation. The review was often told that SP is a new sector about which many have only limited understanding, and that this is a constraint to buying-in to its importance within

[247] Source: MGLSD (2017e).

the national development framework. A loose definition of SP in Uganda allows two negative outcomes: to perpetuate the misunderstanding of SP by remaining unclear on what is and is not SP; and also to allow the funds allocated to other programmes to be considered as SP and therefore dilute arguments that SP is under-funded.

The policy definition of SP adopted in Uganda is appropriate and in line with international standards. The inclusion of direct income support and contributory social insurance within the social security pillar are uncontested and should be retained. The Uganda definition fits Uganda's needs; was agreed following three years of development of the NSPP in which the definition was repeatedly discussed and finally agreed; and is completely aligned with global definitions of social assistance, social insurance and social security[248] (see Figure 59) as well as the ILO social protection floor recommendation which Uganda has approved[249]. The inclusion of the social care and support services pillar is not always present in SP frameworks in other countries, but there are clear complementarities in Uganda between social security and SCS, as argued elsewhere in this report. So this two-pillar framework is appropriate in Uganda. The review believes that its original clarity should be re-established in practice.

Figure 59: Definitions of social protection

> **Social protection**. Social protection, or social security, is a human right and is defined as the set of policies and programmes designed to reduce and prevent poverty, vulnerability and social exclusion throughout the life cycle. Social protection includes nine main areas: child and family benefits, maternity protection, unemployment support, employment injury benefits, sickness benefits, health protection (medical car), oldage benefits, invalidity/disability benefits, and survivors' benefits. Social protection systems address all these policy areas by a mix of contributory schemes (social insurance) and non-contributory tax-financed benefits (including social assistance).
> Source: ILO (2017) p194

The definition of social protection requires clarification of the position on livelihoods and would benefit from an elaboration on labour-intensive public works. Everything that is defined as SP should be identifiable as either social security or social care services. **Box 6** sets out the criteria for direct income support to reduce risk and vulnerability, along with characteristics of social insurance and social care and support. The policy is silent on livelihood programmes, other than to note that complementary programmes exist in addition to the two pillars, including those in agriculture, health, education, employment and finance sectors[250].

Box 6: Key characteristics of programmes in the three social protection pillars

> Key characteristics of **DIS programmes** include: non-contributory, regular, predictable cash and in-kind transfers to the most vulnerable.[251]
>
> Key characteristics of contributory **social insurance** include: reliance on an insurance mechanism; prior payment of contributions; risk sharing or 'pooling'; and the notion of guaranteed support.
>
> Key characteristics of **social care and support** are a focus on the most vulnerable in society who are unable to fully care for and protect themselves, and direct provision of social services to support such people.

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[248] See for example: ILO (2017); ILO (2012)
[249] ILO (2012)
[250] MGLSD (2015a) p21
[251] MGLSD (2015a) p35

Table 9: Assessment of programmes against criteria for direct income support

Programme name	Criteria			
	Consumption smoothing	Regular and predictable	Target income	Specific eligibility
SCG	Y	Y	Y	Y
NUSAF LIPW	Y	Y	Y	Y
YLP	N	N	N	Y
Other LIPW	N	N	N	N

Livelihood programmes do not fulfil most criteria for DIS, (see Table 9 in Box 6), nor CSI or SCS. Livelihoods programmes are part of a wider effort to reduce poverty and contribute to national development objectives, especially focusing on vulnerable and priority groups such as people living in poverty, women and youth. But they are joined in this by many other efforts across many sectors which have similar objectives and are considered complementary to SP but not actually SP. The review proposes that livelihood programmes are defined as outside of SP but within the group of complementary programmes, as per **Figure 60**. This would require adjustment to the vote structure of the budget, and an adjustment to where it is described, in the next SDSP.

Clear arguments for retaining livelihoods programmes in the definition of social protection have not emerged. The review is aware that some feel that livelihoods programmes should be kept within the definition of social protection despite the analysis above. However advocates of this approach have yet to provide the review team with a case for why this is logical and consistent, the objective basis for this position, or its advantage over keeping livelihoods programmes separate. A view expressed during consultations was that the policy should be changed to accommodate livelihoods programmes. But why? An engaged response to the objective reasons – based on Uganda's NSPP – which this report sets out for why this should not be the case would help move this discussion forward.

Labour-intensive public works can fulfil the criteria for DIS when designed to do so but are qualitatively different to other transfers being considered as part of the core DIS system. LIPW in Uganda are geographically specific and are delivered within a temporary programme framework funded by external loans and grants. They contrast with other proposals for SP in the emerging NDP3 draft, which envisages a permanent and national system for provision of a grant to the elderly, and for children, which are not subject to projectised loan funding.

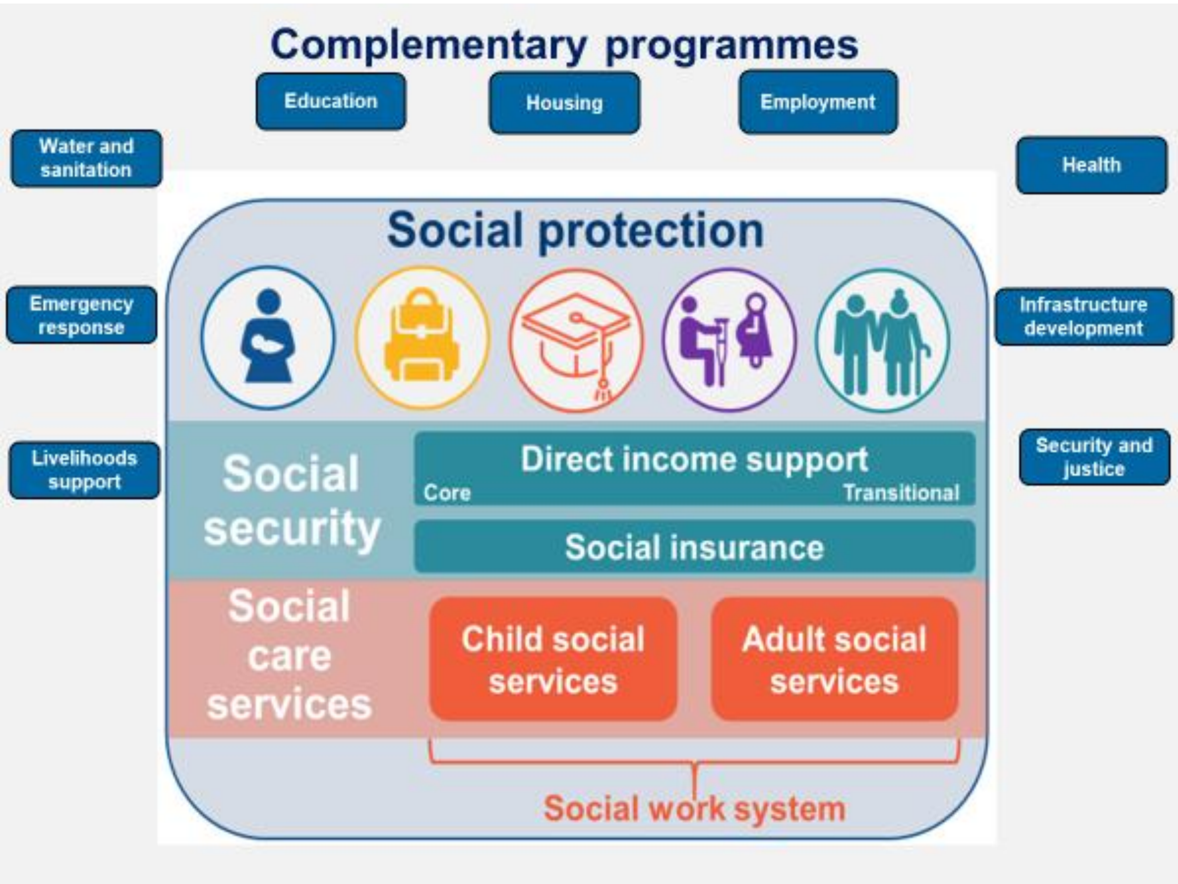
We propose considering differentiating between <u>core</u> SP mechanisms and <u>transitional</u>[252] SP mechanisms in the definition of SP in Uganda. Core SP is concerned with building the comprehensive SP system in Uganda. Transitional SP mechanisms are concerned with providing necessary SP support to specific populations in the absence of alternative arrangements to provide the necessary support. Transitional programmes would typically include LIPW, while core SP would typically include government-funded lifecycle programmes. Both core and transitional SP play important current roles as part of Uganda's national SP system. Figure 60 shows how the overall system of programmes would fit together.

[252] Or perhaps non-core

If the social protection system is achieving its objectives, the core system should grow over time and transitional benefits would decline. This would be as the core system of government-financed social protection expanded, including, as appropriate, a shock-responsive element. There may still be a role for LIPW, even after the core system has grown, to address specific groups, risks and geographic areas within the population.

We propose considering whether public infrastructure programmes could become LIPW. Ministries such as the Ministry of Water and Environment, Ministry of Works and Transport and Ministry of Agriculture, Animal and Fisheries invest in public infrastructure programmes which have infrastructure-building rather than employment as their primary objectives. They could be adapted to become LIPW. Programmes must have a labour content (wages) of at least 70% according to MGLSD guidelines.[253] This change may require transfer of resources and staff to the relevant ministries. And progress in this area should be incorporated into the vision for social protection. Any new LIPW programming should be non-exploitative and will have important synergies with wider objectives such as disaster risk management and climate change adaptation in the development of assets. New LIPW could be to specifically support youth and would complement existing LIPW (NUSAF3 and DRDIP).

Figure 60: Proposed clarification of definition of social protection



[253] Source: MGLSD (2016a).

5.3.2 Legislation for direct income support programmes

Direct income support programmes are not grounded in legislation. An objective in MGLSD's Programme Plan of Interventions for Implementation of the Uganda National Social Protection Policy is to 'Formulate legislation to support implementation of direct income support programmes'.[254] This has not yet been carried out. Legislation would clarify eligibility to programmes, support programme implementation and protect programmes from legal challenge such as recently suffered by the SCG on the grounds of age eligibility. Creating a statutory entitlement, especially for lifecycle schemes like the SCG, would also empower recipients to adjudicate their rights in the court system. Legislation could also be considered for ministries such as the Ministry of Water and Environment, for incorporating employment targets through LIPW into infrastructure building programmes.

5.3.3 Shock-responsive social protection

Even with the social protection vision, shock-responsive social protection still needs to be developed. If the vision were implemented, 81 percent of the population would be in households where someone was in receipt of direct income support. Does this mean shock-responsive social protection is no longer required? No, because the vision will take time to implement (and may not be implemented in full), direct income support transfer values may not protect against shocks, and some people will not be covered by the current vision.

There will be a number of programme options. These will include expanding LIPW and expanding its shock-responsive capacity and enabling core programmes to be shock-responsive, for example by registering those not eligible for direct income support and putting in place a payment system for them so they may be supported quickly when shocks occur.

The key is that core social protection systems are in place, and that the development of shock-responsive social protection does not detract from this. To quote the draft Public Expenditure Review from the World Bank, 'Building the capacity of the social protection system to deliver its core protective functions for regular recipients is an essential precursor to adding shock-responsive elements to the system'.[255]

5.3.4 Refugees

Refugees rely on significant support. Nearly 90 per cent of refugee households getting assistance with 73 per cent getting in-kind food assistance, 9 cash only and 5 both cash and food.[256] Transfer values are generally higher than they are for direct income support, addressing a greater range of need. In 2018/19, WFP spent UGX 616 billion on General Food Distribution (WFP) and UNHCR UGX 685 billion in support of refugees and host communities.[257]

There is a need to address support to refugees in future social protection system design. Social protection for refugees, in place of humanitarian support, can be put through government systems (including any shock-responsive capacity). Support to refugees and

[254] Source: MGLSD (2015b).
[255] Source: World Bank (forthcoming).
[256] Source: Development Pathways (2018a).
[257] Source: WFP and UNHCR staff.

social protection programmes currently operate in separate silos.[258] In terms of programme design (rather than delivery), social protection for refugees may need to be kept permanently separate from core social protection provision. On the other hand, there may be appetite to gradually integrate support with support to the rest of the population. This requires further investigation. It will need to address the fact that support to refugees currently has generally higher transfer values, albeit addressing a different range of need.

5.4 Governance challenges specific to social insurance

Social insurance faces a number of specific governance challenges. These need to be addressed because reform and expansion of the social insurance pillar within the NSPP has proved particularly challenging. While reform is a matter of ongoing discussion within and outside government —and some reform initiatives would improve the governance structure of individual schemes like the NSSF— governance of the contributory system as a whole is still lacking.

5.4.1 Definition of social insurance

Social insurance is poorly defined in the NSPP. Social insurance is defined in the policy as 'contributory arrangements to mitigate livelihood risks and shocks such as retirement, loss of employment, work-related disability and ill-health'.[259] This definition is far too broad and could even encompass private savings accounts in a bank. While the definition acknowledges the risk-reducing function of funds, it takes no account of pooled risk, which is standard in international definitions of social insurance,[260] nor of the need for regular payments rather than lump sums, as the NSSF currently provides.

As a result, the definition leaves ample room for specific institutions or actors, such as the NSSF, MoFPED, URBRA and others, to 'fill in the blanks' and, potentially, forestall deeper reform. For example, there is growing acceptance that the NSSF should offer an option of regular monthly payments (see Box 7), but the overall structure of the NSSF as a Provident Fund has not been widely questioned, including by at least some key sections of MGLSD. Instead, the options of annuitisation or programmed withdrawals are generally cited as the preferred way of introducing greater income security. However, most comprehensive social security systems in other countries covering a multitude of lifecycle risks are structured as social insurance, and specifically pay-as-you-go, defined benefit arrangements.[261] Clarifying the definition of social insurance, and acknowledging that social insurance is required to realise the draft vision, would give shape and direction to ongoing and future reforms and help define the knowledge gaps necessary to further define the policy.

5.4.2 Legal framework and legislative reform

The legal framework governing the contributory system reflects the sector's scheme-based logic, overall fragmentation and piece-meal evolution. There are separate laws governing schemes covering different populations, including the Public Service Pension Scheme (PSPS),

[258] Note: an exception to this is that SCG does go, unofficially, to some refugees from Rwanda. While this is unofficial, there may be scope for carrying out research into the impact on local communities. Source: ESP-PMU staff.
[259] Source: MGLSD (2015a).
[260] Source: See e.g. "Glossary" in ILO (2017) or "Guide to Reading the Country Summaries" in ISSA/SSA (multiple years).
[261] Source: McClanahan and Nantambi-Amiri (2019).

the Armed Forces Pension Scheme (AFPS), the National Social Security Fund (NSSF) and various occupational schemes, including the Parliamentary Pension Scheme, which are regulated under the Uganda Retirement Benefits Regulatory Act. The National Health Insurance Scheme (NHIS) Bill, if passed, would constitute another law with separate institutional and administrative structures. There is no 'national social security law' that draws together all social security schemes (including DIS) into a coherent whole. The scheme-based approach is likely to persist into the near future, if guided by the PPI indicators for Strategy 1.1 ("Improve accessibility, effectiveness and efficiency of contributory social security"), which include reforms to each of these schemes as separate deliverables.[262]

Efforts are currently underway to reform the NSSF and the PSPS, but reforms are slow to be implemented and/or fall short of what is needed. Reform of the PSPS needs to be addressed as a matter of urgency because of the significant fiscal implications (see Chapter 6). This requires implementing the planned reform that would require civil servants to contribute to the PSPS. Implementation has been delayed, in part in anticipation of public-sector salary increments —which were key to negotiating the transition to a contributory arrangement.[263] These increments have begun to be implemented but will not be completed for several years.[264]

The NSSF Amendment Bill is currently going through formal consultation in Parliament.[265] The Directorate of Labour within MGLSD is leading the reform process. The draft Bill asserts the status of the NSSF as the only mandatory contributory scheme for workers in the formal sector (see Box 7) and requires all employers, regardless of the size of their enterprise,[266] to pay mandatory contributions on behalf of all workers; allows everyone to contribute on a voluntary basis; and allows for the option to introduce additional benefits in future.[267] However, the Bill does not allow for a change from the current Provident Fund arrangement: there is no allowance for pooled risk, as is common in social insurance programmes globally, nor for regular rather than lump sum payments.[268] In addition, the Bill formalises and strengthens tripartite representation of workers, employers and Government (including both MGLSD-Labour and MoFPED) on the Board.

The parallel reform processes for the NSSF and PSPS risk further entrenching inequalities between the types and amount of benefits available to public-sector and private-sector workers. In the immediate term, policymakers can consider the merits of improving coherence between the schemes, which would also improve portability in a context of frequent movement by formal-sector professionals between public-sector and private-sector schemes. A longer term reform vision would also need to consider the advantages and disadvantages of merging the PSPS and other mandatory occupational schemes (including the AFPS and the Parliamentary pension scheme) with the NSSF into a single national scheme, as

[262] Source : MGLSD (2015b).
[263] Source: Kasemiire, C. (2018).
[264] Source: Interview with senior MoPS official, 24 September 2019.
[265] Source: Uganda Gazette (2019b). Hereafter, "NSSF Amendment Bill."
[266] Note: The existing minimum threshold is five employees.
[267] Source: Uganda Gazette (2019b). The Bill would also allow for additional voluntary contributions and so-called 'midterm access' to voluntary savings; institute tripartite representation on the Board; alter investment fund management rules; and transform the taxation rules regarding contributions and benefits; among other provisions.
[268] Source: McClanahan and Nantambi-Amiri (2019).

many countries do.[269] When civil servants have a stake in the future of the national social security scheme, outcomes tend to be better for everyone. The fewer differences between the national scheme and public-sector schemes, the easier such reforms are in the longer term.

Box 7: To liberalise or not to liberalise? The consolidation of the NSSF as the national scheme

For schemes covering workers in the private sector, legislative initiatives have oscillated over the last decade between pushes for greater liberalisation and, more recently, a swing back toward a single, national scheme for the private sector. The Retirement Benefits Sector Liberalisation Bill No. 2,[270] first introduced in January 2011, aimed to "provide for fair competition among retirement benefits schemes,"[271] making it mandatory for all workers to join a licensed scheme. Crucially, under the Bill, the NSSF would have been treated as one scheme among what advocates hoped would be many in operation. Proponents argued that the Bill would encourage the proliferation of private occupational schemes, while also improving benefits by allowing members to opt to receive their retirement benefits in the form of periodic benefits.[272] The inclusion of the option of a monthly pension reflected a growing recognition of the inability of lump-sum benefits to offer regular, predictable income security, especially in old age, and remains a priority for reform in the sector, as seen in the PPI.[273] However, the relegation of the NSSF to 'one scheme among many' proved controversial, with the NSSF arguing that "efforts should be made to consolidate NSSF's strength as a strategic institution rather than weakening it."[274] The NSSF's arguments ultimately prevailed, and Cabinet withdrew the Liberalisation Bill in in March 2018 opting instead to shift the focus to amending the NSSF Act.[275]
.

Consideration should be given to how to incorporate risks currently regulated under labour law into a coherent social security system. Formal-sector employers in Uganda shoulder a significant legal responsibility for risks that, in many other countries, are provided under the social security system. Under the Employment Act (2006), employers are fully liable for one month of annual paid sick leave, 60 days' paid maternity leave,[276] and severance pay, while the Workers Compensation Act (2000) establishes employer liability for employment injury. For example, the Government of Uganda, through the Labour Directorate in MGLSD, maintains a Consolidated Fund to pay for work-related accident and illness claims from its public-sector employees. In the private sector, some employers privately insure against some of these risks, but there is no obligation to do so, and most do not.[277] The Workers Compensation Act (2000) is currently under review, led by MGLSD, with a view to strengthening support to workers, but so far discussions have taken place independently of the NSSF and broader sub-sector reform processes.

There is an opportunity to consider how to address these risks under a coherent social security system, where risks are pooled, as the government's draft vision for social protection has done.[278] The draft vision described in Chapter 4 would require additional

[269] Source: Schwarz and Abels (2016).
[270] Source: Uganda Gazette (2011). Hereafter, "Liberalisation Bill".
[271] Source: Ibid. See "Preamble."
[272] Source: Ibid. See Article 28, which would have given persons entitled to an Age benefit the option of accessing the benefit as a lumpsum payment; a programmed withdrawal including income draw down; purchasing an annuity for life from an insurance company; or any other method as the Authority may approve.
[273] Source: MGLSD (2015b).
[274] Source: Quote from NSSF Board Chairman Patrick Byabakama Kaberenge, in Nakatudde (2017).
[275] Source: NSSF (2018a).
[276] Note: The Law also provides four days' paid paternity leave.
[277] Note: Disputes are handled in the country's only industrial court, where both the court's two judges must be present to hear each case, leading to a serious case backlog.
[278] Source: MGLSD (forthcoming).

legislation that goes well beyond what is currently considered in the NSSF Amendment Bill. This kind of system-wide reform not only could increase the attractiveness of the overall 'package' for employees but could significantly lessen the burden on employers.

Distinguishing the functions of delivering social security income transfers and a broader definition of social security that includes health insurance and provision is important. Protection from income loss due to ill health is a fundamental part of international definitions of social security,[279] and is envisaged in the Uganda NSPP. The National Health Insurance Scheme Bill would create a future NHIS in Uganda. It would be financed by levying an additional 4 per cent contribution on employed worker's earnings, coupled with a 1 per cent contribution from employers, and 1 per cent of the pension for pensioners. What distinguishes it from the NSSF's financing arrangements is that it would introduce a two-tiered financing structure for the formal and informal economies by levying an annual flat-rate contribution from informal-sector workers of UGX 100,000, and waiving contributions for so-called "indigents", which have been defined as "poor people" (OVC, older persons, PWDs, destitute and refugees). [280]

In addition, a Minimum Wage Bill could significantly increase income security. These laws currently exist in a majority of countries, including in Kenya and Tanzania. A bill that would have established a monthly minimum wage of UGX 130,000 was recently rejected by President Museveni but may be re-tabled before Parliament.[281] While the proposed value may appear quite low, especially relative to the cost of living in urban areas,[282] recent analysis shows that more than half the working age population —around 54 percent— earns less than this.[283] While a minimum wage would provide a legal guarantee, enforceability will be the main challenge. For the contributory system, a minimum wage can also provide a useful benchmark against which to set low contribution rates for workers in the informal economy who might have the ability to pay. For example, some in the NSSF have proposed levying a small contribution amounting to 1 percent of the minimum wage (or equivalent) from uninsured workers to finance health care capital infrastructure as an alternative to the financing arrangements proposed under the NHIS.[284]

5.4.3 Institutional framework

For contributory schemes, the institutional framework reflects the legal fragmentation described above and creates serious challenges for policy coordination across separate line ministries and within different departments. The recent separation of NSSF oversight between MGLSD and MoFPED, for policy and investment, respectively, appeared to have the support of most stakeholders but is once again being contested,[285] and in any case carries with it great risk of increasing what are already deep policy coordination challenges.

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[279] Source: ILO Convention 102 of 1952 on Minimum Standards in Social Security.
[280] Source: Uganda Gazette (2019a) and Byakika (2019).
[281] Source: Akankwatsa (2019)..
[282] Source: A study carried out by the MoPS found that the minimum cost of living in Kampala for a typical family was UGX 1.1 million a month (Interview with senior MoPS official, 24 September 2019).
[283] Source: McClanahan, et al. (forthcoming).
[284] Source: NSSF (2019).
[285] Source: Kasozi (2019).

The development of the recent NSSF Amendment Bill is emblematic of these challenges. Although the NSSF has no official policymaking role, the financial and political heft of the NSSF is reflected in the content of the current NSSF Amendment Bill, which would retain the Provident Fund structure, though proponents claim it would leave space for the introduction of additional benefits (including annuitisation). Consistent with the lines of responsibility within MGLSD, the Bill originated under the Directorate of Labour with apparently minimal input from the Directorate of Social Protection.[286] And, notably, key technical personnel in MoPS, which have experience implementing the country's only earnings-related pension scheme (the PSPS), were not consulted in the drafting of the NSSF reform bill, presumably because they were not seen as stakeholders. This again demonstrates how policy and administrative silos have evolved separately over time.

Health system financing also entails a specific set of functions that are best managed through the health sector, but many national social security systems centralise contribution collection within the same structure. The proposed National Health Insurance Scheme Bill defines a basic health benefit package, including a schedule of benefits to be provided at different classification levels of health centres and hospitals, and lays out provisions to regulate health care providers and utilization of services. These functions are appropriately to be carried out under the national health authority, the Ministry of Health. However, the Bill also provides for the establishment of a separate, national mandatory scheme that will involve setting up complex administrative structure from scratch.[287] There is an opportunity to consider whether it might make sense to exploit the comparative advantage of the NSSF in contribution collection and compliance. Indeed, the NSSF has already floated an alternative health infrastructure financing proposal that could potentially shape the developing NHIS landscape while also simplifying the future contribution payment process for workers and employers.[288]

It will be critical for MGLSD to claim and consolidate responsibility for social security policy —including the NSSF— if a comprehensive, multi-tiered system such as the one envisaged in the NSPP or the draft vision, is to be realised. This requires leadership within MGLSD and a joint commitment by the Labour and Social Protection Directorates to pursue coherent reform proposals within the framework of the NSPP/PPI, and with a view to achieving the common goals emerging from the draft vision process. The thematic working groups, particularly the group on contributory social insurance, can be strengthened. For example, rather than each respective unit or team using the forum to offer updates on the schemes within their remits, the working group space would become a forum for exchange and collaboration to ensure that all parties fully internalise the implications of the draft vision for shaping ongoing reforms. Due to the near complete historical absence in Uganda of contributory pension schemes, social insurance or otherwise, this process should include investments in technical capacity building for key social insurance policymakers and technical officers in the Directorate of Labour, and indeed across MGLSD (including Directorate for Social Protection).

[286] Note: Although key officials charged with drafting the NSSF Amendment Bill did state that the reform was pursued to further the NSPP.
[287] Source: Uganda Gazette (2019a) and Byakika (2019).
[288] Source: NSSF (2019) and URN (2019).

5.5 Governance challenges specific to social care and support

Fragments of the system for social care and support exist. However inclusive and equitable national access requires further investment to create a coherent whole systems approach. The first step is to address the definition and understanding of social care and support.

5.5.1 Definition of social care and support

As at the 2014 Review, social care and support is not clearly understood nor defined. This clarification is recommended in the NSPP Roadmap but has not yet taken place, although MGLSD has started the process of developing a conceptual framework (Box 8). Defining social care and support should be followed by the design and implementation of a costed plan to fill gaps in provision. Planning should include integrated delivery of multi-sectoral services (the development of a social care and support system, rather than individual services, is discussed further below). The boundaries and remits of each sector and their mechanisms for joint working have yet to be clearly defined. The role of social care and support is to coordinate and secure the collaboration of these multiple sectors to ensure the client receives all of the services they need.

Box 8: A conceptual model for a social care and support system

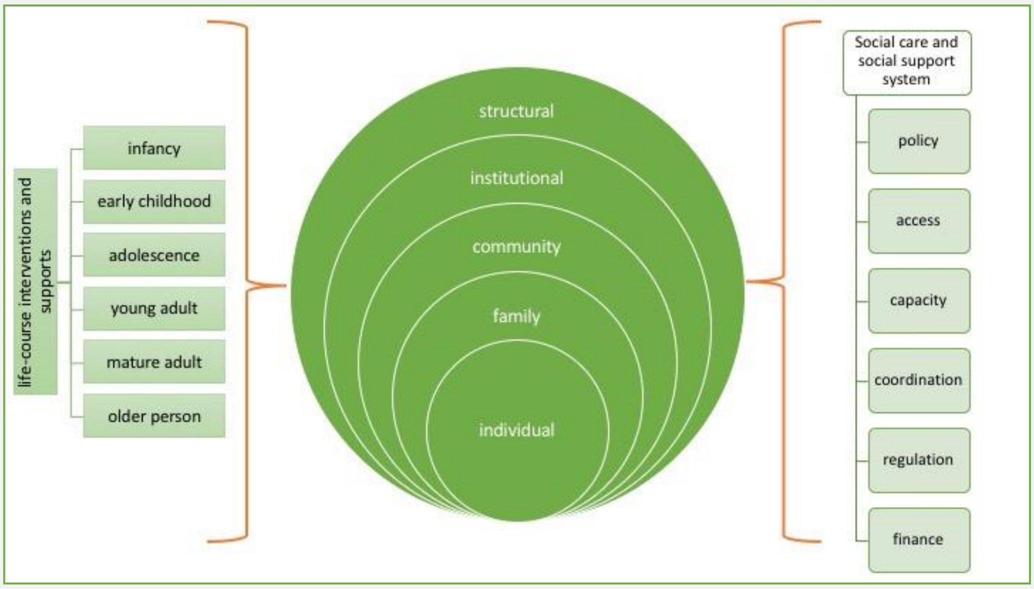
> **A conceptual model for social care and support was developed by MGLSD in 2018.** This recognises that i) an individual may have many different needs requiring more than one intervention across a range of diverse sectors, [289] ii) needs may change over the trajectory of the person's life-course[290], and iii) action is required at multiple levels within the social environment, and that interactions will occur across the levels.[291] A systems approach acknowledges that although poverty is a critical driver of social vulnerability, not all poor people require social care and support services, and conversely non-poor individuals and households may be exposed to non-poverty related risks and shocks requiring services**.** Assuring coordinated access for all socially vulnerable children and adults to a broad range of social care and support services will contribute to achievement of the NSPP objectives (Figure 61).

[289] Source: Maclean, S. and Harrison, R. (2015) Theory and Practice: A straightforward guide for social work students. 3rd Edition. Kirwon Maclean Associates Limited: Glasgow (Chapter 42).

[290] Source: Bovenberg, A.L. (2007) The Life-Course Perspective and Social Policies: An Issues Note, SP Discussion Paper, No.0719 World Bank: Washington DC and McCarthy, J. R. & Edwards, R. (2011). The SAGE key Concepts Series: Key concepts in family studies London: SAGE Publications Ltd

[291] Source: Bronfenbrenner, U. (1979). Ecology of Human Development. Harvard University Press: Boston

Figure 61: Conceptual Model of the Social Care and Support System[292]



The development of the conceptual model was informed by three key issues:

- Social vulnerability in Uganda remains high, and inequality has increased during the last four years, particularly for women, older people, children and people with disabilities,[293]
- Some progress is noted in development of the social care and support system at policy level, however access to services remains limited and coordination is constrained. Social care service provision is primarily donor supported and limited to small-scale interventions at local level that achieve short-term results.[294] There are persistent challenges with government capacity to coordinate and regulate social care and support and to systematically collect national data for monitoring, coordination and planning purposes,[295]
- There is confusion at the policy level around the definitions and requirements of a social care and support *system*, and social care and support *services.* This is related to the complex and context-based nature of social support. The process of designing the conceptual model encouraged reflection on the current reality in Uganda and regional experience.

The NSPP refers to provision of social care and support *services* and should instead acknowledge the requirements for an institutionalised social care and support *system*. The traditional approach to and focus on single issues and categories of vulnerability often results in a fragmented response marked by numerous inefficiencies and pockets of unmet need.[296] The systems approach recognizes that a person can have many needs requiring a response across a range of diverse sectors, and that their needs may change over the trajectory of their life-course. It also acknowledges there may be more than one person within a household who requires social care and support and that sometimes other household members can be indirectly affected. For example, violence against women can negatively impact children living in the household; and caring for a person with a disability

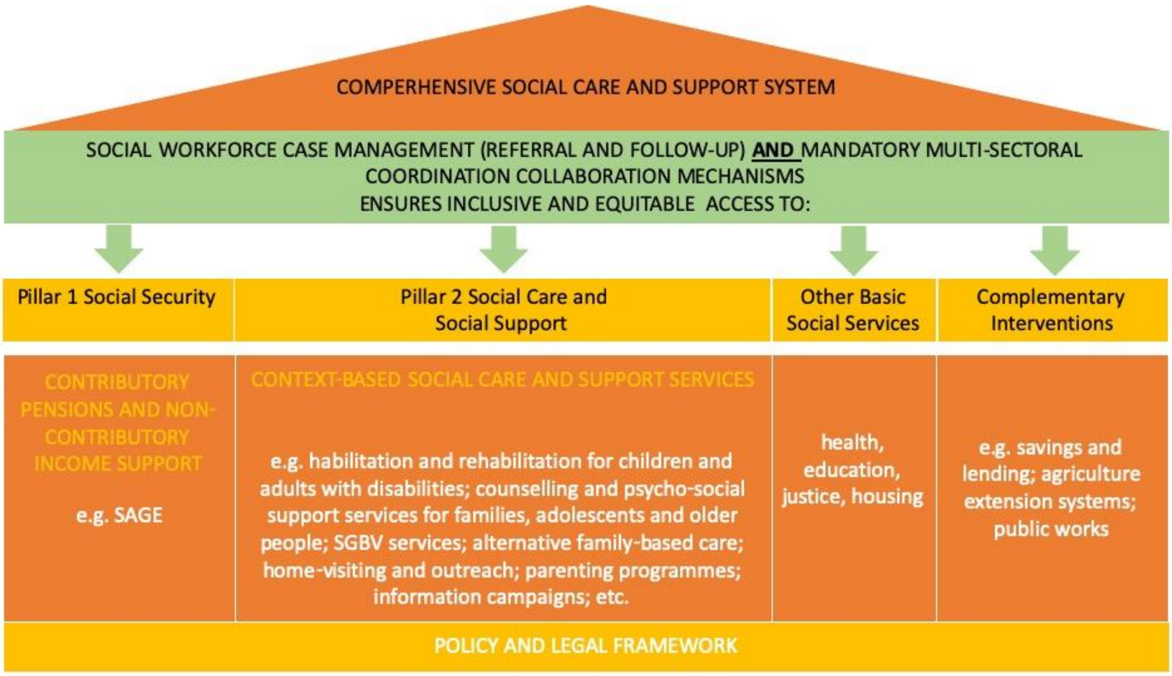
[292] Source: Authors interpretation of Bronfenbrenner, (1979), Bovenberg, (2007) and UNICEF (2010)
[293] Source: Greenslade, M. and Muyinza, P. (2018)
[294] Source: Authors interpretation of the data provided by key informants and FGD respondents to this assignment, and the analysis of policy documents.
[295] Source: Greenslade, M. and Muyinza, P. (2018)
[296] Source: UNICEF (2010)

can affect the income generating capacity of a household. A systemic prevention and response approach will ensure the wellbeing of individuals and households as needs change over time. The focus of the policy on *services* can therefore be misleading and does not take account of the need for concurrent access to social security, social care and support, health, education and justice and other complementary interventions.

Establishing a common understanding of the social care and social support system concept internally will contribute to MGLSD efforts to lead an on-going process of advocacy. This could be embedded in a systematic multi-method approach to communicating the vision, including stand-alone events, including as a standing agenda item in existing coordination mechanisms, development of promotional materials for dissemination etc. Once instituted this advocacy should then be extended to early engagement at senior management level with Ministries of Finance and Economic Planning, Public Service and Local Government, because of the implications for financial and human resourcing. In a parallel process external multi-sectoral engagement, with the Office of the Prime Minister, Ministries of Health, Education, Internal Affairs and Justice, and Constitutional Affairs etc. should be conducted through existing coordination mechanisms or through new engagement methods.

It is important social care and support is developed with wider social protection. Emerging evidence suggests that the addition of supplementary social care and support can contribute to increased effects of income-based social protection measures.[297] Delivered in combination through an integrated system (see Figure 62), this contributes to efficiency and effectiveness. Government leadership on integration can encourage development partners to invest more broadly in the social protection sub-sector to increase potential depth of impact.

Figure 62: Comprehensive social care and support system



[297] Source: Transfer project (2016); Roelen et al (2017)

5.5.2 Coordination of social care and support

Uganda's policy landscape is well aligned with global and regional commitments for human development however there is limited evidence of cross-sectoral policy integration. Uganda has ratified a set of international[298] and regional[299] human rights instruments which create a framework of obligations and commitments requiring social care and support interventions. This is supplemented by a plethora of national policies for supporting the rights of vulnerable and marginalized people including for children, women, older persons and persons with disabilities all of which feature provisions for comprehensive social care and support.[300] These policies to some extent acknowledge the multi-dimensional nature of vulnerability and the need for a multi-sectoral approach across the life course, however, overall tend to maintain a categorical approach to target groups. For example, the National Orphans and Vulnerable Children (OVC) Policy explicitly targets children affected by HIV, as do the consequent 2015 OVC Household Vulnerability Prioritization Tool and the 2019 Case Management in OVC Programming Toolkit. These by default exclude children who are not HIV affected but who nevertheless may have social care and support needs. This can create a competitive environment for scarce resources which contributes to the inertia in policy implementation and which fails to meet urgent need.

The MGLSD leads on implementation of the NSPP however social care and support crosses institutional governance boundaries. To make sure that multiple needs are addressed across the life-course social care and support require multi-sectoral inputs from Ministries of Education, Health, Internal Affairs (Police) and Justice for direct service provision for vulnerable adults and children, and from Planning and Local Government to ensure adequacy of resources for coordinated provision.

Overall, there remains a lack of coordination of social care and support and large gaps in provision, as recognised in the NSPP. Most of the CSOs operate in isolation, making coordination, supervision, monitoring and evaluation of their activities very difficult for both central and local governments. The weak coordination of services delivered by CSOs leads to duplication of efforts, wastage of resources and minimal impact on the population. There remains a need for a coordinated approach, led by government, to capture and manage registration, recipient, and service provision information.

5.5.3 Legislation and regulation for social care and support

For social care and support to be multi-sectoral and system-based, secondary legislation is required. Secondary legislation consisting of regulations, guidance and other instructions should clarify the role of line ministries and the justice sector, including the police and judiciary, and at sub-national level the role of departments in local government. For example, this could include mandatory protocols for cross-sectoral engagement which defines the roles and responsibilities of each sector for child protection, and how they are required to interact

[298] Source: See the UN Treaty Body Database on Uganda at https://tbinternet.ohchr.org/_layouts/15/TreatyBodyExternal/Treaty.aspx?CountryID=182&Lang=EN [accessed 17.09.2019]
[299] Note: These include the African Charter on Human and People's Rights, the Protocol to the African Charter on Human and People's Rights on the Rights of Women in Africa, and the African Charter on the Rights and Welfare of the Child. See the African Commission on Human and Peoples Rights http://www.achpr.org/instruments/ [accessed 17.09.2019]
[300] Source: MGLSD (2015a) pp6-8

with each other. Secondary legislation can also address national minimum standards for service delivery, including for social work practice, and can address the registration and regulation of residential care facilities and the regulation of civil society and private sector organisations in providing social care and support.[301]

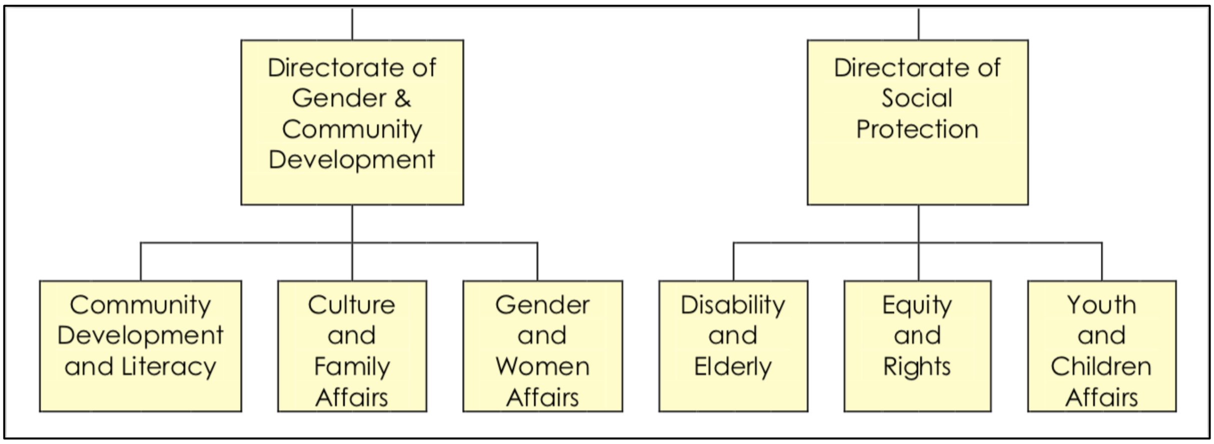
Effective social care and support is multi-sectoral and requires proper regulation to clarify roles and responsibilities of statutory departments, their mechanisms for coordination, and for quality monitoring and data collection for planning purposes. Policy and strategy for social protection are defined nationally by line ministries and implemented at sub-national level through Departments of Local Government, responsible for service delivery in the decentralised system of governance. Since effective and efficient social care and support requires a systematic multi-sectoral approach, overarching secondary legislation involving mandatory protocols for cross sectoral engagement and including national minimum standards for service delivery will provide legitimacy, support and guidance for developing and implementing social care and support at national and local government levels. Systems for monitoring quality, and for data collection for planning purposes are urgently required and should be developed as an integrated component of the system.

Civil society and private sector organisations who deliver social care and support services operate largely unregulated. This can expose already vulnerable people to significant risks. The NSPP acknowledges that civil society and private sector organisations to some extent attempt to fill the gaps in social care and support service delivery. In the absence of robust family care and support, the State is the ultimate duty bearer. Thus, although government may not directly deliver all services it should ensure that the social care and support system is properly regulated. This requires both secondary legislation and an operational mechanism for monitoring For example, many residential care facilities are unregistered and basic measures for regulation are not enforced which can mean that children and vulnerable adults are lost in the system.[302, 303] This lack of regulation also means that government cannot direct providers to areas of highest need. Government struggles to effectively coordinate and regulate services and consequently children, for example, may be exposed to protection risks, particularly those estimated 400,000 children every year who are who are not registered at birth.[304] There is an over reliance on often unregulated residential institutional care as the primary child protection mechanism, contrary to the provisions of national policy and legislation which advocate for family and community-based alternative care in line with UN Guidelines.[305]

There is significant crossover of mandate across the six subordinate Departments of the two primary Directorates in MGLSD, which can complicate planning and contribute to inefficiencies. For example, the mandate for children is in a separate department from that of families; and equity and rights, which are crosscutting themes, lie in another separate department (Figure 63).

[301] Source: MGLSD (2012), USAID (2018).
[302] Source: MEASURE Evaluation (2018).
[303] Source: MGLSD (2012)
[304] Source: UNICEF (2016)
[305] Source: Riley (2012).

Figure 63: Excerpt from the Ministry of Gender, Labour and Social Development Organogram



Other challenges for social care and support. **The NSPP acknowledges that family and community have inadequate capacity to fulfil their traditional role as the first line of support but does not propose systematic measures to enhance their capability.** Traditional family support networks have been eroded in recent years. However there remains a tension in discussing interventions which may be seen to be replacing traditional family and community roles, and the reality on the ground of their capacity to do so. This tension extends to the gender dimension of approaches which has the potential to negatively impact on opportunities for women and girls who for example disproportionately bear the burden of caring, in these traditional mechanisms, contrary to the Uganda Gender Policy 2007. Equally, persistent harmful social norms can undermine capacity to provide appropriate social care. Addressing family and community capacity, therefore is a fundamental component of the social care and support system development.

In some cases, it appears that the policy commitments are not being considered when planning decisions are being taken. The government is committed to family-based care for children, but current government planning appears solely focused on investment in residential institutions for children and youth (in remand homes), contrary to the National Alternative Care Framework 2011.[306]

Comparatively little progress has been made by the MGLSD in terms of putting in place a clear action plan or guiding framework for developing the social care and support pillar as envisaged in the NSPP. The concept of social care and support services developed by MGLSD during 2018 is not well understood and has not been adequately internalised/mainstreamed into the on-going work of the Ministry even if many elements of what constitutes social care and support services are being delivered through various projects, programmes and initiatives that are housed in the Ministry.[307]

[306] Source: Key Informant Interview with national representative of MGLSD 11.09.2019
[307] Source: Land (2019)

5.6 Challenges for development partner support

There are a number of challenges relating to the coordination and alignment of development partner support. These will need to be addressed if development partners are to play a full supportive role in the reform and expansion of the social protection sub-sector.

Development partners are not aligning systematically behind implementation of the NSPP. While some elements of the policy, such as policy work, the SCG and NUSAF3, have been supported by DPs there remain many areas which are gaining inadequate levels of support. These include the social care pillar which lacks a strategic framework, is barely implemented and then only through off-budget, short-term DP project support outside the policy framework; and most of social insurance, for which DP support has been negligible despite the critical issues around NSSF reform and the high-profile health insurance. Furthermore, while some joint work has been conducted on the single registry, DP focus on the overall strategic priority of developing a comprehensive social protection system is largely absent and has not been prioritised in coordinated and collective DP planning nor in DP fund provision. There are system-building elements of several DP-funded programmes, but it is unclear how these fit together to build the system needed by government.

Support to SP is tending towards fragmentation and a focus mostly on isolated DP-funded projects and programmes rather than on policy implementation and system-building. Some support – namely ESP and NUSAF3 are clearly aligned with government priorities. However there are a number of other programmes supported by development partners which, albeit helpful, are less aligned to the core government agenda for social protection. Such approaches may risk development of parallel systems, the project focus can dilute cooperation and collective action on bigger issues across the sector, and they often necessitate the kind of transaction costs for government that were meant to be minimised by DP harmonisation.

But DPs also face challenges in terms of government leadership. DPs may not be being helped by a variation in the emphasis government puts on aspects of the policy, such as social care and support, which still lacks a strategic framework, and by the need for greater government coordination across the sector, including within MGLSD, discussed earlier in Chapter 5. An additional issue is the ESP PMU, which leads on NSPP implementation, sitting outside the MGLSD mainstream and being perceived as a donor-supported unit that prioritises the SCG over other parts of the NSPP. Overall, DPs perceive an absence of a clear vision and direction from government which they can use to guide funding priorities. This may be contributing to some of the unresolved disagreements in approach and prioritisation between SP DPs that were evident from discussions held during the review.

DPs already have a coordinating body but this is mainly for information sharing. DPs are formed into a Development Partners' Social Protection Working Group. In 2011 DP support was formalised in Development Partner Social Protection Task Force (DPSPTF), with participation from DFID, World Bank, Irish Aid, and UNICEF. The developing size and complexity of the sector led to the establishment of the Development Partners Social Protection Working Group (DPSPWG), succeeding the DPSPTF, in 2018. This group currently has the following members: World Bank, Irish Aid, DFID, UNICEF, WFP, SIDA, UNHCR, and USAID.

The Development Partner Social Protection Working Group (DPSPWG) has many members though not all are active, and DPs are not very active in the governments thematic committee meetings. The DP leadership team for SP is active and committed and has expended considerable energy on maintaining group activity and coordination. However, participation in meetings is usually low, with mainly a small number of active DPs participating on a regular basis. Others are both engaged and interested in supporting aspects of SP in Uganda but frequently do not attend meetings. In addition, participation in the social protection sub-sector thematic committee meetings, which should be a priority, is low and inconsistent. Minutes from the last four meetings show minimal participation from DPs. A clearer government vision and direction for DPs to coordinate and align behind may help with levels of DP inactivity.

Social care and support faces particular challenges in attracting coordinated donor support. The government needs to articulate its vision and strategy for social care and support to encourage systemic and long-term donor investment, which currently reflect donor interests and priorities. Donor support will require coordination and monitoring and evaluation, given the diverse nature of this social protection pillar. Without this, government will not know who is doing what and where, and cannot assure the protection of vulnerable populations, for example in relation to the opening of unregistered and unregulated children's homes.

5.7 Political economy challenges for reform

5.7.1 Background

Uganda has come a long way since development partners introduced the idea of social protection to the government and it became a subject of public discussion and debate. Early public discussions tended to be rather sceptical. Sceptics would raise the question of affordability, arguing that Uganda couldn't possibly afford it, and what they saw as the risk of 'free handouts' creating or encouraging a mindset of dependency[308]. Today, the case for social protection or social security has been made successfully, based on evidence that levels of poverty and vulnerability are still high throughout the country. The government is now seen as having the obligation to intervene and alleviate the suffering of the poor and vulnerable. With many developments since the 2014 review, including the successful piloting of the senior citizens grant and its extension to other districts and the expected complete roll-out across the country, and with other initiatives in the pipeline or already under implementation, advocates of social protection and social security have won the argument.

The acceptance may have been somewhat grudging at times, but it is now largely a settled matter. Currently social protection has many local supporters, including leaders at all levels of government and increasingly large numbers of ordinary citizens. There is a national social protection policy and, as this report points out, social protection features in the second National Development Plan (NDP2) and will also feature prominently in the third National Development Plan (NDP3) which is currently under preparation. These developments

[308] Source: Angucia & Katusiimeh (2015)

represent only a half victory, however. Winning the other half will entail surmounting a number of challenges. If not tackled, the challenges are likely to constrain implementation and prevent the translation of the far-reaching ambitions of the government and advocates of social security into outcomes for people in need of social protection and social care.

5.7.2 Questions where political economy can help

Financing social protection

As this report shows, the Government of Uganda has the means to finance state-funded social protection. There is a general view that finding the necessary resources is now more or less a matter of the government adjusting its priorities and re-orienting its spending. In reality, however, actual resource availability and allocation by the Ministry of Finance remain a matter for continuing debate and discussion. A key issue is that the government runs a cash budget and that this leaves hardly any room for manoeuvre to accommodate anything but first-order priorities:

> 'There are too many competing demands. 90 percent of the budget is committed in advance. Current priorities leave little room for taking on new commitments. This year we had an additional resource of 2 trillion shillings. But only 400 million shillings was available for new and emerging expenditure pressures. We make exceptions only for security. That is because insecurity can bring the whole economy down.'[309]

These challenges are, however, not really the problem, but they can have implications for prioritisation of resource allocation. The government, specifically the Presidency, currently has clear, higher-level priorities to which everything else is now subordinate.[310] They include energy and transport infrastructure and, of late, defence and security.[311] There are specific justifications for this.

Energy is seen as a key missing link in the government's pursuit of structural transformation of the economy via manufacturing. Meanwhile the development of transport infrastructure promises to lower the costs of doing business by, for example, cutting the high cost of transporting imports – including industrial raw materials – via the development of railway infrastructure. The importance of these two priorities has been repeatedly emphasised in presidential speeches, so that potential increases in social sector budgets have for several years been strongly resisted.[312]

Capacity for internal coordination and monitoring

There is also the challenge of capacity for coordination, which the 2014 review also identified. It is highlighted by the range of options proposed for taking the social protection agenda forward. Poor coordination within and among different government entities, some with ill-defined mandates and competing priorities and interests, is a problem that has long

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[309] Source: Interview with a senior MoFPED official: 30.07.2019.
[310] Source: "No money for teachers' salary increment, Museveni tells NRM caucus'. Daily Monitor, Tuesday September 17, 2013 - https://www.monitor.co.ug/News/National/No-money-for-teachers--salary-increment--Museveni/688334-1995220-m1txvf/index.html (accessed: 14.10.2019).
[311] Source: See, for example, "Arms race could turn region into tinderbox", Daily Monitor, Monday, May 20, 2019 - https://www.monitor.co.ug/SpecialReports/Arms-race-could-turn-region-into-tinderbox/688342-5122694-ngc014/index.html (accessed: 14.10.2019).
[312] Source: see, for example, Frederick Golooba-Mutebi (2012)

bedevilled ministries, departments and agencies[313]. Coordination is likely to be particularly challenging in the social security domain where there are multiple players pursuing individual and collective objectives and interests, and also because the range of proposed interventions is wide, involving several different ministries and departments and non-state actors. Of significance in the coordination equation is the capacity and authority of the Office of the Prime Minister which bears primary responsibility for delivery across the government. OPM's mandate also includes implementation, which somewhat complicates and undermines its oversight function.[314]

Coordinating non-State actors and development partners

Compounding the problem of intra-government coordination is the need for coordinating private-for-profit and private-not-for-profit entities. Currently they play important roles in social protection and social care. As social security grows in scope and geographical as well as demographic coverage, their roles and activities are destined to expand. Under normal circumstances non-state entities such as NGOs and CSOs are, by law, subject to regulation with regard to the activities they can and cannot engage in. For the most part, however, regulation pertains to activities of a political nature or those that have the potential to turn political.[315]

Local-level capacity constrains oversight and management. With regard to day-to-day implementation of development or welfare activities at community-level, however, capacity gaps in regulation by state agencies and local governments *de facto* allow them ample freedom of action, enabling those that are so inclined, to operate beyond the purview of the state.[316] This lack of oversight suggests that, left unplugged, gaps in coordination could expose vulnerable individuals and groups to potential risk of abuse and exploitation. Gaps in coordination also extend to the activities of development partners who are prone to duplication of activities. This can be through financing or collaboration with NGOs, leading to fragmentation of efforts. One outcome of the duplication is the further straining of already overstretched government entities whose capacities are usually limited by under-staffing and inadequate funding.

Local government capacity

Difficulties in coordinating the activities of non-government entities and development partners have proved difficult in Uganda and stem from weak capacity in local governments. At the root of this challenge is the rapid growth in the number of districts and, as a result, lower-level administrative entities at local government level in recent years. For the most part, politics has driven this growth, although in some instances it has been in response to popular demand and associated electoral pressures. It has led to the sub-division of existing districts into ever smaller entities. Ostensibly, the idea behind the creation of new districts is to take services close to where people live. However, the districts that undergo

[313] Source: Golooba-Mutebi & Bukenya, 2014; Golooba-Mutebi et al., 2018
[314]Source: Interview with a seasoned actor in the private (agricultural) sector, with years of experience dealing with MDAs as supplier and client, 18.07.2019 (Kampala).
[315] Source: Government of Uganda (2016).
[316] Source: Golooba-Mutebi & Bukenya (2014). See, also: "Government closes 12000 NGOs". Daily Monitor Thursday, November 4, 2019 - https://www.monitor.co.ug/News/National/Government-closes-12-000-NGOs-Obiga-Kania-verification/688334-5349062-681x55z/index.html (accessed: 15.11.2019).

sub-division are usually already struggling with serious capacity challenges. The sub-division creates yet more weak entities with limited financial, logistical and administrative capacity. This explains their weak coordination and supervisory capacity and their inability to regulate the activities of development partners and those of the non-government entities they finance to carry out various activities.[317]

Law and accountability enforcement

Challenges for law and accountability enforcement mirror those in coordination and regulation. The social care domain provides an illustrative example. In almost all districts, community development officers and probation officers are confronted by multiple cases of gender-based violence, child abuse, and maltreatment of the elderly.[318] Tackling these phenomena successfully is dependent on harnessing the efforts and resources of multiple actors, including the police and the judiciary. In practice, such harnessing has usually proved to be difficult. Outside of major towns and cities, the police lack even the most basic of resources which would enable them to play their role of keeping law and order and enforcing compliance. Among other consequences, this has undermined public trust in the police and rendered many victims of crime reluctant to seek their assistance.[319]

Even where victims are minded to seek the assistance of the police, problems or crimes that occur in areas which are far from police posts or stations are particularly difficult for the police to investigate. Police in rural areas do not have the logistical capacity to enable them to get to such locations, investigate, and gather evidence. As a result, the cases are left to local leaders who do not have the mandate to deal with criminal matters, to adjudicate and resolve. In most cases the restitutive approach they use in performing their tasks invariably culminates in violation of the rights of victims. A salutary example is when cases of rape or sexual assault are resolved by levying cash or in-kind fines on offenders, rather than prosecuting them in courts of law.[320]

There are also instances where victims bring their complaints to police posts or stations, only to find that police officers do not to have even the stationery on which to record complaints. Complaints can only be recorded and the cases presented before court if the victims can bring their own paper. In other instances, they are required to pay for photocopies of the forms on which the cases will be recorded. Where investigations are conducted and the cases are forwarded to court for prosecution, resolution can be delayed or not reached at all because of huge backlogs of cases that magistrates and judges have to contend with. After a few trips to court that bring no relief, many victims stop turning up. This enables offenders to escape without punishment, leaving the victims without justice.

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[317] Source: Bukenya & Golooba-Mutebi (2019).
[318] Source: see, for example, "Police blame killing of elderly women on alcoholism" Daily Monitor, Friday January 20, 2017 - https://www.monitor.co.ug/News/National/Police----women-Mpigi--alcoholism-drugs/688334-3620404-ieimvt/index.htm (accessed: 16.11.2019); "Rising cases of sexual abuse of children should worry us". Daily Monitor Friday, August 24, 2018 - https://www.monitor.co.ug/OpEd/Commentary/-sexual-abuse-children-Uganda-schools-homes-Crime/689364-4726152-a6o2c5/index.html (accessed: 16.11.2019); "Child abuse rampant in West Nile, says NGO". Daily Monitor Tuesday March 18, 2014 - https://www.monitor.co.ug/News/National/Child-abuse-rampant-in-West-Nile--says-NGO/688334-2247948-9wpemcz/index.html (accessed: 16.11.2019).
[319] Source: see, for example, Nahamya (2016) and Elias Matsiko, 2016.
[320] Source: Golooba-Mutebi (2016b).

5.7.3 Political economy analysis of observed issues

These weaknesses are deep-rooted. They are connected to Uganda's current political settlement and how the political system it has generated works. The system has significant inclusive elements but is also built around an executive and ruling party which are both highly dominant. The inclusiveness and the dominant executive and party have individually and collectively had an impact on the capacity of state institutions, and on coordination and accountability. The executive and the party and the inclusiveness they promote are driven more by the imperative to preserve political stability and the general status quo, and less by the need to ensure the effectiveness of the state and its institutions.[321] The resulting fragility of state institutions has in turn allowed for forms of governance and public sector management which standard institutional constraints imposed on leaders of liberal democracies, would not allow to emerge, let alone persist.

Over the last 33 years, the pursuit of political inclusion as a principle has been a key factor in ensuring political stability. Nonetheless, it has had a negative effect on the government's capacity for holding people in positions of power and authority to account. Inclusiveness is essentially about ensuring 'balance', ethnic and ideological, in appointments to public office and therefore access to positions, power, and resources. Access to office on the basis of identity, political or otherwise, has meant that occupants of public office are not necessarily incentivised to perform their designated tasks as would otherwise be required in a political context where competence is a key requirement. This is the political explanation for the poor performance of government ministries, departments and agencies under the current dispensation, despite the government having embraced performance contracting[322] which would otherwise enable it to hold non-performers to account.[323]

Accountability institutions also under-perform because they suffer the effects of inclusiveness, in addition to being under-resourced. While Uganda is well endowed with the largest number of accountability institutions in the Great Lakes region, their capacity to enforce accountability is heavily constrained by inadequate resources and sensitivities relating to the imperative to maintain the balancing which ensures that political stability is preserved.[324]

Also, Ugandan society is for the most part steeped in a hierarchical socio-political culture. Respect for hierarchy accounts for the low levels of popular political activism. Alongside weak civil society organisations, this limits prospects for popular pressure pushing the government to conduct itself in accordance with the expectations of the general public. A poor civic culture combined with lack of resources and skills and poor coordination, explains the large gap between good policy making and implementation in all sectors.

5.7.4 Tackling the challenges

The challenges outlined here are systemic and explain the government's reputation for formulating excellent policies that are not implemented as intended. Perhaps no example

[321] Source: Tripp (2010); Golooba-Mutebi and Hickey (2016).
[322] Source: "Accounting officers to sign performance contracts". The New Vision, June 25, 2010 - https://www.newvision.co.ug/new_vision/news/1287723/accounting-officers-sign-performance-contracts (accessed: 17.11.2019).
[323] Note: There are, however, technical explanations for sub-optimal performance that include under-resourcing and understaffing, both of which are persistent challenges.
[324] Source: For details of the constraining effects of inclusiveness, see Matembe, 2019. Also, Golooba-Mutebi & Hickey, 2016.

illustrates this better than the fate of the first National Development Plan (NDP1) whose implementation did not live up to the government's own aspirations.[325] That said, policies continue to be formulated and implemented, as will the NSPP. Given the challenges are systemic, the question to ask is not how they can be overcome, but what can be done to push the social security agenda forward in the light of the current political economy. Our analysis suggests a number of strategies:

- Advocacy will need to be effective if government is to find enough money or new money to fund social security elements that ought to be publicly funded. As already indicated, under normal circumstances, MOFPED operates under enormous pressure to find money for priority expenditures. Given current prioritisation, securing new resources for new initiatives is likely to remain a major challenge. That said, within MGLSD, available resources could possibly be deployed more creatively and in line with the definition in the NSPP, and greater attention paid by senior management to prioritisation of SP-related initiatives and activities. Further, a combination of advocacy and pressure by a coalition of interested parties – civil society groups, development partners, parliamentarians – will go a long way towards ensuring that, even amidst current constraints, significant resources are dedicated to efforts geared at pushing the social security agenda forward. Also, already efforts have been directed at influencing the on-going development of NDP3 to ensure that social protection is factored into Uganda's broad ambitions for development and social transformation.

- In well-established democracies state-society relations shape how governments work, including responding to popular aspirations and expectations. Uganda is a 'democracy in the making', where expecting this to happen in the short term would be unrealistic. However, citizen action by individuals or groups to compel leaders to respond to their needs and points of view and to take their needs and aspirations into account can be nurtured through targeted civic education. Here both print and electronic media can serve a useful function as disseminators of critical information. Complementary efforts could be directed at influencing key decision-makers[326], a task rendered easier by the evolution of aspects of social security such as the SCG into political issues that are likely to feature increasingly in election campaigns.

- It is not clear what can be done about coordination – and regulation of non-government actors for example - at the national level, given the context as it is, and the relatively weak position and dual role of the Office of the Prime Minister. Effort to improve performance that does not rely on coordination is a logical response, and is consistent with the argument of this review that many improvements can be achieved by MGLSD itself improving its management of social protection. However, more can be done to enhance coordination at the local government level by strengthening the capacity of district administrations through enhanced personnel recruitment to fill staffing gaps, and targeted financing of units responsible for coordination. The proposed civic education strategy could also serve the purpose of awakening members of the public to their responsibility as citizens to hold their leaders to account. This will in turn push the leaders to hold public servants to account, thereby

[325] Source: Lakuma & Lwanga (2017)
[326] Source: see, for example, Golooba-Mutebi, 2016a.

compelling them to perform the duties for which they were recruited.[327] Also, only local governments with enhanced capacities can ably coordinate the activities of non-governmental actors whose well-meaning activities lead to fragmentation and duplication of efforts, thereby undermining their impact.

- Enhancing law and order and accountability enforcement, both critically important in ensuring the protection of vulnerable segments of society, will require strengthening not only local government social development and probation units, but also local police units and lower-level courts. Currently the police seem to be the weakest link in this chain, but the courts with their massive backlogs of cases pending resolution need appropriate attention and action. Social security alone will not solve the challenge of vulnerability.

5.8 Chapter conclusions

The helpful definition of social protection from the NSPP has been stretched in practice to accommodate reality on the ground, leading to confusion on what is and is not SP. The review recommends re-establishing the objective approach in the policy while adding clarity on issues of livelihoods programmes, labour-intensive public works, and distinguishing core vs non-core DIS; on achieving clarity that CSI is to be based on the principles of contributions, risk pooling and defined benefits and that a comprehensive set of benefits are planned; and that the envisaged social care system is clearly mapped out.

There is a lack of clarity in how the SP sub-sector is defined, planned, monitored and managed, indicating the sub-sector is not well-institutionalised in government. Specific issues relate to DIS, CSI and social care. SP is described differently in the policy, the SDSP, the structure of MGLSD and in national planning and monitoring which may contribute to some of the observed issues with commitment and coordination. Enhanced management of social protection – including the issues here relating to a coherent institutional and coordination structure, aligned planning, effective M&E, clear roles, the right structure in MGLSD, and a balanced approach to systems development – is likely to be a major driver of future success.

The structure of the MGLSD, which is the lead agency on social protection, is not aligned with the NSPP, pre-dates the emergence of social protection, and is not well-suited to delivering its responsibilities to the sub-sector.

The comprehensive system for SP that is the main objective of the NSPP has yet to be described, is not well-understood, and has not received due and balanced attention in efforts to date. Addressing this gap is a key constraint to moving forward with the sector and is a key priority. The description should include vision, sub-sector framework, institutional and governance arrangements, planned programmes for both pillars, and the hierarchy of operational systems that need to reach effectiveness. This should be included in the final social protection vision document, which is currently silent on institutional arrangements.

[327] Note: There is evidence that in some districts, local leaders who are focused on producing results have had a major positive impact on service delivery by, among other things, pushing public servants to do what they are supposed to do (see Bukenya and Golooba-Mutebi, 2019).

The strategy which will be followed to put in place the comprehensive social protection system has yet to be developed, leading to a lack of focus and coordination of efforts in the sub-sector. This is also a key priority: to internalise this strategy in and aligned future iterations of core planning and M&E documents.

Guidance on the roles of MDAs in the social protection sub-sector varies greatly and is unclear. It is no wonder then that coordination between MDAs has proven to be ineffective, and it is likely that the cause of these coordination challenges goes beyond simply coordination mechanisms and understanding, and so requires different solutions. Coordination issues were recommended to be studies in the SP capacity building plan and that remains a need today.

There remain a number of policy and legislative gaps in the sub-sector relating to shock response, refugees, and primary and secondary legislation relating to both pillars of SP. A clear plan of action will be required to address this backlog

Development partners have supported most of the progress made with SP in Uganda to date but there is room for improvement in the effectiveness of their support. This should focus on systematic alignment of DP effort behind the implementation of government strategy in a coordinated way; defragmenting their current programme portfolio; and active and broad-based participation in sector dialogue.

A political economy perspective helps us understand the origin of some of the challenges to SP today, and identify where there is room for manoeuvre for progress going forward. Key areas of focus include financing the forward vision; improvement of coordination and performance improvements not requiring coordination; and local government effectiveness.

Progress in the reform of social insurance and social care and support remains a major issue. The lack of coordination of social protection, both across government and within MGLSD, is not supporting even progress and strong lines of accountability across the sub-sector. Social insurance reforms are still waiting to be addressed through legislation and institutionally, but there is still a siloed approach to governance and reform. And there is a perception that social care and support has been neglected.

Progress on development of social care and support as a fully operational pillar of the NSPP is extremely slow. Seven years following the first review and recommendations for developing the system[328] and five years on from its introduction as a specific component of social protection policy, little has changed. Whilst approaches for community-based child protection mechanisms are emerging from the response to orphans and other vulnerable children, these have yet to achieve national-scale coverage. Most services continue to be provided by non-state actors.

[328] Source: Bilson, et al (2013)

5.9 Chapter recommendations

5.1: Clarify the definition of social protection as set out in the policy for each of the components, and for shock-responsiveness and refugees, to support planning and budgeting

5.2: Put in place governance arrangements required for the comprehensive SP system, informed by the vision for social protection, this review and comprehensive institutional analysis

5.3: Work towards institutionalisation of the national vision for social protection through validation and communication and put the vision at the centre of MGLSD SP system planning

5.4: Ensure planning of the next Social Development Sector Plan and the National Social Protection Policy Programme Plan of Interventions are fully aligned with the policy, the future vision for social protection, each other, and incorporate lessons from this review

5.5: Ensure regular and systematic monitoring of progress against NSPP and SDSP targets to allow learning and course-correction

5.6: Develop strategy for how the social protection sector will be taken forward in the light of this review and its focus on the 'systems agenda', which captures the key elements of the vision, policy and governance issues and is mainstreamed in core planning documents including a revised NSPP Roadmap and a revised NSPP PPI

5.7: Progressively coordinate and align development partner support to assist government to develop its strategy on social protection and implement its policy and future vision

5.8: Address legislative gaps for direct income support, PSPS and NSSF reform including the introduction of pooled risk and employee rights, and social care and support

5.9: Develop governance structures for the contributory system as a whole, which will require clarifying the policy direction; tightening control of social security policymaking within MGLSD; clarifying the remit and channels of communication between the Directorates of Labour and Social Protection; and bringing in all relevant current and future stakeholders

5.10: Develop a shock-responsive social protection strategy nested within the vision for social security and ensure NDP3 reflects what shock-responsive social protection can do in response to shocks

5.11: Ensure shock-responsive social protection is embedded within wider social protection system development and does not run ahead

5.12: Identify actions required to enhance performance at local government level to enable vertical coordination of social protection

5.13: Review the role of LIPW in Uganda and incorporate conclusions in the final vision document

5.14: Integrate the delivery of social protection support to refugees within the social protection delivery system and consider whether programmes for refugees should be integrated with support to the rest of the population

5.15: Clarify the rights of refugees to social protection in secondary legislation and national policy

6 Expenditure and financing of social protection in Uganda

Chapter summary

- Social security spending has risen as a percent of GDP, as a result of increased spending on the contributory NSSF and the PSPS retirement pension.
- Direct income support spending is unchanged as a percent of GDP and remains low by international standards, and total social spending is a falling share of government spending.
- NSSF spending has increased since the 2014 social protection sector review, mainly as a result of a large increase in the number of recipients.
- Spending on social care and support is mainly from donors and government spending on social care and support is not readily available.
- The share of social security financed by government is unchanged while the share from contributions has increased and the share from donors has decreased.
- Donors still dominate direct income support funding which affects fiscal sustainability but a
    - significant success since is most of the SCG is now government-financed.
- Financing of an expansion of direct income support should come from core tax revenues, which, done gradually, would still allow other sectors to continue with expansion plans.
- Shock-responsive social protection needs to expand, with financing options including government, IFIs, donors and sovereign insurance.
- An expansion of the NSSF will be financed by contributions, though this will be limited by the persistence of labour market informality.
- Reform of the tax-financed PSPS to make it more contributory is an urgent priority.
- Financing of social care and support should be from core tax revenues, but the first step is to articulate the scale of investment required.
- Budget performance of SAGE has significantly improved helped by SAGE being placed within recurrent spending in the government budget.
- Donor funding of direct income support does not always go through government systems, with implications for public financial management in Uganda.
- MGLSD has already started engaging effectively with the planning process, but there are important additional steps ahead on planning and budgeting.

6.1 Introduction

This chapter addresses levels of social protection spending in Uganda and prospects for future financing. It sets out how social security spending has changed since the 2014 social protection sector review.[329] Social care and support is still in the process of being defined, so information is patchy. Current spending is funded from different sources including tax revenue from the citizens of Uganda, contributions to the contributory NSSF, and donors. Issues relating to programme budgeting are also addressed here.

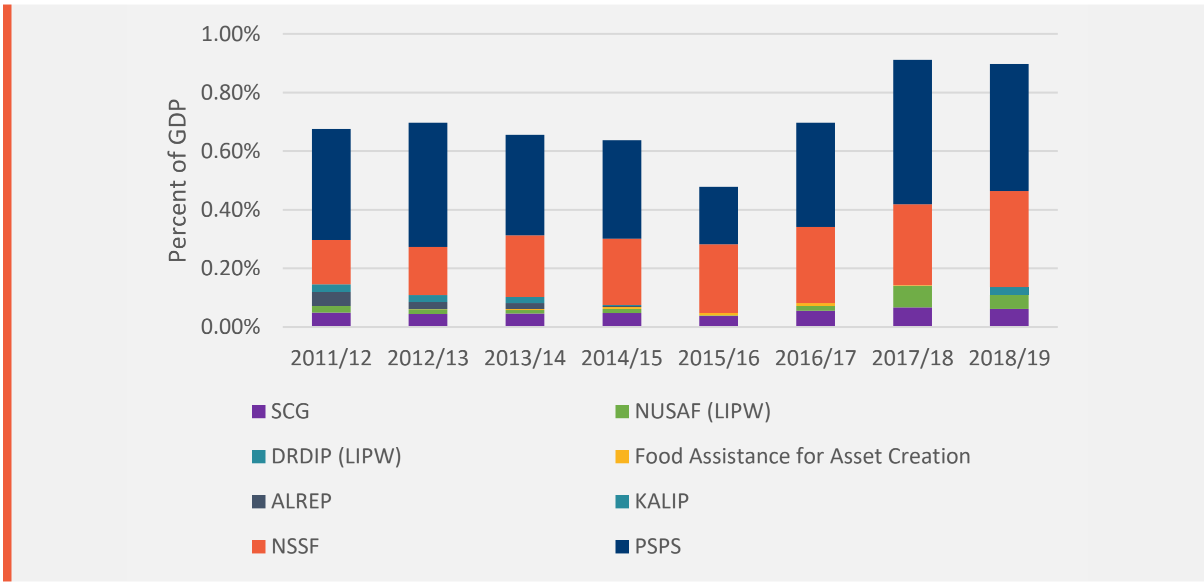
[329] Source: MGLSD (2014).

6.2 Current spending on social protection in Uganda

6.2.1 Social protection spending in Uganda

Social security spending has risen since the last social protection review in 2014, as a percent of GDP. Figure 64 and Table 10 show the level of spending by programme by year, as a proportion of GDP. Total spending on social security has risen from 0.67 to 0.90 percent of GDP since 2011/12. A breakdown of spending by programme by year in UGX billion is at Table 11.[330] Total spending for social care and support is not available.

Figure 64: Social security spending in Uganda by programme (percent GDP)



The rise in overall social security spending is a result of increased spending on the contributory NSSF and the PSPS retirement pension. Both have risen over the period shown in Figure 64, the NSSF from 0.15 to 0.33 percent of GDP and PSPS from 0.38 to 0.43 percent of GDP. The NSSF and PSPS represent 84 percent of social security spending in 2018/19, an increase from 2011/12 when it was 79 percent.

[330] Note: There is an element of doubt over the accuracy of the historic PSPS figures, whereas as figures for most recent years are reliable. However, this is unlikely to affect key messages in this review.

Table 10: Spending on social security programmes in Uganda (percent of GDP) [331]

		2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Direct income support	SCG	0.05%	0.04%	0.05%	0.05%	0.04%	0.06%	0.07%	0.06%
	NUSAF (LIPW)	0.02%	0.02%	0.01%	0.01%	0.00%	0.02%	0.07%	0.05%
	DRDIP (LIPW)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.03%
	Food Assistance for Asset Creation	0.00%	0.00%	0.00%	0.01%	0.01%	0.01%	0.00%	0.00%
	ALREP	0.05%	0.02%	0.02%	0.00%	0.00%	0.00%	0.00%	0.00%
	KALIP	0.03%	0.02%	0.02%	0.00%	0.00%	0.00%	0.00%	0.00%
	Total	0.15%	0.11%	0.10%	0.07%	0.05%	0.08%	0.14%	0.14%
Contributory programme	NSSF	0.15%	0.16%	0.21%	0.23%	0.23%	0.26%	0.28%	0.33%
Retirement pension	PSPS	0.38%	0.42%	0.34%	0.33%	0.20%	0.36%	0.49%	0.43%
Grand total		0.67%	0.70%	0.66%	0.64%	0.48%	0.70%	0.91%	0.90%

Table 11: Spending on social security programmes in Uganda (UGX billion)

		2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Direct income support	SCG	26.2	27.4	30.5	34.5	29.9	51.3	66.7	69.0
	NUSAF	11.2	9.3	8.3	10.7	1.3	14.6	75.2	51.5
	DRDIP	0.0	0.0	0.0	0.0	0.0	0.0	0.0	28.8
	Food Assistance for Asset Creation	0.7	0.8	2.2	4.4	6.8	8.4	1.1	0.0
	ALREP	25.1	15.1	12.9	2.8	0.0	0.0	0.0	0.0
	KALIP	14.1	14.1	13.7	1.6	0.0	0.0	0.0	0.0
	Total	77.3	66.7	67.6	54.0	37.9	74.3	143.0	149.4
Contributory programme	NSSF	79.4	101.4	140.1	165.9	186.6	238.8	278.3	360.0
Retirement pension	PSPS	201.1	260.3	228.7	244.2	157.7	326.1	495.3	477.8
Grand total		357.8	428.3	436.3	464.1	382.2	639.2	916.5	987.2

[331] Sources: ESP-PMU staff, OPM staff, NUSAF staff, World Bank (2016b), WFP staff, NSSF staff. MoPS staff and MoFPED Budget Background Paper 2017/18.

6.2.2 Direct Income Support spending

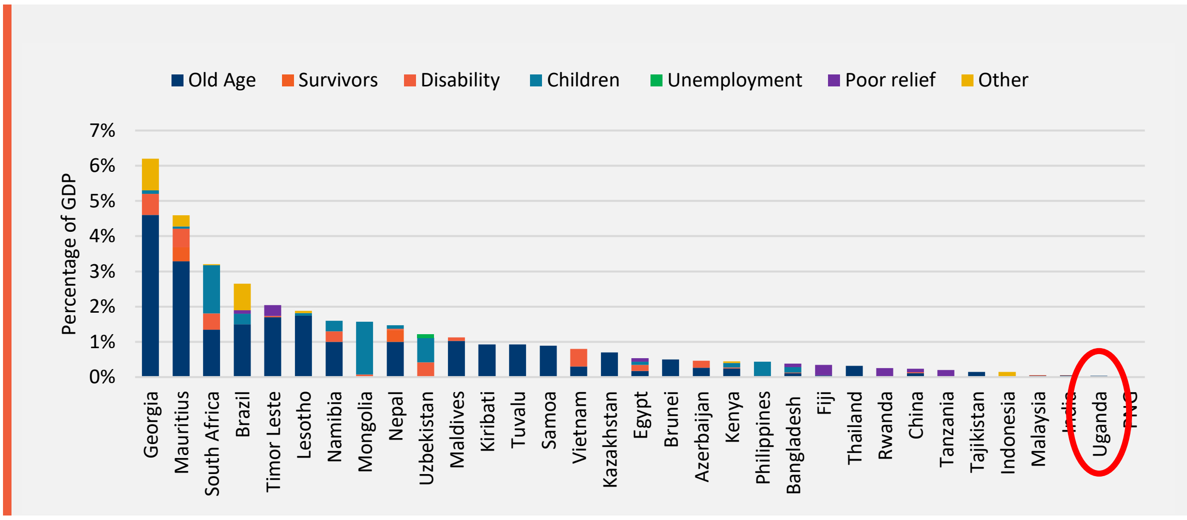
Current spending

Direct income support spending is mainly unchanged since the last social protection sector review as a percent of GDP, though it has fallen and risen again in the meantime. Spending on direct income support was 0.15 percent of GDP in 2011/12 and 0.14 percent in 2018/19. Spending on the SCG has been flat as a proportion of GDP over most of the period shown in Figure 27 and Table 10, though it has risen gradually and is now 0.06 percent of GDP. Spending on LIPW in NUSAF has risen with the implementation of NUSAF3 (now 0.05 percent of GDP) and LIPW in DRDIP, supporting refugee-hosting communities, has just started operations (0.03 percent of GDP). NUSAF has allocated USD 12 million to Disaster Risk Financing (DRF), which funds shock-responsive LIPW within NUSAF, and has already scaled up twice in response to drought. The Northern Uganda Agriculture Livelihoods Recovery Programme (ALREP) and the Karamoja Livelihoods Programme (KALIP), both of which operated LIPW, stopped in 2015.[332]

There are also some smaller direct income support initiatives. SIDA is providing USD11.8 million over 5 years for child-sensitive cash transfers in West Nile for refugee-hosting areas, starting 2019/20.[333] And, Kampala City Council Authority is from 2019/20 implementing the Adolescent Girls' Cash Plus Mentoring Programme. This provides monthly cash transfers to 1,500 adolescent girls aged 14 to 18, or their caregivers, to support school retention.

Spending compared to other countries

Figure 65: Tax-financed direct income support spending in low and middle-income countries[334]



Currently, spending on direct income support in Uganda is low by international standards. Figure 65 shows tax-financed direct income support spending by country, with Uganda at the

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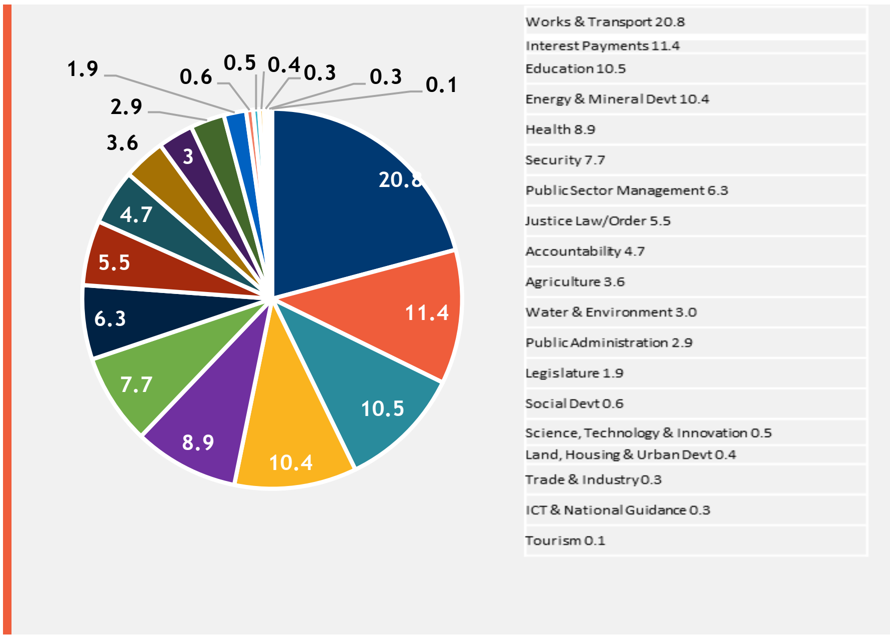
[332] Note: Total costs have been included for ALREP and KALIP because separate LIPW costs were not available, as they were for NUSAF and DRDIP. This is unlikely to affect key messages in the review.
[333] Source: MGLSD et al (2019). USD 0.4 million is programmed for system development.
[334] Source: Programme administrative sources.

lower end (highlighted), and below neighbouring countries Kenya, Tanzania and Rwanda. Rwanda has a similar GDP per capita to Uganda, so the difference between the countries is not a result of being at different stage of development.

Spending in the context of the wider budget

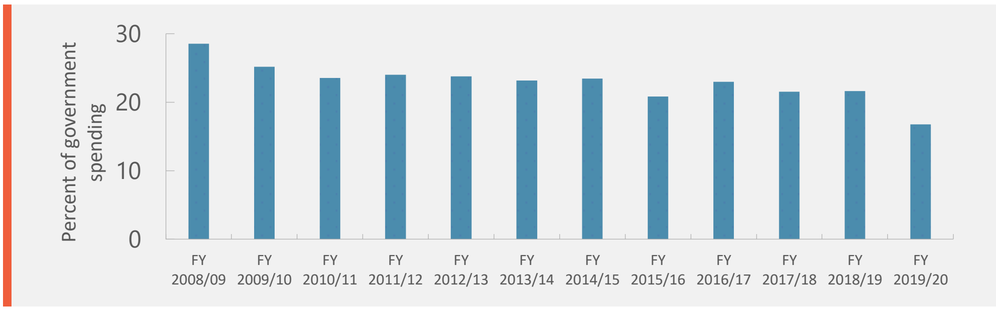
Government spending on direct income support is part of the social development sector, which has a small budget allocation relative to other sectors. Social development includes labour and employment, community participation in development, youth development, rights, gender equality and women's empowerment and countering discrimination, as well as social protection. Figure 66 shows the social development sector, which includes the SCG and other parts of MGLSD budget, is just 0.6 percent of the government budget in 2019/20, one of the smallest sectors across government.

Figure 66: Government of Uganda budget allocations, 2019/20



Trends in wider social spending

Figure 67: Total social spending as a proportion of government spending in Uganda[335]



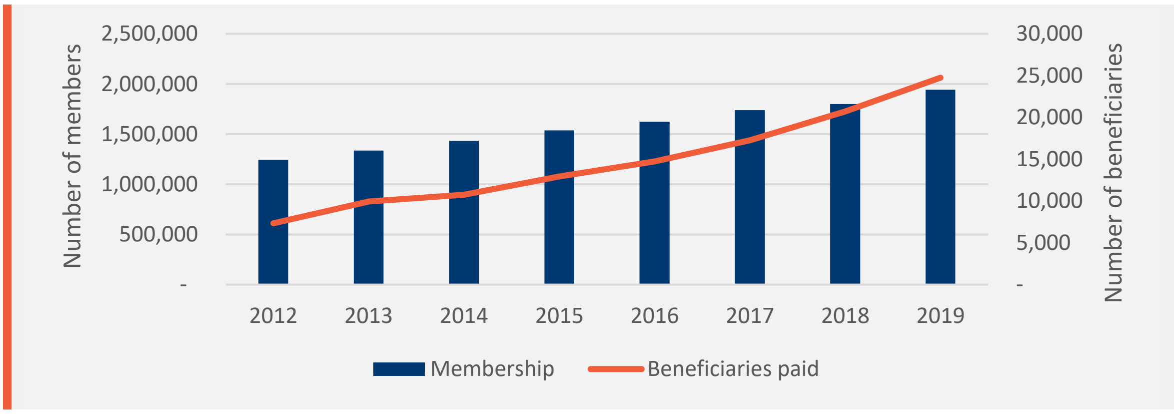
[335] Source: IMF staff.

As well as social development spending being relatively low, total social spending in Uganda, including health, education and social protection, is a declining share of government spending. Figure 67 shows that social spending in Uganda, as a proportion of overall government spending, is on a downward trend. This correlates with the decline in growth and the decline in human development relative to neighbouring countries, described in Chapter 2.

6.2.3 The National Social Security Fund (NSSF)

NSSF spending has increased since the 2014 social protection sector review, mainly as a result of an increase in the number of recipients. Coverage in the NSSF had been steadily growing since 2012 from around 1.2 million in 2012 to around 1.9 million in 2018/19, as shown in Figure 68. There was also a sharp increase in the number of recipients paid over the same period, rising from around 7,300 in 2012 to nearly 25,000 in 2019, nearly a fourfold increase. The graph also shows that the number of recipients has risen faster than the number of total members over this same period.

Figure 68: NSSF members and recipients[336]



6.2.4 Social care and support spending

Aggregated data on government spending on social care and support is not available. Government spending on institutional care is not available from budget documentation. To quote a recent evaluation, "costs for providing residential services have not been estimated, and there are no specific budget lines for providing these services at central or local government level".[337] The same is true for the provision of family strengthening services, "there are no budget lines for providing these services at the central and local government level".[338] At a national level, much of the funded government activity relates to policy and legislative development with less of a focus on operationalisation. Recent efforts to cost social work case management (based on donor-funded project implementation data), was unable to assess quality relative to cost.[339]

[336] Source: NSSF staff.
[337] Source: USAID (2018).
[338] Source: Ibid.
[339] Source: USAID (2019).

Spending is mainly from donors, but even this spending is not always available in aggregated form. MGLSD acknowledges that investments in social care and support are under-funded and there is a heavy reliance on donor resources for local service delivery. This tends to be project-based and geographically focused. USAID invest in HIV and AIDS response and spent USD 23.7 million on orphans and vulnerable children in 2018. DFID and UNFPA also invest in social care and support, although precise spending figures are not immediately available. Government is not keeping track of the financial contributions of private sector and development partners to family strengthening services and social care and support more generally. It needs to more closely monitor donor spending, in the context of wider spending on social care and support

Evidence of a lack of government spending is the shortage of funds for local government staff. Community Development Workers (CDWs) play a key role in communities, but their operational funds have reduced by 80 per cent in real per capita terms since 2007. To quote a recent UNICEF study, "CDWs are intended to ensure services are effectively delivered across sectors and to refer cases of child violence. However, limited and reduced operational funds have meant they are unable to perform these tasks effectively".[340] Districts covered in a recent evaluation of support for orphans and vulnerable children found that "probation and social welfare received less than 1 percent of the total MoGLSD budget".[341]

Government investment in social care and support remains limited and inconsistent. The MGLSD acknowledges that investments in social care and support are under-funded and there is a heavy reliance on donor resources for local service delivery. Much of the funded activity relates to policy and legislative development at the national level, with a reduced focus on the transition to operationalisation.

Advocacy for social care and support can only be made based on an understanding of current spending versus need within the pillar. Given that the provision of social care and support services has been tabled as a priority at the highest levels for some years, and that systemic progress has been slow, advocacy and engagement of MGLSD at senior management level with Ministry of Finance and Economic Planning, and Ministry of Public Service/Local Government, is critical because of the implications for financial and human resourcing. But this depends on an understanding of the current level of spend which in turn depends on a clear definition of the boundaries of social care and support in Uganda.

6.2.5 Spending on selected complementary programmes

There are programmes that are complementary to social security programmes within MGLSD. In terms of programmes within MGLSD, the 2019/20 budget for the Youth Livelihoods Programme (YLP) is UGX 3.3 billion, down significantly reduced from UGX 39 billion in 2016/17. The budget has been cut because the programme is intended to be a self-sustaining revolving fund. By comparison the 2019/20 budget for the Uganda Women's Entrepreneurship Programme (UWEP) is UGX 33.0 billion. It may be cut in future, like the YLP, as it also operates a revolving fund.

[340] Source: UNICEF (2018b).
[341] Source: USAID (2019).

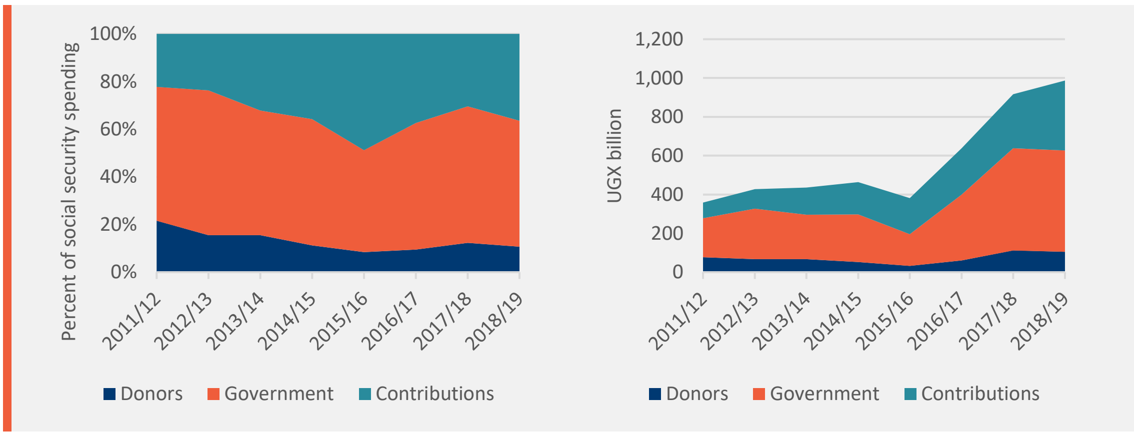
There are also complementary programmes outside MGLSD, for example public infrastructure programmes (PIPs). PIPs are carried out in a number of ministries including Works and Transport, Water and Environment, Agriculture, Animal Industry and Fisheries and other ministries. In total, there are seven ministries which represent more than half the overall government budget. While PIPS already involve employing people, to some degree, there is the potential to introduce employment targets to make them socially protective. However, this is likely to require a transfer of resources to the relevant ministries, which are currently guided by infrastructure targets not employment targets.[342] There are also complementary programmes in other sectors such as health and education, but these fall outside the scope of this review.

6.3 Financing of social protection

6.3.1 Financing by funding source

The share of social security financing from government is largely unchanged since the last social protection review, while the share from contributions has increased and the share from donors has decreased. Figure 69 shows how the shares from different sources of funding have shifted since the last review, in terms of percentage share and UGX billion. Contributions to the NSSF have increased as a share of total social security funding from 22 to 36 percent and donor share has declined from 22 to 11 percent. The government's share of overall social security spending is unchanged at just over half, which is predominantly PSPS spending, financed from tax revenues rather than contributions.

Figure 69: Funding of social protection in Uganda by source



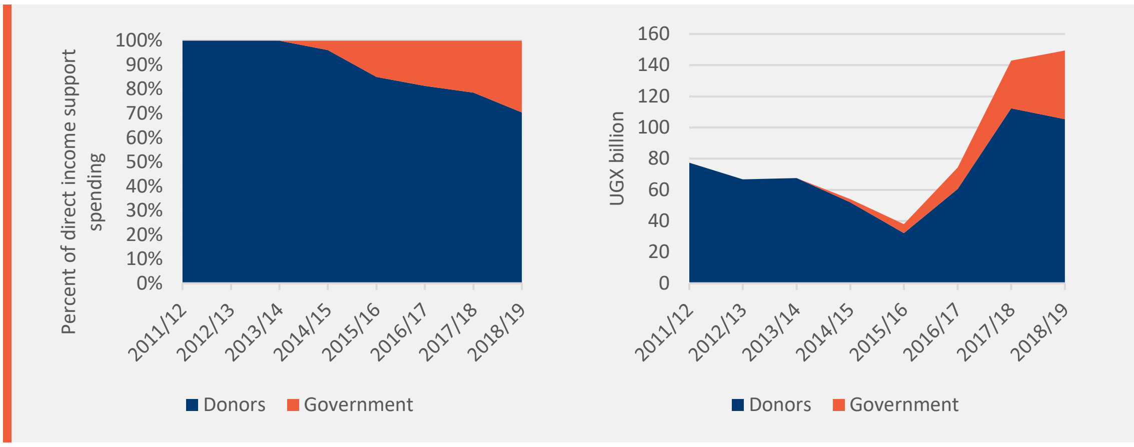
Donors still dominate direct income support funding which affects fiscal sustainability. Figure 70 shows funding of direct income support by donors and government in terms of percentage share and UGX billion. DFID and Irish Aid are funding the donor-funded part of the SCG and the World Bank NUSAF3 and DRDIP.[343] While the government's share has increased, to 30 percent in 2018/19, donors still dominate. This reduced fiscal sustainability

[342] Source: MGLSD (2019).

[343] Note: NUSAF 3 and DRDIP are funded by a combination of IDA concessional loans and grants. Concessional loans are, arguably, a mid-point between being donor-funded government-funded because the terms of the loan are significantly below market rates.

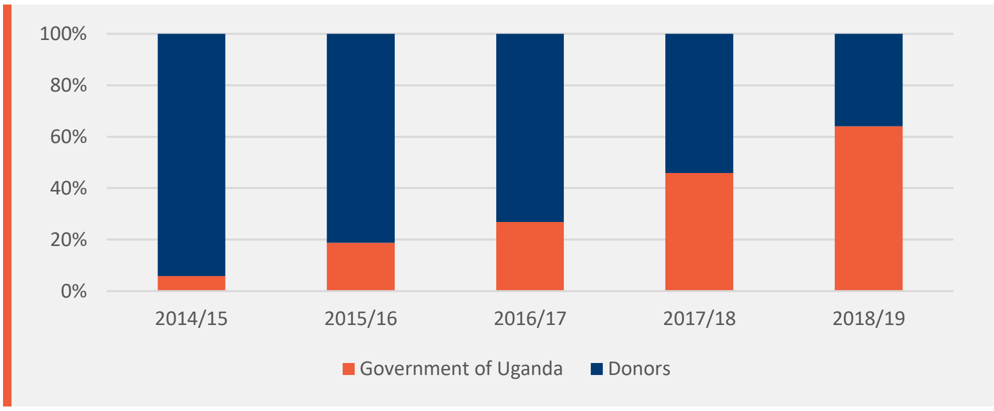
because donors provide support through time-limited programmes. Control of funding is not within the hands of government.

Figure 70: Funding of direct income support in Uganda by source



A significant success since the 2014 social protection review is the Government of Uganda now funding a majority of the SCG. Figure 71 shows the share of the SCG funded by the Government of Uganda and donors. It shows the government share is on an upward trend and it now finances the majority of the programme. This increases both funding sustainability and accountability, bringing the financing of the SCG under government control.

Figure 71: Government of Uganda and donor share of SCG funding[344]



A number of donor-funded direct income support programmes have stopped since the last social protection sector review in 2014, which illustrates the lack of fiscal sustainability of donor-funded programmes. Food Assistance for Asset Creation, funded by WFP, stopped in 2017, and the Northern Uganda Agriculture Livelihoods Recovery Programme (ALREP) and the Karamoja Livelihoods Programme (KALIP), both EU-funded, stopped in 2015.

[344] Source: PMU. 2018/19 proportions are as at January 2019.

6.3.2 Future financing of direct income support

Plans for expanding direct income support

The Government of Uganda plans to roll-out the SCG nationally to all 60 years of age and over. The SCG will expand with the planned national roll-out to those 80 years of age and over by 2019/20 and 60 years of age and over by 2021/22. The cost is forecast to increase from its current level of UGX 69 billion to UGX 142 billion in 2019/20 and UGX 525 billion in 2021/22. For 2019/20, donors have committed UGX 50 billion and the budget commits UGX 63 billion, so there is currently a shortfall of UGX 29 billion.[345] But it is important the SCG is rolled out as planned to establish it as a cornerstone of the future social protection system.

As discussed in Chapter 4, the government has also developed a wider vision for direct income support, and for the social protection system as a whole.[346] The planned expansion of direct income support in the vision is shown in section 4.2.2. The target is for direct income support spending to reach 1.5 percent of GDP in 2030/31, taking Uganda to a mid-scale point in comparison to *current* levels of spending in other countries.

6.3.3 Funding an expansion of direct income support

Any future growth in social protection spending must be fiscally sustainable. It will need to be financed in a way that is consistent with fiscal constraints, with macroeconomic stability and with the Government of Uganda's wider strategy for growth and development. The government's vision for social protection assumes donor funding of direct income support will end when current programmes close, so funding needs to be from other sources.[347]

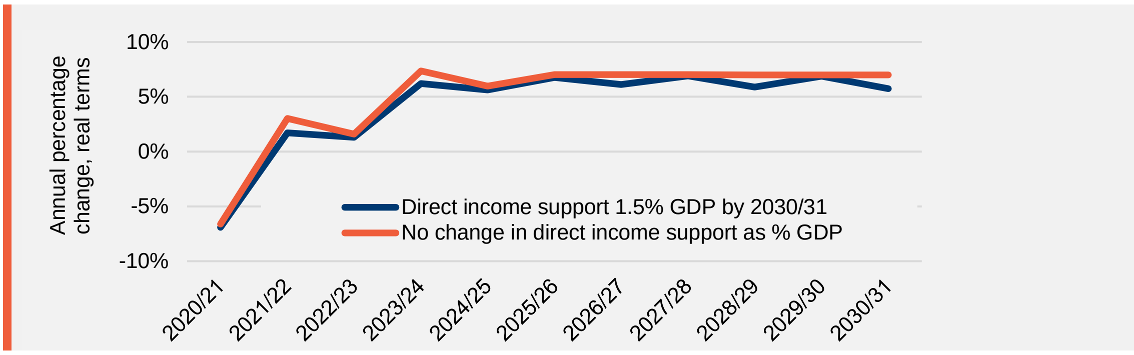
There are a number of options for increasing financing, including diverting resources from existing programmes, though this is likely to be difficult to implement. Resources could be diverted from, for example, agricultural input subsidies in Uganda, which are regressive (the proportion in receipt increases by wealth quintile), and expensive. The 2018/19 budget allocation for the National Agricultural Advisory Services (NAADS), primarily subsidies, was UGX 280 billion, many times more than current government spending on direct income support.[348] However, there is likely to be strong resistance from existing recipients. Alternatively, money could be diverted from existing emergency response spending. Current spending on emergency and humanitarian support includes UGX 616 billion on General Food Distribution in 2018/19 by WFP, and UGX 685 billion by UNHCR in support of refugees and host communities for the same year. However, while this spending is significant, it is questionable whether these resources could be successfully and sustainably diverted into social protection, in part because so much is sourced through annual UN appeals and is ad hoc rather than recurrent in nature.

An alternative is using natural resource revenues, but this would also present significant challenges. Oil revenues are expected to start in the mid-2020s and generate 0.5 to 4 percent of GDP per year.[349] Policy on spending revenues is still evolving but it is highly likely revenues

345 Source: MGLSD (2019).
346 Source: MGLSD (forthcoming).
347 Source: Ibid.
348 Source: World Bank (2010).
349 Source: IMF (2019).

will be overcommitted. There are also views that oil revenues will be required to service and pay off Uganda's rising public debt and should not be over-committed to new spending. The Uganda PFM Act 2015 states oil revenues can only be used for investment, but it is not clear whether this could include social spending, as an investment in human capital. Earmarking oil revenues for social protection also exposes the sector to the risk of changing commodity prices, which could create pressure to cut spending (as happened recently in Mongolia, for example).

Figure 72: Forecast real growth in non-social security spending with and without an increase in direct income support spending to 1.5 percent of GDP by 2030/31[350]



The government's vision for social protection proposes funding from core tax revenues, for which there may be a growing consensus. Funding from core tax revenues is the most sustainable option for social protection funding. It would involve rebalancing government spending, with social protection becoming a core part of the government's strategy for inclusive growth and development and for creating a healthier and more productive work force. There may be an emerging consensus for this. To quote the latest IMF Article IV report: 'while the ongoing prioritization of infrastructure spending is expected to continue, there are some signs that Government may become more flexible with regards to the overall balance between infrastructure and social spending'. There may be an emerging consensus for higher investment in human capital in Uganda.[351]

Recent evidence shows that investing in human capital is as important as investing in physical capital from the point of view of maximising economic growth. A 2019 IMF and African Development Bank study found through modelling that investments in human capital (in this case education) are as important to economic growth as investments in physical infrastructure.[352] In fact, because of low performance in physical infrastructure programmes, the study found that without programme reform, all current investment should go to human capital. A second study for MoFPED found, through Social Accounting Matrix (SAM) modelling, that investment in social protection 'would have comparable macro-economic impacts' to investment in construction.[353]

[350] Source: MGLSD (forthcoming).
[351] Note: Reported in IMF (2019) and seen in MoFPED budget director's 2019/20 budget presentation. Although the panel at the National Budget Conference 12 September 2019 only features ministries covering trade, agriculture, energy and science, and not social sectors, suggesting things may only be moving gradually.
[352] Source: Buffie E. F. et al (2019).
[353] Source: Khondker et al (2019).

The government's vision for social protection has shown direct income support spending can grow in the long-term while still allowing other sectors to continue with expansion plans. Figure 72, from the government's draft vision for social protection, shows the forecast real annual growth in non-social protection spending with and without a significant increase in direct income support spending over the next decade. It shows non-social protection spending would still grow, at a slightly reduced rate. This is possible, in part, because direct income support spending is currently so low.[354]

6.3.4 Expanding disaster risk financing for social protection

Part of the expansion of social protection spending will be the expansion of disaster risk financing (DRF). This will fund shock-responsive social protection, which is a key part of the government's future strategy for addressing vulnerability to covariate (widespread) shocks.[355] Shock-responsive social protection is already being used on a significant scale in African countries such as Ethiopia, Kenya, Lesotho and Malawi.

The introduction of shock-responsive social protection to Uganda is a significant achievement since the 2014 social protection sector review. Shock-responsive social protection has already operated in NUSAF and Food Assistance for Asset Creation. The DRF in NUSAF3 has an allocation of USD 12 million. The new Displacement Crisis Response Mechanism (DCRM) in DRDIP has an allocation of USD 4.5 million. Funding is triggered using indicators of public service provision in refugee-hosting areas.

But shock-responsive social protection needs to expand. This is to reach greater numbers, and to address both slow onset shocks such as drought and fast-onset shocks such as floods or movements in refugees. In terms of programme design, there are a number of options. For example, the SCG could be made scaleable, along with NUSAF and DRDIP, either vertically (increasing the transfer value) or horizontally (widen the population of recipients). And there may be other direct income support options as the government's vision is implemented. In particular, options for increasing access to the child benefit, which would have the highest coverage, could be considered.[356]

For future funding, a standing DRF for lower impact, more regular events may be required. This could be funded either by donors relevant government sectors that will benefit from DRF pay-outs – in the case of social protection, the social development sector. International evidence suggests a standing fund may be most appropriate for regular, lower impact events such as annual flooding or localised drought.[357]

In addition, DRF funds could be scaled-up quickly for larger impact, less regular events. Funding would be provided to the DRF when a shock has occurred or is about to occur. Such funding, for less frequent, higher impact events could come from different sources, including:[358]

[354] Source: MGLSD (forthcoming). Note: the government's vision for social protection also shows how this finding is resilient to changing assumptions on rates of growth and revenue collection as a proportion of GDP.
[355] Source: Ibid..
[356] Source: Ibid.
[357] Source: World Bank (forthcoming).
[358] Source: Ibid.

- **Government of Uganda's Contingency Fund.** Each year, 3.5 percent of the annual budget is set aside, from which fifteen percent can be spent on natural disasters by law (though there may be scope to increase this).[359] Applications to the Fund are approved by the Prime Minister. It has not yet been used for social protection programmes, though it has been used in response to drought, for example in 2016. There may be a need for clearer guidelines on how Fund resources are managed.
- **Contingent credit.** This is through an ex-ante loan agreement with multilateral development banks and international financial institutions.
- **Market-based instruments.** These are products or agreements whereby a government transfers risk to insurance companies, reinsurance companies, banks, and investors. An example of this sovereign insurance is Africa Risk Capacity (ARC), though Uganda is not currently a member of ARC.

While the DRF should expand in the short-term, in the longer-term it may contract as core, national social protection programmes expand. Recipients of core social protection programmes will receive protection from shocks through the guarantee of a minimum level of consumption. But, the increased risk of, for example, climate-related weather events will mean shock-responsive social protection is likely to be required into the long-term.

A new financing strategy may be required as part of the wider strategy for shock-responsive social protection (see Chapter 5 recommendations). This would plan shock-responsive social protection in the context of the wider social security and disaster response system. It could plan for the long-term and take support to refugees, farmers and drought response out of their current silos and describes how sectors will respond in a coordinated and complementary way. Also, building capacity for disaster response, while important, should not detract from building the core social protection system. To quote a recent World Bank report, 'building the capacity of the social protection system to deliver its core protective functions for regular recipients is an essential precursor to adding shock-responsive elements to the system'.[360]

6.3.5 Future financing of the NSSF

The government's draft vision for social protection includes a reformed and expanded national social insurance scheme providing income security and consumption smoothing for risks across the lifecycle. Planned social insurance benefits within the government's draft vision for social security (**Error! Reference source not found.**) include a retirement pension, u nemployment benefit, maternity insurance and a disability pension.[361] Before moving forward with reforms to the sector, there is a need to clarify the basic principles of social security and, specifically, social insurance, which includes risk pooling and the provision of regular and predictable income support for a determined set of risks across the lifecycle. If the NSSF is to provide social security under a social insurance arrangement, this will require changes to the financing structure.

[359] Source: Government of Uganda (2015).
[360] Source: World Bank (forthcoming).
[361] Source: MGLSD (forthcoming).

The NSPP lays out a vision not just for the expansion of the contributory system, but specifically for the expansion of social insurance.[362]: As noted previously, the definition of social insurance in the NSPP is far too broad, when in fact there are crucial differences among the different options for designing contributory schemes. The PPI, which sets out the "introduction] of pensions for private sector workers" as another priority intervention that would require amendments to the NSSF Act, among other reforms.[363] It is not specific with regard to how this would be achieved: it could simply mean that the provident fund structure would remain intact, with the option of providing a pension, scheduled drawdown, or purchasing an annuity (as some, though not many, national provident funds provide[364]), and clearly, some have interpreted it this way.[365]

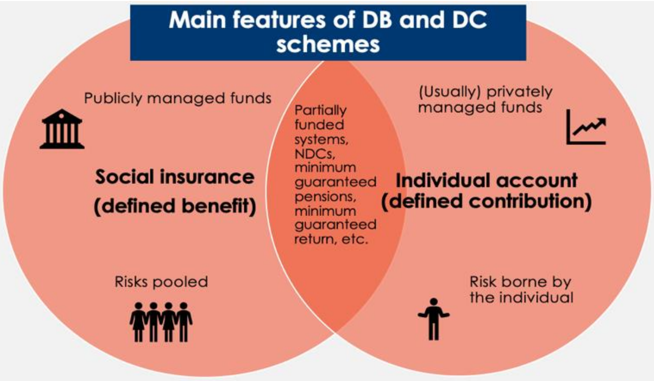
The draft vision that is emerging from the MGLSD —which includes additional contributory lifecycle benefits including cash sickness and maternity, unemployment, and family benefits— strongly points to a social insurance model. This is because social insurance, and specifically pay-as-you-go (PAYG) or defined benefit schemes, are the only vehicle capable of delivering these social security risks in an equitable way. Alternative arrangements, such as defined contribution or 'funded' schemes, have not only failed to achieve many of their intended objectives in pension systems (see Box 9), but they are very rarely used as a mechanism for delivering other social security benefits outside of pensions. Indeed, only a handful of countries uses funded individual accounts for anything other than old-age, disability or survivors pensions.[366] This is largely because so-called 'short-term' benefits like cash sickness or maternity, or unemployment, occur early in a worker's life, before the worker would have been able to accumulate a sufficient account balance under a defined contribution arrangement to replace all or part of his or her income during the period of interrupted employment.

Box 9: A primer on choices in pension design

When designing a contributory social security scheme, there are two quintessential options: 1) a **defined benefit (DB)** arrangement, which specifies a statutory replacement rate for monthly benefits and then sets the mandatory contribution rates necessary to finance the benefits; or 2) a **defined contribution (DC)** arrangement, which specifies mandatory contribution rates which finance accounts that are invested and earn returns.

DC arrangements are often referred to as **'funded'** schemes and typically consist of mandatory individual accounts which are managed by private fund managers. In contrast, DB arrangements are often called **'social insurance'** schemes (due to their cross-subsidization and solidarity-based components), or as 'pay-as-you-go' (**PAYG**) schemes (due to the financing structure whereby today's workers' contributions fund today's retirees and other recipients).

[362] Note: According to the NSPP, "the pillar on social security shall be in two forms, namely; *Contributory schemes* targeting the working population in both formal and informal sectors (**social insurance**); and the *non-contributory transfers* targeting vulnerable children, youth, women, persons with disabilities and older persons (**direct income transfers**)."
[363] Source: MGLSD (2015b).
[364] Source: See ISSA/SSA (multiple years).
[365] Note: Based on interviews with senior officials at the NSSF, URBRA and MoFPED. See also World Bank (2017), which states that NSSF seemed to be leaning toward phased withdrawals due to lack of robust mortality data to accurately price insurance and annuities.
[366] Note: Some examples include Chile and Colombia for unemployment, and Palau and Singapore, which mandate contributions to savings accounts and a provident fund, respectively, for health care. However, it is noteworthy that in all of the cases just cited, the individual account is on top of a mandatory social insurance tier. See ISSA (2017).



Because a provident fund invests all workers' and employers' contributions in a single fund and is permitted to pay a members' full balance as a lump sum, it is neither DB or DC, strictly speaking. But like a DC scheme, it is 'funded'. Provident funds that allow annuitisation or other periodic benefit options begin to more closely resemble DC schemes.

Pension reforms can either be **'structural'** (altering the DB/DC nature of the system) or **'parametric'** (altering eligibility rules, benefit or contribution levels, etc. without changing the nature of the scheme). Since the 1980s, as traditional DB schemes faced serious sustainability challenges due to demographic pressures, there was a strong push for 'privatization' of mandatory public social insurance schemes to convert them to defined contribution schemes. The hope was that private management would bring high investment returns, improve benefit adequacy, deepen capital markets and increase coverage. In fact, most of these reforms failed on each of these and a number of other dimensions.

Decades later, of the 30 countries in Eastern Europe and Latin America that privatised their national pension systems, 18 have re-reformed or **reversed the privatizations** and re-instated mandatory defined benefit public social insurance models. Notably, almost no high-income, democratic countries privatized their public pensions but instead opted for 'parametric' reforms, such as raising the retirement age or adjusting benefit levels, attesting to the popularity and staying power of solidarity-based arrangements from which everyone in society benefits.

Social insurance, on the other hand, funds present-day contingencies with present-day contributions from active workers, on a "pay as you go" basis. This mechanism enables current workers to perceive contributory benefits from social security, contributing to its appeal and stability over time. Furthermore, a defined benefit arrangement enables policymakers to build in cross-subsidization mechanisms from lower earners to higher earners, promoting equity across generations, income levels, and genders. Therefore, if Uganda is to achieve the emerging vision of a robust social security system with social insurance offering key benefits across the lifecycle, it will require a major transformation of the current structure of the NSSF as the central mandatory contributory scheme for the private sector.

For a social insurance reform to move forward, it will be critical to conduct forward-looking actuarial studies to test the feasibility and test the scenarios put forward in the vision. An actuarial study would assess the financial feasibility; propose future contribution rates and benefit levels; and design a grandfathering transitional arrangement[367] that would allow

[367] Note: For example, a transitional arrangement might respect existing entitlements for older members above a certain age, keeping them under the old (provident fund) system rules, while at the same time offering a cohort of younger existing members with some years of contributions a choice between the old and new systems, usually giving them a window of time for the choice before automatically enrolling them in the new system. Finally, the transitional arrangement would automatically enroll all new entrants to the labour market in the new (DB) system

current members a certain degree of flexibility.[368] Depending on the results of the costing forecasts, policymakers might start with old age, disability and survivors, as is currently offered under the provident fund, and then consider a phased introduction of different additional benefits over time. Indeed, many countries have introduced additional benefits gradually over time. Once the actuarial studies have been carried out, policymakers will have a clearer picture of the affordability of different benefits and can then set priorities and targets for their introduction. However, it may be that certain additional benefits -such as child or family benefits —actually complement the objectives of coverage extension by encouraging participation, where their additional cost in the near term may be justified by future gains of new contributors.[369]

6.3.6 Future financing of the PSPS

Public Sector pensions already take a large share of government spending, especially the PSPS. These pensions include the PSPS, the Armed Force Pension Scheme (AFPS) and the Parliamentary Pension Scheme (PPS). Expenditure on public pensions overall has averaged 3 percent of total tax revenue over the last decade.[370] The PSPS on its own cost 0.4 percent of GDP in 2018/19 (Figure 64) and is entirely funded from tax revenues. The PSPS is generous compared to other countries in terms of accrual rates (the rate at which pension entitlement builds relative to earnings) and because it bases pensions on final salary.

The cost of the PSPS is forecast to continue increasing quickly, PSPS arrears are growing, and reform is an urgent priority. World Bank projections show the cost of the PSPS will rise to 0.6 percent of GDP in 2040 and 1 percent by 2080.[371] PSPS arrears have increased rapidly in recent years, from UGX 71.4 in billion in 2011/12 to UGX 561.5 billion in 2015/16, as shown in Figure 73.[372] Suggested reforms include reducing accrual rates; replacing final salary with career average salary pensions; and gradually introducing employee contributions.[373] The government is currently considering introducing a contributory component to the PSPS, which would significantly ease the liability for funding expensive civil service pensions.

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[368] Note: It is important that the actuarial study be carried out by actuaries who are experienced in designing and analysing defined benefit schemes and modelling. For example, the ILO offers support for countries engaged in developing their pension systems and have developed a pension model that facilitates actuarial valuations and forecasts. See https://www.ilo.org/secsoc/information-resources/publications-and-tools/Toolsandmodels/WCMS_SECSOC_7966/lang--en/index.htm.

[369] Note: See McClanahan, et al. (forthcoming) for a more detailed discussion of specific design features — including the addition of new social insurance benefits — that can encourage participation in a future social insurance system.

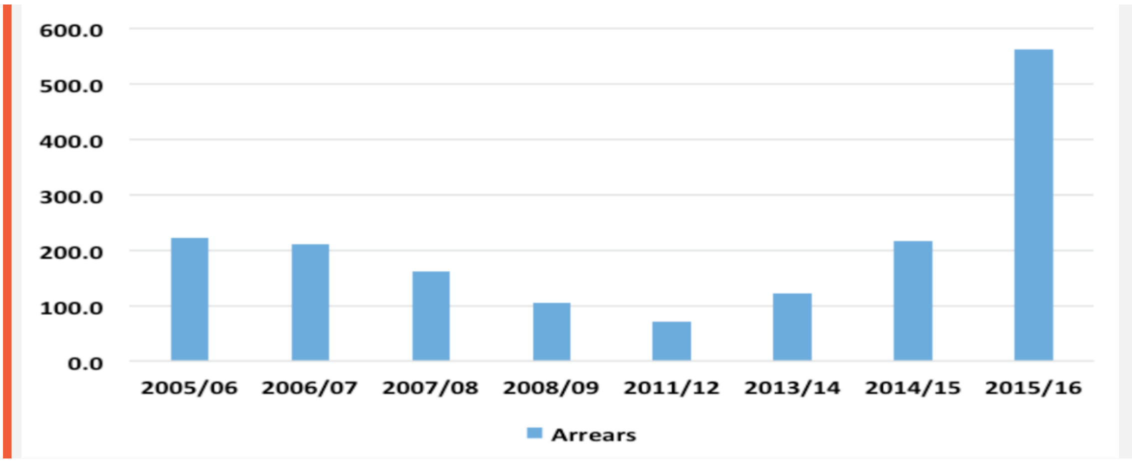
[370] Source: World Bank (forthcoming).

[371] Source: Ibid.

[372] Source: Ibid.

[373] Source: Ibid.

Figure 73: Public Service Pension Scheme Arrears (UGX billions)[374]



6.3.7 Financing a future NHIS

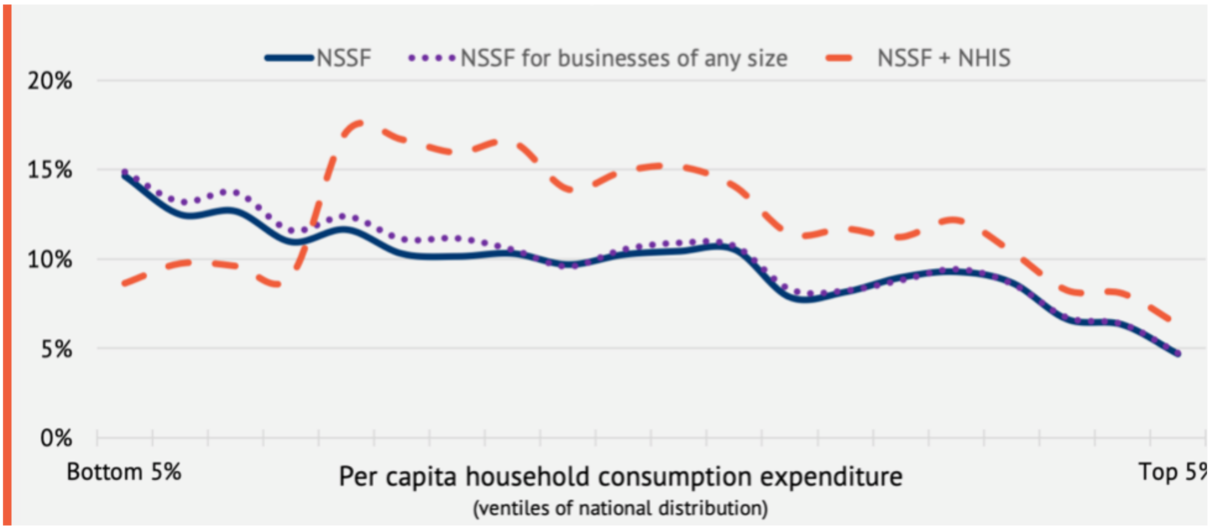
The draft NHIS bill proposes a financing mix of mandatory contributions and subsidies for defined vulnerable groups. The NHIS financing proposal would levy an additional contribution of 4 percent on workers in the formal sector, which would increase their total mandatory social contributions from 5 percent (NSSF) to 9 percent (NSSF + NHIS). Employers would face a significantly lower additional contribution for the NHIS, paying an additional 1 percent on top of existing obligations, bringing their total contribution to 11 percent of payroll. The NHIS proposal would also levy contributions from workers in the informal economy and exempt vulnerable populations or indigents from the obligation to pay contributions. A reserve fund would be created to invest any surplus revenue.

Social contributions are costly, and the impact of additional contributions on workers and enterprises will need to be considered. For example, Figure 74 shows the average individual contribution as a percentage of household consumption, for various the status quo (NSSF) and two scenarios of contributory system reform (NSSF Amendment Bill, and NHIS), across the wealth distribution. The addition of the NHIS would represent a significant portion of household expenditure, particularly at lower ends of the wealth spectrum; however, for workers and their families at higher ends of the spectrum, the relative cost would be considerably lower.[375]

[374] Source: Serunjogi and Munyambonera (2017).

[375] Note: The analysis has attempted to account for the NHIS contribution exemption for indigents ("poor people" (OVC, older persons, PWDs, destitute and refugees). It has not considered the reduction in out of pocket health expenditures that would occur as a result of the reduced cost of health care under the NHIS.

Figure 74: Average individual contribution as a percentage of household per capita expenditure[376]



Among the key challenges will be to develop a strategy for collecting and managing NHIS contributions, including implementing special provisions for the self-employed and vulnerable groups. As noted in Section 5.4.3, the NHIS proposal would presumably require an additional contribution collection function within the MoH, which will introduce a number of administrative challenges. In particular, it is unclear how the flat contributions from the mostly informal self-employed population would be enforced, as there is currently no functioning income declaration mechanism in Uganda that can be utilised by the vast majority in the informal sector. The conditioning of benefit provision on the payment of contributions (and the application of penalties for non-payment), without a robust income declaration and contribution collection system in place poses serious challenges for the fulfilment of the right to health care for populations with low or irregular contributory capacity. Relatedly, for the NHIS to work, the Government will need to clarify its strategy for identifying those who lack the ability to pay, but who also require health coverage. As noted in Section 3.1.2, it is very difficult to identify the poor at any given moment because incomes are inherently dynamic and volatile.

The NSSF has also proposed an alternative financing regime for a future NHIS. The NSSF proposal, which was recently submitted as part of Parliamentary consultations on the NHIS bill,[377] proposes that the NSSF be granted responsibility for collecting contributions on behalf of a future NHIS. It also proposes an alternative financing regime that would consist of an additional 1 per cent contribution for workers who are formally employed (significantly lower than the 4 percent under the NHIS bill proposal), 1 percent by employers, 1 percent of the pension for pensioners, and 1 percent of the minimum wage for adults in the informal economy (see Section 5.4.2). The lower rates are possible because the fund would be earmarked for 'the establishment, expansion, and maintenance of the health care capital

[376] Source: Based on analysis of UNHS 2016/17. See McClanahan, et al. (forthcoming).
[377] Source: URN (2019) and NSSF (2019).

infrastructure'[378] and 'would not cover wages and salaries, and other operating expenses of the health care sector, which would remain the responsibility of the central government.'[379]

The NSSF proposal has the potential to contribute to the institutional development of the contributory system more broadly. It would capitalise on the NSSF's institutional experience and infrastructure related to contribution collection for the formal sector, while also potentially allowing the NSSF to increase coverage by tying contributions to a tangible benefit in exchange for contributions from workers in the informal economy. Because of its potential to contribute to the development of the contributory system as a whole, it therefore merits further consideration. However, importantly, the proposal does not resolve the challenges identified above with regard to identifying those who lack the capacity to pay, or penalising or withholding care from vulnerable or low-income persons due to non-payment.

6.3.8 Financing social care and support

Financing of social care and support should be from core tax revenues, but the first step is to articulate the scale of investment required. The provision of social care and support services has been stated as a government priority for a number of years. But systemic progress has been slow. Advocacy and engagement of MGLSD at senior management level with MoFPED, MoPS and MoLG officials will be critical to work through the implications for financial and human resourcing. The Social Sector Development Plan sets out ambitious plans for expansion, but measures need to be fully costed.[380]

The cost of inaction and consequences for human capital development should be part of the discourse when making the case for integrated social protection in Uganda. The costs of interpersonal violence are borne by society in general. This relates to both cost of treatment and loss of productivity.[381] UNFPA report that "In Uganda, about nine per cent of violent incidents forced women to lose time from paid work, amounting to approximately 11 days a year, equivalent to half a month's salary, affecting not only the incumbent person but her family and dependents";[382] and ending child marriage in Uganda could generate USD 514 million in earnings and productivity.[383] We also know that the effects of toxic stress on brain development of children have long-term severe detrimental effects which can affect the potential to harness the demographic dividend.[384] The global cost of violence against children is in excess of USD 7 trillion and the annual global costs of the worst forms of child labour are estimated at USD 97 billion. Such costs will be incurred in Uganda. In addition, the proliferation of institutional care for children impacts negatively on their physical, cognitive and emotional development with long term consequences and costs for society.[385] At the same time, dialogue on disability rarely recognises the substantial economic benefits for inclusion of persons with disabilities.[386]

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[378] Note: According to the proposal, this would include "buildings (administration, wards, laboratories and residences), pharmacy services, equipment & furniture, and related specialized personnel training."
[379] Source: NSSF (2019).
[380] Source: MGLSD (2016c).
[381] Source: WHO (2004).
[382] Source: Remarks by UN Assistant Secretary-General and Deputy Executive Director of UN Women, Lakshmi Puri at the high-level discussion on the "Economic Cost of Violence against Women", September 21, 2016.
[383] Source: Girls not Brides and World Bank (2017).
[384] Source: https://developingchild.harvard.edu/science/key-concepts/toxic-stress/
[385] Source: see the Centre for the Developing Child at Harvard University Key Concepts https://developingchild.harvard.edu/science/key-concepts/
[386] Source: Bond (2016).

Making the case for social care and support requires better data and for this to be acted on. Assessing the scale of appropriate interventions relies on the availability of appropriate data. However, even where this exists it is not always acted on. The 2019 Violence Against Children Survey[387], reports that Uganda is in the midst of a public health crisis, given that prevalence rates of sexual violence experienced by children is in excess of 35 per cent; however, there is no prevention and response strategy in place. This makes the development and implementation of a costed strategy and operational framework for social care and support even more urgent.

MGLSD could allocate recurring financing to improve the institutional capacity of local Government Officers for prevention and response. Based on a national capacity assessment, this should include investments in infrastructure (offices and equipment), other resources (transport, emergency funds), workforce (training and continuing professional development). The focus of action will be both on prevention by increasing capacity of community and families to protect, care and support, and response by instituting a mechanism for multi-sectoral collaboration, referral and coordination.

6.4 Budgeting issues for direct income support

6.4.1 Introduction

There are a number of budgeting issues that affect the effectiveness and sustainability of social protection programmes. These affect direct income support programmes which are funded by government and donors. Issues include budget predictability – the relationship between budget figures and actual releases, the flow of funds through government systems, and ministry engagement with the annual budget process.

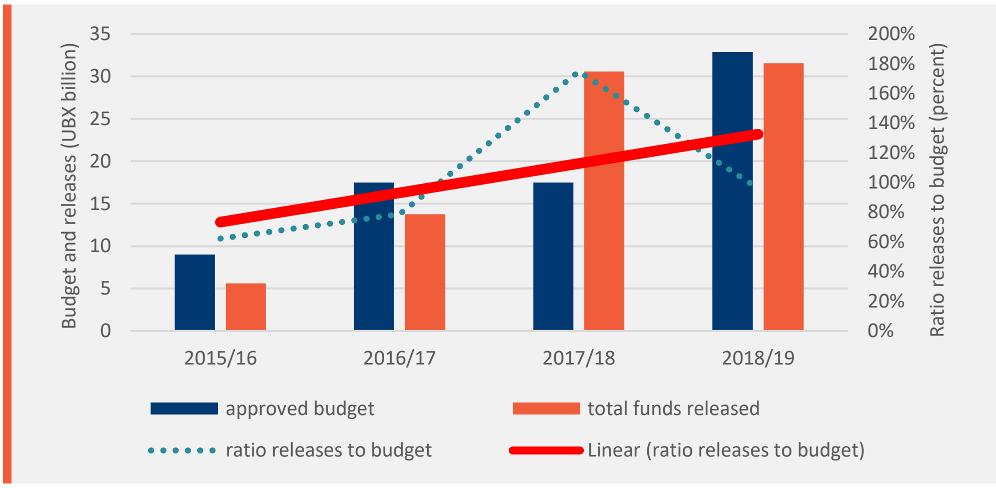
6.4.2 Budget predictability

Budget predictability for SAGE has significantly improved since the 2014 social protection sector review. Figure 75 shows budget figures against releases for SAGE (containing the SCG). The trend line for budget predictability, the relationship between approved budget figures and actual releases, is upward. In earlier years, releases were significantly less than budget

[387] Source: MGLSD (2015d).

commitments, in proportionate terms. In addition, supplementary budgets were commonly used which further reduced budget predictability.

Figure 75: SAGE budget versus SAGE releases[388]



The improvement in budget performance has been helped by SAGE being placed within recurrent spending, which is a significant step forward since the last social protection review. SAGE was moved from the development part of the Government of Uganda budget to non-wage recurrent (NWR) in the 2017/18 financial year. SAGE is now recognised as a sustainable government programme, rather than a short-term project. SCG funds are now protected, just below government budget obligations on salaries and rents in the order of priority. This is especially significant as the government operates cash budgeting whereby releases cannot exceed the revenue available, which restricts flexibility in spending by not allow ad-hoc borrowing.[389]

The improvement in SAGE funding, during a difficult fiscal period, shows high government commitment and fiscal sustainability. The improvement in budget predictability has happened during a tight fiscal period affected by drought and other shocks, and when infrastructure spending has been prioritised.[390] The programme has relatively high fiscal sustainability and a 'seat at the table' in terms of the annual budget cycle, along with the more established social spending sectors, health and education sectors, which is a significant achievement.

SAGE is benefiting from the emphasis put on government funding from the early stages of the programme. The health and education sectors in Uganda are currently subject to donor-government debate and disagreement on levels of government commitment, which is affecting donor funding. In contrast, debate on the level of government funding commitment to SAGE was engaged in at an early stage by both donors and MGLSD, from the beginning of the programme in 2011, with support from MPs in Parliament.

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[388] Source: ESP PMU staff.
[389] Note: Cash budgeting is to stop ad-hoc borrowing for the purpose of maintaining macroeconomic stability.
[390] Source: MGLSD (2018d).

6.4.3 Flow of funds and managing the expansion of direct income support

Donor funding of direct income support does not always go through government systems, with implications for public financial management in Uganda. Funding for NUSAF3 and DRDIP flows through government systems, via OPM budget lines, to programmes, and from there to districts to sub-county level to communities. Programme funds are on-budget and so help to strengthen government public financial management systems, including the planning and annual budget process.

In contrast to NUSAF3 and DRDIP, donor funding for the SAGE is off-budget and circumvents government systems. Donor funding for the SAGE is not integrated into the annual budget cycle and the preparation of MGLSD's Budget Framework Paper.[391] It circumvents government systems and is transferred direct to the programme, through a fund manager, to manage fiduciary risk from the donors' perspective. As a result, government systems are not being strengthened in the same way as they are for NUSAF3 and DRDIP, though SAGE does contain important system-strengthening components. From the point of view of government system-strengthening, the donor-funded part of SAGE is less sustainable, though this is a short-lived issue in that the government already funds a large and rising share of SAGE.

6.5 Chapter conclusions

There is a need to significantly increase Government of Uganda spending on direct income support, including shock-responsive social protection, in line with the government's own draft vision for social security. Social security spending has increased as a proportion of GDP as a result of growth in NSSF and PSPS spending. But, spending on direct income support is mainly flat across the period, despite the expansion of the SAGE and NUSAF3 and the start of DRDIP. And, it is low relative to other countries. Increased government funding of the SAGE and its transfer to recurrent spending are significant successes. Social spending more generally is on a declining trend as a proportion of total government spending. These trends correlate with the fall in growth, GDP per capita and human capital development relative to neighbouring countries.

The fiscal context described in Chapter 2 should allow an increase in spending, at the same time as allowing other sectors to grow, but resources will need to be carefully planned and negotiated during budget cycles. Social protection has a prominent position role in NDP3 and the government has developed a draft vision for social security, as mentioned. But resources will have to be planned and negotiated through preparation of the Social Development Sector Plan and annual Budget Framework Papers that convincingly make the case for higher spending. Donors can support the process of developing government systems by putting resources on budget and through government as far as possible. Social care and support must be more clearly defined and the gap between need and current provision articulated, so that it can be a part of this process of expansion.

Both the PSPS and NSSF are still awaiting important reforms that would impact on their financing structures, and the NHIS has not been implemented. The annual cost of the tax-financed PSPS is growing rapidly as are PSPS arrears. Reducing the generosity of the pension,

[391] Source: UNICEF (2018b).

at least for those with higher pensions, and introducing employee contributions as well as other reforms is a high priority. NSSF reform is under discussion. There may be some scope for expansion into the informal sector, but this would require new products and financial incentives. The potential introduction of an NHIS raises additional challenges around collecting and managing contributions, but also presents an opportunity to leverage the provision of health care for the expansion of the contributory system as a whole. A multi-tiered social security system, as set out in the draft vision for social security, is required to ensure coverage is universal.

6.6 Chapter recommendations

6.1: Advocate for increasing government spending on direct income support significantly, in line with the draft vision for social protection, funded by core tax revenues

6.2: Monitor and evaluate current spending on social care and support, when the pillar has been defined, including from donors - without this it will be difficult to advocate for increased spending

6.3: Urgently make the investment case for increased financing of social care and support, when information on cost versus need is available, highlighting the significant cost of inaction

6.4: Invest in a national social care and support system to meet the multiple needs of children and adults both in the short-term and as they change across the life course

6.5: Carry out forward-looking actuarial studies to test the financial feasibility of scenarios put forward in the draft vision for social protection, which implies a social insurance, pay-as-you-go financing structure

6.6: Urgently proceed with anticipated reforms to the PSPS to introduce an element of employee financing

6.7: Develop the financing proposals for the NHIS in the context of their potential to contribute to developing the contributory system as a whole

6.8: Engage in development of a comprehensive disaster risk financing strategy, to go beyond drought response, and to include sectors other than social protection, which should be aligned with the wider strategy for development of shock-responsive social protection in Uganda

7 Assessment of individual social protection programmes

Chapter summary

- On direct income support, coverage of programmes is low.
- The Senior Citizens Grant has expanded and is set for a national rollout; its transfer value is UGX 25,000 per month.
- The SCG has been effective in increasing household expenditure and reducing monetary poverty among recipients.
- Selection of recipients for the SCG is based on universal targeting and also geographic targeting, ahead of the national roll-out.
- NUSAF 3 has the highest number of DIS recipients and has a target wage of UGX 240,000 per year for 60 workdays.
- Selection of recipients for NUSAF 3 is based on a combination of geographical and community-based targeting.
- A shock responsive component (DRF) has been embedded in the design of NUSAF3.
- The effectiveness of targeting methodologies needs further investigation.
- There are other complementary programmes being implemented by the MGLSD.
- In terms of contributory programmes, the second and third tiers of mandatory and voluntary contributory social security remain under-developed.
- Legal coverage under existing schemes is very low and the scope of risks covered very limited.
- NSSF membership rates are very low and there is a gender gap among existing members and attempts to increase coverage through the voluntary system have brought limited gains.
- Benefits under NSSF are inadequate, due to the inherent weaknesses of provident funds.
- There is a need to convert NSSF lump sums to periodic benefits at retirement.
- Most workers in Uganda will not be in a position to join social insurance for the foreseeable future.
- The PSPS also has inadequate benefits and suffers delays in disbursements.
- A multi-tiered social protection system is required to cover all that require support, regardless of whether they can pay into contributory schemes.
- In terms of social care and support, provision is primarily donor supported, and limited to small-scale interventions at local level that achieve short-term results.
- Equitable and adequate access to social care and support is limited because there is no overarching government-led framework for provision.
- Lack of oversight means that quality of direct provision and consequent impact cannot be assessed.
- On value for money, the cost-efficiency of SAGE is similar to programmes elsewhere; for NUSAF it also looks good by international standards; and for NSSF it also looks reasonable.
- The overall rate of return for SAGE looks reasonable by international standards and is expected to increase with the SCG national roll-out.
- The estimated rate of return for LIPW in NUSAF3 also looks reasonable, though it does not take account of the opportunity cost of participation.
- Rates of return are not available for other programmes, but for social care and support, the short-term nature of current support suggests investments are neither effective nor efficient.
- The main way to increase the impact and value for money of social protection is to deliver national programmes with national impact.

7.1 Introduction

This chapter assesses the individual social protection programmes based on the two pillars stipulated in the National Social Protection Policy: social security and social care and services. The programmes have been described in chapter 4. This chapter looks at programmatic changes since 2014 to date in terms of coverage, benefit levels, selection mechanisms and value for money.

There have been substantial changes in social protection schemes since the 2014 Review. The Senior Citizens' Grant (SCG) and Northern Uganda Social Action Fund (NUSAF) within direct income support have continued.

Shock-responsive social protection has gained momentum in the past few years, since the last sector review. Cash and Food for Work, more recently named Food Assistance for Asset Creation, was scaled up in 2016 in response to drought through the food ration being increased while the Disaster Risk Financing (DRF) component of NUSAF has allocated USD 12 million for LIPW emergency response based on certain system triggers. DRF currently reaches 31,386 recipients. NUSAF3 has currently scaled up twice in response to drought.

7.2 Direct Income Support Programmes

7.2.1 Overview of current DIS programmes

Coverage of ongoing DIS programmes is low. The ongoing programmes are NUSAF and SCG which support approximately one percent and 13 percent of the target groups, respectively (working age and elderly populations). Overall, only 1 percent of the population in Uganda were in receipt of direct income support in 2018/19. Coverage also varies widely by geographical area with the majority being implemented in Northern Uganda. SCG operates in 61 districts while NUSAF covers 55 districts in Northern and Eastern regions. Total recipients of direct income support in 2018/19 was 329,000. Plans are underway to scale up the Senior Citizens Grant towards universal coverage of all elderly persons aged 80 years and above.

Box 10: Definition of Direct Support Programmes

> Uganda's NSPP defines direct income support as non-contributory, regular, predictable cash and in-kind transfers that provide relief from deprivation to the most vulnerable individuals and households in society.

Senior Citizens Grant

The Senior Citizens Grant has expanded since the last review and is set for a national rollout. Formerly part of the Social Assistance Grants for Empowerment (SAGE), the Senior Citizens grant, a universal pension programme targeting elderly persons aged 65 years and above has significantly been scaled up since 2014. The transfer is currently worth UGX 25,000 per month and is paid every two months. This amount represents a slight increase on the original value of the transfer when it was set in 2011 (UGX 23,000). Currently, there are 156,000 recipients of the SCG grants in 61 districts. The SCG was initially implemented in 14 districts during the pilot phase. Progressively the programme was scaled up in 2015 to an additional 20 districts based on the '100 club' selection criteria where the oldest 100 recipients in each sub-county were selected. This approach was adopted due to budgetary constraints. In 2018, the cabinet committed to increasing budgetary allocations to the programme and approved the national rollout of the programme to all elderly persons aged 80 years and above. Currently, plans are underway to enrol the recipients into the programme towards universal coverage (expansion to 85 new districts including Kampala).

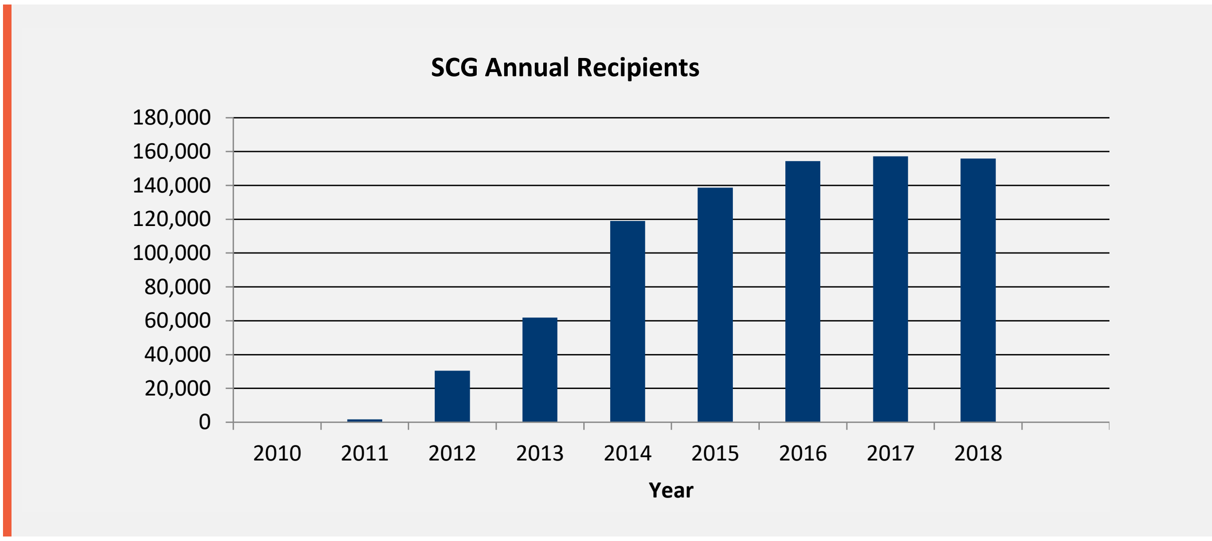


Figure 76: Annual recipients of SCG from 2010-2018

The SCG has been effective in increasing household expenditure and reducing monetary poverty among recipients. A recent impact assessment[392] estimated the effects of the SCG on a range of common indicators across four dimensions of well-being: poverty and material deprivation; livelihoods and productive assets; food and nutrition; and education. The study revealed that on average, household expenditure increased by a third and poverty reduced by 19 percentage among recipients. The pension had a positive impact on the ownership of productive assets supply of labour among working-age adults living with a pensioner. Positive benefits for children were also realized, with improved education outcomes and a reduction in child labour. The impact of the SCG on the nutritional status of young children, however, remains unclear.

Northern Uganda Social Action Fund 3

The Third Northern Uganda Social Action Fund (NUSAF 3) is a five-year project commissioned in 2016 to succeed NUSAF 2 which was implemented from 2009 to 2016. NUSAF 3 provides livelihoods support to vulnerable persons through labour intensive public works, including cash transfers to labour-constrained households. The programme builds on lessons from NUSAF 1 and 2 and has four components: 1) Labour Intensive Public Works (LIPW) and Disaster Risk Financing (DRF); 2) Livelihood Investment Support; 3) Strengthened Transparency, Accountability and Anti-Corruption (TAAC); 3) Safety Net Mechanisms and 4) Project Management Institutional support. This analysis considers only Component 1, the Labour-Intensive Public Works (including direct support to vulnerable households). Whereas NUSAF 1 and 2 focused on rehabilitating basic infrastructure, NUSAF 3 is now not only integrating a strong climate change adaptation lens in its public works activities but has a

[392]Source: Gelders and Bailey-Athias (2018).

broader focus on providing effective income support to and building the resilience of, poor and vulnerable households.

A shock responsive component (DRF) has been embedded in the design of the programme that can be scaled up to guarantee access to a safety net during shocks for poor and vulnerable households. Through this sub-component, mechanisms for scaling up assistance to poor and vulnerable households immediately following disaster shocks have been developed and are being piloted in Northern Uganda. The DRF sub-component is activated temporarily and automatically in response to crisis or shocks, primarily climatic shocks such as drought. Once a predefined trigger has been reached, LIPW activities are scaled up and coverage extended to additional households in the affected areas. The ability to automatically scale up LIPW is anticipated to cushion households' consumption after drought periods, protect households from negative coping mechanisms and to protect their livelihoods and assets; leading to a more effective post-crisis recovery. Additionally, the programme seeks to strengthen systems that promote harmonization of direct income support elements of the social protection sub-sector including through the development of national guidelines and information systems (through support in development of the single registry).

Currently, NUSAF 3 is leading in coverage of direct income support programmes. In 2019, NUSAF 3 reached 173,535 recipients through LIPW programme. The implementation is based on watershed approach and covers districts included in PRDP 3 characterized by high poverty rates and most conflict affected. Community based targeting methodologies are applied to identify poor and vulnerable households within watershed areas. In total over the five-year project period from 2016 to 2021, 599,100 households with 2,995,500 individuals are expected to benefit from the various interventions of the project. The vast majority-499,000 households- will benefit from the public works component (including direct support), while 100,100 are expected to participate in the livelihoods component. Up until the 2018/19 financial year, the public works component has benefitted 475,935 people, with 49,231 in 2016/17, 253,169 in 2017/18 and 173,535 in 2018/19.

Additional recipients were reached when the public works component scaled up to respond to droughts in Karamoja through the Disaster Risk Financing mechanism. Ten percent of recipients under DRF are expected to be selected for direct support. However, in practice the percentage seem to be lower: according to data in the safeguards mid-term report, the programme included a total of 7,105 'un-able-bodied' individuals in 2018/19, about 4 percent of the total participants.[393]

Target wage rates are UGX 240,000 per year for 60 days of work. The project is being implemented through a decentralized, web-based MIS with biometric verification functionalities. Further, NUSAF 3 has worked closely with the Inspector General (IG) to deploy a robust social accountability mechanism, which builds on community committees to identify, document, and report cases and programme incidences. This mechanism forms a strong accountability structure underpinning efficiency and effectiveness of the programme. The programme has also entrenched social safeguards in the programme design that are currently enforced across the project cycle.

[393] Source: OPM (2019)

Other Complementary Programmes

There are other complementary programmes being implemented by the MGLSD. These programmes target the youth and women who are in the labour productive age but lack a source of income. While these programmes do not fit the criteria for DIS programmes, they are defined as complementary as they provide income support options thus cushioning these groups from vulnerabilities by creating informal employment through engagement in economic activities. The two national programmes that fall under this category are the Youth Livelihoods Programme (YLP) and the Uganda Women's Entrepreneurship Programme (UWEP). The programmes are further described below:

The Youth Livelihoods Programme (YLP) started in 2013/14. It provides vocational skills through training and entrepreneurship to unemployed and poor youths (aged between 18-30 years) as well as soft loans for income generating activities through youth groups. The programme is now in its second phase and has so far supported 241,799 youths to implement a total of 20,159 projects across different sectors including agriculture, trade, ICT and health.

The Uganda Women's Entrepreneurship Programme (UWEP) is a five-year programme which started in 2015/16. Like YLP, it provides support in the form of soft loans and skills training to groups of women entrepreneurs. Women with disabilities, victims of gender-based violence (GBV), women with HIV and those living in hard to reach areas are encouraged to apply. It has so far reached 44,570 recipients.[394]

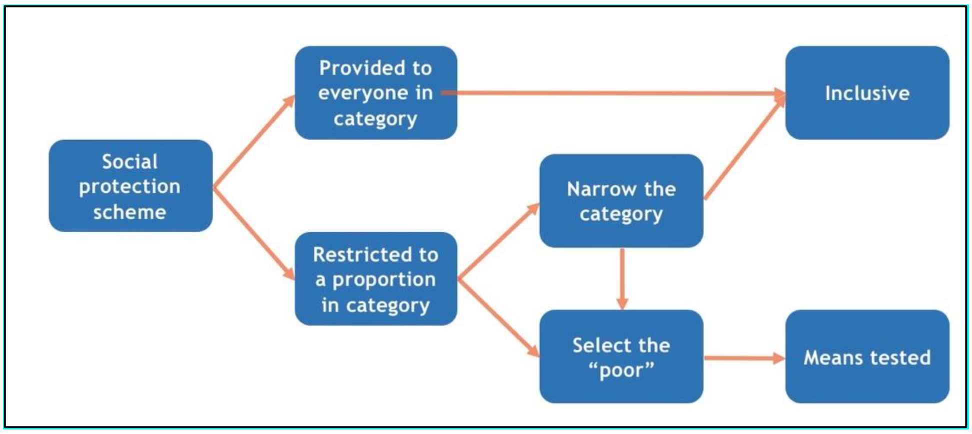
7.2.2 Selection of recipients of DIS programmes

Targeting is the process of identifying eligible recipients of social assistance benefits to be enrolled in social protection schemes. It is often thought of as a simple process of identifying 'the poor' for a particular social programme. In reality, targeting should be understood as a four-stage process[395] dependent on the policy, fiscal, design choice and implementation arrangements of a country. At policy level, Governments decide on which social issues they want to address (whether to focus on child deprivations, food/income insecurity in households or in old age etc) and the categories of the population to prioritize. Secondly the Government needs to decide the fiscal space, resources available and their adequacy to cover he population in need, or not. Where there are insufficient resources, governments design a mechanism for identifying and selecting the most vulnerable category of persons to be supported, thereafter the operational processes of registration and enrolling potential recipients is undertaken.

There are a range of design options for governments when decisions have to be made on selecting a controlled number of recipients. While one option is to direct resources to those living in poverty, there are other approaches. Figure 77 below simply explains the approaches available to governments based on certain contextual determinants. Options exist to either narrow the category selected or direct resources at those living in poverty (or, do both). Narrowing the category often implies changing the age of eligibility or, in the case of disability benefits, selecting those with more severe disabilities. A narrower category can also be achieved by restricting the coverage to particular geographic regions as is in Uganda.

[394] Source: Government of Uganda (2018e).
[395] Source: Kidd and Bailey-Athias (nd)

Figure 77: Approaches to determining selection of recipients



As with many Sub-Saharan countries, the Ugandan Government has adopted a life cycle approach in identifying key social issues faced by citizens. Lifecycle schemes become fully effective if they are inclusive. This means that they are provided to everyone in the eligible category of the population or, at least, to the majority. Their greater effectiveness is based on the fact that higher coverage is associated with lower exclusion of the poorest members of society. Furthermore, in a context such as Uganda, high coverage makes sense due to the high proportion of the population living under internationally recognized poverty lines as well as the high number of people falling into poverty across short periods of time and the many people with highly insecure livelihoods who are vulnerable to falling living standards.[396]

The NSPP recognizes the need to guarantee some form of social protection across the life cycle. In adopting the life cycle approach to prioritization and design of programmes, the Government through Expanding Social Protection programme funded by DFID, has prioritized support towards the elderly in an effort to ensure all senior citizens can live in dignity -by providing a minimum income guarantee- through the roll out of the Senior Citizens Grant. The pilot phase of the programme commenced in 2011. Different targeting methodologies have been applied to the programme since commencement. During the pilot phase geographic targeting was applied to age eligibility, targeting all elder persons aged 65 years and above in 15 selected districts in Karamoja, considered the arid region in the country. The districts were selected based on poverty indices. However, due to the severity of the deprivations, the age categories were further narrowed down in 3 districts where elderly people 60 years and above were selected, while 65 years and above were selected in the remaining 12 districts. Further, CBT was applied to select households within the communities to be registered for the programme.

A phased approach to expansion was adopted based on funding availability and government commitment. In 2015/2016 the oldest 100 senior citizens in a sub county were targeted for enrolment into the programme across 20 districts. While CBT was envisioned to select eligible recipients, the targeting mechanisms were not clear, communities did not have an understanding of how the recipients were arrived at. This approach was adopted until 2018/2019 when the Government approved universal coverage of all elderly persons aged 80 years and above. This methodology is currently being implemented to expand the programme

[396] Source: Kidd and Bailey-Athias (nd)

to 10 additional districts with a plan of achieving universal coverage of all older persons by 2020.

In Uganda, targeting mechanisms for the sub-sector are disparate and based on programme design. Whereas social insurance targets the employed population, direct income support programmes are partly universally targeted at a particular age group (SCG) and partly poverty-targeted (NUSAF3), as well as being geographically targeted. Though currently being rolled out universally, the Senior Citizens Grant was initially based on geographical targeting as well as age eligibility. For LIPWs, poor and vulnerable households are often identified through a community-based targeting (CBT) methodology.

Selection of recipients for NUSAF 3 is based on a combination of geographical and community-based targeting. This takes place based on pre-defined criteria of poverty and vulnerability. Geographical targeting is based on PRDP priority areas limiting the number of districts covered by the programme. Recipient numbers are determined by the budgetary allocations for the project, which is based on the design of the assets to be built. Further, the programme is designed around watershed approach, with recipients selected across different villages through community-based targeting. While the operations manual details the design of the project, there is no concrete guidelines as to how CBT is implemented at the village level.

Table 12 below summarizes the methodologies used by Uganda's current social assistance schemes to direct resources at a specific category of recipients. SAGE, NUSAF and CFA schemes have all used a combination of community-based targeting (CBT), and/or geographical targeting to identifying recipients.

Table 12: Summary of various selection methodologies used in Direct Income Support schemes

Scheme	Category of population	Geographic restriction	Universal	Community based selection	Coverage Region	Districts
SAGE-Phase 1	65 years and over	Yes	No	Yes	Karamoja	15
SAGE phase 2a	Oldest 100	Yes	No	Yes		20
SAGE phase 2b	80 years and above	No	Yes	Yes	National	85
NUSAF-LIPW	Working age	Yes	No	Yes	Karamoja	55
NUSAF-DRF	Working age	Yes	No	Yes	Karamoja	-

The effectiveness of targeting methodologies needs further investigation. While community-based targeting is a common methodology adopted in Uganda, there is no evidence that it can be used accurately to identify 'the poor'. The World Bank undertook an experiment in Indonesia to test out community-based targeting, comparing it with a proxy means test. The results indicated around half the target group had been excluded (30% of the population were targeted). Although communities can be given the responsibility of selecting recipients, there is rarely any documentation of their selection criteria hence no proper audit trail of the selection process, making it impossible for government to hold communities to account for the decisions they make or to check for fraud. [397] Due to the relative similarity of households in the communities and income dynamics at the community level, decisions as to who is poorer that the other are more haphazard based on emotive perceptions. This in turn has negative implications on the social cohesion and power relations in the communities.

7.3 Social Insurance

7.3.3 Assessment of the contributory social insurance system in Uganda

In Uganda the second and third tiers of mandatory and voluntary contributory social security remain under-developed and lack fundamental institutional architecture. Currently, there is no social security scheme – contributory or otherwise — operating in Uganda that both pays periodic (regular) benefits and covers the minimum internationally recognised lifecycle risks including old age, disability (including employment-related disability), survivorship, health, parenthood (including maternity/paternity benefits and child/family benefits), or unemployment. To achieve best results, it is important that the strategies for extending social security aim at building a comprehensive social security system for everyone, including both formal and informal economy workers.

Legal coverage under existing schemes in Uganda is very low. This is for two main reasons: first, coverage is limited to employees in the public sector, and to a sub-set of workers in the private sector who work in establishments with at least 5 employees; and second, wage employees make up a small proportion of all workers in Uganda, overall. According to analysis of UNHS 2016/17, wage earners make up around 18 per cent of the working age population, and around 23 per cent of the labour force. Of these, only around half work in establishments with at least 5 employees, which means that, in theory, only around 9 per cent of the working age population (or 12 per cent of the labour force) would be legally required to contribute to a mandatory scheme.[398] Certain categories of public-sector workers in Uganda are legally covered under one of the three mandatory schemes for public officials —the Public Service Pension Scheme (PSPS, which covers civil servants, employees of local governments, police, prison officers, members of the judiciary branch, doctors, and teachers); the Armed Forces Pension Scheme (AFPS, covering military personnel); and the Parliamentary Pension Scheme (PPS, for members of parliament).

The scope of risks or contingencies covered under contributory schemes is also very limited in Uganda. Of the nine contingencies specified in ILO Convention 102,[399] most contributory schemes in Uganda only consider the core contingencies of old age, disability and survivors'

[397] Source: Kidd and Bailey-Athias (nd)
[398] Source: McClanahan et al (forthcoming).
[399] Source: ILO Convention 102 of 1952 on Minimum Standards in Social Security.

benefits. The NSSF has recognised this limitation and is considering introducing additional benefits,[400] although the recent NSSF Amendment Bill is silent on which benefits would be introduced or the form they would take.[401] The scope of statutory benefits provided under Uganda's compulsory system is summarised in Table 13.

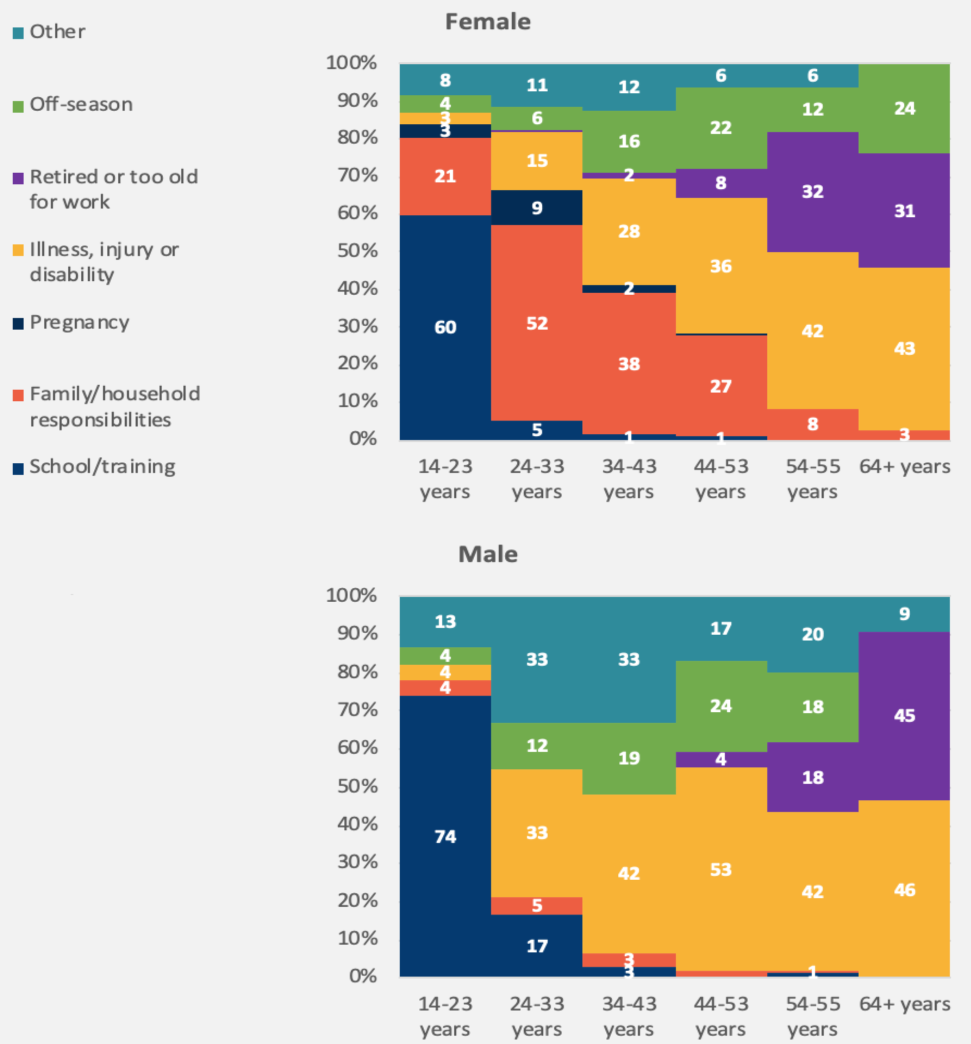
Table 13: Scope of statutory (mandatory) protection for key lifecycle contingencies in contributory schemes

Scheme	Old age	Disability	Survivors	Cash sickness	Cash maternity/ paternity	Unemploy-ment	Worker's compensation	Family or child benefits	Health care
PSPS, AFPS, PPS	Pension	Pension	Pension	Employer liability only	Employer liability only	Employer liability only	Employer Liability only	None	None
NSSF	Age Benefit (lump sum)	Invalidity Benefit (lump sum)	Survivorship Benefit (lump sum)	Employer liability only	Employer liability only	Employer liability and Withdrawal Benefit (lump sum)	Employer Liability only	None	None

There is consequently a gap in social security provision when it comes to risk sharing for the contingencies that are most likely to affect people of working age. Yet, the need is clear: according to the UNHS 2016/17, around 11 per cent of working age adults reported their main reasons for not working to be illness, injury or disability; and around a third of women of working age cite family responsibilities and pregnancy as the main reasons. If all the benefits outlined in the draft vision were implemented, the loss of income or extra costs (for example, the cost of bringing up children) during these periods would at least be partly compensated by one or the other tier of the social security system. Figure 78 shows the main reasons respondents cited for not working.

[400] Note: For example, the NSSF website mentions future plans to include health insurance and withdrawal in case of unemployment, maternity, education or special benefits for HIV/AIDs. See https://www.nssfug.org/8/About_Us.
[401] Source: Uganda Gazette (2019).

Figure 78: Per cent distribution of persons not working, according to main reason cited, by gender and 10-year working age groups



Note: This figure shows the percentage distribution of the main reasons for not working by gender and for 10-year working age groups. Other reasons include 'too young to work' and 'no desire to work'.
Source: Based on the Uganda National Household Survey 2016/17.

In Uganda, these other common risks are treated as employer liabilities under labour law, and would also fail to qualify as full social security by many definitions.[402] For example, under the Employment Act (2006), employers are fully liable for one month of annual paid sick leave, 60 days' paid maternity leave,[403] and severance pay, while the Workers Compensation Act (2000) establishes employer liability for employment injury. Employers pay employees directly, and disputes are handled in industrial court; however, due to a backlog of cases, new cases will not be heard for at least a year.[404] This means that, in effect, employers in Uganda bear significant private responsibility for common risks to their employees. In the vast majority of countries around the world, these risks are typically

[402] Source: See, for example, ILO (2017).
[403] Note: The Law also provides four days' paid paternity leave.
[404] Note: In principle, the Law also covers workers in the informal economy and has been used to secure their rights in the court system, but these cases represent only a small proportion of all cases.

covered under social security arrangements with risk sharing. The absence of social security provision for risks during working age could explain the official position put forward by employers' representatives proposing that the NSSF include health insurance benefits among the mandatory benefits.[405]

The same gap in social security provision for working age risks can largely explain the demands by workers' representatives for so-called 'midterm access' to their savings.[406] Currently, when workers experience a hardship and have a break in earnings, or face extra costs related to bringing up children,[407] most of them have little to no private savings to cushion them. Indeed, only 14 per cent of people aged 15 and older are saving for old age, and only 9 per cent in the poorest two quintiles.[408] For those who are protected through the employer liability system, even when employers do pay, the protection provided is often too little, paid too late, or paid in a lump sum and therefore prone to the same risks as any lump sum benefit. It is therefore not a substitute for a functioning social security system that offers regular income replacement or supplemental support (in the case of family benefits) when workers need it.

7.3.4 NSSF

NSSF membership has grown, but active membership rates are very low, and the pace of growth has slowed. Because the covered populations for public-sector mandatory schemes are relatively fixed as a proportion of the overall working population, any national overage gains in the contributory system will come from the NSSF. As noted previously, NSSF membership has grown significantly, almost doubling since 2012 to reach nearly 2 million members in 2019. However, the number of members who are considered to be 'active' — that is, those who have made contributions in the last 12 months— is very low. In FY 2018/19, only a little over half (54 per cent) were considered to be active.[409] Long breaks in a worker's contribution history will have a negative impact on the adequacy of their lump sums upon withdrawal, and this is one reason NSSF balances are still quite low (Figure 81). According to the latest annual report, member registration has slowed, with many new members having been already registered with a previous employer or registered under a student registration drive.[410]

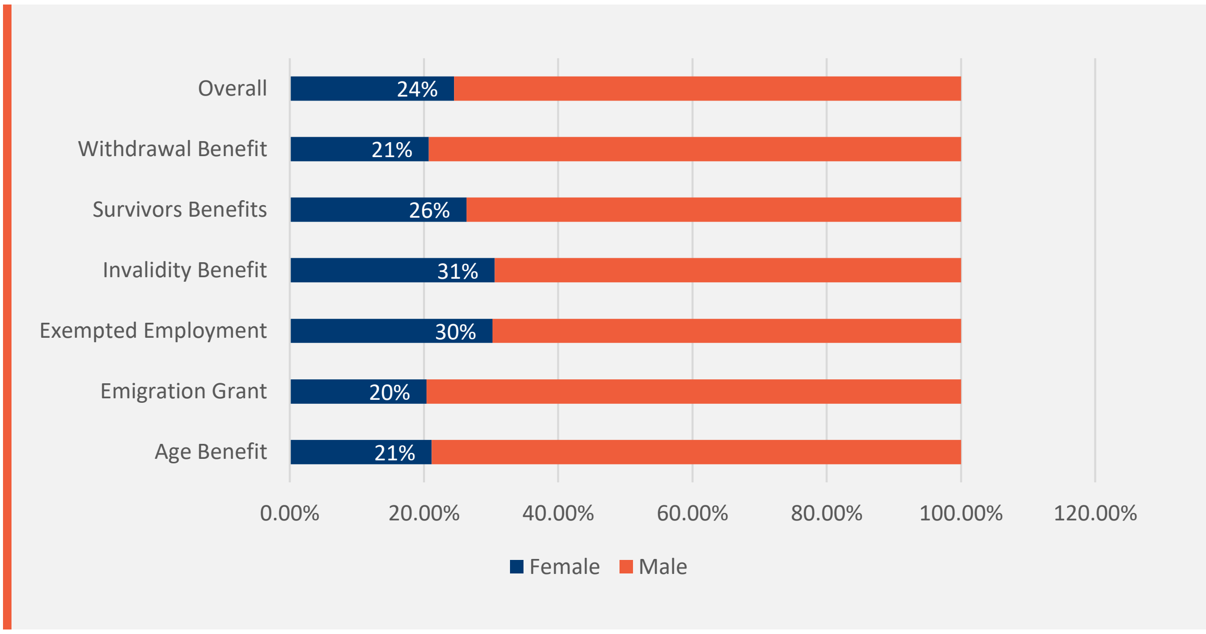
Attempts to increase coverage through the voluntary system have brought limited gains. The vast majority of those who covered under the voluntary NSSF scheme were previously enrolled in the compulsory system. Efforts were also made in 2017 to open up NSSF participation to voluntary entrants, that is, to those who are not compelled by the mandatory provisions of the NSSF Act. However, the gains have been very small. Approximately 2,979 enrolled in the first year (2016/17), and voluntary enrolment reached 8,616 in 2018/19, amounting to around 0.045 per cent of the working age population. There was very little voluntary enrolment from newly eligible workers in firms with fewer than 5 employees.[411]

[405] Source: FUE (2019) and interview with senior FUE policy officer.
[406] Source: See e.g. https://allafrica.com/stories/201909180710.html.
[407] Note: A survey on financial inclusion found that 72% of Ugandans cite children's education as the costliest lifecycle event, compared with just 20% who cited retirement (FSDU 2018).
[408] Source: World Bank (forthcoming).
[409] Source: NSSF administrative data.
[410] Source: NSSF (2018b).
[411] Source: Interview with Senior NSSF official.

However, NSSF nevertheless projects voluntary scheme membership to reach 28,000 by 2025.[412]

There is also a stark gender gap in coverage under the NSSF. Almost two thirds of NSSF active contributors are men (65 per cent), compared with just 35 per cent who are women. The distribution of recipients shows an even deeper imbalance, likely due to the historically lower coverage of women. As shown in Figure 79, men make up three quarters of NSSF recipients overall. For the Age, Withdrawal and Emigration Benefits, only around 1 in 5 people withdrawing their contributions are women.

Figure 79: Distribution of NSSF recipients, by type of benefit and gender (FY 2018/19)[413]



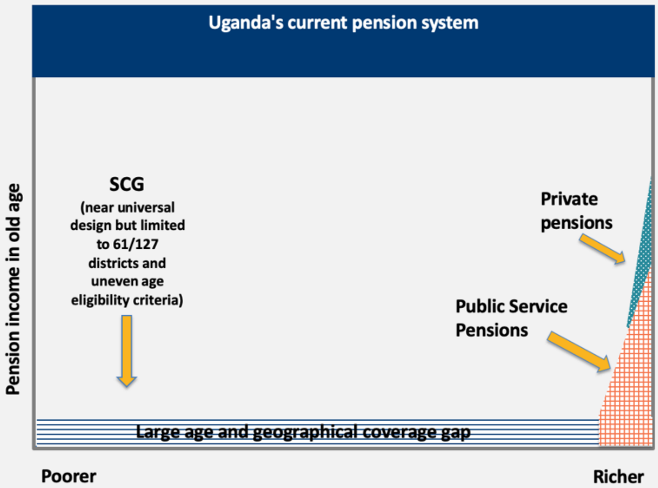
From a design perspective, benefits under NSSF are inadequate by definition, due to inherent structural weaknesses of provident funds. As a Provident Fund, the NSSF only provides benefits in the form of lump sums, with no possibility of converting the balance to a periodic benefit upon withdrawal. Therefore, benefits NSSF currently provides would not meet most conventional understandings of social security as a vehicle for providing regular, predictable income security at key stages of the lifecycle. Lump sum payments are particularly problematic since they transfer the responsibility for sound financial management of the member's balance directly and solely to the individual recipient. This would be challenging in any context, but financial literacy and inclusion is particularly low in Uganda, as is the availability and uptake of appropriate financial products; for example, just 1 per cent of the population aged 16 and older uses formal insurance.[414] Box 11 illustrates the structural and design deficiencies of the existing system.

[412] Source: NSSF (2018b).
[413] Source: Based on NSSF administrative data.
[414] Source: FSDU (2018) and World Bank (2017).

Box 11: Under-provision of social security in Uganda from a design perspective

Figure 80 depicts Uganda's embryonic old-age pension system, where only the Senior Citizens' Grant (SCG), the Public Service Pension Scheme (PSPS) and a few smaller public-sector schemes such as the Parliamentary Pension Scheme, pay any pension at all, and coverage under these schemes is very low, leaving a very large gap. The NSSF does not pay pensions yet, and is therefore not yet providing a mandatory second tier of social security for private-sector workers.

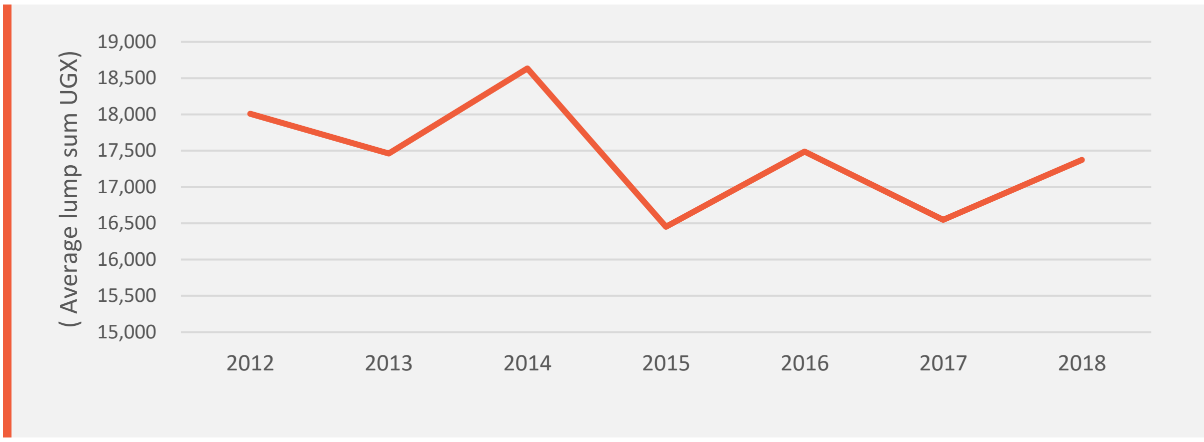
Figure 80: Uganda's embryonic old-age pension system



In addition, beyond old age, disability and survivor benefits, neither the NSSF nor any of the other retirement benefit schemes or funds operating in Uganda provide for income security at other key moments of the lifecycle that are typically covered under national social security systems. For people working in the private sector and their families in Uganda, until the Senior Citizens' Grant is scaled up nationally, there is effectively **no national statutory provision** to offer regular, predictable social security income for **any of these risks, under the contributory system or otherwise**.

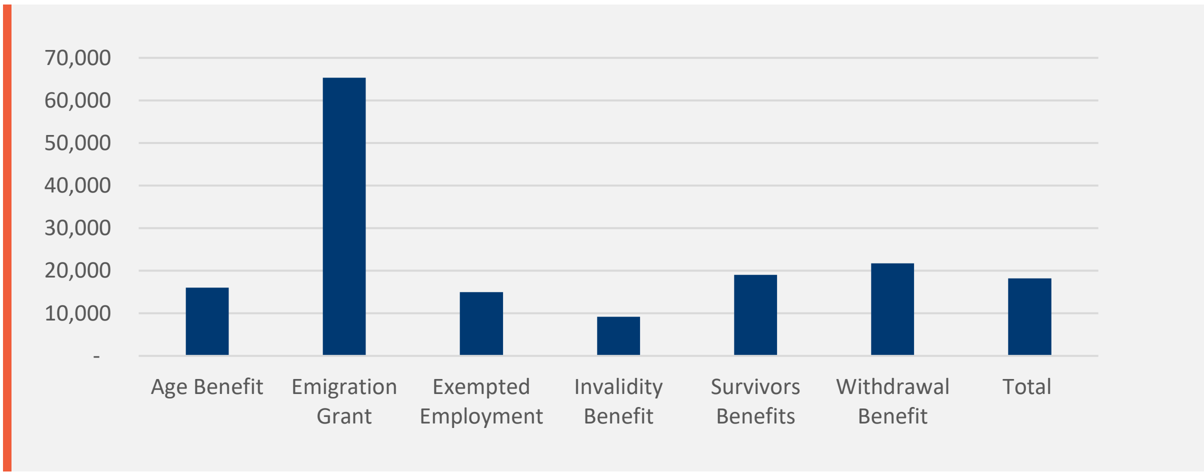
For the majority of members, the benefits paid under NSSF are inadequate in terms of offering meaningful income security for the risks they are intended to cover. As shown in Figure 81 while the average lump sum benefit has been increasing in nominal terms, rising from roughly UGX 13,800 in 2012 to around UGX 17.9 million in 2019, the real value of benefits has stagnated or declined over that same period.

Figure 81: Average NSSF benefit value in real terms, by year[415]



NSSF average benefit levels are lowest for lifecycle risks such as old age or disability. In 2018/19, the average lump sum benefit for all benefit types amounted to around UGX 18 million, as shown in Figure 82. Notably, the largest payments were made to people who were leaving the Fund either through the Emigration Benefit or Withdrawal Benefit, while the average Age Benefit (at UGX 16 million) and Invalidity Benefit (at just UGX 9.1 billion) – two of the main lifecycle risks NSSF is intended to cover – were among the lowest levels.

Figure 82: Average lump sum amount, NSSF, by benefit type (FY 2018/19)[416]



Many of those who are contributing to social security are earning wages that could be considered inadequate, especially for workers living in urban areas with a higher cost of living, even if they are high by national comparison.[417] Figure 83 shows the striking differences for wage earners who are contributing to social security, compared with those who are not. However, even though as a group they are comparatively much better off, more than 50 per cent of those who are currently reported to be contributing to social security earn less than

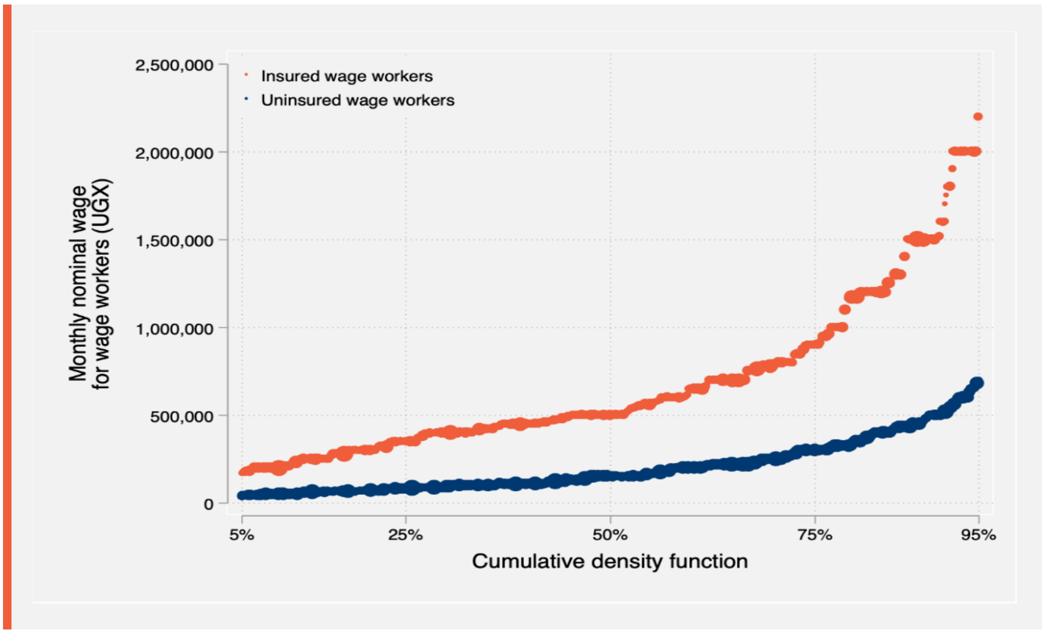
[415] Source: Based on NSSF administrative data. CPI data is from International Monetary Fund, International Financial Statistics and data files.

[416] Source: NSSF administrative data.

[417] Note: Many middle-class Ugandans living in Kampala, where an MoPS study found that the minimum cost of living for a 'typical' family —defined as two parents and three children— was UGX 1.1 million a month, would not consider them to be well off, even if anyone with an income above that level would technically be among the tiny sliver of wealthiest individuals in the country.

UGX 500,000 shillings a month, and more than three quarters earn less than UGX 1,000,000 a month.

Figure 83: Monthly nominal wages for people of working age in paid employment[418]



Because of these challenges, there is growing recognition of the need to offer options for converting NSSF lump sums to periodic benefits at retirement, and indeed this is urgent. Tellingly, a survey of NSSF recipients in 2018 revealed that 98 per cent of people who had taken their lump sums had no cash left after just one year.[419] However, under the current savings-based model, even with the option of purchasing an annuity or choosing a periodic drawdown, a large proportion of lower income NSSF members would likely not have sufficient funds in their accounts to finance an adequate retirement.[420] A social insurance scheme financed on a pay-as-you-go basis could potentially address these challenges, but actuarial studies would need to be carried out to determine appropriate and sustainable contribution levels and replacement rates.

A comprehensive social insurance benefits package, if well designed, would go a long way to giving employees access to income security at earlier stages in their lifecycle. If well designed, it would therefore be more attractive not only for employees, who no longer have to choose between accessing their 'rainy day funds' for present-day contingencies, and leaving it in place for their future income security. Such as system would also be more attractive and less costly for employers, who could begin to share the financial burden for liabilities like sickness, maternity, unemployment and workplace accidents and diseases, rather than shouldering them alone. The end result is a more flexible, stable labour market that frees up capital from workers and employers to invest in other areas of the economy.

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418 Source: Based on UNHS 2016/17.

419 Survey results referenced in Kitasoboka, O. and Nantambi-Amiri, R. (2019).

420 Note: For example, a back-of-the-envelope calculation.assuming an average life expectancy at age 55 (the statutory retirement age) of 24.5 years, someone cashing out of NSSF in 2019 with an average Age Benefit of UGX 18 million might expect to receive around UGX 61,000 per month. A proper actuarial model would be needed to forecast the actual potential value of a monthly benefit based on an individual's provident fund balance.

Therefore, social insurance not only promotes growth, but becomes a key vehicle for delivering the benefits of that growth, making it more inclusive.

However, at least for the foreseeable future, most workers in Uganda will not be able to join the social insurance system, at least under existing terms, but will still require protection. It will be important for policymakers to set realistic targets for the expansion of the contributory system, but determining who has the ability to pay is often a political and subjective exercise. Even so, Figure 83 shows that nearly 95 percent of wage workers who report contributing to social security on UNHS 2016/17 have wages above UGX 200,000 per month. At the same time, the lowest public-sector worker earns UGX 215,000 per month, and the minimum income threshold before employment income tax (PAYE) is applied is UGX 235,000 per month.[421] Taken together, these figures suggest that a monthly income of around UGX 215,000 is potentially an objective lower threshold for assessing the latent contributory capacity of the working population, since it approximates both legally established thresholds and what is actually happening in practice. Only around 25 percent of the working age population in Uganda earns above this amount, and incorporating all of them would require substantial investment in compliance enforcement. Therefore, the extent to which the contributory system can expand in the current labour market is quite limited, and the continued expansion of DIS to support these populations will be essential.[422]

7.3.5 PSPS

Despite being the only defined benefit pension arrangement in the country, adequacy of PSPS pensions is frequently cited as among the scheme's chief challenges. The average monthly pension value for a PSPS pensioner is around UGX 375,500, but many pensioners are getting much less. A relatively small number of pensioners —around 3,700 or 5 per cent in June 2018— are receiving pensions valued below the SCG value of UGX 25,000 per month, and around 6,500 pensioners receive less than UGX 100,000 per month.[423] For army pensioners, who tend to retire much earlier,[424] the average pension is around UGX 185,000 per month. Out of almost 30,000 army pensioners, around 1,500 have pensions below the SCG and around 12,000 are below UGX 100,000.[425]

Furthermore, the PSPS has often suffered delayed or inadequate disbursement causing an accumulation of pension arrears. The cost to the Government of providing civil servants' pension is significant and rising. World Bank projections show the cost of the PSPS will rise to 0.6 percent of GDP in 2040 and 1 percent by 2080.[426] PSPS arrears have increased rapidly in recent years, from UGX 71.4 in billion in 2011/12 to UGX 561.5 billion in 2015/16.[427] The delay in payments together with the low pension values has led some PSPS pensioners, with the support of the MoPS, to demand that they either be allowed to directly receive the SCG, or

[421] Source: URA (2017).
[422] Note: For further discussion of the capacity of the contributory system to expand, see McClanahan, et al. (forthcoming).
[423] Source: MoPS staff.
[424] Note: For example, a private in the army can retire at age 39.
[425] Source: PSPS/AFPS administrative data; interview with Senior MoPS official.
[426] Source: World Bank (forthcoming).
[427] Source: World Bank (forthcoming).

that PSPS and AFPS pensioners with very low pensions receive a top-up equal to the difference between their pensions and the SCG value.[428]

Ministry of Public Service officials point to low salaries as the main driver of low benefits. According to interviews with officials involved in ongoing reform discussions in the MoPS, the lowest paid public officer earns UGX215,000 per month, which is approximately three times the individual poverty line and falls well short of their estimates of cost of living in Kampala.[429] Salary enhancements are currently being gradually implemented over a five-year period to address these concerns.[430]

7.3.6 Developing a multi-tiered social security system: understanding how DIS and social insurance fit together

Most countries that have achieved widespread social security coverage have done so through a multi-tiered approach that offers:

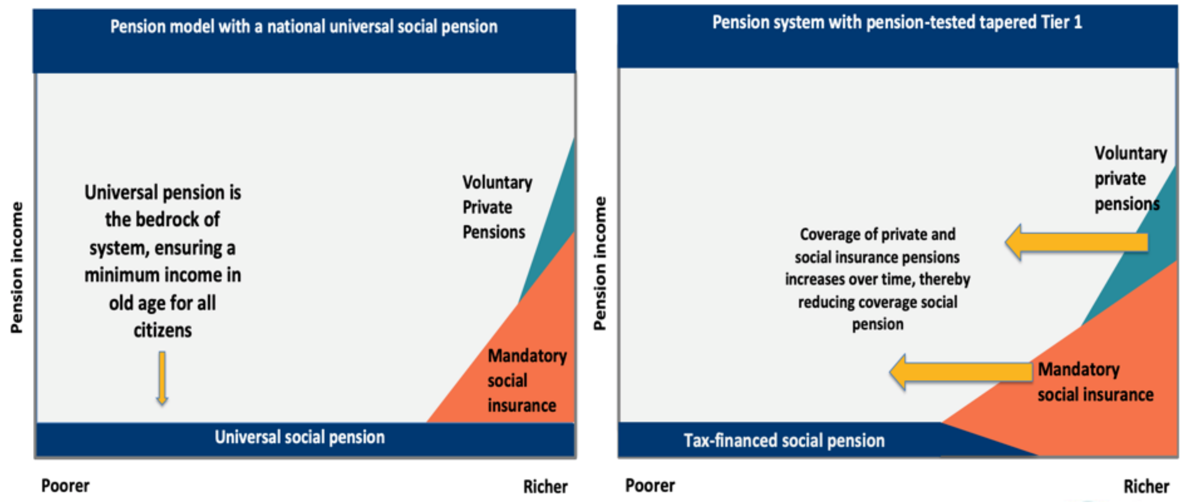
1) A guaranteed, adequate level of support for the vast majority of the population who are on low incomes and most of whom work in the informal economy, as the fundamental building block of a universal coverage social security system (Tier 1)
2) Mandatory, higher-level contributory social security benefits for those on higher incomes (Tier 2), and
3) Voluntary insurance for those who can afford additional protection (Tier 3)

The first tier performs a strong poverty-reduction function, among other core objectives; the second tier, which is earnings-related, enables consumption smoothing for workers during less active periods of their lives, including but not limited to old age; and the third tier enhances the value of protection (adequacy) for workers who chose to and are able to save more during their working lives.

In multi-tiered systems, it is important that benefits offered through the second tier are higher in value than those available in the first tier to preserve the incentive to contribute to mandatory systems. Figure 84**Error! Reference source not found.** depicts two models of ideal-type multi-tiered pension systems, the first of which has a universal Tier 1, and the second of which provides a pension-tested Tier 1 that is only paid to those who are not receiving mandatory contributory pensions. While in a universal Tier 1 design, the Government budget for the tax-financed tier remains relatively constant, in the second (pension-tested) model, the Government's level of financial should gradually decline over time, as the size of the insured population grows.

[428] Source: Interview with senior MoPS official, 24 September 2019.
[429] Note: A study carried out by the MoPS found that the minimum cost of living in Kampala for a typical family was UGX 1.1 million a month (Interview with senior MoPS official, 24 September 2019).
[430] Note: The enhancements are expected to be completed by 2021.

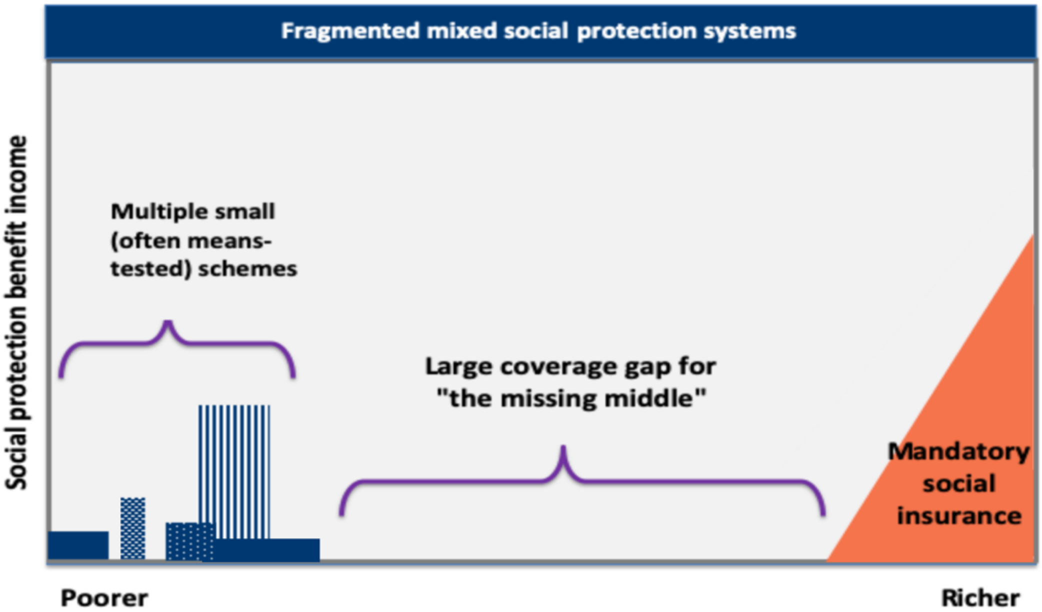
Figure 84: Two models of ideal multi-tiered pension systems



Such a system, if well designed, enables a smooth transition for people with lower incomes to begin to access a fully functioning contributory system as their incomes rise as part of an inclusive growth agenda. As a multi-tiered social security system develops, the distinction between the formal and informal economies gradually becomes less relevant, since the receipt or non-receipt of social security benefits is among the defining features distinguishing the formal from the informal economies. As Uganda's plans for growth and structural transformation bear fruit, the numbers and share of workers who can afford to contribute should rise, and it is important for them to be able join a system that is fit for purpose.

In contrast, the predominant approach to social protection in recent decades has been to 'target' those groups that are considered poor or vulnerable. This approach often results in highly fragmented systems consisting of multiple, means-tested programmes covering specifically defined 'vulnerable groups', with overlapping eligibility conditions, unequal transfer values and large coverage gaps. Most countries also have contributory systems that cover workers in the formal economy (who tend to be higher earners). The resulting 'mixed' system, as shown in Figure 85, leaves large coverage gaps for the vast majority who are not necessarily the poorest, but who nonetheless are vulnerable or may be at some point in their lives. These types of systems rarely achieve high levels of social security coverage since most governments are reluctant to significantly increase investment in tax-financed programmes year on year, and because the programmes end up being unpopular since a large majority of people —notably those on middle incomes— do not benefit from them.

Figure 85: Fragmented mixed social security system

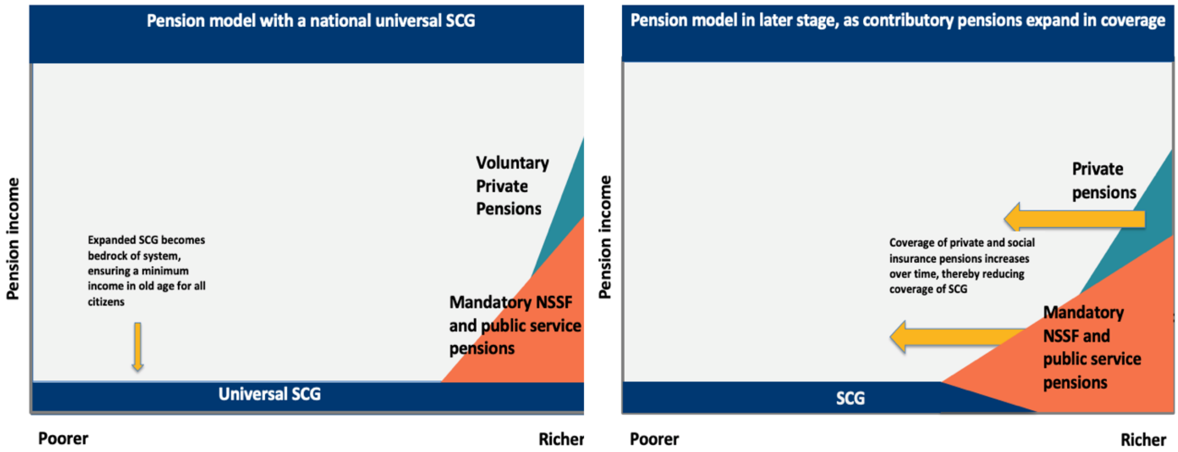


Coordinated expansion of direct income support, including the SCG, and the future social insurance system will require a purposeful multi-tiered design like the one articulated in the draft vision. For old-age pensions, the near-universal design of a scaled up, adequate SCG will ensure that everyone can live out their later years in dignity. It is important that momentum to scale up and increase the adequacy of the SCG not wane. Significant reforms will be required for the second tier — a reformed NSSF offering lifecycle social insurance benefits — to be able to provide the consumption smoothing function that is typical of basic mandatory contributory schemes. And, the addition and continued regulation of the third-third schemes, governed and promoted under the URBRA framework, can provide additional security (adequacy) for those who are able to contribute more than what is required, but it will be important that URBRA actively encourage these schemes to re-orient themselves to provide regular, predictable income security (pensions) instead of one-off lump sums.

Figure 86 depicts options for multi-tiered pension design in Uganda, which include a nationally scaled up SCG, a reformed NSSF that offers mandatory social insurance for typical lifecycle risks, and a system of privately managed retirement benefits funds or occupational pension schemes, regulated by URBRA.[431]

[431] Source: McClanahan and Kidd (2019) and McClanahan and Nantambi-Amiri (forthcoming).

Figure 86: Pension reform models showing NSSF as a mandatory second tier social insurance scheme



Therefore, Uganda's future multi-tiered social security system would provide necessary income security to everyone who needs it, at key stages in the lifecycle, regardless of whether they can pay. This means prioritising the first tier of adequate, guaranteed direct income support in reforms — starting with the SCG but gradually expanding to include more benefits as per the draft vision. But, as people's incomes rise as part of an inclusive growth agenda, workers must be able to smoothly transition to making contributions, under an integrated system. And, under a pension-tested model, as depicted on the right in Figure 86, as more workers join social insurance system, the costs of financing the first tier should decline over time. This kind of system will require close coordination (and even integration) of the policy and delivery systems —including a common or shared MIS platform, payment systems, M&E etc.— across DIS and the future social insurance system.

7.4 Social Care and Support

Social care and support provision is primarily donor supported, and limited to small-scale interventions at local level that achieve short-term results.[432] Civil society organisations work within the formal and informal system to deliver social care and social support but, as mentioned, their initiatives are often fragmented and uncoordinated, have low coverage and result in some duplication.[433] Civil society organisations also report declining donor support with some introducing user fees to vulnerable groups.[434]

There are persistent challenges with government capacity to coordinate vertically and horizontally. As discussed, children and individuals may have multiple needs requiring interventions across a range of service providers, however systematic mechanisms for coordinating provision both across MGLSD departments and across sectors are not evident. For example, much of the discourse on social care and support systems as a component of social protection has emerged during the last ten years, linked to the HIV pandemic and a broader child-protection response. The HIV prevention, treatment, care and support

[432] Note: Authors' interpretation of the data provided by key informants and FGD respondents to this assignment, and the analysis of policy documents.
[433] Source; Nyeko et al (2018). Annex 1, Page 26
[434] Source: Ibid.

response straddles both health and social care and support systems; understanding the duty bearer responsibilities at the point of cross-over can be complex and open to discussion and debate, particularly framed by financing opportunities.

Equitable and adequate access to social care and support is limited because there is no overarching government-led framework for provision. A 2013 study conducted by the Ministry of Gender Labour and Social Development noted that that social care and support services are largely provided by non-state actors, and that the overall capacity of social service workers and regulation of the system is limited.[435] The operationalisation of the recommendations to improve social care and support through increased capacity for community response are reflected in the NSPP. By 2018 it was noted that social vulnerability in Uganda remains high, and inequality has increased, particularly for women, older people, children and people with disabilities[436] but that resource limitations had affected the development and implementation of a proposed costed operational framework for social care and support services.[437]

Lack of oversight means that quality of direct provision and consequent impact cannot be assessed, but exposure to risk within services is considered high. As discussed in Chapter 5, regulatory mechanisms are either non-existent or not implemented. Regular comprehensive monitoring and evaluation is non-existent. Moreover, such M&E as does exist tends to count numbers enrolled in programme deliver rather than outcomes and impact within an overall framework for provision. This impedes conclusive assessment of the current effectiveness and efficiency of social care and support. Assessment of government and CSO provision for vulnerable children, women, people with disabilities and older persons is limited to occasional research studies. In some cases, these demonstrate that services do not protect but expose clients to greater risk. For example, although Ugandan legislation promotes family-based care for children, residential institutional care is prolific and children living in these facilities are consistently exposed to emotional, physical and sexual abuse.[438]

7.5 Value for money of social protection programmes

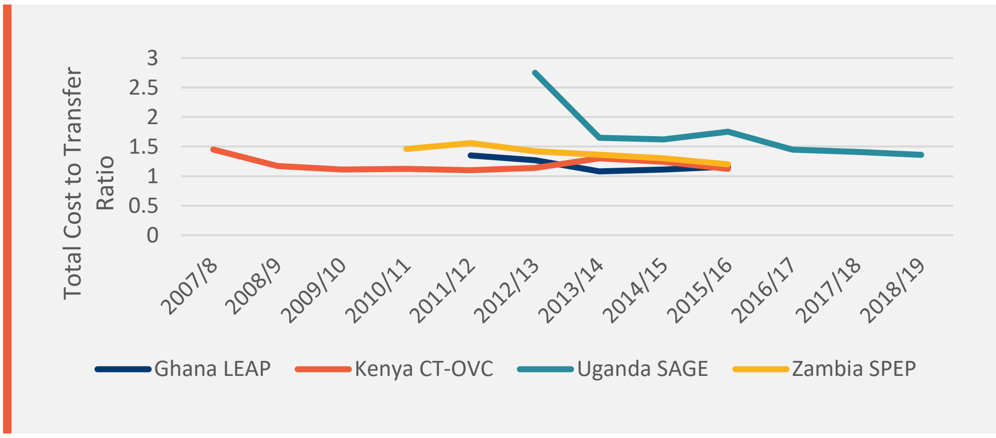
7.5.1 Cost-efficiency

The cost-efficiency of SAGE has improved since the 2014 social protection review, as the programme has expanded. Cost-efficiency can be measured by the ratio of total programme costs to transfer costs, or the total cost-transfer ratio (TCTR).[439] The TCTR for SAGE – now comprised solely of the SCG - is estimated at 1.36, compared to 1.69 in 2016/17 and 2.75 in 2012/13.[440] The improvement in cost-efficiency reflects the growth of the programme, so fixed costs are spread over a larger caseload. It is also usual for set-up and roll-out costs to decline as a programme matures and for efficiencies to be introduced.

[435] Source: Bilson et al (2013)
[436] Source: Greenslade, M. and Muyinza, P. (2018)
[437] Source: Nyeko et al (2018)
[438] Source: Mugumya et al (2017)
[439] Source: White et al (2013).
[440] Source: ESP PMU.

The cost-efficiency of SAGE is in line with programmes in other countries. Figure 87 shows the cost-efficiency of SAGE, in terms of the total cost to transfer ratio (TCTR) compared to selected other cash transfer programmes in Africa. Care must be taken in making comparisons because of differences in programme design and maturity and variations in local context.[441] Nevertheless, the cost-efficiency of SAGE is improving over time and coming into line with the cost-efficiency of programmes in other countries. And, cost-efficiency should improve further with the national roll-out and continued expansion of the SCG, as fixed costs are shared over an even larger caseload.

Figure 87: Total cost to transfer ratio (TCTR) for SAGE compared to selected direct income support programmes in Africa[442]



The cost-efficiency of NUSAF looks reasonable by international standards. For NUSAF2, administrative costs are estimated at 16 percent of total programme costs which is equivalent to a TCTR of 1.19.[443] This excludes capital costs of asset building in public works. This estimate shows NUSAF2 had good cost-efficiency, assuming the calculation was carried out on a similar basis to cost-efficiency for SAGE (for which full underlying calculations were available).

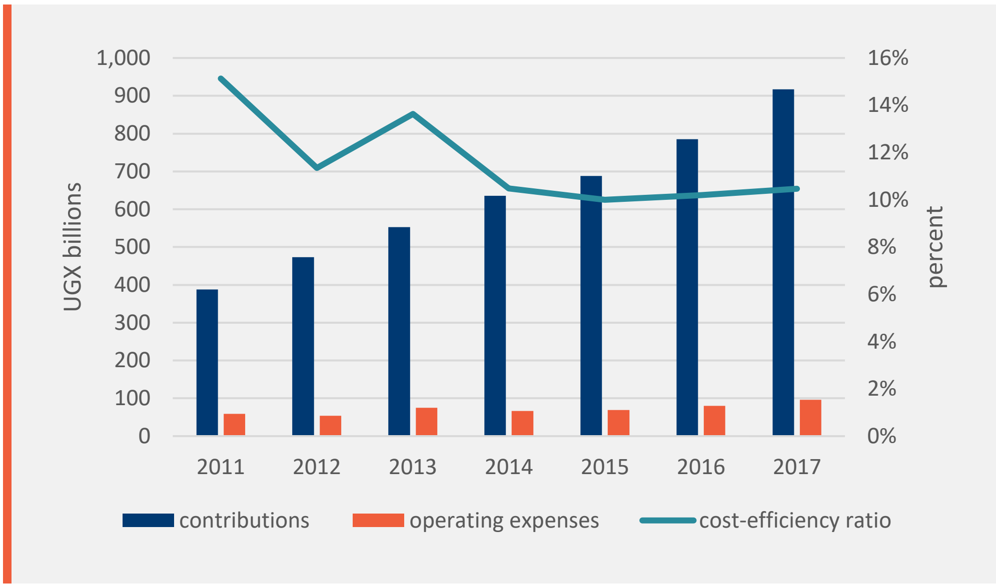
Cost-efficiency estimates are not available for several direct income support programmes, which is a gap that should be filled. Cost-efficiency estimates are not available for KALIP and ALREP. All direct income support programmes should be required to measure and communicate cost-efficiency annually. This will help to control costs and increase accountability. The value for money strategy developed by ESP within MGLSD should help this process.[444] MGLSD guidelines for LIPW will also help.[445] Cost–efficiency should also be measured for the system as a whole, to drive reform and reduce costs e.g. through the development of a common delivery platform including registration and payments. There is still a need to reduce costs arising from the 'proliferation of donor programmes and duplication of costs' identified in the 2013 Social Protection Public Expenditure Review.[446]

Cost-efficiency of the NSSF also looks reasonable. Cost efficiency of the NSSF has been calculated as operating costs as a proportion of contributions. Figure 88 shows how cost-efficiency of the NSSF has been unchanged since the 2014 Review at around 10 percent, but

[441] Note: estimates of cost-efficiency can vary significantly in terms of their reliability and the inclusion of all relevant programme costs.
[442] Source: DFID (2019) and DFID country office staff.
[443] Source: World Bank (2016a).
[444] Source: White, P. (2018).
[445] Source: MGLSD (2016a).
[446] Source: Wylde E, et al (2012).

has improved over the longer term. At 10 percent of contributions, cost-efficiency appears significantly higher than for the NSSF in Kenya, where they were 30 percent of annual contributions in 2015/16.[447] Care must be taken in comparing like with like, and further investigation of costs included in both cases before drawing concrete conclusions. An estimate of cost-efficiency is not available for PSPS for which costs are likely to be difficult to separate from wider government running costs.

Figure 88: Cost-efficiency of the National Social Security Fund (NSSF)[448]



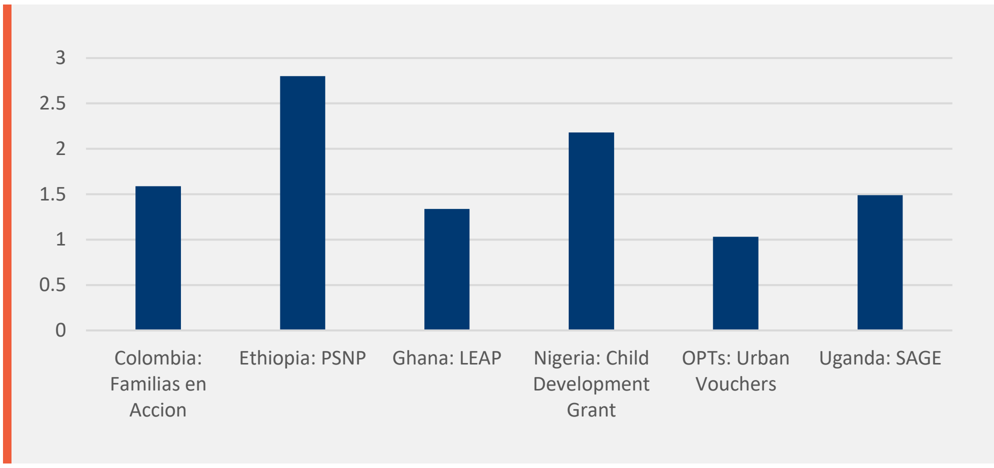
7.5.2 Rates of return

The overall rate of return for SAGE looks reasonable by international standards and is expected to increase with the SCG national roll-out. A programme's rate of return compares total costs with total benefits, from increasing access to food, education and health, amongst other areas. There are a number of metrics, including the benefit to cost ratio and the economic rate of return.[449] Figure 89 shows the benefit to cost ratio for SAGE compared to other selected direct income support programmes in other countries.[450] The SAGE benefit to cost ratio has been limited by irregular payments and a fall in the real value of the SCG, which has been UGX 25,000 per month from the start of the programme. The national roll-out of the SCG to all of those 80 years and a gradual reduction in age eligibility is estimated to increase the benefit to cost ratio to 2.27.[451] Importantly, the impact of the SCG on long-term system building is not factored in. The SCG is helping to build political support for direct income support at the same as developing delivery systems, which could result in significant impact over the long-term. Another recent study of the value for money of the SCG found important gains in child health, schooling and income growth. The rate of return is estimated to be negative (costs outweigh benefits), though increasing over time. But the study does not

[447] Note: estimate available from Government of Kenya's Social Protection Sector Review (soon to be published).
[448] Note: calculations from data provided by NSSF staff.
[449] Note: for further explanation of rate of return metrics see White, P. et al (2013).
[450] Source: White, P. et al (2013) and DFID (2015). Notes: estimates for Ghana, Nigeria and OPTs are ex-ante, before the programmes started, other estimates are based on actual programme impacts.
[451] Source: DFID (2019). The benefit to cost ratio is estimated to remain positive even when key assumptions are set at their most pessimistic levels.

take account of all of the likely benefits including short-term impacts on household productivity.[452]

Figure 89: Rates of return for SAGE and selected direct income support programmes in other countries



The estimated rate of return for LIPW in NUSAF3 also looks reasonable, though it does not take account of the opportunity cost of participation, and estimates are not available for other social protection programmes. The combined economic rate of return for LIPW and Livelihood Investment Support (LIS) has been estimated at 21.4 percent.[453] Figure 89 shows how this compares with programmes in other countries for which estimates are available. However, it is not clear that the opportunity cost for recipients, from being unable to generate their own income when engaged in LIPW has been taken into account. This would significantly affect the rate of return. NUSAF3 also requires a robust impact evaluation to estimate impact, especially as scaling up the programme is currently being advocated.[454] Rates of return are not available for LIPW in DRDIP nor Food Assistance for Asset Creation, KALIP or ALREP. Nor are they available for the social insurance programmes NSSF and PSPS, though social insurance estimates are rare including in developing countries.

Rates of return for social care and support have not been estimated but need to be addressed to make the case for increased budget allocations. The cost of inaction and consequences for human capital development, need to be part of the discourse when making the case for integrated social protection in Uganda. Emerging evidence suggests that the addition of supplementary social care and support can increase the impact of income-based social protection measures.[455] Delivered in combination through an integrated system, social care and support will contribute to the efficiency and effectiveness of social protection overall.

There is some additional evidence on the impact of *not* providing social care and support. For example, the cost of children suffering violence can be lifelong and result in a both significantly reduced welfare and a loss of productivity.[456] And, the proliferation of

[452] Source: Dietrich S. et al (2019).
[453] Source: World Bank (2015). Notes: sensitivity analysis shows that if costs increase by 10 percent, the economic rate of return is still 14.2 percent.
[454] Source: World Bank (forthcoming).
[455] Source: Transfer Project (2016)
[456] Source: MGLSD (2012).

institutional care for children impacts negatively on their physical, cognitive and emotional development with long term consequences and costs for society.[457] In addition, the dialogue on disability rarely recognises the substantial economic benefits for inclusion of persons with disabilities.[458] The need to address the benefits generated by social care and support is shown in a recent examination of social work in Uganda which was not able to assess quality relative to cost.[459]

The short-term and unsustainable nature of most social care and support interventions suggests that investments are neither effective nor efficient in the longer-term. The failure to establish a foundational national system for social care and support which protects children, women, persons with disabilities and older persons, may be considered against the backdrop of huge need and competing priorities in Uganda. Although the inclusion of social care and support in the NSPP means that government accepts its responsibility and understands the requirements, continued failure by government to invest or to establish a framework for development partner investment does not support sustainability. For example, the successful Community-based Rehabilitation Programme for persons with disabilities collapsed following donor withdrawal, with government investment of an estimated USD 730 per year per district considered inadequate to provide any meaningful support.[460]

7.5.3 Value for money looking forward

In the long-term, direct income support costs should be driven down by the development of large-scale, national and relatively simply targeted cash transfer programmes. For example, in South Africa, national programmes deliver support for older people, children and people with disabilities for not more than 6 percent of total programme costs.[461] This may be helped by the use of a single unit to manage and deliver a wider suite of direct income support programmes is likely to promote system efficiencies.[462]

The move to social protection and away from humanitarian support should increase value for money, according to international evidence. Direct income support programmes, whether or not they are shock-responsive, should offer better value for money than more ad-hoc emergency programming, for example, in response to drought or in support of refugees. International evidence on shock-responsive social protection shows that, in East Africa, an early humanitarian response instead of post-crisis humanitarian support would save an estimated USD 2.5 billion in aid costs over a 15-year period; and that every USD 1 spent on social protection or resilience programming results in net savings of between USD 2.3 and USD 3.3.[463] A full cost-benefit analysis of converting from humanitarian support to direct income support, including shock-responsive direct income support, should be carried out.

But, the main way to increase impact and value for money of social protection is to deliver national programmes with national impact. A comprehensive system as set out in the

[457] Source: the Centre for the Developing Child at Harvard University Key Concepts https://developingchild.harvard.edu/science/key-concepts/ .
[458] Source: Bond (2016) .
[459] Source: USAID (2019).
[460] Source: Development Pathways (2019)
[461] Source: Email of 10 February 2017 from Pathamavathy Naicker, General Manager, Monitoring and Evaluation Branch, Strategy and Business Development, South Africa Social Security Agency (PatNa@sassa.gov.za), quoted in Government of Kenya (forthcoming).
[462] Source : MGLSD (2018d).
[463] Source: Cabot Venton, C. (2018). Case studies on Ethiopia, Kenya and Somalia.

government's draft vision for social security would have a number of effects according to international evidence: it would reduce lifecycle vulnerability, increase human capital development and productivity, support national economic transformation, protect households and economy as a whole against major shocks and reduce inequality and support social cohesion. As part of a wider strategy for inclusive growth and development, social protection would both have a direct impact and increase the impact of investments in other sectors.[464]

7.6 Chapter conclusions

Coverage of programmes, whether direct income support, social insurance or social care and support remains low. The national roll-out of the SCG will partly address this, as will the introduction of new direct income support programmes such as DRDIP. For social security generally, coverage needs to be addressed through the development of programmes within a multi-tiered framework, as set out in the current draft vision for social protection. This will ensure coverage is universal including for those that cannot afford to pay into contributory schemes. National programmes will also ensure improvements in cost-efficiency, through economies of scale, and impact.

Some progress is noted in development of the social care and support system at policy level, however access to services remains limited and coordination is constrained. Social care service provision is primarily donor supported, and limited to small-scale interventions at local level that achieve short-term results.[465] There are persistent challenges with government capacity to coordinate and regulate social care and support and to systematically collect national data for monitoring, coordination and planning purposes,[466]

The contributory system is in need of an overhaul. Despite some membership gains by the NSSF, the system is characterised by a small legally covered population; limited scope of benefits provided, particularly during working age; structural inadequacies in the design of the main scheme and the majority of complementary schemes; low levels of effective coverage; significant challenges with ensuring and maintaining adequacy of lump sum benefits; and gender gaps in coverage.

Currently, the latent potential for contributory expansion is low, but reforms that put in place the institutional architecture for a future multi-tiered system are necessary. The potential to expand the system will depend first on reform to improve the system's attractiveness within a multi-tiered framework, and second on the continued structural transformation of Uganda's economy.

[464] Source: Kidd S. and Tran A. (2017).
[465] Source: Authors' interpretation of the data provided by key informants and FGD respondents to this assignment, and the analysis of policy documents.
[466] Source: Greenslade, M. and Muyinza, P. (2018)

7.7 Chapter recommendations

7.1: Conduct a comprehensive comparative analysis of transfer values in DIS programmes to inform the policy discourse on universal SP programmes as well as LIPW programmes.

7.2: All direct income support programmes to introduce measurement and communication of programme cost-efficiency annually to manage costs and increase accountability, and to allow effective sub-sector planning

7.3: Investigate further the costs and benefits of shock-responsive social protection in the context of developing the shock-responsive social protection strategy

7.4: Design and scale up of direct income support programmes in future should be informed by value for money considerations including robust impact evaluations, where appropriate, and estimated rates of return.

7.5: Estimate the significant costs to employers, the self-employed and the economy of providing social security through employer liability arrangements and private provision; and the savings and benefits that would come from providing this protection through the social security system.

7.6: Analyse the causes and consequences of low contribution density (and high numbers of dormant NSSF members) for maintaining the status quo (provident fund, potentially with annuitization options) versus pursing structural reform (social insurance)

7.7: Estimate rates of return for investing in social care and support to support advocacy to underpin advocacy for increased budget allocations to social care and support.

7.8: Advocate for progressive mobilisation of a professional social care and support workforce

8 Social protection operations, and administrative and business systems

Chapter summary

- The Government of Uganda has made considerable investments towards strengthening and enhancing the operational processes in social protection schemes.
- Programme operations include registration, enrolment, payment delivery mechanisms, change management and grievance handling.
- On registration, for direct income support programmes it is carried out pro-actively by national and decentralized government levels whereas social insurance recipients undertake registration an on-demand at NSSF offices.
- Since 2014, there has been significant improvement in adoption of more efficient and accountable registration mechanisms for direct income support programmes
- But, challenges remain for example in identifying and registering persons with disabilities.
- Identity documentation remains a key constraint in the process of enrolment.
- There have been improvements in DIS payment delivery, including on accountability, but gaps remain and rigorous assessment of efficiency and effectiveness has not been undertaken.
- The new tender by MGLSD to deliver SCG payments should improve payments.
- In addition, further efforts are required to improve DIS programme flow of funds.
- There has been an improved common approach to C&G mechanisms in DIS programmes.
- Uganda has made major progress in adopting an integrated approach to management information systems for social protection and developing a Single Registry, though some gaps remain.
- There is need to coordinate monitoring processes across all DIS programme operations.
- Significant capacity gaps in delivery of DIS programmes still exist, especially in local government.
- On communication of DIS, there have been some successes in influencing, but gaps remain and addressing these is vital for the national expansion of social protection.
- On social insurance, the NSSF has achieved good investment performance over the last decade.
- It has improved compliance among active members, but non-registered enterprises are a challenge.
- The NSSF has a national presence and has excelled in day-to-day operations and service delivery.
- URBRA has played a key role in regulation, including third-tier occupational and voluntary schemes.
- The PSPS has benefitted from the new Integrated Personnel and Payroll System (IPPS).
- The PSPS has improved service delivery in the context of wider public service reforms.
- On social care, there are not enough people in post in local government to deliver services.
- There has been a tendency to rely on volunteer community cadres supported by CSOs.
- Required are investments in workforce and infrastructure, mechanisms for referral, multi-sectoral coordination and systematic regulation of CSO and private sector providers.
- Case management is on a project basis and is not systematised nationally.
- Progress has been made in developing MISs but significant gaps remain.
- Comparable data for M&E and planning of social care and support is not systematically collected.

8.1 Introduction

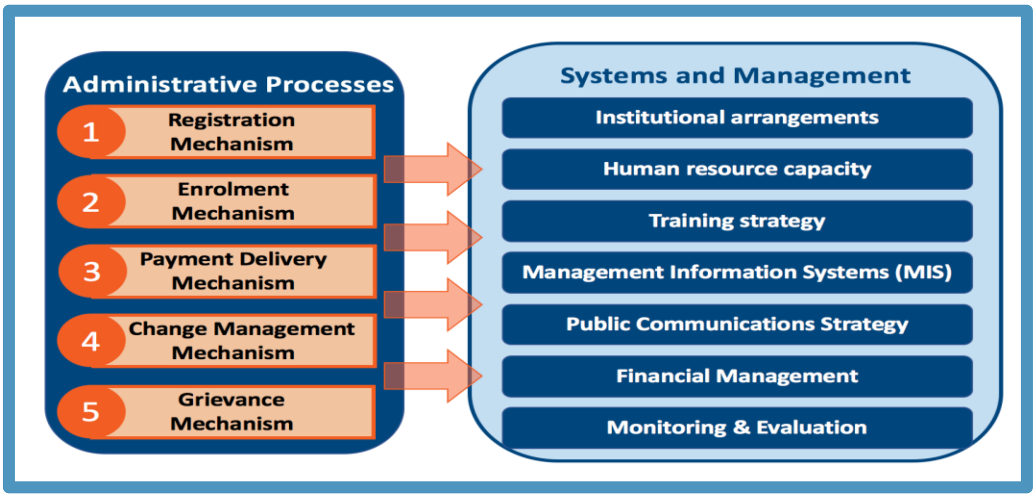
The Government of Uganda has made considerable investments towards strengthening and enhancing the operational processes in social protection schemes for efficient and effective delivery of benefits to recipients. In fact, substantial progress has been realised in developing systems and integrating operational processes for social security, particularly DIS programmes. This has resulted in operational efficiency gains and positive impacts on recipients since 2014.

This chapter assess the operational mechanisms for management and delivery of social protection schemes in Uganda. The main objectives of this chapter is to establish the extent to which operational processes and systems have improved since the 2014 sector review, identify gaps and challenges in building systemic, efficient and functional operational systems in Uganda and to draw conclusions and make recommendations.

8.2 DIS Operations

The conceptual framework of the analysis for DIS programmes is based on two core business processes. These are i) Administrative processes that govern various operating functions and ii) Systems management that underpin the sector operations as shown in Figure 90 below:

Figure 90: Conceptual framework for operational analysis of social protection programmes



Irrespective of the type of social protection programme, the ultimate objective of operational processes is to ensure the eligible recipients receive their benefits, at the right time, in a regular, reliable and accessible manner while guaranteeing efficiencies. Furthermore, in order to realise optimal impacts of programmes, it is imperative to ensure operational effectiveness, transparency and accountability of programmes and ensure quality and timely service delivery. Five core administrative processes in social protection programmes' cycle will be considered in this analysis; these include registration, enrolment, payment delivery mechanisms, change management and grievance handling mechanisms.

While well-designed core administrative processes are fundamental for operational efficiencies and ultimately programme dividends, administrative processes are

underpinned by good governance and system management functionalities. These include institutional arrangements, capacity, monitoring and information management systems as well as communication. We will review each of the business processes in further details below.

8.2.1 Registration and enrolment

Registration is the administrative process of implementing targeting where details of eligible social assistance households and recipients are collected and recorded. Registration mechanisms provide a platform and workflow through which programme implementers collect relevant personal data on applicants, assess compliance with the eligibility criteria and verify data accuracy for a specific programme. These mechanisms can be paper-based, semi-manual or electronic. Registration processes are underpropped by effective communication to relevant stakeholders and mobilization of eligible recipients. Coordination of the registration procedures is key to achieving efficient, inclusive and equitable delivery of programmes.

In Uganda, registration processes for social protection are by default dissimilar, this is attributed to the varying programmes' design. The registration processes for direct income support programmes are often manual or semi-electronic. Registration processes for the senior Citizens Grant are spearheaded at the national level by the PMU. The process involves sharing potential recipients' data (based on age eligibility) as listed in the NIRA database. Once the data is authenticated by PMU, the registration forms are pre-filled with recipients' personal information based on NIRA data. The information is then shared to the district and sub-county level for verification. Upon physical identification of the recipient and provision of the necessary validation documents (currently the National ID) the data in the registration forms is verified and additional household details collected. For public works programmes (PWPs), the registration process is undertaken at the local level by community facilitators and project management committees who collect and record personal details of the targeted recipients in an excel sheet and upload it into the NUSAF MIS system. Updating of household member details for NUSAF is done at a later stage during the payment process.

Whereas social insurance recipients undertake registration on an on-demand basis at the branch offices, registration process for direct income support programmes, involve both the national and decentralized government levels. These include responsible Ministries nationally – the MGLSD and Office of the Prime Minister down to regional, districts and sub county levels. Mobilization of recipients to the registration centres is undertaken by the local administration, community facilitators and project committees (including LC1, parish priests and village elders). SCG and NUSAF 3 undertake one off mass registration of recipients. However, in the subsequent months to facilitate regular enrolment of eligible recipients, the SCG will be piloting an on-demand registration approach at pay points. Adoption of on demand registration processes will promote social inclusion and progressively achieve universal coverage of programmes, particularly pensions targeting for the elderly. Table 14 below shows an analysis of registration processes in Uganda by programmes based on various registration parameters.

Table 14: Analysis of programmes based on registration parameters

	SCG	NUSAF	Social Insurance	Social Care
Systems	Semi-electronic	Biometric	Electronic	Manual/electronic depending on supplier
Frequency	One off process	One off but regular every year	On demand	On demand and one off
Accessibility	Designated sites	Designated sites	Branch level	Designated sites
Coordination	Nationally led	Community Led	National and at branch level	Varied
Mobilization	Decentralized, clear process	Decentralized	Not required	Varied
Oversight	Regional and District level	Community level	National level	Varied

	SCG	NUSAF	Social Insurance	Social Care
Systems	Semi-electronic	Biometric	Electronic	Manual/electronic depending on supplier
Frequency	One off process	One off but regular every year	On demand	On demand and one off
Accessibility	Designated sites	Designated sites	Branch level	Designated sites
Coordination	Nationally led	Community Led	National and at branch level	Varied
Mobilization	Decentralized, clear process	Decentralized	Not required	Varied
Oversight	Regional and District level	Community level	National level	Varied

A national ID is a prerequisite for registration into programmes. In 2015, the Government of Uganda established The National Identification and Registration Authority (NIRA) by the Registration of Persons Act, 2015 and mandated it to create, manage, maintain and operate the National Identification Registry, enrol all citizens and non-citizens lawfully resident in Uganda, and assign unique National Identification Numbers (NIN) to every registered person. While NIRA has currently registered approximately 90% of the population into the national registry, some are still excluded - particularly the elderly, infirm and persons with disabilities.

Some DIS programmes have put in place measures to register these vulnerable groups at home, however, the process is not implemented regularly nor consistently due to structural and financial limitations. Travelling to the district headquarters for NIRA registration can be costly for the vulnerable populations. This is particularly so for persons with disabilities who have mobility issues as they face multiple challenges, and higher costs, moving to the NIRA offices or registration points during outreaches to register.

Sensitisation of communities on the registration processes is a multi-dimensional process involving multiple stakeholders. The local administration are key in ensuring eligible recipients are informed of the registration processes. Programmes have invested in awareness creation regarding the registrations processes using various channels including through public barazas, radio messages, and face to face communication. Programme staff also provide key messages to ensure communities understand the eligibility criteria and documentation required for the process. While there are no permanent registration sites for DIS programmes, registration centres vary based on the programme and are determined by the programme staff, parish chiefs and local councils in the field.

Since 2014, there has been significant improvement in adoption of more efficient and accountable registration mechanisms for direct income support programmes. Thanks to advancement in new technology, DIS programmes are increasingly using biometric identifiers as integral data fields in government and programme registries. Biometric identifiers are distinct, measurable characteristics possessed by individuals including fingerprints, facial recognition and iris recognition deemed reliable to authenticate identity, thereby guarding against the fraudulent use of identification documents to obtain social protection benefits. NUSAF 3 has embedded biometric application to aid in verification of recipients' work norms and confirmation of receipt of payments. Biometrics are progressively being adopted particularly for payments verification.

Although there have been improvements in registration processes, challenges in administration remain. Capacity issues are experienced at the field level due to few programme management staff, inadequate training of local leaders and committees in registration procedures and occasional limited understanding of eligibility criteria by communities. Despite efforts to decentralize the registration centres to nearer locations, communities still travel for long distances to the registration centres, this is particularly difficult for the elderly, infirm and persons with disabilities. The current manual registration systems are susceptible to data entry errors and alterations (although these have been gradually minimized). Lack of the required identification document/national IDs; language barriers and low literacy levels especially among the elderly are barriers to effectiveness of the registration mechanisms.

There is little overall information on the effectiveness of the registration processes in the sub-sector. Research carried out in 2017 on SCG described a lack of perceived fairness and transparency in the registration processes particularly the phase when the programme targeted the oldest 100 persons in a subcounty. It was not clear how the oldest people were identified and how waiting lists and replacements were done.[467] This is also related to the fact

[467] Source: Reality Check Approach (2017)

that many people do not have the correct age registered on their national identification cards thereby propelling inclusion and exclusion errors in targeting and registration of recipients.

The mechanism for identifying and registering persons with disabilities can be further enhanced across all the programmes. The SCG has included disability screening questions in the registration forms and is in the process of including these fields in the programme MIS. However, there has been limited consideration for persons with disabilities in the PWPs including NUSAF 1,2 and 3 as well as the WFP Asset programmes. While the programmes have provisions for inclusion of at least 10% of vulnerable groups to receive direct income support (including persons with disabilities) the slots are often not filled as the programmes mainly target able bodies persons. Coverage may also be limited by default based on the targeting approach for example, selection of recipients by villages or watersheds propels exclusion since vulnerable populations may be low or non-existent. Operations manuals for the programmes mention the need to ensure the inclusion of PWD in the processes, however, no evidence has been generated in practice. Programmes also provide an option for alternate registration for the vulnerable groups. While there is no evidence based assessment of the effectiveness of registration processes there will be need to examine this aspect as the schemes expands, to inform the design and development of more innovative and robust registration mechanisms.

8.2.2 Enrolment mechanism

An enrolment mechanism provides a registered recipient with a token to identify himself or herself during the payments process. Depending on whether a programme has manual or electronic payment mechanisms, the token might be a simple identification card with a photograph and serialised number or include biometric data and digital data on smart cards. For the direct income support programmes in Uganda (SCG and NUSAF) enrolment is undertaken concurrently during the registration process. Enrolment procedures also enable vulnerable recipients to nominate and enrol alternative recipients to collect benefits on their behalf.

Identity documentation remains a key constraint in the process of enrolment. NUSAF 3 has incorporated biometric verification improving efficiency of enrolment and payment processes as recipients do not need to avail any additional verification documents. However, as mentioned earlier, not all recipients of the SCG have valid NIN(national identification numbers) hence they are either forced to drop out of the programme or select alternates to receive the benefits on their behalf.

8.2.3 Payments and delivery mechanisms

Payments to recipients of DIS programmes can be offered through various payment instruments, using different payment 'devices' and distributed at a variety of payment points. These three features constitute a basic payment/delivery mechanism for social protection programmes. The goal of a payment system is to effectively distribute the correct amount of benefits to the right people at the right time and within the specified frequency, while minimizing costs to both the programme, service providers and the recipients.[468] The modality of delivering benefits is important as it can mediate the impacts of a programme (e.g. spending patterns, financial inclusion), impact the cost and risks faced by a program and increase the burden on recipients if not well designed. Basic principles that need to be considered in the design of delivery mechanisms include accessibility (looking at cost of access, appropriateness, rights and dignity) robustness (reliability and security of the system) as well as integration (aspects on financial inclusion and coordination).[469]

In Uganda, significant improvements in the efficiency of payment delivery mechanisms have been realised from 2014 to date. The Government of Uganda through the support of development partners has put in place measures to improve accessibility and robustness of payment systems particularly for the SCG. In 2010, the first SCG grants were paid by MTN, a mobile network operator, to recipients in 3 districts (Kaberamaido, Kyenjojo and Kiboga). The SCG payment mechanism utilised a SIM-embedded card-based payment model in which recipients inserted their cards into portal (Equatel) pay phones. Recipients then entered a PIN and cashed-out using an agent. A major shortcoming of this mechanism was that recipients were unable to transact anywhere except at Equatel phone pay points. Furthermore, network outages limited the reliability of the process.[470]

In 2016, the Government put out a tender for provision of payment services, Post Bank Uganda was contracted to disburse funds to SCG recipients. Post Bank currently relies on a manual delivery mechanism, in which staff distribute the funds manually to recipients, by driving a Post Bank mobile van to designated pay points in rural areas. Recipients are provided with a modified Save as You Earn Account which utilises biometric authentication and they are given a card containing their bank account information. However, as they are neither issued with a payment instrument nor a digital wallet, their transactional options are limited, as they are only provided with the option of withdrawing their funds from the pay point on a designated day.[471]

While the current post bank model for delivering SCG payments has improved efficiency in delivery of benefits, complex multi-tiered gaps exist in implementation arrangements. Contracting a single PSP has created a monopolistic scenario, in which the PSP is not incentivised to deliver a payment delivery mechanism that is robust, efficient and innovative. In addition, the monopoly by default discourages the current provider from leveraging the existing infrastructure of other PSPs in the financial ecosystem, leading to limited inter-operability and reach.[472] The biometric authentication system that Post Bank uses is proprietary and therefore cannot be used outside of Post Bank's own infrastructure. The Ugandan government cannot, therefore, contract additional PSPs without creating a fragmented payment delivery system, in which each PSP uses different mechanisms and technology.

Measurement of efficiency and effectiveness of the current payment mechanism has not been rigorously undertaken. However, a study by UNCDF on SCG, estimated that for any pay point with fewer than 100 recipients, Post Bank Uganda loses money. With the planned SCG

[468] Source: Grosh et al (2008), p. 156
[469] Source: ISPA Payment Tools
[470] Source: Post Bank report
[471] Source: Post Bank report /FSDU market scoping report
[472] Source: UNCDF (2018)

national roll out, Post Bank would need to invest in additional mobile vans in order to expand.[473] However, if the government stipulates that each pay point should be within 5km of a recipient (in line with international best practice), this could be a costly process, both for the government and the PSP, due to the high volume of mobile van pay points required. While the current systems for payments in direct income support programmes are focused on reducing opportunity costs for recipients, they are inadvertently, highly dependent on human intervention and are therefore more inefficient than an electronic payment mechanism. Additionally, making provisions for liquidity management and crowd control at pay points/project sites is a challenge.

Barriers in accessing benefits can be a key concern for recipients when attempting to collect the cash transfer during the payment cycle. While there have been efforts to reduce distances to pay points for both SCG and NUSAF, many pay points are not within a 5km radius of their targeted recipients, which is the internationally recognised maximum distance that a pay point should be located. This is especially an issue for older persons – many of whom have a disability or a functional limitation – as they cannot walk long distances and must rely on paid transport. There have been reports of hiked commuter fees on paydays to take advantage of recipients who have no choice but to use their services. It is estimated that between 10 – 40% of the Senior Citizens' Grant is spent on transport related costs.[474] This reduces the value of the SCG and limits the impact it can have on recipients' standard of living.

Safety and dignity considerations when identifying pay points are of utmost importance for all programmes. Given that the entire community knows when it is payday, recipients are vulnerable to theft as they travel home. Furthermore, unlike NUSAF 3 where savings are automatically deducted from the benefit during payment process, the manual payment mechanism for SCG does not encourage recipients to save using their bank accounts. Pay points should have sufficient shade, seats, water and ablution facilities with proper queuing systems that prioritise the aged, persons with disabilities and other vulnerable groups. These standards have not necessarily been adopted in all pay points across all programmes.

Embedding accountability in the payment processes is a major milestone for the programmes. Whereas all programmes have provisions for alternate recipients to collect the benefit on behalf of the recipients, there are no efficient mechanisms to verify whether the transfers actually reached the intended recipients. Post Bank does not have a means of verifying whether its staff have paid recipients the correct amount of cash. Due to the manual nature of the payment reconciliation processes in SCG and NUSAF, data entry errors cannot be ruled out. This reliance on human involvement in reconciliation further limits the programmes' capacity to track and prevent fraud.[475]

Authentication requirements for the programmes to access payments can sometimes inhibit efficiencies in payments. The reliance on biometrics for SCG and NUSAF programmes – whilst removing the need for recipients to remember a PIN – can be problematic, because many recipients, especially older persons who have worked in agriculture, often have fingerprints that biometric authentication systems find difficult to recognise. Not only does

[473] Source: UNCDF (2018)
[474] Source: Post Bank report
[475] Source: Post Bank report

this create authentication issues, but it can lead to unnecessary delays and inefficiencies in the payments process.

The robustness of the payment mechanisms currently being utilized in the sector could be strengthened further to enhance their effectiveness and maximize impacts on recipients. The SCG payment mechanism is a closed loop system, and as such, does not contribute to the financial inclusion agenda in Uganda, because recipients are unable to access other financial services and products using their bank accounts. By failing to introduce a digital payment system, and to provide recipients with a payment instrument, Post Bank has prevented recipients from being able to make use of an inter-operable mainstream solution, and to make payments/ withdrawals/ deposits through any electronic channels (ATMs/Branches/Agents) available to them. NUSAF would also benefit from a more efficient payment system such as mobile money platforms to reduce payment delays that the LIPW recipients experience in receiving their pay as it is heavily dependent on the project committees and local administration. An automated payment mechanism would not only guarantee efficiencies but also enhance accountability through automated reconciliation of paid out benefits.

Recipient choice and convenience is a key attribute of a functional and efficient payment system. Due to the closed-loop and manual nature of Post Bank's payment delivery mechanism, SCG recipients are not given a choice over when and where they can collect their payment. Recipient choice is not even an option in the NUSAF programme. Further, there is need to mainstream gender considerations especially for women recipients who have additional home and childcare responsibilities. International best practice recognises that recipients should be given more autonomy over how and when they collect their social protection benefits, and that a PSP should treat recipients in the same manner that it would treat its high-net-worth customers.

Further, efforts are required to refine the flow of funds for programme implementation across all the programmes. Mid-term review of NUSAF 3 reported delays in requesting and releasing of funds for project implementation as a key hindrance to achieving optimal results.[476] This has also been experienced in the SCG where release of funds from the national government delayed while donor funds are always available on time. Adoption of a consolidated framework for funds management would ensure adoption of analogous processes with regards to requesting and disbursing funds and in tandem result in optimal effectiveness of transfers.

There is potential to improve efficiency and effectiveness of payment mechanisms in the sub-sector. For direct income support programmes, there is great potential to harness the private sector's PSPs infrastructure – including their growing agent network, branches and ATMs – which would not only be more efficient and cost effective but would provide recipients with greater choice over how and when they can collect their benefit. To achieve this, the payment mechanism would need to be interoperable and electronic, and the PSPs would be expected to issue recipients with a payment instrument that would allow them to cash out/ withdraw funds at multiple channels. It is recognised that the current state of infrastructure would still require some rural areas to be serviced by an assisted pay point

[476] Source: NUSAF 3 MTR Report

(either through an aggregation of agents or a mobile van), but as the geographic range of the agent network increases, the need for assisted pay points would decrease.

The launch of the new tender by the MGLSD and ESP programme to solicit bids from multiple Payment Service Providers to deliver the SCG is a step in the right direction. This is in recognition of the need to increase competition within the market, use the infrastructure and products that are already available, and ensure that the payments mechanism is integrated into the National Payments System. The procurement processes should allow for transparent and fair competition with payment service providers expected to meet criteria such as cost of services, value to the recipient households, capacity to deliver in programme areas, and capacity to provide reliable financial access to the community while and ability to develop innovative solutions for the delivery infrastructure. Further, it is recommended that all stakeholders migrate from manual to electronic digital payments and integrate into a harmonised delivery mechanism that could be used by all existing and new social protection programmes. This would allow for vertical and horizontal expansion, streamline the payment process while ensuring that it is cost efficient and sustainable. Ultimately, adoption of a robust payment mechanisms will promote and further Uganda’s financial inclusion agenda.

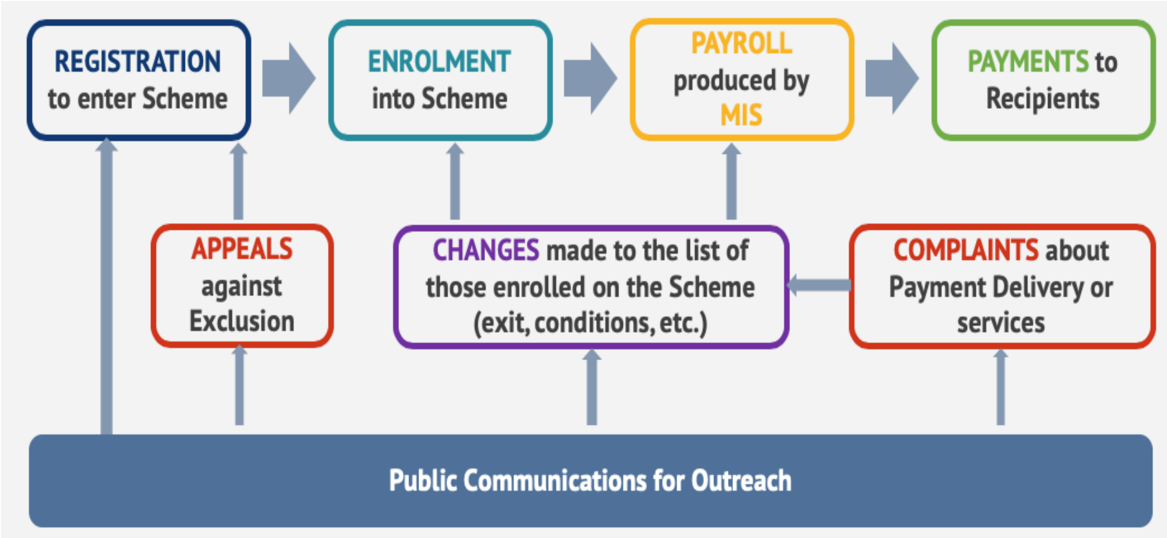
Box 12: An example from Kenya (International best practice)

Kenya’s Inua Jamii Senior Citizens’ scheme is a tax-financed pension-tested social pension available to citizens once they reach 70 years of age.[1] It was rolled out in 2018. The scheme introduced an innovative new approach to payment service delivery, as recipients were offered a choice between multiple PSPs (Co-operative Bank, Equity Bank, Kenya Commercial Bank and Post Bank). This model presented PSPs with the opportunity to increase geographic penetrability and to reach previously unbanked sectors of the population. In order to incentivise PSPs, tiered pricing was offered through zoning,[1] and in 2019, both the Cash Transfer for Persons with Severe Disabilities and the Cash Transfer for Orphans and Vulnerable Children were migrated over to the multiple payment service delivery model, thereby providing the four PSPs with even more financial benefits.

By introducing a new payment service delivery model, the government of Kenya aimed to improve the quality of service, reduce proximity to pay-points and provide recipients with the option of choosing their PSP based on accessibility, quality of service and additional benefits.[1] Cash can be withdrawn from ATMs, bank agents and branches.[1]

8.2.4 Grievance and change management mechanisms

A functioning Complaints and Grievance (C&G) mechanism is critical for accountability, transparency and proper programme performance. It is imperative for social protection schemes to design, develop and implement complaints and grievances mechanisms that enable citizens to file complaints and appeal against biases and prejudices in operational processes of programme implementation. The mechanisms should enable two-way communication by providing a platform for recipients to provide feedback to programme implementers and service providers. Complaints and grievances are bound to arise from all programme and sector operations as outlined below and should therefore be mainstreamed into the design of programmes from inception.



There has been progress towards putting C&G mechanisms in direct oncome support programmes in Uganda. Efforts to embed grievance mechanisms in direct income support programmes have been intensified in the last four years with many of the programmes evolving from paper-based complaints handling at district level to more systemized approaches. The SCG and NUSAF 3 programmes have inbuilt modules within the broader MIS to record, manage, escalate and resolve complaints. These systems have been decentralized to the regional and district levels. Initially the workflows for complaints resolution were not embedded within the programmes' operations, however as at the time of this review, programmes had elaborate complaints and feedback guidelines in their operations manuals.

A common approach to implementation of complaints channels has been established across all direct income support programmes. For SCG and NUSAF 3, complaints are received by the community facilitators (parish chief or community artisan). Recipients are assisted to register the complaints on paper-based forms which are then updated into the system for analysis, investigation and resolution. Depending on the nature of the complaints, they can be addressed at the decentralized levels or escalated to the national level for redress. In 2016, the SCG piloted the use of a toll-free helpline to receive complaints on the programme. However, inadequate institutional capacity coupled with a lack of necessary infrastructural requirements to implement a call centre deemed the pilot unsuccessful. Whereas C&G mechanisms have been integrated in the SCG programme as an integral element of their operations, PWPs are yet to fully institute a rigorous end to end complaints mechanisms. Monitoring of this systems in NUSAF 3 was non-existent.

Box 13: Importance of Grievance Mechanisms

Grievance mechanisms are important tools for upholding objectivity and the quality of a scheme and help to identify systemic weaknesses that could undermine the effectiveness and reputation of the scheme. The International Labour Organization's (ILO) Recommendation 202 on Social Protection Floors states that complaint and appeal procedures should be free of charge to the applicant. Further, complaint and appeal procedures must also be impartial, transparent, effective, simple, rapid and accessible. To ensure fair and effective grievance mechanisms, those handling the appeal or complaint should not be those responsible for programme or payment delivery.

The majority of the grievances received across all programmes are in relation to targeting and payments. Appeals have been recorded against exclusion during targeting and registration, and enrolment; complaints about delay of payments, administrative errors, excessive distance to access payments, or fraud at pay points. Payment complaints with regards to service levels by payment service providers and omissions from the payroll are also rampant. Complaints regarding service providers in SCG are received by the programme staff and escalated to the service providers. While the SLA for resolution of SCG complaints is 30 days, it was reported that it takes months for resolution of grievances. For NUSAF, complaints are channelled through the parish chiefs or project committee focals.

Awareness creation is core to the success of a robust G&G mechanism. Recipients and the communities need to be fully aware of the existence of these mechanisms should they require to log complaints or provide feedback on the programme. Whereas sensitization of recipients is undertaken periodically at pay points for DIS programmes, the communities have not optimally utilized the available mechanisms; vulnerable households may not be aware of its existence while poor households may regard the programme as a favour and thus desist from raising complaints. More endeavour to empower the communities as claim holders to hold the duty bears accountable could be put in place. Step by step guidance on grievance awareness and advocacy to and for the communities should be embedded in the programme operations manuals and communication strategies for the programmes.

Despite efforts to establish C&G mechanisms in the sector, challenges in implementation remain. Key inhibitors regarding access to these mechanisms especially by vulnerable groups and persons with disabilities are evident[477]. Lack of alternative modalities that are more convenient and offer anonymity of the complainants predisposes the recipients to pre-conceptions and discrimination. In PWPs the existing modality could be perceived as subjective as personnel in charge of project implementation are also in charge of recording the complaints and thus could be biased in reporting of the issues. Additionally, staffing constraints at the decentralized and national levels hinders timeliness of investigation and redress of issues; the flow of information, long, systemic processes for escalation, reporting and feedback from the county to the national level reduce efficiencies and in tandem effectiveness of the programmes.

8.2.5 Management Information Systems

Integrated Registries

Integrated registries are often defined as a database/registry created through integrating programme MISs of several different existing schemes. Integration can be achieved across data and information or/and across operational processes. The term **single registry** is defined as a standard MIS framework for integrated information management of social protection schemes. The main objective of such integration is to provide coordination and oversight and integrate selected operations and services across programmes. In practice, Integrated Recipient Registries decentralise the process of data collection (individual programs are in

[477] Source: Development pathways (2019)

charge of this) but centralise selected services by consolidating existing data. Examples of countries that have pursued integrated registries include Kenya, Mauritius and Seychelles.

Uganda has made significant progress in adopting an integrated approach to management information systems for social protection. In 2015, the Social Protection policy and Programme Plan of Interventions explicitly identify the need for a tool – referred to as a **single registry** for social protection programmes - that would be used to harmonise and coordinate information management across the social protection sub-sector. The Government through the MGLSD and development partners including the World Bank, Irish Aid, UNICEF and DFID through the Expanding Social Protection Programme have invested in conceptualizing and developing the single registry towards an integrated and consolidated social protection system. A scoping assessment of existing information systems was commissioned in January 2017, to determine the appropriate methodology to be adopted in harmonizing existing systems and registries, and, set a foundation for the design and development of the single registry.

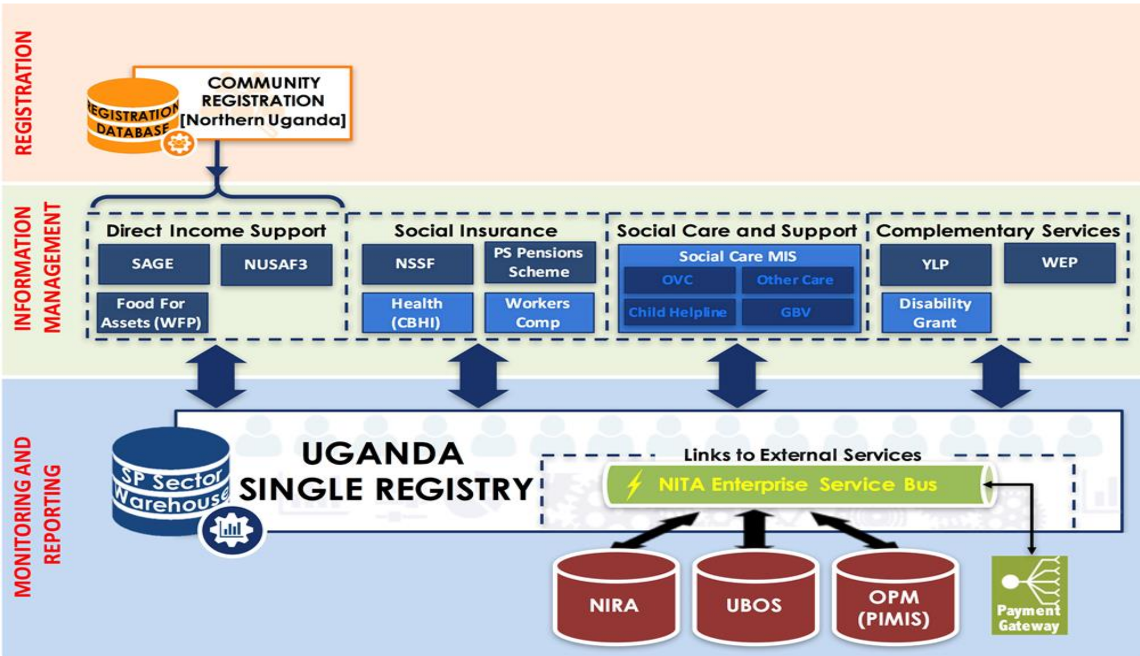
As a result of the scoping, the vision for the single registry in Uganda was developed, which defines it as a single software platform where common and essential information across social protection programmes is stored, analysed and reported. This includes information on enrolled recipients and households across all programmes (both pillars) and non-recipients (through the social registry). The platform would enable presentation of consolidated analytics of key social protection programmatic indicators, functionality to filter and generate desegregated programme reports and facilitate linkages to complementary programmes. Further the single registry is envisaged to increase transparency and accountability and supports evidence-based decision-making. Its intended users include different levels of government, development partners, programme implementers, civil societies, as well as the communities being supported.

The Single Registry is envisaged to inform the policy dialogue through provision of consolidated information on who is receiving what, where, and when as well as support the targeting of recipients for social protection interventions. All individual programme MIS's will be automatically linked through APIs to the registry. Additionally, linkages with other complementary socially protective programmes will be pursued to facilitate referrals. Though international evidence depicts massive implementation challenges in the maintenance and updating of data in social registries, Uganda intends to pilot integrating a social registry through integrating the single registry with WFP's Karamoja Social Registry with an aim of providing a registry of potential recipients that partners could utilize while targeting recipients for social protection interventions in Karamoja region.

Strategic and operational efficiencies are anticipated once the integrated systems are functional across all programmes. Benefits envisioned as a result of linkages to the single registry include the provision of online, cost effective, verification of authenticity of social protection recipients (through linkages with NIRA), social inclusion through consolidation of recipients and non-recipients, awareness of geographical distribution of social protection recipients, increased transparency and accountability through the provision of a centralized reporting systems while reducing potential fraud. Additionally, it will support the planning and expansion of social protection programmes; provide a foundation for the establishment of common delivery systems; and, act as the base for shock responsiveness of social protection programmes.[478]

The Single Registry will enable linkages with external databases. These include the National Identification Registration Authority (NIRA), which currently hosts identification information of 90% of Ugandans; the Uganda Bureau of Statistics (UBOS), which manages national census data as well as wider government national statistics; the Office of the Prime Minister (OPM), which coordinates and implements government policy across ministries and manages the overall M&E strategy for social protection; and, the National Information Technology Authority (NITA) which regulates IT services. Figure 91 below describes the graphical visioning of the single registry.

Figure 91: Vision for the Single Registry in Uganda[479]



Whilst progress has been logged in the development of the Single Registry, gaps still exist. A unique identifier is required for the consolidation of data into the Single registry and this the National Identification Number (NIN) is mandatory for recipient data. While efforts have been put in place to ensure programme recipients are registered under NIRA, some citizens are yet to be registered with NIRA. Currently, the programmes and implementation staff at the district level are responsible for the identification of the vulnerable households and referrals to NIRA for registration. The operational processes of identifying unregistered recipients during targeting or at the pay points could potentially exclude vulnerable groups especially the elderly and persons with disabilities. Strengthened measures should be prescribed to ensure priority is given to the vulnerable households with clear identification and follow up mechanisms instituted. The Single Registry development process is at user testing phase and should be operational by the end of 2019. Further, the development and testing of APIs for integration with existing programme MISs is ongoing.

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[478] Source: Scoping assessment of MISs (2017)
[479] Source: Development Pathways (2017).

Optimal utilization of a good quality software is highly dependent on the hardware infrastructure. While procurement of hardware for the single registry is ongoing, hardware requirements for all the social protection programmes need to be prioritised and upgraded. Additionally, adequate staffing is a critical determinant to the attainment of efficiency and effectiveness of MIS systems. There is need to strengthen the technical capacity of single registry implementers and users to ensure optimal utility of the system at all levels.

Programme MISs

Programme Management Information Systems (MISs) reinforce effective social protection programmes while guaranteeing efficiency of key operational processes, such as registration, enrolment, payments, case management and grievances. They are also essential in programme monitoring, reporting, promoting transparency and accountability of schemes. Built upon appropriate software technology and hardware infrastructure, programme MISs reflect the overall operational cycle of social protection programmes resulting in efficacious delivery of assistance to recipients.

There has been a tremendous shift in social protection programmes' information systems landscape in Uganda over the past four years (2014-2019). As a result of Government prioritisation and strong development partner investments, programme management information systems (MISs), have developed rapidly. A mapping of the social protection programme MISs conducted in 2017 indicates stable MISs for social insurance schemes while direct income support, livelihoods and complementary programmes were in the process of building operational functionalities to underpin operational processes of social protection schemes. Inadvertently, the social care and support services pillar is characterised by multiple information systems manned by different programme teams and national government departments, and lacks an integrated and comprehensive management information system.

The SCG MIS has evolved from a semi-automated, centralized system with manually decentralized operations in 2014 to the current decentralized and automated web-based system that supports the operations of SCG programme. The system supports registration and enrolment processes, exchange of data with PSPs for enrolment, preparation of payrolls and reconciliation of payments through automated APIs. It has been decentralized to the regional and district levels with users assigned specific roles and responsibilities.

NUSAF 3 has a comprehensive MIS platform that supports operational processes as well as programme design aspects. The system is utilized in the determination of programme coverage based on watershed approach, design and budgetary specifications and allocation of quotas. Further, recording of work norms and payments verification is enabled through biometrics verification. The system is decentralized to the lowest structures where implementation takes place.

WFP has supported the development of a social registry that includes household data for potential recipients in Karamoja region. While significant efforts have been instituted to ensure the database is utilized by stakeholders to target recipients in Karamoja, the system is still being enhanced to ensure the data variables meet the needs of different stakeholders. Complementary programmes including YLP and UWEP that did not have electronic information systems in the 2014 review have now built robust systems that manage the programme operations. The two programmes have attempted to integrate their operations through the utilization of a common MIS platform.

Whereas the design of the social protection schemes may differ based on programme objectives, there is potential to build on the existing system functionalities and consolidate programme operations with homogenous workflows including registration, payments and grievance mechanisms. A consolidated approach would result in cost efficiencies, standardized service levels, support coordination and address fragmentation of programmes. To reduce margin of errors, digitization of processes needs to be pursued, including payment of recipients and reconciliation as well as use of mobile technology for programme implementation at the local level. Complaints procedures and international best practices should be reinforced in the existing systems.

8.2.6 Monitoring, learning and performance management

Monitoring, learning and performance management are fundamental components of social protection systems. M&E systems perform two core functions: they provide evidence for both proving that the programme is 'doing the right things' (outcome and impact level evidence) and for improving so to ensure the programme is 'doing things right' (output level evidence). Both functions are critical for optimal efficiency and effectiveness of programmes and should be prioritised. At system level, M&E systems safeguard compliance with existing legislation, ensuring transparency and accountability (both internal and external) and building a basis for the continuous improvement of social protection systems.

However, M&E is often under-budgeted and under prioritized in the overall operational framework of social protection programmes. It is fundamental for M&E systems to be designed in such a way so as to strike a balance between the capacity (and cost) to produce/supply evidence in a timely fashion and with quality, and the demand for evidence for decision making according to the needs of the Government and multiple stakeholders.

In Uganda, the NSPP outlines monitoring and evaluation as one of the key frameworks for implementation of social protection in Uganda. The establishment and strengthening of a monitoring and evaluation system for social protection is further visualised in the Programme Plan of Interventions. These policy instruments envisaged the development of a Social Protection M&E Plan to provide a multi-sectoral M&E framework for tracking progress, demonstrating results and guiding evaluation of the National Social Protection Policy. Besides providing regular output and process monitoring analysis, the M&E framework should encompass operations research and provide gender desegregated data for evidence-based policy and decision making.

Significant progress has been achieved in harmonizing monitoring and evaluation for social protection programmes in Uganda. 4 years ago, the M&E arrangements for the sub sector were characterised by fragmentation of instruments, duplication of efforts and weak coordination[480] attributable to non-existence of a common national framework and guidelines consolidating M&E outcomes, results, outputs and activities. Thus, measurement of the efficiency and effectiveness of SP programmes was marginal and majorly donor driven. The development of the National Social Protection Monitoring and Evaluation Plan in 2018, is

[480] Source: MGLSD (2015a)

a milestone towards strengthening and consolidating social protection M&E systems thereby improving operational performance and accountability. However, the strategy itself has issues as discussed in section 4.6 and implementation of the strategy is yet to take off with the delay attributed to institutional and coordination arrangements for implementation. It is envisaged that the M&E framework will, in due course draw on the single registry from which the national social protection indicators will be consolidated for all programmes thereby adopting a unified reporting approach.

The management and institutional arrangements for implementation of the NSPP M&E framework is multisectoral and multidimensional. Overall implementation and oversight is vested upon the Office of the Prime Minister (OPM)[481]. Their core mandate in this regard includes ensuring macro-level Monitoring of NSPP is incorporated in the National Integrated Monitoring and Evaluation Strategy (NIMES) and integration of SP in the National Standards Indicators and the Government Annual Performance Report and end-term evaluation of the PPI. Additionally, OPM plays a key coordination role on M&E among the development partners and decentralises systems through various regional and sub-sector committees[482].

Despite the efforts to develop national M&E instruments, there still exists operational gaps in implementation both at the national and regional levels and across SP programmes. Differing priorities and needs of donor funded SP programmes regarding aligning the systems to the national government monitoring and evaluation frameworks. Often, programme monitoring systems prioritise donor reporting requirements which deters the implementation of national instruments. Moreover, programmes often implement disjointed monitoring processes that are underfunded; with implementation structures within the programmes not being sufficiently cascaded to the district levels. Further, inadequate or irregular funding for surveys and impact evaluations, limited understanding of the purpose of M&E in programmes, minimal demand and utilization of M&E information by decision makers limits its prioritisation. The strategy attempts to address some of these issues, but they remain a significant challenge.

There is need to integrate monitoring processes across all programme operational elements to identify and mitigate efficiency risks. SCG has made considerable progress in embedding monitoring processes into the programme operational cycle, however these are only conducted at the tail end of the process when recipients are receiving payments. Further, there have been deliberate efforts to harmonize existing PWPs M&E mechanisms through the development of the National LIPW implementation and M&E framework that consolidates the M&E requirements and arrangements for public works programmes. However, the guidelines are yet to be fully adopted in practice. Persistent gaps exist in monitoring of social care and support services attributable to the fact that they are heavily supplier-centric, and donor driven. Structural and institutional arrangements might need to be realigned to ensure a congruence of monitoring activities around the social care pillar.

Box 14: M&E best practice from South Africa (International best practice)

> Good practice of a consolidate M&E system for Social Protection is evident in South Africa where the social assistance programme is run by the government, so no M&E activities are conducted by

[481] Source: MGLSD (2015c)
[482] Source: ibid

external funders or donors, unlike in most African countries. The South African Social Security Agency (SASSA), the implementing agency for all social protection programmes in the country, collects data on an on-going basis via its recipient database, the electronic payment system and its grievance and redress mechanism and complaints/appeals structure; and publishes the latest data and statistics in its annual reports, which include relatively detailed statistics about its social grant programme, as well as the agency's overall operations.

8.2.7 Capacity and training

A *Roadmap* to facilitate the implementation of the NSPP policy and plan was developed. The roadmap complements the NSPP and PPI by providing strategic guidance on implementation and coordination arrangements. Further, it clarifies the roles and responsibilities of different state ministries and departments, development partners and non-state actors. To achieve the objectives outlined in the policy all the relevant Government ministries, departments and agencies as well as non-state actors ought to have the necessary capacity to implement the roles, functions and responsibilities assigned to them.

Various stakeholders are involved in the delivery of direct income support programmes in Uganda. Besides the MGLSD, the Office of the Prime Minister (OPM) through its Special Programmes Unit (Peace Recovery and Development Programme) is involved in delivery of NUSAF and other cash transfer/labour intensive public works programmes. Both NUSAF and SCG have capacity building components for programme implementers, service providers and recipients embedded in their operational manuals and implementation arrangements.

Whereas national level stakeholders involved in programme implementation vary, DIS programmes profoundly rely on local government structures to deliver programmes. NUSAF 3 and SCG are implemented through the local councils at regional and district level with dependence on community development officer at the local level as key implementers. Civil Society Organisations (CSOs) and Community Based Organizations (CBOs) partner with central and local government to support implementation of direct income support projects, either provision of extension services or monitoring of programme implementation. However, the heavy reliance on CDOs and sub-county officials to support project implementation, exposes programmes to delivery constraints related to under-staffing experienced at local government levels as well as the inadequacy of operational budgets.[483]

Capacity gaps in delivery of direct income support still exist. An assessment was conducted in 2018 to ascertain the extent to which institutional stakeholders have the capacity to fulfil their assigned roles and responsibilities with respect to implementation of the policy at individual organizational and institutional levels. Challenges identified included: a lack of awareness and understanding of the programme operations, under-staffing at district and sub-county levels, and weak technical skills particularly in management of the programme MIS. At organisational level there was need to strengthen systems and processes required to support smooth delivery of programmes improving, communications among different stakeholders and supporting effective institutionalization of the programme within local government structures and systems.[484]

[483] Source: Land (2019)
[484] Source: ibid

On social care, current estimates suggest that more than 70 per cent of social workers are employed in civil society organisations and around 15 percent by government. However, just over half have a social work qualification and almost one-third have had no training in social work. Almost half-of those employed to teach social work at university level have no social work qualification.[485] Data on staff establishment and positions filled at local government level was not available however anecdotal reports suggest there are limited numbers of Probation and Welfare Officers and Community Development Officers to undertake a social work function.

8.2.8 Communication

Communication is one of the core crosscutting elements of an effective social protection scheme. In the programme plan of interventions, the MGLSD recognizes the importance of communication and envisions the development and implementation of a national advocacy and communications strategy to increase awareness of social protection among all stakeholders in the social protection subsector. Communications has been central to evolution and implementation of social protection programmes in Uganda and has adopted a two-pronged approach: upstream communications supporting the broader policy agenda and downstream communications in support of programmes' operations and implementation.

There have already been some successes in improving advocacy and influencing since the 2014 Review. Through advocacy measures by the Uganda Parliamentary Forum for Social Protection, parliament endorsement of the national rollout of SCG to older persons 80 years and above and MoFPED's subsequent budget allocation. The Parliamentary Committee on Gender Labour and Social Development endorsed the MGLSD's budget request for an additional UGX 59.6 billion. The advocacy measures will not only increase coverage and spending on social protection but also entrench social protection in national planning and budgeting processes within government. A communication strategy for the sector was developed that built on past achievements. Its main objectives are to increase advocacy, promote communication on M&E and increased accountability. The strategy identifies key messages, objectives and target groups building on the successful development and delivery of common message frameworks in the past.

Behaviour change communication to address persistent harmful social norms should also be key a feature of the wider social protection communications strategy. Messaging can be integrated during face-to-face interactions on delivery of social security as well as through standalone campaigns.

Various communication modalities are utilised by different programmes. Predominately, face to face communication through local administration - particularly parish chiefs, village elders and religious leaders - is the preferred channel by the majority of the recipients. Print, radio and television are other modalities adopted by social protection programmes. SCG has piloted and mainstreamed SMS messaging to inform local government staff and community leaders about upcoming payment dates and locations, at a fraction of the cost of radio, which

[485] Source: Twikirize (2018)

the PMU previously used to reach those groups. This channel is more effective than GOU's official communication system through the government hierarchy.

Public awareness and media coverage of the sector has gained traction over the past years. The Senior Citizens Grant has continually invested in communication and advocacy of the programme and tracks social protection media coverage as SCG continues to be a subject public interest. A study conducted by IPSOS in 2017 revealed that media coverage of issues related to social protection is high: over 3,000 media items appeared in print news, radio and TV during the 2016 baseline period, including 125 features specifically on the Senior Citizen's Grant (SCG). Eight in ten articles and news stories were rated as being positive, 9 percent as neutral, and 11 percent as negative. NUSAF 3 has mainstreamed communication in the programme implementation however, minimal evidence was available for our analysis.

However, challenges to effective communication at the national and programme level remain. Funding constraints for communication limit civil society and interest groups participation the Parliamentary Forum mentioned their inability to plan SCG sensitisation visits for MPs outside Kampala, conduct monitoring. The Older Persons Council which has a national mandate to provide advocacy, support and monitoring across the country on elderly issues lacks adequate the resources to cover all the programme districts.

While the effectiveness of programme communications has gradually increased, there is room for improvement. An SCG recipient satisfaction survey carried out in 2018 provided evidence that few older people have access to print media or television hence communication on the SCG via these modalities does not reach them. Majority of the recipients rely on face to face interaction with local community leaders and programme staff for information on eligibility, how and where to register, and when payments will be made. Further, gender considerations could be mainstreamed in communication messaging and modalities. Access to information by older women on programme activities such as sensitization, registration, enrolment and payment is limited due to social cultural barriers. Usually, older women receive information from their spouses or other persons in the community. This information asymmetry hampers effective participation of women in programme activities (Reality Check Approach 2017). Further, persons with disabilities face more challenges accessing information often relying on third parties including other household members to share information with them. Ostensibly, increased investment in programme communications across all pillars will intensify efficiency gains and effectiveness of programmes.

Strengthening communication structures and mechanisms at national level is paramount to propel the sector further towards national prioritization and investment. While the Single registry will provide an avenue for access of sector data and information, a common sector wide communication portal would be instrumental in providing access to reports, data and documentation. Common messages on social protection could also be embedded in the portal. Dissemination of research studies, monitoring reports and evaluations to all stakeholders and general public will further propagate national consensus on the social economic benefits of social protection in addressing pertinent issues, and, promote advocacy to increase coverage of social protection schemes.

8.3 Social Insurance operations

8.3.1 Financial performance targets

The savings-based logic that prevails in Uganda's contributory system means that many schemes measure success using principles and indicators normally reserved for the financial sector. Whereas the key performance targets for social security system are to expand coverage and improve adequacy in order to improve living standards, savings schemes are oriented toward protecting and growing assets. To illustrate, URBRA is oriented first and foremost toward financial goals, including protecting the integrity of retirement funds and encouraging capital markets. According to its website, its primary strategic objectives include:

- *Protection of funds*, pension members and recipients' interest by promoting transparency and accountability;
- Ensuring the *stability and integrity of the financial sector* through the stability and security of pension funds;
- Ensuring sustainability of the pension sector as a whole and encouragement of pension provision with a view to *promoting long term capital development*;
- Finally, setting the foundation for the *gradual liberalization of the sector*.[486]

Similarly, the NSSF's stated mission is 'to pay your benefits on time once you qualify' and 'to give you a real rate of return on your savings'. And, among the only references to membership growth (coverage expansion) in the annual report is found under the sub-title 'Financial perspective.'[487]

URBRA has played a very important role in the regulation and encouragement of the numerous existing schemes, including would-be third-tier occupational and voluntary schemes. By 2018, there were 67 licensed schemes, up from 55 just four years earlier. The number of employers participating in umbrella schemes also rose from 104 in 2014 to 131 in 2018.[488] However, coverage is still low overall. URBRA estimates coverage under licensed schemes (including mandatory schemes) to be around 14 per cent of the workforce. There are strict reporting requirements for funds, and these appear to be enforced relatively consistently, providing an important check on fund management and protection from misuse and corruption. Investment returns have been positive; the real rate of return for the sector was around 16 per cent in 2018, and declared interest rates ranged from 12.5 per cent for mandatory schemes to 8.64 per cent for supplementary voluntary schemes.[489]

The NSSF has shown very good investment performance over the last decade, and the agency clearly treats this as a top priority, especially in the context of past corruption scandals (see **Error! Reference source not found.**). Total assets grew from around UGX 2.1 t rillion in June 2011 to UGX 11.3 trillion in 2019. This growth has enabled interest payments to members to remain above 11 per cent since 2013, reaching a record 15 per cent in FY 2018/19. Testifying to this solid performance, the Fund won the Africa Pension Fund

[486] Source: URBRA website: https://urbra.go.ug/about-us/who-we-are/. Emphasis added.
[487] Source: NSSF (2018b).
[488] Source: URBRA (2019).
[489] Source: Ibid.

Infrastructure Investment Initiative of the Year Award in 2017.[490] However, the Fund recently disclosed large losses in FY 2018/19 amounting to more than UGX 400 billion, which they attributed to exposure in the regional equity market.[491] These losses highlight the inherent risks in relying on market performance to deliver adequate benefits, and came in spite of the fact that more than three quarters of the portfolio is invested in relatively safe fixed income securities.[492]

Box 15: NSSF — Emerging from a shadow of corruption

The National Social Security Fund (NSSF) is a provident fund established by Act of Parliament in 1967. The Act was repealed by the National Social Security Fund Act, Cap 222 of 1985, giving NSSF the status of an autonomous body corporately managed by a tripartite Board of Directors and a Managing Director.

After reports of alleged corruption in which millions of shillings of workers' savings were feared to have been lost from NSSF, President Museveni ordered the NSSF transfer from MGLSD to the Ministry of Finance, Planning and Economic Development (MoFPED), citing corruption allegations, most notably the botched Nsimbe Housing Estate project which caused the Fund to suffer a financial loss amounting to UGX 8.2 Billion.[493]

The transfer was also justified based on the perceived lack of capacity within the MGLSD to supervise the management of what was inherently a financial institution, despite its purported social security mission.[494]

While the NSSF has made great strides toward improving management and operations systems and technical capacity, even winning international acclaim —including recognition for its e-collection systems and investment infrastructure— the move to MoFPED has not entirely rid the agency of the occasional scandal. For example:

- In 2008, a city businessman and a former Minister of Security sold land dubbed "Temangalo Land" to the Fund at an exorbitant price of UGX 11 billion, or around UBX 24 million per acre. Investigations uncovered serious breaches of Government procurement procedures, including the fact that NSSF had not advertised it. The situation led to accusations of corruption, mismanagement of funds and political influence.
- In April 2014, after a citizen complaint was lodged, the Inspector General recommended sanctions against the former Managing Director of the National Social Security Fund (NSSF) for neglecting his duty and disregarding professional advice, as a result of which the fund lost billions of shillings in fraudulent transactions.
- In one of the controversial transactions cited, NSSF made a fraudulent disposal of its land on Block 4 Plot 434 at Namirembe road in Kampala. The land in question was sold at UGX 650 million, the same value at which it was purchased in 2008.[495]

The current NSSF Amendment Bill that has been tabled in Parliament has proposed returning the NSSF to the MGLSD for all matters related to social security policymaking but leaving oversight of investment functions under the MoFPED. It also proposes strengthening the governance structures, notably by codifying tripartite representation on the Board.

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[490] Source: Adengo (2017).
[491] Source: The Independent (2019).
[492] Source: NSSF (2018b).
[493] Note: Before NSSF was transferred to MoFPED, Bank of Uganda took over the supervisory role of NSSF in 2005, until the Finance ministry later took over. In November 2007, the National Organization of Trade Unions (NOTU), planned to stage peaceful demonstrations in protest against the transfer of the NSSF from MGLSD to MoFPED, arguing that it was illegal and contravened the workers' rights, as stipulated by the constitution of Uganda, but the fund remained under MoFPED (New Vision, 14 November 2007).
[494] Source: Interview with a senior NSSF official.
[495] Source: Kiwawulo (2017). See also : https://www.igg.go.ug/updates/media/igg-pins-byarugaba-over-fraudulent-transactions/.

8.3.2 Compliance enforcement and management information systems

The NSSF has also taken important steps to improve compliance enforcement among active members, but enforcing compliance among non-registered enterprises remains a challenge. The Fund has constituted a fully-fledged section in Operations Department to reduce and manage defaulters. This systematic approach has enabled the Fund to recover UGX 32.7 billion from various defaulters. NSSF has entered into an arrangement with URA to access URA data on PAYE,[496] which is reducing the number of firms that are under-declaring employees and their salaries. The officers are empowered to access employers' premises and inspect records to ascertain full compliance with the NSSF Act and prepare reports or advise the employer accordingly.[497] Compliance by active members is high, reaching 81 percent in 2018,[498] which is at least partly enabled by an effective and award-winning e-collections system.[499] Nevertheless, the high levels of informality are a testament to the steep challenges of improving inspections and compliance among non-registered enterprises and employees.

The PSPS has benefitted from the introduction of the Integrated Personnel and Payroll System (IPPS). The new automated human resource management system represents a major change from previous record-keeping which relied on largely manual and disconnected processes. The system is being introduced in all MDAs and local governments (LGs),[500] with four modules — on payroll management, pension management, establishment control and training management — currently operational. MDAs and LGs can use the system to access the Electronic Document Management System (EDMS). The main achievement of the IPPS has been the decentralization of payroll management, which has enabled the Government to eliminate ghost workers/pensioners through biometric validation and to reduce the wage bill.

8.3.3 Service delivery

The NSSF has a wide-reaching and expanding national presence. Currently, there are more than 24 branches, 12 of which opened in the last two years, as well as a system of outreach centres and regional centres located around the country, as show in Figure 92. In this regard, and taking into account its growing professionalization and recent successes with implementing forward-looking technologies, there is a case to be made for positioning the NSSF as a future single national social security delivery agency in Uganda, encompassing both DIS and social insurance benefits, as explained in Box 15.

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[496] Note: Pay-As-You-Earn tax. See URA (2017).
[497] Note: The NSSF Act provides for the prosecution of employers and employees who may obstruct officers in their work, make false representation or fail to provide the requested information. The NSSF may prosecute directors and/or principal officers of the defaulting employer who may be liable for a specified fine or imprisonment or both.
[498] Source and note: NSSF (2018).
[499] Source: NSSF (2017).
[500] Note: The vast majority of MDAs (242) use IPPS in-house to manage salary, pension and gratuity payments, while the remainder use regional support centre as they lack required infrastructure.

Figure 92: Distribution of NSSF branches, outreach centres and regional centres[501]

The NSSF has excelled in recent years in matters related to day-to-day operations and service delivery. For example, wait times to receive benefits are declining and now average around 8 days from more than 100 days in 2012. This is below the 15-day promise to members but far from the Funds's strategic target of 1 day.[502] There is a clear focus on improving member services. This is reflected in an institutionalised system of member feedback through annual customer service satisfaction surveys implemented for the last three years.[503] However, in 2017/18, the average member satisfaction rate (78 percent) fell short of targets (91 percent FY target and 95 percent strategic target), which the Management attributes to the fact that 'the range of benefits does not adequately cover the needs of the members' — a policy and structural deficiency.[504] Further, members can access their account information in real time via mobile technology using the Straight Through system, which also supports the e-collection contribution collection system.

Box 16: The NSSF as a single delivery agency?

Given the recent success of the NSSF, some might consider it to be an emerging 'pocket of effectiveness' in the national institutional landscape.[505] The far-reaching national presence, high administrative capacity and improved reputation could position the NSSF to take on a larger role in the administration

[501] Source: NSSF website.
[502] Source: NSSF (2018b).
[503] Source: Ibid.
[504] Source: Ibid., p. 35.
[505] Source: See e.g. Hickey (2019) and Bukenya and Hickey (2019) and the body of research on 'pockets of effectiveness' as drivers of development; in Uganda, the MoFPED is identified as a pocket of effectiveness.

and delivery of the core DIS programmes and future social insurance benefits taking shape in the draft vision.

In fact, many countries centralise the administration and delivery of lifecycle income transfers under one administrative agency. In a multi-tiered system, a unified delivery agency provides users with a centralised interface with the state — a one-stop shop — on matters related to social security. For example, for a parent to claim a future child benefit, the child would be presented *at birth* with a national social security (NSSF) registration number that would follow the child throughout childhood, working age and into retirement. The transition between the contributory system and DIS systems would be seamless and based on a common MIS and payment platform.

The NSSF's presentation of an alternative health financing proposal for the NHIS underscores an increasing awareness of the potential of the agency to play a larger role in social security and social protection by taking advantage of its comparative advantage in contribution collection and fund management. The proposal would also utilise the NIRA and Telecom (mobile phone) database to identify contributors in the informal economy.

However, one administrative area where the NSSF lacks experience and infrastructure is in the payment of monthly benefits, since currently all NSSF benefits are lump sums and collected in person from branch locations. Therefore, it would have to develop these capacities internally in partnership with the MDAs already involved in paying monthly DIS benefits.

The PSPS has made progress on improving service delivery in the context of wider public service reforms. In addition to the introduction of the IPPS, the Ministry of Public Service has begun to offer pension clinics to pensioners around the country.[506] The clinics offer a platform for current official to inform pensioners of the latest policy or administrative developments or changes that affect them (for example, the decentralisation of pensions delivery), as well as allowing a direct feedback channel for pensioners. The clinics also provide pensioners with information on financial literacy and time management in retirement. The clinics are reportedly well attended, although no data was available on this, and feedback on the clinics has been positive.

8.4 Social care and support operations

8.4.1 Capacity to deliver social care and support

Coordinated prevention and response requires the right people with the right qualifications to be available in the place closest to the individuals. A consolidated fully financed local government workforce, formed from the current cadres (Probation and Welfare Officers, Gender Officers etc.) can undertake social work case management with children and families, persons with disabilities and older persons. A supplementary community cadre harnessing traditional support mechanisms on a longer-term institutionalised basis can extend the reach of social care and support prevention and response.

Departments of Local Government at sub-national level manage a nominal staff complement for local service delivery, however there are not enough people in post to deliver in practice. The staff establishment includes a Probation and Welfare Officer,

[506] Source: Interviews with MoPS officials. See also MoPS website: https://publicservice.go.ug/public-service-conducts-pension-clinics-in-northern-uganda-and-west-nile/.

Community Development Officer, Gender Officer and Labour Officer. Anecdotal reports suggest that there is a significant difference between the full staff establishment and the actual positions filled and that the roles, responsibilities and lines of accountability of these Officers are not clearly defined. At the time of this review complete and accurate data on staff establishment and positions filled was not available. The system requires the right people with the right qualifications in the right place and with access to a minimal set of resources to deliver on the policy commitments for social care and support.

In the absence of a full-time professional workforce there has been a tendency to rely on volunteer community cadres generally supported by civil society organisations often on a project basis. Interventions for community mobilisation are scattered across sectors - health, education, gender, roads, agriculture, children; parallel and sometimes duplicate structures are created; and resources are thinly spread. The MGLSD has expressed an interest in consolidating these cadres, transferring the resources to local government and facilitating Community Development Officers to mobilise communities through an integrated approach. This envisages a joint plan, set of training and awareness raising materials and mechanism for coordination

A systemic approach to social care and social support will need to include investments in capacity (workforce and infrastructure), mechanisms for referral and follow-up, mandatory multi-sectoral collaboration and coordination, and systematic regulation of CSO and private sector providers (see **Error! Reference source not found.**). Coordination occurs horizontally a t district and community level across social service sectors, linking socially vulnerable individuals to services in health, education, justice, and social protection including social care. Coordination also occurs vertically within a systematic framework which creates an environment for quality assurance in service delivery across sectors.

Figure 93: Components of an Operational Framework for the Social Care and Support System[507]

Operationalisation of mandatory vertical multi-	Impact	Reduced poverty and socio-economic inequalities for inclusive development by 2020					
	Outcome	Families and communities protect and care for children and vulnerable adults			Social care and support services are delivered consistently and systematically		
	Operationalisation of mandatory horizontal multi-sectoral coordination						
	Output	1. Policy and legislation	2. Access to services	3. Capacity	4. Coordination	5. Regulation	6. Finance

[507] Source: Authors' interpretation of UNICEF (2010) incorporating evidence from the consultations conducted in connection with the development of the Conceptual Model

		Fully implemented domestic and international legislation and national minimum standards for service delivery	Social workers operating a case management system ensuring access to social transfers, social care, justice, education and health	Improved institutional capacity of the GoU - infrastructure, resources, workforce AND improved capacity of families and communities to protect, care and support	Operationalise mandatory multi-sectoral coordination mechanism at district and national level; linked to regulation, data & evidence and single registry MIS	The process of regulating or being regulated which may include the issuance of a rule or directive (regulation) as part of its operational modalities; requires systematic collection of data and evidence, and systems for monitoring and quality assurance	Budget allocation and progressive disbursement

Ensuring quality provision and adherence to best interests' principles requires investment in in a monitoring and regulatory workforce. Management and supervisory structures will contribute to quality service delivery and data collection, however an additional dedicated regulatory team is also required to enhance overall M&E and to ensure that private sector and CSO provision is properly delivered.

The workforce for prevention and response is currently inadequate to fulfil the social care and support obligations for prevention and response. Many of the vulnerabilities described in the social analysis - exposure to violence and abuse, stigma and discrimination (associated with disability, or HIV status or minority or refugee status etc.) contribute to and intensify exclusion and harm. Often driven by harmful gender and social norms preventive activity aimed at raising awareness of these issues and changing harmful practice and providing support to prevent potential escalation of household level problems is a critical component of social care and support. The role of the social care professional therefore incudes responsibility for engaging with communities over time to encourage enough people in the reference group to change the status quo. There is currently no evidence to suggest that an adequately qualified and supported social care and support workforce exists in such numbers to undertake prevention and response activities.

8.4.2 Identification

Case management for client identification response has been introduced on a project basis, mostly for child protection and for households affected by HIV but is not systematised nationally. Case management involves applying standard individual and household assessment, planning, referral and follow-up. When a client is identified, a social care and support worker is responsible for making sure that all of their needs are identified, that a systematic plan to meet those needs is put in place and that follow-up occurs to make sure the plan is activated. Whilst models for case management have been developed on a project basis, and tools have been endorsed by MGLSD, there is currently no plan in place for national operationalisation.[508]

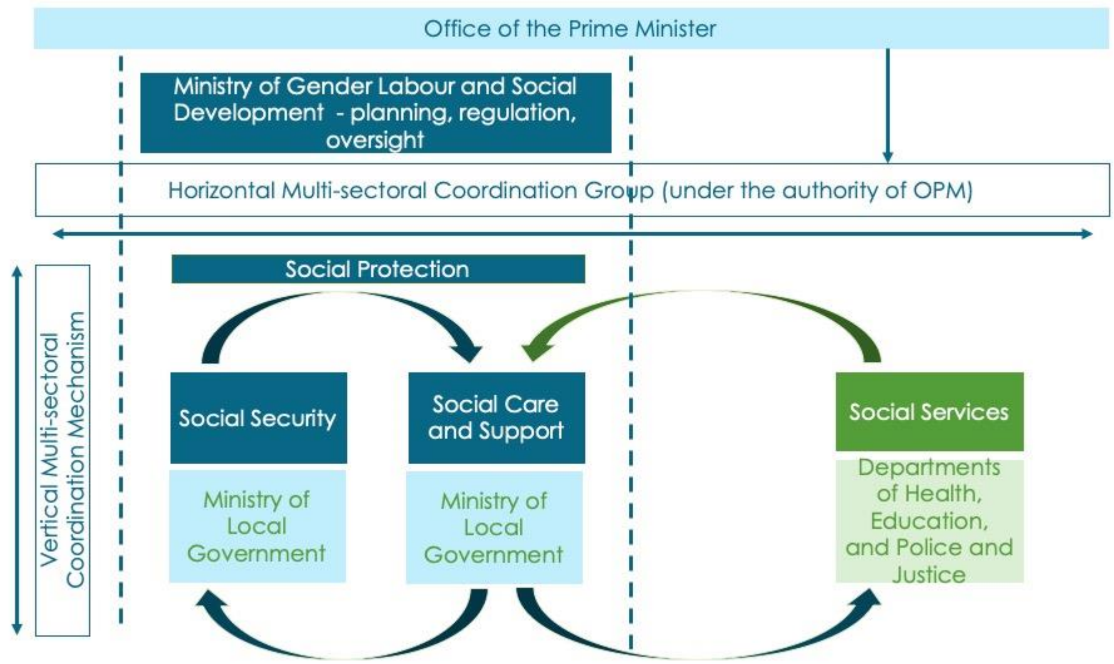
[508] Source: Development Pathways (2019); Ddumba-Nyanzi ad Li (2018)

8.4.3 Coordination and integration

Internal sectoral and external cross sectoral integration coordination is significantly constrained. Whilst the NSPP includes two pillars of social security and social care and support, mechanisms for referring households in receipt of direct income support for social care and support and vice versa are non-existent. Similarly, there is limited coordination with other sectors to better address the broader determinants of wellbeing, including with Health, Education, Police, Justice, community and religious leaders, Immigration etc.

There is no mandatory multi-sectoral coordination mechanism with higher level oversight to require sectors to work collaboratively. Whilst MGLSD may have responsibility for designing the multi-sectoral system it does not have the authority to require compliance of other government agencies. Thus, oversight should lie with a higher-level authority (Figure 94). Referrals can come from social security into social care and onwards to other sectors - individuals in receipt of direct income support are likely to have additional support needs. Similarly, vulnerabilities can be identified by workers in allied sectors and referred on for case management intervention.

Figure 94: Model for multi-sectoral coordination



8.4.4 Data management and systems

Comparable data for monitoring and evaluation and planning of social care and support is not systematically collected. Not only is this inefficient but means that government cannot report on progress against national indicators or global commitments, for example Sustainable Development goals.

MIS platforms within the Social Care and Support services pillar include the Child Helpline, GBV, and OVC programmes. The scoping assessment revealed that there is a lack of an integrated and comprehensive MIS for end-to-end processes across social care and support services. Many service providers engage the communities at decentralized level without clear standardized guidelines and practices for information management. Various service providers manage the operations of the social care interventions on separate paper based or spreadsheet options. The current MIS platform for OVC provides a consolidated reporting framework (but only for summary data). The Child Helpline (Sauti) and Gender-based Violence programmes MIS adopt a case management methodology that capture details of cases where care and support has been needed and provided for vulnerable children and gender-based violence victims / survivors.

Whereas there has been significant progress in the development of the MISs, significant gaps remain. The social care MISs do not capture recipient information nor follow the standard operational cycle of social protection schemes hence do not provide operational efficiencies with regards to registration, enrolment and delivery of benefits to recipients. Fragmentation of social care and services players and lack of standardized operational guidelines for implementation contributes to inefficiencies, inclusion and exclusion errors as well as variances in benefit levels. There is need for an amalgamated, comprehensive approach to management information systems for social care and support services. A harmonized registration approach incorporating processes for identification and registration of vulnerable groups (both in the programmes as well as potential recipients) needs to be instituted to avoid exclusion of vulnerable populations.

Three separate management information systems have been introduced by donors which can be confusing and burdensome for local government officers. These are a Child Helpline supported by UNICEF, a gender-based violence database supported by UNFPA, and an orphans and other vulnerable children (OVC) database introduced by USAID. The compatibility of the systems is unknown as is their capacity to connect to social security management information systems. The completeness of the data is also unknown. UNICEF report that they are advocating with MGLSD for a single database. The MGLSD also introduced an Alternative Care MIS with donor support however this is believed to be non-functional.

8.5 Chapter conclusions

Significant progress has been realized in the sub sector operations since 2014 across the two pillars. However, more significantly in social security as compared to social care and support. Investments have increased towards strengthening administrative processes of social protection schemes to increase efficiency and quality of service delivery. Further, there has been significant investment in programme MISs as well as efforts to integrate systems on a common framework to enhance coordination, accountability and transparency. Efforts to invest in capacities to implement and deliver programmes seem to be gradually bearing fruit through improved and efficient processes. But there is need to strengthen payment delivery mechanisms.

Conversely, performance is yet to reach optimal levels benchmarking on international best practices, there is still room for improvement. The key priorities identified by this review include building and operationalizing the Single Registry for consolidation of social protection programme MISs. This will enhance coordination, operationalize the national M&E plan and inform policy dialogue on expansion and design of social protection schemes.

Operations in the contributory system are still oriented largely toward meeting performance targets designed for financial institutions. A shift in policy focus toward the draft vision for social security would also re-orient the operations targets to focus more on the core social security targets of coverage expansion and improving adequacy. This would include, for example, developing systems to support monthly benefits payments.

Whereas programme MISs have been developed for the core DIS and social insurance programmes, much still needs to be done on the social care and support MIS systems as well as other areas. This will ensure government ownership and a congruence of information systems. While the social protection M&E plan has been developed, there framework is yet to be fully implemented in the sub sector. There is also a need to invest in, for example, the social care and support workforce and coordination structures.

8.6 Chapter recommendations

Registration and Enrolment

8.1: Invest in dynamic and robust IT systems for registration and enrolment

8.2: Scale up NIRA registration (particularly identification and registration of vulnerable groups)

8.3: Consider provision of demand registration and enrolment processes

8.4: Consider a harmonised approach to registration and enrolment where possible for optimal efficiency gains

8.5: Define the mobilization process in operations manuals, and sensitise implementers

8.6: Decentralise registration centres for accessibility and proximity

8.7: Mainstream communication throughout the registration and enrolment process

Payments

8.8: Invest in comprehensive mapping and analysis of possible multiple payment options in context including banks/mobile money or cash for all the pillars.

8.9: When planning future PSP arrangements consider engaging multiple PSPs depending on their geographical coverage to create competition which will improve service delivery

8.10: Devise and implement mechanism for addressing non-compliance of PSPs to their contractual obligations

8.11: Regularly monitor payment processes and take action on the results to improve service delivery

MIS

8.12: Explore opportunities to harmonize and consolidate more functions in the medium to long term

8.13: Ensure the social care and support service MISs incorporate relevant SP indicators as defined in M&E framework

8.14: Expand MIS personnel and invest in staff capacity

8.15: Update existing operations manuals and develop manuals for new programmes that align with the SP vision and frameworks

8.16: Consider digitising manual processes for efficiency and accuracy gains

8.17: Explore and adopt a payment gateway integration functionality as an opportunity to standardize management of payment cycles / processes

8.18: Enforce data protection and privacy principles

M&E

8.19: Reinforce a balance between demand and supply of M&E across all programmes

8.20: Implement in practice an improved and integrated SP M&E plan and develop measures to ensure compliance to the national SP M&E plan

8.21: Strengthen existing M&E systems (personnel, capacity, motivation etc)

8.22: Integrate SP indicators in programmes and MIS systems to facilitate reporting

8.23: Incorporate gender and equity sensitive indicators in national M&E plan

8.24: Strengthen implementation and coordination structures for M&E

9 Review conclusions

Social protection remains a relatively new area for government in Uganda, but much work has been put into developing the sub-sector. This includes putting in place policy, legislation, operational systems and programmes to enable its contribution to national development objectives. Key achievements include:

Direct Income Support:

- The approval by cabinet of the national policy and the development of the PPI to implement the policy;
- The decision to roll out the Senior Citizens' Grant (SCG) nationwide and government resources now providing the majority of funds for the SCG;
- The provision of significant, geographically-focused coverage through NUSAF3 and the development of Uganda's first shock-responsive financing mechanism; and
- The development of the Single Registry and programme management information systems, as well as improvements in payment delivery mechanisms and some other systems

The contributory system:

- Establishment of URBRA and the regulatory environment, which now subjects funds to licensing and reporting requirements, and has potential to limit corruption;
- Forward motion on the NSSF Amendment Bill, which would increase the legally covered population (extends to all employers, regardless of size) and makes important changes to governance (tripartite representation on the Board);
- Initiated review of Workers Compensation Act, which could bring about mandatory risk pooling for employment injury; and
- Additional clarity on the PSPS reform, even if slow, where URBRA has confirmed maintenance of the defined benefit structure but to implement a pay as you go financing structure.

Social care and support:

- The development of new policies on early childhood development (ECD) and youth;
- Operationalisation of the National Council for Older Persons;
- New strategies, such as MLGSD's Alternative Care Framework which supports prevention of separation and family-based care (rather than residential institutions);
- Gender Based Violence (GBV) and Orphans and Vulnerable Children (OVC) data bases managed by MGLSD; and
- Development of the conceptual model for social care which begins to move towards establishing clarity on the future social care system.

The place of SP in the provision of government services in Uganda has been increasingly established in the last ten years, and since the 2014 review. The key question now is how it moves to the next level, towards the establishment of a comprehensive national system with comprehensive national coverage, as envisaged in the national social protection policy. Despite some scepticism around the suitability of social protection in Uganda at the current time, SP is increasingly institutionalised within national plans and budgets. But coverage of programmes remains low, and the argument over expansion of funding is far from resolved. Securing transformative funding will be an important focus of discussion and advocacy going forward.

The focus of future effort for social protection now shifts from establishing a presence and a legitimacy for social protection towards building a comprehensive system. The national vision for social protection as envisaged by Vision 2040, the emerging NDP3 and the national social protection policy itself, requires a considerable broadening and expansion of provision across the two pillars of social security and social care. Enabling this broader and expanded provision will require a strong focus on development of the logistics and funding for a comprehensive system for social protection, and putting in place the institutions, systems, and programme capacity that need to be effective for the comprehensive system to deliver as intended.

9.1 Across social protection

Poverty and vulnerability in Uganda remain high and, as a result of vulnerability, incomes remain highly volatile. More than 70 percent of the entire population are vulnerable to falling into poverty, and using the international benchmark of USD 3.20 (PPP), 70 percent may currently be already considered below the poverty line. Does this matter? Yes it does: a poor and vulnerable population will have severely constrained livelihood options and will make risk-averse decisions when it comes to investments in productivity, and also in basic needs such as health and education. Human capital indicators will remain low and very hard to shift. There will be little chance of Uganda capitalising on the potential demographic dividend, and long-term growth will be threatened, when security of livelihoods is so precarious for such a large proportion of the population.

Spending on social protection is too low, inhibiting growth and development and the implementation of government policies and plans. Uganda is constrained by a very limited discretionary cash budget which limits the room for manoeuvre for increased social protection spend. However, government spending remains imbalanced when only 0.15 percent of GDP is allocated to direct income support, which is very low by comparison with other developing countries. Impact evaluation evidence from the SCG and modelling by MoFPED suggests high returns to investment from increased spending on social protection, from both the direct benefits it will generate and the impact it will have on the returns to investment in other sectors such as health and education. A key reason is that investments in supply of basic services do not address the significant demand-side constraints that inhibit access to those services, whereas this is a key result of social protection investments. Because of the impact on growth and improved tax policy and administration on tax revenues, there is scope for increasing spending in a gradual and phased way while still allowing other sectors to expand. Whether or not spending becomes more balanced depends on decisions made through the budget process which in turn depends on the effectiveness of the case made by advocates for social protection.

A number of important governance and institutional challenges hinder SP sub-sector performance. Many can be addressed with a clear plan and good leadership: ensuring adherence to the policy and defining social protection unambiguously; settling on and committing to implementation of the longer-term vision; defining more clearly the SP system and focusing all efforts towards putting in place critical building blocks in a sensible order and timeframe; and developing and implementing a clear strategy by which social protection will be built in Uganda in coming years. Others are more systemic: addressing the structural anomalies identified in this report; the difficulties encountered in achieving effective coordination of social protection efforts; and introducing clarity into the institutional identity of social protection in Uganda and its fit into wider government systems and plans.

These institutional and systems issues will be the most important in defining sub-sector performance in future, and together define a 'systems agenda'. Addressing the various institutional issues identified in this review represents the systems agenda going forward. Within the framework of building a comprehensive system for social protection, it will be necessary to get the framework for social protection, and its foundational systems, right to allow other efforts to come together. Tempting as it may feel to 'get on with it' and focus on programme-level design and delivery, the higher level systems and a strategic balance across the three levels of the systems hierarchy must be the focus in coming years if Uganda is serious about building its comprehensive system.

There have been many achievements in this relatively young sub-sector, but delivery against plans has been poor. This review found that only 20% of expected actions in the PPI – the vehicle for implementing the national policy – have seen any progress since the 2014 review; and that performance against objectives set out in the NSPP Roadmap and the Social Development Sector Plan has also been patchy, especially on progressing social insurance and the social care and support pillar. Any enhancement of performance for social protection in Uganda will absolutely require more effective management and delivery of plans.

Development partner support must now focus on the systems agenda. Without the sustained support from some of the development partners the status of Uganda's social protection sub-sector would be far behind where it is today. But that does not mean that alignment and effectiveness cannot be improved. Renewal of efforts to work with government to identify and focus on the key strategic priorities for social protection going forward will have a transformative effect on the development of the sub-sector. This will be helped by supporting government to develop high quality strategy for the sub-sector, following the analysis presented in this review, and to align and harmonise the efforts of the wider development partner group to the priorities that emerge. In particular it will be important for development partners to move beyond fragmented programmes which involve high transaction costs and may not reflect the new strategic sub-sector priorities or the forward-looking systems agenda.

There is room for optimism if sector leadership can be reinvigorated. In this instance, effective sub-sector leadership is defined as having a clear sense of what needs to be done, in a strategically prioritised and sequenced order; managing the whole sub-sector team and organisations to ensure it is done; and routinely monitoring how things are going and addressing any departures from the plan as a matter of urgency. In practice this includes ensuring that: the findings of this review, once agreed by stakeholders, inform clear planning and action; the national vision for social protection is approved and institutionalised (including the social care and support component); the systems agenda is clearly understood as the forward priority at this stage and a logical plan for its sequential development is developed; a clear strategy for taking the sub-sector forward is developed and built into a revision of the NSPP Roadmap and the new PPI; management of all these processes is proactively pursued by sub-sector leadership so that it is clear what is needed and this is planned and implemented based on quality strategic planning; and, all partners work together in pursuit of the shared agenda.

This will all require improved management of social protection in Uganda. The majority of institutional constraints identified in this review are symptoms of a lack of clarity, focus and strategy and can be substantially addressed by enhancing the effectiveness of management of the social protection agenda. Strong and clear leadership will go a long way towards improvements in planning, alignment of social protection M&E; establishment and communication of clear roles; the effectiveness of the various layers of coordination meetings, internal and external to MGLSD; delivery against plans; and a more focused and supportive development partner group. All of these areas will be improved by a more concerted and strategic approach to ensuring the social protection agenda is well-managed. And this will enable effective, convincing and successful engagement in the more difficult challenges of structural reform, coordination, and financing.

Most of the key institutional challenges can be addressed within MGLSD and many may be seen as 'low hanging fruit'. However our analysis demonstrates that many of the greatest constraints are in fact within either the control of, or the leadership of, MGLSD itself to address. Evidence and argument provided by the review suggests that if the key institutional constraints are addressed, there is scope for a significant and game-changing enhancement in performance of social protection in Uganda. The review hopes that MGLSD, as the lead agency for social protection in Uganda, will be able to rise to this challenge and deliver for the poor and vulnerable people in Uganda who rely on it.

9.2 Direct income support

Establishment of the SCG within government systems is a major achievement. The decision of government to roll out the SCG to all districts in the country and to institutionalise funding within the recurrent part of the government budget is a testament to the work of those who have advocated for social protection in Uganda. The very recent and contested history of establishing social protection in Uganda suggests that this was not inevitable, and the evidence-based approach combined with strategic engagement and advocacy has strongly contributed to this result. The SCG has now become a permanent feature of the social protection scene. This provides a sound footing for further discussions on what comes next and how the sub-sector continues to develop from this point.

However, the SCG remains the sole core DIS programme in Uganda, alongside a small number of temporary programmes. This is still only early days in the development of the comprehensive social protection system envisaged by the national policy. The draft vision document maps out a slow and evidently reasonable pathway for expanding the scope and scale of DIS (and other) programming which delivers on the ambitions of the raft of national policy and planning statements around the future profile of social protection in Uganda. Pursuing this agenda now becomes the focus of future effort.

Progress with establishment of DIS operational systems through the years has been good, but much remains to be done. The key priorities identified by this review include: building and operationalizing the single registry for consolidation of social protection programme MISs, which will enhance coordination, operationalize the national M&E plan and inform policy dialogue on expansion and design of social protection schemes; while the social protection M&E plan has been developed, the framework is yet to be fully implemented in the sub sector and there is need to strengthen the governance structures for implementation of the framework; furthermore, investment in robust payment delivery mechanisms based on the capacity and capabilities of PSPs by geographical coverage will ensure recipients receive the right amount of benefits, in the right way at the time of need, while guaranteeing efficiency gains; and finally enhancement of existing grievance mechanisms will further enhance accountability and transparency of sector operations.

An innovation in social protection in Uganda since the 2014 social protection review has been the introduction of shock-responsive social protection, but a strategy for going forward need to be developed. A national social protection system is a prerequisite for developing a shock responsive element, and the expansion of direct income support will itself provide support against shocks. Against this background, options for shock-responsive social protection in both the short and long-term need to be considered. This includes considering whether adapting public investment programmes to put a higher priority on employment objectives is a viable way forward. Shock-responsive social protection will also need to be incorporated in the NSPP or its revised PPI.

And the position of refugees will need to be established within both policy and programmes. As for shock-responsive social protection, refugees are not catered for in the NSPP which refers to supporting ‘citizens’. There is a need to clarify the long-term rights of refugees in terms of social protection in the light of Uganda’s open door policy towards refugees.

9.3 The contributory system

There is no public contributory social insurance scheme currently in Uganda. This is because the NSSF does not meet the criterion of risk pooling and so is not insurance, and the PSPS is wholly funded by state revenues and is not contributory. The scope of contingencies covered by these two schemes are also very limited. As a result of the current profile of the contributory system, there is very limited experience with social insurance in Uganda, including a very limited body of expertise to advise on establishment of future systems.

Coverage of the contributory system is currently very low and imbalanced. Current levels are around 5 per cent of the working age population, with the balance being workers in the informal economy. Those covered are dominated by higher earners, peaking at mid-career level, with minimal representation of lower income groups, and most are men. Coverage of voluntary schemes is very small and likely to stay that way.

The contributory system currently faces two key challenges. These are the predominance of fragmented, scheme-based institutional arrangements; and a prevalence of (and reliance on) the savings model and voluntary initiatives. Addressing both of these will be necessary if CSI is to develop to provide effective social security to a large proportion of the population.

A key priority is to establish a system, not just focus on individual schemes. Current initiatives are all scheme-based and this means Uganda is missing out on the benefit of thinking about and establishing a national multi-tiered system, consisting of a basic tax-financed tier, mandatory contributory social insurance and voluntary, private occupational schemes. The MGLSD is responsible for policy and strategy for the social protection sub-sector as a whole, and will need to ensure that a holistic perspective is applied to discussions around the contributory system, and to ensure that all work done fits within the wider vision for social protection in Uganda beyond either just the contributory tiers or individual schemes alone.

There is a clear case for a single national scheme based on social insurance principles of regular payments, risk pooling, and guaranteed support. This would avoid the challenges presented by a system comprising different providers, such as the profusion of different product and process architecture and rules, and limited portability, and would resolve many of the governance and supervision challenges under the oversight of URBRA. The review proposes placing NSSF at the centre of the contributory system as the basic national scheme and believe this will address the system's two key challenges.

This will require reforms to current schemes, but current proposals do not go far enough. There is increasing agreement that NSSF will become the single national scheme, and the current draft of the NSSF Amendment Bill makes contributions to NSSF mandatory for all formal sector workers. However current proposals rely too heavily on voluntary provision without improving the scheme's fundamental attractiveness, as a social insurance scheme offering benefits earlier in the lifecycle would do. And, most importantly, the draft bill makes no provision for the structural reform to the NSSF that would convert it from a Provident Fund (savings scheme) into a national social security scheme.

Current thinking for inclusion of informal sector workers in contributory schemes is over-optimistic. Based on the profile of the informal labour force and their level of security, levels of income and vulnerability, disposable income and consumption patterns, analysis presented in this review suggests that contributions will be unlikely for people below incomes of 215,000 UGX per month. This level of income is only currently achieved by a maximum of around 25 per cent of the working age population, which means that contributions from informal sector workers are not likely to be an effective means for significantly expanding coverage of contributory social insurance without expensive subsidies or other support. There is a strong argument that resources are better spent on improving income security for the vast majority through a lifecycle-based tax-financed system, thereby promoting inclusive growth and building a future workforce with higher contributory capacity. Efforts in this area need to be evidence-based and need to work with the reality as it exists and not based on wishful thinking.

Further analytical work, strategy and subsequent reform will now be required. Reform of the NSSF to become the single, national mandatory social insurance scheme will go a long way toward building the institutional architecture fit for a growing economy like Uganda's. To achieve the government's emerging vision for providing regular, predictable social insurance benefits across the lifecycle, actuarial studies will need to be carried out to determine feasibility and the appropriate schedule and conditions for a transition to the new system. In the meantime, the government objective of expanding coverage of the contributory system in Uganda to the informal sector will be limited to higher earners. The analysis presented in this review will hopefully help further discussions along these lines proceed in a constructive way with realistic chance of success.

9.4 Social care and support

The review has found no evidence that social care support is systematically available to those who need it. Despite its equal standing with social security in the national social protection policy, a web of relevant commitments in other policies and plan, a number of strong recommendations in the 2014 sector review, and clear plans in the SP policy PPI which as we have seen have barely been implemented, only limited progress has been made in bringing life to this important strand of work. In practice this means that people in need of social care support across the country are unable to receive it, with presumably significant effects on the large likely caseload which goes unattended and unsupported.

Social care and support is not a standalone area of work but has been treated as such. The reason social care is a pillar in the national policy alongside social security is that the two are complementary and inter-dependent. While the caseloads for each of the pillars are separate, it is likely that there is considerable cross-over between the two. In reality social care is a system which connects the multi-sectoral service provision needed to address its mandate.

Social care and the future social care system have not been defined. It remains unclear what the boundaries are of social care, what is in and what is out, and what the envisaged system looks like. Like for the wider social protection sub-sector, social care is in need of a vision, in need of a final destination for where the system is envisaged to be heading. This will enable a detailed costing of future provision which is currently not possible due to the lack of specification of what to cost, and a clear way forward for putting in place a system in line with the wider process for building social protection in Uganda.

There is emerging clarity on what such a system might look like and its key components. The work on the conceptual model in 2018, complemented by this review, maps out some of the elements of the future system. This includes policy and legislative improvements; a case management system managed by social workers which ensures access to social transfers, social care, justice, education and health services; improved capacity within government and community systems; mandatory multi-sectoral coordination at district and national level, linked to regulation, and a single registry and MIS; monitoring-based regulation; and access to finance.

The key challenge now is to move from concept to implementation. In addition to putting in place the vision, and planning for the different elements of the system, a financing strategy will be critical since none currently exists. It is unclear what the appetite is in Uganda to finance social care, the potential sources of finance, its extent, and over what timeframe.

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Annex 1 Progress against existing plans

Table A 1 1: Performance of social protection against NSPP and PPI objectives

Key to objectives: NSPP sections; NSPP objectives; PPI interventions; PPI activities	
Increasing access to social security	
Expand the coverage and scope of contributory social security in both the formal and informal sectors	RED
Undertake reforms in the provision of contributory social security	
Establish contributory pensions scheme for public sector workers	
Amend legislation governing Retirement Benefits for Public Servants	RED
Awareness raising on defined Contributions Pension Scheme in the Public Service	RED
Establish contributory pensions scheme for the private sector	
Transform the NSSF into a pension scheme	RED
Diversify social security products	RED
Promote the private sector social security industry	GREEN
Develop Informal Sector Social Security Scheme	
Review existing informal social security schemes	GREEN
Design social security products for the informal sector	RED
Mobilize and sensitize the informal sector workers	RED
Strengthen governance of contributory social security schemes	
Enforce and monitor compliance with social security regulations	GREEN
Establish and expand direct income support schemes for vulnerable groups	
Roll-out a non-contributory social pension scheme for older persons	
Deliver regular and predictable Senior Citizens Grant to selected recipients	GREEN
Design and implement gender sensitive social transfer programmes for other vulnerable groups	RED
Formulate legislation to support implementation of Direct Income Support programmes	RED

			Enhance utilisation of civil registration to improve targeting	AMBER
		Reform public works and infrastructure development programmes for a regular and reliable income for labour-endowed households		
			Design and implement labour-based safety net schemes in relevant geographic areas	GREEN
			Strengthen systems for harmonized delivery of DIS programmes, including public works	AMBER
		Build public and private support for DIS		
			Raise awareness among policy makers, technical staff and CSOs on the need to provide social protection to poor and vulnerable group	GREEN
			Generate and disseminate researched evidence on the impact, cost effectiveness of DIS programmes	AMBER
			Dissemination of the NSPP to key stakeholders	AMBER
	Enhance access to health insurance services			
		Establish the National Health Insurance Scheme		
			Formulate the National Health Insurance legislation	RED
			Advocacy and awareness-raising on the value of health insurance	RED
			Mobilise communities to participate in community health insurance initiatives	RED
	Enhance access to compensation by workers in both the private and public sectors			
		Develop mechanism for improving access to workers' compensation		
			Amendment of Workers' Compensation Act	RED
Enhancing care, protection and support for vulnerable people				
	Promote community-based response mechanisms for supporting vulnerable people			
		Strengthen traditional and cultural values on social care and support		
			Review community-based approaches of social care and support service delivery	RED
			Develop and disseminate guidelines and standards on traditional social protection mechanisms	RED
			Develop a harmonized coordination mechanism for community-level social care and support services	RED
			Engage traditional and cultural institutions to promote community-based care and support mechanisms	RED
			Build capacity of communities to identify and design appropriate community-based responses	RED
		Increase access to specialised social care and support services		
			Establish minimum packages of social care and support services for various categories of vulnerable persons	RED
			Develop service delivery standards	RED

Empower vulnerable groups to demand social care and support services	RED
Expand the scope and coverage of care, support and protection services	RED
Promote public-private partnerships in the delivery of social care, support and protection services	RED
Build the capacity of social care and support service providers	
Strengthen human resource capacity at all levels	
Establish a professional body for social workers	RED
Enhance the capacity of MGLSD to monitor compliance with social care and support service standards	RED
Strengthen in-service training of community development staff, other local government staff, judicial officers and para-social workers	RED
Build capacity of duty bearers on the rights of vulnerable groups	RED
Establish and rehabilitate facilities for social care and support	RED
To strengthen the institutional framework for social protection service delivery	
Establish coordination mechanisms for social protection at various levels	
Enhance human resource capacity for the design, implementation and coordination of gender sensitive social protection	
Build the capacity of the MGLSD to coordinate and implement social protection	AMBER
Establish and strengthen structures, systems and institutions for coordination social protection services	
Support Cabinet Committee on social protection	AMBER
Strengthen M&E System	AMBER
Support multisectoral technical coordination mechanism for social protection at all levels	AMBER
Build capacity of policymakers and implementers across government on social protection policy and programming	AMBER
Establish linkages between formal and informal social protection	RED
Establish an effective monitoring and evaluation system for social protection	RED
Strengthen the functionality of civil registration system	AMBER
Develop management information systems for different components of social protection	
Develop MIS to improve implementation of social protection interventions	GREEN
Strengthen the technical and logistical capacity for delivery of social protection services	
Capacity Building for improved service delivery at the local government level	RED

			Integrate social protection into local government performance assessment	RED
			Build the capacity of stakeholders to provide oversight on social protection	AMBER
			Develop and implement a National Policy Advocacy and Communication Strategy	GREEN
			Develop a Gender Mainstreaming and a Social Inclusion Strategy	GREEN
			Conduct research to inform policy implementation	GREEN
	Develop a long-term financing mechanism for social protection			
		Expand fiscal space		
			Formulate a strategy for sustainable funding of social protection	GREEN

Table A 1 2: Performance of social protection against NSPP Roadmap milestones

NSPP roadmap headline milestones	
2016 NSPP inception	
Cabinet Sub-Committee, High-Level Technical Committee, Social Protection Sub-Committee and Thematic Working Groups constituted	GREEN
Key support strategies/plans developed: NSPP M&E Plan, NSPP Research Agenda, NSPP Gender, Equity and Social Inclusion Strategy, NSPP Capacity Building Strategy, NSPP Communications & Advocacy Strategy	GREEN
2016/17	
Labour Intensive Public Works guidelines finalised	GREEN
Local Government inspectors trained in assessment of social protection	RED
Coordination mechanisms (TWGs etc mentioned above) operational	AMBER
2017/18	
Public Service Pension Fund established	RED
100% of districts trained on the NSPP	AMBER
Strategic framework for social care and support at national and local government are operational	RED
2018/19	
Health insurance rolled out to civil servants and pensioners; health insurance for SCG recipients commences	RED

Single Registry for social protection operational	GREEN
2019/20	
SCG reaches 55 districts	GREEN
Informal sector social insurance scheme designed	RED
Social protection data/indicators incorporated into relevant national results frameworks	AMBER
Other grants, ie the disability grant, established	RED

Table A 1 3: Performance of social protection against Social Development Sector Plan targets (under 'Objective 3: To enhance the resilience and productive capacity of the vulnerable persons for inclusive growth')

Output results	Key performance indicator	Baseline	Year 1 (2015/16)	Year 2 (2016/17)	Year 3 (2017/18)	Year 4 (2018/19)	Year 5 (2019/20)	
Policy and legal frameworks and mechanisms for vulnerable groups formulated								
	Number of policies and action plans for vulnerable groups developed, reviewed and implemented	9	1	2	2	2	2	GREEN
	Number of social protection laws formulated	6	0	0	1	1	1	RED
	Functional single registry for social protection	N/A	0	1	1	1	1	GREEN
	Number of reports submitted on international instruments for vulnerable groups	2	2	2	0	2	2	GREEN
Social Assistance Grants designed and coverage expanded								
	Number of older persons accessing Social Assistance Grants for Empowerment	1,465	13,239	14,279	15,466	17,168	18,698	GREEN
	Number of PWD's accessing Disability Grants ('000)	10	0	20	30	40	45	RED
	Number of vulnerable persons participating in public works programs ('000)	36	0	148	148	148	148	AMBER
Social security services expanded to the formal and informal sector								
	Number of workers in formal sector accessing social security (million)	1.8	1.9	2.02	2.19	2.49	2.89	RED

	Number of informal sector social security schemes developed and operationalized	N/A	0	0	1	1	1	RED
Social care and support services expanded and strengthened								
	No of vulnerable persons provided with comprehensive care and support services (million)	N/A	0.19	0.38	1	1	1.5	RED
	National Council for Social workers established and operationalize	N/A	0	1	1	1	1	RED
	Number of PWDs rehabilitated at institutional and community-based levels ('000)	1	1	1	1	1	1	NOT KNOWN
	Number of children with disabilities rehabilitated	N/A	600	600	600	600	600	NOT KNOWN
Promotion and protection of the rights of children from abuse, neglect and exploitation								
	Number of child abuse cases reported (000)	20	40.8	45.5	45.5	45.5	45.5	NOT KNOWN
	Number of child abuse cases referred for specialised services	300	4080	4550	4550	4550	4550	NOT KNOWN
	Number of cases handled to conclusion (mitigation and arbitration) (000)	NOT KNOWN	16.42	36.4	36.4	36.4	36.4	NOT KNOWN
	Number of children rescued from abuse rehabilitated and resettled (000)	20	10.2	22.75	22.75	22.75	25	NOT KNOWN
	Number of child abuse cases prosecuted (000)	N/A	8	8	8	8	8	NOT KNOWN
	Number of juvenile cases received	6,500	6,500	6,400	6,300	6000	6500	NOT KNOWN
	Number of juvenile cases diverted from justice systems	1000	1500	3000	4000	4500	4500	NOT KNOWN
	Number of juvenile cases prosecuted and rehabilitated	4,853	4,853	4,853	2,700	2,500	1,000	NOT KNOWN
	Number of children rescued from worst forms of child labour (000)	60	10	35	50	55	55	NOT KNOWN
	Number of children legally fostered (000)	1	5	6.5	8	10	10	NOT KNOWN
	Number of children legally adopted	200	175	150	125	100	50	NOT KNOWN
Integrated Early Childhood Development and community based care for vulnerable children promoted								
	Number of parents and caregivers trained (000)	0.3	0	240	340	540	660	NOT KNOWN

	Number of functional parenting clubs established & maintained & number of district with functional IECD committee	N/A	0	112	224	320	320	NOT KNOWN
	Number of community IECD centres established delivering at least 3 essential service to children (000)	6	0	22	22	25	25	NOT KNOWN

Table A 1 4: Progress against 2014 Social Protection Sector Review Recommendations

2014 Social Protection Sector Review Recommendations	
Political and institutional assessment	
Clearly prioritise and sequence the interventions proposed by the Uganda Social Protection Policy	NOT KNOWN
Establish and strengthen coordinating mechanisms within the Government of Uganda's social protection sector.	GREEN
Invest heavily in developing the capacity of the key institutions and professional cadres involved in the social protection sector.	RED
Continue to deepen and extend the constituency of support for social protection in Uganda, particularly within the MoFPED.	AMBER
Ensure that donors maintain their high levels of commitment and support for social protection in Uganda in terms both of policy development and direct financial and technical assistance at least in the short to medium term.	GREEN
Deepen support for the underlying drivers and enablers of social protection, including structural transformation of the economy and the development of more progressive and robust ways to mobilise domestic revenues.	RED
Keep targeting mechanisms as inclusive and simple as possible, both to maintain political support for social protection at the national and local levels and to enable more effective, accountable, and manageable forms of implementation.	GREEN
MGLSD should seek out successful examples of inter-ministerial coordination in order to learn relevant lessons to inform their own efforts	NOT KNOWN
Cabinet and Permanent Secretary Committees should be established as soon as possible to strengthen the standing and importance of social protection in Uganda.	GREEN
The government should move slowly in implementing the USPP, addressing one policy issue at a time in order to ensure the appropriate institutional and organisational arrangements are in place before moving onto the next issue.	GREEN
Operational issues for social protection programming	

	The planned legislative changes envisaged in the draft Uganda Social Protection Policy should include a new law to make payments for social protection statutory.	RED
	Direct income support funds such as those for SAGE should be treated in the budget as protected statutory expenditures. This will ensure that social security funds receive the same status and priority as civil service pensions and salaries during the budgeting and funds release processes	GREEN
	The implementation strategy for the USPP should include a component for lobbying the Cabinet, key ministries (the MGLSD, the MoFPED, and the MoPS), Parliament, and sub-national governments to ensure that adequate funds are allocated for social protection activities. In addition, staff who process social protection funds should be given training that emphasises the importance of the timely delivery of funds.	GREEN
	The MGLSD should continue to engage with the parliamentary committee on social development and the presidential committee on the budget. The two committees should consolidate the current funding for mobilisation at the local government level that is currently allocated to other sectors such as roads, health, and education into a conditional grant to the CDOs. This will increase the budget of the CBSDs, which are the key driver and implementer of social protection interventions.	NOT KNOWN
	Future government budget support funding to the sector from development partners should be earmarked and ring-fenced to ensure that adequate funds are budgeted and released to social protection sector.	N/A
	When the government commits adequate funding, the MGLSD should begin the process of setting up a Direct Income Support Agency by proposing the necessary changes in the law. The agency should have a dedicated staff to ensure the swift disbursement of income support funds. The agency will have the advantage of having few budget lines, which will make it easier for the agency staff to prepare and approve warrants.	RED
Social care and support		
	Develop a framework for designing, coordinating, and delivering social care and support services to vulnerable individuals and groups	RED
	Create a qualified, knowledgeable, and skilled workforce	RED
	Enhance resources for social care and support services	RED
	Implement mechanisms for the regulation, monitoring, and evaluation of social care and support services.	RED
Direct income transfer payments		
	Payments are outsourced to a regulated payment service provider	GREEN
	Payments are made electronically to each individual recipient’s bank account	AMBER
	The mainstream payments infrastructure is used	AMBER

	A suitable communication and grievance mechanism for payments is in place.	AMBER