



THE REPUBLIC OF UGANDA

**MINISTRY OF GENDER, LABOUR AND SOCIAL
DEVELOPMENT**

**STATEMENT ON THE SOCIAL ASSISTANCE GRANTS FOR
EMPOWERMENT (SAGE) PRESENTED TO PARLIAMENT
OF UGANDA**

PRESENTED BY

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MINISTER OF GENDER, LABOUR AND SOCIAL
DEVELOPMENT**

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Hon. Speaker,

Background

- 1.0** Madam Speaker, In July 2010 the Ministry of Gender, Labour & Social Development (MGLSD) presented a proposal to Cabinet and received approval to implement a pilot Senior Citizen Grant (SCG) scheme in Uganda as part of the wider Expanding Social Protection (ESP) Programme.
- 1.1** The Expanding Social Protection Programme was designed to achieve two objectives: (i) To pilot the social grants through the Social Assistance Grants for Empowerment (SAGE) scheme, and (ii) To draw lessons from the pilot to develop the Uganda National Social Protection Policy, as a beginning point to build a social protection system for the country.
- 1.2** Madam Speaker, The SAGE Scheme initially piloted two types of grants: the Senior Citizens Grants and the Vulnerable Family Grants. The Senior Citizens Grant targeted older persons of 65 years and above (but lowered in the case of Karamoja to 60 years). The Vulnerable Family Grant on the other hand was paid to poor and vulnerable households that lacked labour capacity.
- 1.3** In June 2015, however, the MGLSD made a decision to phase out the Vulnerable Family Grant. This decision was based on the lessons learnt in the course of the pilot that showed that the Vulnerable Family Grant was contentious and not well accepted by the community as was the case with the Senior Citizens Grants. The Vulnerable Family Grant was a household grant and therefore its administration was problematic and not well appreciated by the communities. In some districts, community leaders requested the Ministry to remove the grant and replace it with the senior citizen grant.

Implementation of SAGE Phase 1

- 1.4** Madam Speaker, Over the past five years, the MGLSD implemented the Senior Citizens Grant initially in 14 districts of Amudat, Apac, Kaberamaido, Katakwi, Kiboga, Kole, Kyankwanzi, Kyegegwa, Kyenjojo, Moroto, Nakapiripirit, Napak, Nebbi and Zombo. However, later in 2014, following His Excellency the President's directive, the MGLSD extended the Programme to Yumbe district, making it the 15th district.
- 1.5** Under the scheme, beneficiaries receive Shs. 25,000 every month, but paid out every two months hence beneficiaries receive Shs50,000 every two months.
- 1.6** The grants have been delivered to beneficiaries through MTN Mobile Money. However, the MGLSD is now in advanced stages of procuring a new Payment Service Provider through a competitive bidding process. The MGLSD and the Development partners are currently negotiating a contract with Post Bank, the best evaluated bidder.
- 1.7** Between 2010-2015, the Senior Citizen Grants reached 123,153 beneficiaries in the 15 pilot districts. A total of Shs 87.2 billion has been disbursed in grants to beneficiaries
- 1.8** Madam Speaker, The MGLSD has also over the first phase of the programme formulated a comprehensive National Social Protection Policy for the country. The Policy was approved by Cabinet in November 2015 and was subsequently launched by H.E the President, represented by the Vice President on March 2nd, 2016.

Phase two: Roll out

- 1.9** Madam Speaker, the Government in August 2015 announced a phased national rollout, starting with 20 new districts in Financial Year 2015/16. Subsequently it will cover 40 new districts over the next 5 years. 5 new districts will be added every Financial Year until 2019/20, as follows:

- i. FY 2015/16: Kaabong, Abim, Kotido, Koboko, Gulu, Pader, Agago, Lamwo, Amolatar, Pallisa, Amuria, Kween, Namayingo, Mayuge, Kamuli, Kayunga, Nakasongola, Kibaale, Kisoro and Bundibugyo.
- ii. FY2016/17: Kitgum, Nakaseke, Kabale, Bugiri, and Amuru.
- iii. FY 2017/18: Dokolo, Sembabule, Kasese, Sheema and Mubende.
- iv. FY2018/19: Alebtong, Adjumani, Otuke, Moyo and Kumi.
- v. FY 2019/20: Nwoya, Arua, Mbale, Tororo and Kibuku.

1.10 Criteria for selecting Roll Out Districts

The selection of roll out Districts considered the combined poverty index prepared by Uganda Bureau of Statistics and the vulnerability index prepared by the Expanding Social Protection Programme to determine the most vulnerable Districts. After ranking the Districts, those with high scores per Region were taken on first since they were more vulnerable. But as more resources become available we shall cover all the rest of Districts.

1.11 Under the roll out plan, the MGLSD has decided that with the available funds, Government will:

- i. Enrol only the 100 oldest beneficiaries in each sub-county
- ii. Fully cover Yumbe district in FY 2015/16
- iii. Provide counterpart funding to enable Government takeover payment of grants in 7 of the current 14 pilot districts in the next 5 years and the remaining 7 districts in the 6th year.
- iv. Exclude older persons with government-funded pensions from the SCG since they already draw a pension from the consolidated fund

1.12 Development partners will continue to provide funding for grants in the 14 pilot districts as well as operational costs associated with national roll out in both the new and old districts. This will in the medium term over the next five years protect the Government allocated funds for Grants from being eaten into by overhead costs of running offices.

1.13 With the roll out the Programme expects to reach 226,085 beneficiaries over the next 5 years, from the current 123,153 reached under the pilot.

1.14 Madam Speaker, the Programme is currently transitioning from Phase 1 to Phase 11. This transition requires a new MoU between the Development partners and the Government of Uganda. The MoU has been signed by the MGLSD and Development Partners and is currently at the Office of the Minister of Finance, planning & Economic Development for the Minister to sign.

1.15 While we await the signing of the MoU, the MGLSD is already undertaking back end activities to initiate roll out of the grants to the new districts. Activities that have been undertaken to this end include:

- i. Training of the Local Government staff who will be involved in the running and management of the programme in the new districts. All CAOs, District Community development Officers have been oriented and trained on how the Programme will work in the district.
- ii. Training of the District SAGE Support Teams nominated by the CAOs in the 20 districts
- iii. Training of Trainers from district officials who will go to train Lower Local Government officials on their roles in the programme has also been done
- iv. MGLSD has requested the National ID registry to provide information on potentially eligible persons in the 20 districts that will be used for identification of beneficiaries. This information has been received from the NID and is currently being processed, in preparation for transmission to the Local Governments for identification of potential beneficiaries.
- v. District officials will during this month of march be trained on how to use the data from the NID to identify, target and verify beneficiaries

1.16 Next steps:

MGLSD is currently working towards paying beneficiaries in the new districts by the end of April 2016. To be able to make these

payments, we will undertake the following activities in March and April:

- i. Register and validate new SCG beneficiaries and train
- ii. Orient sub-county staff including parish chief and sub-county CDOs as trainers on registration processes
- iii. Facilitate the sub county staff and Parish chief to orient LC1s and chair persons of older person councils of registration and targeting of beneficiaries
- iv. Postbank to enrol new beneficiaries and make payments

1.17 Challenges

- i. While the roll out plan agreed provides for Shs 149 billion over the next 5 years; Starting with an allocation of Shs. 9 billion for FY 2015/16; followed by Shs.17.59 billion in 2016/17, 29.15billion in 2017/18, 40.34 billion in 2018/19 and 52.92 billion in 2019/20, the Budget Framework Paper continues to reflect only Shs 9 billion for the FY 2016/17 instead of shs. 17.59 billion.
- ii. For the first Phase of the Programme, MTN was contracted to deliver the grants. In Phase two however, the MGLSD and the development partners resolved to competitively procure a provider of payment services. Post Bank came out as the best bidder and will therefore provide beneficiary payment services going forward. A contract is currently being negotiated with Post Bank. The delay in the contracting means continued inability to pay new beneficiaries as the contract with MTN does not cover them. The MGLSD is however hopeful that the new Payment Service Provider will provide a good solution that will address the challenges earlier faced with MTN. e.g payments affected by poor mobile money network, long distances that beneficiaries had to travel to collect their money, long periods taken to replace lost or damaged SIM cards, etc.
- iii. The ongoing transition in the Programme has affected the fast progress of payments in new roll out districts. The current major transitions the Programme is undergoing include the following:
 - The End of Phase 1 and beginning of Phase 11 requires a new MoU between the development Partners and GoU/MoFPED. The MoU stipulates the rules of the

game. It therefore means that without this MoU there is not much that can be done; as a matter of fact the development partners have no basis to release the funds, and curtails progress on Programme operations

- The Development partners' decision to re-advertise the Fund Manager role has also affected the Programme. The role of the Fund Manager for Phase 11 was advertised in late 2015. Proposals for fund management are currently being evaluated. In the event that a new fund manager is selected to take over from the current one, that will mean a period of transition
- During Phase one the Programme operated support offices in each of the pilot districts. These offices were staffed, equipped and tooled. Under the roll out plan, it will not be effective to run district offices. As such the MGLSD has decided to run regional offices, where each regional office takes care of 7 districts. These regional centers will be set up in Kiboga, Kyenjojo, Gulu, Nebbi, Kaberamaido, Moroto and Kamuli. The establishment of regional centres however means recruitment of staff, procurement of equipment, acquisition of office space, etc to operationalize these offices. These processes are currently going on. This transition too has affected progress of the Programme in the new districts.

Madam Speaker I beg to submit.