

## Cash grants are pro-poor

By Simon Omoding

At the beginning of September, the Social Assistance Grants for Empowerment (SAGE), gave out the first of what is to become regular cash grants in the first three districts of Kiboga, Kaberamaido and Kyenjojo. Since then there has been discussion especially focusing on; the amount (Ugx 23,000) as being too small, sustainability of the Programme given that it is currently majorly donor funded and how the 14 pilot districts were selected. I want to shade some light on these issues.

The Expanding Social Protection Programme (ESP) led by the Ministry of Gender, Labour & Social Development, is implementing SAGE as a pilot and as only part of the wider Programme. The overall purpose of the ESP is to put in place **a social protection system** in Uganda- a system that is governed by a policy framework that has institutions, structures, human resources, funding to be fully operational.

The idea is that over time the social protection system in Uganda should evolve, as it has in many other countries, to include different types of government interventions designed to protect vulnerable citizens from the worst forms of deprivation and assure their rights to a decent and dignified standard of living.

By urban standards Ugx23,000 is very little money. The stark reality in the villages is however different; some people actually spend months without touching a coin! Besides, the Ugx23,000 (US\$8) is in line with levels of funding of similar schemes across East and South Africa. Nonetheless, this amount will be revised every year and is something that SAGE Programme is already looking into. What's important to note is that it is the principle of cash transfers that we are championing; SAGE is really about demonstrating that this approach can work in Uganda, as it has done in many countries across the world.

The idea behind cash transfers is not to give huge amounts of money with which people can satisfy all their needs, at once. The idea is to provide small, secure, regular and predictable income over time. This way people are provided for in the immediate, to meet their basic needs but they are also enabled to start productive activities.

While it is true that ESP is currently funded by DFID, Irish Aid and UNICEF to the tune of British Pound 40 million (about Ugx16 billion), it is important to note that the Government of Uganda has already made a substantial contribution to the Programme in form of human resources, office space and other logistics (on top of US\$50,000 cash) all valued at about Ugx6 billion. Of course, there is need for more commitment by government through the budget process.

The bigger issue I believe is whether this Programme is affordable and sustainable by Uganda as a country? The answer is yes. First the benefits of implementing social protection interventions to the country's development are huge. Experience shows that when the poorest people receive regular transfers they use this money to improve their diet, to pay transport costs to access health clinics, facilitate their children to get education and make small but meaningful investments-which change their life. Secondly, Uganda's economy is growing. This means that the choice whether to fund social protection is merely based on whether we as a country see it as a priority or not. Once we fully appreciate the benefits, I am sure Uganda will find the money to pay for it.

On the issues that people will use the money for alcohol and that the grants will encourage laziness, there is lots of evidence from around the world (and I am happy to share it) to show that poor people once supported, start doing things that improve their lives. Consumption surveys by UBOS among the very poor show that their priorities are actually food, school, medication, rather than alcohol. I am not in any way saying that there are no bad apples that will run to the bar, but largely the evidence is clear that the vast majority of the poor (especially women) would like to see how they can change their life-and that of their children.

The 14 pilot districts were selected on the basis of their poverty rates and other indicators including proportion; of children in the district population; of older persons in the district population and number of orphans and vulnerable children as a proportion of the total child population.

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