



The Expanding Social Protection Programme rolls off

The Expanding Social Protection Programme is led by the Ministry of Gender, Labour and Social Development, collaborating with the wider Government. The five year Programme is funded by the Government of Uganda, Department for International Development (DFID), Irish Aid and UNICEF with a budget of £41 million (UGX 160 billion).

The aim of the Programme is to embed a national social protection system that benefits the poorest, as a core element of Uganda's national policy, planning and budgeting processes. It aims to establish support for the gradual extension of a national social protection system which ensures that no Ugandan citizens are left behind as the country pursues its goal to become a middle income country.

The Programme (i) provides policy support to the Government to strengthen leadership on social protection, develop a national social protection policy and generate evidence; and 2) implements the Social Assistance Grants for Empowerment (SAGE) pilot programme.

What is Social Protection?

Social Protection is concerned with measures to address risk and vulnerability. In the Ugandan context, within the formal, public sector, core social protection instruments include:

- Social Assistance; regular, predictable transfers, of cash or in-kind, which provide guaranteed income support to poor and vulnerable households. This includes senior citizen's grants, disability grants etc. SAGE is an example of a Social Assistance Programme.
- Social Insurance; provides income support on the basis of previous individual and / or employer contributions to mitigate the impacts of income shocks. This includes contributory pensions, health insurance, unemployment insurance.
- Social Welfare Services; provision of personal care and protection for vulnerable individuals who are unable to fully care and protect themselves. This includes reception centres for abandoned children and community based rehabilitation for people with disabilities
- Complementary interventions to support access to services are also identified. This includes new, targeted measures to ensure access to services for the most vulnerable – e.g. school feeding.

Social Protection is today globally recognised as a critical component of national development strategies and key to achieving inclusive, pro-poor, equitable development.

Without social protection, there will remain a section of Uganda's population who are disconnected from the benefits of Uganda's growth. Social protection directly reduces poverty, supports excluded citizens to access services, provides a foundation on which to build productive livelihoods and enables citizens to live a life of security and dignity. It enables all Ugandan's to contribute to, and benefit from, Uganda's social and economic transformation.

Why does Uganda need Social Protection?

Uganda's economy has been growing but a lot of people are still living in poverty or risk falling into poverty. The **poorest and most vulnerable are failing to benefit from, or contribute to Uganda's growth and development.** Left unaddressed, these realities bog down Uganda's progress. According to the Uganda National Household Survey, 2009/2010;

- **Inequality** in Uganda is increasing; this means that the poorest of the poor are being left behind as Uganda grows. In 2009/10, about 45% of the income was controlled by the richest 20% of the population compared to 9.4% of the income held by the poorest 20%.
- **9 per cent of people eat only one meal** a day while 20 per cent of children below 5 years in are underweight due to hunger. Many children die every year because they have no access to adequate health care and there is no income to secure their food.
- Although the poverty headcount in Uganda reduced to 24.5% in 2009/10, nearly **40% of households remained highly vulnerable to poverty**, living just above the poverty line, with a high propensity to fall back to poverty.
- Despite massive investment in health and education services, the poorest and most vulnerable are **failing to access basic services. Less than 7 out of every 10 children from the poorest households are enrolled in primary school** compared to more than 9 in every 10 children from the wealthiest households. Children from the poorest households are more than four times more likely to be delayed by 5 or more years in school than children from the wealthiest households.
- The number of households citing financial constraints as being the main reason for children dropping out of school more than doubled between 2005/6 and 2009/2010¹.

What do cash transfers *uniquely* bring to Uganda's development process?

- **Income security and inclusion:** Cash transfers provide a platform of income security on which vulnerable and excluded citizens can start to build productive and dignified lives and connect to the country's development process.
 - **Help people cope with the rising cost of living and food prices:** such income security also crucially helps vulnerable households to cope and prevents them from falling further into poverty as they struggle to cope with generalized economic challenges such as the rising cost of food and fuel prices. Such income security also helps people cope with all-too-common personal events such as illness, disability, orphan hood or unemployment.
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- **Access to Services:** Until now, efforts have concentrated on the supply side of public services; putting in place policies and basic services for all Ugandans to benefit. However, despite these efforts, there remains a section of Ugandans who need to be helped with the basics of life before they can benefit from what has been supplied. Cash transfers ensure that the poorest and most vulnerable are able to access government services and programmes, participate in and contribute to Uganda's economic transformation.
- **Empowerment:** Provision of regular and predictable payments empowers vulnerable and excluded citizens so that they are able to make positive choices about their future and ultimately live secure, productive and dignified lives.
- **Direct, Cost-Effective Service Delivery:** Cash transfers are an innovative way in which the Government of Uganda is able to directly reach its most vulnerable citizens, delivering tangible benefits and demonstrating the government's commitment to ensuring that no citizens are left behind as Uganda move forward to middle income status. Cash transfers are a cost-effective, scalable, efficient and effective tool for Government to better serve its citizens.

What can social protection do?

A national, Government-led Social Protection System:

- **Can help Uganda achieve its aspiration of becoming a middle income country:** a social protection system is both a catalyst for, and an indicator of achieving middle income status. Such a system would demonstrate that people are at the centre of Uganda's development and would support Uganda to take its rightful place as a progressive, middle income country.
- **Contributes to the core of development - human development:** in supporting improved nutritional status as well as access to health and education services for today's children, social protection can stop the transmission of poverty from parents to children and build the human capital necessary for Uganda's long term productivity.
- **Helps to strengthen household productivity and capacity for income generation.** Small but reliable flows of income help poor households to accumulate productive assets; avoid distress sales; obtain credit on better terms; and diversify into higher risk, higher return activities.
- **Directly tackles inequality and demonstrates the GoU's commitment to all Ugandan citizens.** Social protection enables all citizens to have a stake in Uganda's development thus, potentially **contributing to social cohesion and stability.**
- **Is cost effective and affordable:** Uganda's economy continues to grow at an impressive pace. Over 70% of the national budget is now financed from domestic revenue. In this context, a basic, national social protection system is affordable and sustained by a growing economy. Other low income countries such as Lesotho and Nepal have delivered domestically financed programmes. Ultimately, affordability is a political question: Given increasing inequality, the persistence of a section of

Ugandan society which is disconnected from Uganda's development process and the well-known impact of today's poverty on tomorrow's generations we might equally ask: can Uganda afford not to invest in social protection?

- **Represents a new and innovative strategy** through which the Government of Uganda can directly reach its most vulnerable citizens; a cost-effective, scaleable, efficient and effective tool for Government to better serve its citizens and empower them to contribute to Uganda's development.

SOME FACTS ABOUT SAGE

- The Social Assistance Grants for Empowerment (SAGE) is the pilot cash transfer scheme under the Expanding Social Protection Programme
- **SAGE is Piloting 2 schemes: Senior Citizens Grant:** for people aged 65 years and above and **Vulnerable Family Support Grant;** for households with low labour capacity (for disability, age or other reasons) and a high number of dependents (e.g. older people caring for orphans; child-headed households; households affected by disability; single female-headed households).
- **SAGE is piloting in 14 districts, namely:** Apac, Kole, Amudat, Moroto, Nakapiripirit, Napak, Kaberamaido, Katakwi, Kiboga, Kyankwanzi, Kyenjojo, Kyegegwa, Nebbi and Zombo
- SAGE will pay UGX 23,000 per month to registered beneficiaries adjusted for inflation annually.
- By 2015, over 95,000 households, potentially reaching up to 600,000 vulnerable people will have received a total of UGX 73 billion in grants.

For more Information, contact:

**Expanding Social Protection Programme
Ministry of Gender, Labour & Social Development
Plot 9 Lourdel Road, Nakasero, Kampala**

Tel: 0414 534 201/2

0312 202 050

E-mail: esp@socialprotection.go.ug

www.socialprotection.go.ug