

# **UGANDA'S EXPERIENCE ON SOCIAL PROTECTION & POVERTY**

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Poverty Reduction

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# Introduction

- Uganda is a land locked country located in the heart of Africa astride the Equator;
- As of 2005/06, total population of Uganda was 27.2 million (UNHS Report – 2005/06);
- The population of the country is projected to grow at the rate of 3.4% per annum (2002 Census);
- About 84.6% of the population of Uganda lives in the rural areas; 73.3% of economically active people are employed in the agriculture sector.

# Poverty reduction strategy in Uganda

- Since 1997, implemented poverty reduction programmes under the PEAP;
- In spite of the high rate of economic growth for over a decade (average of 6% per annum), poverty is still high.
- About 31% of the population or 8.4 million people are living below the poverty line as of 2005/06 (UNHS) compared to 56% in 1992. 20% of the Popn in chronic Poverty.

# Dimensions of Poverty

- Poverty in Uganda has a Gender and regional geographical dimension- 41.1% in rural areas. In 2003 regional poverty - northern 63%, eastern 46%, western 31.4% and 22.3% central region compared to the national average of 31%.
- Between 1997 and 2003, income inequality (measured by the Gini coefficient) increased from 0.347 to 0.428 and only declined modestly to 0.408 in 2006.

# Social Protection and Poverty reduction strategy in Uganda Cont'd.....

- The majority Chronically poor include: widows, orphans, Internally Displaced Peoples, ethnic minorities, the unemployed youth, PWD's and the elderly;
- Identified Social protection as an intervention to address the socio-economic risks of these vulnerable groups;
- Established a National Taskforce to promote the Social Protection Agenda;
- The social development sector investment plan has social protection as its focus and an over all SP policy is being formulated
- Social protection has been mainstreamed in the current PEAP

# Social Protection - Transfer Programmes for Poverty Eradication

- The social transfer programmes in Uganda include:
  - ~ Universal Primary Education (UPE) since 1997 and Universal Secondary Education in 2007;
  - ~ Abolition of Fees for Health Services;
  - ~ Community led HIV/AIDS Initiative (CHAI);
  - ~ Northern Uganda Social Action Fund (NUSAF);
  - ~ Voucher for Inputs Scheme;
  - ~ Orphans and Other Vulnerable Children Grants
  - ~ Uganda National Pensions Scheme covers only civil servants;
  - ~ The National Social Security Fund - covers only formal private sector workers.

# Universal Primary Education (UPE) and USE

- The UPE in place since 1997;
- Waived tuition fees for children in primary schools;
- Increased Enrolment from 3.0 million in 1996 to 5.3 million in 1997 to 6.5 million in 2005;
- However the quality of the programme is affected by frequent absenteeism, late-coming and poor transition rates;
- Universal Secondary Education started in 2007 and enrolment has increased by over 30%

## UPE programme . . . . *(continued)*

- Low retention and completion rates are linked to non-tuition costs, absence of meals at school, traditional and cultural practices;
- Recently in collaboration with the World Food Programme (WFP) school meals provided in 1,360 schools in North and North Eastern Uganda targeting 776,000 children. Observed reduced absentism.



# Abolition of Fees for Health Services;

- Government abolished fees for health services in public health facilities in 2001;
- Immediately, there was a surge in demand for public health services countrywide, with some districts reporting a doubling in outpatient attendances;
- The total outpatient attendances in GoU and NGO health units increased by 84% between 2000/01 and 2002/03;

# Community led HIV/AIDS Initiative

- The CHAI was initiated by the Uganda AIDS Commission (UAC) in 2001;
- The intervention provides direct financing to community groups;
- It targets people who have been infected or affected by HIV/AIDS;
- A total of US \$ 11.1 million was injected in the CHAI project for the period 2001 – 2006;
- The initiative has been implemented in 30 districts. It has benefited over 1.5 million people;

# Northern Uganda Social Action Fund (NUSAF)

- NUSAF is a World Bank funded project being implemented in 31 conflict affected districts of Northern Uganda;
- It is a community driven 5 year development project, covering the period 2002/03 to 2007/08;
- The project has Vulnerable Groups Support (VGS) Component, which provides cash transfers to vulnerable groups;
- A total of 20,224 people have benefited from 411 VGS funded subprojects;

# Voucher for Inputs Scheme

- The Voucher for Inputs Scheme is targeting refugees and their host communities in a ;
- Beneficiaries of the programme participate in community projects and receive vouchers in return for their labour;
- Each day worked is equivalent to Uganda Shillings 2,000;
- The vouchers are exchanged for agricultural inputs in designated shops;

# Uganda National Pensions Scheme

- The Scheme is funded by the Government of Uganda out of tax revenue and administered by the Pensions Act (CAP 281);
- It targets former civil servants including teachers, soldiers and technocrats as well as the widows or widowers and orphans of former civil servants;
- One qualifies to get the pension on reaching the official retirement age - 60yrs;
- A pensioner gets lump sum on retirement

# The National Social Security Fund

- The NSSF was established by an Act of Parliament;
- It is managed by an Autonomous Institution and closely supervised by Government;
- The scheme is a provident fund for workers in formal private sector firms with five or more staff;
- Under the NSSF, the employers contributes 10% of the workers' basic salary and the employees contribute 5%, making a total of 15%;

# Support to OVC

- Uganda has experienced an overwhelming orphans crisis due to HIV/AIDS, war and civil strife;
- By 2001, it was estimated that the country had 2.1 million orphans;
- The capacity of the extended family system to cater for orphans has diminished;
- Support to orphans from NGOs, though significant, has reached a few of those in need;

## Support to OVC . . . *(Continued)*

- Uganda formulated the National OVC Policy (NOP) to address the plight of OVC. It was approved by Cabinet in October 2004;
- The NOP is accompanied with the National Strategic Programme Plan of Interventions for OVC (NSPPI)
- The NSPPI defines a comprehensive and coordinated approach for mitigating the situation of OVC and their care givers;



## Support to OVC . . . *(Continued)*

- Specific areas of focus in the NSSPI include
  - ~ Socio-economic security;
  - ~ Food and nutrition;
  - ~ Care and support;
  - ~ Mitigating the impact of conflict;
  - ~ Education;
  - ~ Psychosocial support;
  - ~ Health; and
  - ~ Child protection

## Support to OVC . . . *(Continued)*

- Using the NOP and NSSPI, the GoU has mobilized resources and Coverage of OVC programmes has grown significantly;
- The Ministry in charge of Social Development has been giving out grants to CSOs for expansion of critical services to OVCs;
- The grants through the NGOs have been extended to OVCs in form of school fees, scholastic materials and uniforms

# The Pilot Cash Transfer Programme

- Final stage of design work on a pilot CT to target 20% of the Ugandan population who are in chronic poverty;
- Cash Transfer provides the alternative integrated intervention to enhance access to social services by these vulnerable groups;
- The Govt is designing a Pilot Cash Transfer Scheme with support from DFID;
- Initially, the scheme will cover 4 districts out of 80 in the country;
- It will involve 9,000 households in the lowest 10% quintile and cost US \$ 8.4 million for 3 years.
- Monthly cash transfer per HH ranges btm US \$ 10 – 15 for one person to maximum five person HH.

# Conclusion

- In Uganda poverty Eradication programmes for enhancing incomes have largely targeted the active poor not the inactive poor. Chronically poor excluded.
- The interventions have also tended to target groups as opposed to individuals
- Social protection interventions such as school feeding, voucher for inputs have had limited coverage, are not comprehensive and are projects of limited life span.
- Pension and the National Social Security fund limited to formal sector employees - less than 10% of the population

# Conclusion cont'd

- Optimistic that focus on social protection through cash transfers to the chronically poor esp. OVCs, the Elderly and PWDs likely to successfully address Chronic Poverty and in the long run reduce income inequality;
- However, identification/targeting of the most needy persons to include in the programme is bound to be an uphill task;
- Managing the political dynamics of the cash transfer may also pose unforeseen challenges;
- Development of the comprehensive SP policy frame work will go along way in integrating the interventions
- Small interventions for limited life spans are preferred by Devt partners. Meaningful SP will require commitment of sustainable long term funds. Ugandas budget is almost 50% Donor funded

THANK YOU