

Intro to the Uganda Social Protection Sector Review, 2019

David Lambert Tumwesigye

The cover of the "UGANDA SOCIAL PROTECTION SECTOR REVIEW 2019" report. The background is a collage of three photographs: a young boy in a grey shirt and white shorts, an elderly woman in an orange shirt, and a man in a blue suit holding a tablet. The title "UGANDA SOCIAL PROTECTION SECTOR REVIEW 2019" is printed in large, bold, white capital letters on a teal background at the bottom right.

**UGANDA
SOCIAL PROTECTION
SECTOR REVIEW
2019**

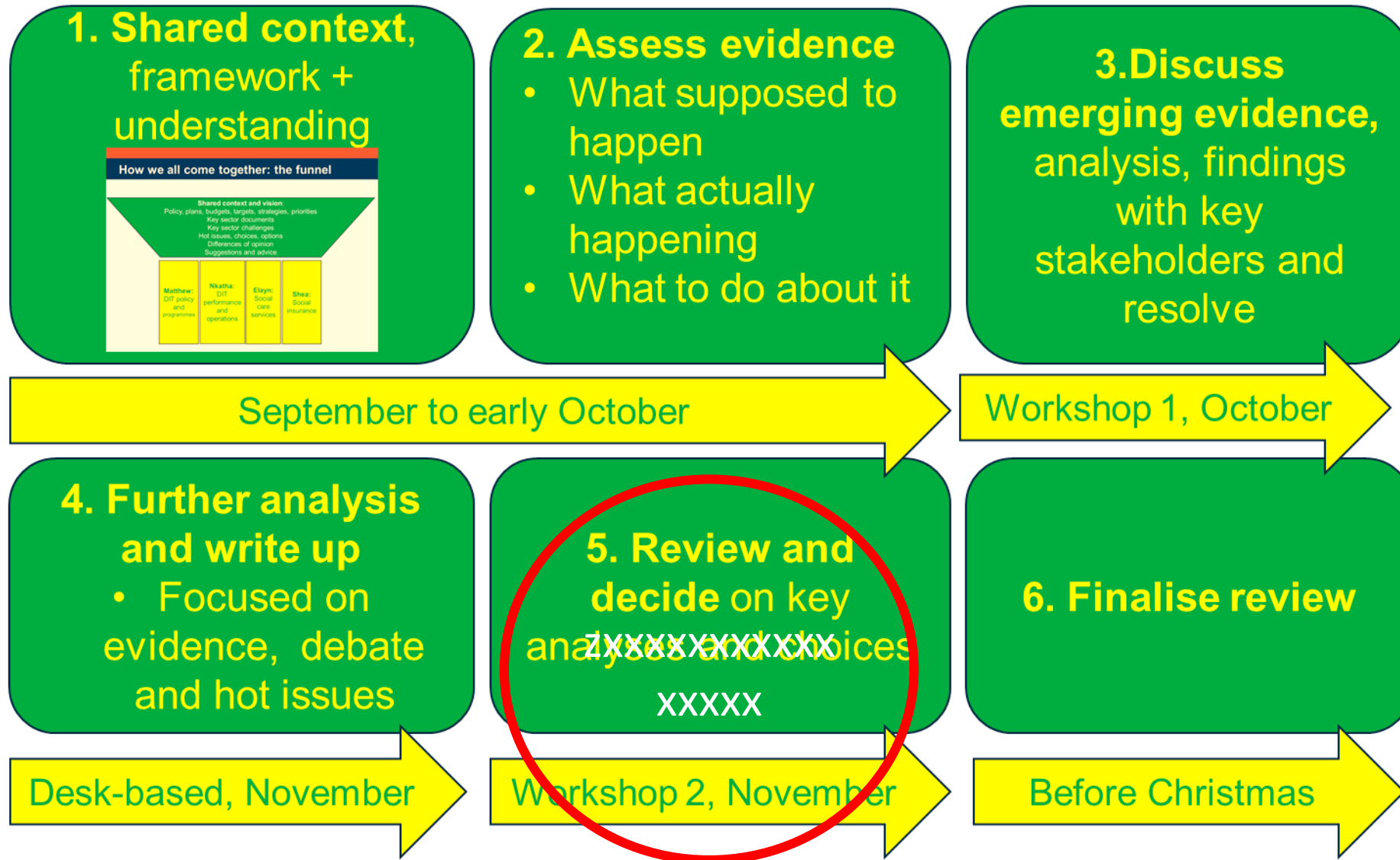
Uganda SP Sector Review 2019

- Intended to inform future development of social protection:
 - Long-term vision for a national social protection system in the NDP3
 - Development of detailed implementation plans in the SDSP
 - Planned revision of the NSPP-PPI
- Designed as a consultative process
- Conducted by consultant team working very closely with MGLSD

Analytical framework for the social protection sub-sector review 2019



Review process





FOREWORD

Through prudent macro-economic and social policies, Uganda successfully reduced the number of its citizens living below the poverty line from 56 percent in 1992 to 21.4 percent in 2016. However, many more people live on low and insecure incomes and are vulnerable to falling into poverty at the slightest shock. Many households are engaged in subsistence agriculture and highly exposed to shocks such as drought, pests and diseases, floods and sharp price fluctuations. A recent study of the impact of COVID19 conducted by the International Growth Centre estimates that over 3.1 million Ugandans could fall into poverty in 2020 alone. Therefore, many households are unable to make sufficient investment in the proper nutrition, healthcare and education of their children with severe and

outlines Government's vision for a well-coordinated national social protection system. The Policy and its 5-year Programme Plan of Interventions (PPI) outline the following objectives: (i) to increase access to social security- comprising direct income support and contributory social insurance; (ii) to enhance care, protection and support for vulnerable people; and (iii) to strengthen the institutional framework for social protection delivery.

The 2019 Social Protection Review is an in-depth assessment of progress towards implementation of the NSPP and its PPI. The Review highlights the key achievements, outstanding challenges and sets out proposals for enhancing the performance of the social protection system in future.

ACKNOWLEDGEMENTS

The social protection sub-sector review team would like to thank all the individuals and groups who have guided us during the three-and-a-half month period of compiling our report. We particularly thank the following:

The Permanent Secretary of MGLSD and his team for their commitment to enabling and encouraging the most insightful analysis possible

The core team for the review, which designed, shaped and guided our work and was a constant source of support and advice throughout

And the Development Pathways team for facilitating our work and logistics, including the two consultative workshops plus much more.

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

EXECUTIVE SUMMARY

01 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

02 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.

TABLE OF CONTENTS

1

1.0 Introduction	1
1.1 Background	1
1.2 The contribution of social protection to national development	2
1.3 The sub-sector review	5
1.4 The structure of this report	6

2

2.0 Wider context for social protection	8
2.1 Economic context	10
2.2 Demographic change and the labour market in Uganda	14
2.3 Environmental context	20
2.4 Refugees	22
2.5 Chapter conclusions	24

3

3.0 Poverty, vulnerability and social analysis	26
3.1 Poverty and inequality in Uganda	28
3.2 Dimensions of vulnerability by lifecycle stage	36
3.3 Chapter conclusions	48
3.4 Chapter recommendations	49

4

4.0 Overview of the social protection sector	50
4.1 Introduction	52
4.2 The National Social Protection Policy	52
4.3 Wider policy and legislative framework	58
4.4 Institutional framework	59
4.5 The social protection sector and its components	63
4.6 Development Partner support to social protection	78
4.7 Progress against social protection plans	82
4.8 Chapter conclusions	85
4.9 Chapter recommendations	87

5

5.0 Governance of social protection in Uganda	88
5.1 Introduction	90
5.2 Governance challenges across the sub-sector	90
5.3 Governance challenges specific to DIS	105
5.4 Governance challenges specific to social insurance	110
5.5 Governance challenges specific to social care and support	116
5.6 Challenges for development partner support	122
5.7 Political economy challenges for reform	123
5.8 Chapter conclusions	127
5.9 Chapter recommendations	129

CHAPTER
01
INTRODUCTION

CHAPTER
02
**WIDER CONTEXT
FOR SOCIAL
PROTECTION**

CHAPTER **03**

POVERTY,
VULNERABILITY AND
SOCIAL ANALYSIS

CHAPTER

04

OVERVIEW OF THE
SOCIAL PROTECTION
SECTOR

CHAPTER **05**

GOVERNANCE OF
SOCIAL PROTECTION
IN UGANDA

CHAPTER **06**

EXPENDITURE AND
FINANCING OF SOCIAL
PROTECTION IN
UGANDA

CHAPTER **07**

ASSESSMENT OF INDIVIDUAL SOCIAL PROTECTION PROGRAMMES

CHAPTER **08**

SOCIAL PROTECTION OPERATIONS, AND ADMINISTRATIVE AND BUSINESS SYSTEMS

CHAPTER **09**

REVIEW CONCLUSIONS

CHAPTER **10**

REFERENCES

Summary of review recommendations

Summary of review recommendations

- Each chapter of this sector review presents a chapter summary, chapter conclusions, and a set of chapter recommendations.
- All recommendations arise from the review's analysis and are necessary to maximise the performance of social protection in Uganda.
- highest priority recommendations relate to vision, strategy and the higher-level governance issues
- 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

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

Summary of review recommendations

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

Summary of review recommendations

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

Summary of review recommendations

CHAPTER 5

GOVERNANCE OF SOCIAL PROTECTION IN UGANDA

5.1

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

Summary of review recommendations

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*

Summary of review recommendations

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

CHAPTER 09

REVIEW
CONCLUSIONS

Strong foundation for long-term SP system development

- 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 focus of future effort for social protection now shifts from establishing a presence for social protection towards building a comprehensive system.
- Securing transformative funding will be an important focus of discussion and advocacy going forward.
- 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.

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

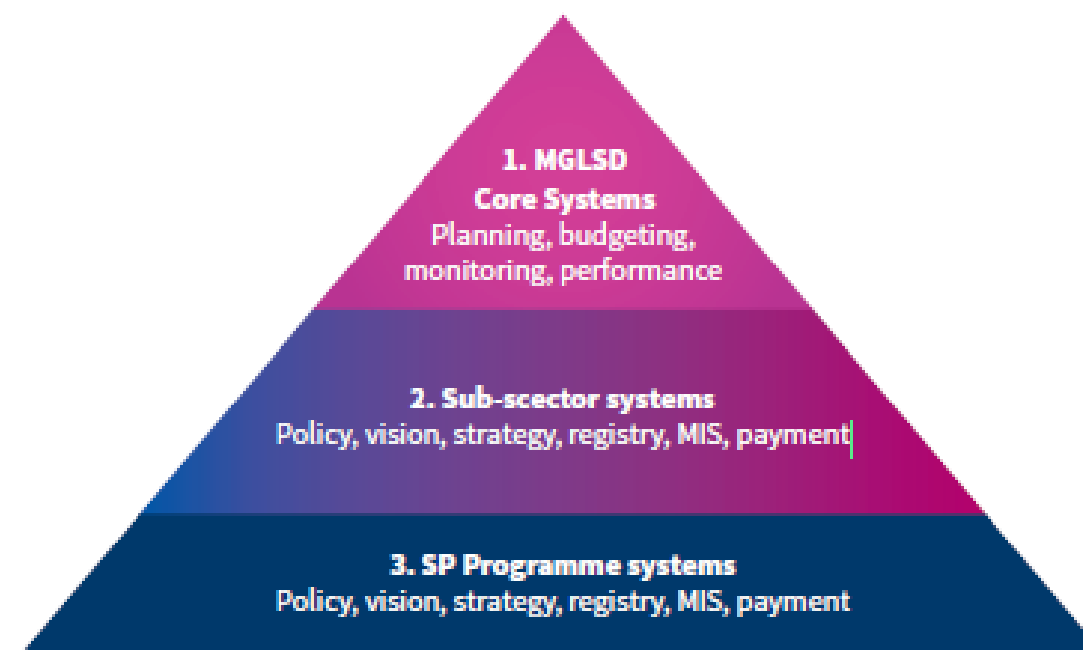
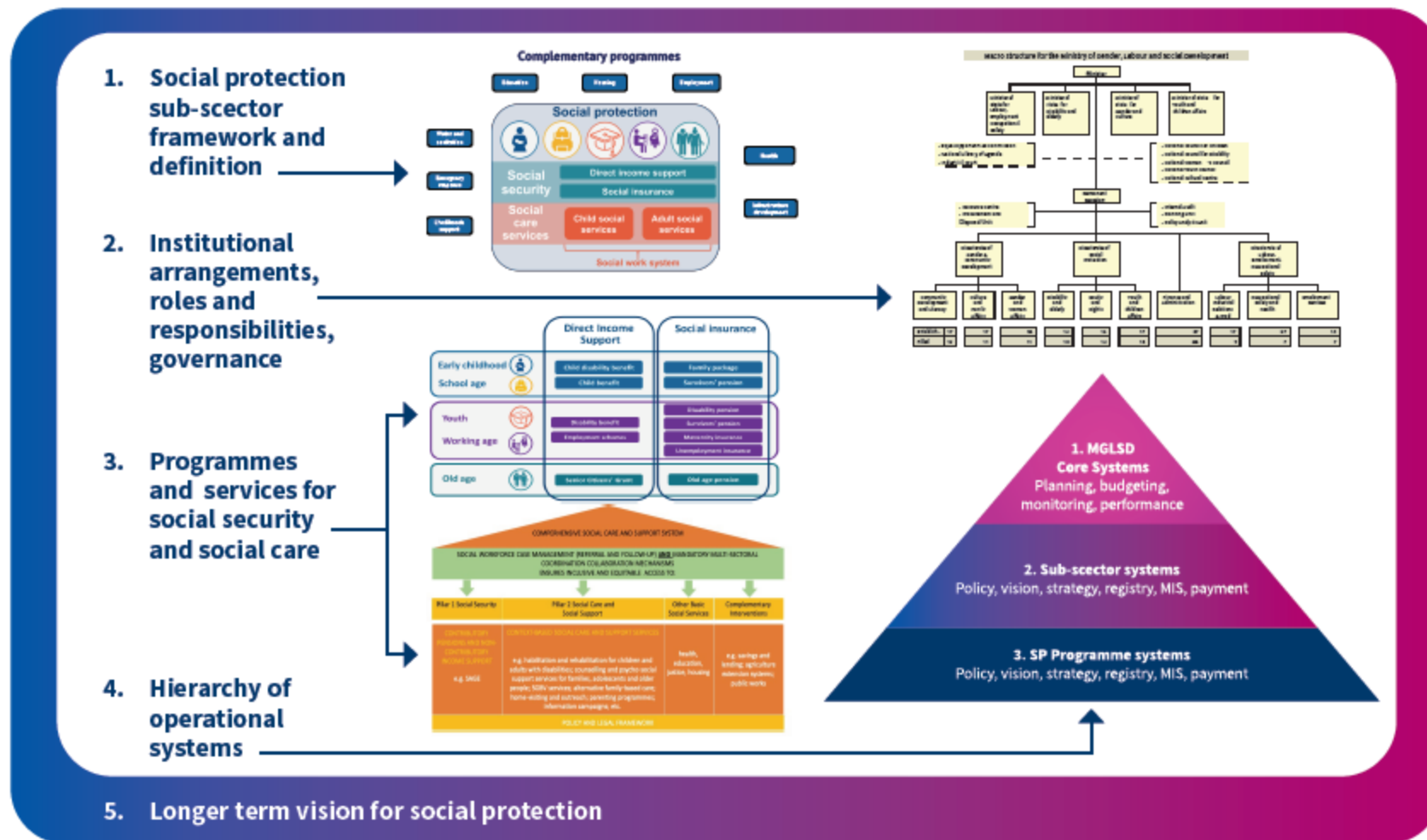


Table 8: Operational systems by level of the systems hierarchy

Level 1:	Level 2:	Level 3:
<ul style="list-style-type: none"> • Structure • Leadership • Strategic planning • Budgeting and financial management • Performance management and accountability • Staffing and skills • Coordination • Human resource management 	<ul style="list-style-type: none"> • SP policy and legislation • Vision • Strategy • Eligibility rules • Payment and delivery systems • Management Information systems • Monitoring, evaluation and learning • Documentation • Public communications • Scalability 	<ul style="list-style-type: none"> • Targeting • Enrolment • Benefit levels • Payment and delivery • Grievance and complaint • Management Information systems • Programme management • Accountability arrangements • Documentation • Programme communications • Scalability

Figure 57: Elements of the comprehensive social protection system



Review conclusions

- A number of important governance and institutional challenges hinder SP sub-sector performance.
- These institutional and systems issues will be the most important in defining sub-sector performance in future, and together define a 'systems agenda'.
- Going forward, a clear vision and strategy to guide the long term evolution of Uganda's social protection system is required.
- Development partner support must now focus on the systems agenda.

Thank you

The second phase of the Expanding Social Protection Programme (ESP II) is implemented by the Ministry of Gender, Labour and Social Development, funded by the UK Department for International Development and Irish Aid.

