The Uganda Parliamentary Forum on Social Protection

Social Protection Priorities in the 2025–26 Election Campaign

Position Paper

Background

Over the years, Uganda has made significant strides in ensuring that citizens especially the most vulnerable are covered by some form of social protection. A number of social assistance or Direct Income Support (DIS) programmes have been implemented such the Senior Citizens' Grant (SCG), which provides regular cash transfers to older persons; the Labour–Intensive Public Works (LIPWs), offering temporary employment through public works projects; the Disability Grant, supporting individuals with disabilities; and the NutriCash Programme, operational from 2022 to 2024, providing direct income support to pregnant and lactating mothers in West Nile; the Urban Cash for Work programme, offering temporary employment in urban settings etc.

Under the social insurance pillar, Uganda has two main schemes: the National Social Security Fund (NSSF), a contributory provident fund revised in 2022 to include all employers and individual contributions, and

the Public Service Pension Scheme (PSPS), a non-contributory scheme for civil servants.

Despite the progress, a number of challenges persist in terms of coverage and financing for social protection. For the most part, most social assistance interventions are project in nature, thus limited in coverage and scope.

The 2025-26 election year presents yet another critical opportunity in the social protection as the different political parties shape their development proposals. It is therefore an important that social protection is a commitment by both candidates and political parties to deliver on after being elected.

One of the key success factors highlighted in the State of Social Protection Report 2024 was political commitment and policy support which, as argued, has been critical in advancing social protection initiatives and securing resources. Drawing from evidence generates over the past 5 years through own and partner research, social protection monitoring visits and community dialogues, the UPFSP together with partners; Uganda Parliamentary Forum on PWDs(UPFPWD), National Union for Disabled Persons of Uganda (NUDIPU) and Research and Action for Income Security (RAISE) have put together a number of policy proposals for adoption into party manifestos as catalysts for advancing social protection coverage and financing in the next five years and beyond.

Manifesto Proposals

1. Progressive Social Protection Policy and Legislation

A robust and progressive social protection policy and legislation is a guarantee and security for existing and future social protection interventions. Despite a growing social protection legislative space, critical gaps remain in ensuring appropriate legislation to safeguard social protection as a right. Rather specifically, there is need for a law that expressly provides for direct income support with an accompanying policy.

2. Lowering the SAGE age of eligibility and increasing the value of the grant

This has been a running advocacy issue for the Forum. After successfully advocating for the national roll–out of the Senior Citizens Grant in 2018 and indeed securing commitment by Parliament to progressively reduced the age of eligibility for the grant, the Forum will continue to strategically push for requisite financing for the same.

3. A Child Disability Grant

At the moment, Uganda does not offer any national social protection benefits to either children or persons with disabilities. Existing livelihood programmes, such as the Special Grant for Persons with Disabilities, have the purpose of supporting groups interested in starting small businesses or investing in other livelihoods activities. They do so by providing grants to fund business proposals put forward by groups of adults with disabilities. These business proposals are sometimes successful in generating income and sometimes not, since many factors determine the success of a small business or livelihoods activity. Besides having a very different purpose and providing a different kind of support than a Child Disability Benefit, there is very limited funding available for the Special Grant, meaning that only a few groups in every district benefit from it in a year. In addition, the process of accessing the funds is complex and time consuming.

Additionally, the Forum will continue with advocacy for the review and redesign of the Disability grant into a predictable cash transfer programme targeting individual persons with disabilities.

4. Expansion of the Girls Empowering Girls programme(GEG)

The GEG programme that targets adolescent girls in the capital Kampala has posted success in reducing vulnerability in this population group. However, this is still limited in scope and currently only 3000 in and out of achool girls are benefitting from the programme. The Forum will set out to push for the expansion of the GEG programme to cover atleast all the cities and municipalities for the start.

5. Shock Responsive Social Protection

Uganda is susceptible to a range of covariate shocks. These include: refugee influxes due to conflict, drought, floods, epidemics, animal and crop pests and diseases, consumer price inflation and climate change. In the absence of timely and effective interventions these covariate shocks have the potential to expose a significant portion of the population to a spectrum of risks, including food insecurity, malnutrition, loss of income and livelihoods, illness, and mortality. These covariate shocks exhibit variations in their frequency, speed of onset, predictability, duration, and geographic scope.

Households respond to shocks through diverse coping mechanisms – selling off assets, reducing food consumption, discontinuing children's education, and even migrating in search of better prospects. While these actions may offer temporary relief, they often increase vulnerability and impede households' capacity to improve their livelihoods, thus perpetuating the cycle of inter-generational poverty.

It is therefore critical that all social protection interventions are designed with the flexibility to respond to shocks as and when they happen.

6. **Social Registry**

A well-functioning data management system is not only important for targeting but also reducing wastages in terms of inclusion and exclusion

errors. There is therefore need to strengthen the Social Protection Management Information systems. This includes; the functionalisation of the National Single Registry, development of a National Social Registry and Management Information Systems for SP Programmes.

7. **Extending Social Security to the informal sector**

With over 80% of Uganda's labour force employed in the informal sector, there is need to deliberately design intervention fit for this particular segment. Expanding social security in terms of contributory schemes will significantly reduce current and future vulnerability for this now working population.

8. Review of the Public Service Pension Scheme

There is need to fast track the Public Service Pension Scheme Bill which proposes making the PSPS contributory from the current tax–financed model. All projections have shown that the current public pension scheme is a growing unsustainable liability that serves a few and unfairly places more burden on the majority. The review will also potentially free up more resources for the most vulnerable through social assistance schemes.

9. National Health Insurance Scheme

The Uganda Vision 2040 notes that the current health delivery system is expensive, inefficient, and not sufficiently responsive to the healthcare needs of the different categories of the population, thus limiting access especially among the poor and vulnerable populations. Whereas the average distance to a health facility in the country is 3 Kilometers, about 23 percent of the populations live in a radius of more than 5 kilometers to their nearest facility. The statistics on health seeking behaviour reveal that 37 percent of sick people first visit private health facilities for medical attention, while 35 percent go to Government health centres. The average waiting time in private health facilities is 13minutes compared to

87 minutes in Government health facilities. Almost 50 percent of the cost of health care in Uganda is borne by the households. The health care costs borne by the households include transport fare to health facilities, expenses on drugs that may be out of stock in Government health centres and payment for treatment in private health facilities.

The fourth priority area in the 2015 National Social Protection Policy of 2015 is about to introduce an affordable health insurance scheme.

10. A whole of government approach to Social Protection

Social Protection should be intergrated in running national programmes such as the Parish Development Model (PDM). The PDM presents a unique opportunity to target the vulnerable population that is outside the money economy, however, without a social protection lense to its implementation, the most vulnerable might continue to fall through the cracks.

11. Dedicated Funds from Oil Revenue for Social Protection

Oil production has yet to commence, indicating that the recorded oil revenue was a singular event, primarily driven by Capital Gains Tax from the Heritage license transfer to Tullow and subsequent transfers to CNOOC and Total.

Looking ahead, the outlook for future oil revenues in Uganda remains hopeful. However, numerous factors will influence these revenues, such as reserve levels, extraction rates, oil prices, and refinery acquisitions. Informed assessments suggest that even with modest

production starting in 2025, it may take until around 2026 for revenues to reach approximately 5% of GDP. Depending on oil prices, revenues could fluctuate between 3% and 9% of GDP over a 20–year period. The slow initial growth is attributed to the cost profile of oil investments. Uganda plans to peak its crude oil production at about 230,000 barrels per day,

with estimated recoverable reserves of 6.5 billion barrels, of which 1.4 billion barrels are recoverable.

Uganda has the potential for sustainable social and economic transformation by directing oil resources towards enhancing investments in human capital, aiming to improve population capabilities and productivity. While the emergence of the oil and gas sector offers significant prospects for Uganda's growth, realizing these prospects depends partly on the quality of government investments.

The government intends to allocate oil resources primarily to infrastructure development, particularly in transportation and energy, to address Uganda's significant infrastructure deficits. However, ensuring sustainable growth with oil resources requires a people–centered approach, focusing on enhancing population capabilities to actively participate in growth processes. This involves prioritizing human capital development, including improvements in health, education, and skills outcomes, alongside transforming sectors offering significant livelihood opportunities. In Uganda's context, investments in strengthening social protection mechanisms should be prioritized.

Mitigating the Dutch disease requires effective policies, limited fiscal discretion to prevent revenue exhaustion, strategic investment in tradable sectors, infrastructure, technology, education, health, and human capital. Efficiency throughout the revenue chain is essential to maximize oil revenue benefits, achieved by designing fiscal regimes to capture resource rent

while attracting investment.

According to Gelb and Majorewicz (2011), in environments with strong governance, infrastructure investment may be the optimal choice. However, compromised governance may lead to poorly chosen infrastructure investments, making social transfers more impactful for long–term growth.

Following Gelb and Majorewicz argument, oil revenues could be best utilized for expanding social spending, including direct income support, when oil revenues commence

Our Ask

1. That these are adopted and become part of the party's 2026–2031 Manifesto.

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Chairperson–UPFSP