THE UGANDA PARLIAMENTARY FORUM ON SOCIAL PROTECTION

POLICY BRIEF

Extending Social Security Coverage to Informal Sector Workers in Refugee Hosting Communities in Uganda



With Funding under the ILO PROSPECTS Uganda Programme

MAY 2026

THE CHALLENGE

Uganda hosts over 1.74 million refugees and asylum seekers, One of the largest refugee populations in the world, with 79% being women and children. Together with their host communities in districts such as Adjumani, Yumbe, Isingiro, Madi-Okollo, and Terego, these populations face acute economic vulnerability rooted in informal livelihoods, low and irregular incomes, and near-total exclusion from formal social protection systems.

With support under the ILO PROSPECTS programme, the Uganda Parliamentary Forum on Social Protection (UPFSP), conducted a social economic baseline assessment targeting a total of 398 individuals across refugee and host community settings to inform interventions for extending social security coverage to these populations. The findings reveal a profound social protection gap that demands targeted, systemic action:

69%	86%	64%	50%
Unaware of contributory schemes	Unaware of non-contributory programs	Experienced shocks in past year	Do not save at all

Over 80% of respondents depend on informal livelihoods, including private trade, subsistence agriculture, and casual labour, with nearly 75% earning less than UGX 250,000 per month. Social security coverage in these areas remains below 5%, and only 13% of respondents correctly identified the National Social Security Fund (NSSF) without prompting. Despite the 2022 NSSF Act amendment enabling voluntary contributions from informal workers, uptake is negligible.

> *"They help households move faster from shock. In this community, emergencies like sickness, job loss, fires, or theft can easily push a family into deeper poverty. But if such programs are here, they can help the people recover faster because they have something to fall back on."*
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> **Community Member, Focus Group Discussion- Madi-Okollo District**

THREE PRIORITY RECOMMENDATIONS

The Baseline Assessment generated 11 strategic recommendations. Based on the severity of the gaps identified, the breadth of the impact, and the feasibility within the current policy landscape, five recommendations are elevated as urgent priorities for government, NSSF, development partners, and civil society. The first two recommendations below are identified as the highest-priority legislative and policy actions:

REC 1 **Inclusive Scheme Design: Create Flexible, Shock-Responsive Social Security Schemes for Informal Workers, Vulnerable Groups, and Refugees**

The Evidence

Uganda's existing contributory social security framework centred on NSSF was designed for formal, salaried employment. Yet 96% of survey respondents depend on informal livelihoods. The 2022 NSSF Act amendment enabling voluntary contributions was a landmark reform, but it does not in itself resolve the structural misalignment between the scheme's design and the realities of informal workers' lives: irregular incomes, seasonal cash flows, high rates of economic shocks (64% of households), and significant intra-household vulnerabilities.

Current contributory schemes address only four of the nine social security contingencies established under ILO Convention No. 102; old-age benefit, invalidity benefit, survivor's benefit, and partial unemployment benefit. Critical gaps remain in medical care, sickness benefit, employment injury, family benefit, and maternity benefit - precisely the contingencies most acute for informal workers, pregnant and lactating women, persons with disabilities, and the elderly.

Furthermore, the National Social Protection Policy and Strategy, while strong in framing a lifecycle approach, contains imprecisions regarding coverage for refugees and asylum seekers, a gap that must be explicitly addressed in scheme design going forward.

What This Recommendation Calls For

Introduce climate-linked micro-insurance products integrated with the social security framework, providing automatic payouts when declared climate shocks (droughts, floods, crop failure) occur. Up to 27% of respondents were dependent on agriculture and vulnerable to climate shocks.

- ★ Design targeted benefit modules for high-vulnerability groups: (i) maternity and child benefit packages for pregnant and lactating women (24% of vulnerable households); (ii) disability supplements for Persons with Disabilities (10% of vulnerable households); (iii) expanded Senior Citizens Grant coverage for those aged 65–79.
- ★ Address gender gaps by designing contribution models that account for women's caregiving roles, including contribution credits for periods of maternity leave and childcare.
- ★ Leverage data analytics and beneficiary management systems to segment the population, track coverage gaps, and enable evidence-based targeting of the most vulnerable households.

Why This Matters

The most robust social protection systems in the world share a common principle: they are designed for the people who need them most, not the people easiest to enrol. Uganda has the policy ambition evidenced by the National Social Protection Strategy, the NSSF Amendment Act, and the Decent Work Country Programme 2025–2030, scheme design must match up with that ambition.

Key Action: Immediate Steps

Commission a scheme design review with explicit mandate to cover refugees and informal workers - Q2 2026

Pilot a flexible micro-contribution model in two PROSPECTS districts - Q4 2026

Amend the National Social Protection Strategy to explicitly include refugees and asylum seekers - Q3 2026

REC 2 The On-Going National Social Protection Policy Review Should Explicitly Provide for Targeting of Refugees in National Social Protection Programmes

The Policy Gap

The current National Social Protection Policy 2015 is silent on refugees. With Uganda hosting over 1.74 million refugees and asylum seekers, the majority in districts where informal livelihoods dominate, this silence represents a profound and consequential omission. The ongoing National Social Protection Policy Review presents a historic opportunity to correct this gap and embed refugee inclusion at the heart of Uganda's social protection architecture.

What This Recommendation Calls For

The revised National Social Protection Policy must include an explicit provision recognising refugees and asylum seekers as a target population within national social protection programmes rather than a parallel humanitarian category. They should form part of the mainstream social protection framework.

- ★ Eligibility criteria for non-contributory and contributory programmes should be reviewed and amended to remove de facto exclusions based on citizenship or documentation status that prevent refugees with documented livelihoods from accessing formal schemes.
- ★ The Policy should direct MGLSD, OPM, and NSSF to develop a Refugee Social Protection Inclusion Strategy, with clear implementation timelines, monitoring indicators, and dedicated budgetary provisions within the National Development Plan IV framework.
- ★ Development partners including ILO, UNHCR and UNICEF under the PROSPECTS partnership, should be formally recognised as technical partners in the implementation of refugee-inclusive provisions.
- ★ Provisions should address the intersection of refugee status with gender, age, and disability, ensuring that schemes are not generic but targeted at the most vulnerable sub-groups within refugee and host communities.

Why This Matters

Social protection systems that exclude refugees by omission produce outcomes that are neither equitable nor economically rational. Refugees and host community members share geography, markets, and public infrastructure. Extending formal social protection to refugees reduces humanitarian dependency, supports local economic integration, and builds the fiscal sustainability of Uganda's social protection system over the long term.

Key Action: Immediate Steps

Ensure the revised National Social Protection Policy includes explicit refugee-targeting provisions - before adoption

Direct MGLSD, OPM, and NSSF to prepare a Refugee Social Protection Inclusion Strategy -Q3 2026

Align revised Policy with NDP IV, DWCP 2025–2030, and PROSPECTS programme objectives - Q4 2026

REC 3 Social Protection / Social Insurance Should Be Embedded in On-Going Wealth-Creation Programmes Such as PDM

The Opportunity

Uganda's flagship wealth-creation programmes, including the Parish Development Model (PDM) are actively reaching informal communities across the country, including in refugee-hosting districts. These programmes provide a powerful, already-funded delivery infrastructure that can be leveraged to extend social security coverage to populations that would otherwise remain outside the formal system.

Since these programmes target mostly informal communities, one of the conditions for beneficiaries should be participation in prescribed contributory social security schemes. This conditionality-linked model would simultaneously expand PDM's development impact and drive organic, demand-driven growth in social security enrolment among informal workers.

What This Recommendation Calls For

Establish a formal policy link between PDM and social security enrolment: beneficiaries of PDM and comparable wealth-creation programmes should be required, as a condition of participation, to register with and make contributions to a prescribed contributory social security scheme (such as NSSF or an approved alternative).

- ★ Design contribution requirements to be commensurate with PDM grant amounts and income levels using flexible micro-contribution models (as outlined in Rec 1) .
- ★ NSSF, MGLSD, and the PDM Secretariat should develop a joint implementation protocol establishing clear roles, data-sharing arrangements, and monitoring frameworks for tracking social security enrolment among PDM beneficiaries.
- ★ Expand this approach to other government wealth-creation and economic empowerment programmes, including GROW, Uganda Women Entrepreneurship Programme (UWEP), and Youth Livelihood Programme (YLP), embedding social security participation as a standard condition of access.
- ★ Build social security literacy components into PDM orientation and training sessions, so beneficiaries understand the long-term value of contributory savings before making their first contribution.

Why This Matters

The most persistent barrier to social security coverage in Uganda is not legal eligibility. It is the lack of a delivery pathway that reaches informal workers where they are. PDM and similar programmes have solved the hardest part of this problem: they have built trust, established community infrastructure, and created a channel to the most economically vulnerable households. Embedding social security within this existing architecture transforms a humanitarian challenge into a development dividend. Consequently converting wealth-creation investments into long-term protection assets for Uganda's informal workforce.

Key Action: Immediate Steps

MGLSD should work closely with the PDM Secretariat and NSSF to develop a joint implementation protocol for social security enrolment conditionality

Pilot PDM-social security linkage in two PROSPECTS districts

Extend conditionality framework to UWEP, YLP, and GROW programmes

REC 4 Digital Financial Inclusion: Leverage Mobile Money and Digital Platforms to Expand Social Security Coverage

The Evidence

The survey reveals that mobile money is already the leading savings mechanism among those who do save (32%), outpacing SACCOs, microfinance, and even informal savings groups. Despite this, the vast majority of informal workers remain entirely excluded from contributory social security. Uganda's rural and peri-urban areas suffer from limited banking infrastructure, and prevailing distrust of formal financial institutions- barriers that digital platforms are uniquely positioned to overcome.

The 2022 NSSF Act amendment created the legal pathway for voluntary informal-sector contributions, but without a friction-less digital channel, this legal reform cannot translate into practical access. Mobile Money is already embedded in daily economic life.

What This Recommendation Calls For

Establish a dedicated NSSF Mobile Money contribution channel enabling daily, weekly, or monthly micro-contributions from informal workers without requiring physical registration visits.

- ★ Partner with mobile network operators and fintech companies to co-design lightweight digital on-boarding and contribution-tracking tools tailored for low-literacy users.
- ★ Develop a digital payout infrastructure for beneficiaries, ensuring that savings withdrawals, age benefits, and survivor benefits can be disbursed directly to mobile wallets, eliminating leakage and delays.
- ★ Explore USSD-based interfaces to ensure the inclusion of refugees and host community members with basic feature phones rather than smartphones.
- ★ Pilot public-private partnerships with fintechs to co-create micro-insurance products such as pay-as-you-go schemes, accessible via mobile money for market vendors, casual labourers, and smallholder farmers.

Why This Matters

Expanding digital channels would directly address the access barrier that currently prevents the 2022 NSSF reform from delivering its intended impact. Research on comparable programmes in Sub-Saharan Africa demonstrates that mobile-based contribution models can increase scheme participation by informal workers by 30–50%, particularly among women and youth who constitute the majority of the population in the refugee-hosting districts.

Key Action: Immediate Steps

Launch targeted digital savings pilot in PROSPECTS districts (Adjumani, Yumbe, Madi-Okollo, Terego, Isingiro)

REC 5 Community-Based Awareness: Deploy Targeted Sensitization Through Local Leaders, Radio, and Community Gatherings

The Evidence

Only 31% of surveyed respondents were aware of any contributory social security programme, and only 13% correctly identified NSSF without prompting. Awareness of non-contributory programmes was even lower, at 14%. Yet among those who did learn about social security schemes, community gatherings were the most effective channel, cited by 13% of respondents, far ahead of radio/TV (5%) and social media (2%). This confirms that community-level engagement, not mass media alone, is the most trusted and penetrating information channel in refugee-hosting districts. UPFSP's Social Protection community barazas provide an effective approach for organised community engagement.

Local leaders; Local Council (LC1) chairpersons, religious leaders, cultural leaders, and women's group leaders command significant community trust and influence. Yet they are systematically underutilised as a communications channel for social security programmes.

What This Recommendation Calls For

Develop a structured Social Security Sensitization Programme, operationalized through monthly community meetings in all PROSPECTS programme districts, with standardized messaging in local languages (Lugbara, Madi, Aringa, Bari, Kinyarwanda, and others).

- ★ Formally recruit and train Local Council leaders, religious leaders, and women's group facilitators as Social Security Community Ambassadors, equipping them with simple, visual materials on NSSF and non-contributory schemes.
- ★ Design a community radio campaign in partnership with district-based FM stations, airing weekly call-in programmes featuring real beneficiary testimonials and interactive Q&A sessions in local languages.
- ★ Develop a dedicated SMS/USSD information service allowing community members to query scheme eligibility, contribution amounts, and benefit entitlements in their language.
- ★ Integrate social security awareness into existing community touch-points: health facility waiting areas, agricultural cooperatives, VSLA and ROSCA meetings, and school parent-teacher meetings.

Why This Matters

The data makes clear that awareness is the primary bottleneck to participation. A majority of surveyed respondents expressed willingness to contribute to social security schemes once they understood the benefits (54% indicated interest in NSSF enrolment). The awareness gap is solvable through community architecture that already exists.

> *"Community meetings are the most effective touchpoint for reaching refugees and host community members with information on social security. People trust what they hear from their neighbours and local leaders far more than what they read on a poster."*
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> **Key Informant Interview - District Social Development Officer**

> **Key Action: Immediate Steps**
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> Develop standardized multilingual social security awareness materials
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> Train and deploy 150 Community Ambassadors across 5 PROSPECTS implementing districts
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> Launch radio campaign on at least 8 district-based stations- targeting 1 million listener touchpoints annually

CONCLUSION: A WINDOW FOR TRANSFORMATIVE ACTION

The ILO/UPFSP PROSPECTS Baseline Assessment 2026 confirms that social protection in Uganda's refugee-hosting districts is not failing for lack of interest or willingness; it is failing for lack of access, awareness, and scheme design. The populations surveyed want social security. They understand its value. They are willing to contribute. What is missing is the architecture to make that possible.

The five recommendations in this brief: inclusive scheme design that reaches informal workers and refugees, explicit refugee targeting in the National Social Protection Policy, embedding social protection in wealth-creation programmes such as PDM, digital inclusion through mobile money, and community-based awareness through trusted local actors, are not aspirational ideals. They are actionable, evidence-based interventions grounded in what this population already does, what they already trust, and what the legal framework already permits.



About this Brief:

This policy brief is developed with support from the ILO under the PROSPECTS Programme. It is based on findings from A social economic status baseline report (February 2026), which surveyed 398 individuals across refugee and host community settings in Adjumani, Yumbe, Isingiro, Madi-Okollo, and Terego districts.

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