

Investing in Social Protection in Uganda: The case for the Child Support Grant

Children



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INTRODUCTION

This Policy Brief is part of a series and is based on the Social Protection: Investment Case developed by the Government of Uganda (2016). The business case was developed over one and a half years and rests of the best available data available at the time of drafting. Recently released GDP figures may significantly reduce the projected cost of scaling up some of the interventions proposed in the Investment Case.

1. Children are particularly vulnerable and represent over half of the population in Uganda

Among the various stages of the lifecycle, childhood constitutes the most crucial not only in terms of potential implications for the subsequent stages, but also in terms of risk exposure. The first source of vulnerability can be traced back to the pre-natal phase. For example, if pregnant women are unable to access adequate diet leads to negative impacts on their babies' nutritional status¹. In 2011, 95% of mothers received antenatal care (ANC) from a skilled provider, but only 48% received at least 4 antenatal care visits during their pregnancy². This percentage did not increase over the period from 2006 to 2011 indicating relatively little improvement. Moreover, only 12.2% of women received ANC from a doctor, the vast majority of which belonged to the upper wealth quintiles.³

The importance of antenatal care can be identified not only in the treatment of infections and reduction of the morbidity risk for mothers and children, but also in the dissemination of key health messages to women. A good indicator of risk in the antenatal phase is perinatal mortality, which includes both stillbirths and early neonatal deaths, and it has unfortunately been worsening. Despite an increase in the rate of deliveries taking place in a health facility from 41% in 2006 to 57% in 2011, one in every 19 Ugandan children still died before their first birthday, and one in every 11 children before their fifth birthday. Ugandan children are also exposed to vulnerabilities related to health and nutrition. It is estimated that 33% of children are stunted, and 14% are severely stunted⁴. Weight-for-height measures indicate that in the same year 5%

1. Kidd, S., B. Gelders (2016). *Inclusive lifecycle social protection: An option for Uganda?* Ministry of Gender, Labour and Social Development

2. This is the minimum number recommended by the World Health Organisation which is also recognised by Ministry of Health

3. Uganda Bureau of Statistics. (2012). *Uganda Demographic and Health Survey 2011*. Kampala: Uganda Bureau of Statistics.

4. *Ibid*

of Ugandan children were wasted, whereas weight-for-age suggests that 14% of children under the age of five are underweight. Despite an overall improvement chronic malnutrition is still relatively high.

Despite the introduction of universal primary education and secondary education by the Ugandan government⁵, a considerable share of children remains deprived of the opportunity to attend school because of the costs related to school attendance. The net enrolment rate in primary school was 82.3% in 2011. Meanwhile, as the percentage of parents deeming education too expensive increased between 2009 and 2011 and many households still live in poverty, child labour has continued to be an issue. Approximately 40% of children aged 5-15 were part of the working population in 2012, and they were either combining school with some economic activity or engaging exclusively in an economic activity, without attending school at all.⁶

Poverty affects people of all ages but is more severe on children and young people. Over half of children in Uganda (55%) live in multidimensional poverty, and are deprived in at least two crucial areas of their rights, and around 1 in 4 (24%) live in extreme poverty. This means that they are experiencing multiple deprivations in relation to health, nutrition, water and sanitation, shelter, information and child protection.⁷

Evidence shows that social protection programmes can improve education, health and nutrition outcomes, and in some cases prevent risky behaviour in adolescents. Therefore, the government of Uganda should consider expanding social protection programmes designed to reach the poorest and most vulnerable children starting with the proposed child support grant in the Social Protection: Investment Case.⁸

2. Policies, laws and programmes for children

The Government of Uganda is committed to the welfare of children and this is evident by the adoption and implementation of both national and international policy and legal instruments specifically for children. The 1995 Constitution of the Republic of Uganda provides special protection to children in general and vulnerable children in particular. Furthermore, the Children's Amendment Act (2016) is a key legislation for the operationalisation of child rights.

Other relevant policies includes the National Orphans and Other Vulnerable Children Policy (2004) that informs programmes, legal and administrative actions that affect the safety, wellbeing and development of orphans, vulnerable children and their care takers. Orphans and Other Vulnerable Children (OVCs) are among the targeted groups by the **National Social Protection Policy (NSPP)** that was launched in March 2016.

The NSPP described in Text Box 1 highlights the need for an inclusive life cycle approach to social protection. This is also reiterated in the integrated Early Childhood Development Policy (iECD) whereby each stage of development needs to be considered and provides a building block for the next. A comprehensive ECD approach addresses maternal and child health, protection, nutrition, family and community support, positive early learning and stimulation

experiences. In addition and in complement to the other activities, a child sensitive social protection intervention can play a pivotal role during the various stages and support the needs of the poorest and most vulnerable children and their families.

The Ministry of Gender, Labour and Social Development (MGLSD) is the lead agency mandated to ensure that the rights of all children are promoted and upheld as well as to promote social protection for children in Uganda. The MGLSD was targeting vulnerable children through the Vulnerable Family Support Grant (VFSG), which was part of the Social Assistance Grant for Empowerment (SAGE) pilot. However, the VFSG was phased out in November 2015 because it proved less successful.

The Community Based Service Department (CBSD), and the Probation and Social Welfare Service have a key role in protecting and providing support to children and their families. The CBSD offers the largest number of social care and support services aimed to support OVCs. However, the capacity of social care and support services is constrained by limited mainstream funding for programmes, capacity of staff and human and material resources in local governments. There is also a considerable gap between policies and their implementation⁹, implying that child-sensitive aspects of social protection activities are not well-articulated and implemented

Text Box 1: Social Protection in Uganda

The National Social Protection Policy defines social protection as “public and private interventions to address risks and vulnerabilities that expose individuals to income insecurity and social deprivation, leading to undignified lives”. In the Ugandan context, it is comprised of two pillars: social security and social care and support services. Social security refers to protective and preventive interventions to mitigate factors that lead to income shocks and affect consumption whereas Social Care and Support Services are a range of services that provide care, support, protection and empowerment to vulnerable individuals who are unable to fully care for themselves.

The Policy provides a framework for putting in place the comprehensive social protection system that caters for diverse categories of the population. This is mainly because vulnerabilities faced by certain categories of the population such as older persons, children, youth, women and persons with disabilities do not only directly impact on their livelihoods but also slows national development.

Therefore, designing and implementing specific social protection instruments that address the particular risks and vulnerabilities faced by certain categories of population mentioned above brings them to the vanguard of development and enhance their contribution to the development process.

5. Universal Primary Education (UPE) was introduced in 1997, whereas in 2007 Uganda became the first country in Sub-Saharan Africa to introduce universal secondary education.

6. Government of Uganda. (2016). Social Protection: Investment Case. Ministry of Gender, Labour and Social Development

7. Ibid

8. Ibid

in Uganda. This calls for social protection interventions specifically targeting children such as Child Support Grants.

3. What would the proposed Child Support Grant look like?

Who is eligible?

The SCG would target a mother from her first ANC visit until the child turns two. Various scenarios were then considered to identify the eligible individuals to benefit from the grant:

- (i). Universal programme – targeting the whole population of eligible individuals,
- (ii). Only vulnerable households – those whose income falls below twice the poverty line,
- (iii). Only poor households – those whose income falls below the poverty line.

Finally, two different grant amounts were considered (to be distributed monthly):

- Low: 20% of the average household expenditure¹⁰, equivalent to 15,666 UGX;
- High: 30% of the average household expenditure, equivalent to 23,500 UGX;

What are the expected outcomes?

The impact of the Child Support Grant is measured in terms of poverty gap¹¹ and poverty headcount¹² reductions. Tables 1 and 2 provides a summary of the returns of a Child Support Grant lasting up to two years. As can be seen, higher impacts are estimated for higher grant amounts and for wider targeting mechanisms.

Table 1: Child Support Grant, low benefit level

	Whole Population	Vulnerable Population	Poor Population
Beneficiaries	2,197,475	1,673,007	520,008
Reduction in the Poverty Gap	25%	10%	8%
Reduction in the Poverty Headcount	19%	8%	7%
Efficiency	24%	18%	49%

Table 2: Child Support Grant, high benefit level

	Whole Population	Vulnerable Population	Poor Population
Beneficiaries	2,197,475	1,673,007	520,008
Reduction in the Poverty Gap	32%	13%	11%
Reduction in the Poverty Headcount	28%	11%	9%
Efficiency	21%	15%	42%

Source: Social Protection: Investment Case, (GoU, 2016)

According to Table 2, a universal child support grant providing 30% of average household expenditure and covering the first 2 years of age could lead to 32% decrease in the poverty gap. The lowest return in the context is achieved by the CSG up to two years with a low amount and in the targeting scenario including poor households: the reduction in poverty gap here is only 8%. Similar patterns are identifiable in the impact of the various programme scenarios in terms of reduction in poverty head count.

Additionally, implementing a child support grant starting from the prenatal phase - from the first ANC visit - until the age of two can help tackle the aforementioned sources of vulnerability present during the childhood stage of the life cycle. The grant can also function as an intervention that can help mothers seek appropriate care during pregnancy and delivery while at the same time supports poor and vulnerable households in addressing the major nutritional and educational needs of young children during the delicate stages of early life.

4. What is the expected cost and effectiveness?

Figure 1 projects the cost projections of the various programme scenarios vis-à-vis the resources available from the creation of new fiscal space. The three targeting scenarios and different benefit levels have different cost estimates however all options are affordable.

For the universal programme, costs are expected to rise from a base of roughly 0.29% of GDP for the low benefit or 0.45% of GDP for the high benefit scenario in 2017 to a maximum of roughly 0.62% of GDP and 0.99% of GDP respectively in 2022, when full-take up is reached, before gradually declining over time (Figure 3). As for the grant disbursed to the poor population, consistent with the lower number of beneficiaries, costs are substantially lower. Targeting the poor would require a low share of the extra revenue devoted to social protection (only 10%), for any benefit level considered.

5. What are the sources of fiscal space for the CSG?

The Government of Uganda can generate resources to finance the roll-out of the Child Support Grant through various strategies. Sustainable financing strategies are closely tied to the longevity of social protection programmes. Specific sources of potential fiscal space include:

- (i). Reallocating public expenditures: this requires the restructuring of existing budget allocations and replacing high-cost and low-impact investments with ones that have large economic and social outcomes, eliminating spending inefficiencies, and tackling corruption.
- (ii). Increasing tax revenue: one way of doing this can be by implementing effective measures for strengthening the efficiency of tax collection methods and overall compliance.
- (iii). Using fiscal and central bank foreign exchange reserves: this might include exploiting fiscal savings and other state revenues, or excess foreign exchange reserves in the central bank and allocate them to development programs such as social protection.

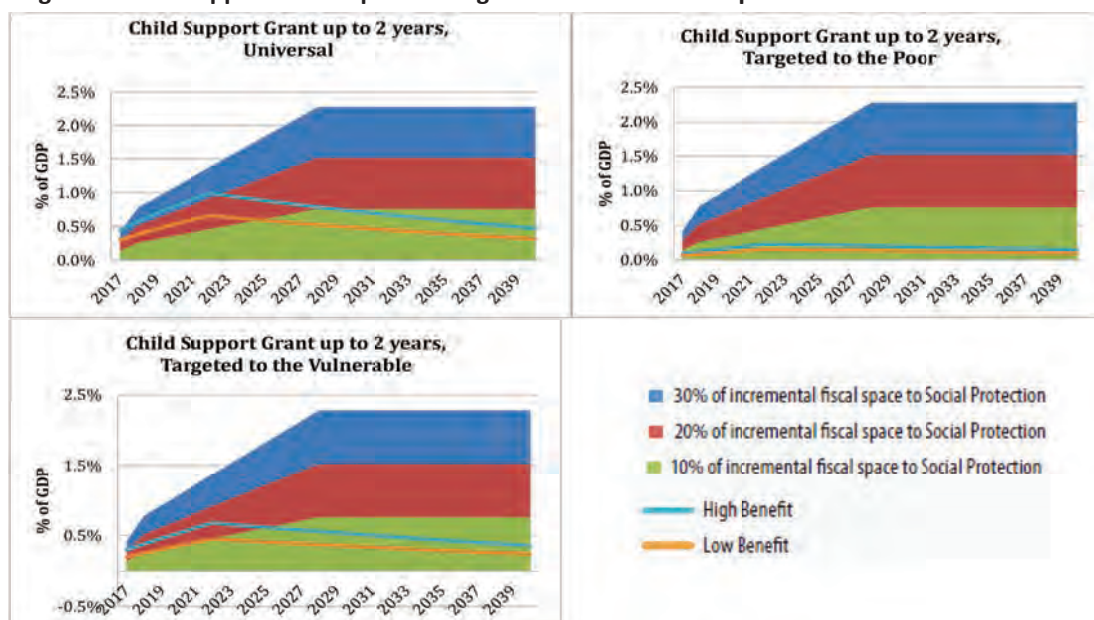
9. MGLSD (2014), 'Uganda social protection sector review: version 1'. Draft. Kampala: MGLSD.

10. Average monthly expenditure is of 78,332 UGX, according to UNHS (2013) data.

11. The poverty gap measures the extent to which individuals fall below the poverty line. It can also be understood as the difference between the poor's income or expenditure and the poverty line. This measurement is used to reflect the intensity of poverty

12. Poverty headcount is the proportion of a population whose living standards exist below a given threshold referred to as the 'poverty line'. The headcount measures the proportion of the population that is poor.

Figure 1: Child Support Grant up to 2: Long-Run Costs and Fiscal Space



Source: Social Protection: Investment Case, (GoU, 2016)

- (iv). Increased aid and transfers: engaging donor governments to support social protection is another option. However, to guarantee long-run sustainability of social protection financing, government might consider not relying too extensively on donor support because it is by nature unstable.
- (v). Borrowing or restructuring the existing debt. This would involve the careful assessment of domestic and foreign debt options that are low cost, carefully considering debt sustainability, which for Uganda is currently not a threat.
- (vi). Adopting a more accommodating macroeconomic framework. This would entail allowing for higher budget deficits and slightly higher inflation levels, without the risk of jeopardizing macroeconomic stability.

- **The early years in a child’s life are a critically important period where profound and long-lasting development occurs.** These years are particularly important for poor and vulnerable children, including children with disability, whose access to high-quality Early Childhood Development (ECD) services stands as an important precondition for the realization of their full potential. The 1,000 days between a woman’s pregnancy and her child’s 2nd birthday offer a unique window of opportunity to build healthier and more prosperous futures.
- **The Government should consider the implementation of a Child Support Grant as a long-term goal to be reached through gradual scale-up.** Implementing a Child Support Grant starting from the prenatal phase - from first ANC visit - until the age of two can help tackle the key sources of vulnerability present during the early childhood stages of the life cycle. The provision of a child support grant would enable families to invest in their children, making significant inroads into scourge of stunting that is holding back the cognitive development of so many of the nation’s children, while also enabling families to keep their children in school. This will, in the long- term, significantly enhance the quality of the nation’s workforce.
- **A child support grant is affordable and sustainable.** The micro-simulation exercise and the fiscal space analysis indicate the long-run sustainability of the social protection programmes and programme combinations, whose fiscal burdens are further supported by the resulting economic growth and associated demographic dynamics.

6. Key recommendations

A time-bound social protection investment focusing on children would provide an unprecedented opportunity to kick-start a transition to enable the poorest and most vulnerable households to address their vulnerabilities and develop their human capital, ensuring in the medium/long-term that they can also contribute to the inclusive social and economic development.

- **Social protection can have a significant positive impact.** The evidence demonstrates that the beneficial effects of social protection include not only the immediate reductions in monetary poverty quantified but also the medium- and long-run impacts in terms of inclusive social development and equitable economic growth demonstrated by the global evidence base. The government of Uganda should therefore consider designing and implementing a child support grant depending on the available resources though the Universal programme would be more preferable for wider impact.

FOR ADDITIONAL INFORMATION:

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Get a full version of the Social Protection Investment Case: <https://www.unicef.org/uganda/UgandaSPBCReport2016-FINAL-LORES.pdf>

Uganda Social Protection Platform (USPP), <http://www.uspp-cso.org/>