Maintains

Research supporting social services to adapt to shocks

Towards shock-responsive social protection: lessons from the COVID-19 response in Uganda

POLICY BRIEF | March 2021

Introduction

The Maintains programme is studying how Bangladesh, Ethiopia, Kenya, Pakistan, Sierra Leone, and Uganda have adapted and expanded their social protection systems in order to support households and mitigate the economic impact of COVID-19. This study aims to identify policy actions to better prepare national social protection systems to respond to future crises. Based on a conceptual framework, the study analyses data from literature reviews, key informant interviews, and microsimulations. This brief presents findings from the Uganda case study.

As at 14 January 2021, the country had reported 38,000 COVID-19 cases and 304 deaths. Even before Uganda's first registered case, on 18 March 2020, the Government of Uganda (GoU) announced stringent lockdown measures to curb the spread of the virus, which began to be lifted from May, although schools remained closed until the end of 2020. These measures, coupled with the global recession, have severely impacted the economy and livelihoods of vulnerable Ugandans, with real GDP growing by just 2.9% in FY2020, less than half the 6.8% growth recorded in the previous year, according to the World Bank. This is expected to persist into FY2021. The IGC's microsimulations estimate that the national poverty headcount will increase from 18.9% pre-crisis to 26.8%, with an additional 3.3. million people falling below the national poverty line, predominantly in urban areas.

How did the social protection system respond to the pandemic?

Aside from an initial food distribution programme, the GoU had limited ability to respond to the negative economic impacts of the shock using existing social protection programmes in 2020. In fact, in the first three months of the pandemic (March–June 2020), the Senior Citizen's Grant (SCG) was forced to pause operations while Standard Operating Procedures (SOPs) were developed to facilitate safe cash disbursements, which meant that even existing programme beneficiaries did not receive their normal transfers during this period. Once the SOPs were in place, the GoU made the following tweaks to the SCG to deliver benefits to routine programme beneficiaries:

- Adjust delivery mechanisms to avoid crowding (e.g. moving pay points from sub-counties to parishes), limit physical contact, and reduce transaction times (e.g. banks taking pictures of beneficiaries, rather than capturing fingerprints);
- Adapt mobilisation messaging to include COVID-19 prevention communication;
- Extend lump-sum payments to beneficiaries to cover six months (two payment cycles), to reduce the number of times beneficiaries needed to collect the money.

In terms of new programmes, the GoU considered a number of programme designs and ultimately negotiated financing from the World Bank to implement the Urban Cash for Work Programme (UCWP), a new emergency public works programme intended to extend support to those affected by COVID-19 in urban areas and by flooding in rural areas (see Table 1). However, the programme had been neither piloted nor rolled out by February 2021. This brief focuses on the urban component of the UCWP as it responds to COVID-19.

Finally, the GoU (with support from the World Food Programme) was able to provide a one-off emergency cash transfer to 13,200 pregnant and breastfeeding women and children under the age of two, including refugees, who were already enrolled in public works programmes and who resided in selected districts in the West Nile sub-region. Payments took place in November and December 2020. The purpose of these transfers was to meet the nutritious food needs of these beneficiaries over a period of three months.

Table 1: Extending support to new beneficiaries in response to COVID-19

Programme	Targeted coverage	Eligibility criteria	Benefit size
UCPW (urban) *Ministry of Gender, Labour and Social Development*	462,000 households	Ugandan citizens with a national ID card affected by COVID-19: i.e. households are female headed with 4+ family members, or have one child under five, or have a member who lost paid employment, or the household faces eviction	UGX 6,500 (£1.26) per day for 12 days per month, two months per year (a total of UGX 78,000 or £30)

How well designed was the response in mitigating the impact of the pandemic?

Shock-responsive social protection requires: (a) **expanding coverage** to those made vulnerable by the crisis; (b) **adequacy** of benefit levels that will address the new needs; and (c) **comprehensiveness** of benefits linked to longer-term rehabilitation and recovery. Given resource constraints to meet the scale and range of needs, no single response can meet all three criteria simultaneously while guaranteeing **inclusion**, resulting in difficult trade-offs. In Uganda, fiscal space for shock-responsive social protection beyond current donor funding remains an issue, which has limited the planned coverage and adequacy of the response:

- **Coverage:** Building on the microsimulation results from the IGC, we estimate that 1.97 million urban households should be eligible for the urban component of the UCWP. The UCWP will therefore reach 23% of the estimated eligible population. The IGC also simulate the mitigation impact of the UCWP on poverty: overall, the national post-COVID-19 poverty headcount is expected to decrease by 0.3 percentage points, with a stronger impact in Kampala (2 percentage points) and other urban areas (1.3 percentage points).
- **Adequacy:** The value of a monthly UCWP transfer represents 52% of the consumption of the bottom quartile of households in urban Uganda. In relation to the programme's objectives as an emergency, short-term response, the transfer value is generous. However, while the UCWP is designed as an emergency intervention to cover two months, the protracted nature of the COVID-19 crisis means that households are likely to need more or longer-term support. Overall, the UCWP meets 9% of the annual consumption expenditure of the bottom 25% of households in urban areas.
- **Comprehensiveness:** Social protection responses were limited to subsistence support, without linking to interventions that address additional risks that vulnerable households might face.
- **Inclusion:** While the UCWP has been designed to reach at least 50% female beneficiaries, given the greater impact of COVID-19 on women, the programme's ambitions are likely to be insufficient. To facilitate women's access to the programme, the working hours will be three hours for women and five for men, to account for women's caring activities. The UCWP will also aim for 20% of beneficiaries to be refugees.

How effective was the responses in practice?

Uganda was not able to implement the UCWP during 2020, undermining the programme's emergency response objective and limiting the GoU's social protection response to only the initial food distribution in Kampala and Wakiso districts. The timeliness of the response has been constrained by a number of factors, which include:

- The GoU opted to implement a new programme in response to COVID-19. Decisions on the design of the programme took time, with the government initially considering a number of alternatives to the UCWP (including an unconditional cash transfer for children under two or reducing the age for the SCG from 80 to 65 to temporarily expand the coverage).

However, there was not **political support** to implement a temporary unconditional cash transfer, due to the perceived difficulties of rolling back support and concerns about whether it could lead to laziness among recipients, resulting in a late change in design to a public works programme.

- The **scalability framework**, that is part of the Northern Uganda Social Action Fund (NUSAF3), is narrowly focused on responding to drought emergencies in northern Uganda and could not be used for the response to COVID-19 or the concurrent climatic shocks (flooding and locusts).

- **Contingency financing** (through NUSAF3) could not be used for the response and a new financing agreement had to be negotiated with the World Bank and approved in late June 2020. However, approval by the Ministry of Finance, Development and Economic Planning (MoFPED) was also required before implementation could begin and had not been received by February 2021.
- The UCWP is designed to **piggy-back on existing delivery systems** (including NUSAF3) but the country's existing public works programmes are primarily in rural areas, meaning the required infrastructure is limited or non-existent in urban areas. This will require the UCWP to set up new structures in the urban settings in which it is implemented, and that the delivery system will be based on an approach that was designed for rural areas.
- In the absence of **information systems** with data on potential beneficiaries in the targeted areas, the UCWP will need to undertake a new registration and enrolment process.

Preparedness actions toward a shock-responsive social protection system

The GoU, with the support of development partners, has been increasing investment in the social protection sector as well as enhancing the shock-responsiveness of core social assistance programmes. While the latter developments are encouraging in certain respects, a careful balance is required. The social protection sector is still relatively nascent and it is important that the GoU continues to focus its investments in the **core foundational delivery mechanisms** that underpin social protection to support routine service provision, while also working in parallel on establishing an enabling environment for shock-response – but not to the extent that routine social protection is jeopardised.

The analysis in this case study suggests the following policy implications for **routine social protection** (for full details, see the main report):

- In line with the vision for social protection articulated in the National Development Plan, the GoU should focus on **expanding coverage** of the flagship social assistance programmes (the SCG, NUSAF3, and the Development Response to Displacement Impacts Project), including to improve the regional coverage of these programmes. This would support systems strengthening for the delivery of shock-responsive social protection in the future.
- MoFPED should **allocate funds to social protection in line with commitments** outlined in the NSPP and National Development Plan. For example, the GoU has committed to providing a national SCG for all people over 80, paid quarterly. MoFPED needs to ensure that budget is available

Photo: "The GoU is planning to pilot the use of mobile money to make payments as part of the UCPW, similar to this mobile money transaction in Gulu, Uganda" Credit: Fiona Graham / WorldRemit

to make timely payments and to cover the routine operational costs of the system, such as enrolling those who become eligible for the SCG. To support this, the MGLSD should continue to advocate to MoFPED for additional financing for social protection.

- The GoU has designed and launched an **integrated beneficiary registry.** The Single Registry is potentially a useful tool to coordinate routine social protection, as well as to target and coordinate shock-response. However, to achieve this, the GoU will need to invest in the functionality of the system (beyond software and hardware) and develop protocols and processes that are fit for purpose and that enable people to access and use the data.
- There needs to be **investment in the operational capabilities** within and across social assistance programmes, which will also provide a solid foundation for shock response. This includes investing in the basic operational capacity of the SCG and LIPWs including the establishment of case management and grievance mechanisms that are accessible to all programme beneficiaries, including women and marginalised groups, and accompanied by a clear outreach and communications strategy.

At the same time, the GoU should consider how investments in the social protection sector can improve the enabling environment for **shock-response:**

- The GoU should develop a comprehensive **disaster risk financing strategy** that goes beyond responding to droughts and the project-based approach to contingency financing currently in place through NUSAF3. However, political commitment to social protection and financing constraints would need to be considered when developing this strategy.
- The capability to respond to shocks has been developed specifically in relation to drought and the GoU should consider how to transition that capability to be able to respond to other shocks. For example, the design of the existing **scalability framework** for shock response under NUSAF3 should be reviewed to allow for greater flexibility to respond to large, non-drought shocks, such as COVID-19 or other climatic shocks, such as flooding or locusts. Further, as other programmes introduce shock-responsive elements, the GoU could look to harmonise programme-level scalability frameworks into a sector-level framework.
- The GoU has developed **processes and systems for operating during and responding to shocks**, through the SCG, which was able to adapt its operations to make payments and roll-out the programme during the pandemic, and NUSAF3. The GoU should leverage this programme-level experience to develop system-level processes and protocols for shock response.
- In preparation for future responses to shock, the GoU should develop guidelines that establish the key principles and protocols to consider when **designing shock-responsive programmes.** For example, this would include considerations for setting the benefit level such as linking the transfer value to a rationale around meeting household needs and maintaining resilience during the shock, to ensure that the transfers are adequate in relation to their objectives. Similarly, principles for how to incorporate issues of inclusion and sources of marginalisation (e.g. ability, ethnicity, refugee status) in the design of programmes should be articulated in these guidelines.

About Maintains

Maintains is a five-year (2018–2023) operational research programme building a strong evidence base on how health, education, nutrition, and social protection systems can respond more quickly, reliably, and effectively to changing needs during and after shocks, whilst also maintaining existing services. Maintains is working in six focal countries—Bangladesh, Ethiopia, Kenya, Pakistan, Sierra Leone, and Uganda—undertaking research to build evidence and providing technical assistance to support practical implementation. Lessons from this work will be used to inform policy and practice at both national and global levels.

For more information on Maintains:

maintainsprogramme.org
@MaintainsProg
@Maintains
maintains@opml.co.uk

To find out more about the Maintains global study on social protection, please contact: Alexandra.doyle@opml.co.uk

Oxford Policy Management

UKaid
from the British people