RESPONSE TO THE QUESTIONNAIRE ON CASH TRANSFER **PROGRAMMES BY THE INDEPENDENT EXPERT ON THE QUESTION OF HUMAN RIGHTS AND EXTREME POVERTY**

Definition of Cash Transfer Programmes

For the purpose of this questionnaire, cash transfer programmes consist of the provision of direct financial support to households living in poverty in order to increase their real income. Usually, the transfer aims to improve the conditions of groups that are particularly vulnerable to poverty such as children, elderly people and people with disabilities. In some cases, the transfer of resources is conditional to the fulfillment of education, health or nutrition targets by the beneficiaries (referred to as "conditional cash transfers).

1. **List and describe any cash transfer programmes or initiatives implemented by the GoU between 2003 and 2008**

The Government of Uganda has not yet started implementing a cash transfer programme, however, the government is currently designing- **The Uganda Cash Transfer Pilot Scheme.**

Towards the end of 2006, the Uganda Social Protection Task Force (SPTF), chaired by Ministry of Gender, Labour and Social Development (MGLSD), with funding support from DFID, commissioned a design of a Cash Transfer pilot scheme for Uganda. The design team was tasked with proposing "a cash transfer pilot scheme to address chronic poverty" – one which is sensitive to the Ugandan context. The purpose of the scheme was to demonstrate the desirability and feasibility of such a scheme and endeavour to win political commitment to it and to inform the next revision of the Poverty Eradication Action Plan".

The Pilot Cash Transfer Scheme will target 'the extremely poor' households in the last decile of the consumption scale are not receiving benefits from any other programme providing similar benefits in kind or cash and should be having either; an elderly person or a person with disability or chronically ill member, or children up to 17 years of age.

The overall objective is to pilot the use of regular cash transfers as a social protection instrument to promote escape from chronic poverty, particularly for extremely poor households living with children, elderly, chronically ill and/or disabled persons.

The objectives of the pilot social cash transfer scheme are to:
   i)   Improve the nutrition and health status of beneficiary households;
   ii) Increase attendance and reduce dropout rates of beneficiary school children of 6 -18 years of age.
   iii) Increase preventive health care visits to health centres of *children, older*

persons and PWDs in targeted households.
iv) Prevent the chronically poor individuals from falling into destitution.
v) Generate information on the feasibility, costs and benefits and on the positive and negative impact of a Social Cash Transfer Scheme as a component of a Social Protection Programme for Uganda.

(i) THE LEGAL AND INSTITUTIONAL FRAMEWORK

2. Povide details of the legal and institutional framework by which the programme is established and implemented

Human rights declaration

In order to attain the MDGs, Uganda has to implement other measures and such measures include cash transfers in order to attain the MDG 1 of halfing extreme poverty.

Uganda is a signatory to the Livingstone Call for Action 2003, where ministers from 13 African states resolved to charge their governments to develop costed cash transfers for their countries

The realisation of human rights is enshrined in the Constitution of the Republic of Uganda 2005 (as amended). The National Objective and Directive Principles of State Policy XIV charges the state to endeavour to fulfil the fundamental rights of all Ugandans to social justice and economic development. In particular, the state has the responsibility to ensure that all Ugandans enjoy rights, opportunities and access to education, health services, clean and safe water, work, decent shelter, adequate clothing, food security, and pension and retirement benefits." Article 32 of the Constitution enjoins the State to take affirmative action in favour of groups marginalised on the basis of gender, age, disability or any other reason created by history, tradition or custom, for the purpose of redressing imbalances that exist against them.

The Poverty Reduction Strategy Paper for Uganda, popularly refered to as the Poverty Eradication Action Plan (PEAP) 2004-2008, identified social protection as a cross-cutting issue in addition to gender and HIV/AIDS, although neither framework nor resources were identified to take this forward.

The Social Development Sector Strategic Investment Plan (SDIP), which was finalised by the MGLSD in December 2003 and approved by Cabinet in October 2004, recognizes Social Protection as one of the priorities of the SDS. The SDIP articulates various strategies to protect vulnerable groups from deprivation and livelihood risks. These include socio-economic empowerment of the vulnerable groups, community based rehabilitation for victims of discrimination, resettlement of the destitute, provision of safety nets for the chronically poor and

strengthening as well as expansion of care and support for HIV/AIDS infected and affected persons, both at the workplace and in the community.

the Government of Uganda is in the process of developing a social protection policy, the pilot cash transfer project is supposed to inform the policy development process.

3. **Describe the institutional framework used to implement the programmes – indicate which governmental authorities, structures and mechanisms, including those at the federal, state/provincial, municipal and local level were involved in the design, implementation and monitoring of the programme**

The **Ministry of Gender, Labour and Social Development (MGLSD)** is the main executing agency of the project. At the operational level, the project will have a Project Management Unit (PMU) ocated within the Department of Social Development. This unit will be responsible for managing the pilot's overall operation assisted by other directions of the Ministry and external consultants. A project management unit will accordingly be established within the Ministry to coordinate, plan and manage all activities of the Cash Transfer Pilot Project. In order to ensure successful implementation there will be structured collaboration between MGLSD on one hand and the Ministries of Education and Health on the other hand. The **Ministry of Education (MOE)** will provide guidelines and procedures to the District Education Officers required to implement the pilot, while the **Ministry of Health** will provide guidelines and procedures to District Medical Offices (DMO) in line with guidelines agreed upon with MGLSD.

There shall be a **payment agency** which will be in charge of receiving all funds and the list of beneficiaries in order for it to distribute payment to these beneficiaries at the local level. It is proposed to have a combination of three types of payment agencies: Post Bank, post offices and school associations. They will receive funds from the PMU and will have the responsibility of making payments every two months. At the end of each payment period, the Payment Agency will reconcile the accounts and inform the PMU, which in turn will be reimbursed for any unpaid funds.

A number of **community organizations** will be expected to support the program at the district and parish levels. These organizations will comprise representatives from communities, local governance structures (such as the Parish), civil society organisations, and other stakeholders with a demonstrated interest in improving the livelihoods of beneficiaries. The committees will support MGLSD and District Offices to implement the project at various stages, especially during the targeting and enrolment processes. They will also have an important role for monitoring the activities of the project and in the resolution of conflicts and complaints arising from beneficiary households. Similarly, volunteers will

participate in the monitoring of the project and in creating awareness among beneficiary households.

4. Were civil society organizations involved in the design, implementation and monitoring of the of the programmes? If yes, describe their roles

Yes Civil society organizations were consulted during the design phase. Furthermore, it is envisaged that the national level CSOs will monitoring the project especially on issues of transparency and accountability, while the district level CSOs will participate in identification of beneficiaries and monitoring of the project.

5. Were popular consultations conducted during either the design, implementation and or monitoring of the programme? If yes please describe?

A study was carried out to establish the feasibility of cash transfers. During this study, three rural communities in the districts of Soroti in North Eastern, Mukono in central and one urban community in Kampala in were consulted. They were all in agreement for the development of a cash transfer programme.

The communities will be involved in identification of the beneficiaries as well as monitoring the project.

Further more, the design team held consultations with various stakeholders. Please refer to annex 10 of the attached document; Summary of Findings and consultations from national, local Government and Community consultations

(ii) PROGRAMME COSTS AND COVERAGE

6. Which geographical areas are covered by the programme in the country (national, regional and local)

The proposed pilot districts by region are Kiboga (Central), Katakwi and Kaberamaido (Eastern), Kyenjojo (Western) and Nebbi and Apac (North). These districts were selected on the basis of the proportion of vulnerable people in the district population. This was done by summing up the share of children and elderly persons in the entire population; share of orphans and vulnerable children in the child population; share of risky births and proportion of households living more than 5 km from health facilities; and share of children (6-12 years) not attending school for each district.

At the district level, the sub-counties will be selected on the same basis as above, this will apply to the villages as well. At the community / village level, the communities will identify the beneficiaries.

7. What is the annual budget of the programmes? Please give details and indicate the sources of funding utilized in the design, implementation and monitoring of the programme.

In the first year, approximately US$ 1.54 millons dollars are required to complete the design of the project (manuals, guidelines, materials, MIS application), provide the PMU as well as district offices with the required equipment (motorbikes, computers, printers, copy machines, fax, internet installations), carry out the selection process of beneficiaries (targeting and enrolment), and undertake the required baseline assessment for impact evaluation.

Table 9: Budget distribution for four years of the pilot project (US$)

ITEM	YEAR 1		YEAR 2		YEAR 3		
	1st sem	2nd sem	1st sem	2nd sem	1st sem	2nd sem	1st
Investment / implementation	287.700	790.600	0	0	0	0	
Administration / operation	0	117.600	162.750	162.750	162.750	162.750	162
Transfers to beneficiaries	0	0	691.071	691.071	691.071	691.071	691
Monitoring & Evaluation / special studies	0	150.000	135.000	30.000	0	105.000	
Contingencies (stage I, II and IV)	95.165	95.165	95.165	95.165	95.165	95.165	
TOTAL	382.865	1.153.365	1.083.986	978.986	948.986	1.053.986	85

Note: Sem refers to semester (6 months time periods)

Beginning the second year, beneficiaries will start receiving their payments. The expected cost is approximately US$ 2 million dollars every year until the fourth year. This amount will be utilized for transfers, administration and monitoring activities. In short, out of a total required budget of US$ 7.71 million for the entire project, about 53.7% will be utilized for transfers, 14.2% for administration, 14.0% for design and initial implementation (selection of beneficiaries), 10.7% for monitoring and evaluation activities and 7.4% for contingencies.

DFID funded the biggest amount of money fro designing while; UNICEF also provided some funds for development of the project proposal. DFID has pledged to provide all the money required for the pilot phase, although UNICEF, HelpAge international have shown interest in supporting the programme as soon as it takes off.

8. What are the main costs involved at the various stages of implementation?

Already mentioned in (7) above. In addition the design and development of a MIS will cost about 500,000 pounds.

9. Indicate the number of beneficiaries of the programme (annually)? If possible provide details on their profiles eg sex, age, ethnicity, origin

During the pilot phase 9,000 households will receive cash benefits. The details are not available because the project has not taken off yet.

10. What criteria were utilized in order to determine the eligibility of beneficiaries?

The Pilot Cash Transfer Scheme will target 'the extremely poor' households in the last decile of the consumption scale. They should not be receiving benefits from any other programme providing similar benefits in kind or cash and should be having either; an elderly person (aged 60years and above) or a person with disability or chronically ill member, or children up to 17 years of age.

11. Approximately how many potential beneficiaries were not reached by the programme?

This project will reach to about 9000 households and yet there are about 407,000 households which fall in this category of people who need this kind of intervention. So about **398,000** are left out.

12. What is the average amount transferred to each beneficiary? What is the periodicity of the transfers and the calculations utilized in order to determine it.

The transfer will consist of a basic payment of Ug. Shs. 18,000 to be received by Households that qualify and a supplementary amount of Ug. Shs. 2,000 for each child up to age 18 and each elderly person over 60, up to a maximum of 5 additional persons.

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13. What is the criteria used to terminate support under the programme? Is there any exit strategy in place? Are families that exit the programme able to rejoin it?

Initially households will stay in the project for a period of 3 years, after which time there will be a review and recertification process by the Programme Management Unit based on agreed criteria. The review process will determine whether a household continues to benefit from the scheme or not.

Benefits will in any case be suspended if any of the following situations occur:

1. Children complete secondary education (13th grade)
2. A beneficiary providing false information and not meeting eligibility criteria as verified by operational spot-checks.

One or more members of a household fail to comply with the conditions systematically for 3 consecutive times (in 1 year), without a reasonable or legitimate reason qualifying them for exemption from meeting the stipulated requirements.

(iii)   IMPLEMENTATION PROCEDURES

14. What procedures are utilized in order to pay the beneficiaries?

The secretariat shall rely on public-private partnerships with the private sector institutions like banks, schools, microfinance institutions and at a later stage the possibility of mobile banking will be considered to pay out the cash to the beneficiaries. In the first instance it is proposed that the mode of payment will be through Post Bank, or the Post Office (or its agencies), or through parent/teacher associations at schools. Post Bank will be used to make payments within their areas of influence where these payment agencies exist (i.e., a distance not exceeding 1 hour of travel by public transportation). The Post Office, through its branch offices, will serve the more isolated areas where Post Bank does not have a presence, and will cover "areas of influence" in which beneficiaries should not be devoting more than two hours travelling by public transportation. In instances where neither Post Bank nor Post Offices exist, schools—acting through their Parents, Teachers Associations—will be used. These organisations shall operate as payment agencies for pilot beneficiaries, and will assume the same responsibilities as the other payments' offices.

15. What should potential beneficiaries do to request the programme's aid

There was no requirement for the potential beneficiary. The beneficiaries will be identified by the communities using an agreed criteria.

16. **Were there any conditionalities agreedwith the beneficiaries of the programme? If yes please describe the conditions and the methods used to assess their fulfillment.**

Beneficiaries will satisfy certain conditionalities to keep on receiving the cash transfers. Selected households will be required to enrol their children *aged 6-18* for education and demonstrate that they attend school regularly. They will also ensure that children between 0 and 5 yrs have 3 health visits per year for monitoring of their growth, children of up to 2 years of age receive full vaccinations at appropriate intervals and older persons visit medical facilities at least twice a year for general medical check ups.

17. **Which public services are offered in connection to the conditionalities agreed? Indicate if special measures were taken in order to absorb the increased demand for services generated by the programme.**

The project proposal has proposed that implementation shall be done in collaboration with three line ministries ie Ministry of Education and Sports, Minstry of Health as well as Ministry of Gender, Labour and Social Development. The ministry of Education and Health will provide the necessary facilities to absorb the expected increasing numbers.

18. **If possible, please provide samples of materials developed in order to inform beneficiaries about the programme and other materials used to raise public awareness.**

(iv) **MONITORING MECHANISMS AND COMPLAINTS PROCEDURES**

19. **Please describe the monitoring procedures utilized in order to oversee the implementation of the programme and the entities responsible for monitoring.**

It is envisaged that monitoring will be done at four levels as follows

(i) operational process evaluation and spot checking;

This is partly an accountability function, and partly a learning function. These are measures to ensure that the scheme works. A number of 'stakeholders' will undertake spot checks to investigate a checklist of issues such as:
1. Are those identified by the registration/enrolment process actually receiving the payment?
2. Are they getting the right amount?
3. Are the arrangements for disbursement working?
4. Are there unexpected issues and problems coming up?

If problems are discovered these will be pointed out to the relevant parties. If no solution can be found locally, the PMU will be called in to troubleshoot.

The learning function here involves documenting what is working from an early stage, so that rapid corrections can be made if necessary, and to discover what systems work in what kind of setting.

(ii)   Monitoring adherence to conditions

(iii)   Baseline study and impact evaluation.

A baseline survey is expected to be done before the beginning of the programme. This will provide a basis for evaluation and impact assessment

(iv)   Research Studies

Research will be conducted from time to time depending on the need. Studies will be carried out when there is need to allay fears, to explore unintended impacts which concern people, or particular preconditions which are thought to be necessary to make cash transfers work as intended.

(v)   Studies/processes to enable the transition to a full programme.

These studies refer to evaluations and proposals that need to be studied in order to upgrade processes incase the pilot is to expand. The following studies are envisaged to be carried out: (i) review of payment systems and proposal of more effective options; (ii) review of data gathered and suggesting more efficient options; (iii) analysis of different methods to be applied to case management and compliance of conditions,

Spot checks will be done various stakeholdersincluding; the sub county chief; a local Civil Society Organisation; the district leadership; the Ministries of: Gender,Labour and Social Development, Finance, Planning and Economic Development, Office of the Prime Minister. The documentation of what works and where   will be central during the pilot, The Programme Management Unit would be responsible for this documentation.

20. **Were any complaints mechanisms or procedures attached to the programme? If yes, please describe them.**

Yes, there is a proposal for complaints and grievances as follows:

Claims can be of two kinds, (i) concerning quality of the health/and or education services; and, (ii) concerning operational discrepancies –fines versus compliance of shared responsibilities (conditionalities).

Operation: The head of household must fill out the ***Claims/Grievance Form*** with the assistance of the district officers. Claims reaching the PMU level are entered into the information system where a given person is appointed to take care of the claim. For claims and grievances having to do with the quality of the

services being provided, processing of the resolution shall be placed in the hands of district directorates for the particular sector; and for claims having to do with Programme operation the resolution process shall be referred to PMU district directorates.

21. Was any legal action taken against the programmeor those responsible for its implementation? If yes, what were the circumstances of the legal action and the basis for the complaints?

This has not happened since the programme is still at the design stage.

(v) EXISTING STUDIES AND EVALUATIONS OF CASH TRANSFER PROGRAMMES

22. Please provide any studies, in particular needs assessments utilized in order to develop the programme

23. Please provide any studies, in particular impact assessments developed to assess the implementation of the programme.

We have not yet reached that level