



Transforming Cash Transfers:

Beneficiary and community perspectives on
the Senior Citizen Grant (SCG) in Uganda

Paul Bukuluki, PhD (Makerere University, Kampala) and
Carol Watson (Independent Consultant)

December 2012

Executive summary

1. Introduction

This study is part of a multi-country research study on cash transfers being implemented by the Overseas Development Institute (ODI). The multi-country research seeks to contribute to the knowledge base on unconditional cash transfers targeted to different categories of people. It aims to complement existing information with insights derived from qualitative and participatory research techniques that help bring to the fore the views, knowledge, perceptions and experiences of key cash transfer stakeholders. These include cash transfer beneficiaries, non-beneficiaries and other community members, as well as development partners, policy-makers and programme implementers at different levels. It also seeks to build national research capacity on participatory research techniques that help bring beneficiary views and perspectives into programme and policy development processes.

The focus of the research in Uganda is on unconditional cash transfers to older people (known as the Senior Citizen Grant)(SCG) under the Social Assistance Grants for Empowerment (SAGE) programme. The study aimed to explore views, perceptions and experiences of the SCG, focusing on the older people who are beneficiaries, with complementary information drawn from other community members, policy developers and programme implementers. It aimed to understand beneficiaries' key vulnerabilities and coping mechanisms; their knowledge about and perceptions of the SCG programme; their experiences as beneficiaries, including their use of the transfer and its effects on their lives; and their suggestions for how to improve the programme. Complementary information from other community members (including non-beneficiaries) and from programme implementers and policy-makers was gathered to build a rich and textured understanding of the key research themes at individual, household and community levels.

Data collection methods included: (a) in-depth and key informant interviews; (b) focus group discussions; (c) case studies; (d) structured observations; (e) life histories; and (f) a number of participatory techniques such as community mapping. Data were collected at the national, district and community levels; all respondents gave informed consent. The study was conducted in two districts in Uganda: Kaberamaido, in the eastern region, and Nebbi, in the northern region.

2. Programme context and overview

The Senior Citizen Grant (SCG) is a component of the Social Assistance Grants for Empowerment (SAGE) – a five-year pilot programme to provide regular cash transfers to over 95,000 vulnerable households in 14 districts in four regions of the country. The government plans to scale up the programme from 2015 based on evidence of impact and effectiveness.

SAGE is part of the broader Expanding Social Protection (ESP) programme in Uganda, whose **goal** is to reduce chronic poverty and improve life chances for poor men, women and children, and whose **purpose** is to embed a national social protection system that benefits the poorest as a core element of Uganda's national planning and budgeting processes. The ESP programme aims to foster a comprehensive approach to social protection, strengthening cross-governmental leadership structures on social protection while building the capacity of the Ministry of Gender, Labour and Social Development (MGLSD) to support these structures. A key output of this strengthened leadership will be the development of a social protection vision for Uganda, set out in a national strategic framework, backed by legislation, and translated into budgetary commitments.

The SCG provides an unconditional monthly cash transfer of UGX24,000 (about \$8.70)¹ to older people aged 65 years and above (60 years and above in the Karamoja region). It is designed to reduce old age poverty by providing a minimum level of income security to all older people.

Selection of beneficiaries is undertaken in one of two ways: direct selection of beneficiaries from the national civil registry (i.e. computerised or automated system) or through a community-based on-demand registration process in sub-counties where civil registration has not taken place. A mobile phone company called MTN (Mobile Telephone Network) was contracted as the payment service provider (PSP). The monthly cash transfers are delivered directly to the beneficiaries' Mobile Money account through the MTN Mobile Money service – an instant e-money transfer service – and converted into cash by an MTN agent at designated paypoints. Each beneficiary has a unique, five-digit personal identification number (PIN) that allows him/her to withdraw cash from their *Mobile Money* account at their nearest agent.

Within the two study districts, the SCG initially covered six out of nine sub-counties in Kaberamaido District and five out of eleven sub-counties in Nebbi District. The SCG has since been expanded, in a phased manner, to cover the other sub-counties in the respective districts.

Although the SCG programme is not systematically linked to complementary programmes, some beneficiaries also benefit from other programmes implemented by the government and civil society organisations (CSOs). However, the Ministry of Gender, Labour and Social Development (MGLSD), through the ESP programme, is planning to conduct a study to explore opportunities for systematically linking the SAGE programme and beneficiaries to other possible services and programmes.

The MGLSD is the lead institution for the management of the SAGE programme (including the SCG component) through its Directorate of Social Protection. The directorate is supported by a Social Protection secretariat, which is responsible for policy development and overseeing programme implementation.

At sub-national or district level, the programme is integrated into local government systems. The chief administration officers (CAOs) are accountable for programme delivery and distribution of funds. Direct programme oversight at this level is provided by district community development officers (DCDOs), who report to the CAO. The district SAGE team/unit, comprising the senior community development officer (SCDO), a SAGE technical officer, SAGE management information system (MIS) officer, and SAGE monitoring and evaluation (M&E) officer, is responsible for the implementation management. At the sub-county level, the programme is coordinated by the sub-county community development officer (SC-CDO).

The SC-CDO coordinates day-to-day programme operations, including liaising with parish chiefs, parish development committees (PDCs) and village council chairpersons. The sub-county CDO reports directly to the senior CDO responsible for SAGE on operational matters, and oversight of sub-county operations is provided by the sub-county chief.

3. Key findings

Definitions and experiences of vulnerability and key coping strategies

Local characterisations of poor and vulnerable people were similar in the two study districts. In most participant narratives, vulnerability was closely associated with poverty. The 'vulnerable' were perceived to be poor.

¹ The value of the transfer is revised annually. Average exchange rate dollar/shillings = 2,470

The analysis shows that poverty is generally associated with deprivation (reflected in the inability to meet basic needs) occasioned by the lack of resources and income opportunities, social positioning, influence over one's environment and many other things that, as analysts have noted, '*make the difference between truly living and merely surviving*'.² The lack of agency and inability to cope with episodic shocks were identified as key indicators of vulnerability and poverty. Orphans and other vulnerable children (OVC), widows, people with disabilities, children, older people, and women were identified by respondents as the most vulnerable groups in the communities in the two districts.

A range of factors contribute to vulnerability and poverty. These include: lack of access to resources (e.g. land and credit); insecurity; inadequate access to basic services; low levels of education; poor health status; living in fragile and hazardous locations (especially in Kaberamaido district); death of family members, especially breadwinners; rural-urban migration and decrease in urban-rural remittances; physical disability; inability to engage in productive activities; and loss of job or other sources of income such as remittances. Disintegration of social structures and/or absence of an adequate social fabric – and therefore of the basic informal networks that could help poor individuals or households manage shocks – were also identified as contributing to and heightening vulnerabilities. Behavioural factors, alcoholism, large family size, and polygamy were also considered to be sources of poverty and vulnerability.

Key coping strategies reported include: engaging in casual labour; turning to immediate family and social networks; participating in self-help groups and associational arrangements; borrowing from friends and relatives; selling assets; reducing consumption; and withdrawing children from school. Notably, nearly all coping strategies are informal. Support services from non-government organisations (NGOs) and government were the only formal coping strategies mentioned. This highlights the inadequacy of formal means of social protection for vulnerable and poor people in the two study districts.

Views, perceptions and experiences of the SCG programme

Most of the study participants (beneficiaries and other community members) were aware of the SCG in both districts. Almost all beneficiaries and other community members understood the eligibility criteria, the targeting process (including procedures for identification and selection of beneficiaries), the key actors (especially at district level), payment processes, and the transfer amount that beneficiaries are entitled to receive, as well as the frequency of transfers. Knowledge about the sites where the programme was being implemented – especially at the sub-county level – was also very good.

Beneficiaries in the two study districts perceived the SCG to be a '*dependable source for life and livelihood*' and considered it a sign of the government's commitment to meeting their needs. Study participants (both beneficiary and non-beneficiary) also seemed to agree that the SCG targets one of the most vulnerable groups of people – older people. They perceived the targeting process to be fair, with no significant differences in beneficiary experiences of targeting or enrolment based on the different methods used (automated registration in Kaberamaido and community registration in Nebbi). In both districts, the SCG was perceived to be less prone to corruption than other types of programmes, as money is given directly to beneficiaries and the process of accessing the benefits is clear.

A considerable number of study participants (both beneficiaries and other community members) felt that the amount was enough and appropriate for older people. Some, however, felt that the income transfers were insufficient to improve the well-being of older people, and furthermore that older people needed not only cash but also systems of care to provide them with sustainable support. Some also perceived the eligibility age (65 years and over) to be too high. The general perception was that poor

²Damas, P. and Israt, R. (2004) 'Vulnerability and poverty: what are the causes and how are they related?' Term paper for Interdisciplinary Course, International Doctoral Studies Program at ZEF, Bonn

older people start the ageing process (in reference to the decay of physical vitality) early in life due to persistent vulnerability to malnutrition and ill-health.

Beneficiaries reported that if they are not able to go to a designated pay point (for example, due to physical disability), a relative or trusted friend (i.e. alternative recipient) can be sent to receive the cash on their behalf. Isolated cases were, however, reported in which alternative recipients diverted and failed to deliver the full amount to the beneficiaries. Some beneficiaries (especially in Kaberamaido district) complained about having to travel long distances to pay points, which reduces the net benefits of the transfers. This was attributed to the limited number of pay points provided by MTN. Others complained about the frequent breakdown of MTN systems (network failure), which they said leads to delays in accessing the cash transfers and/or long waiting hours. In fact, some suggested the need to use more than one payment service provider.

Use and effects of the cash transfer

Many positive effects of the cash transfer were reported at individual and household/community levels, often intertwined in interesting ways. At individual level, beneficiaries took pleasure in, for example, being able to buy new clothes or shoes for themselves; at the same time, being more 'presentable' allowed them to interact more with others, hence solidifying social contacts. At household level, the transfer improved beneficiaries' capacity to meet their basic needs, including for children under their care, and improved relations between parents and their children/relatives because of reduced dependency. At the community level, effects were felt both in terms of boosting the local economy and improving relations between beneficiaries and the wider community. Most beneficiaries reported that the cash had improved their self-esteem, status and empowerment, and enabled them to be active members of their households and communities, rather than burdens.

The monthly transfers have enabled beneficiaries to meet the costs of basic necessities for themselves and their families (e.g. food, medicine, soap, and even education for their grandchildren) and have also facilitated home improvements, productive investments, savings, and access to credit.

Almost all study participants (beneficiaries, non-beneficiaries and programme implementers) reported that the SCG has had positive effects on the lives of beneficiaries. Key positive effects reported include: empowerment of older people (improved self-esteem, personal status); increased access to basic education for orphans and other vulnerable children who previously could not attend school; improved access to healthcare services; investment in livelihoods and productive activities; and improved household nutrition. In addition, spending cash within local communities further extends the benefits by stimulating local markets.

In terms of gender, female beneficiaries were more likely than their male counterparts to spend their cash on meeting needs of their grandchildren and orphans and vulnerable children. The cash also seemed to have contributed to women's greater sense of economic and social empowerment, reflected in having control over regular financial resources, and improved participation in intra-household decision-making.

The overwhelmingly positive effects above notwithstanding, a few study participants mentioned inappropriate use of the cash transfers by some beneficiaries for alcohol consumption, and, in some cases, reduction or 'crowding out' of family support, including remittances and intra-family transfers, and other forms of informal support to older people. Overall, however, findings show that the SCG has helped to strengthen rather than weaken social networks and connections for older people. Even the 'crowding' out was viewed positively by some beneficiaries, with the SCG seen as relieving their adult children of onerous economic responsibilities for their older parent's welfare.

Implementation successes and challenges

The SCG programme is very new; at the time of the study, transfers had been made for just ten months in one of the study sites (Kaberamaido) and five months in the other (Nebbi). It is thus

remarkable that the programme has already had such important effects on beneficiaries' lives, and that the complex implementation processes extending from national to district to sub-district level are running so effectively.

The study identifies a range of programme implementation successes. These include: fair targeting and simplicity of the targeting process; minimisation of exclusion and inclusion errors, thereby reducing wastage and avoiding community tensions; protecting beneficiaries against inflation (through periodic adjustment of the value of the cash transfer); and a payment system (with cash directly delivered to beneficiaries *MobileMoney* account) that minimises the risks of erroneous payments.

However, a number of challenges relating to programme implementation were reported. These include: difficulties in proving the age of beneficiaries, especially in sub-counties where the civil registration exercise had not yet taken place; staffing gaps at local government level; delays in reporting deaths of beneficiaries; network/system failures at the pay points; long distances to pay points, raising opportunity costs of accessing benefits; and reporting challenges arising from limited automation, especially at lower levels of local government.

The SCG programme has inbuilt complaints and grievance procedures, which facilitate receipt and resolution of beneficiaries' grievances. However, some delays in effectively handling beneficiary complaints were reported. In addition, some beneficiaries reported being afraid to freely express their concerns. Other beneficiaries observed that although they raise their concerns about the programme to local council chairpersons, parish chiefs and sub-county officials, they rarely get feedback.

Participants' suggestions for improving the SCG programme

Key suggestions for the future direction of the programme were gathered from beneficiaries, implementers, national decision-makers, civil society stakeholders, and donors/development partners. It is hoped that these can feed into and be taken into consideration in the ongoing workstreams already covering such issues within the ESP and SAGE secretariats. Recommendations for improvement, of course, have to be carefully evaluated and weighed against overall policy and programme objectives, budgetary resources, and political will. Some of the key suggestions from study participants are as follows.

- *Programme management and delivery systems*: Recommendations for improvement of SCG delivery systems (identified by beneficiaries, programme implementers, and national policy-makers) focused on resolution of the network/system failure problems; establishing pay points closer to beneficiaries; addressing staffing gaps at the local government level; and ongoing targeted capacity-building and training programmes for local government staff.
- *Value of the cash transfers*: Some study participants (both beneficiaries and implementers) suggested the need to increase the amount of the cash transfer. They argued that while the transfer does improve older people's lives, and appreciate that the value is reassessed annually, they felt that the current benefit level may be insufficient for recipients to exit poverty.
- *Age of eligibility*: Some study participants (beneficiaries and programme implementers in particular) observed that the age of eligibility (65 years and over) is too high and excludes many poor and vulnerable older people. Given general mortality trends, they recommend that the eligibility age be lowered, with some suggesting to 60 years and others to 55 years.
- *Closer integration with complementary services*: A number of study participants (particularly programme implementers and national policy-makers) recommended strengthened linkages between the SCG and other complementary services to enhance

the 'spring-board' effect of providing the poor and vulnerable with a platform for escaping poverty. While policy makers note that the primary objective of social pensions/senior citizens' grants is not to permanently 'graduate' recipients out of poverty and that the SCG is not set at a level that would enable significant productive investments, some older people seem to be using it for this purpose, and this is something that could be further enhanced through linkages with other forms of support, particularly for productive engagement.

- *Strengthened monitoring, evaluation and governance mechanisms:* Suggestions from a number of study participants (particularly programme implementers) highlighted the importance of participatory mechanisms to include beneficiaries in programme governance systems, and monitoring and evaluation processes. Impact evaluation, as planned for the programme, and ongoing operational research on key issues highlighted in the study were also judged to be critical by national policy-makers.
- *Sustainability:* Among the most critical questions raised in the course of the study (from beneficiaries to national policy-makers, programme implementers and development partners) was the issue of sustainability of the programme, beyond the pilot stage. Participants agreed that sustainability of the SAGE programme will, to a large extent, depend on substantive commitment and investment by the Ugandan Government. This will include strengthening staff capacity at district level, but also at national level. National programme and policy staff have estimated the costs of expanding the programme beyond the pilot phase to provide social pensions to all older people in Uganda; continued evidence-based advocacy on the positive effects of the programme will be important in moving forward.

4. Conclusions and next steps

Through qualitative research and participatory techniques, this study has brought to the fore the views, perspectives and experiences of beneficiaries of Uganda's SCG programme as well as other stakeholders in selected communities in Kaberamaido and Nebbi districts. It has also drawn on insights and information from national and sub-national programme implementers, national policy-makers and selected development partners on programme implementation successes and challenges, and suggestions for improvement. As qualitative research based on a small sample of programme participants, its findings are not meant to be representative of the whole, but are rather intended to contribute to ongoing programme and policy discussions around social protection and cash transfers in Uganda. The study also identified a number of issues for further research in relevant programme and policy areas.

The results of this study are intended to contribute to the growing knowledge base around cash transfers, both nationally and internationally. Findings from the study will be fed back in different formats at different levels, including community and district level within Uganda, and national, regional and international levels. Visual materials will also be presented at a series of events. After discussions with key stakeholders, a four-page country briefing will be produced highlighting key findings and programme and policy recommendations tailored to the country and programme contexts.

A synthesis report and synthesis briefing will then be produced, providing an overview of findings and programme and policy recommendations, drawing also on the background literature review and the ethnographic work. Finally, guidance will be developed on beneficiary participation in monitoring and evaluating cash transfer programmes. It is hoped that this will contribute to the extensive knowledge-generation, monitoring and evaluation processes already underway around the SAGE programme in Uganda.