

## Management Response & Recommendations Action Plan

**Evaluation Report Title:** Evaluation of the Uganda Social Assistance Grants for Empowerment (SAGE) Programme

### **Response to Evaluation Report (overarching narrative)**

DFID welcomes the findings of the Final Evaluation of the Social Assistance Grants for Empowerment (SAGE) Programme and we endorse the Expanding Social Protection Programme's response.

The Government of Uganda, with support from DFID and Irish Aid, is implementing the Expanding Social Protection programme (ESPP), with the goal of reducing chronic poverty and improving the life chances of poor men, women and children. The SAGE pilot programme is a key part of ESPP, and its aim is to test alternative implementation modalities for an efficient, cost-effective and scalable social transfer, to generate evidence for national policy-making, and provide a reference point for the government's acceptance of, and commitment to, social protection.

SAGE tested two social transfers: the Vulnerable Family Support Grant (VFG), which uses a composite index based on demographic indicators of vulnerability to determine eligibility and transfers grants to households; and the Senior Citizens Grant (SCG), which uses age to determine eligibility and transfers grants to individuals.

The evaluation shows significant positive changes in the lives of beneficiaries and their households over the two years of the evaluation. The evaluation used a quasi-experimental Regression Discontinuity Design with a Propensity Score Matching and Difference in Difference approach added in towards the end of the process. This design meant that a comparison group was drawn from the same communities as the treatment group which created limitations on what additional analysis could be conducted. The evaluation was able to provide strong evidence on whether the programme had an impact or not on beneficiaries within the two schemes but, due to restrictions in the original design, was unable to disaggregate the findings further, for instance to look at the impact on different age bands, income quintiles or geography.

The delays in the finalisation of the end-line evaluation and policy changes during the course of the evaluation meant that some of its recommendations were either no longer relevant or had already been implemented. Specific responses to each of the recommendations made are listed below.

Of the twelve specific recommendations made in the evaluations, ESP/MSP accepted 10 recommendations and rejected two.

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Evaluation Report Title: Evaluation of the Uganda Social Assistance Grants for Empowerment (SAGE) Programme **Endline Report**

<b>Recommendations</b>	<b>Accepted or Rejected</b>	<b>If “Accepted”, Action plan for Implementation or if “Rejected”, Reason for Rejection</b>
<p>The evaluation has shown that SAGE has had slightly different impacts depending on the target group, whether SCG or VFSG. This implies that separate programme theories of change should be developed for each targeting mechanism. This would enable the ESPP to tweak the programme’s objectives and design according to an explicit rationale, as well as focusing questions for future monitoring and evaluation purposes.</p>	Reject	<p>The VFSG has been dropped as a programme by the GoU, so this recommendation is no longer relevant.</p>
<p>During the evaluation period the Government of Uganda made the decision to discontinue the VFSG and to scale-up the SCG nationally. It is welcome news that the SCG is making a qualitative difference and improving the lives of the elderly in their communities. However, the elderly are not the only vulnerable group in the population. Thus, to continue building momentum for social protection in Uganda, consideration should now be given to other initiatives to reach non-elderly vulnerable populations, such as children and the working poor.</p>	Accept	<p>GOU passed the National Social Protection Policy (NSPP) in November 2015. The NSPP envisages building a National Social protection system over the longer term and we are consistently building the case for a more comprehensive lifecycle system as part of the GoU’s long-term vision. That includes developing and testing various social protection instruments that address different vulnerable groups across the lifecycle. Work is planned for this year under ESPII to begin investigating a disabilities grant. The GoU is also focusing on strengthening work and livelihoods opportunities for those of working age, including vulnerable groups through NUSAF.</p> <p>That being said, the SCG has been successful but at the current rate of scale-up it will still take 10 years for it to be rolled out nationally. Strategically the SCG has been and remains a key part of the approach ESP takes to promoting and supporting the development of social protection in Uganda, so we believe our primary focus needs to remain on strengthening the SCG, so that progress to date is not lost. A critical means to generate support for social security benefits for children, people with disabilities and others of working age is for the SCG to be successful. It is important to remember that developed countries took decades to build comprehensive social security systems beyond old age pensions and we need to be realistic in our expectations for Uganda to</p>

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		build a similar system in the near term.
<p>Finally, and importantly, a major finding of the evaluation is that the relatively low value of the SAGE transfers (around 12% of total household consumption expenditure) reduced their potential to affect livelihoods and local markets, as well as potentially transformative investments in education. If it is sought to increase the value of the transfers, simulating the trade-off between costs and benefits of different transfer values and coverage scenarios might help in budget negotiations, as might linking such simulation work to further research on the impact of the transfers on the local economy.</p>	Accept	<p>We are undertaking these simulations and examining trade-offs between values of transfer and coverage. But, coverage is still very low, so we need to be cautious in raising transfer values too early, although we will seek to keep them in line with inflation.</p> <p>However, even at the current value, the SCG had significant impacts on local markets, as shown by the evaluation. And the SCG did have some positive influence on education, despite the scheme being focused on the elderly.</p>
<p>There are other important areas for further research</p> <ul style="list-style-type: none"> <li>– Impact on gender relations and women’s empowerment</li> <li>– Impact on informal support networks</li> </ul>	Accept	<p>There are, indeed, many other important areas of research, although we would have expected more information on the two topics outlined from the evaluation itself. ESPII is developing a comprehensive research agenda this year so that continuous research and learning are generated to inform programming.</p>

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Evaluation Report Title: Evaluation of the Uganda Social Assistance Grants for Empowerment (SAGE) Programme **Operations Report**

Recommendations	Accepted or Rejected	If “Accepted”, Action plan for Implementation or if “Rejected”, Reason for Rejection
<p>There remains an issue around the <b>branding</b> of the SAGE programme. The SAGE programme is intended as a benefit to all eligible households or individuals provided by the state, but there is a risk that it may be appropriated by particular agents or interests, for instance through being identified with the payments services provider<sup>1</sup>. Clear branding and communication around the programme and its aims is required to mitigate this. Appropriate branding of the SAGE payments cards could be a way to achieve this.</p>	<p>Accept</p>	<p>We will continue to examine the brand of the SAGE programme. However, we do not believe that it is associated with the Payment Service Provider. We have a strong programme of branding and communications.</p> <p>ESP’s own surveys have also shown a risk from lack of clear branding and clear communications of the SCG. Earlier in the program there was some misunderstanding among beneficiaries that the grant was coming from and paid by the payment service provider (MTN). This was deliberately dealt with by managing MTN’s visibility especially at pay points and limiting their use of visual materials, while increasing SAGE’s visibility through increased use of branding materials.</p> <p>In view of this, since the time the impact evaluation took place, confusion over branding with the payment service provider is no longer a problem and we are now in advanced stages of developing a brand name for the SCG. This name will be widely popularised along with clear communications as a GOU program with support from development partners (DFID and Irish Aid). SAGE is currently developing branding guidelines that will govern branding for GOU, DPs and the PSP in the various points in the program cycle. A robust programme communications strategy for ESPII is also being developed and this will continue to explain the rationale of the grants to all the stakeholders.</p>

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<sup>1</sup> Similar experiences have been cited in Kenya, where the government’s Hunger Safety Net Programme was often identified directly with the payments provider rather than as a government initiative supported by Dfid. (see Kenya Hunger Safety Net Programme Operational Monitoring Final Report: 2009-2012, June 2013.)

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<p><b>1.1.1 Ongoing assessment of SAGE eligibility status</b></p> <p>As the SAGE programme graduates from the pilot phase and scales-up nationally there will be a need for an <b>on-going system of eligibility assessment</b>. Given the huge cost of a census-style registration exercise as was conducted in evaluation districts for the pilot phase, this system will likely need to be based on more of an on-demand approach. Beyond the cost to local government structures for implementing such a system, some of the potential challenges identified by this research include:</p> <ul style="list-style-type: none"> <li>• Accuracy of age verification documentation available to beneficiaries: in the registration process for the pilot the SAGE programme bore the cost of supplying identification documentation to a large number of beneficiaries in the pilot districts, which also involved a tremendous amount of work on behalf of local government officials (LC1s, CDOs etc.). Going forward, the question as to who will bear this cost will need to be answered.</li> <li>• Ensuring the whole population understands the eligibility requirements (including the necessary documentation) such that those who are eligible can and will apply: at midline a lack of understanding vis-à-vis the eligibility criteria and requirements for</li> </ul>	<p>Accept</p>	<p>We are continually improving the registration mechanism for the scheme and the eligibility criteria have changed since the evaluation took place. Many of the critiques mentioned here refer to the VFSG and not the SCG, so are no longer relevant. The SCG eligibility criteria have been very simple and well understood.</p> <p>We are building on the rollout of national ID cards to identify age, but there will always need to be additional efforts put in place to ensure that we can accurately identify age among those that do not have an ID card. The program will link all these processes to the national ID system to ensure a single identifier mechanism for all targeted beneficiaries. We are working closely with National Identification and Registration Authority (NIRA) to access data on beneficiaries and collaborating with them to identify and register potentially eligible beneficiaries who may not have a National ID. We are also strengthening our grievance mechanism to increase the likelihood of the right people receiving the programme.</p> <p>While we recognise that the death of an SCG beneficiary may impact on the household, it needs to be remembered that this may also in many cases reduce costs in households. It also needs to be remembered that this is not a household benefit, but an individual benefit.</p> <p>The transitional grant to families of SCG beneficiaries who have passed on has been phased out effective July 2016. This was part of the government's decision-making over how to rollout the SCG with limited resources. We will, however, continually examine how best to improve death registration including exploring integration with NIRA who has the mandate to manage death registration.</p>
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<p>enrolment were reported as posing a significant cost on potential applicants; as well as causing some tension in communities. At endline, though the population's understanding has improved (and tensions appear to have dissipated), there remains a relatively substantial portion of the people that do not understand how the programme selects beneficiaries, including many of the current beneficiaries. Communication of these issues is clearly difficult, but the improvements already made demonstrate that via the simultaneous use of a variety of approaches (informed local officials, community meetings, newsletters, radio broadcasts, posters, handbooks etc.) it is achievable.</p> <ul style="list-style-type: none"><li>• The costs to potential beneficiaries: the midline study showed that there were several costs associated with enrolment both in terms of the documentation required and the direct and indirect costs of travel to the application point. In order to minimise these costs, the population will need to clearly understand the eligibility criteria and requirements for enrolment. Moreover, the enrolment process will have to be managed such that enrolment points can cope with the daily volume of applicants such that individuals are not required to make more than the necessary number of trips. Some outreach will be required to reach the very old and infirm.</li><li>• The need for a functioning deaths registration</li></ul>		
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<p>system and systematic 'bridging' or 'transition' grant for households suffering loss of the grant through death of the eligible beneficiary. In the case of the SCG, death of the eligible household member will not only change the eligibility status of the household, implying they will no longer receive the transfer, but will constitute a significant shock in its own right. The programme will thus need to develop a systematic mechanism by which it is informed of deaths of beneficiaries, as well as a clearly understood system of support for those households for a given limited period.</p>		
<p>Given the reliance of the scheme on LC1s as the contact point for both beneficiaries and non-beneficiaries, and the varying levels of capacity and competence of LC1s, SAGE will need to continue to <b>provide support to LC1s</b> and the other local government officials involved in the implementation of the programme. This could take the form of periodic top-up trainings on the programme's aims and functional processes. Given that fees charged to beneficiaries by LC1s appear to have declined markedly since levels of remuneration of LC1s increased in order to compensate them for their efforts and the expenses they incur when conducting mobilisation activities and the like, on-going consideration should be given to the levels of allowances and remuneration they receive. At the same time, there is a need for oversight to ensure officials are adequately performing the duties required</p>	<p>Accept</p>	<p>The remuneration of LC1s is a matter for the Government of Uganda, and not for the SAGE programme. As part of developing the budget for rolling out SCG expansion with GOU funding it was decided to limit remuneration to local government officials in the interest of coverage and sustainability. However, LCs remain a very important channel of communication and mobilization for older persons and we continue to provide training to all those involved in the programme, to improve their performance.</p> <p>The program will review the roles of LC1s in the wider context of the roll out and also plan for refresher trainings. Critical considerations will be incentives to motivate LC1s; relevance; cost implications for GoU; and performance management..</p>

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<p>of them and not engaging in any inappropriate behaviour.</p>		
<p>One of the key functions of local officials is the <b>monitoring and management of payments</b>. The costs to beneficiaries both in terms of time spent collecting payments and illicit fees charged at paypoints are minimised when local officials help organise and manage the flow of beneficiaries on payment days. At midline this report warned of a risk to fraud due to lack of security around electronic card pin numbers and lack of knowledge of the correct payment amount (which rises periodically to adjust for inflation). While knowledge of the correct entitlement amount seems now to be near universal, fees charged at the paypoint (by pay agents in particular) appear to have risen since midline (even though they have declined significantly by LC1s and other local authority figures). This is an important area that requires renewed vigilance and secure systems of fraud or rent-seeking prevention to be put in place.</p>	<p>Accept</p>	<p>Fees charged at paypoints are not acceptable and we continually monitor this. However, we have changed the Payment Service Provider and we will work with them to ensure improved performance.</p> <p>The program has already adopted a new communication approach (roll out of the SAGE beneficiary charter) with beneficiary empowerment as the major objective. The program also now includes a pre-payment address at every pay point informing beneficiaries of their entitlement amounts for that payday and throughout the cycle. The plan is to now deepen and widen this communication as a strategy to address illicit fees. Engagement of local leaders and politicians is also being considered as an alternative complaints mechanism.</p> <p>Grievance and complaint management guidelines will be reviewed and rolled out to augment this area of work.</p> <p>DFID is also supporting the Civil Society Platform to develop a social accountability mechanism through its CSO membership which will also contribute to identifying and reporting illicit payments and other complaints and grievances that may not be picked up and/or resolved by the program's own grievance and complaint system. ESP will remain technically engaged with the Platform.</p>
<p>Overall the direct cost of collecting the transfer imposed on beneficiaries was very modest. However, the <b>indirect costs</b> in the form of the time spent collecting the transfer was quite high. Beneficiaries spent a long time travelling to the pay point on average and an even longer time queuing to receive it when there. Both the direct and indirect costs were particularly emphasised</p>	<p>Accept</p>	<p>We have changed the Payment Service Provider (to PostBank Uganda) and are working with them to continually improve the service, and reduce the costs to beneficiaries. PostBank have proposed several payment channels including mobile vans, agents and bank branches that improve accessibility and reduce beneficiaries' travel time. Overall they have committed to provide access to payment not exceeding 5 kilometres' travel for any beneficiary. In the first 1-2 years of operation they will provide payments via mobile bank vans, and once Bank of Uganda agent banking regulations have passed they will begin rolling out banking agents that will provide further access options and more times when beneficiaries can withdraw. PostBank is also developing</p>



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<p>for beneficiaries living far from paypoints.</p> <p>Increasing both the number of paypoints and the number of pay agents operating at pay points would help reduce these costs to beneficiaries and ensure more of the transfer value goes towards achieving the fundamental aim of improving the welfare of vulnerable population groups, without diminishing it by imposing burdens such as physical stress on elderly people. Mobile pay agents that travel to beneficiaries (rather than beneficiaries travelling to them) are an option to explore.</p>		<p>additional products (e.g. Pre-Paid Debit cards) that can additional improved access and lower transaction costs for beneficiaries who are able and interested. However, there is always a trade-off and we cannot reduce the costs to beneficiaries to zero, as some beneficiaries will always have to travel.</p> <p>We are developing a Service Level Agreement (SLA) with PostBank to define service standards and manage payment performance. The SLA compliance monitoring system will also be put in place, including specifying the number of pay points per district that will be pre-approved and agreed with PBU</p>
<p>Ultimately, the benefits of an electronic payments system are not fully realised if beneficiaries are not able to access their payments at a convenient time and place to them. While universal coverage of pay agents may not be possible, either in time or space, especially in the short to medium term, ensuring <b>regular, predefined payment</b> dates would both better enable beneficiaries to plan the collection of their transfers and reduce the mobilisation costs put on local officials such as LC1s. Pay agents spending longer at each paypoint during payment times would also help to minimise the costs to beneficiaries. These arrangements would require regular and timely transmission of the funds from the MOGLSD to the payments provider, and commitments on behalf of the payments provider to maintain an agreed payments timetable and level of</p>	<p>Accept</p>	<p>As mentioned above, we have changed the Payment Service Provider (to PostBank Uganda) and are working with them to continually improve the service. We are also consistently trying to ensure that payments are made regularly. Initially PostBank is providing payments at schedule pay days and pay points through mobile bank vans, and in the future they will introduce agent banking (once Bank of Uganda passes agency banking regulations) that will provide greater flexibility and access for regular, predefined payments.</p> <p>Due to the changes in the PSP and transition issues, it's expected that regularity and predictability of payments will be achieved in October 2016. In interim, payments will be made and clear communication shared with all stakeholders including beneficiaries.</p> <p>Please note that, during the evaluation period, funds were not transferred from MoGLSD to the Payment Service Provider, except in one pilot district. They were transferred from Maxwell Stamp to the Payment Service Provider.</p>

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coverage by pay agents.		
<p><b>Liquidity of pay agents</b> was also a problem mentioned by both beneficiaries and pay agents alike. Moving forward, it should be the responsibility of the payments provider to ensure adequate liquidity of its pay agents.</p>	Accept	<p>We have changed the Payment Service Provider and are working with them to improve the payment service.</p> <p>The new PSP—PostBank Uganda—is a bank regulated by Bank of Uganda. This coupled with predictable transfer of funds from MSP to PBU will minimize problems with liquidity. Liquidity will be among the performance areas monitored by the programme through the SLA with PostBank.</p>
<p><b>A strategic review of the payments system</b> to scope out different models of payments delivery, including multiple payments provider models, would benefit the programme in identifying developments in the payments market, devise a plan to develop government capacity to manage one or more payments service providers, and define an appropriate accountability framework for the most efficient and sustainable payments delivery solution possible.</p>	Reject	<p>This is a relatively small programme and it would not be efficient to have multiple Payment Service Providers. We have recently changed the Payment Service Provider and will work with them to improve the service. We are continually building the capacity of Government to work with Payment Service Providers.</p>