

Telephone : 256 41 4707 000
: 256 41 4232 095
Fax : 256 41 4230 163
: 256 41 4343 023
: 256 41 4341 286
Email : finance@finance.go.ug
Website : www.finance.go.ug

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THE REPUBLIC OF UGANDA

For Order Paper.
J. B. K. K.
Ministry of Finance, 01/08/18
Planning & Economic
Development
Plot 2-12, Apollo
Kaggwa Road
P.O.Box.8147
Kampala
Uganda




25th July, 2018

The Clerk to Parliament,
The Parliament of Uganda,
KAMPALA.

**STATEMENT BY HON. MINISTER OF FINANCE, PLANNING AND ECONOMIC
DEVELOPMENT ON THE NATIONAL ROLLOUT OF SOCIAL ASSISTANCE GRANT
FOR EMPOWERMENT (SAGE)**

I make reference to your letter **Ref: AB/186/186/01** dated 21st June, 2018 in
regard to the statement on the National Roll out of the Social Assistance
Grant for Empowerment (SAGE) to all districts in the Country.

The purpose of this communication is to forward the attached statement
which I will present on the floor of Parliament at a date you will advise.


Matia Kasaija (MP)

MINISTER OF FINANCE, PLANNING AND ECONOMIC DEVELOPMENT

Copy to: The Rt. Hon. Speaker, Parliament of Uganda,
The Rt. Hon. Deputy Speaker, Parliament of Uganda,
The Rt. Hon. Prime Minister/Leader of Government Business,
The Hon. Leader of the Opposition in Parliament,
The Hon. Government Chief Whip,
The Hon. Minister of Gender, Labour and Social Development,
The Hon. Opposition Chief Whip,
The Permanent Secretary/Secretary to the Treasury.

Mission

*'To formulate sound economic policies, maximize revenue mobilization, ensure efficient allocation and accountability for public
resources so as to achieve the most rapid and sustainable economic growth and development'*

STATEMENT BY HON. MINISTER OF FINANCE, PLANNING AND ECONOMIC DEVELOPMENT ON THE NATIONAL ROLLOUT OF SOCIAL ASSISTANCE GRANT FOR EMPOWERMENT (SAGE)

Rt. Hon. Speaker;

1. Hon. Members will recall that on 19th June 2018, Hon. Bintu Jalia Lukumu, MP Masindi, sought clarification from the Hon. Minister of Gender, Labour and Social Development on whether Social Assistance Grant for Empowerment (SAGE) will be rolled out to all districts. The Rt. Hon. Speaker, referred the matter to me and directed me to make a comprehensive statement on this issue to this august house.
2. Colleagues, on 17th January, 2018, the Ministry of Gender, Labour and Social Development submitted a Cabinet Memorandum to my Ministry, seeking for clearance of a Certificate of Financial Implications to pave way for the national rollout of SAGE.
3. Rt. Hon. Speaker, SAGE is currently implemented in 47 Districts and caters for older persons above 65 years. In total 153,649 Senior Citizens receive UShs. 25,000 per month at a cost of Ushs.32.88bn, including operational costs. At this level of financing, Government is experiencing a funding gap of Ushs. 7.4bn based on the Memorandum of Understanding with the Development Partners supporting the programme.
4. Rt. Hon. Speaker, the proposal for rollout of SAGE to all districts in the Country will lead to a 133.2% increase in the number of beneficiaries from the current 153,649 to 358,420 Senior Citizens.
5. The national rollout proposal was as follows:
 - i) The older persons (at 65 years and above) currently receiving support in 47 districts will continue to receive the support;
 - ii) Additional older persons to be enrolled in all the districts, will be 80 years and above in order to fit within the resources. On the basis of this, the projected number of older persons will be 204,771; and,

- iii) The total estimated financial implication is Ushs.142.46bn. In the Current arrangement, the Donors committed to remit Ushs 55.05bn, while GoU committed to fund Ushs. 40.34bn which would leave a funding gap of Ushs.47.07bn, in the budget for FY2018/19.
6. Given that with the current numbers being supported there is a funding gap of Ushs.7.4bn, a decision to undertake a national roll out of SAGE, which requires an additional UShs.47.07bn, would imply a cumulative funding gap of Ushs. 54.47bn. This shortfall could not be accommodated in the budget for FY 2018/19. Given this financial constraint, Rt. Hon. Speaker, we need a more sustainable option to enable Government to continuously cater for older persons under SAGE programme after expiry of the Donor support. My Ministry was, therefore, unable to issue a Certificate of Financial Implications clearing the roll out of SAGE. Instead, the Ministry of Gender, Labour and Social Development was advised to further consider an option that would sustainably fit within our resources.
7. Rt. Hon Speaker, as a way forward, my Ministry advises that;
- a) For FY 2018/19, Government should maintain the current pace of rollout within the available funds over the Medium Term; and,
 - b) In the course of this FY 2018/19, the Ministry of Gender, Labour and Social Development in consultation with my Ministry and other stakeholders, will undertake further review of the proposed national roll out of SAGE with a view to coming up with a sustainable funding model across all districts, when the donor support phases out.

Rt Hon. Speaker, I beg to submit.