

# Majority of NSSF beneficiaries spend benefits on dependant's school fees

BY JUSTUS LYATUU

## 40%

**Spend.** At least 40 percent of National Social Security Fund beneficiaries spend their paying school fees for their dependants.

**KAMPALA.** At least 40 percent of National Social Security Fund (NSSF) beneficiaries spend their retirement benefits on paying school fees for their dependants. The findings, which are contained in a survey conducted by NSSF and Enterprise Uganda, also found that 34 percent spend their benefits on buying land, while 33 percent use them to build or improve their houses. The three above in addition to investing in a business (28 percent), according to the NSSF National Beneficiaries Survey Report, are the leading benefit usage lines for members who access their benefits either due to retirement or any other reason. The expenditure trends,

the report notes, reflect a difficult retirement curve for most pensioners in which at least 45 percent continue to work or seek employment, years into retirement.

"The bulk of the benefits is put to none income-generating expenses of their high-dependence households, thereby limiting benefits shelf life," the survey says, noting that many of the beneficiaries' benefits are wiped out within a few years of retirement due to high-dependency rates, perpetuating a cycle of dependence.

"Late-blooming parents burn their retirement benefits on [dependants] who in turn burn their employment income on aging parents devoid of post-retirement safeguards," the report notes, indicating that many ben-

eficiaries, especially those between 45 and 50 years, still have major responsibilities such as educating and housing children that extends the dependence burden into old age.

Other lines, the report notes, include food, which takes 16 percent of retirement benefits, healthcare (14 percent), rent (4 percent), and repayment of loans and other credits, which takes 4 percent.

Beneficiaries also spend 2 percent of their benefits buying vehicles or motorcycles, 2 percent and 1 percent on new clothes and footwear and leisure, holidays, celebrations and parties.

The findings, therefore, explain the critical role of entrepreneurship, business, and financial literacy for retirees, given that many

inevitably end up venturing into business.

The survey sought to understand how NSSF beneficiaries use benefits, find out the post-retirement expenditure priorities, identify the needs of retirees to inform products and service ideas, and derive learnings from the experiences of beneficiaries for the benefit of those yet to claim.

Details of the report further indicate that at least 60.5 percent of retirees continue to be fully employed, while 15.2 percent run own businesses. At least 2.8 percent are employed part-time, 3.7 percent are still seeking opportunities, while just 9.3 percent are fully retired or are unable to work.

dwamala@ug.nationmedia.com

# Govt to create more road tolls



Government says the Entebbe Expressway has provided a good base on which more road tolling projects can be implemented.

BY JUSTUS LYATUU

**G**overnment has indicated it will introduce road tolls on new road projects after experiencing good returns from the Entebbe Expressway.

The strategy, government says, will enable Uganda to develop road infrastructures without contracting debt.

Currently, Uganda has an annual infrastructure development financing gap of nearly \$1.4b, according to the Ministry of Finance Debt Sustainability Report 2024.

Speaking during the AB & David Africa Round Table discussion on how to deliver infrastructure projects without building public debt in Kampala, Ms Allen Kagina, the Uganda National Roads Authority (UNRA) executive director, said public-private partnerships were the way to go because of the success of the Entebbe Expressway.

In the 2012/13 financial year, she said, government conducted a survey on a toll fee ar-

rangement for the Entebbe Expressway, which was found viable. Government had projected to collect about Sh2b from road tolls on the Entebbe Expressway, but in the first month, UNRA collected Sh3b, which Ms Kagina said continues to rise.

"We found that tolling was a viable project and when we opened the Entebbe Expressway in January 2022, traffic outstripped our projections. We projected 13,000 vehicles per day but on [some days we have had] 16,000 vehicles," she said, noting that government is expected to install toll gates on the Kampala-Jinja Expressway, which even though has delayed, compensations had started covering Muryonyo to Namataba, while the one which covers Namataba to Jinja, will come later.

"We are buying land in phases, we have encountered some hiccups in Kasokoso but we have been discussing with leaders and by the time we get a developer we will have got enough land to start," she said.

UNRA also revealed that there is a plan for another outer belt road for Kampala due to increasing vehicle hold-ups on the Northern bypass, so that "we can take as much traffic as possible out of the city" to decongest Kampala. Mr Jim Mungunga, the Ministry of Finance Public Private Partnership Unit executive director, said public-private partnerships are key source of revenue yet at the same time they reduce the burden of government contracting

loans for development projects. "If the Kampala-Jinja Expressway is constructed in the next two years, the contractor will not be paid immediately but will be allowed to collect toll fees spread over a period, which saves the country the cost of about \$1b in one batch," he said, noting that public private partnerships have attracted interest with at least eight bidders seeking to implement the Kampala-Jinja Expressway project.

Road infrastructure remains one of the single most expensive investments in Uganda.

The Ministry of Finance Debt Sustainability Report 2024 shows that Uganda needs at least \$1.4b to finance the road infrastructure gap.

Ms Kagina said to date about 30 public private partnerships worth \$9.1b have been concluded with the major ones being Umeme power distribution concession, Kampala Serena Hotel, Bujagali Hydropower project, Eskom power generation among others.

"[Public private partnerships] can ease fiscal constraints of infrastructure investment if challenges like development of institutional capacity are addressed," she said.

Mr Daniel Lubogo, the AB & David managing partner, said countries such as Ghana have worked on large public partnerships to build large projects such as the road linking Ghana to Ivory Coast, Zambia and DR Congo.

editorial@ug.nationmedia.com

# Let us build our trade on regional markets, says Rwabogo

BY JUSTUS LYATUU

**KAMPALA.** The chairperson of the Presidential Advisory Committee on Exports and Industrial Development has said Uganda should put more emphasis on the regional markets rather than waiting for the African Growth and Opportunity Act (Agoa).

It should be remembered that on January 1, 2024 the US terminated the market access privileges for Uganda under Agoa.

However, Mr Odrék Rwabogo, says the economy has attracted more foreign direct investment from regional than international markets US inclusive, noting that markets such as the US are such instructive markets in terms of technology, patents and inward investment, which makes it hard for Ugandans to penetrate.

"For me, it's a question of what is priority. The regional market is the key priority for Uganda because 45 percent of the goods go in the region and the third priority is for US," he said, adding that Uganda should continue to improve standards if the country is to be a good source of products and services.

Regional markets earned Uganda about \$1.6b last year, which has been achieved amid restrictions introduced on several goods, among which include sugar, milk, poultry and related products.

Mr Rwabogo was speaking on the sidelines of a meeting organised by the Presidential Advisory Committee on Exports and Industrial Development to share progress on the trade relations with the US and planned activities to regain market access.

Presidential Advisory Committee on Exports and Industrial Development is working with the ministries of Trade and Foreign Affairs to improve trade in Uganda.

The move seeks to close gaps presented by the suspension of the likes of Agoa, which gives eligible sub-Saharan African countries duty-free access to the US for more than 1,800 products.

editorial@ug.nationmedia.com

## 30

**Successful.** UNRA says there are over 30 successful public private partnerships that have been done in Uganda over time.

### Good insights

UNRA says collections from Entebbe Expressway have given government some good insights. PHOTO /FILE