

Budget Briefs 2011 # 4

This brief highlights key data from the Economic and Social Plan (PES) and the 2011 State Budget (OE), approved by the National Assembly in December 2010.



KEY MESSAGES

- **There has been no change in the weight of the Social Action sector**, which remains at around 1% of the total State Budget envelope.
- **Social Protection Programmes are now registered in the Budget of the Provincial Delegations of INAS**, which is a great advance for monitoring the budget from a social perspective. Previously, they were classified as under the General State Responsibilities (*Encargos Gerais do Estado*).
- **Social Protection Programmes have been co-financed with external resources since 2008**. The value of the Food Subsidy Programme (PSA) and the number of beneficiaries continue to increase. However, the value of the transfer has remained the same since 2008. With the impact of inflation, the value of the transfer has decreased by 26%.
- **Provincial disparities continue to exist**, especially when comparing allocations for protection programmes per capita and per province with the incidence of poverty at the provincial level. Zambézia, the province most affected by poverty measured by both deprivation and consumption approaches, receives the fewest resources per capita from the Social Protection Programmes.

WHAT IS THE SOCIAL ACTION SECTOR?

The Social Action sector is one of the “Priority Sectors” defined by the Government in the classification of expenditure in the second national Poverty Reduction Strategy Paper (PARPA II). This definition is consistent with the one used in the dialogue between the Government and the Programme Aid Partners who provide direct budget support in Mozambique. It is the definition also reflected in Budget Execution Reports issued by the Ministry of Finance every quarter.

According to government extra-budgetary classification, this sector includes the following institutions:

- Veterans Social Integrity Fund (FISAC);
- National Social Re-insertion Commission (CNRS);
- Ministry of Women’s Affairs and Social Action (MMAS);
- Provincial Directorates of Women’s Affairs and Social Action (DPMAS);
- National Social Action Institute (INAS);
- Provincial Delegations of the National Social Action Institute (DPNAS);
- Provincial Directorates of Veterans’ Affairs (DPAAC);
- Ministry for Veterans’ Affairs (MAAC);

Not all the Social Protection Programmes implemented by INAS at provincial level have traditionally been classified in the State Budget (OE) under the “Social Action Sector”. Until 2010, the costs of these programmes were classified in the OE under the heading of Recurrent Expenditure – Current Transfers – Transfers to Households (one line of the General State Responsibilities). This complicated the monitoring of this expenditure, which only appeared in the charts accompanying the law and was not published with the Budget Law.

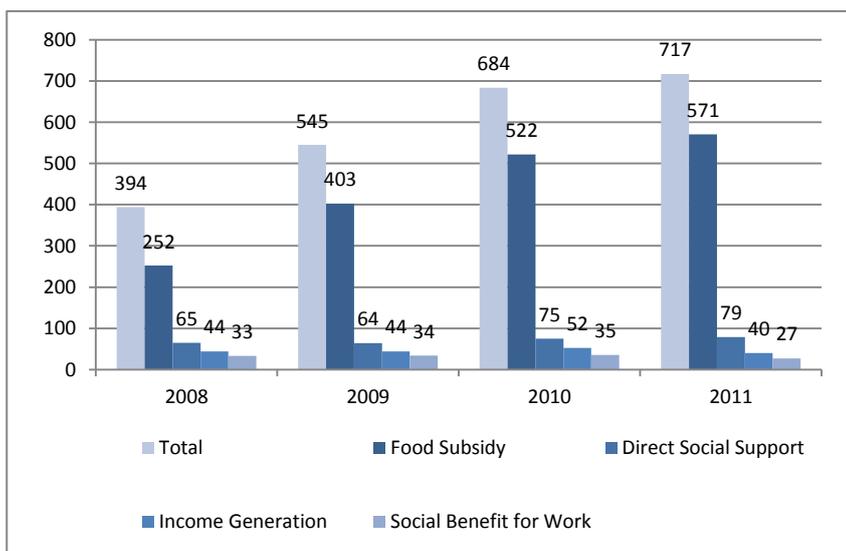
This situation was changed in 2011, with these programmes now appearing in the budget of the Provincial Delegations of INAS. This is an advance in monitoring the budget from a social perspective. The Social Protection Programmes include:

- Food Subsidy Programme (PSA);
- Direct Social Support Programme (PASD);
- Income Generation Programme (PGR);
- Social Benefit for Work Programme (PBST) (until 2010);
- Assistance to the Social Units (since 2011).

These programmes are fundamental for vulnerable groups (e.g. children, the elderly, pregnant women, the disabled and the chronically ill), since they seek to minimise the risks and vulnerabilities they face in their day-to-day lives. For this and other related reasons, these programmes are an integral part of the analyses included in this document, and insofar as they express the mandate and the purpose behind the establishment of INAS.

TRENDS

Figure 1: Evolution of the budget for Social Protection Programmes (PSA and other programmes) (10^{^3}), 2008-2011

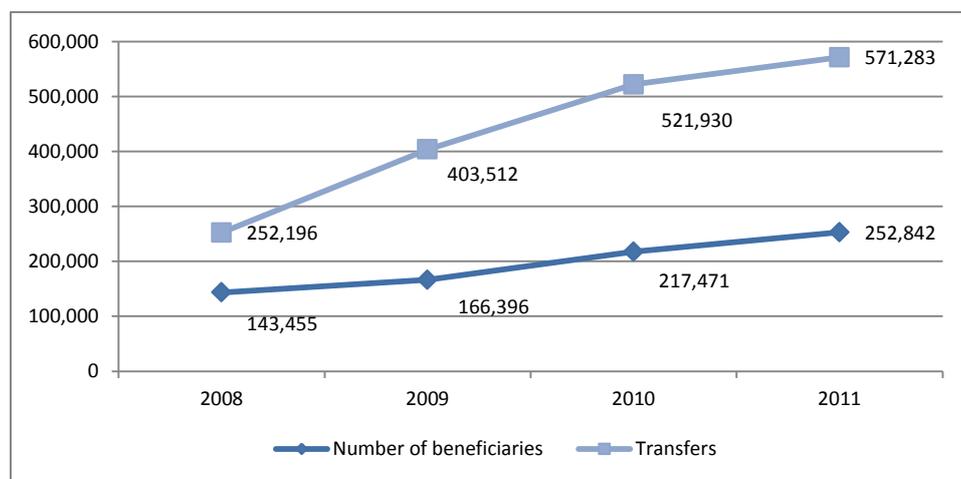


Source: Plan of Activities to Support the Food Subsidy Programme (2008-2011) INAS

This information does not appear clearly in the OE prior to 2011. Nevertheless, it is important to note that social protection programmes account for almost half the value of the entire sector – which is very positive, since it indicates that a large part of the funds of the sector are going directly to beneficiaries. In 2011, these programmes account for about 0.5% of the OE, which still a slight reduction in relative terms when compared with 2010 (0.6%).

When we look more closely at the PSA (figure 2 below), we can note that the number of beneficiaries has also grown over the years, following the growth of the transfers. But the value of the transfer has been the same since 2008.

Figure 2: Evolution in the number of PSA beneficiaries and transfers (2008-2011)



Source: Plan of Activities to Support the Food Subsidy Programme (2008-2011) INAS

The total available envelope of resources for the Social Action sector in 2011 is **1,432 million MT** (in 2010, it was 1,029 million MT). In both years, the amount is more or less equivalent to 1% of the total OE.

This sum does not include the District Services for Health, Women's Affairs and Social Action (which amounts to a total of 1,222 million MT). We believe the majority of those funds go to health and only a small percentage corresponds to the Ministry of Women's Affairs and Social Action and its respective Provincial Directorates).

In 2011, the sum for the sector includes the Social Protection Programmes administered by INAS. In previous years this did not happen. From 2008, INAS began receiving external support from four partners (the Netherlands, DFID, UNICEF and ILO), strengthening the domestic funds for the Food Subsidy Programme (PSA) (figure 1). The proportion of internal and external funds for the INAS averages 70% and 30%, respectively.

PROVINCIAL BUDGET ALLOCATIONS

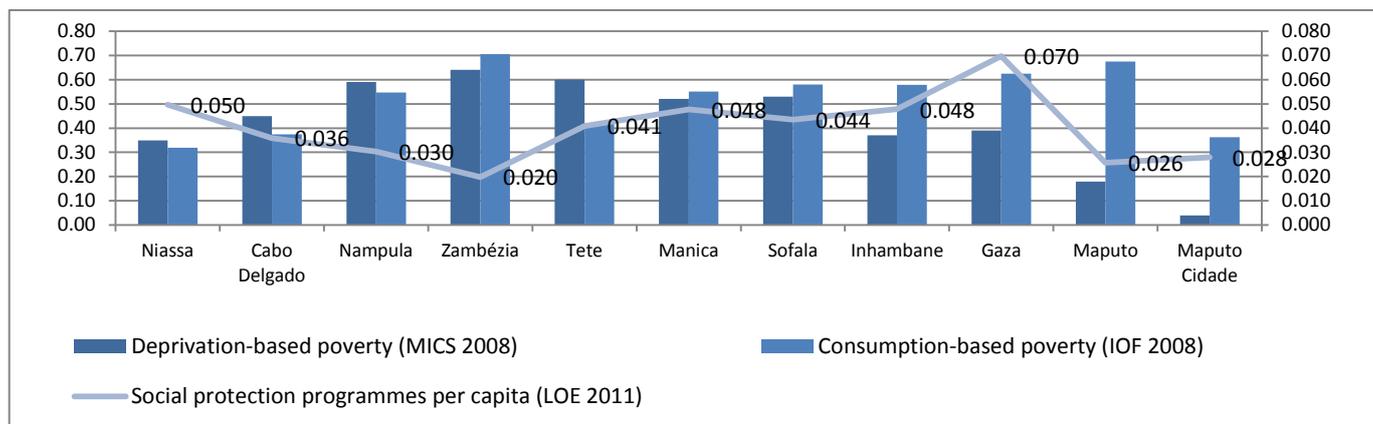
The objective of social protection programmes is to mitigate the impact of poverty on the most vulnerable. The graph below (figure 3) looks at the incidence of poverty in the country by province. Poverty is measured using two methodologies: (i) based on deprivations (using the data from the Multiple Indicator Cluster Survey – MICS), and (ii) based on consumption (using the data from the Household Budget Survey – IOF).

The former tries to determine the situation of absolute poverty among children subject to two severe deprivations in the areas of nutrition, water, sanitation, health, shelter, education and information. The latter looks at the purchasing power of households required for a food basket sufficient to meet their basic caloric needs.

The two methodologies show similar trends in the different provinces. However, the urban areas (Maputo province and City) show different results. This is because social services are more accessible in these areas (and hence there are fewer deprivations), but even so they display a wide-ranging incidence of poverty, according to the IOF.

This information is compared to the expenditure of the INAS Social Protection Programmes per capita and by province for 2011. There is little correspondence between government allocations and the incidence of poverty by province. Zambézia, the province most affected by poverty measured by both deprivation and consumption approaches, receives the fewest resources per capita from the Social Protection Programmes.

Figure 3: Incidence of poverty in the country by provinces (2008) and Social Protection Programmes coverage per capita (2011)



Source: (UNICEF 2010), Childhood Poverty in Mozambique; OE 2011

PROGRAMMES OF THE SECTOR

The draft of the 2011 PES, unlike the versions of previous years, was designed in accordance with the Government's Five Year Programme (PQG) and not in accordance with the strategic pillars of the Action Plan for the Reduction of Absolute Poverty (PARPA).

The PES is based on a matrix where the programmes for different areas are detailed, and the Programmes included in them correspond to the programmes detailed in the draft OE, allowing us to know their cost (at least for the programmes that are simultaneously reflected in the draft PES and the OE). A further specific aspect of the 2011 draft PES is the emphasis placed on the Millennium Development Goals.

For the sector, implementation of the following main programmes is envisaged:

Programme according to the draft PES	Costs according to the draft OE
1. Women's Development , which consists of support to women's associations and to woman headed households, training and the construction of a women's empowerment centre	87,866.92 MT (10 ³) – Central level
2. Family Development , which consists of a plan to promote and develop families	2,267,229.95 MT (10 ³) – Central level 4,990,244.22 MT (10 ³) – Provincial level
3. Promotion of Social Justice , which consists of drawing up the draft National Children's Plan, placing children in homes or on training courses, assistance and monitoring of public orphanages, as well as shelters, and assessing the national plan for the elderly, among others	Not detailed in the 2011 draft LOE
4. Promotion of Access to Information , which consists of holding awareness sessions and producing materials, among others	Not detailed in the 2011 draft LOE
5. Social Assistance , which consists of making regular unconditional transfers of money to vulnerable individuals, transfers for a particular time to the chronically ill, pregnant women or victims of accidents, provision of social services, and creation of opportunities for beneficiaries to support themselves.	145,598.92 MT (10 ³) – Central level 619,361.40 MT (10 ³) – Provincial level

The information contained in this brief has been taken from the draft OE for 2011 submitted by the Mozambican government to the Assembly of the Republic in September, and analysed and approved by the Assembly in December 2010. The Draft PES, the Explanatory Document, the Draft Budget Law, and the charts appended to the law were analysed.

An initiative of the partnership:

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