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Social protection reform in Mozambique and the new basic social security strategy

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In the framework of efforts to fight extreme poverty and recognising the importance and need to protect the poor and vulnerable population, in 2007 Mozambique approved Law No. 4/2007 which structured social protection into three levels, including basic social security. In 2010 the first National Basic Social Security Strategy (ENSSB I) was approved for the period 2010–2014, including a set of old (e.g. the Basic Social Security Programme—PSSB) and new (e.g. the Productive Social Action Programme—PASP) non-contributory social protection programmes, all implemented by the National Institute for Social Action (INAS) under the policy guidance of the Ministry of Gender, Child and Social Action (MGCAS). Between 2010 and 2014 there were significant advances: the number of beneficiary households of INAS programmes increased from 254,000 to 427,000; the amount paid by PSSB increased threefold in real terms between 2007 and 2014; and the PASP—a public works scheme—was introduced to cater for poor, labour-unconstrained households. All these changes implied a substantial increase in government expenditures in the area, which rose from 0.22 per cent to 0.51 of gross domestic product (GDP) between 2010 and 2014.

An evaluation of the ENSSB I conducted in 2015 highlighted a number of key challenges: low coverage of the eligible population; lack of basic social protection instruments for some vulnerable groups, particularly children; challenges in the implementation of the PASP; an absence of reliable and efficient operational procedures for programme implementation (payment delivery, case management, monitoring and evaluation); a lack of coordination among ministries responsible for the delivery of basic social protection; challenges in the coordination between MGCAS and INAS in the provision of social welfare services; and an absence of INAS offices in most districts, contributing to high administrative costs.

In 2016, the Government of Mozambique approved ENSSB II for 2016–2024. The new strategy adopts a longer time horizon, effectively reflecting a progressive and ambitious vision for non-contributory social protection in Mozambique, including: 1) the redesign of the PSSB with the gradual introduction of an old-age grant, a disability grant and a three-pronged child grant; and the adoption of a targeting approach aiming at excluding those who are not poor nor at risk of poverty; 2) the introduction of a dedicated programme for the delivery of multipurpose social welfare services at community level; 3) a gradual increase in the value of social transfers; and 4) the strengthening of the institutional, human, physical, technical and financial capacity of INAS and MGCAS, including the decentralisation of INAS personnel at district level and the roll-out of the recently developed integrated management and information system e-INAS.

The ENSSB II plans to reach 3.4 million direct beneficiaries by 2024, or approximately 10 per cent of the population, starting from slightly less than half a million in 2015. The most significant increase in coverage will be for the child grant, which is expected to be expanded on a national scale to reach 1.4 million beneficiaries by 2024. The second largest scheme will be the old-age grant, with around 1 million direct beneficiaries by 2024. About half of all Mozambican children between 0 and 17 years old will be living in households receiving social transfers, thus indirectly benefiting from them.

Based on an impact simulation conducted in combination with the costing of the ENSSB II, the increased investment is social transfers is projected to translate into a reduction of the poverty rate, the poverty gap and the Gini coefficient by, respectively, 7 per cent, 16 per cent and 5 per cent. The expansion in coverage is expected to require the fiscal space available to non-contributory social transfers to increase from 0.51 per cent of GDP in 2014 to 0.9 per cent in 2019 and 2.2 per cent in 2024. The increasing caseload will also require additional human resources and recurrent and capital expenditure, accounting for an extra 0.4 per cent of GDP in 2019.

While targets may suffer in the short term from the anticipated fiscal contraction due to the current external debt crisis, the ENSSB II provides a roadmap for building a more inclusive, rights-based social protection system for Mozambique. In gradually making steps towards the realisation of such a vision, the government, with support from cooperation partners, should focus its efforts on capacity development, the strengthening of operational systems, as well as the implementation of critical institutional reforms, as a prerequisite for the expansion of the basic social security system.

Basic social security strategies in Mozambique

Social protection transfer programmes, ENSSB I	Social protection transfer programmes, ENSSB II
Basic Social Subsidy Programme (PSSB): long-term cash transfers for labour-constrained households	Old-age grant (60+); Disability grant; Child grant (0–2 years old); Foster grant; Grant for child-headed households.
Direct Social Support Programme (PASD): time-bound in-kind transfers for specific vulnerable groups	Multifaceted on-demand in-kind support in response to shocks.
Productive Social Action Programme (PASP): public works programme for poor households with capacity to work	Public works programme for poor households with capacity to work (with revised focus and enhanced complementary interventions).
Social Action Services Programme (SSAS): institutional care for those who are abandoned or marginalised	Social Welfare Services Programme (SWSP): preventive and protective welfare services provided at community level in response to social risks.
	Institutional Care

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