

Drought-risk financing in Mozambique — SAP-Seca and adaptive social protection^{1,2}

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In recent years, Mozambique has made significant advances in its responses to and public financing of slow-onset emergencies, whose importance is highlighted in normative documents, such as the Master Plan for Disaster Risk Reduction (PDRRD 2017-2030) and the Disaster Risk Management and Reduction Act (Act no. 10/2020).

Based on these guidelines, the National Institute for Disaster Risk Management and Reduction (INGD), through the Development Division for Arid and Semi-Arid Areas (DARIDAS), established the Drought Early Warning System (SAP-Seca), which aims to promote and apply the Forecast-based Financing (FbF) approach. Its purpose is to plan and implement Anticipatory Actions (AAs) to mitigate the risks of disasters before they occur and reduce the need for humanitarian assistance afterwards. Partnerships are also being sought to activate tools for disaster and risk financing, together with the African Union's African Risk Capacity (ARC), to model and contract sovereign insurance to finance government responses to extreme natural events.

The development of SAP-Seca is being carried out with financial and technical support by the World Food Programme (WFP), and coordination activities are being established to ensure close interaction with the social protection sector. The National Social Action Institute (INAS-IP) is represented in SAP-Seca's Technical Working Group (GTT), an inter-sectorial team led by INGD/DARIDAS to support the Government of Mozambique in establishing adequate early warning mechanisms to declare emergencies and plan actions to mitigate the effects of droughts.

The GTT has three sub-groups, aligned with the Drought Risk Management System components (Art. 13 of Law 10/2020). The first focuses on drought forecasting and warning and is responsible for analysing the occurrence of droughts and defining patterns for response triggers, according to pre-defined risk levels. The second is responsible for establishing guidelines for planning activities that have an impact based on drought forecasting and which are compiled in the Early Action Plans (PAA). The third is dedicated to listing financing mechanisms and guidelines to implement the PAAs according to standard operating procedures.

Four pilot districts were selected for a detailed elaboration of Early Action Plans—Chibuto and Guijá, in Gaza Province; and Marara and Changara, in Tete Province. In 2021, local government

representatives carried out activities to plan and budget different types of response programmes that can be triggered in cases of light, moderate or severe drought. The main INAS-IP emergency transfer programme, the Post-Emergency Direct Social Support Programme (PASD-PE) was included in the response for all four pilot districts, representing 68 per cent of the budget estimated by the PAAs, to be triggered in case of severe drought. Early Action Plans were elaborated and approved at the district level and inserted into the National Contingency Plan. Following the Plan's approval, in October 2021, there were monitoring and forecasting activities for a possible activation of the plan in 2021-2022. In order to consolidate the PAA's preparation and activation methodology in pilot districts, it will be expanded to additional regions of the country in 2022.

The institutional collaboration of SAP-Seca highlights the significant potential for integration of social protection transfers—in this case, of PASD-PE—as a strategy to mitigate the impacts of droughts, an important result from the joint work accomplished between INAS-IP and INGD to improve shock-responsive actions.

Although there have been significant advances in drought forecasting in Mozambique, challenges remain. It is necessary to develop the system even further, including: the GTT platform for drought early warning; early action protocols for a potential activation and implementation of early drought interventions; and ensuring consistency and quality standards in preparing plans for drought-prone districts.

Moreover, to better integrate social protection instruments in early action plans, it is necessary to improve and adapt the existing funding tools so that they can be used in SAP-Seca. To expand early action, it is also necessary to identify additional financial resources and capacities. Under the INGD's guidance and leadership, GTT partners on drought early warning are prepared to face and overcome these challenges in a cooperative manner.

Reference:

Government of Mozambique, World Bank, WFP, and MozSP. 2021. "Financiamento do Risco de Secas em Moçambique – SAP-Seca e Protecção Social Adaptativa". Presentation delivered by the Director of DARIDAS at INGD. *Social Resilience Dialogue*, 19-21.

Notes:

1. This One Pager is part of a series of publications on Mozambique Shock Response Social Protection, prepared with WFP's support and financed by the European Commission's Humanitarian Aid and Civil Protection department (ECHO).

2. The II Social Resilience Dialogue was organised by Mozambique's Ministry of Gender, Children and Social Action, with support from the World Food Programme and the World Bank. The report was produced based on the presentations provided by experts during the event.