



Social Protection in Action: Building Social Protection Floors for All

2022

Mozambique: The social protection response to the COVID-19 crisis

Summary

In the wake of the COVID-19 pandemic, Mozambique quickly devised an ambitious Social Protection Response Plan to address the socio-economic effects of the crisis on the most vulnerable. Together with development partners, the Government ensured a rapid, innovative and coordinated policy response based on the progressive scale up of non-contributory social protection to more than 1.5 million beneficiaries during the two phases of the Plan, including nearly 1 million newly enrolled individuals.

The implementation of the Plan has benefited from the existence of legal and strategic frameworks for social protection, a well-functioning management information system and a programme specifically designed to respond to crisis situations. The implementation of the Plan was also an opportunity for the Government to make use of innovative approaches, including the use of technology, as well as coordination between contributory and non-contributory schemes to reach workers in the informal economy.

Yet further efforts are needed as Mozambique strives to safeguard the income security of vulnerable populations.

These include increasing and diversifying fiscal space for social protection, ensuring clearer communication with beneficiaries and the overall population, and revamping institutional capacities to meet increased demands in times of crisis in a timely and efficient manner.

The experience expanding social protection in Mozambique is in line with the principles set forth in the Social Protection Floors Recommendation, 2012 (No. 202). It promoted the social inclusion of informal workers, took a unified approach to ensure coherence across institutions, and invested in a transparent and sound administration that facilitated the rapid implementation of the response measures. It is also a concrete and successful example of how to adapt social protection systems to adequately respond to the surge of catastrophic events.

Main lessons learned

- ▶ The existing legal and strategic frameworks for social protection enabled the quick design and implementation of the emergency social protection response and provided a clear basis for cooperation with development partners.

Social Protection Floors Recommendation, 2012 (No. 202)

SDG 1.3 aims to implement nationally appropriate social protection systems and measures for all, including floors, and by 2030, achieve substantial coverage of the poor and the vulnerable.

Social protection floors (SPFs) guarantee access to essential health care and basic income security for children, persons of working age and older persons.

187 countries have adopted the Social Protection Floors Recommendation, 2012 (No. 202), to achieve universal social protection.

The experience expanding social protection in Mozambique is in line with the principles set forth in Recommendation No. 202. It promoted the social inclusion of informal workers, took a unified approach to ensure coherence across institutions, and invested in a transparent and sound administration that facilitated the rapid implementation of the response measures.

- ▶ The Government's leadership in establishing the COVID-19 Response Plan allowed development partners and international financial institutions to directly fund national social protection measures instead of developing parallel systems.
- ▶ A pre-existing collaborative platform between the Government and development partners in the field of non-contributory social protection, as well as the integration of shock-responsive mechanisms into the national social protection policy frameworks, facilitated the coordination for the COVID-19 Response Plan's design and implementation.
- ▶ The digitalization of the beneficiary portal and benefit payments sped up the Direct Social Support Programme-Post Emergency COVID-19 (PASD-PE COVID-19) operational processes and enabled social distancing, but did not reach all those without effective access to mobile technology.
- ▶ The Government's decision to carry out geographical targeting proved to be the best way to minimize exclusion and inclusion errors in the operationalization of PASD-PE COVID-19.
- ▶ Inter-ministerial coordination, especially between the contributory and non-contributory social security schemes, contributed to a more efficient and effective way of responding to the crisis.
- ▶ Social partners and civil society organizations played an important role in communication, monitoring, complaints and referral management of social protection measures in the framework of the Plan's implementation.

Introduction

During the COVID-19 pandemic outbreak, the Government of Mozambique has strived to address the socio-economic impacts of the crisis by scaling up the national social protection system to reach out to vulnerable (and uncovered) populations. The country declared a state of emergency on 30 March 2020, which was accompanied by disease-control measures, including curfews, closures of borders and restrictions to people's movement, public events and non-essential retail activities.

As of 29 June 2021, Mozambique had registered 75,422 cases of COVID-19 and 869 deaths from the disease.

At the end of 2022 the total number of COVID-9 cases since the start of the pandemic was 231,039 including 2,232 deaths.¹ Because of limited capacities for mass testing and health statistics, these estimates may be underestimated. In addition to the health crisis, the measures to contain COVID-19 introduced adverse socio-economic impacts. Prior to the pandemic, a large part of Mozambique's population was already living in poverty (46.1 per cent). There is today evidence that the impact of the crisis would have been much worse if Mozambique had left unaddressed the effects of COVID-19 on the poor and vulnerable population of the country.

In Mozambique, about one third of the poorest 32 per cent of the population live in urban areas (2.5 million people) and rely on daily income from activities in the informal economy. The COVID-19 crisis and containment measures, such as restrictions to freedom of movement, curfews on operating hours and temporary closures of certain businesses, have introduced disruptions to urban and rural economies throughout the country, particularly affecting the livelihoods of workers in the informal sector, which represent almost 90 per cent of the Mozambican labour force.

The COVID-19 crisis has increased the vulnerability of the Mozambican population, which could not count on a comprehensive social protection system. Despite the country's continuous efforts, only 13.4 per cent of the population enjoys some form of social protection. Social assistance programmes cover 10.1 per cent of the vulnerable population and only 4.9 per cent of the labour force are covered by social insurance, with no provision of unemployment protection.

Given this challenging scenario, the Government took measures to address the socio-economic impacts of the COVID-19 pandemic through the expansion of non-contributory social protection. This focuses on groups identified as being most vulnerable to this crisis, that is populations living in urban, peri-urban and border areas. With the technical and financial support of development partners, the Government designed and has been implementing the COVID-19 Social Protection Response Plan. Considered one of the most ambitious in Africa, it includes innovations such as the inclusion of informal economy workers and the use of new technology for enrolling beneficiaries and delivering cash.

The present study is based on interviews with representatives from the Government, United Nations

¹ WHO. WHO Coronavirus (COVID-19) Dashboard. Available at: <https://covid19.who.int/table> [accessed 17 May 2023].

agencies, development partners and relevant civil society organizations.

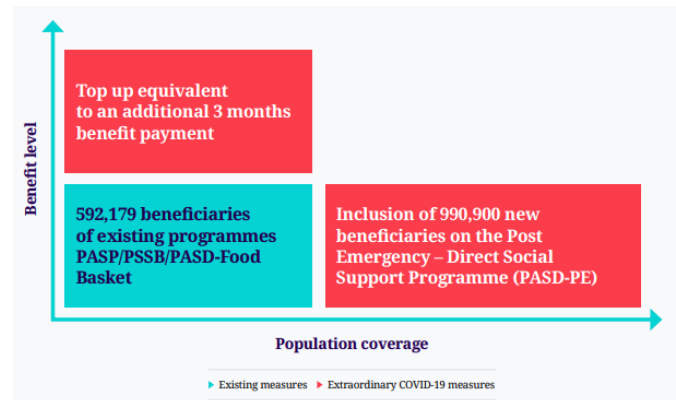
Reaching the most vulnerable in the wake of the COVID-19 pandemic

The COVID-19 Social Protection Response Plan

In June 2020, following two governmental decrees,² the Ministry of Gender, Children and Social Action (MGCAS) advised the National Institute of Social Action (INAS) and the Provincial Social Affairs Services (SPAS) to nationally implement the COVID-19 Social Protection Response Plan. The development of the Plan was led by MGCAS and INAS, in collaboration with the Economic Studies Department of the Ministry of Economy and Finance (MEF). It received the financial and technical support of several development partners, namely the ILO, the World Bank, UNICEF, WFP, the Foreign, Commonwealth and Development Office of the United Kingdom and the Embassy of Sweden to Mozambique.

The Plan aimed to contribute to the mitigation of the socio-economic impacts of the COVID-19 pandemic on the income security and livelihoods of vulnerable groups. Its objective was to guarantee social support and reinforce the resilience of poor and vulnerable households who are exposed to the pandemic's effects. It introduced extraordinary measures to extend social protection coverage through a two-dimensional strategy and was based on the adaptation of existing basic social security³ programmes managed by INAS (see figure). These "tweaks" to existing programmes concerned both operational activities as well as implementation features in order to expand them both horizontally (increasing population coverage) and vertically (increasing benefit levels).

Figure. Mozambique's two-dimensional strategy for the extension of basic social protection



► Source: Authors' elaborations.

The Plan included provisions for cash transfers to 1,582,179 beneficiaries, composed of:

- **existing beneficiaries of INAS programmes,**⁴ totalling 592,179 households, who became entitled to receive an additional three-month benefit payment in 2020; and
- **additional beneficiaries enrolled in a new programme,** the PASD-PE COVID-19, composed of 990,000 individuals and households whose vulnerability had been increased due to COVID-19 and became entitled to receive 1,500 meticaís (MT) (approximately US\$24) per month for six months, covering three different groups:
 - (a) households that were on the waiting list for INAS programmes, that is they had already been pre-identified (14,000 households);
 - (b) households from the list of low-income own-account workers registered with the National Institute of Social Security (INSS) (31,000 households); and
 - (c) newly registered beneficiaries who have been identified in collaboration with community-based organizations according to vulnerability criteria (945,000 individuals).

² In [Presidential Decree No. 11/2020 of 30 March 2020](#), Mozambique declared a state of emergency across the country to implement measures for the prevention and mitigation of the COVID-19 pandemic's social impacts. In [Decree No. 12/2020 of 2 April 2020](#), article 36, Mozambique approved administrative enforcement measures for the prevention and containment of the spread of the pandemic.

³ In Mozambique, non-contributory social security is commonly referred to as basic social security.

⁴ Basic Social Subsidy Programme (PSSB), PASD-PE, Productive Social Action Programme (PASP).

Table provides the characteristics of social benefit transfers by beneficiary type of the Mozambique’s COVID-19 Social protection Response Plan.

Table. Characteristics of social benefit transfers by beneficiary type in the framework of Mozambique’s COVID-19 Social Protection Response Plan

Characteristics/Beneficiaries	Beneficiaries of existing programmes	Beneficiaries of PASD-PE COVID-19
Payment method	3 months	6 months
Cash transfer amount	Benefit amount is maintained ^a	1,500 MT/month (approximately US\$23/month)
Geographical coverage	National	Urban, peri-urban and border areas

► Note: ^a The value of the PSSB benefit in 2020 varies from MT540/month for a one-person household to MT 1,000/month for a household with five members. For beneficiaries of the PASP, the benefit value is MT 1,050/month for six months in rural areas and four months in urban areas.

► Source: Author’s elaboration based on the Mozambican Covid-19 Social Protection Response Plan, 2020.

The PASD-PE COVID-19

The PASD-PE COVID-19 was originally conceived in the National Strategy of Basic Social Security 2016–2024 as an instrument that could be “activated” when needed for providing income security through cash transfers for a fixed period to groups affected by widespread crises and shocks, such as conflicts and climate-related events (for example cyclones, droughts and floods). In response to the COVID-19 pandemic, the programme was adapted and used to expand social assistance to new beneficiaries for a fixed period of six months.

► **Progressive implementation.** INAS was responsible for the implementation of this programme, in coordination with the SPAS, the District Health, Women and Social Action Services (SDSMAS), neighbourhood secretaries and community leaders. The PASD-PE COVID-19 was implemented progressively during 2021. It covered 1,086,128 new beneficiaries from households most affected by the socioeconomic effects of the pandemic.

► **Identification.** The identification and verification of new beneficiaries was led by INAS, in coordination with SPAS and SDSMAS, and relied on the collaboration between INAS officials, community leaders, civil society organizations and

neighbourhood secretaries. Following identification, potential beneficiaries were assessed to ensure that they meet eligibility criteria and were then enrolled in the programme.

► **Eligibility criteria.** As previously mentioned, households on the waiting list for INAS programmes and low-income households registered with the INSS were prioritized. In addition, the PASD-PE identified new beneficiaries based on the following criteria:

- households headed by women with children aged 0–2 years;
- households headed by pregnant women with no source of income;
- seasonal workers with a daily income below 100 meticaes (approximately US\$1.60);
- households whose head or members are permanently incapacitated and unable to work;
- households headed by an elderly member;
- households headed by women with children under 12 years old, elderly, disabled or chronically ill members;
- households headed by women living with five or more dependants; and
- families hosting displaced persons;

► **Geographical targeting.** The new beneficiaries were identified in specific geographical zones, namely urban, peri-urban and border areas, which were found to have the highest multidimensional poverty rates in the country.⁵ The selection of urban and peri-urban areas with the highest poverty rates based on data from the national household budget survey carried out by the MEF allowed for the rapid identification of families who met the criteria and were residents of these poorest and most densely populated areas. In a high poverty context like Mozambique, where officially 46 per cent of the population lives below the poverty line, it would not have been feasible to select only the poorest of the poor in an emergency context by making a detailed door-to-door selection across the country, or by implementing proxy means testing or other more time- and cost-intensive mechanisms.

⁵ This is based on indicators calculated by the MEF based on 2017 census data.

Civil society involvement

The Response Plan involved significant participation from civil society organizations and community-based organizations. The active engagement of civil society organizations is seen as fundamental for the identification and verification of potential beneficiaries, as well as for monitoring purposes to ensure effective implementation. During November and December 2020, the first round of independent community monitoring for the PASD-PE COVID-19 was carried out in Cabo Delgado province by the Mozambican Civil Society Platform for Social Protection, with the support of the ILO. A second round was conducted in the Province and City of Maputo between July and August 2021. This allowed the collection of qualitative data on the experiences of beneficiaries, the gathering of evidence on the implementation of the plan in practice and the provision of recommendations for improvements that were considered throughout the progressive implementation of the programme in 2021.

Cross-sector coordination

The Response Plan and the PASD-PE COVID-19 benefited from coordination between MGCAS, MEF and the Ministry of Labour and Social Security (MITSS), which facilitated a more efficient and effective response. Through this inter-ministerial coordination, it was possible to carry out a study on geographical targeting of programme beneficiaries and to identify 31,000 vulnerable workers in the informal sector as beneficiaries.

Financing

The implementation of the Response Plan had a total budgeted cost of US\$240 million and was fully funded by external cooperation partners; the domestic funds allocated by the 2020 State Budget Law for the implementation of existing INAS programmes were left unaffected. The funds available for implementing the Plan amounted to US\$79 million in November 2021 and were provided by the World Bank, the Foreign, Commonwealth and Development Office of the United Kingdom and the Embassy of Sweden to Mozambique. This covered the implementation of the initial roll out of the Response Plan, which included top-ups for 592,179 pre-existing INAS beneficiaries as well as benefits for 282,862 new beneficiaries. Additional bilateral cooperation partners

(United States Agency for International Development, Canada and Germany) channelled US\$20.5 million through UNICEF and WFP to ensure programme implementation in the provinces of Tete and Zambézia under INAS leadership.

Other cooperation partners and international financial institutions, such as the African Development Bank, the European Union and the IMF, pledged to make resources available for mitigating the negative impacts of the COVID-19 pandemic in Mozambique, with social protection highlighted as one of the priority areas. At the end of 2021, when PASD-PE COVID-19 completed its implementation, a total of US\$142.5 million were disbursed for covering the costs of the programme.

Innovative methods

The COVID-19 Social Protection Response Plan highlights the importance of having a legal framework for social protection that can adequately respond to crisis situations. It also introduces innovations that strengthen Mozambique's non-contributory system, such as the inclusion of informal economy workers and the use of technology for enrolling beneficiaries and delivering social benefits.

Linking existing social protection programmes with shock-responsive actions

Mozambique's response to the COVID-19 crisis benefited from the prior existence of an adequate legal and strategic framework for its non-contributory social protection system, which includes an unconditional fixed-term cash transfer programme designed to respond to shocks, the PASD-PE. This programme originated in the National Strategy for Basic Social Security (ENSSB II) 2016–2024, which strengthened the role of social security in shock response, and was created in 2018 by law.⁶ Designed as a flexible instrument for dealing with different covariate crises and shocks, it has been adapted to respond to the challenges caused by the COVID-19 crisis. It was implemented for the first time during the droughts in Tete (2018–2019) and Gaza (2019–2020) and was also utilized after cyclones Idai and Kenneth hit the country in 2019. Its quick activation during the COVID-19 crisis was only possible because the programme (structure, requirements

⁶ With the approval by the Council of Ministers of Presidential Decree No. 47/2018.

and processes) was already designed, tested and based on a solid legal framework. This highlights the importance of adequate legal frameworks and shock-responsive mechanisms defined ex ante as opposed to ad hoc and fragmented measures, since the former provide clear guidelines and mechanisms for a swift response both from the Government and development partners.

Extending social protection coverage to workers in the informal economy

The Response Plan bridged Mozambique's contributory and non-contributory social security systems through the inclusion of previous INSS voluntary contributors who had stopped paying their contributions due to the impact of the COVID-19 pandemic on their incomes. The high levels of informality and the high vulnerability of these workers to the socio-economic effects of the COVID-19 pandemic created a national debate about how to support this group. Ultimately, more than 30,000 low-income self-employed workers were registered under the PASD-PE COVID-19. In concrete terms, this expansion was made possible through institutional coordination between the MGCAS-INAS and MITSS-INSS and required an adaptation of the existing eligibility criteria used to identify beneficiary households under the social assistance programmes.

Using technology to deliver social protection

The COVID-19 crisis has accelerated necessary reforms in Mozambique, allowing the country to test the scaling up of existing social protection mechanisms and the adaptation of operational procedures to accommodate social distancing requirements and the strong demand for urgent support. The most noteworthy adaptations are those carried out to the PASD-PE enrolment and payment process:

► **e-INAS enrolment.** Once households have been identified and checked by INAS, they are enrolled under the PASD-PE COVID-19 in the INAS management information system (e-INAS). With the technical and financial support of the ILO and UNICEF, Mozambique has been investing for more than five years in the development of a robust ICT system, which works within the State's financial information system network (e-SISTAFE); e-INAS allows the registration of beneficiaries in a single registry system, the rapid addition of new

beneficiaries, improved targeting, enhanced transparency for operational activities and the use of innovative payment technologies, while ensuring data confidentiality and protection.

► **Digital payment.** Most cash transfers under the PASD-PE COVID-19 were delivered through electronic payments to mobile phone platforms, reducing contagion risk, increasing efficiency and transparency, improving system accountability and enabling the rapid delivery of payments to beneficiaries. The roll-out of the digital payment system also included the supply of mobile telephones to beneficiaries of the PASD-PE COVID-19 who did not yet have one. The payment is either made online directly to a digital wallet (Vodacom's m-Pesa or Movitel's e-Mola) enabled on a mobile phone, or offline, which is when the beneficiary receives a text message with a code to withdraw the cash from a service provider. Beneficiaries of other regular programmes received transfers through traditional payment modalities, while respecting physical distancing measures. The outsourcing of cash payments to a private service provider has been discussed within the Government and with development partners for many years and was one of the strategic activities planned in the ENSB II. In the context of the pandemic, the Government's decision to move forward with the large-scale use of digital payments was justified by the need for physical distancing during the payment process and by the urgency imposed by increased demand. This innovation required collaboration between MGCAS, MEF, the Bank of Mozambique and the Mozambican Telecommunications Regulatory Authority.

Main results

Following the approval of the Response Plan in June 2020, a significant part of the activities planned for phase 1 have been implemented with the support of development partners. INAS is responsible for the implementation of the Plan and receives direct implementation support from UNICEF and WFP for 100,000 beneficiaries in Tete and Zambézia. Technical guidelines on the targeting (selection and registration) and delivery of payments to beneficiaries of the PASD-PE COVID-19 were developed and provided guidance for the implementation of operational activities.

As of December 2021, 1,547,479 beneficiaries living in poverty and vulnerability received support from INAS in the context of the Response Plan, including 461,351 pre-

existing beneficiaries who received top-ups and 1,086,128 new beneficiaries. Among the latter, a few were workers in the informal economy and previous contributors to social insurance.

Challenges and way forward

As indicated previously, the PASD-PE COVID-19 was fully funded by external partners. This dependency on external funding introduced delays in the programme's implementation and questions the capacity of the country to provide income support to those who remain in need of such assistance.

The launch of the PASD-PE COVID-19 lacked a clear communication strategy, which impacted the effective participation of civil society in its implementation and reduced understanding among the general population and potential beneficiaries.

In terms of operationalization, the total number of beneficiaries increased from 600,000 to almost 1,600,000, leading to a significant increase in administrative workload for INAS and the social affairs officers involved in the programme's implementation. This generated delays in payments under the pre-existing PSSB scheme in some locations. In addition, while the use of mobile payment

systems improved efficiency and reduced risk of contagion, it posed challenges for some beneficiaries, particularly older or illiterate persons and those living in areas with poor network reception. Delays were also observed in the contracting of private companies to provide mobile payment services. Lastly, in areas where UNICEF and WFP supported the programme's implementation, the overall authority of INAS as implementation lead was not always sufficiently accommodated.

In terms of design, the conscious choice to focus the PASD-PE COVID-19 on urban, peri-urban and border areas introduced challenges for those living in rural areas, who were not eligible for income support. In addition, the COVID-19 crisis highlighted the existence of a large number of households that were in need of social assistance but were not affiliated to any scheme. While INAS has the ambition to continue to support the new beneficiaries provided that they meet the regular eligibility criteria of the basic social security programmes, this will require a substantial increase in the financial resources allocated to social protection, from 0.6 to 1.2 per cent of GDP in 2023.

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