

**HelpAge
International**

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FINAL EVALUATION REPORT OF THE COMMUNITY MODEL FOR THE FOOD SUBSIDY PROGRAMME (PSA)

Final Report – Executive Summary

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Technical File

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ACRONYMS

AIDS	Acquired Immunodeficiency Syndrome
BCI	Commercial Bank of Mozambique <i>Banco Comercial de Moçambique</i>
CBOs	Community Based Organizations
CCAS	Community Committee for Social Assistance <i>Comité Comunitário de Assistência Social</i>
CPS	Social Protection Council <i>Conselho de Protecção Social</i>
HAI	HelpAge Internacional
HIV	Human Immunodeficiency Virus
INAS	National Institute for Social Action <i>Instituto Nacional de Acção Social</i>
MMAS	Ministry of Women and Social Action <i>Ministério da Mulher e Acção Social</i>
MT	<i>Metical</i>
NGOs	Non Governmental Organizations
OVC	Orphans and Vulnerable Children
PSA	Food Subsidy Programme <i>Programa de Subsídio Alimentar</i>
SISTAFE	Public Financial Management System <i>Sistema de Administração Financeira do Estado</i>
SPSS	Statistical Package for Social Scientists

EXECUTIVE SUMMARY

HelpAge International (HAI) is a Non-Governmental Organization (NGO) that fights for the rights of older people in vulnerable situations with the view to achieving physical and economic security, access to healthcare, social services and assistance in their role of intergenerational caregivers. The organization has worked in Mozambique since 1988 in partnership with the Government, Local NGOs and Community Based Organizations (CBOs), supporting the rights of older people, in regards to healthcare, financial security and protection against injustice and abuse.

The Organization develops projects for direct implementation or in partnership with other stakeholders. In this context, HAI implemented the Community Model for the Food Subsidy Programme (PSA – *Programa de Subsídio Alimentar*), a pilot project, in two districts of Tete Province, namely, Cahora Bassa and Changara. The project was implemented between November 2006 and December 2011. This community model pilot project was also implemented in Zambezia Province (Morrumbala and Mopeia Districts) by Save the Children in partnership with HAI. The Provincial Delegation of the National Institute for Social Action (INAS – *Instituto Nacional de Acção Social*) in Tete is currently trialling the implementation of the model in the 22 pilot communities. The Quelimane delegation intends to start experimenting with the implementation of the model as of February 2012 in 23 target communities. The project reaches approximately 2.300 direct beneficiaries in 45 communities.

The pilot project aimed to develop, test and replicate a model of intervention that supports the expansion and effective provision of the PSA. The promotion of community empowerment through the construction of knowledge, capacity building strategies and the creation of linkages that allow claiming of rights, access to benefits and expansion of support to the most vulnerable groups is a fundamental principle guiding the project.

The main goal of the final evaluation was to document the experiences stemming from project implementation and gather lessons learnt that can inform future perspectives for the short, medium and long term in the context of Mozambique.

The evaluation used a combined methodological approach including qualitative and quantitative analyses. Information was collected from relevant project related documents, through interviews to key informants and the completion of a survey with a representative sample of target beneficiaries. The analysis was driven by a comparison of public/state and community models of intervention of PSA. Relevant data (mostly quantitative) was also analyzed with the use of control groups, allowing for comparison and confirmation of the changes seen in target communities.

A general bibliographic review indicates that Mozambique's legal and institutional framework embraces and promotes social protection in general terms as well as the subsystem for basic social security (PSA). However, the implementation of that instrument does not yet meet the social protection needs found at community level.

The results of the Evaluation show that in general terms the objectives of the project were satisfactorily met, that pre-determined project activities were implemented with success and that local structures were successfully involved in bringing about significant positive changes in the lives of poor and vulnerable populations. The evaluation confirms that the integrated community

development approach strengthens the impact of the PSA significantly as a social process of cash transfer for poverty alleviation amongst communities in need.

The Evaluation noted that the two models of implementation of the PSA have a positive impact on poverty alleviation among beneficiaries as well as on general community development processes. It was noted that the community model promotes greater involvement of local community structures and the creation of linkages with local development projects. This positively influences the implementation of the programme in terms of: i) coverage and access to the subsidy; ii) Poverty alleviation and promotion of local development; iii) Security systems and risk management; iv) Sustainability; v) Operational costs. The evaluation results indicate that these appear to be the five most critical issues in the operationalization of the PSA and most relevant in regards to expected outputs and project impact. The section that follows presents objective information on how these relate to the two models of PSA. Complementarities for the development of the PSA will be highlighted.

Coverage and Access:

The public model of implementation of the PSA has national coverage. In 2011 it aimed to reach 252.842 beneficiaries. In absolute terms this means higher coverage than the community model of PSA implemented only in four districts of the country. In the specific case of Cabora-Bassa, Changara, Morrumbala and Mopeia de public model reaches approximately 3.531 people and the community one 2.300. However, the evaluation found that in relative terms the coverage of the community model of PSA is greater. An example of this can be seen in Zambezia Province where the state system benefits 1.075 people in 56 communities of Morrumbala and Mopeia Districts, or an average of 19 people per community while the average coverage by the community model in the same districts is 43 per community. What this suggests is that in relative terms the coverage of the community model is around 100% higher.

Several factors influence this scenario. The relative flexibility of the administrative steps in the community model for accepting and formalizing potential beneficiaries is a primary factor. This in fact decreases possibilities for exclusion of eligible candidates, on the other hand it could also increase the probability of erroneous inclusion. Another influencing factor is the distance between payment locations and places of residence. The average distance is 2 kms in the community model while in the state model it is not uncommon for beneficiaries to have to travel 15 kms to reach the service. Respect of the payment schedule and regularity of payment in the community model also facilitates access to the subsidy as beneficiaries rarely miss their appointments as there is not a feeling of lack of confidence on the reliability of the service. Cases of exclusion from the system due to consistently failing to claim payments are lower under the community model.

The community model of PSA piloted through this project was committed to reaching geographical areas not yet served by the INAS state system. As such, the community model has tended to reach more isolated areas than the public model. Given that the incidence of poverty is generally greater in remote communities, the level of coverage and of access to the subsidy is also higher in these areas. The communities of Chinhanda Velha, Bungue, Chiguamainza, Nhandoa, Nhantalala and Cazeue, in Cabora-Bassa District, Ngulengule, Bomane, Ndanbuenda in Morrumbala and Valeta in Mopeia, illustrate this tendency.

Poverty Alleviation and Local Development:

In general terms, the results of the evaluation show that the PSA has a transformational effect over the socio-economic conditions of beneficiaries. These effects are also visible at a broader community level where the project was implemented. It was noted that the public model is mainly characterized by a cash transfer to beneficiaries. A psycho-social component is implemented through public talks that take place prior carrying out the payment of the subsidies. Regulation on basic social security considers that the state can provide social support through social programmes or social projects, which has depended on the intervention of NGOs. Even though the legislation anticipates that such interventions can take place in the context of PSA, given the level of need of both public services and citizens, counting on such external support is not a realistic option. From this point of view the public model has positive attributes, even though its potential to promote effective integration of beneficiaries at community and at general social level has not been yet fully explored.

Each of the two models, the public and the community one are driven by strategies that aim to contribute towards poverty alleviation and the promotion of development. The public model is driven by a multi-sectorial approach encompassing education, health, agriculture, work, etc. However, at present, the participation of these sectors has not taken place in an integrated fashion within the PSA.

The community model of PSA is guided by a 'rights based approach' that involves target groups and project beneficiaries to promote ownership and involve them in the process of developing projects created through the programme.

Following this logic the implementation of the community model of PSA includes not only awareness-raising and capacity building components for the communities to manage the PSA but also training in a wide range of areas, the establishment of local economic initiatives and more fundamentally, the integration of PSA within existing and functional structures and programmes at community level.

An analysis of the community model of PSA shows that community participation, local development processes, empowerment and sustainability are strongly influenced by the provision of support to community structures, namely, to Community Committees for Social Assistance (CCAS - *Comitês Comunitários de Assistência Social*). On the other hand, the public model is executed and is dependent on a specific individual (in Portuguese, *Permanente*) despite the fact that linkages do exist between this civil servant and communities.

All these factors influence the implementation of the PSA differently. The analysis from the quantitative data drawn from the evaluation presents socio-economic data that suggests this. The baseline study indicated that literacy levels in communities benefited by the INAS system were 16.8% higher than communities from the treatment group prior to the introduction of the payment from the community model in 2007.

According to the baseline study compensation in exchange for work the week before (in 2007), was 10% higher in treatment communities than in communities benefiting already from the INAS PSA. Up to August of 2011 communities from treatment groups showed a need to engage in activities that brought them financial compensation 8% lower in relation to communities targeted by INAS.

Health sector outcomes are more sensitive to change. In this area results from the evaluation showed less encouraging results for the community model for the PSA¹. The baseline data shows that in the year of 2007 INAS benefitting communities had a 2.8% higher incidence of illness than communities that would later be served by the community model. The survey conducted in the context of the Evaluation shows an incidence of illness 11% higher in communities targeted by the community model. This trend is consistent with the data available on access to healthcare services (access to specialists and health technicians). This situation could be temporary, as it was consistently captured in the interviews with beneficiaries of the PSA that suggest improvements in the standard of living, including health, in both groups under analysis.

For all of the three areas discussed above, namely, health, economic activity / work and education, the situation of the control group provides confidence in the data.

Security Systems and Risk Management:

The evaluation observed that the community model of implementation of the PSA represents higher risks for the social protection system and for the state. This is due to the dependence it has on non-state community players, including local traders, that assume a fiduciary role by managing funds and the programme as a whole at local level.

Having said this, the state model obliges the Mozambican Police Forces by law to assume responsibility for the physical security of the funds starting with ensuring the security of the funds when being transported to the payment locations to the moment the payments are done. The weak presence of the banking system throughout the country poses a risk to the security of the funds. In two of the four districts covered in this evaluation, namely, Changara in Tete Province and Mopeia in Zambezia there are no banks. The public model in such cases thus requires police support to ensure the security of the funds for the implementation of the PSA.

On the other hand the experience of the pilot community model in two provinces appears to indicate that the risks posed by the absence of police support at community level for the transport of funds are very low.

It is worth noting that during the evaluation, informants from both community and public models considered relevant identifying mechanisms that increase the security of the funds and minimize the inherent fiduciary risk associated to these transactions.

Sustainability of Systems:

The evaluation results found that the public model has a reliable human resource base in public institutions throughout the country. Despite the fact that it became evident during the evaluation that these human resources need professional development support to improve the organization of the provision of services, there is in fact some human resource capacity that allows for a reasonable level of service.

¹ The results from the evaluation in relation to health indicate the reality of the situation in the period of four weeks prior to the conduction of the survey. This can change dramatically as per the influence of various factors.

The sustainability of the psycho-social component of the PSA in the public model implemented by the state could be considered precarious given that these frequently consist of public talks given by NGOs at the moment of payment which are not directly linked to the PSA. These activities are usually included by NGOs in their social programmes and projects with the view of promoting local community development and the inclusion vulnerable populations, increasing their self-esteem, self-confidence and communities openness to actively participate in improving their own circumstances. The facts here presented suggest that at the state in which it is the public model of PSA could to a certain degree be considered sustainable due to its possibilities of continuity and further development.

The introduction of the community model of PSA constitutes on the one hand an important opportunity to improve services in terms of quality and quantity (expansion of the programme). On the other hand a great sustainability challenge for the programme. The main challenge stems from the need to organize at community level the services that complement the payment of the subsidy, namely, mainly psycho-social support programmes and projects for which the state has not much capacity to sustain at national level. It is precisely the recognition of this inability to assume such responsibilities that often they rely on partnerships with non-governmental entities.

Operational Costs of PSA:

Evaluation results revealed that the community model of PSA initial capital investments are higher than the programme's running costs. Data collected during the evaluation indicates that HAI (Tete) budgeted close to 96.80 million meticaís (MT) for the community model of PSA and other programmes. The evaluation confirmed that until April 2011 87% of project funds had been expended. The general costs of the community model of PSA implemented by HAI reveal that i) personnel costs were the highest, approximately 39% and ii) all cost categories (capital, administrative and personnel costs) progressively reduced through the 3 phases of the project.

In the case of Save the Children, the total budget for the replication of the community model in Zambezia was approximately 30.70 million MT for all programme costs. The evaluation confirmed that 61% of project funds had been used by then. Likewise their cost structure reveals that personnel costs represent a high portion of project expenditures (45%), followed by administrative costs at 27%.

A close analysis of the implementation costs of both models of PSA indicates that in both cases administrative costs were higher than planned. The public model showed a similar scenario with the funds allocated for the subsidy in itself, as expenditures for this line item are consistently lower than planned in favour of administrative costs. This indicates that guidance the use of programme funds that specify that 85% of the budget should be allocated to subsidies and the remaining to administrative costs is not followed.

The evaluation revealed that budget execution in the implementation of both models follows opposing trends: the community model tends to reduce costs, while the public model tends to increase them.

During the three project phases highlighted in this evaluation (inception to 17th month, inception to 36th month and transfer of communities to INAS + 6 months), HAI spent 11%, 7% and 9% of its budget in administrative costs.

A rapid analysis of operational costs in the community model of the PSA by INAS shows that the approach of the Delegations of Tete and Quelimane will need to be the same, despite foreseen specificities that will need to be taken into account at least during the start off of the process. Tete already has some experience with the model while Quelimane intends to start off with an experimental phase in February 2012. The Tete Delegation already decided in favour of the use of the police forces to support the transfer and payment of subsidies. Quelimane is yet to make a final decision on this matter. In any case, both Delegations foresee a reduction of over 70% in administrative costs.

The experience of Tete Delegation in 17 communities of Cabora Bassa shows a reduction in administrative costs from 60.252 MT to 13.014 MT, that is, 78.5% less than what would be required by the public model. The budget elaborated by the Quelimane Delegation foresees administrative costs of 15.650 MT for the District of Morrumbala. The state model would require 56.284 MT for the same district (72% less).

The main factors behind the reduction in costs are the lack of direct intervention of INAS in the project management process which reduces the presence of officials in the field and the related expenses on subsidies / per diems for technicians, drivers and police officers.

It is estimated that the costs for implementing the community model of PSA under ideal conditions for 18 months in communities that have not been targeted by any type of social assistance in the past would require approximately a 12.5 million MT budget (350.000 Euros). Eighty percent of the budget in equal proportion to phases one and two of the programme (community level preparation / creation of community structures and the implementation of the experimental phase). The value foreseen in such circumstances to the payment of subsidies being of approximately 40% of the budget (4.94 million MT). One percent of the budget in each of the phases is allocated to the implementation of community development projects that support the entire duration of the programme, as examples to date observed indicate.

Efficiency and Effectiveness Analysis of the Public and Community Models for PSA:

The public model of PSA uses part of the funds allocated to the budget line item for the payment of subsidies to cover the administrative costs associated to the physical transfer of funds during programme operations. This in turn delays the possibility of reaching more beneficiaries. On the psychosocial side of the programme, the public model generally conducts talks on the moment of payment. Social interventions in that context have often been implemented by non-governmental entities without being intrinsically part of the PSA. These issues represent a degree of inefficiency in the implementation of the public model for the PSA.

From the point of view of the effectiveness of the public model, impact is found to be below potential. The weak participation of other expected sectors under the basic social security sub-

system, such as education and health contribute as well to expected results and effectiveness of the programme not being entirely reached.

The results of the pilot project show that the community model has been more effective. Payments have been done on schedule, ample coverage including remote areas. The psycho-social support component of the programme includes local economic development programmes and projects that embed talks on a wide range of issues of public interest at community level. In these processes beneficiaries of the community PSA actively participate in the management of the programme.

While thinking on the effectiveness of the PSA, the community model is closer to achieving the full potential of this type of programme. Palpable improvements are seen in beneficiaries meeting their basic needs and in integrated and sustainable development at community level.

Three levels of impact can be highlighted in the context of the two models, especially in the community PSA:

- Tendency to drive the community towards the ideal situation of self-sustained wealth creation, increase in the pool of contributors (capable individuals) and reducing the number of people in need;
- Awareness-raising on the capacity to contribute and to effectively participate of both those in need and those who do not require social support in the process of development. Equally important is for individuals to develop a culture of participation as contributors and not only as beneficiaries of state assistance;
- Contribution to the government's alignment with global trends on social protection, elevating its reputation internationally.

The comparative analysis of the two systems indicates the following in terms of cost-benefit vis-à-vis the objectives of the PSA:

- Neither of the two models of PSA has been entirely efficient in the financial administration of the programme. Both expend more than budgeted in administrative costs such as personnel costs.
- The public model invests relatively less but has less impact on the social situation beneficiaries and communities, perpetuating the need for social assistance and conditioning citizens participation in social life and in changing his / her socio-economic situation. A low cost-benefit ratio results from this situation.
- The community model shows higher investment rates and tends to better affect the socio-economic conditions of beneficiaries and communities in general. This in turn fosters development at medium and long term and sustainability. Furthermore, it presents a notably high cost-benefit ratio.

The comparative expenditure analysis from the implementation of the two models, which is considered to be the most objective platform for comparison, shows almost completely opposing trends. The fact that the community model tends to reduce operational costs of the PSA and the public model tends to increase them suggests that the cost-benefit coefficient is greater in the context of the community model.

Implications of the Adoption of the Community Model for PSA by Government Authorities:

The evaluation results discussed above show that the community model for PSA has more possibilities of exploring the full potential of the programme, namely in terms of coverage, poverty alleviation, cost, security, risks and sustainability. Both the analysis of the practical aspects linked to the implementation and functionality of the models and a more general analysis focusing on advantages and disadvantages favour the adoption of the community model for PSA.

The experience from Tete Province indicates that the assumption of the community model by government authorities would indeed be complex. It raises issues that from a structural perspective can be categorized in the following four groups:

- a) Legal issues – need to create a legal framework for the actors involved in the system and corresponding competencies;
- b) Institutional issues – redefinition of responsibilities between public institutions and community groups;
- c) Operational issues – training, creation of joint groups and designing a monitoring and evaluation framework;
- d) Economic/financial and resource based issues – capital investment needed for the preparation phase among new target communities aiming to prepare community structures and create support programmes.

Construction of a Pluralistic Approach to the Implementation of PSA:

The final evaluation results seem to indicate a practical natural development path for the PSA in the socio-economic conditions of the country, namely a pluralistic approach for the implementation of the PSA based on the progressive incorporation of the services foreseen in the Mozambican Regulation for the Subsystem of Basic Social Security.

This approach should be strengthened by principles of universal access, equality, solidarity and decentralization, as set out in the legislation on social protection.

In and of itself the principle considers that the country is undergoing a gradual social transformation process in what relates to basic social security, characterized by different categories of the status quo, namely: a) groups targeted by the public model for the PSA; b) groups targeted by the community model for the PSA; and c) groups that are not targeted by the PSA.

The pluralist approach of implementation of the PSA simply requires a commitment to continue developing the current programme with the use of the two models (the public and the community systems for the PSA) as per the realities on the ground. New priority communities will need to be identified in line with the level of services offered.

