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TRENDS ANALYSIS OF THE GOVERNMENT OF ZIMBABWE'S SOCIAL SPENDING PATTERNS IN THE SECOND REPUBLIC

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INTRODUCTION

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Social protection is increasingly becoming a means to alleviate poverty and a way of providing effective support for broader developmental objectives through improving access to education, health and promote social inclusion, areas that are critically important for socio-economic development. Social protection has also become critical to the achievement of Sustainable Development Goals such as SDG 1: No Poverty and SDG 10: Reduced Inequalities.

Since its independence in 1980, Zimbabwe has progressively adopted numerous social protection instruments such as the Harmonised Social Cash Transfer (HSCT) programme, public works programs, health and education assistance, child protection services, resilience and livelihoods rebuilding programmes to address poverty and vulnerability among different social groups. The programmes undertaken since independence achieved varied levels of success in giving reprieve to vulnerable social groups, reducing poverty and inequality gap. Ideological premises and differences between the First and Second Republic (1980-2017 and 2018 to date respectively) also influenced the different social protection interventions at different points in the history of Zimbabwe and social protection.

Despite the Second Republic announcing a policy shift from the First Republic under the guise of 'Zimbabwe is open for business mantra', the welfare of citizens under social protection interventions has not improved. Instead, extreme poverty, the emergence of the working poor social class, pervasive food poverty and persistent hunger and rising unemployment have become prevalent. The current COVID-19 pandemic has further exposed systemic vulnerabilities of women, older persons, persons with disabilities and children who are in a worse off position – calling for increased and sustained fiscal space for social protection, as well as political will. Vertical and horizontal expansion of social protection interventions should be the primary focus of the Second Republic for the attainment of a comprehensive and human rights based social protection that enhances the dignity of beneficiaries.

To this end, the social protection system needs to work in tandem with resilience-building initiatives and programmes which are run by Government and NGOs. Taken together, these can increase resilience for those targeted by social protection programmes. In an effort to understand the different social policy and social protection thrust between the First and the Second Republic, this policy paper seeks to; track progress in social spending allocations and analyse the extent to which social spending allocations in the second republic are gravitating towards poverty reduction and reduction of inequalities in line with SDG1 and 10; analyse Zimbabwe's social spending model, draw social policy spending and planning lessons from other countries; and proffer recommendations for enhancing the effectiveness of fiscal policies in the context of poverty alleviation, inequality reduction, tax justice, resource availability, allocation, administration, and utilization. This paper looks at the main programs funded through public funds. These programs are assessed in terms of adequacy and responsiveness, distribution channels and patterns, effectiveness of institutions providing social services, intended service delivery impact, overall impact achieved and reforms implemented in the First and Second Republics.

HISTORY OF SOCIAL PROTECTION AND SOCIAL POLICY IN ZIMBABWE

Zimbabwe got independence on 18 April 1980 after the protracted war of liberation against the imperialist white minority. The first post-independence government adopted socialist leanings and envisioned achieving social transformation through democratising access to social services.[1] The Social security system that existed during the colonial era was purposively designed to exclude locals. Thus, the social policy thrust of the First Republic was to address the exclusionary systems and achieve social inclusivity through policy adjustment to suit the aspirations and philosophy of the new regime. The First Republic pursued two types of social security, namely, social insurance and social assistance which is also known as public assistance.[2]

1. Zvobgo 1987; Agere 1987

2. The social assistance or public assistance is funded with by government through taxation whilst social insurance is contributory in nature (both employee and employer contribute towards social protections of workers against economic shocks).

The social programmes anchoring poverty reduction and development were contained in the government's Growth with Equity Policy document of 1981 which guided the development thrust of the First Republic in the first decade of independence. The first decade after independence was geared at driving a policy thrust that was premised on the predication that social change would come through social policy, which included agrarian reforms which sought to end poverty, destitution and vulnerability through land redistribution food subsidies, and inclusive education and health care. Social policy that guided Zimbabwe during this period include the Resettlement and Land Reform policy that aimed to resettle families that were internally displaced during the liberation war. The resettled population in plots was also supported and received subsidised agro-credit to boost farming activities in the newly resettled areas.

The government also introduced producer prices and urban food subsidies to maintain low food prices in urban areas and high producer prices for rural farmers. This however, proved costly as the scheme increased government spending and subsidies were slowly removed in response to pressure from the Bretton Wood Institutions (BWI),[3] through the Economic Structural Adjustment Programme (ESAP).

Education for all (EFA) was also introduced in 1981 through the democratization of the sector by passing the Education Act in 1981. Through the Act, Primary education became free and compulsory for all children of school going age. EFA policies spurred an unprecedented growth in enrolments, teacher training programmes and the number of primary and secondary schools in the country.

In the health sector, the Health For All (HFA) programme was initiated with a primary focus on primary health care (PHC). The HFA approach sought to transform the health care system from a centralized, curative, costly, urban-biased and racially divided system to an integrated, decentralized one focused on preventive and promotive health approaches.[4]

3 Davies and Saunders 1987

4 Agere 1987; Ministry of Health 1980; GoZ 1986.

In pursuance of enhancing social security of workers, the First Republic adopted the National Social Security Act (Chapter 17:04) (NSSA) of 1989, introduced a formal and compulsory social security policy which was to complement other existing social protection intervention strategies of the past. Though the policy was not comprehensive, it provided a first step in the right direction towards enhancing social protection coverage of the general populace. The NSSA Act established the National Social Security Authority which was tasked with the provision of social security.

The 1990s resulted in the First Republic policy shift due to growing budget deficits and pressure from the Bretton Woods Institutions (BWI) by adopting the Economic Structural Adjustment Policies (ESAP) in 1991-1995. During the ESAP period, the economy was oriented towards growth with emphasis on efficiency, productivity and profit. The government abandoned social welfarist/developmentalist policies on the basis that ESAP would succeed in creating employment, a trickle-down effect and thereby eradicating poverty.[5] In tandem with the new thinking, the Land Act (1992) was passed with a shift towards efficiency and productivity, more in sync with the BWIs' arguments and away from social welfare. However, not much land was distributed in the 1990s due to contestations between the government, farmer lobby groups and peasants occupying the land around the modalities of land distribution.

The government launched an economic growth programme called Zimbabwe Programme for Economic and Social Transformation (ZIMPREST which would be implemented from 1996 to 2000. The ZIMPREST programme failed to take off due to a lack of resources as donors withheld support because of fiscal indiscipline. The main changes to social policy in the 1990s concerned land reform, food aid, safety nets and reforms to the financing of the education system.

5 Dashwood 1996

In terms of social protection, the government introduced a number of reforms on already existing social protection programmes. These included the cost recovery on food aid. Whereas in previous droughts food aid and food-for-work programmes were used, in 1995 cost recovery ethos saw the introduction of the Grain Loan Scheme (GLS). This scheme gave food (imported food aid) on loan to rural households in favourable agro-ecological regions from neighbouring Grain Marketing Board (GMB) depots. Recipients were expected to return similar quantities of grain from future harvests.[6]

Realising the negative impacts of ESAP on the populace in the early 1990s, the government through partnerships with donors introduced safety nets to mitigate effects of the supposedly transitory poverty due to ESAP through the Social Dimension Fund (SDF). The SDF was established to pay school fees, to cover healthcare expenses and to retrain laid-off workers to establish small enterprises in the informal sector.[7] The education sector also witnessed the introduction of cost recovery through the amendment of the Education Act in 1991 to replace free primary education with fee-based education. As a result, funding responsibilities rested entirely on parents and communities already reeling from the effects of ESAP in other areas. The same trend was also witnessed in the health sector but contrary to the logic of cost recovery, health care facilities were not effective at revenue collection because people had no capacity to pay. The limited resources available to support the health sector resulted in the quality of services declining during the same period. ESAP's imposed austerity (1991-5) not only reduced the government's ability to leverage domestic resources (mining and agriculture but also led to decreased access to services, simultaneously increasing inequality and tensions between and among social groups.

In the 2000s, the First Republic was unable to mobilize domestic resources on account of poor investment policies, negative effects of the fast-track land reform programme (FTLRP), crony capitalism, virulent nationalism and hyperinflation which resulted in diminishing social spending in the 2000's.

6 Kaseke et al. 1998

7. Kanji and Jazdowska 1993

Major donors had withdrawn in protest against ZANU-PF's inflexibility in 1998-2000 though they were still committed to humanitarian and emergency responses. Donors continued to play a critical role in the 2000s through the provision of food aid, school feeding schemes as part of the humanitarian and emergency response and funding of critical sectors such as health and education. Donors such as UNICEF became prominent in funding the Basic Education Assistance Module (BEAM) education programme. By the end of the first decade of the 2000s, donor support for the health sector had increased through the Health Transition Fund (HTF) to retain critical staff, develop technical capacity and assist in strategic planning to comply with global health targets.[8]

The Government of National Unity (GNU) era 2009-2013 presented new opportunities for different avenues for social spending. The different routes to social protection during this period included the introduction of the Harmonised Social Cash Transfers (HSCTs) which targeted households in abject poverty. The Public Assistance (PA) scheme was also introduced during the same period targeting poor households, the aged and other vulnerable groups. The impact of HSCTs and PA were insignificant in cushioning households from the effects of poverty due to limited funds as well as disbursements that were inconsiderate of household size and below the food poverty line. The last years of the First Republic were characterised by national development policies such as the Zimbabwe Agenda for Socio-Economic Transformation (ZimAsset) 2013-2018 which recognised the provision of social protection measures to vulnerable groups, including removal of user fees for selected population groups as a strategy to obtain quick wins within the Social Service and Poverty Reduction Cluster.

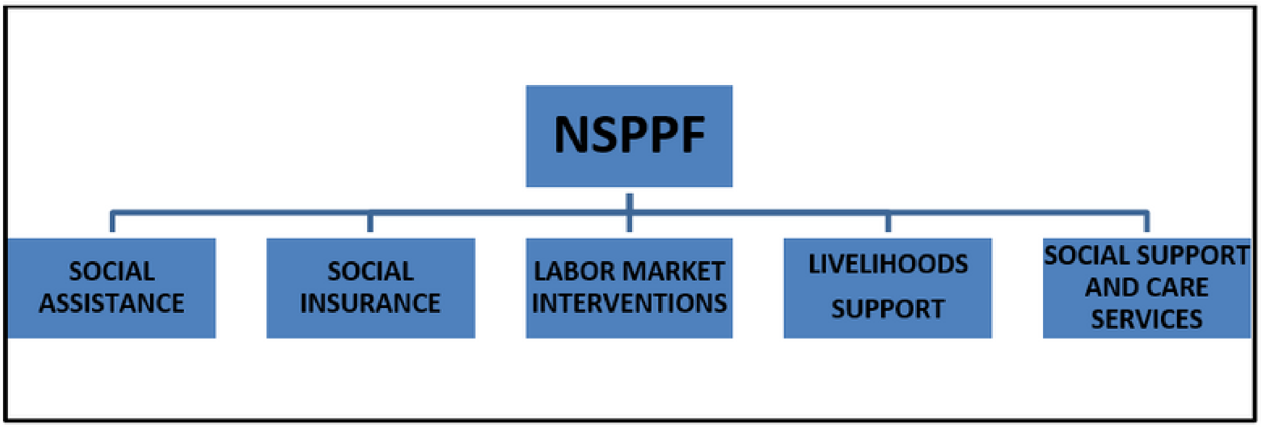
In the wake of droughts and food insecurity in 2009, the First Republic introduced the Presidential Input Support Programme (PISP) for agriculture. The PISP was household focused and sought to revitalise agriculture productivity through giving seeds and other inputs to small scale farmers.

8 MoHCW 1999; MoHCW /GoZ 2011

Fee waivers in the education and health sector were also continued in the 2000s and during the GNU era in the name of Assisted Medical Treatment Orders and BEAM in the health and education sectors respectively. The BEAM was created on the back of the collapse of the social dimensions fund (SDF) of the structural adjustment era (1991-1995). It was jointly funded by the government and donors through UNICEF and run with community participation.

The Second Republic inherited the social protection system from the First Republic on the premise of the Zimbabwe National Social Protection Policy Framework (NSPPF) (2016-2021). The NSPPF consists of 5 pillars as illustrated in Figure 1 below.

Figure 1: Zimbabwe National Social Protection Policy Framework



Source: National Social Protection Policy Framework 2016

Just as in the first republic, social spending remained minimal with critical sectors such as Health and Education failing to meet the Abuja Declaration 15 percent and 20 percent of the education global benchmarks respectively. The initial Second Republic Development Policy, the Transitional Stabilisation Programme (TSP) 2018-2020 (which succeeded ZIMASSET) assumed a neoliberal ideological thrust. The TSP was characterised by economic austerity measures such that the 2019 National Budget was sub-themed 'Austerity for Prosperity'. Whilst the TSP was meant to stabilise the economy as in its name it achieved contrary results.

8 MoHCW 1999; MoHCW /GoZ 2011

The implemented neoliberal policy measures which included liberalisation of the economy, cuts in social spending and introduction of new taxes (e.g., the 2 percent of the mobile money transfer tax, known as Intermediated Money Transfer Tax (IMTT) actually resulted in the destabilisation of the economy. These measures resulted in worsening economic hardships for the majority of households as liberalisation including that of the fuel sector resulted in inflationary pressures at a time when the country was also facing foreign currency shortages. Women, People with Disability (PWDs), the elderly and other vulnerable populations bore the brunt of the crisis.

During the period 2018-2020 the government reported that austerity measures under the TSP had resulted in the country realising a nominal budget surplus. The nominal budget surplus was at ZWL$437 million in 2019 and ZWL$800 million during the first half of 2020 amid growing food insecurity. The number of people in need of humanitarian assistance increased from 5.3 million to 7.5 million people between 2019 and 2020, representing an alarming 41.5 percent increase.[9] The government failed to invest the purported budget surplus into social programmes and continued to rely on donor support for social protection programmes to curtail the effects of the humanitarian crisis. In response to the humanitarian crisis, the Government launched an International Humanitarian Appeal for assistance amounting to US$1.8 billion, inclusive of US$300 million for COVID-19 support (2020 mid-term budget review).

The National Development Strategy 1 (NDS1) and National Disability Policy (NDP) post 2020 provided a framework for social protection and social spending in the country. Despite the end to austerity measures at the end of 2020, the Second Republic guided by the new NDS1 policy failed to invest in crucial social sectors such as health, education and social protection. For instance, social protection allocation was a meagre 0.15 percent and 2.01 percent of Gross Domestic Product (GDP) in 2021 and 2022 respectively. Allocations to social protection remains below the minimum 4.5 percent of GDP benchmark as stipulated by the Social Policy for Africa (2008) Agreement.

9. Poverty Reduction Forum Trust 2021

Both the First and the Second Republic, beyond policy production, failed to invest meaningfully in social sectors. The dependency on donor aid for social protection remains a major theme across the First and Second Republic social protection financing and financing of critical social sectors such as health and education. Despite the large deposits of mineral resources, both Republics failed to leverage on the revenue from the country's natural resources to finance social services and the implementation of social policy. Leveraging on domestic resource mobilisation remains a viable option for Zimbabwe to optimally finance social service delivery and social protection. However, this can be achieved through curbing rampant corruption, illicit financial flows, crony capitalism, and policy inconsistency.

PROGRESS IN SOCIAL SPENDING ALLOCATIONS

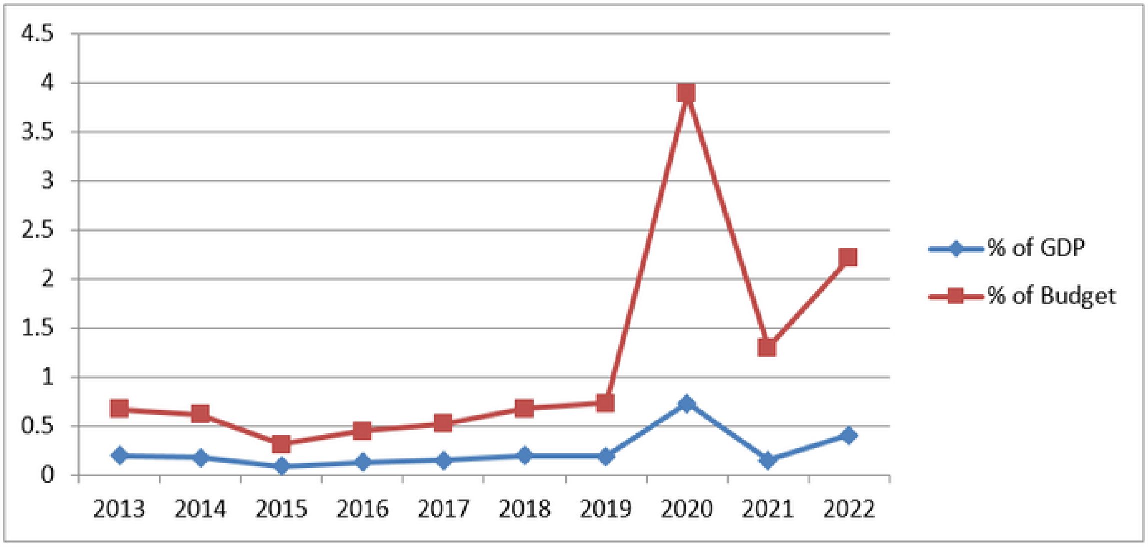
3

There has been a slight improvement in the social spending budget allocation with the average budget allocation as percentage of GDP moving from an average of 0.15 percent between 2013 and 2017 to 0.34 percent between 2018 and 2022. In terms of the social spending budget allocation as a share of the budget, it improved from an average of 0.51 percent between 2013 and 2018 to an average of 1.76 percent between 2018 and 2022. However, the average budget allocation as percentage age of GDP at 0.34 percent is still far below the 2008 Social Policy for Africa Framework (SPAF) benchmark of 4.5 percent of the GDP or the 1.5 percent of GDP average in Sub-Saharan African countries[10]. Although external financing has been on the decline in Zimbabwe, Development Partners also complement public domestic resources with funding of social protection at US$6 million in 2021 and US$ 17.55 million in 2020.[11]

10. https://www.wfp.org/social-protection

11 UNICEF 2020 and 2020 Social Protection Budget Brief

Figure 2: Social Spending Allocation as a % of GDP and Budget 2013-2022



Source: Authors compilation from the Zimbabwe National Budget Statements 2017-2022

In absolute terms the budget allocation increased from an average of US$20.6 million between 2013 and 2017 to an average of US$68.3 million from 2018 to 2022. The conversion from ZWL$ is done using the official annual average exchange rate for 2020 and 2021[12] while for 2022, the official average is for the period January 1, 2022 to May 31, 2022 using the Foreign Exchange Auction System rate up to May 9, 2022 and Interbank rate from May 10 to 31, 2022.[13] Despite the social protection budget allocation increasing, the actual expenditure is significantly reduced from 2016 onwards owing to the ravaging inflation and misaligned exchange rate. The emergence of foreign exchange rate premiums on the back of foreign currency shortages from 2016 has seen great divergences from the official exchange rate and the parallel market exchange rate. According to the 2019 Pre-Budget Statement the parallel market exchange rate premiums increased from about 4 percent in 2016 to 60 percent in 2018[14] reaching a peak of 300 percent prior to the introduction of the Foreign Exchange Auction System in June 2020.[15] Subsequent budgets and Monetary Policy Statements (MPS) have tried to deal with the gap between the parallel market and official exchange rate without much success. As at 5 May 2022, the rate was at US$1 to ZWL$320 compared to US$1 to ZWL$165 at the official market.[16]

12 https://www.imf.org/en/News/Articles/2022/03/24/pr2288-zimbabwe-imf-executive-board-concludes-2022-article-iv-consultation

13 https://www.rbz.co.zw/index.php/research/markets/exchange-rates

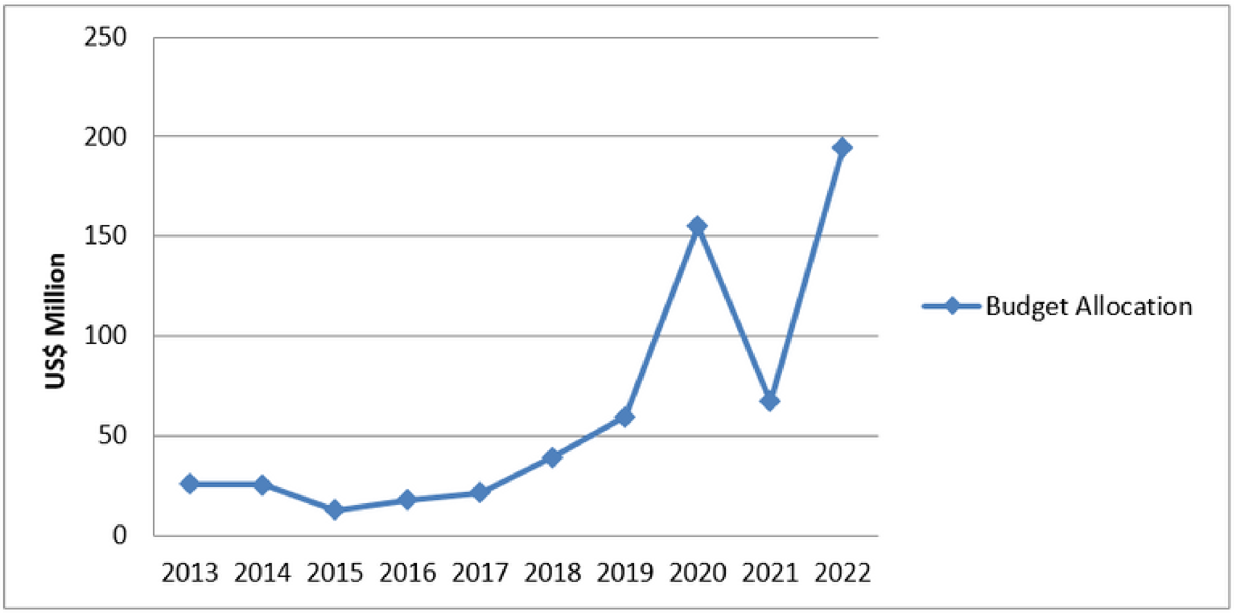
14 http://www.zimtreasury.gov.zw/index.php?option=com_phocadownload&view=category&download=169:2019-pre-budget-strategy-paper&id=21:pre-budget-strategy-paper&Itemid=759

15. https://www.rbz.co.zw/documents/press/2021/February/Monetary-Policy-Statement-18-February-2021.pdf

16 https://zimpricecheck.com/price-updates/official-and-black-market-exchange-rates/

While this paper uses the official exchange rate to calculate the social spending budget, the reality on the ground is that most goods and services are charged using the parallel exchange rate[17] and social spending transfers are also done in local currency and not US$. As a result, the actual social spending remains low and inadequate to address the challenges that citizens are facing.

Figure 3: Social Spending Allocation in nominal terms 2013-2022



Source: Authors compilation from the Zimbabwe National Budget Statements 2017-2021

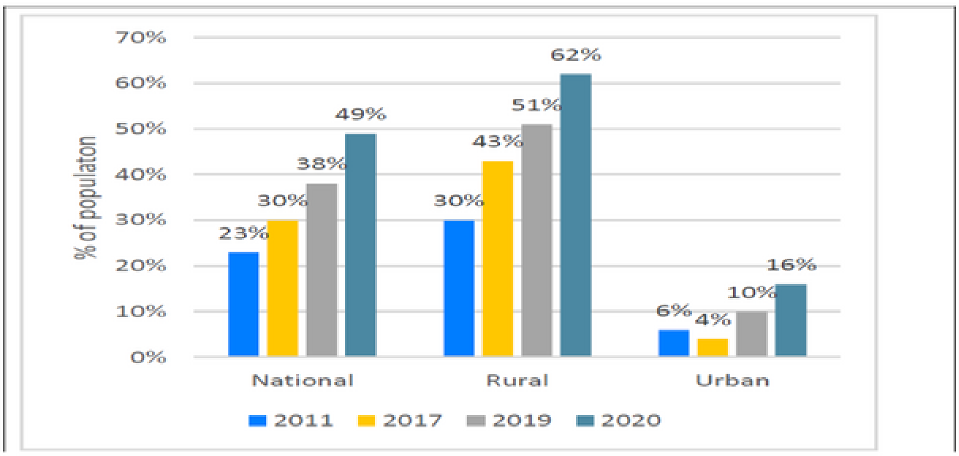
Although there has been a steady increase in the social spending allocation, disbursements for social protection programmes have been erratic for most of the years during the Second Republic. Social protection expenditure as at 30 September 2019 was at US$41 million against revised estimates of US$129.7 million.[18] This is a meagre 31.6 percent of the 2019 revised social protection budget allocation compared to the average national budget expenditure of 56.5 percent during the same period. The trend continued in 2020 with social protection expenditure at US$31.6 million compared to the revised social protection budget of US$74.5 million as at 30 September 2020.[19] This represents 42.4 percent of the social protection budget at a time the national budget expenditure exceeded the revised budget estimates by 24.1 percent owing to the increased inflation that reached a peak of 838 percent in July 2020.

17 https://www.chronicle.co.zw/comment-pegging-prices-based-on-parallel-market-must-stop/
18 http://www.zimtreasury.gov.zw/index.php?option=com_phocadownload&view=category&download=372:2020-blue-book-and-tables&id=54:2020-budget&Itemid=787
19 http://www.zimtreasury.gov.zw/index.php?option=com_phocadownload&view=category&download=350:2021-proposed-budget-estimates&id=65:2021-budget&Itemid=790

There is an improvement in 2021 with social protection expenditure as at 30 September 2021 at US$77.9 million against a revised budget ofUS$101.5 million.[20] However social protection expenditure at 76.7 percent as at 30 September 2021 is still lower than the national budget average spending of 86.7 percent at the same stage. The other challenge is that the budget allocation increase is inadequate to respond to the increasing number of people requiring social protection. People that require social protection have been on the rise owing to increasing poverty as a result of climate shocks such as Cyclones Idai and Anna, the impact of the COVID-19 pandemic and increases in the prices of basic commodities. Extreme poverty as measured by people earning below the Food Poverty Line increased consistently from 23 percent of the population in 2011 to 30 percent in 2017, 38 percent in 2019 and 49 percent in 2020[21] as shown in Figure 2. While poverty is generally higher in rural areas than in urban areas, Figure 2 shows that urban poverty has risen faster than rural poverty in relative terms since 2017.

According to the 2021 World Bank's economic and social update report,[22] the pandemic added 1.3 million Zimbabweans to the number of the extreme poor as jobs and incomes were lost in urban areas. This has left an estimated 7.9 million (49 percent) of the population in the extreme poor bracket with projections that extreme poverty could increase to 51 percent of the population or 8.1 million people in 2021.

Figure 4: Extreme poverty rate, 2011-2020 (% of population)



Source: ZIMSTAT. Rapid PICES phone survey of July 2020 and of August-September 2020 (survey conducted from August 23-to September 24).

20 http://www.zimtreasury.gov.zw/index.php?option=com_phocadownload&view=category&download=443:2022-proposed-budget-estimates&id=67:2022-budget&Itemid=793

21 ZIMSTAT, World Bank (2021) Monitoring COVID-19 Impact on Households in Zimbabwe Report number 3

22 https://openknowledge.worldbank.org/bitstream/handle/10986/35748/Overcoming-Economic-Challenges-Natural-Disasters-and-the-Pandemic-Social-and-Economic-Impacts.pdf?sequence=1&isAllowed=y

The increase in the number of people in extreme poverty and the increased food insecurity has put increased pressure on the social protection budget. The 2021 World Bank social report estimated that despite increased coverage of social assistance programs since 2017, government and donor projects still left nearly three million of the extreme poor unprotected in 2019. This is problematic as households turn to negative coping strategies. According to the WFP Monthly food security report of September 2021, the number of people employing crisis level and negative coping strategies increased by 500 000 to 8.53 million people compared to 8.48 million people at the end of August 2021.[23]

The COVID-19 pandemic further exposed the weaknesses of existing social protection and democratic safeguards to protect the poor and vulnerable groups including persons with disabilities. The World Bank 2021 noted that poor households are likely to forgo formal health care as they are unable to pay for services, and to keep children out of school to avoid education costs such as school fees, uniforms and textbooks.

ZIMBABWE'S SOCIAL SPENDING MODEL

Zimbabwe's social spending is guided by the National Social Protection
4 Policy Framework (NSPPF) of 2016 with implementation of appropriate social protection systems through the provision of social assistance, social insurance, social support and care services, livelihoods support as well as labour market interventions. According to the NDS1 these interventions are meant to reduce poverty and vulnerability, redress inequality, promote inclusive growth and the development of human capital. These will lead to the attainment of Sustainable Development Goal 1, Target 1.3 that calls for implementation of nationally appropriate social protection systems and measures for all, including floors. By 2030 these interventions should achieve substantial coverage of the poor and the vulnerable. These programmes are implemented through a combination of cash benefits and direct in-kind goods and services including fees waiver in the education and health sector.

23 https://reliefweb.int/report/zimbabwe/zimbabwe-food-insecurity-emergency-plan-action-epoa-dref-operation-n-mdrzw016#:~:text=During%20the%20January%20to%20March,(SADC%20RVAA%20synthesis%20report)

Social assistance remains by and large the dominant non- contributory social protection program mainly funded through public funds and Development Partners support. On the other hand, social insurance is contributory and includes the national social insurance scheme, the government public service insurance scheme, and the Local Authority Pension Scheme. Labour market programs that include skills-development programs; job-search and matching programs; and improvements in labour policies are lowly funded and underdeveloped. The low funding extends to social care services that are typically programs targeting the most vulnerable and destitute.

4.1 SOCIAL SPENDING BY PROGRAMME

TABLE 1: SOCIAL SPENDING BY PROGRAMME 2013-2022

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
BEAM Allocation (US$m)	**15**	**15**	**7**	**10**	**10**	**20**	**25**	**8.8**	**22.6**	**36.2**
BEAM Share of Budget	58.4	58.8	55.1	56.2	46.7	50.9	41.9	18.3	36.4	27.3
Targeted Beneficiaries	500000	500000	500000	145212	161102	415900	415000	1200000	1500000	1500000
Per Capita Allocation	30.00	30.00	14.00	68.86	62.07	48.09	60.24	7.33	15.07	24.13
HSCT (US$m)	**3**	**3**	**1.7**	**2**	**7**	**11**	**12**	**8.8**	**10.16**	**12.9**
Share of Budget	11.7	11.8	13.4	11.2	32.7	28.0	20.1	18.3	16.4	9.7
Targeted Beneficiaries	60000	60000	140000	60000	600000	60000	79000	75000	97000	506000
Per Capita Allocation	50.0	50.0	12.1	33.3	11.7	183.3	151.9	117.3	104.7	25.5
Health Assistance Programme	**2**	**2**	**0.97**	**1**	**1**	**2.5**	**4**	**0.037**	**0.79**	**0.97**
Share of Budget	7.8	7.8	7.6	5.6	4.7	6.4	6.7	0.1	1.3	0.7
Targeted Beneficiaries	260000	60000	100000	-	-	60000	20000	30000	30000	35000
Per Capita Allocation	7.69	33.33	9.70	-	-	41.67	200.00	1.23	26.33	27.71
Food Deficit Mitigation Strategy	**1.5**	**1.6**	**0.7**	**0.144**	**1.1**	**2**	**4**	**18.9**	**19.19**	**12.9**
Share of Budget	5.8	6.3	5.5	0.8	5.1	5.1	6.7	39.3	30.9	9.7
Targeted Beneficiaries	450000	462000	50000	50000	300000	260000	605000	1375000	1375000	2320000
Per Capita Allocation	3.33	3.46	14.00	2.88	3.67	7.69	6.61	13.75	13.96	5.56
Support to Elderly	**0.2**	**0.393**	**0.15**	**0.1**	**0.4**	**0.55**	**1**	**0**	**0.56**	**1.7**
Share of Budget	0.8	1.5	1.2	0.6	1.9	1.4	1.7	0.0	0.9	1.3
Targeted Beneficiaries	120000	-	-	-	-	-	1100	1320	1320	1420
Per Capita Allocation	1.67	-	-	-	-	-	909.09	0.00	424.24	1197.18
Children in difficult circumstances & in the Streets	**0.22**	**0.52**	**0.214**	**0.21**	**1.35**	**1.6**	**1**	**0.012**	**1.13**	**1.7**
Share of Budget	0.9	2.0	1.7	1.2	6.3	4.1	1.7	0.0	1.8	1.3
Targeted Beneficiaries	-	6582	7750	8800	8800	9400	8500	18670	85000	-
Per Capita Allocation	-	79.00	27.61	23.86	153.41	170.21	117.65	0.64	13.29	-

Support to people with disabilities	**1.6**	**1.4**	**0.7**	**0.5**	**0.4**	**1.15**	**2**	**0.01**	**1.58**	**1.4**
Share of Budget	6.2	5.5	5.5	2.8	1.9	2.9	3.4	0.0	2.5	1.1
Targeted Beneficiaries	-	-	-	-	-	5486	4000	4080	5490	5630
Per Capita Allocation	-	-	-	-	-	209.62	500.00	2.45	287.80	248.67
Supporting Livelihoods	**-**	**-**	**-**	**-**	**-**	**-**	**10**	**6.8**	**0.28**	**1**
Share of Budget	-	-	-	-	-	-	16.8	14.1	0.5	0.8
Targeted Beneficiaries	-	-	-	-	-	-	120000	370000	370000	4200
Per Capita Allocation	-	-	-	-	-	-	83.33	18.38	0.76	238.10
Other	**2.18**	**1.587**	**1.266**	**3.846**	**0.15**	**0.5**	**0.6**	**4.77**	**5.81**	**63.73**
Share of Budget	8.5	6.2	10.0	21.6	0.7	1.3	1.0	9.9	9.4	48.1
Total	**25.7**	**25.5**	**12.7**	**17.8**	**21.4**	**39.3**	**59.6**	**48.129**	**62.1**	**132.5**

Source: 2013-2022 Budget Estimates and Budget Statements[24]; 2012-2021 National Assembly Hansard[25] (Budget Debates)[26];

Social assistance remains by and large the dominant non- contributory social protection program mainly funded through public funds and Development Partners support. On the other hand, social insurance is contributory and includes the national social insurance scheme, the government public service insurance scheme, and the Local Authority Pension Scheme. Labour market programs that include skills-development programs; job-search and matching programs; and improvements in labour policies are lowly funded and underdeveloped. The low funding extends to social care services that are typically programs targeting the most vulnerable and destitute.

4.2 BASIC EDUCATION ASSISTANCE MODULE (BEAM)

4.2.1 BEAM PROGRAMME

The BEAM which was introduced in 2001 is the main programme targeted at the education sector to enable children and students from poor and vulnerable households to access education. The BEAM targeting is at community level with government extending exemptions and fee waivers to all primary and secondary school children identified as coming from poor households. Government pays schools fees and examination fees for identified children. The Ministry of Public Services, Labour and Social Welfare (MoPSLSW) is responsible for the program.

24 http://www.zimtreasury.gov.zw/index.php?option=com_phocadownload&view=category&id=5:the-budgetpropo&Itemid=759
25 https://parlzim.gov.zw/national-assembly-hansards/
26 https://www.imf.org/en/News/Articles/2022/03/24/pr2288-zimbabwe-imf-executive-board-concludes-2022-article-iv-consultation

4.2.2 BUDGET ALLOCATIONS

The BEAM budget allocation averaged US$11.4 million in the last 5 years of the First Republic (2013-2017) compared to an average of US$22.5 million in the first 5 years of the Second Republic (2018-2023) financed through the national budget. Despite the increase in the budget allocation the share of the BEAM allocation as a percentage of the social protection budget declined from an average of 55 percent in the First Republic to an average of 34.9 percent in the Second Republic. Calculations from the Annual Budget Reviews shows that the BEAM budget performed better in terms of budget disbursements receiving on average 62.6 percent more than the budget during the period 2018 to 2020.[27] However, the impact of the improved budget disbursements is limited as part of the budget in 2020 went towards clearing arrears dating back to 2016. The BEAM arrears reached US$95 million in 2019[28] which was then converted into local currency following the reintroduction of the Zimbabwe dollar. This effectively reduced the value of Government's obligation which in turn deprived the schools that were owed fees of the much-needed revenue to provide quality education.

4.2.3 ADEQUACY AND RESPONSIVENESS

While the BEAM budget has steadily increased in the Second Republic, the increase is not adequate considering the increase in terms of coverage and widened scope of BEAM. The targeted BEAM beneficiaries increased by 178 percent from an average of 361 000 students during 2013 to 2017 to an average of 1 million students during the period 2018 to 2022. BEAM was widened in 2021 to include school uniforms and basic stationery along with the tuition fees. In terms of per capita allocation, the amount reduced from an average of US$41 per student in the 2013 to 2017 periods to US$30.97 for the period 2018 to2023.

Considering that disbursements are done to schools using the ZWL$, the yearly average per capita for BEAM at US$30.97 (US$19.36 in real terms assuming a conservative 60 percent foreign exchange premium) in the Second Republic is not enough to cover even a term's fees at the most affordable primary schools.

27 http://www.zimtreasury.gov.zw/index.php?option=com_phocadownload&view=category&id=26:annual-budget-reviews&Itemid=759

28 National Assembly Hansard, 18 December 2018

Most schools are charging their fees using actual US$ or the parallel exchange rate equivalent. The most affordable rural primary schools are charging about US$25 per term compared to US$30 for the most affordable urban primary schools. On the other hand, rural secondary schools are charging around US$60 per term which is about a third of the average per capita BEAM allocation of US$19.36 in real terms. The low BEAM per capita allocation will also not be able to cover for examination fees which were around US$15 per subject for Ordinary Level in 2021 nor will it cover for school uniforms and stationery which leaves vulnerable children exposed.

4.2.4 INTENDED SERVICE DELIVERY IMPACT AND OVERALL IMPACT ACHIEVED

The increase in the number of targeted beneficiaries and expansion of BEAM is a noble one. However, the increase in the number of students without a corresponding increase in the budget leaves a lot of pupils not covered. For example, in 2021 the BEAM outlay of ZWL$2 billion assisted 446 844 vulnerable children with school fees and was complimented by development partners who assisted 175 592 children through the same programme to give a total of 622 436.[29] This left out at least 877 000 deserving students not covered which goes against both Section 75 of the Constitution and the Education Amendment Act that provides for free basic education. This comes at a time when 9.1 percent of children aged 5 to 14 years and 39.8 percent in the 15 to 17 age groups do not attend school.[30] COVID-19 provides further challenges to vulnerable children hence the need to significantly increase the BEAM budget to respond to the added requirements from the pandemic and the increased poverty levels that are depriving children of education.

4.3 HARMONISED CASH TRANSFERS

4.3.1 HARMONISED SOCIAL CASH TRANSFERS PROGRAMME (HSCT)

The Harmonised Social Cash Transfers program that falls under the MoPSLSW is set to provide Cash Transfers to poor and vulnerable households. This will cover those households that are especially labour constrained and those in which there are children and people with disabilities.

29 http://www.zimtreasury.gov.zw/index.php?option=com_phocadownload&view=category&download=439:2022-national-budget-statement&id=67:2022-budget&Itemid=793

30 https://www.unicef.org/esa/media/10241/file/UNICEF-Zimbabwe-MODA-Child-Poverty-Report-2021.pdf

4.3.2 HSCT BUDGET ALLOCATIONS

HSCT budget averaged US$3.3 million in the last five years of the First Republic compared to US$11 million in the first five years of the Second Republic. Per capita allocations also increased in the Second Republic from US$31.40 in 2013 to 2017 to US$116.60 in the period 2018-2022.The HSCT share of the social assistance budget improved slightly from an average of 16.2 percent to 18.5 percent in the first five years of the Second Republic. However, the HSCT is the most underperforming programme in the Second Republic with Annual Budget Reviews showing that the actual expenditure underperformed by an average of 62 percent over the period 2018 to 2020.[31] Even the COVID-19 cash transfers meant to cushion vulnerable citizens against the negative impact of the pandemic performed dismally with only ZW$218 million (9 percent) utilised out of ZWL$2.4 billion in 2020.[32]

4.3.3 HSCT ADEQUACY AND RESPONSIVENESS

Research shows that cash transfers promote economic empowerment, while decreasing poverty and food insecurity.[33] While in the case of Zimbabwe it shows that the per capita cash transfers increased to US$116.60, in reality this is not the case as the figure is exaggerated owing to an overvalued exchange rate. Thus, when factoring for the 60 percent parallel market exchange premium the yearly per capita average declines to about US$72.87. The cash disbursements are done in the local currency and as such are negatively affected by the high level of inflation. Price increases and inflationary pressures amid stagnant incomes continue to worsen the levels of deprivation. Annual inflation which averaged 1.78 percent between 2013 and 2017[34] increased to an average of 200 percent between 2018 and March 2022. The Food Poverty Line for one person has been on the increase from ZWL$ 6, 153 in January 2022, ZWL$ 6,600 in February 2022 to ZWL$ ZWL$7,062 in March 2022 alone further adding more people in extreme poverty. Food Poverty Line (FPL) at ZWL$7,062 (US$51.10 as at 25 March 2022) is much more than that for March 2013.[35]

Despite the price increases the cash transfers take time to be adjusted rendering them ineffective.

33 https://www.unicef-irc.org/research/social-protection-cash-transfers/#:~:text=Social%20protection%20has%20significant%20positive,decreasing%20poverty%20and%20food%20insecurity

34 https://www.rbz.co.zw/documents/statistics/CPI_Jan_2019.pdf

35 https://www.rbz.co.zw/documents/Exchange_Rates/2022/March/Rates-25-March-2022.pdf

For example, the cash transfer per person is pegged at ZWL$1500 as in May 2022 way below the May 2022, FPL of ZWL$8,366 per person. This has been the trend throughout the Second Republic with the COVID-19 transfers pegged at ZWL$300 per person at a time that the FPL stood at ZWL$1,326 per person.[36] In May 2021 the maximum amount paid was ZWL$2500 which was far less than the food poverty line for an individual pegged at ZWL4 139.10.[37]

4.3.4 HSCT INTENDED SERVICE DELIVERY IMPACT AND OVERALL IMPACT ACHIEVED

While the HSCT has the potential to reduce poverty, its impact is limited by the poor budget performance of the programme. The cash disbursements are also not updated regularly to reflect the cost of living. There are also instances of irregular and unpredictable payments which in turn limit the impact of the program. Payments are supposed to be done bi-monthly but at times this is done once a month. The other challenge is that the program does not cover all areas with the districts only expanding from 26 in 2021 to 36 in 2022 out of the 62 districts in Zimbabwe. In cases where people access the transfers as cash, a significant chunk of the money is spent on transport cost thus limiting the impact.

4.4 HEALTH ASSISTANCE

4.4.1 ASSISTED MEDICAL TREATMENT ORDERS (AMTO)

Health assistance is mainly done through AMTO managed under the MoPSLSW. AMTO is a fee waiver or voucher issued to indigent people to access intermediate and tertiary health services, such as provincial or national hospitals, or other specialist facilities. The Department of Social Services (DSS) implements AMTO, which relies on a means test and an assessment by DSS staff.

36 https://www.prftzim.org/download/prfts-response-to-the-300-covid-relief-fund/

37 https://zimcodd.org/wp-content/uploads/2021/09/An-Analysis-of-the-%age-Share-of-Social-Spending-in-Governments-2021-National-Budget.pdf

4.4.2 BUDGET ALLOCATIONS

The AMTO budget increased from an average of US$1.4million in the period 2013 to 2017 to an average of US$1.7 million in the period 2018 to2022. As share of the social protection budget, AMTO declined from 6.7 percent in First republic to 3.3 percent in the Second Republic. On the positive, per capita budget allocation improved from US$16.91 to US$59.39 (US$37.12 after adjusting for 60 percent parallel exchange rate premiums) in the Second Republic. Actual spending performed poorly with government spending on average 20 percent less than the health assistance budget in the period 2018 to 2020. This compromises access to health at a time that the sector is facing a number of challenges including frequent strikes by health personnel, lack of drugs, non-availability of ambulances, high mortality rate and lack of cancer diagnostic equipment among others.

4.4.3 ADEQUACY AND RESPONSIVENESS

1.1.1 Adequacy and Responsiveness

Health assistance is grossly underfunded to adequately respond to the needs of the population. As a result of the underfunding in health assistance, the government accumulates debts to health institutions which have a bearing on health services. AMTO can only be used to pay for user fees in government institutions and not at private or local authority institutions.[38] This makes it difficult where required services are not available from government institutions. As a result, those financially constrained fail to access the services while others turn to private donors or public appeals for funding.

Furthermore, the policy of free maternal and child care as a form of social protection was not being fully supported and enforced. The first port of call for the majority of pregnant women are local/ public clinics which were not being adequately resourced and ended up charging pregnant women fees of up to US$19or force them to bring their own equipment (candles, water, fuel for generators, gloves, among others).[39]

38 https://www.prftzim.org/download/access-to-health-services-by-pwds-report-summary/
39 https://www.prftzim.org/download/effectiveness-of-social-protection-during-covid-19-report/

The non- availability of free drugs also hampers access to health as beneficiaries only benefit from the health consultation but not the actual treatment. In some cases, vulnerable patients fail to access health services due to lack of transport which is something that must be considered as part of the health assistance package. Lack of effective coordination between the Ministries of Public Service, Labour and Social Welfare and the Ministry of Health and Child Care were cited as one of the reasons for delays in disbursements in a Poverty Reduction Forum Trust (PRFT) research on access to health for PWDs in 2021.

4.4.4 HEALTH ASSISTANCE INTENDED SERVICE DELIVERY IMPACT AND OVERALL IMPACT ACHIEVED

The overall impact of the health assistance has been limited due to poor funding resulting in some deserving patients failing to access health services. For example, the 2022 National Budget Statement showed that resources amounting to ZWL$70 million were disbursed towards 12 000 individuals through AMTO as at the end of September 2021 meaning that the program had reached only 40 percent of the targeted 30000. Considering the weak public health system, some patients have failed to access health services at private or even local authority facilities. The accumulation of arrears compromises the health system as in some cases budget allocations are shared between current needs and clearing of arrears which also limits the impact of the scheme.

4.5 FOOD DEFICIT MITIGATION STRATEGY/DROUGHT MITIGATION PROGRAMME

4.5.1 FOOD DEFICIT MITIGATION PROGRAMME

The Food Deficit Mitigation Strategy programme is targeted at labour constrained and food vulnerable and insecure households. The programme is implemented through cash or in kind at times in return for work. Administration is done through the MoPSLSW while beneficiaries' selection is through means testing. In addition, the government also has the schools feeding program providing daily school meals from Early Childhood Development (ECD) to Grade 7 at targeted schools.

4.5.2 BUDGET ALLOCATIONS

The Food Deficit Mitigation had an average budget allocation of US$1 million in the 2013 to 2017 period which increased to US$11.4 million during 2018-2022. The programme's share of the budget improved significantly from an average of 4.7 percent to 18.3 percent in the period 2018 to 2022. At the same time per capita allocation also increased from US$5.47 to US$9.51 (US$5.94 after adjusting for 60 percent parallel exchange premium) during that period. The targeted beneficiaries also increased from an average of 262 400 to 1 187 000 partly in response to the increasing droughts and natural disasters. However, as the cash disbursements are done in Zimbabwe dollars the actual benefit and buying power is greatly reduced.

4.5.3 ADEQUACY AND RESPONSIVENESS

Zimbabwe has of late suffered from recurrent climate change impacts such as high temperatures, droughts and floods. This has further destroyed livelihoods, resulting in poverty levels rising sharply and increasing the need for social protection. The impending drought due to poor rains in the 2021/2022 farming seasons threatens both household food security status and livelihoods. The Food and Agriculture Organisation estimated that three million people might be in need of humanitarian assistance in Zimbabwe between January and March 2022.[40] While government has targeted 2.3 million beneficiaries in 2022 the amount set aside equates to US$5.56 (US$3.48 after adjusting for 60 percent parallel exchange premium) per beneficiary for the year which is not adequate to cover for the food requirements of those in need. The gap left will also likely be met by development partners. The program has previously failed to meet its target, for example in 2020, only 760 000 were covered against a target of 1.3 million.

4.5.4 INTENDED SERVICE DELIVERY IMPACT AND OVERALL IMPACT ACHIEVED

Government has made important changes to the programme including increasing the number of beneficiaries and the per capita allocation. However, the high increase in the cost of food and the increasing poverty has increased the number of people in need. As such there is need for an increase in the budget in accordance with the changing macroeconomic environment.

40 https://allafrica.com/stories/202109280522.html

Additionally, government through Treasury should ensure adequate and timey resources to ensure that people do not starve. The selection of beneficiaries has also been problematic in the past with deserving beneficiaries being left out. Therefore, the announcement in the 2022 National Budget Statement that government is in the process of reviewing the Food Deficit Mitigation Strategy to improve the identification of deserving beneficiaries is welcome. Given the persistent macroeconomic challenges that have left more people jobless particularly in the urban areas, it is important for the speedy implementation of urban food distribution to cater for those in need. The current coverage of 1 percent of the urban population compared to 19 percent for rural areas is a cause for concern. However, the cash for cereals targeting about 51 557 urban households is progressive especially if fully funded.

4.6 SUSTAINABLE LIVELIHOODS PROGRAMME

4.6.1 SUSTAINABLE LIVELIHOODS PROGRAMME

The support to livelihoods programme is aimed at building sustainable resilience and diversifying livelihoods sources. This programme includes food for work for incoming generating projects, promotion of decent work. While some components such as income generating projects have always existed the programme budget started being shown explicitly in the 2019 budget.

4.6.2 BUDGET ALLOCATIONS

Budget allocations for the sustainable livelihoods programme averaged US$4.5 million during the period 2019 to 2022 which is an average of 8.1 percent of the social protection budget during the period. However, while in the 2019 and2020 budget there were significant allocation at US$10 million and US$22 million respectively there has been a huge decline in the subsequent budgets with an allocation of US$0.28 million and US$1 million in 2021 and 2022 respectively.

4.6.3 ADEQUACY AND RESPONSIVENESS

The program started on a good note in terms of budget allocations before the sharp decrease in 2021 and 2022. There is no doubt that this program has the potential to improve people's livelihoods if adequately funded and spread across the whole country.

4.6.4 INTENDED SERVICE DELIVERY IMPACT AND OVERALL IMPACT ACHIEVED

In order to strengthen the programme, there is also need to put as much emphasis on the marketing side as being put in the production side to improve viability and sustainability of established projects.

4.7 OTHER KEY SOCIAL PROTECTION PROGRAMMES

4.7.1 OTHER PROGRAMMES

Other programmes include support to the elderly and support to PWDs through cash transfers, in kind, fees waiver in hospitals. Other programmes include the children in difficult circumstances and the children in the Streets programme which focus on children. Government also introduced the sanitary wear for girls in schools starting with rural schools.

4.7.2 BUDGET ALLOCATIONS

Budget support to the elderly increased from an average of US$0.2 million in 2013 to 2017 to an average of US$0.76 million (US$0.48 million adjusted for 60 percent parallel exchange premium) from 2018 to 2022. As a share of the social protection budget the programme share declined from 1.2 percent to 1 percent in the 2018 to 2022 period.

Support to PWDs slightly increased from US$0.9 million in 2013-2017 to US$1.2 million during the period 2018 -2022 but when factoring the 60 percent exchange rate premium, it falls to US$0.75 million. The share of the support to PWDs declined from 4.4 percent to 2 percent over the same periods.

The children in difficult circumstances and the children in the Streets programmes budget increased from an average of US$0.5 million to US$1.1 million (US$0.7 million adjusted for 60 percent parallel exchange premium) in 2018-2022 but the share of the two social protection budgets decreased from 2.4 percent to 1.9 percent. There is a slight increase in the per capita allocation for the children programmes in nominal terms which increased from US$70.97 to US$75.45 but is lower at US$47.16 after factoring in the 60 percent parallel exchange rate premium.

4.7.3 ADEQUACY AND RESPONSIVENESS

The biggest challenge is the meagre resources being put towards these other programmes. While there has been increased support to PWDs, the resources will not be adequate to operationalise the National Disability Policy adopted in 2021. The programmes also suffer from poor budget disbursements and in the end fail to meet the set targets. As an example, the PWDs reached 2482 (38 percent) against a target of 6500 in 2020, support to older persons was at 1115 (2 percent) against a target of 50 000.[41] Child protection fared better at 72000 (85 percent) against a target of 85000.

4.7.4 INTENDED SERVICE DELIVERY IMPACT AND OVERALL IMPACT ACHIEVED

Increasing the budget in line with the various policies that have been developed such as the National Disability Policy and the Inclusive Education Policy will go a long way in achieving the intended results. The benefits must also be pegged to the cost of living if they are to adequately cushion beneficiaries.

4.8 COVERAGE OF SOCIAL PROTECTION PROGRAMMES

Zimbabwe National Statistics Agency (ZIMSTAT and World Bank (2021b) report[42] shows that the proportion of people receiving social safety nets is highest for food assistance programs with 12 percent of the population receiving food assistance programs as shown in Figure 3. However, only 1 percent of the urban population received food assistance despite indications of almost half the urban population about 2.4 million people went to bed hungry in 2021.[43] Food assistance is better for the rural population at 15 percent but still inadequate considering that 2.9 million people in the rural areas (27 percent of rural households) continue to be food insecure during the peak lean season between January and March 2022. There is need for the food assistance programme to be extended to the urban side and coverage increased to cover the high number of the urban population who are also food insecure.

On the other hand, the COVID-19 cash transfers are at 4 percent at the national level with 10 percent of the urban population receiving the cash transfers.

41 https://www.prftzim.org/download/effectiveness-of-social-protection-during-covid-19-report/

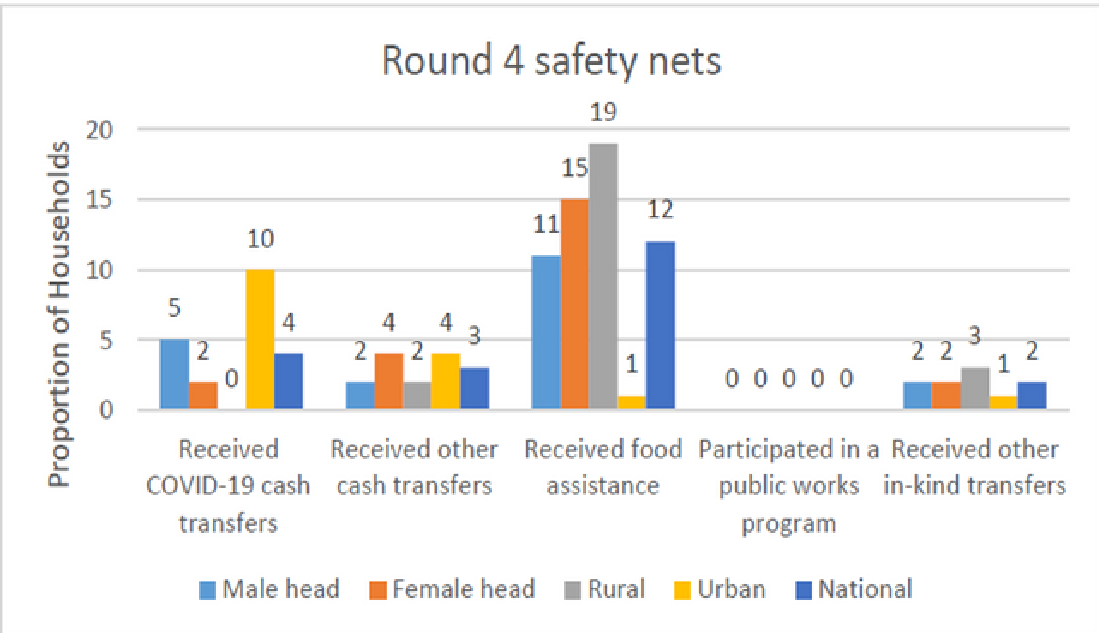
42 ZIMSTAT, World Bank (2021b) Monitoring COVID-19 Impact on Households in Zimbabwe Report number 4

43 https://www.wfp.org/stories/zimbabwe-urban-poor-grapple-high-prices-and-hunger#:~:text=WFP%20assists%20326%2C000%20Zimbabweans%2C%20but,19%20first%20struck%20the%20country

This is encouraging as the urban population was disproportionately affected by the COVID-19 pandemic with nearly 500,000 households indicating that they had one member who had lost their job since the onset of the pandemic according to the Rapid PICES survey, in July 2020. Male headed households have a relatively better coverage at 5 percent compared to 2 percent for female headed households despite the increased unpaid care work.Overall, the 4 percent covered by the COVID-19 cash transfers at the national level is still very low.

Other cash transfers have coverage of 3 percent with 4 percent of the urban population covered compared to 2 percent in the rural areas. Female headed beneficiaries have better coverage at 4 percent compared to 2 percent for male headed beneficiaries. In terms of those that received other in-kind transfers, 2 percent received at the national level with the distribution favouring rural areas at 3 percent compared to 1 percent in the urban areas.

Figure 5: Coverage of safety net programs (proportion of households receiving assistance)



Source: ZIMSTAT/World Bank 2021b: Monitoring COVID-19 impact on households in Zimbabwe Report No. 4 of November 2021

4.9 Distribution channels and patterns

Social protection is funded by both the government and private players including development partners. Financing for the government funded social protection programmes is done through the relevant Ministries with the majority of social protection programmes falling under MoPSLSW. However, the actual implementation is through the Ministry of Primary and Secondary Education (MoPSE). On the other hand, the school feeding, tuition grants (under the Free Basic Education) are funded and implemented through the MoPSE.

Most of the programmes have clear beneficiary selection criteria and framework for selection which includes the government departments, development partners, community leaders, beneficiaries and other citizens. According to the Zimbabwe Poverty Update 2017-19 there has been a slight improvement in the targeting of social assistance with about 40 percent of all social assistance program beneficiaries extremely poor. The best performer is the food-for-work program, where 70 percent of beneficiaries were extremely poor while most of the other programmes fall in the 40 percent range.

There have been accusations of politicisation of social protection programmes. For example, Mutizwa (2020) noted allegations that, government structures are not observed as political party structures dictate the distribution of resources meant for the vulnerable leading to the politicization of social protection resources.[44] Chamunogwa (2021) also highlighted that the selection of food aid beneficiaries is prone to political manipulation and other social dynamics even though the process is supposed to be participatory and democratic.[45] There is therefore room for improvement to ensure all the poorest are catered for. Harmonised Social Cash Transfers are paid as cash or through mobile transfers but the government is migrating to electronic platforms. As at the end of September 2021, Government migrated eight districts that were funded under Child Protection Fund from the cash in transit mode of payment to the electronic platform.

44 Mutizwa, B. (2020). An investigation into Organisational Capacity for National Disaster Management in Zimbabwe: The Case of the Department of Civil Protection, MSc Thesis, University of Zimbabwe

45 https://reliefweb.int/sites/reliefweb.int/files/resources/1615803851127r38eqzh83co.pdf

However, the electronic platform faced challenges of network coverage in some districts, whilst beneficiaries without national Identity cards, including child headed families, could not be issued with sim cards in their names.[46] In some cases people travel long distances to get to pay points and sometimes with bad weather like flooding, beneficiaries are unable to access the pay points yet they are in need of the money.

4.10 Effectiveness of institutions providing social services

One of the major challenges affecting the effectiveness of the institutions responsible for providing social protection services is the inadequate operations budget. The administrative budget (employment costs and operations) for social protection under the MoPSLSW averages around 5 percent which is inadequate to ensure effective coordination and smooth implementation of social assistance programmes.

The fragmentation of some of the programmes is also a cause for concern particularly those in the education sector. There is need to harmonise BEAM and the Tuition in Aid Grants in order to reduce administrative costs, consolidate financing, and improve targeting.

4.11 Reforms implemented in the First and Second republic

The Second Republic has introduced a few reforms as well as implementation of some of the proposals in the National Social Protection Framework. These include the operationalisation of the Integrated Management Information System. The 2018 National Budget Statement noted that the implementation and management of social protection programmes has been fragmented in terms of targeting, support, reporting, as well as monitoring and evaluation. As such the 2018 budget set aside US$500 000 for the phased setting up of a comprehensive Integrated Management Information System for social protection programmes. Government has also introduced a monitoring and evaluation framework including for the social protection programmes although some of these are not publicly shared.

46 Zimbabwe National Assembly Hansard 8 October 2021

There is also a shift towards sustainable livelihoods projects in the Second Republic. The livelihoods programme has also been reformed to include better engagement and participation from the grassroots including in the identification of projects. The second Republic introduced peace building into social protection programming to address instability caused by implementation of social protection programmes. As such MoPSLSW, National Peace and Reconciliation Commission (NPRC), communities are working on peace building initiatives including identification of the best ways for social protection programming that does not bring conflict in communities. In turn the MoPSLSW reports and inputs data to one of the pillars under the NPRC as part of monitoring social protection programmes.

5

SOCIAL SPENDING LESSONS FROM THE REGION

5.1 Zambia

Zambia has made considerable progress in putting in place the building blocks of an effective Social Protection. Although budgetary allocations to social protection have increased (from 0.68 percent to 1.45 percent of GDP between 2014 and 2021), financial sustainability is a concern as budget allocations go unmet, especially for social assistance programs. The social sector budget increased from K30.4 billion (US$5.8 million) in 2021 to K40.6 billion (US$7.7 million)[47] in 2022, an increase of 34 percent. In relation to the size of the economy, the social sector budget increased from 8.3 percent of GDP in 2021 to 8.7 percent of GDP in 2022.[48] The biggest gainer was the health budget which has increased from 2.6 percent of GDP to 3 percent of GDP, while the size of budgets for education, water and sanitation as well as social protection largely remained the same. The increased social sector spending is significant despite the planned increased debt servicing expenditure in the coming years with major debt repayment deadlines approaching. Social Protection received a boost in the 2022 budget with allocations increasing to K6.3 billion (US$ 1.2 million) from K4.8 billion (US$ 912,000) in 2021. The increase represented an upward adjustment of 56.8 percent. Although the allocation when expressed as a share of GDP remained unchanged at 1.3 percent, it represented a significant increase in nominal terms.

47 1 ZMK=0.00019 USD as at 29 October 2021
48 Zambia National Budget Blue Books

Under the Social Protection Programmes in 2022, Zambia scaled up the social cash transfer programme by increasing the number of beneficiaries and the transfer value. Zambia targeted to increase the number of beneficiaries to over one million in 2022 from the number of beneficiary households under the programme 880, 539 as at end of August 2021.[49] Further, the transfer value per household was increased from K150 (US$ 8.58) to K200 (US$ 11.44) per month.[50] For households, with a disabled member, the transfer value was increased from K300 (US$17.16) to K400 (US$22.88) per month. In 2022 the Zambian government also increased the number of beneficiaries of the Food Security Pack programme (the programme is targeted at the vulnerable but viable farmers) from 263700 as at end of August 2021 to 290000 households. To enhance social security of pensioners, the Zambian government is dismantling all the outstanding pension benefit arrears for retired public service workers which stood at K1.9 billion (US$361,000) in 2021.

In-terms of education, Zambia has made strides in reducing the backlog of unemployed teachers and improving the quality of education by recruiting 30,000 teachers in 2022 which reduced the pupil-teacher ratio. To further increase access to education, tuition, Parent Teachers Association and examination fees that learners pay in public schools were abolished. Regarding boarding fees for secondary school learners, a bursary scheme was introduced for vulnerable learners. The government of Zambia intends to expand the support to the girl child through the keeping girls in school programme from the current 28,964 in 2021 to 43,520 girls in 2022.

To ensure that healthcare is affordable, the Zambian Government is reforming the National Health Insurance Scheme to benefit all. In 2022, the Government of Zambia targets to recruit and equitably deploy 11,200 health personnel to strengthen the health care system.

49 EY Zambia 2022 National Budget Analysis Report
50 1ZMK=0.0572 USD as at 20 April 2022

5.2 Namibia

Namibia's government-funded social protection system is one of the most developed in Africa. The Namibian government's commitment to social protection has affirmed its drive to significantly expand its financial commitment to social protection programmes over time, with overall spending growing to 7.72 percent of total expenditure and 2.90 percent of GDP in 2020/21.[51] The country's old-age and child grants are among the key cash transfer programmes that have had the greatest impact in reducing poverty. Demonstrating its short term and long-term commitment to providing social protection, the Namibian government developed the National Social Protection Policy (2021-2030). The policy goal is to provide a solid framework for the delivery of social protection in a way that is coherent, consistent, effective, and efficient in support of Namibia's development goals of eradicating poverty, reducing inequality, upholding the dignity of all people and ensuring prosperity as a united nation.[52] Namibia's social protection programmes are loosely modelled around social assistance and social security. Grants are in the form of cash transfers, social insurance, social care services, and community-based programmes.

The comprehensive nature of Namibia's social programmes encompasses a number of programmes which include old-age grant; students' financial assistance loans; primary and secondary education subsidies; universal children's grants; Relief Grants; Disability Grants; Social Housing grants; School Feeding Programme; Marginalised Community grants; and the food-bank programme which was recently changed into a cash grant. In addition to social assistance programmes, Namibia also introduced a universal old age pension and other grants including maternity, sick-leave and death-benefit funds, employee-compensation fund and Motor Vehicle Accident Fund. Although there are other vulnerable persons falling through the cracks due to fragmentation and a lack of a digitalised and integrated management information system, the Namibian social protection system is making strides in reducing poverty and inequality. In a step towards inclusivity, Namibia's Ministry of Gender Equality, Poverty Eradication and Social Welfare is contemplating introducing a grant that will assist the caregivers of people with disabilities.[53]

51 Namibia Social Protection Policy 2021-2030

52 Ibid

53 https://www.namibian.com.na/111332/read/N$63-billion-spent--on-social-assistance

5.3 South Africa

South Africa has probably the most comprehensive social protection systems in sub-Saharan Africa which incorporate several components such as social assistance, social insurance, development mechanisms that protect and promote livelihoods, and measures that promote social inclusion and social justice. Nearly half of the population is currently receiving at least one social grant from the state. Social grants to vulnerable groups include the Child Support Grant, the Disability Grant and the Old Age Grant, which together reach a quarter of all South Africans. The South African government also runs the Expanded Public Works Programme (EPWP), which offers temporary work opportunities as a response to high rates of structural unemployment. In response to the impact of COVID-19, the South African government continued the special COVID-19 social relief of distress grant which was funded R44 billion (US$ 2.7 billion)[54] from the 2022 national budget.[55] The Presidential Employment Initiative[56] was allocated R18.4 billion (US$1.1 billion) for the next 24 months (2022/2023) to create over 500 000 targeted short-term jobs each year.[57]

South Africa will also increase the number of grant beneficiaries by an average annual rate of 1.5 per cent, from 18.4 million (US$ 1.1 billion) in 2021/22 to 19.2 million (US$ 1.2 billion) in 2024/25.[58] These numbers exclude the 10.5 million beneficiaries of the special COVID-19 social relief of distress grant in 2022/23. Allocations amounting to R1.6 billion (US$ 97.4 million) in the two outer years (2023-24) to initiate a new extended child support grant for double orphans were made to encourage the care of orphans within families rather than foster care. A total of R13.1 billion (US$979.8 million 790,000) in the two outer years to offset budget reductions made in the 2021 Budget and provide for inflationary increases to permanent grants were also made in the 2022 budget. The child support and old age grants together account for more than half of total grant expenditure over the Medium-Term Economic Framework (MTEF) period. These grants will support a total of 17.2 million beneficiaries in 2022/23.

54 1 ZAR=0.06609 USD as at 23 February 2022
55 South Africa 2022 National Budget Review
56 The presidential employment initiative was launched in October 2020 in response to the impact of the COVID-19 pandemic, with a focus on unemployed youth. The initiative provides support to youths more through a combination of job creation, job retention and income and skills support interventions
57 South Africa 2022 National Budget Review
58 Ibid

Apart from new initiatives and increasing coverage, in 2022 the South African government has also increased the value of social protection grants above inflation. Notable shifts include in areas such as old age and disability grants which increased to R1985 (US$120.88) from R1890 (US$115.10) (5 percent). Grants for persons over the age of 75 and war veterans rose to R2005 (US$ 122.10) from R1910 (US$116.32) (5 percent). Also with a 5 percent increase, care dependency rose from R1890 (US$115.10) to R1985 (US$ 120.88) (5 percent). With a 1.9 percent increment, the foster care grant had the lowest adjustment, rising from R1050 (US$ 63.94) to R1070 (US$ 65.16) (1.9 percent). With a 5 percent increase, care dependency went up from R1890 (US$115.10) to R1985 (US$120.88) (5 percent). Child support increased to R480 (US$29.23) from R460 (US$28.01) (4.3 percent)[59]. The adjustments have been made to facilitate access to social grants and welfare services to reduce poverty and inequality, protect children, and empower women, youth and people with disabilities.

The above case studies contain significant lessons for Zimbabwe if the country is to have a robust social policy and social protection system in place. Learning from Namibia which recently adopted a 10-year social protection policy, Zimbabwe can develop a long-term vision for its social protection programmes. Long term thinking will afford the country the opportunity to deliver coherent, consistent, effective, and efficient social programmes that support Zimbabwe's development goals of eradicating poverty, reducing inequality, and upholding the dignity of all people.

The country can also take a cue from Namibia and South Africa in providing universal old age pension. Zimbabwe's structural unemployment as the economy shifted to high informalisation left a lot of old age unable to attain dignity in retirement age as they are not covered under the social security scheme which only covers those formally employed. Zimbabwe COVID-19 relief grants were too paltry and sporadically disbursed with a lot of deserving beneficiaries falling in the cracks.

59 https://businesstech.co.za/news/budget-speech/561954/government-to-increase-social-grants-in-south-africa-above-inflation/

South Africa has demonstrated that, despite COVID 19 cases slowing down, it is important to continue with the special COVID-19 social relief of distress grant and adequately support the programme for another year until the poor completely recover from the effects of the pandemic. Zimbabwe can also learn from Zambia in terms of increasing allocations and spending in critical sectors such as health and education which has resulted in attaining free primary education, removal of exams fees in public schools and establishment of a bursary scheme for the vulnerable learners.

Scaling up of HSCT both vertically and horizontally in Zambia can be emulated by Zimbabwe which has over the years increased the number of people in the poverty bracket. Owing Zimbabwe's high unemployment levels, the country can also learn from South Africa's President Employment Initiative which is being funded to create annual short jobs which can go a long way in alleviating poverty. Zimbabwe, like South Africa, should allocate funds that cater for inflationary pressures on permanent grants taking into account the inflationary environment in the country.

RECOMMENDATIONS

Budget Allocation

- The social protection budget remains grossly underfunded at an average of 0.34 percent of GDP between 2018 and 2022 this is way below the regional average of 1.5 percent of GDP or the recommended Social Policy for Africa Framework (SPAF) social spending benchmark of 4.5 percent of GDP. Increasing resources for social protection is important to ensure that disbursements are meaningful and in line with the cost of living while they adequately respond to the challenges, they are set to address such as poverty and food insecurity.
- Budget execution remains weak for most of the social protection programmes with significant poor performance for the majority of the programmes. Mechanisms should be put in place to ensure that there are timely disbursements from Treasury. These include ·publishing of monthly disbursement schedules with clear explanations for missed spending targets. Improved budget performance will go a long way in meeting the intended social service delivery outcomes including increasing coverage.

- Improving budget allocation and budget execution will also lure back development partners that pulled away citing lack of commitment by government in funding social protection programmes.
- Going forward the government should progressively increase the social protection budget to ensure that Zimbabwe move towards universal social protection and cash transfers which will help to cushion the vulnerable members of society that include PWDs and the elderly and deal with the increasing poverty.

Financing alternatives

- Although the government is operating on a tight fiscal environment, additional resources for social protection should be identified. This includes ring fencing tax revenues particularly from regressive taxes such as the IMTT for social protection.
- The government must improve efficiency and discipline on ring-fenced funding options for example airtime Levy earmarked for health. There has not been clear disclosure of how much was collected and its uses.
- Government must address audit recommendations particularly those aimed at improving revenue collection, plugging resource leakages, dealing with corruption, abuse and misuse of resources as curtailing wasteful expenditure.
- Zimbabwe's huge debt overhang leaves the country with little external funding options. On the other hand, the repayment obligations constrain fiscal space in the process negatively affecting social service funding. Zimbabwe has not benefitted from the International Monetary Fund (IMF) and World Bank (WB)'s Highly Indebted Poor Countries (HIPC) Initiative which has enabled many countries reduce their debt payment commitments by 1.8 percent of GDP. This is because she was not regarded as poor nation. The country must explore debt restructuring options including exploring the possibility of going the HIPC route. This will create some fiscal space and funding options for social services.
- Government should consider introducing or increasing taxes on harmful products including alcohol to fund the health sector.

- Government must also rationalise its tax incentives to weed out harmful tax incentives. Research has shown that tax incentives do not have a bearing on investment especially in the mining sector. Therefore, the government must do away with harmful incentives to create room for funding social services.
- Despite the potential benefits of tax incentives disclosure, the Ministry of Finance and Economic Development is yet to publish a report on the cost and benefits of the tax incentives or its plan for streamlining tax incentives as promised in the 2019 budget. The Ministry must disclose the cost benefit analysis report to enable assessment of potential revenue streams.

Distribution channels and patterns

- Government's plans to finalise the Integrated Social Protection Management Information System with support from the World Bank in the first half of 2022 is commendable. It is important that this system is finalised as planned and fully utilised to ensure a just, accessible, efficient and effective harmonised social protection system as highlighted in the 2022 National Budget.
- The Integrated Social Protection Management Information System should be supported by robust vulnerability assessments to enable the production of a comprehensive database.
- Government must come up with clear and transparent eligibility criteria for all social protection programmes that are informed by all stakeholders and with limited political interference in the selection process. This will guarantee that beneficiaries selected are the poorest and most in need.
- Government must work towards reducing the cost of accessing social protection programs and where possible should provide mobile services to reduce transportation costs associated with collecting cash.
- The AMTO support scheme should be extended to all medical facilities while the local authorities should remove health user fees for PWDs and other vulnerable groups.

- The monitoring and evaluation framework also needs to be strengthened with regular reports publicly published to ensure transparency and accountability in the programmes.

Effectiveness of institutions providing social services

- There is need to strengthen the institutional coordination and harmonisation of all national education funding sources including AMTO, BEAM and other budget allocations under the free basic education to improve efficiency, reduce overlaps and enhance cost effectiveness of the two programmes.
- The administration budget for the MoPSLSW should be increased to cater for the financial and technical resources needed for effective coordination.
- There is need to harmonise BEAM and the Tuition in Aid Grants in order to reduce administrative costs, consolidate financing and improve targeting.
- Government must also address capacity gaps in key staff which has affected the distribution of social assistance.

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