



International
Labour
Organization

Progress Report - Mozambique

01/01/2023 – 31/12/2023

ILO GLOBAL PROGRAMME ON BUILDING SOCIAL PROTECTION
FLOORS FOR ALL - PHASE II

ACCELERATING THE ACHIEVEMENT OF UNIVERSAL SOCIAL
PROTECTION, LEAVING NO ONE BEHIND

Project GLO/22/31/IRL



01 December 2023

Donor: Ireland

Admin Unit: ILO Country Office for Zambia, Malawi and Mozambique (CO-LUSAKA)

Project title:	ILO GLOBAL FLAGSHIP PROGRAMME ON BUILDING SOCIAL PROTECTION FLOORS FOR ALL PHASE II - ACCELERATING THE ACHIEVEMENT OF UNIVERSAL SOCIAL PROTECTION, LEAVING NO ONE BEHIND - MOZAMBIQUE
Report type (pick one):	Annual
Reporting period:	From January to December 2023

Linkages:

ILO Strategic Policy Outcome: <Outcome 7 on Universal Social Protection>

ILO Country Programme Outcome: <MOZ106>

Sustainable Development Goal: <SDG 1.3 and SDG 8.5>

Preparation and Review

Report prepared by: Luis Cotinguiba, 06/03/2024

Report reviewed by: Jean-Louis Lambeau, 06/03/2024

Report approved by: Wellington Chibebe, 06/03/2024

1. Country context

Despite significant economic growth during the first two decades of the twenty-first century, Mozambique remains one of the world's poorest countries. In 2022, economic growth reached 4.4 per cent, consolidating an upward trend after the country's economy was hit hard by the COVID-19 pandemic in 2020, when GDP dwindled to -1.2 per cent. Inflation was projected to fall to 4 per cent by the end of 2023, a sharp decline compared with the peak of 12.1 per cent in August 2022. This fall is mainly associated with lower food and transport prices and a decline in other domestic prices. The economic outlook for 2023 and 2024 remains positive, with real economic growth projected to reach 6 and 5 per cent respectively and inflation stabilized within the 4-6 per cent range in 2024, the latter increase driven mainly by the liquified natural gas sector. Poverty remains high: 46.1 per cent of the total population lived below the poverty line, according to the official household survey data for 2015 and, according to sources in international financial institutions, this level appears to have increased significantly over the past four years to around 60 per cent. The greater part of the economically active population (80-90 per cent) is involved in low-income informal activities. Inequality levels have remained chronically high: the Gini Index for Mozambique was 50.5 in 2019.

To address these challenges and support socio-economic development, Mozambique has been continuously expanding both the contributory and non-contributory pillars of its social protection system, with the emphasis on covering vulnerable populations such as the elderly, persons with disabilities and children, and workers in the informal economy. In the context of COVID-19 the country, with the support of development partners, experienced a rapid horizontal expansion of coverage, reaching out to nearly 1.7 million beneficiaries affected by the socioeconomic effects of the pandemic in 2021.

With technical support from the ILO, Mozambique has been implementing the National Basic Social Security Strategy 2016-2024 (ENSSB II). The strategy covers the strengthening of the system's governance and administration (including processes and instruments related to budgeting, planning, M&E, management information systems and statistics); the promotion of international social security standards, including Convention No. 102 and Recommendation No. 202; and the generation of evidence for conducting effective advocacy of greater investment in social protection, in the areas of coverage extension, better access and adequacy improvement.

Currently, only six per cent of the Mozambican population is covered by at least one social protection benefit (Fifth Statistical Bulletin on Social Protection, forthcoming). Other challenges include inadequate budget allocations (currently 0.5 per cent of GDP compared with the targeted 2.23 per cent by 2024) and erratic budget execution affecting payment regularity and public trust. Furthermore, benefit levels have remained unchanged since 2018 amid rising poverty and a higher cost of living. The Government is also seeking to integrate self-employed workers into its contributory social security system, but faces low registration and compliance levels. As of 2022, only 7,700 own-account workers were actively contributing to social insurance and thus protected for social risk. Overcoming these bottlenecks is key to achieving a sustainable increase in overall coverage via a mix of general revenues and social contributions.

In the framework of its partnership with Irish Aid, the ILO is supporting the priorities of Mozambique's social protection system across its two pillars. These are: extending coverage to vulnerable populations and workers in the informal economy; strengthening national capacities for stronger public administration of social protection institutions (particularly in the area of statistics and capacity-building opportunities for better equipped human resources); evidence-based advocacy for expanding the fiscal space for social protection; and the promotion, ratification and application of international labour standards in social protection.

In 2023, one of the key milestones of the partnership has been the support provided to ILO's constituents for the promotion of the Social Security (Minimum Standards) Convention, 1952 (No. 102). Workers'

organizations in Mozambique have launched a campaign for the ratification of this instrument which is still ongoing. Another important achievement was the project's contribution, through training under the TRANSFORM programme, towards reactivating the National Social Action Council (CNAS) established by decree in 2015 to coordinate ENSSB II implementation, but which had lain dormant.

2. Progress report

Outcome 1. Social protection coverage in Mozambique is extended and enhanced with the aim to increase inclusiveness, adequacy of benefits and fiscal space.

In 2023, the partnership achieved significant progress in several activities under Outcome 1, including in promoting international social security standards, notably Convention No. 102, aimed at establishing more inclusive, adequate and sustainable social protection legal frameworks and systems.

National workers' organizations, namely the National Confederation of Independent and Free Trade Unions of Mozambique (CONSILMO) and the Mozambican Workers Organization (OTM-CS), have played an active role in spearheading an **advocacy campaign for the ratification of Convention No. 102** in Mozambique. This campaign, which falls under the ILO's Global Ratification Campaign on Convention No. 102, was first rolled out in May 2023 by Mozambican workers' organizations, with ILO technical support provided through the ILO-Irish Aid Partnership and the ACTION/Portugal Project. The campaign included a press conference held during International Workers' Week, where a policy brief was launched outlining the position of the national labour movement on the importance and advantages of ratifying and applying Convention No. 102 in order to achieve more robust legislation on social protection and a stronger national social protection system. The press conference attracted 50 participants, including journalists, workers' organization members, and representatives from the Ministry of Labour and Social Security (MITSS) and the Labour Advisory Commission (CCT).



Secretary General of CONSILMO, Jeremias Timana, and Secretary General of OTM-CS during the launch of the Campaign for Ratification of Convention No. 102.



Participants during the press conference on the Campaign for Ratification of Convention No. 102.

This campaign has achieved substantive milestones in a short period of time. The workers' organizations proposed an agenda item on the ratification of Convention No. 102 in the framework of the CCT in June 2023, and the tripartite partners agreed by consensus that the Government would initiate an internal assessment on the feasibility of ratifying the Convention.

To enhance the tripartite partners' knowledge of Convention No. 102 and contribute to the Government's feasibility assessment, the ILO, through the Irish Aid partnership and the ACTION/Portugal project, organized a hybrid **knowledge-sharing seminar** in December 2023 in collaboration with the International

Training Centre of the ILO (ITCILO). The seminar delved into the Convention, covering its guiding principles, ratification process and practical application. It provided a comprehensive overview of the Convention and helped to address queries from constituents.

The key stakeholders who attended the seminar included representatives from the MITSS, the National Social Security Institute (INSS), the Confederation of Economic Associations of Mozambique (CTA), CONSILMO and the OTM-CS. In February 2024, the MITSS submitted a formal request for technical assistance to the ILO for the elaboration of a comparative assessment of national legislation in light of the Convention, and to support the tripartite partners throughout the substantial dialogue needed to develop a roadmap for ratification of Convention No. 102.



Participants attending the hybrid seminar on Convention No. 102 in December 2023



Group picture of participants in the hybrid knowledge-sharing seminar

The partnership was also instrumental in helping to **generate evidence for greater investments in social protection**. In the framework of the ILO's strategic partnership with the Ministry of Economy and Finance (MEF) the partnership, with co-funding from the United Nations Joint Programme on Social Protection in Mozambique (UNJP-SP) and in collaboration with the United Nations University World Institute for Development Economics Research (UNU-WIDER), supported a technical capacity-building retreat on the Mozambique Tax-Benefit Microsimulation Model (MOZMOD). The objective of this training was to strengthen national capacities to use tools that can support social policy reforms. MOZMOD merges household income and expenditure data with tax and benefit legislation to enable the simulation of various scenarios related to poverty, inequality and government revenues.

The retreat was organized by the MEF's National Direction of Economic and Development Policies (DNPED) and took place between 22 and 24 August 2023. Approximately 30 participants from diverse State institutions, namely the INSS, the National Institute of Social Action (INAS), the National Institute of Social Providence (INPS), the Tax Authority (AT), the National Institute of Statistics (INE), the Ministry of Education and Human Development (MINEDH), the MITSS and University Eduardo Mondlane (UEM), as well as other MEF internal units including the National Direction of Monitoring and Evaluation, the Internal Audit and Control Office and the National Direction of Risk Management, attended the training. These technicians were equipped with the skills to analyse various scenarios related to tax and social policy reforms and assess their impact on poverty and inequality reduction. The deployment of MOZMOD has empowered the MEF and other State institutions to make evidence-based policy decisions, particularly in the field of social protection programmes and policies. This distinctive capability has positioned MOZMOD as an essential analytical tool for facilitating the development of innovative policies and structural reforms and supporting

advocacy to enable greater coverage and increased investments in social protection as a powerful tool for socio-economic development. The MEF has developed a brief on reform scenarios for the minimum wage policy, based on the MOZMOD tool, that it plans to launch in the second quarter of 2024.



Participants attending the MOZMOD technical retreat in August 2023



Group picture of participants in the MOZMOD retreat

Outcome 2. The governance of the social protection system is improved to strengthen its administrative, operational and financial capacity in Mozambique

Under this outcome, together with the ACTION/Portugal project the partnership helped significantly to strengthen the social protection system by supporting the **development of statistical capacities** and equipping national institutions with the necessary means to ensure the availability of high-quality, robust, and reliable statistics on the situation of social protection in Mozambique. Social protection statistics contribute to transparency and support better policy and decision-making by national authorities, but also by development partners. The evidence they provide enables the monitoring of progress towards social protection extension, the identification of coverage, adequacy and financing gaps, and the addressing of inequalities in access to social protection, including gender-based ones.

The partnership also supported the development of the fifth edition of the **Statistical Bulletin on Social Protection**, produced by the Interinstitutional Working Group on Social Protection Statistics (GITEPS), which is led by the Ministry of Labour and Social Security (MITSS) and also involves the Ministry of Gender, Child and Social Action (MGCAS), the Ministry of Economy and Finance (MEF), the Ministry of Health (MISAU), the National Institute of Social Action (INAS), the National Institute of Social Security (INSS), the National Institute of Social Providence (INPS) and the National Institute of Statistics (INE).

In addition, the partnership supported the MGCAS alongside the UNJP-SP in the area of interinstitutional coordination to achieve greater policy coherence among social protection systems, in line with the recommendations of the mid-term review of the **National Basic Social Security Strategy 2016-2024** (ENSSB II). This support consisted in fostering dialogue between the MGCAS and other ministries with the aim of activating the National Social Action Council (CNAS). This body was established in 2015 by Decree No. 38 of 31 December to act as a multi-sector coordination framework for the social assistance subsystem and to support the implementation of the Social Security Strategy, but had not yet become fully functional. With the partnership's assistance, the MGCAS engaged with the institutions represented in the CNAS in order to reactivate it. These bodies were the INAS, the MISAU, the MITSS, the Ministry of Justice, Constitutional, and Religious Affairs (MJACR), the Ministry of Agriculture and Rural Development (MADER), the Ministry of Education and Human Development (MINEDH), the Mozambican Civil Society Platform for Social Protection

(PSCM-PS), the Forum of Mozambican Associations of Persons with Disabilities (FAMOD), the Association of Retirees of Mozambique (APOSEMO), the Child Network, the Forum for Senior Citizens (FTI), representatives of religious denominations were also included. With the aim of laying a common foundation for social protection issues, the Government decided to conduct a TRANSFORM training event with ILO support to equip CNAS representatives with the knowledge and tools to contribute meaningfully to the dialogue surrounding social protection issues and support the implementation of ENSSB II (see Outcome 2.3).

Outcome 3: An inclusive culture of social protection is promoted in Mozambique, ensuring that the capacity of leaders and practitioners is strengthened and that vulnerable groups are informed about social protection rights and services

The partnership has been instrumental in fostering a **rights-based culture of social protection** in Mozambique, building the capacities of national institutions and sensitizing the public. To improve multisector coordination and further complementarity at the policy, programme and service delivery levels among the institutions engaged in the social protection sector, the MGCAS requested the ILO support to organize a capacity-building activity for CNAS members on social protection issues, intended to help them carry out their roles within the Council, including in supporting the implementation of the ENSSB. The training took place from 12 to 15 December 2023, based on the **TRANSFORM learning package on social protection** and supported by the ILO-Irish Aid Partnership and the UNJP-SP. All institutions represented in the CNAS attended the training, which was also attended by the MGCAS Permanent Secretary. Participants had the chance to examine concepts, myths, key challenges, and opportunities across all the building blocks of social protection, including administration, legal frameworks, coordination and financing.



Group picture of participants in the TRANSFORM training for CNAS members in December 2023.



CNAS members participating in a group exercise during the TRANSFORM training.

Still on the subject of capacity building, an **MEF high-level technician participated in the “Leadership for Social Protection”** course at ITCILO in Turin. The course focuses on equipping participants with resources and tools related to the trends and drivers that contribute to shaping social protection, and on improving strategic thinking. It aims to reinforce the vision of social protection not only as a human right that all should enjoy, but also as an investment and a key driver for positive social and economic change. This support for the MEF falls under the ILO-MEF strategic partnership to build evidence for increasing the importance of social protection in public finance management and among national investment priorities, and for increasing the fiscal space for social protection.

The partnership also provided support to organize the **annual Social Protection Week, including Social Action Fairs** held at provincial level and the communication products for disseminating the event. However, a week prior to the event, which was scheduled to take place in late November, the Government decided to cancel it and postpone it until June 2024, when it is also due to include a Social Protection Conference. This decision affected not only the event itself, but also the launch of flagship governmental publications, including the Fifth Statistical Bulletin on Social Protection and the MOZMOD briefs, which had to be rescheduled by the other institutions responsible for those knowledge products, the MITSS and the MEF respectively.

OUTPUTS: Overall delivery assessment ¹			
<input type="checkbox"/>	Highly satisfactory Implementation of almost all (>80%) outputs is on schedule as envisaged in the implementation plan and almost all (>80%) indicator milestones have been met.	<input checked="" type="checkbox"/>	Satisfactory Implementation of the majority (60-80%) of outputs is on schedule as envisaged in the implementation plan and the majority (60-80%) of indicator milestones have been met.
<input type="checkbox"/>	Unsatisfactory Some (40-60%) outputs are being implemented on schedule as envisaged in the implementation plan and/or only some (40-60%) indicator milestones have been met.	<input type="checkbox"/>	Very unsatisfactory Few (<40%) outputs are being implemented on schedule as envisaged in the implementation plan and/or only a few (<40%) indicator milestones have been met.

¹ This is a self-assessment.

Summary of outcome(s)

OUTCOME ACHIEVEMENT ¹¹				
Indicator	Baseline (before project start)	Indicator Milestone (compare planned against actual)	Target (end-of-project goal)	Immediate Outcome Summary
Outcome 1: 2.1 Social protection coverage in Mozambique is extended and enhanced with the aim to increase inclusiveness, adequacy of benefits and fiscal space				
No. of persons registered in Social Insurance (disaggregated by sex).	17 000 000	18 000 000	19 000 000	On track: most milestones met
No. of social protection strategies and implementation plans adopted	N/A	N/A	N/A	
No. of awareness-raising events and products developed (e.g. round tables, press conferences, seminars, policy briefs) by partners to advocate for the ratification of C102 and coverage extension	0	2	6	
Availability of the Report on comparative assessments between national legislation and practice and ILO social security standards	N/A	N/A	N/A	
No. of policy dialogues organized.	0	1	2	
C102 is ratified	N/A	N/A	N/A	
Outcome 2: 2.2 The governance of the social protection system is improved to strengthen its administrative, operational and financial capacity in Mozambique				
No. of new operational manuals for non-contributory social protection programmes implemented by INAS developed with ILO support	0	0	1	On track: most milestones met
No. of INAS delegations that received monitoring visits using the "spot checks" methodology	0	0	12	

No. of INAS national planning meetings supported	1	1	4	
No. of independent community monitoring activities carried out by CSOs with ILO support	0	0	2	
No. of tools and bulletins supported and published	-	1	3	
Outcome 3: 2.3 - An inclusive culture of social protection is promoted in Mozambique, ensuring that the capacity of leaders and practitioners is strengthened and that vulnerable groups are informed about social protection rights and services				
No. of studies, briefs, and/or tools developed with ILO support in Mozambique	0	1	9	On track: most milestones met
No. of training events on social protection organized	0	0	3	
No. of social protection conferences and/or social action fairs supported	0	0	4	
No. of TRANSFORM training events organized	1	1	3	
No. of governmental staff trained (disaggregated by gender)	25	35 (18 women and 17 men)	75	
No. of independent community monitoring reports supported	0	0	3	
No. of dissemination activities organized to inform relevant populations about SP programmes	0	0	2	

3. Collaboration and partnerships

The ILO-Irish Aid partnership has been helping to reinforce ILO's technical assistance to constituents through a synergistic approach with the UNJP-SP (implemented jointly with UNICEF and funded by UK, Sweden, Finland and, more recently, Ireland) that focuses on the non-contributory pillar, and a similar approach with the ACTION/Portugal project that focuses on the contributory subsystem. Its contributions to Mozambique are also reflected in the activities supporting the realization of Strategic Priority 1 on Human Development under the United Nations Sustainable Development Country Framework 2022-2026, which involves several other UN agencies including UNICEF, the WFP, the FAO and UN Women. More specifically, the partnership also enhances the portfolio of interventions by several stakeholders involved in the Social Action Working Group (SAWG) that serves as the coordination body with the Government to support the non-contributory subsystem. The partnership also engages and collaborates directly with the social partners and CSOs, including CONSILMO and the OTM-CS (workers' organizations) and the CTA (employers' organization), and the Mozambican Civil Society Platform for Social Protection (PSCM-PS).

4. Main challenges and corrective actions

The main challenges faced in 2023, particularly in the second semester, included a significant turnover in senior and high-level management at the MGCAS which, coupled with the municipal election calendar, led to delays in the approval of some advocacy events (notably the Social Protection Week, which was cancelled one week before its scheduled date), which in turn also affected the launch of certain publications supported by the partnership (i.e. the Statistical Bulletin and MOZMOD briefs). This engendered certain challenges to the execution of part of the project's budget in the last quarter of 2023. Together with other development partners, the ILO has been in close liaison with the Government to ensure that the SP Week is held in June 2024.

5. Summary and outlook

Although Mozambique was part of the ILO-Irish Aid partnership from the very beginning, the country component in the first phase was smaller and consisted mostly of supporting applications for TRANSFORM training. Now in the second phase, Mozambique's component has been strengthened, enabling a more decisive contribution to the achievement of concrete results and impacts. This has been particularly evident in the key milestones achieved in the shape of support for the ratification of Convention No. 102 in 2023 and the creation of the conditions for CNAS to effectively perform its role as the interinstitutional body for coordinating the country's social protection system.

In 2024, the partnership will step up its contributions across all outcomes. Under Outcome 2.1 on Coverage extension, the project will assist, in synergy with UNJP-SP, with the preparatory work for the transition from the current National Basic Social Security Strategy to the next, including support for interinstitutional dialogue, research and evidence-building, and engagement with civil society stakeholders. It will continue supporting the campaign for the ratification of Convention No. 102 in synergy with ACTION/Portugal, particularly the development of a legal assessment comparing current national social security legislation with the Convention's requirements for contributing to a roadmap towards ratification. As to the extension of social protection to workers in the informal sector, the project will support the publication, dissemination and implementation of the INSS Strategic Plan for 2024-2028 approved by the National Social Security Institute (INSS) in December 2023. Finally, it will continue supporting the generation of evidence for more effective advocacy of the fiscal space creation needed to finance social protection sustainably.

In the framework of Outcome 2.2, the project will contribute to strengthening the capacities of national institutions in the areas of planning, budgeting, M&E and statistical systems, to ensure more effective and efficient administration and services provision. Last, under Outcome 2.3, the project aims to provide support for key advocacy events to sensitize different stakeholders to the importance of investing in social protection. These will include a Social Protection Conference, the Social Protection Week and awareness-raising events with journalists, social partners and political parties.

The ILO and its partners also remain dedicated to supporting the continuous operationalization of CNAS in line with the recommendations of the mid-term review of the ENSSB II, fostering greater institutional robustness and improved multisector coordination to enhance the efficiency and effectiveness of the social protection system and, ultimately, to delivering higher-quality services to beneficiaries and their families.