Headline Messages

- The Ministry of Public Service, Labour and Social Welfare (MoPSLSW) was allocated US$193.8 million, in the 2017 Budget representing a 9.1% improvement from the US$177.6 million allocated in 2016.

- Social Welfare was allocated $27.9 million, representing 0.7% of total government budget and 0.2% of Gross Domestic Product (GDP).

- The key programs under Social Welfare, ie Social Protection was allocated US$9.9 million, which is 0.2% of the total government budget and 0.1% of GDP, whilst Child Welfare was allocated US$11.9 million, about 0.3% of total government budget and 0.1% of GDP.

- The combined allocation to Social protection is 1.8 percentage points lower than what is sustainably required to ensure coverage of the needy children and their families.

- The programs in both Social Protection and Child Welfare remain significantly under-funded with the Harmonized Social Cash Transfers (HSCT) covering only 10 Districts from the 19 districts in 2015, whilst Basic Education Assistance Module (BEAM) is at 16% of the needy children.

- Budget Performance remains low with only 30.4% of the Child Welfare and Social Protection budget having been disbursed by October 2016.

- Going forward, the Brief recommends the government to:
  - Improve budget disbursements and spending efficiency to optimise on the available resources, for better outcomes for children.
  - Maintaining progress under the HSCT and restore the number of beneficiary households in the HSCT to 55 thousand in the 19 districts.
  - Close monitoring of vulnerabilities in children brought about by the projected adverse weather conditions is needed.
  - Detailed studies on the cost of social protection could shed light, encourage government and quantify the costs of not expanding social protection, for children and households in Zimbabwe.
INTRODUCTION

Social and Child protection plays a pivotal role in strengthening the resilience of children, families and communities, achieving greater equity, and supporting national human and economic development. Its relevance is heightened by the recent downward trends in economic growth, against a background of persistent inequalities and social exclusion. Therefore, expansion of social and child protection coverage is critical, to even the playing field, supporting both children and their families to realize their full potential.

In Zimbabwe, the mandate for Social and Child protection falls under the Ministry of Public Service, Labour and Social Welfare (MoPSLSW). The Ministry’s mandate is to promote a conducive labour market environment for higher productivity and provision of decent work; and strengthen households’ economy and enhance provision of child care and protection services.

The Ministry’s priorities for 2017, as guided by the Results Based Programme, include the following, among others: increasing access to the Basic Education Assistance Module (BEAM) by needy children and other vulnerable children (OVC); provision of probation services to OVCs, scale up social cash transfers; and strengthening the welfare of persons with disabilities through provision of empowerment loans.

Budget Allocation for 2017

The Ministry of Public Service, Labour and Social Welfare was allocated US$193.8 million, representing a 9.1% improvement from the US$177.6 million allocated in 2016. The Ministry ranks 8th on overall allocations, from 7th in 2016. Much of the increase in the budget allocation is earmarked for the two major programmes in the Ministry, i.e., Policy Administration and Social Welfare as shown in Figure 1.

The largest share of the US$193.8 million allocation, 81.8%, will be spent on Policy and Administration, of which 99% is allocated towards Finance and Administration of the Ministry. This basically relates to wage related costs for general office and programs administration.

Social welfare accounted for 14.4%, whilst labour administration and Public Sector Human Capital Development was allocated, 1.6% and 2.2%, respectively, (Figure 2a).

As is the common scenario across all the government Ministries, a significant share of the Ministry’s budget allocation is consumed by employment costs. Eight-five percent of the budget allocation will be spent on the Ministry’s wage bill obligations, whilst 14.3% and 0.5%, was allocated towards other current expenditures and capital expenditures, respectively, (Figure 2b).
Despite recording a 13.7% decline in nominal allocation, the Child Welfare program accounts for the largest share of the Social Welfare budget allocation at 42.6%. Social Protection accounts for 35.7%, whilst Disability Rehabilitation and Refugee Services and Leadership and Management accounts for 20.7% and 0.9% of the total program allocation for 2017, respectively. (Figure 3b).
The Social Protection Program provides social protection services to vulnerable groups, families and provides voluntary and secure repatriation of destitute foreign nationals. The program was allocated US$9.9 million, which is 0.2% of the total government budget and 0.1% of GDP.

Another key program under the MoPSLSW, Child Welfare was allocated US$11.9 million, 13.7% lower than the US$13.8 million allocated in 2016. As a share of total expenditures, the Child Welfare allocation accounts for 0.3% and 0.1% of GDP. The Child Welfare programs seeks to provide child sensitive social protection and probation services.

However, a significant portion of the total Social Welfare budget allocation is earmarked for programmes, with wage related costs accounting for 14.3% of the budget allocation, (Figure 4). This is unlike other Ministries such as Education, wherein employment costs account for significant share of the budgets. Eighty-four percent of the allocation is earmarked for programme support, whilst capital investments accounts for 1.4% of the 2017 allocation.

The major programmes under social services includes: the Basic Education Assistance Module (BEAM) and the Harmonized Social Cash Transfers (HSCT), which accounts for a combined share of 60.9% of the Social Welfare budget. BEAM was allocated US$10 million in 2017, same as in 2016, whilst there was a 250% increase in the HSCT allocation to US$7 million in 2017. There were marginal increases in allocations to Drought mitigation, on account of the El-Nino induced drought experienced in the 2015-16 cropping season and Child Protection Services, (Figure 5).

With harvests devastated by the El-Nino effects, an estimated 2.8 million people (30% of the total population) are expected to be food insecure. Children will be the worst affected by the drought situation, and the effects can last a life-time. Affected communities would need urgent food, water, nutrition, health and livelihoods support, to ensure that Children are protected from the devastating effects of the drought. However, the current budget allocation, means development partners will have to bear the burden of supporting the affected areas, particularly the vulnerable children. Unless more aid is forthcoming, including urgent nutritional support for young children, decades of development progress could be eroded. This makes it important for government and partners to closely monitor the situation and take measures, including mobilisation of resources for the affected areas.

Support to people living with disabilities was allocated US$800,000. However, with an estimated 900,000 people living with disability, this would translate to US$88 cents per person for the whole of 2017.

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Despite having the same allocation towards BEAM, the government aim to increase the number of beneficiaries from 145,212 in 2016 to 161,102 in 2017. The target is to reach 500,000 children by 2018. BEAM is designed to benefit all school-going age children (6-19 years) who are from resource constrained families and who have been failing to be in school owing to household financial constraints. BEAM is meant to assist children at both primary and secondary levels in both rural and urban areas, with tuition, levies and examination fees.

The funding gap under BEAM remains huge. Against an estimated total of 900,000 children requiring BEAM support, current coverage is only 16.1%, indicating that more resources would need to be allocated to ensure better coverage. An amount of US$52 million is needed to cover the 900,000 children requiring support. Hence, in the absence of donor support, who over the years had played a significant role in supporting BEAM, many of the OVCs will not be able to access education. In 2010, for instance, a total of 700,000 vulnerable children were covered under BEAM, through joint support by development partners and the government.

In fact, the coverage of BEAM has fallen steadily over the recent past, with primary school coverage falling from 537,594 beneficiaries in 2010 to 118,408 in 2015 and secondary school coverage falling from 198,220 to 78,925 during the same period. Hence, in the absence of development partner support and against increasing difficult economic outlook, job and income losses and the current unfavourable weather conditions, characterised by flooding, many children will likely be forced out-of-school. The cost to the economy and society of having so many children out of school for financial reasons are huge, and perpetuates into inter-generational poverty cycles.

On the other hand, Government aim to scale up the Cash Transfer program, mainly to offset the declining development partner support to the programme. The HSCT was allocated US$7 million, targeting to reach 600,000 households living in extreme poverty. The HSCT is an unconditional cash transfer program that was designed to provide monthly cash payments to altra-poor and labour constrained households. With 16.2% (504,000 households)\textsuperscript{2} of the households living in extreme poverty, this would translate to US$13.89 per household for whole the 2017 or US$1.16 per household per month. An average household size is 4.2 persons, hence each individual would be getting US27 cents, assuming that the full allocated amount is fully disbursed.

As such, the burden of providing social protection has been shouldered by development partners. For example, UNICEF under the HSCT made cash transfers of US$7 million in 2015. The combined HSCT support managed to reach over 55 thousand households, UNICEF projects to increase HSCT support to US$16.2 million in 2017, more than double the government budget of US$7 million. However, having reached 19 districts assisting 52,000 households at an annual cost of $16.4 million in 2015. In 2016, the programme was scaled down due to

\textsuperscript{1} According to PICES 2011/2012, 62.6% are deemed poor, whilst 16.2% are in extreme poverty.
funding constraints from 19 to 8 districts. The combined effect of declining development partner support and fiscal space constraints on the part of government, resulted in a reduction of beneficiaries from 55,000 to 23,000 households.

Trends in Social and Child Protection show that development partners through the Child Protection Fund (CPF), has been playing an important role, with higher actual spending compared to the combined government interventions, (Figure 6). However, program support under the CPF is projected to decline over the period 2018, through to 2019 to US$13.5 million and US$3.8 million, respectively. Rightly so, the government projects to increase support towards both Child and Social Services, in part, to maintain and increase reach, whilst at the same time offsetting the decline in partner support. The key therefore, is to ensure that these allocations translates into actual disbursements.

**Social Welfare Budget Performance**

The translation of the budget allocations has been a major concern across all the Ministries and Programs. As at October 2016, only 30.4% of the budget allocated towards Child Welfare and Social Protection had been disbursed, (Figure 7). For Child Welfare, only US$2.2 million of the US$13.8 million allocation (16.1%) had been disbursed, whilst 56.9% of the Social protection budget had been disbursed with just 2 months of the year remaining. The lower disbursement rates can be attributed to limited fiscal space, which meant that programs could not be fully implemented, thereby affecting the intended outcomes. For Child Welfare, its means that those children covered by BEAM remain in school fees arrears, and schools face operational challenges as they are owed by the government. For Social protection, wherein HSCT is the major program, the target implementation should be 75% by October, since households receive quarterly payments. Therefore, the implementation rate was 18.1 percentage points lower than target.

On account of low government support to both Social Protection and Child Welfare, the burden has fallen squarely on Development Partners, despite recent decline. According to a recent Social Protection Public Expenditure Review³,
Development Partner financing has been following a declining trend since 2010, decreasing from approximately 84% to 59% of overall expenditure between 2010 and 2015. This has been in part, due to declining global aid flows, and resistance from Development Partners to finance social assistance interventions without corresponding Government contributions.

CONCLUSIONS

- **The weak macroeconomic performance, coupled with constrained fiscal space is limiting the levels of public investments in social sectors in general, and Social Protection and Child Welfare in particular.** With increased expenditure pressures, particularly on wage bill and payment of the 2016 civil service bonuses, spending in Social and Child Welfare is likely to suffer from under-funding. Whilst the Government continue to explore options of growing the economy and hence its fiscal space, development partner support in social sectors remains important in the short-to-medium term.

- **Improvements in the allocations to HSCT are commendable, although this should be complemented by actual and timely disbursements.** More advocacy is, therefore, need for the government to improve budget disbursements in Child Welfare and Social Protection programs, whilst at the same time promoting efficiency in the use of the available resources for better social and child protection outcomes. With improvements in fiscal space, there will be need to position social protection as a building block in the broader social and economic policy mix.

- **This notwithstanding, social protection can be affordable and sustainably financed even in the current Zimbabwean context.** Estimates show that on average 2% of GDP will be required for social protection. Spending on social protection should be seen as an investment, as it can result in positive immediate and long-term economic and social returns. Detailed studies on this subject could help shed light, encourage government and quantify the costs of not expanding social protection, for children and households in Zimbabwe.

- **The Government could focus on maintaining progress under the HSCT:** Given the evidence that cash transfer programmes across the globe have had on child poverty, household incomes and the multiplier effect on the local economy, an immediate priority for the government should be to restore the number of beneficiary households in the HSCT to 55 thousand in the 19 districts. Future targets could be to scale it up to improve coverage, including better targeting of children in the hard-to-reach and marginalised areas.

- **The adoption of a new Social Protection Policy Framework and Action Plan in 2016, may help unlock resources and provides better sector coordination.** This would need to be informed by studies to cost the
minimum package of social protection, which is important for government planning and budgeting. Similarly, such evidence will inform the basis for resource mobilisation, including from Development Partners.

- **Disaggregated data on the allocations of Social and Child Protection Services is not available.** However, it would be desirable that disaggregated data at district level is available, thereby paving the way for analysis and guide district level allocations that are informed by disparities within the country, with particular emphasis on the poorest and most vulnerable districts.

- **In the face of the harsh weather outlook, government and partners need to closely monitor the situation, for immediate interventions.** This is particularly important, with experts forecasting another adverse weather conditions in 2017 – the La-Nina, which could bring about flooding. This may worsen the already precarious social protection environment as more people, including children, could be left without shelter, in addition to already being food-insecure.

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**List of Acronyms**

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<tr>
<th>Acronym</th>
<th>Description</th>
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<tr>
<td>BEAM</td>
<td>Basic Education Assistance Module</td>
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<td>CPF</td>
<td>Child Protection Fund</td>
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<td>GDP</td>
<td>Gross Domestic Product</td>
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<td>HSCT</td>
<td>Harmonized Social Cash Transfers</td>
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<td>MoPSLSW</td>
<td>Ministry of Public Service, Labour and Social Welfare</td>
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<td>OVC</td>
<td>Orphans and Vulnerable Children</td>
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<td>UNICEF</td>
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