BUDGET BRIEF: HEALTH MOZAMBIQUE 2019

KEY MESSAGES

1. The (updated) health sector budget envisages total expenditure of around MT 30 billion (US$ 480 million), 21% below the (updated) nominal amount budgeted for the previous year. In real terms, the amount budgeted for 2019 decreased by 34%.

2. The health sector budget represents about 9% of the overall volume of the State Budget, and is one of the sectors receiving the most resources in the priority sector group. Its share of the SB is below the 12% ratio for the previous year. Similarly, in comparison with 2018, the health sector budget's share of the Gross Domestic Product (GDP) decreased by 0.4 percentage points, being set at 3.4%. The budget allocation to the sector remains well below the target, set at 15% of the SB total in the Abuja Declaration and the in the Strategic Plan for the Health Sector (PESS) for 2014-2019.

3. Budgetary reallocations were made in the 2019 SB at the end of the first quarter of 2019. For the health sector, these adjustments have led to an overall increase in resources in the order of 6%. An increase of about 47% in the external investment component, and the simultaneous reduction of recurrent expenditure and internal investment, by 0.1% and 10%, respectively, contributed to this development.

4. 74% and 26% of resources are expected to be allocated to operating and investment expenditure, respectively. Expenditure on medicines corresponds to about one third of the sector's total budget, and is funded at 86% and 14% respectively, using the operating and (foreign) investment budget lines. Part of the resources included in the investment component are also used for recurrent expenditures (45%).

5. From the type of institution perspective, about half of the total budget (49%) is allocated to the Ministry of Health. 25%, 11% and 9%, respectively, are allocated to the District Health, Women's and Social Action Services (the SDSMAS), the Provincial Directorate of Health (the DPS), and Central Hospitals. By level of care, the central government received 5% of sector resources, followed by primary and secondary health care, provincial administration, quaternary health services, and third party health services, which received 22%, 11%, 10% and 7%, respectively.

6. 79% of the Health Sector Budget is funded from domestic sources, and 21% from foreign sources. The share of domestic resources in the budget is the largest ever and represents a break with the situation in previous years, in which foreign resources formed a larger part of the total amount of resources allocated to the sector.

7. Only the Maputo Central Hospital (HCM), the Central Medical Stores (CMAM), the Regional Health Development Centre (CRDS), the National Institute of Health (INS), and the National Health Directorate report on own income, collected regularly. This means that there is an incomplete picture of the resources available to the sector, and may contribute to poor transparency, as regards their use.

8. As regards the performance of the health sector last year, in relation to its main joint priority activities, results were recorded which surpassed those expected in the areas of childhood immunization and the number of in-hospital births, but lower than expected in the area of paediatric antiretroviral treatment (ARV).

KEY RECOMMENDATIONS

It is important that further efforts are made to increase the share of the SB which is allocated to the sector's budget, which would allow internationally agreed targets to be achieved.

Activities related to the administration of paediatric ARVs should be accelerated, to enable the goals set to be achieved.

The practice of recording and reporting on own income should be extended to all entities which receive income. Additionally, reporting must be done in compliance with financial management rules.

In order to improve understanding and transparency regarding the actual use of funds included in the investment component, it is important for the MEF to begin to quantify, via e-SISTAFE, the volume of foreign funds allocated to operational functions.

Introduction

The State Budget (SB) for the year 2019 was approved by Parliament on 5 December 2018. It was subsequently promulgated by the President of the Republic on 14 December, and published as Law No. 15/2018 of 20 December. The document entered into force on 1 January 2019.

Without changing overall budget limits, or those of each of its main lines (operations, investment and financial operations)[1], on 29 March 2019, the Minister of the Economy and Finance approved transfers, redistributions and reinforcements of budgetary amounts allocated to state bodies and institutions. The effects of these changes are presented below.

The overall value of the State Budget for 2019 is MT 340 billion (US$ 5.5 billion)[2], of which 58% is allocated to recurrent expenditures, 30% to investment and 12% to financial transactions. The SB deficit is 27%, which represents a deterioration from the previous year of around 1 percentage point.

In comparison with 2018[3], the SB increased, overall, in the order of 11% in nominal terms, but decreased by 7% in real terms. The investment budget component, with total nominal growth of 26%[4], was the fastest growing, followed by operations, at 9%. The financial operations component, on the other hand, decreased by 7%.

When in comparison with the total expenditure incurred in 2018, the 2019 SB represents a nominal and real increase of 17% and 1%, respectively. For the financing of the 2019 State Budget, it is expected that 79% of funds will come from domestic sources, and the remaining 21% from foreign resources. In comparison with the 2018 SB, domestic resources decreased by 1 percentage point, while foreign resources increased to the same extent. While in the case of the former, the reduction is explained by the decrease in the share of domestic revenue in the structure of SB funding, the increase in the share of grants, by about 2 percentage points, explains the rise in the overall share of foreign resources.

The SB for the year 2019 has been prepared taking into account one of the priorities set by the Government for the allocation of resources with which to carry out public spending, in line with the strategic and priority action defined in the Government's Five–Year Program for 2015-2019. The Health, Education, Infrastructure and Agriculture and Rural Development sectors, and the Judicial System, are the areas which receive more resources[5], with a combined weight in the SB of about 94%.

As mentioned previously, the 2019 SB has been the subject of budgetary reallocations. In the specific case of the health sector, these budgetary adjustments have led to an overall increase in allocated resources, of around 6%. The increase of around 47% in the external investment component, and the simultaneous decreases in operating and external investment expenses, of 0.1% and 10%, respectively, contributed to this development.

Not all institutions that form part of this sector have been affected in the same way by budgetary reallocations. The Provincial Health Directorates (DPS), the General Hospitals and the District Health Women's and Social Action Services (SDSMAS), with budgetary increases of 75%, 7% and 6%, respectively, benefitted most from budgetary reallocations. In contrast, the Ministry of Health (MOH) and the Central Hospitals (except for the Maputo Central Hospital, or HCM) saw their budgets decrease by 1% and 12%, respectively.

The health budget provides for total expenditure of about 30 billion MT (480 million US$), 20% below the nominal amount budgeted for the previous year. In real terms, however, the budgeted amount for 2019 decreased by 34%. The health sector budget represents about 9% of the overall SB volume, and this variable is below the previous year's ratio of about 12%[6]. In comparison with 2018, the Health Sector budget's share of the Gross Domestic Product (GDP) decreased slightly, from 3.8% to 3.4%.

[1] This is the responsibility of the Assembly of the Republic.

[2] This report uses an exchange rate of 1 USD = 62.3 MT, which corresponds to the average rate for the first three months of 2019 for which information is available: http://www.banco-moc.mz/fm_pgTab1.aspx? id = 246

[3] 2018 data relates to the updated budget, after approval of the amending SB rectification by the Assembly of the Republic, as indicated in the 2018 General State Account (CGE).

[4] External investment grew by 31%.

[5] LOE 2019 Rationale.

[6] These trends take the updated allocations for 2018 and 2019 into account.

The occurrence of Cyclone Idai (in March) and Cyclone Kenneth (in April), respectively, in the central and northern regions of the country, with devastating consequences, both in human and in material terms, led to the government announcing the need for a revision of the SB in order to deal with the ensuing destruction and humanitarian situation. Depending on the magnitude of the budget review that will take place, the above SB framework, and some of the following analyses, may change significantly.

The budgetary framework described above suggests a need for substantial increases in the amounts allocated to the sector, particularly so as to address monetary erosion resulting from inflation; a need to find resources with which to cope with the ongoing reduction in foreign support for the sector, and a need to implement collection and reporting systems which allow for greater transparency and accountability.

1. Definition of the Health Sector

The Health Sector is understood to mean the set of entities which form part of the Ministry of Health (MOH), or which are subordinate to it, and which have their own allocations within the SB. Currently, a total of 184 Beneficiary Management Units (UGBs) form part of the sector, including the Ministry of Health (the leader, at national level), 11 Provincial Health Directorates (which coordinate the sector in each province) and 151 SDSMAS (which coordinate the sector at district level). The sector also includes the National Institute of Health (the INS), the Central Medical Stores (the CMAM), 4 Central Hospitals, 8 Provincial Hospitals, 5 General Hospitals, 1 Psychiatric Hospital and 1 District Hospital. This year, the SDSMAS for Liupo joined the set of the sector's UGBs.

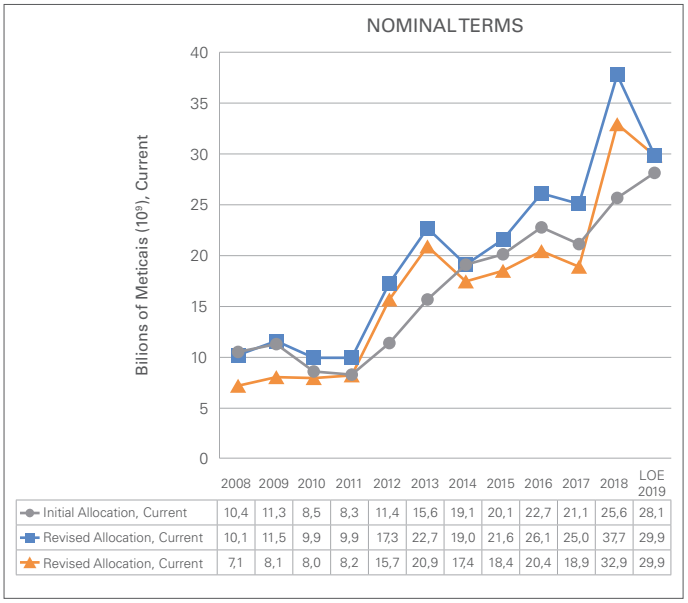
Sector activities emanate from the Health Sector's Strategic Plan for 2014-2019 (PESS), which stipulates the following strategic objectives : (i) increasing access to and utilization of health services, (ii) improving the quality of health services (iii) reducing geographic inequalities in access to and use of health services, (iv) improving the efficiency of health services provided, (v) strengthening health partnerships, (vi) increasing transparency and accountability in the use of public resources, and (vii) strengthening the governance of Mozambique's health system. This document describes how the allocation of resources to the sector responds to several of these objectives.

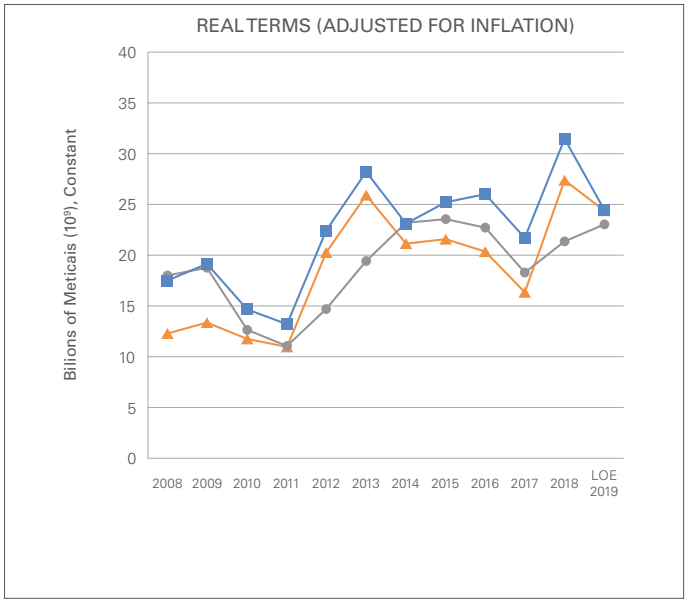
2. Trends emerging from the Health Budget?

For 2019 financial year a total amount of 30 billion MT (480 million US$) was allocated to the Health Sector, via the SB. This amount represents a nominal reduction of 2 1% in comparison with that envisaged in the updated SB for the previous year, and a reduction of 34% in real terms.

In comparison with the total amount spent by the industry in 2018, it is noted that the 2019 budget decreased by 9% and 24%, respectively, in nominal and real terms (see **Figures 1A and 1B**).

FIGURE 1A & B Provision of internal versus external resources





[7] Information available for these groups of countries relates only to the 2008-2014 period.

[8] Information available for these groups of countries relates only to the 2008-2014 period.

Over the past five years there has been considerable volatility in the growth rate of both allocated and executed resources in the sector. While the volume of the budget allocated to the sector grew by an average of 10% per year during the period, there was an annual growth peak, of 21%, in 2016, followed by a reduction of 5% in the following year. Average annual budget increases were similarly 9%, with the greatest variation occurring in 2018 (21%) and the smallest in 2017 (negative 3%).

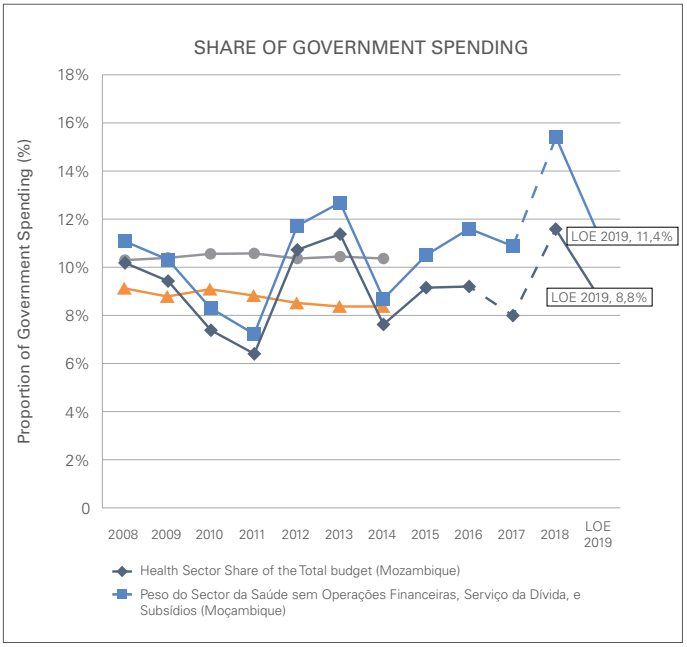
This lack of consistency in the budget allocation trend over time must mean the absence of a consistent policy for the financing of the sector on the part of the authorities. This situation undermines the consolidation of the gains that have been achieved over the years and the materialization of commitments made internationally, including via the Abuja Declaration, which establishes the need for the allocation of 15% of SB to the health sector.

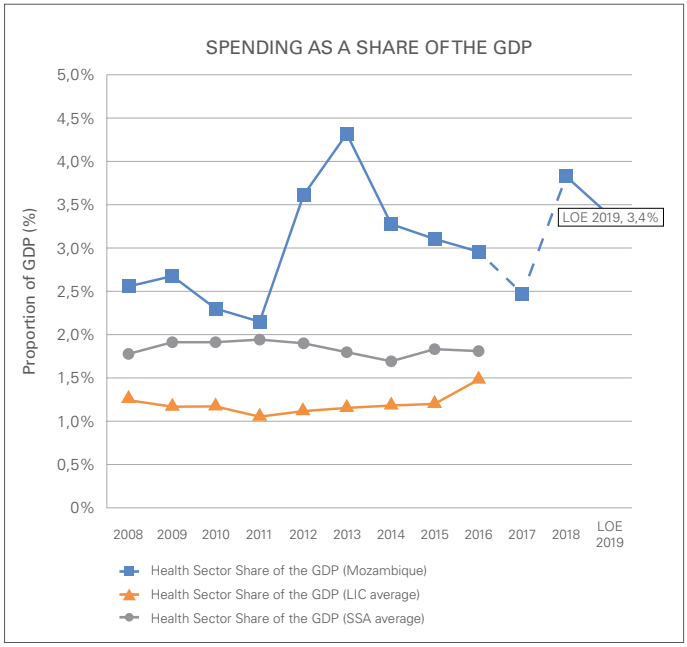
In this respect, the amount allocated to the sector in 2019 represents about 8.8% of the total SB (including Financial Transactions and Debt Servicing Charges), reaching 11.4% when Financial Transactions and Debt Servicing Charges are excluded. From a historical perspective, these ratios have been stable over the past five years, with the average of the resources allocated to the sector, as a share of the overall SB, being around 9%, and 12%, when excluding Financial Operations and Debt Servicing Charges.

The share of the volume of funds allocated to the Health Sector in the total SB (8.8%) is similar to the average for this indicator in Low Income Countries (8.7%), but below that for Sub-Saharan African countries (10.5%).[7] (See **Figure 2A**).

As regards the share of resources allocated to the sector, in relation to the Gross Domestic Product (GDP), Mozambique improved its situation last year, by 0.6 percentage points (reaching the 3.4% threshold) in 2019. This ratio is slightly above the country's average for the last decade (3.0%), which has varied little. The ratio also outperforms the average for low-income countries (1.2%) as well as for sub-Saharan African countries (1.9%) **(Figure 2B).**[8]

FIGURE 2A & B



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3. Source of Health Sector Resources?

In Mozambique, the health sector is financed from domestic and foreign funds. Domestic funds come from taxes, fees, duties and domestic credit. Foreign funds include foreign aid, grants and foreign credit. For the 2019 financial year, foreign resources specifically include the PROSAUDE Common Fund (28%), funds for bilateral projects - vertical funds (29%), and credits (26%), and donations in kind - medicines (17%). It should be noted that foreign resources are classified as external investment, even if they are used for activities which are not purely investment-related.

3.1 Domestic *versus* Foreign Resources

79% of the health sector budget for 2019 comes from domestic sources, and 21% from foreign sources. This budget composition is a major departure from the trend of the last decade, during which the structure was 60% and 40%, respectively, from domestic and foreign funds (see **Figure 3A and 3B**). It is worth mentioning that both the nominal value of domestic funds, as well as their share of the total resources allocated to the sector in 2019, are the largest ever.

Far from signalling the emergence of a new framework for the balance between domestic and foreign resources in the sector's budget, this year's shares result from the significant reduction in foreign resources allocated to the sector in relation to previous year. In fact, while domestic resources saw a nominal increase of 22%, foreign resources had a nominal reduction of 54%.[9]

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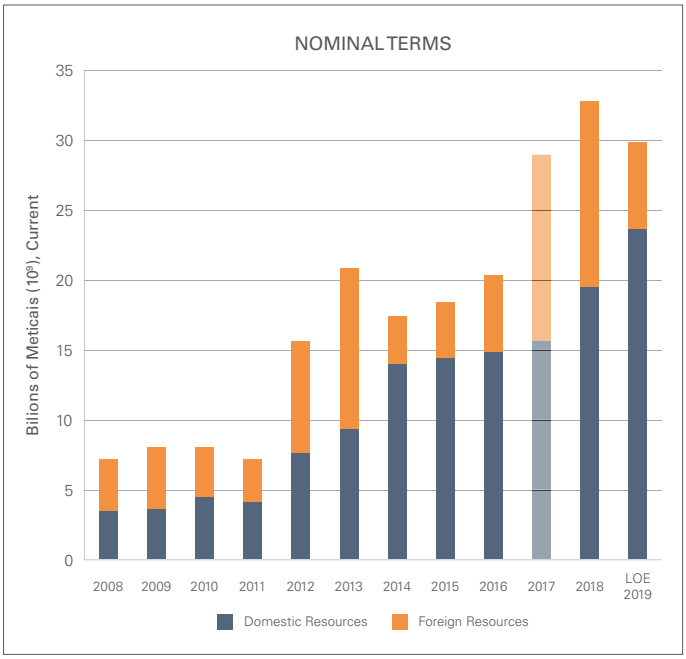
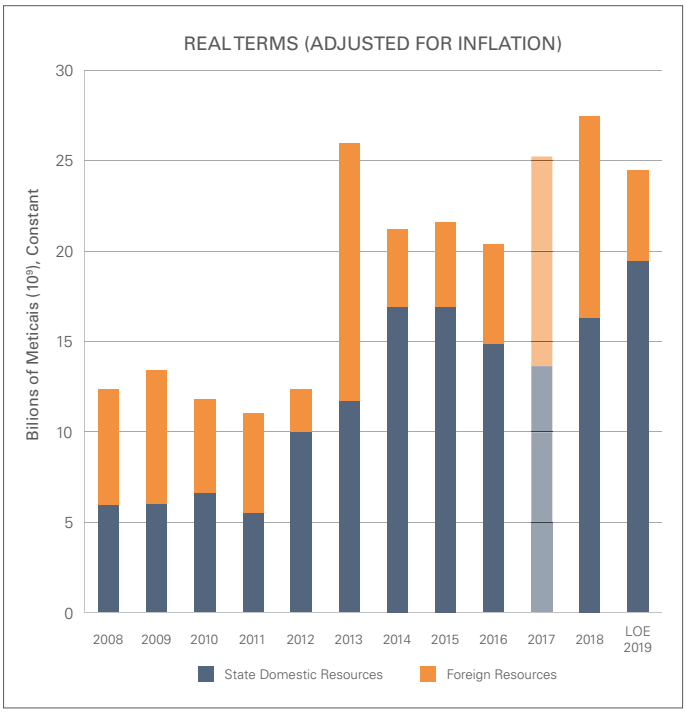
FIGURE 3A & B





[9] This funding source structure does not take into account resources outside of the SB, which have been difficult to trace

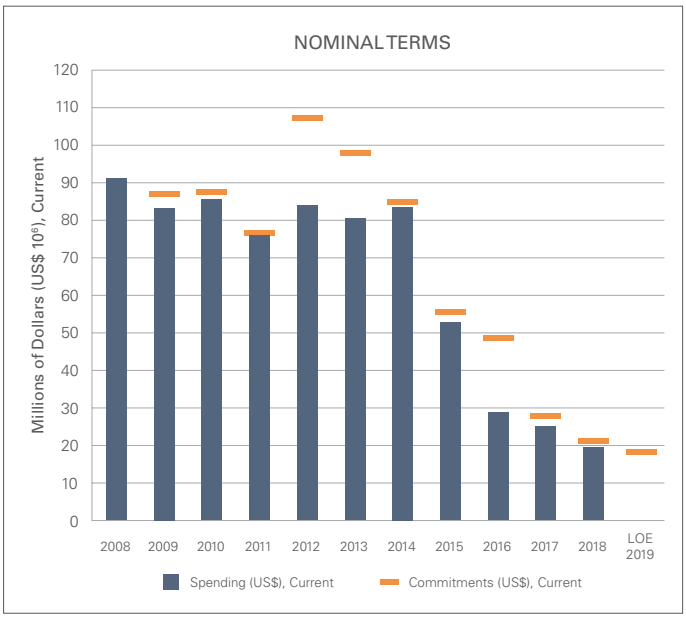
[10] Circular 01/GAB-MF/2010, of 6 May, sets out the norms for the administration of own and consigned income.

3.2 Health Sector Common Fund (ProSaúde)

Total commitments from donors, for support for the PROSAUDE Common Fund, amount to 18.2 million US$ (see **Figure 4**). This is about a quarter of the average for the last ten years (US $71.7 million) and is its lowest nominal value. This year's commitment represents a nominal reduction of 14% and 7%, respectively, from the amount committed and executed in 2018.

This drop in the committed amount for 2019 is in line with the trend for the last five years, with the decision of donors to reduce or cease support in the form of General Budget Support and common funds. In order to address the possibility of this trend continuing in the near future, it is imperative for authorities to make an effort to find alternative sources of financing with which to replace the funding that has been lost through the reduction of this support.

FIGURE 4



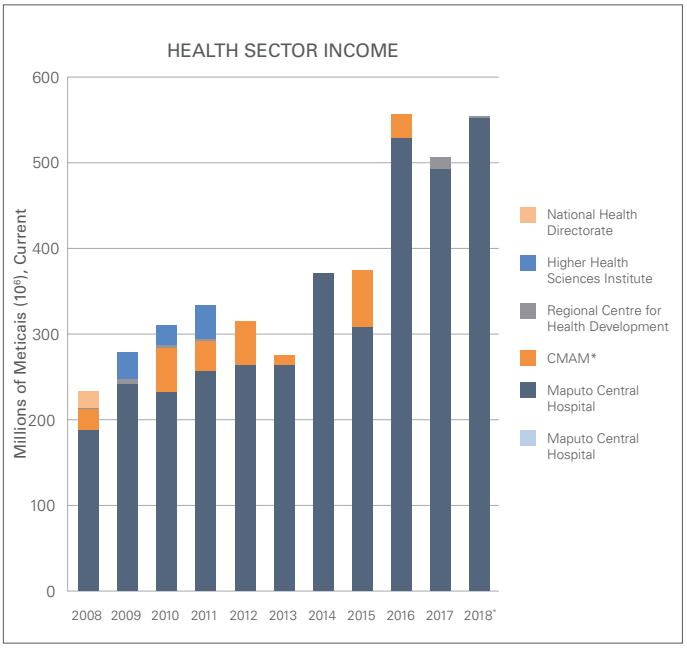
3.3 Own Income in the Health Sector

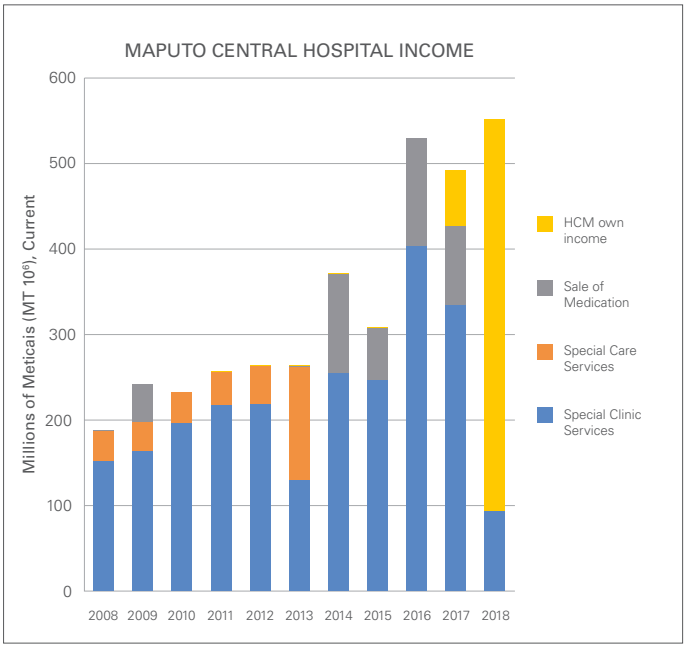
The total of own income reported by the Health sector has averaged about 390 million MT (equivalent to about US$ 6.2 million) over the past 10 years. Contributions to this revenue have come from the Maputo Central Hospital (HCM), the Central Medical Stores (CMAM), the Regional Health Development Centre (CRDS), the National Institute of Health (INS), and the National Directorate of Health. Of all of these institutions, however, only the HCM has consistently reported its collected revenue, and has contributed, on average, about 91% of reported revenue (see **Figure 5A**).

The limited reporting of own income is contrary to budget implementation rules and undermines transparency and accountability. The practice of reporting own revenue should be extended to all institutions which collect revenue, and there should be compliance with established procedures, throughout their management cycles[10].

For the HCM, revenue collected over the last decade has reached an annual average of MT 351 million (equivalent to about US$ 5.6 million). Special Clinic services, prescription drugs, and Special Support Services are the main sources of own revenue (see **Figure 5B**), with an average annual contribution in recent years of 226 million MT, 44.3 million MT and 35.5 million MT respectively.

FIGURE 5A & B





4. Application of Health Sector Resources

At the beginning of the year, the Ministry of the Economy and Finance (MEF) released an initial allocation, through the Single Treasury Account (CUT), to each UGB which forms part of the health sector. In accordance with implementation rates and the availability of resources, this allocation is adjusted, to become the latest allocation. Institutions control execution via e-SISTAFE (the electronic version of the State Financial Administration System), and the information there generated feeds the production of Budget execution Repots (BER) and the General State Account (CGE). The way in which the 2019 health budget will be spent can be analysed from four perspectives, as follows.

4.1 Operating versus investment expenses

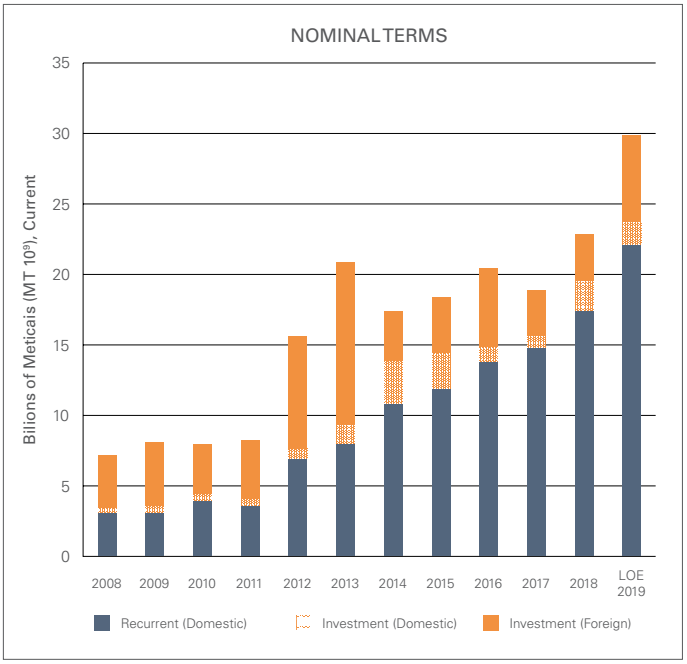
In the State Budget, health sector expenditure is subdivided into two categories: operations and investment. Recurrent expenditures consist of salary / remuneration expenses, goods and services, recurrent expenditure and transfers. Investment expenses relate to expenditure with which to improve the efficiency and performance of the sector over the medium to long term, through among others, the construction of health posts and hospitals, the training of doctors and nurses, and the purchase of medical equipment and supplies.

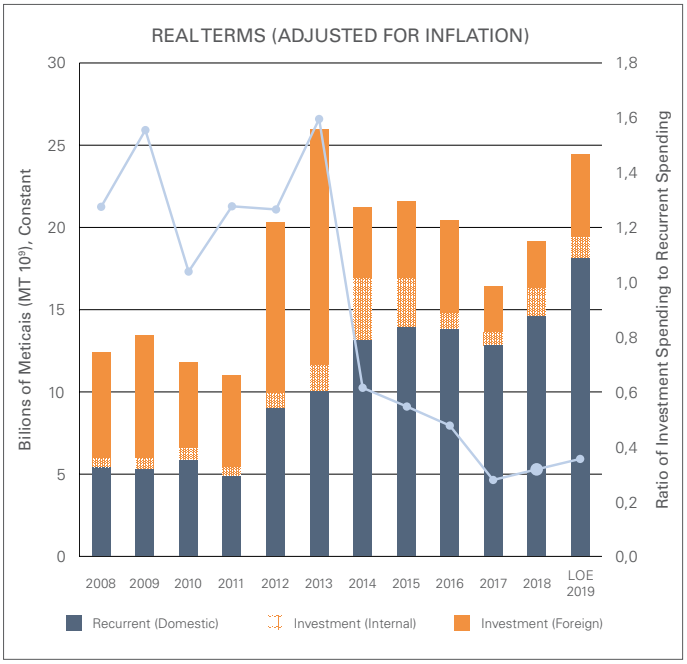
Operating expenditure is funded exclusively from domestic resources, while investment expenditure is financed internally and externally. However, it should be noted that all foreign financing is accounted for in the budget as "external investment" when in fact it may include a part devoted to operating functions. In order to improve understanding and transparency, regarding the actual implementation of the funds allocated to the investment component, it is important for the MEF to begin to quantify, through e-SISTAFE, the volume of foreign funds allocated to operational functions. Indeed, as shown in the data from the sector's BERs, in particular for the years 2018 and 2019, the volume of these funds has been considerable. By way of illustration, the total operating expenditure provided for in the investment budget is 54.3% and 44.8%, respectively, for 2018 and 2019[11].

74% of the SB for the health sector consists of recurrent expenditures, and 26% of investment expenditure (see **Figures 6A and 6B**). Operating and investment expenditure ratios are higher than those recorded in the last decade (during which the average was 55% for operations and 45% for investment), but very close to the trends for the last two years (an average of 77% for operations and 33% for investment). The said increase in the share of recurrent expenditure has resulted from the combination of nominal increase trends in recurrent expenditure and the reduction of investment costs over time.

For the fiscal year 2019, 21% of investment expenses came from domestic sources and 79% from foreign sources. These shares are in line with the average of the last 10 years, but constitute a significant change in comparison with the situation at the beginning of the decade. Indeed, in 2009, domestic and external investment accounted for 9 and 91%, respectively. The new structure in the composition of investment sources is explained by the downward trend in external investment over the last decade, although it has increased by 79% from 2018 to 2019.

FIGURE 6A & B





[11] Data calculated via the information contained in Annexures 5, 6, 7, 8, 9 and 10 of the Ministry of Health's BERs, relating to the 2018 year and to the 1st quarter of 2019.

4.2 Use of Resources per Health Institution

For the 2019 fiscal year, the Ministry of Health had the highest allocation of funds, followed by SDSMAS, the DPS, and the Central Hospitals (see **Figure 7A**). The Ministry of Health was allocated the amount of MT 14.7 billion, corresponding to 49% of the total budget for the Sector, while about 55% of the amount was allocated to the medicines component. The SDSMAS received a total of MT 6.5 billion, equivalent to about a quarter of the sector resources. The DPS was allocated MT 3.2 billion, corresponding to 11% of the total budget. The Central Hospitals, in turn, have at their disposal 2 8 billion MT, equivalent to 9% of the total funds available to the sector.

4.3 Resource use by level of care

For the year 2019, the central government received just over half of the total funds allocated to the sector, followed by primary and secondary health care, provincial administration, quaternary health care, and tertiary health care (see **Figure 7B**).

The central administration, comprising the Ministry of Health, the CNCS, and the INS received the amount of 15.1 billion MT, corresponding to 51% of the total budget for the sector. Primary and secondary healthcare provided by the SDSMAS and district hospitals received, together, the amount of 6.5 billion MT, equivalent to 22% of the budget. Provincial administration, which is conducted by the DPS, received 3.2 billion MT, equivalent to 11% of the budget. Similarly, quaternary healthcare, comprising the central hospitals and psychiatric hospitals, received the amount of 2.9 billion MT, equivalent to 10% of the budget. Tertiary healthcare, which is provided by general and provincial hospitals, received 1.9 billion MT, equivalent to 6% of the total sector budget. Finally, Research, which is carried out by the Health Sciences Institutes, received the lowest amount of MT 0.1 billion, equivalent to 0.4% of the sector's total budget.

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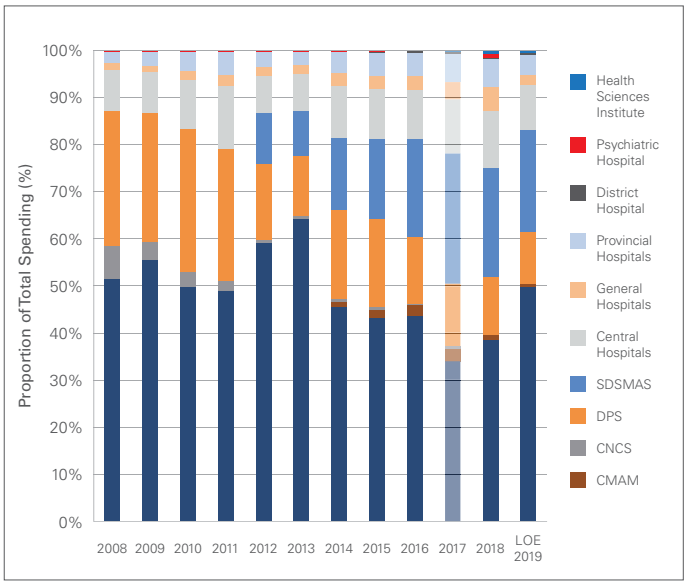
4.4 Use of funds by functional area

According to the budget classification contained in the 2019 budget, the area of medicines, medical devices and medical equipment received the largest portion of the sector's resources (30%), followed by unspecified healthcare areas (25%), Public Health Services (23%), General Hospital Services (12%), and Specialized Hospital Services (9%) (see **Figure 8**). Although it decreased by 16 percentage points, in comparison with 2018, it is still worrying that 25% of expenditure is not specifically classified. Additional efforts are needed, so that in the future, all expenditure is properly recorded in the appropriate functional classifiers.

FIGURE 7A & B



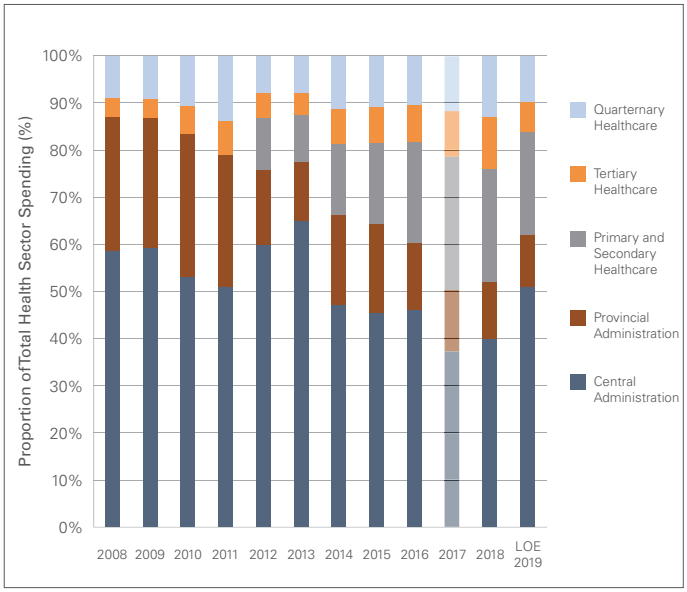
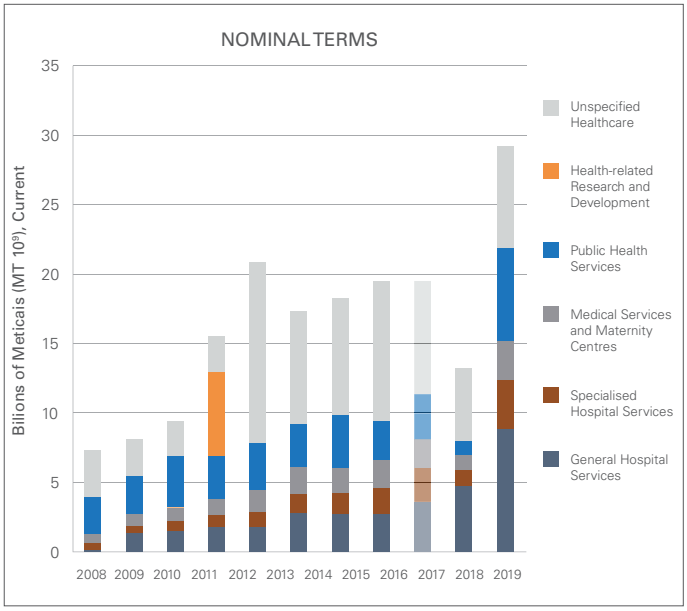


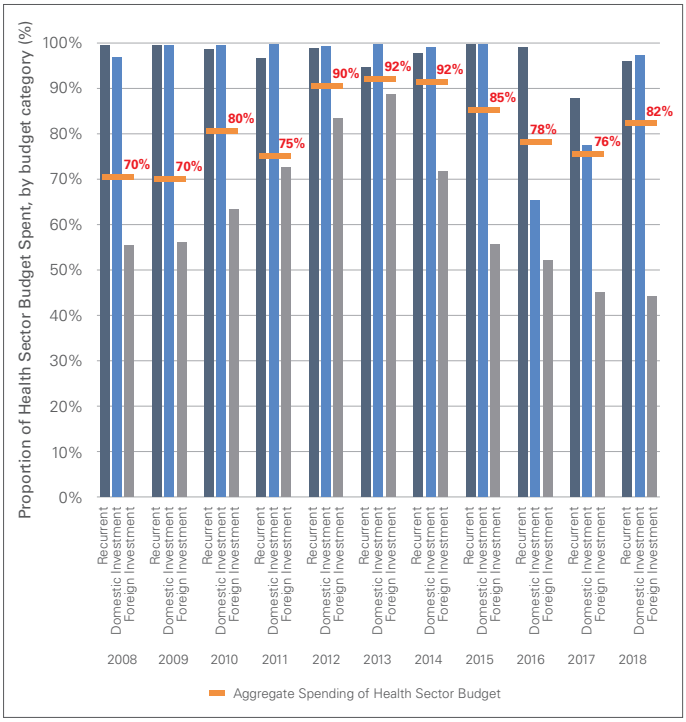
FIGURE 8



5. What was the degree of implementation of previous budgets by the Health Sector?

In 2018, the Health Sector spent 82% of its budget, driven by robust execution in the areas of recurrent expenditures and internal investment (see **Figure 9**). This execution is 6 percentage points higher than in the previous year, but remains lower than the overall execution of the State Budget, which stood at 91.9%. Budget execution of operating and internal investment expenditure was 96.3% and 97.6%, respectively. Meanwhile, external investment expenditure has been the lowest in the last decade. Reduced execution of these expenses, which has recurred in the last 3-4 years, seems to be associated with the late disbursement of funds by donors. For 2018, for example, all disbursements from the ProSaúde Common Fund were concentrated in the last two quarters of the year, with 23% and 77% respectively in the third and fourth quarter. The fact that 63% of total disbursements made during the year, and 82% of those made in the fourth quarter, were concentrated in December, illustrates the seriousness of the delays.

FIGURE 9



6. Health Sector Performance in relation to Strategic Objectives?

This section explores the performance of the Mozambican Health Sector in relation to key health indicators and service quality measures which address PESS strategic objective No. 2, relative to its peers, taking into account the level of resources allocated to the PESS over the last few years.

For 2019, the Economic and Social Plan (PES) prioritizes improving the performance of the following Health Sector indicators : (i) increased coverage of in-hospital births; (ii) increased coverage of fully vaccinated children under 12 months of age; (iii) No. of professionals placed in the Health System; and (iv) Number of children benefitting from anti-retroviral treatment. In 2019, the government intends to reach the goal of 84% of births being in-hospital, 9 percentage points above the target set in the PQG. In the case of fully vaccinated children under 12 months of age, the government aims to achieve the target of 94%, set in the PQG. The PQG did not make provision for the indicators "Number of professionals placed in the Health System" and "Number of children receiving antiretroviral treatment", and its goals are set at 2,126 and 104,229, respectively **(Table 1)**.

TABLE 1

Indicator for PQG Result	Institution	2014 Baseline	2019 Objective	2018 Revised Goal	2018 Result	2019 PQG Goal	2019 Budget
Institutional Birth Coverage Rate	The Ministry of Health	71%	75%	80%	87%	75%	84%
Percentage or number of children fully vaccinated	The Ministry of Health	82%	94%	92%	94%	94%	94%
No. of professionals placed in the Health System *	The Ministry of Health	N/A	N/A	2,019		N/A	2,126
No. of children benefitting from ART *	The Ministry of Health	N/A	N/A	98,717	86,920	N/A	104,229

Note: *Indicators do not appear in the 2014-2019 PQG

Also for the year 2019, the conclusion of construction work at 7 District Hospitals in Niassa (Cuamba), Cabo Delgado (Montepuez, Mocímboa da Praia and Macomia), Manica (Machaze), Inhambane (Jangamo) and Gaza (Macia) is planned. The continuation of construction work at the Nampula General Hospital and the Inhambane Provincial Hospital in Maxixe is also envisaged.

Overall, health sector performance is mixed. Indeed, while there has been robust performance in the areas of child vaccination and institutional birthing coverage, performance was negative in the area of paediatric ART administration.

6.1 Trends in Health Sector results

Mozambique's performance has been better than the average for Sub-Saharan African countries, and is comparable to the average for low-income countries, with regard to the reduction of child mortality. In relation to maternal mortality, Mozambique's performance is slightly lower than the average for sub-Saharan African countries, but better than the average for low-income countries (see Figure 10). Mozambique reduced child mortality from an average of 143 per 1,000 live births in 2000 to 69 per 1,000 in 2017. During that same period, Low Income Countries reduced child mortality from 150 to 69, while Sub-Saharan African countries reduced child mortality from 154 to 76 per 1000 live births[12]. Regarding maternal mortality, Mozambique has shifted from an average of 915 per 100,000 in 2000 to 489 in 2015 (based on the most up-to-date information available). In the same period, the Low Income Countries went from 796 to 479, while Sub-Saharan African countries went from 846 to 547 per 100,000.

Mozambique lags behind its peers in indicators which measure progress in the areas of HIV / AIDS prevalence, malaria and tuberculosis incidence, and the occurrence of road accidents. The incidence of HIV / AIDS increased from 10.4% in 2000 to 14.1% in the 2007-2009 period, to 12.5% in 2017. By contrast, the average incidence in both low-income and sub-Saharan African countries has been steadily decreasing over the same period, from 4.3% to 2.7% in the former, and from 5.9% to 4.1% in the latter.

With regard to malaria, Mozambique reduced incidence from 457 per thousand in 2000, to 338 per thousand in 2017. During the same timeline, the incidence of this disease decreased from 276 to 189 per thousand in Low - Income Countries and from 314 to 210 in Sub-Saharan African countries.

The incidence of tuberculosis in Mozambique has risen from 513 per 100,000 in 2000, to 551 per 100,000 in 2017. In Low-Income and Sub-Saharan Africa respectively, it has risen from 307 to 206 per 100,000, and from 333 to 237 per 100 thousand.

With regard to mortality caused by road accidents, average occurrence in Mozambique increased from 31.7 per 100 thousand in 2000 to 33.1 per 100 thousand in 2015. In Low Income and Sub-Saharan African Countries, the indicator values at the beginning of the period were, respectively, 26.0 and 26.8 per 100,000. For both groups of countries, the indicator value was set at 27.2 in 2015.

Progress in the area of child mortality deserves praise, and suggests that the strategy adopted by the authorities to combat it, namely, the administration of vaccines, is achieving the desired results. However, efforts must continue to be made in order to consolidate the gains achieved so far.

[12] The source of the data series (World Development Indicators) has been revised, and amounts are thus different from those reported in previous reports.

GLOSSARY OF BUDGET TERMS:

Initial Allocation:	The first allocation of funds, approved by Parliament
Revised Initial Allocation:	A revised allocation of funds, approved by Parliament
Updated Allocation:	The total funds that arrive at the disposal of a given health institution
Expenditure:	Allocated funds spent on health investment and recurrent costs
Budget Execution:	Percentage of allocated funds spent out of the total allocation
Nominal Values; Current:	Numbers not corrected for the effect of inflation
Real Values; Constant:	Numbers corrected for inflation

ACRONYMS:

AIDS	**Acquired Immune Deficiency Syndrome**
ART	**Antiretroviral Treatment**
CGE	**General State Account**
CMAM	**Central Medical Stores**
CNCS	**National AIDS Council**
CRDS	**Regional Centre for Hygiene Development**
CUT	**Single Treasury Account**
DPS	**Provincial Directorate of Health**
e-SISTAFE	**Electronic Financial Information Management System**
GDP	**Gross Domestic Product**
HCM	**Maputo Central Hospital**
INS	**National Institute of Health**
LIC	**Low Income Countries**
LOE	**State Budget Law**
MEF	**Ministry of the Economy and Finance**
MOH	**Ministry of Health**
MT	**Meticais**
PES	**Economic and Social Plan**
PESS	**Strategic Plan for the Health Sector**
pp	**percentage points**
PQG	**Five-Year Government Program**
BER	**Budget Execution Report**
SB	**State Budget**
SDSMAS	**District Health, Women's and Social Action Services**
SSA	**Sub-Saharan Africa**
UGB	**Beneficiary Management Unit**
US$	**US Dollars**

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