

Political economy determinants of public investments for nutrition in Mozambique

**4th Annual LCIRAH Conference:
Agri-Food Policy and Governance for Nutrition and Health
Birkbeck College, London, 3-4 June 2014**

Lucy Billings^{*}, Tewodaj Mogues^{*} and Domingos M. do Rosário⁺

^{*}International Food Policy Research Institute

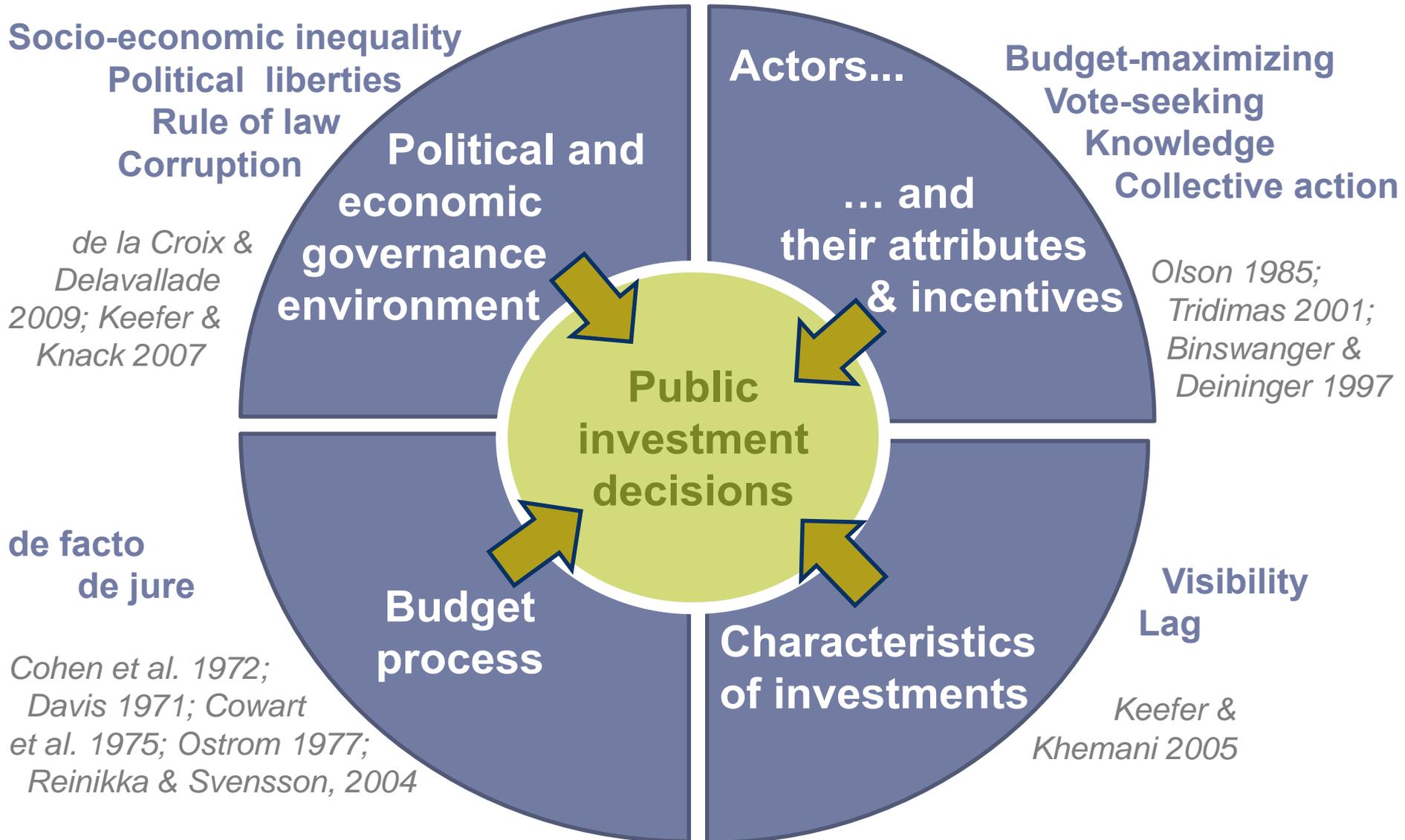
⁺ Universidade Eduardo Mondlane

Study motivation and objectives

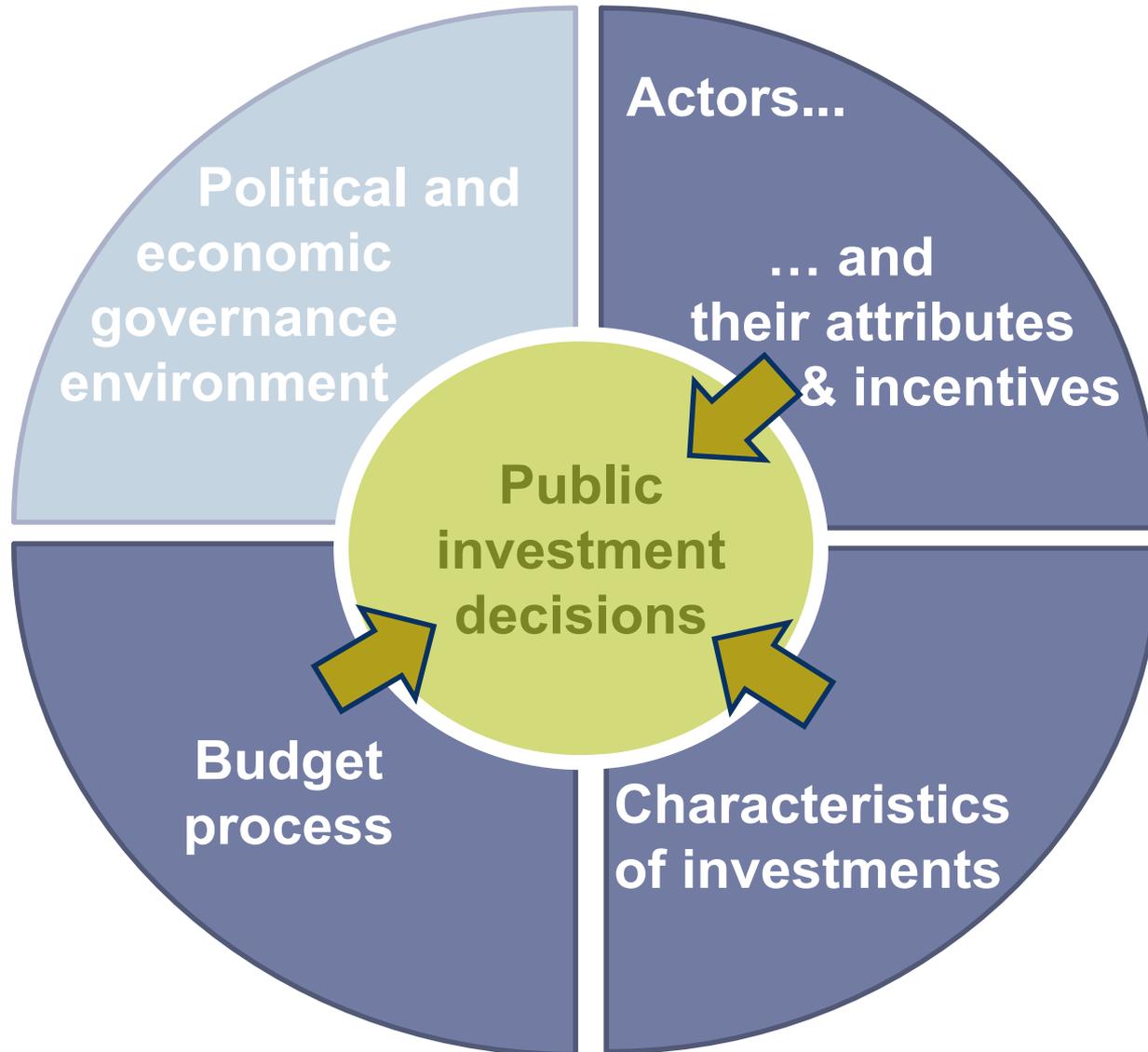
- **Serious nutrition conditions in the country: Under-5 malnutrition:**
 - 44% stunted height for age
 - 18% underweight
 - 4% wasting
 - GHI-score-based rank = 64 (with 78=worst)
- **Vast literature of the positive contributions of public investments in nutrition interventions**
- **Yet: Studies document policy and public investment neglect in nutrition (although recently improving trends)**
- **Thus, need to better understand the reasons for potential under- or misinvestment in better nutrition outcomes**
- **More broadly: Political economy drivers of public investment decisions are not adequately enough understood, conceptualised, and (esp.) empirically assessed. This work is in this mold, with application to nutrition in Mozambique**

Framework

Donors • Bureaucrats • Beneficiaries
NGOs • Politicians • Researchers



For this study



Qualitative analytical methods

- **Process tracing** (Beach and Pederson, 2013) – Within-case inferences on the presence or absence of causal mechanisms
 - Theory-testing:** Identify if the theorized causal mechanisms are present and if they function as anticipated
 - Theory-building:** Investigate the empirical material to identify causal mechanisms between defined explanatory and outcome variables
- **Resource flow map** – A component of PETSs (Reinikka and Svensson 2006, Koziol and Tolmie 2010), which seek to identify public expenditure inefficiencies. We will not conduct a full PETS in this study, but will develop a RFM to track budgeting and spending processes
- **Identification of emerging themes** – Apply the Grounded Theory method (Glaser and Strauss, 2012) to analyse data across sites within Mozambique, and identify themes that further develop theoretical framework

Study Area:

Country: Mozambique

Provinces (3): Nampula, Sofala, Tete

Districts (6): A high and low investment district per province

Empirical Tools:

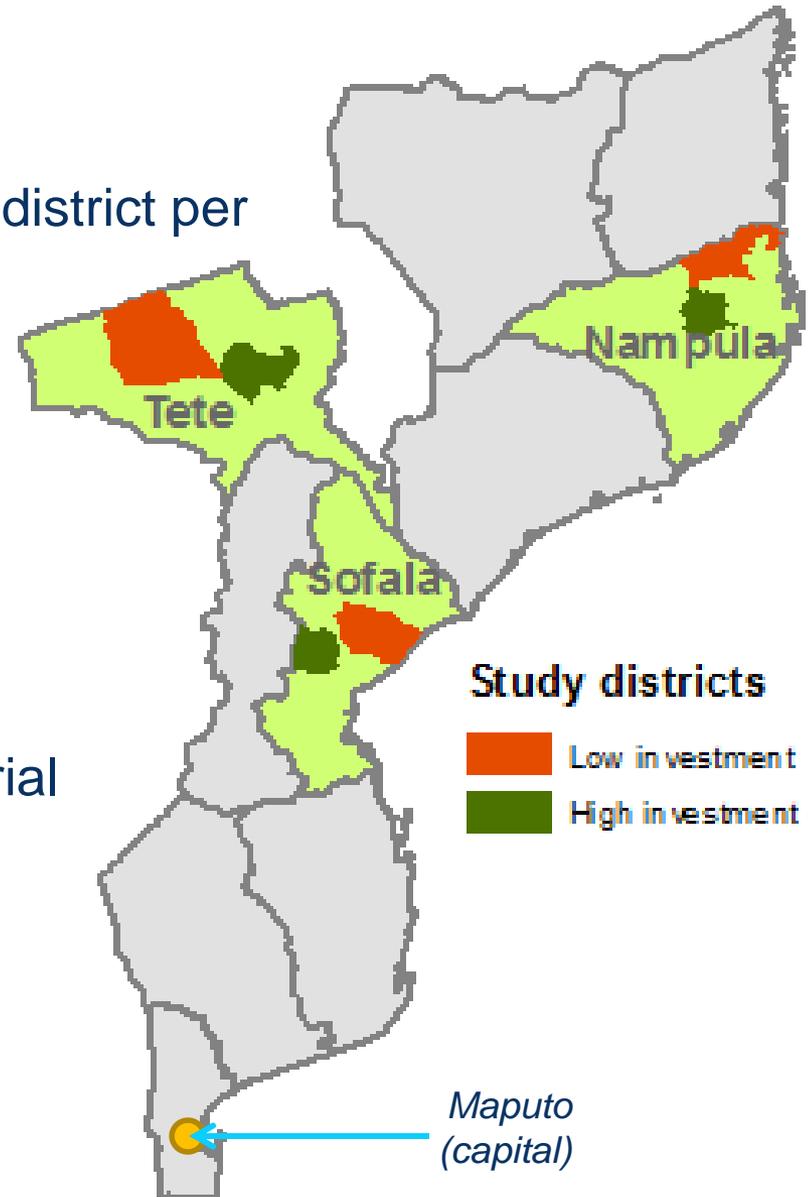
59 key informant interviews

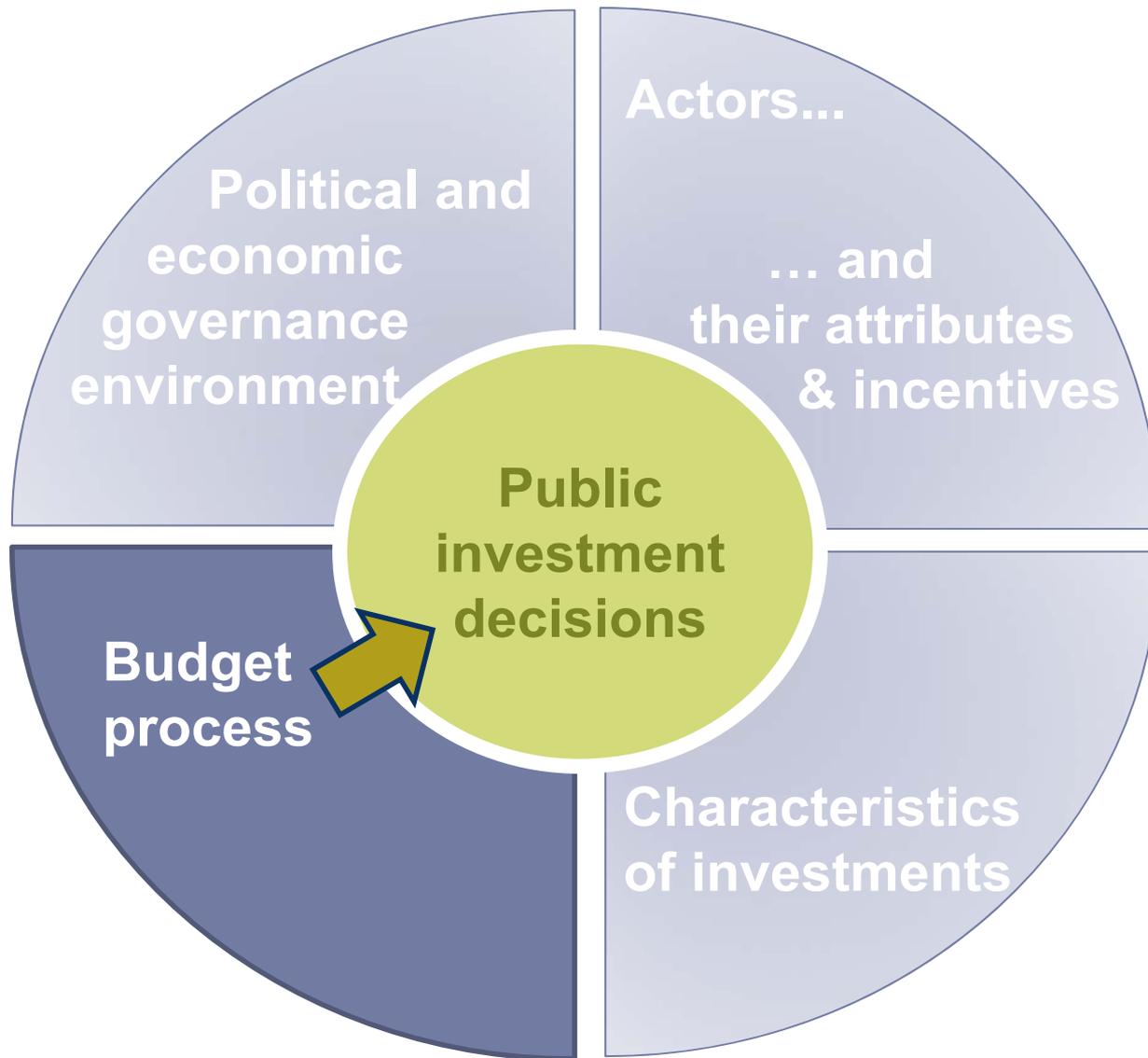
Data processing approach

- Full transcription of all interviews
- Coding using NVivo
- Translation of Portuguese coded material

Document review

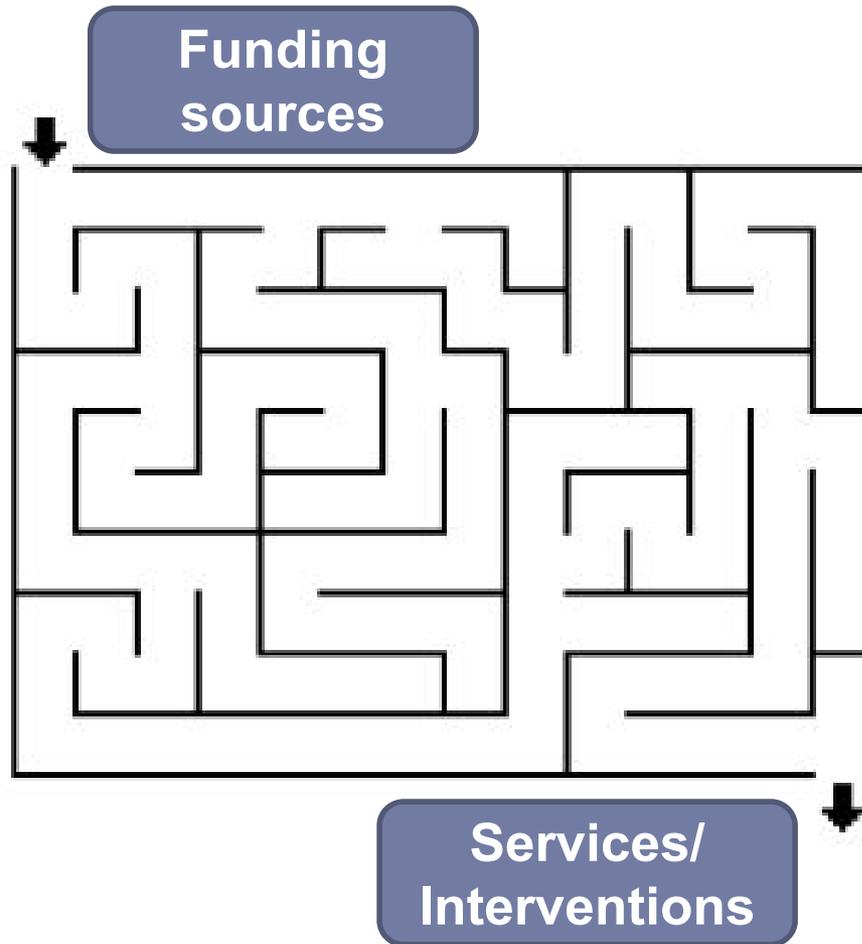
- Government fiscal documents
- Donor initiative commitments
- NGO project and program planning documents





Resource flow map

Budget process



- What are the intermediary steps?
- What are the different types of allocations?

- Which actors are involved?
- Who are the decision makers?
- What is the budget process direction?

Budget Process

Key findings

“[I]f it’s not visible [as a coded line item] then it difficult to mark and its difficult to give sanctions and to trace and see where things are going. And that then doesn’t help to allocate funding.”

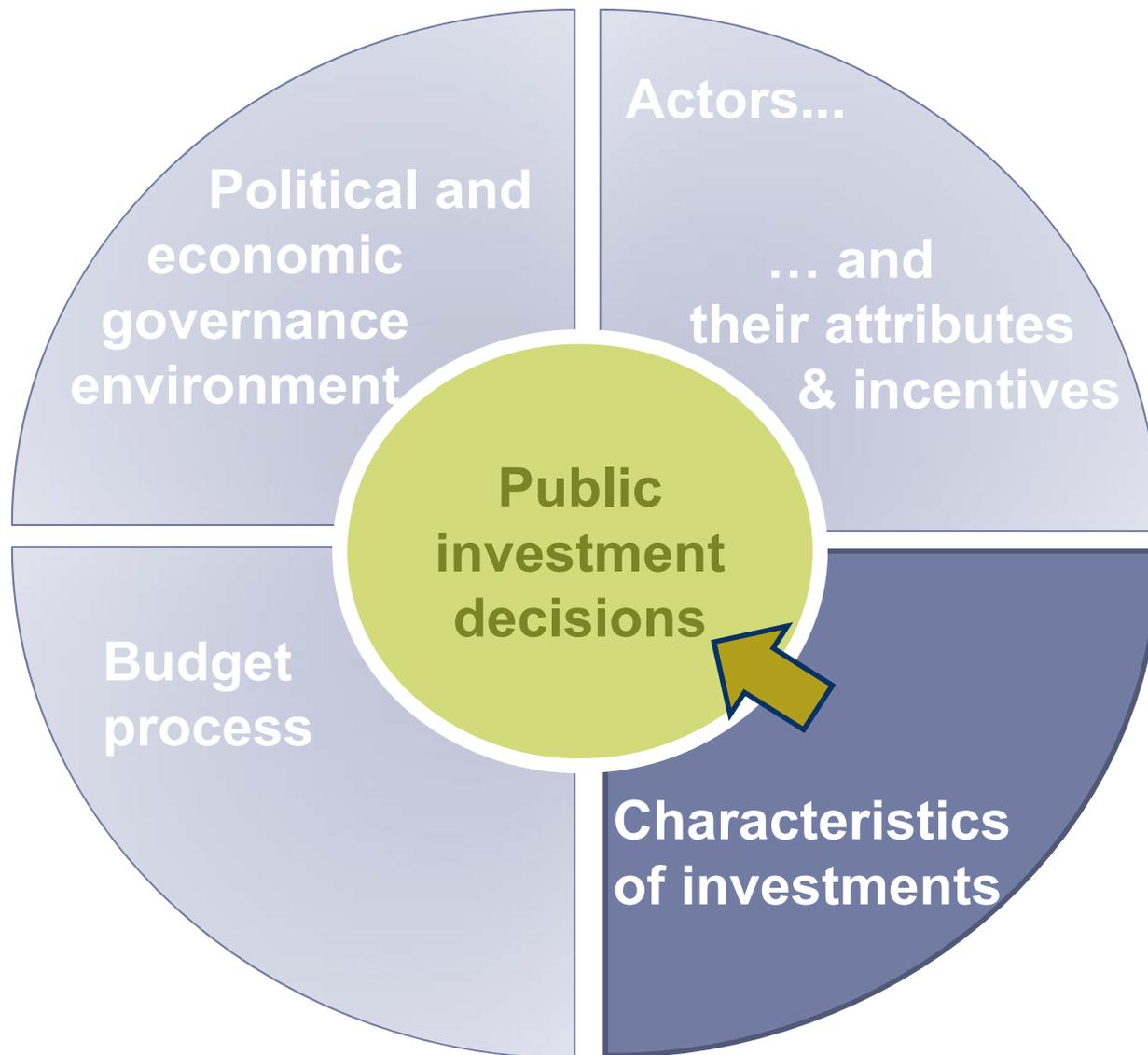
- **Lack of line-item for nutrition in the budget makes it less likely that donors will expend additional resources on nutrition**
 - There is no nutrition line item in the budget despite great efforts from champions to introduce one (unlike other multi-sector activities such as HIV/AIDS)
 - There are line-items as part of some ministries’ budget (e.g. Min. of Health) in the budget’s administrative classification; but not in several other ministries’ budget although they have nutrition activities
- **Fragmented budgeting and spending arrangements decreases funding to nutrition**
 - The planning process is mostly integrated (PAMRDC)—but not the budgeting and spending process

Budget Process

Key findings

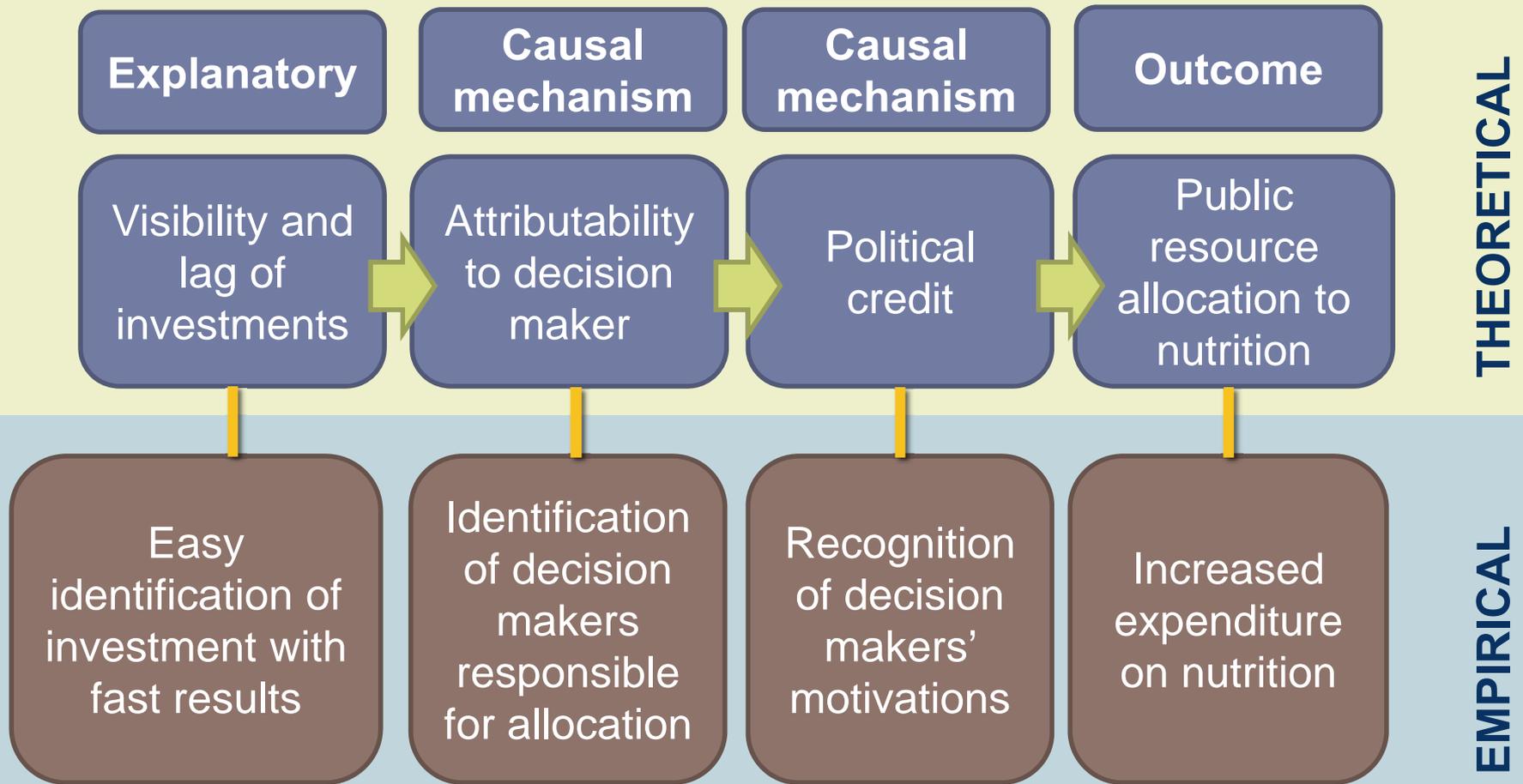
“[Donor A] has helped us tremendously and the reason why its because they are much more flexible in terms of their funding than [Donor B] for example” “[Donor A] was much more flexible so they’re more in the partners, its difficult sometimes to go out of the box with [Donor B]”

- **Increased flexibility (vs. rigidity) of the de facto budget process improves resource allocation within nutrition**
 - There is some de facto flexibility in the overall budget process, allowing donors to introduce new funds that become available in midst of budget cycle
 - Agencies’ (e.g. donor agencies) own budgeting flexibility/rigidity also matters for quality of intra-nutrition allocation
- **Accounting for nutrition, in terms of (a) needs costing, (b) budgets, (c) expenditures, all are weak exercises: Makes funders hesitant**
- **Funds allocation pathways influences amount and type of nutrition investments:**
 - Donor-to-government flow leads to sectorally focused spending, donor-to-NGO flow to more multi-sectoral expenditures
 - Government financing but not providing services (i.e. outsourcing): leads to more spending, although less capacity built



Characteristics of investments

Process-tracing: theory-testing



Characteristics of Investments

Key Findings

“They [the donors] want to see a quick result, but you don’t take away stunting from a year to another... it’s a long process and I think one barrier is that you don’t have a tomorrow-result.”

- **Project visibility and the timeliness of results attracts funding**
 - Government finds it easy to attract donors to support vitamin A distribution because it is an established program with high visibility
 - Acute emergencies have historically attracted fast action from donors
 - Programs addressing chronic malnutrition can take a long time to demonstrate results
- **Uncertainty in how attribution motivates decision makers**
 - At the decentralized levels respondents named implementing organizations rather than the funding organization when identifying sources of nutrition spending
 - According to the hypothesized causal mechanism, under- and mis-attributed would be a barrier to investments. This wasn’t indicated in our interviews and we are exploring other explanations for attribution

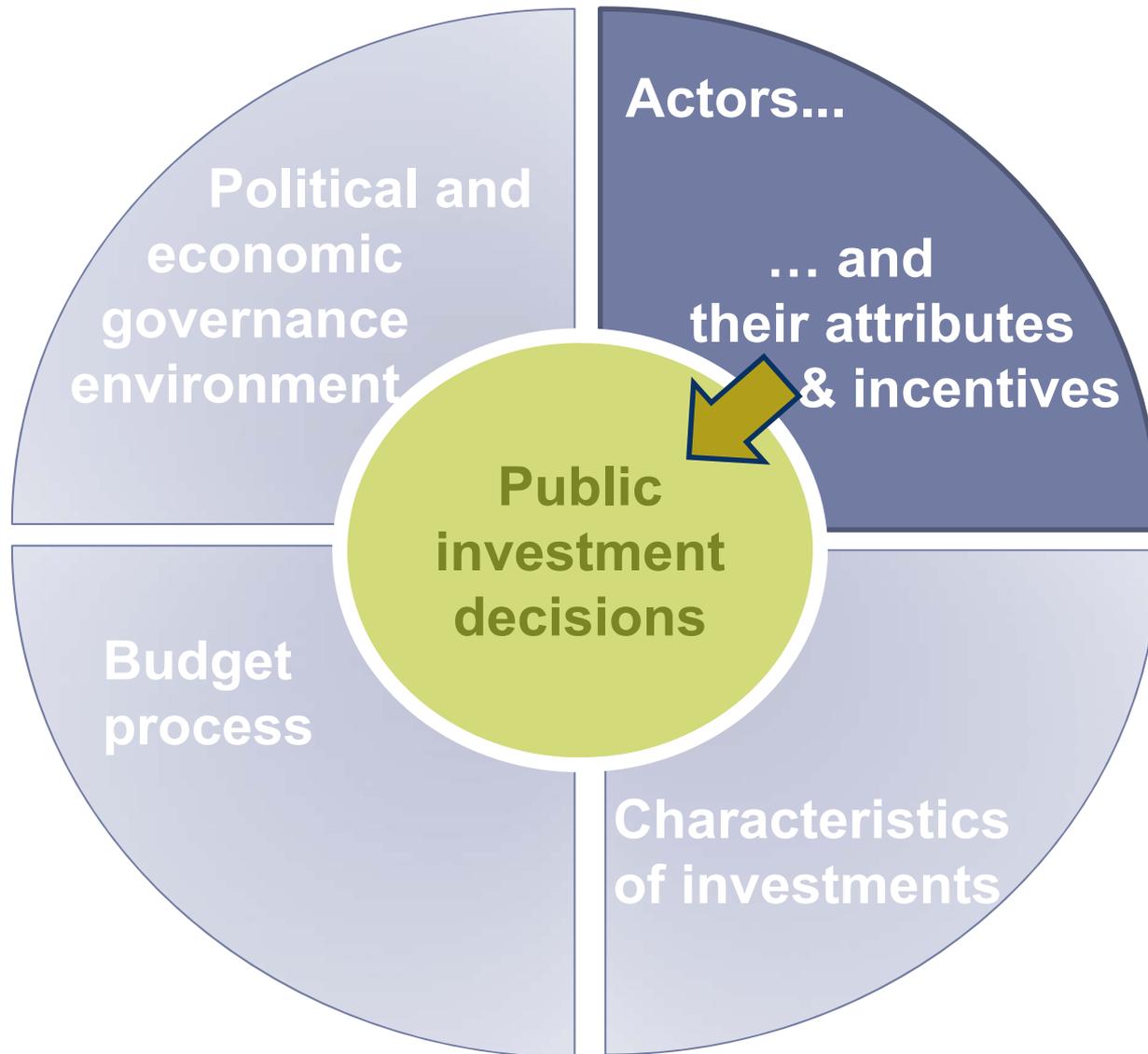
Characteristics of Investments

Key Findings

“the problem of malnutrition has entered into fashion now... I think it has to do with the international agenda.”

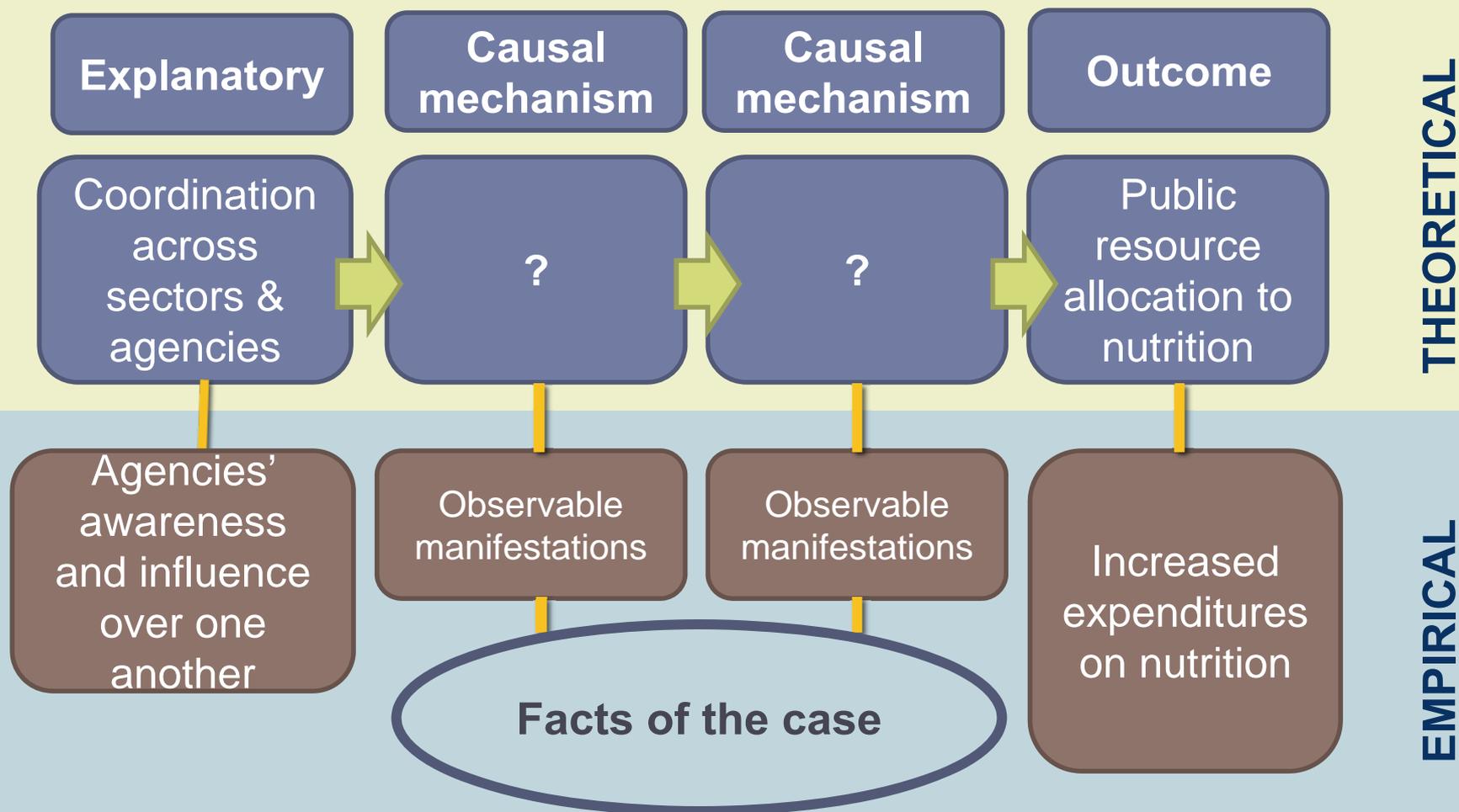
“[F]or now, there's a lot of money, and the nutrition is fashionable, while 10 years [ago it] was almost only this project in the province, which was doing something. But now has a lot more funding”

- **Alignment with international & national agendas on addressing malnutrition motivates support**
 - More allocated for nutrition in Mozambique due in part to the raised profile of nutrition on the international development agenda
 - Government is more likely to support projects aligned with the national nutrition policy
- **Use of evidence-based approaches and ability to show measurable impacts attracts funding**
 - New projects/programs aim to employ evidence-based strategies
 - Demonstrated program effectiveness prompts greater support, but M&E systems are generally weak, especially for government programs.



Actors and their incentives

Process-tracing: theory-building



Actors and their incentives

Key Findings

“There is not a group that set plans and executes in a coordinated way the activities in the area of nutrition [...] as the Government has no authority to call [for example] World Vision and force this organization to sit and plan with all sectors, and ask to them how much they have [...] nothing will happen.”

- **Partial success in cross-sector coordination influencing allocation of resources within sectors**
 - SETSAN coordinates nutrition *planning* across the different ministries at national and provincial level
 - But there is no coordinated *implementation* across the government ministries
 - NGOs tend to have more integrated approaches in program implementation than government because they are not constrained by sector budgets
- **Strong donor working group facilitates coordinated, but not even, distribution of resources**
 - Each province has been ‘adopted’ by a donor to implement the PAMRDC at the provincial level
 - However, donor strategy and size of allocation differ across provinces. For example, Tete and Nampula provinces.

Actors and their incentives

Key Findings *“I think what encourages investment are those champions and their ability to absorb and guide the investments of these donors. Without those champions you choose different sectors to work in.”*

- **Coordination between NGO projects and government activities on nutrition offer opportunities for efficiency gains in spending**
 - Accountability and reporting requirements from donors create disincentives for NGOs to work with government partners
 - Some NGOs implement nutrition projects without strong awareness of government nutrition initiatives and programs
- **Strong champions for nutrition raise awareness among funding decision makers**
 - A few strong champions have helped to push the nutrition agenda forward and raise funding to support nutrition programs
 - Donors respond well to strong champion figures, but are nervous that there isn't sufficient support capacity behind champions to implement effective programs

Summary

- Found evidence of some hypothesized causal pathways through both affirmed presence and affirmed absence
- Identified emerging themes within each framework element
- Observed that political economy features dominant, but found some evidence consistent with ‘social planner’ model

Next steps

- Deepen analysis to fully answer each question established through our methodological processes
- Explore methods for quantitatively testing select hypothesized causal mechanisms from this study
- Suggest how theory and methods used in this study can inform public expenditure research in other sectors

THANK YOU

Follow-up questions

Tewodaj Mogues: T.Mogues@cgiar.org

Lucy Billings: L.Billings@cgiar.org