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Indirect policy instruments and implementation success: the Case of the Food Subsidy Programme in Mozambique

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Resumen/Abstract:

Governments all over the world face the dilemma of limited resources and increasingly tighter fiscal targets on one hand, and, on the other hand, growing pressure to deliver quality public services. The situation is particularly problematic in developing countries where the gap between resources available and demand for basic public services is much wider. Government policies, plans, targets, such as the Millennium Development Goals and the Poverty Reduction Strategy Papers, often remain on paper or are partially and poorly implemented for lack of resources and institutional frameworks that are weak and outmoded. In this context, governments have been searching for alternatives and experimenting with new approaches to bridge this gap and put their policies into effect. Many of the new approaches and tools being used by governments share a significant common feature: they are highly indirect, that is, they rely on third parties to deliver publicly services and pursue publicly authorized purposes - these include contracting, grants, vouchers, loan guarantees among many others. As a result, third parties are now intimately involved in the implementation, and often the management, of the public's business and a major share of the discretion over the operations of public programmes now routinely rests outside the responsible government agency (Salamon 2002).

Palabras clave/Keywords:

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Indirect policy instruments and implementation success: the Case of the Food Subsidy Programme in Mozambique

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Introduction

Governments all over the world face the dilemma of limited resources and increasingly tighter fiscal targets on one hand, and, on the other hand, growing pressure to deliver quality public services. The situation is particularly problematic in developing countries where the gap between resources available and demand for basic public services is much wider. Government policies, plans, targets, such as the Millennium Development Goals and the Poverty Reduction Strategy Papers, often remain on paper or are partially and poorly implemented for lack of resources and institutional frameworks that are weak and outmoded.

In this context, governments have been searching for alternatives and experimenting with new approaches to bridge this gap and put their policies into effect. Many of the new approaches and tools being used by governments share a significant common feature: they are highly indirect, that is, they rely on third parties to deliver publicly services and pursue publicly authorized purposes - these include contracting, grants, vouchers, loan guarantees among many others. As a result, third parties are now intimately involved in the implementation, and often the management, of the public's business and a major share of the discretion over the operations of public programmes now routinely rests outside the responsible government agency (Salamon 2002).

But does the use of such tools/instruments result in better public actions? The academic literature is divided over this topic.

Advocates of this approach argue that no one actor has the information, the knowledge nor the resources required to deal with the complexity of current government operations alone and hence broad and systemic interactions between public and private actors are essential. The assumption here is that these interactions generate synergistic effects resulting in more effective public action, i.e. it assumes a positive relationship between partnerships/joint action and implementation success.

Some of the key advantages of indirect policy instruments promoted by its advocates include (Agranoff and McGuire 2001, Brinkerhoff and Brinkerhoff 2001, Kooiman 2002):

- their ability to inject competition into the provision of public services, breaking the monopoly of governmental agencies and thereby potentially improving service quality;
- their capacity to galvanise private resources, providing access to technical, financial and physical resources which are desperately needed to cope with complex public problems; and
- their flexibility, making it easier for governments to experiment, change course, and thus to remain responsive to new needs.

Yet, the mainstream implementation literature of the 1970s and 1980s has singled out the “complexity of joint action” as one of the key reasons for implementation failure.

Pressman and Wildavisky in their seminal work on implementation concluded that cumbersome, overly complex institutional arrangements are often to blame for implementation problems/failures. They argued that the multiplicity of participants and perspectives are a formidable obstacle for programme success (Pressman and Wildavisky 1984:102).

For them, the result of interactions between several actors is often disagreement and delays, and hence the greater the number of participants, the lower the probability of programme success. They calculated the chances of failure in relation to the number of actors involved in the implementation and reach a rather pessimistic conclusion: assuming a 95 per cent level of concurrence among participants in each issue or decision point, and assuming only 30 of such decision points in the implementation of a programme (a very low number for any programme), the probability of overall success is about 2 per cent (Pressman and Wildavisky 1984:108).

This view is by and large supported by most advocates of the predominant top-down approach to implementation.

So, how does the incipient Governance literature on policy implementation respond to this apparent paradox?

There seems to be three key messages emerging from the academic literature on policy implementation and indirect policy instruments: firstly, a recognition of the inevitability of third-party government in the current socio-political context; secondly, the need for a new type of public management to deal with such arrangements; and thirdly, the need to address the accountability issues raised by such arrangements in order to uphold their political legitimacy.

In sum, the Governance literature on policy implementation acknowledges the implementation challenges posed by indirect policy instruments, but dismisses the traditional view that simpler programmes implemented through hierarchy is a viable solution in the current socio-political context. Instead, it proposes efforts to address management and

accountability issues generated by third-party government. Therefore, research on implementation within the governance framework should not focus on whether to use indirect policy instrument, but how to do so well. In this sense, this paper aims to make a small contribution towards a better understanding of issues contributing to the successful use of indirect policy instruments.

The case study

I have investigated the relationship between indirect policy instruments and implementation success empirically by looking at the implementation of the “The Food Subsidy Programme” (PSA- Programa de Subsídio de Alimentos, in Portuguese), a national cash transfer programme in Mozambique.

This case is interesting for a number of reasons, but perhaps its most attractive feature is that it offers an unique opportunity to contrast and compare the implementation of the same programme, within the same context, using two distinct approaches: the traditional one of direct implementation by a governmental institution as the implementing agency (the National Institute of Social Action - INAS), and an indirect one, through a partnership between the government and an NGO.

The Food Subsidy Programme (PSA): a cash transfer programme in Mozambique

Social transfers in developing countries have traditionally been “in-kind” (food or agricultural inputs) or in the form of subsidies (Kebede 2006). However, since the mid-1990s when Brazil pioneered cash transfer schemes that targeted poor households with school-aged children, cash transfers have become more and more common in developing countries, particularly in Latin America where it is estimated that between 15 per cent and 20 per cent of the population receive cash transfers (FAO 2007). Cash transfers are regular cash payments provided to individuals or households generally intended to increase or smooth the consumption of goods and services.

Encouraged by the positive experience with cash transfers in Latin America and the positive impacts of non-contributory pensions in South Africa in the context of the HIV/AIDS epidemic, a number of African countries, including Swaziland, Lesotho, Kenya, Zambia, Malawi, and Ethiopia, have begun to design and implement cash transfer schemes (in most cases as pilot schemes).

Mozambique, which is one of the poorest countries in the world ranking 172 out of 182 countries on the 2009 Human Development Index, has been one of the pioneers in Africa of cash transfer programmes. The Food Subsidy Programme-PSA started to be implemented in 1990, when the country was still in the midst of a civil war. The PSA is a targeted non-conditional cash transfer programme, as it is designed to benefit specific target groups, but there are no conditionalities attached to it.

The PSA stated objective is “to attenuate the subsistence problems of groups of individuals living on poverty and temporary or permanently prevented from working or being able to satisfy their basic needs, through the transfer of monetary values to programme beneficiaries” (INAS 2004).

The programme provides a monthly cash transfer to people who are destitute and have no capacity to work, including older people (women aged 55 and over and men aged 60 and over), people with disabilities and the chronically ill (excluding those living with HIV/AIDS and tuberculosis). The PSA covers all provinces of Mozambique, and in 2007 the programme benefited 101,800 people mainly in urban areas (even though circa 80 per cent of the population lives in rural areas).

The value of the food subsidy was initially intended to correspond to one third of the monthly minimum salary. However, currently it corresponds to about 5% of the minimum salary.

The value of the subsidy to beneficiaries varies from MTN100 per month (US\$2.9) to a maximum of 300 (US\$8.7) depending on the number of dependents in the household.

The PSA is implemented by the National Institute of Social Action (INAS), of the Ministry of Women and Social Action (MMAS), through its 19 delegations throughout Mozambique.

The PSA presents very high administrative and delivery costs relative to the value of money disbursed. In 2007 the total Programme budget was MTN188.6 million (US\$7.3 million), for cash transfers totaling MTN122.2 million (US\$4.7 million), implying that \$1.55 was required to deliver \$1 benefit. Other limitations of the Programme include its lengthy and cumbersome registration process and its unreliable payment system (Taimo and Waterhouse 2007, Walker et al. 2008).

Cash transfers are notoriously complex and expensive programmes, and their implementation requires a lot of government commitment and administrative capacity. The “catch 22” such programmes is that “the greater the need for social protection, the lower the capacity of the state to provide it” (Harvey and Holmes 2007).

It should be highlighted the Food Subsidy Programme- PSA is a rare example in Africa of a state-led social protection programme with continuous funding over a long period. However, as the Programme has come under increasing scrutiny over its high delivery costs and its relative limited coverage (mainly restricted to urban areas), improving its implementation is crucial for its sustainability.

An alternative implementation approach: Partnership between Government and NGO

In an effort to increase the effectiveness of the programme and extending its coverage (particularly in rural areas), INAS started to look at different alternatives for implementing the PSA. One new model that is being tested in two districts of Tete Province is a partnership with

a British NGO called HelpAge International (HAI), with funding from the Royal Netherlands Embassy in Mozambique.

HelpAge International (HAI) and the National Institute of Social Action (INAS) partnership is framed by a Memorandum of Understanding (MoU) signed in November 2007. Under the terms of the MoU, HelpAge International agrees to implement the Food Subsidy Programme-PSA in Changara and Cahora Bassa districts in Tete province.

HelpAge International (HAI) has developed an alternative implementation model, which it argues is a better approach for expanding the PSA to rural areas. This model – the PSA Community Model - uses a community-based approach in which the identification and selection of the beneficiaries, the payment process and the monitoring of the use of the cash transfer is all done by community members. As at June 2009, the “PSA Community Model” was being implemented in 15 communities and benefiting a total of 1,419 people (853 direct beneficiaries and 566 dependants), with plans to expand it to a further 7 communities in 2010.

Despite the differences in implementation approaches, the key features of the Food Subsidy Programme remain unchanged, as HelpAge International is bound under the terms of the MoU to follow the “PSA Orientations and Procedures Manual” which defines target groups, eligibility criteria, the value of the food subsidy, and the administrative procedures for the PSA. Thus the PSA implemented by HelpAge International in Changara and Cahora Bassa districts is the same Programme implemented directly by INAS in the rest of the country.

The future of the “PSA Community Model”

The Memorandum of Understanding (MoU) between INAS and HelpAge International comes to an end in December 2011. By then, HAI plans that the communities will have become “autonomous”, i.e. are able to implement the PSA without significant outside inputs.

It is not clear what will happen then. In accordance with the MoU, INAS agrees to incorporate the beneficiaries of the “PSA Community Model” into the “INAS PSA” at the end of the partnership. The question is whether INAS will carry on using the community structures established by the “Community Model”, or will revert back to the “INAS Model”. But also beyond the fate of these 22 communities, there is also the broader question of the expansion of the PSA to other rural communities in Mozambique: based on the “PSA Community Model” experience, will INAS decide to carry on with partnerships with HAI and/or other NGO/private partners to implement the PSA in rural communities using the “PSA Community Model” or other alternative models? Or will it abandon the idea of partnerships and focus solely on the direct implementation of the PSA?

Analysis of how the two alternative policy implementation tools – Direct Government and Government-NGO Partnership - impact on the effectiveness, efficiency, equity, manageability and political legitimacy of the Food Subsidy Programme-PSA

Salamon (2002:27-32) argued that the more indirect the instrument, the more likely it will be less effective and more difficult to manage, given the difficulties implied in implementing a

programme with many partners, and the conflicts and delays that result from that (echoing Pressman and Wildavsky's conclusions in the 1970s).

He also argued that indirect tools can have a negative impact on the ability to promote equity and redistribution goals, particularly when partners brought into the operation of a public programme are private businesses, who lack incentives to achieve equity goals. In the process of trying to attract customer who will improve their measurable performance, providers may sacrifice redistributive goals.

At the same time, according to Salamon's analysis, indirect tools are likely to have a positive impact on the efficiency of the public action. The positive impact on efficiency is likely to be driven by the injection of competition into the provision of public services promoted by indirect instruments, their ability to mobilize private talent and resources and the greater degree of flexibility offered by such instruments.

In relation to the political advantages of indirect tools, Salamon noted that they can have both a positive and a negative impact on the legitimacy and political feasibility of the public action. He argued that they can have a positive impact on the political legitimacy, because they can open up important opportunities to include affected interests into the action. On the other hand, he noted that, if not well managed, indirect policy instruments can also have longer term political limitations, as they weaken the perceived link between taxes and public service provision.

Does the experience of the Food Subsidy Programme in Mozambique corroborate with Salamon's analysis?

Effectiveness: Which approach has been better able to achieve the PSA's intended objectives?

The stated objective of the Food Subsidy Programme- PSA is to "to attenuate the subsistence problems of groups of individuals living on poverty and temporary or permanently prevented from working or being able to satisfy their basic needs, through the transfer of monetary values to programme beneficiaries" (INAS 2004).

Discussing the causal links between the transfer of monetary values and the attenuation of subsistence problems is beyond the scope of this study ; hence the effectiveness of the two approaches will be assessed in terms of their ability to get the cash transfer to programme target groups.

In 2007 the "INAS PSA" benefited 101,800 people. It covers all provinces of Mozambique, but until very recently it was confined to urban areas, despite the fact that about 80 per cent of the population live in rural areas. Even though accurate data is not available, it is estimated that this represents a very small proportion of potential beneficiaries of the cash transfer (i.e. people who fit the beneficiaries criteria established by INAS), mainly due to financial and logistical limitations. For instance, the number of older people in Mozambique (men over 60 years old and women over 55 years old) is estimated at one million. Since the national poverty

rate for Mozambique is 54 per cent, and typically older people as a group contain more poor people than those of working age, it is estimated that there are more than 600,000 older poor in Mozambique. If we consider the 2006 figures, when 89,819 older people benefited from the PSA, only 15 per cent of entitled poor older people has been reached (RHVP 2007:3).

Despite the fact that the number of people covered by the programme has been growing year on year, it is very unlikely that the government of Mozambique will have the resources (financial, technical and logistical) to reach a much more significant number of potential beneficiaries by itself. Hence the need to resort to other actors and alternative models such as the partnership with HelpAge International.

The “PSA Community Model” as at June 2009 was being implemented in 15 communities, benefiting a total of 1,419 people, of which 779 were older people. According to data from a HelpAge International’s census of these communities, there were a total of 1,255 older people living in these 15 communities; if we take the same poverty level applied above, the number of poor older people in these 15 communities should be around 750– so according to this rough calculations, the “PSA Community Model” seems to be reaching 100 per cent of poor older people in the target areas.

There seems to be some real gains in effectiveness in terms of the “PSA Community Model” ability to get the money to programme target groups. Such gains in effectiveness seem to be linked to amount of resources (human, technical, logistical, financial) available to the HelpAge International, which are proportionally much more substantial than the resources available to INAS delegations.

Another important factor seems to be the flexibility inherent to NGOs which allow them to experiment and look for “outside the box” solutions for the issues arising in Programme implementation. This is a crucial advantage particularly in rural Mozambique where physical and institutional infrastructures are very limited and much of the more orthodox and tested solutions are inappropriate. For instance, a key issue in any cash transfer programme is how to get the actual cash to beneficiaries; in rural Mozambique this is particularly challenging due to poor infrastructure (the great majority of town and communities have no bank branches, for example) and the fact that the population is scattered over large areas.

In order overcome these logistical constraints, payments in the “PSA Community Model” are delivered to beneficiaries by community members trained as pagadores (payers). In order to get the money to the pagadores in the 15 communities, HelpAge International has an agreement with a Banco Comunitário (Community Bank, i.e. savings and credits association), in Nhambando and also has signed a contract with a Private Partner (a local businessman) to withdraw the money in Songo (nearest bank branch from the communities) and distribute it with his vehicle to the pagadores from communities furthest from the Banco Comunitário. These arrangements seem to be working well; however INAS would not be able to adopt such arrangements, due to the legal/administrative restrictions of government institutions.

In the “INAS PSA”, payments to beneficiaries can only be made directly by INAS officials who have to travel to communities carrying the cash in order to comply with administrative rules

regarding the handling of public money. As the number of staff in each INAS Delegation is very limited (and they often travel in pairs for accountability and security reasons), there are frequent delays in payments (impacting negatively on the predictability and reliability of the PSA, crucial aspects of cash transfer programmes); and the costs involved are very high as INAS officials receive per diems of MTN1,500 per day, 15 times greater than the Food subsidy itself.

Despite these encouraging results, it would be misleading to conclude that the “PSA Community Model” is perfectly effective or even that this Model is significantly more effective than the “INAS PSA”, for the area covered by the “PSA Community Model” is very limited. It is unclear if this performance could be sustained if this model were to be expanded to cover much larger areas.

Efficiency: Which Model has been able to achieve a better balance between results and costs?

Both the “INAS PSA” and the “PSA Community Model” present very high delivery costs and are hence very inefficient.

The “INAS PSA” presents high administrative and delivery costs relative to the value of money disbursed. Generalized financial costing for 2007 revealed that the “INAS PSA” delivery costs averages 38 per cent, well above its 15 per cent administration costs target (Walker et al.2008).

Main costs include fuel, salaries of permanentes, per diem of the police contingent who accompany INAS personnel to payment Posts, plus per diem for INAS officials when they go on field trips to make the payments and monitor the programme (which as mentioned above, are 15 times greater than the value of the Food subsidy itself). However, it is important to note that the above cost calculations do not include the salaries of INAS staff directly involved in the implementation of the PSA nor PSA related costs of the INAS Delegation offices (rent, communication costs, equipment). Hence, these costs, albeit very high, are considerably underestimated.

INAS is aware that this is an unsustainable situation, and is looking for alternatives to reducing costs and improving the Programme’s efficiency – this is the key reason indicated by INAS to look for partnerships in the implementation of the PSA. However, this seems to be one area where the “PSA Community Model” has not been able to make much progress so far.

According to an interim evaluation of the “PSA Community Model” carried out in February 2009, the administrative costs of the Programme represent 60 per cent of the total budget of the “PSA Community Model”. The cost of providing subsidies to a beneficiary is actually higher than the subsidy itself: it costs about US\$3.3 to get US\$2.9 (MTN100) to a beneficiary (HAI 2009).

HelpAge International argued that the costs are so high at this stage because they include set up costs (setting up community structures, trainings) and intense monitoring from HAI staff (travel costs are very significant given the distances involved). It is expected that once the “PSA

Community Model” is up and running in communities, its costs will be drastically reduced, as the running of the PSA will be done through community volunteers and there will be significant less monitoring and support visits by HAI staff. Moreover, HAI noted that, as the “PSA Community Model” expands, increasing the number of beneficiaries, some of the core costs (such as salaries and offices running costs) will be proportionally less significant.

This may be the case, but there is the question of how sustainable is this reliance on volunteers; there are already calls from some volunteers to receive “incentives” to carry out their work. If the community volunteers had to be paid, the costs would probably render the “PSA Community Model” unsustainable, as there are six volunteers per community (INAS PSA employs only one permanente per community).

Equity: Which Model has been better able to channel benefits to those who need them most?

As discussed in section 3.3, it is generally understood that NGOs often have a capacity to function in accordance with the value framework communities, generating services and outcomes that are more congruent with community needs. This study corroborates with this view.

Reaching target beneficiaries is undoubtedly a difficult task in any social programme; but this is particularly challenging in programmes which target the poorest, the most vulnerable in the society. There is a big risk that the most vulnerable will be excluded, left out if the right strategies are not in place.

The target beneficiaries of the PSA are “hard to reach beneficiaries”, as they have very limited information about their entitlements, and difficulties in accessing them. So being able to develop mechanisms that will enable these beneficiaries to be reached is a crucial element of the Programme’s implementation.

The “INAS PSA” has had problems in this area, particularly due to the lengthy and strict beneficiary registration and approval procedures, which can take months. This is one of the most criticized aspects of the Programme by Permanentes and beneficiaries alike according to a recent study (RHVP 2007). For instance, potential beneficiaries are required to present an ID card as proof of age. However, many potential beneficiaries, particularly older people, do not process this document (most do not even know their exact date of birth) and obtaining an ID card can take months and impose costs (transport, photographs) that most potential beneficiaries cannot afford. This automatically excludes them from the “INAS PSA”.

The “PSA Community Model” has made significant improvements in this area. The key to this has been the “PSA Community Model” decentralized modus operandi, in which most of the PSA decisions/activities take place in each of the 15 communities. This has enabled the Programme to keep the private costs associated with receiving the Food Subsidy very low.

Households incur financial and time costs in order to access their benefits – costs associated with obtaining documentation required by the programme, travel costs, queuing to receive

benefits, among others. It is critical that such costs are kept low if the most vulnerable are to be reached, reducing exclusion errors; this is especially relevant in the case of the PSA given the small value of the monthly benefit.

The key factors that can be associated with the “PSA Community Model”’s low private costs include:

Speedy registration process: The use of community volunteers (ouvintes) in the identification and registration of beneficiaries and the decentralisation of the decision-making regarding the incorporation of beneficiaries into the Programme to community level committees (Conselho de Protecção Social) has considerably reduced the time from identification of potential beneficiaries to their registration into the Programme and first payment. Ouvintes use their local knowledge of the communities to identify potential beneficiaries and support them throughout the registration process. This approach allows certain flexibility in relation to the documentation requested as proof of age and residency in the community (in the INAS PSA the presentation of an ID card is compulsory), as potential beneficiaries are well known to ouvintes. The Conselho de Protecção Social (CPS) is able to deliberate more rapidly on the merits of each case as the number of cases dealt by them is relatively small (in the INAS PSA this decision is taken at INAS Delegation/Sub-delegation level). The CPS is also able to quickly clarify any doubts they may have in relation to a given case, as members of the CPS can easily visit the potential beneficiaries.

Predictability and Reliability of payment: payments are carried out at community level at a set date each month. In the INAS PSA, the payment date varies each month, and there are several instances in which payments fail to be made within a month. The predictability and reliability offered by the “PSA Community Model” allow beneficiaries to better plan and prepare to be at the payment post at the set date. This significantly reduces the risk of people missing a payment for not being aware of the payment date or going to the payment points for several days unnecessarily to wait for the payment. This also allow beneficiaries to justify any unavoidable absence to the ouvinte in advance, who can then receive the cash transfer on their behalf. This has been a key factor in the very low numbers of unjustified absences in this Programme, which results in fewer cancellations of benefits avoiding unnecessary costs to beneficiaries and to the Programme.

Decentralisation of payment points: payments take place at a central point in each community hence the distances that beneficiaries have to cover to get to the payment points are, with very exceptions, very small. This is extremely important as most beneficiaries are either very old or in poor health, and transport is in most cases unavailable or its costs prohibitive. In the case of the “INAS PSA”, INAS staff make the payments at payment points which cover several communities; this means that beneficiaries often have to walk very long distances to get to the payment points. The decentralisation of payment points also minimize the waiting time on payment day as the number of beneficiaries per payment point is relatively small and the payment is carried out very rapidly, allowing beneficiaries to quickly get back to their daily chores. Moreover, on payment day, pagadores and ouvintes visit bed-ridden beneficiaries to deliver their payments. This is only feasible because pagadores and ouvintes only cover their

own communities and hence the number of bed-ridden beneficiaries and the distances they have to cover are manageable.

The inclusion of beneficiaries who do not fit into the beneficiaries criteria (Inclusion errors) does not seem to be a relevant issue in the PSA, in neither of the two Models (HAI 2009, RHVP 2007). However, it is worth noting that the added flexibility of the “PSA Community Model”, which has been a crucial factor in improving the inclusion of the most vulnerable, may present a risk in this area, particularly as the communities become more “autonomous” and the level of monitoring by HelpAge International is reduced. As the processes and decisions related to the selection of beneficiaries become more flexible, they also become more open to discretion which may lead to abuses.

Manageability: Is the “PSA Community Model” manageable?

Most of the key decisions regarding the “NAS PSA” such as the number of beneficiaries in each Province (including expansion targets) and the value of the subsidy are taken between the Ministry of Finance and INAS at national level. INAS delegations at Provincial level implement the programme within these parameters and the rules and procedures established by the “PSA Orientations and Procedures Manual”, published by INAS national. It is the typical bottom-up implementation approach, with very little room for discretion at the delegation level. This has allowed for a quite rapid expansion of the PSA to all provinces using the same structures and procedures throughout the country. However, as discussed above, this is a very expensive and inefficient model and the government’s capacity (financial, technical) to further expand the PSA using this approach, particularly to rural areas, is reaching its limit. Moreover, its rigidity fails to take into account the regional differences and differences between urban and rural contexts, which limits the ability of the Programme to reach its target group.

There is no doubt that the “PSA Community Model”, the alternative approach resulting from the partnership between HelpAge International and INAS, has a much more complex institutional set up, as it involves a multiplicity of actors and both vertical and horizontal institutional relationships.

With so many actors involved, it takes a long time to reach decisions and agreements. For instance, it took several months for the initial idea of a pilot project implementing an alternative model of the PSA to be agreed by INAS. That agreed, negotiations started between the Royal Netherlands Embassy and HelpAge International for funding. Once the agreement between Helpage International and the Embassy was signed in December 2006, it took eleven months for INAS and HelpAge to agree and sign a Memorandum of Understanding (November 2007). INAS subsequently worked with HelpAge staff to fine tune the details of the “PSA Community Model”. The first payments to beneficiaries were only made in January 2008.

Despite this complex set up and the delays in getting the Programme started, the actual day to day running of the Programme seems to be working well – as discussed above, the cash transfers have been reaching target beneficiaries in a reliable and timely way. I believe there are two key contributing factors to this:

Firstly, is the very good working relationship established between HelpAge International and INAS, particularly in Tete (where the Programme is implemented). HelpAge International has been able to create a relationship of trust and establish very good communication and cooperation channels with INAS both at the national and provincial levels. These good relations have been built through joint work in the key tasks involved in setting up the “PSA Community Model”: adapting the PSA manual to the “PSA Community Model”, training of community volunteers, joint monitoring visits to communities. HelpAge International staff also have a very good working relationship with local and district officials in Cahora Bassa and Changara.

Secondly, the fact that the community mechanisms have overall been able to perform their functions as planned. An independent review of the community mechanisms carried out in 2009 found that “The mechanisms implanted in the community are able to carry out a major part of the responsibilities of the programme in a satisfactory manner”. This has been possible thanks to the intense training, mentoring and monitoring from HelpAge International staff. Hence the key question is whether this good work will continue once HelpAge International’s support to the communities is reduced. Another key issue related to the community mechanism is that it relies on unpaid volunteers – in this sense, another important management challenge for the “PSA Community Model” is how to maintain these community volunteers engaged in the programme in the long run, once the initial enthusiasm and attention they have been receiving from their fellow community members and outsiders withers.

In conclusion, the “PSA Community Model” seems to be manageable now that its scope is limited to 15 communities. There is no question that this model has been working well so far thanks to the intense input from HelpAge International staff in the field. So, can this be replicated at a much larger scale? Would that be manageable? I think this can only be assessed once these initial 15 communities start to implement the PSA virtually independently – if they are then able to carry on the good work, a scaled expansion of the PSA Community Model would seem manageable.

Political Legitimacy: Has the “PSA Community Model” been able to establish its legitimacy in the eyes of the Mozambican government? Has the “PSA Community Model” been able to improve the political legitimacy of the Food Subsidy Programme in the eyes of the citizens?

The role of International NGOs is often a sensitive issue in African countries, as their assistance can be seen as an implicit criticism of the work of the government and of its lack of capacity to fulfill its role. There is also resentment at donor resource flows going to International NGOs instead of to ministries (Brinkerhoff 1999). For these reasons, the issue of political legitimacy in the eyes of the Government is particularly important in the case of the “PSA Community Model”.

HelpAge International is aware of these sensitivities and has been careful not to overstep power structures at the national, provincial and local levels. For instance, District authorities participated in the decision of which communities within their districts were to be part of the Programme; they also lead the initial community meetings to introduce the “PSA Community

Model” as a government Programme and HelpAge International as a government partner. They also receive detailed quarterly written reports from HelpAge International on the progress of the “PSA Community Model”. At community level, the Community Leader is the chairman of the Social Protections Council, the structure created by the “PSA Community Model” to oversee the programme implementation in the communities.

Additionally, as discussed above, HelpAge International has been able to build a good relationship with INAS staff both at National and Provincial levels and this has been crucial to secure their support to the “PSA Community Model”. INAS Tete leadership and staff openly expressed to the researcher their satisfaction with how the “PSA Community Model” is working and mentioned that they have been acting as advocates of the Community Model to their colleagues at INAS National. In order for this good relations to continue, particularly as the “PSA Community Model” expands, it is important that the INAS staff do not feel left out or overlooked by the NGO partner and rest assure that their job at INAS would not become irrelevant with the expansion of the “PSA Community Model”.

Another important aspect of political legitimacy is the legitimacy of the Food Subsidy Programme-PSA in the eyes of the citizens. Cash transfer programmes, such as the PSA, often enjoy low public support as they are seen as hand outs to undeserving poor who do not want to work. The involvement and participation of the community in the “PSA Community Model” has helped to significantly improve community members understanding of the PSA and the criteria for benefiting from it – which is especially important in communities where everyone is poor. This has contributed to improving the public’s perception about the fairness of the PSA, improving its legitimacy.

However, in order for this legitimacy to be maintained, it is important that the decisions taken by the community structures established by the “PSA Community Model”, particularly in relation to beneficiary selection, are transparent and that the community members managing the Programme at community level are accountable for their actions. For this reason, it is crucial that that checks and balances and oversight mechanism are in place to avoid abuses in the implementation of the Programme. At the moment, HAI Tete staff is very much present in the field and monitors the development of the PSA in the communities very closely. Beneficiaries and other community members seem to see HAI Tete staff as a channel for any complaints/comments about the PSA. However, once Helpage International’s presence is reduced, there will be a vacuum in terms of oversight and controls, particularly because the Community Leader - who is the key figure settling disputes in the communities - is also directly involved in the Programme implementation as member of the Social Protection Council, leaving no independent grievance mechanism available in the communities.

Overall, the “PSA Community Model” seems to have been able to establish its legitimacy in the eyes of citizens and government alike. An indicator of this is the calls for expansion of the Programme coming from district authorities, eager for this popular programme to be expanded within their districts. However, in order for local politicians to be able to gain political capital from this Programme, it is crucial that the “PSA Community Model” is seen as a government programme, and not as an International NGO programme. Despite HelpAge

International's efforts to make this clear in the meetings with the communities and trainings, more could be done in this area. In the communities visited by the researcher, the perception that the "PSA Community Model" was a HelpAge International's programme was widespread. Simple things such as HelpAge International's logo on t-shirts distributed to community volunteers and on vehicles visiting communities reinforce this perception.

Conclusion

This study aimed at exploring the relationship between indirect policy instruments and implementation success. More specifically, how indirect policy instruments impact on five key dimensions for assessing success of a public action: effectiveness, efficiency, equity, manageability and political legitimacy.

The academic literature is divided over this topic: on one hand, the traditional implementation literature, which blames complex institutional arrangements and the multiplicity of actors for implementation problems; on the other, the current thinking on public management rooted on the Governance paradigm, which stresses the importance of partnerships/third-party government as a key to successful public action.

In order to shed some light on this debate, a Case Study of the "Food Subsidy Programme-PSA", a cash transfer programme in Mozambique, being simultaneously implemented directly by the government and through a government –NGO partnership was carried out.

These two alternative policy implementation approaches have been analysed through a framework developed by Lester Salamon (2002) to assess the impact of indirect policy instruments on the effectiveness, efficiency, equity, manageability and political legitimacy of a public action.

Salamon (2002) argued that the more indirect the instrument, the more likely it will be less effective, more difficult to manage and can have a negative impact on ability to promote equity and redistribution goals. At the same time, according to Salamon analysis, indirect tools are likely to have a positive impact on efficiency and political legitimacy.

Evidence from the "Food Subsidy Programme-PSA" Case Study has led to some distinct conclusions, as summarised by the table below. It should be reemphasized, though, that these conclusions are limited by the limited scope and other methodological limitations of this study, as discussed in Section 2.

Table 1: Impact of Indirect Policy Instruments

	Effectiveness	Efficiency	Equity	Manageability	Political Legitimacy
Salamon's Analysis	-	+	-	-	+ -
PSA Experience	+	-	+	?	+ -

Contrary to Salamon's prediction, the "PSA Community Model" implemented through a partnership between the Mozambican government and HelpAge International, an NGO, appears to be a more effective approach than direct implementation ("INAS Model"). This seems to be mainly due to three key factors: the good working relationship between partners; the relative high amount of resources available to the private partner to implement the Programme when compare to the government's resources; and the flexibility enjoyed by the NGO relative to the rigid governmental rules and procedures. These factors seem to offset some the management difficulties resulting from the complex institutional arrangement of the partnership. However, it is not clear if the "PSA Community Model" will still be manageable when it is expanded.

Evidence from the Case Study also contradicts Salamon's conclusions in relation to the impact of indirect tools on the ability to promote equity and redistribution goals. The main issue here seems to be the fact that Salamon based his assessment on government partnerships with private businesses, which normally lack incentives to achieve equity goals. The partner in the case of the Food Subsidy Programme-PSA is an NGO, which has equity and redistribution goals at the centre of their agenda, resulting in an implementation approach which is much more responsive to community needs and better able to channel the Programme's benefits to those who need them most.


Salamon's assessment of the impact of indirect tools on efficiency also assumes that the private partner will be more business oriented. As an NGO, HelpAge International seems to be less cost conscious, and less focused on efficiency. As a result, the "PSA Community Model" has so far presented higher costs per beneficiary than the "INAS PSA".

In relation to the political advantages of indirect tools, Salamon noted that they can have both a positive and a negative impact on the legitimacy and political feasibility of the public action. The "PSA Community Model" seems to have been able to establish its legitimacy in the eyes of citizens and government alike. However, more efforts should be made for the Programme to be seen as a government programme by communities, otherwise, as argued by Salamon, it may weaken the perceived link between the PSA and government, seriously undermining the Partnership's legitimacy in the eyes of the government.

The problem faced by governments all over the world of a widening gap between resources available and citizens' demand is particularly challenging to poor countries' governments, such as Mozambique, as they often lack adequate capacity and operate within institutional frameworks that are very weak. It is clear that there is a need to mobilise resources beyond the government to help closing this gap, and public-private partnerships, along with other indirect instruments, can be a good way of doing so.

However, the danger is that many governments have been looking at these partnerships as a sort of "magic bullet" which will solve their investment and efficiency problems in the delivery of public services. The key lesson emerging from the literature, and also from the "Food Subsidy Programme-PSA" Case Study, is that success is not an inevitable outcome of such partnerships; on the contrary, they present new and complex management challenges for governments, and hence should not be seen as a substitute for building up the capacity of

government institutions who are, after all, ultimately responsible for the delivery of public services. It is important to build a better understanding of how these tools work and to learn how to manage their limitations and maximise their potential.

The enthusiasm for indirect policy tools and instruments, on its many shapes and forms, should not go as far as limiting policy options opened to governments - there are circumstances that will require more traditional approaches and others that will require a new breed of creative and innovative approaches. Achieving the right mix of delivery tools/instruments is key. 

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El Grupo de Investigación en Gobierno, Administración y Políticas Públicas (GIGAPP) es una iniciativa académica impulsada por un equipo de doctorandos y profesores del Programa de Gobierno y Administración Pública (GAP) del Instituto Universitario de Investigación Ortega y Gasset (IUIOG), Fundación Ortega – Marañón, cuyo principal propósito es contribuir al debate y la generación de nuevos conceptos, enfoques y marcos de análisis en las áreas de gobierno, gestión y políticas públicas, fomentando la creación de espacio de intercambio y colaboración permanente, y facilitando la construcción de redes y proyectos conjuntos sobre la base de actividades de docencia, investigación, asistencia técnica y extensión.

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