



Social Protection and Food Prices in Central America

Manuel Salazar
June 30, 2008



Recent Context

- Honduras, Guatemala, El Salvador and Panamá
 - High poverty and vulnerability
 - High malnutrition
 - Dozens of dispersed social assistance programs, low cost-effective, gaps and overlaps
- Costa Rica –
 - Lower poverty and vulnerability
 - Many social assistance programs, better coverage and less gaps and overlap

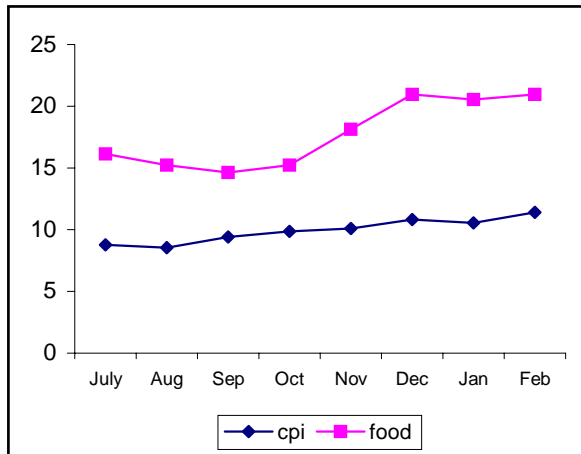


Social Protection Systems Reform

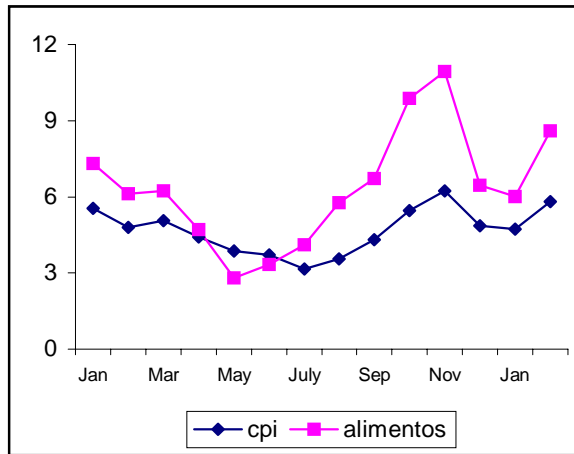
- Honduras, Guatemala, El Salvador and Panamá
 - Reorganization of the social protection system on the basis of a comprehensive and large conditional cash transfer program
 - Improving targeting mechanisms
- Costa Rica
 - Reorganization of the social protection system through improved coordination of social programs. A targeted CCT (secondary education); launched as part of the SP system
 - Monitoring and mechanism to select beneficiaries

Food Prices in Central America

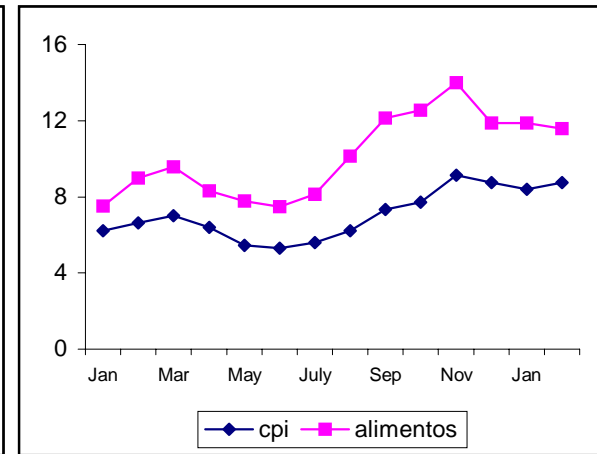
CRI: Inflacion (%). Julio 07-Feb 08



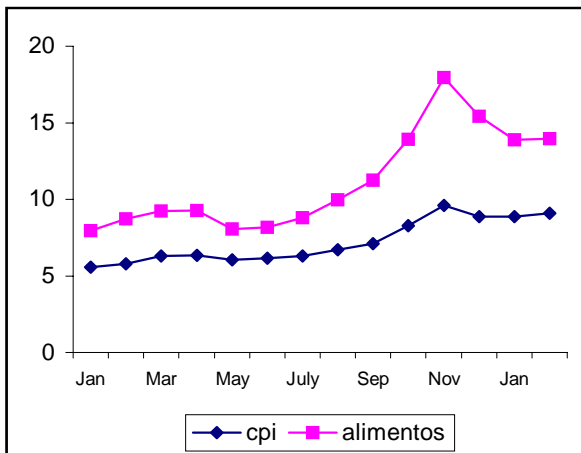
ELS: Inflacion (%). Enero 07-Feb 08



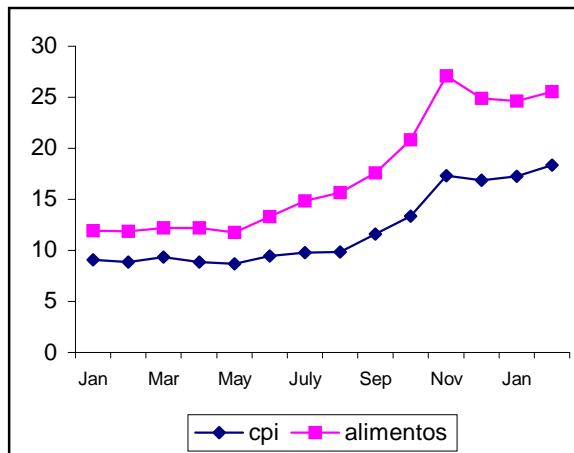
GTM: Inflacion (%). Enero 07-Feb 08



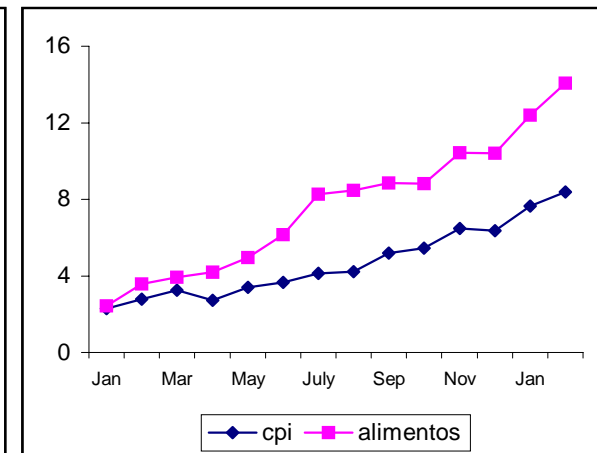
HND: Inflacion (%). Enero 07-Feb 08



NIC: Inflacion (%). Enero 07-Feb 08



PAN: Inflacion (%). Enero 07-Feb 08





Country responses

- Cases of Honduras, El Salvador, and Costa Rica



Honduras

- Additional funds to accelerate the Bono Tecnológico (subsidied fertilizers and seeds for small farmers)
- Expansion of the CCT (PRAF) to 200,000 families
 - unconditional cash transfers for new households in villages w/o supply;
 - increased transfer in villages where conditions are verified
- (planned) Enhancing the AIN- package to strengthen iron and zinc supply and distribute de-worming
- World Food Program to distribute food to those families w/o enough income to purchase basic food (using GOH funds)



El Salvador

- Accelerating expansion of the CCT program (Red Solidaria)
- Strengthening the nutritional package provided by health units (breastfeeding, micronutrients, knowledge and counseling)
- School feeding (additional funds to schools so they can purchase food, expand school feeding to 9th grade)
- Supply side
 - Distribution of seeds and fertilizers,
 - Productive sub-projects



Costa Rica

- Cash benefits to poor families
 - 16,000 extreme poor families with children younger than 12 (\$100/month)
 - 43,000 additional extreme poor children in primary education receiving conditioned scholarships (\$20/month)
 - Expansion of the CCT program (Avancemos) to support families of about 11,000 children and youth (13-21) w/o primary education – (\$20/month)
- Increased coverage of CEN-CENAI in about 5,500 children younger than 2 and 7-12 years of age
- Expansion of non-contributive pensions (CCSS) and increasing the amount of benefits
- Supply side support
 - Increasing seed availability, incl. free distribution to poor farmers
 - Technical assistance to improve productivity of selected products



Concluding Remarks

- Supply and demand side interventions
- Short (cash, strengthening nutrition programs) and mid-term measures (support to poor and small farmers)
- Utilization of existing programs and available institutional arrangements
- Very different implementation capacity
 - Honduras
 - El Salvador and Costa Rica