

Social Protection Floor in Honduras

Summary, 31 August 2011

Honduras has a long tradition of social protection programmes aimed at supporting the most vulnerable and the poorest. In the 1990s, in the aftermath of the debt crisis and structural adjustment programmes, social safety net schemes were employed to alleviate poverty that resulted from economic stagnation and reduced social spending. These schemes have gradually developed into human development programmes and their coverage is undergoing rapid expansion.

Honduras' longest-established conditional cash transfer programme, the Family Benefit Programme (*Programa de Asignación Familiar*, PRAF), was launched already in the beginning of the 1990s. It aims to develop human capital and reduce poverty through transfers that reduce demand and supply side constraints in health, nutrition and education. The programme also supports specific vulnerable groups, such as the elderly and female entrepreneurs, through transfers and services. A 2003 evaluation shows that PRAF contributed to a 17 per cent rise in school enrolment among children that had previously dropped out, and that beneficiaries attend school more consistently than other children, for one additional day a month. It was also shown that the number of children attending growth monitoring check-ups increased considerably, and that 18-20 per cent more pregnant women received at least five maternal health check-ups¹. The programme has been improved over the years in order to reduce poverty more effectively, and the level of transfers has come to amount to approximately 18-20 per cent of the average expenditure of extremely poor rural families². In 2010, PRAF delivered benefits worth 351 million lempiras (ca. 18.5 million dollars)³.

In 2010, the health, education and nutrition components of PRAF were joined together to launch a conditional cash transfer programme named *Bono 10 000*. The PRAF organization continues to deliver other transfers and services. Poor families with pregnant women or with children under the age of 18 receive a cash transfer worth between 5 000 lempiras (ca. 265 dollars) and 10 000 lempiras (ca. 530 dollars) a year if they fulfil health and education related conditionalities. The programme covered around 160 000 households and had a budget of 1.1 billion lempiras (c.a. 59 million dollars) in 2010. Efforts are being made to expand coverage to 250 000 households during 2011 and to reach 600 000 households by the end of 2012⁴. *Bono 10 000* is designed to contribute to eliminating extreme poverty and reducing general poverty by 15 per cent by 2038.

In order to effectively expand social protection to the growing number of poor and vulnerable Hondurans, the Government has to overcome considerable challenges. The recently established Social Development Secretariat will contribute to efforts to enhance institutional and policy coordination. Its work to continue the expansion of social protection could benefit from a national social protection policy, as for instance the current Poverty Reduction Strategy provides few guidelines in this respect. The distribution of public resources could be further optimised to tackle the challenge of the persistent geographic concentration of poverty. Finally, more social spending would help close remaining gaps in social protection coverage.

¹ International Food Policy Research Institute (IFPRI), 2003. *Sexto Informe: Impacto Intermedio*, Washington D.C.: IFPRI.

² Moore, C. 2008. "Assessing Honduras' CCT Programme PRAF, Programa de Asignación Familiar: Expected and Unexpected Realities", Country Study published by IPC, no.15.

³ Perdomo, R. 2011. "Informe para Discusión: Protección Social – Honduras", draft paper for the EU-ILO project "Improving social protection and promoting employment".

⁴ Secretaría de Estado del Despacho Presidencial. 2011. "Programa 10 000", available at: http://www.sdp.gob.hn/sitio/index.php?option=com_content&view=article&id=19&Itemid=187