

## Social Protection Project

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One of the most critical challenges for development faced by El Salvador is to strengthen the human capital (education, health, nutrition, etc.) of poor populations. According to the World Bank's latest [poverty assessment](#), the poorest Salvadorans (15% of the population) have not benefited from recent socioeconomic progress largely due to low human capital levels.

The Government of El Salvador (GOES) –through its Red Solidaria Program– is looking for investments aimed at strengthening the supply and quality of basic social services; improving basic infrastructure; and increasing the ability of poor households to invest in their children's education, health, and nutrition.

### What is the Social Protection Project?

The Social Protection Project, prepared with World Bank support, aims at strengthening the GOES in designing, implementing, and financing the Red Solidaria Program. As such, the Bank will help fund the expansion of basic health and nutrition services; strengthen access to legal registry services; and support the development of a Monitoring and Assessment (M&A) System.

These activities will benefit approximately 80,000 rural households living in El Salvador's 100 poorest municipalities and include the following four overarching components:

*Component I: Conditional Cash Transfers (US\$63.6 million financed entirely with government counterpart funds)*

The Conditional Cash Transfer Program seeks to encourage extremely poor households to send their five to 15 years old children to preschool and primary education, follow an appropriate immunization schedule in children under five, and take their children aged 0 to 24 months to regular health care checkups.

Sub-Components:

- Conditional cash transfers
- Aid to beneficiaries
- Institutional strengthening for the FISDL

*Component II: Expanding the Supply of Basic Health and Nutrition Services (US\$15 million in World Bank funds and US\$5 million in IDB funds).*

This component will increase the coverage of the existing mother-child basic health care package and strengthen community-based health care interventions to prevent chronic malnutrition.

Sub-Components:

- Supplying a basic health care and nutrition service package (includes maternal care, reproductive and sexual health, health and nutrition in children under five, health education in treating most common diseases, among others.)
- Strengthening the supervisory capacity of the Ministry of Public Health and Social Assistance, MSPAS.

*Component III: Strengthening the Access to Legal Registry Services through the Expansion of the Registry Office (US\$4 million financed by the World Bank.)*

This component will ensure that all target household members are incorporated into the vital statistics bureau (National Registry of Natural Persons, NRPN) and have the necessary personal identification documents (Identity Documents –DUI– or birth certificates) to access basic public services.

*Component IV: Developing the communications strategy and the Monitoring and Assessment System (US\$2 million financed by the World Bank.)*

## resources

### Additional information

- ▣ [Project Document](#)
- ▣ [Red Solidaria Program](#)
- ▣ [IDB Project](#)
- ▣ [World Bank approves US\\$ 21 million for social safety \(press release\)](#)
- ▣ [Website on Social Safety in Latin America and the Caribbean](#)

### Project at a Glance

Agency	Social Investment Fund for Local Development (FISDL)
Loan amount	US\$21 million
IDB Funding	US\$57 million
Counterpart	US\$82.6 million
Implementation period starting at date of effectiveness	5 years (approximately)
Repayment period	16 years, including a six year grace period
Variable Interest Rate	month <a href="#">LIBOR</a> + 0.25%. currently at 5.62%
Termination date if not declared effective	April 27, 2007

The project includes the strengthening and establishment of appropriate institutional infrastructure for the Red Solidaria Program. Specifically, this component will provide institutional strengthening to the Technical Secretariat of the Presidency to ensure the adequate design and implementation of the operational rules and guidelines for the Red Solidaria Program; an effective social communications and dissemination strategy, and appropriate program supervision and monitoring.

Support will also consist of an information system linked to the Monitoring and Assessment System to be developed and managed by the FISDL. The system will provide technical support, training, and the equipment required to adequately implement these activities. In addition, every four months each executing agency will submit a Financial Monitoring Report (FMR) to the World Bank and IDB containing: (i) a statement of sources and uses of funds and cash balances (with expenditures classified by component); (ii) a statement of budget execution per subcomponent (with expenditures classified by the main budgetary accounts); (iii) a physical progress report; and (iv) a achievement monitoring report.

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## Project Coordination

The relevant ministries are responsible for providing basic health and education services through coordination at both policy and local levels to achieve effective implementation. The Inter-ministerial Board is the leading agency and guides implementation using the existing working structure of the Red Solidaria Program. [See flow chart](#)

The World Bank provides approximately 13% of total project funds, with remaining funding provided by the GoES and the IDB according to the following table.

Social Safety Project								
Financing per Component								
Financed Components (US\$ Million)	GoES		World Bank		IDB		Total	
	Amount	%	Amount	%	Amount	%	Amount	%
<b>A.1. Conditional Cash Transfer Program</b>								
1.1 Conditional Cash Transfers	51.4	100.0	-	-	-	-	51.4	32.0
1.2 Aid to Target Households	5.2	100.0	-	-	-	-	5.2	3.2
1.3 FISDL Institutional Strengthening	7.0	100.0	-	-	-	-	7.0	4.4
<b>Subtotal 1.</b>	<b>63.6</b>	<b>100.0</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>63.6</b>	<b>33.6</b>
<b>B.2 Expanding the Coverage of Basic Health Care and Nutrition Services</b>								
2.1 Supply of an individualized basic health care and nutrition service package	-	-	14.3	75.0	4.8	25.0	19.0	11.8
2.2 Supervision of Health Care Packages	-	-	0.8	75.0	0.3	25.0	1.0	0.6
<b>Subtotal 2.</b>	<b>-</b>	<b>-</b>	<b>15.0</b>	<b>75.0</b>	<b>5.0</b>	<b>25.0</b>	<b>20.0</b>	<b>12.0</b>
<b>C.3 Strengthening the Access to Legal Services by Expanding the Vital Statistics Bureau</b>								
3.1 Civil Registry System	0.0	-	4.0	100.0	-	-	4.0	2.5
<b>Subtotal 3.</b>	<b>0.0</b>	<b>-</b>	<b>4.0</b>	<b>100.0</b>	<b>-</b>	<b>-</b>	<b>4.0</b>	<b>2.5</b>
<b>D.4 Monitoring, Assessment and Management of the Red Solidaria Program</b>								
4.1 Program Monitoring, Assessment, and Management	-	-	2.0	33.3	4.0	66.7	6.0	3.7
<b>Subtotal 4.</b>	<b>-</b>	<b>-</b>	<b>2.0</b>	<b>33.3</b>	<b>4.0</b>	<b>66.7</b>	<b>6.0</b>	<b>3.7</b>
<b>E.5 Infrastructure Improvement</b>								
<b>Subtotal 5.</b>	<b>19.0</b>	<b>28.4</b>	<b>-</b>	<b>-</b>	<b>48.0</b>	<b>71.6</b>	<b>67.0</b>	<b>41.7</b>
<b>Total Project Costs</b>	<b>82.6</b>	<b>51.4</b>	<b>21.0</b>	<b>13.1</b>	<b>57.0</b>	<b>35</b>	<b>160.6</b>	<b>100.0</b>

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## Expected Benefits

These funds will result in improved equity and human capital building by increasing the access to basic socioeconomic infrastructure, providing greater market access, and improving household assets. The project will help strengthen a safer and more consistent social security network, increase household accountability (through Conditional Cash Transfers), and improve the quality of life. The project is expected to meet the following goals in the country's 100 poorest municipalities:

- Increase net enrollment rates in primary education by 6%
- Increase the full immunization rate by 5%
- Reduce the malnutrition rate (underweight children) by 4%

The Project also supports the implementation of activities focused on meeting four Millennium Development Goals: MDG1- Reducing poverty and child malnutrition by half; MDG2- Achieving universal primary education; MDG4- Reducing child mortality by two thirds; and MDG5- Improving maternal health.

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## FAQ

### **What are the implications of putting an end to World Bank financing?**

Although the World Bank finances a smaller share of the Red Solidaria Program, it is still important. Without World Bank resources, there is no guarantee that basic health care and nutrition packages could be extended to the country's 100 poorest municipalities. The World Bank resources will support the vital statistics bureau in issuing the identification documents needed to attend school or visit health care centers. The project will finance the monitoring and assessment systems required to follow-up government investments and more accurately measure the impact of the Red Solidaria Program on household wellbeing.

### **How does the project support the attainment of the Millennium Development Goals (MDGs)?**

The project helps the Red Solidaria Program to effectively fulfill its goals. It supports the attainment of MDGs in several ways:

- Conditional cash transfers to mothers increase their income considerably and greatly contribute to reducing overall extreme poverty in the country.
- Conditional cash transfers are already proving their impact as more children are attending primary school.
- The combined effect of transfers and funds to expand basic health care and nutrition packages will lead to lower mother-child mortality rates and a lower incidence of malnourished children.

### **Why deliver conditional cash transfers to mothers instead of transferring resources to mayors in order to build schools and health care centers?**

Education and health problems in El Salvador are both supply and demand-side. Even though more schools and health care centers need to be built and existing facilities must be improved, it is also critical to support households to take advantage of these services. In many cases, households send only one of their children to school so that the remaining children can work; the problem is not the lack of schools, but rather that the household needs money to live on. Conditional cash transfers seek to solve this problem.

Similarly, extremely poor households fail to send their children to schools or take them to health care centers due to the cost of textbooks, uniforms and transportation. The conditional cash transfer will address this problem.

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