





This presentation represents the preliminary strategic direction of a multi-year, whole-of-government, U.S. strategy to address food security in a Feed the Future country or region. It describes partner country progress and outlines how U.S. investments will align in support of partner country priorities. This document has not yet been approved or funded but will form the basis of a multi-year strategy in development.



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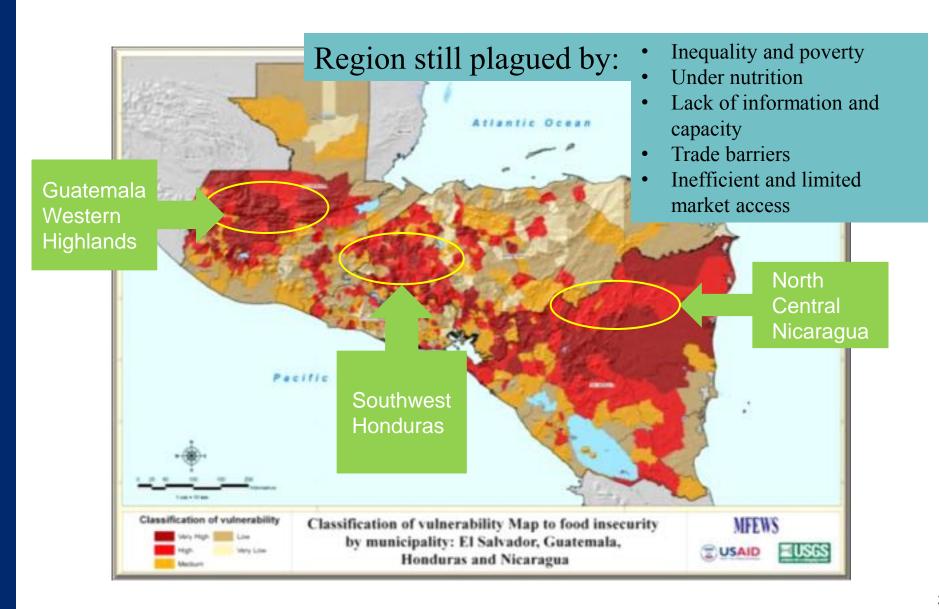


- Problem Statement
- Analysis of the Underlying Causes
- Regional Readiness
- Strategic Choices
- Proposed Engagement
- Expected Impacts
- Summary and Next Steps



# Regional Problem Statement





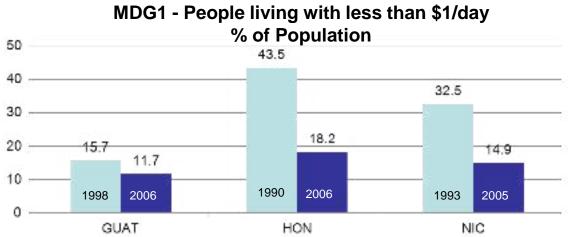


# Analysis of Underlying Causes



	Populatio n (Millions) 2009	Malnutrition (percent children under 5 with low weight for age)	
Costa Rica	4.6		
El Salvador	6.1	6.1	
Guatemala	13.3	43.4	
Honduras	7.5	8.6	
Nicaragua	5.7	4.3	
Panama	3.3		

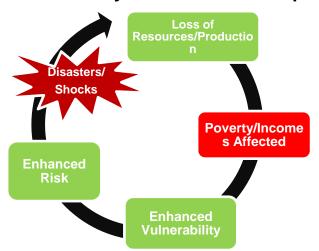
This table shows the highest percentage of malnutrition in Children < 5Y in Guatemala. Source: World Bank.



Source: Millennium Development Goal Indicators, Goal 1, Target 1-A

- Poverty and lack of purchasing power
- Stunting and underweight hampers human development
- Guatemala worst malnutrition rates
- Nicaragua (46%) and Honduras (45%) highest poverty rates
- Determinants: income, education, culture, mother's education level
- Financial and climatic shocks increase vulnerability

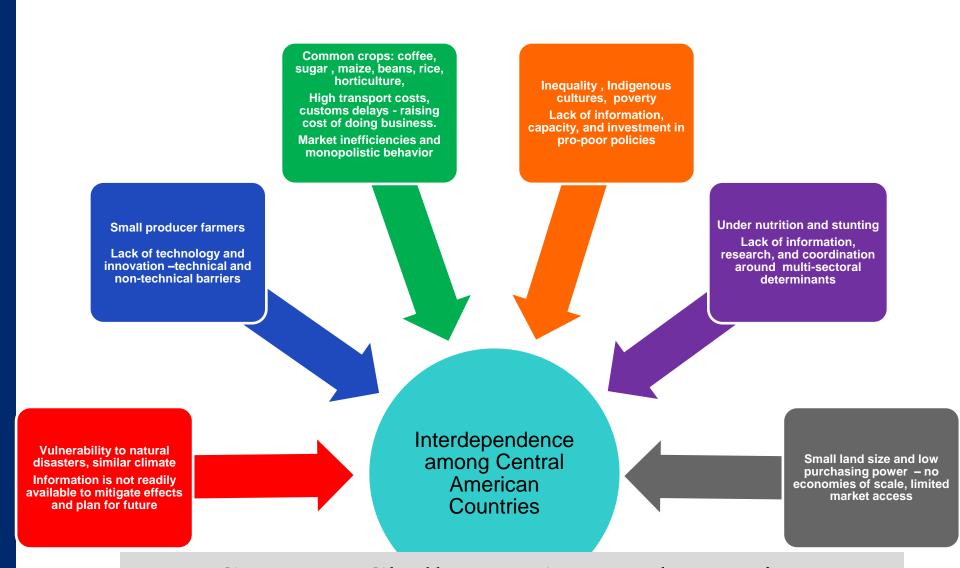
#### Food Insecurity is a multi-sectoral problem





# Common Challenges: Analysis of Underlying Causes







# Central America and Food Price Volatility



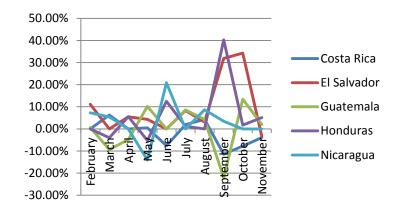
Rural families consume up to 1.5 pounds per day of red beans, spending roughly 50 to 80 percent of a monthly agricultural wage on beans alone due to price inflation



Front-page of major newspaper in El Salvador illustrates volatility in beans market

- This year: Unusual rainy season with record highs not seen in 50 years
- Reduced production in many CA countries especially Nicaraguan (the major regional exporter) by 30 to 40%
- All C.A. countries saw price increases, in some cases of over 100%

#### Red Bean Price in Central America, 2010 (Monthly % change) Source: www.sieca.int



Price volatility root causes:

crop failure, national policy responses, speculative behavior FAO
recognizes
food price
volatility as a
major threat
to food
security

Work needed on market information to improve income generation in rural areas



## **Regional Readiness**



**Members:** Guatemala, Honduras, El Salvador, Nicaragua, Panama, Belize and the Dominican Republic



**Goal:** SICA is to realize the integration of Central America in order for the isthmus to become a region of peace, freedom, democracy and development



- Harmonize SPS standards and norms
- Reduce trade barriers
- Customs harmonization



#### **ENVIRONMENT**

 Harmonize enforcement efforts for environmental contamination of wastewater



#### **AGRICULTURE**

- Coordination of policies
- Regional market information system
- Harmonized agriculture input purchases



## METEREOLOGICAL SERVICES

 Regional meteorological weather forecasting, and early warning application to sectors that impact food security



#### NUTRITION

- Launched a
   Regional
   agenda on food
   security and
   nutrition Nov.
   2010
- Nutritional research











NATIONAL LEVEL PLANS, STRATEGIES AND POLICIES

All SICA's adopted policy recommendations are binding for all member countries



# Central American Regional Readiness



# Sectoral Policies, Strategies and Institutional Framework already Developed...



CA Agriculture Policy December 2007



Agro-Environment Health Strategy May 2008

	NIC	GUAT	HON	ECAM
Law on Food Security	<b>*</b>	<b>V</b>		
Food Security Policy/Strategy	<b>%</b>	<b>*</b>	<b>&gt;</b>	~
Ministerial Body in Place	1	<b>Y</b>	<b>&gt;</b>	1



CA Strategy Rural Territorial Development June 2010

A Regional Food Security
Framework Re-vitalized as part of
a broader rural development
master plan



## **Regional Readiness**



HEADS OF STATE MANDATES  Central American Heads of State instructed the Central American Agricultural Council (CAC) to strengthen the regional integration process, establish long-term public policies and processes, especially for rural areas so as to strengthen food security actions focused on vulnerable and poor Central American population

REGIONAL INSTITUTIONS

 In June 2010 CAC published the Central American Strategy for Rural Area-based Development (ECADERT) as the comprehensive guiding strategy to be followed by national countries to achieve food security regional goals.



 Ministries of Food Security (and/or Social Inclusion), Planning, and Agriculture will take the lead of implementing ECADERT mandates as part of their own national level efforts

Implementation, monitoring progress, tracking results and impacts – Central America's Holistic Process



# Foundational Investments in 2010...



#### Consultative process with:

- USAID/Bilateral
- Donors, UN, IOs, NGOs
- Regional and National Governments
- USG partners

#### Past experience:

CAFTA-DR
 Environment and Trade
 Programs



Rural children work in fields to contribute to household income.



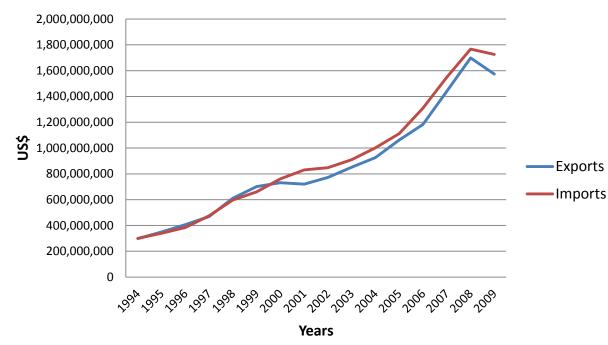
## **Greatest Potential – Increase** Intra/Extra Regional Trade...



### Intra-regional trade is growing

- Helps to mitigate price volatility
- Lessen impacts of import food price inflation
- Stepping stone to larger market opportunities
- Potential to stimulate labor market with nonfarm economic growth

#### **Intra-Regional Food Trade**



This graph illustrates growth in Intra-regional trade. Source: SIECA

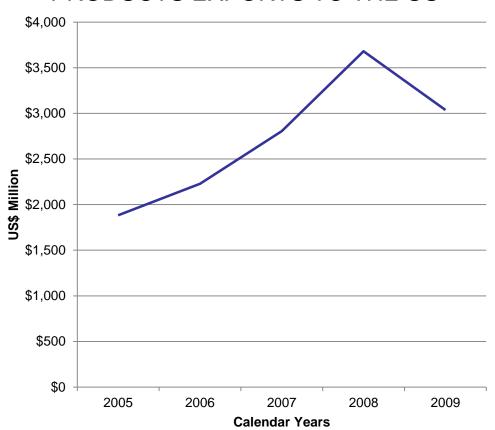
"There is a high absorptive capacity in the Region and in the U.S. for the supply of fresh fruits and vegetables" Association of Supermarkets of Central America and GDA partners with USAID/EI Salvador, MCC/EI Salvador, and a Northern Zone Farmers Cooperative



# **Greatest Potential – Expand Market Access...**



## CAFTA-DR AGRICULTURAL PRODUCTS EXPORTS TO THE US



This graph shows the increase of Agricultural Exports through 2008. Source: U.S. Census Bureau, Foreign Trade Statistics.

"Keeping the export doors open contribute to food security through the creation of employment in rural areas"

Guillermo Alvarado, Executive Director of the Regional SPS Organization (OIRSA)

- Take greater advantage of CAFTA-DR
- U.S. horticultural imports are projected to grow annually by 3.7% from FY2010 to 2019



# Greatest Potential – Harmonize Policies, Strategies, Information



Regional/National Level Policy and Strategy Coordination Aligning various sectors, actors

USG to join forces w/Multi-donor and SICA

Donor Coordination

Find common financing mechanisms

Information, analysis and institution strengthening

Building expertise, disseminating critical analysis to assist countries



## **Strategic Focus**



## **Change theory:**

ECAM will improve regional food security and nutrition by reducing barriers to trade and providing more opportunities for smallholder farmers to gain greater access to Regional and International markets, therefore, increasing incomes

## Focus Area 1:

Create Regional alliances based on product distinction and quality standards



Woman collecting green Chile peppers in El Salvador.

#### Focus Area 2:

Harmonize
Regional/National
Policies,
Strategies, and
Information



#### Proposed Engagement: Regional Private Sector Alliances



## Focus Area 1: Regional Private Sector Alliances

#### Indicators:

- 1. Percent change in value of intra-regional exports
- Value of incremental sales
- 3. Number of public-private partnerships formed
- Number of policy reforms, regulations, drafted/presented

## **Expected outcome:**

Increase intra and extra regional trade

Improve market access for women and small farmers

#### How:

- Link to Regional and international buyers, wholesalers, and processors
- Link to farmer and firm level bilateral activities and others to establish sustainable practices and product distinction
- Improve public and private sector capacity to comply with International standards (sanitary and phytosanitary)
- Improve market information



## Proposed Engagement: Regional Private Sector Alliances





Harmonize technical requirements to facilitate food trade and agricultural inputs (seed, fertilizer, etc.)





Several Regional organizations work on harmonizing of sanitary and phyto-sanitary standards



USAID/USDA PAPA II. Phase I has helped to increase exports to the U.S. by \$265 million in various new products: cheese, peppers, dairy, meats, tomatoes



Develop buy-in mechanism to USAID/Bilateral Missions



Work with other donors and leverage funding –Imminent EU FTA



# How ECAM will build on bilateral efforts...the Force Multiplier



## **ECAM**:

Regional
Alliances will
offer marketing
opportunities for
small holder
farmers
affecting
incomes and
food security

#### **Guatemala:**

- Reach Smallholders, Through New Change Agent Models
- Agriculture Value Chains (coffee, horticulture, beans)

#### **Honduras:**

- Apply Market-Driven Approach
- Select Highest Potential Value Chains
- Pursue Private sector-Based Change Model
- Create Economic Opportunities for Women

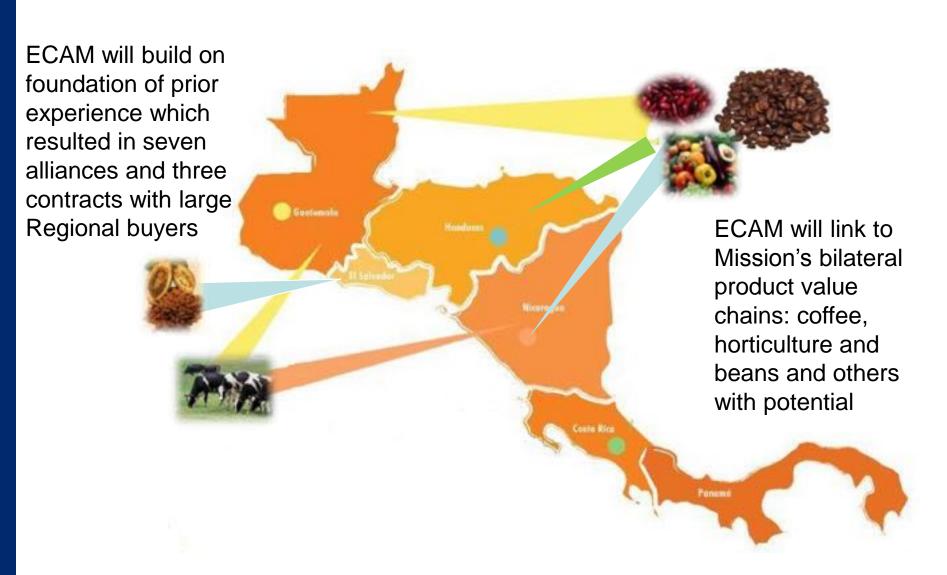
## Nicaragua:

- Market-based Agriculture (beans, coffee, horticulture)
- Economic Resilience in Vulnerable Rural Communities



## Proposed Engagement: Regional Private Sector Alliances







## Proposed Engagement: Regional Private Sector Alliances



# How will we help develop markets and complement bilateral efforts?

- Develop and foster the adoption of environmental, labor, and quality standards through alliances with major regional and international buyers in selected value chains (e.g. fresh vegetables)
- Work with the private sector in CAFTA-DR countries to assist with compliance of these voluntary standards, leading to new regional and international markets

 Strengthen the promotion, marketing, and market transparency of agroecological production and standard compliant product to specific market





GAP's for storage of inputs at intermediary warehouse



Produce shelf at Central American Supermarket



## Proposed Engagement: Harmonize Policies, Strategies, Information



# Focus Area 2: Harmonize Regional Policies, Strategies, and Information

#### Indicators:

- 1. Institutional capacity of national governments to generate accurate and timely information improved.
- Number of institutions undertaking capacity strengthening as a results of USG assistance

#### How:

- Partner with Multi-donor funded regional organizations: SICA-SIECA-CAC-OIRSA
- Support efforts to develop donor coordination and financing mechanisms
- Strengthen capacity to apply information to sector specific analysis and impacts on food security

#### Expected outcome:

Harmonize Regional/National Policy and Strategy Coordination

Harmonize Regional/National Information and Analysis



# Harmonize Policies, Strategies, Information



Policy and Strategy (USG, Multi-donor\SICA/SIECA/CAC/OIRSA) Information systems and application (USG, Multi-donor\SICA)

**Strategic Partnership** Regional Food Security and Nutrition Platform

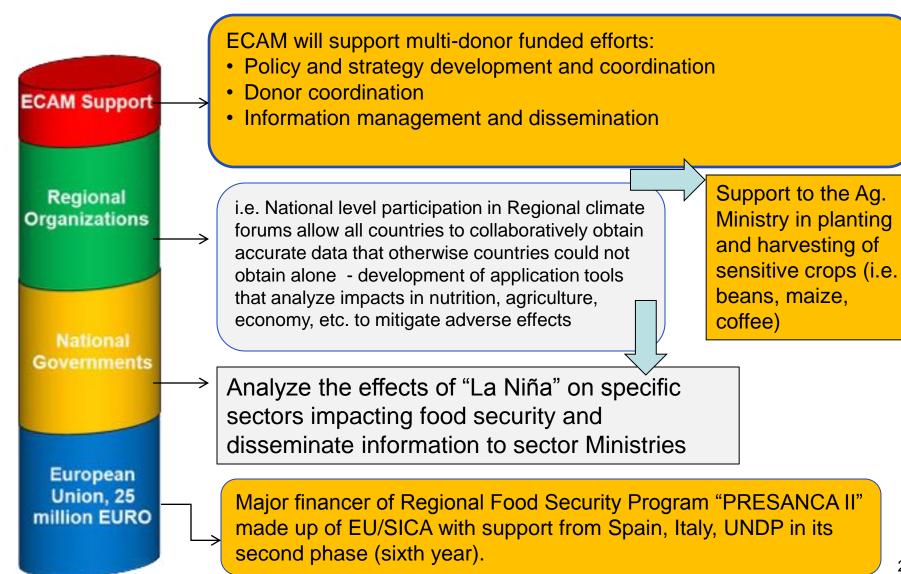
Municipal focus on cross-border vulnerable communities (Multidonor/SICA)

Institutional and Professional development in Nutrition Research (Multi-donor/SICA)



# Proposed Engagement: Harmonize Policies, Strategies, Information





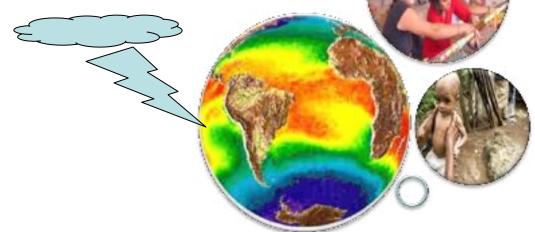


## **Cross Cutting Issues**





The poorest people often live in zones most affected by climate change—watersheds, as part of mountainous landscapes, are important features to consider



# Gender and Youth

Women and youth are often very vulnerable - many households are headed by women and do not have jobs and/or earn much less that men

## **Nutrition**

There is evidence that women spend more household income on health, education, and nutrition

HIGHEST IMPACT WHEN A GENDER APPROACH IS APPLIED



# Estimated Impacts and expected results...



#### **Focus Areas**

#### Geography

 Guatemala, Nicaragua and Honduras, and other CA countries indirectly

#### Value chains

- Fresh vegetables and fruits
- Beans and coffee
- Seafood and other agriculture products
- Other potential products that affect smallholder farmers and vulnerable populations

#### **Interventions**

- Regional private sector alliances
- Harmonized Policies, Strategies, and Information

#### **Long Term Expected Results**

Create Regional Private Sector Alliances

- By 2015, a network of at least fifteen buyers and six alliances functioning to allow small farmer participation, linked to bilateral efforts
- By 2015, at least ten regulations and administrative procedures drafted and presented for stakeholder consultation

Harmonize Policies, Strategies, and Information

- By 2015, sector analysis on impacts to food security undertaken in three sectors and published at Regional and National levels
- Central American countries with expanded market opportunities and trade to more people through building alliances and partnerships
- Regional capacity will be strengthened to study, understand and solve national and regional challenges related to food security and nutrition







Farmer works on horticulture field in Western Guatemala Highlands.

¡Gracias!