

Towards the “Eradication of Child Undernutrition in Latin America and the Caribbean.”

The Cost of Hunger



SIXTY YEARS WITH LATIN AMERICA AND THE CARIBBEAN

“Child hunger is a moral issue, but as this study demonstrates it is also a critical economic concern and these findings amount to nothing short of a call to action. I hope that governments, national leaders and all interested parties will heed its warning, and push forcefully for increased and sustained allocations to fight hunger and undernutrition. As they do so, I will also urge the international community to step up and do its part as well.”

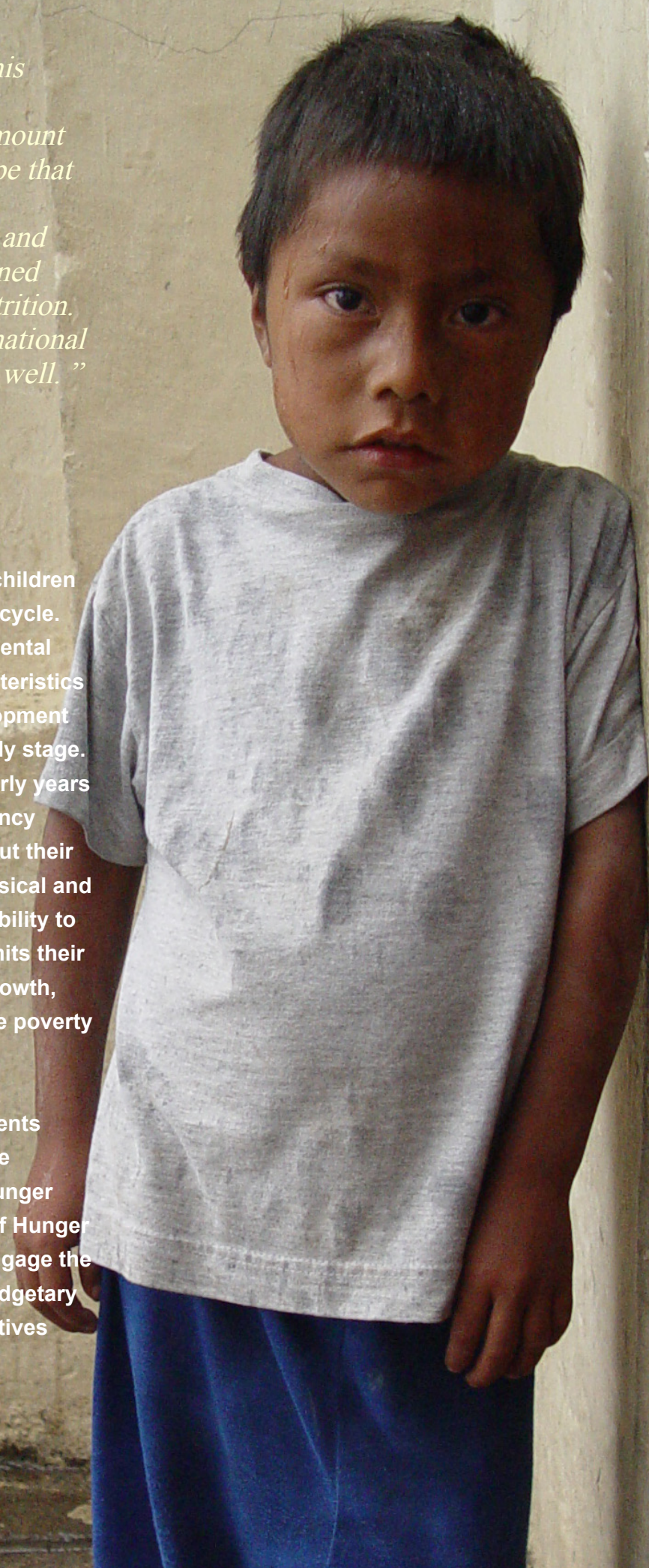
United Nations Secretary General

Mr. BAN Ki-moon

Panama City, June 3rd 2007.

It is widely recognized that undernutrition in children under three years old impacts their entire life cycle. There is scientific consensus that the fundamental physical, cognitive, and psychological characteristics that will be consolidated in successive development stages are modeled and structured at this early stage. Children exposed to undernutrition in their early years are prone to a higher risk of death during infancy and of morbidity and undernutrition throughout their entire life cycle, so that their potential for physical and intellectual development is limited and their ability to learn and work as adults is restricted. This limits their opportunity for professional and economic growth, thereby contributing to the perpetuation of the poverty cycle.

In Latin America and the Caribbean, governments have often failed to grasp the full impact of the social and economic costs associated with hunger and undernutrition. In this context, the Cost of Hunger study is a powerful tool, with the potential to engage the necessary alliances to assign the required budgetary resources and carry out the actions and initiatives directed to combating this problem.



The Cost of Hunger Study

The World Food Programme (WFP), thru its regional capacity building projects is supporting the positioning of child undernutrition in the social agendas of the region and promoting dialogue and strategies to fight hunger and child undernutrition. One the most important activates of this project¹ consists in developing a series of “Cost of Hunger” studies, for which a partnership with the Economic Commission for Latin America and the Caribbean (CEPAL) was established. These studies estimate the social and economic impact of child undernutrition on a country resulting from the consequences the weakened nutritional condition of its population and the realted expenditures on health and education, as well as losses in productivity.

The analytical model especially developed for these studies is based on empirical evidence available for the region, which allows each country to use its own estimations for the effects and costs at national levels

To support the development of the model, a technical team was conformed in ECLAC, with the support especialistas of the Food Technology and Nutrition Institute (INTA) of the University of Chile, and by a high-level Steering Committee integrated by experts and representatives of international institutions, which worked as an entity of technical consultation and guidance.

¹ WFP Dev 10411.0 “Capacity Building and Technical Assistance in Support of Food-based Social Protection Programmes”

The Social and Economic Impact of Child Undernutrition in Central America and Dominican Republic

The methodology was applied to a group of countries in Central America and the Dominican Republic, with the support of technical experts from the Institute of Nutrition & Food Technology (INTA) of the University of Chile and also incorporating the Nutrition Institute for Central America and Panama (INCAP), who collaborated actively in the data collection and processing.

The results of the study show that the economic impact child undernutrition is estimated at more than 6.6 billion dollars for the year 2004, which represent more than 6% of the Gross Domestic Product (GDP) ranging from 1.7 to 11.4 percent of GDP for the individual countries. Losses in productivity represent over 90 percent, due to an increase in the incidence of child mortality and lower educational levels, related to child undernutrition.

Hence, in addition to the ethical responsibility of eradicating undernutrition, there is as well the economic benefit to be derived from an adequately nourished population. Any program that effectively manages to minimize the prevalence of undernutrition has the potential to improve the quality of people’s lives as well as to increase savings for society as a whole. In economic terms, eradicating undernutrition will require significant investments; however the economic benefits that will be attained will be even greater.

The economic impact of underweight children in each country (2004)

Forecasts by Country								TOTAL
	Costa Rica	El Salvador	Guatemala	Honduras	Nicaragua	Panama	Dominican Republic	
Total (MMUS\$)	317.6	1,175.30	3,128.40	780.1	264.3	321.5	671.6	6,658.80
Total (MMUS\$ PPA)	687.5	2,554.80	6,029.10	2,113.00	1,147.60	518.3	2,334.80	
Percentage of GDP	1.70%	7.40%	11.40%	10.60%	5.80%	2.30%	3.60%	
Percentage of Social Public Expenditure	9.30%	136.60%	185.40%	80.90%	64.30%	8.50%	59.10%	

Source: The social and economic impact of child undernutrition in Central America and Dominican Republic. ECLAC/WFP, 2007

A look ahead: the economic benefits of achieving the eradication of child undernutrition

The methodology allows for the development of a prospective analysis, in which the potential savings from reducing child undernutrition are estimated for each country. The study estimated that the sub-region, would perceive over 2.2 billion dollars in savings as they achieve the eradication of child undernutrition by the year 2015.

In the prospective analysis, the impact of lower schooling in productivity is 5 times higher than that of child mortality. This relationship reflects the progress achieved in the region, in reducing newborn deaths.

These results were presented in different forums, including a presentation of the report “The social and Economic Impact of Child Undernutrition in Central America and the Dominican Republic” by the Secretary General of the United Nations BAN Ki-Moon during the summit of the Organization of American States (OAS) in Panama in June 2007. In his speech, the Secretary General referred to the study as a ‘call to action’, and highlighted the importance of joint actions

between agencies, funds and programmes of the United Nations in support these initiatives.

These results also highlight that the benefits from hunger-eradication programs go beyond those who directly receive assistance. The entire society, including public and private sectors benefit, especially when the largest percentages of costs are related to productivity. Thus, fighting hunger is a good business for all.

The challenge that remains for the region is to identify specific interventions that will maximize the impact and efficiency for each country and sub-region. Within these actions, it will be particularly important to strengthen monitoring and impact evaluation systems to minimize risks and accelerate the progress towards eradicating hunger and undernutrition.

Several governments in the region have expressed their interest in using this tool as part of their national reports and have requested training of their personal in the technical aspects of the methodology in order to develop their own national reports in the future. This capacity strengthening process is already underway in the Andean region.

Note: Parts of this document were extracted from the report “The cost of hunger: Social and economic impact of child undernutrition in Central America and the Dominican Republic”, ECLAC/WFP. R. Martinez y A. Fernandez, July 2007. For additional information visit: www.wfp.org/spanish and/or www.eclac.org

This initiative is implemented thru the regional projects Dev. 10411.0 “Capacity-Building in Support of Food-Based Social-Protection Programmes” and Dev. 10421.0 “Capacity-Building of Integrated Micronutrient Programmes in Central America and Belize”



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