

Bolsa Família Program (PBF)

Thematic area: Cash transfer.

1. EXECUTIVE SUMMARY

The Bolsa Família Program is the largest direct conditional income transfer program in Brazil, with over 13 million beneficiary families. Its goal is to improve the living conditions of families in poverty and extreme poverty. Through the PBF, the federal government makes monthly transfers of financial resources to beneficiary families, which, in turn, fulfill commitments in the areas of health, education and social assistance, thus accessing their social rights. The commitments are as follows:

In the area of healthcare:

- » Vaccination, monitoring the growth of children under seven;
- » Women between 14 and 44 who are pregnant or nursing must undergo prenatal care and monitor the health of the baby.

In education:

- » Children and adolescents (aged 6 to 15 years): monthly minimum attendance of 85%;
- » Students (aged 16 to 17 years): minimum attendance of at least 75%.

The types and amounts of benefits each family receives are based on their profile in the Unified Registry. The information considered for the creation of this profile includes the per capita monthly income, number of family members and total number of children and adolescents up to 17 years, as well as the existence of pregnant and nursing women.

2. OBJECTIVES

The Bolsa Família Program operates in three dimensions, which contribute pivotally to achieving its main goal: overcoming the reproductive cycle of poverty in Brazilian families. For each dimension, there is a coordinated action:

1st: **Promote immediate poverty relief** through direct cash transfers to families;

2nd: **Strengthen the exercise of basic social rights in the areas of healthcare, education and social assistance**, through the fulfillment of conditionalities, which helps families overcome the intergenerational poverty cycle;

3rd. **Promote opportunities for the development of families**, through actions that promote the overcoming of vulnerability and poverty by PBF beneficiaries.

The direct transfer of income, without intermediation of any kind, is essential in the program, as it promptly assists families in a situation of vulnerability and poverty. The second dimension - i.e., the fulfillment of conditionalities - is a commitment undertaken by the families and by the government. Access to health and education services is a basic and fundamental factor in breaking the intergenerational poverty cycle.

The additional actions related to the third dimension of PBF aim to create opportunities to assist families in overcoming the situation of social vulnerability in which they are found. The complementary actions can be promoted by all levels of government: Federal, State, Federal District and Municipal, as well as by organized civil society groups.

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Based on the guidelines established by the Constitution of 1988, the PBF was structured based on the following principles:

- a) **Combating poverty and social inequality** as a shared responsibility of all federated entities;
- b) **Non-contributory social protection**, which is the set of public strategies to ensure fulfillment of the social rights provided for in the Federal Constitution, guaranteeing every Brazilian citizen free access to services, programs, projects and benefits, regardless of any contribution or direct payment made to social security or social insurance;
- c) **Social protection of the family**, with the State supporting the family's ability to care for and assist its members, considering their different needs and forms of organization;
- d) **An intersectoral nature**, which takes place in the coordination between the areas responsible for ensuring some of the social rights of Brazilian citizens: education, healthcare and social assistance;
- e) **Decentralized management**, which is one of the guiding principles of Brazilian public policy. This principle enables the Federal Government, the states, the Federal District and the municipalities to act in a co-responsible and cooperative manner in the implementation of the PBF and the Unified Registry; and
- f) **Social inclusion**, which allows for the socially excluded to share social goods and services produced by society.

3. HISTORY

In the 1990s, income transfer programs emerged in Brazil from local initiatives geared towards combating poverty, eliminating child labor and increasing the schooling of children and adolescents. After these initiatives, in 2001, the federal government adopted various income transfer programs managed by different ministries.

These programs used different registries to identify and select their target audiences, making it difficult to coordinate initiatives and reducing efficiency. The lack of integrated information enabled the accumulation of benefits without any assurance of universal access for all of those who needed it: the same family could be the beneficiary of two or three programs, while others in similar situations and localities lacked any support.

In 2003, the Federal Government created the Bolsa Família Program (PBF) with the aim of unifying the following cash transfer programs:

- » Bolsa Escola (“School Grant”),
- » Cartão Alimentação (“Food Card”),
- » Bolsa Alimentação (“Food Grant”),
- » Auxílio-Gás (“Cooking Gas Aid”).

The unification of these programs ensured higher efficiency, the expansion of services provided to poor families and better access to public services. Families that were only monitored in terms of education could now also be monitored in the areas of healthcare and social assistance.

Specific legislation established the Unified Registry as the instrument for identification and selection of beneficiaries for the Bolsa Família Program (PBF), consolidating it as a tool for the social inclusion of low-income families. Currently, over 12 million Brazilian families participate in the PBF in all Brazilian municipalities.

There is no date scheduled for the end of the Bolsa Família Program.

4. INSTITUTIONS RESPONSIBLE FOR THE PROGRAM

The structure of PBF follows the decentralization logic of the Federal Pact and of the entire Brazilian social protection system. With the autonomy of the three federal entities guaranteed by the Federal Constitution of 1988, social programs came to rely on management and financing by the Federal Government but with states, the Federal District and the municipalities sharing the responsibility of implementing those policies.

In terms of structure, the Federal Government is responsible for the design, regulation and transfer of resources of PBF, under coordination of the National Secretariat of Citizenship Income (Senarc) of the Ministry of Social Development and Fight against Hunger MDS). In terms of implementation, Senarc establishes guidelines, criteria, benefits, procedures and other operational parameters. Caixa Econômica Federal is the operator and paying agent of the PBF. The source of data for the PBF is the Unified Registry for Social Programs of the Federal Government (“Cadastro Único”), an implementation tool for social policies that identifies and characterizes low-income families.

Municipalities play a fundamental role in the management of the PBF, as they are responsible for the registration and updating of data on the families, as well as in the verification of compliance with conditionalities (based on information provided by municipal health and education services).

Below are the main instances involved and their responsibilities in the operation of the PBF:

Competences of the **Federal Government**:

- » Implement the payment of the monthly benefits to families;
- » Discipline and standardize procedures for managing and implementing the PBF and the Unified Registry;
- » Develop management instruments and systems and make them available to the states, the Federal District and the municipalities;
- » Support the training of the staff involved in the management and implementation of the Program;
- » Provide communication channels that can receive suggestions and complaints about irregularities in the implementation of the Unified Registry and the PBF;
- » Provide financial support to the states, municipalities and the Federal District for the performance of their duties in managing the PBF and the Unified Registry; and
- » Collaboratively facilitate complementary actions.

The attributions of **state governments** include:

- » Build intersectoral coordination for management of the PBF in the state, including representatives from the state government departments of social assistance, education, health, planning and labor;
- » Promote actions that facilitate intersectoral management at the state level;

- » Technically and institutionally support municipalities in implementing the program, enabling them to conduct their duties with the support of the Federal Government;
- » Provide services and institutional structures in the areas of social welfare, education, health, planning and labor at the state level;
- » Support and encourage the registration and updating of information by the municipalities;
- » Administer the implementation of the funds transferred by the federal government through the State Decentralized Management Index for the management of the PBF and the Unified Registry;
- » Monitor compliance with conditionalities, in conjunction with the Federal Government and the municipalities; and
- » Encourage municipalities to form partnerships with governmental and nongovernmental agencies and institutions in the three spheres of government, in order to coordinate complementary actions.

The **municipal governments** and the **Federal District** are responsible for managing and implementing the Program in their territories. PBF managers, nominated by their respective municipal governments, have the following duties:

- » Identify low-income families and register them into the Unified Registry, updating their information at least every two years;
- » Manage the benefits under their responsibility;
- » Establish Social Control Instances for the PBF and contribute to their effective operation;
- » Promote intersectoral management of the program (including registration, systematization, analysis of compliance with conditionalities, monitoring of beneficiaries and provision of additional social services and offers);
- » Manage the use of the funds transferred by the Federal Government to the PBF, through the Municipality Decentralized Management Index;
- » Ensure the monitoring and oversight of PBF initiatives in the community; and
- » Create complementary actions geared towards beneficiary families.

5. MANAGEMENT AND IMPLEMENTATION

The management of the PBF is performed in a decentralized and shared manner, with the participation of the federal government, the states, municipalities and the Federal District. Each level of government acts as a co-responsible party for the PBF's implementation and execution.

Furthermore, the decentralized management of the PBF also involves other ministries and state/municipal departments, mainly regarding the conditionalities and complementary actions.

Benefits provided under the program

The amount to be received by a beneficiary family of the Program depends on its monthly per capita income and family composition (presence of children, teenagers, pregnant or nursing women). The PBF works with the following benefits:

- » Basic Benefit;

- » Variable Benefit;
- » Youth-Dependent Variable Benefit (BVJ);
- » Pregnancy-Dependent Variable Benefit (BVG);
- » Nursing-Dependent Variable Benefit (BVN); and
- » Extreme Poverty Overcoming Benefit (BSP).

The combination of these benefits means that each family receives a different amount.

Benefits, benefit amounts and criteria/family profile (exchange rate used: US\$ 1.00 = R\$ 3.00)

Benefit Type	Benefit Amount	Criterion/Family profile
Basic Benefit	R\$ 77,00 (\$ 25.66)	Families with per capita monthly income of up to R\$ 77,00, regardless of the number of children and adolescents.
Variable Benefit	R\$ 35,00 (\$ 11.66)	Families with monthly per capita income of up to R\$ 154,00 that have children and adolescents up to 15 years of age.
Youth-Dependent Variable Value (BVJ)	R\$ 42,00 (\$ 14.00)	Families with income of up to R\$ 154,00 that have adolescents 16 and 17 years of age.
Pregnancy-Dependent Variable Benefit (BVG)	Nine installments of R\$ 35,00 (\$ 11.66) (from the time when the pregnant woman is identified)	It is linked to the Social Identification Number (NIS) of the PBF's pregnant beneficiary, and more than one benefit may be granted to the same family - provided they do not exceed the maximum limit of five benefits.
Nursing-Dependent Variable Benefit to (BVN)	Six consecutive installments of R\$ 35,00 (\$ 11.66)	This benefit is intended for families who have children up to six months of age.
Extreme Poverty Overcoming Benefit (BSP)	Variable amount corresponding to the minimum required to reach R\$ 77,00 (\$ 25.66) of per capita income.	Paid to families who remain in extreme poverty even after receiving the financial benefits of the PBF (i.e. continue to have per capita income of less than R\$ 77).

Source: Available in: <<http://www.mds.gov.br/bolsafamilia>>.

The benefit is available monthly for each family through the use of a magnetic card which is personal and non-transferable.

Conditionalities

PBF conditionalities are mechanisms designed to strengthen the exercise of basic citizenship rights in the areas of education and health by Brazilians in poverty and extreme poverty. The conditionalities serve to encourage the beneficiary families to use the health and education services. As a result, the public authorities are able to more closely monitor access to, and use of, these services by identifying precisely where there is a shortage of supply of the services and to take steps to increase their availability.

In the healthcare area, beneficiary families commit to monitoring the vaccination, growth and development of children under seven. Women between 14 and 44 years of age must monitor their children. If pregnant or nursing, they must undergo prenatal care and monitor the health of the baby.

In education, all children and adolescents between 6 and 15 must be properly enrolled and show a monthly minimum attendance rate of 85% of the school time. Students between 16 and 17 must have at least 75% attendance rates.

Conditionalities in education and healthcare

In education	Ensure school attendance of 85% for children and adolescents between 06 and 15; Ensure school attendance of 75% for children between 16 and 17.
In healthcare	Maintain the vaccination schedule up-to-date and monitor the growth and development of children up to 07; Perform prenatal care (for pregnant women); Monitor mothers who are breastfeeding.

Source: MDS, 2012.

Failure to comply with the conditionalities may involve issuing a warning, or the blocking or suspension of the benefit. The effects of non-compliance with the conditionalities on the financial benefit are gradual, which allows time for family support to be provided. The monthly guaranteed income, together with the inclusion of families in follow-up activities, is the most appropriate strategy for working towards overcoming the difficulties that families have in complying with the PBF conditionalities.

The government must conduct managerial oversight to identify the reasons for non-compliance with the conditionalities. Actions are then implemented to work with non-compliant families, considered the most vulnerable. Intersectoral management of the Program is thus essential, since the MDS must monitor the conditionalities in coordination with the ministries of Education and Health.

The monitoring of conditionalities happens according to schedules previously agreed upon with the areas involved. Each area defines the periods during which municipalities must monitor the families and collect information on each conditionality. All information must be included in its respective systems. Those include: Bolsa Família Program Conditionality System (Sicon); Healthcare Monitoring System for the Bolsa Família Program; and School Attendance Monitoring System.

Decentralized Management Index (IGD)

The Federal Government encourages the improvement of the quality of Municipal and State administrations through the Decentralized Management Index (IGD). The IGD is an indicator created by the MDS that enables funds to be allocated to Municipal and State governments that perform well in the management of the Bolsa Família Program and Unified Registry. The IGD indicator shows the quality of the decentralized PBF management. It also reflects the commitment of the States and Municipalities to supporting the Program, and to managing the Unified Register and the conditionalities. The Index provides for a score of between 0 and 1: the closer to 1, the better the evaluation of the management of these activities. A higher IGD score also means that the amount of funds to be transferred will be greater.

Among the factors involved in the IGD calculation it is worth mentioning:

1. The rate of coverage and updating of registered data;
2. The follow-up rate of the education and health conditionalities.

The Municipal Decentralized Management Index (IGD-M) was created in 2006, followed by the State Decentralized Management Index (IGD-E) in 2008. The Federal entities have autonomy to select which PBF and Unified Registry actions are eligible to receive funds (e.g. training and active search, management of conditionalities and benefits, registration and updating of data).

Funds are transferred monthly from the National Social Assistance Fund (FNAS) to the Municipal Social Assistance Fund, under the mandatory fund-to-fund modality. The funds are deposited in a current account opened by the FNAS in the Bank of Brazil specifically for the purpose of implementing activities related to the management of the PBF.

More information on how the IGD-M and IGD-E are calculated can be found in: <http://www.mds.gov.br/bolsafamilia/gestaodescentralizada>.

6. TARGET AUDIENCE AND SELECTION CRITERIA

The target audience of the Bolsa Família Program is constituted by families in poverty and extreme poverty that are registered in the Unified Registry for Social Programs of the Federal Government (Cadastro Único). The definition of families in poverty and extreme poverty is based on monthly per capita family income.

Currently, families considered to be in extreme poverty are those with family income at or below R\$ 77.00 per person. Families in poverty have monthly per capita incomes between R\$ 77.01 and R\$ 154.00. These reference amounts for the characterization of families is changed by Presidential Decree.

The inclusion of the families in the Unified Registry is the initial step in receiving Bolsa Família benefits. Registration is carried out by the municipalities, which are responsible for providing families with information about the PBF. It is important to highlight that the inclusion of a family in the Unified Registry does not mean automatic inclusion in the PBF.

The selection of families for participation in the Program is made in an objective and automated manner. No individual privileges are granted in the selection. For each municipality, an estimated number of families in poverty is established. This estimate is calculated based on the most current data from the Census and the National Household Sample Survey (PNAD), both conducted by the Brazilian Institute of Geography and Statistics (IBGE).

The granting of benefits is done through a computerized system that prioritizes families with the lowest per capita incomes and highest number of children up to 17 years of age. Special attention is also given to the most vulnerable families, such as those with members freed from situations analogous to slave labor, quilombola communities, indigenous peoples, recyclable material collectors and families with children engaged in child labor.

7. COVERAGE

The PBF has national coverage, currently covering all Brazilian municipalities. There was a continuous increase in the number of families benefiting from the Bolsa Família Program between 2004 and 2013. The Program, which began in 2003 serving 3.6 million families, had expanded to reaching 14 million households by 2013, as demonstrated by the chart below.

Number of families benefited by the Bolsa Família Program by year

Year	Number of families
2004	6.571.839
2005	8.700.445
2006	10.965.810
2007	11.043.076
2008	10.557.996
2009	12.370.915
2010	12.778.220
2011	12.952.039
2012	13.902.155
2013	14.086.199
2014	14.003.441
2015 (maio)	13.716.776

Source: MDS, 2015

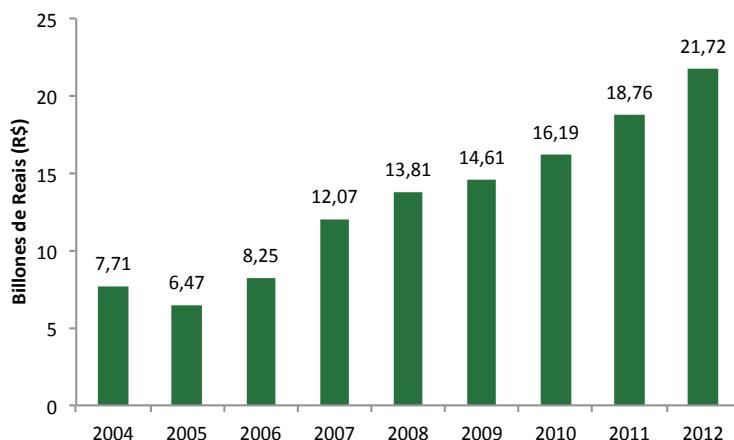
8. FINANCING

The funding source of the Bolsa Família Program is federal, with the budgetary resources used to pay the benefits originating from the National Treasury.

Funds from the Inter-American Development Bank (IDB) and the World Bank (WB) are also used mainly for evaluation studies of the program, including impact assessments, and to fund workshops and in the training of technicians directly involved with the management of the Program.

The total amount of benefits paid during the 2004-2015 period increased, totaling 27 billion reais in 2014.

Total Amount of Benefits Paid + Outstanding Payable Amounts (RAP) by the Bolsa Família Program (2004-2012) - Numbers in billion reais adjusted by the IPCA* Index as of Dec 2012



Year	Total Amount
2003	570.144.695,00
2004	3.791.787.498,00
2005	5.691.670.161,00
2006	7.524.662.822,00
2007	8.965.499.608,00
2008	10.606.500.193,00
2009	12.454.715.899,00
2010	14.372.702.865,00
2011	17.364.278.589,00
2012	21.156.744.695,00
2013	24.890.107.091,00
2014	27.187.295.233,00

Source: Computerized System of the Sub-secretariat of Planning and Budget - SISPOAD/MDS, 2015
 * IPCA/IBGE = National Broad Consumer Price Index of the Brazilian Institute of Geography and Statistics

In June 2015, the total amount of funds paid directly to families in benefits was of R\$ 2.30 billion (per month). The estimated amount to be paid to the operating agent (Caixa Econômica Federal) for its management of the cash transfers and the Unified Registry was of R\$ 360 million (per year).

9. LEGISLATION

The PBF was created by the federal government, through Provisional Measure 132/2003, later converted into Law 10,836 of January 9 2004, regulated by Decree 5,209 of September 17 2004 and (currently) by Decree 7,332 of October 19 2010, which gives new wording and adds Articles to Decree 5,209.

Currently, Law 10,836, of January 9, 2004, has been amended by the following pieces of legislation:

- » Provisional Measure 411 of 2007
- » Law 11,692 of 2008;
- » Law 12,058 of 2009
- » Law 12,512 of 2011;
- » Law 12,722 of 2012; and
- » Law 12,817 of 2013.

10. ADDITIONAL COMMENTS

Another research project, called PBF Impact Assessment, had its second round concluded in 2012. The study was published by the International Food Policy Research Institute (IFPRI) and company Datamétrica, in partnership with the United Nations Development Programme (UNDP). The objective of the study was to evaluate the impact of the Bolsa Família Program (BFP) on improving the well-being of beneficiary families.

In 2005, a first round of interviews was conducted to assess the impacts of the PBF. It included: (i) beneficiary families of the Program; (ii) families who were not beneficiaries but were included in the Unified Registry; (iii) families not included in the Unified Registry but whose profile is similar to that of the registered families. In total, the survey interviewed 15,426 households in 269 municipalities of 23 states of the federation (plus the Federal District).

In 2009, the sample studied was the same as that of the first round. In surveys such as this, it is likely that some sample “loss” will occur, especially due to difficulties in locating certain families. That loss, however, was considered within the standards for surveys of this profile: 74.1% of the households interviewed in 2005 (i.e. 11,433 households) were heard again, so the researchers could observe what changes took place in their living conditions during those four years and determine which of these changes could be attributed exclusively to their participation in the PBF.

Results of impact assessments

Despite the significant improvements seen in these households between 2005 and 2009, one must isolate the effects from other interventions also directed at such persons during the same period, in order to identify what changes can be directly attributed to the program.

Thus, we describe below some of the results concerning the impact of the PBF; effects that must be credited solely to participating in the Program and complying with the health and education conditionalities.

Participation in PBF positively affected pregnancies, meaning a lower amount of premature births among beneficiary families. The number of children born at term, i.e., after a gestation period of between 37 and 41 weeks, was 7.9% higher in beneficiary households compared to non-beneficiary households.

The share of beneficiary children considered nourished, in turn, was 29.8% higher compared to non-beneficiary children, considering the Body Mass Index (BMI), which establishes a ratio between the weight and height of children.

Lastly, the Bolsa Família Program had a positive impact on vaccination, especially when looking at polio vaccination rates. The proportion of beneficiary children between 6 and 23

months of age who received a second dose of polio vaccine in the appropriate period was 6.9% higher than the same rate for children of non-beneficiary households. For the third dose, the share was 11.6% higher. Vaccination against diphtheria, tetanus and pertussis (DTP) was also more common among beneficiary families, with 15.5% higher rates for the second dose and 26% for the third.

Participation in the PBF also had a positive impact on the education of children and youth. School attendance of children aged 6 to 17 in beneficiary households was 4.1% higher compared to school attendance by non-beneficiary households. In the Northeast region, this difference was of 19.9% (higher) for children of beneficiary families.

School progression for children aged 6 to 17 in beneficiary households was 6.9% higher compared with school attendance by non-beneficiary households. The impact was greater among girls between 15 to 17 years of age, for whom attendance rates were 8.4% higher and school

The Bolsa Família is one of the most widely researched and evaluated programs in the world, and its positive results have been acknowledged internationally. In addition to reducing poverty in money terms, the Program has contributed decisively to breaking the intergenerational cycle of poverty in its many forms, strengthening the development of families and expanding citizenship and social equity.

More detailed information about this survey can be accessed at the following website:

<http://aplicacoes.mds.gov.br/sagi/PainelPEI/Publicacoes/AvaliacaodelImpactoProgramaBolsaFamilial.pdf>.

Additional information about the Bolsa Família program can be found in the following website:

www.mds.gov.br/bolsafamilia.