

Rural Productive Activities Oriented Cash Transfer

Thematic Areas: Food and Nutrition Security; Rural Productive Inclusion.

1. EXECUTIVE SUMMARY

The Rural Productive Activities Oriented Cash Transfer¹ is an important strategy for tackling poverty and hunger among the poorest people living in Brazil's rural areas. The Program is managed jointly by the Federal Government's Ministry of Social and Agrarian Development (MDSA) and the Special Secretariat for Family Agriculture and Agrarian Development (SEAD)².

By combining technical assistance and rural extension (*Ater*) services with the provision of non-reimbursable funds for farming families enrolled in the Unified Registry, the Program seeks to enhance sustainable productive activities and thus enable families to benefit from improved access to food security.

The Program, with its nationwide coverage, is an essential component of Brazil's rural productive inclusion strategy. By November 2016 it had benefited around 214,000 poor farming families³ and the families of agrarian reform settlers and traditional peoples and communities. In the case of 75% of the Program's beneficiary families, the cash transfers were preferentially released to women in their role as heads of household.

2. OBJECTIVES

- » Promote access to employment opportunities and guarantee families' food and nutritional security by expanding and diversifying food production and other income-generating productive activities;
- » Incorporate new knowledge into beneficiary families' current productive activities, or create new productive activities;
- » Insert beneficiary families into social and rural development policies, bearing in mind the specific vulnerabilities that make it difficult for them to overcome poverty and ensure coverage by the relevant public policies.

3. BACKGROUND

The Program was created in 2011 in the context of an ongoing strategy focused on the productive inclusion of family farmers and traditional peoples and communities living in extreme poverty in rural areas.

Between 2011 and 2016, 115 public and private technical assistance and rural extension institutions were involved in implementing the Program, with some six thousand *Ater* technicians accompanying and assisting family farmers, maroon communities, indigenous groups, and artisan fishermen to develop productive projects.

¹ The Program was created by Law No. 12,512 / 2011 and regulated by Decree No. 7,644 / 2011, focusing on families falling within the provisions of Art. 3 of Law 11,326 / 2006 and enrolled in the Unified Registry (*CadÚnico*). The Program is also governed by a set of resolutions defined by the Steering Committee of the Rural Productive Activities Development Program.

² Linked to the Civil House of the Presidency of the Federative Republic of Brazil.

³ "Included families" are understood to be those being assisted by *Ater* and which are in receipt of at least the first installment of the cash transfer for investing in productive projects.

During this period the Federal Government directly transferred over BRL\$ 500 million to more than 214,000 family farming households, agrarian reform settlers and traditional peoples and communities included in the Program. Of the total number of families, around 195,000 (91%) received all the funds needed for developing their productive activities.

4. MANAGERS AND STAKEHOLDERS INVOLVED

In addition to the MDSA, SEAD and private Ater entities (contracted through public tender calls), the Program also involves State, Federal District and municipal public Ater companies. As for its internal regimen, the Program has a deliberative Steering Committee coordinated by the Ministry of Social and Agrarian Development (MDSA), consisting of representatives of the Ministries of Finance (MF), Planning, Development and Management (MPDG), and the Civil House of the Presidency of the Republic (CC-PR). This Committee is responsible for approving Program planning, ensuring that funds match the number of beneficiary families, and defining an appropriate monitoring and evaluation system.

5. DESIGN, MANAGEMENT AND EXECUTION

5.1. Modalities

Program funds are transferred in two installments, with a minimum two-month interval between them. Families are only eligible to receive the second installment when the Ater agency has verified that the first installment payments have been used in the productive project. Preferential release of the funds applies to women in family farming households who are among the holders of the Declaration of Aptitude (DAP) for the National Program for Strengthening Family Agriculture (under the aegis of SEAD). There are two modalities for transferring non-reimbursable funds to beneficiary families: the *Traditional* modality and the *Semi-Arid* modality.

TRADITIONAL MODALITY

Created in 2011, the *Traditional* Development modality benefits farming families in extreme poverty.⁴ The total amount transferred directly to each family amounts to BRL\$ 2,400.00.

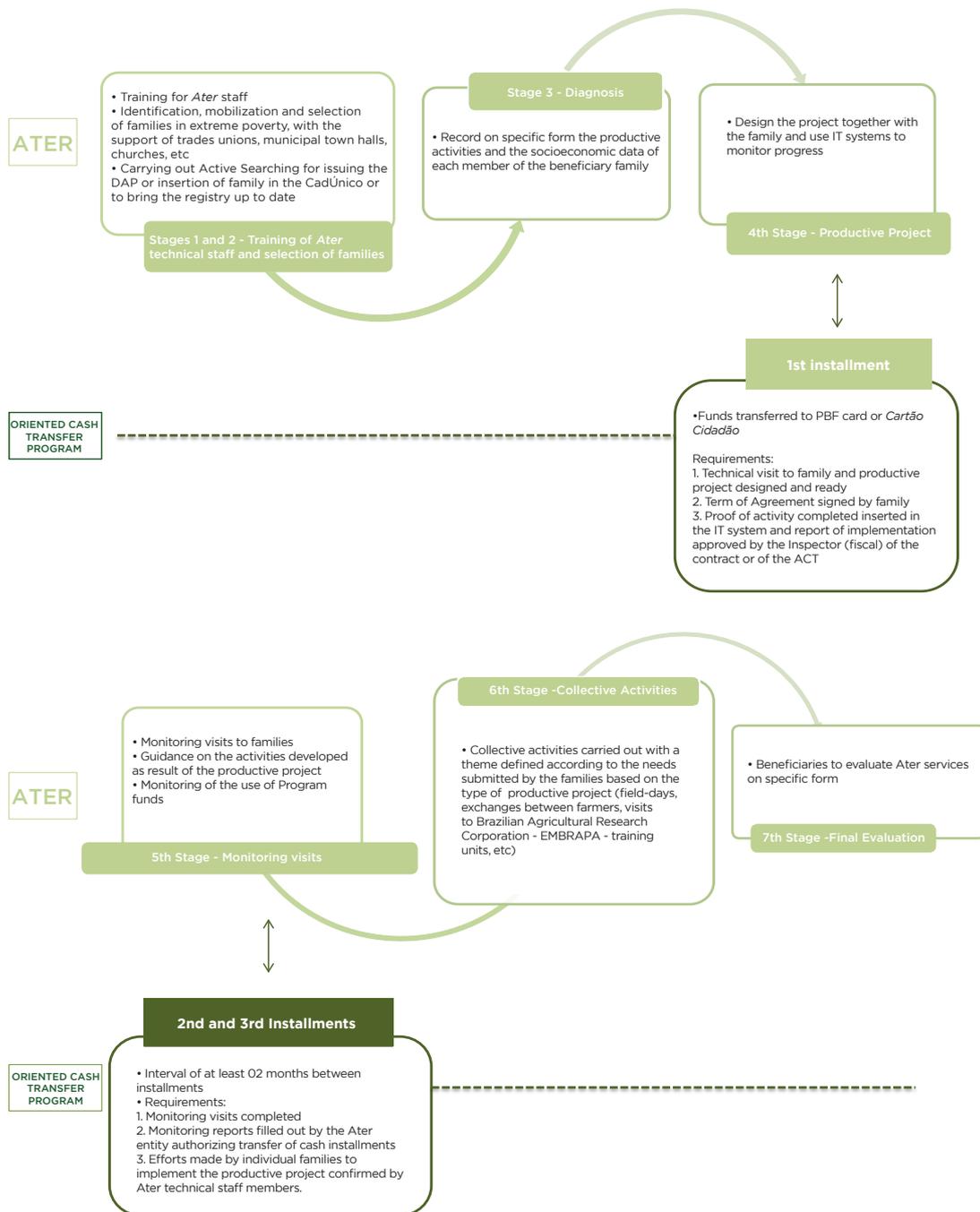
THE SEMI-ARID MODALITY

The *Semi-Arid* modality, created in 2013, benefits family farmers in poverty or extreme poverty.⁵ Such families must also reside in Brazil's semi-arid region and have social technologies for storing water intended for agricultural production. Priority is given to beneficiaries of the *Programa Cisternas* and other *Water for All Program* initiatives. The overall goal of the Program is to provide support for farming families to implement a project to increase productive capacity. The Program takes the region's climatic conditions into account and plays an active role in assisting families to cope with life in the semi-arid region. The total amount available per family is BRL\$ 3,000.00.

⁴ Monthly income per person of up to BRL\$ 85.00 according to Decree No. 8794 of June 29, 2016

⁵ Monthly income per person of up to BRL\$ 170.00, according to Decree No. 8794 of June 29, 2016

5.2. The different stages



6. TARGET AUDIENCE AND SELECTION CRITERIA

Beneficiaries of the Program are poor farming families and the families of agrarian reform settlers, indigenous peoples, quilombolas (maroon communities), and other traditional peoples and communities enrolled in the Federal Government's Unified Registry for Social Programs (*CadÚnico*).

The Program is designed to prioritize the transfer of funds to women in the above families who are generally identified in the Unified Registry as heads of household and hold the Declaration of Aptitude for the National Program for Strengthening Family Agriculture (DAP / PRONAF), or are

on the List of Beneficiaries (the RB / INCRA). Of the total families benefited by the Program, around 75% are female heads of household and described as such in the Unified Registry (*CadÚnico*). Two points are worth mentioning: (i) SEAD has launched public calls for hiring specific Ater entities to provide assistance to rural women in the context of the Program; and (ii) 76% of the people receiving benefits under the Program have self-declared as Afro-descendants in the *CadÚnico*.

Public calls have also been made to hire Ater entities to work specifically with traditional peoples and communities. These efforts have already led to over 4,000 indigenous families and 8,000 maroon families (*quilombolas*) receiving benefits under the Program.

Some Ater contracts have focused exclusively on agrarian reform settlers, benefiting over 15,000 families to date.

7. FUNDING SOURCES

The Rural Productive Activities Oriented Cash Transfer is financed by budget allocations from the Ministry of Social and Agrarian Development (MDSA) and the Special Secretariat for Family Agriculture and Agrarian Development (SEAD). States, Federal District and Municipalities are involved insofar as some of their public companies undertake Ater activities.

8. RESULTS REPORTED BY BENEFICIARIES

8.1. Productive and technological expertise learned from Program technical staff and autonomy in the decision-making and planning of productive projects have generated a range of skills and capacities

Poor farming and other families have responded very positively to the investments made in them. This is largely due to the relief felt by families with accumulated experience of coping with climatic and other issues affecting agricultural production, including structural limitations. For their part, the Ater teams have succeeded in adding value and scaling up beneficiary families' productive traditions and economic feasibility in line with the MDSA and SEAN definitions of the conditions required for targeting public policies and ensuring the viability of the goals prioritized by this specific policy⁶.



Maria Iranete's sheeps. Photo by Agropolos.

⁶ The Ater valorize the productive traditions and economic rationality/viability of families in terms of the weight given to e.g. specialization or diversification of a productive project, and the possible implications arising from risks at the initial or expansion phases of a given project.

Maria Iranete Alves Martins Santos, a woman farmer living in Moçamba (Ceará), decided to develop a sheep farming project with Program funds. With the BRL\$ 2.400,00 advanced to her under the Program, she and her husband bought animals, animal feed and medical supplies, benefiting substantially from the guidance provided from the beginning and throughout by an Ater agent. Working cooperatively, these people are now heavily involved with the new project and are keen to learn even better techniques to manage it successfully.

8.2 Diversification of Agricultural Production

Diversification of agricultural production away from simply breeding small animals tends to call for productive projects based on good agroecological practices and / or on the greater availability of water. The return in terms of food and nutritional security has been more effective in projects aimed at more highly diversified food production, which can also involve families using different produce for their own consumption. Meanwhile, it is clear that the more specialized the production activity, the greater the dependence on marketing and distribution networks.

Pâmela Bergonci and José Barbosa dos Santos, from Gramado Xavier (Rio Grande do Sul) used the funds to expand and diversify their family production by investing in growing vegetables. This involved carrying out soil analysis on their plot, purchasing seeds and seedlings, and tools such as watering cans, hoes and hosepipes. The family started to sell lettuces, beetroot, carrots, cabbages, pumpkins and so on, frequently and profitably through the PNAE and PAA. In addition to substantially improving the family's food intake (previously they either did not eat these foods or bought alternatives in local markets), the Program helped them to generate an income from their own produce.

Some families choose non-agricultural projects. A resident of Parambu (Ceará), Edilma Raimunda de Oliveira, for example chose to invest her Program funds in purchasing ovens, cylinders, a sealing machine, tables, shelves and ingredients to expand her bakery business (bread making).

8.3. Accumulation of productive assets

The Program can also contribute to improving the productive structure of rural families and help them to increase their assets, such as expanding the size of their herds and constructing sheds for housing animals. Any assets immobilized by families can also be used in emergency situations or for resuming a productive activity halted as the result of impending decapitalization of families in vulnerable situations.

The experiences of Maria Iranete, Sabina and Edilma, all of whom received assistance from the Agropolos entity, are living examples of asset accumulation: all their families benefited by increasing their productive asset bases in the form of animals, irrigation systems and bread ovens.

8.4. The Environmental Dimension

Maria Raimunda Gomes Martins, assisted by Idatam in Tracuateua (Pará), grew cassava and cowpea beans and benefited from Program funding and an Ater technician's guidance to expand her crop area, improve production quality and even restore a spring that existed on her land.

Meanwhile, Clarice Farias De Lima, also assisted by Idatam in Tracuateua, adopted (according to the Ater entity) "practices that were more respectful of the environment in accordance with the new paradigm of sustainability and sustainable development. The family built the aviary adjacent to a free-range poultry grazing area which led to chickens being produced with remarkably better-tasting flesh for sale to customers. "



A plantação de Maria Raimunda. Foto: Idatam

8.5. Reducing social invisibility and raising self-esteem

Many families that have benefited from the Rural Productive Activities Oriented Cash Transfer acknowledge the importance of the financial and technical assistance provided to them, and especially value its social and confidence-raising inspiration. Stênio César Freitas, an Ater technician who worked on the Program under Idatam in the state of Pará, reported on this aspect in the following words: “Coexistence with these families has left an indelible mark on us. It is clear that these simple, humble people who received us as development agents with such great affection actually do regard us as important in their lives. I well remember one of the beneficiaries of the Program speaking with pride to a project inspector that she felt she was at last a “visible person” because the Program had improved her and her family’s life, and that she had - due to the Active Search mechanism - subsequently gained access to the cash transfer programs (Bolsa Família and Rural Productive Activities) run by the Federal Government. “

8.6. Consumption and marketing

The Program helps families to improve their incomes by selling surplus (and better quality), produce arising from the various projects in local markets and, to a certain extent, from selling to government food procurement programs. Alcimar De Queiroz, a farmer from Pau dos Ferros (Rio Grande do Norte), assisted by Emater-RN, chose to develop a poultry business, selling chickens and eggs both direct to local community members and to nearby shops. In addition to improving the family’s food intake, the increased cash from selling the products made it possible for him to spend more on fruit and vegetables.

8.7. Permanence in the rural community

With the work generated in their production units, many families are now able to avoid members from having to leave their home areas to seek employment elsewhere in the country. For example, as a result of their agricultural project, Sabina’s son, Fabrício, who was planning to relocate to São Paulo, decided to stay in the production unit and work with his family. Meanwhile, the expansion of Edilma’s breadmaking business enabled both her daughter and son-in-law to return from another state to work with her, and with some of the cash from the business she is now helping the couple build their own home.

8.8. Rural Women

Using the Bolsa Família Program payment structure, the Program plays a key role in promoting female protagonism by ensuring that women living in rural areas are given preference in terms of receiving the government cash transfers. Furthermore, the women are encouraged to participate in decisions about productive projects in general and ways in which they can be developed. Valdete Ferreira de Oliveira David, from Cujubim (Roraima), reports that despite owning a small vegetable plot for years (mainly for family consumption), she had never thought to use chemical fertilizers or pesticides on her plants. With the support of the Program to purchase materials for building a greenhouse (wood, nails, canvas, etc) and guidance provided by the Ater technician Sebastiana Ohnezorge, she discovered that it was possible not only to increase her plot's productive capacity but also the quality of the produce itself.

This particular beneficiary also attended courses on agroecological management, financial management, composting and natural defenses (against plant diseases). Previously uninterested in monitoring her income and outgoings, she began to "write everything down" after learning how to manage cash flows on the Program course.

As for selling her produce, she claims she sells to customers on her very own doorstep: "Because it's all organic, there is no shortage of customers. My vegetables are always fresh! "

