



## *Synthesis*

# CONDITIONAL CASH TRANSFER PROGRAMS

Conditional cash transfer (CCT) programs are the main social programs used by Latin American and Caribbean countries to assist families living in poverty. In addition to supporting consumption, they encourage the accumulation of human capital.

To mark the 20 years since the implementation of CCT programs, the Inter-American Development Bank (IDB) created this toolkit, which is primarily aimed at those who design and operate CCTs, as well as the general public. Here we describe how several countries implement the three main operational stages of a CCT program.

Social Protection and Health Division  
Inter-American Development Bank  
[www.iadb.org/socialprotection](http://www.iadb.org/socialprotection) - [scl-sph@iadb.org](mailto:scl-sph@iadb.org)

The present work is a summary of the publication [How does Bolsa Familia Work?](#)  
The updated material as well as the summaries of the other programs in Latin America  
and the Caribbean are available for downloading at the IDB's conditional transfer  
programs website.

July 2017

Copyright © 2017 Inter-American Development Bank. This work is licensed under a Creative Commons IGO 3.0 Attribution-NonCommercial-NoDerivatives (CC-IGO BY-NC-ND 3.0 IGO) license (<http://creativecommons.org/licenses/by-nc-nd/3.0/igo/legalcode>) and may be reproduced with attribution to the IDB and for any non-commercial purpose. No derivative work is allowed. Any dispute related to the use of the works of the IDB that cannot be settled amicably shall be submitted to arbitration pursuant to the UNCITRAL rules. The use of the IDB's name for any purpose other than for attribution, and the use of IDB's logo shall be subject to a separate written license agreement between the IDB and the user and is not authorized as part of this CC-IGO license.

Note that link provided above includes additional terms and conditions of the license.

The opinions expressed in this publication are those of the authors and do not necessarily reflect the views of the Inter-American Development Bank, its Board of Directors, or the countries they represent.





Photo: [www.elfinanciero.com](http://www.elfinanciero.com)

## **INDEX**

**INTRODUCTION** *page 3*

**BENEFICIARIES** *page 3*

**TRANSFERS** *page 4*

**CONDITIONALITIES** *page 5*

**REFERENCES AND RELATED RESOURCES** *page 7*

## 1/ INTRODUCTION

The [Bolsa Família Program](#) (BFP) in Brazil is a conditional cash transfer program with national coverage that aims to support families living in poverty or extreme poverty, as well as expanding access to education and health services. The program was created by the federal government in October 2003 and enshrined in law in January 2004.

In June 2015, the BFP served 13,827,369 beneficiary families, or roughly 25% of Brazil's population. Despite its broad coverage, the program's cost has relatively little impact on the public budget, since it equates to just 0.45% of Brazil's gross domestic product.

In 2011, the program became part of the [Brazil Without Poverty Plan](#), which aims to eradicate extreme poverty. In 2014, *Bolsa Família* was cited by the [United Nations Food and Agriculture Organization](#) (FAO) as one of the main strategies adopted by Brazil to defeat hunger.

## 2/ BENEFICIARIES

The *Bolsa Família* Program is aimed at all families living in poverty in Brazil, specifically those with a monthly per capita income of less than 154 reais (about 45 dollars as of June 2017). For program purposes, a family is understood as a nuclear unit that sometimes includes other related or unrelated individuals who share the home.

In order to decide if a family is eligible, the program uses, among other criteria, the income declared in the [Cadastro Único](#), an information system designed to identify potential social program beneficiaries. Information is collected by an interviewer based on responses provided by a family representative (see the [Cadastro Único form](#)), usually the mother, who agrees to provide true statements. The data from the form is then digitized and fed into the *Cadastro Único*, after which each person in the family is assigned a social identification number (NIS).

Data from the [Population Census](#) and [National Household Sample Survey](#), both conducted by the [Brazilian Institute of Geography and Statistics](#), is used to estimate the number of poor families in each municipality. Where enrollment exceeds this number, the government

conducts additional monitoring and audits.

Within the available budget, priority is given to the enrollment of those families with the lowest monthly per capita income, followed by those with the greatest number of children and adolescents under the age of 18. Additionally, the program grants priority access to *quilombola* families (belonging to longstanding Afro-Brazilian communities), indigenous families, families engaged in informal recycling, families relying on child labor, and families with members freed from conditions analogous to slavery.

The municipalities are responsible for identifying and registering low-income families in the *Cadastro Único*. Brazil has a network of more than 8,000 Social Assistance Referral Centers (CRAS), present in 98% of the country's municipalities, where the primary focus is the registration of families in the *Cadastro Único*. An alternative means of registration is through an active search by the municipality to identify potential beneficiaries, with the implementation of campaigns during which social workers and trained registration assistants visit the neighborhoods where the poorest families are concentrated to administer the *Cadastro Único* questionnaire in the family home. The overwhelming majority of data, about 77% of family records, is collected without the need for a home visit—that is, using the first method mentioned—but active search boosts the inclusion of the most vulnerable families.

The information obtained through the registration process is stored in a database managed by the federal government. After processing the data, a determination is made as to whether the family qualifies for program benefits. Each family is required to visit a CRAS every 24 months to update household information. During the recertification process, families are asked to complete the same form used to register beneficiaries in the *Cadastro Único*. The goal of recertification is to keep the program targeted to poor families.

Families may be removed from the program for any of the following reasons: (a) they repeatedly fail to comply with health and education conditionalities; (b) they are no longer eligible because their income rises above the

poverty line, or (c) they do not update their information in the *Cadastro Único*.

When a family's income exceeds the poverty line but remains below the monthly per capita minimum wage, transfers are not immediately suspended; instead, benefits are extended for a period of two years to ensure that economic improvements are permanent and stable. Once this period has ended, the family is re-evaluated. If household income remains above the program's threshold or if the family fails to update its information, benefits are terminated. Families may also request to voluntarily withdraw from the program. In these cases, the family has the right to return to the program at any time within a 36-month period if the household experiences a decline in income

### 3/ TRANSFERS

There are four types of benefits of varying benefit amounts, depending on household composition and poverty status:

- **Basic Benefit, 77 reais.** This benefit is intended exclusively for families living in extreme poverty; that is, those whose monthly per capita income is less than 77 reais. Families receive this benefit regardless of household composition, including those families in which there are no individuals under age 18.
- **Variable Benefit, 35 reais.** This benefit is granted to families living in poverty or extreme poverty, pregnant or breastfeeding women, and/or children and adolescents up to age 15. Each family can receive up to five of these benefits, one for each eligible individual.
- **Variable Youth Benefit, 42 reais.** This benefit is granted to families living in poverty or extreme poverty, whose households include adolescents ages 16 to 17. Each family can receive up to two of these benefits. The family is eligible to this benefit until December of the year in which the adolescent turns 18.
- **Benefit to Overcome Extreme Poverty.** This benefit is intended for families whose incomes, even after

receiving the other benefits corresponding to their household composition, still does not exceed the extreme poverty line. This benefit is calculated by analyzing each family's situation and corresponds to the monthly amount necessary for the family to achieve a per capita income of 77 reais.

A family in extreme poverty may accumulate several of these benefits, with a monthly maximum value of R\$336.

BFP benefits are paid out by the state-owned bank [Caixa Econômica Federal](#), which operates the *Cadastro Único*. To request payments, beneficiaries can use either the social assistance card that identifies them as program beneficiaries and contains their NIS or a basic bank card tied to a *Caixa Fácil* account.

The social assistance card is not linked to a bank account, but it does allow beneficiaries to withdraw transfers at any payment point using a six-digit password. Caixa Econômica Federal's network of payment points includes Caixa agencies, lottery ticket agencies, authorized bank branches, ATMs and post offices. If the family uses the social assistance card, a representative must go and collect the benefit on the day corresponding to the last digit of his or her NIS number. Payment days coincide with the last ten working days of each month, with the national payment schedule indicating which day corresponds to each group of beneficiaries. With this payment method, families must withdraw the total transfer amount each month. If the family representative is unable to go to collect benefits one month, they will roll over to the next month; however, transfers must be collected within 90 days or else Caixa Econômica Federal will return the funds to the Ministry of Social Development and Hunger Eradication (MDS).

In October 2009, the Financial Inclusion Project for *Bolsa Família* Beneficiaries was launched, aimed at improving the payment process and encouraging beneficiaries to obtain the *Caixa Fácil* card. This payment mechanism is much more flexible than the social assistance card because Caixa Econômica Federal deposits transfers into a checking account in the name of the family representative, thereby eliminating the need to withdraw



the full amount. Payments are issued in accordance with the national payment calendar, but the family may withdraw the money at any time, with up to four withdrawals per month at no cost. In addition, the family may access other financial services such as microcredits, savings and insurance. The *Caixa Fácil* account was designed to serve the beneficiaries of social programs, which means that accounts are easier to open (as compared to a conventional account) and are exempt from bank fees. Families choose the payment method that best suits them, and if they are not interested in obtaining a *Caixa Fácil* account, they may continue to collect their benefits with the social assistance card.

Regardless of the mechanism that families use to claim their BFP benefits, they receive a payment receipt, which doubles as a means of communication between the program and its beneficiaries. For example, the receipt may feature a message advising a family of the temporary suspension of benefits due to noncompliance with co-responsibilities or the need to update information in the *Cadastro Único*.

## 4/ CONDITIONALITIES

*Bolsa Família* Program (BFP) transfers have health and education conditionalities that beneficiary families must meet.

### Health

- Beneficiary families with children under age 7 must ensure that the children receive the eleven vaccines included in the Brazilian immunization schedule. They must also attend doctors appointments to monitor the children's growth and development. The frequency of these appointments depends on the age of the child: six visits are required in the child's first year, two visits in the second year, and just one annual visit thereafter. In the case of families with pregnant women, mothers-to-be must attend prenatal check-ups and a lactation consultation.

The [Ministry of Health](#) (MoH) receives a list of BFP beneficiaries from the [Ministry of Social Development and Hunger Eradication](#) (MDS) and

transfers this information to municipalities through the [BFP Health Management System](#). Based on this data, municipalities construct a form called the *Bolsa Família* Monitoring Form, which is printed and distributed to primary care centers located within their boundaries. The health centers document compliance with health conditionalities using paper forms in the Monitoring Form. The municipality then records this information in the BFP Management System. Lastly, the MoH accesses the BFP Management System and consolidates the data before reporting it to the MDS for entry in the Conditionalities Management System. Health conditionalities are verified every six months, with two verification periods spanning January to June and July to December.

### Education

- Families with children and adolescents under the age of 18 must enroll their children in school and ensure adequate attendance. In the case of children and adolescents between the ages of 6 and 15, an attendance rate of 85% is required. The minimum attendance rate required for adolescents aged 16 and 17 is 75%.

The MDS supplies the [Ministry of Education](#) (MoE) with the list of beneficiaries to be monitored, and the MoE registers these students in the Attendance System. The municipalities access this system to obtain the beneficiary lists, which are then distributed in the schools. The attendance lists used by teachers must identify BFP students. Each school's administration must consolidate attendance data before reporting it to the municipality, which can be performed directly by accessing the Attendance System online. If the school does not have an Internet connection, it documents attendance using a paper form called the School Attendance Record. In these cases, the municipalities must capture the information recorded on paper in the Attendance System. The municipalities send the information to the MoE, which consolidates the data in the Attendance System before reporting it to the MDS for entry in the Conditionalities Management System. The verification of education conditionalities occurs once every two months; however, verification is not performed in the months of December and January, as

school is in recess. Consequently, the first attendance verification period corresponds to February–March.

In the event of noncompliance, the MDS, through the Conditionalities Management System, applies the penalties set forth in the program's rules and informs the Caixa Econômica Federal, which is the entity responsible for the management of the benefit payment process. The consequences of noncompliance with conditionalities are gradual and begin as a warning, then a temporary block on benefits, a suspension of benefits and, finally, a termination of benefits. It is important to note that any family member in noncompliance with co-responsibilities leads to the progressive application of the penalties established in the program's operational guidelines, with repercussions on the total value of the family's benefit amount.

The MDS recently implemented a social assistance support strategy for families in noncompliance with conditionalities. This support is offered prior to the block on benefits and is intended to identify why families fail to comply with program conditionalities and to support them through other social programs so that they may return to compliance.

Families may seek an appeal if they feel they have been unjustly penalized. In such cases, they must submit documentation to the municipal manager proving that they were in compliance with conditionalities.

## 5/ REFERENCES AND RELATED RESOURCES

Dávila Lárraga, Laura G. 2016. "How does Prospera Work?: Best Practices in the Implementation of Conditional Cash Transfer Programs in Latin America and the Caribbean." Washington D.C.: Inter-American Development Bank.

[Publication link.](#)

Gazola Hellman, Aline. 2015. "How does Bolsa Familia Work?: Best Practices in the Implementation of Conditional Cash Transfer Programs in Latin America and the Caribbean." Washington D.C.: Inter-American Development Bank. doi: IDB-TN-856.

[Publication link.](#)

Hernández Romero, Karla. 2016. "How does Avancemos Work? Best Practices in the Implementation of Conditional Cash Transfer Programs in Latin America and the Caribbean." Washington D.C.: Inter-American Development Bank. doi: IDB-TN-931.

[Publication Link.](#)

Martínez Echeverría, Diego, Tathiana Borja Rivadeneira, Nadin Medellín y Pedro Cueva. 2016. "¿Cómo funciona el Bono de Desarrollo Humano? Mejores prácticas en la implementación de Programas de Transferencias Monetarias Condicionadas en América Latina y el Caribe." Washington D.C.: Inter-American Development Bank.

[Publication link.](#) (Spanish)

Medellín, Nadin y Fernando Sánchez Prada. 2015. "How does Más Familias en Acción Work? Best Practices in the Implementation of Conditional Cash Transfer Programs in Latin America and the Caribbean." Washington D.C.: Inter-American Development Bank. doi: IDB-TN-884.

[Publication link.](#)

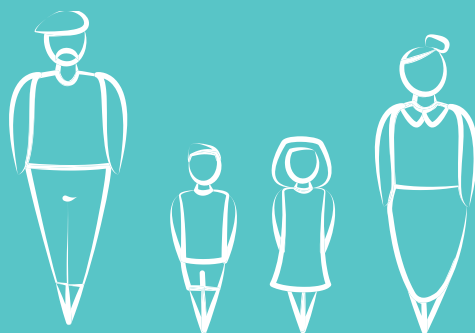
Vargas Faulbaum, Luis Hernán, Medellín, Nadin y Cueva, Pedro. 2016. "¿Cómo funciona Ingreso Ético Familiar? Mejores prácticas en la implementación de Programas de Transferencias Monetarias Condicionadas en América Latina y el Caribe." Washington D.C.: Inter-American Development Bank.

[Publication link.](#) (Spanish)

Silva Huerta, Renzo César y Stampini, Marco. 2018. "¿Cómo funciona el Programa Juntos? Mejores Prácticas en la Implementación de Programas de Transferencias Monetarias Condicionadas en América Latina y el Caribe." Washington D.C.: Inter-American Development Bank.

[Publication link.](#) (Spanish)





 @BIDgente