



RESULTS-BASED FINANCING FOR HEALTH (RBF)

Brazil

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PROJECT NAME: Bolsa Familia 1st APL

TIME PERIOD: 2004-2007

LENDING INSTRUMENT: APL

PROJECT ID: P087713

TTL: Manuel Salazar (current)

RBF COMPONENT OR PROJECT: Project

UNIT: LCSHS-DPT

AMOUNT (USD): \$4.6 million (20% health)

PILOT (Y/N): No

Characteristic	Description
RATIONALE	This project builds upon and consolidates previously existing cash transfer programs, including Bolsa Escola (School Cash Transfer), Bolsa Alimentacao (Nutrition Cash Transfer), Cartao Alimentacao (Food Transfer Program), and Auxilio Gas (Cooking Gas compensation) into one conditional cash transfer program, Bolsa Familia (BFP), which targets the poorest families in Brazil. Brazil is one of the most inequitable societies with a Gini coefficient of 0.59. Use of basic health services varies dramatically by income level and poverty levels in metropolitan areas rose to 26% between 1998 and 2001.
OBJECTIVE OF THE RBF	The ultimate objective is to reduce poverty and inequality today and in the future, and to promote human capital investments among poor families through the direct monetary transfers and incentives to poor families. THE BOLSA FAMILIA PROGRAM: a) consolidates and rationalizes existing federal cash transfer programs; b) promotes efficiency in the use of public resources; c) improves the system for identifying the beneficiary population; d) leverages synergies in jointly promoting education and health and nutrition conditions; e) strengthens monitoring and evaluation; and, f) leverages opportunities to promote vertical integration in the social safety net between federal and sub-national levels.
BENEFICIARIES	The priority target group are the extreme poor families with per capital monthly incomes below US\$17. The program also targets moderately poor households with per capita monthly household income below US\$46 and higher than US\$17. Mothers will receive the cash transfer. The health interventions are targeted at children less than 6 years of age and pregnant women. From the Household Income Survey, approximately 32% of the population would be considered poor (extreme and moderate). The program is a national program with a target of 11 million beneficiaries from a baseline of approximately 3 million.
INTERVENTION	Beneficiary households will be determined by a proxy means-test and then enrolled in the program. Transfers are conditional upon all relevant family members complying with key human development conditionalities such as: school enrollment, and complete vaccination coverage for children less than six years of age, and completed prenatal visits for pregnant women.

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PAYMENT RULES AND MECHANISM	<p>Poor households receive a base cash transfer (\$20) per month regardless of family size and composition. A variable cash incentive of up to 3 transfers ranging from US\$5-US\$15 is paid depending upon whether education, health, and nutrition conditions are met. Moderately poor households do not receive the base cash transfer but are eligible for variable transfers which are paid out in up to 3 transfers if all children in the household less than 6 years of age are up-to-date with their vaccinations, and pregnant women have received all the necessary prenatal visits. Monthly transfers are expected to be approximately \$28/household.</p>
MONITORING PROCESS	<p>The project envisioned extensive monitoring of the efficiency of targeting beneficiaries through proxy means-tests. In addition, Component 3 focused on:</p> <ul style="list-style-type: none"> a) developing the overall M&E strategy of the BFP; b) strengthening the MIS; c) developing instruments to provide feedback on the overall quality of service delivery and program implementation, including <ul style="list-style-type: none"> i) inter-government processes; ii) annual Quality Control Reviews (see below); iii) support for mechanisms of citizen oversight; and d) analysis of key outcomes and impacts.
PROCESS FOR VERIFYING ACHIEVEMENTS	<p>At the time of project design, this had yet to be worked out. A role was envisioned for the Ministry of Health. Quality Control Reviews would be undertaken annually to verify health conditionalities.</p>
INSTITUTIONAL ARRANGEMENTS AND ROLES	<p>The project builds on pre-existing institutional and financial frameworks. The Bolsa Familia Program is managed by SENARC (Secretariat for Citizen Income) in the newly created Ministry of Social Development and Poverty Reduction (MDS). The program is guided by the oversight of the President and supported by the recommendations of the management board. Beneficiaries are identified by SENARC/MDS. The MDS sends financial proposals to the Secretariat of the Treasury each month, and upon approval, the Treasury transfers funds to the pooled account in the CEF (Federal Credit Union). Beneficiaries can use an electronic benefit card to withdraw monthly benefits. They have a 90-day period to do so. Balances in the fund are credited back to MDS for future use. The World Bank reimburses the Government of Brazil less than 10% of the cost of the cash transfer program (Component 1) - its main role is to provide technical support. An IDB loan will also support the BFP.</p>
EVALUATION STRATEGY AND RESULTS	<p>The project supports collection of baseline data through a household survey. Since there is no control group because the program is nationwide, the survey will collect information on households that were on the original Cadastro Unico but which were not ultimately enrolled in the program as a result of their proxy means-test. Results show low levels of leakage and high effectiveness of targeting poor families. The program has demonstrated positive impacts on adult labor supply and consumption.</p>
PROGRAM PROGRESS AND OTHER CHARACTERISTICS	<p>The Bolsa Familia Program has been highly successful, enrolling over 11 million households. The BFP is one of the government's flagship programs and has high-level political commitment. A second phase of the project (p101504) is under development. An ICR is planned. The project is rated as Satisfactory.</p>