

# HANDOUT

## Brazil-Bolsa Familia Why the Decentralised Management Index?

Brazil is a federative republic consisting of the Union, states, municipalities and the Federal District. In order to correctly implement public policies in the context of this challenging federative arrangement, appropriate strategies are needed to ensure cooperation and coordination between the various actors. The Federal Constitution rules that Social Assistance is a universal social right embodied in those public policies that apply to the entire country and for which different stakeholders share responsibility. It follows that in the Social Assistance sphere all entities are tasked with implementing the relevant policies, including the Bolsa Familia Program (BFP) and the Unified Registry.

There are two core strategies on which interfederative coordination of the BFP and the Unified Registry is based: (i) formal commitment to the scheme by federal entities, and (ii) provision of financial support for decentralised management. These mechanisms have enabled the Bolsa Familia Program to expand systematically over the last ten years in all the municipalities and to ensure that benefits are paid to more than 14 million extremely poor Brazilian families.

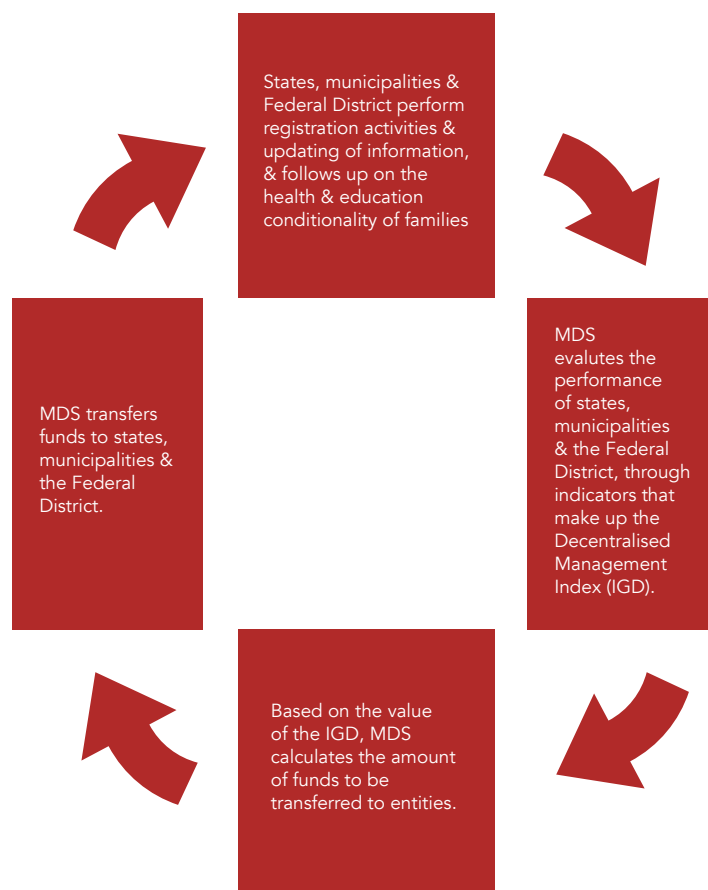
The signature of a **Term of Adhesion** confers BFP membership on Brazil's 26 states, 5,570 municipalities and the Federal District. This document sets out the standard obligations and responsibilities of each entity that participates in the program.

**The Decentralised Management Index (IGD)** has been adopted by the MDS to support and encourage the federative entities to invest in maintaining and improving the management of the BFP and the Unified Registry. The IGD allows federal government co-financing to be earmarked for states and municipalities, and thus to partially reimburse the costs involved in running the BFP and the Unified Registry. Central government funds feature as revenue in state and municipal budgets and can therefore be directly applied to managing the BFP.

In addition to confirming the obligations entered into under the Term of Adherence, the IGD serves as an indicator for tracking the quality of BFP and Unified Registry decentralised management, as well as a benchmark control for the MDS to release funds to states and municipalities. The higher the value of the IGD, the greater the amount of funds eligible for transfer.

The index serves as a baseline for calculating the value of funds to be transferred directly from the federal government to the municipalities, states and the DF. The following figure shows the IGD as a cooperation strategy for the decentralised management of the BFP.

*Figure. How the Decentralised Management Index (IGD) works.*



### To receive the funds, the municipality has some specific requirements:

1. They must achieve a total IGD-M score greater than or equal to 0.55.
2. An additional 5% is available when the municipality has updated 100% of the data relating to municipal management in the BFP Management System within the last year (SI-GPBF).

These additional incentives are designed to encourage municipalities to conduct activities considered strategic by the federal managers of the BFP and Unified Registry.

*Source: World Without Poverty Brazil Learning Initiative.*

