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Alda Facio

Chair-Rapporteur of the Working Group on the issue of discrimination against women in law and in practice

Geneva, 1st August, 2018

Dear Ms. Barry, Ms. Elver, Mr. Bohoslavsky, Ms. Farha, Mr. Alston, Mr. Heller, and Ms. Facio,

The Permanent Mission of Brazil to the United Nations Office in Geneva has the honor to attach the comments of the Brazilian government to the joint communication OL BRA 4/2018, dated 18 May 2018.

We expect that the information provided will be taken into due consideration before any declaration or press release is made public by the special procedures' mandate holders who jointly signed the communication.

Please accept the assurances of our highest consideration.



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OL BRA 4/2018

Comments from the Brazilian Government

1st August 2018

At the outset, the Brazilian Ministry of Social Development (MDS) recalled that the Brazilian government had already provided information on the impact of the Constitutional Amendment 55/2016 (“PEC 55/2016”) in the context of the comments to the communications BRA 7/2016 and BRA 3/2017. The Ministry highlighted that there are methodological differences regarding the diverse poverty indicators used to assess the issue in Brazil. The Brazilian government uses different indicators to measure monetary poverty, as well as different conceptual and analytical frameworks to the development and assessment of its social policies. Moreover, poverty measurement can show variations according not only to different conceptual frameworks, but also the expected methodological challenges when defining indicators related to the availability of information regarding income, the changes in data collection methods throughout the years and the updating of criteria to define poverty thresholds.

According to the MDS, in 2004, the Brazilian government defined a poverty threshold for administrative purposes in order to establish the eligibility criteria to the “Bolsa Família” and other social programmes. According to the defined threshold, the individuals whose household income per capita is less than US\$ 23.41 are considered as “extreme poor”, while those whose household income per capita is less than US\$ 47.22 are considered “poor” (figures were calculated according to the US dollar exchange rate of June 2018). Differently, the Social Programmes Unified Record (“Cadastro Único

para Programas Sociais”), used by more than 20 federal social programmes to select and monitor the beneficiaries, considers as “low income” the individuals whose monthly family income is less than half of the minimum wage. Also differently, the eligibility criteria to the Continued Assistance Benefit (“Benefício de Prestação Continuada – BPC), granted to old persons and persons with disabilities unable to provide for themselves, is a monthly family income of less than a quarter of the minimum wage. Therefore, even in the context of the Brazilian policies, there are different ways of measuring poverty, according to the criteria taken into consideration.

In the international level, in 2011, the World Bank established the poverty headcount ratio at US\$ 1.90 a day (2011 PPP). Nevertheless, in 2015, the World Bank started to consider other two poverty lines, defined according to the level of development of each country. The poverty headcount ratio at US\$ 3.20 a day was defined to medium-low income countries, and US\$ 5.50 to medium-high income countries. As the World Bank specialists concluded that Brazil is among the medium-high income countries, the reference poverty headcount ratio used to assess the Brazilian reality changed from US\$ 1.90 to US\$ 5.50 a day. This change produced a gap in the time series of poverty rate, distorting the comparison among countries and engendering uncertainties regarding the results presented.

The MDS also highlighted that the Brazilian Statistic and Geographic Institute (IBGE) has changed its methodology related to poverty data. The National Household Sample Survey (PNAD), historically used to define the national poverty thresholds, was replaced by the “Continuous PNAD” in 2016. According to the IBGE, each survey is based on different methodological parameters regarding the samples and the questionnaire used, hindering the comparison of their results.

Regarding the collection of data on income, among the 14 income variables used to define the poverty parameters mentioned, only six were kept by the “Continuous PNAD” survey. Other six variables were created or redefined as, for example, the income received from the “Bolsa Família” programme and from retirement benefits and pensions. The Ministry observed that both “PNAD” and “Continuous PNAD” were developed to collect information from the labor market and not to accurately measure poverty or extreme poverty.

The Ministry argued, therefore, that due to the changes in the World Bank and the PNAD parameters and methodology, poverty data regarding Brazil can only be assessed until 2015 and by using the same criteria. In order to compare or assess data from 2015 onwards, it would be necessary take into account the effects of these methodological changes.

After highlighting these initial general observations, the MDS informed that, since 2016, has made efforts to strengthen, improve and expand the social programmes that benefit the most vulnerable segments of the population. The Ministry argued that, contrary to the claims encompassed in the joint communication OL BRA 4/2018, the official data from the National Secretariat for Citizenship Income indicates that the

number of families benefiting from the “Bolsa Família” programme increased from 13.6 million, in 2016, to 13.9 million in 2018 (until May). Moreover, while the communication received refers to a budget decrease of 13% between 2014 and 2018 related to the “Bolsa Família” programme, data from the Integrated System of Financial Management (SIAFI) show that the budget allocated to the payment of the programme’s grants has increased throughout the years. The Ministry are also improving the programmes’s management with a view of improve its focus. Since 2016, the Brazilian government is undertaking periodic data crossing in order to identify families which do not anymore meet the eligibility criteria to join the programme. Since 2017, 326 thousand families which did not anymore meet the eligibility criteria were excluded from the programme, allowing the inclusion of other families that were waiting to receive the benefit. The waiting list to join the programme, which included families waiting for more than a year, has come to an end.

The MDS informed that the federal government has kept the policy of adjusting the rise of the programme’s grants above inflation. In June 2016, an adjustment of 12.6% was applied to the programme’s basic benefit and, in July 2018, a new adjustment of 5.67% was granted. Both adjustments, minus inflation, resulted in a real increase of 14% of the purchasing power parity regarding alimentary products of all beneficiaries. Between 2005 and 2010, the purchasing power parity regarding alimentary products decreased 2.5% and, between 2011 and 2016, 30%.

According to the Ministry, the strengthening of public policies has been allowing the government to improve the initiatives in the field of social assistance in a responsible manner. In 2017, for example, states and municipalities received from the federal government the largest budget to be expended in social assistance: US\$ 743 million, an increase of 8% when compared to the amount allocated in 2017. The MDS also highlighted that the Brazilian government maintained its broad support network for vulnerable populations, which comprises more than 17,752 public unities (“equipamentos públicos”), distributed in 5,533 of the 5,570 Brazilian municipalities, and other 10,299 non-governmental unities which work in cooperation with municipal governments. A total of 8,353 unities of the Social Assistance Reference Center (CRAS); 2,628 unities of the Specialized Social Assistance Reference Center (CREAS); 2,388 Hosting Unities; 4,128 Collective Centers; 226 Centers POP (which host homeless persons); e 142 Day Centers.

The Ministry highlighted that the relevance of the Continued Assistance Benefit (BCP) – which grants a minimum wage to old persons with more than 65 years-old and persons with disabilities unable to provide for themselves. The BCP was created by a constitutional norm, which guarantees its enforcement and protects it from budgetary restrictions. The MDS recalled that, from 2006 to 2016, the amount allocated to the payment of BPC to persons with disabilities increased 160%. In the same period, the total number of beneficiaries also increased 88%. Moreover, in real terms, the expending related to the payment of the benefit to older persons increased 144%.

The MDS also underlined that are making efforts to guarantee and maintain policies related to food security and nutrition. The Brazilian government is trying to diversify partnerships in the context of the Food Acquisition Programme (PAA) in order to ensure public purchases from family farming. The government is making efforts to strengthen the “institutional purchase” modality. The purchase of products from family farming based on this modality increased from US\$ 16 million in 2016 to US\$ 39.7 million in 2017. In 2018, the goal is to achieve US\$ 79.6 million. Moreover, the Ministry recalled that the PAA is operative and it prioritizes the most vulnerable regions. In 2017, 71% of the programme’s budget was allocated to the North and Northeast regions, which represent the regions with the lowest de development level in the country. Around 64,4% of the family farmers to whom the benefit is granted are registered in the Social Programmes Unified Record; 47.5% of the budget was allocated to women, due to their increased vulnerability in rural areas and their importance for the safeguarding of families’ food security. The Ministry has been working together with social monitoring organisms, such as the National Council of Food Security and Nutrition (CONSEA), linked to the Presidential Branch, to increase the PAA’s budget in the following years. The MDS also highlighted that the National Programme for School Nutrition (PNAE), which purchase food from family farmers to distribute to Brazilian public schools is also operative and hadn’t faced budgetary cuts.

The MDS is also responsible for the implementation of the National Programme to Support Rainwater Collection System and other Social Technologies (“Programa Cisternas”), established to guarantee access to potable water and water to food production to vulnerable families. Although the Programme was modified in 2014, in the last 3 years, the amount allocated to it is larger than the general budget. The Programme is operative and, in the next 2 years, more than 37 thousand social technologies to guarantee access to water resources are expected to be delivered. Around US\$ 45 million was allocated to meet this goal.

The Ministry is also establishing partnerships to guarantee complementary sources to the programme’s funding. The social fund of the Brazilian Bank of Economic Development (BNDES) provided US\$ 26.5 million to build 6,600 rainwater collection systems to produce food, which will be set up in the semi-arid region. Also, the Amazonia Fund is expect to provide US\$ 38.7 million to the installation of similar rainwater systems in the amazon region in the next 2 years, which will benefit around 6,700 families by providing potable water and water for food production, as well as sanitation solutions. The Green Climate Fund is expected to benefit 80,000 families and 2,300 schools in the next 8 years by providing different solutions to guarantee the access to potable water and water to produce food, as rainwater collection systems, wells, desalination systems and irrigation kits, as well as technical assistance to family farmers living in the semi-arid region to ensure a successful transition to more resilient production methods. The Ministry is also negotiating the installation of rainwater collection systems in schools and indigenous communities.

The Brazilian government is making efforts to break the intergenerational poverty cycle. In 2016, the Happy Child Programme (“Programa Criança Feliz”) was created with a initial budget of US\$ 24.7 million. It includes the monitoring of children from low-income families, particularly beneficiaries of the “Bolsa Família” programme and the BPC, in order to guarantee their integral development. The Programme covers more than 2,700 municipalities. A year after its creation, more than 78 thousand persons were visited by the programmes’s personnel, including 69,389 children and 8,943 pregnant women. In 2018, more than a million children are expected to be visited.

The “Progridir” plan (“to Progress”), launched in 2017, aims to promote social and productive inclusion among youngsters and adults. From January to May 2018, 311 thousands of formal jobs were created under this action: 214,700 destined to beneficiaries of “Bolsa Família” program and other 36,700 to members of the Social Programmes Unified Record (“Cadastro Único do Governo Federal para Programas Sociais”) who are not part of the “Bolsa Família” group. The plan intends to tackle the challenges of productive inclusion by public-private cooperation. The “Progridir” plan relies on professional qualification axes, which aims at i) technical education and preparatory workshops, ii) workforce management and iii) the fostering of entrepreneurship. The “Progridir” plan currently counts on almost 300 partners from the private sector.

One of the initiatives of the “Progridir” plan is to organize the courses offering financed by PRONATEC (National Program for the Access to Technical Education and Employment) in line with the companies’ requirements of training. Accordingly, the Ministry of Industry, Foreign Trade and Services (MDIC) devises a map of demands by a system which can be continuously updated by companies. In accordance with the map of demands, the Ministry of Education (MEC) provides specific professional training, while the Ministry of Social Development (MDS) channels low-income people to these opportunities. Furthermore, the “Progridir” plan also comprises digital inclusion actions, by which young beneficiaries of “Bolsa Família” programme are identified and referred to computer programming courses, as well as to ODL (open and distance learning) professional training. More than 100 ODL courses are already available with 85 thousands inscriptions.

With regard to entrepreneurship, MDS acts to stimulate productive microcredit by regulatory improvements that benefit the members of the National Database to Social Programs. The first initiative taken was an articulation between MDS (the Ministry of Social Development) and other federal institutions to promote a regulatory change in the National Monetary Council. Its goal was to stimulate banks to amplify their microcredit offer to the Database’s public. The second initiative was a legislative change involving the Central Bank and the Ministries of Finance, Planning and Labor in order to simplify and modernize microcredit concession. This was made by technical assistance easing, diversification of suppliers and, consequently, operational costs reduction. In addition to the regulatory improvements, the “Progridir” plan aims to focus on its target public by identifying microentrepreneurs who are in the Database and

have interest in microcredit. Within the first semester of the plan, around US\$ 600 million in microcredit were given to the target audience, one third of which were destined to “Bolsa Família” programme beneficiaries.

MDS is continuously concerned in having its policies evaluated by both internal and external agents. The following programs are currently under scrutiny with regard their operation and impact diagnosis: Programme to foster rural productive activities (“Programa de Fomento às Atividades Produtivas Rurais”), National Programme to Support Rainwater Collection System and other Social Technologies (“Programa Cisternas”), Programme Happy Child (“Programa Criança Feliz”) and the National Programme of Oriented Productive Microcredit. The mentioned evaluations intend to identify both the results and the opportunity to improving the policies. MDS is also engaged in granting that these evaluations are present to the programs from their launch. Furthermore, since April 2018, the beneficiaries of the “Bolsa Família” programme are tagged among other members of the National Database to Social Programs. Other programs of MDS will be integrated into this database so that national and international researchers could be granted access to different aspects of these policies.

MDS also highlighted educational actions focused on the training of social agents from federal, state and municipal levels. Their main goal is to impart knowledge in order to foster the management of social programs and policies. Among the strategies concerned, MDS points out on-site and distance training, virtual classrooms, tutorials and didactic material. More than one thousand new classes are envisaged by the end of 2018, with room for 30,600 participants.

Regarding inequality, according to IBGE, the Brazil's Gini index remained stable between 2016 and 2017. The average real monthly household income per capita remained 0.549, roughly the same level of 2016. According to the Ministry of Social Development, there is no evidence that the “Bolsa Familia” programme had a contribution to the 21% reduction of the Gini Index of Brazil in the period 1995 to 2005, mentioned in the communication sent by the OHCHR, since the program was only launched in 2003 and, by 2005, its coverage was equivalent to approximately 65% of the existing coverage in 2011. Instead, between 1995 and 2005, the stabilization of the economy, the control of the hyperinflation and the approval of the Fiscal Responsibility Law would have contributed to reducing inequality.

As far as the situation of women and girls is concerned, it is worth noting the Financial Education Program for Female Beneficiaries of the “Bolsa Familia” programme, whose objective is to build, during the year of 2018, the capacity of the experts working in Centers of Reference for Social Assistance (CRAS) in order to provide financial education workshops for the women benefiting from the “Bolsa Familia” programme. In addition, financial education actions also seek to promote banking inclusion and the use of microcredit by the targeted public of “Bolsa Familia” programme, by providing knowledge to support the decision-making of beneficiaries and minimizing the risk of default and high level of indebtedness.

With regard to the achievement of the Sustainable Development Goals (SDGs), the National Commission for the SDGs (CNODS, in Portuguese) was established in 2016, as a structure with the objective of internalizing, disseminating and to give transparency to actions related to the SDGs in Brazil. In 2017, CNODS launched its Plan of Action for the period of 2017-2019. The document aims at contributing to the implementation of the SDGs throughout the national territory, raising awareness of the Agenda 2030 and improving public policies that can help Brazil to achieve the targets established within the framework of the SDGs.

The “Bolsa Família” programme has also impacts on the health area, given that among its conditions for participation feature pre-natal care, child vaccination and six-monthly health follow-up to children under 6. Likewise, the “Happy Child Programme” (“Criança Feliz”) contributes to reducing mortality among newborn and children under 5.

With regard to health policies, the Ministry of Health has informed that an increasing amount of resources has been channeled to expenses on Actions and Public Services in Health (APSH). It should be recalled that Constitutional Amendment (CE) 95/2016 did not freeze resources to health, since that provision established that, for the federal government, the minimum amount to be applied in APSH would already be, starting in 2017, 15% of the Net Current Revenue (NCR), and that, since then, the floor would be adjusted by inflation. The previous rule had established that the percentage of 15% of the NCR would only be reached in 2020. With the anticipation provided for by CE 95/2016, the floor for health-related expenses in 2017 was R\$ 10 billion bigger than it would have been, should the previous rule (based on Constitutional Amendment 86/2015) still apply. Moreover, the rule of the constitutional floor does not impede the application of resources above a minimum threshold, as verified in fiscal years 2016 and 2017, when expenses beyond that floor reached R\$ 18 billion. It is worth noting that resources actually disbursed by the federal government to finance APSH grew by 25% between 2014 and 2017, passing from R\$ 91,9 billion, in 2014, to R\$ 114.7 billion, in 2017. For 2018, the current appropriation set forth in the Annual Budgetary Law is R\$ 117.5 billion.

With reference to the question on the end of the transfer of resources to maintain the facilities of the Network of Popular Drugstore Program of Brazil (PDPB), the Ministry of Health has indicated that such measure took into account the fact that 80% of the resources that have been directed to finance the operation of the facilities were consumed in administration and management expenditures. In addition, those facilities were present in only 305 out of the 5,570 municipalities in Brazil. Nonetheless, there has been an agreement that the total amount of the resources invested by the Ministry of Health in that Program will be transferred to financing the Basic Pharmaceutical Assistance (BPA) in all Brazilian municipalities. In doing so, an increase of resources to the BPA was established from August 2017, by means of the Ministerial Ordinance GM/MS n. 2001, of 3 August 2017. The Ministerial Ordinance modified the Ministerial Ordinance GM/MS n. 1555/2013, to increase the per capita amount from R\$ 5.10 (per

inhabitant/year) to R\$ 5.58. Thus, the financing by the federal government to the pharmaceutical assistance has been amplified, allowing for an effective offer of essential medicines. The population is still served by pharmacies and drugstores accredited to the programme “Here you have a Popular Drugstore” (“Aqui Tem Farmácia Popular”), which is present in approximately 80% of the Brazilian municipalities.

In the area of education, it bears recalling that one of the conditions for a person to receive the benefits under the “Bolsa Família” programme is that he/she keeps his/her sons/daughters (children or teenagers) enrolled in school, with a minimum attendance rate which may vary according to age. The “Happy Child Programme” (“Programa Criança Feliz”), in turn, promotes integral development of low-income children in their early childhood. This is done through guidance to parents as to the importance of the emotional bond with their children, as well as to the most appropriate manners to stimulate child development. As mentioned, the “Progress Plan” (“Plano ProgreDir”) contributes to youth education, through professional qualification based on market demands and incentives to entrepreneurship – with technical assistance and access to microcredit for the persons enrolled in the “Social Programmes Unified Record” (“Cadastro Único”).
