



POLICY BRIEF #1

# FINANCING OF THE BRAZILIAN SCHOOL FEEDING PROGRAMME

# PNAE



World Food Programme  
Centre of Excellence  
against Hunger





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The Brazilian National School Feeding Programme (PNAE) reaches over 40 million students in Brazil on a daily basis. With the goal of contributing to biopsychosocial development, learning, school performance, and creation of healthy eating habits, the PNAE offers school feeding and educational activities on food and nutrition to public school students on 200 schooldays per year. The programme also supports social development and agriculture through purchases from smallholder agriculture by allocating 30% of its resources to buying food from smallholder producers.

This Policy Brief explains the programme's current financial management and the history of its funding since its creation.

## OVERVIEW OF PNAE

The Brazilian Government launched school feeding in 1955 as a School Feeding Campaign, with the goal of encouraging schools to provide feeding for students through technical and financial assistance, promote actions to improve school meals' nutritional value, and facilitate access to products necessary to meet this end.<sup>i</sup> In 1956, the programme was renamed National Campaign for School Feeding and started establishing agreements with international organisations such as the United Nations Children's Fund (UNICEF) and, later, the Food and Agriculture Organisation (FAO) through the World Food Programme (WFP), which supported the Brazilian government in implementing the Programme until 1969.

During the 1970s and 80s, the federal government continued implementing school feeding in partnership with state and municipal governments, in the context of the National Programme for Food and Nutrition. In 1979, the initiative was renamed National School Feeding Programme (PNAE). From the outset of the programme, its execution was centralised, with the elaboration of menus, purchase and distribution of products, and quality control managed by the federal government.

The Federal Constitution of 1988 recognised school feeding as a right. In 1994, the programme's operation was decentralised, with resources transferred to states and municipalities for food purchase. The School Feeding Municipalisation Law established the creation of School Feeding Councils (CAE) and the elaboration of menus for meals offered by nutritionists.<sup>ii</sup>

In 2009, Law no. 11,947 determined as PNAE guidelines I) healthy and adequate meals using varied food and respecting healthy traditions and habits; II) inclusion of food and nutrition education in the process of teaching and learning; III) attending to all students enrolled in the public education system; IV) participation of communities in civil society oversight; V) support to sustainable development through acquisition of food from smallholder agriculture; and VI) the right to equal access to school feeding, respecting students' biological needs and health conditions. The PNAE is a global reference in assuring school feeding under a perspective of food security and integrating elements of nutrition, health, and agriculture.

Law 11,947 brought important innovations to school feeding in Brazil, such as the requirement to allocate at least 30% of resources to purchasing food from smallholder farming. Another element was linking nutritionists as technicians responsible for complying with the PNAE guidelines for elaborating menus, which must conform with nutritional references, feeding habits, culture, and food traditions in each place. The School Feeding Council (CAE) role was also reinforced to ensure wider civil society participation in monitoring and inspecting compliance to the PNAE guidelines and applying resources destined to the Programme.

The PNAE offers healthy meals to public school students during all 200 school days in the year and predicts a per capita cost (price of one meal per student) to purchase food. The FNDE determines the calculation of resource transference to school feeding according to students' age and population criteria pre-established in the legislation. In Brazil, indigenous and Quilombola populations - traditional communities of enslaved people's descendants - present higher rates of food insecurity, which is why the PNAE determines a different resource allocation to schools with this profile. The table below details the per capita prices established by the FNDE.

	<b>BRL Value<sup>iii</sup></b>	<b>USD Value<sup>1</sup></b>
<b>Daycare facilities</b>	R\$ 1,07	US\$ 0,28
<b>Preschool</b>	R\$ 0,53	US\$ 0,14
<b>Indigenous and Quilombola schools</b>	R\$ 0,64	US\$ 0,17
<b>Primary and Secondary schools</b>	R\$ 0,36	US\$ 0,09
<b>Youth and Adult Education</b>	R\$ 0,32	US\$ 0,08
<b>All-day schools</b>	R\$ 1,07	US\$ 0,28
<b>All-day High Schools Promotion Programme</b>	R\$ 2,00	US\$ 0,52
<b>Students who attend Specialised Educational Service during after school hours</b>	R\$ 0,53	US\$ 0,14

The yearly amount to be transferred to each school is calculated based on the previous year's school census data, carried out by the Ministry of Education.



<sup>1</sup> Exchange rate on July 1st, 2019 (1 BRL = 0,26 USD).

## PNAE FINANCIAL MANAGEMENT

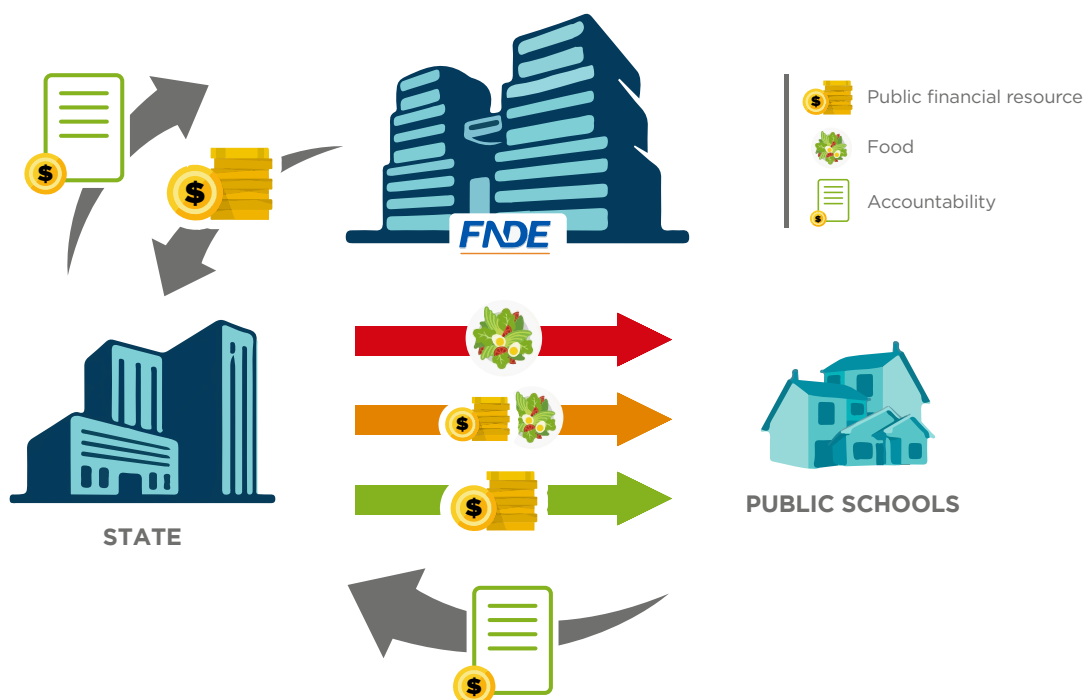
The PNAE is managed by the National Fund for the Development of Education (FNDE), an agency linked to the Ministry of Education, in collaboration with the states and municipalities that are responsible for managing the programme at a local level. In Brazil, municipalities act primarily in kindergarten (3-5 years old) and primary education (6-14 years old) and states are responsible for secondary or high school (15-17 years old).<sup>iv</sup> FNDE transfers programme resources to states and municipalities that should be used exclusively for food purchase. States and municipalities contribute with infrastructure and personnel to prepare meals and by complementing the amount transferred by the federal government to purchase food.

States and municipalities are responsible for the programme implementation in schools according to the guidelines of Law 11,947, which includes purchase of perishable and non-perishable food for school feeding. Financial resources can also be transferred to schools directly, when they will be responsible for food purchase.

The transfer of FNDE resources to states and municipalities is divided into ten instalments along the year, from February to November, corresponding to the 200 schooldays. The Executing Entities carry out a provision of accounts every year in the FNDE Accountability Online Management System, through presentation of:

- Bank statements and invoices;
- Smallholder farming goods receipts and goods receipts issued under the supplier's name and labelled with the Programme/FNDE name; and
- Proof of payment with resources transferred from the PNAE account, even if the execution is under responsibility of the respective school.

Once the information is inserted in the management system, the School Feeding Council has access to the system to certify the content before it is sent to FNDE.



## PROGRAMME FUNDING

The 1955 School Feeding Campaign decree predicted that the Campaign's expenditures would be attended by specific budgetary resources.<sup>v</sup> In 1956, the legislation was revised to allow agreements with international entities and pointed out that, besides specific budgetary resources, the Campaign would also be financed by resources from international entities on basis of contribution or assistance.<sup>vi</sup> In addition to the agreements established with UNICEF and FAO through the World Food Programme,<sup>vii</sup> the Brazilian Government allocated resources to attend 1.8 million students between 1955 and 1960.<sup>viii</sup> Between 1962 and 1969, the United States Agency for International Development (USAID) assisted school feeding with donations of powdered milk that was combined with a 20% contribution from the Brazilian government. During this period, 11 million students were reached with school feeding.<sup>ix</sup>

In 1967, lottery taxation was instituted in the country, and it was established that the revenue obtained from this service would be destined to social applications, medical assistance, and public interest enterprises, through the Federal Lottery Special Fund.<sup>x</sup> In 1968, the Fund provisions were revised so to channel 20% of its resources to a School Feeding Special Fund.<sup>xi</sup>

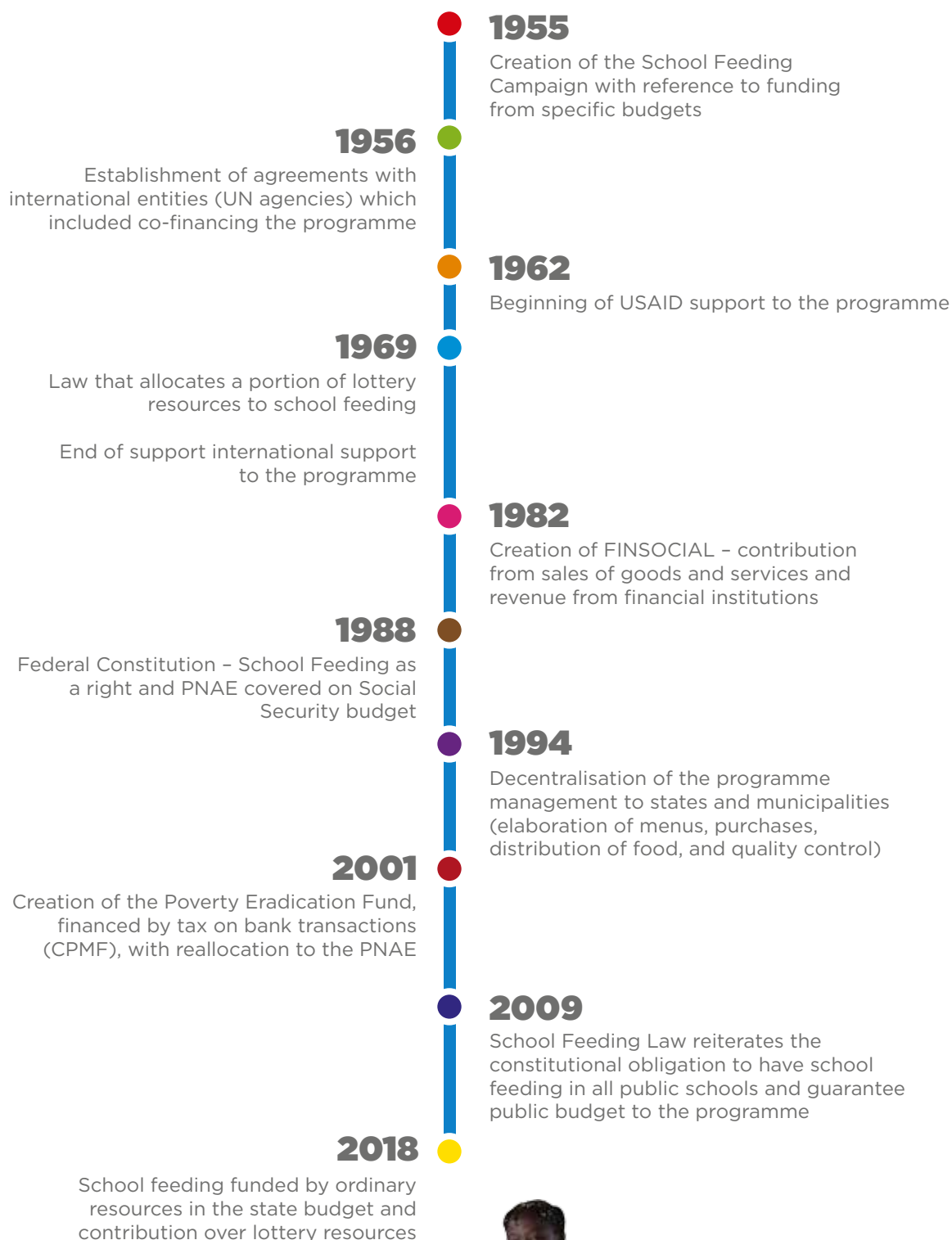
From 1982 the Fund of Social Investment (FINSOCIAL) was established, expanding PNAE funding and allowing it to reach over 20 million students (83% of all students in the country).<sup>xii</sup> The fund was created to finance public investment in health, food, popular housing, education and support to smallholder farmers. The law that established FINSOCIAL also created a tax to finance it that is levied on sales of goods and services, revenue from financial institutions, and revenue from insurance companies.<sup>xiii</sup>

The 1988 Constitution established that school feeding would be financed by resources stemming from social contributions and other budgetary resources,<sup>xiv</sup> keeping the type of funding introduced previously and separating it from the resources destined to maintaining and developing education. As per the Constitution, PNAE is included in the national budget under Social Security actions,<sup>xv</sup> which correspond to an "integrated set of Government and society initiative actions destined to enforce rights related to health, social welfare, and social assistance".<sup>xvi</sup>

In 2001, the Poverty Eradication Fund was created with the aim to fund public policies focused on nutrition, housing, health, education, and family income strengthening. Between 2001 and 2007, a portion of the fund revenue was allocated to finance school feeding. The Fund was financed for the most part by the Provisional Contribution on Financial Trade (CPMF), a tax on bank transactions that was extinct in 2007.

The 2018 budget allocates R\$ 4.1 billion to the PNAE (equivalent to around USD 1 billion). The programme is currently funded by two federal budget sources, corresponding to ordinary resources and lottery contributions.<sup>xvii</sup> The ordinary resources constitute the main national public budget source, and assemble resources from over 300 taxes and contributions, such as: income tax, contributions from telecommunication services, and commercialisation of oil and its byproducts.

## Evolution of the PNAE and its funding mechanisms



## CONCLUSION

This brief history about the PNAE funding shows that, since the beginning, the Brazilian government used legal tools from the executive branch to cover resource allocation to school feeding, even when the programme was co-financed by international organisations. From 1998 onwards, with the new Federal Constitution, school feeding was recognised as a right of students for students in public schools, which strengthened the programme until the National Congress adopted the School Feeding Law in 2009.

As detailed above, the Brazilian Government resorted to many sources of tax revenue to fund the programme, from lottery taxes to those related to the commercialisation of goods and services or bank transactions. In some cases, such as for lotteries, the legisla-

tion mentions explicitly that the resources must be destined to school feeding, among other programmes. With other funding sources, school feeding is contemplated for being part of the wider social security portfolio of programmes.

The Brazilian example shows the importance of legal provisions for budget allocation for school feeding, even if the sources in national budget vary within over the years and there are changes to the country's fiscal legislation. Besides facilitating the programme's insertion in the national budget elaboration and negotiation together with the National Congress, the legal framework enabled PNAE sustainability even in contexts of budgetary constraints, as well as the progressive strengthening the programme in its 60 years of history.



<sup>i</sup> Decree no. 37,106, March 31st 1955.

<sup>ii</sup> Law no. 8,913, July 12th 1994.

<sup>iii</sup> FNDE, Resolution no. 1, February 8th 2017.

<sup>iv</sup> Article 211, Federal Constitution.

<sup>v</sup> Article 4, Decree no. 37,106, March 31st 1955.

<sup>vi</sup> Article 1, Decree no. 39,007, April 11th 1956.

<sup>vii</sup> The WFP, in its creation, used to be a subsidiary organ of FAO.

<sup>viii</sup> TURPIN, Maria Elena. School feeding as a vehicle of local development and assurance of food and nutrition security. Master's dissertation presented to the UNICAMP Institute of Economy. August 8th, 2018.

<sup>ix</sup> TURPIN, Maria Elena. School feeding as a vehicle of local development and assurance of food and nutrition security. Master's dissertation presented to the UNICAMP Institute of Economy. May 8th, 2018.

<sup>x</sup> Decree-Law no. 204 from February 27th, 1967.

<sup>xi</sup> Decree-Law no. 204 from February 27th, 1967, revised by Law no. 5,525 from 1968.

<sup>xii</sup> TURPIN, Maria Elena. School feeding as a vehicle of local development and assurance of food and nutrition security. Master's dissertation presented to the UNICAMP Institute of Economy. August 8th, 2018.

<sup>xiii</sup> Decree-Law no. 1,940, May 25th, 1982.

<sup>xiv</sup> Article 212, paragraph 4, 1988 Federal Constitution.

<sup>xv</sup> Federative Republic of Brazil, Union Budget Financial Exercise 2018: Budget Law Project, Volume I., p. 241.

<sup>xvi</sup> Article 194, 1988 Federal Constitution.

<sup>xvii</sup> Federative Republic of Brazil, Union Budget Financial Exercise 2018: Budget Law Project, Volume V., p. 190.

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