

annual report

instituto

arapyauú



complex
problems require
**network-based
solutions**



table of contents

Introduction

03	Who we are
04	What we do
05	Board Chairman <i>Roberto Waack</i>
07	Executive directors <i>Thais Ferraz and Renata Piazzon</i>

Programs

10	Climate Change
19	Southern Bahia Territorial Development

Institutional

29	Arapyaú Fellows Program
31	Institutional partnerships
34	Board and team
35	Financial information
36	Year's end message and video



who we are

Arapyaú was founded in 2008 as a philanthropic, nonpartisan institution dedicated to strengthening transformative networks that work to promote sustainability. Our values:

Collaboration:

we open dialogues and believe that we do better by working together

Innovation:

we value viewpoints that challenge the status quo and allow systemic changes

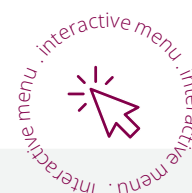
Interdependence:

we act on the parts with awareness of the whole

Management for impact:

we want to transform realities in a concrete way concreta

We are part of Maraé, a group of companies, nonprofit organizations and high-impact investments that are essentially committed to sustainability in all its dimensions.



what we do

Based on our understanding that working in networks can respond to complex problems, we develop strategic, financial, articulation, and mobilization solutions together with initiatives aligned with our institutional principles and priority programs.



Climate Change

Our programs

Created in 2015, the Climate Change program works for a society in which socioeconomic development goes hand in hand with environmental conservation, while reducing emissions related to land use, especially in the Legal Amazon area. The program's strategic axes are: networked action, international agenda and bioeconomy.



Southern Bahia Territorial Development

Started in 2008, the Southern Bahia Territorial Development program is dedicated to making the region a Brazilian benchmark of sustainable development with reduced inequalities by enhancing territorial potential and vocations. Its strategic axis are: strengthening the cocoa value chain, improving public education, and strengthening the enabling environment.

To create new times many hands

Roberto Waack,
board chairman of
Arapyáú

In critical times like these, marked by constant transformations and the need for urgent actions, working in networks makes more sense than ever. Arapyáú fosters meeting places to build dialogues that enhance knowledge and action. Throughout our 14-year history, alongside partners from a wide range of areas, we have consolidated ourselves in the role of a transformative networks articulator, able to unite people and organizations around causes for a fairer, more responsible and healthier world.

Our way of doing things comes from our willingness to build bridges that expand our reach. Our two fronts of work – actions for territorial development in southern Bahia and the fight against climate change – can only be described in the first-person plural: we, as is proper of networks. From the actions in Bahia – seeking to dynamize the cocoa value chain, contributing to public management, and improving education – to the consolidation of networks such as MapBiomas [BiomeMap]; Coalizão Brasil, Clima, Florestas e Agricultura [Brazilian Coalition on Climate, Forests and Agriculture]; and the Uma Concertação pela Amazônia [Amazon Concertation] initiative. Everything is done with many hands and has the ambition to promote a systemic change.

Amazon Concertation mobilization process was a 2021 milestone. Created in 2020, it's formed by more than 500 representatives of diverse sectors with the common interest of seeking alternatives for the region's sustainable development. The network finished the year delivering the publication *Uma Agenda pelo Desenvolvimento da Amazônia* [An Agenda for the Development of the Amazon]. The document, presented in a COP26 parallel section, proposes solutions under a broad perspective of the various Amazons, ranging from pristine forests to agricultural fields and cities.

Thinking about the Amazon, as well as the value chain of cocoa grown under the cabruca system [that is, grown in the shade of native forest trees], goes beyond solving the region's issues. It is also the possibility to create a new development path for Brazil and the world. It is an invitation for us to establish a new relationship between people and nature, where we can find points of well-being and prosperity. Precisely for being the country of biodiversity, Brazil is perhaps one of the few places with the potential for establishing this new relationship with the necessary scale and vitality.

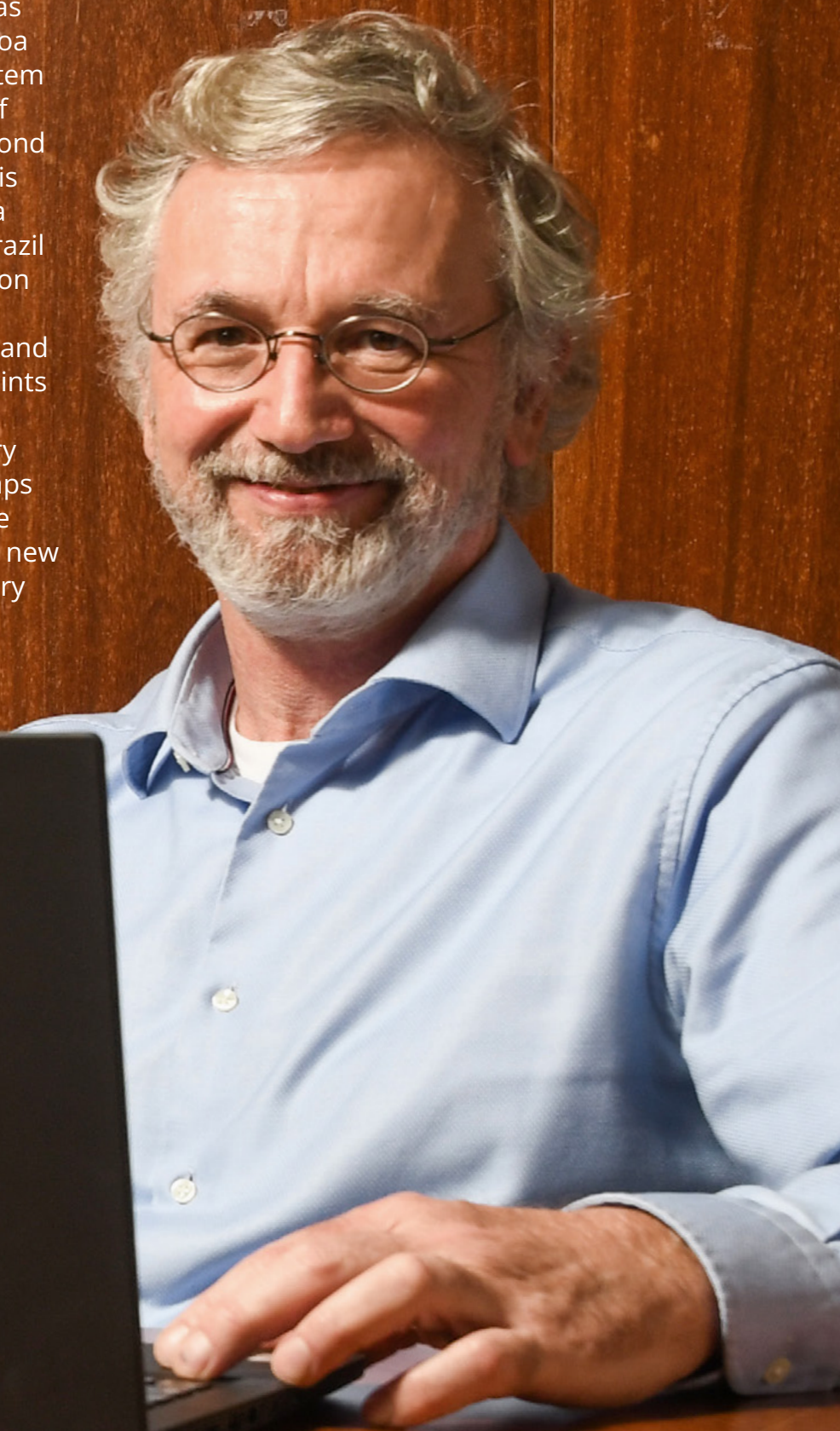
This is the challenge that Arapyáú faces. New models depend on spaces of exchange, struggle, convergence and, mainly, the recognition and appreciation of diversity. There is no way to bring in the new without considering the creativity and power of the indigenous peoples' voices or the perspective of the new generations, who will consolidate the new models, whatever they may be. For this reason, for new times, Arapyáú is dedicated to reaching out to the other, to listening, to learning, to understanding and getting it right.

The board meets three times a year. Its members are:

Guilherme Leal (founder)
Roberto Waack (president)
Pedro Villares
Oded Grajew
Claudio Padua
Johannes Van De Ven
Ricardo Leal
Felipe Leal

Thinking about the Amazon, as well as the value chain of cocoa grown under the *cabruca* system [that is, grown in the shade of native forest trees], goes beyond solving the region's issues. It is also the possibility to create a new development path for Brazil and the world. It is an invitation for us to establish a new relationship between people and nature, where we can find points of well-being and prosperity. Precisely for being the country of biodiversity, Brazil is perhaps one of the few places with the potential for establishing this new relationship with the necessary scale and vitality.

Roberto Waack,
board chairman of Arapyaú



The transformative power of networks

*Renata Piazzon and Thais Ferraz,
executive directors of Arapyaú*

At the end of 2020, Arapyaú kicked off a new leadership format: Renata Piazzon took charge as Climate Change director and Thais Ferraz as institutional director, including the program in southern Bahia. Both professionals' promotion results from a search for a more horizontal management model. In the following interview, they talk about the importance of working in networks and the institute's plans for 2022.

What is the legacy of 2021 for Arapyaú?

Renata – We believe that complex problems require solutions collectively built. With this in mind, last year we strengthened our role in promoting transformative networks. This is something which Arapyaú has worked with in the past and which has proven to be our true vocation. The Uma Concertação for Amazonia [Amazon Concertation] initiative was the most recent in this sense. We assumed the executive secretary until the network can continue autonomously. We have consolidated the Amazon Concertation as a network of qualified debate and formulation of proposals for the Amazon region. There is still a process underway for attracting leaders from the region, so that we can leverage its potential.

Thais – The combination of the private sector with local leaders, public power, academia, civil society, the press and philanthropy is a powerful path to the transformation we are aiming for. Over the last years we have seen important advances in southern Bahia. For example, cocoa value chain's industries are now more engaged with the cocoa's sustainability agenda. After a se-

ries of initiatives we fostered, such as the Centro de Inovação do Cacau [Cocoa Innovation Center] (CIC), Brazil joined the select international group of high quality cocoa producing countries, which has brought higher incomes opportunities for small producers. In education, new partners have brought technical knowledge and financial investment to the region. All this is highly emblematic for us and shows that we are on the right path.

Renata – Our way of operating has brought us various successes: RAPS [Political Action Network for Sustainability], Coalizão Brasil Clima, Florestas e Agricultura [Brazilian Coalition on Climate, Forests and Agriculture], and the MapBiomass [BiomeMap] initiative. No doubt the roles we play – sometimes incubating, others in the executive secretariat, or fundraising – are fundamental in preparing different initiatives to stand on their own two feet. The Coalition, for example, arose in-house, in the same context as the Amazon Concertation initiative. Through our role as facilitators for two or three years, we managed to get it walking on its own. MapBiomass Alerta [BiomeMap Warning] was incubated within Arapyaú. From the beginning, we played a role as their legal representatives, along with a fundraising role. At the same time, we worked as a financing source of and managed to garner international investment to the project due our credibility in philanthropy.

Is this incubation role common in philanthropy?

Thais – By seeking a systemic impact and working with highly complex challenges, we take an initial risk that many organizations are not able to face with the flexibility that we have. At first, we take a

leading role, making the initial investment and incubating the initiative. Over time, the network grows stronger and Arapyaú assumes a secondary role. In the Coalition, Arapyaú represents 20% of the investments; in MapBiomás, we no longer do a direct contribution, only administrative support, which is essential for the transition. Even RAPS, which has received significant funding in the past, no longer has Arapyaú as its main funder.

Where was Arapyaú's first networking experience?

Thais – The oldest program is in southern Bahia. At first, our activity was highly focused on supporting projects. They were extremely important community projects, but they were unable to provide a systemic transformation by themselves. Becoming aware of this helped us to understand that it is necessary to align our aims with the key players in the territory, such as the public sector, responsible for ensuring development and promoting well-being in the region. Without involving them, it is not possible to achieve the impact and make our actions viable over the long term. The organization leaves and nothing remains.

How to establish dialogue in such diverse environments?

Renata – We seek convergence with all the players, working with diversity in its widest possible spectrum. The Coalition, for example, was innovative by bringing the agricultural industry together with environmentalists, promoting this mixture. Bringing the private sector to the table is one of Arapyaú's goals. We have learned to seek for consent instead of consensus. In other words, "I don't agree with you, but I give my consent for you to go ahead". Another thing that has guided us from the start, inspired by Todos pela Educação [Everyone for Education], is that there is a certain limit when we seek for diversity in a network. We no longer want to have everyone from A to Z, but rather from B to X. It's okay if we're not able to bring the most extreme players to dialogue at the same table.

Thais – The search for diversity is also linked to the complexity of the territories. We need to consider different perspectives when making analyses and drawing up plans, otherwise we would be simplistic.

What is on the horizon for 2022?

Renata – In the climate area, we see our network action highly focused on making the Amazon Concertation a hub for various initiatives, especially RAPS, Amazônia 2030, Amazônia 2022 and the Coalition. Our focus is on coming up with a plan for the elected government's first 100 days. We also want to take the Amazon agenda to the main international events this year, which are Stockholm +50 (the first meeting of heads of state to address environmental themes) in June, and COP27 (United Nations Conference on Climate Change) in November.

Thais – In the program in Bahia, besides continuing with the evolution of the projects presented in this report, we want to influence structural actions for the territory. To this end, we will engage in an even closer dialogue with the public power and seek new connections for the territory, related to opportunities for greater appreciation of the social and environmental benefits of the cocoa value chain. In education, we will support the activity of new partners in the territory and strengthen our ties with the municipal governments. We also aim to consolidate the Agência de Desenvolvimento Regional [Regional Development Agency] (ADR) with the arrival of new partners. From Arapyaú's institutional point of view, we will strengthen the Fellows Program, started last year, focusing on bringing new leaders and more diversity.

"At first, we take a leading role, making the initial investment and incubating the initiative. Over time, the network grows stronger and Arapyaú assumes a secondary role."

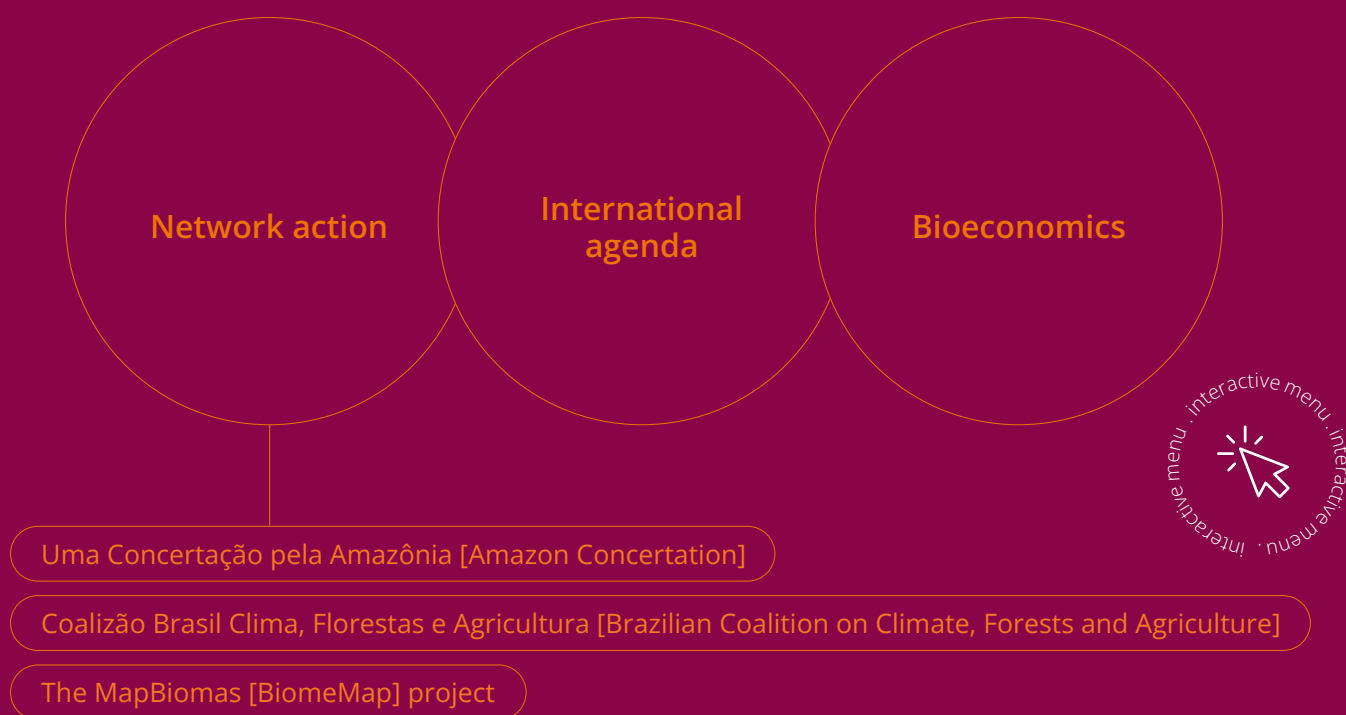
Thais Ferraz,
executive director

"Bringing the private sector to the table is one of Arapyaú's goals. We have learned to seek for consent instead of consensus."

Renata Piazzon,
executive director

program Climate Change

In 2021, our willingness to embrace complexity and connect players helped to reinforce the engagement of Brazilian civil society in climate and development issues across various fronts. We highlight our efforts in managing the executive secretariat of Amazon Concertation. This initiative offers a democratic and plural meeting place in the search for solutions for the region's sustainable development, with international resonance. In our role of articulating and fostering networks, we also support partner initiatives and note their significant advances. In the following section we present the Climate Change program according to its strategic axes of activity: network action, international agenda, and bioeconomics.



network action:

Uma Concertação pela Amazônia

In the year 2021, the initiative Uma Concertação pela Amazônia [Amazon Concertation] advanced as a network of quality debate and knowledge for creating solutions for the conservation and sustainable development of the Amazon region. Created in 2020, it offers a plural and democratic space for various initiatives that work for the benefit of the Amazon to meet, dialogue, and expand the impact of their actions. It brings together more than 500 leaders from different areas: the private sector, philanthropic organizations and civil society, academia, the public sector, local communities and the media.

To ensure that the complexity of the Amazonian context is broadly considered, the various fronts of Amazon Concertation feed into each other: the management of knowledge about the region; network management, based on technical working groups (see following image) and thematic meetings; and communication, which makes the network's contents available to a wider public.

Monthly meetings of the Amazon Concertation addressed the Amazon in a wide range of aspects: economic perspectives ranging from biodiversity and financial systems to the future of the Manaus Free Trade Zone; from Pan-Amazon and the region's presence in the national mindset to issues of health and human rights, the latter addressed in webinars. Complementing this, promoted by Amazon Concertation with support from Arapyaú, the Legal Amazon Platform in Data was launched, which provides an integrated view of the nine states of the Legal Amazon, presenting 113 indicators, as well as comparative and evolutive analyses of the region over the last ten years.

We are responsible for managing the initiative's executive secretariat, composed of three fronts: management of knowledge, network management, and communication.

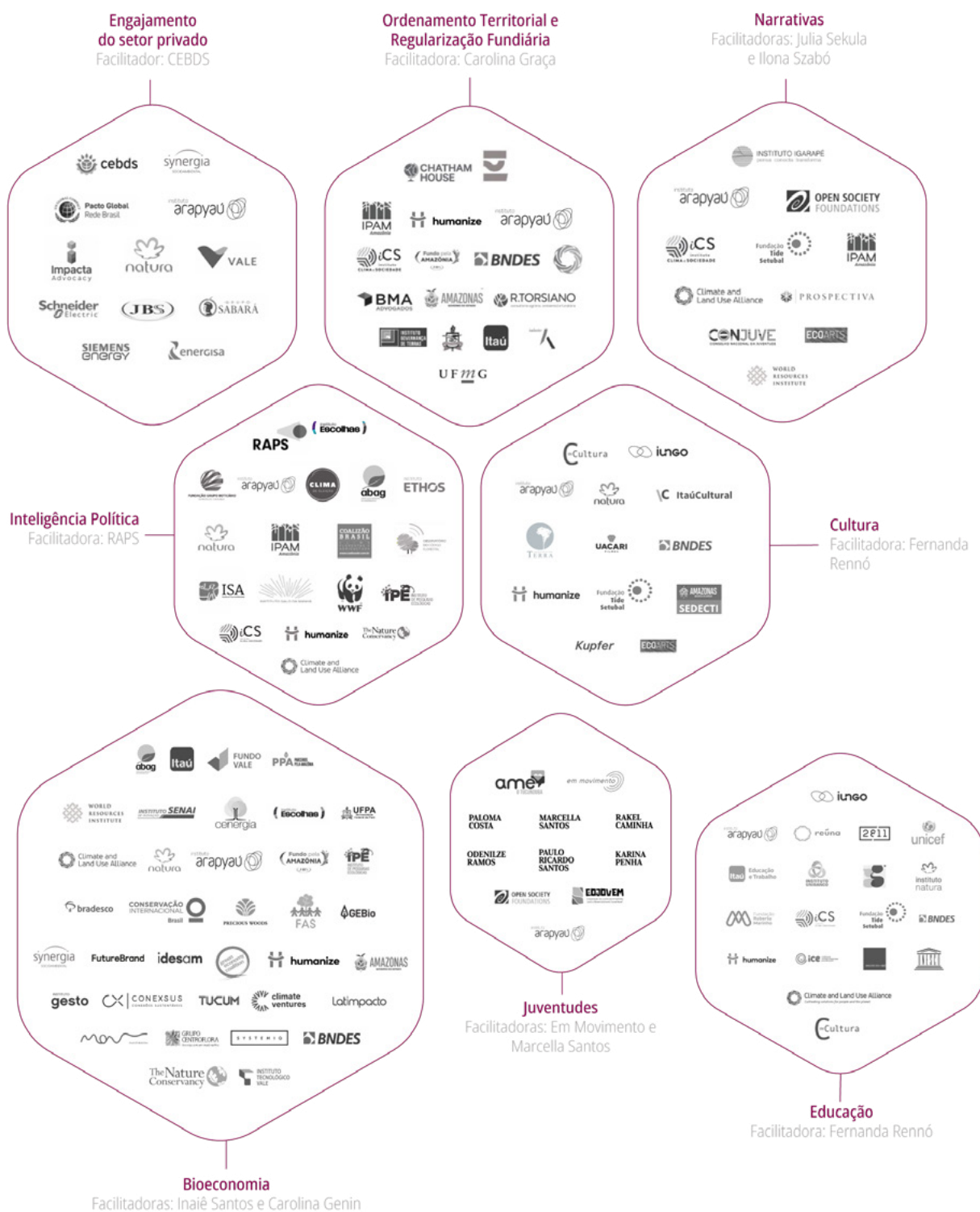
As an outcome of this joint effort, Amazon Concertation released the document "Uma Agenda pelo Desenvolvimento da Amazônia" [An Agenda for the Development of the Amazon], which presents paths that reinforce the compatibility between the standing forest and economic development. For Amazon Concertation, this is a path of development and (re)connection of identity for the country and it plays a key role for raising awareness about the climate emergency and the future of the planet. For this reason, the initiative went to COP26, where it released the Agenda (*read more in the "International Agenda" strategic axis*) for the international community.


In 2022, Amazon Concertation has been involved in formulating an integrated agenda for the region's development, with proposals that can be implemented in the first 100 days of the federal and subnational governments and the National Congress. This agenda has the Amazon as a solution and approaches the region's development from a systemic vision and a view of interdependence among various themes, such as health, education, economics, security and infrastructure.

We are also foreseeing the network's expansion, with greater diversity among its members, along with its increased internationalization and the deployment of concrete actions on the part of the working groups, as presented in *Uma Agenda pelo Desenvolvimento da Amazônia* [An Agenda for the Development of the Amazon], as well as the rereading of this document by indigenous and youth leaders.

In 2020, Amazon Concertation's management of knowledge involved 16 thematic areas: 1. Political, economic and security governance and mapping; 2. Armed Forces; 3. Financial resources and economic instruments; 4. Public policies and planning; 5. Business activity; 6. Civil society; 7. Sciences and technology; 8. Society and culture; 9. Development indicators; 10. Land use and deforestation; 11. Land ownership regularization; 12. Infrastructure; 13. Communication and media; 14. Climate change; 15. International agenda; 16. Education

The eight working groups have materialized the actions of Amazon Concertation, with frameworks, reports, guidelines and support to new projects in the region.





Art is a surprising field of encounter. It can bring people together, raise awareness and mobilize. The cultural dimension for the understanding of the Amazon and for the discussion of Brazilian identity is a key aspect of the Amazon Concertation, because it understands that connecting the sensitive with the technical is possible, necessary and urgent. In 2021, the initiative was supported by some of the most representative artists of the territory, such as **Chermie Ferreira**, Rakel Caminha, Paula Sampaio, Kambô, Rui Machado and Marcela Bonfim.

networked action:

Coalizão Brasil Clima, Florestas e Agricultura

The Coalizão Brasil Clima, Florestas e Agricultura [Brazilian Coalition on Climate, Forests and Agriculture] was born with our support in 2015. We currently participate in the Strategic Group, the initiative's decision-making entity, as well as in the Executive Group, which monitors its actions.

In 2021, the Coalition advanced the agenda related to forests, land use and climate change, always through dialogue, technical analyses and positionings. Among several initiatives, it promoted the correction of critical aspects of the law that establishes the National Policy for Payments of Environmental Services (PNPSA). It was successful in most of its claims.

Another noteworthy achievement was the inauguration of the Observatório da Restauração e Reflorestamento [Observatory for Restoration and Reforestation]. The platform presents geo-referenced data from restoration, reforestation and natural regeneration projects. Another important release was the mapping of the use of deforestation data by the private sector. That survey, with 60 institutions, showed that 90% of them consider this sort of information in their decision-making.

In the area of green financing, the initiative cooperated with Banco Central (Central Bank) consultations, such as the one concerning the creation of the Bureau Verde de Crédito Rural [Green Bureau of Rural Credit] and those discussing the regulation of the socio-environmental responsibility policy and climate risk management.

“Arapyaú’s support has been essential for lending continuity and impact to the work of the Coalizão. We work together for a more sustainable country and a low-carbon economy.”

Rachel Biderman,
co-facilitator of Coalizão Brasil Clima, Florestas e Agricultura

The Brazilian Coalition ended 2021 with 18 positions – including warnings, recommendations and contributions – and more than 300 participants, with representatives from agribusiness, the financial sector, civil society and academia, reinforcing its role as a space for dialogue in the search for harmony between production and conservation. On the international scene, COP26 was a highlight: after six preparatory virtual meetings for the event, the discussions were consolidated in the document *Recomendações para a COP26* [Recommendations for COP26].

networked action: the MapBiomas project

The MapBiomas Alerta [BiomeMap Warning] platform was conceived in 2018 and launched in 2019 within our framework. Since then, the MapBiomas Project, which also encompasses MapBiomas Uso do Solo [Land Use BiomeMap] (conceived in 2015), relies on our support in its financial-administrative management. In light of the project's success, in 2021 we began the process of making it an independent organization.

MapBiomas is a collaborative network made up of 11 universities and technology startups. It currently offers the most complete historical series of data and maps of land-use and land cover ever put together about Brazil. In 2021, it released the Coleção 6 [Collection 6], with mappings from 1985 to 2020, offering a more complete observation of the changes in biomes and territories. According to data from the collection, for example, 66.3% of Brazil's native vegetation is already degraded.

Within the BiomeMap Land Use platform, two pioneering initiatives of the year were the Fire BiomeMap [MapBiomas Fogo] and the Water BiomeMap [MapBiomas Água]. Based on the mapping of fire scars, the former identifies the dynamics, frequency and intensity of forest and grass fires in Brazil, making it possible to anticipate vulnerable areas and plan fighting actions. For its part, the Water BiomeMap is a mapping of the surface showing the reduction of regions covered by water in the country.

The Warning BiomeMap [MapBiomas Alerta], a platform that gathers the warnings and reports generated by the initiative, has already issued more

than 200,000 deforestation warnings in Brazil. In 2021, the project improved its tools that issue, validate and refine deforestation alerts, contributing to tracking and fighting the fires – a high priority environmental concern at this moment.

The project also released the second edition of the *Relatório Anual do Desmatamento do Brasil* [Annual Report on Deforestation in Brazil]. The document compiles data from all Brazilian biomes and points to a 14% increase in deforestation, 99.8% of which is illegal. During the year, BiomeMap strengthened technical cooperation agreements with governmental environmental agencies, which used the data to monitor deforestation in their territories.

Through the exportation of technology born in Brazil, this network is becoming established as a benchmark for collaborative work and the construction of knowledge and tools for sustainable development, both in South America and around the world. Indonesia, a country of high environmental relevance, now has its own land cover and land use mapping platform, which uses the BiomeMap methods. It consists of nine local NGOs and is coordinated by the Auriga Nusantara organization.

Also in 2021, we supported the institution in its application for the Skoll Awards for Social Entrepreneurship, or the Skoll Prize for Social Innovation, also known as the "Oscars of the third sector." In 2022 we had the joy of celebrating its award.

"Arapyaú is a key partner providing institutional support for the network to operate in its various initiatives."

Tasso Azevedo, general coordinator and one of the conceivers of the MapBiomas Project.

international agenda

In 2021, the high point on the international agenda was our participation in the 26th United Nations Climate Change Conference, COP26, held in November in Glasgow, Scotland. In the civil society pavilions, the Brazilian representation was articulated around the Brazil Climate Action Hub, a space managed by Instituto Clima e Sociedade (iCS), Instituto de Pesquisa Ambiental da Amazônia (IPAM) and Instituto ClimaInfo. At it, the event "Amazon Concertation at COP26: An Agenda for the Development of the Amazon" was a milestone in our trajectory and that of the Amazon Concertation initiative. During the 15 days of the conference, the Amazon Concertation was mentioned in more than 230 articles in the media in Brazil and abroad.

In order to contribute to a more diverse representation of Brazilian civil society and to be better prepared to engage in dialogue with international cooperation, we contributed to bringing a diverse delegation to COP26, with indigenous, political, civil society and business leaders. Through networks we are part of – Uma Concertação pela Amazônia, Coalizão Brasil, Clima, Florestas e Agricultura, and Clima e Desenvolvimento – and those of partners, we helped to show the international community a mature and well-articulated Brazilian society around the climate debate.

Throughout 2021, together with the Amazon Concertation and other Brazilian institutions, we participated in other important events such as Global Landscapes Forum (GLF) Amazonia: The Tipping Point, and Climate Week NY.

In light of Amazonia's importance for maintaining the planet's climate and the desire to implement concrete actions with the global community for the region's development, we have reinforced initiatives on the international arena. Besides highlighting the territory in the global environmental agenda, our aim is to expand international cooperation actions and opportunities for attracting and orienting financial resources for the region.





The international release of the document *Uma Agenda pelo Desenvolvimento da Amazônia* [An Agenda for the Development of the Amazon] at COP26 was presented by Roberto Waack, Renata Piazzon, Izabella Teixeira, Ana Toni, Ilona Szabó and Samela Sateré Mawé.

Samela points out: “For me it is very important, as an indigenous woman from Amazonia, to participate in these spaces of decision-making and construction. Nobody knows better than those who live in the Amazon how important our biome is. As indigenous peoples, we went in a delegation with around 40 indigenous relatives to Glasgow. We discussed several things, we took part in some plenary assemblies and meetings. Our main demand was the demarcation of the indigenous territories. Here in Brazil, our main threat is the question of territory. We suffer a lot from the invasion of territories by wildcat gold miners, lumberers, land grabbers, by leasing. We feel the ill effects of this every day.” In 2022, she joined the Instituto Arapyau Fellows Program and will continue the work begun at COP26, alongside the Amazon Concertation initiative.

Bioeconomy

With the aim of helping to establish the bioeconomy as an economically viable option, we support knowledge curation projects to identify and consolidate transformative scale business opportunities in the region. These often take place within our networks of articulation.

In 2021, led by the Bioeconomy working group of the Amazon Concertation initiative, an outstanding achievement was the organization of the I Fórum de Inovação em Investimentos na Bioeconomia Amazônica [1st Amazon Bioeconomy Investment Innovation Forum] (F2iBAM), led by the State Secretariat for Economic Development, Science, Technology and Innovation (Sedecti), of Amazonas. The event involved dozens of specialists from diverse expertise, including traditional and indigenous knowledge, while also involving entrepreneurs, extractivist cooperatives and associations, investors, government representatives, academia and multilateral agencies, such as the IDB and the World Bank. The forum already has a second edition planned for 2022, and the working group has identified four priority themes: financing; value chains and productive knowledge networks; public policies and databases.

Moreover, in partnership with Instituto Escolhas, we generated the study *Créditos de carbono e concessões florestais: quanto o Brasil pode ganhar mantendo a floresta em pé?* [Carbon credits and forest concessions: how much can Brazil gain by keeping the forest standing?] which indicated a potential of around 5.6 million carbon credits (REDD+) that would generate R\$ 125 million per year in areas of forest concession in the Amazon. We support the Amazônia 2030 project, an initiative by Brazilian researchers to develop a sustain-

able development plan for the Brazilian Amazon. The products analyzed by the initiative and classified as “forest-friendly” generated US\$ 298 million in revenue per year, that is, just 0.17% of the global production of these items, which is US\$ 176.6 billion. If the Amazonian companies increased their participation to 1.3%, they would take in US\$ 2.3 billion per year. In 2022 we continue to be involved with the Amazônia 2030 team in the study Projeto Cadeias Compatíveis [Compatible Chains Project], contributing to the analysis of the cocoa chain, related to our program in Bahia.

We also support the initiative Nova Economia para a Amazônia [New Economy for the Amazon] headed up by WRI Brasil, which aims to serve as a compass for the transition of the Brazilian Amazon economy to a more sustainable, carbon neutral, inclusive and robust economy. In 2022, as a complement to the chapter on Bioeconomy in the report, our support is shifting to the execution of the diagnosis concerning the productive chains of interest to the indigenous communities in the Brazilian Amazon.

Southern bahia territorial development program

In Bahia, as we articulate networks for the transformation of the territory, we see the materialization of our beliefs – whether in the classroom of Airam, a schoolteacher in Uruçuca, or in Ailana's cocoa plantation in a settlement in Ilhéus. Behind each initiative there is a search for broad change capable of transforming the entire region. Since 2008, we have worked in partnership with different players to foster networks, influence public policies and generate knowledge. Below are the main highlights of the year in our three fronts of activity: strengthening the cocoa chain, improving public education, and institutional strengthening. Fronts of the program's activity:

We are active in:



**Strengthening the
cocoa chain**

Quality of Brazilian cocoa

Access to credit

Economic viability

**Improvement of
public education**

**Strengthening
the enabling
environment**



strengthening the cocoa chain quality of brazilian cocoa

The chain spanning from cocoa to chocolate, more than a historical heritage, is a great opportunity for the development of southern Bahia, a region currently characterized by settlements and small producers. Our focus is on increasing the productivity and improving cocoa quality, while keeping in mind its economic viability and the particular features of its management, which conserves the biodiversity of the Atlantic Forest. We partner with various local agents for fostering transformative networks, influencing public policies and generating knowledge.

In 2015, we helped to conceive the Centro de Inovação do Cacau [Cocoa Innovation Center] (CIC) and we continue to provide technical support to the organization. The CIC was the first initiative of the Parque Científico e Tecnológico do Sul da Bahia [Southern Bahia Scientific and Technological Park] (PCTSul), as a strategic element in the effective valorization of the cocoa bean and Brazilian chocolate.

The CIC was key to position Brazil in the international list of quality cocoa producing countries. Its clients, such as Dengo, specialized in special cocoa, contribute to increase this demand. Its achievements in 2021 include the third edition of the National Competition for Special Quality Cocoa of Brazil, whose awarding has already provoked transformations in the producers' lives. The organization has already carried out more than 12,000 analyses of cocoa samples from around 900 producers in the region.

Also in the context of quality cocoa, the Indicação Geográfica Sul da Bahia [Geographic Indication Southern Bahia] (IG), created in 2018 also with our support, is a pioneer in regulating the minimum standard for the recognition of the region's cocoa as being of superior quality. In 2021, it launched the first tracking system for cocoa with blockchain technology. Moreover, together with the Centro de Inovação do Cacau (CIC) and associations, since 2020 it has produced chocolate under the Chocolate Sul da Bahia brand, whose label is customized with the QR code of the cocoa producer or cooperative, associated with IG. In 2021, demand for this brand outstripped the production of 16 thousand bars. There were 70 tons of certified GI beans, on the rise. These achievements add value, encourage associativism and diversify the income of producers in the region.

Claudia Calmon de Sá, from Agrícola Cantagalo, and her family have been growing cocoa for 62 years in Bahia. During this time, they have experienced the boom and decline of cocoa, which in the 1980s saw a large part of the cocoa crop decimated by the witch's broom fungus. Now, three decades later, the region is experiencing a phase of this crop's rebirth.

"The arrival of the Centro de Inovação do Cacau (CIC) and of Dengo Chocolates was a stimulus for producers, who increasingly sought to improve the quality of the cocoa," says Claudia, who is also a member of the Consórcio CBE (Cacau Bahia Especial). "We seek to add value, to make cabruca-grown cocoa viable and to show that Bahia knows how to make a good bean, capable of delighting chocolate lovers, both in Brazil and worldwide."

The producer considers that the first place obtained in the National Competition for Special Quality Cocoa of Brazil is the recognition of a serious and often difficult work. "We cannot always achieve a product of this quality. It is a work that requires persistence, not only mine, but of many engaged and dedicated people."



strengthening the cocoa chain access to credit

Thanks to the zero bad-debt rate in the concession of credit to small cocoa producers in southern Bahia, which benefited 150 of them in 2020, another 19 new agriculturalists in the region were contemplated. The program is the Certificado de Recebível do Agronegócio (CRA) Sustentável da Mata Atlântica [Atlantic Forest Sustainable Agribusiness Receivable Certificate], a financing that combines market investments and philanthropic contributions (blended finance). The project is an outcome of our initiative together with Tabôa Fortalecimento Comunitário,* responsible for the operation, and Gaia Securitizadora, and its consolidation is made possible through the combination of Instituto humanize, the TozziniFreire Advogados law firm and WayCarbon consulting.

The focus of the CRA is to strengthen the production of family-run agro-ecological crops and agroforestry systems (AFSs), including the *cabruca* system – in which the cocoa is grown in the shade of Atlantic Forest trees. The joint action of credit and technical assistance ensures the project's success: preliminary data indicate an increase of around 23% in productivity and 30% in income. For the producers who accessed the premium quality cocoa market, the average increase in income was 47.5%.



We gave rise to the birth of Tabôa, in 2014, which today has various partners, and we continue to work together with it in the development of new solutions.

"The credit brought hope. We had been in the settlement for over ten years without being able to access any resources." **Ailana Reis**, an agriculturalist of the Assentamento Nova Vitória, in Ilhéus, tells how the technical assistance provided by Tabôa and the investment in production were responsible for an impressive leap in productivity. Before access to the program, Ailana's average production was around 255 kg per year. Now it is around 1,020 kg.

She used her credit to supplies and seedlings, to clone her farm (a process in which a sort of graft is made in a nonproductive tree with stocks of a productive cocoa tree), to recover a planting area and to enlarge her production in the cabruca system on nearly one hectare of the settlement. Ailana tells about the enormous amount of red tape that hindered any sort of credit, forcing the agriculturalists to invest, with great difficulty, from their own pocket to try to establish improvements in production.



strengthening the cocoa chain economic viability

With the incorporation of data from various sectors, the *Estudo de Viabilidade Econômica da Produção de Cacau*, [Study of Economic Viability of Cocoa Production] we organized together with CocoaAction Brasil and WRI Brasil was adopted as official by the country's cocoa chain and can be used to guide the creation of public policies, the opening credit lines, and other incentives for increasing cocoa production in Brazil. The study shows that cocoa is one of the main crops capable of reconciling sustainable production with financial return.

Another novel work was the *Levantamento de dados da flora das cabruças e estimativa de estoque de carbono*, [Gathering of data concerning the plant life in cabruca crop systems and estimation of carbon stock], using the GHG Protocol tool. The outcome of a partnership with Dengo Chocolates, the World Resources Institute (WRI) and the State University of Santa Cruz (UESC), the study investigated the correlation between cocoa productivity, the amount of shade and the carbon stock present in the 17 properties studied. The conclusion is that, with adequate management of shade, it is possible to obtain high values of carbon stock, which means maintaining the trees without compromising economic issues. Based on this study, the difference between the "excess" shade and the amount of sun the producer needs to produce can be accounted for and converted into a Payment for Environmental Service (PES). The forecast is that in 2022 a model of the PES mechanism will be developed especially for carbon stock in cabruca systems.

Parametric Insurance

In 2021, a new insurance to mitigate the impacts of climate change was made available to cocoa producers in southern Bahia. The so-called parametric insurance uses the volume of rainfall and other meteorological data as risk indicators for the contract between the insurance company and the agriculturalists. The goal is to avoid losses like that of the drought between 2014 and 2016, which compromised thousands of productive hectares.

Another innovation of the policy is its reserve in carbon credit. Based on the amount of estimated carbon on a rural property, the sale of carbon credit is encouraged for companies to offset their footprint. The resource from the sale is retained by the insurance company and paid to the rural producer in the case of a loss, arising from circumstances such as intense droughts or heavy rainfall, harming the production.

This parametric insurance is an outcome of our partnership with the National Meteorology Institute (Inmet) and the insurance companies Newe Seguros and Wiz Corporate Partners, in which we were responsible for defining the parameters used and for articulating the solution together with the insured producers.

improvement of public education

Overcoming the challenges imposed by the pandemic and expanding our activity in public education were goals we pursued in 2021. In this context, we articulated the arrival of Fundação Itaú Social to the region, a partnership at an opportune moment. Its Melhoria da Educação [Education Improvement] program is structured to understand the municipality's educational demands, to build a plan of action to address them, and to make education technologies available to improve the indicators. Organized by the Technical Chamber of the Consortium for the Sustainable Development of the Southern Bahia Coast (CDS-LS), 16 cities were selected, four within our scope of action.

The actions planned for 2022 include the training of pedagogical coordinators and directors, with a focus on the monitoring of learning, especially at this moment of a return to in-person classes. We hope to build a collective governance to optimize and strengthen the relations of Itaú Social with the municipal governments, and to learn from its program, which has been bolstering the municipal secretariats for over 20 years. The arrival of such a specialized institution in education is unprecedented in the region.

We also support the continuity of the Compromisso com a Educação Pública [Commitment to Public Education] project, carried out by the municipalities of Una and Uruçuca in technical partnership with the Instituto Chapada de Educação e Pesquisa (ICEP). The third year of the educators' training cycle took place online: 100 virtual training meetings, involving around 500 people. In light of the demands and needs of the second level of elementary education, our project carried out actions to strengthen the school managers, with specific paths for pedagogical coordinators and principals. The teachers' training included educators from the

fields of human sciences, Portuguese language and mathematics. Sandra Batista, pedagogical director of the Secretariat of Education of Una, comments: "During the pandemic we had to go into children's houses, and our partners Arapyaú and ICEP were essential for this, because we thought together about action strategies, allowing Una and Uruçuca to be among the few in the region that continued to have remote classes."

We expect that all these improvements will also reflect in the Basic Education Development Index (Ideb), a biannual tool of the Ministry of Education important for keeping tabs on goals for the quality of basic education. In the last edition (2019), both municipalities had grown twice as much as the average for Brazilian municipalities and had better results than 80% of the municipalities in Bahia.

We also celebrated the arrival of two new partners that will provide landscaping and new furniture for the Centro Integrado de Educação Integral [Integrated Center for Integral Education] (CIEI). The CIEI is being built by the public power in the community of Serra Grande, District of Uruçuca. It serves as a model for a quality public school that relies on partnership with the private sector and has sustainability as a goal. It seeks to bring together students, teachers and workers of two existing public schools in the community, and which developed together a new pedagogical project throughout 2020. "This incredible and unique project made us very proud, mainly to see how public and private agents could unite to overcome all the challenges and reach a common goal. It is a privilege to be part of the construction of this dream," says João Pedro Solano, founder of Grão Investimento e Participações, and one of the project's supporters.

Ilhéus, Uruçuca, Itacaré and Itabuna

Math teacher **Airam de Farias Rocha**, who works in the Uruçuca public school system, was part of the actions of the Compromisso com a Educação Pública [Commitment to Public Education] project and learned to use new technological and pedagogical tools, as well as to rethink the evaluation system and monitoring the students' learning. After the training for the 2021 school year, she began to use socially relevant questions from the students' everyday life as a possibility for organizing and integrating the course contents. "They are tools I didn't use in the classroom, either because I didn't know about them or because I didn't think they were necessary. I needed to reinvent myself and I had help for this."

Una and Uruçuca, unlike several municipalities in the region and throughout Brazil, always continued being active in every moment during the pandemic, even with the schools closed. "I am not the same teacher I was two years ago. Today I consider myself a much better teacher. If it hadn't been for the remote classes, I would have continued in the same way," says Airam. Despite being difficult, the pandemic period was a watershed moment in the professional life of many educators.



strengthening the enabling environment

The Agência de Desenvolvimento Regional (ADR) Sul da Bahia Global [Agency for Regional Development of Southern Bahia Global] was officially formalized in 2021 by the regulatory institutions. We fostered the birth of the ADR and provisionally assumed the management of its executive board with the purpose of spearheading a program for the sustainable development of the Cocoa Coast. The formalization brought visibility and helped to raise awareness among new partners willing to join in the effort.

In 2021, a year when the municipal management switched hands, the ADR signed a partnership with the governments of four municipalities in southern Bahia – Ilhéus, Itabuna, Uruçuca and Una – to help the public management identify its main challenges and, on that basis, to plan actions for quick solutions. Also in 2021, the ADR formalized its Strategic Board, with Ricardo Gomes, manager of Arapyaú's Bahia program, as the institution's first president.

Incubated in the Parque Científico e Tecnológico do Sul da Bahia [Scientific and Technical Park of Southern Bahia] (PCTSul), with a lean physical and institutional structure, the agency articulates initiatives in the educational, environmental, economic, landscaping and infrastructural areas in the region where it operates. Specifically in southern Bahia, this translates mainly into efforts in public education, in supporting of municipal management, and in the strengthening of the cocoa production chain to improve the life of the population, especially in the countryside.

ADR is a third sector organization and had the development of its strategy supported by countless players. Its board was composed of two public universities (the State University of Santa Cruz and the Federal University of Southern Bahia), the Association of the Municipalities of the Cacaueira Region (AMURC), the Southern Bahia Global Movement, the Secretariat of Science and Technology of the State of Bahia (Secti), PCTSul, Sebrae Bahia, Instituto to humanize and Instituto Arapyaú itself.

For 2022, it is expected that new partnerships will bring a strategic perspective focused on the areas of education, investment attraction, and economic and sustainable development of the region, in addition to providing financial resources.

December 2021 brought very intense rainstorms and large-scale flooding to the state of Bahia. In southern Bahia, the number of people affected by the calamities surpassed 850,000, with 26 deaths. Altogether, 165 municipalities declared a state of emergency. In light of this urgency, we organized a movement in partnership with institutions from southern Bahia and donated essential items to around 800 families. We also mobilized partners for the purchase of clothing, mattresses, drinking water, and other basic necessities, estimated at around R\$ 500,000.

institutional



Arapyau fellows program

In 2021, we began the Arapyau Fellows Program to support knowledge, mobilize transformative networks and develop leaders in the country. It reinforces the premise that only through dialogue and collective construction will it be possible to achieve the systemic impact we want.

The program's first group was a team with an established and recognized track record: Izabella Teixeira, former Minister of the Environment and co-chair of the International Resource Panel for UN Environment Programme (IRP/UNEP); Francisco Gaetani, former executive secretary of the Ministry of Planning, Budget and Management and professor at Ebape/FGV; and Marcello Brito, CEO of CBKK (an influential investment firm that has De Mendes Chocolates as one of its associates), and former president of the Associação Brasileira do Agronegócio (ABAG).

The fellows participated in our organizational strategy and in the Climate Change program, as a complement to our governance. At COP26, thanks to their combined experience in government or at the head of entities, they helped Brazilian civil society to take an entirely new stand in the environmental debate.

The good results of this program have motivated us to strengthen it. Throughout 2022, we will also hold monthly meetings with this group for systematizing the exchange of knowledge, while strengthening its diversity. Two new members, with other leadership profiles and in different stages of their careers, have joined the team.



"The importance of the Arapyaú Fellows Program refers to some more innovative perspectives of how a civil society organization operates in a broader political dialogue, with a focus on Brazil's contemporary interests and its international insertion. The program allows us to gain a broader view, with a plurality of arguments. It also allows Arapyaú to connect points in an innovative way, to deepen its knowledge, to be a catalyst, and to strengthen its network of partners, leading to effective and faster achievements over time. On the one hand, it is pragmatic and strategic to implement short-term solutions; on the other, it embraces the new. The Arapyaú Fellows Program allows for an intergenerational sharing and the perspective of working the future in the present."

Izabella Teixeira



"If we want to build a different Brazil, a more mature society, we must know how to unify the private sector, the governments and civil society. It is in the union of these three fronts that we will manage to produce a constant and progressive dialogue for the country's development. So, being a fellow of Arapyaú and being part of a group that sees Brazil in this sense is, without a doubt, a gift. Having the opportunity to join high-quality people from different areas – ranging from public policy to the corporate area, from people with experience in the Amazon to entrepreneurs – is, without a doubt, a gift."

Marcello Brito



"The Fellows Program involves people whose work is transforming the Brazilian reality. It is both a recognition of what these people are doing and an invitation for them to work together with Arapyaú, in various forms of partnership. It contemplates young, mid-career and senior professionals. It seeks to accelerate the professional maturing of the younger ones, to value the protagonism of the adults, and to help the senior professionals in transferring their experience. Arapyaú looks to the future. The Fellows Program seeks to bring together generations engaged in the task of the continuous construction of Brazil."

Francisco Gaetani

institutional partnerships

The institutional partnerships strengthen our networking positioning, influence agendas related to our goals and contribute to our organization in a transversal way.

Rede de Ação Política pela Sustentabilidade (RAPS)

We finished another cycle of partnership with the Rede de Ação Política pela Sustentabilidade [Political Action Network for Sustainability] (RAPS), a nonprofit, cross-party organization. Created in 2012, the network currently mobilizes more than 700 leaders to strengthen democracy and sustainability in institutional policy – around 228 of these leaders are currently elected officials.

RAPS believes that the plurality of ideas is central to building a better country. For this reason, the initiative involves representatives from different spectrums and positions, sharing in common ethics, integrity, innovation and transparency as a basis for their actions.

Since its founding, the project has maintained the RAPS Leaders Program, a path for the support and development of new political leaders with the purpose of upgrading their skills, building knowledge and stimulating network exchange. In 2021, the program focused for the first time on leaders with elective mandates, with the most diverse selection in the history of the organization: of the 86 new leaders chosen, 51% are women and 41% are black people.

“The support from Instituto Arapyaú, both in financial and programmatic terms, was determinant for driving and contributing to the strengthening of RAPS’s institutional capacities, expanding its projects and operations, and participating in environments of exchange and learning with other relevant organizations in the socio-environmental field.”

Mônica Sodré,
executive director of RAPS.

In 2021, in the leadership of the Political Intelligence Working Group of the Uma Concertação pela Amazônia [Amazon Concertation] initiative (institutionally facilitated by the organization), RAPS began to monitor and analyze the executive and legislative branches as well as the public debate on issues of the Legal Amazon socio-environmental agenda. Based on the findings, the organization conducted discussions and generated two products for analysis: on the public debate in the social networks and on movements within the federal legislative and executive branches. The analyses were brought together in a report, presented in the Working Group to reduce the information deficit of the third-sector organizations in the socio-environmental field.

Also in 2021, RAPS released the research study titled *A agenda da sustentabilidade nos planos de governo* [The Sustainability Agenda in Government Planning], which analyzed for the first time how the sustainability agenda was inserted in the planning of municipal governments elected in 2012, 2016 and 2020. Among the results, the network showed that 50% of those elected in the last election do not address the environmental dimension in their government planning.

Additionally, on our side, RAPS expanded its mobilization role in institutional politics to the international arena with its participation in COP26.

institutional partnerships

the Em Movimento alliance

Em Movimento [In Movement] is an alliance of organizations including Instituto Arapyau that work to support more and more young people in their engagement, development and access to opportunities.

One of the network's main achievements in 2021 was the release and broad dissemination of the [Atlas das Juventudes](#), [Youth Atlas], an on-line platform that is the outcome of an extensive research into young people aged 15 to 29. With more than 21,000 visits during the year, the platform features vast and diverse contents about the situation of Brazilian youth and became a unified database that can help in the formulation, implementation and evaluation of public policies, programs and projects aimed at this audience. The research was carried out in partnership with the Social Policy Center of Fundação Getúlio Vargas (FGV Social), Talk Inc and Instituto Veredas.

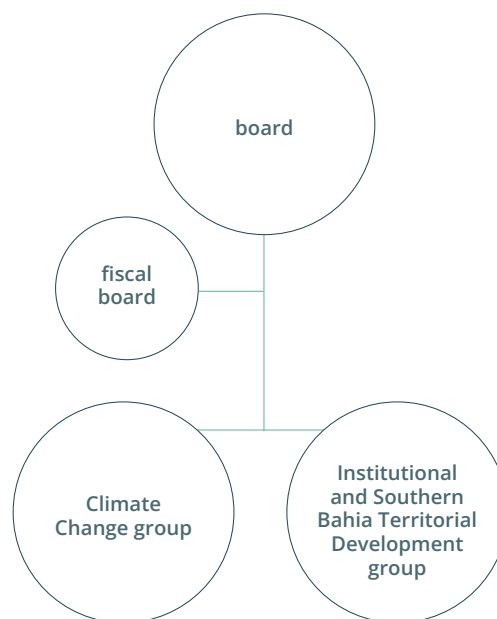
Another highlight of the network was the survey *Juventudes e a Pandemia do Coronavírus* [Youths and the Coronavirus Pandemic], carried out in partnership with CONJUVE (National Youth Council of Brazil), Fundação Roberto Marinho, UNESCO, Movimento Mapa Educação, Rede Conhecimento Social, Porvir and Visão Mundial. With the aim of understanding the perceptions of young people about the pandemic and social isolation, the study listened to 68,000 young people from all over the country. In terms of income, five out of ten had experienced a reduction in household income. In regard to mental health, seven out of ten participants said that their emotional state had worsened, with stress and anxiety.

In the second semester, the Em Movimento alliance assumed the facilitation of the Youth Working Group of the Amazon Concertation initiative, with the aim of promoting the involvement of young people in a transversal way in the initiative's actions.

Instituto Arapyau plays a crucial role in building the strategies of Em Movimento, participating in our management group and monitoring the implementation of projects. With this support, we managed to articulate new work fronts and to achieve new investments. We are now supporting Arapyau in strengthening the youth theme."

Mariana Resegue, executive secretary of Em Movimento.

board and team



Board

Guilherme Leal - founder
Roberto Waack - board chairman
Pedro Villares
Oded Grajew
Claudio Padua
Johannes Van De Ven
Ricardo Leal
Felipe Leal

Fiscal board

Gilberto Mifano - Fiscal Board chairman
Roberto Miranda
Valner Barcelos

Instituto Arapyaú team

Executive directors: Thais Ferraz and Renata Piazzon
Alan Rigolo
Carolina Paseto
Cleane Gomes
Débora Passos
Erica Dias
Grazielle Cardoso
Jade Menezes
João Santoro
Livia Pagotto
Nerivalda Santos
Pamela Medonecky
Paulo Sena
Rafaela Bergamo
Renata Loew Weiss
Ricardo Gomes
Sabrina Fernandes
Vanise Andreasi
Vinicius Ahmar
Vinícius Elias

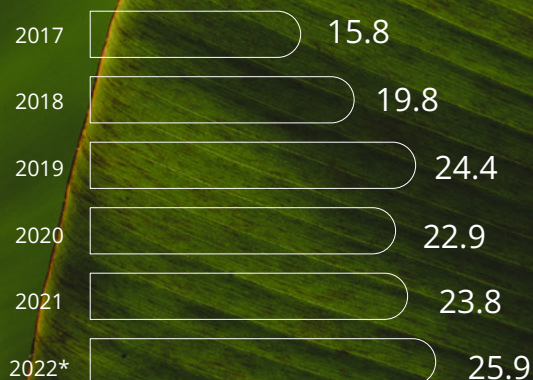
A special thanks to all our service providers, essential for the good functioning of Arapyaú.

financial information

R\$ 23,8 million

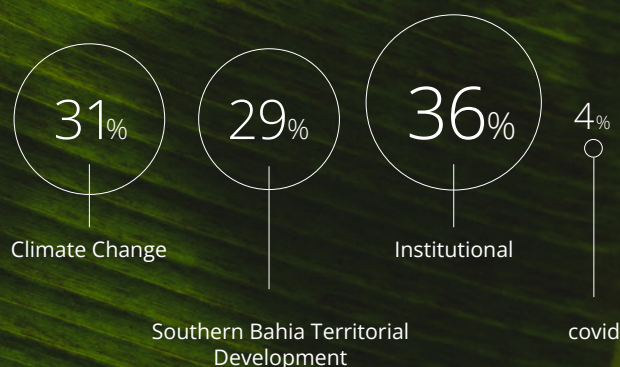
It was the total contribution we received in 2021. For 2022, the expected contribution is R\$ 25.9 million. Our entire budget comes from the Maraé Group and is invested in Brazil.

Instituto Arapyaú's budget annual evolution (in R\$)



* Amount budgeted for the year

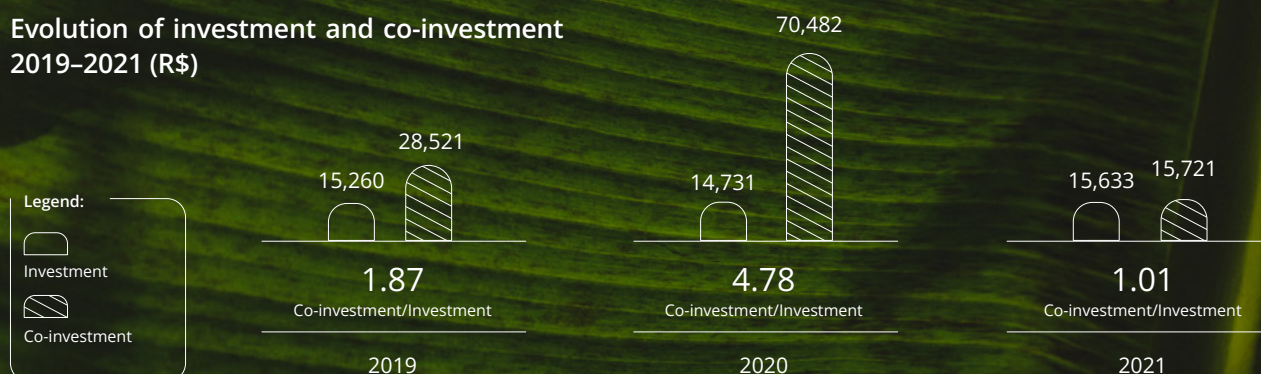
Distribution of resources per program in 2021:



Co-investments

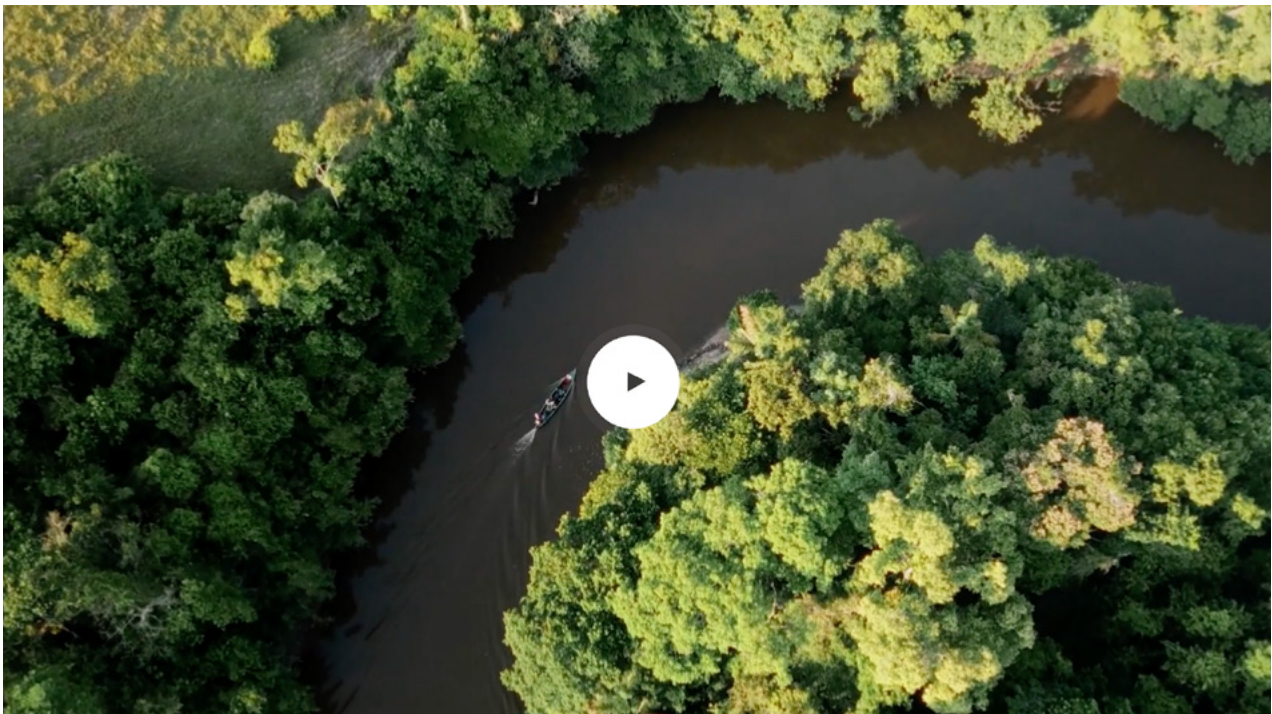
Since 2019 we have monitored our co-investment index. In 2021, for each Brazilian real invested by Arapyaú, another real was mobilized. This does not take into account co-investment in the form of products and services.

Evolution of investment and co-investment 2019-2021 (R\$)



year's end message and video

We finished 2021 with profound gratitude to the many people with whom we created connections, partnerships and dialogues throughout the year. When it comes to territories such as the Amazon or southern Bahia, where Arapyaú operates, we understand that they are plural, made up of the experiences and knowledge of the individuals and peoples who live there. Watch our video with the year-end message:



Video production: Bela Taberna

staff

COORDINATION

Thais Ferraz
Renata Loew Weiss

TEXT

Pecan
Instituto Arapyaú Team

REVISION

Carmen Guerreiro

TRANSLATION INTO ENGLISH

John Norman

GRAPHIC DESIGN

Bruna Foltran

ART

Chermie Ferreira - page 13

PICTURES

Ana Lee - cover, pages 2, 20, 21, 22, 25, 31 and 34
De Neto Ramos - page 17
Karime Xavier - page 6 e 9

