

annual report

20
22

complex problems
demand **networked**
solutions

summary



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Roberto Waack
chairman of the Instituto
Arapyaú Board

Arapyaú strives daily to seek systemic solutions capable of promoting a less unequal and more sustainable future for people and for the planet. We are aware that we are dealing with complex and dynamic phenomena with fluid contours that are subject to constant change. This requires us to have a willingness to actively listen, seek understanding, and be open to changing our course along the way.

One important milestone for Arapyaú has been its 15-year anniversary, during which it has solidified its position as a key facilitator and promoter of networks that play a relevant role in society. From information about land use generated by MapBio-mas to influence in the debate and proposal of public policies by Coalizão Brasil Clima, Florestas e Agricultura (Brazilian Coalition on Climate, Forest and Agriculture). From the formation and support for political leaders promoted by RAPS (Rede de Ação Políticas pela Sustentabilidade) to the role of the Amazon Concertation initiative in incorporating the region into the national debate.

The unceasing pursuit of these articulations was one of the striking elements in a year as complex as 2022, dominated by the political challenge of a heav-

ily polarized electoral process. Our contribution was through the activities of our networks, in contact or partnership with other actors to generate knowledge, to prepare and to present proposals of actions to elected governments.

Designing network management is not a simple task. It is an innovation in philanthropy, which assumes the role of leveraging initiatives that connect different actors from the private sector, the public sector, civil society and academia. In 2022, we organized our learnings and further developed theory in this area. We believe that this experience should now be shared more broadly, which is one of our tasks for 2023.

We consider dialogue as a fundamental principle of our working model. We concluded the first cycle of our Fellows program, which introduces knowledge and

enhances the institute's capacity for mobilization. With exceptional trajectories in priority themes for Arapyaú, our fellows undertook exchanges within the group, team and partners and have contributed to our activities.

In 2022, we welcomed Joana Guimarães to our Board of Governance. She is the first black female rector of a federal university, and has extensive academic experience in the environmental field, particularly in the south of Bahia, one of the territories in which we operate.

As we reflect on the past year, we have the opportunity to evaluate our results and our mistakes. More importantly, we can assess the paths we've taken and how much more we can open ourselves to new perspectives. It is time to adjust our route to maintain – or even to accelerate – our pace.

The Governance Board meets three times a year. Its members are:

Guilherme Leal (founder)
Roberto Waack (chairman)
Felipe Leal
Claudio Padua
Johannes Van De Ven

Joana Angélica Guimarães Luz
(since December 2022)
Pedro Villares
Ricardo Leal





“Designing network management is not a simple task. It is an innovation in philanthropy, which assumes the role of leveraging initiatives that connect different actors from the private sector, the public sector, civil society and academia.”

Roberto Waack,
chairman of the Instituto Arapyáú Board

Unleashing the power of networks

*Renata Piazzon
and Thais Ferraz*
Arapyaú directors

Since our foundation 15 years ago in the south of Bahia, we have understood that networks are powerful hubs of collective intelligence, capable of responding to contemporary challenges and generating systemic impacts in the territories.

Our results in 2022 have shown us that from now on we can now be even more ambitious than before. We consolidated the networks we have fostered, we incubated new initiatives and witnessed the impact of innovations we have created collectively.

Within this context, we steer our activities to three major strategic areas: fostering **Networks** that create open spaces for dialogue and connections; promoting large-scale impact through the **Bioeconomy**; and creating conditions that drive **Territorial Development**. These areas cut across the territories in which we work, the south of Bahia and the Amazon, always seeking to contribute to a development model that values natural capital and generates social well-being.

In the **Networks** area, our highlights of 2022 were the the con-

solidation of the An Amazon Concertation initiative and the Agência de Desenvolvimento Regional (ADR) Sul da Bahia (South Bahia Regional Development Agency). In an election year, the two networks prepared robust documentation with the aim of collaborating with the governments that won the elections. In addition to influencing the debate, tangible results were achieved, such as the application of diverse proposals in the initial decrees of the new federal government.

In **Bioeconomy**, one milestone was the CRA* Sustentável, an innovative credit model for cacao producers in the south of Bahia. This program has been recognized by BNDES, and will be expanded and extended to the Amazon. We also advanced in the reforestation agenda, with the promotion of meetings for the business community and the production of knowledge on this topic.

As part of our **Territorial Development** efforts in the Legal Amazon are incubated projects that will permeate our course in the coming years. One of them

is related to fast internet access in remote areas. In Serra Grande, in the south of Bahia, we sought to strengthen local and community governance models, in addition to improving basic education.

In 2022, we started to receive new international funding. This is the first time we have raised funds with autonomy to decide how to allocate them, which will leverage our activities. Based on accumulated experience, we have also invested in systems to ensure excellence in managing these investments.

We share our satisfaction with everyone involved in achieving these results! None of this would be possible without the joint effort of employees, suppliers, partners, fellows, the board and so many other people.

* Agribusiness Receivables Certificates (CRA)



"Over these 15 years, we have come to understand that networks are a space of powerful collective intelligence. We have consolidated the networks that we have fostered. Our results in 2022 have shown us that, from now on, we can be even more ambitious."

Renata Piazzon,
co-executive director of the Instituto Arapyaú

"In the Amazon and the south of Bahia, our goal is the same: to contribute to a development model that values natural capital and generates social well-being."

Thais Ferraz,
co-executive director of the Instituto Arapyaú

Who we are

We are a Brazilian philanthropic institution that promotes development based on valuing the natural, social, and economic dimensions

Collaboration

we engage in dialogue and believe that together we do things better

Innovation

we value viewpoints that challenge the *status-quo* and are capable of generating systemic changes

Management by impact

we want to transform realities in a concrete way

Interdependence

we act in parts while being aware of the whole

The institute was established in 2008 and is financed by Guilherme Leal, a shareholder in Natura &Co and a socio-environmental impact investor.

What we do

We bring together civil society, philanthropy, academia, and both public and private sectors to foster transformative networks capable of creating scalable, systemic solutions in response to challenges such as climate change and biodiversity loss. We believe in collaboration and diversity as the only way to confront these issues

Throughout our history, Arapyaú has fostered the creation of networks like: Coalizão Brasil, Clima e Floresta e Agricultura, MapBiomass, An Amazon Concertation, Agência de Desenvolvimento Regional (ADR) Sul da Bahia and Rede de Articulação Política para a Sustentabilidade (RAPS). We also supported the creation of the NGO Tabôa Fortalecimento Comunitário (Tabôa Community Reinforcement), the Centro de Inovação do Cacau - CIC (Cacao Innovation Center), Identificação Geográfica Sul da Bahia (Southern Bahia Geographical Identification), among other organizations.

In 2022, we concentrated our activities on the Legal Amazon and the south of Bahia, two territories with recognized natural capital



Legal Amazon

In this continent-sized territory, we operate with a focus on articulating different people and initiatives to foster a model that allies development with conservation and well-being.



South of Bahia

Where we initiated our activities and seek to make the region a Brazilian benchmark in sustainable development by mobilizing networks and fostering institutional reinforcement initiatives, dynamizing the cacao chain and education.

Our strategy

Our strategy is oriented to **areas** and processes that cut across the territories in which we operate



Ahead we present our results by strategic areas: Networks, Bioeconomy and Territorial Development. In the introduction to each area, we explain the importance and outline what we are working on. In the Institutional section, we introduce contents related to our internal and strategic processes.

Networks

Addressing the challenges of contemporary society requires active listening and being openness to new ideas and diverse perspectives. We recognize that these challenges are complex and constantly evolving, and cannot be defined from a single perspective

Arapyaú's approach to responding to current challenges is based on the articulation of individuals and organizations from different sectors and on the creation of spaces for dialogue and connections that achieve more comprehensive results.

One highlight in 2022 was the consolidation of the Amazon Concertation initiative as an important actor in the debate on the region's future. Another was the implementation of the ADR (Agência de Desenvolvimento Regional Sul da Bahia), which has already achieved autonomous governance and expanded its capacity for articulation. We are also proud to continue our participation in important networks that we have fostered over time, including: RAPS, Coalizão Brasil Clima, Floresta e Agricultura and MapBiomias.

UMA CONCERTAÇÃO PELA
AMAZÔNIA



An Amazon Concertation

We serve as the executive secretariat for the initiative, comprising the following fronts: knowledge management, culture and communication

In 2022, the Amazon Concertation initiative functioned as a hub of knowledge about the territory and an agent for political dialogue, contributing towards the inclusion of the region in the national and international debate. Most worthy of note in the year was the launch of the document “The first 100 days of government: proposals for an integrated agenda for the Amazônia”.

Based on the triad environmental protection, economic development and social justice, the publication constituted a robust flight plan for the territory. It presented 14 proposals of legislation, concrete actions and program guidelines, as well as 11 themes, to the federal and state spheres and the National Congress, addressing subjects ranging from healthcare, education, public security to cities, infrastructure and science and technology. The suggestions provided the authorities elected in 2022 with grounded support based on an integrated, systemic vision aimed at rebuilding the Brazilian socio-environmental agenda.

The network presented the plan’s proposals to the Environment Working Group of the transition team and directly to the president elect Luiz Inácio Lula da Silva (PT) during COP27 (27th United Nations Climate Change Conference), in Sharm El-Sheikh, Egypt. At the event, the document was also presented to other Brazilian and international leaders.

During the work done by the transition team, 11 of the 14 proposals were selected for inclusion in the group’s final report and five were implemented when the president took office.

The elaboration of the 100-day plan involved some 130 people, including traditional leaders from the territory, in an articulation process with thematic rounds of discussion that lasted a major part of 2022. The process was backed by legal support from the legal practice XVV Advogados, responsible for the normative mapping of the topics discussed in the rounds and the normative instrumentalization of the core proposals presented in this document.

Communication of the publication “The first 100 days of government: proposals for an integrated agenda for the Amazônia”

Before being taken to COP27, the plan was launched officially in Brazil in an event promoted in partnership with the newspaper Estadão and the Rede de Ação Política pela Sustentabilidade (RAPS): The Estadão Forum Think “Amazônia é a Solução”. The event involved members of Concertation, specialists from diverse areas and political leaders who discussed pathways to sustainable development and the well-being of the population in the Amazon territory.

The Concertation document had a major impact in the press. The plan launch coverage alone received more than 200 insertions in Brazilian and international media outlets. Altogether, the project received around 600 mentions in 2022. Other channels of the organization also extended their reach during the year. There was a 1,600% increase in the number of new visitors to the Concertation website and 1,100% growth in the number of followers on the social networks.



"Youth has inherited the climate crisis from the previous generations. Now we must assume the responsibility of mitigating and developing solutions so that the planet does not collapse any further. This is why placing youth in discussion and decision making spaces to demand policies that concern our generation is fundamental and strategic.

This was done in the construction of the Concertation plan for the first 100 days. In the youth working group, this was a partici-

pative and collaborative process, in which we managed to address each thematic session – climate change, governance, education, healthcare etc. – from our perspective. We assessed each proposal, focusing closely on the questions concerning young people in the Amazon, in a process of mutual exchange.

Within the working group, there are young people from diverse territories and distinct realities. Each person, each participant in the group, based on their per-

spective and their reality and experience of the Amazon, managed to introduce elements not only to propose points for the first 100 days of government, but also to develop a formative process, in which young people helped develop other young people, learning from their experience."

Bruna Lima

social articulator and responsible for Advocacy in the Instituto de Estudos Amazônicos (Amazon Studies Institute). Facilitator of the Concertation Society and Culture Working Group



The Amazon Concertation network's contribution to projecting the region in the international debate went beyond COP27, worthy of note being the participations in panels in Climate Week NYC, one of the major global meetings on the climate issue, held annually in New York (USA), and in the side events of COP15 (15th United Nations Biodiversity Conference), held in Montreal, Canada.

Another highlight in 2022 was our participation in one of the biggest events in the Brazilian art market, the Rotas Brasileiras edition of the SP-Arte fair, in August 2022. Concertation understands that culture is an essential component in building sustainable development actions.

Curated by the researcher, photographer and journalist Eder Chiodetto, the network invited six photographers with different visions of the territory, with a view to forging closer links between the various Amazons and the rest of the country. In addition to participation in the fair, art functioned as a facilitator of dialogues during the organization's monthly plenary sessions.

Concertation has nine technical working groups that help to materialize its actions. The groups are: Youth; Tenure Responsive Land Use Planning, Culture, Socio-environmental Infrastructure, Mining, Bioeconomy, Education, Political Intelligence and Engagement of the Private Sector.

“Our ambition at SP-Arte was to show the multiplicity of representations of the region and value the work of local artists who have been helping us to update the vision of the Amazon because sensitivity is required to get close to a territory, in addition to rationality and technical aspects. The Amazon goes beyond deforestation and non-deforestation. It is precisely this socio-cultural web that helps us to recognize everything that exists between these two points, enabling us to escape from this polarized vision.”

Fernanda Rennó,
facilitator of the Concertation Culture and Education Working Groups and currently co-executive secretary of the network, together with Livia Pagotto.

Agência de Desenvolvimento Regional (ADR) Sul da Bahia



We foster the network and participate actively in its governance

The organization's new visual identity, which simultaneously suggests the shape of an eye and a cacao bean, aims to translate the idea of care and attention to the potential of the territory.

The Agência de Desenvolvimento Regional (ADR) Sul da Bahia is legally and operationally constituted with a regional executive governance that has a plural board with representatives from the public and private sectors, civil society and academic institutions. The agency expanded its team and started work on mobilizing, planning and implementing initiatives and projects to drive sustainable development in the municipalities on the southern coast of Bahia.

The agency's autonomy was reinforced with the arrival of the executive secretary Mariana Sales, who started working in partnership with Ricardo Gomes, the Territorial Development manager of Instituto Arapyáú, on loan as president of the organization. We played a key role in the incubation

of the organization and remain active in strategic actions, as well as participating on the board together with representatives of the Federal University of the South of Bahia (UFSB), Santa Cruz State University (UESC), Movimento Sul da Bahia Global, Associação dos Municípios do Sul, Extremos Sul e Sudoeste da Bahia (AMURC), Parque Científico e Tecnológico do Sul da Bahia (PCToSul), SEBRAE Bahia, Instituto humanize and, more recently, the company Mondelez International.

The consolidation of the ADR represents another step in perpetuating this legitimate authority in the territory, which develops structured projects that drive broader positive impacts in the region. In line with the priority of articulating and mobilizing actors, initiatives and in-

vestments by and for the region, in addition to influencing public policies, a milestone in 2022 was the publication of the document Educação, Cacao e Turismo (Education, Cacao and Tourism): Proposals to influence the state government (2023-2026) to take action and make contributions in the areas selected as priorities by the actors in the territory.

Also worthy of note was the 2023 partnership with Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH, aimed at understanding the value chains of social biodiversity products in the region of the southern coast of Bahia based on the updated systematization of the value chains of specific items such as: by-products of cacao, açai, jaca, cajá, plantain and erythrina.



“The Agência de Desenvolvimento Regional (ADR) Sul da Bahia focuses on working systemically to promote sustainable, long-term development in the territory, including improvement and equality in public education, contributing to efficient public administration and economic development aligned with sustainable practices for the environment and the conservation of the regional biome.

In addition to influencing public policy, we seek to attract investments to the territory and to strengthen the organizations established here. ADR has the role of capturing new opportunities for the region and organizations that want to operate responsibly in it. Our operation offers scale, mobilization and articulation for the execution of projects”

Mariana Sales

ADR executive secretary

Commitment to Education

Since 2018, the municipalities of Una and Uruçuca in the south of Bahia, have been served by the Commitment to Public Education program. This was articulated by the Instituto Arapyaú and implemented with support from Instituto Chapada de Educação e Pesquisa (Icep) at the levels of infant education and the first and final years of fundamental education. Aimed at improving learning in Portuguese and mathematics, as well as combating drop out rates, the program offers courses to improve teaching practices and support in educational administration for the teams of the Education Department, school administrators and teachers.

In 2022, with the goal of reaching new municipalities, management of the program was passed to the ADR. Actions were expanded to the municipality of Gandu in a new partnership with Mondelez International.

In the most recent Ideb Basic Education Development Rate assessment, undertaken in 2021 and disclosed by the Ministry of Education (MEC) in September 2022, the municipalities in the program had increases in their performance scores and significant improvements in the general Ideb ranking in an interval of just two years. Among 417 cities in Bahia, Una rose from 182nd position in 2019 to 116th in 2021. While Uruçuca climbed from 343rd place to 171st in the overall 2021 score.

Rede de Ação Política pela Sustentabilidade (RAPS)

(Political Action Network for Sustainability)

We have partnered with RAPS since the network was created. We offer institutional support to contribute to the public debate on climate change, protection of the Amazon, and sustainable development

RAPS completed its 10th year in 2022 with a record: 55 of the 193 candidates associated with the network in the elections were elected, garnering over 38 million votes, a 49% increase compared with the 2018 election.

These numbers reflect the success of the process of selecting, preparing, and providing continuous support for political leaders from different parties, origins and ideologies. This further strengthens RAPS' mission of enhancing democracy and the Brazilian political process, in addition to disseminating a commitment to sustainability and sustainable development in institutional politics.

During 2022, the network also

launched a series of thematic guides aimed at orientating the construction of political platforms, government programs, and leaders at various levels. The publications, coordinated by RAPS with support from another ten partners in the elaboration of contents, addressed questions of social interest related to sustainability and civic awareness.

As mentioned in this report, RAPS joined An Amazon Concertation and the Estadão newspaper to promote the Estadão Think Forum "Amazônia is the solution", in which proposals for the territory were discussed. The topics under discussion at the forum ranged from democracy, criminality, education,

health to sustainable development. Mônica Sodré, executive director of RAPS, comments: "Our first joint effort is aimed at taking sustainability beyond a mere environmental bias and showing that the Amazon plays a key role in the global climatic equation, the new environmental geopolitics. We need politicians who are better prepared and more involved in this agenda and who are also capable of engaging the rest of the world in dialogue around it. It is time to reconcile the economy and nature, generating gains in prosperity, well-being and income for the population. The reason we are here is to make the Amazon a priority for our politicians".

Coalizão Brasil, Clima, Florestas e Agricultura

(Brazilian Coalition on Climate, Forests and Agriculture)

We fostered the creation of the Coalition in 2015 and have participated actively in it since then

The advances made by Coalition in 2022 are directly aligned with its ambition to influence the public debate and provide technical support in the formulation of public policies aimed at the harmonious, inclusive and sustainable use of land in Brazil.

At the beginning of the year, the network established an Election Committee, which led to the elaboration of the document: "Brazilian Coalition proposals for 2022 electoral candidates", released in June. The text synthesizes fifteen proposals to be applied at different times during the mandate, split into three fronts: combating deforestation and the loss of natural resources, food production and combating hunger and the generation of employment and income. Five of these were incorporated and underwritten by the federal government.

To provide a sound base for the proposals for the candidates, the Coalition also elaborated the technical note "The coming Brazil: proposals for the country's agro-environmental agenda from now", published in November. The elaboration of both publications engaged members of the coalition from over 70 organizations, with political consulting provided by Pulso Público. Communication of the publications reached 10 million people.

On the international scene, particularly worthy of note was the official launch of the technical note during COP27, the UN Climate Change Conference, in Sharm El-Sheik, Egypt.

Our ties with the coalition grew closer at the end of 2022 with the arrival of the executive direc-

tor of Arapyaú, Renata Piazzon, as co-facilitator of the initiative, thus extending our representation beyond the Strategic and Executive groups. The executive will play a relevant role in the network in 2023, working to increase its capacity for advocacy and to reinforce the participation of organizations from the agriculture and livestock sector in the movement.

"The premise behind our proposals is democracy, the construction of solutions based on dialogue, on inclusive participation and on mutual rights"

Renata Piazzon,
*executive co-director of Arapyaú
and current facilitator
of the Coalition*

MapBiomass

The MapBiomass Alerta platform was launched from within our structure in 2019. Since then, the project, which also encompasses MapBiomass Land Use (conceived in 2015), has received our administrative and financial support, as well as articulation for fund raising. The network is in the process of becoming an independent organization

The purpose of MapBiomass is to reveal transformations in the territory through science in order to combat climate change. It works as a collaborative network, made up of NGOs, universities, institutes, start-ups and technology companies, with a presence in Brazil and another 14 countries. The platform, which maps and monitors land use via satellite, is used by approximately 200 institutions and over 380,000 private individuals.

In 2022, there were around 20,000 actions against deforestation in Brazil based on MapBiomass alerts and reports. The network also established technical cooperation agreements with federal, state and municipal

authorities and financial institutions to use the platform and network data for environmental control and inspection actions, the formulation of public policies and credit concession.

The organization also published the Guide to Best Practices in the Remote Embargo of Deforested Areas in Brazil. The application of remote embargoes at scale was proposed in partnership with the institutes Democracia & Sustentabilidade (IDS), Centro de Vida (ICV) and Brasil.io to resolve the challenges of environmental inspection and control in the country, caused mainly by the control bodies' lack of infrastructure and human resources.

Another major highlight in the

year was the receipt of the Skoll Award for Social Entrepreneurship. This renowned initiative recognizes three institutions or projects worldwide that contribute effectively to social and systemic transformations on an annual basis.

In 2023, MapBiomass will focus on reproducing the network format in other countries, particularly in tropical forest regions. In 2022 IAMap (Instituto de Apoio ao MapBiomass or MapBiomass Support Institute) was established with the purpose of providing the group with institutional and administrative support. It is projected that IAMap will be able to generate all the funding necessary for the network from 2024.

Bioeconomy

The sustainable use of natural resources, along with the promotion of tropical nature protection and regeneration, are essential to tackle current major challenges, such as climate change and biodiversity loss

For this reason, one of our strategic areas is to develop models and solutions for the large-scale economic use of Brazilian biodiversity, while, incorporating justice, social inclusion and environmental responsibility. We work mainly on strengthening the cacao chain, in particular in the south of Bahia, and on developing the forestry restoration agenda in Brazil. We also support studies that generate greater knowledge in this field, mainly in the Amazon.



**Strengthening the
cacao chain**



**Forest
restoration**



**Studies on the
bioeconomy in the
Amazon**

Strengthening the cacao chain

Cultivation of cacao in Bahia is resurging due to a series of initiatives articulated by diverse sectors (public, private, academia and civil society organizations)

This revitalization is also marked by the pursuit of products of differentiated quality and greater added value. Throughout our time in the south of Bahia, we have developed a series of networked solutions that contribute towards increasing the income of cacao producers, the economic dynamism of the region, valuing the socio-cultural heritage associated with cacao and the maintenance of the Atlantic Rainforest, with its diverse environmental benefits. On the southern coast of Bahia, cacao is produced in what is known as a cabruca system, which maintains the native forest coverages, preserving flora and fauna while stocking carbon.

We present some of our main advances in the year, with emphasis on credit and technology solutions.

Sustainable CRA (Agribusiness Receivables Certificate)

In 2022 we undertook the first measurement of the results of our credit initiative created to increase access to financing linked with technical assistance for producers committed to good practices, for example, not using child labor or promoting deforestation. Launched at the end of 2020, the first sustainable Agribusiness Receivables Certificate (CRA) for cacao in the country confirmed the premises of workshops and studies that preceded its issue.

There was a 39% improvement in the average income of family producers who accessed credit from this first round. The result is explained mainly by the increase in productivity, which averaged 36%. Among those who produced quality cacao, which is sold at a higher price than the commodity variety, the increase in income was even higher: on average 59%. Also worthy of note was the low delinquency rate of around 0.5%.

The CRA, conceived based on a blended finance model combining funds from market investors and concessional or philanthropic capital, provided almost R\$ 1.4 million for more than 200 producers in the south of Bahia.

Teresa Santiago is a cacao producer in the Dois Riachões settlement in the south of Bahia. After years producing commodity cacao and suffering the impacts of witches' broom, a fungus that decimated a large part of cacao production at the end of the 1980s, she recalls the transformation to quality cacao production in 2016.

"There was a great deal of training. We started to really think about the right moment to harvest the fruit. Today, the fermentation process and the drying process are done in kilns. Our goal is high quality cacao beans"

Teresa Santiago,
*cacao producer in the Dois
Riachões settlement in the south
of Bahia*



“The CRA demonstrates that it is possible to create simplified and more inclusive processes for accessing credit while ensuring low delinquency.”

Roberto Vilela,
executive director of Tabôa Fortalecimento Comunitário

The credits were granted by the NGO Tabôa, which designed the operation jointly with the Grupo Gaia and the Arapyaú and humanize institutes. The operation included technical assistance providing producers with guidance both on how to use the loan received and best growing practices, which made a major difference to the end result and the low delinquency.

The project gained greater recognition when its expansion was approved in first place in the BNDES Blended Finance public call for proposals, organized by the development bank Banco Nacional de Desenvolvimento Econômico e Social (BNDES). The CRA will receive R\$ 4 million from the state bank, which will be used for the concession of credit and financing technical assistance in the next round, scheduled for mid-2023. It is estimated that the project will leverage approximately another R\$ 16 million. The increase in funding will drive gains in scale and territorial expansion for the initiative, benefiting cacao produc-

ers in the state of Pará. Thus, the initiative will be in place in the Amazon and Atlantic Rainforest biomes.

CIC (Centro de Inovação do Cacau or Cacao Innovation Center)

Idealized and supported by Arapyaú in partnership with other institutions, the Cacao Innovation Center is advancing in its strategic role of positioning Brazil as one of the main producers of quality cacao. Since its inception, the organization has created a series of projects that have changed the lives of producers and supported the creation of new technologies aimed at enhancing and modernizing this production chain. The classification and sensory analyses focused on quality introduced by the CIC have driven this market for small producers, enabling the sale of cacao beans for higher prices, boosting the smallholders' income.

Along the same lines, another CIC initiative is the Brazilian

National Special Cacao Quality Contest, which has drawn market attention to award-winning producers, driving an increase in demand and price differentiation.

The advances provided by the CIC in 2022 include the development of a machine that automates the classification of the cacao beans and a cacao traceability tool. The former halved the time for analyzing the beans, currently enabling the CIC to undertake 3 thousand analyses per year. The latter permitted the provision of traceability information, such as data on the producer, date of harvest, variety of the fruit, batch, packaging and classification via a QR code.

Ju Arleo is a small chocolate factory established by the third generation of a cacao producers family in the south of Bahia. With support from Tabôa and the arrival of the CIC, the Arleo family decided to focus on ensuring all their production was high quality cacao.

The next step was to produce their own chocolate. The idea came from ten year-old Júlia Arleo, who, after accompanying the family's work in the field, suggested to her parents that they should also make the end product instead of just selling cacao.

They already produce eight different types of chocolate, and another two are at the final stage of creation.

Their work has also resulted in awards. In 2022, the 70% chocolate with Uruçu bee honey was elected the second best in the world by the Academy of Chocolate, in London, in the "Tree to Bar Flavoured" category.

"At the beginning, the idea was to conduct tests with the cacao we produce to do what Júlia wanted. But suddenly, before we knew what had happened, our brand was in popular demand"

Julianna Alves Torres,
Júlia's mother and production manager at the factory



We articulate and contribute to the development of diverse initiatives and solutions to strengthen the cacao chain in the south of Bahia. Our ambition is to contribute to its development and to make it a benchmark for different sectors and regions:

Agência de Desenvolvimento Regional Sul da Bahia (South Bahia Regional Development Agency)

Addressing the diverse social and environmental challenges existing in the cacao production chain requires a joint effort on the part of the different stakeholders, including producers, companies, governments and civil society organizations. This effort is expected to result in the implementation of fairer and more sustainable policies and practices. This collective construction process is taking place in the Agência de Desenvolvimento Regional (ADR) Sul da Bahia, as presented in the Networks section of this report.

Povos da Mata

In the south of Bahia, we also support the Rede de Agroecologia Povos da Mata (Povos da Mata Agro-ecology Network), an articulation of family smallholders comprising families settled in the agrarian reform, indigenous and quilombola communities. These are registered to issue organic produce certificates for organic agricultural production and organic agro-industrial units and the products of their members.

Carbon credits

In November 2021, the study “Levantamento dos dados da flora das cabucas e estimativa de estoque de carbono” (Study of cabruca flora and estimate of carbon stocks) was launched with the support of Arapyáú, Dengo and WRI Brasil. Understanding the carbon dynamics of the cabucas is essential for the future generation of carbon credits, which could become a source of supplementary income for agricultural producers. Arapyáú has been involved in articulating possible routes towards this solution.

Transforming pastures into agroforestry systems

Launched in October 2022, the publication “Pastagens com viabilidade para sistemas agroflorestais com cacau no sul da Bahia” (Viable pastureland for the implantation of cacao agroforestry systems in the south of Bahia) indicates the potential for the reuse of up to 7,000 km² of deforested areas for growing cacao. This would generate economic gains and food security, as well as gains for biodiversity, an increase in ecosystem services and greater landscape connectivity in the south of Bahia.

Parametric Insurance

With the title “Gestão de riscos, seguro rural e paisagem: caminhos para a inovação” (Risk management, rural insurance and landscape: routes to innovation), the article published by the organization Agroicone in partnership with the Instituto Arapyáú in the November issue of the magazine Agroanalysis posits parametric rural insurance for cacao as a possibility for combining landscape management with the ecosystem services it offers, with shared risk instruments.

Technology for forest inventory

The Technological Challenge for the sustainable stewardship of cabruca plantations awarded the organizations Treevia, Sucupira Agroflorestas and Busca Terra. The winners proposed solutions to meet the basic requirements for forest inventories in the sustainable stewardship of cabruca plantations. The challenge was promoted by Sebrae and Federação da Agricultura e Pecuária do Estado da Bahia (FAEB)/ Serviço Nacional de Aprendizagem Rural (Senar); we contributed as sponsors.

Forest restoration

The forest restoration agenda has gained strength recently. It has been shown to be a viable large-scale business model with great potential to generate positive socio-environmental impact

“Brazil is probably the best prepared country to contribute to the ecosystem restoration agenda, with the potential to generate major socio-environmental impact businesses”

Roberto Waack (*chairman of the Arapyaú Board*), **Thais Ferraz** (*co-executive director of Arapyaú*) and **Alan Batista** (*forest engineer and CFA*), authors of the article mentioned on this page

The visibility of this theme has been enhanced by the launch of the UN Decade on Ecosystem Restoration. With great potential to store carbon, the capacity to stimulate local economies and preserve water resources, the soil and habitats, the reclamation of forest areas has a strong impact on the climate change and biodiversity conservation agendas.

In 2022, worthy of note in our forest restoration activities was the work done to mobilize actors for developing the economic opportunities offered by large-scale projects. We mobilized private leaders, who jointly initiated a pre-competitive collaboration movement to progress in questions fundamental for the development of the sector, such as research and development and the adaptation of public policies. In this period, we had a close-up view of initiatives such as re.green and Biomas, which

demonstrate Brazil's potential given the major dimensions of degraded lands.

We advanced in knowledge production with the proposal of six forest restoration business models: passive natural regeneration, assisted natural regeneration, biodiverse silviculture, single species silviculture, Integrated Crop-Livestock-Forest (ICLF) and Agroforestry Systems (AFS). We determined that all the proposals should have the following characteristics in common: large-scale restoration, impact on local development and environmental impact, in addition to sequestering carbon and the possibility of combining different typologies. The results of the models proposed were published in the article [“Como viabilizar a restauração florestal em larga escala”](#) (How to enable large-scale forest restoration), in Página22.

Studies on Bioeconomy in the Amazon

In 2022, we supported projects dedicated to generating knowledge about routes to accelerate and scale up the transition to a low carbon economy free from deforestation in the Amazon region in a fairer and more competitive way

Instituto Escolhas

With the objective of enhancing public policies aimed at forest concession areas, we supported the Instituto Escolhas in an analysis of international references in forest concessions and comparisons with Brazilian models, together with a study on governance of state public forests in the Legal Amazon. In 2023, we will continue to support the Instituto Escolhas to drive the concessions agenda in the Chamber and the Senate.

Amazônia 2030

We supported the project [Amazônia 2030](#), a scientific survey conducted by Brazilian researchers to prepare a sustainable development plan for the Amazon. In 2022, the initiative started an 18-month in-depth study of production chains in the region, with the first publication launched in the beginning of 2023: [“Oportunidades para Aprimoramento da Cacauicultura na Amazônia Brasileira” \(Opportunities to Enhance Cacao Growing in the Brazilian Amazon\)](#), written by Salo Coslovsky.

New Economy for the Amazon (NEA)

We support the NEA, from the World Resources Institute (WRI). The project develops a set of studies and actions for new opportunities for economic development and diversification not involving deforestation in the Amazon, benefiting the local population and Brazil. In 2022, the working paper [“Bioeconomy for the Amazon: concepts, limits and trends for the proper definition of the tropical forest biome”](#) was launched, and the complete study will be published in 2023.

Territorial Development

Territories are spaces with multiple dimensions, created by the experiences and the knowledge of the peoples who live there

Within this area, we drive solutions that cut across the projects reported in “Networks” and “Bioeconomy”. In the south of Bahia, we focus efforts on the development of local governance models and communities. In the Legal Amazon, we work on the provision of rapid internet access for the forest peoples. In 2023, we will focus on the transformation of scientific knowledge into technologies applicable in the region.



South of Bahia



Legal Amazon

South of Bahia

Our activities in the South of Bahia adopt a broad approach that encompasses the development of local governance models

In addition to fostering the development of the territory through the initiatives described in the chapter on Bioeconomy in this report, such as the Agência de Desenvolvimento Regional (ADR) and the Centro de Inovação do Cacau (CIC), the Institute also engages in strengthening the local community of Serra Grande.

By means of a partnership with the NGO Tabôa Fortalecimento Comunitário*, Arapyaú has been stimulating the active participation of civil society in managing the territory and supporting community entrepreneurs in their transition to sustainability, valuing local history and social biodiversity.

In this context, the strategic agendas on this front in 2022 were: gender equality, youth, community philanthropy, valuing local knowledge and entrepreneurship, among others. Among

the highlights are 28 women trained as Popular Legal Promoters (photo) and 57 new local businesses formalized.

Also noteworthy was the partnership with the Centro de Referências em Educação Integral, an initiative of the Associação Cidade Escola Aprendiz to promote the democratic participation of the community in the Serra Grande municipal school. One of the milestones in

2022 was the collective elaboration of the school regulations, as well as a “pocket” version.

For 2023, we will continue to mobilize partners and actors for the establishment of participative and plural governance, with practical measures for the territory.

* In 2022, Tabôa was recognized for the fourth time as one of the 100 Best NGOs in Brazil, in the Best NGOs Award.



Legal Amazon: Conexão Povos da Floresta

(Forest People's Connection)

Created in 2022, the Conexão Povos da Floresta project is a structured network of partners that aims at providing rapid internet (100 mbps) within three years for 1 million people who live in 5,000 communities in the Legal Amazon region and take care of 116 million hectares of forest.

The project is aimed at promoting a structured action in the territory because enabling internet access in the Amazon region means strengthening socio-productive organizations, boosting the effectiveness of public policies (especially in healthcare and education), expanding monitoring of deforestation, among

many more advances. In addition to guaranteeing infrastructure, the project encompasses varied programs in the areas of telemedicine, digital education, territorial protection, culture and ancestry, enterprise and financial inclusion.



In 2023, its goal is to implement 800 internet access points in indigenous, extractive and quilombola communities, with renewable energy sources to guarantee the continuous functioning of the equipment

Institutional

The results achieved throughout 2022 in all the Instituto Arapyaú's areas of activity validate our efforts to create a solid base for increasingly robust and ambitious projects

The Institute's constant evolution has been ensured by developing processes in line with best management practices, together with the guidance provided by our Governance Board.

Our Governance Board was reinforced with entry of the rector of the Federal University of the South of Bahia (UFSB), Joana Guimarães. The first black women to become a rector of a federal university, she hails from the south of Bahia, one of the territories in which we are active, and has a consolidated record in the environmental area.

The pursuit of varied perspectives that promote better understanding of the complexities of the contemporary world is a key factor in our work and institutional actions at all levels. Particularly worthy of note is our fellows program, initiated in 2021, aimed at introducing knowledge and capabilities that support

leaders and projects, as well as boosting the international visibility of Brazilian questions. We also learn from studies on transformative networks and from Em Movimento, a partner focused on youth.

In 2022, we conducted a comprehensive assessment of our team of employees and their diversity and inclusivity. Our team comprises 21 individuals, with 70% being women who occupy a majority of the director and management level positions. We strive to foster individual career development, and the Institute's achievements affirm the quality and dedication of the team.

We have evolved in financial management, with annual external audits conducted by the consultancy Deloitte and a structure that enables us to receive and distribute large-scale funding from different philanthropic actors.

The rector of the Federal University of the South of Bahia (UFSB), Joana Guimarães, assumed a seat on our Governance Board at the end of 2022.

Born in Itabuna area, she returned to the region after an absence of 40 years to participate in the creation of the UFSB. Her return was

marked by the changes she found in the region. "Urban outskirts had expanded, and the lack of assistance for the population had increased. The destruction of natural resources was far greater."

Joana began to question the development model in place in the region and decided that it was

necessary to act beyond the frontiers of the university to develop new solutions for the territory and its inhabitants.

With a long career in the environmental field, she expects her work on the Arapyaú Board to combine academic experience with regional knowledge.

"I bring with me a little of the university environment, and will be in touch with actors from outside the academic world. Based on this intersection of different dimensions of society, we may find solutions that help us rise above the predicaments affecting us"

Joana Guimarães,
rector of the Federal University of the South of Bahia (UFSB)

International agenda

In continuation of the effort initiated in 2021, we further expanded our participation in the major global events and debates concerning conservation and the development model for the planet

We participated in the UN Climate Change Conference (COP27), held in Sharm El-Sheik, Egypt, where we launched the international document “The first 100 days of government: proposals for an integrated agenda for the Amazônia”, elaborated by the Amazon Concertation initiative. Our involvement, alongside diverse Brazilian bodies and regional representatives, such as indigenous peoples and local communities, reinforced the Amazonian agenda in global debates on climate action. The network’s proposals were presented within the context of an increase in civil society participation and expectations around the return of the Brazilian government to a prominent role in debates on climate action.

The role of the Amazon in the global climate agenda had already gained space on the international scene with our presence at the 14th Climate Week NYC 2022, one of the major global

events on this topic. In addition to an intense agenda of talks during the meeting, the Amazon Concertation initiative was one of the organizers of a panel that debated the challenges and opportunities that the biome represents for Brazil in the pursuit of solutions for climate change.

We were also in Montreal, Canada, for the UN Biodiversity Conference (COP15), an event that marked the creation of the historical Global Biodiversity Framework. The GBF is intended to reverse the loss of biodiversity and set forth actions for the conservation and reclamation of nature in the coming years. In the event, we presented a case study on our work with the cacao value chain in the south of Bahia. We demonstrated the strategies applied to scale up the bioeconomy, making it an economic alternative in a region of high environmental importance and great social vulnerability.

We also initiated a new chapter in the receipt of funding from international philanthropy. Although historically Arapyaú has received foreign funds to support the execution of ideas that we have incubated, such as MapBiomass and the NGO Tabôa, this is the first time that the funds are no longer linked with a specific project. We started to invest new funds based on the institute’s own assessment of the needs of each project. This reinforces our role of also being a center for the receipt of funding from international philanthropy with high capacity to provide operational support for investments.

The growing recognition of our expertise is due to the historical results of our initiatives and helps to leverage development projects in which we are at present engaged, such as the Conexão Povos da Floresta, which require higher-scale investments.

Fellows Program

The Arapyaú Fellows program aims to enhance our institutional capabilities by mobilizing networks, generating and disseminating knowledge, and supporting leaders

With exceptional personal accomplishments and varied experiences, the fellows bring their knowledge and practical backgrounds into our organization and partnering networks, while reinforcing their leadership in their particular fields.

The group, which since 2021 has consisted of Izabella Teixeira*, Francisco Gaetani and Marcello Brito**, was joined in 2022 by the activist and communicator Same-la Sateré Mawé, a young indigenous leader from the Amazon.

In 2022, the fellows made significant contributions to the elaboration of "The first 100 days of government: proposals for an integrated agenda for the Amazônia's" document, developed by An Amazon Concertation. The group also played a pivotal role in promoting the initiative among governments and international leaders during New York Climate Week and COP27. Moreover, institutionally, the fellows participated in diverse ini-

tatives both in and outside the country, providing support for international cooperation, and governance processes.

In addition to publishing diverse articles in the press, the fellows organized and participated in debates that culminated in a collaborative book aimed at advancing the country's sustainable development agenda. With the participation of Roberto Waack, chairman of our board, the book also incorporates research by Nadia Pontes and texts by Amalia Safatle (editor of *Pagina22*), and will be launched in 2023 by the publisher Autêntica.

* Izabella Teixeira was minister of the Environment (2010-2016) and is currently co-chair of the UN International Resource Panel (IRP/UNEP) and a member of the UN-DESA High-Level Advisory Board.

** Marcello Brito is CEO of CBKK, an impact investor, one of whose associates is De Mendes Chocolates, and former-president of the Brazilian Agribusiness Association ABAG (Associação Brasileira do Agronegócio).


Amazônia 1.0, uma realidade a ser encarada

(The Amazon 1.0, a reality to be confronted)

Published in the newspaper *Valor Econômico* in May 2022, this article signed by the Arapyaú fellows discusses the challenges of the bioeconomy in the Amazon, recognizing its great potential and underscoring the need to address basic questions and ambiguities to make the bioeconomy a reality.

"Arapyaú is a school where conversations and initiatives converge towards permanent learning in benefit of sustainability and the public interest."

Francisco Gaetani,
Arapyaú fellow (2021-2022).
Current extraordinary secretary for Transformation of the State in the Ministry of Management and Innovation in Public Services



"Participating in the Fellows program has provided me with diverse opportunities, including contact and dialogue with key representatives of organizations and politicians. I have learned a lot with the other fellows, who have presented me with different perspectives and aspects related to sustainability. Moreover, it has helped boost and reverberate my voice as a young, indigenous women from the Amazon, in completely new spaces to me."

Samela Sateré Mawé,
*Arapyaú fellow, young indigenous leader,
activist and communicator*

Em Movimento

We are part of the alliance* that gave rise to the initiative. We participate in its management and we support the execution of projects

Em Movimento works collaboratively across sectors with the mission of guaranteeing the rights and full development of youth. It produces research, mobilizes actors and articulates with different sectors of society, promoting the participation of youth, diversity and inclusion.

After the [Atlas das Juventudes \(Youth Atlas\)](#) – a unified data platform for those engaged in the formulation, implementation and assessment of public policies –, in 2022 we supported the Juventudes do Agora (Youth Now) project. This advocates and promotes the reinforcement of a common agenda to consolidate a state policy for and with young people. In a document presented at COP27 and delivered to the candidates in the presidential elections, the

project systematized and consolidated guidelines and bases for the formulation of a National Youth Plan.

During the electoral process, in a campaign with partners, the Juventudes do Agora project stimulated young people aged from 18 to 24 years to register to vote. The communication and mobilization measures reached approximately 5.5 million people. In the second round of the elections, the project organized actions in the cities of Belo Horizonte, Salvador and São Paulo, this time aimed at young women who had abstained from voting in the first round.

After the elections, the project joined the working group oriented to young people in the transition government. As a result of

this activity, it established a technical cooperation agreement for 2023 with the Secretaria Nacional das Juventudes (SNJ or National Youth Department), recently reallocated to the Presidency of the Republic.

Em Movimento also contributes to facilitating the Youth Working Group in the Amazon Concertation network. The project sought greater diversity and representation of the Amazon, with the provision of grants for 2023.

*The following are members of the alliance: Instituto Arapyáú, Ashoka, Itaú Educação e Trabalho, Impact Hub São Paulo, Instituto Elos and Grupo +Unidos

Transformative networks

With the goal of constantly enhancing our work in fostering transformative networks, we invest in theoretical studies, connecting them with our experiences.. In this regard, we published the article [“Movimentos em redes e paisagens: aprendizados a partir de uma análise comparativa de experiências no Brasil e no mundo”](#) (Network movements and landscapes: learnings from a comparative analysis of experiences in Brazil and the World) in the Página22 portal. We also organized a workshop in which we shared theoretical concepts about the different phases of networks from their formation and discussed how they work based on our experience in different networks. In 2023, we will publish a more complete article on the subject.

Governance and acknowledgements

Governance Board

Our most sincere thanks to Oded Grajew, member and friend, who ended his participation on the Board in April 2022, after 13 years of invaluable contributions.

Guilherme Leal (founder)
Roberto Waack (chairman)
Claudio Padua
Felipe Leal
Johannes Van De Ven
Joana Angélica Guimarães Luz (since December 2022)
Pedro Villares
Ricardo Leal

Fiscal Council

Gilberto Mifano (chair of the Fiscal Council)
Roberto Miranda
Valner Barcelos

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Inaiê Takaes Santos	Vinicius Ahmar
Jade Menezes	Vinicius Elias de Souza
João Santoro	XV Advogados

Financial information

R\$ 25.9 million

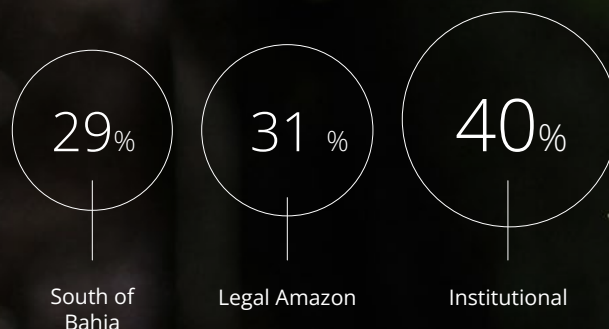
The equivalent of USD5.1 million was the total funding received in 2022. All our budget is invested in Brazil. In 2022, all the investments in cash came from Guilherme Leal's Grupo Maraé. In 2023, the organization's management will receive large-scale philanthropic investments from other institutions. The financial data are audited annually by Deloitte.

Evolution of annual budget (R\$):



*Amount budgeted for 2023. For the other years, the figure is the budget executed.

Distribution of expenditures in 2022:



Co-investments

In 2022, for each dollar invested by Arapyaú, USD2.92 was mobilized by partners. This does not take into account co-investment in the form of products and services. In relation to non-financial resources, for each dollar invested by Arapyaú, USD3.04 was mobilized by partners.

Evolution of investment and co-investment, in financial resources (R\$):




Final acknowledgements **see you soon!**

We would like to thank you for accompanying our work, advances and learnings. Thanks to a very large number of people we continue to foster networks and solutions that transform realities


We invite you to [sign up for our monthly newsletter](#) (in Portuguese for now) to stay up to date with our activities and projects. Additionally, we have an active presence on [LinkedIn](#), where we had almost 10,000 followers at the end of 2022. One highlight of our page is the video series **#3pontosarapyau**, where individuals from networks we collaborate with share their knowledge on a subject, summarized in three topics (see two examples below). Valuable content is also available on the communication channels of each network and organization described in this report.

3 pontos Series | Episode 6



A espiral do conhecimento da rede Uma Concertação pela Amazônia (The Amazon Concertation network knowledge spiral)
by Inaiê Takaes Santos

3 pontos Series | Episode 9



Book "A construção de um estado para o século XXI" (Building a State for the 21st Century),
by Francisco Gaetani

Credits

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Renata Loew Weiss

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Pecan Comunicação
Instituto Arapyaú Team

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Beatriz Fontes - *pages 4, 6 and 13*

Cauê Ito - *page 12*

Heleno Nazário - *page 31*

Nathalie Brasil - *page 34*

Taboa Fortalecimento
Community Archive
Florisval Neto - *page 28*

Conexão Povos da
Floresta Archive
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