



CocoaAction Brasil Impact Report 2018-2022

Advances and perceptions of the first
5 years of the initiative in Brazil

CocoaAction
Brasil



World Cocoa
Foundation

Table of Contents

Introduction p.3

Methodology p.4

Current context of the cocoa chain in Brazil p.5

The CocoaAction Brasil initiative p.7

Governance framework p.9

Priorities p.10

Performance of CocoaAction Brasil (2018-2022) p.12

Role of CocoaAction Brasil as a backbone organization p.13

CocoaAction Brasil's collective actions and activities p.17

Cacau 2030 Project p.37

Sustainable Cocoa Corridor p.44

How is CocoaAction Brasil recognized?
Perception from players and Sense-Lab impact analysis p.46

The future of CocoaAction Brasil p.72

Final considerations p.77

Introduction

CocoaAction Brasil, an initiative of the World Cocoa Foundation (WCF), works with the Brazilian cocoa chain since 2018 by promoting partnerships and connections, fostering dialogue, creating projects and collaborating for the sustainable development of the sector.

This report aims at assessing the perception about the initiative's impacts among the different segments of the cocoa chain, and understanding progress and evolution over recent years, in which cocoa once again gains relevance and shows its potential for the bioeconomy.

This report will present the different perceptions regarding CocoaAction Brasil's performance over the last 5 years (2018 to 2022) through qualitative and quantitative data collected in interviews with relevant stakeholders and also through an online survey with members and partners of the initiative, in order to evaluate its activities, impacts and contributions to the development of the cocoa sector in Brazil.



Methodology

CocoaAction Brasil hired the services of Sense- Lab to perform this work. Sense- Lab collected data, developed the impact perception analyses and created the report assessing the trajectory of the initiative.

Sense- Lab is a B company guided by a purpose whose actions aim at catalyzing and developing different players, whether they are organizations of civil society, businesses, ecosystem energizers or networks that involve representatives of several sectors.

This report uses information obtained from different stakeholders of the Brazilian cocoa chain, including entities, industry, representatives of the private and public sectors, civil society, associations, non- governmental organizations, as well as members of the initiative, partners and participants of its governance.

An illustration of a hand holding a cocoa pod. The hand is brown and positioned on the right side of the image. The cocoa pod is orange and has several cocoa beans visible on its surface. There are several green leaves of varying sizes scattered around the pod and hand. The background is a light beige color.

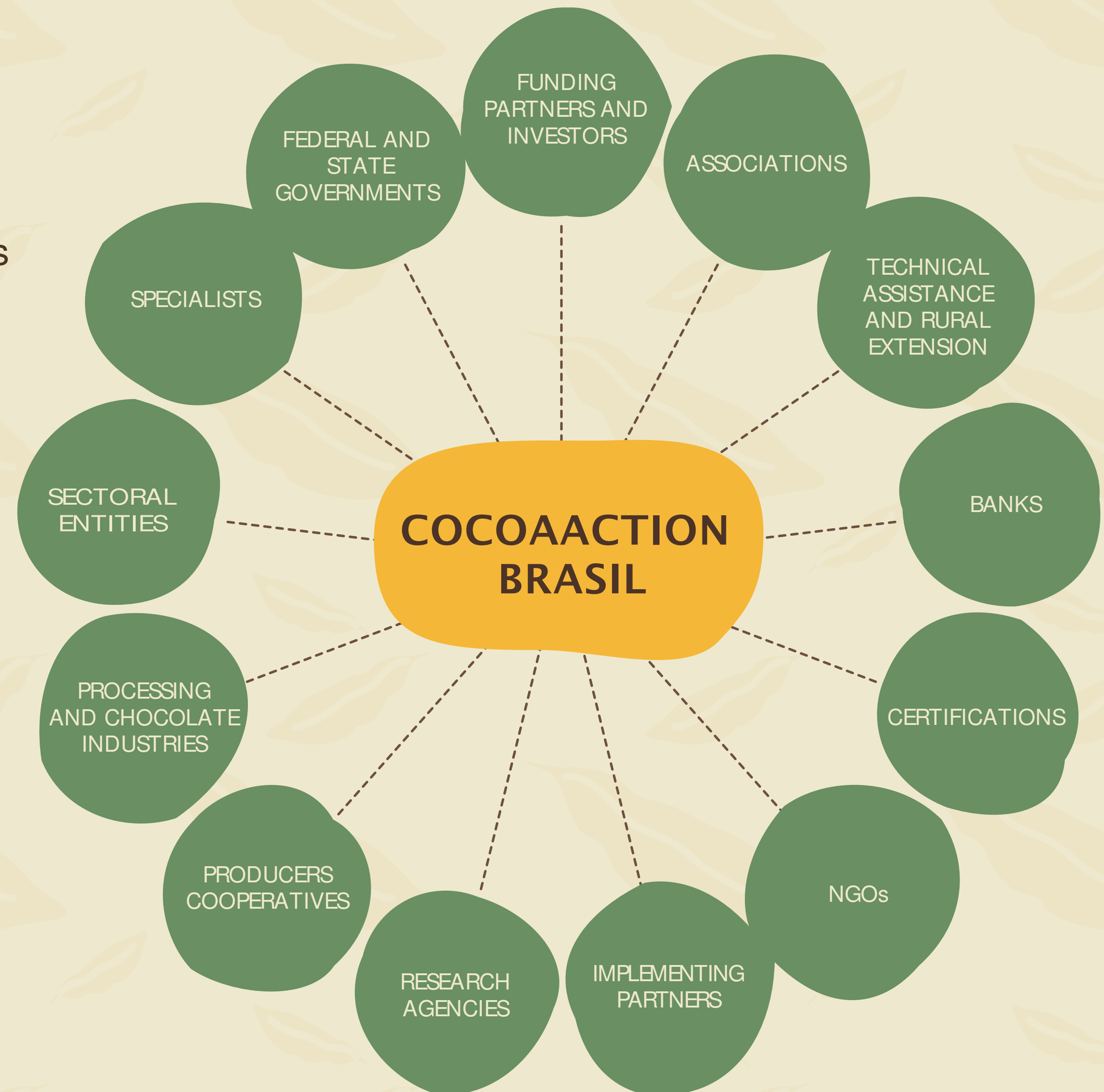
Qualitative interviews conducted by Sense- Lab with 10 key stakeholders of the chain (representatives of companies/ industry, of entities, associations, government and NGO).

Quantitative survey (online form with 30 questions) sent to cocoa chain stakeholders, with a total of 83 respondents.

Current context of the chain in Brazil

Cocoa has regained its priority status in recent years in Brazil, and, despite the challenges, there are numerous opportunities for the sector. As cocoa returns to the agenda both of governments — mainly in the states of Bahia, Pará, Espírito Santo and Rondônia — and of the private sector and organizations, the resumption of the chain has made stakeholders more optimistic, with good perspectives about the future, particularly in relation to increases in productivity and sustainability.

Connection between stakeholders is getting increasingly stronger, which enables collaboration and execution of improvements.



Figures of the cocoa chain in Brazil

Brazil is world's 6th cocoa producing country

Main producing states: Bahia, Pará, Espírito Santo and Rondônia

Annual production ~200,000 tons

+ 95,000 cocoa growers

The world's 5th chocolate consuming market (2.7 kg per capita/ year)

Chain is responsible for creating nearly 200,000 direct and indirect jobs

The entire cocoa chain is present in the country: cocoa production, processing, chocolate industry, final consumer

The CocoaAction Brasil initiative

CocoaAction Brasil is a comprehensible public- private pre- competitive initiative of the cocoa chain aimed at promoting sustainability with focus on the grower. Launched in Brazil in 2018, it is a unique initiative collaborating to align and develop the cocoa chain, promote knowledge exchange and synergies with existing work so as to improve growers' productivity and profitability, with special attention to sustainability.

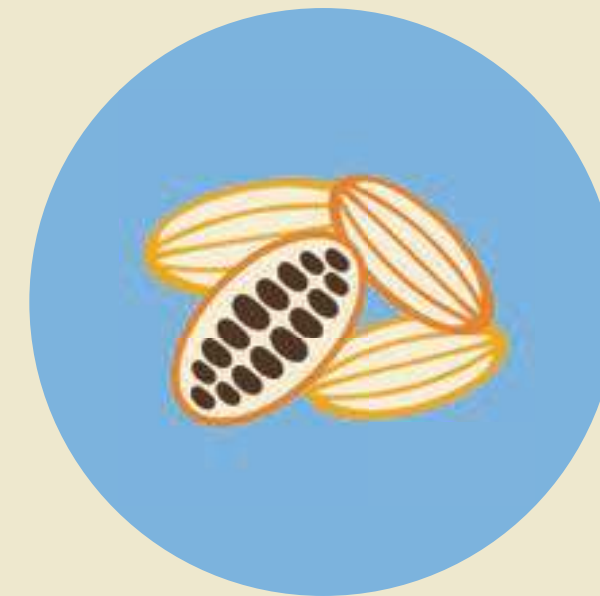
CocoaAction Brasil has been working as a backbone organization, enabling a positive environment for the organization of the chain, higher efficiency and improved governance of projects.



**Public-private
pre-competitive
initiative**



**Construction and
implementation of
a participatory and
collaborative agenda**



**Support for sustainable
development and
organization
of the chain**



**Solution of the main
bottlenecks to pro-
mote a business and
enabling environment**

Funding members of CocoaAction Brasil

The initiative is currently funded by eight companies of the cocoa and chocolate sector, and is open to new funding members who may wish to join the collective action.



CocoaAction Brazil's governance structure

Two groups constitute the governance framework: National Committee and Technical Team, together they discuss the initiative's priorities, strategic actions, projects and activities.

Public Sector – Federal Level



Sectoral Entities



Research and Extension Entities



Public Sector – State Level



Secretariats of Agriculture Extension Agencies



Agricultural and Livestock Defense Agencies



Private Sector



Certifications and Third Sector Organizations



*Newcomers: part of the governance structure since November 2022.

CocoaAction Brasil priorities

The priorities of CocoaAction Brasil have been discussed and defined by its governance through a participatory and collaborative process during the first year of the initiative. Priorities are divided in 4 pillars, with one of them being more comprehensible, as a chain structurer that supports the work focused on producers, community and planet.

PRODUCERS

- Productivity increase
- Improve quality
- Improve farm management
- Prevention of pests and diseases

COMMUNITY

- Improve living and working conditions
- Strengthen producers' organization
- Youth, gender and family succession

PLANET

- Control of deforestation and promotion of reforestation
- Conservation and recovery of Permanent Protection Areas (PPA) and Legal Reserves (LR)
- Improve agroforestry systems

ENABLING ENVIRONMENT

- Organization of the chain, efficiency and governance
- Access to credit and land regularization
- Information management of the cocoa chain

Engagement and advocacy in numbers

- 5 years of collective work
- 8 funding companies
- 42 entities in governance structure
- 7 new companies invited to join
- 21 governance meetings
- Participation in 6 groups and forums of the cocoa chain
- More than 2,500 actors in contact list
- Over 200 organizations engaged in initiative's activities





**CocoaAction Brasil's performance:
2018 to 2022**

How does an organization help to structure a chain?

CocoaAction Brasil has been working as a backbone organization over the past 5 years.

Backbone organizations are those that support multistakeholder collaboration and seek to generate collective impact. Coordinating several players of a chain demands a huge amount of time and resources to generate engagement, education and alignment toward collective growth.

These organizations are present in different markets, focused on impact and their purpose is to address recurring gaps between the links of the chain and ecosystems.

What is a backbone organization?

“An organization with a dedicated team with specific competences to serve as a backbone for the collective impact initiatives and to coordinate the integrated work of all participating organizations.”

Source: Channeling Chance: Making Collective Impact Work (Stanford Social Innovation Review, 2012).



Challenges a backbone organization faces

Some barriers arise over the process of facilitating the structuring of a chain or ecosystem. The role of a backbone organization such as CocoaAction Brasil, on its turn, is to care for the unity and engagement of the different stakeholders, addressing the challenges mentioned below:

Lack of clarity of how to measure success, and data that does not favor learning

Difficulty in generating growth and enthusiasm in the long term

Disconnected people and activities

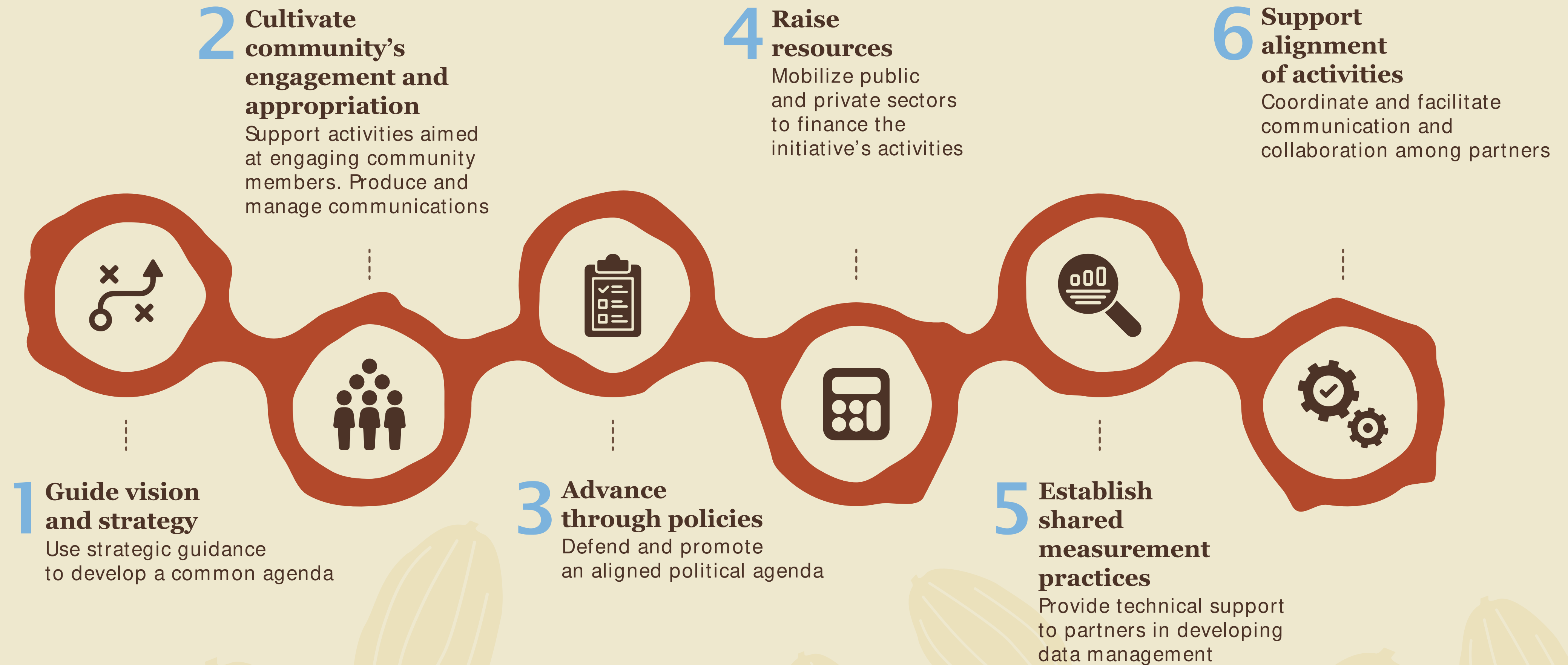
A weak sense of partnership

Lack of clarity about purpose and results

Failure to involve beneficiaries

The main roles of a backbone organization

In order to fill the gaps existing in the exchanging environment of the chain, the main roles of a backbone organization are:



We are now going to analyze the structuring actions of CocoaAction Brasil and the perceptions of stakeholders of the cocoa chain in regard to the impacts generated by the initiative.

CocoaAction Brasil's role over the last years has been that of creating the bases to develop a collaborative space capable of speeding up growth in the cocoa chain in a sustainable way.

To make this mission a reality, the initiative has been dedicated to creating an "enabling environment" within the chain.

The organization and alignment work being done is important to create the basis for the sector's sustainable development.

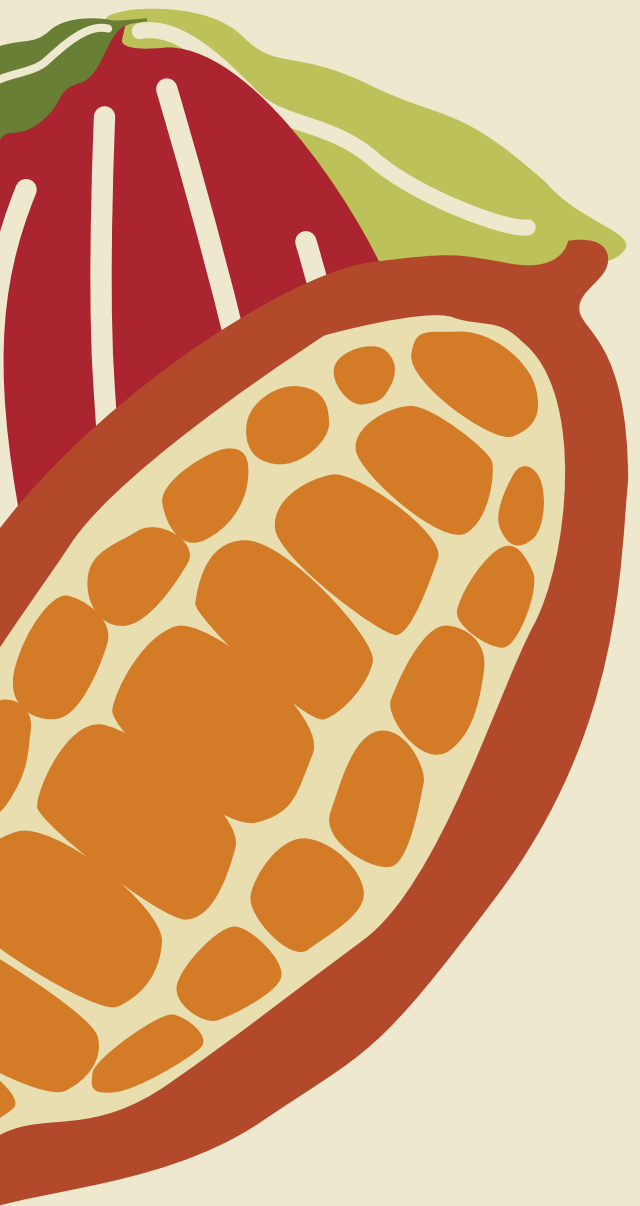


The image features a repeating pattern of stylized cocoa leaves in a light beige color against a slightly darker beige background. In the center, there is a large, dark orange, irregularly shaped graphic element that resembles a cocoa pod or a cluster of leaves. Inside this orange shape, the text "CocoaAction Brazil's collective actions and activities" is written in a white, bold, serif font, centered horizontally and vertically.

**CocoaAction Brazil's collective
actions and activities**

Cocoa Sustainability Curriculum

- Guide with 32 practices: production, environmental and social management
- Sustainability reference for cocoa producers, technicians and institutions
- Continuous improvement processes for a more responsible production
- Collective development and validation process involving over 50 entities
- Recognized by the Ministry of Agriculture, Livestock and Food Supply (MAPA) as Good Agricultural Practices Program



Incentives for quality improvement, with sustainability

Since 2021, the Cocoa Sustainability Curriculum has been adopted by the **National Cocoa Quality Competition**, and by the **Cocoa Quality and Sustainability Contests of Rondônia and Espírito Santo** states as a selection criterion, a message to markets that quality cocoa is the one produced with socio- environmental responsibility.

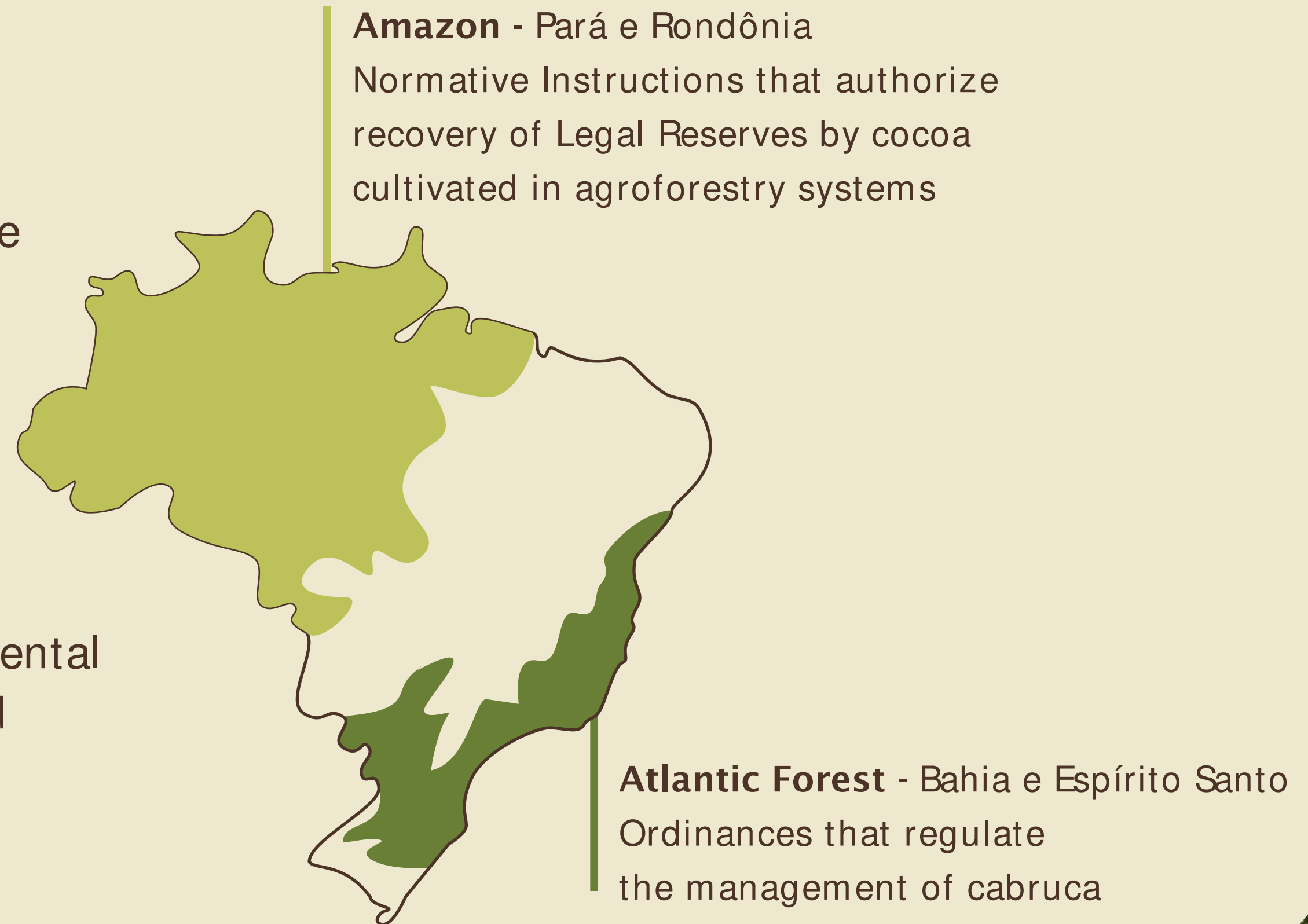


6º CONCURSO DE QUALIDADE DE AMÊNDOAS DO CACAU CAPIXABA



Support in creation of public policies

CocoaAction supported the publication of the Normative Instructions of Pará and Rondônia, which enable the recovery of Legal Reserves through cocoa cultivation in agroforestry systems (AFS), in addition to the revision processes of Ordinances in Bahia and Espírito Santo states that regulate the management of cabruca and reinforce its relevance to the preservation of the Atlantic Forest. These measures generate socio- environmental benefits, contribute to generate income for families and stimulate biomes conservation.




Higher access to rural credit

CocoaAction Brasil's articulation with different stakeholders and institutions of the chain, participation in strategic discussions, foment to dialogue and collective solutions have been fundamental to expand cocoa producers' access to credit in recent years.

Coordination of **GT Crédito**, a working group that specifically addresses credit in the cocoa chain, linked with the Cocoa and Agroforestry Systems Sectoral Chamber of the Ministry of Agriculture, Livestock and Food Supply (MAPA).

Contribution to improvements of Plano Safra (Crop Plan) 2021 - 2022, based on submissions of the cocoa production chain and advocacy with the Ministry of Economy.

- Inclusion of rural settlers in Pronaf Floresta credit line
- Inclusion of cocoa grown in agroforestry systems in Pronaf Bioeconomia credit line



In **2017**,
cocoa growers
accessed
R\$19.7 million
via Pronaf credit line

In **2021**,
this number
exceeded
R\$67 million

240% increase
in credit accessed by small
growers between
2017 and 2021
(Pronaf)

Expansion of access to rural credit

Contracted amount and value (BRL R\$ million) in rural credit operations within the scope of Pronaf, for product COCOA, according to the Unit of the Federation - Brazil, 2017 to 2021

	2017		2018		2019		2020		2021	
State	Qty.	R\$ MM	Qty.	R\$ MM	Qty.	R\$ MM	Qty.	R\$ MM	Qty.	R\$ MM
Bahia	2.524	13,98	2.831	1,53	3.140	17,03	4.335	26,52	6.248	46,26
Pará	85	3,18	70	3,44	146	6,93	247	11,09	498	18,07
Espírito Santo	28	0,99	29	0,63	54	1,47	73	2,06	97	2,96
Rondônia	60	1,47	27	0,75	27	0,67	16	0,51	8	0,36
Others	7	0,073	6	0,013	2	0,009	1	0,001	4	0,005
Overall Total	2.704	19,70	2.963	20,39	3.369	26,11	4.672	40,19	6.855	67,67

Cacau 2030 Strategic Guidelines

In partnership with ILO, CocoaAction Brasil conducted a collective construction process with the cocoa chain in 2020, involving more than 50 entities of the public and private sectors and civil society, which culminated in the creation of the **Cacau 2030 Strategic Guidelines**, a set of guiding actions aiming at the sustainable development of cocoa production, focused on the promotion of decent labor and better living conditions, launched in 2021.



Partnership:



Knowledge dissemination & engagement of the chain

Annual Cocoa Forum - CocoaAction Brasil



----- **5** Editions

2018 Brasília, DF	2019 Brasília, DF	2020 Online
	2021 Online	2022 Belém, PA

----- **+900**
Participants

CocoaAction Brasil Webinars

 **10** Webinars

 **+ de 22.200**
views on YouTube



The Annual Cocoa Forum is currently one of Brazilian largest events on cocoa sustainability, having established itself as an important space for collective construction and dialogue.

Reports and publications



Panorama of Cocoa Cultivation in the Southern Coastal Territory of Bahia. Instituto Floresta Viva Report - one of the most comprehensive studies conducted with cocoa growers in Brazil in recent years. Over 2,400 growers were interviewed in 27 municipalities in Southern Coastal Bahia. Deep analysis of the productive, social and environmental scenario of Brazil's most traditional cocoa producing region. Rich consultation material to understand challenges and opportunities in cocoa production.

Partnership:



Economic feasibility of productive systems with cocoa. Study developed in partnership with Instituto Arapyau and WRI Brasil that addresses the economic feasibility of seven different cocoa productive models in Bahia and Pará.

Partnership:



Knowledge dissemination, capacity building and communication efforts



Cocoa Sustainability Curriculum

Series of videos about the Cocoa Sustainability Curriculum: 3 episodes - Production, Environmental and Social Management

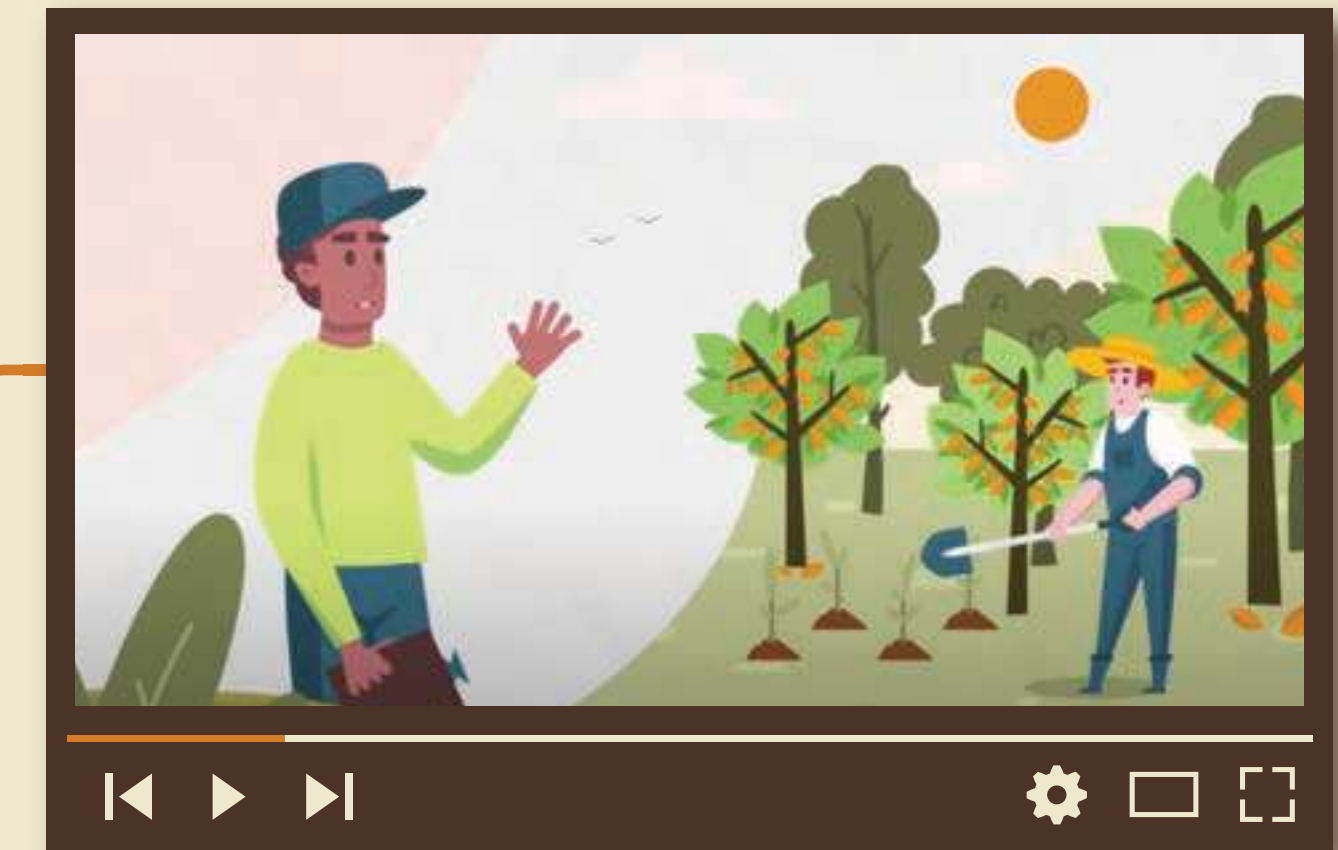
Partnership:



Monilia (Frosty Pod) Prevention in Cocoa

Series of educational videos about monilia - 3 episodes

Partnership:



Management of Exotic Plants in Cabruca

Educational video about management of exotic (non-native) plants in cabruca

Partnership



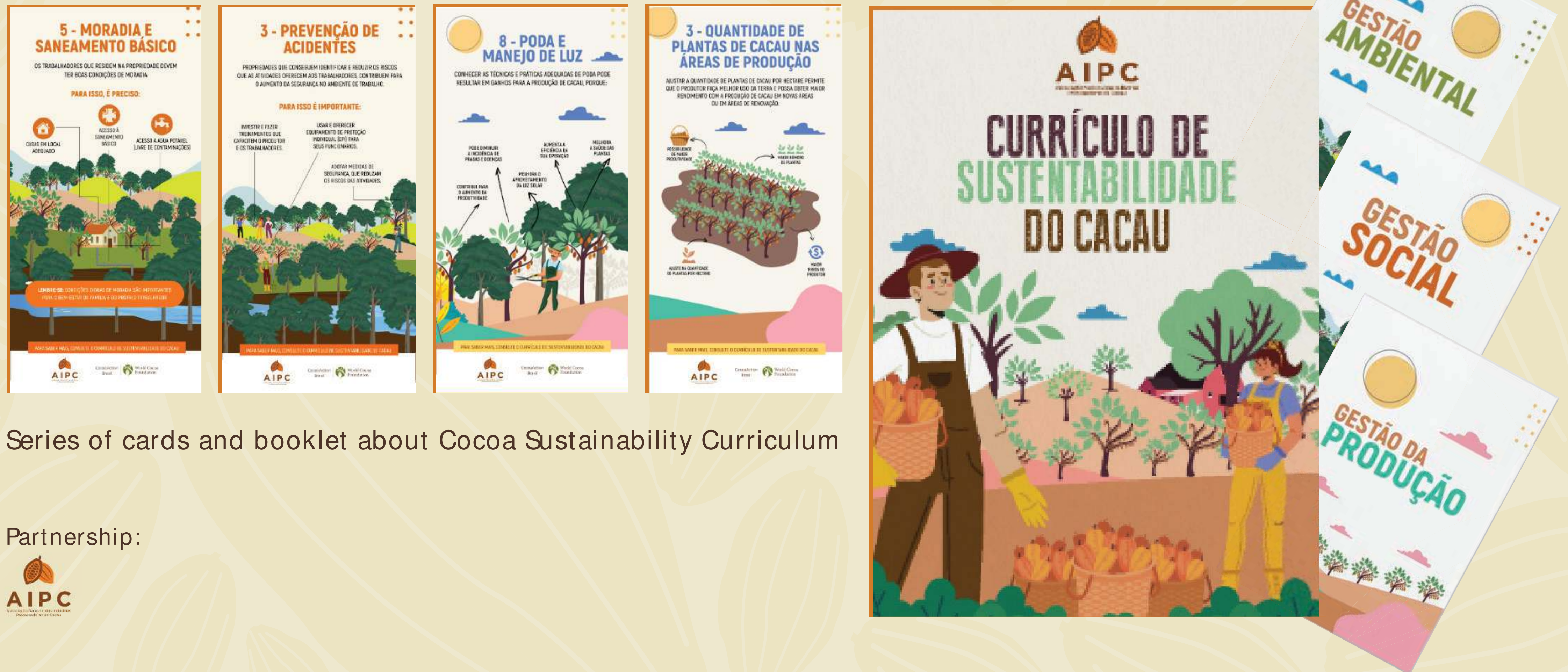
Knowledge dissemination, capacity building and communication efforts

Training conducted in 2019 in partnership with Bahia Agricultural and Livestock Defense (ADAB) and CEPLAC, which trained 25 multiplying agents on the prevention and handling of monilia (Frosty Pod) in cocoa.

Partnership:



Knowledge dissemination, capacity building and communication efforts



Series of cards and booklet about Cocoa Sustainability Curriculum




Partnership:



Knowledge dissemination, capacity building and communication efforts



CocoaAction Brasil in social media

- Dissemination of technical content, studies, news and events related to the cocoa chain
-  820 followers
-  Over 2,800 followers
-  Communication channel with growers

Knowledge dissemination, capacity building and communication efforts

Technical Mission organized with 35 chain representatives to experimental areas of Renova Cacau Project in the Ilhéus region of Bahia with the purpose of expanding knowledge about different renewal techniques to increase cocoa productivity.





Technical Mission (April 2022) - Renova Cacau Project, Ilhéus, BA

Press Trips: Bahia and Pará

● 2021 Press Trip

- Ilhéus, Bahia
- 12 participants
- Participating press: Forbes Brasil, Notícias Agrícolas, Portal Uol

● 2022 Press Trip

- Altamira, Pará
- 30 participants
- Participating press: Globo Rural magazine, Canal Rural, Plant Project



Partnership:



Bring journalists closer to the cocoa chain, promoting a positive agenda

Disseminate knowledge about cocoa production and processing

Understand the reality of regions where cocoa is produced

Visits to properties, cooperatives, industries

Generate connections and engagement



Groups and partnerships

Collaboration and partnerships are key in the way CocoaAction Brasil's works. Partnerships established over the last five years are highly relevant for the evolution of the chain. In addition to the governance structure, here are some groups in which CocoaAction Brasil participates and collaborates.

- Cocoa and Agroforestry Systems Sectoral Chamber
- GT Crédito - Credit Working Group (connected to the Cocoa Sectoral Chamber)
- Cocoa Sectoral Chamber of Bahia
- Amazonic Origin Cocoa
- South- South Knowledge Exchange (SSKE)
- Agroforestry Network of South Bahia
- Transamazônica Platform
- Rota do Cacau - Pará
- GTEC Cacau (Cocoa Working Group)





To this point we have presented many actions that CocoaAction Brasil has executed as a backbone organization. Based on the partnerships built, articulations and engagement with multiple chain stakeholders, two large projects have been created: the Cacao 2030 Project, already in progress, and the Sustainable Cocoa Corridor in Pará, in partnership with Systemiq, still in the structuring phase.

The image features a repeating pattern of stylized cacao beans in a light beige color against a slightly darker beige background. In the center, a large, solid red shape resembling a cacao bean is positioned horizontally. Inside this red shape, the text "Cacao 2030 Project" is written in a white, bold, serif font.

Cacao 2030 Project

Cacau 2030 Project

Cacau 2030 Project is born with the intent of accelerating the sustainable development of the cocoa chain, with focus on impact at field-level.

Through multiple partners, the project was structured to overcome bottlenecks of the chain, with actions directed at producers, cooperatives and technicians.



Big figures of Cacau 2030 Project

Technical & Managerial Assistance
3.000 producers



Implementation period
5 years (2021-2025)



States
Pará, Bahia and Espírito Santo

1,400 credit projects
BRL 32 million



BRL 44.3 million
invested in Cacau 2030
Project*

Training of technicians
16 trainings
400 technicians



Qualified cooperatives
12 cooperatives

Mapping of cocoa areas
Bahia and Pará



IVI Cacau Tool

Partners of Cacao 2030 Project

Conception, articulation and oversight



Funding



Coordination



Support



Initial advances of Cacau 2030 Project



Capacity building for technicians

30 technicians trained in Bahia
27 technicians trained in Pará

Access to credit



8 "credit activators" trained



Technical assistance to growers



3,000 cocoa growers reached
(**1,500** in Bahia; **1,500** in Pará)

IVI Cacau Tool



InPACTO (under development) Vulnerability Index



Field Days

199 growers attended:
2 events / Bahia and Espírito Santo

MapBiomias Cacau



82 municipalities mapped in Bahia, identifying cabruca and pasture areas with possibility for implementation of agroforestry systems with cocoa (under development)



Events for cocoa nurserymen

2 events organized: Ilhéus (BA) and Medicilândia (PA), over **100** participants

Strengthening of cooperatives



Diagnosis of **8** cooperatives concluded - assessment of needs, demands and bottlenecks for future qualification



Initial advances of Cacau 2030 Project



Thematic Chamber of Cocoa Cooperatives of Pará

Chamber formation, governance framework created and definition of priorities



EAD Cacau

Beginning of development of distance learning (EAD) platform for cocoa



Expansion of activities in Espírito Santo

Additional resources raised for development of activities in Espírito Santo state



Promotion of Decent Labor

Bahia Workshop, in Ilhéus: **50** participants (39 entities) + Pará Workshop, in Altamira: **70** participants (45 entities)



Cocoa Sustainability Curriculum Implementation Guide

Material with guidelines for implementation of good agricultural practices (under development)



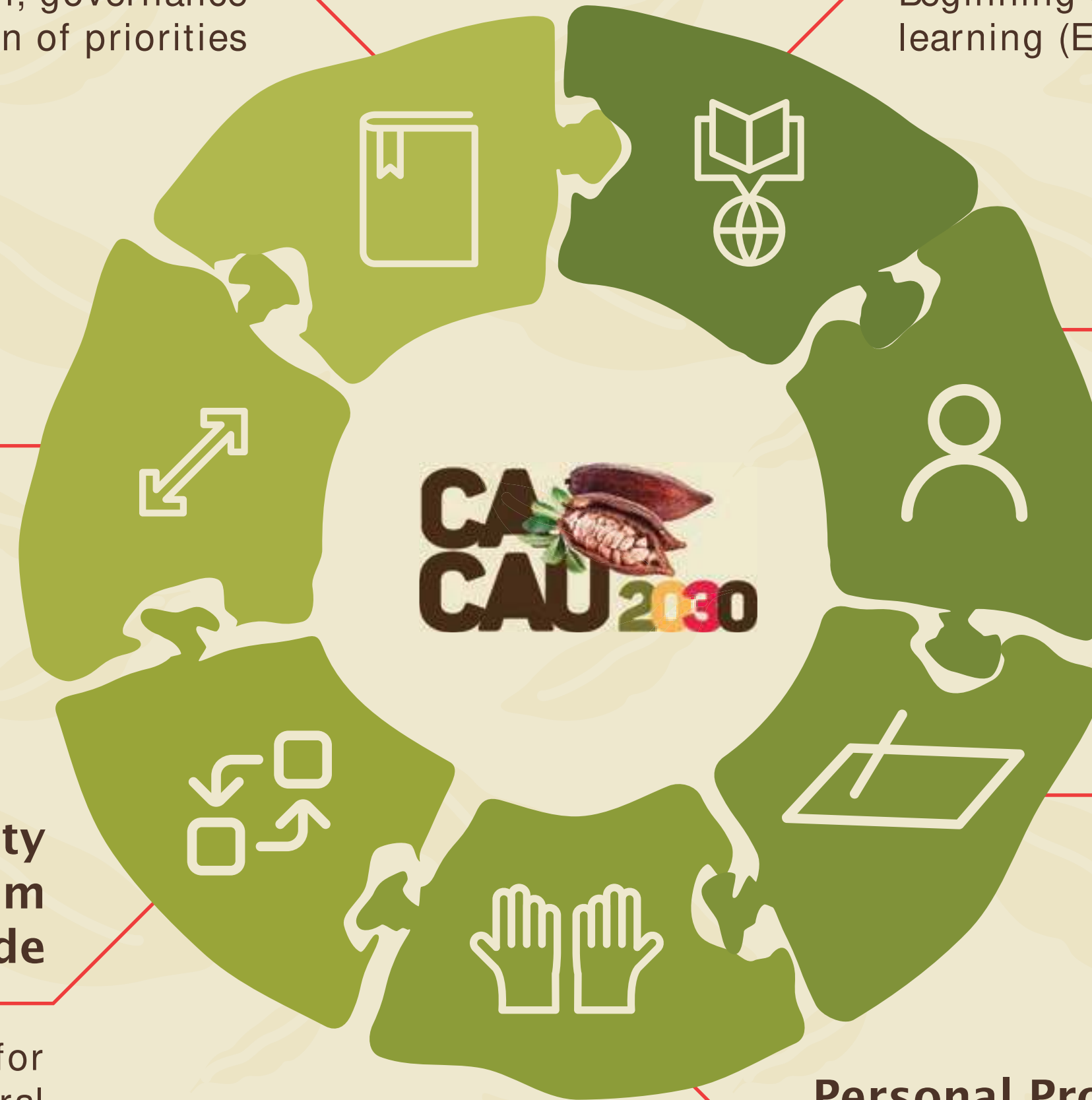
Study on cocoa areas in Pará

Study about the sustainable expansion of cocoa in Pará, which mapped 70,000 hectares of cocoa (from 2003 to 2019), published in a scientific magazine.



Personal Protective Equipment

Formalization of partnership for distribution of PPI to cocoa producers





Activities of Cacau 2030 Project

Sustainable Cocoa Corridor

**Project in partnership with Systemiq, global consultancy
focused on systemic transformations and climate change.
Integrated with Cacao 2030 Project.**

Sustainable Cocoa Corridor

The Sustainable Cocoa Corridor is a pre-competitive sectoral arrangement for the cocoa chain of Pará that foresees a collective commitment with the development of sustainable agroforestry production and collaboration between public and private sectors toward structuring actions for the chain.

During the structuring phase of the project in 2022, Systemiq and CocoaAction Brasil conducted an extensive process of consultation and validation with chain stakeholders to define strategy, operational model and priority actions to be developed. In 2023, a pilot phase is planned to begin operations and priority programs, which should last 36 months. The main activities to be developed are:

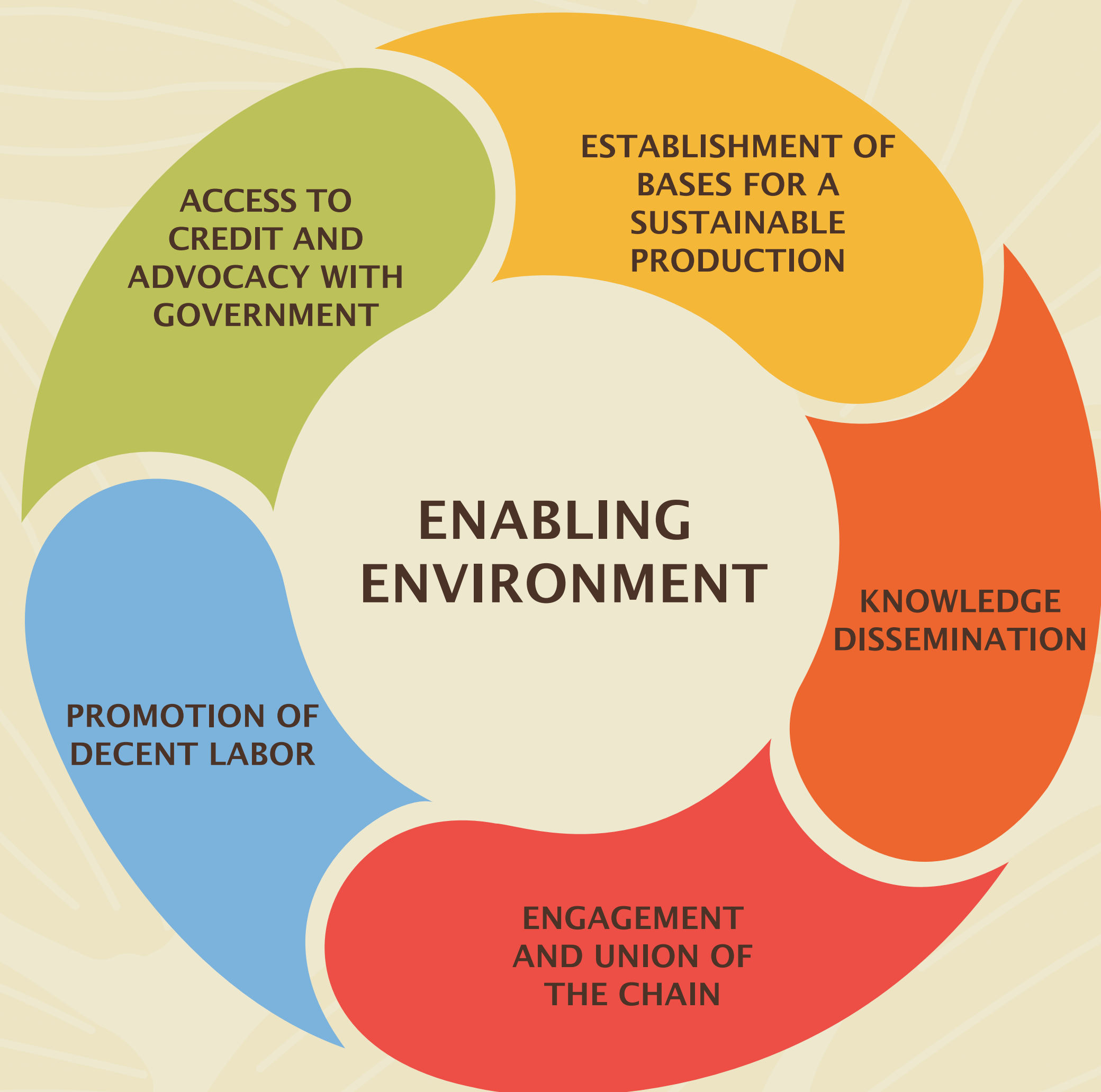


How is CocoaAction recognized?

Perception from stakeholders and Sense-Lab's impact analysis

Perception of CocoaAction Brasil's performance over the last 5 years

With the purpose of analyzing the perception of impact of the actions coordinated by CocoaAction Brasil, 10 stakeholders representatives of the cocoa chain were interviewed and 83 members and partners of the initiative were surveyed (filled a perception questionnaire). Once such players' perceptions were collected, it was possible to do a perception analysis of the initiative's impact to the development of the cocoa chain. This analysis was then divided in the following fields:



Engagement & union of the chain

By building trust, dialogue and collaboration between the links of the chain, CocoaAction Brasil works to create an enabling environment in cocoa. Over the last 5 years, stakeholders were able to note significant improvement in the relationship between the different segments of the chain, which potentiates collective work and union within the sector to advance with strategic agendas.



Facilitator of positive dialogue in the cocoa chain:

With an experienced team in the promotion of enabling environments, CocoaAction Brasil is seen as a great promoter and facilitator of dialogue by the main stakeholders of the chain. Many interviewees mention that before the initiative stakeholders did not have positive exchanges or even any dialogue at all.



Enabler and potentiator of result-generating projects for the chain:

The initiative is seen as an energizing agent of the chain, as it creates synergies and connections between relevant organizations and players that generate new projects or potentiate existing actions, providing relevance for the cocoa chain, generating partnerships and knowledge exchange.



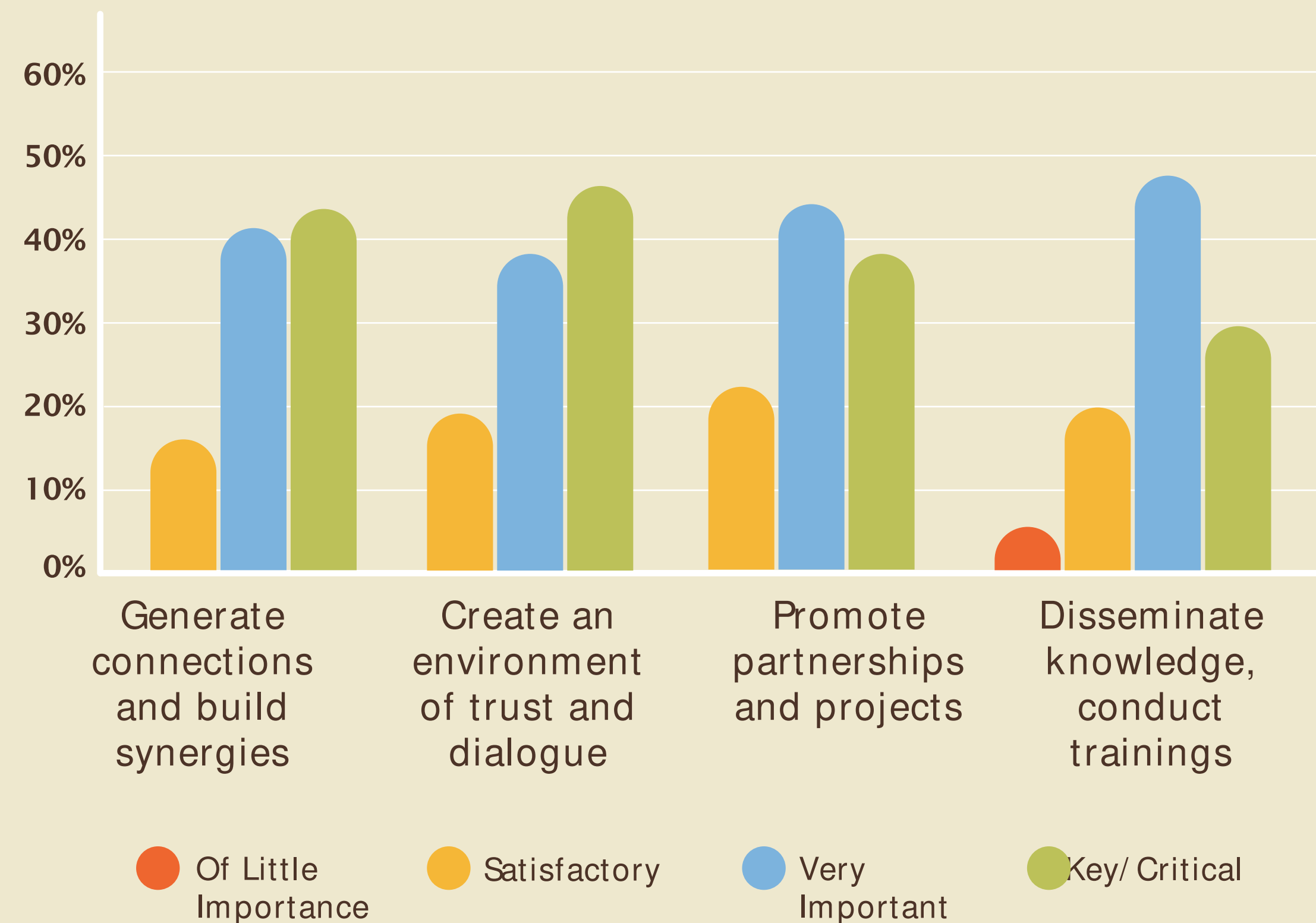
Capacity to identify specificities of each region, and presence in all producing states:

The initiative is recognized for active listening and acknowledging challenges specific to each region. Due to its wide relationship network, CocoaAction Brasil manages to be relevant by demonstrating understanding and sensitivity with the diversity of actors and realities of the chain.

Engagement & union of the chain

CocoaAction Brasil's work to foment this ambiance of trust, generating more connections, creating a safe environment, fostering partnerships and disseminating knowledge is recognized by interviewed stakeholders as very important for the overall progress of the chain.

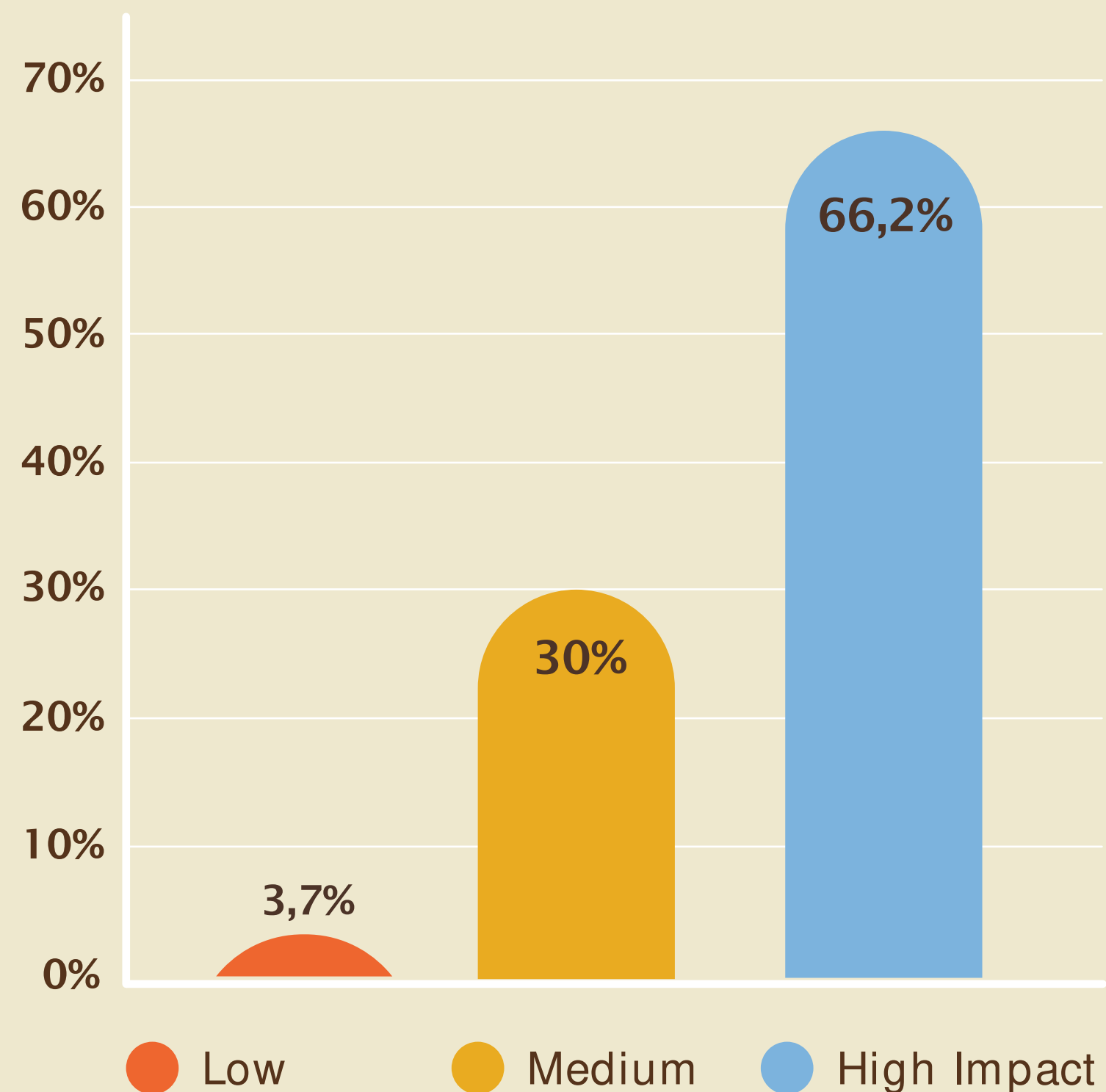
Perception of CocoaAction Brasil's performance in regard to engagement and union



Engagement & union of the chain

We observe that most stakeholders of the cocoa chain recognize this enabling environment as very positive for the sector's sustainable development, being critical to creating solid bases for growth.

Level of impact of CocoaAction Brasil on improved organization of the cocoa chain



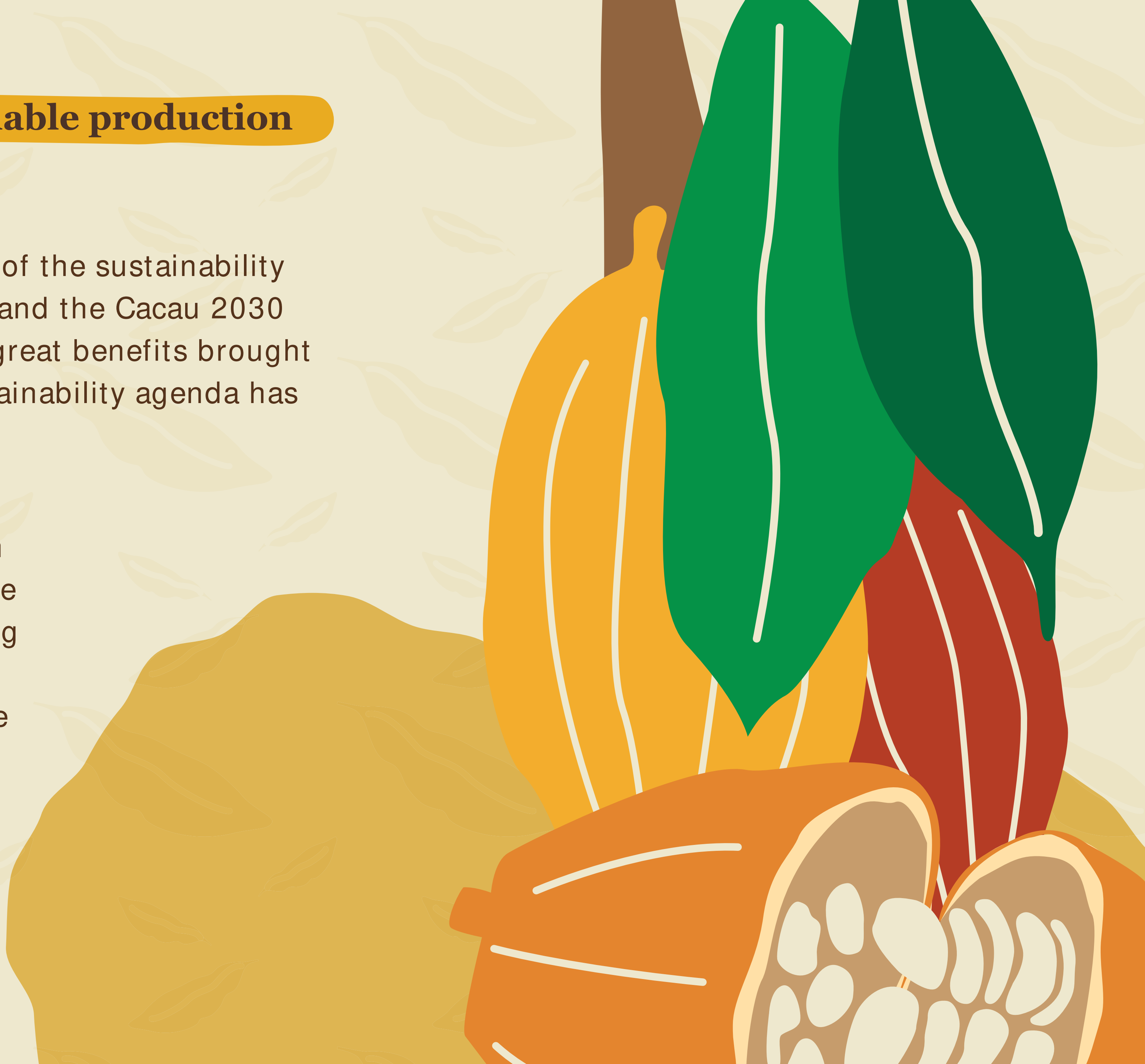
“What I have noticed over the past years is that the initiative is very important to facilitate conversations between the different stakeholders, it searches synergy, always working with agendas that are relevant to the chain, attributing credibility and quality in the discussions of issues and the solutions found. We have a more integrated, balanced chain today.”

Anna Paula Losi,
executive director of AIPC

Establishment of bases for a sustainable production

CocoaAction Brasil is seen as a big promoter of the sustainability agenda: the Cocoa Sustainability Curriculum and the Cacau 2030 Strategic Guidelines have been perceived as great benefits brought by the initiative to the chain, so that the sustainability agenda has become increasingly relevant.

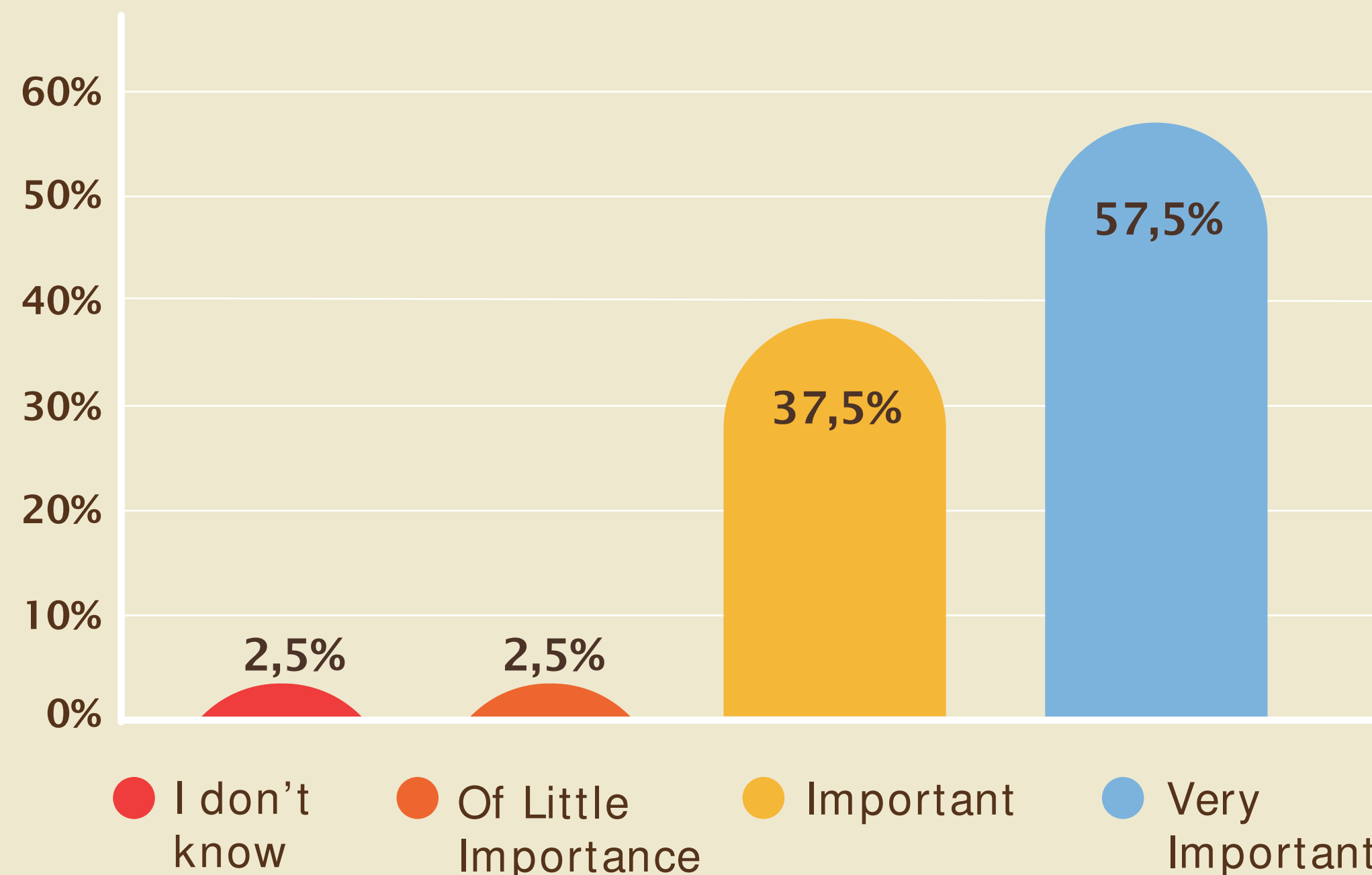
The initiative efforts related to the promotion of a sustainable agenda in the cocoa chain are in their early stages, when the bases are being built in order to establish a better flow of knowledge between stakeholders, with tangible results in the long run.



Establishment of bases for a sustainable production

As a backbone organization, CocoaAction Brasil's focus the dissemination of knowledge about sustainability within the chain, and the Cocoa Sustainability Curriculum has been perceived as a reference for cocoa growers, technicians and institutions, comprising good practices of production, environmental and social management. Such knowledge becomes a baseline of sustainability for several actors, collaborating for changes at field-level in the long term.

The role of the Cocoa Sustainability Curriculum as a tool to promote continuous improvement and good practices in cocoa farming



Establishment of bases for a sustainable production

53%

of respondents consider that CocoaAction contributes to the advancement of the agenda of **deforestation control and promotion of reforestation** in Brazil by articulating the cocoa chain.

69%

of respondents consider that CocoaAction contributes in a satisfactory way or contributes much to the promotion of agroforestry systems and to the advance of their implementation through trainings, facilitation of dialogue and/ or other ways.



Knowledge dissemination

Fostering the enabling environment made it possible to improve dissemination of knowledge throughout the cocoa chain: CocoaAction Brasil is recognized by stakeholders as an important agent of knowledge generation and information dissemination through discussion forums, support to studies, organization of technical events, the Cocoa Sustainability Curriculum, among other actions. According to interviewed actors, these actions bring more knowledge to the chain, particularly among cocoa producers.

76%
of respondents consider the materials published by the initiative critical or very important.

The Annual Cocoa Forum is considered very important by **81%** of respondents in what refers to union of the chain and knowledge exchange.

Webinars organized by the initiative are considered very important by **77%** of respondents.

CocoaAction Brasil is recognized for promoting trainings of high technical level, which increase knowledge about sustainability and decent labor.

The Cocoa Sustainability Curriculum and GTec Cacau are seen as important efforts to generate knowledge in the chain.

Advocacy with government

CocoaAction is recognized for “bringing cocoa back” to the agenda of governments and institutions: advocacy with the government is mentioned many times by the interviewees as a strength of the initiative, since the cocoa chain regains its protagonism, being more valued by governments in view of the relationship and articulations coordinated by CocoaAction Brasil in different spheres, at the federal and state levels.

CocoaAction Brasil is recognized by its advocacy efforts to bring cocoa back to the agenda of government.

CocoaAction Brasil is recognized as an important interlocutor, acting in several spheres of governments.

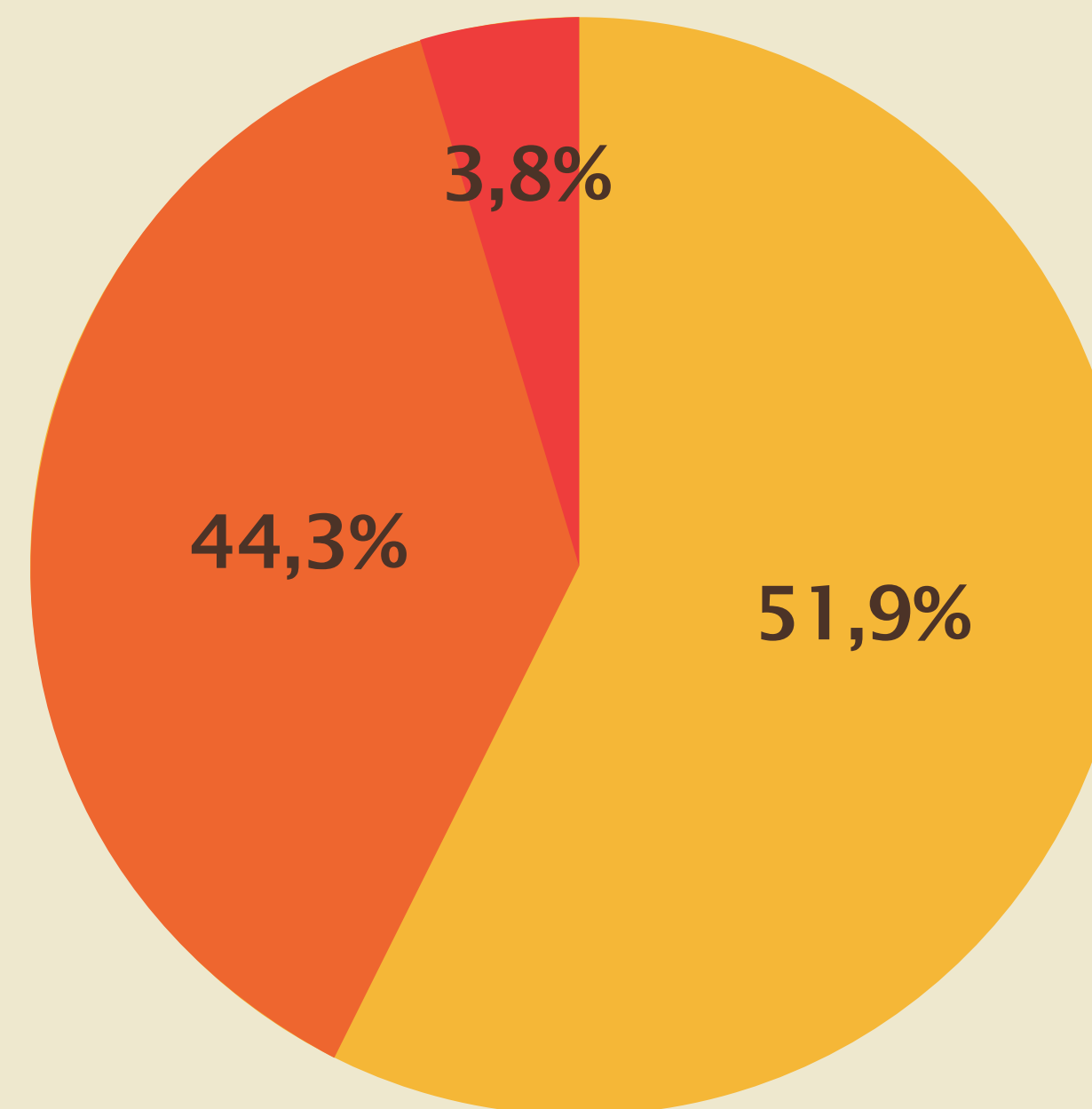
“The institutional relationship work was fantastic, it was something we needed: bringing the attention of the government to cocoa. CocoaAction also did this at state level, and all of it was a structuring work.”

Milton Andrade, president of the Cocoa and Agroforestry Systems Sectoral Chamber

Access to rural credit

CocoaAction Brasil is also recognized as a facilitator of credit access increase to cocoa growers: through collective and coordinated work with the chain, financial and banking institutions, growers today have much more access to credit facilities. The initiative contributed to the creation of new credit lines, and helped to mobilize and “unlock” investments for cocoa producers.

CocoaAction's level of contribution to improvement in credit access to cocoa growers

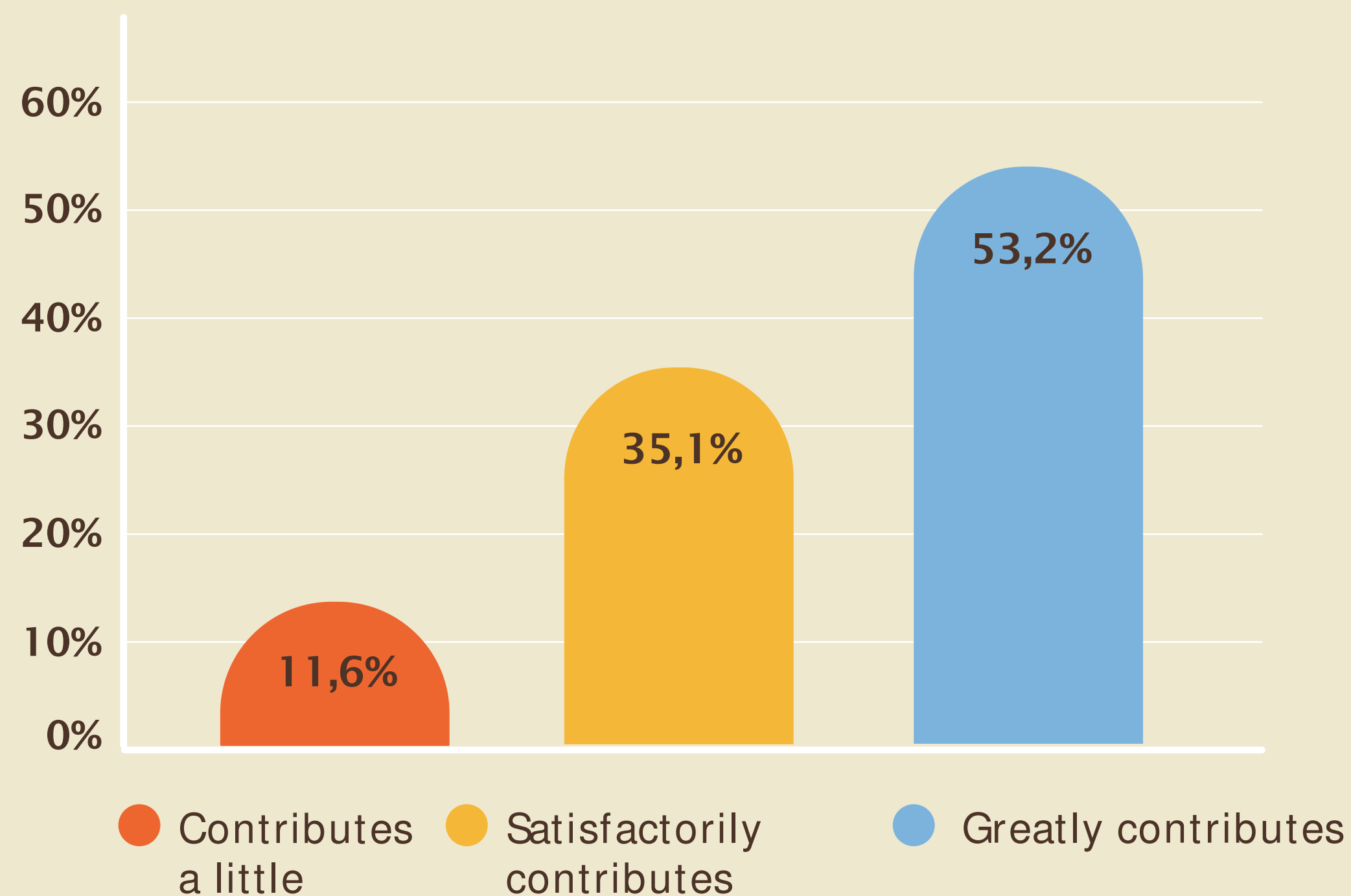


● Does not contribute ● Contributes a little ● Satisfactorily contributes

Promotion of Decent Labor

CocoaAction Brasil is recognized for the strong agenda in the promotion of decent labor, which has been considered an axis of the initiative's performance. All interviewees recognize that there have been improvements in the understanding of the labor legislation and of the conditions to improve living and working conditions in the cocoa chain, given that extensive discussions, workshops as well as reflections about the theme have been promoted.

Level of contribution of CocoaAction so that the agenda of better living and working conditions would advance in the cocoa sector



86%

of respondents consider that CocoaAction Brasil has contributed positively to promote decent labor and disseminate knowledge about social themes in cocoa.

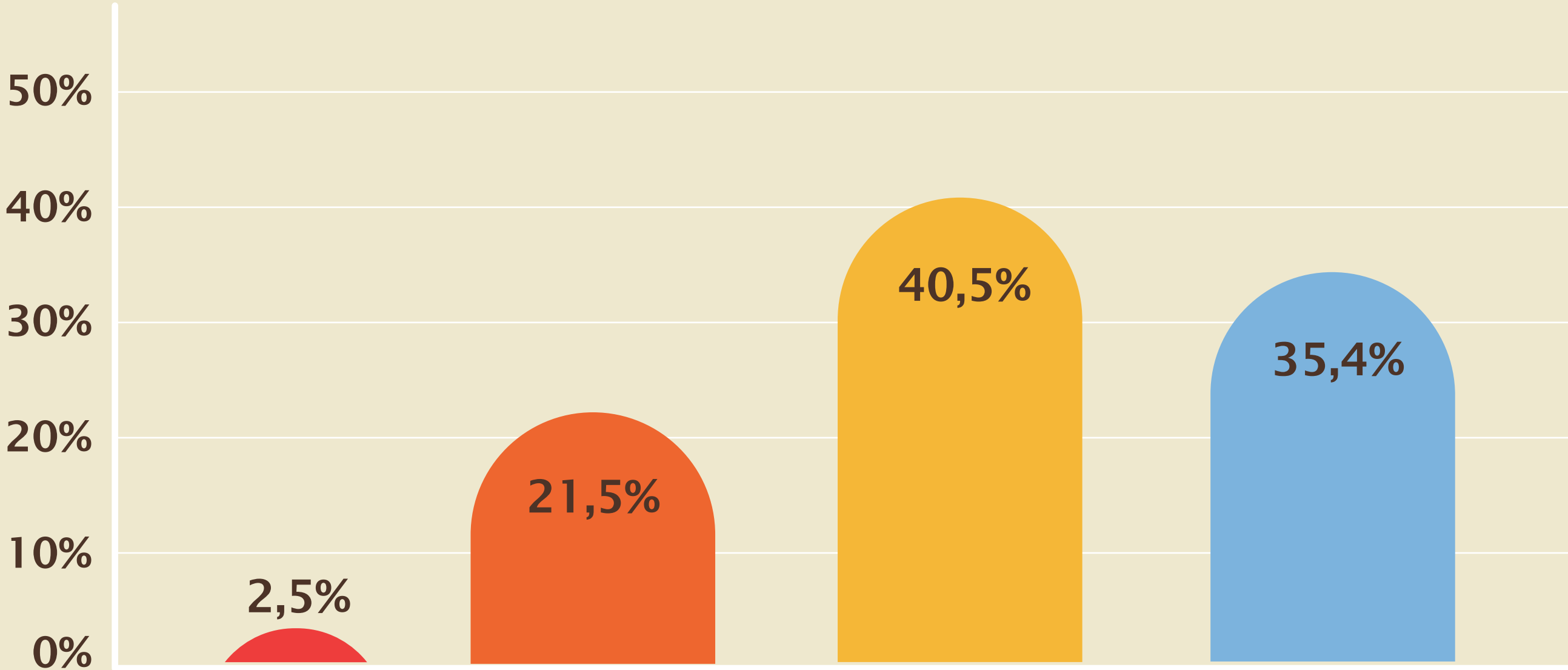


Elisangela Trzeciak (cocoa producer) and team, FlorAmazônia Farm, Medicilândia, Pará - 2022

Productivity increase

Increase in productivity is key for the cocoa chain, and CocoaAction Brasil's efforts are considered promoters of this agenda. The initiative works so that productivity considerably expand over the next years based on technical assistance to producers, strengthening of cooperatives, and dissemination of technical content, among other relevant actions.

CocoaAction's contribution to foster cocoa productivity



- Does not contribute
- Contributes a little
- Satisfactorily contributes
- Greatly contributes

75%
consider that
CocoaAction
contributes positively
to the promotion of
productivity in cocoa.

Productivity increase

79.4%

of respondents consider CocoaAction Brasil's role very important or critical to the **growth potential** of sustainable cocoa production in Brazil

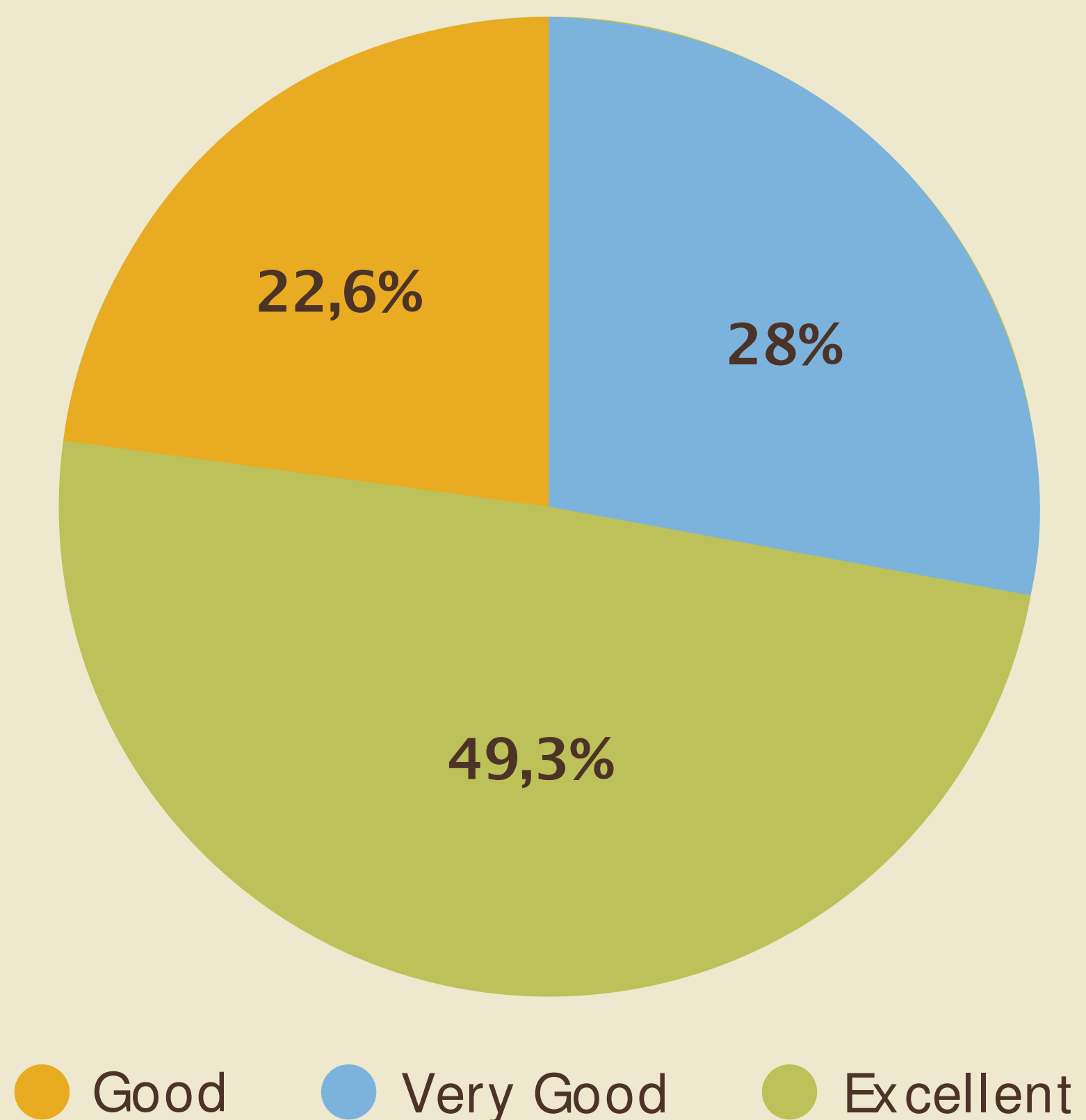
“CocoaAction has an interesting agenda that covers various actions, from efforts with the government to efforts with society as a whole. CocoaAction creates a virtuous cycle, increasing visibility to the cocoa chain.”

Guilherme de Castro Moura,
1st administrative-financial vice-president at FAEB

Cacau 2030 Project

Cacau 2030 Project is recognized as one of CocoaAction Brasil's major contributions to the chain. This work gathers dozens of partners, including funding and implementing partners, and complementary lines of action that seek to advance with sustainability at field-level in a tangible way. The initiative's role was to mobilize and engage the different players and partners, facilitate the conception and coordination structure of this broad project, which was perceived as successful by the chain. CocoaAction Brasil is now expected to help actors in the implementation of all planned actions.

Assessment of Cacau 2030 Project and its contributions to the sustainable development of the sector



Cacau 2030 Strategic Guidelines

- The Cacau 2030 Strategic Guidelines are perceived as a broad articulated planning of the entire chain
- Interviewed players believe that everything that has been planned (content of the material) should be into practice over the coming years
- One of CocoaAction's roles is to assist with the implementation of the social agenda & measurement of results using data and indicators

“Launching the Strategic Guidelines simultaneously with the Cacau 2030 Project was very positive. All of it is a big merit that we can attribute to CocoaAction.”

**Jens Hammer,
Cocoa Life Leader (Cocoa Sustainability
Global Program) at Mondelez**



Conclusions about the perception survey - 2018 to 2022

Finally, stakeholders recognize CocoaAction Brasil as a systemic articulator of the chain, aiming at the development of all its links, in order to establish synergies to create an environment that speeds up maturity, creates opportunities and increases the organization of the entire cocoa chain.

CocoaAction is seen as a systemic articulator of the chain:

The initiative is recognized for the creation of an enabling environment that connects the different segments of the cocoa chain and their agendas in order to facilitate development.



CocoaAction is recognized for increasing the chain's relevance and its opportunities:

The cocoa chain has been through difficult times and CocoaAction Brasil's work is recognized for bringing cocoa back to the agenda of several organizations, providing more relevance for the sector.

CocoaAction is seen as an accelerator of maturity of the cocoa chain in Brazil:

All interviewees agree that if it wasn't for CocoaAction, the chain would have advanced very slowly.

Perception clouds about CocoaAction Brasil

Based on the survey conducted with stakeholders, it was possible to collect perceptions about the particularities and benefits brought by CocoaAction Brasil to the chain. With these data, we have designed two word clouds, as shown below:

Benefits of CocoaAction Brasil to the cocoa chain

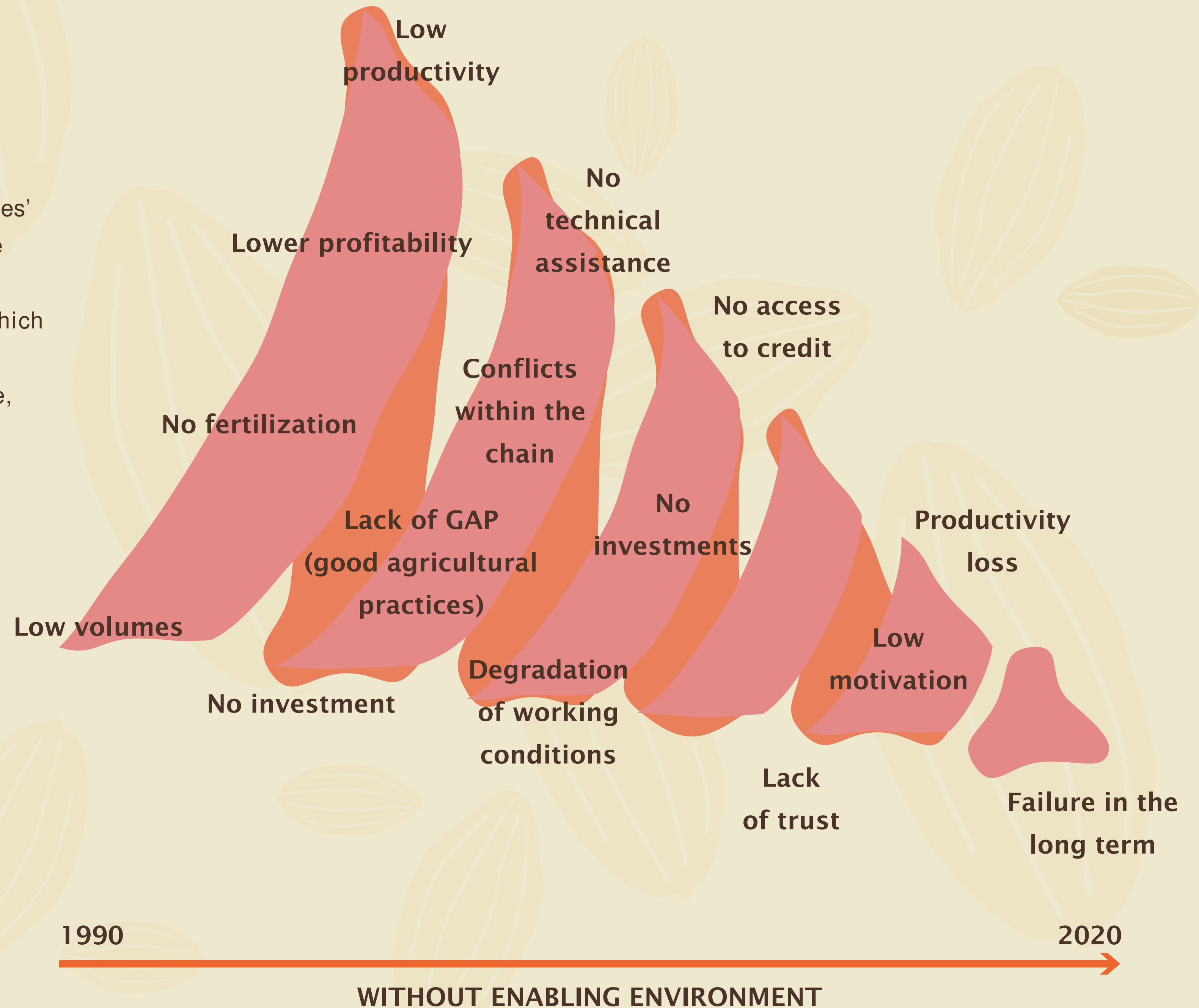


*Mention 3 results or benefits of CocoaAction Brasil to the cocoa chain, in your opinion

The Negative Spiral

As a result of the destructuring caused by the witches' broom, the Brazilian cocoa chain entered a negative spiral cycle in which the producer lost productivity, production volumes and investment capacity fell, which created a cycle of poverty: if there is no investment, there is no production, there is no credit available, plants get weak and produce less, there are no resources, there is no investment...

This cycle lasted for over two decades. The environment was marked by permanent conflicts, low cooperation, lack of partnerships and failure in the long term.

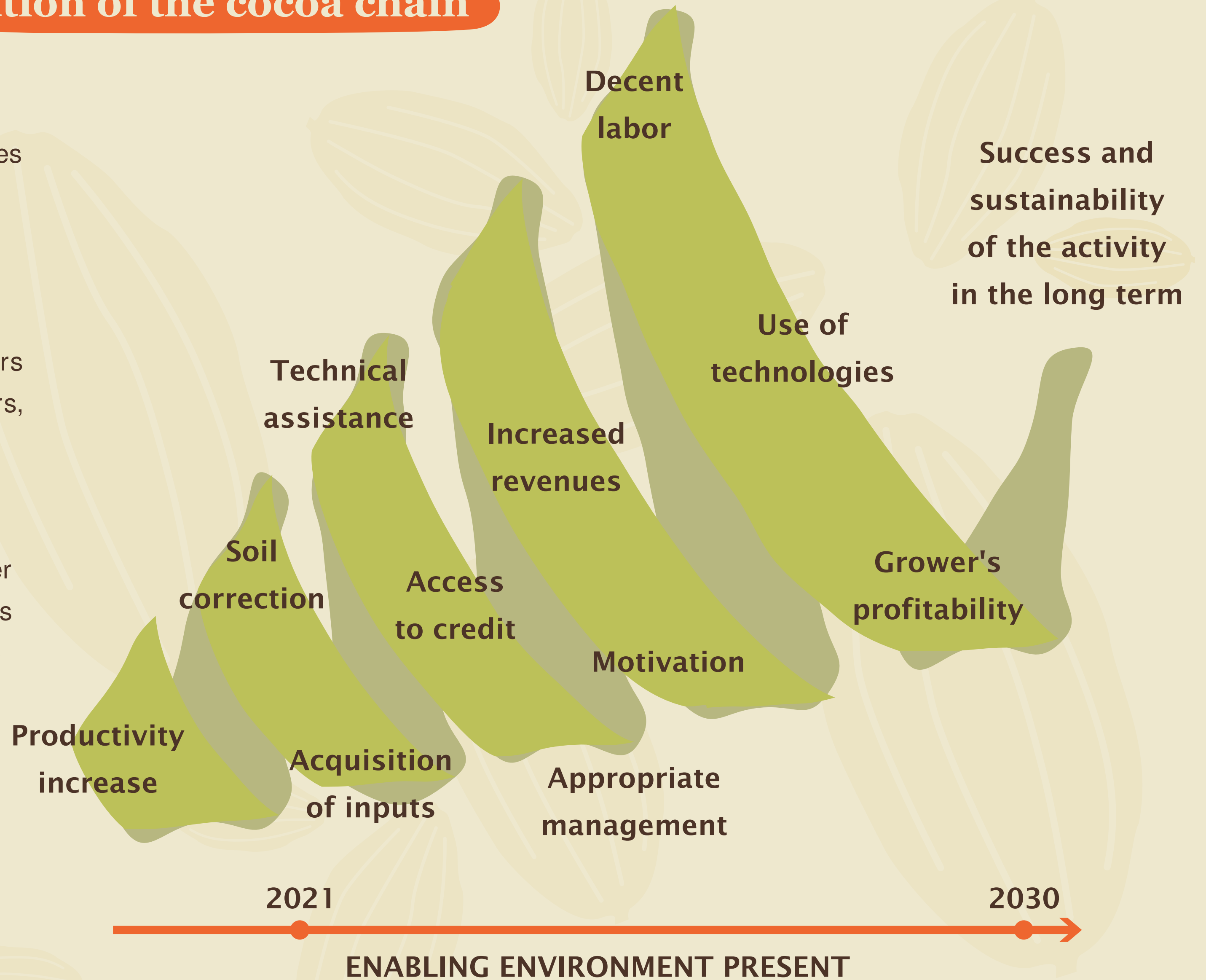


The Positive Spiral and future evolution of the cocoa chain

With the reestablishment of an environment that encourages trust between players, with promotion of dialogue and cooperation, a process of establishment of partnerships has resumed.

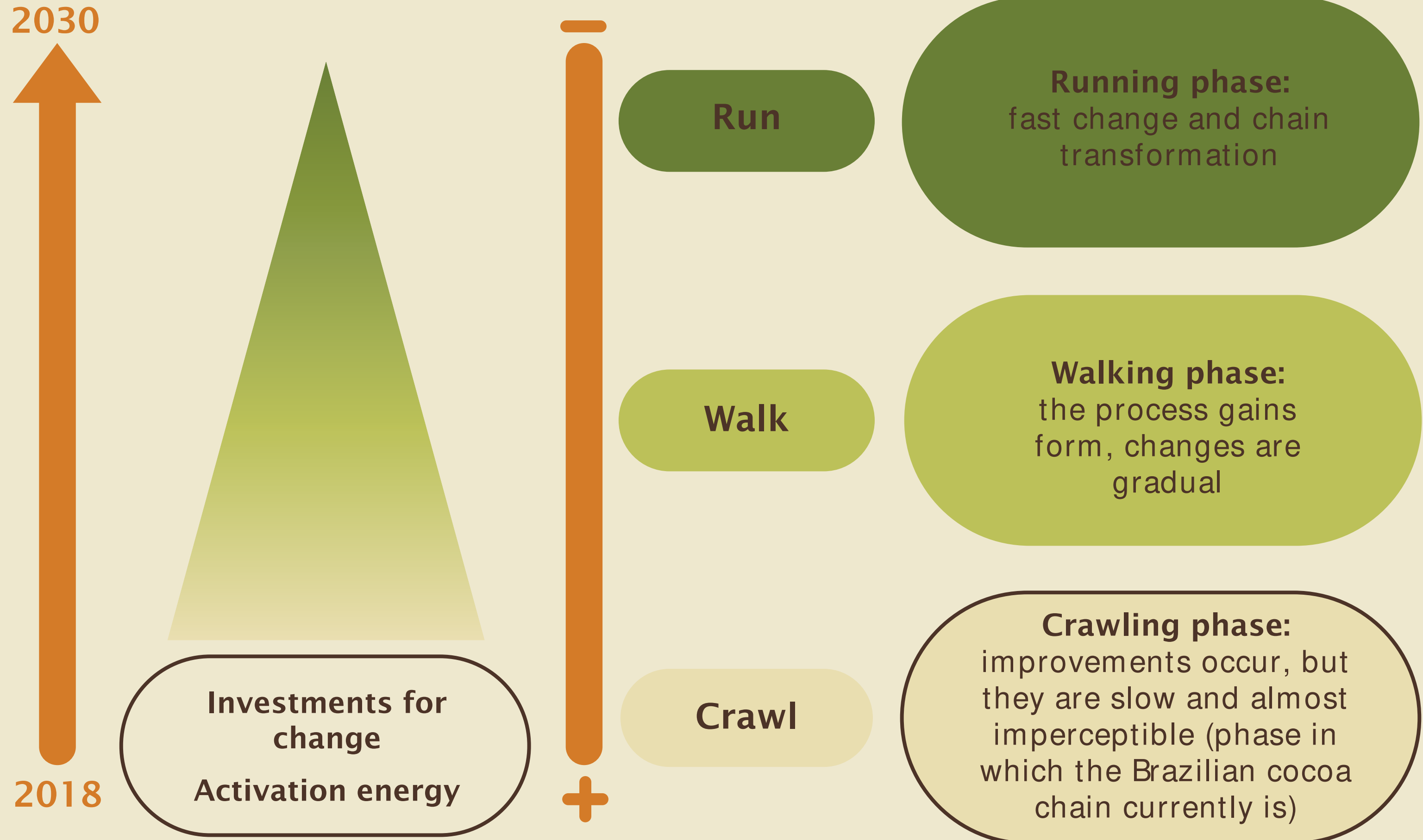
New projects started to provide technical assistance to growers (in expansion), credit consistently increased over the last years, and significant investments are currently being made.

As a result, productivity starts to increase among growers who have access to these services, who also start to recover their investment capacity. By adopting agricultural practices that lead to higher production volumes, producers become more profitable, and investment capability increases. The spiral is then inverted to become positive, and it has been gaining traction and speed.



The future of investment according to chain maturity

The activation energy needed to invert the spiral is high
High investments are needed



Inverting the spiral requires much activation energy, high investments are needed and, at the beginning improvements are almost imperceptible, slow and gradual.

At the beginning, the process is comparable to crawling, when improvements slowly happen. With the latest advancements, the chain is entering the walking phase, structuring itself to achieve the running phase in the future, when fast changes occur.

Despite the huge challenges and the long path ahead, the cocoa production chain in Brazil offers gigantic opportunities to retrieve growers' profitability, aligned with environmental preservation and decent labor.

The spiral is already feeding itself in a dynamic process that has all of the conditions to speed up and become increasingly less dependent of external activation. The result of this process has the potential to be a case of great success in the long term.

More projects and investments in the sector

82%

of respondents consider that CocoaAction contributes positively to the increase in investments occurring in the Brazilian cocoa sector.

The environment of cooperation and collaboration within the cocoa chain has significantly improved over recent years. As a result, there are numerous new projects, activities and actions implemented by different entities, organizations and companies that greatly contribute to the recovery process. Note: this report does not consider projects of a competitive scope supported by companies/ members of CocoaAction Brasil.



Projects mapped in the cocoa chain



24 projects in progress



More than **BRL 150 million** to be invested in the cocoa chain over the next years



Over **BRL 60 million** invested in technical assistance to growers



Over **8,300 cocoa growers** will receive technical assistance

Investments in cocoa sustainability by CocoaAction Brasil member companies

Pre-competitive investment in sustainability

Total amount invested by companies on CocoaAction Brasil:

- Coordination
- Cacau 2030 Project
- Studies and publications
- Communication materials
- Events and meetings

USD 2.8 million (2018-2023)



Competitive investment in sustainability

Total amount invested by companies in:

- Sustainability teams
- Technical support for cocoa growers and technicians
- Subsidies for inputs
- Support for events, fairs and contests related to cocoa, and communication campaigns
- Social and environmental development projects
- Research on cocoa with shared/ public results
- Support for sustainability projects implemented by third parties

USD 25 million (2017-2021)

USD 84.5 million (planned 2022-2026)

Consolidated data from 8 companies, in USD

*CocoaAction Brasil member companies (funders): Barry Callebaut, Cargill, Dengo, Harald, Mars, Mondelez, Nestlé, ofi

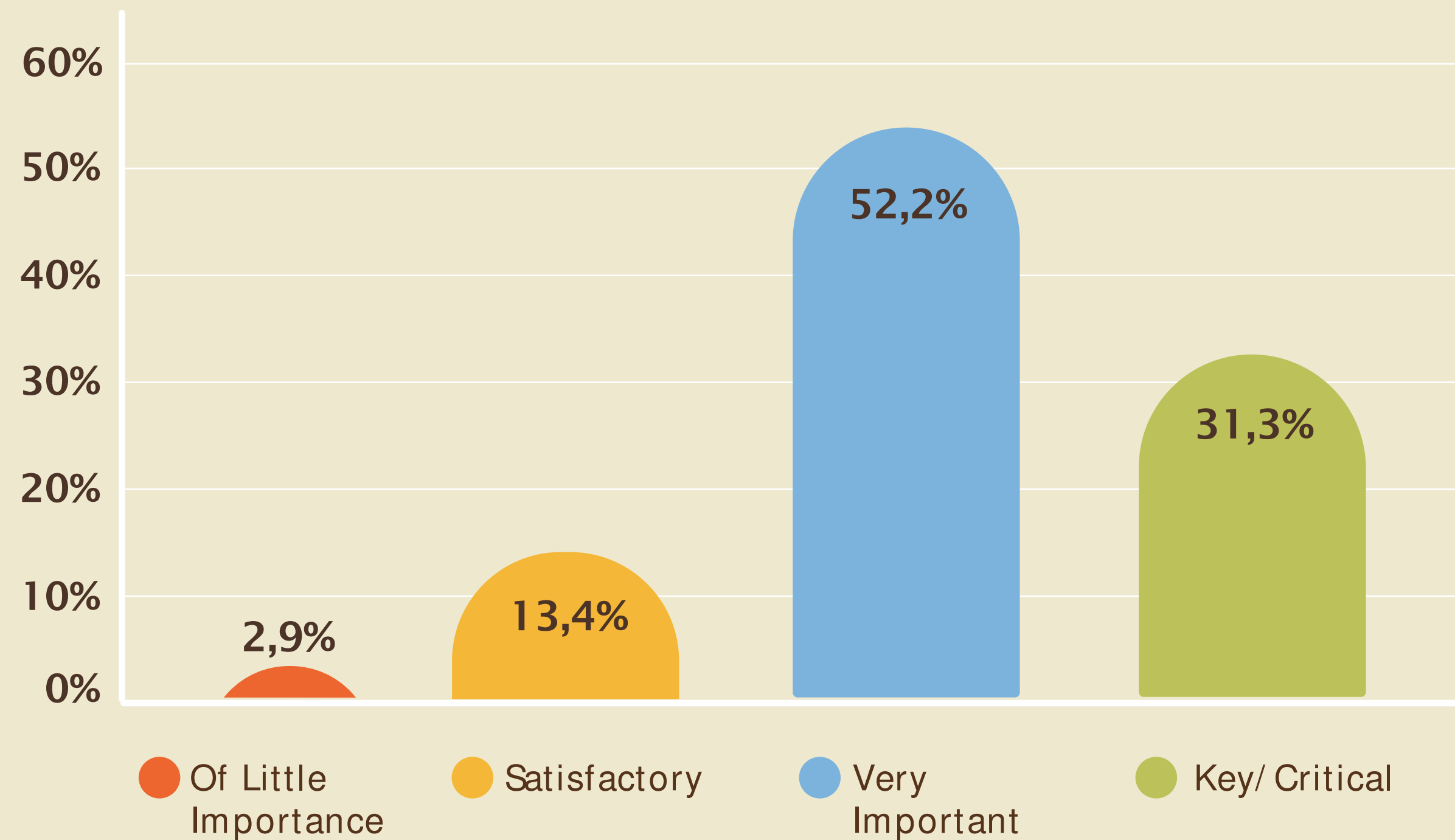


**The future of the CocoaAction
Brasil initiative**

The future of the initiative in Brazil

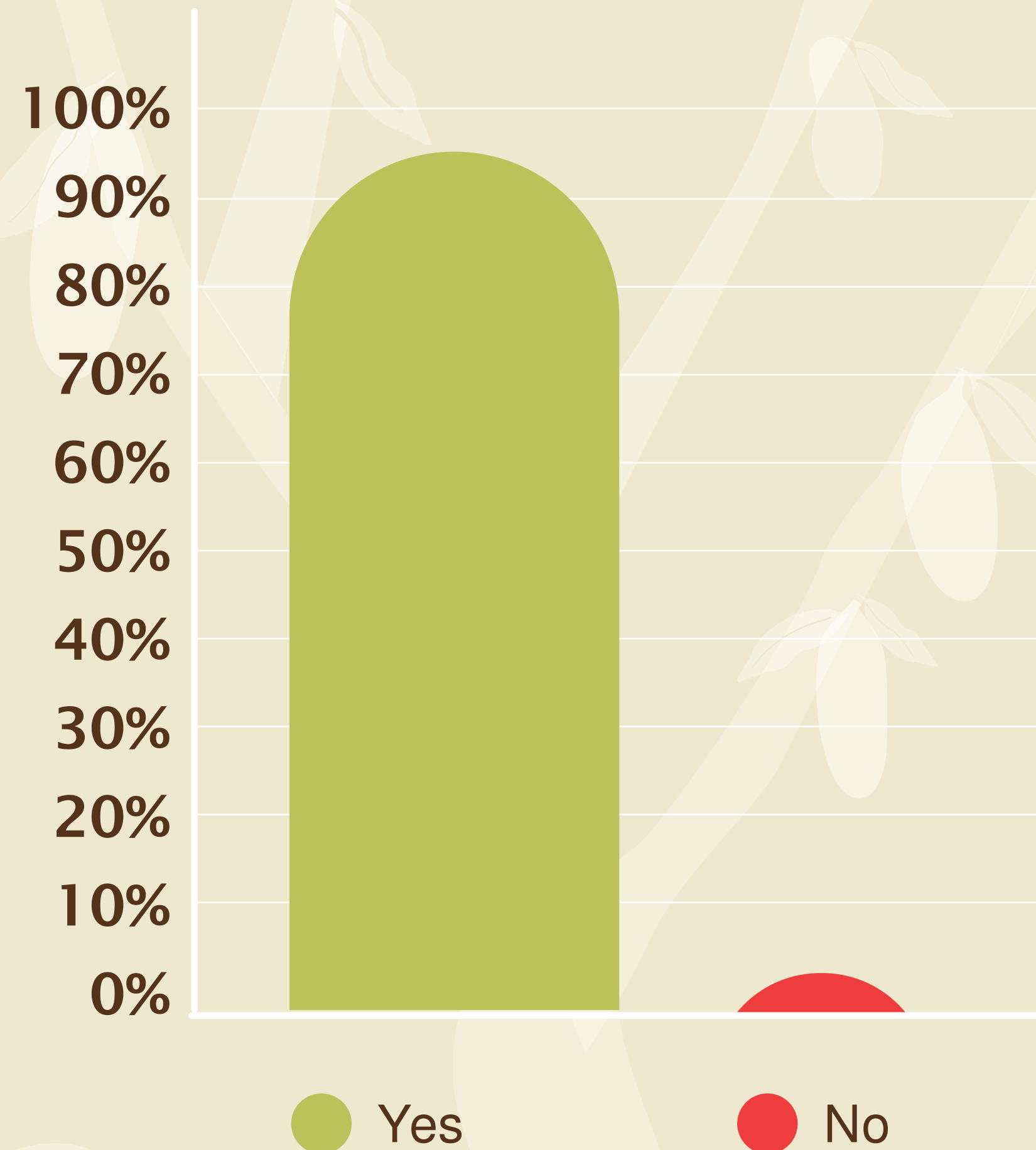
The future of the Brazilian cocoa chain is promising, and the work of CocoaAction Brasil has been a systemic accelerator of synergy among stakeholders of the chain. The value brought by the initiative is clearly recognized, and its continuity is seen as relevant in view of the existing potential for cocoa production.

The role of CocoaAction in the potential growth of sustainable cocoa production in Brazil



The future of the initiative in Brazil

Do you consider the continuation of the CocoaAction initiative in Brazil important?



"I notice that there has been some change in how the several components of the chain understand it, and much improvement in relationships. CocoaAction shall not end! There are still many aspects to be improved in the cocoa chain, which is evolving."

Waldeck Araújo Junior,
executive director of CEPLAC



Opportunities for future actions

Based on the answers provided in the survey conducted with the production chain, Sense-Lab mapped 6 focal points as opportunities for the next years of CocoaAction Brasil:



Create a permanent culture of collaboration and good relationships, even when chain stakeholders change:

All interviewees agree that the initiative must continue, and that the enabling environment must be kept alive as a permanent culture, as it generates shared value, regardless of replacement of players in this system.



Improvements in productivity towards Brazil's self-sufficiency:

Many of the interviewees see self-sufficiency as the greatest goal of the cocoa chain over the next five years and expect CocoaAction to help in this process, by working on several fronts.



Work on the practical implementation of everything that has been discussed, through Cacao 2030 Project:

The Strategic Guidelines are seen as a broad plan of the chain; now stakeholders expect CocoaAction to support its implementation.

Opportunities for future actions

The next steps of the initiative, as the chain envisions it, should include tangible actions to generate transformation at field-level, among cocoa growers.



Promote and facilitate the organization of a chain database and indicators:

As there are no consistent and reliable figures, the initiative is expected to promote projects that integrate a database in order to generate more knowledge and technical improvement, which will be able to respond to impact indicators in the future. These could also assist with impact measurement of CocoaAction Brasil itself.



Foment more research and technologies capable of generating productivity increase:

For producers to be able to increase productivity, investment in research and new technologies is needed; this has been mentioned multiple times by interviewees as a priority for the coming years.



Make Brazil a global reference of sustainable cocoa:

CocoaAction's relationship in several spheres is an opportunity to position Brazil as an important source of sustainable cocoa globally, creating a narrative connected to bioeconomy, environmental conservation, carbon market, among other trends.

Sense-Lab's final considerations

Sense-Lab, which was hired to develop CocoaAction Brasil's Impact Report (2018-2022), worked to explore and systematize the opinions of the initiative's main partners, and presents below its analysis and final considerations of this work.

It has been noticed that CocoaAction Brasil's work as a backbone organization of the cocoa chain over the first five years has been successful. Some of the main contributions that stand out are the construction of a collective vision and of strategic focal points for the development of the cocoa chain, the support and alignment of activities around a common agenda, the encouragement for stakeholders' engagement and collaboration, the management of information and knowledge related to the chain and the facilitation and communication process established with the various actors. In addition, CocoaAction Brasil is recognized for bringing cocoa back to the governmental agenda and for directing efforts to leverage investments to the chain, promoting progress in a sustainable and lasting way.

Partners' expectations in regard to the new cycle of CocoaAction Brasil focus on the implementation of Cacao 2030 Project at field-level and on the pursuit of tangible results.

We conclude that the last 5 years of the initiative's work have been fundamental to creating solid bases for the evolution of the cocoa chain, and that, based on the structuring advances achieved, particularly the strengthening of relationships between its links, it will be possible to achieve even more concrete environmental and socio-economic results over the next cycle.

Acknowledgements CocoaAction Brasil

This report illustrates the advances of CocoaAction Brasil, as well as part of the advances of the cocoa sector as a whole, over the last five years. We have advanced thanks to the joint efforts of a wide network of partners, to whom we would like to thank for contributing in this journey with knowledge, dedication and action towards continuous improvement and sustainable development of the chain.

Special thanks to all companies, funding members of CocoaAction Brasil — Barry Callebaut, Cargill, Dengo, Harald, Mars, Mondelez, Nestlé and ofi — which, since the beginning, believed in the strength of collaboration and in Brazil's potential regarding cocoa and invested in the initiative, being fundamental for its development. In addition to the investment made in the pre-competitive environment, these companies also plan to significantly increase their competitive investments in sustainability over the coming years. In total, these investments are expected to achieve USD 84.5 million (2022- 2026), a demonstration of their commitment and expectations regarding the growth of Brazilian cocoa in the sustainable agenda.

We also thank all stakeholders who are part of our governance structure and other partners of the public and private systems and of civil society, which actively contribute in this journey.

CocoaAction Brasil only exists thanks to the collective construction and joint efforts of actors from the entire cocoa chain. Much has been done, but there is still a lot of work ahead, and we believe that with dialogue and collaboration we can overcome more challenges, seize opportunities and transform the Brazilian cocoa chain.

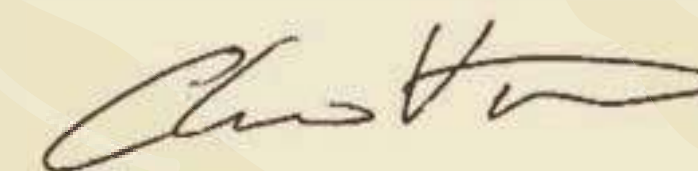
Message from the President of the World Cocoa Foundation

CocoaAction Brasil has contributed to significant advances in sustainability over the past five years at regional and national levels. It has achieved this while helping to organize the Brazilian cocoa sector and educate stakeholders about the many opportunities offered by cocoa to growers and their communities, the cocoa and chocolate industries, Brazil's economy, as well as the opportunities of cocoa as an agent of environmental conservation and reforestation.

With the support of CocoaAction Brasil, its members and partners, we see Brazil overcoming challenges and achieving a sustainable comeback in cocoa. Efforts are focused on increasing productivity and profitability among growers while addressing sustainability at different levels throughout the cocoa supply chain. These efforts address agendas such as decent labor, credit access, deforestation and conservation, agroforestry systems, the dissemination of knowledge, among several others.

As WCF president, I would like to thank all of the stakeholders who have contributed through CocoaAction Brasil over the past five years. This initiative is about collective action and the more the sector is united and working in collaboration, the faster we advance.

We hope that CocoaAction Brasil continues to contribute in the years to come to the sustainable development of the cocoa sector in Brazil, fostering conservation, prosperity and the well being of cocoa growers, workers, and their communities.



Chris Vincent, WCF President



World Cocoa
Foundation



CocoaAction
Brasil



World Cocoa
Foundation

Coordinated by:



Report developed by:

