



Partnerships for
Forests

Conexus:

unlocking exports of
Brazilian non-timber
forest products

November, 2020



Summary

This case study shares findings from a Partnerships for Forests (P4F) supported project in Brazil aimed to facilitate access to foreign markets for rural and forest small and medium enterprises (SMEs)¹ which are primarily owned or led by women and traditional communities. This capacity building project built on the Brazil Trade Facilitation Programme, which fosters exports from Brazilian micro, small and medium enterprises.

To better understand non-timber forest product (NTFP) value chains in Brazil and investigate ways to promote their access to export markets P4F partnered with:

- **Conexsus:** a non-profit organisation which works to activate community-based and socio-environmental impact businesses;
- **Bio Fairtrade, Imaflora and Schneider & Associados:** organisations with export and community-based management expertise;
- **Teçá Impacto:** an intelligence company focused on socioenvironmental impact;
- **Brazil Trade Facilitation Programme (BTF):** a programme that tackles micro, small and medium enterprises' export challenges.

As a result of the support provided by Conexsus, seven (7) SMEs started exporting NTFPs. After participating in the workshops, one (1) of these SMEs developed a female-focused job description for a job opening, aided by the P4F's institutional arrangement in support of gender equality and social inclusion (GESI).

¹ According to the European Union, Small and Medium Enterprises (SME) are defined by staff headcount and financial ceilings as follows: 1. Micro, small and medium-sized enterprises (SMEs) - enterprises which employ fewer than 250 persons and which have an annual turnover not exceeding EUR 50 million, and/or an annual balance sheet total not exceeding EUR 43 million. 2. Within the SME category, a small enterprise is defined as an enterprise which employs fewer than 50 persons and whose annual turnover and/or annual balance sheet total does not exceed EUR 10 million. 3. Within the SME category, a microenterprise is defined as an enterprise which employs fewer than 10 persons and whose annual turnover and/or annual balance sheet total does not exceed EUR 2 million* (EU).

Introduction

In 2019, NTFPs in Brazil generated a production value below GBP 270 million, an increase of 2.3% when compared to 2018 (IBGE). Despite their significance to livelihoods and the economy, NTFPs only contributed with 2.7% of the overall silviculture (care and cultivation of woodlands) production value in the country (IBGE). To help address this, P4F has supported Conexsus to better understand NTFP value chains in Brazil and investigate ways to promote their access to export markets.

A 2018 study found that the 1,040 socio-biodiversity mapped community enterprises generated an annual net income of over GBP 200 million (Conexsus). These enterprises cover value chains related to healthy and sustainable foods, agroforestry and socio-biodiversity and encompass more than 100,000 employees or cooperative members.

However, 71% of these enterprises declared just over GBP 200,000 annual income and more than half did not sell to private markets. The enterprises have reported difficulties in accessing local markets and even greater barriers when it comes to export. Paradoxically, the study also indicated that this occurred at a time when global consumer markets are increasingly seeking more sustainable, organic and healthy goods.

The lack of certification in Brazilian NTFP supply chains is a limiting factor for these products to access the more

rigorous international markets, because of both mandatory requirements, and niche and premium markets commonly associated with these types of products. Other bottlenecks in the link between community-based businesses and international buyers relate to quality standards, volume, frequency, logistics, traceability and a lack of impact indicators.

This project also aimed at addressing socio-environmental injustice stemming from the unequal impact of climate change. These impacts mainly affect already vulnerable populations such as poor and traditional communities and, within those, women specifically. In response, this project focuses particularly on promoting GESI among participating SMEs.

NTFP | Non-timber forest Products

Falling under the umbrella term 'NTFP', the Brazilian Government defines socio-biodiversity products as "goods and services (final products, primary products or benefits) generated from biodiversity resources, aimed at developing production chains of interest to traditional peoples and communities and family farmers, which promote the maintenance and value their practices and knowledge, ensuring rights which arise from that, generating income and promoting improvement in quality of life and of the environment where they live" (BRASIL).



Photo: Fred Mauro

"Gender Equality is about addressing inequalities and transforming the distribution of opportunities, choices and resources available to women and non-binary individuals so that they have equal power to shape their lives and participate in the process thereby increasing equality between people of all genders. Social Inclusion refers to the process of improving the terms for individuals and groups to take part in society, and the process of improving the ability, opportunity and dignity of people disadvantaged and historically excluded from decision making and spheres of influence on the basis of their identity to take part in society" (UK Pact).

When tackling matters of gender, diversity and inclusion, the project seeks to promote equity in access to opportunities and life conditions to men, women and non-binary persons; to increase diversity of ethnicities, skin colors, traces, ancestral and social origins in the work environment and in decision-making; to include people with disabilities; and to end all types of discrimination (gender, color, sexual orientation, political positions, etc. (Teçá).



What problems did the project seek to tackle?

Despite their potential to support livelihoods, rural and forest SMEs face significant challenges in accessing foreign markets. Some of the barriers include:

- > **difficulties in formalising cooperatives due to a gap in knowledge regarding bureaucratic procedures;**
- > **inability to meet demand for large volumes , a common issue for NTFPs and extractivism products produced by SMEs;**
- > **the presence of middlemen impacting the final price of the product , as these sales are usually informal, strongly subjected to market fluctuations, and disadvantageous to rural workers;**
- > **payment schemes directly linked to product collection do not provide a financial assistance for working capital that could ensure that cooperatives and associations could pay rural workers in advance for the production**
- > **lack of understanding of international regulation standards and benefits, such as premium prices, can deprioritize access to international markets as an expansion strategy for cooperatives;**
- > **limited adoption of traceability and certification protocols that could be an important asset to enhance competitiveness due to high costs or lack of interest from internal market;**
- > **uncertainty in currency exchange rates can compromise expected returns and discourage cooperatives from accessing international markets.**

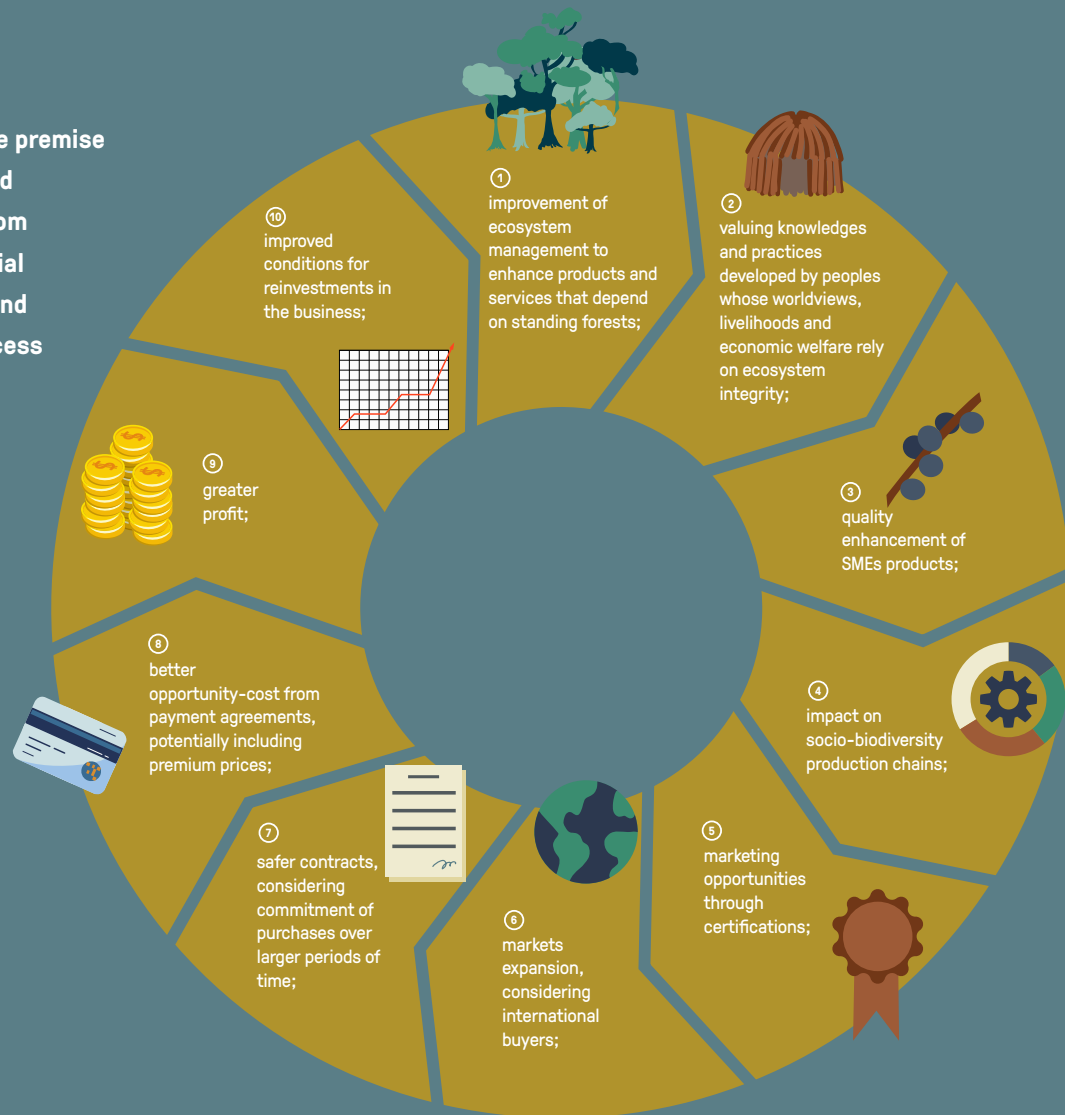
In addition to these barriers, the value chains face challenges around equity as many of their workers are women and members of traditional communities who often do not receive equal salaries and opportunities. Even though these social groups play important roles in these value chains and in the organisations themselves, they are not always fairly recognized, acknowledged nor rewarded.

"One very important aspect of the cooperative is the value of the work of the people in the forest. We always seek to pay a fair price. We do not arrive at the communities to exploit them, we want to pay fair prices, and the cooperative is trying to improve [prices] every year. Today in the market nobody's paying what we pay. We pay double the price of what other cooperative buyers pay. It is a process that is fair for everyone. "

Luzirene Lustosa, COOPAVAM President



The project operated on the premise that people, businesses and ecosystems can benefit from institutional and commercial support provided to rural and forest SMEs wishing to access international markets and how this may lead to systemic changes.



Unlocking Brazilian NTFPs

Working together, Conexsus, Bio Fairtrade, Imaflora, Schneider & Associados and Teçá Impacto supported around 50 SMEs to start exporting NTFPs, with a specific focus on strengthening GESI within their operations. To better equip SMEs for export, the project was structured around two cohorts.

Cohort 1 was made up of four baru and Brazil nut enterprises that had either already started to export or were planning to in the near future, categorised as having higher levels of organisational maturity:

- 1) COOPAVAM, in Juruena, Mato Grosso State;
- 2) COOBÂ-Y in Tucumã, Pará State;
- 3) Central do Cerrado in Federal District, Brasilia; and
- 4) COOPCERRADO in Goiânia, Goiás State.

Together they employ 32,500 workers, generate BRL 12 million annually (approximately GBP 2 million) and are responsible for sustainably managing 4.1 million hectares (ha) of forest. Two of these four organisations are led by women.

Conexsus offered these four Cohort 1 enterprises training and mentoring to develop and start the implementation of action plans, with the main output of securing new purchasing contracts with international buyers. The enterprises participated of in-depth daily mentoring to: assess the level of export maturity; identify priorities; develop and validate a work plan; assess international markets; develop an export plan; implement the export plan; and build contact with international test-buyers. The consultancy also supported securing licenses to export, certification (e.g. organic, fair trade), pricing, and access to finance to improve capacity, operations and certification.

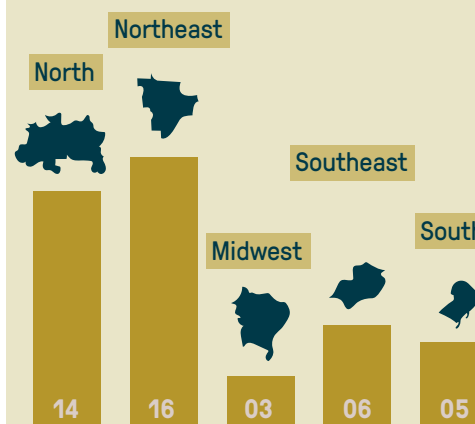
The capacity-building workshops for the 43 enterprises in Cohort 2 focused on product improvement, packaging and marketing. These SMEs were of different sizes, supply chains and maturity levels. Of the 43, 27.5% are led by women, 72.5% are led by people who self-identified as black or brown, and 5% are led by indigenous people. Nearly 30% of the 13,944 members they represent are women. Sixteen of the enterprises had previous experience with exporting, two were negotiating to export, thirteen had never exported, and nine were inactive. In addition, Conexsus selected fifteen SMEs from this cohort to incubate and initiate the implementation of action plans, similar to the process carried out with Cohort 1. All Cohort 2 organisations were trained on export and GESI.

Seven cooperatives from Cohort 2 were supported to successfully export NTFPs: ASPAG (Ginseng), COOPEMAPI (aroeira honey), Amoreri (babaçu), COOPONTAL (mango), AMAFPA (pequi), Atix (honey) and Comaru (nut). Interviews carried out with COOPONTAL, ASPAG, COOPEMAPI and Amoreri representatives demonstrate the direct impact that the project had on their ability to export. COOPONTAL, whose mango market was heavily impacted during the pandemic, is now partnering with Sebrae and Global Gap to obtain certification and packaging for export. ASPAG had difficulties competing with the national market and is now trying to access the Portuguese market, with the support of Sebrae. The COOPEMAPI representative shared that Conexsus supported them in organizing their export flows, which reached the mark of 15 tonnes of honey exported to Belgium in 2022.

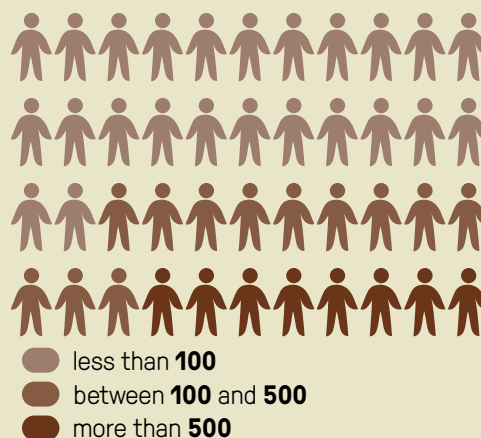
Organizations



Location by region

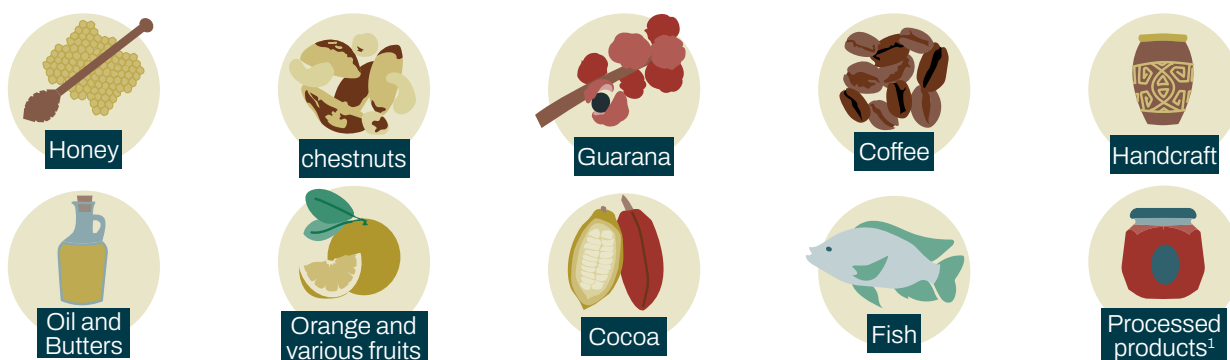


Number of participants



Some cooperatives were already in discussion with potential international buyers but the workshops built their capacity to complete additional processes, such as hiring consultants to translate certifications and aid communication with investors. Luzirene Lustosa, COOPAVAM's President, stated that "the capacity building showed us how to organize our business". The organisational mentoring sessions enabled enterprises to identify their main challenges and develop action plans to tackle them with Conexsus' support. The vision is that this will enable enterprises to keep progressing towards exporting and reaching more buyers, and so become economically sustainable.

The project unlocked an international value chain for Brazilian NTFPs and ensured that the impact notably benefits underrepresented groups, particularly women. According to the participating SMEs, Conexsus' main support was providing a checklist with export procedures, enabling the identification of international markets, and developing international marketing strategies and certification processes.



¹ pulps, flours, jams and jellies

For me the most important [part of capacity-building] was to learn about the whole chain related to export, to learn about all the legal and bureaucratic procedures and the cooperative's organisational aspects.

RECA Cooperative representative

What called our attention the most was the need for marketing for international markets. It is a challenge for us here at COOPERCUC and the evidence brought through the capacity-building workshops reinforced the need to update our processes.

Coopercuc representative

Conexsus also offered COOPAVAM annual credit, which ultimately led to its increase in access to the international market, as the cooperative had already exported before..

The loan that they provide us every year with very low interest rates has helped us grow very significantly. They have helped us increase the volume of purchased nuts thanks to the access to this credit which allows us to pay the collectors in advance. It is the best credit, they are the best partners for us. The Fundo Rotativo [Rotative Fund] is a guarantee that we will have funds to purchase nuts. Last year we bought 370 tonnes. This year we bought 470 tonnes. Every year there has been a significant growth. This is the third year which we access that fund.

Luzirene Lustosa, COOPAVAM President



Integrating GESI values into SME management

The main project focus was to ensure that access to export markets would benefit the most vulnerable and underrepresented groups by providing a GESI perspective to the participating SMEs. Training and practical toolkits supported the integration of GESI in SMEs and the project worked with international buyers to increase their understanding and demand for GESI-supportive products and services.

It is important to mention the potential of the socio-bio economy for the maintenance of standing forests and also for the maintenance of traditional livelihoods to contribute to a life with dignity of producers and people who live from the forest, those who produce our healthy food. The articulation with international networks of fair trade is fundamental for leveraging these potential socio-bio products in the international market.

Fabiana Munhoz, Access to Market Manager, Conexsus

An initial GESI work plan was developed by Brazil Trade Facilitation Programme GESI specialists during project inception to tackle three fronts: a) map the supply and demand for socio-biodiversity products produced by women-afro-Brazilian and indigenous-owned/led enterprises and sensitize market actors, b) build the capacity of SMEs led/owned by women, afro-Brazilians and indigenous groups and c) strengthen the promotion of socio-biodiversity products produced by women, afro-Brazilians and indigenous groups. P4F guided the GESI activities throughout the project. These included online capacity-building workshops and working with the SMEs to revise relevant documents based on a GESI perspective. Based on that work, Teçá developed a GESI toolkit to support the development of business management, communication and export processes that promote diversity, gender and social inclusion in the SMEs' organisational strategies. The toolkit includes:

- **A practical methodology** with forms and assessments to increase the participation of women and marginalized groups in SME's organisations and value chains;
- **A Disaggregated Data Table** to help SMEs understand the gender and ethnicity of members the different levels of decision-making processes;
- **A Gender and Inclusion Matrix** to assess suppliers' gender and inclusion profiles.



We learned a lot from working with Conexsus on monitoring the spreadsheets and planning together

Luzirene Lustosa, COOPAVAM President

The toolkits helped SMEs to disaggregate data and better understand and communicate their contributions to improving the economic livelihoods of women and indigenous and other ethnic groups. In addition, COOPAVAM, who participated in Cohort 1, developed a female-focused

hiring process for an open position after applying the GESI toolkit to its own organisational structure. Teçá supported the development of the job description identifying prerequisites for the position.

They helped us write the job description and circulate it. We are still searching for that person which we have not managed to find yet for this year, but the process of designing this document together with Conexsus was very useful and inspiring. It was a learning experience because we would not have been able to do that on our own.

Luzirene Lustosa, COOPAVAM President

To better understand the demand for GESI-supportive goods and services, Teçá carried out interviews with representatives from three potential European retail buyers (Solidar' Monde, Artisans du Monde and Unitrix/Déco Brésil). The interviewees made it clear that GESI is not currently a factor in product differentiation, but that it could be a marketing layer to explore in the future. To support that, there is a need to understand whether GESI is not of importance to buyers because it is not relevant to consumers or because a GESI market narrative has not been sufficiently explored to produce significant consumer demand.

This diagnostic inspired the creation of a methodology for CoopCerrado to establish a Socio-Biodiversity Women's Seal. When launched, the seal will offer a participatory guarantee that tracks gender equality in relation to the family production unit, community organisation, valuing the product's origin, and communicating the relationship between agro-extractivist women and products/territories.

The seal is based on six metrics that could be applied to workers, family units, producers and groups of producers, input suppliers, associations, and cooperatives:



1) made by women;



2) social welfare;



3) participation and decision-making;



4) access to resources;



5) sustainability;



6) access to public policies.



During the mentoring, one of the Cohort 1 organisations – COOPCERRADO – identified an opportunity [to further explore GESI components]. With P4F support, we worked with them to develop a narrative and concept paper, including a 2-3-year budget for the implementation of the Socio-Biodiversity Women Seal

Marcela Carter, Teçá Director

Tailoring the Negócios pela Terra platform to rural and forest SMEs needs

Using learning from the capacity-building phase, Conexsus and their partners developed [Negócios pela Terra](#) (NpT). The virtual platform will offer SMEs continuous support in areas identified as most important during the project.

Conexsus is currently updating the NpT to incorporate other essential services identified during the workshops, which will further strengthen the bridge between forest and rural SMEs and international markets, while also guaranteeing the platform's commercial viability.

Currently, the platform offers the following:



Access to Conect@:
Conexsus' virtual learning community with information and tutorials about the NpT platform and access to data about the NTFP market in Brazil;



A tool for registering products according to World Trade Organisation standards;



Export Readiness Assessment Management tool: assessing the level of organisational maturity, providing a direct link to Brazilian Government's export readiness assessment tool ([PNCE](#));



Connection with service and product providers depending on organisations' profiles.



Photo: Envato Elements



How have stakeholders contributed?



P4F

provided finance, project management and coordination, technical assistance, monitoring and evaluation expertise, and legal consultancy to unlock the export of baru nuts from Brazil to the EU and UK.



Brazil Trade Facilitation Programme

collaborated with P4F in project management and coordination and offered export-related technical expertise for the development of the project's work plan. The Programme's gender equality and social inclusion experience also contributed to the project's GESI action plan.



Conexus, Bio Fairtrade, Imaflora, Schneider & Associados, and BTFF

helped to: identify appropriate SMEs to participate; tackle organisational processes and export-related bottlenecks; develop clear paths for export; build SME capacity for export; and identify and develop export services to support other rural and forest SMEs in Brazil to strengthen their export journeys.



Teçá

developed and offered tools and supported the implementation of GESI processes within the enterprises and their value chains.



SME = Small and medium enterprises

SMEs from both cohorts committed to taking part in the capacity-building activities which resulted in some SMEs drafting action plans and others identifying bottlenecks in export sales, processes and marketing which they need to address before accessing international markets.

Lessons learned

This project has successfully tested capacity-building methodologies that promote rural and forest SMEs' access to export markets and support the organisations to grow in a GESI-focused way. Learnings that may be of relevance to similar projects are the following.

Building export capacity:

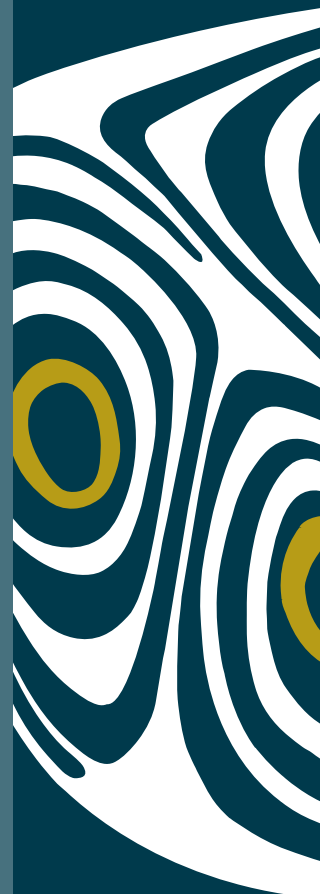
- Rural and forest SMEs need external assistance and consultancy to develop their export capacity;
- Innovative mechanisms for access to capital, providing reduction in the risk associated with purchase requests, should be made available;
- NpT and other platforms for rural and forest SMEs should offer access to credit;
- SMEs should invest in English-language versions of their business marketing materials to facilitate communication with possible international clients.

Building gender equity

- Gender and equity considerations may be new to SMEs, so it is important to build capacity for leaders or community mentors to promote GESI values;
- It is important to investigate how a market for GESI-supported goods and services could be developed. An excellent pilot for this will be the implementation of the Women in Socio-Biodiversity Seal.

Delivering the project:

- Simple impact monitoring and evaluation tools that align with sustainability commitments and take account of communication and connectivity barriers facing SMEs need to be developed;
- Communication, planning and toolkits need to take account of the SME's context. For example, some SMEs were unable to attend capacity-building workshops due to scheduling conflicts. One possible solution is to take activities to the project location, with the support of local mentors.
- Engagement and communication should centre around participants' needs and allow for bottom-up building of knowledge, where facilitators respond to what emerges from the group;
- Language used in materials needs to be adjusted to reflect the organisations' profiles and levels of maturity and understanding of export markets.



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Photo: Project Archive



This case-study was developed by Partnerships for Forests in Latin America, in collaboration with the global Monitoring and Evaluation team

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