

TransCap Initiative
Systemic Investing for Sustainability

[Spotlight]

Tabôa's Family Farming and Bioeconomy Program

Systemic Investing in Practice

By André Ticoulat

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Preface

About the TransCap Initiative

The TransCap Initiative (TCI) operates at the intersection of real-economy systems change and finance. Our mission is to develop the field of systemic investing—a new investment logic for funding systems transformation. We do so by running an open innovation space for developing, testing, and scaling systemic investing through research, prototyping, and network weaving. You can learn more about our work on our [website](#).

About systemic investing

Systemic investing is the next frontier of purpose-driven finance, answering an urgent call for a more strategic, integrated, and contextualized approach to funding systems transformation. It leverages the tools and methods of systems thinking and complex systems science to make sense of societal challenges as complex systemic issues. It advocates for the strategic orchestration of multiple forms of capital provided by multiple types of investors under a shared theory of transformation, in pursuit of a holistic, systemic notion of impact.

For more information about what systemic investing is, read the publication “[Definition and Hallmarks of Systemic Investing](#)”. To learn more about the relevance of systemic investing and the contexts in which it promises to be most useful, see the primer “[Systemic Investing for Social Change](#)” published in the Stanford Social Innovation Review as well as the more comprehensive white paper “[Transformation Capital – Systemic Investing for Sustainability](#)”. You can find case studies about systemic investing [here](#).

TCI Spotlights

As part of our field-building strategy, we seek to identify and analyze initiatives currently underway that show the principles of systemic investing in practice.

To that end, we are publishing a series of “Spotlights”—shorter versions of our case studies—that shine a light on the work of organizations and projects whose practice we consider exemplary in the application of this approach.

These Spotlights are not intended to offer exhaustive analyses, but rather to illuminate concrete elements, strategic decisions, and institutional arrangements that make systemic investing distinctive. By making these aspects explicit, we aim to contribute to a deeper understanding of the concept—demonstrating how it differs from more conventional approaches to sustainable finance and impact investing, particularly with respect to systemic intentionality, coordination among actors, and structural transformation.

In our work, we operate in the current reality (what is) while keeping our gaze on possible futures (what could be). Systemic investing in its purest form belongs to the future, with elements of the practice emerging as pioneers around the world explore how a systems understanding can support different ways of investing. Each spotlight highlights where elements of this emerging financial practice are taking hold—and may lead us to uncover innovative ideas and approaches that strengthen the conceptual foundations and best practices of systemic investing.

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1. Overview

“More than 80% of Brazilian cocoa production is in the hands of family farmers”

- ROBERTO VILELA, EXECUTIVE DIRECTOR OF TABÔA¹

1.1 Context: New forest economy

The bioeconomy is emerging as one of the most promising alternatives to the extractivist logic that underlies much of the global economy. Rather than treating forests and ecosystems as assets to be extracted, it recognizes the irreplaceable biodiversity harbored in our forests and ecosystems as the living, breathing foundation of both planetary health and human prosperity. In Brazil, this potential is unmatched: the country holds the planet’s greatest biodiversity and is home to two of the world’s richest tropical biomes—the Amazon and the Atlantic Forests.

Within this broader context, agroforestry-grown cacao (cacaú cabruca) stands as one of the most concrete and mature examples of bioeconomy in operation in Brazil. Unlike many agricultural supply chains, whose expansion comes at the cost of habitat loss, agroforestry cacao thrives under the shade of the forest. In the cabruca systems traditional to southern Bahia, cacao trees are cultivated beneath the canopy of native Atlantic Forest species. In Pará, agroforestry systems integrated into the Amazonian landscape are being adopted as a strategy for productive land use in areas previously deforested and degraded. The result is a crop that simultaneously generates income, conserves biodiversity, sequesters carbon and helps reconstitute the ecological fabric of the biomes it inhabits.

Brazil is today the world’s seventh largest cacao producer, with an annual output of around 200,000 tonnes and more than 300,000 direct and indirect jobs (Fiesp, 2021). Yet the country remains a net importer, bringing in an average of 60,000 tonnes annually—a gap that signals market and ecological opportunity. Further information on cacao production in Brazil is available in Instituto Arapyaú’s [report](#): State of the Art on Cocoa Production in Brazil (2026).

This potential has a well-defined protagonist: family farming. More than 80% of Brazil’s cacao production is in the hands of family farmers.

Yet family farmers remain largely excluded from formal credit markets. The barriers are significant: inadequate collateral, low levels of formalization, high transaction costs, remote location, and the perception of high risk among financial institutions. According to Instituto Arapyaú, 85% of cacao farmers have no access to production credit, 75% have never received technical assistance and, as a result, produce at just 30% of their potential—while half earn less than a living wage.

1.2 Origins of the Family Farming and Bioeconomy Program

Tabôa’s Family Farming and Bioeconomy Program (the Program) was created to address both the strategic opportunity of the bioeconomy and this persistent failure of Brazil’s rural financial system. Its lens on the bioeconomy is centered on supporting family farming and its transition to agroecology.

“Planting diverse crops is important because it helps preserve the environment, and we show people that it is possible to live well while preserving it and still earning an income.”

- FERNANDO ROSSETTI FERREIRA,
BOARD MEMBER OF TABÔA²

¹ Source: Interview given to the TransCap Initiative and Sense-Lab.

² Source: CRA SUSTENTÁVEL NA MATA ATLÂNTICA. Report. (Tabôa, 2024)

1.3 Methodology, structure & results

In 2017, Tabôa laid the foundations of the Program, establishing relationships in the territory and an initial credit line for family farmers. Two years later, in partnership with the Rede de Agroecologia Povos da Mata (People of the Forest Agroecology Network), they conducted an extensive territorial diagnostic that mapped the obstacles and opportunities of the agroecological transition in the region. This identified five “structural axes”, or leverage points: **production, processing, commercialization, credit and certification**. From this, Tabôa developed an integrated approach, weaving these five dimensions into a single coherent intervention.

On the **credit** and **production** front Tabôa developed a methodology tailored to family farming. It offers streamlined, accessible processes adapted to the rural context and, more specifically, to the circumstances of each individual farmer, with financial and production plans co-constructed with each person or family. This personalized approach ensures that credit is used for its intended purpose because farmers have ownership over the plan.

Tabôa occupies a central position, acting as a credit receivables originator, territorial orchestrator, and technical assistance coordinator. In practice, this means identifying and onboarding eligible farmers, structuring credit flows, and monitoring the implementation of supported productive practices. This role is decisive because success depends on translating the Program into the conditions of the farmers and territories it serves. With low default rates and real productivity gains, the methodology has helped generate positive socioenvironmental impacts in rural communities, improving family farmers’ incomes and encouraging the adoption of low-impact land management practices.

“There was a lot of technical training. We started thinking about the best planting and harvesting times. Today, we carry out both the fermentation and drying processes in greenhouses. Our goal is truly a quality bean.”

- TERESA SANTIAGO, COCOA FARMER, DOIS RIACHÕES SETTLEMENT, SOUTHERN BAHIA³

The first pilot mobilized BRL 40,000 and enabled four credit operations for farmers. Building on these results, Tabôa scaled the operation to BRL 400,000 in a second pilot focused on structuring agroecological cacao **processing** in a rural settlement. While limited in scale, these operations were instrumental in testing demand, repayment capacity and productive outcomes in a real-world context, laying the groundwork for a more robust financial structure.

The next step was the issuance of the first CRA (Certificado de Recebíveis do Agronegócio—Agribusiness Receivables Certificate)⁴, structured as a blended-finance instrument and a sustainable security, to scale the work already underway in Southern Bahia. Conceived in partnership with Grupo Gaia, Instituto Arapyaú, and Instituto humanize, the CRA allowed Tabôa to validate its central hypothesis: when designed to fit the system’s needs, the Program’s methodology can generate consistent, productive, economic, and socioenvironmental value—with low, in some cases, zero default rates.

“Through the first CRA issuance, 315 loans strengthened 270 farmers in Southern Bahia, the majority of them land reform settlers, with a 60% increase in income and zero default.”

- ROBERTO VILELA, DIRETOR EXECUTIVO DA TABÔA⁵

³ Source: Arapyaú Report 2022

⁴ A CRA is a fixed-income security issued by securitization companies, backed by credits from the agricultural sector, which allows investors to finance the agribusiness in exchange for returns that are tax exempt.

⁵ Source: Interview given to TransCap and Sense-Lab

Table 01

Income increase with cocoa (constant prices)

	General	Women	Settlers
2020 - 2021	55%	57%	60%
2020 - 2022	40%	24%	25%
2020 - 2023	60%	32%	65%

Source: Relatório do CRA Sustentável na Mata Atlântica (Tabôa, 2024).

“The Agroecological Agroforestry System shows that we are capable of producing not only cocoa but other crops that bring us an improvement in income, and that are just as important as cocoa, because they will supplement income when there is no fruit. These include: rambutan, lychee, avocado, orange, mango, and juçara production, which is a vision for the near future.”

- GEAN CARLOS, AGROECOLOGICAL FARMER, SÃO JOÃO SETTLEMENT, IBIRAPITANGA, BAIXO SUL DA BAHIA ⁶

Building on the positive results achieved, a second series of the CRA was issued, scaling the work and introducing three main methodological advances.

- 1. Territorial expansion**, extending the Program’s reach into the Amazon region in Pará.
- 2. Broadening of technical assistance** beyond Tabôa through the development of partnerships. This is far from trivial: sustaining effective collaboration across multiple actors requires considerable and ongoing coordination effort.
- 3. The entry of the public sector**, through the participation of BNDES (the Brazilian Development Bank) and the aforementioned technical assistance partnerships with municipal governments and the Consórcio Intermunicipal do Mosaico das Apas do Baixo Sul (Ciapra), the regional government of Southern Bahia. In Pará, the technical assistance partner is Fundação Solidaridad.

As Roberto explains, CRA 2 is:

“A major opportunity to expand our activities and bring visibility to this social technology. We will also be able to test our methodology in a different context and biome, make the necessary adaptations, and learn from the process of applying this approach.”

- ROBERTO VILELA DE MOURA SILVA, DIRECTOR OF TABÔA ⁷

In 2025, Tabôa took its most ambitious step yet with the creation of **Fundo Kawá**, in partnership with Instituto Arapyauá, Violet, and Mov Investimentos. Structured as a Fiagro—agribusiness production chain investment fund—Kawá is the largest Brazilian fund dedicated to financing and providing technical support to smallholder cacao farmers in agroforestry systems in Bahia and Pará. With an initial capital of BRL 30 million, the fund aims to unlock BRL 1 billion in diverse financing lines by 2030.

Fundo Kawá represents an evolution in vehicle design and allows for a permanent financing mechanism. Rather than structuring a new operation with each issuance, Kawá enables multiple originations within a single vehicle, reducing structural costs, increasing predictability for investors, and extending the continuity of the Program over time. Beyond productive credit, this new platform opens space for additional fronts, such as traceability, ecological restoration, and potential payments for environmental services.

“With this product, we want to facilitate access to credit and technical assistance for cocoa farmers who are on the margins of the financial system.”

- VINICIUS AHMAR, PROGRAMS DIRECTOR AT INSTITUTO ARAPYAUÁ ⁸

⁶ Source: Relatório CRA Sustentável na Mata Atlântica (Tabôa, 2024)

⁷ Source: Interview given to TransCap and Sense-Lab.

⁸ Source: News article, April 6, 2025

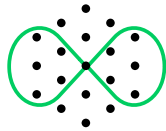
2. How the Program Exemplifies the Hallmarks of Systemic Investing

2.1 Points of intersection between the Spotlight and the hallmarks

In this section, we explore to what extent Tabôa’s Family Farming and Bioeconomy Program demonstrates the core ideas of systemic investing, which we at TCI define as the “**hallmarks**” of systemic investing. We recognize that Tabôa doesn’t necessarily make sense of their work through our framework and language, but we find such an analysis useful in informing the emerging and evolving ideas of systemic investing so that we and others in the field can learn from one another.

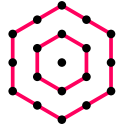
In what follows, we find that the Program is already strongly aligned with several of the hallmarks, with clear opportunities for deeper engagement with others.

(1) Systems Mindset



The Program’s conception begins with a clear systemic reading of the problem. Tabôa understands “agroecology as a system” and, rather than treating the barriers to agroforestry development as a simple credit market failure, recognizes that they stem from the interaction of five structural bottlenecks. Tabôa appreciated that addressing any one of them in isolation is insufficient; it is their combination that keeps family farmers locked out of agroforestry’s full potential. The response, therefore, is not merely to reduce the cost of credit, but to redesign the way it is financed, within an investment architecture more closely aligned to the real conditions and needs of farmers. This includes the recognition that systemic change is not delivered to communities, but built with and through them.

(2) Transformational Intent



The Program’s Transformational Intent is to strengthen family farming in agroforestry systems and advance the agroecological transition. In practice, this vision of change targets the underlying conditions that make habitat destruction the economically rational choice for those with access to land. At the root is a structural dissociation between production, conservation, and income generation—one that systematically disadvantages land use practices, such as agroforestry, that deliver environmental value but lack the financial infrastructure and enabling conditions to compete with more destructive alternatives. Changing this requires intervening not just at the level of individual farmers, but at the level of the system that shapes their incentives.

(3) Systems Analysis

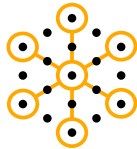


Systems Analysis is hugely important within systemic investing. The systems analysis hallmark is an umbrella for hallmarks 4 to 7, which unpack it further. For all of these hallmarks, the starting point is to ask the question: in this case of systemic investing, what is ‘the system’ that is being transformed? How is it understood?

Before raising capital or proposing any financial instrument, Tabôa took the time to properly diagnose the challenges at hand. This diagnosis was not desk-based: it was built through sustained field presence and the patient cultivation of trusted relationships with farmers and communities. It was this grounded, relationship-first approach that made a genuinely systemic reading of the territory and its dynamics possible.

From this foundation, the Program adopted a logic that aligns with the Cynefin Framework’s “Probe, Sense, Respond”—an approach particularly well-suited to

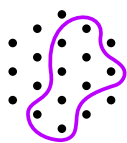
complex contexts, where there is a high degree of unpredictability about how an intervention will unfold. The BRL 40,000 and BRL 400,000 pilots were probes to observe how the system responded.



(4) Systems Mapping

Systems Mapping is a powerful analytical technique for capturing and visually representing a large volume of information about a system. When well executed, a systems map serves as a focal point for different stakeholders and generates insights that more linear processes would rarely achieve.

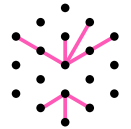
Formal maps are not, however, the only way to understand a system. In this case, the process of active listening, sensemaking, actor identification, and, as an outgrowth of these, the development of trusted relationships in the territory fulfill the primary objectives of systems mapping. The identification of the bottlenecks that keep farmers outside formal credit, the understanding of the role of technical assistance in reducing default rates and strengthening capacities and autonomies, coordination among originators, certifiers, securitization companies, financial operators, and investors, and the geographic delimitation of the Program's scope all point to a relational reading of the system, and demonstrate that the solution was built based on a genuine understanding of the system's critical interdependencies.



(5) System Boundary

The Program operates with a well-defined boundary: its focus is on family farming in specific landscapes of the southern Bahian Atlantic Forest and the Trans-Amazonian corridor in Pará, with eligibility criteria tied to the regularity of land tenure and farmers' willingness to transition their cultivation practices toward agroecology. In the hallmarks framework, setting a system boundary is not a limitation but a prerequisite for effective intervention: without it, analytical focus dissipates, capital gets misallocated, and the theory of transformation loses its internal logic. By defining where the Program operates and who it serves, Tabôa creates the conditions for a coherent, legible, and ultimately scalable investment thesis.

(6) Leverage Points

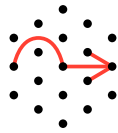


In complex systems, not all interventions carry equal weight. The territorial assessment conducted by Tabôa identified five structural axes that keep agroforestry family farming underfinanced and underproductive:

- 1. Production:** structuring a technical assistance team to support the agroecological transition within Tabôa and coordinating with other actors in the territory that provide quality rural extension services (ATER), such as the CIAPRA Consortium, the Povos da Mata Network, and agriculture departments from various municipalities.
- 2. Processing:** creation of a support team for agroecological agroindustry, which regularized and certified 23 agroecological agroindustries, in addition to publishing a Guide for the Regularization of Family Agroindustries in Brazil.
- 3. Commercialization:** strengthening 13 food distribution hubs, with donations of cold storage units and scales to extend distribution time. Support for participation in BIOFAIR to showcase processed products from the Povos da Mata Network, which led to increased sales outside Bahia.
- 4. Credit:** financing supported the three areas above—production, processing, and commercialization—which accessed Tabôa's credit to develop.
- 5. Certification:** expansion of the Povos da Mata Network in Bahia, which, as a result of this effort, became the 3rd state with the highest number of certified agroecological farmers in Brazil.

These are the points where a coordinated intervention has the potential to produce disproportionate effects across the system. Equally important is how they are articulated in a Theory of Transformation (next) and then combined in an investment strategy.

(7) Theory of Transformation



The Program’s central hypothesis is that family farming in agroforestry systems is a keystone of the bioeconomy and that it can become financeable, productive, and replicable at scale—provided that the five identified leverage points are addressed simultaneously and in an integrated manner. Credit without technical assistance leads to bad project execution; technical assistance without market access does not translate productive capacity into income; certification without credit remains out of reach for those without the capital to invest in the transition.

As Tabôa’s work advances, there will be an opportunity to incorporate new dynamics into the theory of transformation. If the ultimate goal is to replace destructive land use practices with family agroecology in specific regions of Brazil, what other forms of capital deployment could be employed to support and catalyze the desired change? For instance, are there mechanisms to secure buyers for products generated by family farming? Are there reasons to incorporate a greater diversity of crops to increase farmer resilience, for example? And are there other factors affecting livelihoods in these regions that influence the viability of the transition, such as transport infrastructure?

(8) Transition Pathways



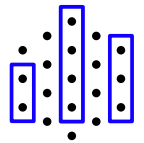
No single route leads from an economic model that reinforces extractive land use to one that recognizes the value of standing forests, a productive bioeconomy, and the family farmers who sustain them. The Transition Pathways hallmark reflects the uncertainty inherent in systems transformation. While systemic investing involves defining a Theory of Transformation that orients action, this does not mean that a ‘roadmap’ can simply be set and followed to reach the goal.

There are two principal implications. The first is that implementation requires a step-by-step approach, with continuous reassessment and adjustment of strategy. The second highlights the value of pursuing multiple strategies in parallel on the premise that some of the options tested will fail while others will succeed in unexpected ways.

The experience documented here demonstrates an understanding of what it means to work in conditions of complexity: testing small interventions and learning from

them. As the work advances, the Transition Pathways hallmark encourages reflection on the adoption of parallel strategies to increase the chances of success, given the inherent unpredictability of this kind of work.

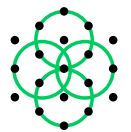
(9) System Financing Needs



The Program recognizes that transforming a conventional farming system into an agroecological one requires not simply more credit, but credit with a different risk structure, term structure, and guarantee logic, complemented by philanthropic capital and grant funding for enabling conditions such as processing, commercialization, and certification support. This case speaks directly to the qualitative dimension of TCI’s core question: what kinds of capital are needed to enable structural change in this system?

The quantitative dimension—how much capital is needed—is harder to answer, and at that we treat it as a hypothesis rather than a certainty. That said, developing an explicit rationale for the scale of capital required to transform the system in a given territory would be a valuable next step: not to fix a precise number, but to ensure that the sizing of instruments is guided by the needs of the transformation rather than by what the market is willing to provide.

(10) Coalition Building and Orchestration



Tabôa recognizes that systemic change cannot be achieved by a single organization. It understands that each partner brings a distinct perspective and purpose that, together, compose the strategy of transformation. Two essential layers in the experience analyzed here are worth distinguishing.

The first is the capital coalition. Instituto Arapyaú, BNDES, Gaia, Instituto humanize, Rabo Foundation, Violet, Mov Investimentos, and Instituto Itaúsa combine market capital, philanthropic capital, and public capital in a blended finance structure that would not exist without the contribution of each party, and that was conceived to sustain the Program over time.

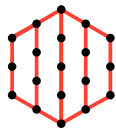
The second layer is less visible, but it is the one that makes the mechanism work on the ground. It is composed of farmer associations and cooperatives, local NGOs, technical assistance providers, and certifiers—the actors who build trusted relationships within communities, deliver capacity building, and create the conditions under which credit can become a transformative force. Without this layer, the financial instrument would reach farmers without the support needed to use it productively. This network is not a peripheral add-on to the Program; it is a foundational component of the systemic intervention.

It is in this role—articulating between two layers—that Tabôa reveals itself as the systemic link. It maintains coherence over time by remaining faithful to the needs of the territory, navigating between distinct capital logics and actors with diverse motivations, and ensuring that financing is deployed in accordance with the methodology it has developed.

“Complex problems require collaboration and a systemic perspective to be effectively addressed. It is through the diversity of actors from producers to financiers, from the public to the private sector, from civil society to academia that we build bridges toward more robust and adaptable solutions to the challenges the real world presents.”

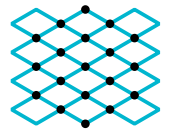
- VINICIUS AHMAR, PROGRAMS DIRECTOR
AT INSTITUTO ARAPYAU⁹

(11) Investment Architecture



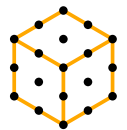
The Program’s investment architecture strategically blends private, philanthropic, and public—each position according to its risk, systemic function, and the timing of intervention. Every capital flow is logically linked to the overall Theory of Transformation and fulfills a distinct, required function. The architecture is not simply a matter of assembling available resources, but a deliberate design choice driven by the needs of the system.

(12) Strategic Investment Portfolio



In systemic investing, portfolios are conceived to collectively advance the established Transformational Intent. At TCI, we describe the strategic investment portfolio as a collection of assets funded with return-seeking capital, sitting within the overall Investment Architecture. Portfolio vehicles operate as a coherent set, organized around a common Theory of Transformation, with a clear narrative for how each contributes to systemic change. The Program is well-positioned to evolve toward more complex arrangements—different credit lines, funds, and vehicles oriented toward the same system, with the potential to consolidate into a Fiagro platform. Its connections with other bioeconomy instruments and agendas support this trajectory: the portfolio logic is not limited to the current instruments but points toward an architecture with room to grow.

(13) Investment Vehicle Design



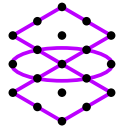
The CRA is a tool used mainly for conventional agribusiness financing, typically supported by receivables from traditional commodity chains. Deploying it to finance agroforestry is not an obvious application—it is an intelligent subversion. Tabôa adopted a legal structure and nomenclature already recognized by financial markets and reconfigured it from within, introducing rigorous socioenvironmental criteria and a blended capital architecture that the instrument, in its original form, was never designed to accommodate.

The innovation is twofold. First, in the blending—a combined capital structure that makes it possible to offer rates suited to the needs of the system, enabling financing that conventional markets alone could not have structured. In the application, the redirection of a conventional vehicle toward a purpose for which it was never originally designed.

The choice of the CRA allowed Tabôa to securitize agribusiness receivables with socioenvironmental rigor, while the capital structure accommodated different

⁹ Source: Interview given to the TransCap Initiative and Sense-Lab.

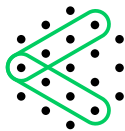
investor profiles. The anticipated development toward formats like the Fiagro indicates that the mechanism is not limited to its initial form—Tabôa is actively seeking a legal and financial structure better suited to support the scale, frequency, and diversification of funding that the Program’s goals require.



(14) Nesting

The Program is nested within a broader agenda of territorial development, the bioeconomy, and the strengthening of the cocoa value chain. It connects to networks, institutions, and initiatives that extend well beyond the financial transaction itself—including public policy agendas, relationships with buyers, and strategic initiatives for Brazilian cocoa. This matters because, as we argue at the TCI, the transformative potential of an investment increases when it is in synergistic relationship with non-investable interventions and with actions and dynamics led by other actors in the system.

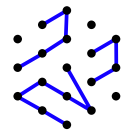
One example is the active engagement with public institutions at the municipal and state levels—agricultural secretariats, federal rural credit programs such as PRONAF, and public technical assistance structures. Transformational power is strengthened when the conditions Tabôa has created begin to scale through articulation with public sector actors. The two interventions reinforce each other: the market mechanism generates the proof of concept; the public policy pathway gives it reach and durability.



(15) Combinatorial Effects

This may be where this case shines most brightly. The impact of the mechanism does not derive from the loan alone, but from the combination of accessible credit, technical assistance, independent certification, risk mitigation, territorial coordination, and connection to buyer markets. Together, these elements produce effects that are more robust than any one of them could achieve in isolation. The low default rates observed, for example, cannot be attributed to credit alone—they are the result of the entire support system built around the family farmer.

These combinatorial effects are amplified by the Arapyaú–Tabôa coalition, which identified a synergistic opportunity in cocoa commercialization. In 2017, Arapyaú supported the creation of Dengo Chocolate—a venture conceived to purchase and commercialize cocoa, build a brand and distribution channels, and capture value through differentiation and traceability. Dengo generates sustained demand for quality cocoa and pays premiums to producers, reinforcing and expanding the initial impact in the territory while its marketing stimulates consumer demand for sustainable cocoa. This strategy exemplifies the defining attribute of Combinatorial Effects—and one of the principal differentiators of systemic investing relative to traditional thematic investments: the investments are not merely co-located; they are in strategic relationship with one another, each amplifying the effects of the rest.



(16) Measurement, Learning and Sensemaking

The case demonstrates a strong learning capacity. The initial pilot generated concrete evidence—on repayment behavior, income, and productivity—that directly shaped the design of subsequent phases of the Program. Independent certification and socioenvironmental monitoring further strengthen accountability and credibility with investors. The next frontier is to move beyond operational monitoring and output-focused KPIs toward a more ambitious, systemic understanding of how the Program is transforming the territory and the agroforestry ecosystem within it.

Measurement in systemic investing is not about attributing results to specific investments—it is about generating collective knowledge about how the system responds to intervention. This shifts the focus from output metrics to more fundamental questions: is the system moving toward the Transformational Intent? Which assumptions need revisiting? What unintended changes are emerging? It is this process of combining quantitative indicators with collective sensemaking practices that enables a systemic investment program to learn, adapt, and remain oriented toward transformation amid irreducible uncertainty.

2.2 Infographic

Some of the hallmarks of systemic investing described above stand in a structural relationship with one another. What follows is a diagram that depicts that relationship visually, in an attempt to help readers understand how everything hangs together. The diagram centers around a systemic investment program. We use the word “program” because systemic investing will typically be operationalized as a sustained effort involving multiple vehicles, capital types, and investors, and because the term is spacious enough to accommodate many different shapes and forms of such efforts.

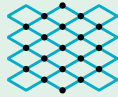
At the center of the diagram sits the Strategic Investment Portfolio, a collection of assets funded with return-seeking capital, even where that return is concessionary. In this example, it contains five vehicles representing the evolutionary stages of the Program. Surrounding this core is the broader systemic investment program, which encompasses additional vehicles that do not operate on a return-seeking logic but are equally important to the program’s overall theory of transformation.

This is where philanthropic contributions come into play, and in this example, this type of capital is crucial for supporting functions like technical assistance, territorial coordination, and learning infrastructure. In the diagram, these are shown as philanthropic vehicles that support the mechanism’s viability.

The outermost layer relates to the Investment Architecture, defined as the overall capital structure that supports the systemic investment program and links it to other capital flows, instruments, and conditions that impact its effectiveness. At this level, the infographic highlights two key components: subsidies and tax incentives, which can lower the cost of capital and absorb structural risks; and advanced market commitments and supply chain finance, which help create demand predictability and reduce commercial risks. We also include Dengo here as a strategically aligned enterprise. Whether these sources are considered part of the Program or external to it depends on the perspective from which the level of active nestedness is viewed.

While not directly controlled by the Program or the coalition leading it, the outer layer creates the enabling environment for investment and directly influences its ability to transform the system. From a systemic view, this means understanding that a program’s strength depends not only on the design of its vehicles or portfolio but also on its ability to align with, respond to, and, where possible, influence external conditions that affect capital flows and the system functioning.

Hallmarks of Systemic Investing



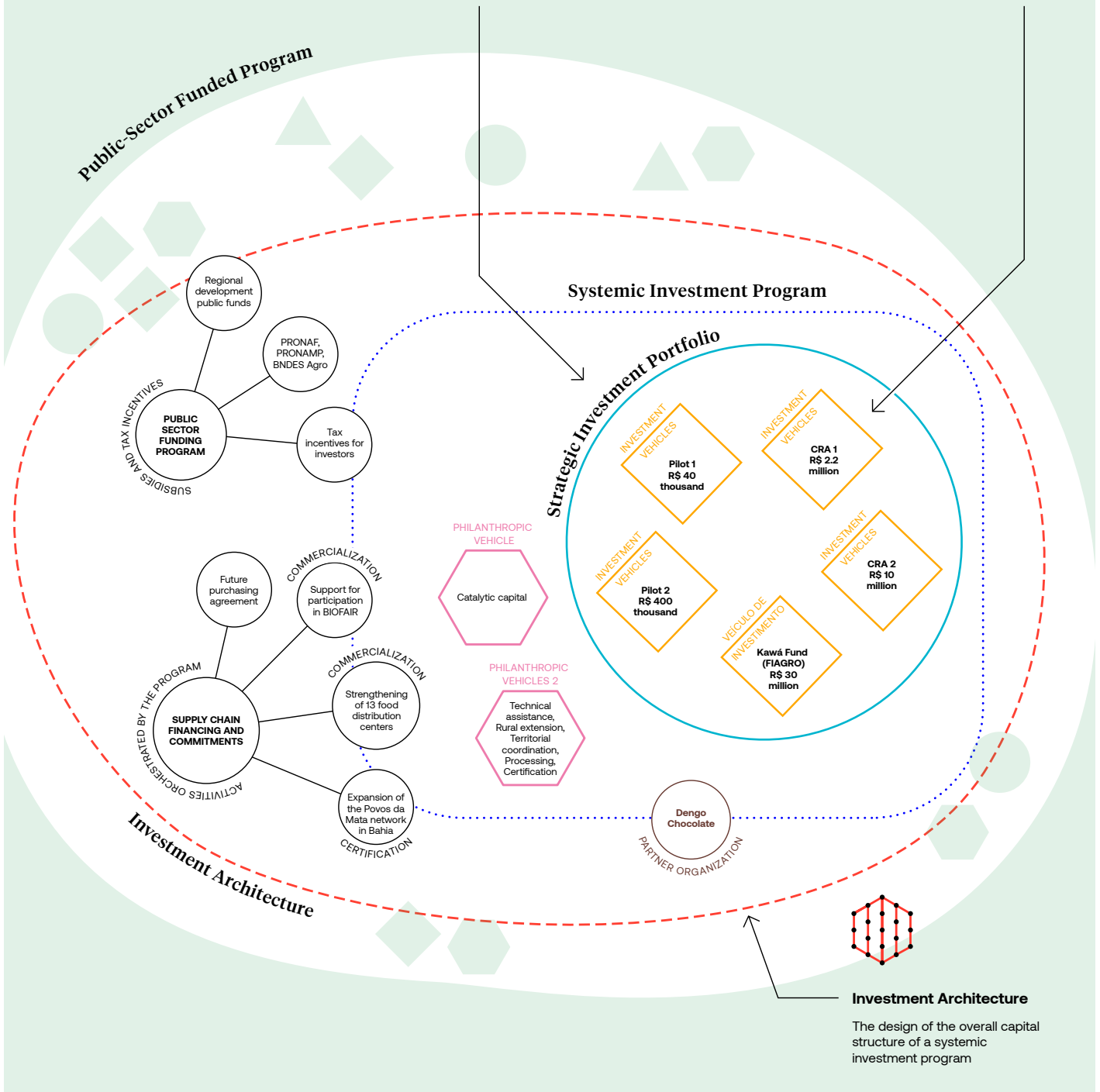
Strategic Investment Portfolio

A collection of assets funded with return-seeking capital sitting within the overall investment architecture



Investment Vehicle Design

The form, configuration, and legal structure of the containers in which assets and unallocated capital sit



3. Conclusion

The Family Farming and Bioeconomy Program is more than a successful example of purpose-driven finance. It demonstrates clearly that family farming can be attractive for investment, efficient, and able to be replicated when a systemic investment approach incorporates financial tools that serve the land and local communities.

This inversion—putting the needs of the system before financial instruments—is what makes the case unique. It was not the sources of capital that changed the system; instead, it was the systemic diagnostic and the patient construction of trust, productive capacity, and coordination among actors that created the conditions for financial instruments to work effectively. The documented results—zero default rates, a 60% average increase in farmers’ income, and the growing adoption of agroforestry systems—prove the strength of this approach. However, these results are only the starting point for a deeper

inquiry: to what extent is this work effectively altering the structural conditions that have historically constrained agroforestry-based family farming?

Answering that question with rigor is the Program’s next frontier, and a contribution that reaches well beyond this Spotlight. At a time when the bioeconomy is gaining increasing prominence in climate, nature and development agendas in Brazil and globally, it is not enough to demonstrate that family farmers in agroforestry systems can thrive when adequately supported. What must be shown is that the system’s underlying dynamics and incentive structures that shape farmers’ outcomes are being transformed. That is what distinguishes an exemplary experience from a lasting reference for the field. We will be watching and learning from Tabôa’s progress on this frontier.



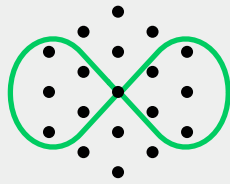
Photo: Cocoa pods
Source: envato.com

4. Systemic Investing Hallmarks

1 CONCEPT

Systems Mindset

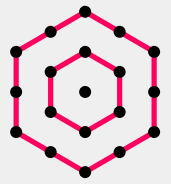
The fundamental attitudes, beliefs, and dispositions—anchored in systems thinking and complex systems science—directing the way systemic investors think about societal issues and how to address them



2 CONCEPT

Transformational Intent

The high-level change vision for a particular system



3 PROCESS

Systems Analysis

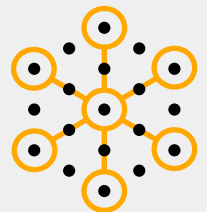
The generation of strategic intelligence informing capital deployment decisions in systemic investment programs



4 PROCESS

Systems Mapping

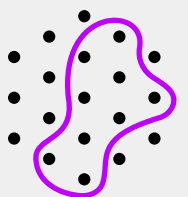
Identifying and visualizing nodes, relationships, and dynamics within a system



5 CONCEPT

System Boundary

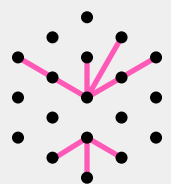
A conceptual demarcation that defines the scope and limits of a system



6 CONCEPT

Leverage Points

Places within a complex system where a (relatively) small shift can produce outsized effects in other places of the system



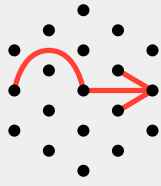
Discover more

For additional information about what systemic investing is, including more detail on each of the 16 hallmarks, read TCI's publication "Definition and Hallmarks of Systemic Investing".

7 CONCEPT

Theory of Transformation

The overarching hypothesis of how a transformational intent could be realized



8 CONCEPT

Transition Pathways

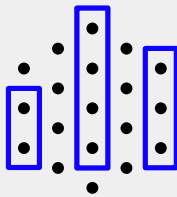
An evolutionary trajectory—understood as a series of stepping stones of “adjacent possibles”—that a system might follow given its path-dependency and current directionality



9 CONCEPT

System Financing Needs

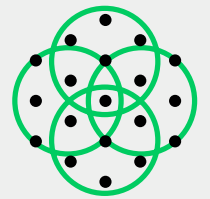
A hypothesis of the capital requirements for achieving a particular transformational intent



10 PROCESS

Coalition Building and Orchestration

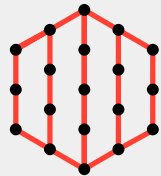
Developing and nurturing a group of investors and funders committed to a shared transformational intent and theory of transformation



11 CONCEPT

Investment Architecture

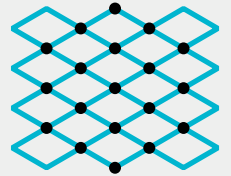
The design of the overall capital structure of a systemic investment program



12 CONCEPT

Strategic Investment Portfolio

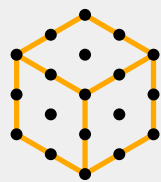
A collection of assets funded with return-seeking capital sitting within the overall investment architecture



13 CONCEPT

Investment Vehicle Design

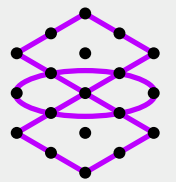
The form, configuration, and legal structure of the containers in which assets and unallocated capital sit



14 CONCEPT

Nesting

The deliberate synergistic alignment of an investment portfolio with a broader system intervention approach



15 CONCEPT

Combinatorial Effects

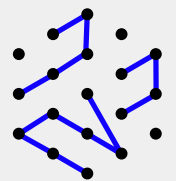
The synergies that arise when multiple interventions stand in a strategic relationship with one another



16 PROCESS

Measurement, Learning and Sensemaking

A systematic approach to generating insights and a basis for accountability in systemic investment programs



About the author



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André is a Senior Investment Associate at TransCap Initiative, where he works at the forefront of Systemic Investing, developing capital strategies designed to drive structural change. With a background in Economics from the University of British Columbia and experience across capital markets and venture capital, he brings both analytical rigor and practical sensibility to the design of financial solutions that tackle complex social, economic, and environmental challenges. At TransCap, he moves fluidly between methodological development and prototyping, putting the concepts of Systemic Investing to the test in the real world.

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