



## SOCIAL PROGRESS INDEX REPORT SPI COMMUNITIES

### 1. The importance of measuring Social Progress in Amazon Communities

The Brazilian Amazon is known globally for its vast natural resources and biodiversity. It houses one-third of the world's tropical rainforests and is bathed by the largest drainage basin on the planet. Moreover, its huge capacity to retain carbon stocks plays a crucial role in regulating the regional and global climate.

The region is home to over 24 million people, who live with social indicators below those of other regions of Brazil, as reported in various studies already published. There is relatively broad consensus that this scenario is due to a development model heavily characterized by deforestation, the extensive use of natural resources, and social conflicts related to land issues. However, the data reflecting this scenario are frequently challenged for suffering strong influence from the economic dimension, since they often are not adequately broken down by more local focus of the Brazilian Amazon and do not allow a more meaningful view of their results.

Seeking to reverse this situation and offer consistent data focused on the social and environmental dimensions reflecting what is truly important to people's quality of life, the Social Progress Index for the Brazilian Amazon (SPI Amazonia) was published in 2014. SPI Amazonia represents a detailed diagnosis of the social and environmental progress of 772 municipalities in the Amazon region by offering a broad map that enables the planning and monitoring of initiatives to improve people's quality of life in the region, while preserving the Amazon Rainforest to enable it to play an important role in regulating the global climate.

Despite the excellent progress made by SPI Amazonia, the challenge remains of giving greater visibility to the quality of life of communities located in the remote interior areas of the Amazon, for which no data is available in official reports for the region. It is known that data on municipalities in the Amazon are often skewed by the reality of their administrative and urban centers, whose levels of social progress and needs are very different from those of the region's interior and more remote areas. Without data and diagnoses that represent them, the needs of these more remote areas remain "invisible" to the eyes of society, government and business partners, for which reason these populations receive very little or nothing in the form of development opportunities.

To shed greater light on and prioritize these communities and their needs, Natura, Coca-Cola and Ipsos, drawing on the methodology of the global Social Progress Index and working with the network #Progresso Social Brasil, formed an unprecedented partnership to invest in the construction of SPI Communities, a pioneering indicator in the world to measure social development at the municipal level based on primary data. Based on the diagnosis and availability of relevant and accurate data, companies, government, NGOs and social service organizations will be able to work collaboratively to have a bigger positive impact on and foster social development in these communities.

## 2. What is the SPI?

The Social Progress Index (SPI) is a robust and holistic framework for measuring the social and environmental performance of nations and territories, regardless of their economic development. It was created in 2013 by the Social Progress Imperative during a process supported by various global scholars and experts in public policy, including U.S. economist Professor Michael E. Porter of Harvard Business School. The index was conceived with the understanding that development measures based solely on economic variables are insufficient, since economic growth without social progress leads to exclusion, social discontent, social conflicts and environmental degradation.

The Index incorporates four key design principles:

1. **Exclusively social and environmental indicators:** our aim is to measure social progress directly, rather than through economic proxies.
2. **Outcomes not inputs:** our aim is to measure outcomes that matter to the lives of real people, not spending or effort.
3. **Actionability:** the Index aims to be a practical tool with sufficient specificity to help leaders and practitioners in government, business, and civil society to benchmark performance and implement policies and programs that will drive faster social progress.
4. **Relevance to all countries:** our aim is to create a framework for the holistic measurement of social progress that encompasses the health of societies at all levels of development.

Social progress is defined by SPI as the “capacity of a society to meet the basic human needs of its citizens, establish the building blocks that allow citizens and communities to enhance and sustain the quality of their lives, and create the conditions for all individuals to reach their full potential.” Based on this definition, three fundamental questions arise:

- 1) Does a country provide for its people’s most essential needs?
- 2) Are the building blocks in place for individuals and communities to enhance and sustain wellbeing?
- 3) Is there opportunity for all individuals to reach their full potential?



### 3. SPI Communities

#### a. Instrument for diagnosing and managing social development

For the first global effort to develop a Social Progress Index focused at the community level and with primary data, i.e. based on questionnaires, the region chosen was Médio Juruá in the state of Amazonas, where Natura and Coca-Cola are developing sustainable supply chains and creating shared value. Last year, however, a co-participatory process was launched in the region to strengthen local institutions, create spaces of democratic participation in the local community and engage multiple players. This culminated in the creation of the **Médio Juruá Territorial Management Forum**, in which the private sector, government, community organizations, NGOs and civil society collaborate to find solutions that address local challenges to create a positive social impact on the region.

SPI Communities was created in a collaborative effort, with the active participation of community organizations from the more than 50 riverside communities located along the banks of the Juruá River in the municipality of Carauari, Amazonas. The communities participated in drafting the questionnaires, adapting the questions to the local reality and supporting the process of obtaining the licenses required to conduct the diagnosis. SPI Communities provided greater clarity as to the real needs of the territory and became an important instrument for diagnosing and managing the development priorities for the region of Território Médio Juruá.

#### b. Methodology adopted

The innovation introduced by this methodology to obtain a diagnosis that is closer to the real-world situation that is normally invisible to more generic social indicators resides precisely in its use of the analytical framework established by the Social Progress Imperative and its translation to the community level. This translation, however, required different steps in the process of creating a survey method that proved efficient in contemplating the local realities while simultaneously being actionable, i.e., enabling different actors and organizations to use the results to carry out actions that change to some degree the actual situation observed. The steps for establishing SPI Communities are outlined below:

**Step 1:** In-depth comprehension of the local reality in terms of territorial diversity, language, cultural and economic aspects specific to the population being studied.

**Step 2:** Adjustment of the content to be measured to the actual situation, without losing sight of the importance of basic and universal metrics within the analytical scope that defines Social Progress, in accordance with perspective established by the Social Progress Imperative.

**Step 3:** Collective effort to create the indicators to be surveyed, incorporating suggestions, criticism and reviews by community leaders in the regions being investigated.

**Step 4:** Building a sample that is representative and sufficiently robust for being broken down to the desired level and standardizing the processes for gathering information and verifying the interviews conducted.

**Step 5:** Building statistical analysis models based on the guidelines used in the global model. In this step, the SPI methodology was rigorously applied to the construction of the models to ensure synthetic indicators that have greater explanatory powers while also being better adapted to the actual situations. This enabled an approximate reading of the results obtained by SPI Communities with global and municipal SPIs, even if a strict comparison of indicators is not possible.

### Translation of the theoretical framework (steps 1 and 2)

The following charts summarize the questions measured by SPI Communities and show the equivalent questions in each of the dimensions analyzed in the global model. An observation of the indicators used for SPI Communities on their own reveals the careful treatment given to adapting the model to the local reality.

Chart 1: Dimensions – Basic Human Needs (Global Model vs. SPI Communities)

BASIC HUMAN NEEDS (BHN)

GLOBAL MODEL		SPI COMMUNITIES - Carauari
Nutrition and Basic Medical Care	<ul style="list-style-type: none"><li>• <i>Undernourishment</i></li><li>• <i>Maternal mortality rate</i></li><li>• <i>Child mortality rate</i></li><li>• <i>Deaths from infectious diseases</i></li></ul>	<ul style="list-style-type: none"><li>• <i>Protein consumption</i></li><li>• <i>Vegetable and fruit consumption</i></li><li>• <i>Mortality of children under 3</i></li><li>• <i>Quality of medical care.</i></li></ul>
Water and Sanitation	<ul style="list-style-type: none"><li>• <i>Access to piped water</i></li><li>• <i>Rural vs. urban access to improved water source</i></li><li>• <i>Access to improved sanitation facilities</i></li></ul>	<ul style="list-style-type: none"><li>• <i>Bathrooms at home</i></li><li>• <i>Sewage (sanitation condition + sewage disposal)</i></li><li>• <i>Water network (w/o access, pumps, public network)</i></li><li>• <i>Water supply (everyday)</i></li></ul>
Shelter	<ul style="list-style-type: none"><li>• <i>Satisfaction with housing conditions</i></li><li>• <i>Access to electricity</i></li><li>• <i>Quality of electricity supply</i></li><li>• <i>Indoor air pollution-attributable deaths</i></li></ul>	<ul style="list-style-type: none"><li>• <i>Access to power grid</i></li><li>• <i>Frequency of access to electricity</i></li><li>• <i>Access to waste collection</i></li><li>• <i>Waste disposal</i></li><li>• <i>Public lighting around the house</i></li></ul>
Personal Safety	<ul style="list-style-type: none"><li>• <i>Homicide rate</i></li><li>• <i>Level of violent crime</i></li><li>• <i>Perceived criminality</i></li><li>• <i>Political terror</i></li><li>• <i>Traffic deaths</i></li></ul>	<ul style="list-style-type: none"><li>• <i>Perception of safety in the region of the house</i></li><li>• <i>Victim of violence incidents in life and in the last 6 months</i></li><li>• <i>Exposure to scenes of violence from neighbors</i></li></ul>

Chart 2: Dimensions – Foundations of Wellbeing (Global Model vs. SPI Communities)

Foundations of Wellbeing (FWB)	GLOBAL MODEL	SPI COMMUNITIES - Carauari
	<b>Access to Basic Knowledge</b> <ul style="list-style-type: none"> <li>Adult literacy rate</li> <li>Primary school enrollment</li> <li>% population secondary education</li> <li>Gender parity in secondary enrollment</li> </ul>	<ul style="list-style-type: none"> <li>School attendance by children in the household</li> <li>Proportion of children in the household enrolled in multi-grade or regular classes</li> <li>% of illiteracy/never been to school</li> <li>% people in the household who finished primary school</li> </ul>
	<b>Access to Information and Communications</b> <ul style="list-style-type: none"> <li>Mobile telephone subscription rate per 100,000 inhab.</li> <li>Internet users</li> <li>Press Freedom index</li> </ul>	<ul style="list-style-type: none"> <li>Access to means of communication</li> <li>Use of the Internet by respondent</li> <li>% people in the household owning cell phones</li> <li>Strength of cell phone signal in the household</li> </ul>
	<b>Health and Wellness</b> <ul style="list-style-type: none"> <li>Life expectancy</li> <li>Obesity rate</li> <li>Death probability between the ages of 30 and 70</li> <li>Suicide rate</li> </ul>	<ul style="list-style-type: none"> <li>Health risk factors: smoking, alcohol, exercising.</li> <li>Subjective wellbeing dimensions: lack of self-pride, perception of not being useful</li> <li>Basic safety conditions at work</li> </ul>
	<b>Ecosystem Sustainability</b> <ul style="list-style-type: none"> <li>Greenhouse gas emissions (CO2, etc)</li> <li>Conditions of water withdrawal systems</li> <li>Biodiversity and habitat</li> </ul>	<ul style="list-style-type: none"> <li>Seeking of information on the environment</li> <li>Care for the environment</li> </ul>

Chart 3: Dimensions – Opportunities (Global Model vs. SPI Communities)

OPPORTUNITIES (OPT)	GLOBAL MODEL	SPI COMMUNITIES - Carauari
	<b>Personal Rights</b> <ul style="list-style-type: none"> <li>Political rights</li> <li>Freedom of speech</li> <li>Freedom of association</li> <li>Freedom of movement</li> <li>Private property rights</li> </ul>	<ul style="list-style-type: none"> <li>People in the household 18 years or older having all basic documentation</li> <li>Seeking of information on rights</li> <li>Degree of participation in associations</li> <li>Access to means of transportation</li> <li>Status of the land lot where the house is located</li> </ul>
	<b>Personal Freedom and Choice</b> <ul style="list-style-type: none"> <li>Satisfaction with degree of autonomy to make choices</li> <li>Freedom of religion</li> <li>Modern slavery, human trafficking</li> <li>Access to contraception</li> <li>Perceived corruption levels</li> </ul>	<ul style="list-style-type: none"> <li>Perception of having necessary conditions to make choices</li> <li>Leisure infrastructure and activities</li> <li>Participation in traditional community activities</li> <li>Use of contraception</li> </ul>
	<b>Tolerance and Inclusion</b> <ul style="list-style-type: none"> <li>Women treated with respect</li> <li>Tolerance for immigrants</li> <li>Tolerance for homosexuals</li> <li>Religious tolerance</li> <li>Community safety net – social capital</li> </ul>	<ul style="list-style-type: none"> <li>Degree of Gender Inequality</li> <li>Degree of Race Inequality</li> <li>Degree of Intolerance to Sexual Preference</li> <li>Capital – Solidarity and Trust in the Community</li> </ul>
	<b>Access to Advanced Education</b> <ul style="list-style-type: none"> <li>% people with higher education degree</li> <li>Women's average years in school</li> <li>Inequality in the attainment of education</li> <li>Number of globally ranked universities</li> </ul>	<ul style="list-style-type: none"> <li>Access to higher education by men and women over 18</li> <li>Access to training, vocational, extracurricular courses.</li> </ul>

### Sample, survey instrument and production of indicators (steps 3, 4 and 5)

The diagnosis was conducted based on a survey of the local population. A total of 415 interviews were carried out (see Table 1 below) in person at homes in the Carauari region (Médio Juruá and Urban Carauari). The sample considered enabled the reading of results for the total with a margin of error of 5 percentage points within a confidence interval of 95%.

To ensure the dispersion of the sample and representativeness of the data gathered, the sample consisted of a random selection of the communities investigated within the region of interest and the selection of respondents in accordance with demographic quotas designed based on official data (IBGE, 2010 Census). The sample selected was determined based on the need for measuring the riverside communities in Médio Juruá (331 respondents) and considered a complementary sample for measuring results in comparison with a population residing in the urban area of Carauari (84 respondents).

Table 1: Distribution of the sample in riverside areas

	APPROXIMATE NUMBER OF FAMILIES PER COMMUNITY	%	Sample	Weight
LOWLANDS	117	21%	82	0.9
RDS Uacari	139	25%	123	0.7
RESEX Médio Juruá	309	55%	126	1.5
Total	565	100%	331	

The interviews in each of the three areas of riverside communities (Lowlands, RDS and Resex) were distributed among the communities of each area proportionately to the size of the population to ensure that the results of the sample reflected the universe of interest. In the case of the 84 interviews conducted in the urban area, eight census sectors were randomly selected, with approximately 10 interviews conducted per sector, also aiming to ensure the dispersion and representativeness of the interviews within this geographic sample.

The interviews lasted approximately 60 minutes and were conducted based on a structured questionnaire composed chiefly of closed-ended questions. The respondents (one per household selected in accordance with the demographic quotas) answered questions about their personal life and household. The interviews were conducted between November 22 and December 20, 2014.

Upon concluding the work in the field, the interviews were subjected to criticism, verification, typing and coding of open-ended questions. Lastly, work began on producing statistical models to support the indicators forming the Social Progress Index Communities for Médio Juruá and Carauari in the Amazon Region. During the treatment of results and production of the models, more than 200 variables were taken into consideration, which, through statistical modeling to determine correlations, statistical significance and prediction capacity, resulted in the creation of the 12 components forming the three dimensions of the Social Progress Index. Next, we present the results obtained for the dimensions and for the components in the regions studied.

#### 4. Main Results

The following table presents the results of the Social Progress Index Communities for the territory. For illustrative purposes, it also presents the result for Brazil obtained in the Global SPI and the results for Carauari obtained in the SPI Amazonia, both published in 2014. However, given the differences arising from the type of data used (primary vs. secondary), a rigorous comparison of the indicators of SPI Communities with those at the global and municipal level is not automatic, but rather serves to illustrate the differences in performance between the dimensions.

The results were normalized to create a scale from 0 to 100 for each component evaluated. Therefore, the closer to 100, the better the population's performance in the specific dimension.

		SPI Global	SPI Amazon	SPI Communities	
		Brazil*	Carauari **	Carauari Urban	Carauari Riverside
<b>Social Progress Index</b>		<b>70</b>	<b>55</b>	<b>62</b>	<b>53</b>
<b>Dimension 1. Basic Human Needs</b>		<b>71</b>	<b>65</b>	<b>76</b>	<b>56</b>
Components	Nutrition and Basic Medical Care	92	74	65	60
	Water and Sanitation	82	43	65	29
	Shelter	73	85	92	41
	Personal Safety	38	57	82	94
<b>Dimension 2. Foundations of Wellbeing</b>		<b>76</b>	<b>59</b>	<b>57</b>	<b>49</b>
Components	Access to Basic Knowledge	95	57	66	53
	Access to Information and Communications	68	12	45	17
	Health and Wellness	76	71	68	53
	Ecosystem Sustainability	64	95	49	72
<b>Dimension 3. Opportunities</b>		<b>63</b>	<b>42</b>	<b>54</b>	<b>53</b>
Components	Personal Rights	75	39	71	64
	Personal Freedom and Choice	77	48	82	86
	Tolerance and Inclusion	62	64	56	58
	Access to Advanced Education	38	16	7	5

\*Source Global SPI 2014 - <http://www.socialprogressimperative.org/>

\*\* Source SPI Amazonia 2014 (Imazon/SPI) - <http://www.ipsamazonia.org.br/>

The Médio Juruá region registered a lower level of performance than the urban area of Carauari, whose actual situation is more visible and better known than those of riverside areas. The SPI of the municipality of Carauari (62) is nine points higher than that of riverside areas (53). However, a detailed observation of the performance of specific components helps us to form a better understanding of the real situation of each community:

- Because it is the municipality's administrative center, 'Basic Education,' 'Water and Sanitation' and 'Shelter' are items that pushed the average higher. In the Riverside Communities, these are critical points and priority actions, along with 'Communication,' 'Advanced Education' and access to Transportation ('Individual Rights' component).
- On the other hand, Riverside Communities score better in the dimensions 'Safety,' 'Freedom of Choice' and 'Tolerance & Inclusion.' These results demonstrate the vitality of the region's communities, which translates into strengthening social capital networks and better integrating differences.



- Notably, the Riverside Communities lead in '*Sustainability of Ecosystems*,' with a performance significantly superior to that of urban populations, particularly those living in conservation areas (RDS and Resex), revealing the care and importance of daily work to raise awareness among the public on their environment.

There is much to be done to improve the social progress of these populations, particularly those residing in riverside communities, but there is also much to learn from them.

## 5. Next Steps

Below are some of the initiatives that are ongoing under the scope of the Development Forum for Território Médio Juruá and will address the social development priorities identified by the SPI Communities:

### Basic Sanitation and Water

Partnership signed in early 2015 with the Ministry of Social Development and Combatting Hunger (MDS) to take the sanitation project SANEAR AMAZONIA to riverside communities in Território Médio Juruá. The project will work to build basic sanitation infrastructure and provide access to drinking water for 500 households in the region. The project's execution, which is coordinated by the Carauari Rural Producers Association (ASPROC) in partnership with Memorial Chico Mendes, has already begun.

### I College Program for Riverside Teachers in the Amazon within Conservation Units

Partnership with the State University of Amazonas (UEA) to implement a university-level program to train public school teachers in riverside communities in Médio Juruá. The program will be taught on-site at conservation units and provide an opportunity for members of the community with high school degrees to continue their studies, while also improving the quality of education in riverside communities. The partnership agreement is currently being signed and the academic program should be implemented locally by 2016.

### I Training Center for Sustainable Production Technicians at Conservation Units (BAUANA)

Inaugurated in 2013, the technical program in Forestry, Fishing and Management saw its first class of 45 students graduate in December 2014. The program is an initiative of the Amazonia Sustainable Foundation (FAS) in partnership with the Amazonas Center for Technological Education (CETAM) and is supported by Natura, Coca-Cola, CNS, ICMbio and the Municipal Government of Carauari.

### Structuring of the CAMPINA Rural Family Home

An initiative led by the Amazonia Sustainable Foundation (FAS) in partnership with Natura and the Association of Residents of the Uacari Reservation (AMARU) to build a high school and vocational school in the region that alternates its academic offerings. This school model offers access to education for people living in more remote areas who are unable to attend school on a daily basis, while also providing an educational project in which curricula is adapted to the



real-world situation of families. The content is much better adapted to the local situation and students not only graduate from high school, but also are certified as agro-ecology technicians. Inauguration expected in 2016.

### **Development of Young Leaders**

Between June and November 2015, WWF Brasil and Coca-Cola Brazil held meetings with 60 youth from riverside communities in the Carauari region of the state of Amazonas. This initiative seeks to multiply and expand knowledge on biodiversity and encourage creative solutions to issues of relevance to the local reality, such as income generation, education, social inclusion and strengthening, and access to markets for social and biodiversity chains. One of the project's products, prepared by the youth themselves, was the development of technical and educational materials that reflect the local identity, based on their learning experience and their relationship with forest production chains and the environment. Each youth involved will serve as a multiplier of this experience in his or her community, effectively disseminating this knowledge to more and more people.

### **Construction of Piers – ROQUE community**

During the seasonal flooding, families in the Roque Community must walk nearly three kilometers through a flooded region to reach the Juruá River. Investments in infrastructure to link the community with the river's channel and improve transportation are priorities. Building the pier in the community of Roque began in late 2014 and should be completed by end-2015. Natura provided financial support for this initiative.

The Development Forum for Território Médio Juruá also encompasses initiatives that help boost local income generation, with the potential for generating positive impacts on the region's social and economic development. These initiatives include:

### **Arapaima Production Chain**

In early 2015, Fundação Banco do Brasil and the Association of Residents of the Uacari Reservation (AMARU) signed a partnership to finance the Arapaima Production Chain Structural Project. The project will benefit communities in the Médio Juruá Extractivist Reservation and the Uacari Sustainable Development Reservation by providing a new alternative for income generation and access to new markets.

### **Oilseed Production Chain**

At the end of 2014, Natura and the Extractivist Development Cooperative of Médio Juruá (Médio Juruá) signed an agreement for technical and financial support to renovate the community mill for processing oilseeds in the community of Roque. The mill already existed, but the precarious and inadequate facilities and machinery did not meet local needs, which reduced seed yields and led to high production losses. The project is currently being implemented and should be completed by July 2015. The project will work to restructure the mill by reorganizing production process, installing new machinery and renovating facilities. The



project should increase production efficiency by 40% and lead to a significant improvement in quality, with a reduction in losses and guaranteed control of acidity and peroxide levels. The mill's renovation will increase the competitiveness of the oilseed (andiroba almond, *astrocaryum murumuru*, wild nutmeg) production chain and in turn increase job creation and income generation in the region.

### **Acai Production Chain**

In February 2015, Coca-Cola, the Carauari Rural Producers' Association (ASPROC) and the Amazonia Sustainable Foundation (FAS) created a working group to strengthen the Acai production chain, which is only in its infancy in the region. The priorities of the working group include traceability of the production chain for native acai, social-participatory certification for organic acai, studying new processing techniques and identifying new markets.