

Company Profile

Headquarters: Eschborn, Germany
Major products: Capacity building for sustainable development
Further information: www.giz.de/en

The Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH operates in more than 130 countries worldwide. In Germany, GIZ maintains a presence in nearly all the federal states. Its registered offices are in Bonn and Eschborn. The services delivered by GIZ draw on a wealth of regional and technical expertise and tried and tested management know-how.

On 1 January 2011, the GIZ was established by combining the long-standing expertise of the German Development Service (DED), the Deutsche Gesellschaft für Technische Zusammenarbeit (GTZ) GmbH and InWEnt – Capacity Building International. As a federally owned enterprise, GIZ supports the German Federal Government in achieving its objectives in the field of international cooperation for sustainable development. GIZ is also engaged in international education activities around the globe.

Challenges and How GIZ Takes Responsibility

The protection and promotion of biodiversity is of great importance for GIZ facilities in Germany and as part of its counseling services alike.

Biodiversity is the source of many products and services used by society. Millions of rural people depend on biodiversity for food, medicine, income, ecosystem services and cultural and spiritual needs. Currently, biodiversity provides essential inputs for diverse industries such as food, cosmetics and pharmaceuticals, among others. Market interest and demand for biodiversity products is growing, giving a comparative advantage to biodiversity-rich countries such as Ecuador. Therefore, GIZ is supporting efforts to implement sustainable management and protection of biological diversity on a local and an international level.

Best Practice: Raw Cocoa from Ecuador

Fields of Action

- Sites and facilities
- Supply chains, commodities and materials
- Product
- Production and manufacturing processes
- Transport and logistics
- Personnel

The Issue

Ecuador is one of 17 megadiverse countries in the world and has a large tradition in the production of cocoa beans. Ecuador's unique cocoa variety, known internationally as "Cacao Nacional" or Cacao "Arriba", is recognized by the industry for its outstanding organoleptic characteristics. Traditionally, cocoa is cultivated mainly by small holders, as for instance the Kichwas in the Amazon region of Ecuador. Gathered by a series of middlemen, the fermented and dried beans find their way to ports on the Pacific Coast.

Kichwas cultivate cocoa in traditional production systems called "chakras". This is not only an ancient practice, but is also an important support system used to maintain and enrich the local biodiversity. The problem is, such production systems do not allow a volume intensive production. Therefore, the Kichwa community has to find a market that recognizes the effort towards conservation of the natural resources and the maintenance of biodiversity.





The Response

To confront this challenge the GIZ supports income-increasing initiatives for the local population as measures towards enabling a sustainable use of biodiversity. The concept of value chain promotion "ValueLinks" has been specifically introduced in this region. This strategy is designed to improve the income of small-scale farmers and to ensure a more sustainable management of natural resources. The first step is to analyse the value chain and for all participants to agree on an upgrading strategy. This includes measures such as productivity increases, the introduction of quality standards and general quality enhancement, development of services, improvements to the legal framework and market access. An intervention strategy is then implemented in agreement with different value chain actors such as a local farmer's association, as well as with cocoa buyers and manufacturers. It is also carried out in collaboration with public partners like ministries, trade offices and other interested parties.

In the Amazon Region of Ecuador, GIZ began its support for the Kichwa organization KALLARI in 2005 after identifying a market opportunity for its raw cocoa production. The Swiss chocolate manufacturer Max Felchlin AG was interested in buying a relatively small amount of very good, fermented and dried cocoa beans. Therefore, GIZ supported the organization with training and technical assistance towards the improvement of their collection, fermentation and drying skills. Furthermore, GIZ supported the communication and marketing of KALLARI with the future buyer. In the years that followed, GIZ continued its technical assistance (e.g. in productivity and organic certification) by integrating other partners to support the initiative. A complete marketing



Raw cocoa,
Ecuador

strategy for the cocoa beans was developed and linked to the final chocolate products. Since 2008, the "Rio Napo" chocolate bar has been available on the German market. Today, GIZ continues support to the value chain through enhancing the communication among interested partners and providing assistance to the producers and final sellers. It facilitates the project by monitoring specific attributes related to cocoa, such as the promotion of the chakra production system and the conservation of the tropical forest.

The Results

The Kichwa initiative is only an example of the approach applied by GIZ in order to improve incomes of small cocoa producers using sustainable production methods. KALLARI now has more than 1,200 members, and they profit from a long-term market agreement with a Swiss chocolate manufacturer, whose market demands high-end, quality chocolate and is willing to pay a premium price for exclusive cocoa produced in ancestral production systems by Kichwa families living in the tropical rainforest. These families have been able to increase their income from cocoa by more than 65 % since 2006, when they first started exporting cocoa.

Between 2002 and 2012 GIZ has supported more than 25,000 small farmers in Ecuador with various products to access markets and increase their incomes while protecting the regional biodiversity. More than 10,000 hectares of cultivated area (with coffee, cocoa, and tropical fruits) are being produced under sustainable systems.

