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KALLARI: Entrepreneurship for community and nature - an indigenous experience from the Amazon rain forest

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KALLARI

Entrepreneurship for community and nature - an indigenous experience from the Amazon rainforest

PhD. Carmen Amelia Coral-Guerrero











"We value the importance of preserving and living in harmony with our environment: the Amazon, Pachamama. I believe that people on the other side of the world need to know this." Sara, Kallari Partner



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FOREWORD

In 2018, we celebrated the conference "Employability, Social Entrepreneurship, and Territorial Development" in Melilla, organized by the School of Cooperative Studies of the Complutense University of Madrid and the University of Granada at its campus in this wonderful autonomous city of Spain, located in North Africa. This city is uniquely rich, having been a place where three cultures—Jewish, Christian, and Muslim—have coexisted for centuries.

Among the numerous presentations and papers submitted to the Scientific Committee, Carmen Amelia CORAL-GUERRERO, from SEK University-Ecuador, presented a paper titled "Economic Dimensions of Sumak Kawsay," which initially seemed difficult to comprehend, yet its abstract invited careful reading and listening. The presentation was part of a broader study that constituted her doctoral thesis titled "Happiness and Good Living (Sumak Kawsay) in Ecuador," which was later solidified in an article published in REVESCO. Revista de Estudios Cooperativos, issue number 129, under the title "Indigenous Entrepreneurship: An Economic Dimension of Sumak Kawsay?" Looking back, although at that time we could not foresee the challenges that the near future would bring, including a health, economic, and social crisis that still persists, we can now interpret it as a message of hope.

It was then that a personal and professional connection with Carmen Amelia was formed. A conversation during a coffee break, listening to her summarized research in just five minutes, and a walk through Melilla revealed many common points of interest. At the School of Cooperative Studies and within the newly established Chair of Social Entrepreneurship at UCM, we were conducting research and supporting social entrepreneurship programs, such as the International Development Assistance Program through Social Entrepreneurship Actions (PIADAES), which aimed to support students, faculty, and administrative staff at our university in developing initiatives that contribute to the development aid of socially and economically disadvantaged regions and groups through social entrepreneurship projects in Latin America, Africa, or Asia.

The experience of Kallari, a leading association in the Ecuadorian Amazon known for the production and marketing of organic cocoa and fine aroma chocolate, emerged as a unique opportunity to start a path of collaboration and cooperation that we continue to maintain today with SEK University-Ecuador.



Indeed, with Carmen Amelia's guidance, UISEK-Ecuador opened its doors to us by signing an international agreement in the field of university entrepreneurship to foster student and researcher exchange initiatives. Thanks to Carmen Amelia and her research group colleagues, we participated in the research project "Entrepreneurship of Women and Vulnerable Groups in Ecuador," which allowed us to learn firsthand about the women who form the backbone of the domestic economy in the Amazon, discover organic farming in the Chakras, and feel the powerful spirit of Pachamama. Through Carmen Amelia, we also came to know the Kallari Association, an indigenous entrepreneurship project and social enterprise that functions as a business conglomerate grounded in participation, democracy, and justice. It serves the Kichwa indigenous families, creating economic and social value for the community and embodying the much-coveted Sustainable Development Goals.

Carmen Amelia begins the introduction to this book with a phrase that cannot better define its content:

"This book has been written with love and admiration for an indigenous community in the Amazon rain forest that works tirelessly, stands resilient, and seamlessly connects caring for nature with generating income for their community."

This affection and admiration are combined with the rigor of solid, well-structured, systematized, and documented research that brings to light a community, the Kichwa of the Ecuadorian Amazon, whose entrepreneurial project should be recognized as a model for social groups or peripheral regions looking to embark on their own entrepreneurial endeavors.

Reading this text places us at the center of the world to understand that initially incomprehensible title of the presentation in the Autonomous City of Melilla: the economic dimension of Good Living (Sumak Kawsay).

May this foreword serve to congratulate our colleague and to show our support and consideration to those who have allowed us to share, at least in part, the valuable experience that this book conveys to us.

Paloma Bel Durán and Gustavo Lejarriaga Pérez De Las Vacas Complutense University of Madrid



INTRODUCTION

This book has been written with love and admiration for an indigenous community in the Amazon rain forest that works tirelessly, remains resilient, and nurtures nature while creating income for their community. The information contained in this document was compiled thanks to the collaboration and friendship that arose during the field work of the doctoral thesis entitled 'Good Living (Sumak Kawsay) and Happiness in Ecuador', a project that took place in the Province of Napo, in the Ecuadorian Amazon region, between March 2016 and May 2022¹. The conversations, workshops and visits to the region had two fundamental objectives. The first aim was to document the work of the community and its achievements, systematizing the experience of Kallari as a social enterprise. This involved documenting the organization of the community and its business processes, narrating the actions that led Kallari to position itself as an enterprise, and understanding the challenges and opportunities for the company and the community. The second aim was to give a voice to the people of the Kichwa community of the Ecuadorian Amazon by bringing visibility to their experience of social entrepreneurship, and recognizing them as a reference for social groups or peripheral territories that want to start their own enterprises.

To achieve these objectives, the use of simple and positive language was warranted. This approach is not meant to overlook the vulnerability, poverty, and discrimination faced by indigenous peoples, who constitute approximately 476 million people in 90 countries, or 6% of the world population. Indigenous peoples experience high rates of illiteracy, as well as difficulties in accessing health and education, all of which exacerbates existing levels of poverty (World Bank, 2021). According to figures from INEC (2022b), for the month of June 2022 rural income-poverty was at 42.9% while extreme poverty was at 22.7%². Precisely for this reason, it is important to highlight the situation of indigenous people in the Ecuadorian Amazon from a socio-economic perspective, allowing elements of the indigenous population to be extrapolated to the rest of the Western hemisphere.

^{1.} In April 2015, an exploratory visit was carried out with the intention of collecting relevant data to prepare for the interviews and to gauge the receptiveness of the communities towards the investigation. The interviews were carried out between March 2016 and April 2017. A validation workshop with the community was held in July 2019. Finally, between May and June 2022, a post-Covid-19 pandemic update was carried out, together with Kallari's directives, which is when the photographs in this book were taken.

^{2.} In Ecuador by June 2022, a person is considered to be income-poor if they receive income of less than USD 87.57 per month, and in extreme poverty if they receive less than USD 49.35 (INEC, 2022).







In response to the pressing economic situation and in accordance with indigenous and community principles, the Kichwa community was organized as an association and later as a company, using an innovative model that bridges indigenous traditions and western commercial principles. The model allows the community to position indigenous practices as the basis for the creation of an enterprise that is profitable for the community.

The Kallari enterprise is self-identified as indigenous. This means that indigenous people carry out a business activity based on indigenous knowledge and culture (Padilla- Meléndez *et al.*, 2022). Self-identification refers to Article 33 of the Declaration on the Rights of Indigenous Peoples, which highlights the importance of indigenous peoples defining their own identity according to their customs and traditions, to determine the structures or composition of their institutions in accordance with their own procedures (United Nations, 2008). However, in line with the foundational academic framework of this document, the term 'indigenous entrepreneurship' is equated with 'social entrepreneurship.' This is because, in both cases, initiatives are formed with democratic and participatory governance structures, and market dynamics enable them to create sustainable social value (Sánchez Espada *et al.*, 2018), where people take precedence over capital.

It is important to note that this publication aims to amplify the voice of the community while offering readers rigorous data. As previously mentioned, the author's doctoral research is rooted in the concepts of 'Buen Vivir (Sumak Kawsay) and Happiness in Ecuador', supplemented by academic articles and the validation of new data through recent interviews and field visits. This endeavor involved six years of collaborative work, during which 30 semi-structured interviews were conducted, serving as the primary source of information for this document. The participation of the collaborators was anonymous, which is why pseudonyms are used in order to protect their identity. Additional methods of qualitative research were used, such as participant observation, and research-action-participation through a validation work-







shop held in July 2019, in which the Kallari story was compiled. The last meeting was held in May 2022 to update the information and learn about the impact of the pandemic on the organization.

Field research has contributed to articles and book chapters that have been published over this time. Some of the most relevant titles carried out from the UISEK Business School research project are listed below and their reading and review is recommended for those interested in delving further into the subject.

- · Indigenous entrepreneurship. An economic dimension of Sumak Kawsay? (Coral-Guerrero; Carmen Amelia, 2018).
- · Sumak Kawsay and women's empowerment. (Coral-Guerrero; Carmen Amelia et al., 2018)
- An empirical assessment of the indigenous Sumak Kawsay (living well): the importance of nature and relationships.
 [Coral-Guerrero et al., 2020]
- · Good living (Sumak Kawsay) and happiness in Ecuador. (Coral-Guerrero; Carmen Amelia, 2021)
- · What is Sumak Kawsay? A Qualitative Study in the Ecuadorian Amazon. (Coral-Guerrero et al., 2021)

The previous works have allowed for the maturation, redefinition, and synthesis of this current book, 'Entrepreneurship for community and Nature', which is structured into four chapters. It begins with a description of the 'Chakra' and 'Minga' as the foundation of community life and the indigenous economy. This section narrates how this system, central to the indigenous worldview, presents an alternative to Western economies. The second chapter documents the history of Kallari, the company's products, and the successes and progress achieved through various leaders, members, and funders. The third chapter reflects on the lessons learned along the way, the goals yet to be reached, and the challenge of engaging new generations in the process while contributing to the Sustainable Development Goals. Finally, the fourth chapter concludes with an open invitation to explore the territory with an open mind and the promise that everyday decisions and actions make the construction of community, income generation, and climate change mitigation possible.







2

SUMAK KAWSAY IN SUPPORT OF A GRASSROOTS ECONOMY

The Kallari project is located in Ecuador, on the equator at latitude 0 0'0" dividing the planet in north and south. Due to its location, it is one of the most biodiverse countries in the world, with different climates, a varied geography and one of the highest concentrations of rivers per square kilometer. Ecuador is divided into four different regions: the Galapagos Islands, the Pacific coast, the Andes, and the Amazon (see Figure 1). Ecuador's economy relies heavily on petroleum resources, which account for approximately one-third of the country's export earnings. This is followed by exports of bananas, fish, crustaceans, and flowers (PROECUADOR, 2018), indicating a significant dependence on raw materials and a low proportion of processed products.



Ecuador is a country with 18 million people, according to official figures (INEC, 2022a). Indigenous people in Ecuador represent 7% of the population, distributed among 14 indigenous nationalities, the most important being the Kichwa, which represents 85% of the total indigenous population, followed by the Shuar nation, which represents 9.3%. The other nations are: Chachis, Achuar, Andoa, Kichwas from the Amazon, Awa, Tsachillas and Waorani, among others. The province of Napo, where the research was conducted, exhibits high levels of unemployment and underemployment compared to other regions and parishes in the country, with a poverty rate largely driven by the implementation of a primary-extractive-export development model. This model, promoted in Napo, has accelerated inequality and social and economic exclusion (Province of Napo, 2010) for a significant portion of its population.



Figure 1. Map of Ecuador and location of Kallari

In this context, the Kallari Indigenous Association was founded in 1997 in Tena. Today, it operates as a non-governmental union of organic cocoa producers from the Ecuadorian Amazon, comprising over 850 families spread across 21 communities surrounding Tena, the capital of Napo Province. Figure 2 illustrates the distribution of these communities (a drawing created by a member of Kallari), highlighting the abundance of water resources and the significance of rivers for their settlements.

The association's main business activities include the production and marketing of organic cocoa, as well as the production, marketing, and export of fine aroma chocolate. This focus positions the organization as a sustainable economic alternative to the extractive economy, providing a reliable source of income through fair trade practices that enhance the quality of life for Kichwa indigenous families (Kallari, 2018). OUAQ AIV

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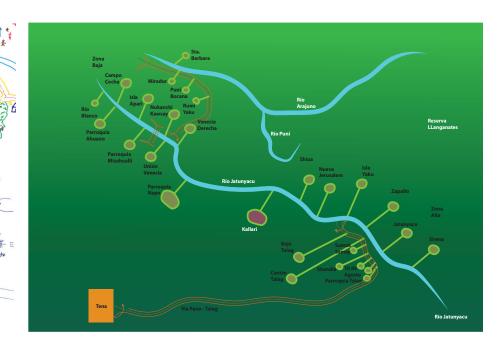


Figure 2. Kallari communities

Image source: Kallari Partner

The communities Rumi Yacu, Puni Bocana, Shinchi Runa, Mirador, Santa Bárbara, Cam pococha, Colonia Bolívar, Ñukanchik Kawsay, Islas APAAI, Río Blanco, Mushuk Kawsay, Suyu Kawsay, Guiñea Chimbana, Serena, Jatun Yacu, Seis de Marzo, Ila Yaku, Nueva Jerusalén, Bajo Talag, Centro Talag, Sumak Samay, Shandia and Diez de Agosto exist in a single territory, sharing family, economic and cultural ties with communal possession of the lands they inhabit and work for their livelihood. The survival of communities and their legacy is a matter of vital importance in a globalized world that has deepened economic inequality, neglect, and the precariousness of indigenous life.

In this challenging context, the activity of the Kallari association creates new opportunities for these communities who, situated in the Ecuadorian rain forest, face limited access to essential services such as health and education.

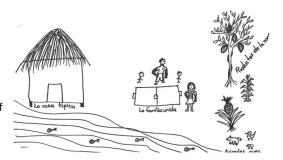


2.1 Community as a life choice

The Kichwa term 'Sumak Kawsay' compounds two words: *Kawsay*, meaning 'life', and *Sumak*, which translates to 'good, complete, beautiful, precious' or 'abundant' (Ecuador Ministry of Education, 2009). 'Sumak Kawsay' embodies the worldview of the Andean Amazon region, envisioning values such as reciprocity, solidarity, respect, complementarity, dignity, collective participation, and social justice as fundamental principles of life. These values are rooted in a harmonious relationship with both Mother Nature and the community.

From an indigenous perspective, Sumak Kawsay stands in opposition to development projects that lead to the destruction of nature. Guided by this principle, the *runa* or self-sufficient economy aligns with nature and holistic thinking, presenting a vision of development that diverges from Western and contemporary notions. Indigenous communities embrace a current of thought that values their origins and integrates diverse knowledge, traditions, and experiences as the foundation of their endeavors and organizational structures. Sumak Kawsay ('Good Living') extends beyond the pursuit of alternative developments, positioning itself as an alternative to Western development (Escobar, 2010; Gudynas and Acosta, 2011). In doing so, it offers a path that is fundamentally different from all contemporary development models.

Indigenous economic activities are deeply connected to their cultural heritage, so establishing an indigenous enterprise first required a process of cultural adaptation to integrate the concepts of Sumak Kawsay. For Kallari, this meant finding a way to align efficient resource management with balanced territorial development. Additionally, creating a company involved merging principles and concepts of entrepreneurship and sustainability from Western culture with the tenets of the *runa* economy, as described by Taxo (1999). This is an economy inherently linked to nature, where scarcity and hoarding do not exist, and self-sufficiency is essential, ensuring that resources are not wasted.





Figures 3 and 4. The meaning of Sumak Kawsay. Source: Kallari Partner.

Ecuador, as a nation, has implemented laws to regulate the activities of companies and associations certified in Fair Trade. A notable example of this is Article 1 of the Organic Law of the Popular and Solidarity Economy and the Popular and Solidarity Financial Sector (2011), which defines the Popular and Solidarity Economy (EPS) as "the form of economic organization in which its members come together to produce, exchange, market, finance, and consume goods and services that allow them to meet their needs and generate income [...]". Additionally, Article 283 of the Constitution of the Republic of Ecuador (2008) states that "the Popular and Solidarity Economic System [...] promotes a dynamic and balanced relationship between society, the state, and the market [...] with the objective of ensuring the production and reproduction of the material and immaterial conditions that make Buen Vivir (Good Living) possible." In this way, Kallari opens doors not only to other indigenous associations but also to all companies involved in fair trade in Ecuador, recognizing through its laws the progress, participation, and perseverance of the producers represented by their organizations.







2.2. Two fundamental values: the Chakra and the Minga

The economic foundation of the family unit and the Kichwa community is rooted in the *Chakra*, a cultivation space that supplies food, seeds, ornamental plants, and medicinal herbs, making it an essential component of traditional indigenous production systems. Thus, the *Chakra* is recognized as the cornerstone of food sovereignty, the indigenous economy, and community participation (Viteri, 2003; Lehmann and Rodríguez, 2013). As a traditional system, the *Chakra* embodies attributes of conservation, integrated resource use, and a profound, filial connection with nature.

In Kichwa, we call nature 'Pachamama'; it is like a mother, the mother who gives you life. So, we also relate nature to the mother who gives us life. Even medicines come from there, food, trees for building houses, water—all come from nature. Therefore, if we are not in nature, we feel incomplete, which is why an indigenous person cannot live without their Chakra, without their land (Emilia, personal communication, Tena, August 8, 2016).

In conversations with the Kichwa people, the *Chakra* is frequently mentioned as a key element of their identity: "The happiness that the *Chakra* brings is part of the identity and culture of the Kichwa people. It vindicates their way of life and ancient heritage" (Antonio, personal communication, Tena, March 23, 2017). Without the *Chakra*, an indigenous person feels incomplete. It embodies the nature that is an intrinsic part of their being, linking the indigenous identity to the concepts of well-being and natural abundance of the Amazon. As Tomás, a farmer from the rain forest, explains: "*Having a Chakra [...] means you don't need to go out into the forest; it represents a fraction of the forest, a sample of it*" (Tomás, personal communication, Río Blanco, April 9, 2016).

This piece of land is both rain forest and family: "The Chakra is a member of the family and generates a quality of life that is invaluable" (Antonio, personal communication, Tena, March 23, 2017). It is a formula for happiness and a fulfilling life: "We spend a large part of the day in the Chakra, and at work, I am happy" (Manuela, personal communication, Shandia, April 28, 2016). It is also a school for life: "To live well, you must keep going, walk the right path—that is happiness. I feel happy when I work in the Chakra with the machete so that the crops grow well" (Lina, personal communication, Pano, April 17, 2016). In this way, the entirety of nature embodied by the Chakra speaks and teaches about what it means to be a community: "In nature, all living beings, all matter are interconnected [...] what we do today might be what awaits us in the future" (Rubén, personal communication, Tena, April 18, 2016). Working in the Chakra is like attending a school where the foundation of the communities' way of Feeling, Thinking, and Doing is learned.

The other independent but complementary concept of community thought is the *Minga*, a system of collective participation that serves the community's interests through reciprocity, solidarity, and the internal redistribution of goods and services (De la Torre and Sandoval, 2004). It is a traditional form of communal work that maintains the ritual and ceremonial calls of the towns. In the *Minga*, the entire community joins together to complete an activity of shared interest, whether it is building a house or clearing a local road. It is a source of collective labor, participation, and dialogue, playing a crucial role in community life: "For us, Minga is democracy; it is the full participation of everyone for the well-being of each family or community" (Hugo, personal communication, Tena, April 17, 2016). Thus, Kallari is more than just a company; it is a collective endeavor and a network of mutual support that belongs to all its members. This is why it is organized through ongoing *mingas*, where all members contribute, participate, and decide on the association's future, ensuring its continued progress.

The work carried out during a *Minga* is rooted in the principles of collective solidarity and reciprocity: "Social work, collective work is much better than working alone, having that connection, meeting all the communities through the Minga" (Tomás, personal communication, Río Blanco, April 9, 2016). This concept emphasizes that belonging to a group extends beyond the individual: "Collective life is better; as they say, unity is strength," which is why, "If we have to work, we all work" (Beatriz, personal communication, Pano, April 17, 2016). A clear example of this sense of belonging can be seen in the use of plural language, highlighting the innate communal pursuit of shared goals: "For us, Minga is democracy; it is the general participation of all for the well-being of each family or community [...] in two or three hours, we can clear one or two hectares, while one person alone would take a year" (Hugo, personal communication, Tena, April 17, 2016). Through the Minga, collective work for the well-being of the community is understood, passed down, and honored.

The Kichwa understand that respecting nature and its cycles comes with an economic cost, one they are not willing to compromise on. They are acutely aware of the paradox of being surrounded by natural abundance, working hard, honoring the environment, and yet experiencing a form of poverty defined not by scarcity of resources but by limited economic means:

"They say that we in the Amazon are poor and lazy, that we don't like to work, but we do work. Yet no one buys our products at a fair price. A bunch of bananas sells for two dollars, and with that, we can't afford breakfast, lunch, and snacks. Our products are undervalued, and we don't have enough money to survive. If people bought from us at a slightly higher price, we would have enough to invest in something. Then, we wouldn't have to be labeled as poor" (Beatriz, personal communication, Pano, April 17, 2016).

In this context, Kallari effectively balances the key aspects of the indigenous economy by combining fair trade practices with the integration of local traditions and capitalist business methods. Kallari, a cooperative made up of twenty-one communities, has already reached the global market with its products, maintaining agricultural practices that align with their *Chakras*. A Kallari volunteer shared: "I brought some machines from Canada to teach how to work with chocolate, how to temper it, and create recipes. I've shared my knowledge, and in return, they've taught me about their agricultural practices" (Martin, personal communication, Talag, April 29, 2016). This approach shapes the way work is structured at Kallari, where the *Minga* and especially the *Chakra* find their place in the commercial sphere, showcasing community values and fostering innovative hybrid practices in product marketing.





3

KALLARI, A SUSTAINABLE COMPANY

Rallari is a word from the Kichwa language, associated with historical events and meaning "to initiate" or "the sunrise"—symbolizing a new beginning. The association has imbued the term with three guiding principles: the past, rooted in the defense of territory and cultural identity; the present, focused on understanding and protecting nature, Pachamama, to produce in harmony and strive for a sustainable economy; and the future, connected to niche markets that benefit new generations and create a meaningful legacy for families (Kallari, 2018). These principles embody the company's purpose and guide its direction and values in alignment with Good Living. The mission, vision, and values were crafted to uphold the promise of improving the conditions of its members, leading the export of its products, and honoring the community values that form the foundation of the company.

Mission	"An associative and community-based enterprise that is sustainable, innovative, and technically advanced, with effective production and transformation processes, enabling its members to achieve an adequate standard of living, meeting the needs of its stakeholders, and positioning its products in local, national, and international markets." (Kallari, official page, n.d.)
Vision	"We are an inclusive, associative organization of small producers from Napo that produces, processes, and markets products from the Amazonian Chakra, valuing culture and ancestral knowledge, preserving biodiversity, and offering high-quality products with certified processes." (Kallari, official page, n.d.)
Values	"Transparency: honest producers, employees, and workers. Respect: demonstrated through discipline, punctuality, kindness, and cordiality. Solidarity: generosity and empathy for everyone. Equity: participation, camaraderie, and teamwork. Commitment: loyalty, will, attitude, and enthusiasm." (Kallari, official page, n.d.).



3.1 The Kallari Association¹

Allari is an association dedicated to the production, processing and marketing of agricultural organic products and crafts imbued with cultural identity. The Association was established in 2002 as 'Asociación Agro Artesanal de Producción de Bienes Agrícolas Pecuarios y Piscícolas de Napo Kallari'. The Association's primary goal was to:

"Break the chain of intermediation—this is what we envisioned, that our main objective is to break the chain of intermediation so that intermediaries do not exploit our small producers. This is why it was decided that the Kallari Association must work here, but with a different approach—not as a social benefit initiative, but as work that directly impacts each producer. Only in this way will our people achieve Sumak Kawsay" (Alex, personal communication, Tena, April 13, 2016).

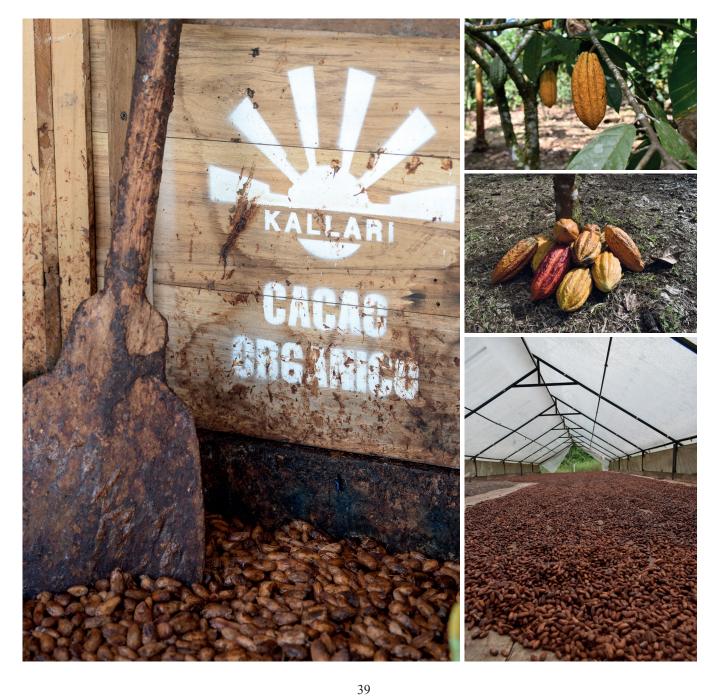
To become chocolate producers, the Kichwa first had to choose to go beyond farming and break away from the distribution chain that purchased cocoa at low prices (Santo Pietro, 2008). From its inception, the Association was built with a sustainable social structure that works directly with the communities surrounding the city of Tena. This type of organization ensures they can fulfill orders, benefit from State support, and easily connect with various stakeholders to add value throughout the production chain.

As an indigenous enterprise, Kallari is seen as part of a growing social movement that aims to improve the quality of life for this segment of the population through an associative model. It promotes the inclusion of Kichwa families in social enterprises under a fair trade system (Ledesma Almache, 2016). Today, Kallari sources fine aroma cocoa for the production of organic chocolate, bypassing intermediaries in the commercialization and export of its products. This approach strengthens the cocoa industry through production, fermentation, and drying strategies that ensure excellent product quality for both national and international markets.

¹ The information contained in this chapter was compiled in a participatory manner with members of the Kallari Association in July 2019, and validated with its directors in May 2022.

Kallari competes in the market alongside private companies, both nationally and internationally. The cooperative utilizes a unique blend of cocoa grown on Kichwa land, producing chocolate that is smooth, rich, and distinctive. The 2.47-ounce bars, containing between 75 and 85 percent cocoa, are sold in whole-food markets across the United States (Santopietro, 2008) and are appreciated by foreign consumers not only for their flavor but also for the social value they embody.







3.2 History

The early development of the Kallari Association was supported by biologist Judy Logback from the Jatun Sacha Foundation², a non-profit organization dedicated to environmental preservation and care. Logback identified the needs of artisans and farmers, organizing them with funding from the Jatun Sacha Foundation to develop productive activities that would generate income for their families.

Initially, they experimented with selling export-quality handicrafts, followed by coffee sales. Later, they successfully established an effective value chain for cocoa production with impressive results. The farmers' first major challenge was to sell their product directly. This move was necessary because intermediaries purchased cocoa at very low prices, and the quality reaching the end consumer was often compromised by product mixing for profit. At this point, association and community work became integral to the Grassroots Economy. This approach increased indigenous labor participation, improved product quality, and eliminated intermediaries.

To address their financing needs, the project was presented to the Ecuadorian Canadian Development Fund (FECD) in 2001. The FECD not only provided funding but also offered specialized technical assistance in chocolate production to enhance their processes. With this financial support, the Agro Artisan Association for the Production of Agricultural Goods, Livestock, and Fish of Napo Kallari was established in 2003, reinforcing the community's systemic approach and providing economic support to families from various regions. The subsequent years involved the process of legalization, organic certification, and the formation of further alliances to make their product competitive and stand out in the market. This effort led to securing international contracts for product sales.

The traditional *Chakra* system, which employs environmentally friendly agricultural practices and avoids the use of pesticides or chemicals, guarantees a 100% organic product that is highly appealing in both local and international markets. This production method earned them two notable foreign certifications: the USDA Organic certification, which verifies pesticide-free agricultural and food production in accordance with U.S., European, and Ecuadorian standards; and the EU Organic Production Regulation (EEC), which certifies sustainable food production from balanced and fertile soil. These certifications not only enhanced the recognition of their products but also added value by acknowledging their ancestral practices.

^{2:} Jatun Sacha Foundation (www.jatunsacha.org). The main lines of action of the Jatun Sacha Foundation are: the conservation of biological and cultural diversity through various private conservation models, environmental education, and the development of research and productive projects that promote the improvement of the quality of life for people living in the areas influenced by its activities.

Among the most outstanding achievements³ are:

chievements

- Eliminate intermediaries from the marketing process
- Solidarity work with other people, organizations and companies
- Price control of products
- Purchase price set by the Association
- Compensation of production costs
- Buy by volume, for production
- Financing from abroad
- Specialized production
- Specialized technical assistance through coordination with foreign aid
- Delivery of inputs to motivate production
- Investment and training in new technologies
- Strengthening of productive and commercial chains through added value.
- Decrease in the provincial deforestation rate and reduction of emissions
- Strengthening of sustainable community tourism and bio-enterprises.
- Leaders shaping public policy for the Kichwa Chakra in Napo Province





3: An analysis of the challenges and achievements can be found in chapter 4.











3.2.1 Kallari leaders

Rallari has been built thanks to community support and leadership. The first participants were: Paula Andy, a crafts teacher from the Shandia Community; Fausto Andy, an agriculture and livestock technical adviser from the Shandia Community, and Judy Logback, a Jatun Sacha volunteer. These individuals collaborate with the Shandia, Santa Bárbara, El Mirador, Río Blanco, Puni Bocana, Rumi Yaku, and Chichico Rumi communities to develop a project aimed at strengthening production and trade, supported by the Ecuadorian-Canadian fund.

Once the Project for Organizational, Productive, and Commercial Strengthening of cocoa, coffee, and handicrafts was approved, the organization signed a founding act in 2002 with Judy Logback as director, Nelly Shiguango in charge of organizing the Association, Engineer Henry Ríos overseeing the productive and commercial aspects, and Paula Andy as the master artisan. This administrative team was supported by Nety Cayapa, who provided accounting services. The team also included a network of technical assistants or extension agents, such as Carlos Pozo, Fausto Andy, Luis Poveda, Fabricio Mamallacta, and Ángel Yumbo. This group led the process to the foundation and legal recognition of Kallari in 2003.

In the subsequent years, additional leaders joined, including Carlos Pozo (2012), Galo Grefa (2014), Netty Cayapa and Bladimir Dahua (2016), and again Carlos Pozo and Bladimir Dahua (2018). Their contributions have ensured the continuity and sustainability of the company to the present day.











3.2.2 Strategic partners

The cooperation that initially served as a response to an immediate problem evolved to become the cornerstone of Kallari. In this way, cooperative relationships, viewed through a human development lens, transform into partnerships where participants engage more as equals rather than in donor-recipient roles (Cabeza-Pulles & Coral-Guerrero, 2016). This shift in international relations is relatively recent, and in Kallari's case, it is essential not only for fostering connections between communities but also for integrating strategic international cooperation partners. Below is a list of the main partners and their programs.

3.2.2.1 National cooperation and foreign aid

Foreign aid is defined as support aimed at fostering the economic and social development of developing countries (Chiani et al., 2009). These contributions come in the form of technology transfer, knowledge sharing, capacity building, or experiences from other countries and multilateral organizations. It is commonly referred to as Official Development Assistance (ODA), a global concept encompassing various types of contributions, including technical cooperation, scholarships, financial assistance, humanitarian and emergency aid, and food support (Presidencia de la República, 2007). Over the years, foreign aid has evolved from the simple provision of unilateral assistance to a partnership-based relationship (Ripoll and Ghotme, 2015). In this context, Kallari benefits from the international cooperation of the institutions listed below:

Canadian Ecuadorian Fund

The Ecuadorian Development Cooperation Fund (FECD) is a private, non-profit organization that works to sustainably improve the living conditions of the most vulnerable groups in Ecuador, through comprehensive development proposals.

Contribution: To consolidate Kallari as a quality territorial brand supported by digital transformation within the Kichwa communities of Napo. This involves promoting the production of goods (cocoa, guayusa, and others) and services (such as tourism) that meet quality standards, food safety, and marketing practices. It strengthens the associativity and network of stakeholders, providing training and raising awareness on gender, equity, communication, culture, and environmental issues (FECD, 2021).

FAO

The Food and Agriculture Organization of the United Nations (FAO) is a specialized agency that leads international efforts to eliminate hunger. Serving as a vital source of knowledge and information, it supports developing and middle-income countries in modernizing and enhancing their agricultural, forestry, and fishing practices to ensure adequate nutrition for all (FAO, 2020).

Contribution: Training and technical support in the production chains of cocoa, guayusa, and vanilla. Strengthening of strategic areas, such as the collection center, and technical assistance for the





giz

implementation of organic certification. Application of the FFF initiative (Forest and Farm Facility) to measure deforestation in cocoa Chakras and its impact on the environment (FAO, 2020).

GIZ

The Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH has been active in Ecuador since 1962. Given that Ecuador is one of the most biodiverse countries in the world, GIZ collaborates with local communities to combat climate change, reduce environmental pollution, and curb the overexploitation of natural resources that threaten ecosystems (GIZ, 2018).

Contribution: Research on the cocoa value chain, technical studies on vanilla, implementation and enhancement of the collection center, financial support for organic certification, improvements to cocoa plantations for increased productivity, support for public policy related to the organic *Chakra* production, and assistance for participation in international trade fairs (GIZ, 2018).

GADNAPO. Decentralized Autonomous Government of Napo

The Decentralized Autonomous Government of Napo aims to implement an alternative management model that is transparent, efficient, effective, and supportive, with a strong stance against corruption. This model is grounded in a planning process that fosters the sustainable development of the province.

Contribution: Support for the construction of the eco-factory, provision of materials for fieldwork, agreements for training in cocoa forest management, a national certification program for the *Chakra* seal, the '*Women and Chakra project*', marketing of Napo products, and the "*Napumarca*" brand (GAD Provincial NAPO, 2022).

CEFA

CEFA (European Committee for Agricultural Training) is a non-governmental organization dedicated to supporting the most impoverished communities in the global south to achieve food self-sufficiency and secure fundamental rights, including access to food, education, gender equality, training, and employment (Cefaecuador, 2021).

Contribution: Enhancement of the marketing chain through a digital purchasing system for cocoa, guayusa, and vanilla; strengthening of the marketing chain with the acquisition of a conveyor belt; and the improvement of the collection center with the installation of intelligent cocoa dryers (Cefaecuador, 2021).





3.2.2.2 Volunteering and Internships

Since its inception, Kallari has relied on the support of numerous volunteers, primarily from Germany, the United States, France, Switzerland, Canada, and Ecuador. These volunteers are motivated by personal interest or come as part of their international university internships. They contribute to all areas of the Association, including social, cultural, educational, environmental, health, socio-economic development, and fair trade. Interns are welcomed through agreements with educational institutions and engage in educational and technical activities such as product collection, drying, sales, and the compilation of field technical sheets, among other tasks.

The duration of volunteer engagement ranges from one month to a year. The type of work they undertake is coordinated between the community and the volunteers, based on their skills and professions. Upon returning to their home countries, volunteers become Kallari ambassadors, spreading awareness of its products, promoting the brand, generating connections for trade fairs, and encouraging new volunteers and interns to join.

Volunteers often learn about Kallari through word of mouth, specialized websites, or international tourism magazines that highlight the association's work. Prestigious media outlets have played a significant role in raising Kallari's global profile. Figure 3 displays a collage of reports featuring Kallari in well-known publications such as the New York Times, Wall Street Journal, and National Geographic, among others.

Some of the main activities undertaken by the volunteers include:

/olunteers

Training and development of new cocoa by-products

Creation and design of boxes

Translation into different languages

Market research

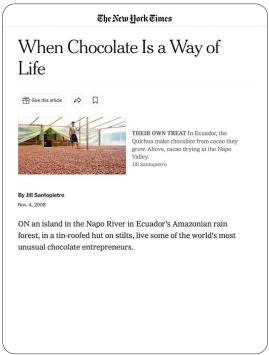
Implementation of new recipes and chocolate flavors

Support for the collection center

Marketing of vanilla, cocoa and guayusa

Figure 5. Collage of Kallari in international media.







3.3 The Organization

In its 2002 certificate of incorporation, Kallari was established as an association with the involvement of 16 leaders from 7 communities, representing 850 families from Napo Province. Initially, all family members were considered active partners in the organization; however, during the Fair Trade certification process, it was discovered that there was no formal record of any members as legal partners. Consequently, in 2022, the board took steps to officially register the members and verify compliance with the established criteria: being of legal age and having traded cacao, guayusa, or vanilla for at least one year (Guillermo, personal communication, Tena, May 24, 2022). As a result, there are now 305 registered members, with 62% of them being women.

Following the registration process and in compliance with the regulations set by the Superintendence of the Popular and Solidarity Economy and the Solidarity Economy Law, Kallari has established that the Board of Directors will consist of 70 representatives serving as delegates for the 21 communities. This approach ensures that "one person per family is designated, with the family being the productive unit, but one person is responsible for selling" (Juan, personal communication, Tena, May 25, 2022). This structure adheres to the guideline that organizations must not exceed 200 members.

During the certification process, the election method for the board of directors was also revised. Previously, Kallari conducted open votes where members raised their hands to cast their votes. However, they are now required to conduct secret ballots, allowing each partner and community to vote independently and without external influence. "No one interferes or attempts to influence others' votes; for instance, if I have my own criteria, it is mine, but I will not affect others. Everyone is free to think and vote as they wish" (Guillermo, personal communication, Tena, May 24, 2022).

Kallari holds two regular assemblies each year to present financial and operational accounts. During these meetings, an operational technical report and an organizational report are presented. For specific issues, extraordinary assemblies may be called.

Kallari's organizational structure includes the General Board, the Board of Directors, and the Oversight and Administration Board, all governed by the company's statutes and responsible for the organization, management, and oversight of the company.

Each of the boards is composed as detailed in Table 1.

Table 1
Composition of the board of directors

Organization:	Members
Organization:	70 representatives, delegates from 21 communities
General Board	President, Secretary, 3 members
Board of Directors	President, Secretary, 1 member
Surveillance Board Manager	A person who wins a merit contest responsible for finance, production, marketing, biotrade and tourism. (Choose from a shortlist).

Sources: Kallari & Author

The updating of processes, technologies, and productive best practices in Kallari's internal management, along with the dynamics of continuous work, has led to significant development of the venture and a noticeable improvement in the quality of life for its collaborating members. Most current members see themselves as exporters and appreciate the effectiveness of associative work in distributing products to various markets. Strengthening the indigenous community has enabled them to work collectively, resulting in the creation of robust infrastructure that supports their trade while preserving their traditional methods and organizational practices.





3.4 Kallari production

Rallari currently sells different products in national and international markets. To support commercialization, the company manages information on consumer trends, user profiles, and marketing elements, with volunteers playing a key role in strengthening brand management, network engagement, and direct communication with buyers.

While the production of cocoa and chocolate is Kallari's most recognized line, the company also offers other products and services that enhance its stability and ensure income for various family members. The production of handicrafts, coffee, vanilla, and guayusa is made possible through the Chakra and Minga systems and is showcased through the community tourism services provided to visitors. A brief description of the products and the processes involved follows.

3.4.1 Crafts

In 1999, Kallari launched its first product line under the name Jatun Sacha, in tribute to the association that funded them. This product line now includes a variety of traditional and contemporary accessories, all crafted using regional materials (fibers, seeds, bird feathers) that members sustainably gather from the rain forest, as neither logging nor hunting is permitted for production purposes. In this sector, training is provided in design, techniques, quality control, and resource management, leading to the expansion of the line to include daily-use items and wood-carved souvenirs. Kallari supports partner communities by purchasing their products as a form of mutual support.

3.4.2 Coffee

In Kallari, coffee commercialization began in 1999. It started with an assessment in the communities to understand the regions and types of coffee they were producing. Following this, training and technical guidance were provided to help maintain coffee plantations without the use of chemicals, ensuring high-quality production. Ultimately, Kallari took the initiative to eliminate intermediaries who were taking the majority of the profits. At this stage, they decided to purchase coffee beans directly from partner communities to sell them to processing companies in Guayaquil.

Over time, coffee production decreased due to low profitability, and the focus shifted to cocoa production to meet demand and capitalize on better prices. Currently, only 20 hectares of coffee plantations remain, serving to meet local and national demand, thereby catering to the domestic market.



3.4.3 Cocoa and chocolate

Chocolate is Kallari's flagship product, renowned for its high quality and exceptional taste, even satisfying the most discerning palates. The cocoa from which the chocolate is made grows naturally in the Amazonian regions. Globally, the demand for cocoa products is often linked to social justice issues, particularly in Africa (Ivory Coast), where it is also cultivated. Therefore, Kallari places strong emphasis on the importance of natural and organic production that respects the social and environmental context of its cultivation and marketing.

Kallari is committed to the cultivation, harvesting, and post-harvest processing of cocoa, using only natural components in its production. This work is made possible through the exchange of knowledge between communities and the ongoing training provided to members of the association. The harvest is done manually, and the company purchases cocoa directly from partners who grow it in their *Chakras*. Once the cocoa arrives at the collection center, it is sorted by type and size before undergoing the drying and homogenization process. At this stage, the classification into organic or conventional cocoa is confirmed, and the product is then packed, weighed, marked, and prepared for loading into containers.

Final products such as chocolate coatings, balsam, liqueur, and ice cream are processed and packaged at the port of Guayaquil. The chocolate bars are marketed under the **Sacha** brand (meaning "jungle" in Kichwa), created in 2006 to target the North American market. The main flavors include lemon verbena, orange, lemon, banana, and vanilla. The chocolates are processed at industrial plants in Salinas de Guaranda or Quito, where they are packaged and sent back to Kallari for distribution, catering to both domestic consumption and export markets.









3.4.4 Vanilla

Vanilla, a member of the orchid family and native to tropical and subtropical regions, grows wild and is valued for its cosmetic and culinary uses. Production of this plant began following a market study conducted between 2011 and 2013, which highlighted its high commercial value. Consequently, training with experts was initiated, as managing the plant is delicate and demands knowledge, skill, and patience to ensure excellent results. Pollination is either carried out naturally by insects or manually, with the latter requiring meticulous care to avoid damaging the plant. After pollination, it takes between 8 and 9 months for the pods to be ready for harvest.

Planting vanilla in the *Chakras* is beneficial as it thrives with 50% shade and 50% sunlight, yet it absorbs the flavors of surrounding plants. In *Chakras*, there are fruit, medicinal, and timber trees, which adds complexity to controlling the flavor and quality of the vanilla. This necessitates additional care to achieve an optimal balance of flavor. Currently, sales are primarily local, within the Napo province, with limited international distribution to countries such as Canada, Germany, and France. Plans are underway to expand the *Chakra* system over a larger area to increase production, as demand is high but current output remains limited.







3.4.5. Guayusa

This is a product with medicinal and energizing properties, and its commercialization has increased due to the trend for consuming energy-boosting natural products. It is a plant that grows naturally in the area and does not require further care, so putting this product on sale only requires proper maintenance. Demand is expected to increase when the properties of the plant become popularized; current production exceeds demand.

The leaves are sold fresh, making cleaning and sorting a crucial part of the process to ensure product quality. Once they arrive at the collection center, they undergo a drying process, followed by a final classification before being packed in various forms: ground, chopped, shredded, or as whole leaves. This product is marketed both nationally (in Tena and Quito) and internationally (in the Czech Republic).





3.4.6. Community-based tourism

Community-based tourism is centered around the Mirador community and was established to promote Kallari's productive system in both national and international markets. This project generates additional income for the families involved in Kallari through the sale of tourist packages that focus on the cocoa and chocolate route. These packages include meals featuring Amazonian cuisine, such as cassava, fish, plantain, chicha, and guayusa. The tour takes visitors through the plots (*Chakras*) to learn about planting, production management, and harvesting. It then continues at the collection center, where participants can observe the post-harvest process and the phases of cocoa traceability, including fermentation, drying, grading, quality control, packaging, and dispatch to customers or the chocolate production plant. The experience concludes with a tasting of Kallari chocolates at their offices in the city of Tena.

The Mirador community has made the most progress in tourism development. They are currently focused on building a community cabin and offering a range of additional services, including cultural gatherings, walks, artisan fishing, birdwatching, visits to avian salt licks, cruises on the Arajuno River, and ceremonies like the *guayusa upina*. The initiative has also spurred the creation of new tourist centers in Rumi Yaku, Cinco de Enero, Serena, Guinea Chimbana, Isla Apaai, Santa Bárbara, and Puni Bocana. This work supports the preservation of cultural values among the population, benefiting both families and the broader communities involved in the organization.







3.4.7 Certifications

uality certifications guarantee to clients and consumers that Kallari offers high quality services and products. This explains why its members dedicate part of their efforts to reaching and maintaining the standards required to uphold the certifications they have achieved so far:



National Organic Certification: certifies compliance with the General Regulations to Promote and Regulate Organic Ecological - Biological production in Ecuador.



European organic seal: certifies the principle of organic agriculture of sustainable food production in balanced and fertile soils. The *Chakras* must be administered in accordance with organic regulations without using genetically modified organisms (GMOs) and synthetics.



The National Organic Program (NOP) seal serves as the federal regulatory authority in the United States overseeing organic food standards. The United States Department of Agriculture (USDA) administers and enforces the regulatory framework. The primary mission of the NOP is to safeguard the integrity of the USDA Organic Seal.



The fair trade seal certifies a solidarity-based commercial system that aims to foster the development of communities and eradicate poverty. FAIRTRADE transforms the way trade operates by ensuring better prices, decent working conditions, and fair treatment for farmers and workers in developing countries.



The SPG Sello Chakra aims to recognize, organize, value, and promote the strategic importance of the ancestral Amazonian Kichwa Chakra production system. Its purpose is to ensure food sovereignty and security, conserve Amazonian ecosystems, and enhance the income and economic stability of families.

In addition to the certifications already obtained, Kallari is working towards achieving the Deforestation-Free Certificate to meet the technical standard outlined in the REDD+ Action Plan "Forests for Good Living," as well as the BAP (Good Agricultural Practices) certificate. This involves the implementation of specific methods that enable farmers to establish quality and safety standards to safeguard their health and ensure the well-being of the consumers of their products.

3.4.8 Main markets and exports

Kallari exports raw materials, semi-finished products, and finished goods. Its main markets include Germany, Australia, France, and England, with smaller markets such as Sweden, the Netherlands, and Japan. The raw material exports consist of cocoa beans to Canada and Switzerland; guayusa to the United States, Germany, and the Czech Republic; and vanilla to Canada and Germany. Kallari's flagship product is chocolate, including its semi-processed and fine aroma national cocoa variants, complemented by the Cocoa and Chocolate Tour service. Other products with which Kallari competes in international markets include guayusa and handicrafts.

The percentage of national and international sales varies each year, influenced by different factors. Currently, 20% of Kallari's production is sold internationally, while 80% is sold within the national market. In 2021, national sales increased by 75%, making it one of the most successful sales years in Ecuador. In 2022, Kallari is placing a stronger emphasis on exports. Although market behavior can be unpredictable, there are several projects and plans in place to boost its sales levels in international markets.

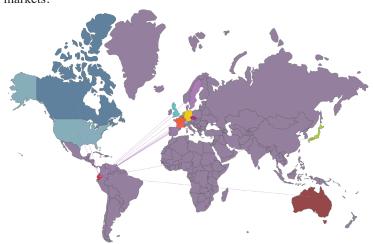


Figure 6. Main export destinations of Kallari

3.4.9 Awards and recognition

The first award Kallari received was the Presidium Prize and the designation of cacao baluarte from Ecuador at the 2005 Slow Food Fair in Turin, Italy, a renowned global food fair. This recognition made indigenous communities aware of the importance of enhancing the fermentation and drying processes of cocoa beans, which in turn contributed to better prices in both national and international markets. From that moment, Kallari gained recognition for its quality and reputation, attracting the attention of numerous buyers interested in its products.

In the United States, several Kallari recipes earned the gold bar designation, highlighting the quality of their chocolate bars. In 2012, they won an award for the best 75% bar at the French chocolate fair. Later, Kallari was featured in Forbes magazine (Pinchefsky, 2012) as one of the five best chocolate bars in the world, boosting their popularity. In Ecuador, they received multiple nominations and were awarded gold, silver, and bronze medals. Additionally, in recognition of their longstanding achievements, the Ministry of Culture honored them in 2020 as one of the best organizations at the national level.







3.5 Timeline

YEAR 1997: This project began in 1997 to address the urgent needs of the communities of Shandia, Santa Bárbara, El Mirador, Río Blanco, Puni Bocana, Rumi Yaku, and Chichico Rumi. These communities needed to generate income to improve their quality of life, create job opportunities to support families, secure fair and competitive prices, establish reliable and transparent financial practices, and form associations to prevent community disintegration.

Judy Logback's involvement was crucial at this stage, as she helped initiate the project to strengthen production and trade, funded by the Canadian Ecuadorian Fund, which provided \$20,000 for the craft project. Alongside this effort, an environmental education project was developed with the objectives of reducing reliance on intermediaries, learning how to work with and process harvests to offer a consistent product, and creating a production program aimed at self-sustainability. With funding from Jatun Sacha, the Chakras were established, and the search for a market began on the coast to sell forest, fruit, and coffee seeds. Their first direct customer was Café Minerva.

YEAR 1999: Kallari continued promoting and selling handicrafts and coffee, securing some initial clients; however, sales eventually declined due to external market fluctuations. Learning from this experience, they began to develop strategies to attract direct customers, strengthen their operations, establish an internal company structure, and enhance their products. During this period, they also received support from the Ecuadorian-Canadian Fund.

YEARS 2001 - 2003: With the funding received and clear objectives for the next three years, Kallari invested in training by establishing Field School workshops. In these sessions, members were trained in essential areas for effective operations, including product development, technical skills, organizational management, leadership, and commercial strategies. They also conducted an assessment of their productive activities to identify areas for improvement. This training empowered members to manage their own marketing process, with a firm commitment to never rely on intermediaries again. This period marked one of the most significant phases of growth for the communities.

With this renewed mindset, they signed the Constitutive Act in 2002, formally establishing KALLARI, and created their first Strategic Plan, focusing on four key components: production, commerce, organization, and craftsmanship. The positive outcomes of these efforts led to the legal recognition of the Kallari Foundation by the Ministry of Industry, Trade, and Competitiveness (MINCIP), officially documented on December 10, 2003.

YEARS 2004 - 2005: Kallari received recognition for having the best (endangered) cocoa in the world at the Salone del Gusto in Turin, Italy. In France, their chocolate bar was acknowledged as the third best in the world, and they were awarded the Presidium by Slow Food in Italy as Baluarte cocoa from Ecuador.

With this recognition supporting their products, the first chocolate exports to the U.S., Germany, and Italy began. The Association started planning the Collection Center to meet new challenges, consolidating the organization and steadily expanding its capabilities for the well-being of its members.

YEARS 2006 - 2007: This social enterprise participated in its first international fair in the U.S., where they showcased their chocolate bars. This milestone enabled them to achieve their goal of becoming direct exporters to the U.S. market. They redesigned their packaging and created the Sacha brand, moved into larger facilities to enhance product differentiation, and meet export standards. A new Board of Directors was appointed, and professionals were hired to focus on international marketing processes. These strategic changes allowed Kallari to enter the Japanese market and establish KALLARI LLC in the U.S.

YEARS 2008 - 2009: Kallari members underwent training to achieve Organic Certification, which contributed to increased benefits and improved product quality. Following this, the company's vision and mission were defined, positioning Kallari as an innovative indigenous social enterprise dedicated to generating income for the communities. In addition to these advancements, the members, as entrepreneurs, recognized the need to expand their infrastructure and establish their own factory to better compete in international markets.

YEARS 2010 - 2013: The success achieved led to the launch of a new service: The Chocolate Route, aimed at showcasing the Kallari production chain to both local and international tourists. With the organization's new vision, innovation and process improvements became priorities, enabling them to cease importing raw materials and start producing their own vanilla.

YEARS 2014 - 2016: This was a period marked by changes and challenges; at the organizational level, the budget was reassessed to enhance competitiveness. On the commercial front, this phase saw the introduction of guayusa sales.

YEARS 2017 - 2019: Kallari achieved fair trade certification, which improved commercial conditions for producers. New product lines were developed, including chocolates, semi-processed products, fine aroma national cocoa, guayusa, and handicrafts. This progress led to anticipated sales and garnered support from both local and international institutions.

YEARS 2019 - 2022: 2019 was key for establishing strategic alliances with customers, the internal technical team and partners. This progress allowed Kallari to grow and expand its markets compared to previous years. Additionally, with the support of producers, production increased through the crown change methodology, which involves replacing old trees with new ones and improving the management of cocoa plantations.

Innovations were also introduced at the collection center, including improved drying and fermentation processes for cocoa. Strategic alliances were formed to identify markets both locally and internationally for their products.

The year 2020 was particularly challenging. Initially, it was expected to be a successful year for Kallari, with plans to boost product sales and achieve profit margins that would enable new investments. This optimism was fueled by the consolidation of new clients and markets in 2018 and 2019. However, these plans were disrupted by the pandemic, which led to market losses and reduced revenue. Despite this unforeseen event, Kallari managed to survive, emphasizing the need for a contingency plan for unexpected situations.

In 2021, Kallari focused on stabilization. Markets were regained, and connections with companies that resumed chocolate exports were reestablished. The new board played a crucial role in stabilizing the organization by implementing technological support for administration and new technical systems such as drying chambers and ferments for production.

In 2022, Kallari launched three new products: the Mishky chocolate bar, a milk chocolate with almonds and sugar designed specifically for the Ecuadorian market, and two new flavors under the Sacha brand—mango and passion fruit. Additionally, they revisited their goal of establishing another collection center with greater capacity to handle higher volumes in response to market demands. Their objective is to diversify while maintaining the Chakra system and international markets. To achieve this, they are strengthening the vanilla and guayusa production chains with the intention of exporting these products. Plans are also in place to reintroduce coffee and wood commercialization to tap into new potential markets. These strategic decisions aim to anticipate and counter competition from companies with intensive cocoa production. Kallari is confident that these measures will provide sufficient resources for reinvestment in 2023.

Timeline

The following timeline allows us to graphically review the progress, challenges, and learning of the association throughout its first twenty years of history.

The organization is created with 3 communities:
Santa Barbara
(15 families) Puni Bocana
(40 families) Rumi Yaku
(15 families)
They receive help from the volunteer Yudi Logback

Creation of UCKICAN (Union of Communities Peasant Kiwchuas of Alto Napo)

It was in charge of the production and commercialization of coffee, cocoa and handicrafts

Participate in the Program PL450 (Organizational Strengthening Plan) The first "collection center" is created in Centro Talag and shandia

The first chocolate bars made in the United States are marketed by the company Bergger and Shaffer

The chocolate bars are shipped to Italy

They receive the prize of \$10,000 thousand dollars for their fine aroma cocoa

They open their first cafeteria in the city of Quito, called "The Café Kallari"

5 communities are integrated into the organization: Río Blanco Colonia Bolivar Chicha Rumi Miradori Nucanchi Kawasi

They receive help from Fund Ecuadorian Canadian

They produce coffee and handicrafts

Kallari is approved as the name of the organization a general assembly
The second grade organization is created on December 10, 2003

It is constituted as a coopera-

The handicrafts market presented a considerable drop

Fimeline

Volunteers make the first bars with the name"SACHA"

They send to the USA bars of chocolates made in Guaranda Salt Flats

New professional leaders

Agricultural project is managed with PL480

This project promoted the establishment of 800 hectares of cocoa

The organization is consolidated with 850 families

Their orchards were of low productivity

The average cocoa produced per hectare was two quintals

2005 2007 2008 2009

Through an agreement with MAGAP, cocoa production begins

They sell their first container of cocoa

They receive aid from the government for \$100,000 thousand dollars through the ECORAE Project

They obtain an organic certification

The first warehouse is built

They make their first direct sales of cocoa to Switzerland

They decide to directly market the chocolate bars.

They develop the first three samples of chocolate

They participate in their first international fairs

They make the first export to Japan of the chocolate bar with 85% cocoa

KALLARI LLC is created in the USA

Pest arrive in the plantations of the product such as: Monilla and witch broom

They train farmers to obtain organic certification

They maintain the organic certification obtained in 2005

Territorial Project of MIES for the creation of its own chocolate factory Leaders attended various international fairs

They exhibit each of their products

They hold the First Cocoa and Chocolate Fair Community Tourism is offered for the first time They had 850 members through the MIPRO

The NGOs that supported KALLARI called for changes

They demanded changes in its managing

They move to Peru to share knowledge They move to Peru to share knowledge

They sell Guayusa tea in Germany

They obtain the first permission to directly export their products They enter a great economic crisis

They lose their clients portfolio

They start with the process of recovering their customers

They meet the requirements of NGOs to obtain capital Change of KALLARI organizational structure

No authority wanted to help KALLARI for his high debt

2010 2012 2014 2015 2016

They stop importing vanilla from Madagascar

Project for the use of fallen wood

They make the Route of the Chocolate

GEO Foundation finances the vanilla project

They produce their own vanilla

Debt of more than \$200,000 thousand dollars

They change the legal figure of the organization and no partners are registered

Overproduction of cocoa Surplus in quotas for farmers

Timeline





Purchase of drying chambers and fermenters for production

2017

2019 2020

2022

Profits are made again

Regenerate profitability at organization level

They recover some customers and open up to other markets

They offer various product lines such as:

Chocolates, Semi

Processed, National Fine Aroma Cocoa, Guayusa, Handicrafts **Pandemic**

Market loss

Income decrease

Change of Board of Directors

at the end of the year

Retake the dream of having another collection center with greater capacity

Strengthen the vanilla and guayusa chains

Implement the commercialization of coffee and wood in the Chakra

Launch of the Mishky chocolate bar, created especially for the Ecuadorian public

Launch of flavors Mango and passion fruit for the Sacha brand



4

LESSONS LEARNED AND CHALLENGES

4.1. Indigenous appropriation and identity.

The members of the Kallari indigenous entrepreneurship project feel they are part of a purpose guided by participatory norms, where dialogue is fundamental: "Minga is democracy; it is the full participation of everyone for the well-being of each family and community" (Hugo, personal communication, Tena, April 17, 2016). In this way, the organization reflects the decisions and actions taken daily, as for the community members, sharing and dialogue are integral to everyday life: "I connect with everyone, with our relatives, and I need to talk with them, [...] to discuss, chat, and make decisions in meetings about peasant insurance, water issues, sports, school. We are all friends, acquaintances, brothers and sisters in the community" (Sofía, personal communication, Pano, April 18, 2016). The value of collective and intentional decision-making lies in the open discussions that establish clear agreements, keeping violations to a minimum (Ostrom, 2015). As a result, this community-driven process optimizes outcomes.

For Kallari members, their organizational system is seen as innovative due to bold decisions such as eliminating distributors, managing every link in their marketing chain, and venturing into international trade. It is revolutionary in grounding its economy in the *Chakra* and *Minga* systems. Decisions ranging from tending an orchard to exporting products encompass considerations of production, profit distribution, and future investments (Cameron and Healy, 2017). Thus, the *Chakra*-based economy, scaled to the company level, functions as a viable economic system for export.

Kallari is a community in continuous synergy with nature. They maintain a reciprocal relationship through observation, research, and community work, carried out in conditions that shift between abundance and scarcity.

"We started by growing cassava and plantain. Later on, we also introduced other species, like ornamentals and aromatic plants for crafts. Meanwhile, the forest provides seeds—seeds fall, and they grow naturally. So, we're preserving these plants in a way that doesn't rely solely on human cultivation but allows nature to play a role. As we maintain the Chakra, we're also preserving certain species and doing a bit of research. We know there are over 80 species in the Chakra" (Tomás, personal communication, Río Blanco, April 9, 2016).



The relationship with the *Chakra* aims to enhance the quality of life for community members by promoting food sovereignty and working to overcome extreme poverty. In line with the cooperative model, profits are reinvested back into the organization's members. This approach is meaningful not only for Kallari but also for other communities globally, as it embraces collective growth—a contrast to the Western tendency to pursue individual goals and achievements.

"Social work, collective work—it's much better than working alone. That connection, bringing together all the communities through an organization like Kallari, is more powerful. Above all, having our own organization, which we see as ours [...] truly ours, Kichwa. Being a producer and having options to sell at the best price, adding value to our products for other countries; my production, my processed goods, transformed into products with added value, and knowing that our product reaches the international market, fulfilling all these steps ourselves." (Tomás, personal communication, Río Blanco, April 9, 2016)

The purpose of the community is to pursue avenues for development and entrepreneurship, always rooted in their cultural traditions. It is their wish that the association foster and promote these practices to reinforce traditions within the community. The learning and forward-thinking mindset developed over more than ten years of the Kallari project are a result of unity, agreements, and the continuous practice of traditional customs. Oscar, an indigenous member from Tena, expressed it this way in 2016:

"Poverty is laziness, in general, because I believe we all have potential; we all have the ability to think and do things well. But sometimes we get held back by a lack of knowledge, a lack of motivation, and we start thinking that others need to do things for us, when in fact we are more capable than anyone else. We all have that capacity, we can all develop it. And poverty isn't just about lacking money; sometimes we are poor in our thinking, poor in spirit." (Oscar, personal communication, Tena, April 10, 2016).

This relationship embodies the application of ethical principles, responsibility, and mutual care, extending to all living beings and the environment. It is also a project that brings hope to other ethnic groups and to the planet, as it highlights the importance of ecosystem restoration and teaches that diversity fosters resilience, that sustaining habitats sustains life, offering the possibility of real change (Cameron and Healy, 2017). Having faith in indigenous peoples and their way of life, especially in a

world where respect for nature is increasingly eroded, stands as one of the greatest achievements for all members and those who have come into contact with Kallari.



4.2 Women, youth and the future of Kallari

ll of Kallari's processes support female empowerment, recognizing the essential role of **\(\)** indigenous women in economic and personal development. At Kallari, this involvement is rooted in a commitment to gender equality in the workplace, making women a visible and integral part of the productive system. Women in the community receive training, guidance, workshops, and support to generate income and broaden their skills. Laura, a community leader, shares, "I really enjoy attending the workshops. I've changed the way I express myself and defend my rights as a woman. I'm no longer afraid to speak in front of other communities" (Laura, personal communication, Zapallo, April 28, 2016). These women have transformed their self-perception, feeling capable of making decisions, mobilizing, and developing new skills. The potential of women in the productive sector is increasingly recognized. Notably, Kallari's board of directors includes both men and women, and women have held the position of president throughout the association's history. Their participation has steadily grown, so much so that by 2022, 62% of Kallari members were women. Women also lead the production and commercialization of guayusa, vanilla, and handicrafts. In the Chakra system, women are seen as the guardians of seeds and family food sovereignty (chagramama). They consistently engage in, influence, and help shape Kallari's direction. As Marcela states, "I participate in all events and meetings organized by the community, in every possible way, and in various areas, such as politics, agricultural development, leadership, and addressing the needs of community members" (Marcela, personal communication, Tena, April 29, 2016).

On the other hand, work remains to be done to achieve generational continuity in the company. Until now, the community has transmitted extensive knowledge to young people through hands-on practice and oral tradition; they learn botany in educational spaces such as the forest, the fields, and the *Chakra*. To integrate youth into community life, they are involved in meetings: "All communities must participate in the assembly. For what purpose? So that all the work, the projects that are being carried out, are known to young people. They need to understand what an assembly is, what an extraordinary meeting is, what an ordinary meeting is, so that these young people already feel like the true owners of the Kallari company. This has given us an opening with young people in the communities" (Alex, personal communication, Tena, April 13, 2016).



However, economic, educational, and social concerns that affect young people remain unresolved within the community, leading to migration from rural areas to the city. Kallari hopes that youth will view involvement in the association as an appealing profession, take ownership of its growth, and avoid becoming uprooted. For this to happen, policies must be implemented that address the specific needs of youth within the community.

4.3. Kallari as a model for indigenous entrepreneurship. South-south cooperation

The company's greatest achievement has been building a robust system of guarantees for both the community and clients, grounded in respect for nature and traditions. Successfully managing the company's complex organizational processes has required continuous adaptation and learning in productive, legal, and commercial practices that reinforce community principles.

Another achievement of Kallari and its *Chakra* philosophy is in environmental conservation through the GEF Napo Conservation and Good Living Project, under which they report conserving 7,369 hectares and co-managing an additional 57,000 hectares. This initiative has led to a reduction in deforestation rates and emissions, and more families are joining the Good Agricultural Practices (GAP) program. Through the *Chakra* concept, value is created for both food products and community tourism services, establishing Kallari as a model for Amazonian communities and other social enterprises.

Kallari recognizes the importance of laws to influence and protect the Amazon from harmful agricultural practices. Therefore, they advocate for the *Chakra* concept to be formalized as a regulation, allowing the provincial government to standardize production under the *Chakra* system throughout Napo Province and the Amazon region. To this end, Kallari collaborates with private, governmental, and cooperative institutions to develop a Participatory Guarantee System (PGS) known as the *Chakra* Seal. This initiative aims to protect agreements and networks of people and institutions that facilitate knowledge exchange between producers and consumers.

In support of community work, Kallari is part of a second-tier organization called the Corporation of Associations of the Amazon Chakra, where certified brands collaborate to boost sales within Amazon communities. Additionally, Kallari partnered with the Provincial government of Napo to create the Napo Sustainable Development Fund commercial trust, which serves as a financial mechanism to attract environmental funding from foreign aid, municipal and parish authorities, private

companies, and other public entities, benefiting 130 producers from 13 communities.

These achievements also bring new challenges for the future. Short-term challenges include formalizing the organization to comply with the regulations of the Superintendence and meeting the conditions required to maintain the Fair Trade certification. To this end, Kallari is organizing itself according to institutional guidelines. So far, they report that these changes offer benefits, such as having an accurate count of active members and affirming that relationships are more transparent. However, this formalization affects traditional practices like the assembly, where all members previously participated with a voice and open vote, often requiring full-day meetings to reach community consensus. Under current regulations, only representatives attend the assembly, and votes must be cast in secret. While this adaptation is functioning well, it is important to remain mindful of changes that could impact the community's cooperative spirit and traditional practices.

In the production field, Kallari is considering two new challenges:

Challenges

Strengthen the supply chains for wood, coffee, cinnamon, and ishpingo. This will require involving new producers who are committed to the work, providing training for new product lines, investing in suitable technology for each process, creating new markets, and positioning these products effectively—all while maintaining the high quality of products already established in the market.

Establish a new collection center equipped with the necessary technology and infrastructure to handle a larger volume of additional products. The goal is to learn and implement various post-harvest processes, enabling them to introduce products into the pharmaceutical sector, including medicines, perfumes, cosmetics, and more.

Today, housewives, young people, the elderly, workers, and institutions value the organization, seeing it as essential to Kallari's progress and working together to sustain it. "We must not lose the organization that took so many years of struggle; we are recognized nationally and internationally, and we need to keep moving forward," says Adriana, a grandmother from the community (personal communication, Shandia, April 28, 2016). The economic benefits from product sales and the recognition of the community's work are sources of pride for all. However, for the company to achieve the continuity everyone hopes for, it is crucial to include and listen to young people in meetings and organizational processes, as they represent the future of economic development in rural communities.

4.4. A synthesis of achievements, lessons learned and challenges

To provide a clear and comprehensive overview of Kallari's achievements, learning experiences, and challenges over time, an explanatory table has been created summarizing the Association's work throughout its existence (see Table 2). This table includes the organization's contributions toward achieving the Sustainable Development Goals set by the United Nations General Assembly in the 2030 Agenda.



Table 2
Kallari's achievements, lessons learned and challenges

Achievements	Learning	Challenges	Contribution to the Sustainable Development Goals	
Maintain cultural identity .	Sources of entrepreneurship aligned with cultural traditions. Empower new generations by emphasizing the importance of heritage.	Management of the Chakra and organic production practices. Highlight the value of the Chakra system for future generations. Promote the deep-rooted nature of traditions. Strengthen the association with generational continuity.	1 fin dela pobreza	
Participatory work of the community, reflected in an association of which 250 families are a part.	Collaboration of men, women and young people to promote the projects of the Association. The Minga is a community value and is practiced on a daily basis for the benefit of the community.	Maintain the community and the cooperative will of the association.	2 HAMBRE CERO	
The Chakra as the basis of the family economy. Leadership of public policy for organic Chakra in the province of Napo.	Amazonian food sovereignty depends on family crops. Environmental conservation and management of organic production as a contribution to the mitigation of climate change.	Disseminate the organic Chakra process to other territories as a non-extractive and sustainable alternative to improve quality of life.	13 ACCIÓN POREL CLIMA	
Participation of women in managerial and productive positions. Visibility of the leaders of the association and the production of guayusa. 62% female participation in the association.	Recognize the work of women, both in housework and in contribution to production processes. Men and women can lead the association and the productive processes.	Promote gender equality in the community.	5 IGUALDAD DE GÉNERO	

Fair trade model. Productive and commercial independence, through the elimination of intermediaries.	New knowledge and experiences. Transition from being farmers to managing the entire chain.	Enhance the supply chains of timber, coffee, cinnamon, and ishpingo. Build a new collection center that allows processing a greater volume of production.	12 PRODUCCIÓN Y CONSUMO RESPONSABLES
	Management of different production chains, to avoid dependence on income from a single product. The quality of the products is the guarantee to maintain consumer satisfaction.	Increase the process of modernization and training in new processes. Preserve the quality that characterizes the Kallari brand.	CO
Product diversification International markets entered for cocoa, fine aroma chocolate, coffee, vanilla, guayusa, handicrafts and community-based tourism. International awards and recognitions for the quality of the products.	The national market has a limited demand for organic products; therefore, it is necessary to venture into international markets with high demand.	Enter other international markets. Learn and apply different post-harvest processes. Design and experiment with new products and services for pharmaceuticals and cosmetics.	8 TRABAJO DECENTE PUR SECONOMICO
	Elaborating processed and manufactured products allows entry into new international markets.	Improve the level of quality and satisfaction with the products.	10 REDUCCIÓN DE LAS DESIGNADADES



5

CONCLUSIONS

Although knowledge transmission in most native peoples relies on oral tradition, this publication helps consolidate an entrepreneurial experience that will undoubtedly serve as an inspiration for indigenous communities, ethnic minorities, migrants, women's groups, and others who aspire to alternative approaches to development. Understanding the story of Kallari—its challenges, lessons learned, and accomplishments—offers inspiration for sustainable enterprises in harmony with *Pachamama*. Highlighting experiences from the Global South encourages reflection on the importance of exploring diverse ways of undertaking projects and perceiving the world.

The Kallari project is regarded as innovative not only for creating a model that balances traditions and ancestral knowledge with the rhythms of nature and market demands but also for ensuring that this adaptation process was collectively agreed upon and tailored to the community's needs. For Kallari members, this evolution represents valuable opportunities for training and employment.

Kallari has improved the quality of life for its members, giving them back the freedom to shape their own paths as individuals and expanding life possibilities supported by the association. This journey required a re-imagined approach to land management, new work dynamics, the integration of diverse knowledge, the adaptation of cooperative practices, and a community structure organized with a business vision. Years of dedication, sacrifices, successes, and challenges have led to continuous growth, despite the difficulties (José, personal communication, Tena, April 17, 2016). Today, many people from this region share in the benefits, challenges, and accomplishments that Kallari has brought to their lives.

Kallari's approach is a form of innovative resistance—it challenges stereotypes of poverty and scarcity by fostering life through a healthy relationship with nature (the rain forest) and community. The *Chakra* and the *Minga* are central to building *Sumak Kawsay*, or "good living." Kallari embraces challenges and serves as an innovation hub in the Amazon, promoting bio-enterprises and supporting a new economic model: bio-economy. Kallari anticipates the future without losing its identity or purpose: "to sustainably improve the economic conditions of local associates and producers through the production, transformation, and commercialization of Chakra products, while preserving culture and the environment."

Purpose-driven ventures play a vital role in territorial empowerment, strengthening local assets, fostering resilience, and maintaining peace within the community through networks and strategic alliances. In the province of Napo, challenges like poverty and limited access to healthcare and education are longstanding. While Kallari cannot resolve all the issues and gaps left by the State, its consistent efforts generate income through diverse chakra products, enhancing the quality of life for its members and contributing to the fulfillment of the Sustainable Development Goals.

For SEK International University, the collaboration between the community, researchers, and students represents invaluable learning. This book is a way of giving back to a community that generously opened the doors of their organization, homes, forest, and hearts to a process of mutual learning. They continue to share their knowledge with the academic world through various projects across university faculties that are committed to Kallari's ecological vision.

Finally, we extend an open invitation to experience this remarkable way of life in the Ecuadorian Amazon, engage in community tourism, enjoy its products, savor some of the world's finest chocolate, and embrace the beauty of life. If visiting isn't an option, consider supporting by buying local, backing social enterprises, prioritizing collective action to bolster economic recovery, and, perhaps, starting a purpose-driven venture of your own.





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*Foreign volunteer / Source: own elaboration

ANNEX 1: Interviewee profiles

	Participant pseudonym	Age	Activity	Interview location
1	Alex	47	Community leader	Tena
2	José	45	Kallari Worker	Tena
3	Esteban	41	Kallari Worker	Talag
4	Marco	50	Civil Servant	Pano
5	Sofía	55	Civil Servant	Pano
6	Beatriz	60	Housewife	Pano
7	Lina	73	Housewife	Pano
8	Maya	40	Independent	Shandia
9	Adriana	82	Housewife	Shandia
10	Manuela	60	School Teacher	Shandia
11	Laura	52	Community Leader	Zapallo
12	Tomás	49	Agriculture	Rio Blanco
13	Amelia	60	Agriculture	Guinea Chimbana
14	Sara	38	Non-Governmental Organization	Tena
15	Elena	45	Civil Servant	Tena
16	Óscar	40	International Cooperation Officer	Tena
17	Miguel	28	Merchant	Tena
18	Rubén	29	Environment	Tena
19	Hugo	59	Bilingual Inter-cultural School	Tena
20	Marcela	40	Civil Servant	Tena
21	Sandra	22	Agriculture	San Rafael
22	Claudia	23	Nurse	Shandia
23	David	65	House of Culture	Tena
24	Emilia	45	Community President	Tena
25	Julián	67	Shaman	Ñakanchi Kawsay
26	Ana*	47	Volunteer-Kallari Board of Directors	Tena
27	Antonio	40	International Cooperation	Tena
28	Martín	44	Volunteer	Talag
29	Guillermo	48	Association President	Tena
30	Juan	33	Administration	



The book is presented through the eyes of the Kichwa community, focusing on the Kallari enterprise—a venture for the community and nature.

The text begins with a description of the Chakra and Minga as the foundation of community life and the indigenous economy, and how this core system of indigenous worldview offers an alternative to Western economies. The second chapter documents Kallari's history, the company's products, and the successes and progress achieved through the efforts of various leaders, partners, and supporters. The third chapter reflects on the lessons learned along the way, the goals yet to be achieved, and the challenge of involving new generations in the process. It concludes with an open invitation to enter the territory with an open mind, carrying the promise that daily decisions and actions make it possible to build community, generate income, and mitigate climate change.





