



# The Reciprocity Fund

by Beneficial Returns

We support social enterprises that **promote prosperity** for **indigenous communities** in Latin America and Southeast Asia. **Join us as an investor.**

Created as a special mandate of Beneficial Returns, The Reciprocity Fund provides loans to social enterprises that work to create economic opportunity and sustainable livelihoods for indigenous communities in emerging markets. We invite you to join us as an investor with your philanthropic dollars.

## What we know

Recoverable grants can be used to circulate capital to indigenous social enterprises on favorable terms, then can be returned to investors for future grantmaking

Indigenous peoples represent around 5% of the world's population but make up 15% of the world's extreme poor.

While indigenous peoples own, occupy, or use 25% of the world's surface area, they safeguard 80% of the world's remaining biodiversity

Indigenous communities hold invaluable knowledge, are active stewards of cultural and biological diversity, and have lived in harmony with the Earth for millennia. As we face urgent challenges of climate change, food insecurity, and other threats to our planet, we need the leadership of indigenous communities and their knowledge and solutions, developed and honed through long histories of sustainable interaction with their natural surroundings, to bring the relationship of society, industry, and the Earth into balance.

Despite the critical importance of indigenous communities and their stewardship of land and society, indigenous communities throughout the world are disproportionately affected by extractive industries and experience disenfranchisement, economic isolation and exploitation that is far more tragic and profound than is reported through government data or mainstream media.

Social enterprises in indigenous communities are working to solve some of their communities' and society's biggest challenges: extreme poverty, declining soil health, environmental degradation, shrinking biodiversity, waste and limited access to sustainable energy. However, these social enterprises struggle to secure financing, keeping most small and unable to grow their solutions to the scale of the problems. Institutional oppression, lack of connections and lack of political and financial resources further prevent these enterprises from scaling.

## What we do

Provide impact investors and philanthropists the opportunity to make transformational loans with recoverable grant dollars

Provide social entrepreneurs in indigenous communities the financing they need to grow

We leverage our extensive network and experience working in emerging markets to successfully identify, structure, underwrite, document and service small loans to social enterprises, led by and benefitting indigenous communities, that bring critical solutions to urgent problems to scale.

## How We Do It

Directing capital to indigenous communities is challenging because the enterprises are usually remotely located, under-resourced and small, making them higher risk and more costly to service than other investments. With capital in the form of recoverable grants, The Reciprocity Fund is able to efficiently support the growth of social enterprises in indigenous communities, bringing solutions to scale than can preserve land, traditions, and ancestral knowledge that benefits agriculture, medicine, and culture globally.

Your recoverable grant to The Reciprocity Fund is pooled with other recoverable grant dollars and 100% is used to fund loans to social enterprises like those featured below. All administrative costs of the Fund are covered by the 8% interest rate paid by borrowers and by our seed investor (RSF Social Finance on behalf of Cold Mountain Fund.)

At the end of the seven-year grant period, your grant will be returned less your *pro rata* share of any loan losses experienced. We anticipate that investors will recover 85% or more of their commitment amount. This means your investment will generate more than a 7X impact return.

## Funded Enterprises

### ECUADOR



### Waykana

Headquartered in Ecuador, [Waykana](#) is a social enterprise that sells Guayusa tea sourced from more than 200 Kichwa farming families in the Amazon. In addition to retailers in Ecuador, the product is also available in the US and Canada. Guayusa is a relative of the holly tree that is native to the rainforest. Waykana creates a profitable alternative to slash-and-burn agricultural methods. Guayusa can also be grown with other food, fruit, timber and medicinal plants to create biodiverse and ecologically healthy agricultural plots that allow local farmers to thrive and generate a sustainable livelihood for their community.

### GUATEMALA



### FECCEG

Federación Comercializadora de Café Especial de Guatemala ([FECCEG](#)) is a thirteen year-old non-profit that works with 1,500 producers of organic coffee, sugarcane, and cinnamon in Western Guatemala. Governed as a cooperative, FCCEG provides loans, technical assistance and access to the US market for these farmers, 30% of whom are women. Last year the organization generated over \$9M in revenue. The Reciprocity Fund's \$75,000 loan helped FECCEG expand their warehouse and administrative offices.

## Funded Enterprises

MEXICO



### Bats'il Maya

Bats'il Maya is part of an eighteen-year old coffee cooperative that supports over 360 Tzeltal farming families in the central highlands of Chiapas. The cooperative operates a green coffee milling operation, a roasting facility, and three coffee shops. With their vertically integrated model, indigenous producers benefit economically from the value-add of milled, roasted coffee, and brewed coffee. Their economic model promotes fairness, solidarity, and the human face of business. The Reciprocity Fund provided a \$25,000 working capital line to manage the timing gap between paying farmers and receiving payment from export customers.

## Prospective Borrowers

ECUADOR



### Napo Wildlife Center

[Napo](#) is an eco-lodge located in Yasuni National Park (3,700 square miles) in Ecuador. Run by the Kichwa Anangu people, this facility can accommodate 100 guests in one of the most biodiverse places on earth. The tribe employs a sustainable eco-tourism model where all proceeds are re-invested into community projects such as renewable energy, education, and health care. In addition to generating income for the local community, the enterprise encourages the continuity of traditional culture and exposes visitors to a vibrant indigenous South American community.

ECUADOR



### Kara Solar

[Kara Solar](#) is a community-owned transportation company. Its solar-powered boats connect nine Achuar villages along 67 kilometers of river in the Ecuadorean Amazon. Kara Solar believes that the best way to preserve the rainforest is to empower its indigenous custodians. By developing reliable, fossil fuel-free transport in the region, Kara Solar is able to encourage trade, responsible tourism and stronger ties between these remote indigenous villages.

## Prospective Borrowers

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### INDONESIA



### Javara

Inspired by indigenous farmers and food artisans striving to preserve Indonesia's food biodiversity, indigenous wisdom and spiritualism, [Javara](#) sources over 800 food products from more than 50,000 farmers throughout the archipelago. These products, including spices, noodles, grains, sauces and coffee are sold domestically and exported to 22 countries. Local farmers, collectives and artisans produce the products while Javara focuses on R&D, product development, certification, quality control, marketing, branding and distribution to local and global markets

### VIETNAM



### Mekong Quilts

[Mekong Quilts](#) sells high quality, hand crafted quilts and accessories made by under-privileged women in remote and rural regions of Vietnam and Cambodia, providing them with sustainable employment. It employs over 200 women in communities northeast of Ho Chi Minh City, Duc Linh and Tanh Linh, Ham Thuan Nam, Long My in the Mekong Delta and Rumdoul in Cambodia. All profits from the quilts are also used to support the wider community through development initiatives such as microfinance, scholarships, and health, hygiene and agricultural education programs.