The Reciprocity Fund

INSTITUTIONAL POLICY FOR INDIGENOUS AND AFRO-DESCENDANT PEOPLE, NATIONS, AND COMMUNITIES

The Reciprocity Fund – Beneficial Returns

PREAMBLE

The Beneficial Returns Reciprocity Fund recognizes that indigenous and afro-descendant peoples, nations, and communities are constituted as historical subjects who preserve their political, economic, and cultural sovereignty, with their own systems of governance, production, and knowledge, and a deep relationship with their lands and territories.

This policy establishes an institutional framework to ensure that the financing granted by the Fund contributes to the strengthening of collective economic autonomy, territorial continuity, cultural reproduction, and self-determination of indigenous and afro-descendant peoples, nations, and communities.

The Fund recognizes that, in multiple contexts in Latin America and Southeast Asia, access to finance has historically been mediated by colonial, extractive, or exclusionary structures. In this sense, credit can become a tool for strengthening territorial autonomy if it is designed on the principles of reciprocity, cultural relevance, and institutional responsibility.

For this reason, the Fund adopts the principle that ethically and culturally relevant debt can constitute a legitimate tool for indigenous economic resistance to dynamics of territorial dispossession, external corporate capture, and extractive expansion.

CHAPTER I

OBJECTIVE

The objective of this policy is to establish the principles, criteria, safeguards, and institutional mechanisms that guide the evaluation, approval, monitoring, and measurement of the impact of financing granted to indigenous and afro-descendant peoples, nations, and communities.

This policy also provides a scalable institutional framework that can guide future Beneficial Returns strategies beyond the Reciprocity Fund.

CHAPTER II

SCOPE

This policy applies to:

- Indigenous cooperatives
- Territorial Community Associations
- Community Enterprises
- Traditional productive organizations
- Cabildos (Town Councils or Town halls)

- Peasant patrols
- Indigenous guards
- Territorial federations
- Rural afro-descendant organizations
- Traditional communities in Brazil
- Adat Governance Systems in Indonesia
- Organizations under ancestral domain frameworks in the Philippines
- Tribal communities recognized under the ILO 169 frameworks
- Southeast Asian customary communities

It also applies to allied organizations when they operate in indigenous territories or implement projects with a direct impact on these communities.

CHAPTER III

OPERATIONAL DEFINITIONS

Indigenous and Afro-descendant People, Nation, or Community

Collectivity with historical continuity, its own cultural identity, differentiated social institutions, its own governance systems, and collective links with its lands, territories, resources, forms of organization, and knowledge systems. This definition includes indigenous peoples, indigenous nations, afro-descendant communities, traditional communities, and other collective forms of organization recognized by their own members and by the applicable legal frameworks.

Traditional Community

Social groups with their own forms of land use, collective management of natural resources, and intergenerational transmission of knowledge, including riparian, extractive communities, and traditional agroforestry communities.

Indigenous and Afro-descendant territorial governance

Collective decision-making system based on traditional authorities, community assemblies, community councils, town halls, territorial organizations, or other mechanisms culturally recognized by Indigenous and Afro-descendant peoples, nations, and communities.

Indigenous and Afro-descendant territorial economy

Economic system based on the sustainable management of the territory, family, community or collective work, economic reciprocity, cultural reproduction, and the strengthening of the collective autonomy of Indigenous and Afro-descendant peoples, nations, and communities.

Ethical debt

A financial instrument designed in a culturally relevant manner that strengthens community autonomy without compromising territorial continuity or collective governance.

CHAPTER IV

GUIDING PRINCIPLES

The Fund directs its financing under the following principles:

Economic self-determination

Indigenous and Afro-descendant peoples, nations, and communities must maintain control over their productive, organizational, and territorial decisions.

Financial reciprocity

Credit should strengthen relationships between institutional and community co-responsibility.

Cultural relevance

Financial conditions must be adapted to traditional production calendars, community organizational structures, and territorial dynamics.

Recognition of the diversity of roles and territorial knowledge

The Fund recognizes that gender relations, generation, and organization of community work are diverse among Indigenous and Afro-descendant peoples, nations, and territories. In multiple indigenous and afro-descendant contexts, men, women, young people, and older people play differentiated roles in territorial management, community economy, knowledge transmission, and collective care. For this reason, the Fund will promote evaluation and interaction processes that allow understanding this diversity of perspectives without imposing homogeneous external models of organizational representation.

No damage

Funding must not generate negative impacts on community cohesion, territorial governance, or cultural continuity.

Collective prosperity

Financing should strengthen community economies rather than promote isolated individual accumulation.

CHAPTER V

INTERNATIONAL FRAMEWORK OF REFERENCE

This policy aligns with:

- ILO Convention 169
- United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP)
- Principles of economic self-determination of indigenous and afro-descendant peoples, nations, and communities.
- International Standards of Free, Prior and Informed Consent
- Emerging frameworks for culturally relevant financing in impact investing

CHAPTER VI

ELIGIBILITY CRITERIA

The Fund prioritizes organizations that:

- Have legitimate community recognition
- Operate under collective governance structures
- Maintain active territorial links
- Generate collective economic benefits
- Strengthen cultural continuity
- Contribute to territorial sustainability

In addition to the above criteria, the Fund may consider eligible organizations, associations, cooperatives, or companies led partially or mostly by non-indigenous and Afro-descendant persons when they maintain a demonstrable, legitimate, and sustained link with indigenous and afro-descendant peoples, territories, or organizations, provided that their actions contribute in a verifiable way to the strengthening of collective economic processes, cultural continuity, territorial governance, or sustainability of indigenous and afro-descendant livelihoods.

The Fund recognizes that the historical, territorial, and organizational trajectories of indigenous and afro-descendant peoples are diverse, and that in multiple contexts, there are experiences of intercultural collaboration in which non-indigenous and afro-descendant actors play relevant roles as strategic allies in territorially situated economic initiatives.

In these cases, eligibility will not be determined exclusively by the formal ethnic identity of the organizational leadership, but by the degree of territorial coherence, community legitimacy, collective orientation of the benefits generated, and effective contribution to the objectives of strengthening indigenous and afro-descendant peoples, nations, and communities defined in this policy.

The evaluation of these cases will be managed through institutional mechanisms of contextual validation, including instruments such as the BR Index of Territorial Organizational Indigeneity (IBIOT) and the review of the Indigenous Credit Committee.

The Fund does not promote restrictive approaches based on criteria of "organizational purity", but rather frameworks of cultural relevance, territorial co-responsibility, and intercultural alliances ethically consistent with the processes of self-determination of Indigenous and Afro-descendant peoples, nations, and communities.

CHAPTER VII

EXCLUSION CRITERIA

The Fund shall not finance initiatives that:

- Contribute directly or indirectly to destructive extractive activities
- Generate loss of community territorial control
- Weaken governance structures of indigenous and afro-descendant peoples, nations, and communities.
- Promote abusive intermediation models

- Encourage structural financial dependence
- Imply affectation of sacred territories
- Fragment community cohesion
- Introduce production models that are incompatible with cultural continuity
- Promote predatory conventional agricultural practices or monoculture schemes that degrade soil fertility and productivity, affect biodiversity, weaken the ecological sustainability of the territory, or generate negative impacts on environmental systems and traditional forms of territorial management.

CHAPTER VIII

INSTITUTIONAL SAFEGUARDS

The Fund will implement safeguards aimed at preventing:

- Community over-indebtedness
- External Enterprise Capture
- Indirect economic displacement
- Loss of organizational control
- Invisible cultural impacts

These safeguards will be applied during credit evaluation, approval, and monitoring.

CHAPTER IX

ROLE OF THE CREDIT COMMITTEE FOR INDIGENOUS AND AFRO-DESCENDANT PEOPLES, NATIONS AND COMMUNITIES

The Credit Committee for indigenous and afro-descendant peoples, nations, and communities is a key institutional mechanism to ensure the cultural relevance of financing.

Its functions include:

- Assess territorial consistency of applications
- Analyze potential cultural impacts
- Validate organizational legitimacy
- Identify external capture risks
- Recommend culturally relevant adjustments in financial structures

CHAPTER X

COMMUNITY INTERACTION PROTOCOL

The Fund recognizes that institutional interaction with people, nations, and communities requires culturally situated approaches.

Therefore:

- Community decision times will be respected
- Dialogue with traditional authorities will be prioritized
- Participatory processes will be promoted
- Exclusionary technical language will be avoided
- Informed organizational consent will be guaranteed

The Fund will ensure that its community interaction processes allow diverse perspectives to be heard within the communities and related organizations, recognizing that experiences, knowledge, and ways of relating to the territory may vary among women, men, youth, elders, and other community actors according to specific cultural contexts.

CHAPTER XI

CULTURAL IMPACT MEASUREMENT

In addition to the economic, social, and environmental impact, the Fund will assess cultural impact, considering:

- Continuity of traditional production practices
- Community Organizational Strengthening
- Intergenerational transfer of knowledge
- Strengthening territorial governance
- Collective economic autonomy
- Recognition and strengthening of differentiated territorial knowledge present among different community groups

CHAPTER XII

CROSS-CUTTING REGIONAL APPLICATION

This policy recognizes that the realities of indigenous and afro-descendant peoples, nations, and communities vary between countries and regions within the same country.

Therefore, its implementation will consider specific contexts of:

- Latin America
- Amazon
- Andes
- Mesoamerica
- Southeast Asia

Including Adat's systems, ancestral domain frameworks, and local customary structures.

CHAPTER XIII

INSTITUTIONAL IMPLEMENTATION

The implementation of this policy will be progressive and adaptive.

Includes:

- Integration into credit assessment processes
- Internal team training
- Strengthening the role of the Indigenous Credit Committee
- Development of cultural indicators
- Institutional periodic review

CHAPTER XIV

CULTURALLY RELEVANT FINANCIAL CONSULTATION

The Fund recognizes that credit evaluation processes in Indigenous and Afro-descendant territories require different mechanisms with respect to conventional financial consultation.

Culturally relevant financial consultation involves:

- Respect for community times of deliberation
- Collective organizational validation of relevant financial decisions
- Dialogue with traditional authorities where appropriate
- Communication in culturally understandable formats
- Consideration of organizational impacts before exclusively economic impacts
- Consideration of differentiated perspectives on territorial, productive and cultural impacts existing among different members of the community according to their territorial roles and functions

This mechanism does not replace free, prior, and informed consent processes when they are legally applicable, but complements them in the institutional financial sphere.

CHAPTER XV

CULTURALLY ADAPTED FINANCIAL INSTRUMENTS

The Fund will promote the design of financial structures consistent with indigenous and afro-descendant territorial dynamics.

These may include:

- Payment schedules aligned with traditional farming cycles
- Calendars adapted to community forest cycles
- Collective payment schemes
- Flexible structures in the face of territorial climatic variations
- Recognition of Community Organizational Guarantees
- Mechanisms of institutional co-responsibility based on reciprocity

These adaptations seek to strengthen financial sustainability without compromising cultural continuity or organizational stability.

CHAPTER XVI

PROTECTION AGAINST FOREIGN EXCHANGE RISK IN TERRITORIAL CONTEXTS

The Fund recognizes that exchange rate volatility can disproportionately affect indigenous organizations whose income depends on local territorial economies.

Therefore, it may incorporate institutional mechanisms such as:

- Tolerance ranges for significant exchange rate fluctuations
- Extraordinary adjustments to payment schedules
- Restructuring mechanisms when there are demonstrable organisational impacts
- Differentiated exchange risk assessments in territories with high structural vulnerability

These measures seek to protect both community stability and the sustainability of the financing granted.

CHAPTER XVII

STRATEGIC NATURE AND INSTITUTIONAL SCALABILITY

This policy constitutes an institutional instrument aimed at positioning the Reciprocity Fund as an ethical, culturally relevant, and territorially responsible financing mechanism at the international level.

It also establishes the basis for future institutional strategies of Beneficial Returns aimed at strengthening the economies of indigenous and afro-descendant peoples, nations, and communities in Latin America and Southeast Asia.

The policy may be progressively expanded by:

- Development of advanced cultural impact indicators
- Strengthening the Indigenous Credit Committee
- Incorporation of territorial learning
- Comparative regional adaptation
- Future integration into global institutional frameworks of Beneficial Returns

This document explicitly recognizes the role of ethical financing as a tool for the territorial, organizational, and economic strengthening of indigenous and afro-descendant peoples, nations, and communities in the face of structural dynamics of economic exclusion and extractive expansion.