

**Thousand  
Currents**



**GUIDING FRAMEWORK  
FOR CYCLE 1 OF THE BUEN VIVIR FUND  
(2018-2019)**

## **ABOUT THIS DOCUMENT**

This document provides the framework that will guide the first cycle of investment, learning, and return of the Buen Vivir Fund (2018-2019).

It contains three sections:

- 1) Guiding Principles
- 2) Strategic Objectives
- 3) Operations

Each of the above section reflects the key decisions made by the Members Assembly during our co-design of the Buen Vivir Fund from mid-2016 to mid-2017.

This document is adopted by a vote of the Members Assembly. Once adopted, it cannot be changed without another vote by the Members Assembly to approve the changes.



**THE MEMBERS ASSEMBLY IN OCTOBER 2016, MEXICO CITY**

## GUIDING PRINCIPLES

While we recognize that *buen vivir* has unique meanings for many peoples and communities, we agree on five guiding principles for how all members of the Buen Vivir Fund will uphold and apply this concept in our work together. These principles guide our culture, decisions, and learning. They also guide us in how we influence economic practice beyond the Buen Vivir Fund, including through strategic sharing and communications as well as active solidarity and participation in broader movements for alternative economies.

### 1) **DIVERSITY AS STRENGTH. We recognize diversity as power and wisdom; this is dignity.**



Within the fund: Power and leadership come from everyone. We honor diverse contexts, experiences, and ways of knowing. We are rooted and open: We proudly share from our own practices and respectfully learn from one another's.

The projects we support: The Buen Vivir Fund offers diverse forms of support that are responsive to the unique context of each project, while always aligned with our values. We invest in projects that have been shaped by diverse people and groups in the communities they represent and that build collective power.

### 2) **INTERCONNECTION AS RESPONSIBILITY. We recognize that we are intricately interconnected; solidarity and support flow from this.**



Within the fund: We know that our individual well-being is interconnected to the well-being of the whole, and we practice support and solidarity in this context. In recognition of our collective responsibility, we work hard to uphold our commitments and give our best effort and integrity. When groups have abundance and success, this

is shared in different forms with the Fund as a whole. When groups experience loss and challenges due to factors beyond their control, the Fund as a whole steps in to share this burden. Solidarity and support are learning processes; we grow from our collective experiences.

The projects we support: The Buen Vivir Fund serves as a community of support to the projects in which we invest, and we share the responsibility for their success. We invest in initiatives that strengthen solidarity and interconnection in the communities they represent.

**3) ACTIVE HEALING. After centuries of a dominant economic system based on extraction, racism, and disconnection from one another and our earth, we need to actively heal and restore wholeness.**



Within the fund: We try to learn and practice ways of connection with one another that recognize and help heal the wounds we carry. We recognize that there are many forms of investment, return, and risk. We broaden concepts that have been narrowed by capitalism and reground them in natural metaphors: an ecosystem composts many different things to provide fruits. We

restore flow.

The projects we support: We invest in initiatives that actively heal and give back to their communities and ecosystems.

**4) COLLECTIVE WISDOM. We weave together our reflections and stories to surface wisdom.**



Within the fund: We recognize that collective reflection tends to lead to decisions, insights, and proposals that are wiser than those made by individuals. We make time and effort to ensure that all our members can reflect, learn, and generate ideas together. We are brave in sharing our ideas, disagreements, and unique perspectives. We presence our contexts and histories.

The projects we support: We invest in initiatives that are born from collective reflection by the communities they represent. The initiatives are committed to engaging with us in reflection, sharing of experiences, and learning from their work.

**5) COMMITMENT TO THE PROCESS. We commit to being in deep relationship and process with each other.**



Within the fund: We uphold agreements and processes with rigor, integrity, and accountability. We recognize that we are all learning and experimenting together and that open communication and careful attention are crucial. We give our best to one another and we trust in the process.

The projects we support: We invest in initiatives that exemplify rigor and long-term dedication to these principles and practices. They are willing to try new things with us.

## STRATEGIC OBJECTIVES

- 1) **Make investing a transformative experience:** Buen Vivir Fund is not a transactional investment fund; it is a transformative investment fund. Participating in Buen Vivir Fund is a transformative experience for all involved, inspiring and equipping people to envision and make real economies based on *buen vivir*.
  
- 2) **Engage all members as investors:** Buen Vivir Fund is not based on a duality between “investors” and “investees;” all members of the circle commit to investing in the well-being of Buen Vivir Fund projects and the Fund overall. All members invest not only financial capital or labor to return that capital, but also time, ideas, connections, friendship, spirit, and by bringing their full selves and capacities to the circle.
  
- 3) **Generate outstanding *buen vivir* returns. Generate reliable financial returns that provide financial investors with return/replacement of investment money, and, when possible, the Fund as a whole with additional financial contributions (*aportes*):** The members of the Buen Vivir Fund include visionary organizations from around the world, led by women, youth, and Indigenous Peoples, innovating some of the most vital, lasting solutions to our shared global challenges. In joining this circle of people and organizations, all members can expect to be a part of powerful *buen vivir* returns. In addition, financial investors can expect to fully recuperate their investment money within a timeframe agreed upon at their joining the Buen Vivir Fund, and linked to their own fulfillment of commitments and beyond-financial forms of investment. When Buen Vivir Fund projects are able to make additional financial contributions to the Fund beyond replacement, this additional money stays in the Fund as an *aporte* (solidarity contribution), contributing toward stability and abundance of the Fund as a collective resource for current and future projects.
  
- 4) **Demonstrate our full-spectrum of investment and return:** In addition to tracking financial investment and return, the Buen Vivir Fund makes visible and tracks multiple ways we are investing and generating returns toward building *buen vivir*. The Fund

measures activity and performance through sophisticated evaluation practices and indicators designed by its members, which reflect a worldview of *buen vivir*.

5) **Utilize grant money to support capacity-building, preparation, and planning for projects that will thrive as Buen Vivir Fund investments:** The Buen Vivir Fund enhances its impact in strengthening economic initiatives of *buen vivir* by leveraging grant money as well as investment money and beyond-financial investment. Project work financed by grant money goes through an equally rigorous process as project work financed by investment money, including in planning for and tracking returns, and sharing learnings.

6) **Leverage learnings of the Buen Vivir Fund to advance a broader movement for economies that support *buen vivir*:** Each member individually and the Fund as a whole identify and act on strategic opportunities to affect change beyond our circle. We also strive to expand the circles of people and groups who know about and are able to join the Buen Vivir Fund.

## OPERATIONS

Decisions	Tools
<p><b>1) <i>Buen vivir</i> at the center.</b> The concept of <i>buen vivir</i> guides the operational rules and practices of the Buen Vivir Fund.</p> <p>a) <i>Buen vivir</i> is the road as well as the destination. In our meetings, group work, materials, decision-making, and all other aspects of Buen Vivir Fund operations, we strive to make them full of life, joy, and a sense of connection with one another, earth, and spirit.</p> <p>b) <i>Buen vivir</i> is also about creating the conditions for beings to thrive and grow, including growing through learning. In this spirit, we structure Buen Vivir Fund operations to include specific ways to learn and grow together.</p> <p>c) <i>Buen vivir</i> is also about openness to change and respond. When challenges arise, we follow our protocols but we also remain open to change as needed. Changes to the Guiding Framework document may be made through vote/approval by the Members Assembly.</p>	<p>Origins, Philosophy, &amp; Guiding Principles</p> <p>Glossary of terms</p> <p>Graphic/ Illustration of how Buen Vivir Fund works</p>
<p><b>2) Membership requirements.</b> To be a member of the Buen Vivir Fund, groups must apply and meet the following criteria:</p> <p>a) A history and practice of building an economy that strengthens <i>buen vivir</i>;</p> <p>b) A clear vision for how membership in the Buen Vivir Fund aligns with the group’s future goals;</p> <p>c) A commitment to fulfilling the responsibilities of Buen Vivir Fund membership, including committing to specific ways in which the group will invest in the Buen Vivir Fund.</p>	<p>Member Commitment &amp; Investment Plan</p>
<p><b>3) Project criteria.</b> Projects that receive support from the Buen Vivir Fund—including projects supported by grant capital, investment capital, and/or non-financial forms of investment—all meet the following criteria:</p> <p>a) <u>Collective</u>: Project is implemented by an organization or group (not individuals);</p>	<p>Buen Vivir Project Plan</p> <p>Buen Vivir Fund Investment Policy</p> <p>Due Diligence Protocol</p>



<p>b) <u>Buen vivir</u>: Goal(s) of the project serve to build an economy that strengthens <i>buen vivir</i>;</p> <p>c) <u>Track record</u>: Group implementing the project has a demonstrated ability to plan and implement projects that are visionary, feasible, financially sound, and meaningful for the communities involved;</p> <p>d) <u>Community-led design</u>: Project goal(s) and plan are the result of a collective planning/design process, in which those impacted by the project have played a lead role;</p> <p>e) <u>Return timeframe</u>: Financial returns, and/or major milestones in other forms of returns, are expected to occur within the return timeframe for that investment cycle of the Buen Vivir Fund. The maximum length of time for return is XX years [to be determined at the October 2017 meeting of the Members Assembly], however, projects are encouraged to set shorter timeframes for return whenever feasible. Timely return supports the Buen Vivir Fund to be stable, strong, and able to share resources with more groups around the world that are building economies of <i>buen vivir</i>.</p>	
<p><b>4) Governance, roles, and decision-making.</b> The Buen Vivir Fund enacts wise decision-making and efficient implementation through clear roles and responsibilities among the following members of the Buen Vivir Fund family:</p> <p>a) <u>Members Assembly</u>:</p> <ul style="list-style-type: none"> <li>i. <u>What</u>: The highest authority and decision-making body of the Buen Vivir Fund. The Members Assembly makes all decisions related to investment, direction, membership, and resolution of conflicts/challenges.</li> <li>ii. <u>Who</u>: Composed of one representative from each of the member organizations participating in the Buen Vivir Fund, including Thousand Currents.</li> <li>iii. <u>How</u>: Meets three times per year virtually. Meets in person every two years at the biennial Learning Exchange. Follows the Decision-Making Protocol for Members Assembly.</li> </ul>	<p>Decision-making protocol for Members Assembly</p> <p>Guidelines for Project Support Teams</p> <p>Ally-Adviser Commitment</p>

b) Fund Management Team:

- i. What: The team responsible for supporting and implementing the decisions of the Members Assembly and for coordinating all aspects of Buen Vivir Fund operations.
- ii. Who: Composed of staff members and fellows at Thousand Currents who are responsible for Buen Vivir Fund operations, under the supervision of the Director of the Buen Vivir Fund.
- iv. How: Acts in service to the Members Assembly, in both an implementation and advisory role. When the Members Assembly makes a decision, the Fund Management Team has the responsibility to coordinate action to implement that decision. When the Members Assembly is preparing to make a decision, the Team is responsible for bringing information, recommendations, and questions to the Members Assembly. This includes compiling information on Fund activity, progress, and learnings through quarterly and annual reports.

c) Small groups:

- i. What: Provide guidance, problem-solving, and recommendations for specific questions and functions of the Buen Vivir Fund. Includes Project Support Teams and committees of the Members Assembly. Formed to address a specific task or question.
- ii. Who: Composed of 2 or more representatives from the Members Assembly, as well as additional individuals from member organizations and/or ally-advisors to the Fund. The composition of groups will depend on the topic the group is addressing. Formation of small groups is open and flexible.
- iii. How: Project Support Teams follow the Guidelines for Project Support Teams. Otherwise, the process for each small group will be determined based on the task at hand. The Fund Management Team supports the groups, including ensuring that members' time commitment to Buen Vivir Fund is respected and that they are not asked to participate at levels that exceed this commitment.

<p>d) <u>Ally-Advisors</u>:</p> <ul style="list-style-type: none"> <li>i. <u>What</u>: The Members Assembly or Fund Management Team may seek the support of ally-advisors for information, skills and services needed to complement those of our members. Ally-advisors may be invited to join small groups, learning exchange gatherings, or to support on specific tasks. They may offer recommendations but do not have any decision-making role.</li> <li>ii. <u>Who</u>: Ally-advisors are individuals or groups who contribute their technical support, service, or experience to the Buen Vivir Fund.</li> <li>iii. <u>How</u>: Potential ally-advisors are asked to fill out a basic statement/application about what the concept of <i>buen vivir</i> means to them and their practice. The Fund Management Team selects ally-advisors and coordinates the engagement of specific ally-advisors on questions/tasks relevant to their expertise.</li> </ul>	
<p><b>5) Buen Vivir Fund is an investment fund and a grant fund.</b> Of the total financial resources shared by the Buen Vivir Fund, the aim is to share about 80% of the funds as investment capital and 20% as grant capital.</p> <p><b>a. Buen Vivir Investment Fund:</b></p> <ul style="list-style-type: none"> <li>i. <u>Purpose</u>: To support economic initiatives that will generate <i>buen vivir</i> returns as well as financial returns, demonstrating that a thriving economy based on <i>buen vivir</i> is possible.</li> <li>ii. <u>Return requirements &amp; possibilities</u>: Generate and track <i>buen vivir</i> returns. Share learnings. Replace/return the financial capital, based on, and paid with, national currency. Contribute an additional return through an <i>aporte</i> payment to the Buen Vivir Investment Fund, following the Guidelines for <i>Aporte</i> Payments. Complete return and <i>aporte</i> payments within the agreed-upon timeframe.</li> <li>iii. <u>Due diligence</u>: Projects must meet the project criteria listed above in section 2, as well as additional criteria specific to the Investment Fund, outlined in the Buen Vivir Fund Investment Policy and Due Diligence Protocol. Due diligence is</li> </ul>	<p>Buen Vivir Fund Investment Policy</p> <p>Due Diligence Protocol</p> <p>Guidelines for <i>Aporte</i> Payments</p> <p>Protocol for Financial Return</p>

<p>conducted by the Fund Management Team, with support from Project Support Teams (small groups).</p> <ul style="list-style-type: none"> <li>iv. <u>Decision-making</u>: The Members Assembly makes decisions about how Buen Vivir Investment Fund capital will be used, upon careful consideration of the due diligence findings by the Fund Management Team and Project Support Teams.</li> <li>v. <u>Source of capital</u>: The financial investments made by members of the Buen Vivir Fund.</li> </ul> <p><b>b. Buen Vivir Grant Fund:</b></p> <ul style="list-style-type: none"> <li>i. <u>Purpose</u>: To support organizations in carrying out their self-determined preparatory steps that will enable an economic initiative to thrive as an investment of the Buen Vivir Fund.</li> <li>ii. <u>Return requirements</u>: Generate and track <i>buen vivir</i> returns. Share learnings.</li> <li>iii. <u>Due diligence</u>: Projects must meet the project criteria listed above in section 3, as well as additional criteria specific to the Grant Fund, outlined in the Due Diligence Protocol. Due diligence is conducted by the Fund Management Team, with support from Project Support Teams (small groups).</li> <li>iv. <u>Decision-making</u>: The Members Assembly makes decisions about how Buen Vivir Grant Fund capital will be used, upon careful consideration of the due diligence findings by the Fund Management Team and Project Support Teams.</li> <li>v. <u>Source of capital</u>: The Fund Management Team is responsible for fundraising the grant capital, largely from sources beyond the membership of the Buen Vivir Fund.</li> </ul>	
<p><b>6) Legal and financial structure.</b> Legally, the Buen Vivir Fund exists as two separate but linked entities.</p> <ul style="list-style-type: none"> <li>a. <u>LLC</u>: The main legal entity is a U.S. limited liability company (LLC), taxed in the U.S. as a corporation. The LLC is the entity through which the Buen Vivir Fund receives, shares and returns financial investment capital and financial <i>aporte</i> payments, and it is also the entity through which all governance and decision-making occurs.</li> </ul>	<p>Guidelines for <i>Aporte</i> Payments</p> <p>Buen Vivir Fund Investment Policy</p>

<p>b. <u>Grant fund at Thousand Currents</u>: In addition to the LLC, the Buen Vivir Fund also includes a grant-making fund housed within the nonprofit organization of Thousand Currents.</p> <p>c. <u>Operating costs</u>: The operating costs of the Buen Vivir Fund are covered and managed as follows:</p> <ul style="list-style-type: none"> <li>i. Members that make their financial investment to the Buen Vivir Fund at the start of the cycle are also asked to make an <i>aporte</i> payment toward covering operating costs, following the Guidelines for <i>Aporte</i> Payments.</li> <li>ii. These <i>aporte</i> payments can be made as grants to Thousand Currents at the start of the investment cycle.</li> <li>iii. Thousand Currents then moves the total <i>aporte</i> funds received at the start of the investment cycle into the LLC, via Thousand Currents making an investment into the LLC of this amount. In this way, the funds are then housed and managed within the LLC. This structure makes sense for tax reasons, and it also provides for cleaner accounting around the true cost of the Fund's activities, as everything is tracked on the financial statements of one entity (the LLC).</li> </ul>	
<p><b>7) Learning, reflection, and sharing.</b> Buen Vivir Fund is committed to ensuring that learning and reflection happen at each step in the work together, and that these learnings are shared in ways that are useful for our communities and the investment actors we strive to influence. This happens in several ways:</p> <ul style="list-style-type: none"> <li>a) <u>Reflection at all meetings of the Members Assembly</u>. The Fund Management Team compiles case studies, stories, and important data from the trimester preceding the meeting, to support a focused, fruitful reflection activity during the meeting;</li> <li>b) <u>Fund Management Team connects with members one-on-one and in small groups</u>, to talk through open-ended questions, bring attention to emergent learnings, and engage in contextual analysis. In this way, the Fund Management Team seeks to be a resource and support rather than extractor of information and data;</li> <li>c) <u>Learning exchange every two years</u>. The Fund Management Team ensures that the agenda for the Learning Exchange builds on the key questions and interests that have arisen in small group and Members Assembly reflection sessions in the two years preceding, as well as in</li> </ul>	<p>Benchmarks for Buen Vivir Fund impact, cycle 1</p> <p>Indicators and dashboard</p> <p>Guidelines for evaluation practices</p>

<p>the Fund’s data and case studies from the reports. In this way, the Buen Vivir Fund makes the most of this precious in-person time together, for meaningful connection, reflection, and insight;</p> <p>d) <u>Rigorous reporting and evaluation.</u> The Fund Management Team supports the Fund in utilizing rigorous, sophisticated indicators and evaluation practices that can demonstrate and quantify the multiple forms of returns being generated, in qualitative and quantitative ways, across a range of time scales. The Fund also tracks and shares about its activity in investment, return, and learning through short, graphic reports produced prior to each trimestral Members Assembly meeting, as well as in-depth annual reports; and</p> <p>e) <u>Action to share and influence:</u> As part of their commitments as Buen Vivir Fund members, each member develops and implements a plan for sharing learnings from the Buen Vivir Fund in a specific way that will shift practice for a particular group or audience. Members are free to determine an action for sharing and influence that is meaningful for their context. As examples, such actions could range from: a workshop to share key learnings with community members at home to support their own economic initiatives for <i>buen vivir</i>; to presenting about the Fund’s practices and key learnings at an international investment conference; to utilizing cases and stories from Buen Vivir Fund as a way to challenge a destructive investment project and demonstrate that a better way is possible.</p>	
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