



Grassroots Business Initiative



RedEAmerica

Colombia & Brazil

Background

RedEAmerica, founded in 2002, is an Inter American network of approximately 50 corporate foundations from 12 Latin-American countries and actions for grassroots development. Its mission is to contribute to poverty reduction through grassroots development, encouraging productive and inclusive processes promoted by its member organizations and foundations.

Created in 2002, RedeAmerica mobilizes new public and private resources for enhancing grassroots development activities in the region by applying a co-financing model with the Inter-American Foundation –“IAF”, the beneficiary communities and other national or international donors.

RedEAmerica's support to communities is channeled only through Grassroots Organizations, rather than individuals. One of the goals of the network is to increase the efficiency and effectiveness of grant funds to create a larger impact at the grassroots level.

The Colombian Node of RedeAmerica implements its projects through an Executive Agency, the Consortium for Community Development, “Consortium.” The Consortium is a strategic alliance among private sector NGOs that share a new vision of building social capital to promote community development and social participation. Its members bring a wide range of experiences in developmental processes of supporting scarce resource populations in urban and rural areas of Colombia. This alliance started activities in 1993, and was formally incorporated 1998. The Consortium is the implementing agency for the IAF's technical and financial support through its co-financing approach in the creation of national funds to support communitarian initiatives.

IFC's involvement

IFC is funding three projects through Rede-Columbia already supported by some of the corporate foundations under the Consortium. IFC is also supporting the development of the Brazilian node and funding projects under this node.

- BONITEX is a network of 40 women, micro-entrepreneurs, working in the textile sector: child and youth clothing. Its members share their equipment, inputs, experience, skills and synergies (i.e. micro-enterprise's average margin increases from 10% to 25% when they work in the net). These microentrepreneurs are among the 20% poorest in Colombia). The project is located in one of the highly populated neighborhoods of Bogota, Patio Bonito, Kennedy. Since, 2004 this group has been working with Fundación Social, as part of a broader social capital building project in the neighborhood.

- ASOERES is an association of rural cooperatives working in an economically depressed region of northern Colombia –Caribbean coast. Although ASOERES is currently working with five cooperatives in the area of Repelon, the project includes 78 organizations reaching 1,440 micro-entrepreneurs. The five cooperatives gather more than 200 small enterprises providing commercial services in their communities, and are involved in trading and agriculture activities.

- APC gathers 92 sugar cane producers (73 men and 19 women). All of its members are small farmers that also produce coffee and some fruits. Their main source of income comes from selling locally, “panela or jaggery,” which is a sugar cane product with added value. In the last 10 years, Fundación Smurfit Cartón de Colombia—“FSCC” has been supporting APC’s development, starting from the community social capital building to self-sustainable business development. The project indirectly reaches 368 families of small farmers.

The IFC provides support to the selected initiatives; from these funds, 95% will be used to finance the initiative and the remaining 5% will be used for the project administration. The amount of the counterpart is provided by organizations and members of the Node. The Consortium is in charge of implementing the project and coordinating with the partner entities, which are the corporate foundations members of the Consortium, and the community organization. This joint work approach allows for a higher level of accomplishment and results.

Results to date

The Consortium is currently supporting 141 community-based organizations, located in 18 departments of Colombia. These communities have co-financed more than a hundred projects, investing more than \$3 million, 30% of which comes from resources from international cooperation, from Consocio, and 70% comes from national counterpart funds.