



ASHOKA INNOVATORS FOR THE PUBLIC

NEWS

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William Foote to Be Inducted Into International Ashoka Fellowship

Ashoka: Innovators for the Public recognizes founder of “Root Capital,” which opens global markets to small producers by redefining their investment value

February 25, 2008 (Arlington, Virginia) – Around the world, small farmers are producing fair trade, organic and green goods that global consumers want to purchase, but they lack access to both the finance and the supply chains that would allow them to build sustainable livelihoods and lift themselves up out of poverty. That’s where **Root Capital** comes in, providing affordable credit and financial education to grassroots businesses too large for microcredit but unable to secure commercial loans.

Founder **William F. Foote** identifies the organization’s goal as not only helping small producers increase their business, but redefining risk in rural finance by using future contracts from companies like Whole Foods and Starbucks as collateral. Since 2000, by targeting enterprises that benefit marginalized groups, RC has provided over \$70 million in credit to over 180 businesses historically ignored by banks, with a 99% payback rate. With a projected \$40 million under management in 2009, Root Capital is transforming lending to the rural poor while defining a profitable new asset class, and banks are taking notice.

For his resourceful approach to rural finance, Foote will be one of 21 social entrepreneurs from the United States, Canada, Mexico and Central America who will be inducted into an international fellowship by **Ashoka: Innovators for the Public** at a special ceremony on February 25 at the new Adrienne Arsht Center for the Performing Arts of Miami-Dade County. Once elected, Fellows benefit from being part of the Ashoka fellowship for life.

After a successful stint on Wall Street, Foote took a major turn in life when he received a journalism fellowship to travel and write about economic development in Latin America. He discovered that microcredit finance, while a terrific idea, is mostly limited to cities and urban areas.

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“If you are a farmer growing cocoa in the back woods of Uganda, you’re a two-day drive from the nearest city and don’t have access to microcredit, you have few options for financing and growing your business” explains Foote.

Foote’s organization offers a new lending methodology that provides affordable, accessible loans to rural businesses that unite farmers to invest and market together. His work is opening up the latent potential of a new asset class – the world of rural Small to Medium sized Enterprise’s (SME’s). By using fixed price, forward contracts for Fair Trade and Green goods as loan collateral, Root Capital is redefining risk so that it is no longer borne solely by the most vulnerable producers. They provide pre-financing and term lending to small farmers, artisans, fishers, co-operatives and intermediaries who previously were considered unbankable. This removes major barriers by maximizing access to relevant supply chains (such as Fair Trade coffee) and helping to eradicate rural poverty while encouraging conservation and improvement of communities and the environment.

Headquartered in Arlington, Virginia, Ashoka gives leading social entrepreneurs a global network, an international association of their peers. Fellows become lifetime members, receiving initial support that enables them to focus full-time on their work and access to professional and strategic services to help them achieve pattern-changing impact in their fields. Each Fellow is also eligible to apply for supplemental funding for collaborative projects, and to receive training and technical assistance through Ashoka and its partners.

“Ashoka Fellows create pattern-changing solutions for the most pressing social problems of our day,” says Ashoka’s U.S. Director Barbara Kazdan. “Although Ashoka U.S. is only seven years old, we have identified the most inventive and dedicated social entrepreneurs to join with their peers to elevate and strengthen the ‘citizen sector’ here and around the world. We now have 250 Fellows from North America, 85 of whom are from the United States, where they are bringing their innovative programs to all 50 states and the developing world.”

Ashoka Fellows work in six broad fields: learning/youth development, the environment, health, human rights, economic development and civic engagement. Selection criteria include the newness and potential social impact of the idea, as well as the candidate’s entrepreneurial qualities.

Ashoka: Innovators for the Public is a global community of social entrepreneurs who deliver innovative solutions to social problems. To build this citizen sector community, Ashoka identifies and supports leading social entrepreneurs, creates opportunities for collaboration, and builds systems and institutions that facilitate high impact social solutions. Over the past 26 years since Bill Drayton founded Ashoka, the organization has invested in over 2,000 Ashoka Fellows in more than 60 countries. In 2008 Ashoka will launch programs in Israel and Russia. Ashoka’s global fellowship is privately financed by individuals, venture networks, foundations, and leading business entrepreneurs.