



Media Inquiries:
Lara Cote
Root Capital
617.661.5792 x119
lcote@rootcapital.org

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**Root Capital Announced as Recipient of Bill & Melinda Gates Foundation's
First Agricultural Development Program-Related Investment**

*Organization to expand economic opportunities for 500,000 rural households in Africa
with \$10 million investment and \$4 million grant*

Cambridge, MA, December 10, 2009— Root Capital was announced today as the recipient of Bill & Melinda Gates Foundation's first program-related investment (PRI) from its Agricultural Development initiative. Root Capital will use the six-year, \$10 million PRI as loan capital to scale its operations in Sub-Saharan Africa. The investment will expand economic opportunities for more than 500,000 rural households by enabling Root Capital to extend access to credit, financial management training, and global market opportunities for small and growing rural businesses. The \$4 million operating grant will support Root Capital's five-year growth plan to achieve a financially self-sustainable lending program by 2013.

Root Capital, a nonprofit social investment fund that is pioneering finance for rural communities in developing countries, provides capital and financial training to small and growing businesses such as farmer and artisan cooperatives that are trapped in the "missing middle" – the gap between microfinance and traditional banking. Since its founding in 1999, Root Capital has provided more than \$175 million in loans to 255 small and growing businesses, representing more than 370,000 farmers in 30 countries throughout Sub-Saharan Africa and Latin America. Root Capital partners with global buyers such as Green Mountain Coffee Roasters, Starbucks, and The Body Shop to strengthen global supply chains for sustainable natural products such as coffee, cocoa, chili peppers, and honey. Examples of small and growing businesses that Root Capital has financed include:

- A cooperative of 4,200 smallholder coffee farmers in Rwanda.
- A company in Ecuador exporting dried mangos and bananas grown by smallholder farmers.
- An association of 780 sesame farmers in Bolivia.
- A company in Zambia that purchases honey from over 5,000 traditional beekeepers.

Small and growing businesses are critical to establishing economic growth and alleviating poverty in developing countries. They account for approximately 60% of employment in developed countries, but less than 20% of employment in low-income countries. In particular, small and growing rural businesses linked to agricultural value chains are fundamental to poverty reduction. The World Bank estimates that growth in agriculture is on average at least twice as effective in reducing poverty as growth in other sectors of the economy.

"Providing access to capital, financial training, and global markets empowers businesses to grow, communities to thrive, and economies to flourish," said William Foote, Founder and CEO of Root Capital. "Root Capital is honored to receive funding from the Bill & Melinda Gates Foundation to connect smallholder farmers and other rural producers in Sub-Saharan

Africa to global markets. We aspire to catalyze broader change in the capital markets that will truly impact global poverty and improve livelihoods for the rural poor.”

“Access to the types of financial services provided by Root Capital is a critical enabling factor in the development of efficient agricultural markets and the entire value chain,” said Lutz Goedde, deputy director of the Agricultural Development initiative at the Bill & Melinda Gates Foundation. “By funding these services, we hope to provide small farmers and their families opportunities to increase their incomes and lift themselves out of hunger and poverty.”

This grant and PRI are part of the Bill & Melinda Gates Foundation’s Agricultural Development initiative, which is working with a wide range of partners in sub-Saharan Africa and South Asia to provide millions of small farmers in the developing world with tools and opportunities to boost their yields, increase their incomes, and build better lives for themselves and their families. The foundation is working to strengthen the entire agricultural value chain—from seeds and soil to farm management and market access—so that progress against hunger and poverty is sustainable over the long term.

About Root Capital

Root Capital is pioneering finance for grassroots businesses that build sustainable livelihoods and transform rural communities in poor, environmentally vulnerable places. By working with small and growing businesses, Root Capital aims to fill the “missing middle” of finance in developing countries – the underserved gap between microfinance and commercial banking. Additional partners and investors include Ashoka, Aspen Network for Development Entrepreneurs, Calvert Social Investment Foundation, Citi Foundation, Deutsche Bank Americas Foundation, Equal Exchange, Foley Hoag LLP, Green Mountain Coffee Roasters, Inter-American Development Bank, The Kendeda Fund, The Overbrook Foundation, The Pershing Square Foundation, The Rockefeller Foundation, The Skoll Foundation, Starbucks Coffee Company, The Body Shop, Trillium Asset Management Corporation, and Zennström Philanthropies. For more information, visit www.rootcapital.org.

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