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Rockefeller Foundation Lends \$2 Million to Root Capital to Boost Farmer and Artisan Associations throughout Developing World

Cambridge, MA, November 24, 2008—The Rockefeller Foundation announced today that it has awarded a \$2 million loan, in the form of a Program-Related Investment (PRI), to Root Capital, a nonprofit social investment fund that works to reduce poverty and sustain the environment in rural areas of developing countries. Root Capital provides capital, market connections, and financial training to grassroots businesses, such as farmer and artisan associations, that build sustainable livelihoods and transform rural communities in Latin America, Africa, and Southeast Asia. Since its launch in 2000, Root Capital has placed more than \$100 million in loans with 210 rural enterprises representing 340,000 small-scale producers in 30 countries—with a 99 percent repayment rate.

The Rockefeller Foundation's investment follows a grant of \$152,000 that the Foundation made to Root Capital earlier this year to allow the Nonprofit Finance Fund to help Root Capital develop a \$60 million growth capital campaign. This will enable the organization to scale its impact, both by directly financing and training an increasing number of grassroots businesses and by promoting the adoption of its lending model by local financial institutions.

"We are so impressed by Root Capital's unique business model, and strategic growth plan, that we wanted to follow up on our initial grant with a significant investment," said Brinda Ganguly, Associate Director at the Rockefeller Foundation. "We hope other investors will join us in supporting the critical work Root Capital is doing in the emerging impact investing industry—which seeks to make investments that generate social and environmental value, as well as financial return. By taking its business model to scale, Root Capital will demonstrate that impact investments can aid philanthropy in catalyzing sustainable economic growth in rural communities around the world."

"The Rockefeller Foundation is proud to support Root Capital as part of our commitment to promote impact investing," said Judith Rodin, the Foundation's president. "During a time when philanthropic and government dollars alone are not sufficient to address the world's social, environmental, and economic challenges, innovative solutions, such as impact investing, can and must complement more traditional strategies to finance development."

"We are honored by the Rockefeller Foundation's strong endorsement of the transformative role of finance for poor, rural communities that have traditionally been locked out of the banking system," said William Foote, President and Founder of Root

Capital. “This investment will enable us to create a more dynamic capital marketplace in which grassroots businesses grow and rural communities thrive.”

This investment also builds on the support the Rockefeller Foundation has provided to the Aspen Network for Development Entrepreneurs (ANDE), an alliance—among leading intermediaries, funders, and experts—that aims to alleviate poverty and improve lives by providing growth finance and technical assistance to small and growing businesses in developing countries. Root Capital sits on the steering committee and is a founding member of ANDE.

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 such as farmer cooperatives and artisan associations, Root Capital aims to fill the “missing middle” of finance in developing countries – the underserved gap between microcredit and commercial financial institutions. Since its launch in 1999, Root Capital has provided financial training and more than \$100 million in credit to 210 grassroots enterprises in 30 countries in Latin America, Africa, and Asia — with a 99% repayment rate. Root Capital partners with leading global buyers of ethically-sourced products, including its largest investor, Starbucks Coffee Company. Additional industry partners and investors include Ashoka, Citi Foundation, The David and Lucile Packard Foundation, Deutsche Bank Americas Foundation, Foley Hoag LLP, Green Mountain Coffee Roasters, Inter-American Development Bank, JPMorgan Chase Foundation, Kendeda Sustainability Fund, Peru Opportunity Fund and the Skoll Foundation. For more information, visit www.rootcapital.org.

The Rockefeller Foundation, established by John D. Rockefeller, Sr., in 1913, works around the world to ensure that the benefits and opportunities of globalization are spread more fully to more people in more places. Since 2005, the Foundation has launched major initiatives to strengthen global health systems, bolster resilience to climate change in poor communities, mobilize an agricultural revolution in Africa, rebuild New Orleans in the wake of Hurricane Katrina, fortify the economic security of American working families, and shape more sustainable transportation policies in the United States. For more information, visit www.rockfound.org.

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