

Root Capital, Inc.
Information Summary for the Public

Host Countries:	Belize, Bolivia, Brazil, Chile, Colombia, Costa Rica, Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Paraguay, Peru, Burkina Faso, Cameroon, Ethiopia, Ghana, Ivory Coast, Kenya, Liberia, Mali, Malawi, Mozambique, Rwanda, South Africa; Swaziland, Tanzania, Uganda, Zambia
Name of Borrower:	Root Capital, Inc., a 501(c)(3) non-profit registered in Massachusetts.
U.S. Sponsor:	Root Capital, Inc.
Foreign Sponsor:	NA
Project Description:	Expansion of funding to small and growing businesses
Total Project Costs:	\$20,000,000
Proposed OPIC Loan:	\$20,000,000
Developmental Effects:	This project will have a strong developmental impact in the host countries by providing affordable credit to rural small and growing businesses that are too large for micro-loans, but remain underserved by commercial banks. The project provides an innovative financial product, “value chain” finance, in which credit is secured against warehouse receipts or assignment of payment for future product deliverables. The project also provides financial education and training workshops for its borrowers, including financial statement preparation, credit collateral management, financial planning, internal credit systems development, and financial policies implementation. The project will have strong corporate social responsibility (CSR) impacts by requiring its borrowers to be socially responsible and environmentally conscious as a prerequisite for obtaining a loan.
Environment:	Loans for the purposes of SME and MFI lending are screened as Category C projects under OPIC’s environmental and social guidelines. Environmental, health, safety and social impact concerns are minimal. However, in order to insure that Root Capital’s loans are consistent with OPIC’s statutory and policy requirements the loan will be subject to conditions regarding use of proceeds. Root Capital has an environmental and social policy in place as

	well as an adequate grievance mechanism.
U.S. Economic Impact:	The project is not expected to have a negative impact on the U.S. economy or employment, as the U.S. does not produce coffee or cocoa beans. There will be no initial or operational procurement from the United States and there will be no displacement of U.S. production. Thus, the project is expected have a neutral impact on U.S. employment. The project is expected to have a negative impact on the U.S. balance of payments over the first five years.
Workers Rights:	Proceeds of the OPIC loan will be restricted to support only “Fairtrade Certified” cooperatives. Retention of the “Fairtrade” certification will also be a condition for each of Root Capital’s OPIC-supported loans. “Fairtrade” certification requires compliance with the Fairtrade Labelling Organizations International (FLO)’s “Generic Fairtrade Standards for Small Producers’ Organizations,” which covers, in the minimum, the rights of association, organization and collective bargaining, minimum age requirements for the employment of minors, a prohibition on the use of forced labor, and acceptable conditions of work with respect to wages, hours of work, and occupational health and safety.
Human Rights:	In consultation with the Department of State, the project received a Human Rights Clearance on May 23, 2011.