

**INFORMATION SUMMARY FOR THE PUBLIC  
ROOT CAPITAL III**

Host Country(ies):	Benin, Burkina Faso, Colombia, Costa Rica, Cote d'Ivoire, Democratic Republic of the Congo, Dominican Republic, Ecuador, Ghana, Guatemala, Haiti, Honduras, Indonesia, Kenya, Liberia, Mali, Mexico, Mozambique, Nicaragua, Peru, Rwanda, Senegal, Tanzania, Togo, Uganda, Zambia, Zimbabwe
Name of Borrower(s):	Root Capital Inc., a U.S.-organized nonprofit institution.
Project Description:	Expand lending services for an existing nonprofit that works globally with smallholder farmers, cooperatives and other agricultural enterprises that help such farmers to sell their products.
Proposed OPIC Loan:	\$30 million <i>This loan will amend and restate the terms of an existing \$20 million loan, and will provide up to \$30 million in new financing.</i>
Total Project Costs:	\$94 million
U.S. Sponsor:	Root Capital Inc., US-registered nonprofit 501(c)(3) <sup>1</sup> organization
Foreign Sponsor:	N/A
<b>Policy Review*</b>	
U.S. Economic Impact:	The Project is not expected to have a negative impact on the U.S. economy. There is no U.S. procurement associated with this Project; thus, the Project is expected to have a neutral impact on U.S. employment. The Project is expected to have a negative five-year U.S. balance of payments impact.
Developmental Effects:	The Project is expected to have a positive developmental impact by increasing credit to rural small and growing agricultural businesses that remain underserved by commercial banks in the Project countries. Latin American SMEs account for 99% of all businesses and employ 67% of the work force in the region, but receive only 12% of available financing. In sub-Saharan Africa, SMEs account for 90% of all businesses, but suffer from a financing gap of up to \$170 billion. The Project will provide its clients with export finance and “value chain” finance, in which credit is secured against warehouse receipts or assignment of payment for future product deliverables. The Project will also provide technical assistance training for its borrowers in various financial and business management skills. The Project will have environmental and social benefits by requiring agricultural SME borrowers to be fair-trade certified

<sup>1</sup> The required Congressional Notification was submitted on August 4, 2015.

	<p>and environmentally conscious as a prerequisite for obtaining a loan.</p>
<p>Environment:</p>	<p>Loans to financial intermediaries for the purpose of on-lending to small agricultural business are screened as Category C projects under OPIC’s environmental and social guidelines. Environmental, health, safety and social impact concerns are minimal. Root Capital’s Loan Policy Manual reflects that environmental conservation and socially equitable development are core principles on which the organizational structure is based. Each potential project is screened against scorecards to assess environmental practices across seven categories and social practices against 17 possible types of impact. Applications scoring too low in any of these criteria or otherwise involved in prohibited sectors or activities are not supported. In order to ensure 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. The Borrower will be required to submit evidence of a grievance mechanism to OPIC.</p>
<p>Workers’ Rights:</p>	<p>OPIC’s statutorily required standard worker rights language will be supplemented with provisions concerning the right of association, organization and collective bargaining, hours of work, and the timely payment of wages. The Project will also be required to operate in a manner consistent with the requirements of the International Finance Corporation’s Performance Standard 2 on Labor and Working Conditions. Standard and supplemental contract language will be applied to all workers engaged by the Project.</p> <p>Proceeds of the OPIC loan will be restricted to support cooperatives and other agricultural enterprises involved in coffee, cocoa, and cashew supply chains that maintain an independent product certification that covers, at a minimum, the right 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.</p> <p>As part of the credit evaluation process for each client, Root Capital’s loan officers use social and environmental due diligence scorecards to evaluate the client’s social and environmental practices, including international labor standards.</p>

Human Rights:	OPIC issued a human rights clearance for this Project on August 26, 2015.
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