



Reimagining Resilience

Root Capital's 2021-2025 Strategy

Rural communities are living on a knife's edge. Two billion people face increasingly urgent challenges to their livelihoods, from volatile crop prices to extreme weather. And the ripple effects of the COVID-19 pandemic will compound these systemic challenges—**unless we take action now.**

Over the next five years, Root Capital will reimagine rural resilience. We will provide critical support to hundreds of agricultural businesses across the globe, reaching at least one million farming families per year.

Today, in the face of more acute, frequent, and debilitating threats, it's not enough for rural communities to bounce back. They must be able to bounce forward into a reimagined and resilient future. Agricultural enterprises are the key to building this future. But they need the right tools and resources to position them for long-term success.

We will prioritize meeting their greatest needs: access to tailored, affordable financing; climate action; investments in gender equity; and opportunities for the next generation. From our unique position as both a thought leader and a trusted implementing partner, we will influence others to adopt our successful approaches.

For 20 years, we have helped more than 1,000 agricultural enterprises generate positive impact for the 2.3 million farming families they serve. These enterprises provide farmers with access to markets, training, and valuable inputs like seed and fertilizer. In places unreached by government infrastructure, they are the first responders. We have proven that, against the most important challenges of our time—poverty, climate change, and unequal opportunities—agricultural enterprises are a vast, untapped resource.

The next few years can be a turning point if we work together to invest in proven solutions. With the right support, agriculture can be a pathway out of poverty—and into a brighter future.

Over the next five years, we will both grow our reach and deepen our impact with the goal of building the bankability and resilience of agricultural enterprises.

This bold vision will require partners committed to reimagining rural resilience alongside us and the communities we serve. Together, we will pursue four overlapping objectives:

GROW

Grow our credit and capacity building services to serve at least 425 enterprises and one million farmers per year.



Root Capital reaches hundreds of thousands of farming families each year by providing credit and capacity building to small and growing agricultural businesses. But that's only a fraction of the unmet need. As our peers focus on servicing their existing clients, Root Capital seeks to grow. And to generate the most impact, we will tailor our investments to address the most pressing challenges for rural communities. By 2025, we will:

- **Reach at least 425 businesses and one million farmers each year.**
- **Ensure underserved businesses get their fair share** by committing at least 40% of our portfolio to enterprises in their earlier stages of growth.
- **Double the size of our lending portfolio, including:**
 - Disbursing more than \$100M in annual lending capital to enterprises leading the way on climate action.
 - Lending at least \$114M annually to gender-inclusive businesses, which will comprise at least 50% of our clients.
- **Double the number of training days delivered** to fuel holistic enterprise development.

CULTIVATE

Cultivate holistic and measurable enterprise resilience through world-class advisory services.



Resilience is multifaceted. It starts with access to financing, but that alone is not enough—in the blink of an eye, climate or market shocks can wipe out years of growth. To be truly resilient, rural enterprises need knowledge, tools, and data. Root Capital will optimize our service delivery to help build measurable enterprise resilience. By 2025, we will:

- **Equip 150,000 farmers in vulnerable communities to adapt to climate change** by providing climate resilience advisory services to at least 125 businesses.
- **Facilitate women's inclusion in agriculture** by expanding our gender inclusion advisory services to at least 105 businesses and ensuring women are at least 30% of participants across all of our trainings.
- **Enhance employment pathways for youth in agricultural enterprises** by growing our Talent Partnerships model by at least 10% year-over-year.
- **Enable data-driven decision making in rural communities** by expanding our cutting-edge Digital Business Intelligence advisory services to reach four times as many enterprises.

INNOVATE

Innovate new products and services to help enterprises build their bankability and resilience.



Reimagining resilience requires grappling with complexity and pushing frontiers. While much of Root Capital's model depends on optimizing what we know works, urgent challenges necessitate continuing innovation. Over the next five years, we will prototype and pilot programs that address thorny problems and blueprint possible solutions for the whole smallholder agricultural finance sector. By 2025, we will:

- **Jumpstart the bankability and resilience of under-resourced local food crop enterprises in sub-Saharan Africa** by testing a comprehensive “accelerator” approach for these value chains.
- **Encourage enterprises to invest in climate adaptation solutions by lending at least \$5M per year** for purchase of a) short-term inputs, such as seeds and fertilizer, to enhance crop resilience and b) long-term assets, such as plant nurseries, greenhouses, and centralized composting plants.
- **Strengthen the competitiveness and resilience of rural enterprises** through enhanced ability to share valuable data with their buyers and other partners.

AMPLIFY

Amplify proven blueprints for bankability and resilience via a thriving industry ecosystem.



For 20 years, we've been instrumental in creating the infrastructure for the smallholder financing sector, unlocking billions of dollars to fuel growth in rural communities—above and beyond our direct financing. But the urgency of the next five years calls for an even more proactive, targeted approach to systems change. By 2025, we will:

- **Further push the frontier of bankability** by demonstrating successful approaches to increasing access to finance for earlier-stage enterprises, whether through blended capital or pay-for-impact mechanisms.
- **Influence financiers, technical assistance providers, and relevant corporate actors** to adapt key aspects of our comprehensive blueprint for climate action via agricultural enterprises.
- **Crowd in other gender lens investors** to deploy more capital and training to women at all levels of agricultural value chains, from entrepreneurs to middle managers to farmers.
- **Validate and launch a targeted approach to accelerating youth employment** in agricultural businesses, positioning it for replication and scaling.

Why Root Capital is the Right Partner for You

Experience: For 20 years, Root Capital has invested in the growth of agricultural enterprises so they can transform rural communities. Our unique “credit plus capacity” model has increased opportunities for almost 10M people in farming households.

Proximity: Our close relationships with more than 1,000 rural enterprises and our ability to accompany them and their communities through ever-changing circumstances form the foundation of a transformative testing ground for building measurable resilience.

Proven impact: Robust internal and external studies have proven that Root Capital's services increase farmer incomes and position agricultural businesses for long-term growth and success.

Leadership: We are pioneers of the growing smallholder finance market. Our model and pilot programming have inspired replication by others, drawing on robust learnings that we share with our peers and across sectors.



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Root Capital helps small organizations achieve sustainable rural development by offering critically important financial services. Root Capital doesn't just give us the capital and walk away—it helps us through training and consulting that improve our knowledge.”

— Esperanza Dionisio Castillo, General Manager
CAC Pangoa coffee and cocoa cooperative, Peru

JOIN US

We believe that resilience is not the sole responsibility of the most vulnerable—who already must strive to overcome histories of marginalization, neglect, and systemic poverty—but a dynamic and collective project calling upon the perspectives, talents, and resources of all of us.

To address urgent crises and reimagine resilience for millions of smallholder farmers, we need bold allies to step forward. The next five years are the most critical time for action: when those of us committed to advancing meaningful change have a real chance to coalesce around promising solutions—before the window of opportunity to do so closes.

Our work over the next five years is only possible with your partnership. Join us today and, together with rural communities, we can reimagine rural resilience. For more information, contact giving@rootcapital.org.

