



Photo by Sean Hawkey

CLIMATE RESILIENCE ROADMAP

MID-YEAR UPDATE (JANUARY-JUNE 2021)

Root Capital's [Climate Resilience Roadmap](#), launched in 2020, is our comprehensive plan for providing agricultural enterprises with the information, management skills, and capital needed to build resilience to climate change. Over the next five years, we are committed to partnering with more than 175 enterprises and 500,000 rural families to advance urgent climate action.

From January through June 2021, we made significant progress toward our climate resilience goals:

- Expanded financing to agricultural businesses making substantial contributions to climate action;
- Delivered tailored agronomic and climate resilience advisory services to enterprise staff;
- Piloted the Cool Farm Tool with 50 coffee farmers in Guatemala, Honduras, and Peru;
- Designed a new loan product to finance soil regeneration efforts; and
- Contributed expertise to global climate action efforts.

BY THE NUMBERS

\$37M

Climate Finance Disbursed To
Vulnerable Communities

49%

of Lending Clients Were Climate
Action Leaders

42

Businesses Receiving Agronomic
and Climate Resilience Advisory
Services



Grow our lending to businesses committed to climate action in rural communities.

Through June, we provided \$37 million in financing to 80 “climate action leaders” (up from 76 during all of 2020). These are agricultural businesses that are making substantial contributions to climate change mitigation and/or adaptation in their communities, such as promoting climate solutions like reforestation or providing farmers with training on adaptation practices. To learn more about how climate action leaders are building resilience in their communities, see the client story below.



Cultivate enterprise and farmer capacity to mitigate and adapt to climate change.

This year, we expanded our agronomic and climate resilience advisory services, reaching 42 enterprises with tailored training and support. In Latin America, we assisted 10 enterprises with creating climate adaptation plans customized to each business’ unique climate risks. Plans cover strategies related to soil health, pest and disease management, and crop diversification. In collaboration with Cooperative Coffees, The Chain Collaborative, IDB Lab, and the Cool Farm Alliance, an initiative of the Sustainable Food Lab, we also piloted the [Cool Farm Tool](#) with 50 coffee farmers in Guatemala, Honduras, and Peru. This tool—which enables farmers to measure their greenhouse gas emissions and determine best practices for climate change mitigation—will be scaled to reach 200+ farmers later this year. In Africa, we launched a new phase of our [Talent Partnerships](#) program, placing 21 young professionals in agronomic internships with coffee cooperatives in Rwanda. Interns receive weekly virtual trainings on climate-smart agriculture, and help their host cooperatives’ technical assistance teams share that knowledge with farmers in the field.

“I am very happy to know how to make my own fertilizer without losing money buying it, and I’m thankful to Root Capital for giving us the agronomists who are helping us increase our coffee productivity.”

– Victory Gatera, coffee farmer, Rwanda



Innovate financial products to unlock enterprise investments in climate action.

Recognizing that climate action often requires upfront capital investment, Root Capital is designing and testing right-sized, affordable climate finance products for smallholder enterprises. In 2020, we conducted a review of climate finance needs and opportunities within our Latin America coffee portfolio and identified that loans for inputs to regenerate soil health (e.g., fertilizers and amendments), boost productivity, and build climate resilience would be our focus for 2021. Over the last year, we designed the loan product and identified potential borrowers for our first pilots. As of the end of June, we are underwriting soil regeneration loans for three coffee businesses in Honduras; we expect to close these loans during Q3. Looking ahead to 2022, we plan to apply lessons from these pilots to scale up soil regeneration lending and to scope additional climate financing products.



Amplify successful approaches to encourage adaptation and replication by others.

We published an [evaluation](#) of our climate-focused Gender Equity Grants, which were piloted in 2019 in Mexico and Central America. The study found that participating women coffee farmers improved their knowledge about climate change and implementation of climate-smart practices. As part of our launch of the Cool Farm Tool pilot, we shared our approach to digital carbon measurement with the broader coffee sector via [press coverage](#) and a webinar. Additionally, we were invited to join the finance experts working group of [Mobilising More 4 Climate](#).

PROGRESS TOWARD 2025 GOALS

CLIMATE FINANCE DISBURSED

\$37M

GOAL: \$105M

CLIMATE ACTION LEADERS REACHED

80

GOAL: 125

BUSINESSES RECEIVING AGRONOMIC AND CLIMATE RESILIENCE ADVISORY

56

GOAL: 125

FARMERS AND EMPLOYEES REACHED VIA CLIMATE FINANCE OR ADVISORY

413K

GOAL: 500K



Staff at Sol & Café during a remote climate resilience training this year.

CLIENT STORY

Sol & Café

LOCATION: PERU PRODUCT: COFFEE

In northern Peru, the 1,000 smallholder farmers of the Sol & Café coffee cooperative are feeling the impacts of climate change firsthand. “Every year [the farms are] becoming more vulnerable to diseases,” one cooperative employee explains. “Their productivity is decreasing, and their quality is being affected.” Working with Root Capital’s advisory team, the leaders of Sol & Café developed a climate adaptation plan tailored to their members’ specific climate risks. The cooperative is helping farmers replace 50,000 coffee trees with more resistant varieties, while planting 300,000 shade trees that prevent soil from washing away during increasingly torrential storms. Meanwhile, Sol & Café is doing their part to measure and ultimately reduce their greenhouse gas emissions through our Cool Farm Tool pilot. Starting next year, farmers will receive a carbon premium from their buyer, Cooperative Coffees, diversifying their income and encouraging further reductions in carbon emissions over time. While the impacts of climate change are set to get even worse for Peru’s farmers, we can help them build a greener, more resilient future.

This work is made possible by Root Capital’s dedicated climate resilience champions, with special thanks to:

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