

## **Identification of Possible Sources of Equity & Debt for LFI Projects**

### **A. Equity - Private Sector Partners**

- 1 African Agricultural Capital /Pearl Capital
- 2 Emerging Africa Capital
- 3 Fanisi Venture Capital Fund
- 4 Grassroots Business Fund
- 5 East Africa InReturn Fund
- 6 Willow Impact
- 7 Acumen Fund
- 8 E+CO

### **B. Equity - Public Sector Partners**

- 1 EU Uganda Agriculture Equity Fund
- 2 Catalyst Fund I LLC

### **C. Debt - Private Sector Partners**

- 1 Root Capital

## **A. Equity - Private Sector Partners**

Identified here are primarily Social Impact Investors drawn from the membership of GIIRS and ANDE.<sup>1</sup> “These investors provide SGBs<sup>2</sup> with debt, equity, and other forms of financing focused on transaction sizes between \$20,000 and \$2 million. These transactions are more challenging to source and execute on a purely commercial basis and often require unique financial structures. These entities have been pioneers in developing “quasi-equity” financing, or investments that mix the upside return opportunities of equity with the stable payments associated with debt. Such instruments align the desire of SGB owners to maintain majority ownership with the capital provider’s need for management supervision. Investors receive their funds from various sources of capital, including foundations, institutional investors, private investors, and development finance institutions. Increasingly, there is a trend among investors to offer integrated-finance and capacity development packages either by themselves or by pairing up with another intermediary.”<sup>3</sup>

Listed below are only funds that include Uganda and/or Tanzania in the geographic area of focus.

### **1. African Agricultural Capital & Pearl Capital Partners**

#### **Description of Entity**

African Agricultural Capital (AAC) is an agriculture specialist investment company that focuses on East Africa and has been in operation since 2006. AAC is managed by PCP Uganda Ltd, a wholly-owned subsidiary of Pearl Capital Partners, a Mauritius resident investment management business.

In the fall of 2011 several impact investors, together with the U.S. Agency for International Development (USAID), provided \$25 million to set up a new investment fund focused exclusively on growing small and medium-sized enterprises in the agriculture sector in Sub Saharan Africa - the African Agricultural Capital Fund (AACF). USAID’s Development Credit Authority is guaranteeing 50% of an \$8 million commercial loan from J.P. Morgan’s Social Finance Unit to AACF. The fund is also supported by \$17 million in equity investment from the Bill & Melinda Gates Foundation, the Gatsby Charitable Foundation, and the Rockefeller Foundation. The fund will also have access to \$1.5 million in USAID-funded business development

---

<sup>1</sup> GIIRS is the Global Impact Investing Ratings System [www.giirs.org](http://www.giirs.org) . ANDE is the Aspen Network of Development Entrepreneurs [www.aspeninstitute.org](http://www.aspeninstitute.org) .

<sup>2</sup> SGBs - Small and growing businesses, or commercially viable businesses with 5-250 employees that have significant growth potential and a management desire for growth.

<sup>3</sup> ANDE, 2010 Impact Report, page 10.

services, primarily funded under President Obama's flagship Feed the Future initiative, to improve investee companies' operations, competitiveness, and access to markets. Pearl Capital Partners (PCP), a specialized African agricultural investment fund manager based in Kampala, Uganda, will invest the AACF's \$25 million in at least 20 agriculture-related businesses in East Africa.

### **Possible Role**

The AACF might be a source of equity for LFI agribusiness projects in East Africa.

### **Criteria for Investment**

The AACF will seek agribusiness investments with both a strong financial return and significant social impact. New investments will need to demonstrate that they benefit large numbers of farmers and have an environmentally benign footprint. According to a recent article (<http://www.monitor.co.ug/Business/Commodities/-/688610/1244332/-/cxpo3l/-/index.html>) the fund will invest in local businesses that have the potential to generate up to 16 per cent interest on PCP's capital. It is prepared to invest between \$200,000 (Shs568 million) to \$2 million (Shs5.7 million) in targeted businesses. Targeted firms are businesses that generate revenue in the range of \$5 million per annum.

### **Examples of Current Relevant Investments**

The AAC Annual Report for 2010 ([http://aac.co.ke/news/aac\\_anual\\_report\\_2010.pdf](http://aac.co.ke/news/aac_anual_report_2010.pdf)) shows that they have invested in several companies in Uganda, including one in Arua District - a UGX 110 million investment in Bee Natural, a honey production and distribution company. (See <http://www.monitor.co.ug/Business/Prosper/-/688616/1392124/-/item/0/-/cvuvse/-/index.html>)

There is a good deal of information about Pearl Capital and AAC's investments in a recently released study they produced on the social impact of their investments. This is available at [http://pearlcapital.net/PCP\\_II\\_STUDY\\_v5a\\_WEB.pdf](http://pearlcapital.net/PCP_II_STUDY_v5a_WEB.pdf)

### **Website and Contact Information**

African Agricultural Capital, Plot 4, Chwa II Road, Mbuya Hill, Kampala, P.O. Box 71782, Uganda, [info@aac.co.ke](mailto:info@aac.co.ke), +256 (0)31 2264980/4, +256 (0)31 2264985, <http://www.aac.co.ke/web/>

PCP Uganda Limited, Plot M697, 2nd Floor, UMA Show Grounds, P.O Box 15373, Kampala, Uganda, [info@pearlcapital.net](mailto:info@pearlcapital.net), +256 312 264983/4, +256 312 264985, <http://pearlcapital.net/index.html>

Note: Tom Adlam, is the managing partner of PCP. Wanjohi Ndagu is a partner at PCP.

## **2. Emerging Africa Capital**

### **Description of Entity**

Emerging Africa Capital (EmAf) which is based in Kenya and has been in operation since 2006 plans to start a \$100 million equity fund in September 2012.

### **Possible Role**

The EmAf might be a source of equity for LFI projects in specific sectors.

### **Criteria for Investment**

The fund will target opportunities across East Africa, focusing on small to medium sized enterprises. It plans to primarily fund deals in the technology, renewable energy and consumer goods sectors. EmAf says that they will invest from \$500,000 to \$10 million.

### **Examples of Current Relevant Investments**

None.

### **Website and Contact Information**

Michael Musau is EmAf's chief executive officer. He previously worked with K-Rep Bank.

<http://www.linkedin.com/pub/michael-musau/18/46b/b62>

EmAf is headquarters in Nairobi.

See <http://www.privateequityafrica.com/funds/emaf-to-raise-a-100m-east-africa-fund/>

## **3. Fanisi Venture Capital Fund**

### **Description of Entity**

Fanisi is a \$50 million equity fund started in 2010 to invest in mid-tier businesses, which fall below large corporates, the Fund's philosophy is to help even the playing field for these businesses thus giving them the base from which they can launch their growth efforts to become major players in East Africa's economies and beyond. Its geographic focus is Kenya, Rwanda, Tanzania and Uganda. Fanisi was established with assistance from the Norwegian Investment Fund for Developing Countries (Norfund). It also obtained funding from Proparco, Finnfund, International Finance Corporation (IFC), the Soros Economic Development Fund (SEDF), Soros Economic Development Fund

(SEDF), the Segal Family Foundation, Sarona Capital and Lundin for Africa. Integral to the Fund's operations is the Business Advisory Services Facility, a \$2 million Facility that provides capacity and advisory services to the Fund's portfolio companies, helping them become globally competitive by strengthening their corporate governance, environmental, health and safety operating standards, management and operational systems, as well as strengthening their strategic engagement with their markets.

### **Possible Role**

The EmAf might be a source of equity for LFI projects in various sectors.

### **Criteria for Investment**

The Fund does not focus on any particular sector, and supports businesses which have strong value addition, profitability and sustainability prospects across all sectors including, ICT, agri-business, retail, financial services, manufacturing, media, transportation, logistics/distribution and tourism. Fanisi focuses on sectors that meet its return expectations, have the space for competitive private sector activity, are unencumbered with too much regulation, and on companies which have business models that are easily replicable, scalable and sustainable. The Fund will normally look to exit from its investments within 3-5 years. Its focus is on businesses with a turnover of between \$1 to \$ 8 million, with a history of profitability and a business model that can be easily and quickly scaled up to achieve aggressive growth objectives. There should be strong prospects for exit to bigger industry players, other Funds, or through listing on the Stock Exchange.

### **Examples of Current Relevant Investments**

None. The few investments identified on the websites are primarily in the IT or financial services sectors.

### **Website and Contact Information**

Fanisi Capital Limited, 4th Floor Arlington Block | 14 Riverside Drive, P.O. Box 66162 - 00800 Westlands, Nairobi, Kenya Tel: +254-20-420-7000/+254-722-209-156, E-mail: [info@fanisi.com](mailto:info@fanisi.com)

[www.fanisi.com](http://www.fanisi.com)

Ayisi Makatiani is the Managing Partner of Fanisi Capital Limited, the Fund's local investment advisor.

## **4. Grassroots Business Fund**

### **Description of Entity**

The Grassroots Business Fund (GBF) seeks to invest in for-profit companies that have a strong commitment to bringing measurable and sustainable social and economic impact at the base of the economic pyramid (BoP). It serves hard-to-reach, low-income, and disadvantaged populations in Africa, Asia, and Latin America—people who lack access to existing economic opportunities and who are not reached by other development models. It focuses on specific economic sectors on which these people depend, but which remain commercially undeveloped. It is currently focusing on the following countries: Africa (Kenya, **Tanzania**, Ghana); Asia (India, Indonesia); Latin America (Bolivia, Peru). To date GBF has raised \$58 million for investment.

GBF roots go back to 2000 with the joint IFC/World Bank Small and Medium Enterprise (SME) department headed by Harold Rosen. In 2004, Mr. Rosen started the Grassroots Business Initiatives (GBI). In 2008, the GBI department was transformed into an independent organization called the Grassroots Business Fund (GBF). GBF is supported by a number of DFIs, foundations, private firms and individuals.

### **Possible Role**

The GBF might be a source of equity for LFI projects in Tanzania in various sectors.

### **Criteria for Investment**

GBF seeks investments of \$500,000 to \$1,500,000. It is open to various investment structures including equity, quasi-equity, loans, and guarantees. GBF does not seek control of the company (in terms of equity ownership and/or voting rights) and expects to exit investments within a 5 to 7 year timeframe. It prefers situations where its investment is key to scaling up the company, and GBF represents less than 50% of company's total capital base. It invests in businesses that generate direct and significant incremental income / savings to their suppliers or customers. GBF prefers to work with companies that directly impact in the range of 500-2000 individuals, with potential to increase and scale at least 5-10 times over the period of the investment.

### **Examples of Current Relevant Investments**

There are many example of GBF investments detailed on its website. Below are its investments in Tanzania:

HAI is a cocoa trading company committed to improving cocoa quality and increasing the visibility of Tanzanian cocoa by securing long-term, international buyers. The improved market links and cocoa quality, achieved through training and provision of equipment to farmers, allow HAI to obtain higher prices. is co-investing with Root Capital to enable HAI to progressively realize its full production capacity by building its operations and establishing its reputation among international cocoa buyers. GBF is providing HAI with the longer term funds needed to acquire the necessary tools to fulfill

its current and future orders. GBF, in partnership with Root Capital, also provided a short-term working capital loan to HAI.

Honey Care Africa—Tanzania (HCAAT) is a social enterprise that promotes beekeeping as a sustainable livelihood for low-income rural households in Tanzania. HCAAT is a sales and marketing channel for the beekeepers. GBF is providing HCAAT with a loan to support its expansion and diversify its supply chain into new value added

The Higher Ground Development Corporation (HGDC) is a coffee producer and exporter in Tanzania which grows its own coffee and buys from local farmers and cooperatives. It sells to US-based coffee importers and roasters who sell the coffee under various brands, including HGDC's own brand, "Sweet Unity Farms." Through its SME Export Facility (SEF), GBF has provided HGDC with a working capital loan.

### **Website and Contact Information**

GBF HQ Office Address: 1601 Connecticut Avenue, NW, Suite 501, Washington DC, 20009, USA, tel. 202-518-6865. (Harold Rosen is the Executive Director of GBF.)

GBF Nairobi Office Address: E2, 2nd Floor Peponi Plaza, Mwanzi Road, Westlands, Nairobi, Kenya

[communications@gbfund.org](mailto:communications@gbfund.org)

[www.gbfund.org](http://www.gbfund.org)

## **5. InReturn Capital – East Africa InReturn Fund**

### **Description of Entity**

Founded in 2007, InReturn is managed by an African and European team on the ground who has invested their own money in the Fund and in the management company. InReturn also has financial support from a few private investment firms and the Ministry of Foreign Affairs of The Netherlands.

### **Possible Role**

The InReturn East Africa Fund might be a source of equity for LFI projects in Tanzania and Uganda in various sectors.

### **Criteria for Investment**

The InReturn East Africa Fund targets growth investments of up to Euro 2 million, with initial investments generally in the range of Euro 200K to Euro 1 million. Financing is provided for three to seven years. The Fund focuses on opportunities in growing sectors such as agricultural/food processing, ICT, media, energy, manufacturing, logistics and

finance industries. The Fund targets upfront set social impact targets of 10 sustainable jobs per Euro 100K invested. Mezzanine (a form of partially unsecured and subordinated debt) and equity are the primary investment structures used. The Fund was launched in 2009 at Euro 4 million. It has a target fund size of Euro 20 million, and the Fund term is 10 years. It focuses on SMEs in Kenya, Uganda and Tanzania.

The InReturn East Africa Fund reviews around 200 potential investments per year coming from Uganda, Tanzania and Kenya. From this deal flow the target is to invest on average in 4 companies per year with the goal to invest in 15 to 20 SMEs.

### **Examples of Current Relevant Investments**

Vipingo Stone is a quarrying company located in Kilifi, 80 km north of Mombasa. The company produces machine-cut coral stones, the most commonly used construction material in this coastal region. InReturn's investment allowed Vipingo to set up their operations. InReturn also provides business advice to help management build a solid business. Since early 2011 Vipingo has been producing and selling stones and their production levels have been increasing steadily. Currently the company employs 30 people, who all have protective clothing, insurance, a good remuneration package and a healthy meal a day.

### **Website and Contact Information**

Kenya: InReturn Capital (K) Ltd, Statehouse road, (Opposite gate B of Statehouse Next to Philippines Embassy), Nairobi, Kenya, Tel +254 (0) 20 250 4775, Tel +254 (0) 20 265 8058, E-mail [info@inreturncapital.com](mailto:info@inreturncapital.com)

Steven Otto, Managing Partner and CEO, working in Nairobi.

Tanzania: InReturn Capital (Tanzania) Ltd, 1124 Chole Road, Msasani Peninsular Dar es Salaam, Tanzania, Tel +254 (0) 20 250 4775, Tel +255 (0) 736 502021, Tel +255 (0) 752 604519, E-mail [info@inreturncapital.com](mailto:info@inreturncapital.com)

An office is also planned for Uganda.

Website: <http://www.inreturncapital.com/>

## **6. Willow Impact**

### **Description of Entity**

Willow Impact invests in social entrepreneurs and in their businesses. Their principal sectors of focus are education, health, food and agriculture, community development, the environment and poverty alleviation. Willow Impact's main geographic areas of

focus are Eastern Africa, the Middle East and North Africa. Willow is funded by its principals.

### **Possible Role**

Willow Impact might be a source of equity for LFI projects in Tanzania and Uganda in various sectors.

### **Criteria for Investment**

Willow has seven key objectives for social and environmental impact that are integral to our investment strategy: job creation; increasing scalability and reach of portfolio companies; capacity building and empowerment of social entrepreneurs; improving governance, accountability and employment practices; provision of health, education, water, energy and community services; conservation and management of natural and water resources; reduction of harmful greenhouse gas emissions. The financial terms of its investments are unknown.

### **Examples of Current Relevant Investments**

Note: This is a relatively new company and appears to have a very limited portfolio.

Nkokonjeru Coffee, Uganda

A first grant was made towards a coffee business in Uganda in 2010. The project was headed up by one of our team members, Rebecca Sullivan, in collaboration with Engineers Without Borders. The project was designed to help local coffee farmers enhance the value of their product. It was a multi-faceted undertaking and included the creation of a demonstration garden in which local farmers learnt how to plant and farm coffee beans in a more sustainable manner, thereby helping them achieve a premium price for their beans.

### **Website and Contact Information**

Kenya: PURSHOTAM HOUSE, CHIROMO LANE, WESTLANDS, PO BOX 42777 – 00100, NAIROBI, KENYA, Tel : +254 20 374 25 52, Tel : +254 77 475 74 69,

The office in Nairobi was opened in February 2012. It is headed by Regional Director Farid Mohamed, who is assisted by Investment Manager Seeta Shah. (Note: Fared advised the Rockefeller Foundation on the design and establishment of African Agricultural Capital.)

USA: 960 MADISON AVENUE, 3RD FLOOR, NEW YORK, NY 10021, Tel: +1(212) 201 9180, [info@willowimpact.com](mailto:info@willowimpact.com)

UAE: 2504 THE FAIRMONT, SHEIKH ZAYED ROAD, P.O.BOX 192007, DUBAI,  
UNITED ARAB EMIRATES, Tel: +971 4 358 7450

[www.willowimpact.com](http://www.willowimpact.com)

## **7. Acumen Fund**

### **Description of Entity**

Acumen Fund is a non-profit global venture fund that uses small amounts of philanthropic capital, combined with large doses of business acumen, to build thriving enterprises that serve vast numbers of the poor. Its investments focus on the following sectors: agriculture and food, energy, health, housing/community Facilities and water. Its geographic focus is Egypt, Ghana, India, Kenya, Pakistan, South Africa, Tanzania and Uganda. Acumen Fund has been investing in East Africa since 2001, opening a local office in 2007. Acumen Fund was founded in 2001, with seed capital from the Rockefeller Foundation, Cisco Systems Foundation and three individual philanthropists. Acumen Fund's investors and advisors include also the Bill & Melinda Gates Foundation, Google.org and the Skoll Foundation.

### **Possible Role**

The Acumen Fund might be a source of equity for LFI projects in Tanzania and Uganda in various sectors.

### **Criteria for Investment**

Since 2001, Acumen Fund has invested more than \$65 million in enterprises that provide access to water, health, alternative energy, housing and agricultural services for low-income customers in South Asia and Africa. The Fund has so far invested \$17 million in 11 agricultural firms.

### **Examples of Current Relevant Investments**

As of November 2011, Acumen has invested \$18.7 million in Kenya, Tanzania, Uganda and Rwanda. Among the investments are:

Gulu Agricultural Development Company (GADC)

GADC is a cotton ginning company which provides more than 55,000 smallholder farmers in Northern Uganda with access to the international agricultural market. GADC aims to rebuild the cotton industry in the region, which was wracked by decades of war and political instability, and provides former refugees with critical support to regain their livelihoods. Acumen \$700,000 in debt financing.

Western Seed

Western Seed is a Kenya-based company whose mission is to address the lack of maize productivity among smallholder farms in East Africa. Using its hybrid seed varieties allows farmers to double crop yields and increase their income. In the last two growing seasons, Western Seed reached more than 300,000 farmers. By 2014, Western Seed hopes to impact 800,000 households – which translates into more than 4 million people. Acumen provided \$2.1 million debt/equity.

### **Website and Contact Information**

Kenya: Acumen Fund, 1st Floor, Cape Office Park, opposite Yaya Centre, Ring Road, Kilimani, P.O. Box 101883-00101 Jamia, Nairobi, KENYA, Phone: + 254-20-386-1559/60/61.

Biju Mohandas is Director for East Africa.

USA: Acumen Fund, 76 Ninth Avenue, Suite 315, New York, NY 10011, USA, Phone: +1 (212) 566-8821

CEO - Jacqueline Novogratz

## **8. E+CO**

### **Description of Entity**

E+Co makes clean energy investments in developing countries. E+Co identifies, advises and invests in solar, hydro, biogas, cleaner fuels and fuel-efficient cook stove companies. E+Co has financed and supported over 200 energy enterprises to date. E+Co's geographic focus is Bolivia, Brazil, Cambodia, China, Costa Rica, El Salvador, Ethiopia, Gambia, Ghana, Guatemala, Honduras, India, Mali, Nepal, Nicaragua, Philippines, Senegal, Singapore, South Africa, Tanzania, Thailand, Uganda and Zambia. E+CO has received financial support from the European Union.

### **Possible Role**

E+CO might be a source of equity and loans for LFI clean energy projects in Tanzania, Uganda and other selected countries.

### **Criteria for Investment**

E+CO investments range in size from approximately US\$25,000 to US\$1,000,000.

### **Examples of Current Relevant Investments**

E+Co has invested in hydro, solar and LPG projects in Uganda and Tanzania.

### **Website and Contact Information**

USA: E+Co U.S., 383 Franklin Street, Bloomfield, NJ, 07003 USA, Tel: +1.973.680.9100, EandCo.USA@EandCo.net

Christopher Aidun is the Managing Director of E+Co.

Tanzania: E+Co East Africa, +CO Tanzania Limited, P.O Box 33947, Plot number 477, adjacent to FEZA Primary School, Old Bagamoyo Road, Dar Es Salaam, Tanzania, +255-22-2772883.

[www.eandco.net](http://www.eandco.net)

## **B. Equity - Public Sector Partners**

### **1. EU Uganda Agriculture Equity Fund**

#### **Description of Entity**

In 2012 the EU had a feasibility study prepared for an equity fund to invest in agribusinesses in Uganda. Work on a detailed design of the Fund began in May 2012. Thus it is unlikely that the Fund will begin operations until the fall of 2012 or later.

#### **Possible Role**

The EU Uganda Agriculture Equity Fund might be a source of equity for LFI agribusiness (and some other rural sector) projects.

#### **Criteria for Investment**

The feasibility study suggested that a minimum target of \$10 million invested in 5 companies per year would be appropriate. The projected range of investments was \$0.5 million to \$3 million. The definition of agribusiness is inclusive of industrial agriculture, logistics, trading, rural power Private Public Partnership (PPP) power generation and transmission, rural tourism, packing and packaging or even rural finance institutions.

#### **Examples of Current Relevant Investments**

None

#### **Website and Contact Information**

Jean-Louis VEAUX, Programme Officer Rural Development, Delegation of the European Union to the Republic of Uganda, Crested Towers 15th Floor, Plot 17-23, Hannington Road, P.O.BOX 5244 Kampala, Uganda, Tel : +256 (0) 414 701 000, Tel direct : +256 (0) 414 701 070, E-mail: Jean-Louis.VEAUX@eeas.europa.eu

<http://www.deluga.ec.europa.eu>

## **2. Catalyst Fund I LLC**

### **Description of Entity**

Catalyst Fund I is a \$100 million Eastern Africa focused private equity fund that invests in emerging and mid-sized companies with strong growth and profitability prospects, with experienced management teams. (In October 2010 the AfDB agreed to put \$15 million into the Fund. In March 2011 the IFC announced it was investing \$10 million. Other investors include the Commonwealth Development Corporation, Germany's development finance company DEG and PROPARCO of France. Catalyst anticipates additional substantial commitments in the coming months. They have received expressions of interest from regional pension funds and insurance companies.) The fund aims to stimulate employment and accelerate economic growth across East Africa by improving access to equity financing for emerging and mid-size companies.

The Fund is managed by Catalyst Principal Partners ([www.catalystprincipal.com](http://www.catalystprincipal.com)), a private equity firm based in Kenya, has raised \$70 million for the fund. Established in 2009, Catalyst is an Eastern African focused private equity firm manager. The fund will invest in growth companies with dynamic management to drive growth, regional expansion, consolidation, and performance improvement.

### **Possible Role**

The EU Uganda Agriculture Equity Fund might be a source of equity for larger LFI projects in Uganda and Tanzania.

### **Criteria for Investment**

#### **Investment criteria**

- \$5 million to \$15 million for strategic minority or control transactions
- Expansion and replacement capital, re-capitalisations and pre-IPO investments
- 4 to 6 year investment horizon, with exits via trade and financial buyers, capital markets and self-redeeming instruments
- Target 20% to 25% USD cumulative net returns
- Investment focus is on sectors with attractive underlying fundamentals, driven by compelling demographic trends and urbanization, rising consumer demand, a deepening middle class, under-penetrated rural mass market as well as convergence and integration of the regional economies.
- Sector focus
  - Consumer goods and retail
  - Financial and business services
  - Industrials, manufacturing and value-add processing

- Technology and telecommunications

The Fund aims to invest in Kenya, Uganda, Tanzania, and other East African countries. It will provide financial and management advice to up to 14 mid-size companies across different sectors.

### **Examples of Current Relevant Investments**

The Fund has invested in Chemi & Cotex Industries Limited (“CCIL”), a Tanzanian-based manufacturing conglomerate engaged in the manufacturing and marketing of fast moving consumer goods, industrial plastics and metal products. Established in 1975, CCIL has grown rapidly to become the one of the largest consumer goods companies in Tanzania and within East Africa. Its portfolio of brands includes the largest selling toothpaste in Tanzania (“Whitedent”) as well as a range of cosmetics and food products marketed under various brand names which are distributed nationwide and increasingly regionally.

### **Website and Contact Information**

Purshottam Place, 7th Floor  
Westlands Road  
P O Box 1482-00606  
Nairobi, Kenya  
T: +254203601889; F: +254203601100  
E: [invest@catalystprincipal.com](mailto:invest@catalystprincipal.com)  
[www.catalystprincipal.com](http://www.catalystprincipal.com)

Paul Kavuma, is the Chief Executive Officer of Catalyst

## **C. Debt - Private Sector Partners**

### **1. Root Capital**

#### **Description of Entity**

Root Capital is a nonprofit social investment fund specializing in agricultural lending in environmentally vulnerable places in Africa and Latin America. Root Capital seeks to maximize the positive social and environmental impact of our work through a three-pronged strategy: finance, advise, and catalyze. Since 1999, Root Capital has disbursed more than \$368 million dollars in loans to 367 businesses.

#### **Possible Role**

Root Capital may be a source of working capital and long-term (5 year) loans for agricultural project in LFI countries.

## **Criteria for Investment**

Root Capital seeks to push the frontier of agricultural lending. The funds can be used to invest in processing equipment, infrastructure, or general operations. In their lending they seek to achieve particularly high social or environmental impact on rural communities, such as improved food security. Root Capital provides long-term fixed-asset loans with terms up to five years. They offer loans in dollars, euros, pounds sterling, or in local currency.

## **Examples of Current Relevant Investments**

AgroMantaro is a Peruvian agro-processor of artichokes and jalapeños that sources from small-scale farmers throughout Peru and has located its processing plant in the central Peruvian Andes. By maintaining long-term relationships with customers like General Mills and McCain, AgroMantaro provides a steady income to hundreds of small-scale farmers as well as job security for more than 600 employees at its processing plant – 90 percent of whom are women employed in their first formal job. Root Capital provided a \$1.24 million long-term loan to the company in 2011.

## **Website and Contact Information**

Root Capital, 955 Massachusetts Ave, 5th Floor, Cambridge, MA 02139, (617) 661 5792.

William F. Foote is the Founder & CEO.

Website: [www.rootcapital.org](http://www.rootcapital.org)