

## EX ANTE

### Project description:

WEBSITE CLIENT	<a href="https://amrurice.com.kh/">https://amrurice.com.kh/</a>
REGION	ASIA
COUNTRY	CAMBODIA
SECTOR	AGRICULTURE
SIGNING DATE	30 DAYS FROM PUBLICATION AT WEBSITE
TOTAL FINANCING	€243,750
FUND	ORIGINATING

### Who is our (prospective) client?

Amru Rice Co. Ltd was incorporated on 9 February 2011 as a rice trading company with a vision to become a leading agribusiness in sustainable, ethical and responsible agriculture. Since then, Amru has invested in its own facilities to become a more vertically integrated agribusiness with mills in Phnom Penh, Kompong Thom and Battambang provinces.

Amru specializes in organic rice production, selling its products to over 30 countries with the main markets in the European Union (EU), Australia, United States of America (USA), and parts of Asia. Their target market includes wholesalers, re-packers, food manufacturers and retailers. Amru is the largest organic rice exporter from Cambodia to the EU.

Amru wants to ensure that their products are safe, healthy and nutritious for consumption and are 100% Cambodian in origin.

### What is the intended funding objective (type of activity)?

Amru's business plan is to grow their supply base by enhancing the benefits that their partner small holder farmers receive . During the Origination Phase, Amru will conduct:

- Emission Reduction Methodology Assessment to ensure best practices in regenerative agriculture is chosen and localized for the Cambodian landscapes
- Small holder farmer benefits assessment to understand the needs of farmers, primarily in rural areas and determine the level of support needed
- Pilot implementing regenerative agriculture on small holder farmer plots of land in three provinces (Praeh Vihear, Battambang, and Monduliri)
- Preliminary Environmental and Safety safeguards and Gender Equality and Social Inclusion (GESI) assessments to ensure vulnerable populations' needs are well understood and managed

Expected outcomes::

- Sequestered 92,000 tons of CO2 eq per annum, when reaches scale;
- 70.000 hectares of production land under sustainable management and improving resilience to climate change
- Number of direct beneficiaries reached is 40,000, of which 20,000 are women

## **Why do we fund this project?**

The lower Mekong basin is highly vulnerable to climate change, with more frequent flooding and longer dry seasons. Amru is operating in some of Cambodia's most vulnerable regions. The project aligns with intake criteria of the DFCD and the investment is foreseen in a least development country and improves climate resilience of small holder farmers in Cambodia.

The project is deemed a Rio-Marker 2 for adaptation, Agriculture 311, by introducing climate-resilient farming methods suitable for Cambodia. Regenerative Agriculture seeks to utilize the biomass waste to improve soil health, while also reducing greenhouse gas emissions.

Following the strong commitment to become carbon-neutral by 2050 during COP26, the Kingdom of Cambodia has issued the Long-term Strategy for Carbon Neutrality. In the agriculture sector, the introduction of some regenerative/conservation practices, such as composting technology, have been considered as key strategies for mitigation and adaptation.