

## EX ANTE

### Project description:

WEBSITE CLIENT	<a href="https://www.kofi.com.kh/">https://www.kofi.com.kh/</a>
REGION	ASIA
COUNTRY	CAMBODIA
SECTOR	FORESTRY
SIGNING DATE	30 DAYS FROM PUBLICATION AT WEBSITE
TOTAL FINANCING	€283,750
FUND	ORIGINATING

### Who is our (prospective) client?

Founded in 2009, Kofi Co., Ltd began as a coffee service and materials supply company and has grown over time.

Kofi now covers most of the key population centers, such as Phnom Penh, and Battambang.

In parallel, Kofi Co., Ltd invested into a state-of-the-art roasting facility in 2019 to keep up with demand for local roasted coffee of the local coffee chains. This helps Kofi becoming one of the leading coffee roasting companies in Cambodia with a team of over 290 employees.

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

Kofi is seeking to support the development of a Cambodian coffee value chain through the following activities:

- Encouraging and supporting small holder farmers to begin to improve their coffee production practices
- Introducing more climate tolerant Robusta varieties with better yield, cupping scores and maturing times
- Setting up pilot level wet and dry milling, following with a full scale centralized green bean processing at graduation
- Collaborating with technical experts in Vietnam to become certified, not only in terms of best practices for planting, growing and harvesting, but also ensuring forest areas are not negatively impacted

The impact of the Originating stage includes:

- 300-500 ha of forest under sustainable management
- 2,500 people employed by the project, of which 1,250 are women
- 2,500 beneficiaries at project maturation

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

The lower Mekong basin is highly vulnerable to climate change. Therefore, the combination of agroforestry with more climate resilient Robusta species is expected to be a nature-based adaptive response to address negative impacts caused by climate change.

This project achieves a Rio-Marker 2 score for ADAPTATION (Agriculture 311) on two key aspects:

- Cultivation and distribution of climate resilient seeds with the introduction of more climate resilient Robusta varieties
- Promoting diversified agricultural production to reduce climate risks with the introduction of coffee agroforestry models

Cambodia has made a strong commitment during the COP26 to meet carbon neutrality by 2050 and a key part to achieve this is through forestry and other land use. Cambodia has released their Long-term Strategy for Carbon Neutrality plan and the Kofi project is in line with this national policy.