



FOR IMMEDIATE RELEASE

Pioneer Facility invests in Agros to expand solar irrigation access for smallholder farmers

For more information please contact: pioneerfacility@nexusfordevelopment.org

Phnom Penh, November 14, 2022 – The Pioneer Facility, an impact investment fund managed by Nexus for Development, signs an agreement with Agros, a social enterprise specialized in providing solar powered irrigation systems. Agros bundles technologies, inputs, advisory and financing to support farmers to adopt regenerative agriculture practices that increase their profits and reduce carbon emissions. The Pioneer Facility loan of USD 500,000 will finance inventory and working capital needs to accelerate the deployment of their activity in Cambodia and Myanmar.

From conventional to regenerative farming

Agros Pte Ltd ('Agros') was launched at the intersection of sustainable agriculture and climate change. About 500 million smallholder farmers produce 80% of the world's food yet they don't have access to affordable energy and productive appliances. Across Southeast Asia, millions of smallholder farmers face **three main problems: low yields, low income and financial exclusion**. Smallholder farmers in particular are subject to the inevitable risks of market volatility as fuel and fertilizer prices continue to increase in the region, which has significant implications on their livelihoods. Fuel prices have more than doubled/tripled in certain parts of Myanmar and Cambodia since earlier this year. Many farmers in Southeast Asia have not adopted a solar irrigation system due to market awareness and affordability challenges.

Under current market volatility, Agros strives to **solve three main barriers** to adopting a solar irrigation system: **affordability, performance and distribution**. They design, distribute, and provide financing for solar water pumps in Myanmar and Cambodia, with a mission to double the income of hundreds of thousands of farmers while abating millions of tons of carbon emissions by 2030. The company is also building a platform combining multiple farming technologies, services, and financing to support farmers to transition from conventional to regenerative farming.

"Climate change is a major threat to our environment, society, and economy. We're glad to have found with Nexus a partner who shares our belief that a prosperous, inclusive, and low-carbon world is possible. The Pioneer Facility will contribute strongly to our 3x growth projected for 2023 by financing our working capital needs." Max Nelen, Agros' Founder & CEO

In early 2022, Agros entered the Cambodia market and currently has 3 operating hubs in Cambodia and 7 in Myanmar. They are poised for further hub expansion in both countries and are scoping a third market for 2023.

"Agros has done tremendously over the past few years in Myanmar, despite the political and economic turmoil. We are delighted to continue supporting Agros' new market entries, bringing sustainable solutions to farmers who are facing immense challenges." Selina Yang, Nexus' Investment Analyst

Farming decarbonisation

Agros is seeking to decarbonise the farmers' whole journey, from input to market. This implies launching soil and crop management solutions such as biological fertilizer, high-quality seeds, solar milling

machinery, solar cold rooms, zero-carbon certification and access to a premium marketplace. The environmental impacts could evolve to be much more as the product offerings grow. The next product Agros is launching, Agrosoil, seeks to restore degraded soil, increase yields and reduce expenses on synthetic fertilizers.

By replacing fuel-based energy consumption with a renewable energy source, the solar irrigation systems already being installed reduce carbon emissions. Based on surveys of current fuel usage for each customer, it is estimated that each solar pump will reduce on average **4 tons of CO2 emissions per year**, meaning 80,000 tons of annual CO2 emissions reduction by 2026 based on 20,000 units installed. Nexus for Development is engaged to develop a carbon finance project and early calculations support the emission reduction estimation.

Improving livelihoods

Agros' social objective is to revolutionise agriculture across Southeast Asia, offering millions of farmers the technologies, services, financing and accessibility they need to transition to long-term profitable farming. The goal is to **boost income from fuel savings and extra crop cycles** (additional irrigated land).

So far, more than 900 households in Myanmar and more than 100 households in Cambodia have benefited from Agros' solar irrigation technology, with **total beneficiaries reaching over 3,550**. Agros' current beneficiaries spend up to **30% of their income** on fuel to enable irrigation of their crops; importantly, installation of Agros' solar irrigation system results in **monthly fuel savings of up to \$45** per pump on average, with a payback period between 12-24 months.

Further, Agros has gradually improved its gender strategies to engage with women beneficiaries and plans to do more in the coming years. The company created about **20 jobs for women** in one year, including sales agents to engage with women farmers.

Nexus has been working with Agros since 2021 and provided a small working capital loan in January 2021 to fuel their early expansion in Myanmar. Today, the Pioneer Facility loan supports Agros at a critical time in its growth trajectory by funding their inventory purchases to meet increasing sales.

About Pioneer Facility

Pioneer Facility is an innovative fund that provides scale-up capital, via working capital or capex loans, to enterprises that offer sustainable energy and clean water solutions to underserved populations in Southeast Asia.

For more information please contact: pioneerfacility@nexusfordevelopment.org

About Nexus for Development

Nexus for Development is an international not-for-profit organization founded on the principles of sustainable development. We drive access to finance in developing economies across Southeast Asia to scale local implementers that increase sustainable energy and water resource development and advance climate positive solutions.

For more information please contact: contact@nexusfordevelopment.org