



Impact report

2025 edition _____

*Expert in inclusive finance,
catalyst of partnerships
and innovation*

List of acronyms

ADA	<i>Appui au développement autonome</i> (Support for autonomous development)
FDL	<i>Fondo de Desarrollo Local</i> (Local Development Fund)
GIIN	Global Impact Investing Network
ISEA	Innovative Services Engineering & Advisory
LIST	Luxembourg Institute of Science and Technology
MFI	Microfinance Institution
NGO	Non-Governmental Organisation
PO	Producer Organisation
REDCAMIF	<i>Red Centroamericana y del Caribe de Microfinanzas</i> (Central American and Caribbean Microfinance Network)
SDG	Sustainable Development Goals
SME	Small and Medium-sized Enterprise
SSNUP	Smallholder SustaiNability Upscaling Programme

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Introduction

As a development NGO, ADA has been working since 1994 to **improve the living conditions of vulnerable populations** in Africa, Latin America and Asia by **developing inclusive financial services** tailored to their needs.

Because inclusive finance enables people to better manage their financial resources, invest in economic opportunities, grow their business, plan for the future and guard against potential shocks, it is a key tool for reducing vulnerabilities and empowering individuals, but also for community development.

In this respect, financial inclusion therefore appears to be an essential lever for progress towards the Sustainable Development Goals. This is why it is at the heart of ADA's mission.

Impact strategy



Although financial inclusion plays a key role in improving the living conditions of vulnerable populations and local development, it alone is not enough and many other factors are at play. In order for inclusive finance to fulfil its potential contribution to development challenges, these other factors must therefore be taken into account.

For example, allowing smallholder farmers to invest to produce more without ensuring that their products can be sold on the market can, on the contrary, place these small-scale producers in great financial difficulty. Similarly, without prior training or support, some individuals or micro-enterprises may never become eligible for financial services and remain financially excluded despite services being offered.

For all these reasons, ADA is now adopting a more holistic approach: it aims not only to contribute to the development of a diversified range of financial services tailored to the needs of its target populations, but also to ensure **access to complementary services** offered upstream, in parallel or downstream of financial services, such as access to basic services, capacity building services and market access solutions.

Since 2022, ADA has been specifically targeting three population categories to make it easier for them to access and use these various services. To achieve this, **ADA works with a variety of local partner organisations**, including not only financial institutions but also other structures, such as incubators or accelerators, producer organisations, small businesses offering training services or equipment, etc.

These three population categories are:



Smallholder farmers and foresters



Young entrepreneurs or companies employing a majority of young people



Vulnerable households with little or no access to basic services

The expected outcomes of the concomitant use of these services and solutions include securing and diversifying the economic resources of the target populations, meeting their basic needs, improving their human capital, and integrating them into the local socio-economic fabric. These various outcomes are, of course, interdependent, and are all factors that are supposed to contribute to improving people's living conditions.

In order to verify whether these expected outcomes are materialising, ADA has implemented an "impact" analysis approach, the methodology of which is detailed in the following section. This approach aims not only to establish and share the positive results of its actions, but also to identify potential limitations, in order to **learn from them and guide the continuous improvement of its interventions**.



ADA supports
partner
organisations...



...to ensure
**appropriate, sustainable
and affordable access
and use of**



financial services



technical and
entrepreneurial
capacity building



information
and market



basic services

...thereby producing
outcomes
for the target populations



securing
and diversifying
economic resources



improving
human capital



integration into
communities and
economic structures



satisfying basic
needs

...and generating an
impact



**improving
the living conditions
of vulnerable
populations**



**SMALLHOLDER
FARMERS**



**YOUNG
ENTREPRENEURS**



**VULNERABLE
HOUSEHOLDS**

Methodology



Principles

The final impact of ADA's interventions is the result of multiple factors that go beyond its scope of action and generally only materialise in the long term, after the interventions have been completed. ADA has therefore put in place a process for monitoring the achievement of its objectives, focusing on:

- **Systematic identification of the outputs** of the technical support programmes implemented with its partner organisations. The outputs mainly concern the number and type of users of the various services and solutions offered as part of the programmes;
- **Analysis of the outcomes of a selection of programmes** on a sample of members of the target populations. "Outcomes" means the main **changes** perceived by the target populations regarding their economic activity and living conditions as a result of using the services and solutions offered as part of ADA's interventions.

Aware that these outcomes may also be influenced by other factors, ADA adopts an approach based on **contribution** rather than **attribution**: it does not seek to precisely quantify its role in the observed outcomes, nor to take full credit for them.

On the other hand, it ensures that it has **contributed** to the outcomes, by directly asking users about the role played by the proposed services or solutions in the changes they have observed.

Indicators of outputs and outcomes have been defined at ADA level so as to be **aligned with international benchmarks** such as IRIS+, a benchmark of indicators coordinated by the GIIN (Global Impact Investing Network) and dedicated to impact investors in particular, and with the Sustainable Development Goals (SDGs). These indicators are then broken down at the programme level, and can therefore be aggregated.

Outputs are identified based on the sharing of information between ADA and its partner organisations to complete the defined indicators. In order to facilitate this process, ADA assists its partners, if necessary, in setting up data collection, monitoring and analysis tools. These tools are designed to facilitate not only the reporting of information about the programme implemented with ADA, but also the monitoring, improvement and enhancement of the organisation's activity in general.



While this sharing of information is systematic for all the technical support programmes implemented, the exercise may be more or less complex depending on the indicators defined, the capacity of the partner organisations to collect and analyse the information and the chosen mode of intervention.

For example, some programmes rely on intermediary partner organisations, which are in direct contact with local organisations offering services to target populations. While this method maximises the programme's potential reach, it nevertheless adds additional stages of data collection and validation, which complicates the data centralisation process at ADA level.

This is why the outputs of a programme such as SSNUP cannot be fully taken into account in ADA's annual results published in its activity report. Only the outputs of the first half of each year are included. The annual outputs presented in this report are therefore different from, but more comprehensive than, those presented in the annual activity reports.

Impact analysis focuses on the **socio-economic outcomes** of programmes, and is based primarily on **surveys** of samples of users of services and solutions offered for a selection of programmes. The samples are intended, as far as possible, to be statistically representative of the total user population. Programmes are selected in such a way as to ensure a diversity of topics covered by these surveys, and a significant number of service users.

Where possible, certain socio-economic outcomes are also measured through the regular collection of data by partner organisations directly from all beneficiaries (such as changes in turnover and employment of companies receiving financial and support services). However, this method is not without its challenges since it involves setting up data collection, monitoring and analysis tools that can be complex, and it often requires the appointment of dedicated human resources within the partner organisation with the time and capacity to devote to impact measurement.

In collaboration with a scientific research institute, ADA has also recently tested a **methodology for analysing the environmental impact** of its programmes focused on solar energy or energy efficiency. The results of this initial analysis are included in this report. In the future, ADA will diversify the programmes that will be subject to environmental impact assessments, to include in particular those related to agriculture and forest management.



Scope of this report

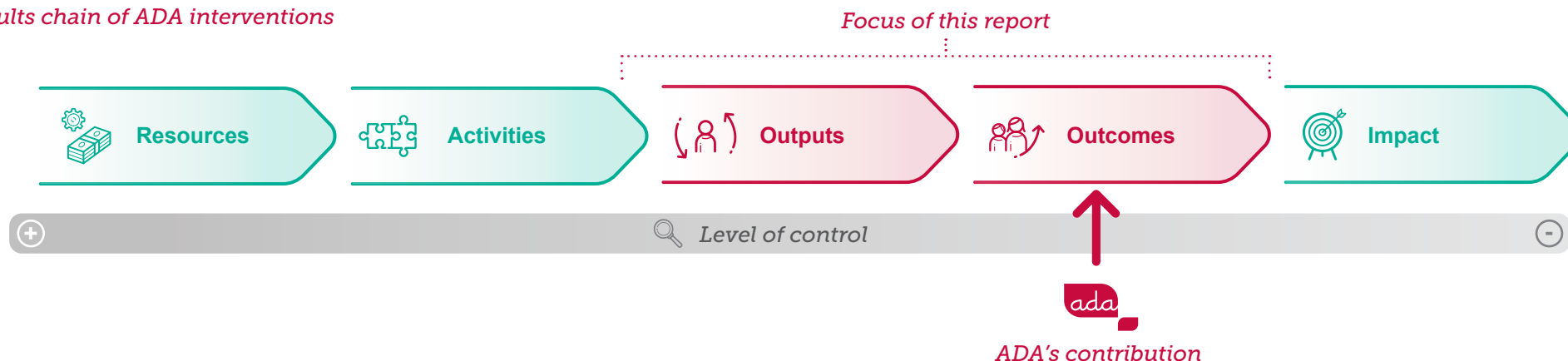
This report details the outputs and outcomes of ADA's technical support programme management activity. The outputs and outcomes of the investment advisory activity are not included, as they are published in the impact reports of the relevant investment instruments.

The “**Summary of 2022-2024 outputs**” section presents the aggregated data relating to the annual outputs of **all programmes** currently being implemented in 2022, 2023 and 2024. These programmes have not necessarily come to an end and may generate additional outputs in the coming years.

The “ADA's impact” section presents data relating to the outcomes of a **selection of technical support programmes or projects** implemented over several years for each of the target population categories. Some of these projects have now come to an end, but their outcomes have been identified and formalised since their closure, which is why they are included in this report.

Each chapter, devoted to a specific population category, presents ADA's approach to generating an impact, and then **highlights the outcomes actually achieved**, using **examples of concrete interventions** that illustrate the **steps** taken to achieve them.

Results chain of ADA interventions





Summary of 2022-2024 outputs

*ADA **systematically identifies** the outputs of the technical support programmes implemented with its partner organisations. The outputs mainly concern the number and type of users of the various services and solutions offered as part of the programmes.*

Technical support for partner organisations



Through its programmes, ADA provides technical support to partner organisations in order to strengthen their ability to offer services or solutions that meet the needs of the target populations.

While the **majority of partner organisations receiving technical support are still financial institutions** (the majority of which are microfinance institutions), this proportion has been declining over the years **to make way for other types of organisations, in particular small and medium-sized enterprises**, cooperatives and producer organisations.

This is explained by the adoption of an **increasingly holistic approach** aimed at supplementing the financial services offered to target populations with other types of complementary services or solutions, such as capacity building (via group training or individual support), market access solutions (for example via digital platforms facilitating relationships and transactions between players in the same value chain, or product certification), or solutions for accessing basic services (such as solar equipment).

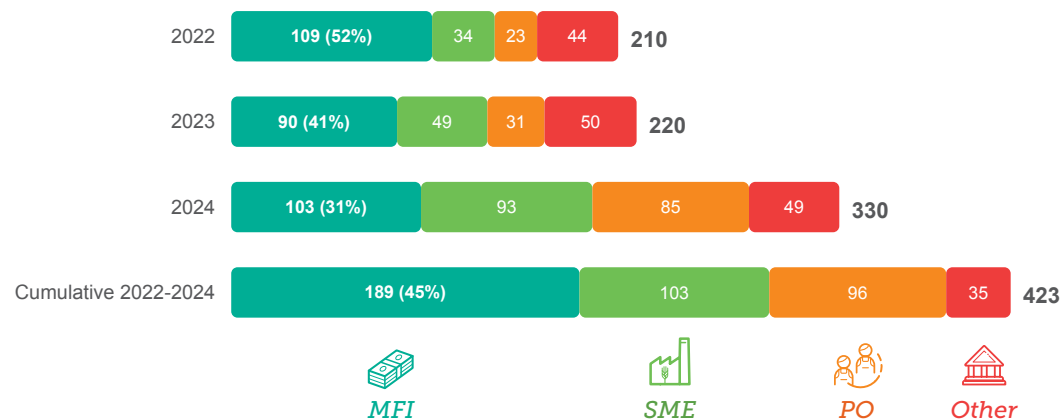
In 2022, 2023 and 2024:



423

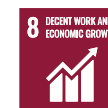
partner organisations
received technical support
from ADA.

Number and type of partner organisations 2022-2024



* The "Other" category includes mainly non-profit organisations (incubators and accelerators, associations, NGOs, research centres, public institutions, networks and professional associations).

CONTRIBUTION TO THE SDGs



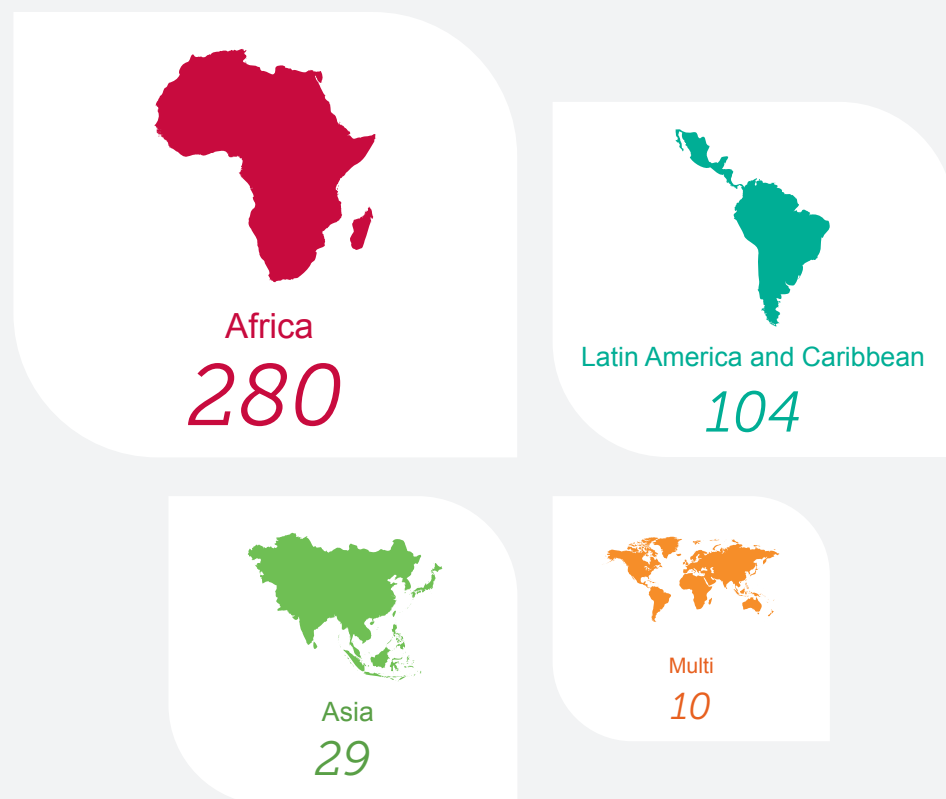
8.10 Strengthening capacities of financial institutions



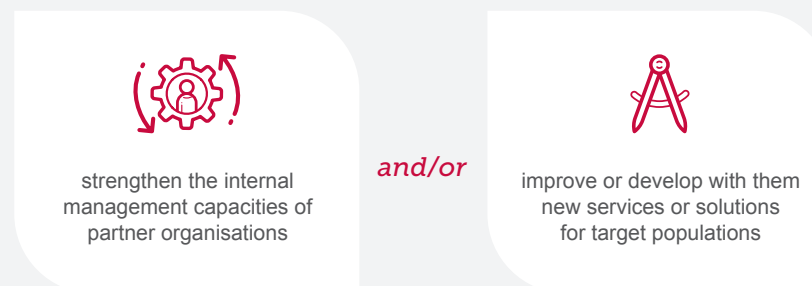
17.3 Mobilising financial resources for developing countries
17.17 Facilitating partnerships

Two-thirds of these partner organisations are located or operate in **Africa (66%)**, a quarter in Latin America (25%) and 7% in Asia, while 10 operate in more than one region¹.

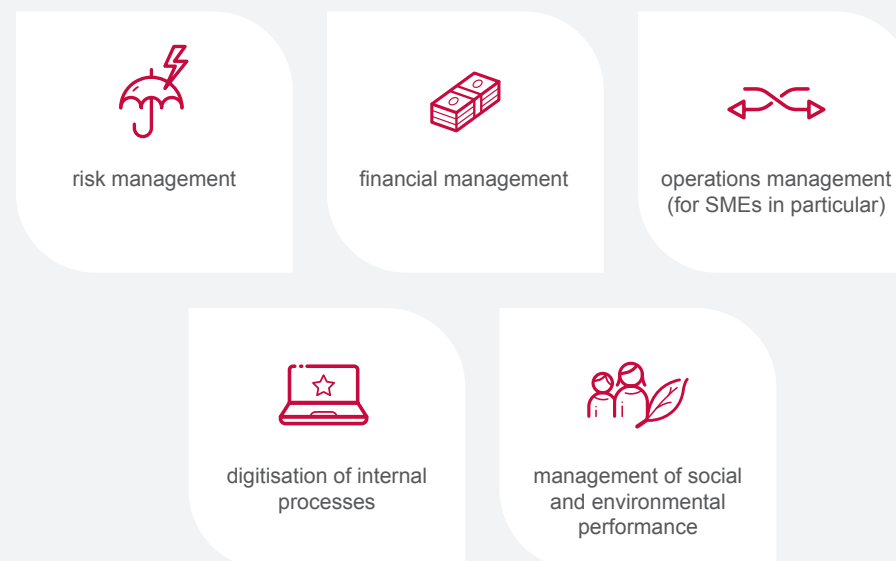
Region covered by partner organisations



Technical support is generally provided over several years, aiming to:



Internal capacity building mainly concerns:



The **services and solutions** for target populations developed or improved with partners are listed in the following section.

¹ Of these organisations, 18 have an intermediary role, i.e. they are not the local organisations offering services or solutions directly to the target populations, but local or international organisations supported by ADA to support other local organisations in direct contact with the populations themselves. Among them, 9 impact investors operate in a wide variety of countries through the SSNUP programme, and a technical partner specialising in spatial data is involved in several projects in different countries. They therefore cover "multiple" regions.

Use of services and solutions by target populations



Thanks to the technical support provided, 106 partner organisations out of the 423 supported have enabled vulnerable populations to have access to and use a variety of services and solutions aimed at contributing to their autonomy and their ability to improve their living conditions.

In 2022, 2023 and 2024:



+ 860,000

direct users
(individuals, households or businesses) of the services and solutions developed or distributed in the context of ADA interventions, of whom at least



31% are women
(among individuals) ^{5.5}

These include:

+ 385,000 users of financial services, including:

- **82% insurance** (¾ life-accident insurance, ¼ agricultural insurance) ^{1.4}
- **15% agricultural credit** ^{1.5}
- 3% agroforestry or forestry credit, energy, water and sanitation, young people, income-based, payment solutions or other digital financial services ^{2.3}

+ 340,000 users of market access solutions (sometimes several), including:

- **89% of a solution facilitating transactions between players in agricultural value chains** (a digital platform linking producers with input suppliers or buyers in most cases) ^{2.3}
- 10% of **product certification** to sell in new markets and/or sell at a better price ^{2.3}
- 6% of new product development or targeting of new markets ^{2.3}

+ 270,000 users of capacity building services (sometimes several), including:

- **77% benefiting from financial education** ^{4.4}
- **46% from technical training on good agricultural or forestry production practices** ^{2.4 13.1 13.2 15.2}
- 1% from support for entrepreneurship ^{4.4 8.3}

+ 11,000 beneficiaries of access to basic services, including:

- **76% benefiting from access to water and sanitation** ^{6.1 6.2}
- **24% from access to green energy** (solar energy or energy-efficient equipment) ^{7.1 7.2}

CONTRIBUTION TO THE SDGs



- 1.4** Access to basic services, including microfinance
- 1.5** Strengthening resilience among vulnerable people



- 2.3** Improved agricultural productivity and income of small producers (including through access to production factors, financial services and markets)
- 2.4** Adopting productive, sustainable and resilient farming practices



- 4.4** Strengthening the skills needed for employment and entrepreneurship



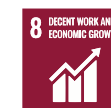
- 5.5** Participation of women in the economy



- 6.1** Access to drinking water
- 6.2** Access to sanitation



- 7.1** Access to energy
- 7.2** Access to renewable energy



- 8.3** Develop the economy, support the creation of decent jobs and promote entrepreneurship, including through access to financial services



- 13.1** Strengthen resilience and adaptive capacity to climate change
- 13.3** Raise awareness of climate change



- 15.2** Sustainable forest management



The impact of interventions

*As mentioned in the Methodology section, ADA focuses on identifying the **outcomes** of its interventions, i.e. the main **changes** perceived by the target populations on their economic activity and living conditions, resulting from the use of the services and solutions offered as part of the interventions. These outcomes are analysed for each of the three population groups targeted by the technical support programmes carried out between 2022 and 2024.*

The impact of interventions on smallholder farmers



ADA's approach: towards a holistic strategy to meet multiple needs



Smallholder farmers in Africa, Latin America and Asia are **not only among the most economically vulnerable populations, but they are also increasingly vulnerable to climate change**. The impact of droughts, increasing variability in rainfall and rising temperatures poses a particular threat to agricultural productivity. **Access to financing to manage their business and make it more resilient is therefore essential** for this group. Despite this, agriculture is still being neglected by financial institutions, which is explained by a high perception of the risks associated with this sector and the lack of suitable financial products, particularly in terms of seasonality and duration.



In order to address the multiple issues and needs of smallholders, ADA has gradually revised its approach. While it historically focused on offering financial services primarily to finance production with tailored products, it has gradually become more holistic, offering a range of services through local organisations, including **financial services dedicated to different segments of the value chain** (production, storage, processing, marketing), **technical training and market access solutions**. These services and solutions should ultimately enable small producers to **manage, develop and sustain their economic activity**, thus securing or increasing their income, and eventually **improving their living conditions**.

Ensuring the long-term future of farming and securing the income generated by this activity depends in particular on **the adoption of sustainable production practices** that are resilient to climate change, but also on access to risk management mechanisms such as **insurance**.

The management and development of the business in order to at least secure and ideally increase income depends on **access to financing and access to profitable markets**.

This section focuses on the outcomes of interventions aimed at providing these types of services and solutions to small producers.



CONTRIBUTION TO THE SDGs



1.5 Strengthening resilience among vulnerable people



2.3 Improved agricultural productivity and income of small producers (including through access to production factors, financial services and markets)
2.4 Adopting productive, sustainable and resilient farming practices



13.1 Strengthen resilience and adaptive capacity to climate change



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Outcome sought:

Strengthen the resilience of small producers to climate change



Approach:

Combine financing and technical training to facilitate the adoption of sustainable practices and maintain or increase production and income

Example of intervention



“Strengthening low-income farmers’ capacities to climate change adaptation” project, Central America

As part of a project implemented in Central America with the regional microfinance network REDCAMIF, several microfinance institutions have been supported to develop financial services (loans) combined with technical support to **encourage the adoption of climate-resilient agricultural and livestock production practices** by the smallholders financed by these institutions.

In particular, two partner MFIs in Nicaragua (FDL) and the Dominican Republic (Banco Adopem) have developed three credit products, two of which are dedicated to financing sustainable livestock farming and one dedicated to financing sustainable farming.

At the end of the project, in late 2023, a survey was conducted among a sample of beneficiary producers and farmers in order to identify the changes that have occurred as a result of using these services.

The outputs presented are a selection of survey outputs and concern a total of **132 respondents** who used one of the three financial products offered.

These 132 respondents represented 5% of the 2,628 customers of these products at the time of the survey.

Profile of producers using the services surveyed

 67%
Men

 33%
Women



76%

are owners of land used
for farming

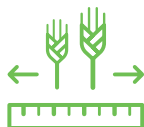


39%

are members
of a producer
association

Median surface area
used for farming

3 ha



Outcomes of credit and technical support on changes in production practices

After having used the credit and the technical support provided, 54% of the producers surveyed said they **had changed their production practices**. However, changing practices does not necessarily mean adopting sustainable practices. In fact, only 45% of respondents said they had adopted such practices.

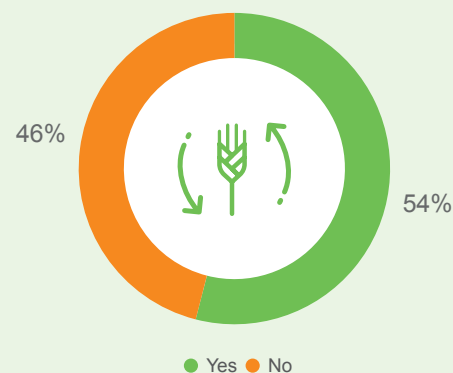
These outputs illustrate the **complexity of behavioural change**. Providing training or technical support is an important first step, but transforming this new knowledge into effective practices often requires individualised and long-term support.

This process also depends on access to other key factors – such as inputs, specific equipment or suitable resources – that are sometimes unavailable or difficult to access in the regions covered.

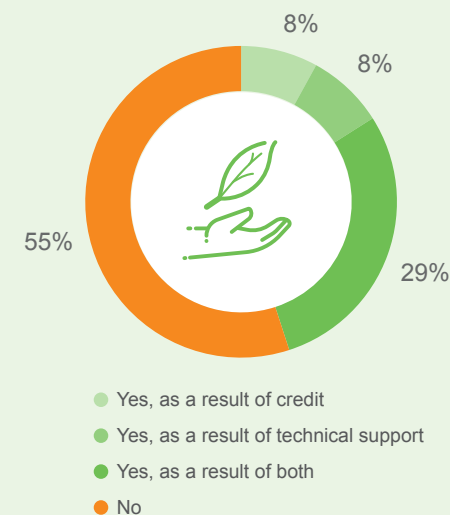
A holistic approach, taking into account all these elements and offering the specific conditions to enable those who so wish to change their practices over the long term, is therefore essential.

For example, in the case of this project, the majority of those who adopted sustainable practices reported that they had done so **thanks to a combination of credit and technical support received**.

Changes
in practices



Adoption
of sustainable practices





Outcomes of credit and technical support on production and income

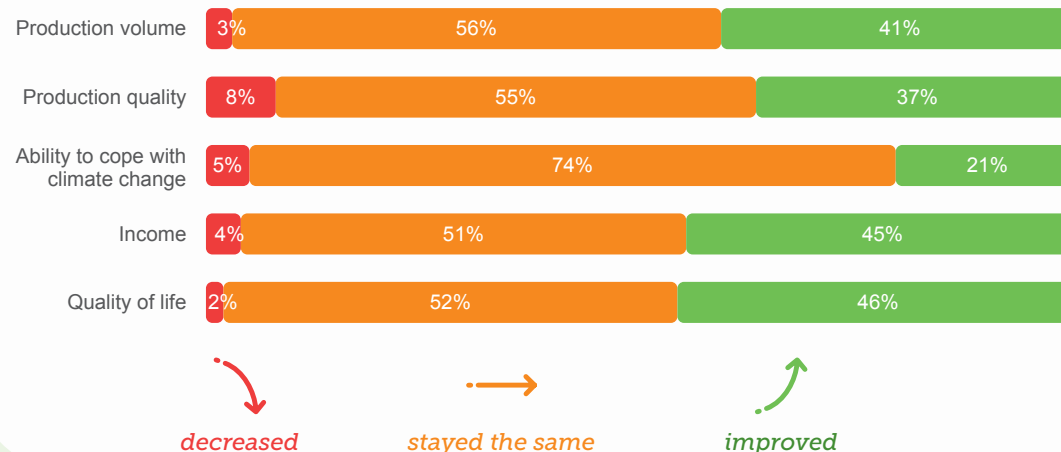
Whether or not there has been a change in behaviour, a significant proportion of the producers who responded to the survey reported **positive outcomes** of using the services offered, in particular **with regard to the volume and quality of their production, the income from their activity and their quality of life**. This output indicates that even without changing practices, the financing of the activity makes it possible at least to manage the agricultural activity and generate income from it.

However, a larger proportion of producers report positive outcomes in terms of these different aspects when they have actually changed their production practices, confirming that the practices taught and the recommended changes are well designed to generate more positive outcomes for those implementing them.

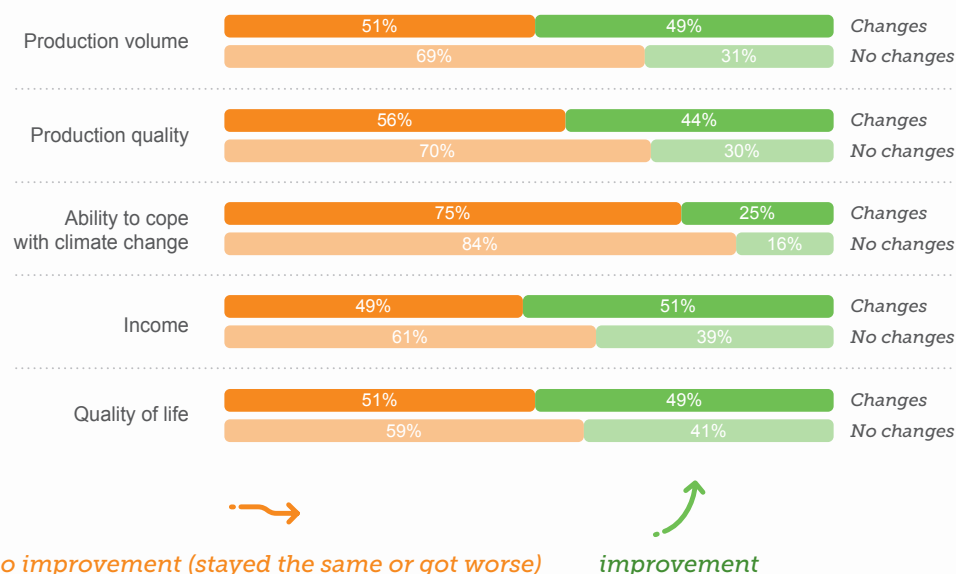
On the other hand, although this is the main objective of the project, **a much smaller share** of producers report positive outcomes of using the services with regard to their **ability to cope with climate change**. This can be explained at least by the many different factors influencing this capacity beyond what can be achieved through the use of credit and technical support, by the time needed to improve the capacity to cope with shocks, which probably exceeds the time frame of a project, and by the difficulty for small producers to identify such a change.

To generate and observe significant outcomes in this area, it is probably necessary to take action over the longer term, with an even more diversified range of services. It also seems essential to **increase awareness among small producers about climate change, its impact on their business and the solutions** they can adopt to better manage future shocks and changes.

Outcomes of using credit and technical support



Outcomes as a result of changes in practices





ADA's contribution to this project

ADA's contribution consisted of providing technical and financial support to the regional network REDCAMIF, so that it could support several microfinance institutions in the development of financial products dedicated to climate change adaptation. This technical and financial support made it possible to **carry out market research to identify the climate risks** faced by MFI customers, **develop and test products**, capitalise on the various experiences and share them between MFIs in the network. ADA also coordinated the final customer survey.

By supporting the regional network and not each MFI individually, ADA seeks to help **strengthen skills at the local level** so that key players in the ecosystem such as REDCAMIF can take ownership of the lessons learned and eventually replicate this type of initiative with other MFIs.





Outcome sought:

Strengthen the resilience of small producers to climate change



Approach:

Promote insurance to enable small producers to better manage risks

Example of intervention



“Index-based insurance for agricultural producers”
(SSNUP project), Senegal

As part of a project implemented by Oikocredit, one of the impact investors partnering with the Smallholder Sustainability Upscaling Programme (SSNUP) coordinated by ADA, the micro-insurance broker Inclusive Guarantee received technical assistance to develop **index-based insurance products for small producers** in West Africa and particularly in Senegal.

Crops covered: rice, corn, millet, peanuts.

Risks covered: drought, flood, loss of yield.

Index types: climate indices (satellite or ground rainfall data, evapotranspiration data) and hybrid index (rainfall and yield data).

Distributors of insurance products: mainly cooperatives, but also microfinance institutions and non-governmental organisations.

In addition to the insurance product itself, producers also benefited from awareness-raising sessions on insurance and training on good production practices.

At the end of the project:

→ **69,919** producers were insured.

→ **20,819** were compensated.

At the end of 2023, a survey was conducted among a sample of **358 insured producers** to identify the changes and possible benefits derived from using this service.

The outputs presented are a selection of survey outputs that can be viewed in full on the SSNUP website.² The 358 producers surveyed represent 0,5% of the 66,388 insured producers in Senegal.

² SSNUP, 2024.

Index-based insurance for farmers in Senegal. Voice of the farmers.

Profile of producers using the services surveyed

 63%
Men

 36%
Women



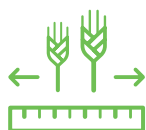
48 years old
on average



90% of producers did not have access to insurance before the project

Median cultivated land area

4 ha



Median insured area

1 ha



"Having insured my rice makes me a bit more confident, knowing that I'll certainly be compensated in case of loss."

"Before insurance, we didn't have enough knowledge."

"It's better to have good production than to be compensated."

The voice of the producers

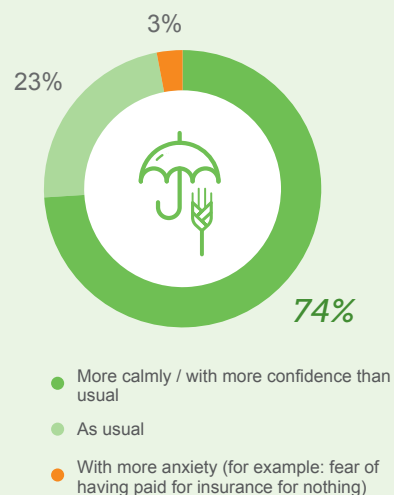


Outcomes of insurance in terms of trust and change in practices

Insurance is a particular type of product whose added value can be difficult to perceive, particularly when it has not been activated. While its material effects may therefore be difficult to measure systematically, insurance may nevertheless generate **more subjective and qualitative outcomes** mentioned by those who have taken it out.

In particular, producers express **greater confidence in their farming activities** as a result of insurance. Once assured, three-quarters of them had greater **peace of mind** for the new agricultural season. The increase in confidence was higher among those who had participated in awareness-raising sessions on insurance and lower among those who felt that the information they received on insurance was unclear. This confirms **the vital role of financial education** in general and awareness-raising on this type of product in particular in order to understand its added value.

Once you had taken out the insurance, how did you approach the season?



In addition to awareness-raising and the insurance product itself, policyholders also received **training on good farming practices**, in order to further minimise the risk of crop losses. This knowledge acquisition was valued by producers and some of them put it into practice.

40% of producers changed their practices, and among them, 84% did so because they had insurance.

Such a combination of services makes it possible both to **give more value to insurance**, and to encourage a certain number of producers to **translate the gain in confidence into tangible action** by changing their practices and investing in improving their farms.



Outcomes of compensation



For almost **80%** of farmers compensated for crop losses, the compensation enabled them to avoid taking measures that would have been detrimental to their business or household, such as taking out loans from risky channels, reducing the number of meals per day or selling livestock.

However, **39%** of producers who suffered a crop loss deemed that the waiting time before receiving compensation was long, and **90%** of producers felt that if they had received the compensation earlier, they could have taken measures to save their crops or minimise their losses.

This confirms that **insurance, via the compensation paid, can indeed have a significant material effect in terms of reducing losses incurred by producers in the event of a shock, provided that the payment is made quickly.** Conversely, the positive outcome is reduced if there is a long wait.



"Last year's harvest wasn't good, and it's thanks to the compensation that we've been able to bounce back."

Despite these limiting factors, **65% of producers have a more positive opinion of insurance** in general after their experience with Inclusive Guarantee, especially when the information provided on insurance was considered clear and when compensation had been paid. This shows that one of the crucial issues related to insurance remains the understanding of the product and its value, **an understanding that can be strengthened not only through financial education, but also through personal experience with the product.**



73%

say they would be willing to take out other insurance products after this experience, with producers expressing their preference for health insurance in particular.



ADA's contribution to this programme

ADA's role in the SSNUP programme is to **advise impact investors so that the technical assistance projects they propose to the selection committee meet the programme's criteria and objectives**, which are defined jointly by ADA and the donors. Once the project has been approved, ADA monitors the outputs of the project shared by the investor, and the financing granted for implementation.

Within the context of this project, ADA also **coordinated the survey** of small producers who had taken out insurance, **analysed the data and discussed the results** with the investor and Inclusive Guarantee to enable the various stakeholders to learn and change their practices if necessary.





Outcome sought:

Improve the living conditions of small producers by increasing their monetary and non-monetary income



Approach:

Facilitate access to inputs and the sale of products at a better price through access to financing via a digital platform for producer organisations and their members

Example of intervention



F2.0 Programme, Senegal and Ethiopia

The F2.0 programme puts small producers who are members of producer organisations (POs) in touch with MFIs via a digital platform (the F2.0 platform) in order to facilitate their **access to inputs through access to financing and timely delivery** of these inputs by the POs.

Producer organisations also have access to **storage credit** from these MFIs via the platform, in order to purchase their members' crops, store them and sell them at the right time to get the best price.

Crops targeted: peanut, millet, corn, cowpea.

MFIs involved: 7 MFIs in Senegal and 2 in Ethiopia.

Early 2025 (since 2020):

- **56** POs involved.
- **13,930** producers benefiting from the programme.
- **+ €8.5 million** in loans disbursed, including **71%** in input loans.

In 2024, an initial survey of a sample of **251** producers in Senegal was conducted in order to identify the first outcomes of F2.0 and the areas in which the services offered could be improved, and to establish a base of producers to be monitored through future surveys.

Profile of producers using the services surveyed

 **87%**
Men

 **13%**
Women

(vs. 24% of the 7,955 users of the services at the time of the survey)³



51 years old
on average



78%
have a primary
education at the
most

Land owned
on average

 **5.4 ha**
(4 median)

Land cultivated

 **7.4 ha**
(6 median)



40%
affiliated in
the last season



Crops



Groundnuts

99.6%



Millet

86%



Corn

45%



Cowpeas

18%

with the remaining
60%
affiliated for longer

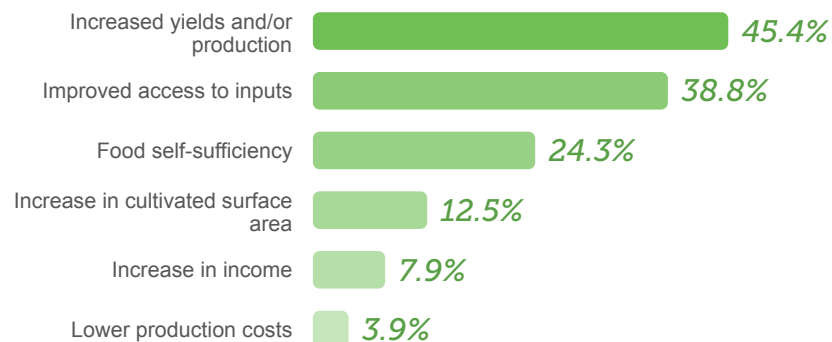


³ As mentioned in the Methodology section, ensuring that survey samples are representative across multiple criteria is not always feasible in practice. This was particularly the case for this first F2.0 survey. However, for future surveys, a specific targeting strategy will be put in place to ensure, in particular, that women are better represented in the sample of respondents.



Outcomes of access to inputs in terms of farming activity and the daily lives of producers

Positive changes⁴ perceived by small producers as a result of joining the programme



One of the main objectives of the programme is to enable producers to **produce more and better** through access to the right quantity of quality inputs at the right time.



39% of former affiliates

(who have therefore already had the opportunity to order inputs via F2.0, unlike the new ones who have just joined the initiative)

spontaneously mention an improvement in their access to inputs thanks to the F2.0 programme.

Emphasis is often placed on making these inputs available **“at the right time”**:



“The timely availability of inputs means we can start production as soon as the first rains come.”

“The availability of inputs makes it possible to start the season early.”

“The availability of inputs enables us to start the season on time.”

Some also mention **access to quality seeds**:

“F2.0 has meant I’ve had quality seeds available in the right quantities.”



and **access to fertilisers**:



“In the past, we had a lot less fertiliser at the start of the season and this had a huge impact on yields.”

⁴ The question asked was open-ended, so the responses received were spontaneous and unprompted. They were subsequently recategorised.

While the figure of 39% may seem low, it can be explained by the fact that input requirements are not always fully met by F2.0:

- 89% ordered seeds, but only 64% feel they were able to do so in sufficient quantities.
- 86% ordered fertilisers, but only 69% feel they were able to order enough.



45%

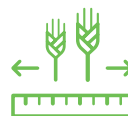
mention increasing yields or production as the main positive change, often presented as a direct consequence of access to inputs.



"Having the seeds at the right time allows you to get production off to a good start and achieve good yields."

"By having the inputs very early, we are able to respect the fertiliser treatment periods, which leads to good growth and a good harvest."

"We are able to use the right amount of fertiliser per hectare so production is good."



13%

mention the increase in cultivated land, again as a direct consequence of access to inputs.

"F2.0 has enabled us to increase our production surface area."

"I started out cultivating 1 hectare, now I cultivate 2 hectares."

"F2.0 has allowed me to increase my surface areas. I went from 8 hectares to 9 hectares."





24%

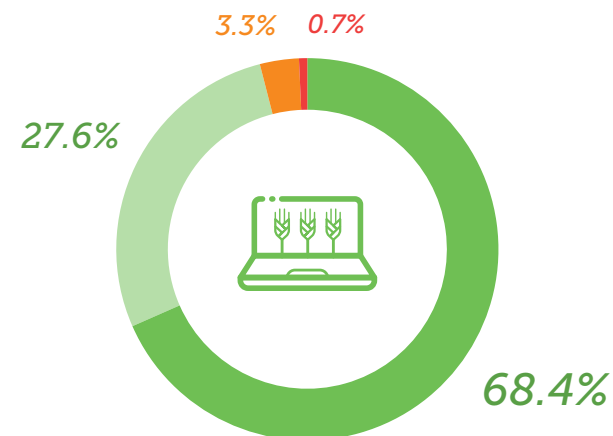
*mention food self-sufficiency
as a positive change, an unexpected outcome
of the programme.*

While one of the programme's assumptions is that a larger quantity of production through access to inputs should also make it possible to sell a larger quantity and thus generate higher income (which is mentioned spontaneously by 8% of respondents), **a larger number of producers mention that a significant portion of the surplus production is in fact used for self-consumption.** This represents **an increase in households' non-monetary income:** even if their monetary income does not increase as a result, production intended for self-consumption enables households to meet a basic need, while reducing their expenditure on food.

Apart from peanuts, the share declared as self-consumed of the other three crops is indeed higher than the share sold to the PO. Respondents say they self-consume 61% and 67% of their corn and cowpea production, respectively.

As a result, **96% believe that their participation in the programme had a positive impact on their farming activity.**

*Overall, how do you evaluate
the impact of your participation in F2.0
on your farming activity?*



- Very beneficial - My participation in F2.0 had a significant positive impact
- Beneficial - My participation in F2.0 had a small positive impact
- Neutral - I see no benefits or disadvantages
- Harmful - My participation in F2.0 had a negative impact on my business



ADA's contribution to this programme

ADA has contributed to **the development of the F2.0 digital platform, puts POs and MFIs in contact** and helps to implement the mechanisms (from the identification of input needs to the monitoring of funding granted) via dedicated local agents, while supporting MFIs in taking ownership of these mechanisms.

While facilitating relations and transactions between players in agricultural systems seems essential to meet the needs of these various players and in particular those of small producers, this remains a challenge today. Over the coming years, ADA's contribution will focus in particular on ensuring that the various players involved take ownership of these mechanisms in order to ensure their long-term viability.

In addition, with small producers participating in the programme facing multiple challenges, including the consequences of climate change, additional solutions are being added, such as index-based insurance and technical support for the adoption of resilient production practices.





Lessons learned and outlook



The problems encountered by small producers are multiple and interdependent.

Trying to meet a specific need while overlooking others will often result in a limited effect or even failure: for example, training in sustainable practices when environmentally friendly inputs and small-scale mechanisation are not available in the area will prevent producers from applying these practices; allowing producers to produce more when there are no market outlets will not allow them to increase their income. However, addressing all these issues at once requires working with a variety of stakeholders who need to coordinate their efforts. This is particularly complex and ambitious in the context of a single intervention. Today, ADA addresses various issues through different programmes, and now seeks to integrate additional components step by step into some of these programmes.



Climate change is currently one of the major issues faced by small producers.

While each programme aims to address a specific issue such as access to appropriate financial services or access to inputs and markets, **the impact of climate change and natural resource degradation on productivity** has emerged as a major issue common to all interventions.



Changing production practices remains a challenge.

While making these practices more sustainable and resilient seems to be one of the solutions, **changing habits and behaviours takes time, especially since change can seem risky when the output is not guaranteed.** While training is necessary, more individualised long-term support with regular visits is also necessary, the challenge being to cover the costs of this support on a long-term basis.



There is still a lack of appropriate financing mechanisms to facilitate the transition to more sustainable practices.

Agriculture remains perceived as a risky sector, and long-term financing to absorb the costs of the transition is lacking, often due to a lack of knowledge and understanding of the sector and its challenges by financial institutions.



Awareness-raising and financial education therefore also remain essential...

...not only for customers but also for potential financial institutions and intermediaries, particularly when it comes to promoting solutions such as insurance, the functioning of which may seem complex and the added value intangible. In addition, hands-on experience with the product will make it even easier to understand, and combining it with other more tangible services will add value to it.





The impact of interventions

The impact of interventions on young entrepreneurs



ADA's approach: from young micro-entrepreneurs to small businesses run by or employing young people



In Africa, Central America and Asia, young people (aged 15-35) make up a majority of the population. However, **many of them are unemployed, and not in school or in training.** Young people are therefore among the most socio-economically vulnerable populations.

In response, ADA has gradually developed its approach to meet the specific challenges they face.

Indeed, young people, although they may be considered as potential successful entrepreneurs given their appetite for innovation and dynamism, are also considered a high-risk category by financial institutions, in particular because of the lack of collateral they have to offer and their inexperience.



As a result, since 2008, ADA has been supporting youth entrepreneurship in partnership with microfinance institutions to develop appropriate financial products. These initial initiatives have shown that, beyond credit, access to training is also essential to enable young people to manage their business and financing effectively. To be effective, **this combination of services requires a multi-stakeholder approach, involving both financial players and support experts.** They also revealed that the long-term viability of the services put in place as part of the interventions remains fragile, and that self-entrepreneurship is not suitable for all young people.

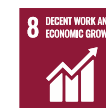
In order to amplify its impact in terms of maintaining and creating jobs for young people, since 2020, **ADA has been targeting young entrepreneurs with existing small businesses with growth potential.**

Once again, these companies require not only financial services but also support tailored to their specific needs. To address this issue, ADA is therefore reaching out beyond microfinance institutions to new partners such as incubators and banks, who are more likely to offer services suited to this target group, but with whom it had not worked much in the past.

CONTRIBUTION TO THE SDGs



4.4 Strengthening the skills needed for employment and entrepreneurship



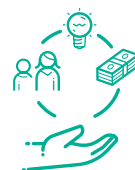
8.3 Develop the economy, support the creation of decent jobs and promote entrepreneurship, including through access to financial services





Outcome sought:

Contribute to economic development and employment through support for young entrepreneurs



Approach:

Combine a flexible financing mechanism with pre- and post-financing support to help young people grow their businesses

Example of intervention



“Young Entrepreneurs Sustainable Financing Initiative” (YES-FI) programme,
Guatemala, Nicaragua, El Salvador, Senegal, Burkina Faso and Mali.

In order to strengthen its impact in terms of supporting youth employment, in 2020 ADA launched the YES-FI programme, which aims to test and deploy a new financing mechanism dedicated to young entrepreneurs with small businesses with growth potential:

- **Financial product:** income-based loan.
- **Target:** young entrepreneurs aged 18 to 35.
- **Financing needs:** between €5,000 and €50,000.
- **Maturity:** between 24 and 36 months.
- **Collateral required:** none.
- **Reimbursement:** flexible, depending on the turnover generated by the economic activity.
- **Support:** pre-financing (preparation of financial projections and financing application) and post-financing (à la carte).

The YES-FI programme is based on several assumptions:

1. The YES-FI loan is envisaged as an initial lever towards other sources of financing, with the aim of seeing the banks take over after this initial loan.
2. The pre-existing relationship between entrepreneurs and incubators, as well as their non-financial support throughout the financing, is expected to reduce credit risk.
3. The use of an income-based loan offers flexibility deemed essential to support businesses in their early stages of growth.
4. The YES-FI credit should help the businesses receiving financing to kick-start their growth, especially in terms of turnover, but above all by creating jobs. The programme is based on the premise that the businesses targeted have the potential to generate significantly higher economic and social value than micro-entrepreneurs, whose economic impact is often limited to the household.

Four years after the launch of the programme, including nearly 18 months spent building partnerships between banks and incubators and designing financing mechanisms, **86 businesses** have benefited from 96 loans.

Average amount of loans: €18,993



Profile of entrepreneurs financed⁵

Among the 86 businesses:



50

businesses
managed or
developed by
young people

18

employing a majority
of young people



26

managed or developed
by women



Average
full-time
workers:

13

 Burkina Faso

6

 Central America⁶

36



with a social
and/or environmental
impact



Average
turnover:

€27,800

€150,000

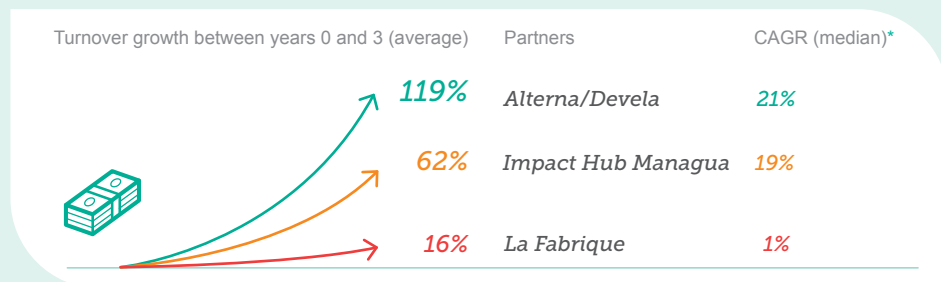
⁵ Characteristics of the entrepreneurs in the year preceding the financing, supported by the programme's three main incubator partners: Alterna in Guatemala, Impact Hub in Nicaragua and La Fabrique in Burkina Faso..

⁶ The extreme values of the businesses supported by Alterna/Devela, the incubator in Guatemala, were excluded from these calculations, i.e. the values of 6 businesses out of 58. Information on extreme values for the other two partners is not available.



Outcomes of financing and support in terms of business growth⁷

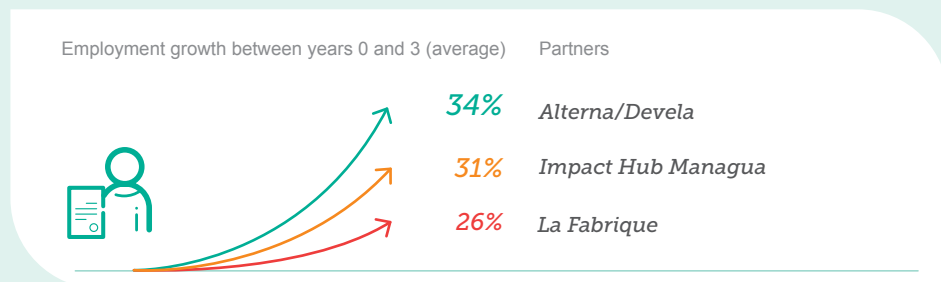
Turnover growth



*The Compound Annual Growth Rate (CAGR) is a statistical measurement to estimate average annual growth between two dates, making it possible to compare several businesses over different periods.

Turnover growth ranged from 16% to 119% (depending on the partners) between the year prior to the financing and the third year post-financing. Average annual growth ranges from 1% to 21%. These averages conceal **a wide variety of situations**. For example, the low average for Burkina Faso is dragged down by the case of one business that encountered serious difficulties.

Full-time employment growth



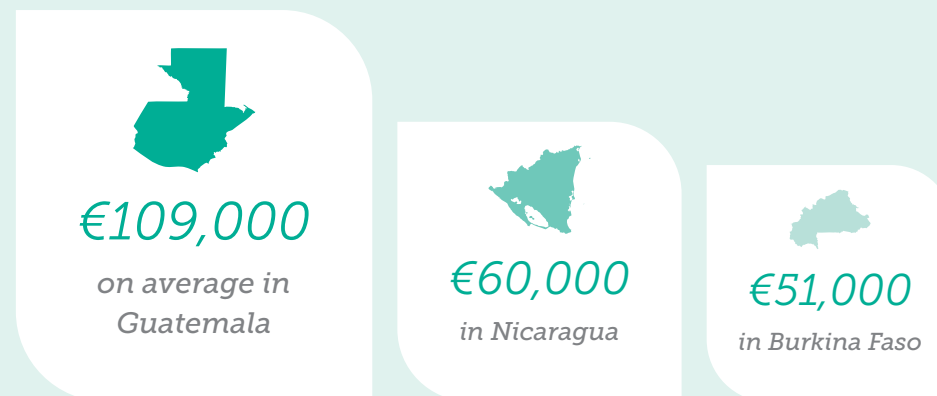
Employment growth ranged from 26% to 34% (depending on the partners) between the year prior to the financing and the third year post-financing. **The outputs in terms of employment growth are therefore more modest**, particularly in Guatemala where full-time employment remains limited even three years after financing (6.2 workers on average compared with 6 initially).

This means that the growth in turnover of this type of business does not necessarily translate into job growth, at least not quickly. It is therefore essential to take this output into account when setting realistic targets for job creation.

In general, the financing granted nevertheless contributed to **creating or maintaining 1,148 full-time jobs** in 77 businesses in 4 countries⁸.

Outcomes in terms of access to finance

In addition, following the granting of an income-based YES-FI loan, **14 businesses obtained, for the first time, financing from a formal source⁹** (bank loan to finance the business, line of credit, external capital). This formal financing amounts to::



They demonstrate a **considerable leverage effect even though the number of businesses concerned remains relatively low** (16% of beneficiaries of the programme).

⁷ The impact analysis only concerns businesses financed for three years or more (i.e. 23 or 25 companies depending on the indicator concerned), in order to allow sufficient time to observe any changes..

⁸ i.e. 90% of the businesses financed, with data not available for the remaining 10%. These figures include extreme values, unlike the growth rate figures..

⁹ Formal financing does not include donations, grants, financing of friends or family members, non-performing personal bank loans as well as informal loans through savings groups..



ADA's contribution to this programme

ADA provided structural support to partner incubators to help them:

- A. Partner with a financial institution** (in Africa);
- B. Raise funding** to deploy financing mechanisms to entrepreneurs;
- C. Rethink their overall strategy**, in particular regarding their financial autonomy and the sustainable integration of income-based financing into their business model;
- D. Develop tools for monitoring** loans and impact data of beneficiary companies;
- E. As appropriate, implement comprehensive management software.**

This multi-dimensional support has proven essential to enable incubators or fund managers to address and enhance their new role in the small business financing chain.



Generating impact within local societies by supporting small businesses: the case of Cacao Embassy



© Cacao Embassy - Cohete Studio

Cacao embassy, an impact company launched by the Matute brothers in Guatemala and supported by Alterna as part of the YES-FI programme



The Cacao Embassy adventure of the three young Matute brothers began in the family kitchen. In 2018, Pablo, the youngest brother, organised tourist visits to meet cocoa producers. In order to gain their trust, he bought cocoa beans from them, which he stored at his parents' house. However, they were difficult to preserve due to their strong smell. So he decided to turn them into chocolate.

So Pablo and his brothers began learning the process by watching YouTube videos, which they put into practice in their parents' kitchen. This trial-and-error learning journey enabled them to become experts in chocolate processing. Today, they have created their own premium chocolate brand (Chocolate Sero) and also offer chocolate processing and branding services on behalf of producers.



A business model with a social and environmental impact

In Guatemala, 70% of cocoa producers earn less than one dollar a day and are unable to make a living from their production. Many are forced to sell their land. The Matute brothers' business model stands out because the company processes and packages the chocolate directly in Guatemala, allowing them to pay a higher price to cocoa producers. Currently, they work with five cooperatives of 300 smallholder farmers who practice environmentally friendly production methods. In this way, their model helps both to improve the living conditions of smallholders and to preserving biodiversity. They call it "el buen cacao" (the good cocoa).



© Cacao Embassy - Cohete Studio



Financing tailored to the needs of young entrepreneurs

Between 2018 and 2021, the business was mainly financed by family contributions and entrepreneurial awards, which allowed them to raise almost \$100,000 to start the business. While searching for capital to finance the purchase of a new machine to reduce production time, the young brothers heard about Catalyzer, a financing mechanism set up by the Alterna incubator. **In 2021, they decided to take the plunge and applied for a \$50,000 (€46,965) loan.**



"We were delighted with the process because it was very quick and we didn't have to provide any collateral", the Matute brothers said.

"The amount was manageable and did not involve too much risk-taking".

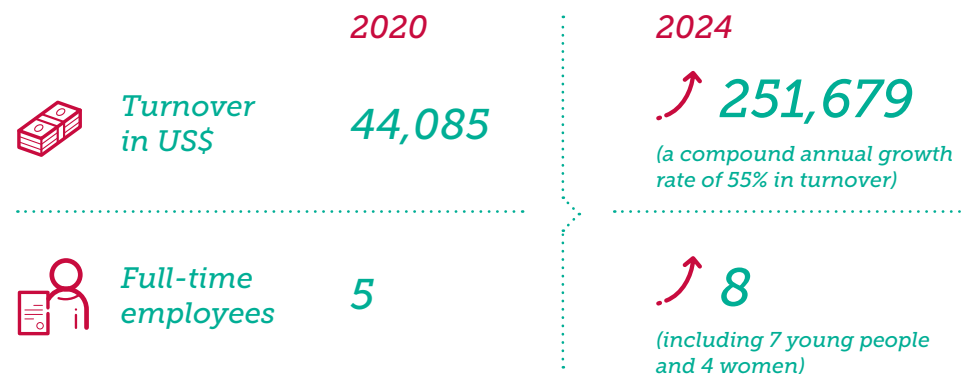
The young entrepreneurs also benefited from **post-financing support provided by Alterna**, which proved instrumental in strengthening their professional network and obtaining personalised support in developing their business.

Primarily intended to improve production equipment and increase operational efficiency, income-based loan also had significant impacts on the business. It enabled Cacao Embassy to **increase its production capacity**, enter into larger contracts with buyers and consolidate its administrative team, and the Matute brothers to pay themselves an initial salary.



© Cacao Embassy - Cohete Studio

Since this initial financing, **Cacao Embassy has shown sustained growth**, albeit below initial expectations, with an average annual turnover increase of **55%** and a gradual expansion of its team.



As of 26 February 2025, the business had repaid 47% of its debt. A sign of the increased credibility of the business, the Matute brothers have since secured \$250,000 in bank financing to continue upgrading their production facility.



Lessons learned and outlook

✓ Identifying small, growing businesses run by young people remains a challenge.

Identifying small, growing businesses run by young people remains a challenge. In order to maximise its impact in terms of the economic integration of young people, this limitation has led ADA to **broaden its target** to include businesses run by older entrepreneurs but employing mainly young people.

✓ The structural strengthening of incubators is essential...

...for them to be able to **play their full role in a partnership model** involving financial services providers and support providers. To prepare entrepreneurs for investment, **support structures need to be strengthened** in terms of internal skills (particularly financial) and organisational capacities (clear strategic vision, sustainable business model, management skills, etc.).

✓ Targeted businesses grow slowly and do not generate jobs immediately.

Start-ups develop in stages: it often takes several years for an entrepreneur to consolidate their skills, stabilise an initial product or service offering, and then embark on significant growth. During this phase, the company remains fragile, and any shock may affect its viability, including its ability to meet its financial commitments.

Moreover, **the increase in turnover does not automatically lead to job creation**. Income is often reinvested in the business (capital expenditure, working capital, etc.) before being spent on recruitment. Thus, a project that supports entrepreneurship only has an effect on employment if it is long-term and/or targets companies that are already relatively mature.

✓ To maximise the impact of interventions in terms of jobs, it is therefore necessary to focus on more mature businesses with high employment potential.

The next steps for ADA will therefore be to **support larger SMEs** with proven potential for growth and job creation. The aim is to work upstream and downstream of their value chain by strengthening promising SMEs. In this way, the potential for getting young people into work will no longer lie solely in the creation of salaried jobs within SMEs (so-called “direct jobs”), but also in self-employment (so-called “indirect jobs”) through the creation of healthy and long-term business relationships between micro-entrepreneurs (and economic interest groups or cooperative groups of members) and growing SMEs.

In addition, **greater emphasis will be placed on businesses and value chains with a social or environmental impact**, which will not only create jobs, but will do so in sectors of the future that have a positive impact on the societies in which they operate.





The impact of interventions



The impact of interventions on vulnerable households with little access to basic services



ADA's approach: from responding to individual needs to larger-scale initiatives



Basic services such as energy, water or sanitation are still inaccessible to a large proportion of the population: 48% of the population had no access to electricity in sub-Saharan Africa in 2022 (World Bank), 2.2 billion people still lack safe drinking water and more than half the world's population (4.2 billion people) have no access to safe sanitation services (WHO/UNICEF 2023).

This situation has a significant impact not only on the living conditions of these people, but also on their ability to seize opportunities and ultimately improve their living conditions. Faced with these massive needs, inclusive finance can be seen as a useful tool for enabling vulnerable populations to access affordable, high-quality basic services despite a lack of infrastructure or investment.

Historically, ADA has mainly focused its action on supporting microfinance institutions, in order to develop financial products intended for the purchase of equipment (solar or energy-efficient equipment or sanitation facilities) by households. While this approach has met certain individual needs, it has shown its limitations in terms of scope (this type of financial product often remains a niche in the portfolios of MFIs) and in responding to the structural challenges of access to basic services. **ADA has therefore gradually broadened its scope of action to adopt a strategy aimed at strengthening all local value chains of access to water or energy.**

This strategy involves targeting **private providers of local basic services** (such as mini solar power plant operators or private water suppliers) that are able to serve a larger customer base, but that also need a diversity of financial and non-financial services to do so **on a larger scale in a sustainable manner.**

The approach also requires supporting these suppliers' end customers. In fragile contexts, **where the boundary between family life and economic activity is particularly blurred**, these customers are therefore not only households but also micro- and small enterprises, using these services for domestic and productive purposes. Here again, **a combination of solutions including awareness-raising on the adoption of sustainable practices**, entrepreneurial support and appropriate financing is needed to stimulate demand for basic services while supporting community development.



CONTRIBUTION TO THE SDGs



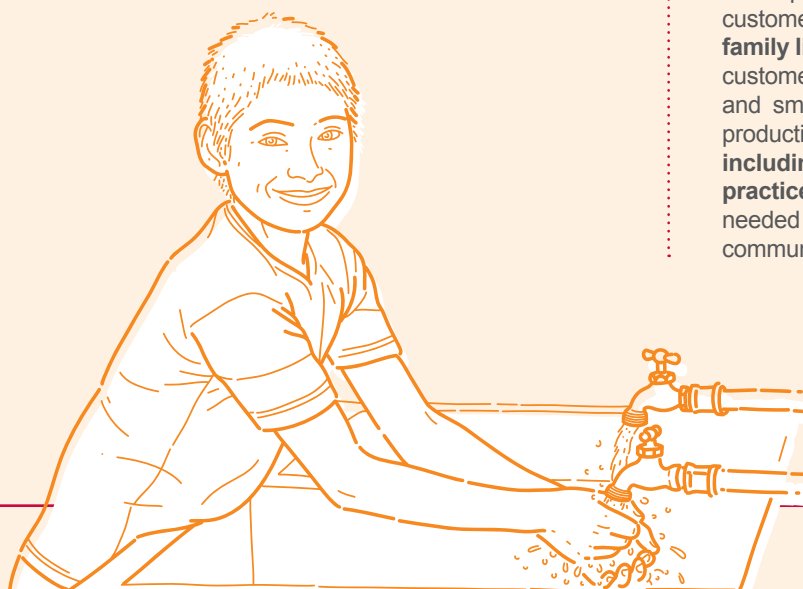
1.4 Access to basic services, including microfinance



6.1 Access to drinking water
6.2 Access to sanitation



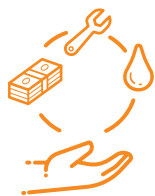
7.1 Access to energy
7.2 Access to renewable energy





Outcome sought:

Improve access to water for households



Approach:

Finance private operators to facilitate access to clean water for households

Example of intervention



**Water access pilot project,
Cambodia**

In Cambodia, access to the drinking water network is provided by the public sector in urban areas and relies on private operators in rural areas. The latter provide about 50% of the piped water supply, but only half of the country's villages are currently covered.

Extending the network to rural areas therefore depends largely on private operators, mainly local family businesses, which often have limited technical capacity and access to finance. But building reliable water networks requires advanced technical skills and compliance with strict regulatory frameworks.

Against this backdrop, ADA conducted a pilot project (short-term and limited in scope, mainly to learn more about the sector) with the MFI Chamroeun, in partnership with iSEA, Aqua for All and Oikocredit, launched in February 2023, to **set up credit lines for private operators in the water sector**. The objective was to support their activities by granting them loans to extend, renovate or modernise their infrastructure, as well as to finance their working capital for day-to-day operations.

As part of the project:

- **5 operators** received credit for a total of **\$533,000**, as well as technical assistance in drawing up their business plans and developing their strategies for expanding and improving infrastructure.
- **3 of them** used the borrowed funds to **increase the number of households connected**, resulting in a total of **7,524 new connections**.

At the end of the project, ADA conducted a survey of the operators receiving financing and a sample of **221** customer households in order to identify the positive outcomes perceived by households following their connection to the water network.

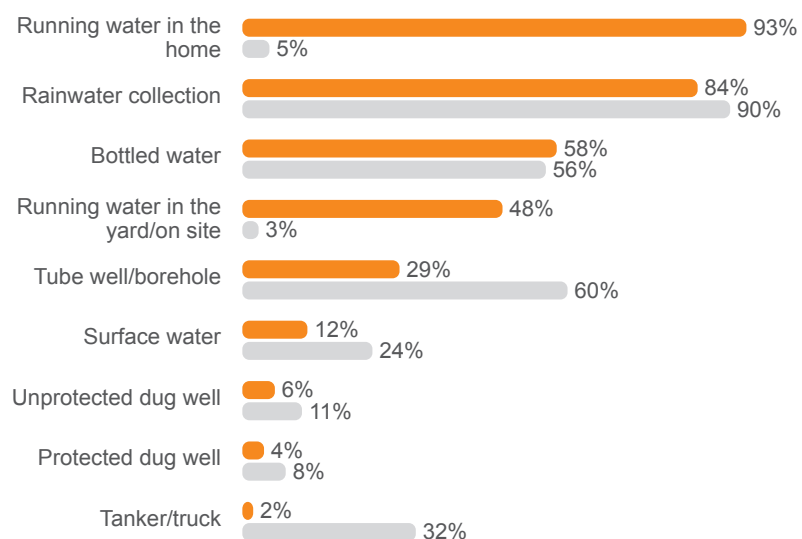


Outcomes of access to the water network in terms of water use

After connection to the water network, the change in water supply sources among the respondents was significant. Access to piped water increased sharply: **access via direct connections inside homes increased from 5% to 93%, and access via connections in yards or on plots from 3% to 48%.**

As a result, the use of unsafe water sources significantly decreased.

Sources of water supply for connected households



 before connection

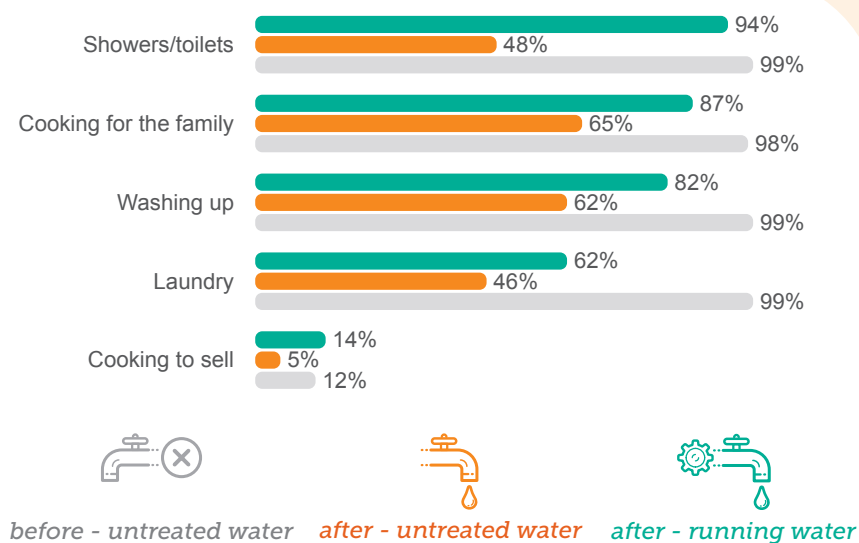
 after connection

There was also a change in water uses, in particular a **reduction in the use of untreated water**, particularly for food purposes - both for domestic consumption and for commercial activities - as well as for personal hygiene and home cleaning.

It should be noted, however, that **households sometimes continue to use untreated water after connection, even though they also use treated water. This can be explained by the fact that access to running water does not meet all needs.** While most of those questioned were satisfied with the services provided by operators (59%, compared with 5% who said they were not satisfied and the remaining 36% who had no clear opinion), many customers report recurrent service interruptions - although generally less than once a week - as well as problems with the quality and quantity of water supplied, network maintenance and after-sales service.

These service interruptions or shortcomings in terms of quantity and quality may explain the continued use of untreated water.

Uses of treated and untreated water before and after connection



 before - untreated water  after - untreated water  after - running water

Outcomes of access to the water network in terms of quality of everyday life



80%

of respondents reported an improvement in their quality of life since connecting to the water network.

(2% reported a negative change and 18% reported no change)



62%

of respondents mentioned greater comfort



33%

mentioned an increased sense of security

 This feeling of security is mainly linked to the fact that people **no longer have to travel to a remote area to fetch water**:

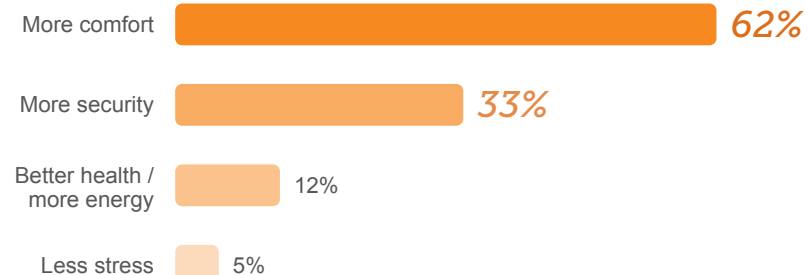


"I no longer need to fetch water after my day's work and household chores."

"I now have water available at home at all times."



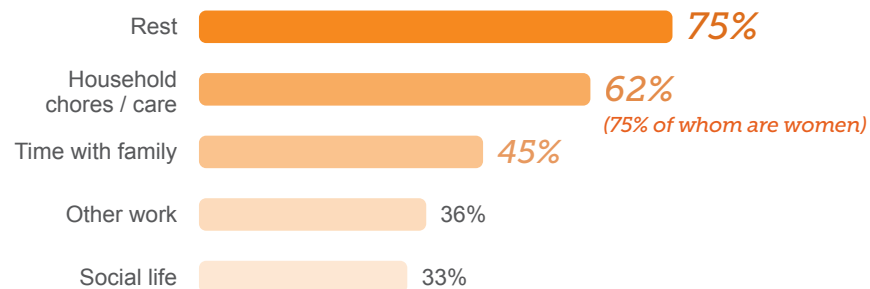
Changes in daily life



The improvement in quality of life also **frees up time**:



Use of the time freed up following connection to the running water network





ADA's contribution to this project

As part of this pilot project, ADA's contribution consisted of **financing the MFI Chamroeun for the development and testing of the financial product dedicated to private operators as well as the technical support provided by the partner iSEA** to operators for the development of their business plans. The aim of pilot projects is to learn from experience on a new subject. ADA therefore also coordinated the survey of operators and households at the end of the project.

This experiment highlighted the difficulties of granting loans in this sector, due to fierce competition and high infrastructure maintenance costs, which makes it difficult to provide a profitable, high-quality water access service.

It also confirmed the relevance of targeting operators, who express a real need for financing and technical support. In the long term, more structured support for these players would improve quality and ensure the long-term viability of their service offering.

Lastly, it revealed the need to strengthen the skills of MFIs so that they can develop financial products that are truly adapted to the specific characteristics of a sector in which they still provide little support, despite the significant needs.





Outcome sought:

Reduce the carbon footprint of energy access solutions



Approach:

Promote access for populations to energy-efficient equipment or equipment using renewable energy

For several years, ADA has been promoting access to green energy for vulnerable populations by helping its local partners develop financial services tailored to the acquisition of solar or energy-efficient equipment.

In addition to the positive socio-economic outcomes expected from the use of this equipment, it has become necessary, in a climate emergency, to **estimate the environmental impact of this type of initiative, in particular in terms of reducing greenhouse gas emissions**. While the priority for vulnerable populations remains adapting to the consequences of climate change, ADA wants to ensure that the solutions it promotes are consistent with sustainable development objectives, particularly low-carbon solutions.

ADA therefore partnered with the Luxembourg Institute of Science and Technology (LIST) to carry out an impact assessment of the greenhouse gas emissions of various types of equipment promoted through its projects.

Example of intervention



Pilot projects on access to energy-efficient or solar-powered equipment, Bangladesh and Senegal



In Bangladesh

The people living in Bangladesh's "chars"¹⁰ depend on agriculture and fishing, and have very limited access to basic services. Water management for agricultural production, given the alternating periods of drought and flooding, is one of the major challenges.

In order to enable the populations of the Chitulia Digha char to better manage irrigation for rice production in dry periods, ADA and the NGO Friendship Luxembourg and Bangladesh teamed up to install a solar farming system composed of **two water pumps, a rice thresher and a dryer powered** by electricity produced by a system of **48 photovoltaic panels and 45 batteries**. The use of this system enables the char's populations to cut their rice production costs compared to a system based on diesel pumps.

In total, **50 producers** were trained in good rice production and irrigation practices and use of the equipment. At the end of the project, **35 producers are using the solar irrigation system and 40 households are supplied with electricity**.



In Senegal

People living in rural areas of Senegal have very little access to energy to meet their basic needs, particularly lighting and cooking.

The pilot project, conducted with the NGO Le Partenariat, aimed to **strengthen the entrepreneurial skills of women who sell solar or energy-efficient equipment** to rural populations, such as solar lamps and more energy efficient stoves. They received personalised support, including in-depth market research, optimisation of their distribution model, regular monitoring and contact with an MFI.

By the end of 2023, these women had sold to rural households in the region:

- 1,453 improved stoves and 18,590 kg of biochar.
- 44 lamps, 7 fans and 5 solar-powered televisions.



¹⁰ "Chars" are unstable alluvial islands located on Bangladesh's main rivers that today are threatened by climate change.

Environmental impact of projects providing access to "green" equipment

The method used by LIST to analyse the environmental impact of projects is **Life Cycle Assessment according to ISO 14040**, an international standard describing the protocol to be followed to carry out an analysis of environmental impacts throughout the life cycle of a product, from the purchase of raw materials to its production, use, end-of-life treatment, recycling and disposal.

The results of the analysis (which can be viewed in full on the ADA website¹¹) reveal a positive and significant environmental impact.

 **Au Bangladesh,**
for the same service provided, i.e. for one year of use of the farming system and lighting for 40 households:



- **92% GHG emissions**

- **14,724 kg CO2e over 1 year**



or more than five round-trip flights between Luxembourg and Bangladesh



In Senegal,

for the same service provided (five years of use of equipment, four hours a day for lamps and twice a day for cooking stoves):



Improved stove
vs traditional stove

- **1,866 kg CO2e**

over 5 years
or



- **56%**

GHG emissions



Solar lamp
vs kerosene lamps

- **1,461 kg CO2e**

over 5 years
or



- **98%**

GHG emissions

Total emissions avoided thanks
to the **project**, over 5 years



44 solar lamps sold replacing
88 kerosene lamps

64.3 tCO2e



1,453 foyers améliorés remplaçant
1 453 foyers traditionnels

2,712 tCO2e



In total for 44 solar lamps and
1,453 improved stoves

2,776 tCO2e

% reduction in annual
emissions at **household level**

For 1 solar lamp replacing
2 kerosene lamps

5%

For 1 improved stove
replacing one traditional stove

6%

For a household acquiring 1 solar lamp
and 1 improved stove¹²

11%

→ In conclusion

The gain in terms of improved living conditions for people who now have access to energy thanks to the systems promoted is matched by **a significant reduction in greenhouse gas emissions** when this equipment replaces traditional equipment and is used in a similar way.

¹¹ ADA, 2024. Promoting access to green energy through inclusive finance: what environmental impact? The case of solar lamps and energy efficient stoves in Senegal and ADA, 2024. Promoting access to green energy through inclusive finance: what environmental impact? The case of a solar farming system in Bangladesh.

¹² For an estimated annual carbon footprint per household of 6.3 tCO2e in 2022, bearing in mind that a household consists of nine people on average according to the latest 2021 census, and that a resident in Senegal emits on average 0.7 tCO2e per year in 2022 according to the Global Carbon Budget (2023).



ADA's contribution to this project

As part of the pilot project in Senegal, ADA's contribution consisted of **financing the support services provided to women entrepreneurs** by Le Partenariat to improve the management of their equipment sales business. As part of the pilot project in Bangladesh, ADA supported Friendship in **identifying and installing the farming system** and training smallholder farmers in its use.

The first project provided an opportunity to test an initial initiative to support players in the energy access value chain by providing a solution to equipment distributors rather than end customers. The second initiative tested an initial approach to facilitating access to energy at the community level (around 40 households of smallholder farmers) rather than at the individual or family level. These projects were **the first steps of the new approach focused on strengthening various players in the green energy access value chain.**

ADA also fully supported and coordinated the environmental impact study with LIST, which confirmed the consistency of this type of initiative with a low-carbon development model. This is an output on which not only ADA but also its project partners can build to further promote and develop their activities in this area.





Lessons learned and outlook

- ✓ **The complexity of the ecosystems used to access basic services is a major challenge for carrying out relevant and impactful interventions.**

The large number of private players involved in the sectors of energy and water access, the varying involvement of public institutions and the specific local dynamics make it difficult to understand contexts and define relevant and effective interventions. **Very detailed analyses of these ecosystems must therefore be carried out from the outset.**

- ✓ **Supporting economic dynamics enabling vulnerable populations to access basic services such as energy or water seems relevant...**

...in a context of lack of infrastructure or needs that are not met by the public sector. However, **it is essential to be aware of public policies and medium-term** infrastructure projects in the regions covered in order to assess the sustainability of the initiatives.

- ✓ **It is therefore necessary to support all the economic players in the chain, from the suppliers of these services to the customers.**

Private providers of basic services, as businesses, require **appropriate financing** and **technical support** in both entrepreneurial and technical areas to strengthen and develop their business. On the other hand, we need to **support the demand for their services**. In rural environments, where the boundary between economic and family life is blurred, this also means providing a combination of financial and non-financial solutions to households and micro- and small businesses that consume these services.

- ✓ **Microfinance institutions remain unfamiliar with the water and energy sectors...**

...despite these financing needs. Nevertheless, the type of experimentation carried out in pilot projects promotes **a better mutual understanding between MFIs and operators**, paving the way for the joint development of tailored financial solutions.

- ✓ **Significant potential impact, depending on the quality and long-term viability of the services.**

Initial experiments demonstrate **significant potential impact** both in terms of improving the living conditions of populations with new access to basic services and in environmental terms. However, the realisation of these impacts depends on **the quality and long-term viability of the services offered** by suppliers. Supporting these private players and the economic dynamics in which they are involved is therefore crucial to guarantee these impacts. This support is also expected to have positive outcomes for local economic development, although this has yet to be demonstrated. Current and future initiatives in the solar energy and access to water sectors will be the subject of additional in-depth analyses to verify these assumptions.



Conclusion

The outputs presented illustrate how ADA, through its interventions, enables its target population groups to **use services and solutions that help them better manage their economic activity, meet their basic needs and ultimately improve their living conditions.**

While generating positive outcomes takes time and cannot be observed among all users of services and solutions, these analyses have highlighted significant positive outcomes for a large proportion of them. In particular:

Positive economic outcomes, with:



- An **increase in volume, yields and quality of production, as well as in income**, for smallholder farmers receiving financing and technical support for the adoption of good production practices.
- **Reduced losses** in the event of a shock for insured and compensated smallholder farmers.
- **Growth in terms of turnover and employment** for businesses managed by or employing young people who receive financing and entrepreneurial support.

Positive outcomes for well-being, with:



- **Increased confidence and peace of mind** for insured small producers.
- **Improved quality of life with greater comfort, a greater sense of security and more time to rest** for households connected to the water network.
- Increased level of **food self-sufficiency**, an unexpected positive outcome for small producers who have increased their production volume through improved access to inputs.

A positive and significant environmental impact, with:



- **A considerable reduction in greenhouse gas emissions** through projects that encourage the replacement of fossil fuel-powered equipment with more efficient or solar-powered equipment.



Some general lessons were learned from these analyses:

- ✓ Given the wide range of issues facing these target populations, it is often a diverse range of services that can bring about positive change for these populations. **Financial services, if they are required, must be combined with complementary non-financial services in order to be used optimally.**
- ✓ In particular, **financial education and awareness-raising play a key role**, as the added value of certain services or solutions (such as insurance or climate change adaptation practices) is often unknown. While these solutions can help reduce vulnerabilities, using them involves changing behaviour and thus being convinced that the benefits will outweigh the costs.
- ✓ Such a combination of financial and non-financial services requires the involvement of a **variety of players, who themselves face many challenges. Capacity building is therefore essential to strengthen their viability and ensure the long-term provision of their services.** Support must therefore be directed at both the target populations and the various players involved throughout the value chains of the relevant sectors, whether agriculture, energy or water.
- ✓ **Financial institutions also need to gain a better understanding of these sectors.** They still sometimes lack knowledge about how they work and the economic opportunities they represent, which leads to a lack of appropriate financing, not only for households and micro-entrepreneurs but also for the intermediary economic players involved.
- ✓ Finally, **one of the major challenges lies in coordinating these economic and financial stakeholders to meet the needs of the target populations in a holistic manner**, and in particular in ensuring the continuity of this coordination. A detailed understanding of the dynamics at work between these players, as well as the constraints they face, is essential to ensure the sustainability of their collective action.



Outlook

It is therefore with this systemic approach, focused on **supporting local economic systems** in which target populations and financial and economic players interact, that ADA will address the implementation of its next strategic plan for 2026-2030.

The process of analysing the outputs and outcomes of interventions will be continued, in order to identify both the factors that promote positive outcomes and those that hinder them. These lessons will fuel **the continuous learning and improvement process**, and will be shared more widely through publications and a future impact report.





Impact report

2025 edition _____.

About ADA

ADA (*Appui au développement autonome*) is a Luxembourgish, non-governmental organisation that has been increasing the autonomy of vulnerable people in Africa, Central America and South-East Asia with inclusive finance since 1994, thereby contributing to achieving the sustainable development goals.

ADA leverages its resources and expertise to innovate, support local partners, implement technical support programmes, give investment advice and manage knowledge to positively and sustainably impact targeted populations.

ADA's activities focus on three main topics: **agricultural and forestry value chains**, **youth entrepreneurship** as well as **access to basic services**. These activities take into account three transversal priorities: climate change, gender and the use of digital technologies.

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