



# STRATEGIC PLAN

2026-2030

ADA, AN ENABLER  
OF INCLUSIVE AND  
SUSTAINABLE SOLUTIONS





## **STRATEGIC PLAN** 2026-2030

**ADA – Appui au développement autonome**

39 rue Glesener

L-1631 Luxembourg

Tel.: +352 45 68 68 1

**[ADAImpact.lu](http://ADAImpact.lu)**

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# LIST OF ABBREVIATIONS AND ACRONYMS

<b>ADA</b>	Appui au développement autonome	<b>MAE</b>	Ministry of Foreign and European Affairs, Defence, Cooperation and Foreign Trade
<b>AFI</b>	Alliance for Financial Inclusion	<b>MECB</b>	Ministry of the Environment, Climate and Biodiversity
<b>ODA</b>	Official Development Assistance	<b>OECD</b>	Organisation for Economic Co-operation and Development
<b>CRA</b>	Climate Resilient Agriculture	<b>SDG</b>	Sustainable Development Goals
<b>EIB</b>	European Investment Bank	<b>NGO</b>	Non-Governmental Organisation
<b>CGAP</b>	Consultative Group to Assist the Poor	<b>SME</b>	Small and Medium-sized Enterprise
<b>CIF</b>	Confederation of Financial Institutions	<b>SAM</b>	African Inclusive Finance Week
<b>COO</b>	Chief Operating Officer	<b>SDC</b>	Swiss Development Cooperation
<b>DAF</b>	Director of Administration & Finance	<b>SDGs</b>	Sustainable Development Goals
<b>DFI</b>	Digital Finance Initiative	<b>Serinsa</b>	Servicios Inclusivos, S.A.
<b>EVER</b>	Energie Verte pour le développement Rural	<b>SPTF</b>	Social Performance Task Force
<b>ART</b>	Agricultural and Rural Finance	<b>SSNUP</b>	Smallholder SustaiNability Upscaling Programme
<b>FIT</b>	Financing Innovation Tool	<b>ToC</b>	Théorie du changement / Theory of Change
<b>KM</b>	Knowledge Management	<b>WASH</b>	Water Sanitation and Health
<b>GIIN</b>	Global Impact Investing Network	<b>YES FI</b>	Young Entrepreneurs Sustainable Financing Initiative
<b>ICFI</b>	Inclusive Climate Finance Initiative		
<b>lforD</b>	Investing for Development		
<b>IIAB</b>	Impact Investing Advisory Board		
<b>IKI</b>	Internationale KlimaschutzInitiative		
<b>InFiNe.lu</b>	Inclusive Finance Network Luxembourg		
<b>KIFC</b>	Kigali International Finance Center		
<b>LED</b>	Liechtenstein Development Service		
<b>LHoFT</b>	Luxembourg House of Financial Technology		
<b>LMDF</b>	Luxembourg Microfinance and Development Fund		
<b>LSFI</b>	Luxembourg Sustainable Finance Initiative		
<b>LuxDev</b>	Luxembourg Development cooperation agency		
<b>LuxSE</b>	Luxembourg Stock Exchange		



Photo credit: Alan Ancheta

# EXECUTIVE SUMMARY

The preparation of the 2026-2030 Strategic Plan led to the **reformulation of ADA's vision and mission** to bring them more closely into line with its development and, more broadly, with the context in which ADA operates. ADA's vision is: "Every human being lives with dignity and autonomy, now and in the future." To achieve this vision, the organisation has set itself the following mission for the years ahead: "Empower local economic system actors to develop inclusive and sustainable solutions by leveraging impact finance to strengthen the autonomy of vulnerable populations."

Strengthening the resilience and autonomy of vulnerable populations is a priority for maintaining a global socio-economic balance, not only in light of the 2030 Sustainable Development Goals (SDGs) which are nowhere close to being achieved, but also of the unstable global context marked by geopolitical, climate and health crises.

**ADA's initiatives therefore aim to develop and strengthen the "capabilities" of vulnerable populations, i.e. to effectively enable them to choose and implement solutions to improve their living conditions.** For several years now, inclusive finance and more generally impact finance tools have been pertinent in contributing to the durability and expansion of economic dynamics likely to respond sustainably to the problems encountered by vulnerable populations. **From 2026 to 2030, ADA will be even more committed to impact finance.** This evolution will be based on the following strategic guidelines:

- A more assertive adoption of a methodology to support local economic systems that reinforces the central role of the local actors with whom ADA collaborates.
- Systematic integration of the investment/ impact finance dimension into technical assistance activities.
- Dynamic analysis of the "impact" of interventions on target populations, partner organisations and their contexts through a specific methodology and by sharing lessons learned.
- Development of the organisational structure to enable ADA to evolve in terms of skills and efficiency and to meet future challenges.
- Diversification of financial resources, particularly from private funders, to increase the scope and impact of certain programmes.

**By 2030, ADA will have impacted 1.5 million people and supported more than 400 grassroots organisations.** ADA will have strengthened its position as an internationally recognised NGO supporting vulnerable populations in the Global South through the impact economy. ADA's value proposition is based on four distinctive elements:

- An approach based on local economic systems to foster impact.
- The central role of local actors.
- Impact finance as a development tool.
- Continuous innovation and learning.

<sup>1</sup> Following Amartya Sen's definition of "capabilities", i.e. the effective possibility of choosing one's living conditions, which depends on access to material and intangible resources and the ability to convert these resources into well-being.



Photo credit: Shutterstock

Operationally, the strategic plan is implemented through an annual action plan that provides details on the various technical assistance programmes and projects, investment advisory services, knowledge management activities - in particular impact measurement - and also on knowledge dissemination and communication activities. These activities will mainly be implemented in selected countries in Africa, Central America and Southeast Asia.

In terms of human resources, ADA will adopt a conservative approach to headcount growth. A human resources policy will be put in place to make the organisation more efficient and ensure that it has the necessary talent to meet its needs in the coming years.

Financially, the budget is set to increase from €18 million to €22 million per year, more than 92% of which would be dedicated to development activities and 7.5% to administrative operations. This funding will mainly stem from the Luxembourg Cooperation mandate - between €9.45 million and €9.95 million per year. The forecast programme growth will be financed by non-mandate resources, estimated at between €9 million and €13 million per year. This funding will stem from the collaboration with LuxDev as well as other public and private funders. A fundraising strategy initiated in 2025 will mainly focus on attracting private foundations and individual donors.

# 01

## INTRODUCTION

- 1.1 Document overview
- 1.2 Organisational presentation



Photo credit: Marbos Productions

# INTRODUCTION

## DOCUMENT OVERVIEW

This 2026-2030 Strategic Plan is the culmination of deliberations initiated in late 2024 to define the strategic guidelines that will lead the organisation through 2030. The deliberations included several **consultations** with partner organisations in the field, technical and financial partners, Luxembourg Development Cooperation and impact finance ecosystem actors, ADA staff and the Board of Directors, as well as bilateral exchanges with certain actors. This consultation phase was also informed by the mid-term **external evaluation** of the 2022-2025 mandate as well as by orientation workshops with internal teams, the Board of Directors and the Luxembourg Development Cooperation as the main funder of the organisation.

Following these deliberations, the 2026-2030 Strategic Plan was formulated and includes:

- An **introduction** with an organisational presentation.
- A description of the **external and internal context**.
- A presentation of the **strategic guidelines** for the period in question.
- ADA's **unique approach**.
- The **operational implementation**.
- The **monitoring and evaluation** approach.

This strategic plan sets the direction in which ADA will evolve over the next five years. It will be supplemented by an annual action plan that will define the operational implementation and take into account necessary adjustments.



Photo credit: Coumba communication

## ORGANISATIONAL PRESENTATION

ADA asbl (Appui au développement autonome [Support for autonomous development]) is a Luxembourg-based, non-governmental organisation that has been working to sustainably improve the living conditions of vulnerable populations in the Global South since 1994. These activities are based on ADA's vision and mission:

Vision: **“Every human being lives with dignity and autonomy, now and in the future.”**

Mission: **“Empower local economic system actors to develop inclusive and sustainable solutions by leveraging impact finance to strengthen the autonomy of vulnerable populations.”**

- **Empower:** initiate, facilitate or accelerate the development or distribution of solutions by playing a role in identifying, mobilising and connecting local actors without being directly linked to the targeted populations.
- **Inclusive and sustainable solutions:** the main focus is on impact solutions (economic, social and environmental) that aim to sustainably include vulnerable populations in a lasting manner (combining medium-term durability and environmental protection).
- **Local economic system actors:** local providers of solutions (products or services) aimed at target populations that face internal constraints or specific constraints of the economic systems in which they operate.
- **Impact finance:** investment or financing strategy that aims to accelerate the just and sustainable transformation of the real economy while providing evidence of its beneficial effects<sup>2</sup>.
- **Autonomy of vulnerable populations:** strengthening the autonomy of vulnerable

populations to empower them to make choices which improve their living conditions and thereby reduce their vulnerability (or at least make them better able to cope).

The following **organisational values** will guide staff, governance bodies and the collaboration with partners:

- **HUMANITY** (solidarity, inclusion, social justice, fairness, respect, etc.): the main motivation that reflects the human dimension of the organisation and the importance of considering solidarity, social justice, equity and respect in decision-making and guidelines.
- **COMMITMENT** (passion, perseverance, sharing, etc.): a reflection of the organisation's ambition to generate systemic change in favour of vulnerable populations through partners in the field.
- **RESPONSIBILITY** (expertise, efficiency, integrity, autonomy, durability, sustainability, ethics, etc.): reflecting the organisation's accountability for concrete outcomes to both public and private funders and the importance of considering the consequences of our actions on vulnerable populations in the short term and on society at large in the longer term.
- **OPENNESS** (collaboration, attentiveness, innovation, etc.): to remain open to developments in the sectors in which the NGO operates and to opportunities for collaboration and innovation.

<sup>2</sup> Source: <https://institutdelafinancedurable.com/>

# 02

## BACKGROUND

- 2.1 External context
- 2.2 Internal context



Photo credit: ADA

# BACKGROUND

## EXTERNAL CONTEXT

As we approach the deadline for the 2030 **Sustainable Development Goals (SDGs)**, they are far from being achieved: less than 20% of targets appear to be on track<sup>3</sup>. However, progress has been made, particularly in terms of girls' education, reducing child mortality and access to energy<sup>4</sup>.

More generally, technological developments such as artificial intelligence, discoveries in the field of medicine and transport improvements reflect undeniable progress for humanity. However, these advances are undermined by an unstable global context marked by **geopolitical, climate and health crises** that exacerbate economic inequalities, risks, exclusion and vulnerability among large sections of the world's population.

In this context, **supporting vulnerable populations so that they can become more autonomous and resilient** is a priority for maintaining an overall socio-economic balance. **Financial inclusion** therefore appears to be a key lever. From 2011 to 2021, the proportion of adults with a bank account or equivalent increased from 50% to 70%, thanks mainly to the rise of digital finance<sup>5</sup>. But financial inclusion goes beyond simply having access to an account: it encompasses a range of tailored financial services that enable low-income individuals to better manage everyday shocks through savings,

credit, or insurance. For small and medium-sized enterprises, financial inclusion facilitates investment in promising sectors such as resilient agriculture, rural renewable energy, vocational education or health.

However, moving traditional financial models towards **impact finance** requires a strong will, innovation and resources to support research, experimentation and risk-taking. **Official development assistance (ODA)**<sup>6</sup>, which has historically driven these dynamics through grants and concessional financing, is now constrained by the priorities of donor countries.

This aid is becoming scarce and should logically be directed towards supporting projects with the potential of generating lasting impact and, if possible, of becoming economically viable. In this sense, impact finance increasingly appears to be a complement to Official Development Assistance to generate leverage and support the emergence of an **impact economy**, i.e. an economic system that aims to generate positive social and environmental effects and thus contributes to the common good, beyond financial performance.

<sup>3</sup> <https://dashboards.sdgindex.org/chapters/executive-summary>

<sup>4</sup> [https://unstats.un.org/sdgs/files/report/2024/SDGs\\_Report\\_Key\\_Findings\\_2024.pdf](https://unstats.un.org/sdgs/files/report/2024/SDGs_Report_Key_Findings_2024.pdf)

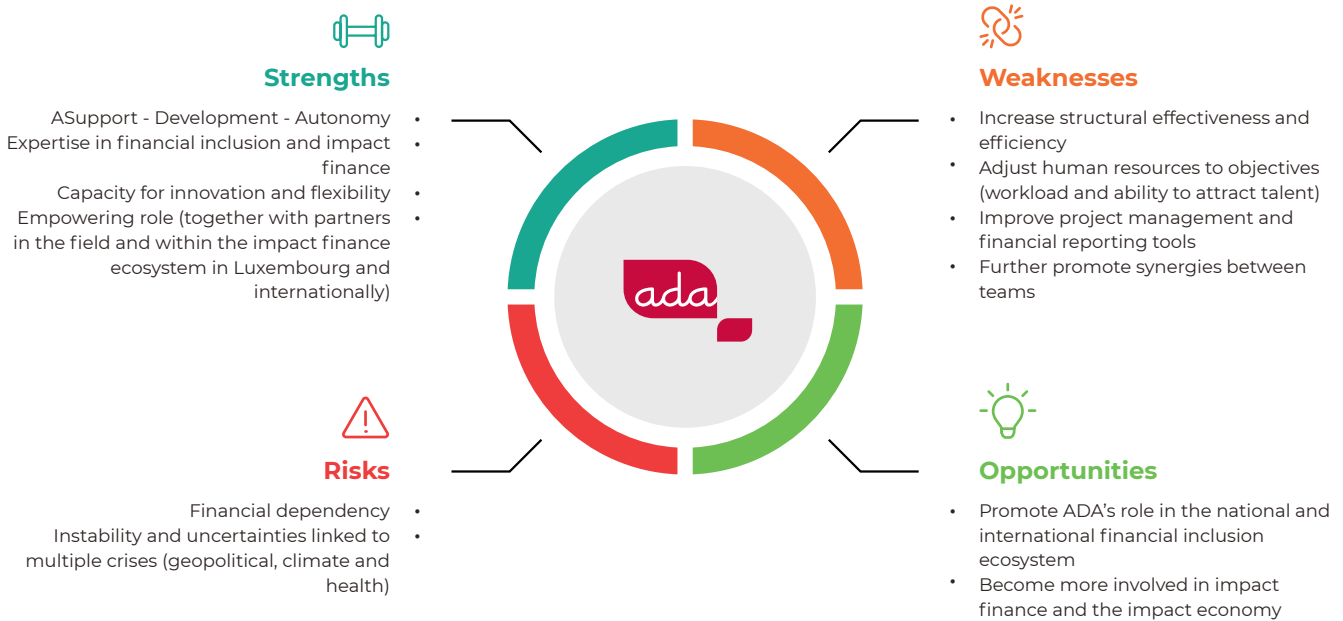
<sup>5</sup> [https://www.cgap.org/sites/default/files/publications/CGAP\\_ResilienceForAll\\_digital.pdf](https://www.cgap.org/sites/default/files/publications/CGAP_ResilienceForAll_digital.pdf)

<sup>6</sup> Official Development Assistance (ODA) refers to all grants and loans granted on very favourable terms by public bodies to countries and territories on the list of beneficiaries of the Organisation for Economic Co-operation and Development (OECD) Development Assistance Committee (DAC). The OECD is the official source of reliable, comparable and comprehensive ODA statistics.

## INTERNAL CONTEXT

Over the past 30 years, the Luxembourgish NGO ADA has continuously developed its expertise in financial inclusion, and more recently also in impact finance, for the benefit of vulnerable populations in developing countries. Its approach, which aims to support local partners in a spirit of autonomy, has always been based on the provision of **technical assistance and access to investments** with the aim of facilitating their growth and sustaining their services for vulnerable populations. In addition, **knowledge management** is an organisational strength, enabling ADA to take a step back and analyse its operational activities in order to draw lessons for future activities and, more broadly, to share them with the entire ecosystem in which it operates, both in Luxembourg and internationally.

With its experience in inclusive finance and its ability to innovate to evolve towards impact finance and an impact economy, the organisation has experienced continuous growth over the past few decades. However, what matters is not growth, but the impact that programmes have in the field. With this objective in mind and given the global context, it is important to continue **developing the NGO's organisational structure** to strengthen its effectiveness and meet upcoming challenges. In view of the multiple crises that are emerging, greater efforts to **mobilise financial resources** from both public and private funders will be required in future.



# 03

## GUIDELINES 2026-2030

- 3.1 Strategic objectives
- 3.2 Theory of change and target populations



Photo credit: Coumba communication

# GUIDELINES 2026-2030

## STRATEGIC OBJECTIVES

From 2026 to 2030, ADA will continue the path taken in 2022 to go beyond financial inclusion by committing to broader impact finance. This evolution will be based on the following strategic guidelines:

**01**

### Methodology to support local economic systems

The more assertive adoption of a methodology to support local economic systems that reinforces the central role of the local actors with whom ADA collaborates.

**03**

### Dynamic impact analysis and sharing of insights

Dynamic analysis of the “impact” of interventions on target populations, partner organisations and their contexts through a specific methodology and the sharing of lessons learned.

**05**

### Diversification of financial resources

Diversification of financial resources, in particular from private funders, to increase the scope and impact of certain programmes.

**02**

### Investment and impact finance dimension

The systematic integration of the investment and impact finance dimension with technical assistance.

**04**

### Organisational structure

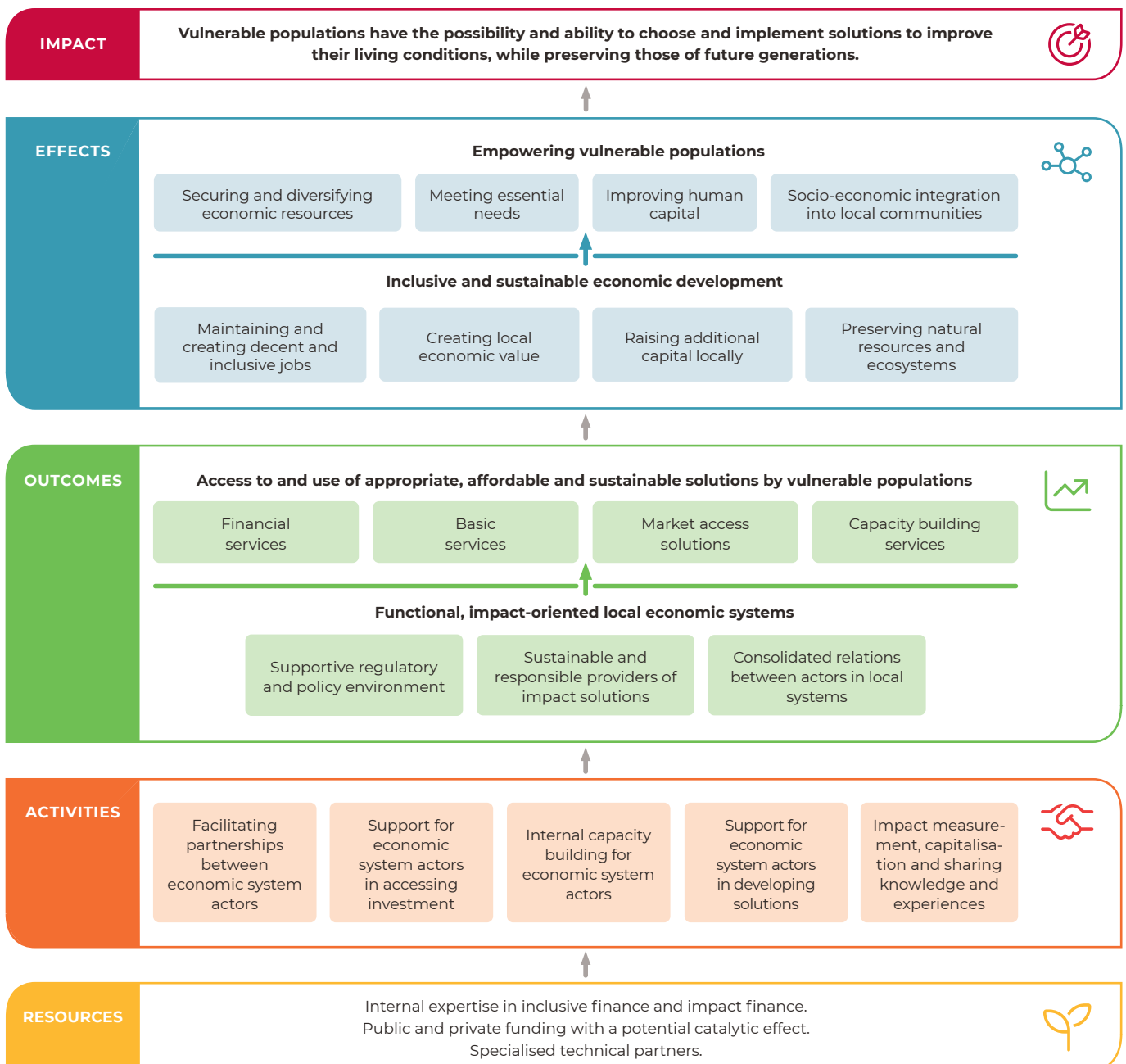
Adjustment of the organisational structure to enable ADA to evolve in terms of skills and efficiency and to meet its future challenges.

By 2030, ADA will have impacted 1.5 million people and supported more than 400 grassroots organisations. ADA will have strengthened its position as an internationally recognised NGO supporting vulnerable populations in the Global South through the impact economy.

## THEORY OF CHANGE AND TARGET POPULATIONS

The theory of change developed by ADA illustrates how ADA intends to use the resources at its disposal to bring about change among the populations it targets. This theory of change will therefore serve as a general framework to guide all initiatives of the organisation.

### ADA's theory of change



## Target populations

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Since its creation, ADA has been working towards inclusive development for **vulnerable populations**. Vulnerable populations are defined as people who have an increased risk of a deterioration of their quality of life as well as social, economic, cultural or political exclusion, and who have limited resources and capacities to cope with this risk and meet their basic needs.

Given its mission of contributing to the empowerment of vulnerable populations by supporting local economic dynamics, ADA particularly targets **economically active populations**, i.e. those conducting or wishing to conduct an economic activity and generate income.

People who are capable of becoming more self-sufficient will be able to strengthen their role in their community and contribute to endogenous mutual aid systems for the most vulnerable or dependent people, such as children, the elderly or those without income.

Vulnerability is multidimensional and therefore the result of several factors. While these factors, like their consequences, are interdependent and tend to reinforce each other, ADA has identified three types to more precisely define the populations targeted by its interventions.

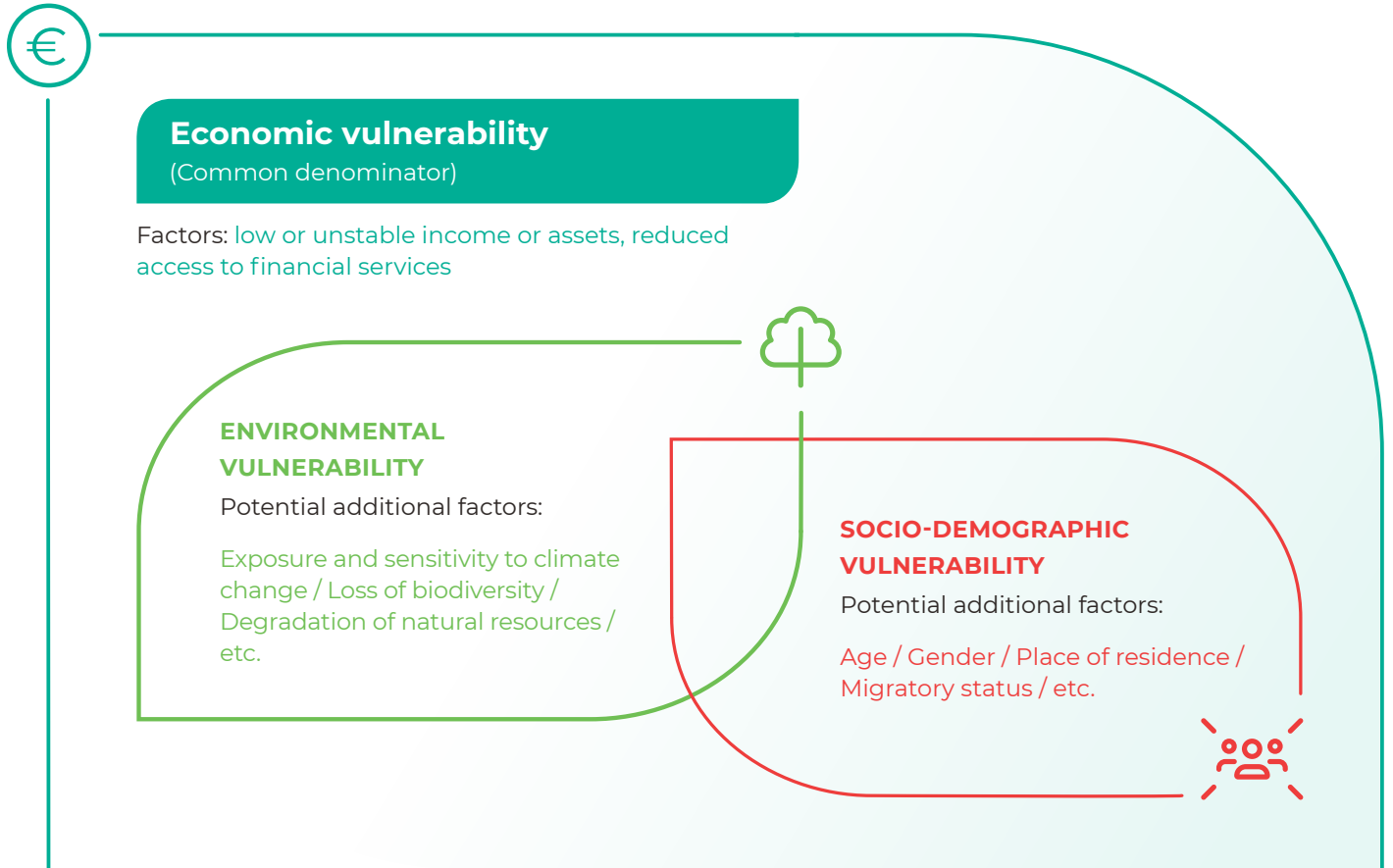
In general, all ADA interventions specifically target populations characterised by at least some economic vulnerability factors, such as low or unstable income or assets, or lack of access to financial services. **Economic vulnerability** is often structural and limits the ability to adapt to other risks, which is why it is the common denominator among the populations targeted by ADA.

In addition, these targeted populations may be characterised by additional vulnerability factors in the context of certain initiatives:

- **Socio-demographic vulnerability factors**, such as age, gender, disability, area of residence, level of education, migratory status, etc. A number of socio-demographic characteristics (young people, women, rural populations, a low level of education, a disability, refugees or displaced persons, etc.) may increase the risks of a deterioration in the quality of life or exclusion due to the unsuitability of services or infrastructures to the specific needs of the persons concerned, or direct or indirect discrimination.
- **Environmental vulnerability factors**, such as exposure to and sensitivity to climate change, loss of biodiversity, degradation of natural resources, etc. Some populations are particularly dependent on these environmental factors for their economic activity, or even to meet some of their essential needs such as food or access to water. Any change or deterioration in these elements can therefore have a more significant negative impact on them than on other people.

The initiatives already being implemented at the onset of the 2026-2030 Plan target **rural populations** that are also vulnerable from an environmental point of view, **young people** (whether they live in rural or urban areas), and **women** (particularly those involved in agricultural and forestry value chains).

In future, population groups with other vulnerabilities could be targeted, such as persons with disabilities or displaced persons. In all cases, identifying the needs of vulnerable populations and solutions to meet those needs is the driving force behind ADA's initiatives.

**Vulnerability profile of target populations**

**Targeted impact**

In line with its identity and its historical approach that promotes autonomy, ADA does not only aim to improve the living conditions of vulnerable populations, but also to give them a leading, active role in reducing their vulnerabilities. This is not because they are responsible for them - vulnerability factors are often external - but because they are best placed to identify the best solutions. In this sense, ADA's initiatives aim to develop and strengthen the "capabilities"<sup>7</sup> of vulnerable populations, i.e. to **effectively enable them to choose and implement solutions to improve their living conditions.**

Furthermore, as current lifestyles and development models have long-term consequences, ADA also aims to consistently ensure that the chosen solutions are capable of preserving the living conditions of future generations and of contributing to sustainable development as much as possible.

<sup>7</sup> Following Amartya Sen's definition of "capabilities", i.e. the effective possibility of choosing one's living conditions, which depends on access to material and intangible resources and the ability to convert these resources into well-being.

## Intended effects

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To contribute to this impact, ADA's initiatives aim to bring about change both among the target populations and within the local economic systems in which they operate. As mentioned below, these changes are linked to the Sustainable Development Goals<sup>8</sup>.

### At the level of target populations

To develop their capabilities, the populations targeted by ADA need to have access to, use and develop various resources that will help reduce their vulnerabilities and strengthen their autonomy. The envisaged changes for these target populations are:

- **Securing and diversifying their economic resources**, whether income or assets, which contribute to financial autonomy and resilience (SDG 1, SDG 2).
- **Meeting essential needs** essential to human dignity and life such as food, access to drinking water, hygiene, decent housing, etc. (SDG 1, SDG 2, SDG 6, SDG 7).
- **Improving human capital**, i.e. knowledge and skills, which strengthen capacities and opportunities for choice (SDG 4).
- **Socio-economic integration** in local communities and the economic fabric, which contributes to inclusion and participation in social, economic, cultural and political life (SDG 5, SDG 10).

These expected changes in the target populations are, of course, interdependent and may contribute to or reinforce each other.

### At the level of local economic systems

Furthermore, in line with its mission, ADA aims to contribute to these changes for the target populations - not by intervening directly, but instead by supporting local economic dynamics to ensure their sustainability.

In this sense, ADA also aims to foster inclusive and sustainable local economic development, enabling target populations to evolve in contexts conducive to their empowerment, thus supporting the emergence of an impact economy.

The envisaged changes in the local economic systems in which ADA operates:

- **Maintaining and creating decent and inclusive jobs**, which should contribute to the economic and financial autonomy of the target populations (SDG 8).
- **Creating economic value at the local level**, which should, in the long term, contribute to the development and autonomy of the regions in which populations evolve (SDG 8).
- **Mobilising additional capital** at the local level, resulting from the use of catalytic capital to support local actors, which should sustain, accelerate and perpetuate this momentum of territorial development and the empowerment of these actors (SDG 17).
- **Preserving natural resources and ecosystems**, which should ensure the sustainability of development models and preserve the living conditions of current and future generations (SDG 13, SDG 15).

## Expected outcomes

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### At the level of target populations

In order to see these different dimensions of their empowerment come to fruition, vulnerable populations need access to and simultaneously use a variety of services and solutions. This will therefore be the main expected outcome of ADA's initiatives at the target population level, which will aim to facilitate access to and combine the following services and solutions:

- **A range of financial services**, including loans, savings, insurance, means of payment, etc., enabling people to seize economic opportunities and cope with potential shocks.
- **Solutions for accessing basic services**, such as connection to a solar electricity network or a clean water network (including access to certain equipment and related after-sales services), which not only meet essential needs but also often enable the development of income-generating activities.
- Technical and entrepreneurial **capacity-building services**, such as training, skills development, knowledge transfer, individual support, coaching or mentoring sessions, etc., which may be necessary upstream of financial services to become eligible for them, or downstream to optimise their use.
- **Market access solutions**, such as digital platforms or other mechanisms facilitating the identification of suppliers or customers as well as transactions between economic actors, which contribute to the development of economic activity and facilitate eligibility for financial services or their optimal use.

### At the level of local economic systems

In order to be accessible and used by the target populations, these services and solutions must be tailored to specific needs, affordable and sustainable, i.e. available on the market in the long term while minimising their environmental footprint.

Functional and impact-oriented local economic systems, i.e. aimed at generating a positive social and environmental impact, are necessary for these services to meet all these conditions. In particular:

- **The activities of providers of these solutions** with a positive social and/or environmental impact should be managed in a **viable and responsible** manner to ensure the sustainability and accessibility of their services to the target populations.
- It may be necessary for solution providers to liaise and work in partnership to facilitate access to a combination of solutions for target populations. **Relations between these actors** should therefore be facilitated and consolidated.
- A suitable political and regulatory context is necessary to enable or optimise the activity of these service providers. In an unsuitable context, ADA may, in some cases, be required to support certain actions alongside other stakeholders to enable the political and regulatory context to evolve.

# 04

## ADA'S UNIQUE APPROACH

- 4.1 Approach based on local economic systems to foster impact
- 4.2 Central role of local actors
- 4.3 Impact finance as a development tool
- 4.4 Innovation and learning dynamics



Photo credit: Chapin films

# ADA'S UNIQUE APPROACH

## APPROACH BASED ON LOCAL ECONOMIC SYSTEMS TO FOSTER IMPACT

ADA's approach is based on the recognition that the targeted vulnerable populations are stakeholders in "local economic systems" because they access and use locally available products and services offered by multiple providers to meet their needs. These local economic systems are composed of actors who are members of certain business sector value chains, but also of actors who provide services to these value chains (such as financial services), or enablers who define the framework, standards or rules for these sectors.

Several of these actors therefore represent potential providers of services and solutions to vulnerable populations, who can themselves play different roles in these value chains. The "**economic system**" concept is therefore based on the **supply and demand for services and solutions between actors**, which represent a cost to be borne.

The "**local**" aspect refers to the desire to ensure that these services and solutions are provided locally in the long term to contribute to the development and empowerment of regions without creating or maintaining dependence on international entities.

This approach is therefore based on the fundamental principles underlying the "Market Systems Development" approach<sup>9</sup>:

- The ambition is to address the **root causes of failures** of these systems, rather than the symptoms, to make them more functional, inclusive and resilient.
- To this end, while public or philanthropic financial aid can play a significant role, this role should be temporary, and new dynamics should be established in these systems based on **incentives, behavioural changes and the real capacities of actors** in the long term. The sustainability of new dynamics is therefore central to the approach.
- Each "system" is complex, involving unique sets of actors, and any initiative must take this complexity into account. A good understanding of and **adaptation to specific contexts** is therefore also central to the approach.

<sup>9</sup> "Market Systems Development approach", conceptualised by the Donor Committee for Enterprise Development, to which many development actors refer. More information on the approach can be found at <https://www.enterprise-development.org/implementing-psd/market-systems/>

However, ADA's "local economic systems to foster impact" approach differs from the "Market Systems Development" approach in three key areas:

- As a small development NGO, ADA does not claim to radically transform these systems, but instead seeks to improve their functioning by targeting specific shortcomings, thereby adjusting its ambitions to its actual capabilities. With this in mind, ADA deliberately adopts a position outside the systems, favouring **support for local actors** rather than direct intervention. ADA will also need to generate **demonstration effects** and build **business cases** that can be scaled up or replicated by other actors.
- The main objective of the approach is **to improve the living conditions of vulnerable populations**. The aim is to combat poverty and enable targeted populations to improve their living conditions by taking into account the multiple dimensions of their vulnerability through economic dynamics.
- Aware of the limitations and potential excesses of the market economy, ADA chooses to support **"economic" systems** instead of "market" systems, in the sense that these systems **involve a plurality of actors**, including non-profit or public structures, to meet the needs of vulnerable populations. This approach thus paves the way for **innovative ways of distributing and financing services and solutions** which go beyond purely commercial approaches.

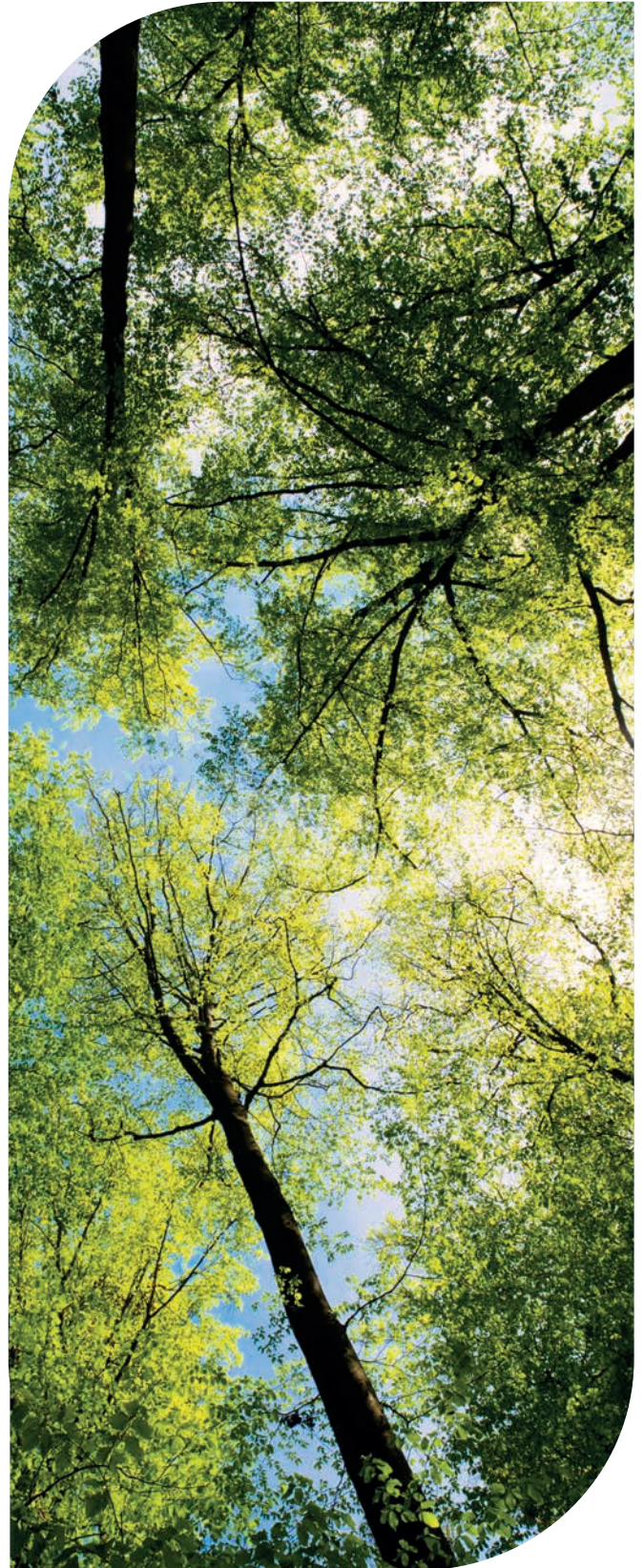
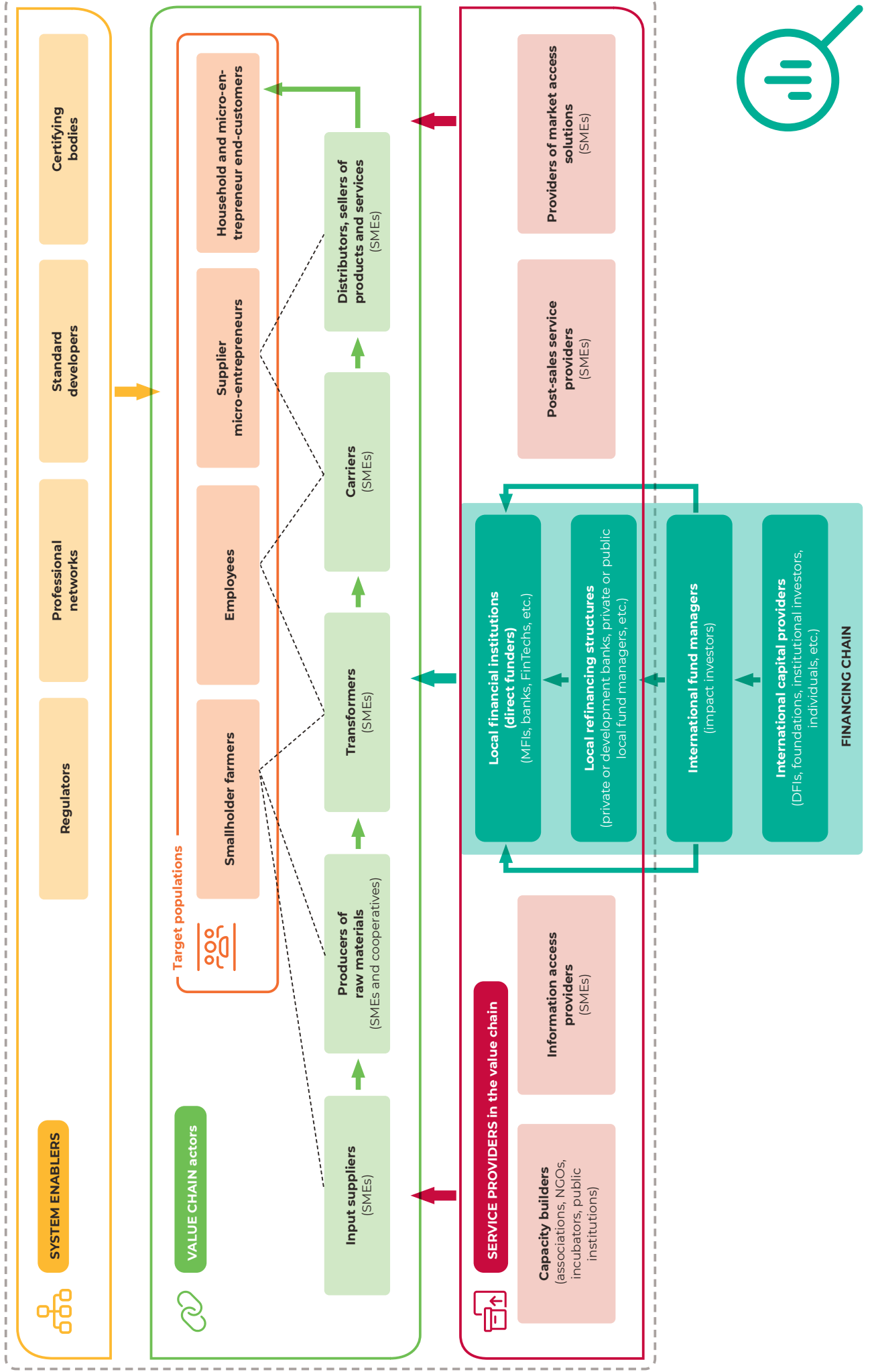


Photo credit: iStock

# Local economic systems



## CENTRAL ROLE OF LOCAL ACTORS

### Types of actors

Given the complexity and multitude of local economic system actors, ADA's approach first and foremost requires an in-depth analysis of these systems to identify **the key actors for ADA to support**. Selecting the actors likely to play **a decisive role** in improving the functioning of the systems and to whom ADA can bring real added value will not only optimise the effectiveness and efficiency of interventions, but will also maximise their potential for sustainability. In particular, ADA will need to **strengthen their autonomy and ability to play this role**.

These key actors would be the main partners who benefit from ADA's support. They can be found at different levels of the system and may include:

- **Value chain actors** of a specific sector, such as agricultural producer organisations or SMEs involved in different stages of the chain downstream of production (processing, transport, sales, etc.), or SMEs that provide access to energy or water, which are in direct contact with vulnerable populations and offer them opportunities to access the market, basic services or employment.
- **Providers of services** for vulnerable populations or other stakeholders in these value chains, such as local financial institutions (microfinance institutions, banks, FinTechs, insurance intermediaries, etc.), capacity building organisations (incubators and accelerators, training centres, etc.) or providers of access to information, after-sales service or markets, such as AgriTechs that provide a variety of technological services and facilitate relations and transactions between actors.

- **Actors in the financing chain:** beyond local financial institutions directly serving target populations, other stakeholders further upstream in the financing chain (private or development banks, local or international investment fund managers) may also be supported by ADA, given the key role that access to financing can play in improving the functioning of the system.

**System enablers** (regulators, certifying bodies, etc.) are less likely to receive support from ADA, but may be involved to ensure that the necessary conditions for the proper functioning of the system and of specific interventions are met.

The selection of the key actors to be supported requires an analysis of their context and local economic dynamics. Three main criteria guide this selection:

- 1. Impact potential:** The key actors benefiting from ADA's support offer technical (capacity building, access to the market or basic services) or financial (credit, insurance, investment) solutions likely to positively impact their customers, employees or partners. This impact intention is reflected in their strategy or operating model.
- 2. Local roots:** Partners are fully active in the local economic system and offer services or solutions to local populations and actors. Local roots are assessed based on several factors such as the composition of their shareholding structure, management, target populations and their development strategy.
- 3. Financial performance:** The partners have real potential for financial viability and, where relevant, take an investment research approach to ensure the sustainability of their activities.

**Openness to sharing experiences** is also an essential element for identifying key actors to support. Seeking demonstration effects involves sharing results and lessons learned so that these experiences can be replicated or scaled up. The supported actors must therefore be open to participating in initiatives to leverage and disseminate knowledge and experiences.

### Types of support

ADA provides three types of support to these key actors:

- **Developing or improving technical or financial solutions** tailored to the needs of the target populations. If key actors need to demonstrate upstream potential for impact, they may need support to improve their products or services and their distribution or to reach new population segments.
- **Building their internal capacity** to ensure their long-term autonomy and viability. This capacity building may include support for formalising a strategy, improving the business case, digitising internal processes as well as implementing or improving impact measurement and management processes.
- **Preparing to unlock financing or investments**, again in order to guarantee their autonomy, viability and long-term development capacity.

To analyse the initial needs of actors and provide these different types of support, methodologies and expertise in technical assistance, investment advice and knowledge management will be required.

## IMPACT FINANCE AS A DEVELOPMENT TOOL

To support these economic dynamics that can provide a sustainable response to the problems faced by vulnerable populations, ADA intends to rely on and promote appropriate financing instruments that seek to both generate financial returns and to have a positive social and environmental impact. **Impact finance in general, and inclusive finance in particular**, thus appear to be important tools for contributing to the sustainability and expansion of this type of initiative.

**Inclusive finance offers vulnerable populations the ability** to seize economic opportunities and to protect themselves against potential shocks through diversified financial services tailored to their needs. It is therefore an essential element in the mix of solutions to enable them to improve their living conditions.

**Impact finance targets actors that provide these solutions** to target populations, be they financial institutions offering inclusive financial services, or other organisations offering solutions to access basic services, information or markets. Impact finance therefore plays a leading role in strengthening and sustaining these actors and therefore in ensuring the sustainability of solutions that meet the needs of target populations. **In this sense, it is a crucial instrument in the transition to an impact economy.**

For these reasons, the promotion of inclusive finance and impact finance will be central to ADA's approach, not only through its interventions in the field, but also through its **active participation in strategic deliberations and dialogues** within the development and sustainable finance ecosystems, both in Europe and internationally.

**Impact economy**



**Catalytic capital to finance local economic systems**

Impact investing is a key strategic tool to meet the significant financing needed to achieve the Sustainable Development Goals (SDGs)<sup>10</sup>. To date, however, these impact investments are still far too limited compared to the needs (only 1.3% of global investments)<sup>11</sup>. **Catalytic capital, which plays a decisive role in mobilising private capital**, is a solution.

Catalytic capital is composed of debt, equity, guarantees and other types of investment that accept disproportionate risk and/or concessional returns compared to a traditional investment. The aim is to generate a positive impact and enable third-party investments that would otherwise not be possible.

Catalytic capital encompasses various asset classes and types of providers, including private and community foundations, high net worth individuals and family offices, impact investment managers, corporates and corporate foundations, as well as governments and development finance institutions (DFIs)<sup>12</sup>.

Catalytic capital can therefore facilitate the financing chain of local economic systems (see Local Economic Systems above) and act as a lever to make investment projects more attractive and less risky.

Thanks to the support of the Luxembourg Cooperation, ADA has positioned itself as a key actor in the design of innovative investment mechanisms using catalytic capital since its creation. ADA's initiatives include LuxMint, LMDF, FIT, as well as guarantees and equity investments in start-ups such as CIF-Vie, Serinsa and MicroLux.

In the current context, ADA is aware that new catalytic capital needs are emerging, notably through initiatives such as SSNUP or ICFI, which highlight the need to promote risk reduction mechanisms to attract private capital to sectors such as climate adaptation,

agriculture, energy or health. It has been proven that this type of capital can generate significant leverage, mobilising private funds several times greater than the initial amounts.

As a catalyst, ADA will play a key role in **fostering the use and creation of flexible and innovative catalytic capital financing instruments** to support high-impact projects in areas or sectors perceived as highly risky.



Photo credit: Coumba communication

<sup>10</sup> Estimated deficit of over US\$ 41,000 billion per year. <https://www.gsgimpact.org/media/cabl5qqr/gsg-impact-collective-ffd4-input-paper-mobilising-capital-for-sustainable-development.pdf>

<sup>11</sup> Tameo, 2024. PAIF survey, based on data from the Global Impact Investing Network and Boston Consulting Group.

<sup>12</sup> Source: The Catalytic Capital Consortium. <https://catalyticcapitalconsortium.org/why-catalytic-capital/>

## CONTINUOUS INNOVATION AND LEARNING

### Innovation

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Generating impact among vulnerable populations by supporting local economic dynamics in complex systems is a challenge, all the more so in a climate of increasing constraints. To meet this challenge, it is necessary to have the option of deviating from established patterns and innovate.

The **innovation dynamic**<sup>13</sup> initiated in recent years will therefore continue to be applied. It will take the form of an initial **prospecting phase** aimed at identifying the most promising actors and solutions to meet the needs of vulnerable populations.

These will then be the subject of short-term **test projects** before being integrated into larger interventions if the experience is conclusive. Innovation can also be continued throughout these **more ambitious interventions**. In particular, the aim will be to test models of collaboration between different actors to respond to the needs of populations in a more **holistic** manner through a combination of solutions. By allowing itself the opportunity to explore, innovate, test, confront difficulties and sometimes fail, ADA is giving itself the means to identify the most relevant initiatives to generate impact.

### Continuous learning

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Such an experimental approach provides fertile ground for a **dynamic of continuous learning**, which has also been initiated in recent years.

The **active monitoring** carried out during the abovementioned prospecting phase enables ADA to

<sup>13</sup> Innovation may concern the type of service or solution offered to populations, but also the distribution method, partnerships created to facilitate the development, distribution or scaling up of services or solutions, or providing an existing service or solution in a new context.

remain attentive to the latest trends and emerging innovations in its sectors of intervention. The objective of this forward-looking approach is not only to identify relevant solutions to be tested, but also to learn from the experience of others. In this way, ADA will avoid repeating mistakes, increase the effectiveness of interventions and maximise the chances of generating lasting positive effects.

The continuous learning dynamic naturally also applies to the interventions carried out by ADA itself. Formalised in a **learning plan**, the dynamic will first be based on the formulation of the hypotheses underlying interventions and their theories of change. These hypotheses will relate to the mechanisms envisaged by ADA and its partners to **generate impact**, as well as to the sustainability conditions of the tested solutions.

These hypotheses will then be tested in a specific manner, by analysing the impact of interventions on vulnerable populations, local actors and their environment on the one hand, and the **economic viability of the proposed solutions to flag possible “business cases”** on the other hand.

### Impact measurement and management

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**ADA’s approach to impact will be both realistic and demanding.** Since the ultimate impact targeted by an intervention is the result of multiple factors that are beyond ADA’s scope and generally only occur in the long term, rigorously demonstrating or measuring this impact remains a lengthy and costly scientific process. ADA will therefore **measure impact by analysing the “outcomes” of interventions.** They correspond to the main changes resulting from these interventions that are observable in the medium term for the target populations, local actors and their environment.

As other factors are likely to contribute to these positive outcomes, ADA does not attempt to quantify its contribution, and will therefore not claim full credit for these outcomes.

However, for the sake of rigour and credibility, the approach will be exacting to be able to confirm that the contribution to the observed effects is indeed real. Given the financial and human resources required for this type of exercise, the impact analysis approach will therefore not be applied to each and every intervention, but instead only to a selection of interventions representing the different business sectors, geographical areas and types of solutions tested. It will therefore not aim to be exhaustive but illustrative.

This exercise should above all be used to identify the most impactful models and solutions in order to scale them, and will also be used to adjust, correct or improve those that are less impactful. The approach therefore not only aims to **measure but also to strategically manage impact. It fosters reflection, informs decision-making and contributes to a process of continuous improvement.**

## Capitalisation and dissemination

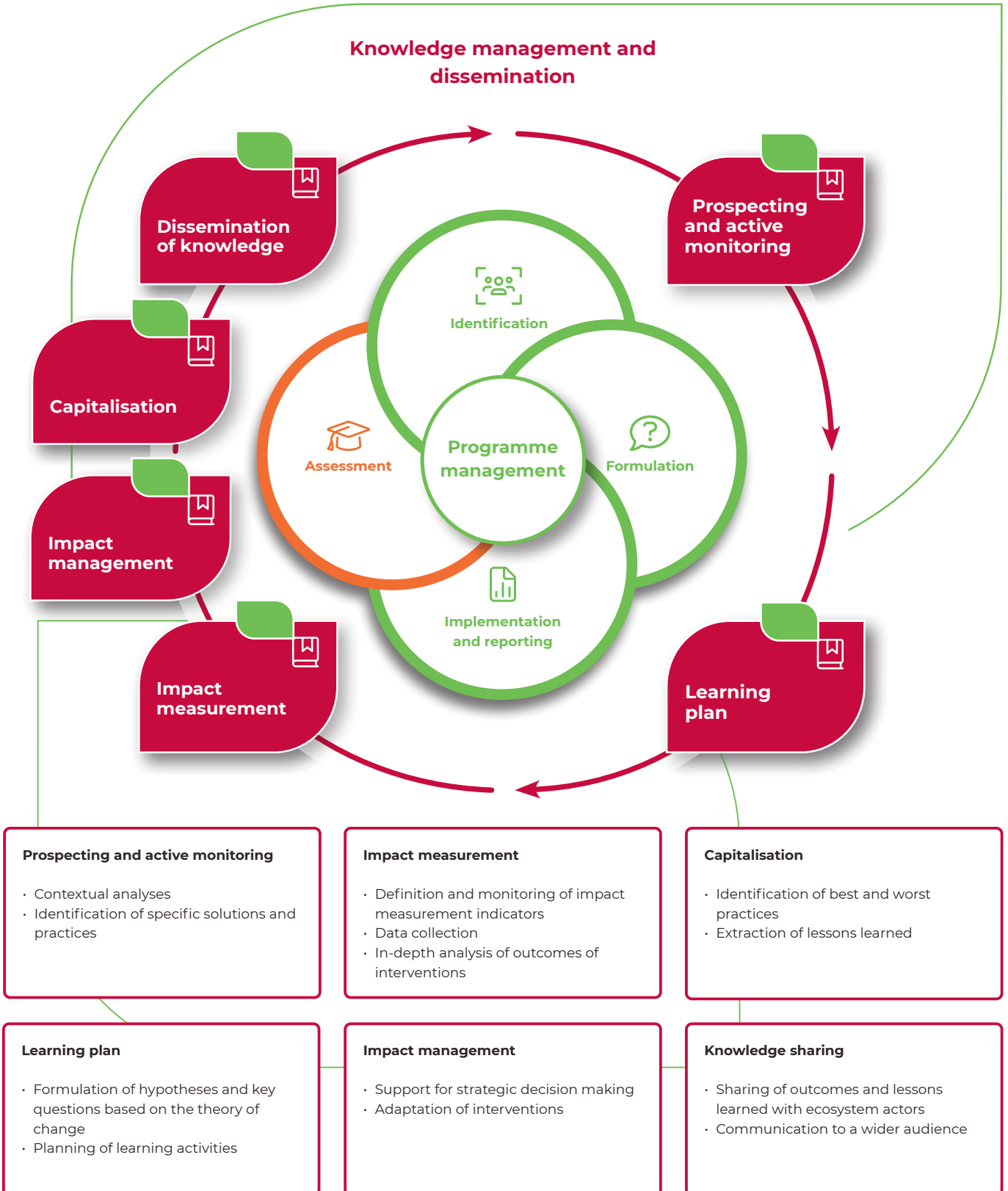
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**This continuous improvement process will also be based on a more comprehensive approach to capitalisation,** which is an integral part of the learning dynamic. Throughout the interventions, this continuous improvement will consist of identifying good practices in general, areas for improvement and insights gained from experimenting with the proposed solutions. Here again, this will make it possible to adjust interventions during their implementation and maximise the chances of obtaining positive outcomes and effects. Local partners will be closely involved in this approach and will be supported in strengthening their own impact measurement and management systems, in

order to make them a lever for steering, improving and developing their activity.

Finally, the outcomes and insights gained from the experiments will be **shared with other impact finance and development stakeholders** to contribute to a more collective learning dynamic. The sharing of experiences that have demonstrated both the impact of and the business case for solutions for vulnerable populations in particular will aim to encourage their replication by other actors.

Furthermore, this sharing should also contribute to strengthening the **visibility and recognition** of inclusive finance and impact finance as powerful tools to contribute to development and generate impact, including among actors in traditional financial systems, both in Luxembourg and internationally.

**Knowledge management and dissemination**


# 05

## OPERATIONAL IMPLEMENTATION

- 5.1 Targeted sectors
- 5.2 Geographical scope
- 5.3 Programmes and activities
- 5.4 Human resources
- 5.5 Budget and financial resources
- 5.6 Governance



Photo credit: Coumba communication

# OPERATIONAL IMPLEMENTATION

The implementation of the 2026-2030 strategic plan is structured through an annual action plan that specifies the programmes and activities envisaged in different sectors and in certain countries as well as the human and financial resources that will be used. The preparation of the annual plan is also an opportunity to make certain adjustments to the different programmes being implemented to integrate lessons learned on an ongoing basis and to take changes in the contexts in which ADA operates into account.

## TARGETED SECTORS

With a view to optimising and strengthening its effectiveness, ADA's interventions focus on a **limited number of economic sectors** in which ADA will support a limited number of local actors. These are sectors in which it is possible to **generate a positive impact for the target populations**, in particular in terms of securing or diversifying their income or meeting their essential needs. In these sectors, it is also possible to support **economic dynamics to generate this impact**, by helping local economic actors to consolidate, develop and sustain a range of products and services that respond to specific issues. Support for **entrepreneurial initiatives** is therefore at the heart of interventions.

In addition, these economic dynamics should offer **potential for sustainability**, in the sense that it should be possible to ensure their consistency with a development model that is low in carbon and natural resources. The use of digital tools and technologies will not be encouraged as an end in itself, but instead in consideration of the potential beneficial impact these digital solutions can have on vulnerable populations.

ADA is already involved in sectors related to sustainable land management or the productive use of basic services and will continue these interventions as part of its 2026-2030 plan. The interventions follow this logic:

- **Sustainable land management: in the agricultural and forestry sectors**, ADA will support inclusive economic dynamics as part of an integrated territorial approach, taking into account the complementarity of land uses from a sustainability perspective. The aim is to support different actors in agricultural and forestry systems – whether upstream, downstream or in support of the value chain – so that they can offer a range of services and solutions tailored to smallholder farmers. These financial and non-financial services should enable them to develop a sustainable economic activity, secure and diversify their revenues by selling their products or services at profitable prices and adopt practices that are more

resilient to climate change and the degradation of natural resources.

- **Productive use of basic services: in the energy and water sectors**, ADA will seek to support economic initiatives aimed at facilitating access to renewable energy and water for vulnerable populations, so that they can use it at home to meet their basic needs, but also for productive use in the context of economic activities. To this end, ADA will support private providers of renewable energy or water access solutions, as well as other relevant value chain actors, to enable them to offer these services in a sustainable and responsible manner.

This initial list of sectors is not exhaustive and will be expanded during the implementation of the strategy, with each new sector required to meet the same principles, namely the ability to generate a positive impact on target populations by supporting sustainable economic dynamics.

## GEOGRAPHICAL SCOPE

From 2026 to 2030, ADA plans to continue implementing its programmes in the regions in which it is already mainly engaged, namely: **Africa, with a particular focus on West Africa, Central America and Southeast Asia**. The aim is not to intervene in all the countries in these regions, instead, certain countries will be considered according to the following criteria:

- Countries in which the **political and security situation** allows programmes to be implemented.
- **Track record and relationships** already established with partners in these countries.



Photo credit: ADA

- **Synergies with other ADA programmes** or activities of ADA.

ADA will also continue to intervene in other countries upon requests from major funders such as MFA, IKI, If- orD, FIT, SDC, LED, etc.

Based on the above, this is the **initial list of countries** in which ADA is mainly engaged: Senegal, Benin, Togo, Cabo Verde, Rwanda, Guatemala, El Salvador, Nicaragua, Honduras, Dominican Republic, Cambodia, Philippines, Laos, Bangladesh, Nepal, Bhutan, Fiji<sup>14</sup>. This list of countries may evolve according to requests from potential funders or for security reasons, while ensuring overall consistency with ADA's strategy and available resources.

## PROGRAMMES AND ACTIVITIES

The support provided by ADA to actors in local economic systems is operationally broken down into various **technical support programmes and projects, investment advice as well as knowledge management activities, including impact measurement and knowledge dissemination**. While these three priority activities have their own objectives and implementation methods, they are complementary and feed into each other. ADA will seek to develop more synergies in the period from 2026 to 2030.

### Technical support programmes and projects

**Each technical support programme and project seeks to respond to a specific issue** identified through the analysis of the economic, socio-demographic and environmental needs and vulnerabilities of the target populations in a given context. Responding to an issue involves mobilising several actors in local economic systems to provide a combination of tailored solutions for the populations concerned. As these systems are specific to each context, a programme is broken down into several projects, each corresponding to its implementation

in a specific geographical context, with local actors and the appropriate solutions.

The actors and solutions to be supported are identified through the prospecting methodology tested over the past few years, while taking into account the recommendations resulting from an initial assessment to optimise its application.

Prospecting provides for active internal monitoring, documentary analyses, field prospecting missions and short-term test projects, the objective of which is to confirm the relevance of the solution and/or partner before its integration into a technical assistance programme.

This methodology is used to analyse the local economic systems in the sectors and countries in which ADA intervenes through its programmes, in order to understand their dysfunctions and to identify the key actors with whom to collaborate to address the specific issue targeted by a programme in a particular context. It also enables a dynamic of innovation by providing the opportunity to test and experiment with promising solutions.

Through the services provided to LMDF and FIT, ADA has also developed **solid expertise in impact investing, which deserves to be fully integrated into the implementation of technical assistance programmes**, particularly those that play a key role in supporting actors in the financing chain (see Local Economic Systems above). This integration may take place at different stages of technical assistance programmes for beneficiary partners, particularly when analysing financial needs, designing financial solutions or providing technical assistance to improve access to finance.

<sup>14</sup> In some countries, such as Nicaragua for example, the political situation may lead ADA to take certain precautions to limit interactions with the government without preventing it from supporting certain private actors that have an impact on vulnerable populations.

## Technical assistance programmes

The technical assistance programmes and projects that will be implemented during the 2026-2030 Plan include the following:

- **Young people and green jobs:** Facilitate the socio-professional integration of young people by supporting micro, small and medium-sized enterprises committed to environmental issues.
- **EVER - Énergie Verte pour le développement Rural** (green energy for rural development) Expand access to solar energy for vulnerable populations while developing economic activities in rural areas in West Africa.
- **ICFI - Inclusive Climate Finance Initiative:** Channel climate finance flows to vulnerable people by developing tailored financial products.
- **SSNUP - Smallholder SustainAbility Upscaling Programme:** Increase the resilience of smallholders and strengthen agricultural value chains by providing technical assistance to facilitate investments.
- **Structuring of forestry value chains:** Support smallholder farmers and strengthen forestry value chains by connecting stakeholders and providing appropriate financing and training.
- **Farmer 2.0:** Support smallholder farmers and agricultural cooperatives through a multi-service platform to access finance, insurance, inputs, markets and information.
- **ARCC - Climate resilient agriculture:** Help smallholder farmers to adopt sustainable agricultural practices to improve their resilience to climate shocks and preserve their livelihoods.
- **WASH - Water and sanitation:** Programme currently being formulated.
- **Financing of SMEs and young entrepreneurs:** Programme currently being formulated.

Some of these technical assistance programmes may include **projects that are part of the Luxembourg Cooperation through LuxDev**. When a LuxDev intervention corresponds to the theory of change of an ADA programme, collaboration can be envisaged through a project, as is the case for example with the SFERE - LuxDev project in Rwanda, which is part of the “Structuring forestry value chains” programme; the KIFC LuxDev project in Rwanda, part of which is aligned with the “Financing SMEs and young entrepreneurs” programme and the Inclusive and Innovative Finance - LuxDev project in Benin, part of which is integrated into the “Climate resilient agriculture” programme. Beyond the impact that the programmes may have on the target populations, the objective for the period from 2026 to 2030 is to **make the solutions and business cases of the supported local actors viable in order to have a demonstration effect** and to encourage other actors to extend these programmes to other contexts.

### **Innovative and inclusive finance projects**

In addition to the technical assistance programmes formulated by ADA and mentioned above, interventions are also planned as part of inclusive and innovative finance projects at the request of funders or investors with whom ADA works closely. For example, ADA contributes to the implementation of Luxembourg Cooperation projects such as the Local Development project in Laos, the Inclusive and Innovative Finance project in Benin and the Kwihaza project implemented with Enabel as part of a delegated cooperation from Luxembourg to Rwanda.

This category of projects also includes specific technical assistance projects following a request from investment structures such as IforD or LMDF, FIT or the European Investment Bank (EIB). Other projects of this type will be considered upon request on a case-by-case basis, when ADA considers that it is able to provide added value that corresponds to its expertise and strategy.

## **Investment advice**

Based on its experience with the Luxembourg Microfinance and Development Fund (LMDF) and the Financing Innovation Tool (FIT), ADA wishes to strengthen its **role as a strategic support and investment advisor for these investment structures and, where appropriate, for other impact investment vehicles that are aligned with its vision**.

For the regulated fund **LMDF**, in addition to providing investment advice to develop and monitor the portfolio, ADA will contribute to the fund’s strategic reflection to follow sector trends and remain aligned with the strategy of the Luxembourg Cooperation as well as that of ADA. In this context, adjustments regarding the target population as well as the measurement and management of the fund’s impact are envisaged. This strategic change should lead to a change in the portfolio of funded institutions in order to achieve the defined impact objectives. Incentive and subsidy mechanisms to promote the development of high-impact financial products could also be considered.

ADA will offer its investment advisory, strategic planning and administrative and financial support services for the societal impact company **FIT**, which will evolve according to identified needs. The next few years will be crucial for FIT to increase its reach through an ambitious fundraising campaign, thus affirming the validity of the “donate to invest” approach and highlighting the major role that FIT can play as a provider of catalytic capital. Furthermore, while the investment pipeline is mainly identified through ADA or LMDF, FIT’s objective is to involve other intermediary partners such as LHoFT, LuxDev or other actors to broaden its outreach.



Photo credit: Maxence Soulet

In addition to these two investment vehicles, in which ADA is a shareholder and played a leading role in their creation, ADA could offer its **strategic support and investment advisory services to other existing or future structures that share the same vision.**

ADA could support the MAE in defining an impact investing strategy focused on vulnerable populations that is aligned with its overall cooperation policy. Among other things, this would include a more precise

segmentation of the investment instruments in which the MAE is involved (such as LMDF, FCCF, FEF or FIT) or could be involved in in the future through complementary instruments. This investment strategy would strengthen synergies with Luxembourgish actors in the impact finance ecosystem and would better meet the diverse financing needs of partners supported by the Luxembourg Cooperation in the field.

## Knowledge management and dissemination

### Continuous learning dynamics

Continuous learning dynamics will be fully integrated into ADA's interventions. In practical terms, this approach will be applied by defining a programme-wide learning plan as early as possible (at the formulation stage if possible). This learning plan will initially identify the **main hypotheses and key questions** underlying the programme. A programme identifies a specific issue and aims to address it through a combination of solutions, based on a theory of change, which serves as the basis for formulating hypotheses and key questions.

These key questions should focus on, firstly, the **business case** for sustained economic dynamics to identify and implement the means to perpetuate the solutions tested through the interventions as soon as possible. Secondly, the questions should address the impact on vulnerable populations, the involved actors, the environment, as well as the conditions that favour this impact. The sources of information for verifying hypotheses and answering key questions are identified at the level of the projects that make up the programme. This is because projects enable solutions to be tested and adapted in a practical manner in specific contexts and serve as a testing ground for verifying hypotheses and drawing lessons from multiple experiences. The learning plan also includes **actions to be taken** to answer these key questions.

These actions may include, above all, **active monitoring** carried out internally or via outsourced studies. From a forward-looking perspective, these studies can fuel deliberations to identify and formulate programmes and projects by identifying innovative or promising

solutions as well as good and less good practices already tested by others.

An **M&E and impact measurement** process will also be put in place and will include:

- **Defining and monitoring indicators**, in particular to identify the outcomes and effects of projects and programmes. Outcomes will be monitored systematically for all interventions. These include the number, type or profile of users of the various services and solutions offered as part of the interventions. Monitoring these indicators makes it possible to assess the scope of the interventions, not only in quantitative terms (based on the number of users) but also in qualitative terms, by identifying the vulnerability profiles of the populations reached. The performance indicators also concern the performance of partner organisations. Outcomes will be estimated for a selection of interventions (at least one intervention per programme). They concern the main changes perceived by the target populations regarding their economic activity and living conditions. These changes can result from the use of services and solutions offered as part of the interventions or can also be changes in the performance of partner organisations resulting from the support received, as well as changes in the environment.

The indicators are entered by the project partner organisations. Support can be provided directly to partners in the form of advice by the Knowledge Management team to put in place the tools and processes needed to collect information to inform these indicators. In this case, this approach is implemented in such a way as to enable the partner to better monitor

the outcomes of its activities in general, and not only for ADA's intervention.

- **In-depth analyses of the outcomes of interventions based on various methods to inform the defined indicators.** These methods may include the implementation of specific data collection tools and mechanisms at the level of partner organisations, baseline and/or final surveys of a sample of final beneficiaries to identify the perceived effects of interventions, or environmental impact assessments based on scientific methods applied in collaboration with the relevant institutions.

Activities dedicated to the more general **capitalisation** of the experience will also be planned and will include:

- **individual interviews or group workshops** with the ADA programme managers and project partners to identify good and less good practices and draw qualitative lessons from the experiments in a collective and participatory manner.
- **Mid-term reviews and final evaluations** of projects to summarise all the outcomes, factors contributing to success or failure, and insights gained in the context of a given intervention.

Over and above identifying outcomes, impacts, insights gained and best practices, it is how they are used to guide interventions and make informed decisions that will allow the impact management approach to be put into practice. Time will therefore be devoted to getting to know and discussing the outcomes and insights gained from the interventions, for example at annual "programme committee" meetings or after the synthesis of the annual outcomes at ADA level. Decisions will then be made regarding the interventions to be continued, adjusted, extended, replicated or abandoned to ensure continuous improvement and the achievement of the strategic objectives set.

Finally, the knowledge generated as part of this approach will be distributed within the sectors in which ADA operates in various manners. This dissemination may be done via articles and publications, but also via more visual, dynamic or interactive media (infographics, videos, motion design) to facilitate understanding and appropriation of the content by diverse audiences.

### **Knowledge dissemination and communication**

The outcomes of the interventions and insights gained from this learning process will be disseminated within different ecosystems, in particular development, inclusive finance and impact finance to contribute to a more collective learning dynamic.

These lessons will of course be shared with the actors with whom ADA already collaborates. Collaborations with sectoral networks such as the CSAF (Council on Smallholder Agricultural Finance) for investment in agriculture, ARE (Alliance for Rural Electrification) for access to energy, and ANDE for support for entrepreneurship will be strengthened. Other sectoral networks will also be identified to contribute to this dissemination of learning.

ADA will also seek to strengthen synergies with inclusive finance actors in Luxembourg and internationally, such as LHoFT, InFiNe, MIN, e-MFP, SPTF, or AFI, but also with the broader impact finance ecosystem, by strengthening exchanges with actors such as LSFI and the IIAB – Impact Investing Advisory Board, Accelerating Impact, LuxSE, EIB Institute, Impact Europe, etc. By interacting with this ecosystem, the insights gained from ADA's concrete experiences in the field can be shared with actors who are further removed from it, actively contributing to strategic discussions and dialogues on the evolution of inclusive finance and impact finance, and promoting these segments of finance to more traditional financial actors.



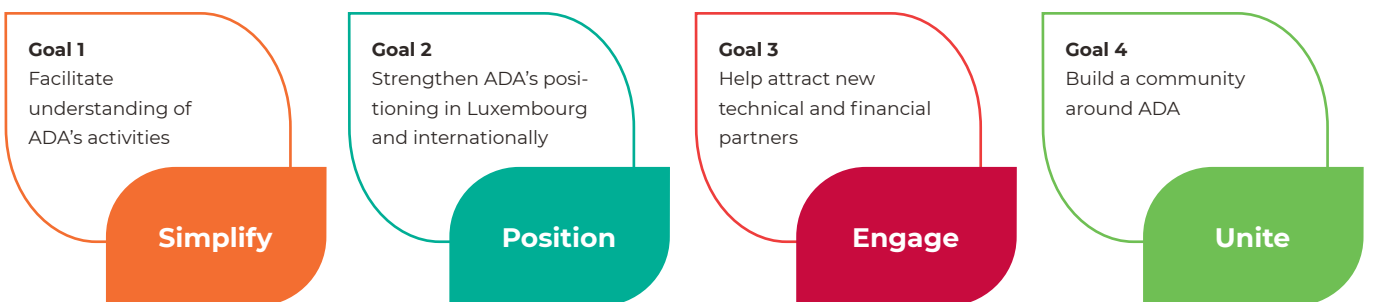
Photo credit: iStock

In addition to these networks, sector media (websites such as the FinDev Portal, regular publications such as the Impact Finance Barometer) may also be used to share experiences, lessons learned and deliberations with a diverse professional audience. Finally, drawing on the knowledge and insights gained from the learning process, broader dissemination and

communication actions will be carried out to **share the outcomes and impact of ADA's interventions in favour of vulnerable populations.**

Initiated in 2025, the implementation of the communication strategy will continue from 2026 to 2030. This **strategy has four components:**

**Components of the communication strategy**



As part of this strategy, communication aspects will be fully integrated into the various programmes, with an emphasis on sharing outcomes, approaches and insights to encourage other actors to draw inspiration from them for their own initiatives. The information will be disseminated to **various target audiences, including development cooperation actors, potential public and private funders, sustainable finance actors and companies** whose activities are related to the sectors in which ADA operates.

This information dissemination will be segmented according to the defined targets and will use both direct distribution channels (social networks, websites, emails, etc.) and specialised intermediaries such as platforms linked to international cooperation, impact finance, and so on. Communication actions are also planned via the Luxembourgish press to raise awareness of the impact of ADA's activities among professionals and, indirectly, the general public, thereby developing a community around the organisation.

Again with the aim of making the produced knowledge available as a common good, ADA will also contribute to strengthening the impact finance ecosystem through specific knowledge dissemination projects:

- **FAR - Agricultural and Rural Finance Training:**

This agricultural finance capacity building programme was developed for several years in Africa in collaboration with the FAO and was extended to Central America in 2025. The aim is to develop FAR into a benchmark programme in agricultural and rural finance over the next few years, while offering the opportunity to share insights gained from ADA's programmes and to feed these programmes with initiatives led by actors in the field.

- **Research activities with UNI.lu:**

The University of Luxembourg offers academic research and certified training programmes in impact finance, focusing on topics such as impact measurement and management, regulatory and taxonomy aspects and financial services targeting vulnerable populations, in line with the topics covered by ADA's interventions and activities.

- **SAM - African Inclusive Finance Week:**

As part of its 2026-2030 strategy, ADA wishes to develop SAM to strengthen the financial and impact economy dimension and make it a flagship event in this area in 2027 and 2029, co-organised with key actors on the continent.

ADA will ensure that these projects are aligned with its overall strategy and generate synergies with its programmes, for example by ensuring that partners from various programmes can participate in FAR training courses, training courses organised with UNI.lu, or SAM. Topics covered in these training programmes and events can feed into certain ADA initiatives and activities or, where appropriate, those of other actors in Luxembourg's sustainable finance ecosystem.

## HUMAN RESOURCES

Total human resource costs represent the largest item in the organisation's overheads. Having a HR strategy and management adapted to the strategic needs and capabilities of the organisation is imperative. This HR strategy is based on three main areas.

### Workforce management

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ADA will adopt a **resolutely conservative approach to workforce growth** by ensuring that human resources dedicated to the organisation's core activities (technical assistance, investment, knowledge management, dissemination and communication) represent at least 80% of full-time equivalent positions, compared to less than 20% for so-called enabler activities (activities that support the organisation, including administrative management, financial management and human resources management). Each new position (replacement or creation) will be documented for approval by the Management Committee.

In concrete terms, ADA anticipates a **change in its workforce in line with the growth of its activities and available resources**, which, according to initial projections, could represent up to 10%-15% growth in staff numbers over the next five years.

### Strengthening the organisational model

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The organisational model will be strengthened based on the following two elements:

- **Vertical/matrix integration** of investment, knowledge management, knowledge dissemination and communication activities in relation to technical assistance activities.

- o Technical assistance: implementation of programmes and projects.
- o Access to investments: promotes the scaling up and sustainability of services for vulnerable populations.
- o Knowledge management: strengthens the methodological framework for initiatives, data collection, analysis and monitoring of programme impact.
- o Knowledge dissemination and communication: sharing the outcomes and insights gained from the various implemented programmes.

- **Coordination of the "Enabler" functions** under a DAF/CFO-type responsibility that covers financial and administrative aspects.

### An agile human resources policy supporting the 2026-2030 plan

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To address the constraints associated with recruiting profiles that meet ADA's specific needs, an agile human resources policy will be defined to support the requirements of the 2026-2030 plan, with a focus on:

- **Developing the ADA employer brand** to facilitate the recruitment of suitable candidates through a spontaneous flow of talent.
- **"Human resources" risk management**, including legal protection (covering social security and tax aspects), a reputational component linked to the performance of each employee's duties, and a "security" component linked to field assignments.
- **Talent management** to retain employees over the long term with ongoing training that strengthens skills, career development prospects and adequate flexibility to facilitate work-life balance.



Photo credit: ADA

This human resource policy is based on the following founding pillars:

- **Values of the organisation:**  
**Humanity / Commitment**  
**Responsibility / Openness**

Each step of the Human Resource policy will systematically incorporate ADA's values.

- **The employee cycle:** the human resource policy will be structured around a standard employee career path, from the recruitment process to the end of the contractual relationship.

### Recruitment

**ADA will improve its visibility as an employer brand.**

This will involve external communication on the more active recruitment and professional channels, through communication campaigns emphasising the attractiveness and values of the organisation. In addition, each candidate will be assessed in advance

against the organisation's values. If the candidate does not meet these requirements, they will not be invited to continue with the recruitment process (role-playing, in-depth interviews, reference checks).

**The diversity of human resources** is a performance accelerator within ADA, both culturally, linguistically and academically. This diversity will be encouraged during the recruitment process.

### Integration

Each new employee will follow a **systematic induction process:** the charter of conduct, internal organisation, work tools and procedures, ongoing projects.

### Training & Skills

ADA is recognised for its **skills and expertise in field projects** and in terms of good governance practices. It is imperative to maintain this level of ADA leadership by ensuring the continuous training of each employee. The annual training budget will be allocated based on the challenges of the 2026-2030 strategic plan.

Accordingly, training expenses will be allocated to cover the following aspects:

- Technical assistance and expertise.
- Methodological approach (project management).
- AML and cybersecurity vigilance.
- Managerial development.
- Other types of training (languages, etc.).

### Performance and individual development management

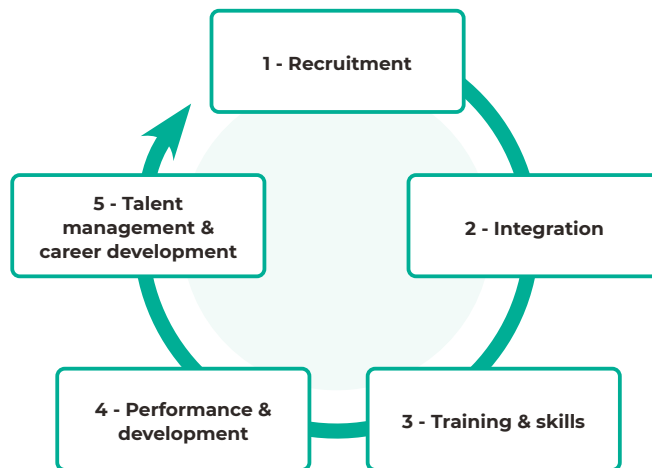
The staff assessment system will be fully digitised and will include the following sections:

- Alignment with the organisation's values.
- Measurement of individual contributions in relation to the objectives set.
- Consolidation of technical and behavioural development needs.

### Talent management and career development

The Management Board is responsible for conducting an **annual talent review** to ensure the proper management of human risk (talent retention), the adequacy of collective and individual development needs and the human management of potentially sensitive files.

This talent review is documented and formalised in an HR management file. **The diversity of resources leads to the definition of long-term engagement policies that take demographic changes into account, with increasing flexibility** regarding the contractual nature of employees.



## BUDGET AND FINANCIAL RESOURCES

For the period from 2026 to 2030, the overall budget is **between €18 million and €22 million per year**, reflecting a budget growth of 21% over five years. The summary presentation of the budget, which covers both the expenses and the human resources related to each type of activity, reflects an **allocation focused mainly on development activities** and which breaks down as follows:

- The budget allocated to **development activities, which represents 92%** of the organisation's annual budget, is distributed, depending on the year, as follows: 66% for technical support activities, 8% for investment advisory activities, between 11% and 12% for knowledge management activities (including research activities with UNI.Iu). Between 4% and 11% for knowledge dissemination and communication activities, including the organisation of SAM every two years.
- Depending on the year, **administrative operating expenses are around 7.5%**.

In terms of investment advice, it is important to note that the budget covers investment advisory services provided to third-party organisations such as LMDF, FIT, or others where applicable. In addition, it also covers contributions to risk hedging mechanisms or incentives to encourage high-impact investments

Strategic Plan 2026-2030 (€000)	2026 Budget	%	2027 Budget	%	2028 Budget	%	2029 Budget	%	2030 Budget	%
Technical assistance	12.586	68%	12.529	62%	14.031	69%	13.076	62%	15.486	70%
Investment advice	1.469	8%	1.540	8%	1.604	8%	1.773	8%	1.832	8%
Knowledge management	2.290	13%	2.226	11%	2.352	11%	2.272	11%	2.475	11%
Knowledge dissemination and communication	792	4%	2.247	11%	853	4%	2.321	11%	902	4%
Administrative expenses	1.358	7%	1.520	8%	1.611	8%	1.585	8%	1.660	7%
<b>Total budget</b>	<b>18.494</b>	<b>100%</b>	<b>20.062</b>	<b>100%</b>	<b>20.451</b>	<b>100%</b>	<b>21.027</b>	<b>100%</b>	<b>22.355</b>	<b>100%</b>

among targeted populations.

Of this total budget, the portion allocated to human resources (excluding those directly related to investment advisory services provided to third-party organisations) **represents just under 30%**, covering both project management and the expertise shared with partners and other stakeholders with whom ADA collaborates.

**With regard to financing sources, the mandate of the Luxembourg Cooperation, which is expected to remain stable over the five-year period, represents an amount of €9.45 to €9.95 million per year**, depending on the year, with variations mainly due to the organisation of SAM. This mandate funding will be primarily dedicated to innovation and project launches and should generate leverage by mobilising additional resources from other public and private funders. This leverage effect is reflected **in the proportional change in the amount of the mandate, which has fallen from 51% to 42% of the total annual budget.**

In this sense, **the envisaged growth of the programmes will be financed by off-mandate resources**, estimated at between €9 million and €13 million per year. These resources will come from the collaboration with LuxDev as well as other public and private funders. The resources already mobilised from funders such as IKI (Germany), SDC (Switzerland) or LED (Liechtenstein) represent between 30% and 20% of the annual budget for the first three years. With regard

to additional resources, **a fundraising strategy is being prepared and will focus, among other things, on mobilising resources from private foundations and large individual donors.**

## GOVERNANCE

Since its creation as a non-profit organisation, governance has always been important for the organisation. In addition to its articles of association, ADA has adopted a governance charter that specifies the composition, role and functioning of its various bodies (the general meeting of members, the Board of Directors, executive management and specialised committees). The articles of association and the governance charter also clarify the distribution of powers (including limitation on the renewal of certain mandates), decision-making processes and control mechanisms (including payments) that are put in place to ensure the proper management of the organisation. The specialised committees are as follows: Nomination, Evaluation and Remuneration Committee; Audit, Governance and Risk Management Committee; Strategy Committee.

As in the past, ADA will ensure that its articles of association and governance charter are amended for the period from 2026 to 2030 so that these reference documents remain aligned with the organisation's

# 06

## MONITORING AND EVALUATION



Photo credit: Philippe Lissac

# MONITORING AND EVALUATION

A monitoring and evaluation process has been defined in line with the theory of change on which ADA bases its interventions to ascertain the achievement of objectives, not only at the level of the interventions but also at the level of ADA more generally. **Indicators** were therefore defined at each level of the theory of change (resources, activities, outcomes, effects), with the exception of the “impact” level, which exceeds the scope of ADA.

These indicators can be consulted below and are qualified as “standard” insofar as they are applicable to all ADA activities. They have been defined in line with international standards, in particular the SDGs and the IRIS+ indicator catalogue established by CIIN and considered a benchmark by impact finance actors. Monitoring indicators are defined in line with these **“standard” indicators** for each ADA intervention. Specific indicators for each intervention (i.e. not included in the list below) may be added where relevant.

During the implementation of interventions, standard and specific indicators are reported by the partners using generic reporting tools provided by ADA and adapted to partners' needs where necessary. Monitoring these indicators makes it possible to verify the achievement of annual objectives and progress towards the final objectives for each intervention. **The standard indicators reflecting progress towards ADA's overall objectives are aggregated and summarised once a year.**

**An “impact report”** summarising the outcomes achieved since the strategic plan's implementation began, as well as the outcomes of a selection of interventions, will be produced every two years (in 2028 and 2030). The report will illustrate how ADA generates positive changes for the target populations and actors in the local economic systems in which it operates in the medium term.

**An evaluation** of the plan will also be carried out by one or more external evaluators in the penultimate year of the plan (2029), which will enable an objective assessment of the achievement of the expected outcomes based on the above sources of information, identify the factors contributing to success or the sources of difficulties, and provide input for the development of the strategy and the preparation of the organisation's future activities.

**MONITORING INDICATORS**

Theory of change element	Indicateurs	IRIS+ equivalents	SDG
<b>RESOURCES</b>	<ul style="list-style-type: none"> <li><b>Total amount allocated to initiatives</b> and % by country, source of funding, type of funding (grant/investment)</li> <li><b>Average amount allocated</b> per partner, end user of solutions</li> </ul>	I10324, I19005	SDG 17
<b>ACTIVITIES</b>	<ul style="list-style-type: none"> <li><b>Number of supported actors in local economic systems</b> <ul style="list-style-type: none"> <li>- By type of organisation (financial institution, SME, etc.)</li> <li>- By type of support provided (internal capacity building, solution development, investment)</li> </ul> </li> </ul>		SDG 8
<b>OUTCOMES</b> <b>Functional, impact-oriented local economic systems</b>	<ul style="list-style-type: none"> <li><b>Number and % of key actors in viable supported local economic systems</b> (performance indicator to be identified - OSS, EBITDA, etc.)</li> <li><b>Number and % of key actors in local economic systems supported and oriented towards impact</b> <ul style="list-style-type: none"> <li>- whose impact intention is formalised in the strategy and/or operational processes</li> <li>- with a higher social and/or environmental performance management score than the benchmark (tools to be identified)</li> </ul> </li> <li><b>Average number of actors providing solutions to the same target group</b> and involved in an intervention</li> </ul>		SDG 8
<b>OUTCOMES</b> <b>Access to and use of solutions by vulnerable populations</b>	<ul style="list-style-type: none"> <li><b>Number of users of impact solutions</b> <ul style="list-style-type: none"> <li>- <b>By type of solution:</b> financial services, basic services, capacity-building services, market access solutions</li> <li>- <b>By vulnerability profile:</b> % of women for all interventions, and optionally % of young people, % of populations exposed to climate change, etc., when these specific groups are deliberately targeted by the intervention</li> </ul> </li> </ul>	PI4060, PI8732  (PI8330, PI7098, PI9652, PI1190, PI5297, PI6266, etc.)	SDG 1 SDG 2 SDG 4 SDG 5 SDG 6 SDG 7 SDG 10 SDG 13
<b>EFFECTS</b> <b>Inclusive and sustainable economic development</b>	<ul style="list-style-type: none"> <li><b>Number and % of key actors in local economic systems whose activity has increased:</b> <ul style="list-style-type: none"> <li>- revenue/portfolio increase</li> <li>- increase in number of employees</li> <li>- raised additional financing</li> <li>- increase in scope</li> <li>- developed new, long-term partnerships</li> </ul> </li> <li><b>Average revenue / portfolio growth rate</b></li> <li><b>Number of jobs created or maintained</b></li> <li><b>Total and average amount of additional financing raised</b></li> <li><b>Number and % of key actors in local economic systems that have adopted more sustainable practices</b></li> <li><b>Quantity of CO2 eq. avoided or sequestered</b> (% and number of tonnes - where relevant)</li> <li><b>Preservation of biodiversity</b> (indicator to be defined - where relevant)</li> <li><b>Amount of water saved</b> (% and number of litres - where relevant)</li> </ul>	FP4761 OI4015/ PI3687  OI5951  OI4015	SDG 8       SDG 13 SDG 7 SDG 15 SDG 6
<b>EFFECTS</b> <b>Empowerment of vulnerable populations</b>	<ul style="list-style-type: none"> <li><b>Number and % of solution users who have changed their practices / adopted more sustainable practices</b></li> <li><b>Number and % of solution users who have improved their activity and economic situation:</b> <ul style="list-style-type: none"> <li>- increased production volume</li> <li>- decreased production costs / expenses</li> <li>- increased number and amount of commercial transactions</li> <li>- increased income from economic activity</li> <li>- better able to absorb a shock</li> </ul> </li> <li><b>Number and % of solution users who have improved their quality of life:</b> <ul style="list-style-type: none"> <li>- access to basic services (energy, clean water, sanitation, etc.)</li> <li>- more comfort, safety, peace of mind, etc.</li> </ul> </li> </ul>		SDG 1 SDG 2 SDG 8  SDG 1 SDG 13  SDG 1 SDG 6 SDG 7



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## STRATEGIC PLAN 2026-2030



39 rue Glesener  
L-1631 Luxembourg  
Tel.: +352 45 68 68 1  
**ADAImpact.lu**