



## Press release of 15 December 2021 - Signature of the ADA mandate

### **Luxembourg's Development Cooperation renews its support of the inclusive finance sector through the Luxembourgish NGO Appui au Développement Autonome (ADA)**

*On 15 December 2021, Franz Fayot, Minister of Development Cooperation and Humanitarian Affairs, signed an agreement by which the Ministry of Foreign and European Affairs (MFEA) grants a new mandate to Appui au Développement Autonome (ADA), an NGO promoting the inclusive development of vulnerable populations.*

This commitment by Luxembourg's Development Cooperation will cover a period of four years, from 2022 to 2025, with a budget of 63 million euros, 59% of which will be financed by the MFEA and 41% by other public and private sources.

*"This new mandate is the outcome, as well as the promise, of fruitful collaboration that delivers tangible results on the ground and that enables the development of large-scale, high-impact projects,"* explains Laura Foschi, ADA's Executive Director.

These resources will make it possible to finance activities proposed by ADA and validated by MFEA, with a focus on **three key themes: young entrepreneurship, agricultural and forestry value chains and access to basic services**, as well as on the three transversal topics of climate change, gender issues and the role of women, and the use of digital technologies.

The **main target groups** of ADA's interventions in developing countries during this mandate will be: **vulnerable households**, especially those with limited access to basic services such as water and energy; **young entrepreneurs**, both men and women, who face even greater constraints in accessing employment and socio-professional integration; as well as **small, family-run farms** and other actors in the agricultural and forestry value chains who are exposed to climate-related risks and suffer from economic insecurity.

ADA's activities are aligned with the priorities of Luxembourg's Development Cooperation, which include increasing access to responsible agricultural financing, markets and innovative practices for small-scale farmers, as well as creating adequate financial and economic opportunities for young people and women.

The partnership between ADA and the MFEA has existed for many years. The previous mandate from 2018 to 2021 yielded encouraging results despite the pandemic disruption in 2020 and 2021. In concrete terms, several hundred microfinance institutions (MFIs) were supported and more than 100,000 beneficiaries gained access to tailored financial and non-financial services. These results were achieved thanks to a wide variety of tailored projects which were carried out with numerous partners in the field. A team of more than 40 experts was mobilised and 43 million euros were invested in the process, 76% of this funding stemmed from the mandate of the Luxembourgish Development Cooperation.

At the signing ceremony, Minister Franz Fayot stated that *"the renewal of this mandate confirms ADA's central role as an expert in inclusive finance and as a knowledge catalyst within Luxembourg's Development Cooperation framework. Thanks to relevant responses to development needs, effective interventions and an adequate use of its resources, ADA is unquestionably fulfilling its role as a development non-governmental organisation (NGO). Its innovative solutions for facilitating inclusive development contribute to improving the living conditions of vulnerable populations and to the achievement of sustainable development goals."*

In the course of the new mandate, ADA's interventions will significantly contribute to several Sustainable Development Goals (SDGs) such as poverty eradication (SDG 1); reducing food insecurity (SDG 2); providing access to decent employment and income (SDG 8); adapting to climate change (SDG 13) and strengthening partnerships between different types of actors in the inclusive finance sector (SDG 17). ADA will also indirectly contribute to good health and well-being (MDG 3), quality education (MDG 4), gender equality (MDG 5), access to safe drinking water and sanitation (MDG 6), affordable and clean energy (MDG 7), fostering innovation and the inclusion of small enterprises (MDG 9), reducing inequality (MDG 10), improving shelter (MDG 11) and to sustainable forest management (MDG 15).

This new mandate takes into account recent developments in inclusive finance and consolidates the complementary contributions of ADA and MFEA both towards achieving the sustainable development goals and towards implementing sustainable solutions that meet the needs of vulnerable populations. *"Building inclusion and sustainability into our programmes is one of the main keys to achieving the Sustainable Development Goals. This is the key strategic aim of this new mandate,"* concludes Laura Foschi.



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(from left to right) Franz Fayot, Minister of Development Cooperation and Humanitarian Affairs; Patrick Losch, Chairman of Appui au Développement Autonome (ADA)