

Australian Development Investments 2025 IMPACT STUDY

19 DECEMBER 2025



REPORT PREPARED BY:

David Poulton, Rebecca King and Sarah Friendship – Alinea International
alineainternational.com

Front Cover Image: [ADI Collage]



CONTENTS

KEY ABBREVIATIONS AND ACRONYMS	5
EXECUTIVE SUMMARY	7
Key Findings & Recommendations	9
1. INTRODUCTION	13
Investment Objectives	14
Purpose and Scope of the Impact Study	15
ADI's Development EOPOs.....	15
Approach	16
Limitations	16
2. INVESTMENT OVERVIEW	18
3. HIGH LEVEL ACHIEVEMENTS	19
Headline Performance.....	19
Portfolio-Wide Reach.....	20
Additionality and Concessionality	21
Gender Equality Progress at Investment Level	23
Addressing Climate Impact at Investment Level.....	23
Technical Assistance.....	24
Governance and Ecosystem Building.....	25
4. COMMUNITY BENEFIT	27
Inclusive Products and Services.....	27
Supplier Engagement.....	29
Tax Contributions	29
Decent Work Assessment	30
Attribution and Catalytic Effects.....	33
5. GENDER EQUALITY	36
Expanding Women's Participation Across the Portfolio	38
Reaching Women as Consumers, Entrepreneurs, and Suppliers	40
Shaping Systems and Markets for Gender Equality	40
6. CLIMATE IMPACT	43
Catalytic Capital for Climate	44
Mainstreaming Climate Across the Portfolio.....	45
Climate Adaptation Outcomes.....	46
Climate Resilience Outcomes	46
Technical Assistance on ESG Systems as Enablers of Climate Outcomes	47
7. INFLUENCE	50
Alignment With National Priorities	51
Shaping Regional Agendas.....	52
Influencing DFAT and Government Thinking.....	53
8. LONGITUDINAL DESIGN FOR THE NEXT IMPACT STUDY	54

9. RECOMMENDATIONS	55
Community Benefit	55
Gender Equality	55
Climate Impact	56
Influence	56
Cross Cutting	57
ANNEX A: PROFILE OF COMPANIES	58
ANNEX B: ADI IMPACT AGAINST GLOBAL BENCHMARKS	63
ANNEX C: OVERVIEW OF TECHNICAL ASSISTANCE PROVIDED	65
ANNEX D: KEY INFORMANT INTERVIEWS	67
ANNEX E: ADI THEORY OF CHANGE	68

KEY ABBREVIATIONS AND ACRONYMS

Acronym	Full Form	Description
ADI	Australian Development Investments	A blended finance initiative investing in inclusive, gender-smart, and climate-aligned businesses across the Indo-Pacific
AVV	Ascend Vietnam Ventures	One of ADI's fund managers investing in Vietnamese startups.
AUD	Australian Dollars	Currency used for financial figures
CO ₂ eq	Carbon Dioxide Equivalent	Standard unit for measuring carbon footprints, including all greenhouse gases.
DEI	Diversity, Equity, Inclusion	Organisational practices promoting inclusive workplaces
DFAT	Australian Department of Foreign Affairs and Trade	ADI's Government partner.
DFI	Development Finance Institution	Financial institutions providing capital for development projects
EMIIF	Emerging Markets Impact Investment Fund	Predecessor to ADI, focused on gender-lens investing and market-building
EOPO	End of Program Outcome	Long-term results expected at program completion
ESG	Environmental, Social and Governance	Standards for managing sustainability and ethical risks
ESGMS	Environmental, Social and Governance Management System	Framework for implementing ESG policies and monitoring compliance
EV	Electric Vehicle	Low-emission transport technology supported by ADI investees
FMV	Fair Market Value	Valuation metric for investments
FTE	Full-time Equivalent	Measure of workforce size based on full-time hours
GBVH	Gender-based Violence and Harassment	Risks addressed through gender safeguards in investments
GHG	Greenhouse Gas	Emissions contributing to climate change
GLI	Gender Lens Investing	Investment approach integrating gender equality objectives
HR	Human Resources	Workforce management function
IFC	International Finance Corporation	Global DFI promoting private sector development
IIA	Indonesia Impact Alliance	Network promoting impact investing in Indonesia
ISSB	International Sustainability Standards Board	Body developing global sustainability disclosure standards
IT	Information Technology	Digital systems supporting operations
IW	Investing in Women	An Australian government initiative promoting women's economic empowerment
JIM	Joint Impact Model	A model to estimate indirect impact (e.g., GHG emissions, jobs) of investments

Acronym	Full Form	Description
KII	Key Informant Interview	Qualitative data collection method used in impact studies
KPI	Key Performance Indicator	Metrics for tracking program and investment performance
MSME	Micro, Small to Medium Enterprise	Business size categories supported by ADI
MW	Megawatts	Unit of power capacity, used in renewable energy reporting
NFIS	Bangladesh's National Financial Inclusion Strategy	Policy framework for improving financial access in Bangladesh
ODA	Official Development Assistance	Government aid for economic development and welfare
OPIM	Operating Principles for Impact Management	Global standards for managing impact investments
PDP8	Vietnam's Power Development Plan VIII	National plan guiding energy transition and grid expansion
PSEAH	Prevention of Sexual Exploitation, Abuse and Harassment	Safeguard standards applied in ADI investments
PwC	PricewaterhouseCoopers	Professional services firm providing audits and advisory
ROI	Return on Investment	Financial performance metric
RPJMN	Rencana Pembangunan Jangka Menengah Nasional	Indonesia's Medium-Term Development Plan
SEACEF	Southeast Asia Clean Energy Facility	ADI supported fund managed by Clime Capital Management
SFDR	Sustainable Finance Disclosure Regulation	EU regulation on sustainability-related disclosures
SME	Small to Medium Sized Enterprise	Businesses that are often targeted for inclusive economic growth
SNKI	National Strategy for Financial Inclusion	Policy framework for financial inclusion in Indonesia
STEM	Science, Technology, Engineering and Mathematics	Skills promoted through gender and education initiatives
TA	Technical Assistance	Capacity-building support provided to fund managers and SMEs
TCFD	Task Force on Climate-related Financial Disclosures	Global framework for climate risk reporting
TVPI	Total Value to Paid-In Capital (TVPI) ratio	Ratio measuring fund performance
UNPRI	United Nations Principles for Responsible Investment	Global principles for responsible investing
VPCA	Vietnam Private Capital Association	Industry body promoting private investment in Vietnam

EXECUTIVE SUMMARY

Australian Development Investments (ADI) is delivering catalytic impact across South and Southeast Asia, demonstrating how blended finance can unlock private capital for inclusive and climate-resilient growth. Between 2021 and 2024, ADI committed AUD 25.4 million and mobilised over AUD 177.6 million in private capital - achieving a mobilisation ratio of 1:5, well above the regional benchmark of 1:2 reported by Convergence in 2023¹. ADI's concessional capital has enabled early-stage investments in high-impact sectors, supported pioneering clean energy ventures, and strengthened fund manager practices across gender, climate, and Environmental, Social and Governance (ESG) domains.

ADI builds on the foundations of the Emerging Markets Impact Investment Fund (EMIIF), which began as a gender-lens investing pilot in 2020. EMIIF focused on mobilising private capital and advancing gender equality through fund-level strategies and technical assistance (TA). In 2023, the program transitioned into ADI with an expanded mandate to include climate finance alongside gender objectives, reflecting DFAT's strategic priorities and lessons learned from EMIIF.

ADI-supported Small to Medium Sized Enterprises (SMEs) reached 28.9 million individuals in 2024, which includes 1.46 million micro-entrepreneurs. While outreach and revenue growth were strong, employment outcomes were mixed: 10,356 full-time and 12,463 temporary jobs were supported by ADI companies, 952 new jobs were created, and 1,333 were lost (68% of which affected women). These trends reflect broader regional headwinds and underscore the need to assess not just job quantity but job quality and inclusion.

Gender equality is increasingly embedded across ADI's portfolio. In 2024, 77% of SMEs met 2X Challenge criteria², with rising representation of women in management and governance. Average board-level participation of women reached 26% which is slightly above regional and global averages of 18–22% reported for emerging markets and meeting the 2X Challenge threshold for gender leadership. However, progress remains uneven across countries and sectors³.

Climate impact has accelerated, with 145.6 MW of solar capacity added and 110,608 tCO₂eq in avoided emissions. ADI provided an anchor investment of AUD 4.8 million in SEACEF II using a blended-finance instrument that combined concessional and catalytic capital to de-risk early-stage climate investments. This anchor commitment helped the fund attract approximately AUD 47.4 million in private climate finance, marking a strategic shift from ambition to execution.

TA remains a cornerstone of ADI's model, enabling ESG management improvements, gender integration, and climate impact reporting. In 2024, AUD 2.2 million in TA supported 11 SMEs and 4 fund managers. While outcomes were largely positive, some TA providers and SMEs noted that support was delivered before businesses were fully ready to absorb it. Highlighting the importance of close coordination and more flexible, co-designed TA planning to match delivery timing with enterprise readiness, rather than fixed annual cycles.⁴

Evidence of broader market-building effects such as recognition within national investment networks or policy dialogues is emerging but remains limited, reflecting ADI's design focus on demonstrating blended finance models rather than direct policy engagement. Stakeholders noted that ADI could more actively leverage its on-the-ground experience and data to inform discussions with relevant ecosystem actors (such as investors, development partners, and selected industry bodies) to help strengthen the enabling environment for impact-oriented SMEs. While ADI's mandate does not extend to formal policy engagement, its portfolio insights offer

¹ Convergence (2023). *Blended Finance Leverage Ratio – Blog*. Convergence News.

² The 2X Challenge was launched by development finance institutions in 2018 to mobilise capital for women's economic empowerment. An investment qualifies if it meets at least one of the 2X criteria (women's ownership, leadership, employment, consumption, or entrepreneurship support).

³ International Finance Corporation (IFC) (2023). *Women on Boards and in Business Leadership in Emerging Markets*. Washington DC: IFC. 2X Global (2024). *2X Challenge: Gender Lens Investing Criteria – Updated Guidance*. London: 2X Global.

⁴ Co-design refers to early and ongoing collaboration between SMEs, fund managers, and the ADI TA team to jointly identify capacity gaps, define priorities, and sequence support in line with each fund's value-creation plan

a credible evidence base that could support broader efforts to improve market conditions for inclusive and climate-resilient business growth.⁵ These insights are not only valuable for shaping investment ecosystems but can also complement DFAT’s bilateral and regional programs by providing practical, market-level intelligence on barriers and opportunities. For example, lessons from ADI-supported SMEs on gender integration, climate adaptation, and ESG practices can help align private-sector development strategies with national priorities and regional initiatives, strengthening the coherence between investment-based approaches and DFAT’s wider development objectives.

While global benchmarks in blended finance and impact investing vary in maturity, several widely accepted standards exist across mobilisation, gender equality, employment, and climate performance. ADI performs strongly against most of these benchmarks, particularly in private capital mobilisation, women’s leadership, and SME wage levels. The following table consolidates these reference points, providing a clear, comparative view of ADI’s performance against global benchmarks (for further detail see Annex B).

Table 1: Snapshot of ADI’s performance against global benchmarks

Indicator	Global Benchmark Source	Benchmark Value	ADI 2023	ADI 2024	Interpretation
Private capital mobilisation ratio	Convergence regional benchmark (South/East Asia & Pacific)	~1:2	>1:6	1:6.66	ADI consistently outperforms regional blended-finance mobilisation norms.
2X Challenge alignment	2X Challenge global standard	Not a benchmark; minimum of 1 criterion	81%	77%	Strong gender alignment across the portfolio, performing above expectations for early-stage SMEs.
Women-founded/co-founded SMEs	Global VC benchmark	Approx. 10%	23%	26%	ADI performs well above global venture norms and is approaching its own target range of 25–33%.
Women in management roles	IFC – <i>Women in Private Equity & Venture Capital: The Case for Change</i>	20–25%	37%	37%	ADI-supported SMEs significantly exceed global and emerging-market averages for women in leadership.
Job creation per investment	CDC & DEG Jobs Measurement Guidelines	2–5 jobs per USD 100k	Net - 1,171	~3.8 jobs / 100k; net - 381 ⁶	ADI’s portfolio aligns with DFI norms despite regional economic headwinds.

⁵ Examples of relevant ecosystem actors include: national and regional venture-capital and private-equity associations (e.g., Vietnam Private Capital Association – VPCA, Philippines Venture Capital and Private Equity Association – PVCPEA, Indonesia Venture Capital and Start-up Association – AMVESINDO); impact-investment networks such as AVPN (Asian Venture Philanthropy Network) and 2X Global; and government or public finance partners including Indonesia’s Ministry of Finance (through KEN or PT SMI), Vietnam’s Ministry of Planning and Investment, and the Philippines Securities and Exchange Commission which is developing ESG disclosure rules.

⁶ The jobs-per-USD indicator reflects gross employment intensity over the investment period; net job change reflects short-term labour volatility during 2024 and should not be interpreted as long-term employment impact.

Indicator	Global Benchmark Source	Benchmark Value	ADI 2023	ADI 2024	Interpretation
Median salary vs GDP per capita	GDP-per-capita benchmarks for ADI markets	USD 2,500–4,300	USD 12,732	USD 9,854	ADI-supported SMEs offer wages well above national averages, indicating strong decent-work outcomes.
Clean energy capacity supported	No established DFI benchmark	—	—	145.6 MW	Rapid climate delivery following initiation of climate window in 2023.
GHG avoided emissions	No standard benchmark; DFIs track absolute reporting	Baseline only	—	110,608 tCO ₂ e	First year of avoided-emissions reporting, reflecting maturing climate tracking.

As Australia’s first Official Development Assistance (ODA)-backed impact investment fund, ADI continues to demonstrate the potential of catalytic capital to drive inclusive development. This Impact Study highlights both achievements and areas for improvement - offering evidence to inform DFAT’s future strategy and positioning ADI as a flagship model for development finance in the Indo-Pacific.

KEY FINDINGS & RECOMMENDATIONS

Finding #	Community Benefit Findings
1	<i>ADI investments are contributing to inclusive and resilient economic growth across South and Southeast Asia by supporting SMEs to create and sustain quality employment and expand access to essential services.</i>
2	<i>ADI-backed SMEs appear to be reaching low-income and rural communities through inclusive business models and expanding access to services, particularly in financial inclusion, healthcare and consumer staples.</i>

Recommendation 1: ADI could integrate worker and beneficiary perspectives into fund managers and ADI’s monitoring to strengthen decent-work analysis, verify key outcomes, and deepen learning. Introduce proportionate, sample-based worker and beneficiary checks to validate fund-reported data and improve insight into job quality, inclusion, and lived experience of outcomes.

Note on IMM limitations: At the outset of ADI, many fund managers had early-stage or uneven Impact Measurement and Management (IMM) systems, particularly in relation to job quality, beneficiary segmentation, and climate attribution. These baseline limitations affect the completeness and comparability of data reported across funds. Recognising this, ADI has invested in strengthening IMM capabilities through targeted technical assistance, upgraded ESG and gender tools, and support for more consistent data collection and verification. Improvements already implemented since 2023 are expected to enhance data reliability and depth over time.

Finding # Gender Equality Findings

- 3** *ADI is advancing gender equality through investment and technical assistance. Most portfolio companies now meet 2X Challenge standards, with women’s ownership and leadership on the rise. However, board-level representation remains low, and progress is uneven in some countries. It is also important to distinguish between funds with a strong gender intent such as those in the IW window or gender-lens equity funds like Sweef, and funds that meet only minimum 2X alignment. Gender-transformative results are more evident in the former, while progress in other funds tends to be more incremental.*
- 4** *Gender equality is increasingly reflected in SME operations through ESG standards, workplace reforms, and women-focused value chains. While companies are only required to meet national labour standards, ADI’s SME TA encourages them to go beyond basic compliance - an important step for those aiming to demonstrate stronger ESG performance and a genuine commitment to gender-inclusive and responsible labour practices. SMEs will still need continued support to embed these approaches more strategically.*

In 2025, ADI piloted follow-on TA with two SMEs that showed strong engagement and early positive results, using unutilised budgets to extend targeted support. This suggests that, where resources allow, offering follow-on TA to high-performing SMEs can deepen gender outcomes and help move from basic compliance toward more embedded gender practices.
- 5** *Across the portfolio, early evidence indicates that gender-diverse companies (those with women in leadership or co-founder roles) tend to demonstrate stronger operational performance, including more resilient workforce outcomes, compared with less-diverse peers in the same sector and country. These businesses often show better governance and employee retention, aligning with global evidence that gender diversity contributes to improved decision-making and organisational performance. While data remain early-stage, these patterns suggest that ADI’s gender lens approach is yielding both impact and organisational value.*

Recommendation 2: ADI could strengthen gender integration by supporting SME governance, leadership pathways, and inclusive product design so gender considerations become embedded in business performance. Building on the pilot, ADI could also consider offering follow-on TA to SMEs that demonstrate strong engagement and positive results from initial support, where unutilised budgets or resources allow. This would enable TA activities to build on earlier progress and accelerate more strategic, embedded gender practices.

Finding # Climate Impact Findings

- 6** *ADI is driving climate-aligned investment in Southeast Asia by backing early-stage companies that develop and operate renewable-energy projects such as distributed solar and efficiency systems. ADI's capital and targeted TA have enabled SMEs to expand generation capacity, overcome regulatory and financing barriers, and attract private investment. These clean-energy businesses are generating local technical employment in installation, operations and maintenance, and are helping expand the availability of lower-cost, cleaner energy options in their markets. These outcomes reflect early progress, with greater climate impact expected as ADI's new climate windows scale investment from 2024 onwards.*
- 7** *SMEs are beginning to integrate climate risk management and ESG practices, supported by technical assistance to adopt environmental policies, track emissions and strengthen supplier compliance. While these steps are improving investment readiness and organisational resilience, adoption currently remains uneven and early-stage across climate focussed SMEs. Many SMEs will require continued, targeted support to strengthen climate-risk management, develop sector-specific mitigation and adaptation strategies, and move from basic compliance toward more embedded environmental management. Given the recency of ADI's climate strategy, these early steps lay the groundwork for deeper climate outcomes in future years.*
- 8** *Climate-Resilient Business Performance: Emerging portfolio data indicate that SMEs adopting climate-resilient practices (such as energy efficiency, distributed solar, or climate-risk management) are beginning to see improved operational stability and reduced input or energy costs relative to comparable businesses without such measures. These early benefits appear to enhance financial readiness and attractiveness to follow-on investors. While long-term financial data are still limited, early signals align with global evidence that climate-aligned SMEs exhibit stronger risk-adjusted performance and greater resilience to market or regulatory shocks.*

Recommendation 3: ADI could strengthen climate impact and improve the consistency and comparability of reporting by updating its Theory of Change to include explicit climate outcomes at the long-term, end of program, and intermediate levels, mirroring the structure used for gender equality and reflecting ADI's evolution beyond the EMIIF pilot to an investment mandate that includes climate finance.

Finding # Influence Findings

9 *ADI is influencing how partner fund managers and co-investors approach early-stage investment by de-risking transactions, strengthening impact-management systems, and shaping governance practices through LPAC engagement and technical assistance. This influence remains primarily within ADI’s immediate investment ecosystem, but the experience generated offers insights that can inform DFAT’s broader adoption of investment-based approaches.*

Recommendation 4: ADI could use concessional capital more strategically to shape governance and standards. Leverage concessional positions to strengthen fund governance, embed stronger ESG/gender standards, and influence investment behaviour through LPAC/E&S engagement and targeted conditions.

Recommendation 5: ADI could build on portfolio evidence and fund-level learnings to inform ecosystem dialogue. Selectively share ADI insights through DFAT and targeted platforms to support Australia’s investment-based development objectives, without expanding ADI’s mandate.

Cross Cutting Recommendations

Recommendation 6: ADI could encourage consistent light-touch reporting on gender, disability, and other inclusion markers, and provide simple tools to help fund managers and SMEs identify and reduce participation barriers. This approach maintains SME choice while improving the quality, relevance, and developmental impact of TA.

1. INTRODUCTION

Australian Development Investments (ADI) is the Australian Government's flagship blended finance initiative, designed to unlock private capital for inclusive and climate-resilient growth across the Indo-Pacific. Established in 2020 and managed by Sarona Asset Management, ADI is a pioneering investment under Australia's Official ODA framework. It represents a strategic shift in development financing, moving beyond traditional aid to catalyse market-based solutions that deliver measurable development outcomes.

ADI builds on the foundations laid by the Emerging Markets Impact Investment Fund (EMIIF), which was launched in 2020 as a pilot focused on gender lens investing and market-building for impact finance in the Indo-Pacific. EMIIF demonstrated early success in mobilising private capital, achieving a 1:5 leverage ratio, and advancing gender equality through fund-level strategies and TA. Recommendations from the first Impact Study (2021-2022) emphasised the need to scale blended finance, strengthen ESG systems, and explore additional thematic priorities beyond gender, including climate resilience and adaptation.

In response, the Australian Government expanded the facility from AUD 40 million to AUD 250 million in 2023, rebranding EMIIF as ADI and introducing a climate finance mandate alongside gender objectives. This transition reflects a deliberate evolution rather than a shift in purpose: ADI retains EMIIF's core principles of catalytic investment and gender inclusion while adding climate as a strategic focus to align with global development priorities and an expanded geographic mandate that now includes the Pacific.

Funded by the Department of Foreign Affairs and Trade (DFAT), ADI is structured as a **fund-of-funds mechanism**. Rather than investing directly in SMEs, ADI invests in SME-focused fund managers and financial intermediaries, including fintech platforms, that target early and growth-stage businesses. This approach enables ADI to reach a diverse portfolio of high-impact SMEs across sectors and geographies, while mobilising private capital and strengthening local investment ecosystems.

Through its embedded TA facility, for both funds and portfolio companies, ADI strengthens ESG practices, helps SMEs meet international/ industry standards, and improves business performance. As Australia's first ODA backed impact fund, ADI plays a pivotal role in developing local markets, influencing fund manager practices, demonstrating the potential of blended finance for development.

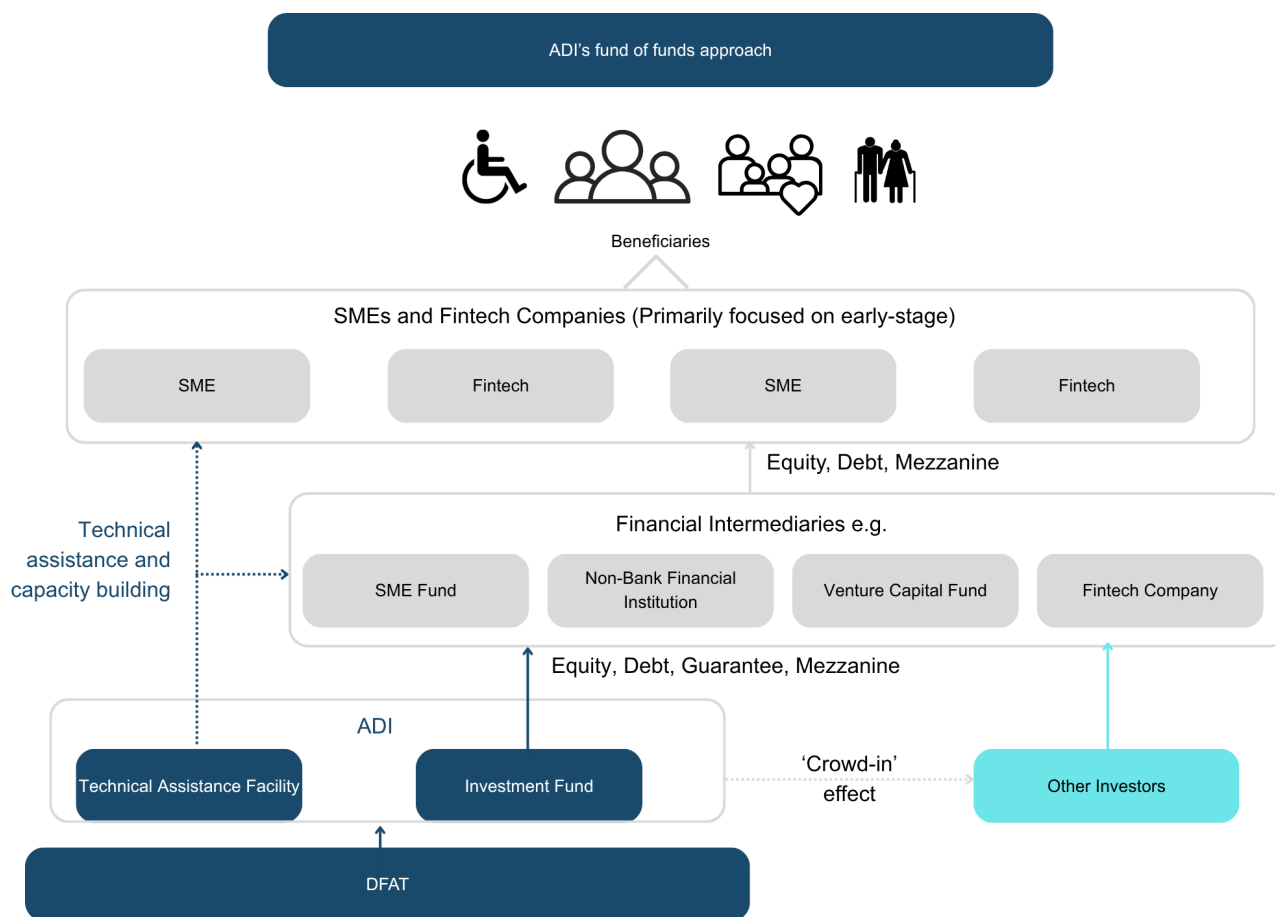


Figure 1: ADI's Fund of Funds Approach

INVESTMENT OBJECTIVES

ADI is guided by a Theory of Change (Annex E) that articulates how catalytic capital and targeted support can drive systemic change. The investment is anchored in three core objectives:

1. **Inclusive and Resilient Economic Development:** Supporting SMEs that create decent jobs, deliver inclusive products and services, and contribute to local economic resilience.
2. **Market Building:** Strengthening the impact investment market for SME funds by supporting emerging fund managers and demonstrating viable blended finance models.
3. **DFAT Organisational Learning Objectives / Blended Finance Leadership:** Encouraging others to use blended finance for development outcomes by showcasing effective approaches and mobilising additional investment.

Under its Development Objective, ADI focuses on three key pillars:

- **Community Benefit:** SMEs that provide decent work and inclusive services.
- **Gender Equality:** SMEs that are women-owned, women-led, or deliver gender-inclusive outcomes.
- **Climate Impact:** SMEs are environmentally sustainable, enhance climate resilience and reduce emissions.

These pillars are integrated across ADI's investment strategy, TA, and monitoring, evaluation and learning (MEL) framework. ADI's commitment to these pillars is embedded in its fund selection, portfolio management, and TA delivery, ensuring that development outcomes are realised alongside positive financial performance.

PURPOSE AND SCOPE OF THE IMPACT STUDY

This report is the second biennial Impact Study in a longitudinal series designed to track ADI's progress over time. These studies are conducted every two years to provide deeper insights into how ADI's blended-finance model delivers on its objectives and adapts to market conditions. The first Impact Report,⁷ published in 2022 (two years after the program's establishment), focused on EMIF's market-building objectives, examining the fund's role in strengthening the impact investing landscape in Southeast Asia and highlighting key fund partnerships. The program has since expanded across multiple funds and a growing number of small and medium-sized enterprises (SMEs).

Building on the previous Impact Study, **this report focuses on the impact achieved under ADI's development objectives** (Community Benefit; Gender Equality; and Climate Impact) by assessing its support to small and medium-sized enterprises (SMEs) during the 2023–2024 calendar years.⁸ The study provides an analysis of ADI's development impact and offers insights to inform program implementation and DFAT's policy and decision-making.

The study's objectives are:

- **Objective 1:** Assess ADI's progress in achieving its End of Program Outcomes (EOPOs) as outlined in the Program Logic, under the Development Objective.
- **Objective 2:** Evaluate the positive and any unintended negative impact on community benefit, gender equality, and climate impact including decent work, and inclusive products/services.

In meeting these objectives, the study will structure its analysis under the three pillars of ADI's development objectives: Community Benefit; Gender Equality; and Climate Impact.

ADI'S DEVELOPMENT EOPOS

ADI's End of Program Outcomes (EOPOs) are expected to be achieved by 2033. As a result, the findings presented in this second Impact Study reflect early progress rather than end-state results. Much of the portfolio is still in the early stages of capital deployment; several funds are continuing to make investments, and many SME TA activities are ongoing. Climate impact is also a relatively new addition to ADI's strategy, with climate-related investments and TA only beginning to scale in 2023–24. These factors shape the maturity of available evidence and mean that observed results should be interpreted as emerging outcomes that will continue to deepen over time.

The following EOPOs represent the core development objectives outlined in ADI's Theory of Change:

- **EOPO1:** Funded SMEs have grown or sustained their business and generated positive impact, including gender equality outcomes.
- **EOPO2:** More SMEs incorporate practices of gender equality and impact management.

⁷ <https://www.saronafund.com/emerging-markets-impact-investment-fund-emiif-impact-study-2021-2022/>

⁸ While quantitative data primarily covers this two-year period, qualitative evidence draws on interviews and observations spanning a longer timeframe to capture the evolution of SME practices and outcomes.

While the primary focus of this second Impact Study is on ADI's *Development* EOPOs above, the analysis also surfaced findings relevant to EOPOs under ADI's *Market Building* and *Organisational Learning* objectives. Where such linkages were evident, they have been referenced throughout the report.

These EOPOs include:

- **EOPO4:** SME Funds demonstrate financial and development benefits of impact management and GLI practices.
- **EOPO5:** ADI demonstrates how investment-based approaches can support development priorities, including gender equality outcomes.
- **EOPO6:** ADI mechanism used by various DFAT divisions.

APPROACH

The study draws on both quantitative and qualitative data:

- **Qualitative data** was collected through 28 Key Informant Interviews (KIIs) with 48 people (see Annex D). These included representatives from ADI Fund Managers (4), SMEs (16), DFAT offices and programs (20), TA providers (3), and government and industry associations (5).
- **Quantitative data** was collected from the ADI Dashboard, SME case studies, program documents, and other published sources.

Use of secondary data and ADI materials: This study drew on a range of ADI-provided materials, including fund manager reports, SME TA progress summaries, and ADI Performance Reports (2023 and 2024). Certain information, figures, and graphics reproduced in this report were taken directly from the ADI Performance Reports for consistency and accuracy. These sections were not independently re-analysed by Alinea but were used to contextualise and complement primary qualitative findings.

The analysis separates ADI's financial investments from its TA and looks at how each has contributed to change. As Australia's first ODA-backed impact investment fund, ADI shows how blended finance can help deliver development outcomes at scale. This Impact Study adds to that evidence by highlighting what works well, where challenges remain, and how Australia can continue to lead in innovative development finance.

LIMITATIONS

This Impact Study provides valuable insights into progress made towards **ADI's development outcomes**, however there are limitations to the findings. The study relies primarily on fund- and SME-level data reported through Sarona's systems, which undergo internal validation before being reflected in ADI's dashboard. This approach is consistent with ADI's impact measurement model as a fund-of-funds investor: ADI works through fund managers, who collect and report data from their portfolio companies. As a result, most metrics are self-reported and originate from fund-level systems rather than directly from end beneficiaries. While this provides credible aggregate data and a reasonable level of quality assurance, it offers limited insight into how outcomes are experienced by workers or end-users and is less suited to testing contribution pathways.

Although the TOR envisaged interviews with a wider set of SMEs, suppliers, and end-users, the final sample comprised seven SMEs out of the 37 active. This was due to access constraints, compressed timelines, and the need to coordinate interviews through fund managers, who are the investors and the appropriate point of engagement with portfolio companies. This coordination requirement narrowed the range of SMEs available for participation and meant that the selection was influenced by fund manager nominations, which reduced the independence of the sample. The study also did not include input from SME employees, suppliers, or end users - the groups most directly affected by ADI-supported investments. As a result, the assessment was unable to fully capture the lived experience of impact, particularly in areas such as decent work, gender inclusion, and access to inclusive products and services.

Findings should also be interpreted whilst considering the portfolio's stage of maturity. A significant proportion of ADI's SME investments (approximately 40%) were made in the past one to two years, meaning that many businesses are still in the early stages of implementation and impact realisation. The portfolio therefore reflects a mix of more established and recently financed SMEs, and the depth of measurable results varies accordingly.

Additionally, companies self-report their alignment with the 2X Challenge criteria,⁹ and the way this has been measured has evolved over time, reflecting updates to the 2X Challenge framework and refinements in ADI's internal tracking¹⁰. This makes it difficult to compare results across years. While the Impact Report team reviewed the reported information, independent verification was outside the scope of this study. This assessment therefore relies on the 2024 2X Challenge figures reported by ADI and its fund managers.

It is difficult for ADI to measure direct attribution at the company level because it invests through fund managers and often holds only a small share of the underlying fund. ADI's contribution is clearer in companies that receive technical assistance, where changes in practices or systems can be more directly linked to its support. While ADI cannot control exactly which companies fund managers invest in, this is partly addressed by selecting fund managers whose strategies align with ADI's priorities and by strengthening their ESG, climate, and gender capabilities early on. This helps increase the likelihood that portfolio companies contribute to ADI's development outcomes.

Measures to address limitations

Several measures were undertaken by the evaluation team to mitigate these limitations and strengthen the robustness of findings. Where access to data or respondents was constrained, Alinea triangulated multiple evidence sources including fund-level reports, SME TA progress updates, KIIs with fund managers, and secondary data from performance dashboards to verify trends. Contribution analysis was used in place of direct attribution, ensuring that observed outcomes were linked to plausible ADI influence rather than coincidence. Data inconsistencies were addressed through cross-checking with Sarona's portfolio records, dashboard, public records and previous reports.

Mitigating qualitative gaps: Where SMEs originally identified for interviews became unavailable, the study sought to supplement the sample by engaging alternative SMEs where possible. In these instances, alternative SMEs were nominated by Sarona in partnership with the relevant fund managers, to maintain diversity and relevance within the sample. Where information on inclusion or climate impacts was incomplete, findings were framed conservatively and validated through feedback with Sarona and ADI teams. These steps ensured that despite inherent limitations, the evidence base remained credible and sufficient to support the study's conclusions.

⁹ The 2X Challenge is a global initiative launched by development finance institutions to mobilize capital toward projects that empower women as entrepreneurs, leaders, employees, and consumers. It aims to advance gender equality by investing in businesses that meet specific criteria for women's participation and benefit.

¹⁰ The 2X Challenge Criteria were updated by the 2X Collaborative in 2021 and 2023, expanding eligibility definitions (for example, on women's leadership, employment, and consumption). ADI subsequently adjusted its data-collection templates and scoring to align with these revisions. These methodological shifts, rather than changes in company performance, explain minor year-on-year variations in reported figures.

2. INVESTMENT OVERVIEW

While many DFIs scaled back operations or exited key markets between 2022 and 2024, ADI maintained its investment pace and expanded its portfolio from 17 active companies through 3 fund investments, to 37 active companies across six funds. This included new commitments in Vietnam, Indonesia, the Philippines, and Bangladesh - markets commonly facing challenges ranging from inflation and regulatory shifts to political uncertainty in some cases. ADI's ability to sustain momentum in this context was cited by stakeholders as a key differentiator, particularly in early-stage and underfunded sectors. The distribution of ADI capital is highlighted by fund and sector in Table 1 and Table 2, respectively. 58% of ADI capital is invested in private debt through a single fund which also has the longest engagement with ADI.

ADI has access to **AUD 192 million in investable capital**, of which AUD 25.4 million (13.2%) has been contractually signed as of December 2024. This capital deployment reflects strong early momentum, while also highlighting the untapped potential of the facility. ADI is well-positioned to further stimulate private sector participation and scale impact across the Indo-Pacific, particularly in underserved and climate-vulnerable markets.

Table 2: Distribution of ADI capital by fund

Fund	Commitment date	Fund type	Cumulative Commitment 2020-24	ADI capital as % of fund ¹¹	Active SMEs	Total value (realized and unrealized) ¹²	TVPI ¹³
Lendable MSME Fintech Credit Fund	Aug 2021	Private debt	\$5,750,547	3.61%	8	\$8,947,984	1.6
Ascend Vietnam Ventures Alpha	Jan 2022	Private equity	\$5,370,828	6.03%	18	\$3,180,782	1.1
Sweef Capital Management	Oct 2022	Private equity	\$6,355,148	9.19%	3	\$1,559,903	0.7
Southeast Asia Clean Energy Fund II	Dec 2023	Private equity	\$4,760,834	1.70%	5	\$756,873	0.9
Tech Fund II ¹⁴	Mar 2024	Private equity	\$3,173,206	10.53%	3	\$985,542	0.8
Asia Business Builders Fund II	Dec 2024	Private equity	\$8,076,587	7.15%			
TOTAL					37	15,431,084	

¹¹ Calculated as ADI's committed capital as a percentage of the total fund size at final close (as of December 2024).

¹² The total value is the sum of realized and unrealized values. Realized value represents profit and losses from exited investments (or interest distributions from debt investments), while unrealized value reflects current value of unsold investments (or remaining principal and accrued interest that is unpaid).









¹³ The Total Value to Paid-In Capital (TVPI) ratio compares the distributions returned to investors by a fund and the residual value not yet realized relative to the contributed paid-in capital. Typical benchmark range for blended-finance and emerging-market funds at mid-life is 0.8 – 1.2 whereas early-stage venture / growth funds in emerging markets typically reflect a TVPI of 0.7 – 1.0.

¹⁴ In liquidation at the time of writing.

3. HIGH LEVEL ACHIEVEMENTS

In a region marked by economic volatility, climate disruption, and constrained development finance, ADI has continued to deploy capital and technical assistance to support inclusive, gender-smart, and climate-aligned growth. Between 2021 and 2024, ADI **committed AUD 25.4 million**¹⁵ and **mobilised over AUD 177.6 million** in private capital - demonstrating the catalytic potential of Australia's blended finance approach.

HEADLINE PERFORMANCE¹⁶

25.4 M TOTAL CAPITAL COMMITTED (AUD)	12.8 M CAPITAL INVESTED (AUD)	37 ACTIVE PORTFOLIO COMPANIES	15 NEW SMEs FINANCED in 2024
 4 COUNTRIES REACHED	 28.9 M INDIVIDUALS REACHED	 1.5 M MICRO-ENTREPRENEUR CLIENTS	
 4,631 WOMEN IN FTE POSITIONS	 26% OF TOTAL BOARD DIRECTOR ROLES WOMEN	 11 WOMEN-FOUNDED COMPANIES, 5 CURRENTLY WOMEN-OWNED	
 7 CLEAN ENERGY COMPANIES SUPPORTED	 \$4.5 M FIRST CLIMATE INVESTMENT MADE	 32% COMPANIES REPORTING GHG EMISSIONS	

¹⁵ This headline figure reflects cumulative commitments until the end of 2024. It is worthwhile noting that at the time of writing, ADI's April 2025 Dashboard records total fund commitments of AUD 32.87 million and a cumulative mobilisation of AUD 182.0 million.

¹⁶ All figures shown in AUD.
Total capital committed refers to the total amount of ADI-approved funding across all investee funds as of end-2024. Commitments are contractual allocations that may be drawn down over time.
Capital invested represents the portion of committed funds that has been disbursed ("called") and deployed by investee funds into underlying SMEs.
Active portfolio companies refers to the number of SMEs currently receiving investment through ADI-supported funds. This figure excludes companies that have fully exited or been written off.
New SMEs financed in 2024 captures additional portfolio companies that received first-time financing during the reporting year, either through new fund investments or follow-on capital to existing funds expanding their SME portfolios.

PORTFOLIO-WIDE REACH

ADI's portfolio reached approximately **28.9 million individuals**¹⁷ by the end of 2024, including **1.46 million micro-entrepreneurs** and **3,594 SMEs**. This represents a significant increase from 2022, when ADI-supported companies reached 1.6 million total beneficiaries, including 1.05 million Micro, Small and Medium Enterprises (MSMEs).

Across sectors, healthcare remained the largest contributor to individual reach, accounting for over 24 million clients in both 2023 and 2024. Financial services saw a fivefold increase in outreach - from 501,821 clients in 2022 to 2.63 million in 2024 - driven by fintech platforms such as F88 and Amarthia. Additionally, consumer staples also expanded dramatically, from 20,000 clients in 2022 to 2.19 million in 2024, reflecting ADI's growing investment in essential goods and inclusive retail. These businesses play an important role in reaching low-income and rural households with affordable, reliable products, and often provide stable local jobs, making them a valuable entry point for inclusive economic impact at scale.

Despite these gains, employment results were more mixed. In 2024, ADI-supported SMEs created 952 new jobs but reported 1,333 job losses, two-thirds of which affected women. Much of this contraction reflects cyclical or temporary workforce adjustments rather than structural decline. Around 60 % of the positions lost were short-term or agent-based roles in financial services and e-commerce, positions typically rehired in subsequent growth cycles. When this volatility is accounted for, ADI's portfolio appears broadly consistent with regional labour-market trends. The Asia-Pacific employment-to-population ratio declined slightly from 58 % in 2023 to 57 % in 2024, while informal employment remained high at 66 %.

ADI's portfolio continues to perform relatively strongly in sustaining formal employment and maintaining gender balance, particularly in healthcare and education where women comprise over 50 % of the workforce and jobs remain comparatively stable. In contrast, the fintech and IT sectors show greater turnover and a heavier reliance on non-permanent contracts, mirroring global trends of automation and cost rationalisation. Nevertheless, several ADI investees such as F88 and KoinWorks, reported smaller workforce reductions than sector peers because ADI-supported TA strengthened their internal systems. At F88, HR and gender policy reforms improved staff retention, and at KoinWorks, support to develop gender-responsive products and strengthen governance helped diversify revenues and stabilise operations.

Early performance trends suggest that technology-enabled services, financial inclusion, and distributed renewable energy are showing the strongest commercial and developmental traction, largely due to scalable business models and growing market demand in Vietnam, Indonesia, and the Philippines. Markets with clearer regulatory pathways such as Vietnam's digital economy and the Philippines' clean-energy sector have advanced more quickly, suggesting these are areas for potential scale-up.

Looking ahead, employment outcomes will depend partly on portfolio composition. A number of ADI's largest job-creating companies are approaching exit, which may temporarily depress aggregate results in future reporting cycles until newer investments mature. For example, ShopUp (Bangladesh) which is held through Lendable MSME Fintech Credit Fund is one of ADI's earliest and largest employers but has since consolidated operations and reduced its workforce significantly. It is now mature in its market and likely to graduate from concessional-finance support once the Lendable fund cycles close. Its exit would substantially reduce ADI's employment base in Bangladesh but has limited implications for gender balance as the workforce is mostly male.

¹⁷ ADI and Saron define "end beneficiaries" as all individuals and MSMEs reached through portfolio companies' products and services. This total combines individual clients/users (e.g., patients, consumers, students, borrowers), and micro, small and medium enterprises (MSMEs) that are clients of ADI-financed intermediaries (e.g., fintech borrowers, small retailers).

Amartha (Indonesia), also supported through Lendable, employs thousands of field agents and micro-lending officers across the country. With such a large workforce, any future transition away from concessional finance (whether through fund lifecycle changes or graduation to fully commercial arrangements) would similarly reduce ADI's aggregate "jobs supported" figures in the short term. This reflects the company's high baseline of field staff and the significant engagement of women as micro-entrepreneur clients, even though the underlying business model and gender outcomes would remain influential in the market.

Employment is a core indicator under ADI's Community Benefit pillar, which seeks to create decent work and inclusive economic opportunities. Understanding how portfolio dynamics (such as the graduation of large-scale employers) affect headline job numbers is critical for interpreting progress against these objectives. Without this context, reductions in aggregate jobs could be misread as negative performance rather than a natural consequence of successful market maturation. Continued focus on workforce quality, gender inclusion, and the stability of employment (rather than headline job numbers alone) will therefore remain essential to interpreting ADI's employment impact over time.

ADDITIONALITY AND CONCESSIONALITY

ADI's concessional capital has demonstrated additionality across years. Making deals viable that otherwise would not have proceeded. In 2022, ADI's first-loss investments in Lendable, Sweef Capital, and AVV were described by fund managers as "proving additional in the market," enabling Development Finance Institutions (DFIs) and private investors to join when they otherwise would not.

This approach is typified in 2024 with ADI's **AUD 4.8 million** anchor investment in SEACEF II. This early commitment signalled confidence and enabled SEACEF II to attract additional investors, mobilising **AUD 75 million in climate finance attributable to ADI's investment**. Overall, SEACEF II raised approximately AUD 265 million by end-2024. The investor mix reflects strong market leverage: public investors (including ADI) accounted for 46% and private investors for 54%, demonstrating how ADI's first-close commitment "crowded in" public and private capital that might not have moved without that early anchor.

Several SMEs confirmed that ADI's flexible capital provided through their fund manager's investors or concessional investment¹⁸ was pivotal to their growth. Fund managers also highlighted that they would have "struggled to attract international co-investors" or been "stuck at pilot stage" without ADI's support. Several companies had not integrated climate or gender policies prior to ADI's involvement, but now have frameworks, disclosures, or 2X certifications underway - demonstrating the catalytic effect of concessional capital paired with targeted TA. Examples of ADI additionality and catalytic effects are outlined in Table 3 below.

¹⁸ In the context of the Australian Development Investments (ADI) program, "concessional investment" refers to the use of public capital offered on terms that are more flexible than those available from commercial investors (for example, through first-loss positions, lower return expectations, or longer tenors). This approach is designed to reduce risk and crowd in private investment, rather than to subsidise SMEs directly. ADI invests in funds, not companies, and concessionality applies only where required to catalyse private capital mobilisation.

Table 3: ADI's Additionality and Catalytic Effects

Company / Fund	Type of ADI Support	Demonstrated Effect
Xurya (Indonesia)	Anchor capital via SEACEF II	ADI's AUD 4.8 million anchor commitment de-risked SEACEF II's early portfolio, enabling approximately AUD 3.8 million (USD 2.5 million). ¹⁹ bridge investment in Xurya amid Indonesia's ongoing solar quota constraints. That investment enabled Xurya to raise approximately AUD 83.4 million (USD 55 million) in follow-on finance from strategic and institutional investors.
F88 (Vietnam)	Fund-level TA through Lendable MSME Fintech Credit Fund	Gender-lens TA (HR reforms, policy updates) improved retention among female staff by approximately 12 % , reducing recruitment/training costs by an estimated 8–10 % .
Vilo Gelato (Indonesia)	Equity capital via SWEEF I and TA	ADI's catalytic investment underpinned SWEEF I's USD 2.6 million equity deal, enabling Vilo to scale its inclusive sourcing model. Partnerships with local women suppliers now contribute to over 49 % of Vilo's revenue. Inclusive sourcing improved cost efficiency in supply chain management (local sourcing vs imports).
Mober (Philippines)	Debt via SEACEF II	ADI's early backing enabled Mober to secure AUD 9.1 million (USD 6 million) commercial co-investment for its EV logistics fleet. Transition to electric vehicles cut fuel costs by approximately 25 % , improving margins while reducing GHG emissions.
USM Healthcare (Vietnam)	Equity via SWEEF I and TA for leadership development	TA helped strengthen management capacity and succession planning, improving staff retention among technical teams by approximately 15 % and reducing overtime and training costs by approximately 10 % .
Amartha (Indonesia)	Debt via Lendable LMFCF	ADI's concessional participation de-risked the facility and helped crowd in AUD 60.7 million (USD 40 million) private capital. Subsequent TA improved governance and digital operations, cutting loan-processing times by 30 % , enabling scale-up to 1 million+ micro-borrowers.

¹⁹ All USD amounts have been converted to AUD using the XE Currency Converter (<https://www.xe.com>) at the exchange rate as of 18 December 2025. Converted figures are presented as: AUD [amount] (USD [amount]).

GENDER EQUALITY PROGRESS AT INVESTMENT LEVEL

Gender equality is embedded across ADI's investment strategy, with 77% of portfolio companies meeting 2X challenge criteria in 2024 up from 75% in 2022.

All six ADI funds have an explicit gender objective, either through fund mandate or gender-lens alignment. SWEEF II and ABB II are explicitly gender-lens equity funds, together accounting for approximately 42% of ADI's committed capital. AVV Alpha integrates a specific focus on women-owned startups. The remaining funds (Lendable, Tech Fund I, SEACEF II) apply gender targets through ADI-supported TA and 2X screening. Importantly, these gender targets apply at two levels - not only to the gender balance and practices of portfolio companies, but also to fund-manager leadership, governance, and workforce composition. ADI's GLI approach therefore strengthens gender outcomes both within SMEs and within the investment teams that direct capital.

At portfolio level, 81% of investee companies were already aligned with the 2X Challenge Criteria, and 23% are women-founded, exceeding the global VC benchmark of 10%. Early evidence suggests that gender-diverse businesses - those with women founders or women in leadership - tend to show stronger operational performance and more stable workforce outcomes than less-diverse peers in the same sectors and countries. These companies often report better staff retention and more inclusive product growth, aligning with global findings that gender diversity supports stronger business performance.

From the AUD 15.5 million total TA budget, roughly AUD 4.4 million is for fund-level support. Across all windows, gender-related activities (GLI strategy, DFAT social safeguarding, workplace equity, Gender ROI assessments, 2X alignment) account for an estimated 30-40 % of TA expenditure and over half of all TA projects delivered since 2023.

Country-level progress varied. Vietnam and Indonesia demonstrated stronger gender outcomes, supported by targeted TA and inclusive hiring practices. In Bangladesh, gender integration has progressed more slowly than in other markets, with limited uptake of gender-focused assistance to date. This partly reflects the early stage of ADI's investments in the country and the maturity of investee pipelines rather than a lack of intent. For example, within the portfolio, companies such as ShopUp primarily serve micro and small enterprise clients, but current outreach appears to benefit relatively more established women entrepreneurs compared with those at the lowest income segments.

ADDRESSING CLIMATE IMPACT AT INVESTMENT LEVEL

ADI committed AUD 4.8 million to SEACEF II in 2023. This was ADI's first dedicated climate mitigation fund investment, which mobilised AUD 75 million in additional climate finance attributable to ADI's investment. With total capital committed at roughly AUD 32.9 million (April 2025), approximately 13% of ADI's total commitments are climate-focused. By late 2024, ADI had also approved an AUD 12.1 million (USD 8 million) commitment to AC Ventures Climate Fund (Indonesia), indicating an expanding pipeline of climate deals.

Of ADI's AUD 15.5 million total TA budget, approximately AUD 4.4 million supports fund-level climate and ESG integration, including TCFD alignment, GHG accounting, and climate risk disclosure.²⁰ Currently about one in every eight ADI dollars committed supports climate-focused funds, and roughly one-quarter of its TA budget contributes to climate and ESG integration.

This progress builds directly on ambitions outlined in the 2022 Impact Report, which identified climate finance as a strategic priority and called for deeper integration of mitigation and adaptation. Climate integration remains

²⁰ Throughout this report, "climate impact" refers specifically to mitigation and adaptation outcomes, whereas "ESG" denotes the broader environmental, social and governance standards applied across all funds. Climate considerations are integrated within ESG systems but are reported separately when quantifiable.

at an early stage, as it was only incorporated during ADI's expansion phase, and capability varies across investment windows (Climate Catalyst, Investing in Women, EMIIF Pilot). Despite this context, adoption is improving: 32% of portfolio companies reported emissions, and 24% have formal climate policies in place - up from 15% in 2023. ADI is now specifically targeting climate aligned funds and outcomes under its new regional climate strategy, Climate Catalyst Window (CCW), and the broader ADI climate strategy.

Early evidence also suggests that SMEs adopting climate-resilient practices (such as energy efficiency, rooftop solar, or stronger climate-risk management) tend to experience lower operating costs and more stable business performance than similar firms without these measures. Fund managers reported that these "greener" SMEs were better able to manage price shocks and secure follow-on investment, indicating emerging financial benefits linked to climate-resilient business models.

TECHNICAL ASSISTANCE

Technical assistance remains a cornerstone of ADI's blended finance model, with distinct streams for fund managers and for SMEs. Following the 2022 recommendation to streamline and tailor TA for portfolio companies, ADI has adopted a demand-driven approach at the SME level, delivered post-investment through a formal proposal process that aligns support to enterprise-specific priorities. At the fund level, TA workplans are co-designed with fund managers during investment assessment and structuring and embedded in value-creation strategies. Each workplan follows a diagnostic gap assessment and is implemented over 12 to 24 months through several activities, including capability building, coaching, and tools development. TA priorities are influenced by the investment windows through which capital is deployed, ensuring alignment with window objectives and operational realities. Between 2021 and 2024, more than 11 SME-level TA projects were delivered or remain underway. In parallel, five fund-level TA workplans were approved (one for each fund) with several activities implemented under each workplan.. At the portfolio company level, projects span gender-lens investing, workplace reforms, ESG management systems, climate disclosure and adaptation planning, inclusive product design, branding and marketing, and leadership capacity development. These changes demonstrate a shift from compliance-focused assistance toward strategic, enterprise-level transformation.

TA effectiveness varied by sector and geography. In Vietnam and Indonesia, TA was more likely to be absorbed and implemented - particularly in companies with prior ESG exposure or strong internal leadership.

Examples of TA enabled change include:

- **F88 (Vietnam)** used TA to reform HR policies, launch gender-focused loan products, and improve staff retention - leading to a 23% increase in female management roles.
- **Vilo Gelato (Indonesia)** leveraged branding and leadership TA to clarify its market proposition and deepen inclusive sourcing, generating over AUD 1 million in income for women-led suppliers.
- **At the fund-level, Clime Capital** launched a dedicated TA facility to support ESG and climate integration across its portfolio, building on lessons from its SEACEF II fund.

Fund managers also began institutionalising gender and climate lenses into fund governance: Asian Business Builders (ABB) introduced gender targets into carry arrangements as part of ABB's own general partner performance incentives; Lendable piloted interest rate step-downs for 2X-aligned fintechs; and Clime Capital embedded Environmental, Social and Governance Management System (ESGMS) frameworks into investment processes.

As more fund managers begin to internalise TA delivery, ADI's role is shifting from direct implementer to strategic catalyst and gap-filler. Rather than duplicating in-house support, ADI now focuses its TA on areas that commercial investors and fund managers are least likely to prioritise such as gender equality, climate adaptation, disability inclusion, and safeguarding. This positions ADI as a complementary partner that deepens the developmental quality of blended-finance portfolios.

Technical assistance at the SME level: sequencing for impact and additionality

SME-level TA is not a single intervention but a set of tools whose effectiveness depends on which business constraint is most binding at a given point in time. Evidence from the ADI portfolio indicates that, for early-stage or commercially stressed SMEs, the resolution of core commercial challenges such as cash-flow pressures, unit economics, and market positioning was a precondition for the effective uptake of any subsequent TA. These challenges were typically addressed through fund manager-led value creation or complementary DFAT programs rather than ADI's core TA offer. Interviews with SMEs further suggest that where these commercial constraints remained unresolved, early compliance-oriented TA (for example, standalone gender, safeguarding, or ESG policies) was often completed formally but not embedded in day-to-day business practices.

In contrast, gender, ESG, and climate TA demonstrated clearer value creation where it was sequenced *after* core operational systems were established and linked to business incentives. For example, F88's gender-focused TA was implemented alongside mature HR systems and growth planning, contributing to changes in promotion criteria, increased representation of women in management (35%), and improved ESG performance. Similarly, SMEs supported through SWEFF applied gender and leadership TA once operational systems were in place, enabling uptake beyond policy compliance and into workforce management and supplier relationships.

Taken together, the evidence suggests that ADI's technical assistance envelope is broadly appropriate for an investment vehicle of this size and risk profile, representing a low single-digit proportion of committed capital and aligning with blended-finance benchmarks for early-stage and frontier-market SME funds. Absent this TA, it is unlikely that many SMEs and fund managers would have met DFAT's gender, ESG, safeguarding, and climate expectations at the same pace or depth, as these capabilities would not typically be prioritised or financed from core operating budgets without concessional support.

Where additional resources are available, the evidence suggests ADI would achieve the greatest marginal impact by directing them toward gender-smart HR systems, ESG integration, and climate risk and transition planning, rather than expanding generic business strategy or market research support that more commercially established SMEs are often able to self-finance.

GOVERNANCE AND ECOSYSTEM BUILDING

ADI has helped raise ESG standards and promote gender and climate integration across fund managers. All fund managers now apply ESG frameworks, and some report under Operating Principles for Impact Management (OPIM), Principles for Responsible Investment (PRI), or Sustainable Finance Disclosure Regulation (SFDR). ADI's support for TA facilities, gender action plans, and impact measurement systems has contributed to improved fund governance and investor readiness. This type of TA is where ADI adds the most value, as commercial investors rarely fund ESG, gender, climate or safeguarding improvements. Prioritising IMM systems helps ensure that impact data reported to ADI is accurate and of good quality, notwithstanding limitations in beneficiary-level data collection. This approach also enables funds to track and apply their impact results, enabling ADI to achieve a high return on limited resources and strengthening investment quality across the whole portfolio.

Influence at the policy level remains limited by design. ADI's mandate focuses on mobilising private capital and strengthening fund-manager and SME practices, rather than leading regulatory or policy reform. The 2022 Impact Study recommended deeper engagement with DFAT Posts and High Commissions to raise awareness and explore additional resourcing. Since then, ADI has increased its engagement in several areas to share market insights and portfolio learnings, while remaining within its market-facing mandate. While fund managers and investees often share similar regulatory barriers (e.g., in renewable-energy licensing or financial inclusion rules), ADI is not positioned to advocate directly. Instead, the nature of the mechanism means ADI can help curate and pass on relevant insights to DFAT programs that do have a policy or regulatory role. This function is emerging rather than established, with more structured sharing expected as ADI's collaboration with partners such as KINETIK develops. In Vietnam, DFAT Post noted that ADI's transparent reporting and due-diligence processes have improved trust and understanding among regulators and investors. In contrast, in Indonesia and the Philippines, coordination with policy-oriented initiatives has been more indirect, as ADI remains a market-facing program without a formal policy-change mandate.

While ADI is not a policy or market-reform program, its market-building influence is beginning to emerge through fund managers and SMEs that operate in high-visibility or fast-growing segments. Several ADI investees hold notable positions in their markets, including leading fintech platforms in Vietnam and Indonesia and early movers in distributed solar in the Philippines. Therefore, improvements in their ESG, gender, or climate practices can have a wider demonstration effect. Fund managers also reported that ADI's early capital and governance support helped them raise subsequent rounds from DFIs and institutional investors, indicating that ADI plays a catalytic role in shaping investor expectations even if its share of total capital is small. These patterns suggest ADI's TA and investment model can have influence beyond individual companies, particularly where investees occupy significant market positions or help set emerging standards in their sectors.

Given ADI's overall investment allocation, the current TA budget (AUD 15.5 million) is considered proportionate: it is large enough to shift governance, gender, climate and ESG practices across fund managers and SMEs, but still focused on areas where public capital has the highest additionality. This balance helps protect the TA portfolio from being pulled into lower-additionality work and provides a clear rationale should DFAT consider complementary TA investments through other programs.

There are also opportunities for ADI to complement DFAT's traditional development programs that work on policy and regulation. ADI's market-facing role gives it real-time insights into the barriers SMEs and investors encounter, such as licensing delays, renewable-energy permitting, or financial-inclusion rules. These insights could be shared more systematically with DFAT programs that have a mandate for policy engagement, helping them target bottlenecks that directly affect SME growth. In turn, DFAT's policy and regulatory initiatives can create clearer, lower-risk operating environments for ADI's pipeline. This two-way information flow would allow DFAT's policy programs and ADI's market-building work to reinforce each other without changing ADI's mandate.

4. COMMUNITY BENEFIT

Development Objective Long Term Outcome: Communities benefit from the growth of SMEs (employment, access to goods for low-income households etc.) and women’s economic empowerment.

Effective progress is being made towards achieving:

- **EOP01: Funded SMEs have grown or sustained their business and generated positive impact, including gender equality outcomes.**
- **EOP02. More SMEs incorporate practices of gender equality and impact management**

Against these EOPOs, the evidence collected for this study highlights two core findings related to how SMEs are delivering community-level benefits.

Finding

- 1 *ADI investments are contributing to inclusive and resilient economic growth across South and Southeast Asia by supporting SMEs to create and sustain quality employment and expand access to essential services.*
- 2 *ADI-backed SMEs appear to be reaching low-income and rural communities through inclusive business models and expanding access to services, particularly in financial inclusion, healthcare and consumer staples.*

ADI’s investments between 2022 and 2024 have delivered tangible community benefits across the Indo-Pacific, with growing emphasis on inclusive products and services, supplier engagement, fiscal contributions, and catalytic influence. However, while ADI collects or receives disaggregated data at the community level, validation remains limited, suggesting further work is required to strengthen data quality over time.

While this study focuses primarily on community-level outcomes, early signs of business growth are evident across several SMEs. For example, increases in customer reach, uptake of new products, improvements in operational systems, and, in some cases, expansion into new markets. These growth indicators suggest SMEs are strengthening their commercial foundations, even though detailed financial performance data were outside the scope of this assessment.

INCLUSIVE PRODUCTS AND SERVICES

By the end of 2024, ADI portfolio companies had reached a cumulative 28.88 million individual clients²¹, up from 26.01 million in 2023 and 572 thousand in 2022. This growth was driven primarily by the healthcare sector, which accounted for 24 million individuals, followed by financial services (2.6 million), consumer staples (2 million), and education (45,600).

The number of micro-entrepreneur clients in the financial sector²² also increased to 1.46 million. Additionally, organisational clients²³ significantly increased from 183 in 2022 to 3,594 by the end of 2024, with financials again leading the distribution (2,350 clients), followed by healthcare (700 clients) and information technology (274; 270 in other sectors).

²¹ A person who directly uses or benefits from a portfolio company’s product or service. Examples include patient treated at USM Healthcare in Vietnam, a consumer taking a small loan from a fintech platform financed via Lendable or a student enrolled at TEKY (STEM academy).

²² Very small business owner (often informal), typically operating at household or community level. Usually women in retail, food, or small services.

²³ A small or medium-sized enterprise (SME) that accesses loans, financing, or services from ADI’s portfolio companies (larger staff, higher revenues). Example includes SME borrowing working capital through a Lendable fintech lender, or a distributor using ShopUp’s supply chain services in Bangladesh.

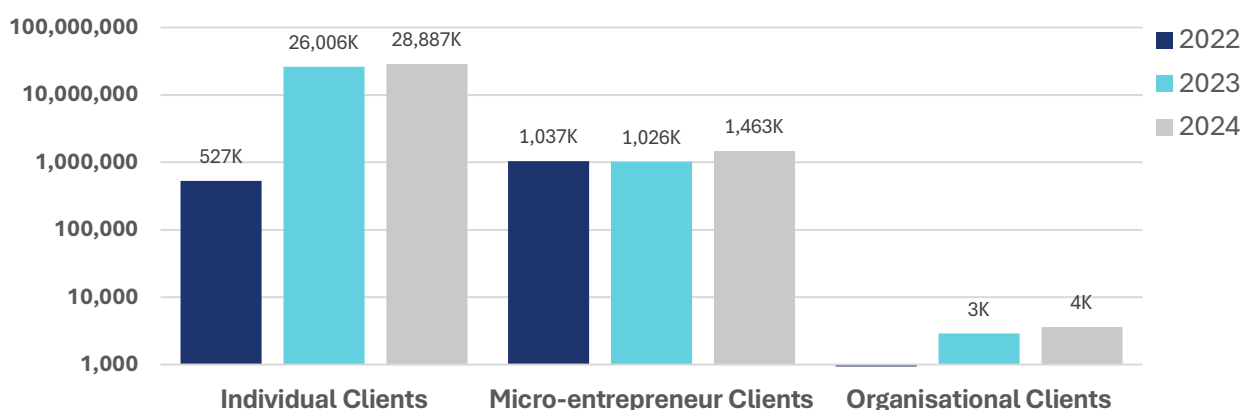


Figure 2: Number of clients reached by ADI supported SMEs

The healthcare sector remained the largest contributor throughout the period, maintaining a consistent reach of 24 million individuals in both 2023 and 2024. While this suggests saturation rather than growth, it underscores the sector’s foundational role in ADI’s portfolio.

The most dramatic growth occurred in consumer staples, which expanded from 20,000 clients in 2022 to 2.19 million in 2024 - a 10,843% increase. This reflects the rising importance of essential goods and services in ADI’s impact strategy, particularly in food, retail, and household supply chains.

Financials also saw substantial growth, increasing from 501,821 clients in 2022 to 2.63 million in 2024, a more than fivefold increase, driven largely by inclusive financial products and micro-entrepreneur outreach. For example, F88 in Vietnam scaled up its reach through gender-focused loan products and micro-insurance offerings tailored to low-income and unbanked populations.

Energy became a priority area in 2024, increasing from only four individual clients in 2023 to 5,359. This growth reflects ADI’s adoption of its climate strategy and the establishment of dedicated climate investment windows, which commenced operations in 2024. Prior to this expansion, ADI did not target climate outcomes and made only one dedicated climate fund investment under its pilot window. That investment, in SEACEF II, accounts for almost all current energy and climate-related results.

Portfolio companies such as Upgrade Energy Philippines, Nami Energy and Hijau have used ADI’s catalytic capital and TA to expand renewable energy access, strengthen ESG compliance and attract commercial financing. Looking forward, ADI’s climate strategy provides opportunities to scale impact by increasing investment in clean energy, supporting climate adaptation and mobilising private climate finance across country-specific and regional investment windows.

Table 4: Individual Clients Per Year²⁴

Primary Sector	2022	2023	2024
Healthcare		24,000,000	24,000,000
Financial Services	519,821	938,181	2,626,568
Consumer Goods	20,000	1,020,000	2,188,685
Education	25,000	42,625	45,600
Information, Communication & Technology	6,915	2,582	14,401
Consumer Discretionary	668	2,500	6,000
Energy	0	4	5,359
Industrials	0	0	0
Total	572,404	26,005,892	28,886,613

²⁴ Data unavailable for agribusiness, climate, transportation and logistics.

ADI’s support has not only expanded outreach but also deepened the quality of impact through inclusive product innovation and organisational change. For example, F88 in Vietnam launched a female-focused loan product in March 2024, following ADI-supported gender mainstreaming technical assistance. This initiative enabled F88 to design loans tailored for women entrepreneurs—offering lower interest rates and longer repayment terms—while also embedding gender equity into internal HR policies. Practically, this means women-led micro-businesses now have improved access to capital and greater agency in financial decision-making, while F88 benefits from a broader, more inclusive customer base and stronger female leadership within its workforce.

In the clean energy sector, Nami Energy and Upgrade Philippines embedded ESG frameworks into their operations, improving subcontractor safety, staff satisfaction, and gender equity. Nami doubled its female workforce and introduced career development pathways for women in technical roles. Upgrade’s “Solar Nanay” program trained women in solar panel maintenance and partnered with Technical Education and Skills Development Authority (TESDA) Women’s Centre to deliver vocational training. Mober, an electric vehicle logistics company in the Philippines, actively recruits women drivers and provides competitive benefits for its workforce, showing how inclusive employment practices can go hand-in-hand with the scale-up of clean transport solutions.

SUPPLIER ENGAGEMENT

Supplier engagement has grown steadily, with 5,218 suppliers engaged in 2024, up from 2,051 in 2022. This expansion was driven by both scale and diversification across sectors. For example, TechCoop (Vietnam) increased its supplier base from 65 to over 3,000 by integrating smallholder farmers into formal supply chains. Additionally, Vilo in Indonesia sourced from women-led microenterprises, paying over AUD 600,000 to women-led suppliers in 2024 alone. Vilo’s support to emerging women suppliers is illustrated in the next case study. Nami Energy’s investment in improved ESG practices also reportedly led to improved subcontractor practices - although initially time-consuming, it reduced accidents and incidents, raised standards, and made subcontractors more competitive.

TAX CONTRIBUTIONS

Tax contributions have more than quadrupled since 2022. In 2024, 25 portfolio companies paid a combined AUD 85.8 million in taxes in their respective countries, compared to AUD 20.6 million in 2022. This reflects both revenue growth and improved compliance, supported by ESG upgrades and technical assistance. Companies like Nami and Mober noted that ESGMS implementation improved credibility with regulators and financial institutions, facilitating access to green loans and government partnerships.

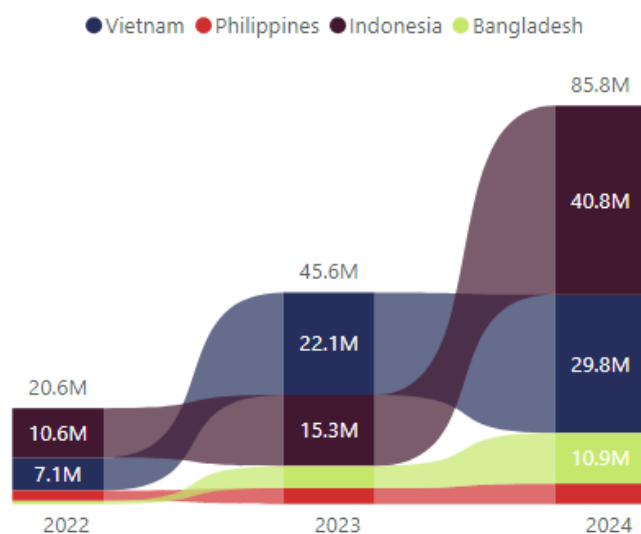


Figure 3: Taxes paid to governments by country and year (AUD)

DECENT WORK ASSESSMENT

ADI-supported SMEs sustained a total of 22,819 jobs in 2024, of which 42% were held by women. This includes 10,356 full-time roles (41% women) and 12,463 temporary roles (47% women). Compared to 2022, this reflects a 2% increase in full-time jobs and a 1,829% increase in temporary jobs, driven by expanded operations in fintech and IT sectors where seasonal and project-based employment is common. **In 2024, the finance sector accounted for the highest number of jobs**, followed by the energy and Information Technology (IT) sectors. This marks a shift from 2022, when ADI-supported SME employment was most concentrated in consumer finance, education, and retail, reflecting evolving market demand and investment priorities.

While overall job losses outpaced job gains in 2024, the ADI portfolio supports nearly 95,000 jobs economy wide including indirect and value-chain employment estimated by fund managers. **Ten companies reported the loss of 1,333 jobs, 68% of which were held by women**, underscoring the importance of not only tracking job numbers but also assessing job quality, security, and gender equity. Job losses were largely due to restructuring and economic headwinds, including shifts to temporary contracts and operational optimisation. Across the portfolio, approximately 78% of jobs remain permanent and 22% temporary or seasonal. A share that has grown modestly as SMEs adopt digital tools and automation. These shifts highlight the need for continued monitoring of employment stability alongside emerging productivity gains.

Figure 4 demonstrates that ADI-supported SMEs sustained 10,356 full-time jobs in 2024. This reflects a 2% increase from 2022 and a shift away from earlier concentrations in consumer finance, education, and retail.

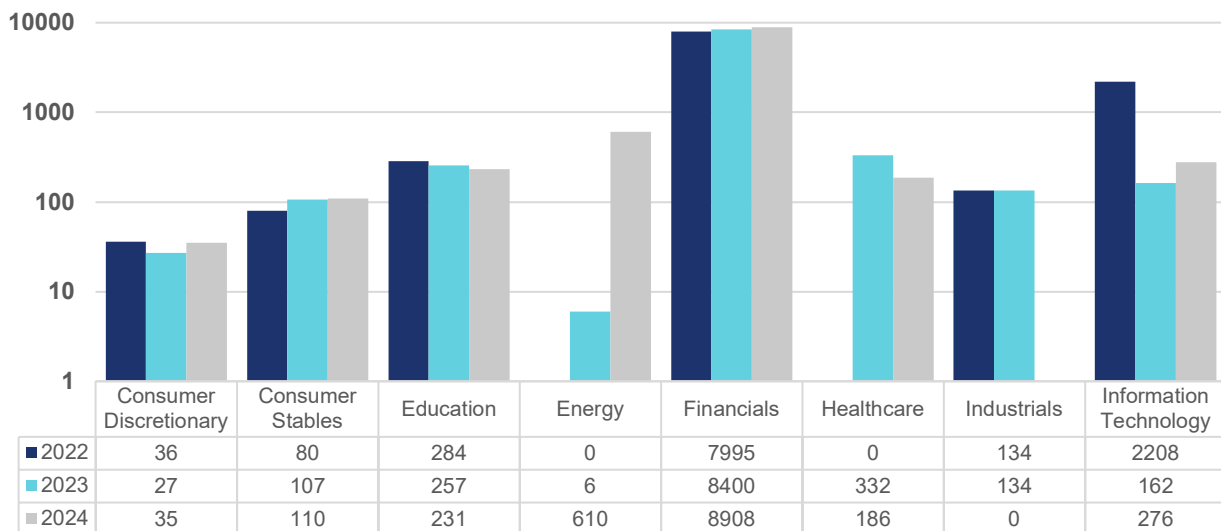


Figure 4: Number of full-time jobs supported by sector

Figure 5 illustrates the rapid growth of temporary and seasonal roles across ADI’s portfolio, reaching 12,463 jobs in 2024 (an 1,829% increase from 2022). These roles account for 47% women and reflect sector patterns where non-permanent contracting is common.



Figure 5: Total (full-time & temporary) jobs gained/lost in 2024 per country

Figure 6 highlights a net loss of 1,333 jobs across ADI-supported SMEs in 2024. These losses reflect broader trends across South and Southeast Asia. In Bangladesh, for example, macroeconomic instability including inflation, currency depreciation, and political uncertainty has severely restricted capital flows to early-stage ventures, leading to widespread downsizing. In Vietnam, rising operational costs and increased automation have pressured SMEs to restructure, while in Indonesia, evolving consumer preferences and seasonal demand cycles have driven shifts in employment models, particularly in fintech and logistics sectors.

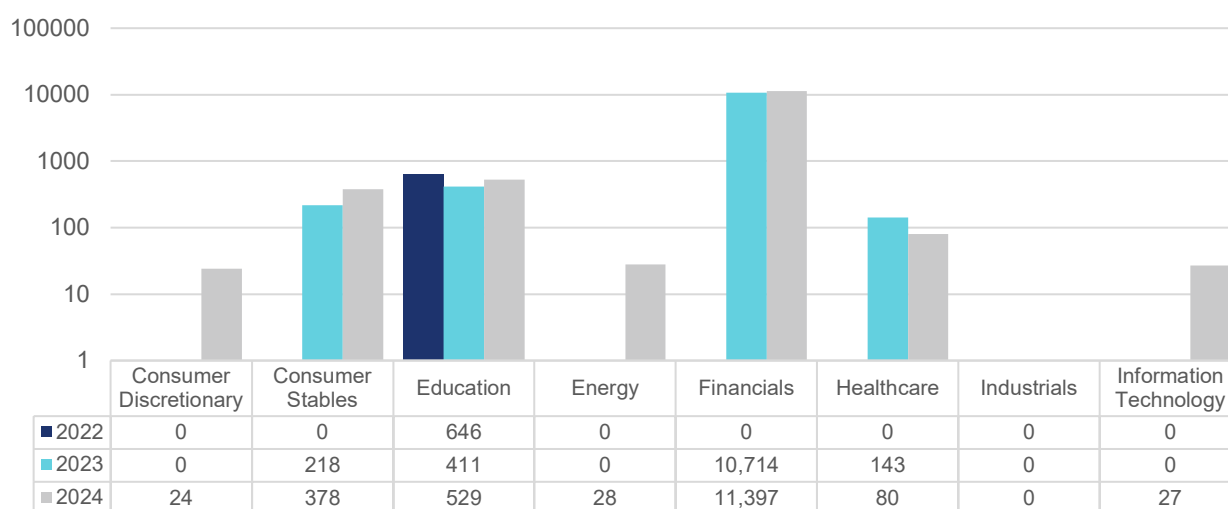


Figure 6: Total (full-time & temporary) jobs gained/lost in 2024 per country

Regionally, the Asia-Pacific employment-to-population ratio declined from 58% in 2023 to 57% in 2024, with informal employment remaining high at 66%. Within ADI’s portfolio, most positions are formalised through SMEs operating in regulated sectors such as financial services, technology, and healthcare. However, a growing share of roles—particularly in fintech and logistics platforms—are short-term or commission-based. This trend underscores the need for ADI to focus on job quality as well as job quantity, integrating gender-responsive employment practices and safeguards that protect contract and field-based workers during periods of economic adjustment.

In contrast, **ADI-supported companies demonstrated stronger gender inclusion in formal employment.** In 2024, women comprised 41% of the workforce in ADI-supported companies, a slight decrease from 42% in 2022. Despite this decline, ADI’s performance remains well above the regional average of 30% female workforce participation in formal SMEs. Representation was particularly strong in sectors such as healthcare and education, where female employment exceeded 50%, highlighting ADI’s continued impact in promoting gender equity within its portfolio.

Median annual salaries in ADI-supported SMEs ranged from AUD 7,624 in the consumer discretionary sector to AUD 31,569 in information technology. These figures are broadly aligned with formal sector benchmarks in Vietnam, Indonesia, and the Philippines, where average annual earnings range from AUD 6,000 to AUD 30,000 depending on sector and location.

ADI-supported SMEs consistently offer stronger employee benefits than regional averages. In 2024, 78% of ADI portfolio companies offered health insurance and 50% provided maternity leave, compared to regional SME averages of 40–60% for health coverage and below 30% for maternity benefits. This reflects ADI’s emphasis on decent work and inclusive employment practices, supported by its TA and gender lens investing approach.

While the chart below focuses on benefits with consistent data across 2022 and 2024, additional benefits were also reported. In 2022, 56% of ADI companies offered retirement provisions, and 94% of employees received professional development training. These figures were not provided for 2024 but remain important indicators of ADI’s broader commitment to employee wellbeing and long-term workforce development.

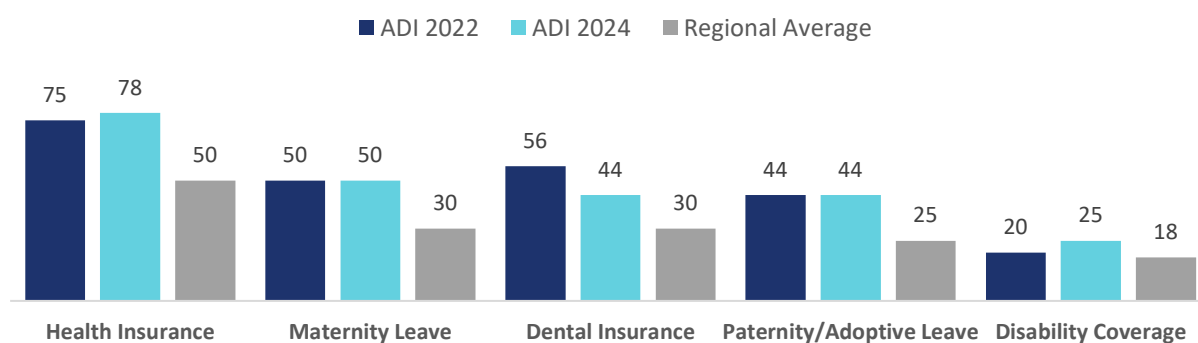


Figure 7: Comparison of Employee Benefits: ADI-supported SMEs vs. Asia-Pacific Regional Average.²⁵

These trends highlight the **need to assess job quality, not just quantity**. Global best practice recommends integrating worker feedback to assess job safety, dignity, and inclusion. These dimensions are central to the International Labour Organization’s (ILO) definition of “decent work,” which includes productive employment that delivers a fair income, workplace security, social protection, equal opportunities, and respect for workers’ rights. Worker perspectives are essential to understanding whether employment truly meets the standards of decent work, as statistical indicators alone often fail to capture lived experiences of insecurity, exploitation, or exclusion.

To further strengthen decent work reporting, ADI, in agreement with the fund managers, could integrate annual qualitative feedback mechanisms into internal MEL reporting. This could include activities such as employee and beneficiary interviews or surveys, using a sampled approach drawn from annual ESGI survey results.²⁶

Although disability inclusion was not a formal focus of ADI’s original mandate, several technical-assistance activities and ESG policy reforms began to create entry points for more inclusive practices. TA guidelines introduced in 2025 encourage SMEs to identify and address barriers to participation for persons with disabilities, and some portfolio companies have integrated non-discrimination and accessibility clauses within updated HR and safeguarding policies. However, disability data are not yet systematically collected across funds, limiting visibility on outcomes. As DFAT’s broader inclusion agenda evolves, ADI is well-placed to pilot light-touch disability reporting and accessibility assessments through its existing ESG and gender frameworks.

²⁵ The composition of reporting companies varies by year as new investments are added and others exit. Percentages therefore reflect the share of reporting companies meeting each criterion in that year, rather than a strictly comparable longitudinal dataset. Changes between years should be interpreted as indicative trends, not precise year-on-year movement.

²⁶ While beyond the scope of this study, it is worth noting that in 2025 ADI began piloting worker feedback tools such as employee pulse surveys with Sweef and ARQ.

ATTRIBUTION AND CATALYTIC EFFECTS

This section builds on the earlier analysis of ADI’s additionality by showing how catalytic effects translate into concrete changes at the company level. While the high-level achievements describe portfolio-wide and fund-level influence, the examples below illustrate where ADI’s combination of capital and TA has contributed to specific business and operational outcomes.

Multiple stakeholders described ADI’s role as catalytic. ADI’s early-stage capital enabled Clime Capital to reach its third close of AUD 265 million (USD 175 million) in November 2024 and supported Lendable in achieving AUD 167 million (USD 110 million) by December 2024. These outcomes were made possible by ADI’s ability to de-risk investments and attract DFIs and institutional investors. In Vietnam, TechCoop used ADI-backed working capital to secure bank financing at a ratio of 1.3 - 1.5 times, contributing to annual revenue growth of between 25-30 %. **Attribution was strongest where ADI provided both capital and technical assistance.** For example, Xurya in Indonesia used ADI-supported TA to co-fund a market study that accelerated its entry into utility-scale solar – an expansion that would have been delayed by a year without support. Similarly, Upgrade in the Philippines tripled its workforce and revenue following SEACEF and ADI investment and used TA to formalise ESG practices and hire a sustainability officer.

Mober in the Philippines received TA support in 2024 to strengthen its people and culture systems, including gender-sensitive recruitment and workforce development. As a result, the company launched a proactive campaign to recruit women drivers and introduced competitive benefits for all staff. Demonstrating how blended capital and tailored TA can accelerate inclusive business practices alongside commercial growth. These examples show how blended capital and tailored TA can accelerate inclusive business practices and commercial performance, demonstrating ADI’s catalytic role at the enterprise level.



Image: Xurya solar installation, Indonesia

Case Study 1: Vilo Gelato – Sweet Impact, Serious Growth

Vilo Gelato (founded in 2017) has quickly grown into Indonesia’s leading premium gelato brand, with 38 outlets across 15 cities. From the start the company embedded inclusive business practices, integrating gender equity, youth employment, and sustainability into its business model. However, rapid expansion stretched their supply chain, limiting opportunities for women-led suppliers.



Image: Vilo sees every scoop as a stride toward growth and empowerment

Today, Vilo’s inclusive sourcing model prioritises women-led, youth-led, and locally based small enterprises as preferred suppliers. In 2024 more than a third of its suppliers are women-led and over half are based in Indonesia. Many also operate in the same provinces or cities where Vilo’s stores are located, making Vilo’s expansion not just a business success story but also a platform for inclusion and community benefit.

ADI Support Through Sweef Capital

ADI invested AUD 4.3 million (USD 2.9 million) into Sweef Capital’s Women’s Economic Empowerment Fund (SWEEF I). This was part of ADI’s EMIIF window, aimed at supporting women-led or women-benefiting SMEs across Southeast Asia. Through that fund, Sweef Capital made the AUD 3.9 million (USD 2.6 million) investment in Vilo Gelato in 2023. In 2024, Vilo received ADI-supported TA to strengthen governance, brand identity, and workplace inclusion, including leadership training, a customer service handbook, and support on board effectiveness. To follow is TA on ESG policy, and gender-based violence and harassment (GBVH) prevention in 2025.

Impact of ADI Support

ADI’s TA helped Vilo refine its brand identity and mission, boosting staff cohesion and customer engagement. A new loyalty program gained 65,000 members, driving targeted promotions and a 23% revenue lift at one outlet.

Workplace equity also improved as turnover dropped from 37% to under 10%, women in management rose from 29% to 35%, and KPIs were revised to support women returning from maternity leave.

Vilo’s inclusive sourcing model generated over AUD 1 million for women suppliers, including one entrepreneur, a single mother, who scaled up her business to serve all 38 Vilo outlets and who now employs 10 staff. Vilo also trains young talent, creating fair, quality jobs - over 70% of their suppliers are under 35.



Image: Women furniture suppliers producing furniture for Vilo stores

Looking Ahead

Plans are underway to launch Sunday Markets at flagship stores to showcase local women-led SMEs and deepen community engagement.

“Vilo is a wonderful example of impact investing at work - backing entrepreneurial founders with a rigorous business strategy who see the opportunity to deliver social and environmental objectives as well as commercial returns.” – Sweet Capital’s Managing Director

Case Study 2: XURYA – Going Green Should Save Money

XURYA, a renewable energy company with a mission to fight climate change, has been helping businesses in Indonesia switch to solar since 2018. At a time when there were no incentives for renewables, Xurya introduced a solar rental model that made it easy for commercial and industrial buildings to install rooftop systems. Today, it's the country's top distributed solar provider, with over 700 sites and 150 MW installed or underway. Its projects stretch across Indonesia, cutting emissions and creating over 2,000 green jobs.

ADI Support Through Clime Capital

In 2023, SEACEF II - managed by Clime Capital - invested AUD 3.9 million (USD 2.5 million) in Xurya just as regulatory headwinds had stalled the issuing of solar permits across Indonesia. ADI had previously provided an anchor commitment of AUD 4.8 million to SEACEF II, helping the fund reach early close and de-risk investments in emerging clean-energy developers like Xurya. Clime Capital tailored the deal to meet Xurya's needs, providing a lifeline to retain staff, stay operational, and build its project pipeline. When regulations eased later that year, Xurya was ready to scale – unlocking AUD 83 million (USD 55 million) in follow-on investment from strategic and institutional partners. As Xurya's CEO explained: *“SEACEF II came in when the market was frozen. We couldn't build, couldn't grow. That funding gave us confidence to keep going - and when the policy changed, we were the only ones ready to scale.”*

Impact of ADI Support

ADI has provided TA support to Xurya aimed at strengthening its business model and embed gender inclusion. The support translated into tangible business growth and cultural change.

Market and regulatory impact: ADI's support, channelled through SEACEF II, guided Xurya's market-expansion study to identify industrial zones and mid-sized cities, such as Semarang, Makassar, and Medan, where solar demand remains strong and permitting pathways are clearer. This analysis has enabled Xurya to maintain a viable pipeline and protect jobs while navigating the national solar-quota system. As one senior manager explained, *“The policy freeze stopped almost everything, but this work showed us where we could still move and how to be ready when the rules changed.”*

ESG and gender-equality impact: As part of ADI TA, Xurya joined a GEDSI training co-facilitated by ADI and KINETIK. Xurya is also guided by SEACEF II's ESG and gender frameworks (developed under ADI's TA provider Sagana).²⁷ The process helped the company review hiring practices, identify gaps in women's participation in technical teams, and set internal targets for leadership diversity. One participant reflected, *“The training opened conversations we hadn't had before like how inclusion links to safety, innovation, and performance.”*

As Xurya's leadership explained: *“The ADI support helped us build not just a better business, but a more inclusive one. It's changed how we think about talent, impact, and scale.”*

Greening the grid: powering Indonesia's energy transition

Since SEACEF's early support in 2020, Xurya has grown into a national leader in distributed solar. Xurya's rooftop solar systems have helped businesses cut energy costs by up to 30%, while avoiding over 100,000 tonnes of CO₂ emissions. With a growing pipeline and strong investor backing, Xurya is now expanding into battery storage and energy management - positioning itself as a cornerstone of Indonesia's clean energy future.

²⁷ Technical assistance concluded in August 2025. GEDSI training was co-facilitated with KINETIK, while policy guidance drew on SEACEF II's ESG and gender frameworks developed through ADI's fund-level TA (via Sagana). Quantitative outcomes (e.g., women's workforce share) will be assessed in 2026.

5. GENDER EQUALITY

Development Objective Long Term Outcome: Communities benefit from the growth of SMEs (employment, access to goods for low-income households etc.) and women’s economic empowerment.

Effective progress is being made towards achieving:

- **EOP01: Funded SMEs have grown or sustained their business and generated positive impact, including gender equality outcomes.**
- **EOP02. More SMEs incorporate practices of gender equality and impact management**

While the scope of this Impact Study focuses on ADI’s Development EOPOs rather than its Market Building objectives, the evidence presented in this section also demonstrates progress relevant to GLI practices at the fund-manager level. These findings relate particularly to EOPO4, where SME funds increasingly integrate, apply, and benefit from gender-lens investing and impact-management approaches.

Finding

3 *ADI is advancing gender equality through investment and technical assistance. Most portfolio companies now meet 2X Challenge standards, with women’s ownership and leadership on the rise. However, board-level representation remains low, and progress is uneven in some countries. It is also important to distinguish between funds with a strong gender intent such as those in the IW window or gender-lens equity funds like Sweef, and funds that meet only minimum 2X alignment. Gender-transformative results are more evident in the former, while progress in other funds tends to be more incremental.*

4 *Gender equality is increasingly reflected in SME operations through ESG standards, workplace reforms, and women-focused value chains. While companies are only required to meet national labour standards, ADI’s SME TA encourages them to go beyond basic compliance - an important step for those aiming to demonstrate stronger ESG performance and a genuine commitment to gender-inclusive and responsible labour practices. SMEs will still need continued support to embed these approaches more strategically.*

In 2025, ADI piloted follow-on TA with two SMEs that showed strong engagement and early positive results, using unutilised budgets to extend targeted support. This suggests that, where resources allow, offering follow-on TA to high-performing SMEs can deepen gender outcomes and help move from basic compliance toward more embedded gender practices.

5 *Across the portfolio, early evidence indicates that gender-diverse companies (those with women in leadership or co-founder roles) tend to demonstrate stronger operational performance, including more resilient workforce outcomes, compared with less-diverse peers in the same sector and country. These businesses often show better governance and employee retention, aligning with global evidence that gender diversity contributes to improved decision-making and organisational performance. While data remain early-stage, these patterns suggest that ADI’s gender lens approach is yielding both impact and organisational value.*

By embedding gender equality as a core part of its investment model, ADI ensures that growth is not only economic but also inclusive, enabling women to participate fully as entrepreneurs, leaders, workers, suppliers, and consumers. Gender equality is both a driver of stronger business performance and central to ADI’s mission to support fairer, more resilient economies. This aligns closely with DFAT’s priorities: advancing women’s economic empowerment, expanding leadership opportunities, and improving access to essential services. DFAT and Sarona stakeholders have highlighted that ADI’s leadership on gender is one of the most visible and valued aspects of its impact.

Through the dedicated Investing in Women (IW) window (which supports SME funds committed to gender lens investing) and targeted TA, ADI partners with funds that set clear gender objectives and embed best practices. Investments are screened and monitored against the 2X Challenge Criteria, assessing women’s ownership, leadership, employment, and access to products and services at both fund and portfolio levels. TA reinforces these commitments by strengthening governance systems, workplace policies, and investment processes to ensure gender integration is sustained. The influence of this approach is evident not only in portfolio data but also in behavioural shifts among fund managers. As one TA provider reflected: *“One of the fund managers we worked with came back 12 months later asking for more TA, and has now built quite a progressive gender investing strategy into their next fundraise.”*

Just as important, ADI’s impact on gender comes from the additionality of its role as an investor. By stepping in early and taking on risks that private investors often avoid, ADI provides funding to gender-smart funds and SMEs that might not otherwise be financed. Sweef Capital is a strong example of this, as ADI’s backing played a pivotal role in enabling the fund to launch and gain traction. This support gives fund managers and entrepreneurs the confidence to embed gender equality into their strategies and also helps attract new private investors. In practice, every dollar ADI invests not only creates direct opportunities for women but also mobilises several more dollars of private capital and raises standards for inclusive leadership and workplace practices. ADI’s contribution goes beyond the money. It helps shift market behaviour, build leadership pathways for women, and make gender-lens investing more mainstream.

Portfolio-wide SME progress:



77% of portfolio SMEs meet at least one 2X Challenge criterion (up from 74% in 2023).
46% met two or more criteria
18–20% met three or more criteria



26% women-founded, **52%** women-led, **34%** with women shareholders.



47% of employees in portfolio companies are women.



4,631 women in Full-time equivalent (FTE) jobs across the portfolio (net gain of +320 jobs from 2023).



Women hold **26%** of board seats (up from 24% in 2023).



Women hold **36%** of management roles (up from 34% in 2023).

EXPANDING WOMEN'S PARTICIPATION ACROSS THE PORTFOLIO

Evidence shows clear progress within ADI of increasing the number of SMEs that are founded, owned, or led by women. **The share of 2X-aligned SMEs grew from 74% in 2023 (9 of 12) to 77% in 2024.** This reflects strong growth in the portfolio overall (from just 12 SMEs in 2022 to 40 in 2024), while still slightly improving the proportion that met global gender standards. Within this larger portfolio, women's leadership and ownership are becoming more visible: in 2024, **26% of SMEs were women-founded**, **52% were women-led**, and **34% had women shareholders.**

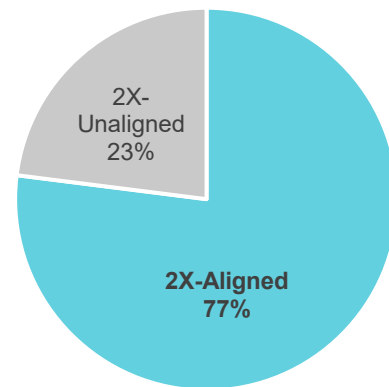
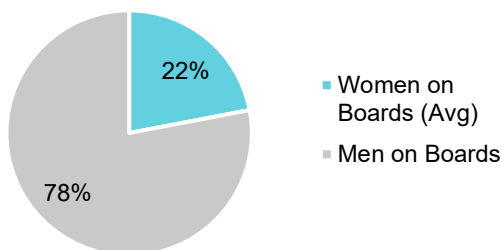
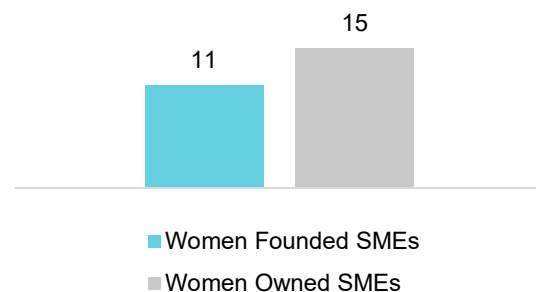


Figure 8: % of 2X-aligned SMEs in 2024

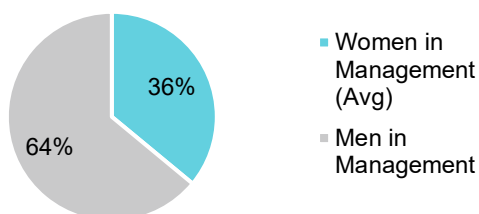
Governance



Ownership/Founding



Leadership



Employment

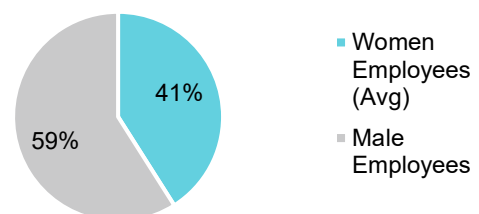


Figure 9: Pillar Alignment across SMEs

Since 2022, women's representation in leadership and governance has also strengthened. **Women's share of management roles rose from 34% in 2023 to 36% in 2024**, while board-level representation increased from 24% to 26%. While this is broadly consistent with averages for emerging-market private equity and venture-capital funds (typically 20–25%), it trails behind global impact-investment peers, where women hold around 30–35% of board seats according to 2X Global (2024).

Several SMEs are setting benchmarks: TEKY (education, Vietnam), USM Healthcare (healthcare, Vietnam), and Amarthia (fintech, Indonesia) each report 50% or more women in management. Others, such as F88 (finance, Vietnam) and Vilo (food and beverages, Indonesia), are advancing through targeted gender training, while Mober (logistics, Philippines) is embedding gender into recruitment and governance for the first time. Although progress is incremental, these shifts demonstrate a steady upward trajectory in women's leadership across the portfolio.

Women's employment also increased between 2023 and 2024. The **number of women in full-time jobs increased from 4,267 to 4,631** (a net gain of 364), **while temporary jobs fell from 5,426 to 5,222** (a loss of 204). This suggests progress in creating more stable jobs for women, even though some sectors - especially tech and finance - went through ups and downs. Education and healthcare, despite having smaller absolute employment, have the highest female participation (55% and 54% respectively).

Persistent barriers remain, including thin leadership pipelines (36% women in management), cultural norms in male-dominated sectors, and limited TA that often stops at compliance rather than practice change. In many cases, TA has helped SMEs put the basic foundations in place, but there is now an opportunity to build on this by embedding practices that deliver more meaningful and sustained business outcomes. Enablers are clear: intentional hiring and promotion practices, mentoring for mid-level women, and TA that supports practical shifts in workplace culture and decision-making, help to embed equity into business strategy over time.

Job quality is also improving, with more 2X-aligned firms offering benefits such as health insurance, childcare, and parental leave. At F88 (finance, Vietnam), ADI-supported TA helped reform HR policies by adding gender training and removing barriers linked to maternity leave, creating fairer promotion pathways for women. At Vilo (food and beverage, Indonesia), TA supported inclusive workplace practices, contributing to women's share of management roles rising from 29% to 35% by late 2024.

Similar progress is evident in other sectors. At Nami Energy (renewable energy, Vietnam), ADI's support helped establish an ESG management system that embedded gender, child protection, and anti-harassment requirements into all supplier and subcontractor contracts. As a result, the company not only improved internal practices but also raised standards across its entire value chain.

These results at the portfolio level are reinforced by examples at the fund level. Through ADI's investment in Sweef Capital under the EMIIF Pilot window, gender-focused SMEs such as TEKY (education, Vietnam), USM Healthcare (healthcare, Vietnam), and Vilo (consumer goods, Indonesia) received support. Between 2022 and 2024, ADI committed approximately 13.2 % of its AUD 192 million investible capital to SME investments. This early public capital commitment helped mobilise an additional AUD 16.1 million (USD 10.6 million) in direct co-investment to Sweef Capital from private partners. This leverage illustrates how catalytic public capital can crowd in private investment at scale.

While these results come from ADI's earlier pilot investment through Sweef Capital, the dedicated IW window is now starting to build its own record. In September 2024, ADI announced its investment in ABB and is preparing a follow-on investment in ARQ Capital Partners, a mezzanine investor focused on Philippine SMEs. DFAT stakeholders see the IW window as proof that targeted public capital can reduce risk and open the way for more investment in women-focused SMEs.

REACHING WOMEN AS CONSUMERS, ENTREPRENEURS, AND SUPPLIERS

ADI-supported SMEs also created impact beyond the workplace by giving women greater access to products, services and markets, reflecting progress under IO1.8 (Women as Beneficiaries). In finance, F88 provided credit to tens of thousands of women microentrepreneurs. F88 reports that *“Female borrowers are very disciplined in repayment and often use loans to support household businesses. We’ve seen women increase their ability to contribute to family income and even employ other women.”* In health, USM Healthcare expanded access to affordable medical devices, while in education, TEKY enrolled thousands of students, with girls comprising 55–60% of STEM participants. Portfolio companies are also showing how inclusive business models can generate wider economic benefits. Amarthia now lends almost entirely to women borrowers, opening up more opportunities for women microentrepreneurs.

SHAPING SYSTEMS AND MARKETS FOR GENDER EQUALITY

ADI’s impact goes beyond individual companies to influence the wider investment ecosystem. More fund managers now include women on their investment committees or in senior partner roles. Sweef Capital has applied its Gender Return On Investment (ROI) framework throughout its investment process, while others have adopted the 2X Challenge criteria in their reviews.

As one fund manager put it: *“...ADI through DFAT and Sarona has really led... every step along the way. ADI has been incredibly impactful, particularly what I call the sweat value, not the capital. It’s the thought leadership that’s gone along with their capital.”*

Progress is also starting to show in industries where women have traditionally been underrepresented. Xurya (energy, Indonesia) hired women into technical roles for the first time after making gender equality part of its core corporate values. In the Philippines, Mober set up a Sustainability Council that gives women a direct say in operational decisions. As Clime Capital reflected: *“We’ve seen that being gender-smart and aware is becoming necessary.”*



Image: Clime Capital team Gender Strategy Workshop

CASE STUDY 3: ABB II – BACKING VIETNAM’S SMES WITH A GENDER LENS

Asia Business Builders Fund II (ABB II) is a Vietnam-focused investment fund launched in late 2024 to help SMEs scale sustainably. The fund prioritises high-growth SMEs that meet strong ESG standards and 2X Challenge criteria, with a focus on women’s leadership, ownership, and workforce participation.

ADI’s Investment

In December 2024, ADI committed AUD 7.85 million (USD 5 million) to ABB II through its *Investing in Women* window. This commitment was made at the fund’s final close and played a catalytic role in helping ABB II reach its minimum viable fund size of AUD 106 million (USD 70 million), 3.5x the size of ABB I. While the financial additionality was limited, ADI’s involvement provided significant value additionality - supporting ABB in developing its GLI strategy, strengthening ESG safeguards, and embedding impact measurement systems.

How the Investment Was Used

- **Capital for SMEs:** By August 2025, ABB had invested in 4 SMEs, one in pharmaceutical distribution (King Pharma), one in education (Kyna), one in fintech (Equix Technologies) and one in educational IT software (QIG).
- **Gender-smart systems:** With ADI’s technical assistance, delivered via Sagana and OnePointFive, ABB II strengthened its ESG safeguards, gender lens investing (GLI) capacity, and impact measurement systems. By April 2025, TA for ABB was underway and six workplace policies required by the Investing in Women window had been completed. ADI also supported the appointment of more women to the ABB Investment Committee, strengthening gender representation.
- **Targets and standards:** ABB II set clear goals – 40 % of portfolio companies to be women-owned or led, and 80 % to meet 2X Challenge criteria - and began co-designing tailored TA with SMEs to strengthen workplace policies, promote women, improve ESG practices, and track social impact.

What Happened Next – The Impact

- **Expanding access:** Portfolio companies deliver affordable, mass-market solutions. King Pharma expands access to quality medicines through 5,000+ retail pharmacies, many in tier-2 and tier-3 cities. Kyna provides low-cost online tutoring nationwide, addressing shortages of English teachers in offline learning. QIG’s software is widely used in public schools, supporting the digitalization of school operations.
- **Inclusive growth:** As of April 2025, two of four investees (King Pharma and Kyna) had new women in leadership or ownership roles, marking an increase from minimal female leadership at entry. Both King Pharma and Kyna meet at least one 2X Challenge dimension, moving ABB II rapidly toward its portfolio-level targets.
- **Building local capacity:** ABB itself is modelling inclusion, with a gender-balanced leadership team (50% women), including senior roles overseeing ESG and impact. This positions ABB as a next-generation fund manager embedding gender and ESG into Vietnam’s SME ecosystem.

With ADI’s catalytic capital and TA, ABB II is not only channelling investment into mass-market SMEs but also building Vietnam’s capacity for gender-smart investing - showing how inclusive businesses can deliver both growth and impact. ADI’s involvement raised ABB’s profile in Vietnam’s private equity/VC ecosystem. At the VPCA summit in Hanoi (2025), ABB and ADI were showcased as key actors in building Vietnam’s gender-smart investing market.

CASE STUDY 4: Upgrade's Solar Nanay Program

Upgrade Energy Philippines is working to break barriers for women in the country's clean energy transition.

Across the Philippines - from remote provinces like Eastern Samar and Basilan to low-income communities in Manila and Cebu - mothers and caregivers often face steep challenges to formal employment, especially in technical fields. Limited education, unreliable electricity, and exclusion from male-dominated sectors such as engineering and solar installation have kept many women on the sidelines.



Image: Solar Nanay trainees with their completion certificates

How ADI Support Strengthened Solar Nanay and Its Impact

ADI provided technical assistance between 2023 and 2025 on ESG, gender and child protection. All of which was useful in developing the **Solar Nanay program**, with Clime Capital tailoring support to align with gender and climate goals. This enabled a series of upgrades that translated into tangible results:

- **Curriculum upgrades** added safety, troubleshooting, and electrical skills, boosting trainee confidence, cutting service calls by 35%, and helping 62% of graduates secure paid work in solar or energy roles.
- **Inclusive recruitment** through women's cooperatives and local radio expanded access. Applications from women aged 30–55 rose 2.5x, and today 70% of program leads are women.
- **Monitoring tools** now track jobs, energy savings, and system performance, showing households cut energy costs by 28% and gained more reliable power in off-grid and low-income areas.
- **Gender training** for trainers and community leaders improved attitudes toward women in technical roles, building peer support and retention.

As a result, since 2022 the program has trained **over 300 women**, with **around 180 now earning income** from solar maintenance or community projects. Solar Nanay has improved household energy reliability, created local jobs, and gained global recognition as a **2024 UN Women Asia-Pacific WEPs Award winner** for advancing gender equality.

As one graduate explained: *“Before this, I never thought I could do technical work. Now I fix panels, earn money, and teach others. It’s changed how I see myself.”*

As Clime Capital's Gender & Climate Lead shared: *“Solar Nanay shows how targeted support can unlock both climate and gender impact. It’s a model for inclusive energy transition.”*

Solar Nanay – impact at a glance

- **Employment:** 62% of graduates now earn income through solar maintenance and energy projects.
- **Household savings:** Energy costs down 28% between 2023 and 2025 in participating homes, with fewer system outages.
- **Women in leadership:** Female trainers and leads rose from 22% to 70% between 2022 and 2025 - driving representation and mentorship

6. CLIMATE IMPACT

Development Objective Long Term Outcome: Communities benefit from the growth of SMEs (employment, access to goods for low-income households etc.) and women’s economic empowerment.

Climate impact is one of ADI’s three development pillars; however, the current Theory of Change does not include an EOPO explicitly tied to climate outcomes. As ADI’s climate finance portfolio expands, future updates to the TOC may wish to consider incorporating a dedicated climate EOPO to better reflect this strategic focus.

It is important to note that ADI did not previously target climate outcomes in a structured way. Early climate results are almost entirely attributable to a single pilot investment in SEACEF II, made before ADI adopted its climate strategy and established dedicated climate windows. These windows became operational in 2024 and now provide the foundation for scaling climate-aligned investments and mobilising private climate finance.

Finding

6 *ADI is driving climate-aligned investment in Southeast Asia by backing early-stage companies that develop and operate renewable-energy projects such as distributed solar and efficiency systems. ADI’s capital and targeted TA has enabled SMEs to expand generation capacity, overcome regulatory and financing barriers, and attract private investment. These clean-energy businesses are generating local technical employment in installation, operations and maintenance, and are helping expand the availability of lower-cost, cleaner energy options in their markets. These outcomes reflect early progress, with greater climate impact expected as ADI’s new climate windows scale investment from 2024 onwards.*

7 *SMEs are beginning to integrate climate risk management and ESG practices, supported by technical assistance to adopt environmental policies, track emissions and strengthen supplier compliance. While these steps are improving investment readiness and organisational resilience, adoption currently remains uneven and early-stage across climate focussed SMEs. Many SMEs will require continued, targeted support to strengthen climate-risk management, develop sector-specific mitigation and adaptation strategies, and move from basic compliance toward more embedded environmental management. Given the recency of ADI’s climate strategy, these early steps lay the groundwork for deeper climate outcomes in future years.*

8 *Climate-Resilient Business Performance: Emerging portfolio data indicate that SMEs adopting climate-resilient practices (such as energy efficiency, distributed solar, or climate-risk management) are beginning to see improved operational stability and reduced input or energy costs relative to comparable businesses without such measures. These early benefits appear to enhance financial readiness and attractiveness to follow-on investors. While long-term financial data are still limited, early signals align with global evidence that climate-aligned SMEs exhibit stronger risk-adjusted performance and greater resilience to market or regulatory shocks.*

ADI integrates climate action across its investment strategy, technical assistance program, and monitoring framework. As a blended finance mechanism, ADI plays a catalytic role in mobilising private capital into early-stage, climate-aligned businesses across Southeast Asia. ADI’s approach supports mitigation, adaptation, and resilience-building outcomes, with a focus on renewable energy, energy efficiency, climate risk management, and embedding ESG practices across operations. Most climate influence to date has come from a limited number of early investments - one dedicated climate fund investment under the climate pilot is responsible for almost all results on energy/climate outcomes. However, ADI’s expanded climate windows now provide a clearer pathway to scale climate finance and impact.

By supporting early-stage clean energy firms and enabling SMEs to adopt climate-resilient practices, ADI is helping build a pipeline of investable businesses that deliver both environmental and economic returns. Climate-aligned SMEs supported by ADI demonstrate improved financial readiness, attract concessional finance, and create inclusive jobs – particularly in installation, operations, and maintenance – while reducing energy costs and emissions. These outcomes contribute directly to SME growth and climate outcomes, supporting impact under ADI’s Development Pillar.

Several SMEs supported by ADI have integrated gender into climate programs. For example, vocational training for women in solar panel maintenance was delivered through partnerships with national skills agencies. In 2024, ADI-supported SMEs sustained 610 full-time green jobs, with women comprising 24% of these roles. These jobs were concentrated in installation, operations, and maintenance (sectors traditionally dominated by men) indicating progress toward gender-inclusive climate employment.

CATALYTIC CAPITAL FOR CLIMATE

In 2024, ADI announced the launch of its dedicated **Climate Catalyst Window**, a strategic initiative designed to anchor climate-aligned funds, mobilise private capital (including from Australian investors) and embed ESG and gender practices across fund and company operations. While the window officially commenced in 2025, its announcement at COP29 catalysed early momentum. ADI deepened its engagement with climate-focused fund managers, supported the design of technical assistance facilities (e.g. SEACEF II), and began preparing the pipeline for climate-aligned investments. The Climate Catalyst Window also signalled ADI’s long-term commitment to closing the region’s USD 800 billion annual climate finance gap and aligning its investment strategy with DFAT’s priorities on climate resilient infrastructure, and sustainable development.

Catalytic capital has helped to mobilise climate finance. ADI’s anchor investment in SEACEF II was pivotal in unlocking private capital for early-stage clean energy ventures. By assuming a first-loss position, ADI de-risked the fund and signalled credibility to other investors. This commitment enabled SEACEF II to reach a final close of AUD 267.6 million (USD 176.5 million) and mobilise private finance attributable to ADI’s investment at a ratio of 1:17. Fund managers described ADI’s role as “trailblazing,” noting that its early commitment enabled follow-on funding and accelerated project deployment across Southeast Asia.

Since 2022, ADI has significantly expanded its climate footprint. By the end of 2024, **climate finance accounted for 14% of ADI’s committed capital**, with supported SMEs covering distributed solar generation, energy-efficiency solutions, EV logistics, and renewable-energy project development. Most SMEs sit under SEACEF II, with smaller contributions from ABB II and SWEEF I. This marks a transition from ambition to execution since 2022, with measurable outcomes in emissions reduction, job creation, and gender-inclusive employment.

Across the portfolio, ADI supported companies added 145.6 MW of solar capacity in 2024 – enough to power approximately 145,000 households in Southeast Asia.

Attribution remains a critical consideration in ADI’s climate reporting. As a fund-of-funds mechanism, ADI uses the Joint Impact Model (JIM) to estimate financed greenhouse gas emissions and avoided emissions across its portfolio. In 2024, eight ADI-supported companies reported **382,432 tCO₂e** in total emissions, with five companies reporting **110,608 tCO₂e** in avoided emissions. These results include approximately **145 MW of installed or under-construction solar capacity** supported through SEACEF II investments in firms such as Xurya, Upgrade Energy Philippines, and Hijau. In line with industry best practice, ADI attributes impact proportionally to its share of investment, resulting in **63.4 tCO₂e in ADI-financed avoided emissions**. This proportional approach ensures transparency and prevents overstatement of results.

Table 5: Emissions Avoided by portfolio companies

Company	Emissions Avoided (tCO ₂ eq)	Scalability	Gender Impacts
Nami Energy	368	Targeting 50 MW by 2025	ESGMS launched, inclusive policies, 2X aligned
Xurya	87,586	Zero-investment model for solar adoption	2X aligned
Upgrade Energy	21,174	20+ rooftop solar projects	60% women owned; 2X aligned
Hijau	1,316	Installed capacity with potential for 3,143 MW	Women-led supplier partnerships, 2X aligned
Mober	164	1,600 EVs by 2029	60% female board, 2X aligned

Looking ahead, stronger evidence of attribution could come from SME-level TA that directly supports operational efficiency, cleaner equipment acquisition, or energy-transition measures such as solar integration, energy-efficient machinery, or waste-heat recovery. While these are illustrative examples, they show how future TA could produce quantifiable emission reductions that are clearly linked to ADI’s support, enhancing the demonstration of additionality in climate impact reporting.

MAINSTREAMING CLIMATE ACROSS THE PORTFOLIO

While primary climate efforts have concentrated on investing directly in climate-aligned businesses, ADI has also taken steps to integrate climate considerations into non-climate sectors. In 2023 and 2024, 60% of ADI fund managers assigned staff to oversee climate and nature risks, and 32% of portfolio companies disclosed GHG emissions as part of ESG reporting. ADI’s selection of fund managers played a critical role in driving this integration. For example, Sweef Capital, a gender-lens fund manager, published a climate-gender nexus report and embedded climate considerations into its due diligence process, ensuring that even non-energy investments assess climate risks and opportunities.

Technical assistance also supported SMEs in non-climate sectors to adopt environmental policies and improve resource efficiency. Notably, environmental policy adoption is growing, with 24% of SMEs adopting formal environmental policies (up from 15% in 2023), and 22% had defined climate-related KPIs. These included goals to reduce food loss, increase recyclable materials, expand renewable energy access, and develop formal climate action plans. For instance, Vilo Gelato introduced recycling initiatives, explored solar-powered refrigeration, and piloted EV delivery vehicles, demonstrating climate-aligned innovation in consumer goods. Additionally, USM Healthcare adopted ISO-compliant environmental standards in its medical device manufacturing. These measures reduce environmental impact and strengthen resilience, even in sectors not traditionally associated with climate action.

These findings represent early progress toward embedding climate considerations across diverse sectors, even where climate is not the primary business model. They demonstrate that ADI’s approach is evolving to include climate risk management as a standard practice across its investments.

Table 6: Examples of climate related KPIs set by portfolio companies

Company	Climate goal example
TechCoop	20% food loss reduction for farmer clubs
TEKY	Climate action plan includes policy goals that align with Vietnam’s Green Growth Strategy 2021–2030 and promote integration of environmental education into STEM programs.
USM	Climate action plan includes policy goals, linked to Vietnam’s National Energy Efficiency Program (VNEEP) and medical waste-reduction targets under the Green Hospital Initiative.
Solano Energy	Goal to increase green electrical energy delivered
Vilo	Increase the percentage of recyclable materials used
Mober	The company aims to deploy 1600 units of electric trucks and vans by 2029 which is equivalent to 22,000 tons of annual CO2 reductions

CLIMATE ADAPTATION OUTCOMES

ADI’s climate investments have primarily focused on mitigation, reducing emissions through clean energy and efficiency. However, several portfolio companies also demonstrate clear adaptation benefits.

SMEs supported through SEACEF II and ABB II are helping communities and supply chains withstand climate shocks by improving energy reliability, reducing fuel dependency, and lowering operating costs in volatile environments. For instance, distributed-solar developers such as Xurya and Upgrade Energy Philippines reduce exposure to grid instability and diesel price fluctuations, strengthening business continuity for hospitals, factories, and schools during climate-related disruptions. Likewise, agricultural and logistics investees in the ABB window are integrating climate-risk screening and early-warning systems into operations, safeguarding jobs and local livelihoods.

As ADI scales, its catalytic role in adaptation will grow. Not through new fund categories alone, but by embedding climate-adaptation thinking across all sectors and technical-assistance activities.

CLIMATE RESILIENCE OUTCOMES

ADI-supported SMEs are beginning to demonstrate tangible climate resilience outcomes, particularly in sectors vulnerable to environmental shocks and energy volatility. Through concessional capital and tailored TA, ADI has supported operational systems, governance, and workforce practices – strengthening continuity and safety during extreme events.

In Vietnam, TechCoop is co-developing climate insurance products for coffee producers, helping safeguard farmer livelihoods and stabilise supply chains. Upgrade Energy’s Solar Nanay program trains women in solar panel maintenance, linking resilience with inclusive employment. These initiatives reflect how ADI support is enabling SMEs to respond to climate risks while creating localised benefits.

While the adoption of climate resilient practices are currently identified in a small pool of SMEs, these examples show that ADI is helping SMEs move beyond compliance to build resilience into core operations. Continued investment in tailored TA and climate-aligned governance will be critical to scaling up these outcomes across the portfolio.

TECHNICAL ASSISTANCE ON ESG SYSTEMS AS ENABLERS OF CLIMATE OUTCOMES

TA has been a critical enabler of climate-related progress across ADI's portfolio during 2023 and 2024. While ADI's climate investments primarily targeted clean energy and low-carbon solutions, TA on ESGMS development helped both climate-focused SMEs and non-climate businesses integrate climate considerations into their operations and governance.

For climate-focused companies, TA strengthened operational resilience and investor confidence, accelerating their ability to scale climate solutions. Nami Energy, for example, applied ESGMS across its full project lifecycle, improving subcontractor safety and reducing operational risks during extreme weather events, proving critical for maintaining renewable energy deployment in typhoon-prone regions. Similarly, Upgrade Energy formalised ESG practices and hired a sustainability officer through TA support, enabling better climate risk management and positioning the company for green financing opportunities. These changes directly contributed to the expansion of distributed solar projects, which reduce reliance on fossil fuels and enhance energy security.

TA also helped businesses begin or strengthen climate considerations within their strategies. For instance, Mober, a logistics provider, leveraged TA to adopt carbon calculators and climate disclosure tools, which positioned the company for a pioneering green loan from BDO Bank - the first of its kind for an EV-heavy logistics model in the Philippines. This financing enabled Mober to expand its low-emission fleet, supporting decarbonisation in the logistics sector. Other SMEs reported that ESGMS implementation improved their ability to meet client climate standards and secure contracts linked to green procurement.

These examples illustrate that TA on ESGMS development were not just compliance exercises, but instrumental in embedding climate risk management and disclosure practices that unlock climate finance, improve resilience, and accelerate low-carbon transitions. While adoption varies across the portfolio, SME feedback confirms that without TA, many would lack the capacity to implement climate-related measures or meet emerging investor requirements. Continued investment in tailored TA will be essential to scale these outcomes and ensure climate integration becomes standard practice across ADI's portfolio.

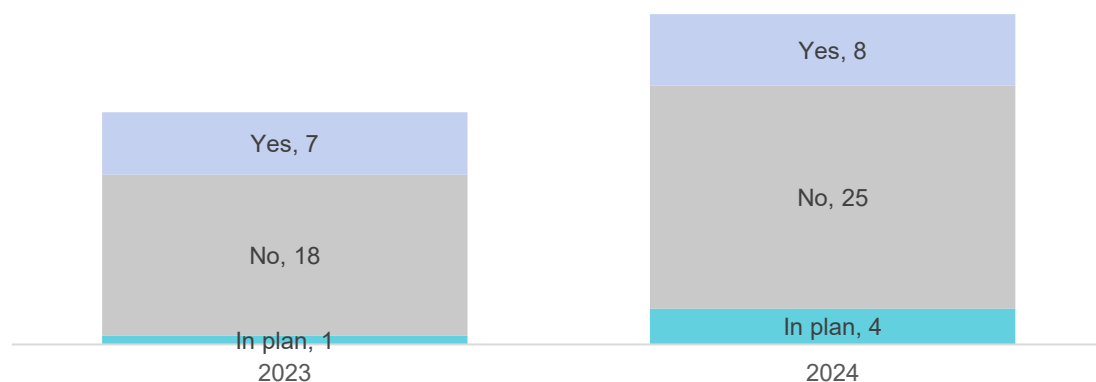


Figure 10: Companies with defined goals, objectives or KPIs related to climate change

CASE STUDY 5: DIGITISING AGRICULTURE FOR INCLUSIVE GROWTH IN VIETNAM

TechCoop is a women-led agricultural fintech platform in Vietnam that digitises supply chains and provides trade credit for smallholder farmers and agri-SMEs. Its model combines marketplace tools, unsecured working capital loans and traceability systems to improve export readiness and compliance. TechCoop works with over 500 cooperatives and SMEs, offering digital contracts, logistics tracking and advisory services to strengthen financial management and climate resilience.

ADI Support Through AVV

In 2022, **ADI made a AUD 7.5 million (USD 5 million) anchor investment into Ascend Vietnam Ventures (AVV)**, mobilising additional public and private capital. AVV used this support to back TechCoop, guiding its fundraising and deal structuring strategy. From the outset, AVV's gender-smart approach helped TechCoop embed ESG practices and inclusive design into its business model.



Image: TechCoop sets up a service centre in Dak Lak, Vietnam to support coffee cooperatives

How the support was used:

- Gender-smart design principles were integrated early, ensuring accessibility for women farmers and agri-SMEs, and aligning with 2X Challenge criteria.

What happened next – the impact:

- **Supporting farmers and SMEs at scale:** TechCoop has reached over 250,000 farmers and 2,000 agri-SMEs across 40 provinces, disbursing AUD 45 million (USD 30 million) in loans with a 100% repayment rate.
- **Job creation and income growth:** The platform has generated 1,800+ new jobs, with 40% held by women, and supported 15–30% income growth among participating SMEs and farmer groups.
- **Export and market access:** By connecting cooperatives and SMEs directly with buyers and exporters, TechCoop users have seen a 22% average increase in export volumes within the first year of joining the platform.
- **Gender-inclusive design:** Women-led enterprises now account for 46% of loans disbursed, supported by voice-based navigation, mobile-first tools, and flexible loan terms designed for those with limited literacy, digital access, or caregiving responsibilities. Repayment rates for women-led SMEs are on par with the portfolio average.
- **Climate resilience:** Farmers using TechCoop's planning tools reported 27% fewer crop losses during extreme weather events, improving both resilience and income security.
- **Series A milestone:** In 2025, TechCoop raised AUD 106 million (USD 70 million) in Series A funding - Vietnam's largest agtech deal and Southeast Asia's top agrifood tech fund raise that year. The company now employs 160 staff, 52% women, with a majority-female leadership team, embedding gender equity in both operations and user experience. This was made possible by strong ESG foundations, built with AVV's support, aligning with 2X Challenge criteria and attracting climate-aligned capital.

CASE STUDY 6: MOBER – POWERING THE PHILIPPINES’ EV TRANSITION

Transitioning from diesel to electric vehicles was financially risky amid high upfront costs and limited financing options.

Mober is a pioneering electric vehicle (EV) logistics provider in the Philippines, offering both B2B and B2C services. Its model is based on providing EV deliveries at the same cost as diesel, backed by lower operating costs. Clients include IKEA, Nestlé, Starbucks, Maersk, and others. Mober uses a proprietary Transport Management System for CO₂ tracking and is developing a Battery Management System.



Image: Mober team standing with one of their new Electric distribution vehicles

ADI Support Through Clime Capital

ADI provided first-loss equity to Clime Capital’s Southeast Asia Clean Energy Fund II (SEACEF II), which invested AUD 9 million (USD 6 million) in Mober, a first-mover in EV logistics in the Philippines. This concessional structure de-risked expansion, giving investors confidence to back growth. As Mober’s founder described: *“Clime was instrumental in our first large batch of electric vehicles... this was our first 50 units, then another 50. We pretty much grew 100% overnight.”*

How the Support Was Used

- Concessional capital enabled rapid fleet expansion, unlocking further financing such as the first green loan from BDO Bank for an EV logistics company.
- ESG integration helped Mober establish a robust ESG management framework with policies on health & safety, DEI, anti-discrimination, grievance mechanisms, and women’s and children’s safety.
- Capacity building strengthened governance, ensured ESG compliance, and embedded sustainability standards needed to win corporate clients and scale up.

What Happened Next – The Impact

- **Fleet expansion:** With SEACEF II’s backing, Mober grew from around 60 EVs in early 2024 to 238 by year-end, with plans to exceed 400 EVs by 2027. Growth is supported by a new 3,000 sqm charging hub in Pasay City and a network of charging points across Luzon for long-haul operations.
- **Corporate partnerships:** Strengthened governance and ESG systems enabled Mober to become IKEA’s primary green logistics partner in the Philippines, achieving a 100% IKEA audit score and opening regional expansion opportunities, including pilot operations in Thailand.
- **Finance unlocked:** SEACEF’s investment de-risked Mober, allowing it to secure BDO Bank’s pioneering green loan - the first for an EV logistics company in the Philippines.
- **Workforce and inclusion:** Mober launched its ‘Central Charge’ hub with 56 charging ports for 24/7 operations. It also introduced scholarships for women drivers, began hiring female assemblers, and shifted its board composition to 40% women directors.
- **Climate outcomes:** Mober’s EV fleet has already avoided 430 tons of CO₂, with reductions expected to reach around 3,000 tons annually - equivalent to the output of a 1 MWp solar project.
- **Recognition and growth:** Mober won the KMC Startup Award (Silver) for Sustainable Business Practice, was featured in Forbes Asia’s “100 to Watch” (2024) as one of only three Philippine companies, and in 2025 signed a strategic MoA with Ajinomoto Philippines to integrate EV logistics into its supply chain.

7. INFLUENCE

Development Objective Long Term Outcome: Communities benefit from the growth of SMEs (employment, access to goods for low-income households etc.) and women’s economic empowerment.

- **EOP01: Funded SMEs have grown or sustained their business and generated positive impact, including gender equality outcomes.**
- **EOP02. More SMEs incorporate practices of gender equality and impact management**

Although the study was primarily designed to assess ADI’s Development EOPOs, analysis of ‘Influence’ also surfaced relevant insights for DFAT’s Organisational Learning Outcomes; particularly how ADI’s blended-finance model is being recognised and taken up across different DFAT divisions (EOP06), and how it demonstrates the value of investment-based approaches for advancing development priorities (EOP05). The analysis identified the following key finding relating to ADI’s influence.

#	Finding
---	---------

- | | |
|---|---|
| 9 | <i>ADI is influencing how partner fund managers and co-investors approach early-stage investment by de-risking transactions, strengthening impact-management systems, and shaping governance practices through LPAC engagement and technical assistance. This influence remains primarily within ADI’s immediate investment ecosystem, but the experience generated offers insights that can inform DFAT’s broader adoption of investment-based approaches.</i> |
|---|---|

ADI’s role goes beyond providing catalytic capital. Through its investments, technical assistance, and active engagement with fund managers, governments, and industry associations, ADI is influencing how business is done across Southeast Asia.

This section looks at ADI’s influence at **three interconnected levels**, highlighting outcomes that are unlikely to have occurred without its involvement:

1. Fund Managers and SMEs

- ADI-backed funds embed gender, climate, and governance standards into their portfolios, strengthening business practices and creating more inclusive SMEs.
- By requiring ESGMS adoption, gender lens policies, and climate KPIs, ADI sets expectations that many fund managers and SMEs would not otherwise adopt.
- These standards improve investment readiness, reduce risk, and expand access to finance, demonstrating ADI’s additionality in shaping portfolio outcomes.

2. Government Priorities

- ADI’s investments align with and accelerate national development goals, from renewable energy expansion in Vietnam (Power Development Plan VIII) to financial inclusion strategies in Bangladesh.
- By providing early-stage, higher-risk capital, ADI enables clean energy and transport projects to advance more quickly than commercial finance alone would allow.
- This catalytic role positions ADI as a trusted partner in delivering on climate, gender, and SME development priorities across the region.

3. Barriers and Ecosystem Influence

- ADI helps SMEs and funds overcome barriers to growth, such as weak ESG capacity, limited access to concessional finance, and underdeveloped industry networks.
- It enables underserved groups - including women entrepreneurs and smallholder clients - to access credit and services that commercial investors would not reach.
- At a regional level, ADI shapes ecosystem norms through its participation in policy dialogues (e.g., carbon markets, gender lens investing), setting new standards for blended finance in Southeast Asia.

In practice, ADI's influence shows up across the ecosystem. By making gender, climate, and governance core requirements, it is helping set new norms for how capital flows in the region. It is also regarded as one of the few ODA-backed blended finance vehicles that systematically links capital to gender and climate goals, positioning it as a regional reference point for inclusive and climate-resilient finance. As ADI's Investment Committee stressed: *“gender and climate are embedded expectations; proposals without them are unlikely to progress.”* All of this shows that ADI is more than just a source of funding. It is helping set standards in the market, supporting SMEs to perform better, and boosting Australia's role as a leader in blended finance in Southeast Asia.

ALIGNMENT WITH NATIONAL PRIORITIES

ADI's investments are generally aligned with the priorities of partner governments across Southeast Asia. This includes tackling specific challenges identified by governments — such as expanding renewable energy, improving financial inclusion, strengthening SMEs, and advancing women's economic empowerment. This positions ADI as both a partner in delivering national priorities and a catalyst for regional policy dialogue. As one DFAT stakeholder put it: *“Blended finance mechanisms like ADI align with Vietnam's government priorities, especially promoting private sector and SME development in climate sectors.”*

Vietnam. ADI-backed funds are closely aligned with Vietnam's revised Power Development Plan VIII (PDP8) and the National Green Growth Strategy. Through SEACEF II, ADI has provided early-stage capital and technical assistance to solar and wind developers, directly supporting the government's ambitions to scale clean energy. **Nami Solar**, for example, is strongly aligned with PDP8 and has strengthened subcontractor practices through improved ESG management systems.

Financial inclusion is another priority area. With ADI and Lendable financing, **F88** has expanded access to credit for underserved groups and introduced HR reforms that improved gender equity. In parallel, gender lens funds such as ABB and Sweef Capital reinforce government commitments to women's empowerment, backing women-owned SMEs and investing in care, health, and education sectors that carry strong social impact.

Indonesia. Indonesia's draft *Rencana Pembangunan Jangka Menengah Nasional (RPJMN) 2025–2029* targets 8% annual growth by 2029 and stronger energy security. ADI aligns with these priorities by supporting SMEs and early-stage clean energy firms that strengthen the economy and advance the energy transition.

SEACEF II investees are also supporting Indonesia's energy transition by backing early-stage clean energy companies that meet regulatory requirements and contribute to emissions reduction goals, and in the case of Clime Capital, directly influencing distributed solar regulation.

Beyond its investments, ADI contributes to policy-relevant dialogue through its partners. KINETIK, for example, is partnering with PROSPERA and the Ministry of Finance to develop carbon markets and climate finance frameworks, helping shape Indonesia's pathway to net zero. As one stakeholder noted: *“KINETIK and PROSPERA are working with the Indonesian government on carbon markets... growing interest in investing in climate finance as a result of ADI here”.*

While ADI itself is not a policy program, its presence in these discussions provides DFAT with valuable market-level intelligence on investor sentiment, regulatory barriers, and opportunities for blended-finance instruments to complement public climate initiatives. This experience highlights the potential for stronger cross-program integration between ADI and DFAT’s bilateral and regional facilities, ensuring insights from private-market engagement inform upstream policy design and vice versa.

The Philippines. In the Philippines, ADI-supported companies are contributing to the Philippine Development Plan 2023–2028, especially on energy security, resilience, and green transport. Through SEACEF II, ADI has provided catalytic capital to Upgrade Energy Philippines and Mober, both pioneering solutions aligned with government priorities. As one fund manager reported: *“They (Upgrade) have fast-tracked several hundred megawatts of renewable energy, outpacing the Green Energy Auction Program, and are now seeking 10x follow-on equity”*. Upgrade recently secured a contract with the Department of Energy, underscoring the national recognition it has gained: *“Upgrade recently got a contract with the Department of Energy in the Philippines, demonstrating their profile is growing”* (Sarona Interview Notes).

Mober, meanwhile, is building an electric vehicle logistics platform that directly supports the government’s low-carbon transport agenda. Together, these investments show how ADI enables SMEs to scale quickly and gain legitimacy, creating a demonstration effect for how blended finance can align commercial outcomes with government priorities.

Bangladesh. In Bangladesh, ADI’s portfolio is closely aligned with national priorities, including Vision 2041, the National Financial Inclusion Strategy (NFIS), and the Mujib Climate Prosperity Plan, which highlight blended finance as a key tool for building climate resilience and sustainable growth.

Fintech lenders supported by Lendable are also widening access to credit for women and small businesses, advancing NFIS objectives. As Lendable’s Associate Director of Investor Relations explained: *“With ADI’s support, we could take more risk and reach segments like women borrowers and smaller businesses that commercial investors would not have prioritised.”*

Table 7. Map of national priority alignment (1 = Low / 3 = Strong)

Country	Clean Energy & Climate	MSME Finance & Inclusion	Women’s Economic Empowerment	Innovation & Digital Economy
Vietnam	3	2	3	3
Indonesia	2	3	2	2
Philippines	3	2	2	2
Bangladesh	2	2	2	2

Notes on Scores;

- 3 = multiple direct portfolio links to a named national strategy with clear pipelines/cases
- 2 = at least one active link plus enabling policy momentum
- 1 = indirect/early signs of alignment or geographic/mandate limitations

SHAPING REGIONAL AGENDAS

ADI’s influence goes beyond individual countries to broader regional priorities. In Indonesia, SEACEF II has helped early-stage solar developers work within and respond to distributed solar regulations, while KINETIK and PROSPERA are partnering with Government of Indonesia’s Ministry of Finance to develop carbon market frameworks. In Vietnam, the Vietnam Private Capital Association highlighted ADI’s potential to attract

international investors, noting: *“Sectors like clean energy, financial inclusion, and digital innovation align well with Vietnam’s national development agenda... ADI could mobilise international capital in these areas”*.

At the regional level, ADI’s gender-focused approach has been recognised by the Investing in Women initiative as a model for others: *“ADI plays the demonstration effect of gender-forward funds in the region... showing you can identify and benefit from investing in gender lens strategies”*

INFLUENCING DFAT AND GOVERNMENT THINKING

ADI’s impact and results are shaping the Australian Government’s approach to development finance. DFAT officials described ADI as *“a step towards a greater capability,”* noting that it effectively acts as a de facto development finance institution by anchoring early-stage, higher-risk investments. Stakeholders noted ADI’s catalytic role as Australia’s first ODA-backed blended finance vehicle, which set new benchmarks in gender and climate lens investing. As one official put it: *“No other programme like this is currently on the aid programme books... it has a very focused SME financing angle and a market-building role in growing the impact investment fund market in the region”*.

ADI’s demonstration effect also helped make the case for creating DFAT’s Blended Finance Unit, while Australian posts have used ADI commitments as diplomatic tools to build visibility and convene investors. For example, Austrade and the Australian Embassy in Jakarta built a major investor mission around the AC Ventures signing, generating high-profile coverage and reinforcing Australia’s presence in the regional investment landscape: *“At the AC Ventures signing in Jakarta, Austrade and the embassy built a major investor mission around it, generating press and visibility”*. As one DFAT representative summed up, ADI represents *“a fundamental shift from patronising aid assistance to shared prosperity - betting on the success of our neighbours.”*

Industry associations are critical partners in overcoming barriers to SME and fund growth. They connect investors with governments, raise visibility, set standards, and create platforms that amplify influence. For ADI, engaging with associations in Vietnam, Indonesia, and beyond is a way to turn catalytic investments into broader ecosystem change.

In **Vietnam**, awareness of ADI itself remains limited, even though its investments align strongly with government priorities in clean energy, financial inclusion, and digital innovation. Embassy staff noted that ADI could engage more directly with associations like the Vietnam Private Capital Association (VPCA), AusCham, and the National Innovation Centre to raise its visibility and strengthen its role in the ecosystem. Associations stressed that impact investors like ADI can play a critical role in linking international capital with national policy goals, but only if they are more present in local dialogues. As VPCA explained: *“VPCA would welcome ADI to join lunch-and-learns with finance ministers and investors... co-host or sponsor events with ministries and universities.”* Such platforms could help ADI showcase its portfolio, clarify its objectives, and build stronger ties with policymakers and local stakeholders.

In **Indonesia**, ADI’s profile is stronger when collaborating with ecosystem actors. The Indonesia Impact Alliance (IIA) highlighted ADI’s catalytic role in de-risking capital for local fund managers and supporting SMEs, describing ADI as both a funder and a source of learning that helps shape industry practices. IIA is now exploring new models to expand impact investing - including a potential Fund of Funds - and has already approached ADI and Sarona for input. This shows growing recognition of ADI’s role in ecosystem-building and signals an opportunity to deepen partnerships that could expand ADI’s influence and credibility at both the national and regional level.

8. LONGITUDINAL DESIGN FOR THE NEXT IMPACT STUDY

To show progress over time, ADI should introduce a simple longitudinal component to its measurement framework. Tracking a small, representative cohort of SMEs and periodically gathering data over 12-18 months from associated workers or users would reveal changes in job quality, gender balance, and climate resilience. Keeping the cohort limited (around 5-8 SMEs) balances rigour with practicality and provides DFAT with stronger evidence of sustained outcomes from blended-finance investments when the next Impact Study is conducted in 2026–27.

In addition to cohort tracking, ADI’s monitoring approach could incorporate light-touch qualitative feedback mechanisms to complement quantitative indicators. This might include short interviews or digital surveys with workers, customers, or suppliers to provide richer insights into how outcomes are experienced on the ground. A sampled approach for collecting qualitative data could be drawn from annual ESGI survey results. Embedding these checks within existing MEL processes would strengthen attribution analysis and ensure future studies capture both systemic trends and lived experiences of impact.



Image: Amarta clients from Pangalengan West Java

9. RECOMMENDATIONS

The data and evidence generated by this study confirms that ADI investments and TA are delivering positive, catalytic outcomes in gender, climate, and inclusive economic growth. As ADI's portfolio expands and more TA is completed, the depth and robustness of measurable outcomes are expected to grow and generate lessons on how blended finance can catalyse sustainable, inclusive growth in emerging markets.

At the same time, study findings demonstrate opportunities for ADI to strengthen systems, influence, and alignment with stakeholder needs. The following recommendations will build on ADI's successes, support continuous improvement and solidify its position as a flagship model for Australia's development finance.

COMMUNITY BENEFIT

Recommendation 1: *ADI could integrate worker and beneficiary perspectives into ADI's monitoring to strengthen decent-work analysis, verify key outcomes, and deepen learning. Introduce proportionate, sample-based worker and beneficiary checks to validate fund-reported data and improve insight into job quality, inclusion, and lived experience of outcomes.*

While ADI's indicator framework supports consistent aggregation, evidence of how outcomes are experienced by workers, customers, and micro-entrepreneurs remains limited. ADI could complement fund-reported data with light-touch, beneficiary-level checks in a light-touch, proportional manner that capture how outcomes are experienced by workers, customers, and micro-entrepreneurs. This could include short digital surveys, exit interviews, sample tracer studies, or periodic third-party spot reviews of priority indicators such as job quality, pay equity, 2X alignment, climate-use cases, and safety (particularly for women and temporary or field-based workers). These checks would triangulate, not duplicate, fund data and provide nuanced insights into how investments affect workers and clients.

For climate-sector SMEs, these mechanisms can also help identify modern-slavery, sub-contracting, or occupational-safety risks in solar and battery supply chains, ensuring that emerging green jobs are safe and rights-respecting. Establishing simple consent protocols and contribution-analysis methods would validate (not duplicate) fund data, enhance DFAT's confidence in results, and provide a more nuanced understanding of how ADI's investments affect people at the beneficiary level.

GENDER EQUALITY

Recommendation 2: *ADI could strengthen gender integration by supporting SME governance, leadership pathways, and inclusive product design so gender considerations become embedded in business performance. ADI could also consider offering follow-on TA to SMEs that demonstrate strong engagement and positive results from initial support, where unutilised budgets or resources allow. This would enable TA activities to build on earlier progress and accelerate more strategic, embedded gender practices.*

ADI can deepen impact by helping SMEs institutionalise inclusion and sustainability within governance and product strategy. Fund-level initiatives such as ABB II's gender-linked carry and Sweef Capital's inclusive value-chain models provide replicable templates. Practical next steps include:

- encouraging voluntary gender-balance targets at board and management levels;
- supporting leadership pathways for women through mentoring and succession planning; and
- promoting co-design of products that meet women's and low-income consumers' needs (e.g., female-focused credit lines, inclusive clean-energy services).

These measures help ensure inclusion is integral to business performance rather than an add-on, strengthening both financial and social outcomes without overstating systemic reach.

CLIMATE IMPACT

Recommendation 3: *ADI could strengthen climate impact and improve the consistency and comparability of reporting by updating its Theory of Change to include explicit climate outcomes at the long-term, end of program, and intermediate levels, mirroring the structure used for gender equality and reflecting ADI's evolution beyond the EMIF pilot to an investment mandate that includes climate finance.*

Updating the TOC would hard-wire a common vocabulary for climate results which in turn would align fund selection, TA scoping, and monitoring. This alignment would reduce variation in how climate is interpreted across windows and funds, enable like-for-like aggregation at portfolio level, and provide a clearer basis for year-on-year comparison alongside gender and community benefit indicators.

Implementation should remain proportionate to climate focus and capacity, recognising that there are varying levels of climate focus across existing portfolios. At the fund level, ADI could anchor delivery by setting expectations that all future funds progressively align climate risk management and disclosure with recognised standards such as TCFD, similar to that already being reported under several existing fund workplans. At the SME level, support should stay voluntary and demand driven, particularly for portfolio companies that are not explicitly climate focused and may have lower climate literacy. For example, ADI can foster readiness and resilience through TA grants with clear operational benefits, such as supplier diversification plans to reduce exposure to regional climate events, and workforce preparedness measures including occupational-safety training for extreme-heat or monsoon periods.

INFLUENCE

Recommendation 4: *ADI could use concessional capital more strategically to shape governance and standards. Leverage concessional positions to strengthen fund governance, embed stronger ESG/gender standards, and influence investment behaviour through LPAC/E&S engagement and targeted conditions.*

ADI's concessional capital should be used selectively to secure influence in fund governance rather than merely participation. ADI already applies several of these practices: for example, taking LPAC seats where available, engaging in E&S reviews, and using anchor commitments (as in SEACEF II) to signal expectations on gender and climate integration. These approaches have helped set stronger standards for fund governance and impact management.

Where feasible, ADI could go further by seeking observer or voting positions on LPACs or E&S panels, ensuring visibility into fund operations and impact performance. Anchor or first-loss commitments, as seen in SEACEF II, can be used more strategically to encourage adoption of ESG, gender, and climate requirements by other investors. Conditions attached to capital, for example incorporating ESGMS or gender KPIs into carry structures, should remain proportionate and collaborative, preserving fund-manager autonomy while embedding ADI's development objectives.

Recommendation 5: *ADI could build on portfolio evidence and fund-level learnings to inform ecosystem dialogue. Selectively share ADI insights through DFAT and targeted platforms to support Australia's investment-based development objectives, without expanding ADI's mandate.*

ADI's visibility within industry networks and DFAT Posts varies, limiting its ability to share lessons and shape broader investment norms. Without extending its formal mandate into policy advocacy, ADI could strategically participate in sector platforms and national dialogues (e.g., *Vietnam Private Capital Association, Indonesia Impact Alliance*) to share practical lessons from blended finance, gender, and climate integration by curating evidence briefs, case studies, and joint learning events with peer investors. This approach aligns with DFAT's







whole-of-government diplomacy objectives and would help position ADI as a credible Australian partner in responsible investment ecosystems. Coordination with Posts and Canberra should be strengthened to ensure these engagements reinforce, not duplicate, broader economic and climate diplomacy efforts.

CROSS CUTTING

Recommendation 6: ADI could encourage consistent light-touch reporting on gender, disability, and other inclusion markers, and provide simple tools to help fund managers and SMEs identify and reduce participation barriers. This approach maintains SME choice while improving the quality, relevance, and developmental impact of TA.

To maintain its leadership on inclusive finance, ADI should promote consistent, light touch reporting on gender, disability, and other inclusion outcomes across funds. Standard disaggregation by sex, disability status (using the Washington Group Short Set where feasible), and rural or youth status would enable clearer analysis of who benefits. Practical guidance and targeted TA for accessibility audits, reasonable accommodation, or partnerships with organisations of persons with disabilities would help fund managers and investees identify and address barriers to inclusion.

ANNEX A: PROFILE OF COMPANIES

<p>Persona AI (Vietnam) </p> <p>https://www.personal.ai/</p> <p>Persona AI is a platform to help anyone build and distribute the next wave of generative AI applications. With their no-code platform integrated with various third-party APIs, Persona AI's agents will be able to engage users where they are, thereby preventing the hurdle of prompt engineering, to serve their needs.</p>	<p>Superfine (Vietnam) </p> <p>https://superfine.org/</p> <p>Superfine is an end-to-end user acquisition solution for blockchain projects, providing marketers with a platform to drive advertisements to the best audiences efficiently. The company was founded by Christian Calderon who led marketing at various gaming companies. The company offers a data management platform that unifies fragmented on-chain and off-chain data that supports its plethora of offerings.</p>
<p>PowerTrade (Vietnam) </p> <p>https://power.trade/</p> <p>A crypto derivatives exchange for institutional investors founded by Mario Gomez Lozada, Konstantyn Holoborodko, and Jon Myers, finance veterans with prior experience at Bloomberg, Credit Suisse, Merrill Lynch, & Liquid (cryptocurrency exchange, etc). PowerTrade delivers a suite of institutional- grade crypto derivative market solutions to hedge funds, family offices, and professional traders. Its current core products include the flagship PowerTrade marketplace and PowerQuote, which is an automated RFQ workflow with an integrated position builder.</p>	<p>T&C Logistics (Vietnam) - Winding Down </p> <p>https://tncjsc.com/</p> <p>T&C Logistics is a spinoff of a family-owned business group launched in January 2021 by Phan Nguyen, son of the business group chairman, who has 10 years' of experience in building and operating distribution networks and supply chains. For merchants, T&C is an end-to-end solution for e-commerce logistics, so they can focus more on sales and customer service. For warehouses, T&C increases revenue of a warehouse by as much as 1000x per square meter per day.</p>
<p>Qode (Vietnam) </p> <p>https://qode.world</p> <p>Qode is an engineering talent platform enabling engineers to showcase their talents and identify, and apply to curated job opportunities. The company leverages the core tech platform it used in the retail sector while operating as Kilo, for the talent market under its new brand. The company has engineered custom crawlers, predictive models and simulations allowing it to amass data points from jobs seekers, employers and recruiters worldwide.</p>	<p>TechCoop (Vietnam) </p> <p>https://techcoop.vn/</p> <p>TechCoop has built an enterprise SaaS and embedded finance solution to digitize agricultural transactions and address the 70% credit gap in Vietnamese agriculture. The company was founded in August 2022 by Hao Diep and Tuan Nguyen. TechCoop offers a suite of solutions to digitize how agricultural anchors and farming cooperatives operate, serves as a data-driven lender to farming households and cooperatives, and provides other value-added services and resources in other parts of the agricultural supply chain.</p>

Solano

<https://www.solano.energy/>



A renewable energy startup founded by Tuan Anh “TA” Tran and Binh Le, engineers educated at Oxford and Cambridge respectively with prior experience at Rolls-Royce and Siemens, among others. Solano is developing affordable, quality solar energy solutions for households and businesses in Vietnam. The company provides a solar energy system targeting residential customers and will expand eventually to industrial customers to generate and store electricity for their consumption.

Virtual Internships

<https://www.virtualinternships.com/>



A global remote internship placement and management platform founded in 2017 by Daniel Nivern and Edward Holroyd Pearce, two entrepreneurs that have worked together for over a decade in the experimental learning industry. The company helps provide an effective alternative solution to address barriers students face in undertaking an internship. The company supports universities employability rates, helps students gain global experience and enables firms to secure high caliber interns at no cost.

Advance (Philippines)

<https://advance.ph/>



Advance Tech Lending Inc. is a B2B2C financial technology startup founded in 2019 that focuses on providing on demand salary advances to employees in business processing outsourcing (BPO), logistics and gig economy. The company provides alternative, salary-backed funding to underbanked employees.

Lhoopa (Philippines)

<https://lhoopa.com/>



A tech-enabled house purchaser and renovator that delivers affordable housing to low-income buyers in the Philippines, and helps arrange financing for their home purchase. The company was founded in 2017 and targets to fill a high shortage of affordable housing units in the country.

Amartha (Indonesia)

<https://amartha.com>



The company was founded in 2010 to provide loans to unbanked female micro- entrepreneurs in rural areas of Indonesia. Amartha became a P2P platform in 2015. The company has developed a technology platform to automate operations including borrower applications, data gathering and credit scoring. Since inception, the company has disbursed loans to over 500 thousand individual borrowers in more than 10 thousand villages in Java, Sulawesi, and Sumatra.

Moladin (Indonesia)

<https://moladin.com/en>



Moladin was founded in 2017 and enables growth and productivity of small dealers and agents in Indonesia. The mobility fintech platform provides end to end digital financing solutions for clients within the used car ecosystem through its digitized loan underwriting process. Other services provided include used car sales capabilities, auto financing partnerships and its own OJK-regulated multi-finance entity.

F88 (Vietnam)

<https://f88.vn/bao-hiem>



F88 was founded in 2013 and is the pioneer and leading chain of secured lending in Vietnam, targeting micro & small businesses and individual consumers. Having once experienced running out of money in his previous business, Mr. Phung Anh Tuan, one of the co-founders, saw the potential of bringing quick financial access to people and businesses in order to provide lending in a fast and easy way.

Savii (Philippines)

<https://savii.io/>



Savii was founded in 2016 and launched its lending model in 2017, providing salary deduction loans to full time employees of partner companies in the Philippines. These companies provide Savii with data on employees for underwriting and deduct loan repayments from borrower salaries. Savii provides financial education seminars, podcasts and online courses for employees of partner companies that are available to all who register for an account.

KoinWorks (Indonesia)

<https://koinworks.com>

A licensed peer-to-peer lending platform based in Jakarta. It started lending in 2016 and provides unsecured productive loans to smaller SMEs in Indonesia with an average loan size of \$15k. It has over 200 employees and operates predominantly in Java.



ShopUp (Bangladesh)

<https://shopup.org/>

A B2B commerce platform for small retail shops across Bangladesh. The company provides SMEs access to a large marketplace of retail goods and provides working capital loans and delivery services to their clients.



TEKY Alpha JSC (TEKY)

<https://teky.edu.vn/>

TEKY Alpha JSC (TEKY) is a multidisciplinary innovation academy in Vietnam. It provides STEAM education services for children aged 5–18-year-olds operating a chain of 16 STEAM centres in 5 major cities as well as more recently entering the public school segment.



Xurya (Indonesia)

<https://xurya.com/>

Xurya was established in 2018 and is a renewable energy business focused on providing distributed solar solutions for commercial and industrial clients. The company offers turnkey services, including design, installation, operation, and maintenance of rooftop solar systems. Through an innovative zero-investment model, Xurya enables businesses to adopt solar energy without upfront costs.



USM Healthcare (Vietnam)

<https://usm.com.vn/>

The first and only Vietnamese domestic manufacturer of coronary stent systems, balloon catheters, intravenous catheters, and orthopedic products. The factory, located in Saigon Hi-Tech Park, which completed in mid-2015, has a capacity of 35K coronary stents, 50K balloons and 10MM IVs per annum.



Jatri (Bangladesh)

<https://jatri.co/>

Jatri (Bangladesh) was founded in 2019 as a bus tracking service and has since evolved into a digital ticketing service for the operators of public transportation. Their platform provides B2B services, including platform fees and analytics for operators, while offering B2C solutions like online ticketing and digital bidding for consumers.



Vilo (Indonesia)

<https://vilogelato.com/>

Vilo is a leading Indonesian packaged ice cream brand offering premium gelato ice cream. Since 2017, VILO has grown significantly and today has 28 outlets spread across Indonesia with more than 300 flavours created and selling 77k+ jars per month to over 23k customers.



Hijau (Indonesia)

<https://www.hijau.co.id/>

Hijau was founded in 2017 and is an Indonesian company focused on distributed clean energy development, providing RTS solutions. The Company prioritizes installations that exceed 200 kWp and targets commercial buildings with high utilization by stable industries.



Arogga (Bangladesh)

<https://www.arogga.com/>

Arogga (Bangladesh) was founded in 2020 and is an e-commerce startup in Bangladesh addressing counterfeit medicine issues by supplying genuine medications at reasonable prices. It offers a wide range of prescription and non-prescription products, including supplements and personal care items, sourced directly from manufacturers. Operating through a web client and mobile app, Arogga ensures quality and efficiency with in-house logistics and a central warehouse in Dhaka, achieving a 4-hour delivery commitment and high repeat customer rates.



Mober Technology (Philippines)

<https://www.moberdelivery.com/>

Mober was founded in 2015 and is a third-party delivery services company with the potential to stimulate EV financing and adoption in the Philippines while accelerating the shift of delivery services to EVs. Mober deploys its company-owned EVs under contract with large MNCs and leading local companies to provide scheduled middle-mile and last-mile as well as instant delivery services.



Nami (Vietnam)

<https://namienergy.com/>



Nami was founded in 2019 and is a distributed clean energy developer providing RTS solutions for commercial and industrial customers in Vietnam. It targets installations with a minimum capacity of 500kWp or a roof area of 4,000 sqm, contracted for 15 to 20 years at a tariff set at a 10 to 25% discount to the prevailing EVN (Electricity Vietnam) tariff.

Upgrade (Philippines)

<https://ugep-energy.com/>



Upgrade was established in 2015 and is an experienced solar project developer and EPC. To date, the company has completed 20 distributed rooftop solar projects totaling 26.3 MWp, of which nine projects are wholly owned under lease contracts and 11 projects completed on an EPC basis.

Fazz (Indonesia)

<https://fazz.com/>



An all-in-one finance company born from the merger of a payment gateway in Singapore and a payment acceptance in Indonesia. It allows MSMEs in Singapore and in Indonesia to open virtual business accounts, from which they can send and receive payments, grow their capital, issue corporate credit cards, get funding, and access digital assets.

EasyGop (Vietnam)

<https://easygop.com/>



A buy-now-pay-later service founded by fintech professional Truong-Anh “Olivia” Nguyen. EasyGop focuses on flexible application (i.e. offline & online, bigger-ticket but beneficial products & services), fair & transparent terms, and collaborative debt servicing.

Bootloader Studio

<https://linkedin.com/company/bootloader-ai/>



Bootloader uses AI for building effective human interaction solutions. Founded in 2022 by Bryan Pelz, a serial entrepreneur and co-founder of Vietnam’s first unicorn VNG, the first product built by bootloader is an AI pet companion for mixed reality to help improve users’ emotional wellbeing. The company is melding mixed reality and AI to deliver emotionally positive experiences through augmented reality.

Mandu (Vietnam)

<https://mandu.com.vn/>



A social commerce enablement startup launched by husband-and-wife duo Tung “Jerry” Hoang and Linh Dang. Mandu is an ecosystem where resellers buy goods and products from suppliers and resell them to customers on social media or other e-commerce platforms. Mandu provides everything resellers need to sell online, removing the need for heavy working capital and empowering them to scale their business faster and more efficiently.

Cerebry

<https://www.cerebry.co/>



Cerebry is an AI-driven adaptive learning platform for STEM, founded by Rahul Singhal when he was a Ph.D. student in computer science at the National University of Singapore. Cerebry automates and personalizes practice problem sets for maths and science curricula. The solution provides AI-generated problem sets that progress based on students’ performance and is designed to be highly configurable by the team, i.e., allowing it to tailor to a jurisdiction’s curriculum requirements within one month.

Good Story Time (Vietnam)

<https://www.goodstorytime.com/>



A low-code/no-code platform to develop and distribute web-based interactive video games. The founder Khoi Nguyen brings two decades’ experience in building and leading software engineering teams in bleeding-edge technology, and scaling them to maturity. With markets such as gaming, traditional entertainment, and social markets converging, the company’s objective is to disrupt how story content is created, discovered and enjoyed by leveraging web-focused technologies to create PC/next generation console experience to be delivered through the browser on any device.

Foodmap (Vietnam)

<https://foodmap.asia/>



An agtech/foodech startup by Tung Pham, the former automation-engineer- turned-farm-director of Cau Dat Farm (a well-known 100+ year old tea and coffee farm). Foodmap's current line-up includes an ecommerce enabler platform that provides supply-side support to farmers, an agriculture commerce platform facilitating export, B2B trade, and B2C ecommerce, and a portfolio of in-house-developed private label brands.

BlokID

<https://www.blokid.com/>



A digital advertising analytics and ad attribution platform using blockchain-verifiable data. BlokID is building a blockchain-powered solution for the cookie-less era to enhance attribution while upholding user privacy. The solution captures and verifies attribution data independently and then stores user data in secure Clean Rooms.

ANNEX B: ADI IMPACT AGAINST GLOBAL BENCHMARKS

ADI's blended-finance model is benchmarked against international standards used by Development Finance Institutions (DFIs) and impact investors. The table below compares key ADI performance indicators with global reference points, highlighting where ADI is performing above or below emerging market averages.

Indicator	Global Benchmark Source	Benchmark Value	2023	2024	Interpretation
Private capital mobilisation ratio	Convergence regional benchmark (South/East Asia & Pacific)	~1:2	>1:6	1:6.66 (Dec 2024)	ADI consistently outperforms the regional 1:2 benchmark; 2024 dashboard shows ~1:6.66.
2X Challenge alignment (≥1 criterion)	Derived from DFI and gender-lens fund practice under the 2X Challenge, including ADI portfolio performance and fund-level 2X targets. It is a practice-based benchmark (not a formal 2X Global minimum requirement).	≥75–80% of portfolio companies aligned with ≥1 2X criterion	81% of portfolio companies aligned	77% of SMEs aligned	High and broadly stable gender alignment; slight dip in 2024 vs 2023.
Clean-energy capacity supported	—	—	Not reported in provided sources	145.6 MW added (2024)	Clean-energy delivery accelerated in 2024 after first climate commitment in 2023.
GHG avoided emissions (tCO ₂ e)	—	—	Portfolio GHG was measured (153,939 tCO ₂ e total emissions, not "avoided")	110,608 tCO ₂ e avoided (2024)	Avoided-emissions reporting appears from 2024; 2023 focused on establishing the baseline.
Women-founded or co-founded SMEs	Global VC benchmark	Approx 10%	23%	26%	Above global VC benchmark; ADI's own target band (25–33%).
Gender representation – women in management	IFC – Women in Private Equity and Venture Capital: The Case for Change	20–25% average	37% of leadership roles held by women	37% of portfolio-company managers are women; 26% hold board-level roles	Solid leadership representation. Slightly above emerging-market PE/VC norm.

Indicator	Global Benchmark Source	Benchmark Value	2023	2024	Interpretation
Job creation / retention ratio	CDC & DEG <i>Jobs Measurement Guidelines 2023</i>	2–5 jobs per USD 100,000 invested (direct)	Net change (YoY): -1,171	Gross jobs supported: ~3.8 per USD 100k invested Net change (YoY): -1,171	Employment outcomes reflect portfolio exposure to tech and fintech during a period of regional contraction. On a gross jobs-intensity basis, ADI aligns with CDC/DEG benchmarks. Net job losses underscore the importance of job quality, formal employment, and resilience rather than headline counts alone.
Median annual salary in portfolio SMEs	Compared to GDP per capita in ADI markets (USD 2,500–4,300)	Context band USD 2.5k–4.3k	USD 12,732 (Approx. AUD 18,648)	USD 9,854 (Approx AUD 14,923)	ADI jobs pay well above local GDP-per-capita levels in 2023 according to the report.
TVPI (Total Value to Paid-In Capital)	—	—	Not reported in provided sources	Not reported in provided sources	Financial performance metric not disclosed in the provided materials.
Technical assistance spend.	—	—	Program-wide TA Approx. AUD 15.5 m (fund-level TA Approx. AUD 4.4 m)	AUD 2,969,992.67	Available files state TA envelopes, not a ratio vs fund capital.

ANNEX C: OVERVIEW OF TECHNICAL ASSISTANCE PROVIDED

Technical Assistance Delivered in 2023

ADI TA	Technical Assistance for Funds	Technical Assistance for Portfolio Companies
Lendable	<ul style="list-style-type: none"> • Two impact reports published • Impact Director on-boarded • LMCF 2 launches as a GLI fund 	Koinworks, F88, Lhoopa: Gender responsive and women focused financial product
AVV	<ul style="list-style-type: none"> • Impact report published • ESG and impact DD score designed and implemented in the investment process 	EasyGop: PSEAH integration and marketing outreach
Sweef Capital	<ul style="list-style-type: none"> • Embedded climate consideration in DD process • Climate-gender nexus report published • First impact report published 	TEKY: Child safeguarding advanced training Q1 2024 pipeline: Vilo and USM for Corporate Governance
Clime Capital	<ul style="list-style-type: none"> • GLI training for the Clime team • Facility Design • Female IC (Investment Committee) member search 	Q1 2024 pipeline: Upgrade, Hijau, Mober, and Nami for ESMS (Environmental and Social Management System) and investment readiness

ADI developed a Safeguarding toolkit for fund managers and SMEs, including informational videos and policy templates to enhance investees' understanding and support their policy development. Technical assistance for fund managers also guides the integration of safeguarding into investment processes.

Technical Assistance Delivered in 2024

ADI TA	Technical Assistance for Funds	Technical Assistance for Portfolio Companies
Lendable	Social risk and safeguarding training	<p>F88:</p> <ul style="list-style-type: none"> • Gender sensitisation training for senior management, middle and entry-level staff (offline and online) • Development of PSEAH policies <p>KoinWorks and Lhoopa:</p> <ul style="list-style-type: none"> • Design and implementation support of financial products or services that address the unique needs of women customers.
Sweef Capital	Impact management system automation (on-going)	<p>TEKY:</p> <ul style="list-style-type: none"> • Middle management training on branding • Development of Customer-Driven Service Culture <p>Handbook</p> <ul style="list-style-type: none"> • Capacity building on child protection policy and procedures package • Board effectiveness training <p>Vilo:</p> <ul style="list-style-type: none"> • Leadership and brand narrative training • Development of Customer-Driven Service Culture <p>Handbook</p> <ul style="list-style-type: none"> • Development of marketing strategy implementation and programs • Board effectiveness training <p>USM:</p> <p>Board effectiveness training</p>
Clime Capital	GLI training for the Clime team TA Facility design Female Investment Committee (IC) search and selection	<p>Upgrade, Hijau, Mober, and Nami</p> <ul style="list-style-type: none"> • Environmental, Social, and Governance Management System (ESGMS) enhancement and training

ANNEX D: KEY INFORMANT INTERVIEWS

	Organisation	Type of Organisation	Participants
1	Sarona Aset Management (interview 1)	ADI Investment Manager	2
2	Sarona Asset Management (interview II)	ADI Investment Manager	1
3	DFAT Blended Finance Unit	Australian Government	4
4	ADI (interview I)	Investment Committee	1
5	ADI (interview II)	Investment Committee	1
6	ADI (interview III)	Investment Committee	1
7	Sweef Capital	ADI Fund Manager investee	1
8	Clime Capital	ADI Fund Manager investee	1
9	Lendable	ADI Fund Manager investee	1
10	Asia Business Builders (ABB)	ADI Fund Manager investee	1
11	F88	SME	1
12	TechCoop	SME	2
13	Nami	SME	2
14	Mober	SME	1
15	Xurya	SME	1
16	Upgrade Energy	SME	4
17	Hijau	SME	3
18	Vilo	SME	2
19	Australian Embassy Vietnam	Australian Government	6
20	Australian Embassy Philippines	Australian Government	1
21	Investing in Women	Australian Government program & ADI window	2
22	KINETIK	Australian Government program & ADI window	1
23	Sagana (interview I)	TA provider	1
24	Sagana (interview II)	TA provider	1
25	Alchemy8	TA provider	1
26	Vietnam Private Capital Association (VPCA)	Industry association	2
27	Indonesia Impact Alliance	Industry association	1
28	Vietnam National Innovation Center (NIC)	Vietnam Government	2

ANNEX E: ADI THEORY OF CHANGE

OBJECTIVES	Build evidence base of SMEs' contribution to development impact goals <i>ADI's development objectives</i>	Grow impact SME and gender lens investing in the South, South East Asia and Pacific islands region <i>ADI's market-building objectives</i>	Draw organizational learnings from ADI's investment approach for DFAT <i>ADI's DFAT organizational learning objectives</i>
LONG TERM OUTCOMES	Communities ^(*) benefit from the growth of SMEs (employment, access to goods for low-income households etc.) and women's economic empowerment	Financial service providers grow in number and size and the number of impact investments multiplies SME Funds attract additional capital (crowd in) Impact investors adopt additional and rigorous approaches to impact management and GLI	Investment-based approaches to development are more broadly adopted within DFAT Industry recognizes the benefits of DFAT's engagement in the sector
<i>Line of accountability</i>			
END OF PROGRAM OUTCOMES	Funded SMEs have grown or sustained their business and generated positive impact, including gender equality outcomes More SMEs incorporate practices of gender equality and impact management	SME Funds demonstrate track record of sound investments in SMEs including sustainable impact SME Funds demonstrate financial and development benefits of impact management and GLI practices	ADI demonstrates how investment based approaches can support development priorities, including gender equality outcomes ADI mechanism used by various DFAT Divisions
INTERMEDIATE OUTCOMES	Funded SMEs have capital to grow or sustain their business, especially SMEs that have positive gender equality outcomes SMEs have knowledge, skills and tools to grow their business and impact and adopt new impact practices	SME Funds leverage further capital alongside ADI SME Funds have knowledge, skills and tools to implement impact management and GLI practices into their operations and processes and adopt new practices	ADI interest, knowledge and collaboration increases across DFAT
OUTPUTS	SME Funds have capital to invest in SMEs and to leverage further capital	Technical assistance is provided to SME Fund managers and SMEs, including for impact management and GLI practices	Information about ADI, impact investing, and gender lens investing is identified and disseminated across DFAT
INPUTS	Capital committed in SME Funds	Technical Assistance support to SME Funds and SMEs	Set up of ADI with Secretariat, IM and trustee appointed and resourced

(*) Communities specifically including those excluded from or currently underserved by existing markets.