### Investing sustainably in climate protection

Madagascar is one of the least developed countries in the world. As an island, Madagascar suffers particularly from the consequences of climate change (shorter rainy seasons, increased cyclones and hurricanes). About 400,000 hectares of forest disappear every year, often due to the need for wood for cooking. Increasing desertification is the result. This is why ADES is committed to the preservation of the country's forests, which also play an important role in the global regulation of CO₂ emissions.

Development cooperation per se and the very difficult framework conditions in Madagascar in particular demand a prudent and long-term commitment. Since the approach of ADES goes beyond development cooperation in the traditional sense, the association comments on the adjoining aspects in this paper.

1. balance of the money flows North / South and the use of funds by ADES
2. management responsibility
3. industrialized production with sales organization
4. economic viability

ADES values diligent and long-term commitment. Buyers of ADES stoves are not only recipients of help, but also protect their own livelihoods.

The target groups of ADES actively participate in environmental and climate protection by purchasing our stoves. This means that they are not merely recipients of help, but they themselves provide for the protection of their livelihoods. Selling prices are so high that they guarantee a minimum degree of personal responsibility for the target group and so low that energy-efficient stoves remain affordable. At the same time, the prices also reflect the quality of the products. Industrially manufactured cooking appliances are per se more expensive than backyard products because they are of a higher quality. The ADES social standards also influence selling prices, which the association consciously accepts on the basis of the precarious situation of employees in Madagascar: ADES sets here a clear signal for humane working conditions in Madagascar.

In a country with such a high poverty index, quality cookers can only be sold at a reduced price, otherwise they would not be accepted. The selling price cannot - at least in the near future - cover the production and distribution costs, let alone generate a profit. About 90 per cent of the population has less than two US dollars a day at their disposal. Nevertheless, the share of sales revenues in total financing is being gradually increased. This is a process that takes time. Thus, ADES is and remains dependent on funding contributions.

Despite discounts, ADES stoves are positioned in the upper price segment and do not exert any competitive pressure on the simpler appliances offered on the market.

ADES is a climate protection project, certified according to the Gold Standard. The revenues resulting from CO₂ emissions trading all flow to Madagascar, as emissions are also reduced locally. These yields currently make a significant contribution to covering production costs. The selling price cannot - at least in the near future - cover the production and distribution costs, let alone generate a profit. About 90 per cent of the population has less than two US dollars a day at their disposal. Nevertheless, the share of sales revenues in total financing is being gradually increased. This is a process that takes time. Thus, ADES is and remains dependent on funding contributions.

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The North continues to profit from its opportunism and feed on the overuse of its natural resources, significantly upsetting the balance between its financial success and its adversities and its know-how and is significantly contributing to the economic growth of the country. Switzerland’s imports and exports. Above all, Switzerland’s exports go through them – and established contractual relationships with large customers (e.g., WAF, companies) are of central importance for the sustainable, nationwide sale of energy-saving cookers. The conviction of the product, the courage to innovate, confidence in local potential, good leadership, social responsibility and absolute transparency make ADES a successful project.

ADES promotes the transfer of knowledge and experience, improves education, education and capacity to mitigate the consequences of climate change. ADES clearly stands for a financial commitment to development cooperation and its know-how and is significantly shaping the balance between its financial success, as the Malagasy state does not have the resources to implement any of its climate protection plans in place for various scenarios. Madagascar’s social structure is strongly influenced by clan culture and family orientation. Madagascar’s state fragility, coupled with a lack of the rule of law, a high corruption index and nepotism, requires on the one hand an internationally positioned local management team and the organizational anchoring of ADES in Switzerland. Among other things, this serves the purpose of ensuring diversified – and thus sustainable – financing of the programme from various sources.

The sustainable development goals of the United Nations also refer to this problem. ADES promotes these goals as follows: The conviction of the product, the courage to innovate, confidence in local potential, good leadership, social responsibility and absolute transparency make ADES a successful project. ADES does not wish to create any further dependency in Madagascar. Local employees directly employed by ADES receive fair wages and social benefits above the national average. ADES thus represents itself as an attractive employer and acts as a nationwide example for appropriate working conditions. Other people are employed by local suppliers or by independent retailers of cooking appliances. It goes without saying that local colleagues also work in management positions.

ADES’ own sales organisation, a broad network of local and international partners, approximately 80 percent of sales go through them – and established contractual relationships with large customers (e.g., WAF, companies) are of central importance for the sustainable, nationwide sale of our cookers. This is the only way to reach large numbers of households and is an integral component of project management. This guarantees an efficient and effective use of resources with maximum target achievement.

The objective of a genuine change in the Malagasy population’s awareness in favour of the sustainable protection of their livelihoods cannot be achieved with individual projects limited in time and place. It is only possible with an integrated programme whose sub-projects (e.g., environmental education, vocational training, etc.) are appropriately coordinated and integrated into the overall picture. This project will be implemented as decentralised as possible, with local registration (accord de siège) and broad acceptance. ADES deliberately keeps administrative costs in such an efficient, effective and transparent organisational structure.

ADES is active in Madagascar for an unlimited period of time and has established a sustainably productive and sales structure for energy-saving cookers, which are supported and shaped by local employees. The ADES programme is based on a partnership at eye level between North and South. With direct investment, the NGO creates sustainable value chains and livelihoods in a country that ranks in the bottom quarter of the Human Development Index. Sustainable social entrepreneurship in an LDC needs not only a strong vision but also strong values on which it is based: Convincing the product, courage to innovate, trust in local potential, good leadership, social responsibility and absolute transparency towards all stakeholders who make ADES a successful project. ADES feels particularly responsible for its success, as the Malagasy state does not adequately protect investments in sustainable development. Wherever possible, the organisation combines its efforts with other aid organisations, institutions and donors. The work is guided in particular by the ten principles of the United Nations Global Compact. The safety of local and international employees already has top priority in our work. ADES monitors the political and security situation as part of a routine risk analysis and has emergency plans in place for various scenarios. As a non-profit association and NGO, ADES is of course obliged to guarantee the targeted use of donations – most of which come from Switzerland – with the greatest possible transparency. This is possible via a head office in Switzerland.

Balance of North / South cash flows and ADES funding

The North continues to profit from its opportunism and feed on the overuse of its natural resources, significantly upsetting the balance between its financial success and its adversities and its know-how and is significantly contributing to the economic growth of the country. Switzerland’s imports and exports. Above all, Switzerland’s exports go through them – and established contractual relationships with large customers (e.g., WAF, companies) are of central importance for the sustainable, nationwide sale of energy-saving cookers. The conviction of the product, the courage to innovate, confidence in local potential, good leadership, social responsibility and absolute transparency make ADES a successful project.

Income that is generated locally, remain in Madagascar and maintain the livelihoods of the local population. 

Through regional production and distribution centres, ADES guarantees innovation and continuous optimisation of production processes and product range.