

USADF 101 U.S. African Development Foundation





What Does USADF Do?

The U.S. African Development Foundation (USADF) is an independent U.S. Government agency established by Congress in 1980 to invest in African grassroots organizations, entrepreneurs, and small and medium-sized enterprises (SMEs). USADF's investments promote local economic development by increasing incomes, revenues, and jobs and creating pathways to prosperity for marginalized populations and underserved communities across the continent.

Who Does USADF Reach?

Over the last five years (FY 2019-FY 2023), USADF has invested more than US\$141 million directly into over 1,000 Africanowned and African-led enterprises and impacted more than 2.6 million lives. USADF is aligned with U.S. national security and economic priorities for Africa and creates new markets and shared prosperity for Africans and Americans alike by investing in communities that are often left behind in Africa's growth story.

How Does USADF Work?

At the core of USADF's efforts is our commitment to investing directly into community-led and wholly localized approaches to support African entrepreneurs and their enterprises. **The agency implements this approach by providing seed capital and local technical assistance — via direct grants of up to US\$250K** — **to African enterprises and social entrepreneurs** seeking to address some of the continent's greatest challenges with food insecurity, insufficient energy access, and unemployment, particularly among women and youth.

To lead these efforts, the Agency employs a staff inclusive of a Country Program Coordinator and a local implementing partner, 100% of whom are African nationals of the countries in which they serve.



USADF focuses on frontier markets in Africa. **We currently operate in 22 African countries** and have made grant investments in more than 40 countries continent wide.

Recipients of USADF Support Include but are not limited to:





Nomadic & Pastoralist Populations



Women & Youth

Entrepreneurs



Persons living

with Disabilities



Rural, Remote, & Marginalized Communities

<u>www.USA</u>DF.gov



USADF Approach: Development Done Differently



The USADF Approach to Enterprise Development, Growth, and Scale:

Operational Assistance Grants (OAGs):

Begin with enterprise development grants that build capacity and strengthen management and governance capabilities (US\$100K max).

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Enterprise Expansion Grants (EEGs):

Then add growth capital through enterprise expansion grants to link to new markets (*US\$250K max*).

TRADITIONAL MODELVSUSADF MODELTop DownGrassrootsIntermediaryDirectImplementationCo-creationExpatriate-ledLocally-ledDonor DrivenCommunity DrivenCapital or Capacity BuildingCapital and Capacity Building

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Enterprise Linkage Grants (ELGs):

Finally, provide enterprise linkage grants to help enterprises access new and existing capital to support sustainable growth (US\$50K max).

Collaborations and Partnerships

USADF's results-based development model maximizes taxpayer dollars by linking African host country government funds, corporate social investments, and U.S. Government interagency funding sources to achieve sustainable economic growth opportunities for grassroots, small, and growing enterprises in underserved regions across Africa.

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As the only U.S. government agency focusing 100% on the continent — and largely with Indigenous peoples — USADF's style of community development has contributed to four decades of improved relations and better livelihoods for people across Africa."

> - U.S. Senator Chris Coons, December 15, 2020 on the occasion of USADF's 40th Anniversary

We invest in African enterprises that have the potential to:



Grow Revenues

Increase Incomes

Ensure Scale

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Multiply Impact Build of Grant Value Capa

Build Organizational Capacity & Reslience Create Jobs

www.USADF.gov

DEVELOPMENTAL MODEL