



U.S. AFRICAN DEVELOPMENT FOUNDATION  
CONGRESSIONAL BUDGET JUSTIFICATION

**Fiscal Year 2024**

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

Working through a community-led development model, USADF provides grant capital of up to \$250,000, capacity-building assistance, and convening opportunities to develop, grow, and scale African enterprises and entrepreneurs. These investments improve lives and impact livelihoods while addressing some of Africa's biggest challenges around food insecurity, insufficient energy access, and unemployment, particularly among women and youth. USADF utilizes 100 percent African staff and local technical partners on the ground across Africa, making it an agile, impactful, and innovative foreign assistance provider that can operate in areas that are often too remote or fragile to be reached by other U.S. government development agencies.

Over the last five years (FY 2018 – FY 2022), USADF has invested more than \$117 million directly into over 1,000 African-owned and African-operated entities and impacted more than seven 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 reaching communities that are often left behind in Africa's growth story.

**March 9, 2023**  
**Washington, D.C.**

THE BOARD OF DIRECTORS AND THE PRESIDENT OF THE UNITED STATES  
AFRICAN DEVELOPMENT FOUNDATION  
WASHINGTON, D.C.

We are pleased to present the Administration's FY 2024 budget justification for the United States African Development Foundation (USADF). The FY 2024 budget request of \$46 million for USADF will support broad U.S. foreign assistance priorities and national interests in hard-to-reach communities across Africa. Specifically, \$46 million will provide USADF resources to award approximately 300 new grants and continue to monitor an active grant portfolio of \$51 million representing more than 450 African community enterprises.

USADF is an independent U.S. government agency with a mission to create pathways to prosperity for underserved communities in Africa. Established by Congress in 1980 to invest directly in African grassroots enterprises and social entrepreneurs, USADF remains an important tool in the U.S. government's foreign assistance toolkit.

USADF is on the frontier of development, working directly with Africans on the continent to address some of Africa's most difficult development challenges with programs to increase U.S. development assistance in the hardest to reach areas. USADF works with underserved populations, those impacted by conflict, persons living with disabilities, youth, women, refugee communities, and smallholder farmers. USADF provides grant capital, capacity building through local technical expertise, and convening opportunities for grassroots enterprises that empower the underserved to become part of Africa's growth story. The Foundation's participatory development model emphasizes resilience and sustainable strategies that allow families to move towards increased self-sufficiency and promote market-based solutions to poverty.

At USADF, each project is unique, and the agency is accountable to the U.S. taxpayer for every dollar spent. Each project has stringent, individual financial benchmarks to meet before funds are released, and a series of compliance reviews and internal audits are executed on every project. USADF's African staff and partners lead our country teams and facilitate our African-owned and -led, participatory, bottom-up and localized development model. USADF's direct relationship with its grantees allows it to direct our investments to each African-owned enterprise with no middleman and little administrative overhead.

USADF ensures critical U.S. trade, investment, and development initiatives such as Feed the Future, Power Africa, and the African Growth and Opportunity Act (AGOA), as well as targeted national security and women and youth development programs reach thousands of communities often left out of Africa's growth story. USADF uses an innovative African-led and -managed development model that directs development resources to the vulnerable areas with greatest need and potential for impact.

The Foundation also offers a high return on U.S. taxpayer dollars. For FY 2024 USADF plans to augment the \$46 million of requested federal funds by using leveraged funds from African governments, private foundations and corporations, and U.S. interagency sources to expand total funds available for project grants. USADF intends to leverage \$15.1 million in external funding in FY 2024 – roughly \$1 for every \$3 in taxpayer funds.

USADF’s enduring relationship with communities in Africa continues to provide a unique perspective on development, stability, and peace and security on the continent. As the drivers of instability proliferate, it is increasingly important for the United States to invest in economic development in Africa, particularly in ways that reach communities of greatest need and vulnerability. USADF affirms its commitment to country-ownership and community involvement for successful capacity building and long-term development success. Our programs deliver results that extend key U.S. foreign assistance priorities, including improving local food production through agricultural innovation, increasing income levels for shared prosperity, promoting women’s economic security, and creating an environment for economic growth and investments. We look forward to Congress’s continued support and guidance as we seek to maintain and expand the impact of this unique foreign assistance program and mutual opportunities for growth and strengthened ties between African nations and the United States.

Sincerely,




John W. Leslie, Jr.

Chairman, Board of Directors



Dr. John O. Agwunobi

Vice-Chair, Board of Directors



Travis Adkins

President and CEO

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## **Executive Summary**

### **Agency Overview**

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

Working through a community-led, localized development model, USADF provides grant capital of up to \$250,000, capacity-building assistance, and convening opportunities to develop, grow, and scale African enterprises and entrepreneurs. These investments improve lives and impact livelihoods while addressing some of Africa's biggest challenges around food insecurity, insufficient energy access, and unemployment, particularly among women and youth. USADF utilizes 100 percent African staff and local technical partners on the ground across Africa, making it an agile, impactful, and innovative foreign assistance provider able to operate in areas that are often too remote or fragile to be reached by other U.S. government development agencies.

### **Five Reasons to Support the FY 2024 USADF Budget Request of \$46 Million**

#### **1. Supporting and Strengthening Resilient Local Food Systems**

According to the World Food Program, one in every five Africans goes to bed hungry, and at least 140 million people on the continent face acute food insecurity.<sup>1</sup> These conditions are expected to persist in 2023 and beyond due to climate change, conflict, and market disruptions such as Russia's invasion of Ukraine and COVID-19.

USADF's funding helps agribusinesses and agricultural cooperatives build more resilient local food systems and increase local production of food, helping decrease reliance on imports, better prepare communities against shocks, and alleviate potential conflict due to hunger and food insecurity. Over the last five years, USADF has catalyzed agricultural-led economic growth through \$55 million in grant capital to support over 400 agriculture cooperatives and agribusinesses in becoming self-sufficient, improving productivity, increasing incomes for smallholder farmers, and enhancing food security for over 2.5 million people.

USADF is a component agency of the U.S. government's Feed the Future (FtF) global hunger and food security initiative and has active programs in six of the 12 FtF target countries: Kenya, Mali, Niger, Nigeria, Senegal, and Uganda. Additionally, several of USADF's other country programs in Africa are aligned with Global Food Security Strategy goals. USADF will continue this work in FY 2024, through its core programming as well as by leveraging funding from African government, private sector, and foundation partners.

#### **2. Innovative Partnerships and Leveraged Funding**

USADF is doing more to reimagine how to deploy grant capital. The Foundation continues to

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<sup>1</sup> World Food Program, 2022, [Global Report on Food Crises](#)

make direct grants to social entrepreneurs while harnessing new ideas and partnerships that deepen the impact of grant capital to strengthen grantee resilience and enterprise growth. USADF’s innovative partnerships help further the Foundation’s development goals, provide new ways for investees to build credit worthiness and business sustainability, and allow the Foundation to expand its work at a lower cost to the U.S. taxpayer.

USADF matches appropriated funds with those from host African national and subnational governments that invest their own funds directly into USADF programs. In FY 2023, the Foundation is leveraging matching funds from Benin, Côte d’Ivoire, Malawi, Mauritania, Senegal, and Uganda and two subnational governments in Nigeria (Ekiti State and Lagos State).

USADF also extends the reach of U.S. foreign assistance funds and its impact by leveraging money from private sector corporate and foundation partners. As examples, in FY 2023, USADF is leveraging funding from the Stanbic Kenya Foundation and Stanbic Bank to support entrepreneurs in East Africa; from the Helmsley Charitable Trust to support enhanced nutrition and food security in Malawi; and from the Tony Elumelu Foundation to support youth entrepreneurs across the continent. These are just a few of the numerous private sector and foundation partnerships through which USADF is leveraging funding to increase the Foundation’s reach and impact.

In FY 2024, leveraged funds are projected to represent approximately 24 percent of USADF’s total operating budget.

### 3. Supporting Job Creation and Employment for Youth and Women

About 60 percent of Africa’s population is under the age of 25, and analysts project that one-third of the world’s youth will be concentrated in Africa by 2050.<sup>2</sup> In 2019, nearly 40 percent of youth in Africa were defined as being in extreme working poverty or were earning under \$1.90 per day, on average, according to the International Labour Organization.<sup>3</sup> While Africa’s so-called “youth bulge” is often seen as a threat, USADF sees Africa’s youth as a tremendous resource to drive African nations’ economies forward with the right support.

Over the last five years, USADF has awarded over \$17 million in grants to nearly 500 enterprises for job training and placement programs so youth and women have better chances to secure employment, as well as to social entrepreneurs to start and scale their enterprises and create employment opportunities for others. These entrepreneurs are working across sectors, from health and education to IT and agribusiness to sell goods and services, create jobs, train youth, and increase incomes. A recent study of USADF’s youth entrepreneurship portfolio found youth-led enterprise grantees in the Sahel reached an average of 12,570 beneficiaries or customers over the course of their grants and hired an average of 15 workers. In the Horn of Africa, youth enterprises reached 2,353 customers and hired an average of 273 workers. In the Great Lakes, USADF youth entrepreneurs reached an average of 403 customers and hired an average of 9 workers.<sup>4</sup>

USADF is also working to support vocational job training and placement for youth, helping

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<sup>2</sup> Cities Alliance, July 2020: “[The Burgeoning Africa Youth Population: Potential or Challenge?](#)”

<sup>3</sup> International Labour Organization, April 2019 Report: “[Spotlight on Work Statistics](#)”

<sup>4</sup> Foreign Policy Analytics 2020 report: “[Investing in Resilience from the Ground Up](#).”

facilitate skills development and trade skills to help African entrepreneurs become more competitive globally. In Nigeria, USADF is partnering with the Lagos State Employment Trust Fund to support skills training and apprenticeships for 15,000 youths in Lagos State. In Somalia, USADF is funding local Somali NGOs to train unemployed youths to work with local businesses and to date has facilitated placement for over 7,400 trainees.

USADF has had a focus on women since its founding and believes Africa's growth and prosperity will be driven by its women. For FY 2022, 46 percent of USADF investments (by number of grants) were awarded to women-owned enterprises, and the Foundation is aiming to increase this amount to reach gender parity moving forward. USADF has also partnered with the State Department to provide funding to women entrepreneurs, and since FY 2020 has partnered with the State Department's Academy for Women Entrepreneurs (AWE) to provide catalytic seed capital and technical support to select graduates of the AWE program. Starting in FY 2023, USADF is also partnering with the Department of State's African Affairs Bureau to fund African women entrepreneurs as part of State Department's African Women Entrepreneurship Program (AWEP).

#### 4. Locally-Led Development and Grassroots Sustainability

USADF works with 100 percent African staff and partners on the continent, and these host country nationals are best suited to provide local context and dynamics in supporting USADF's programming. Working through host country staff and African partners increases local ownership in the development process, builds the capacity of local community development institutions, and creates strong linkages that help enterprises and community organizations achieve results-driven growth. USADF's local partners bring knowledge of market linkages, connections to government and other in-country actors and stakeholders, and a strong enterprise development background. These organizations have been recognized as experts in the field of locally-led development and have been contracted to provide services to other organizations such as the U.S. Agency for International Development (USAID), the World Food Programme, the International Fund for Agricultural Development (IFAD), and others.

USADF also employs a participatory, locally-led approach to program design and implementation that leads to greater ownership of projects. This model helps ensure sustainability and continued impact that lasts far beyond USADF's grant funding duration.

#### 5. Agility, Access, and Overhead

USADF is highly responsive and agile in establishing targeted development programs in Africa. These quick starts complement larger U.S. government programs by providing early results and an extended reach to rural and remote locations and underserved communities.

USADF's pan-African network of local partner organizations are also uniquely positioned to help USADF operate successfully in challenging environments and post-conflict communities. 17 of the 21 countries in which USADF operates are considered fragile or extremely fragile by the OECD, and USADF's investment in economic development in fragile states is crucial to long-term growth and stabilization.



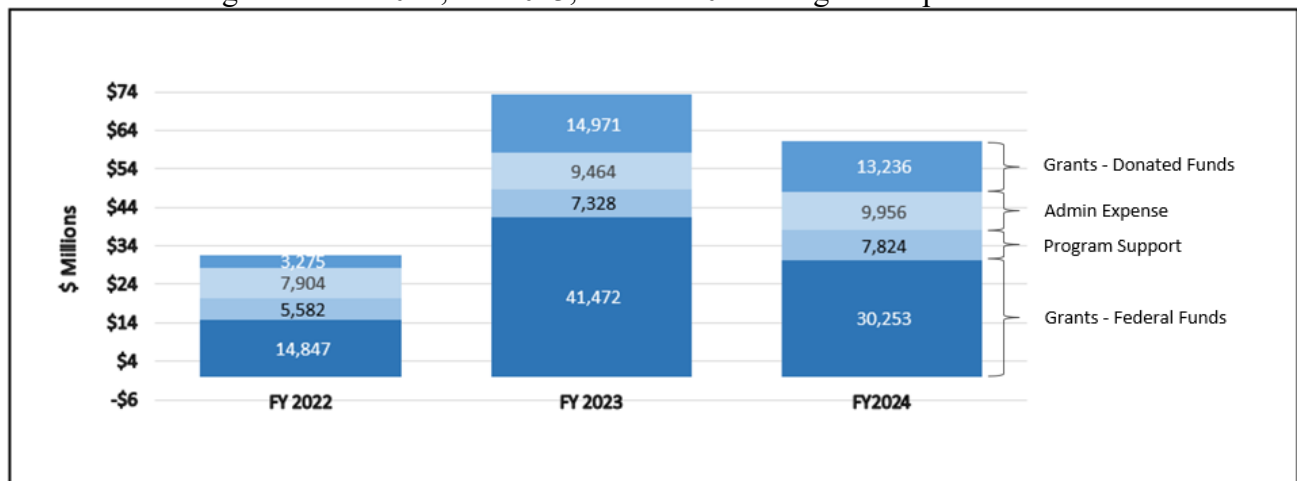
USADF also attempts to maximize the amount of its funding that goes directly to grantees in Africa, and therefore seeks to keep administrative overhead costs as low as possible. Historically, USADF’s administrative support costs have been under 20 percent of all available funds. USADF’s unique ability to leverage funding from African government, corporation, and foundation partners also helps USADF maximize its investments directly in Africa.

**USADF FY 2024 Budget Request and Details**

USADF requests \$46 million for FY 2024 to support broad U.S. foreign assistance priorities and national interests in marginalized regions in Africa. The \$46 million provides USADF with resources to award more than 300 new grants and continue monitoring an active grant portfolio of \$51 million. The \$46 million represents a \$1 million increase over FY 2023 enacted levels and will allow for USADF to continue its program operations at current levels.

In addition to USADF’s FY 2024 budget request of \$46 million, USADF is projected to leverage \$15.09 million from partnerships and \$2.2 million in carryforward and recoveries. USADF’s FY 2024 budget is projected to be \$63.27 million. The projected budget allocates, excluding carryforwards and forex, \$43.39 million for new grants, \$7.82 million for program support activities, and \$9.96 million for operating expenses. The budget allocations for FY 2022, FY 2023, and FY 2024 are depicted below.

Figure 1: FY 2022, FY 2023, and FY 2024 Budget Comparison



**FY 2024 Budget Request**

USADF requests \$46 million of federal funds for Fiscal Year 2024 to support broad U.S. foreign assistance priorities and national interests in communities across Africa. The \$46 million provides USADF with resources to award approximately 300 new grants and continue monitoring an active grant portfolio of \$51.6 million representing more than 450 rural African community enterprises. The budget table below (Table 1) provides a summary of the budget request and expected allocation of resources in FY 2024 for program and administrative expenses.



Table 1: FY 2024 Budget Request Levels and Recent Budget History (\$1,000)

	Description	FY 2022 \$40M	FY 2023 \$45M	FY 2024 \$46M
Federal Funds	<b>Operating Expenses</b>			
	ADF/W	7,904	9,464	9,956
	<i>Operating Expense Subtotal:</i>	<b>7,904</b>	<b>9,464</b>	<b>9,956</b>
	<b>Program Expenses</b>			
	Project Grants	6,977	33,308	22,207
	Partnership and Diaspora Outreach	-	500	500
	Foreign Currency Adjustments	74	100	100
	Partners Grants	7,807	7,565	7,446
	HQ Program Support	3,812	5,147	5,414
	Field Office Program Support	1,575	1,941	2,157
	Audit	196	240	252
	<i>Program Subtotal:</i>	<b>20,440</b>	<b>48,800</b>	<b>38,077</b>
	<b>Total Operating &amp; Program</b>	<b>28,344</b>	<b>58,264</b>	<b>48,033</b>
	<b>Federal Funds</b>			
Current FY Appropriations	40,000	45,000	46,000	
Non-Expenditure Funds Transfer-AID/MCC	512	2,256	1,850	
Funds Carried Forward & Recoveries	1,497	13,191	2,183	
<b>Total Federal Funds</b>	<b>42,009</b>	<b>60,447</b>	<b>50,033</b>	
Operating Expenses as a Percent of Available Federal Funds	19%	16%	20%	

## Budget Details

Table 2, below, provides a summary of USADF’s historical and planned program expenditures using federal funds. USADF intends to strengthen its quantitative metrics by investing significant resources to expand monitoring and evaluation of grant activities. Budget lines for Project Grants and Local Partners Cooperative Agreements are the primary elements of USADF’s spending in Africa, representing 79 percent of USADF’s program budget and 48 percent of USADF’s budget. Headquarters and Field Office program expenses are used to strengthen the capacity of USADF’s local technical partners to fund program improvement initiatives and support grant monitoring and evaluation activities.

Table 2: Program Expense Budget Summary Using Federal Funds (\$1,000)

	Description	FY 2022 \$40M	FY 2023 \$45M	FY 2024 \$46M
Federal Funds	<b>Program Expenses</b>			
	Project Grants	6,977	33,308	22,207
	Partnership and Diaspora Outreach	-	500	500
	Foreign Currency Adjustments	74	100	100
	Partners Grants	7,807	7,565	7,446
	HQ Program Support	3,812	5,147	5,414
	Field Office Program Support	1,575	1,941	2,157
	Evaluation	196	240	252
	<i>Program Subtotal:</i>	<b>20,440</b>	<b>48,800</b>	<b>38,077</b>

## New Project Grant Allocations by Country

Table 3, below, provides the details of USG appropriated dollars allocated to new project grant activity by country. In FY 2024, USADF expects to award approximately 300 new project grants. By law, the size of USADF’s development grants cannot exceed \$250,000. All grants have a detailed project plan that includes measurable goals and objectives and a detailed project budget. USADF monitors grant performance and funds accountability through its African local partner organizations, quarterly progress reports, periodic site visits from Washington staff and semi-annual Washington-based project performance assessments.

As noted in figure 1, federal funds for grant making will be supplemented by partnership funding.

Table 3: Project Grant Details Appropriated Funds

Country	FY 2022 \$40M	FY 2023 \$45M	FY 2024 \$46M
BENIN	172,795	500,000	500,000
BURKINA FASO	226,063	1,525,277	1,000,000
BURUNDI	495,057	1,248,975	1,000,000
CÔTE D'IVOIRE	46,572	3,000,000	1,750,000
DRC	200,000	-	-
GUINEA	-	-	-
KENYA	685,846	1,763,654	-
LIBERIA	249,485	1,465,949	1,000,000
MALAWI	-	90,000	100,000
MALI	145,776	-	-
MAURITANIA	488,448	500,000	500,000
NIGER	300,378	1,000,000	1,000,000
NIGERIA	1,061,869	1,963,079	1,150,000
RWANDA	-	1,114,986	500,000
SENEGAL	443,455	500,000	500,000
SOMALIA	248,550	1,506,638	500,000
SOUTH SUDAN	-	677,648	250,000
TANZANIA	499,264	500,000	500,000
UGANDA	710,353	1,000,000	1,000,000
ZAMBIA	440,013	890,990	500,000
ZIMBABWE	-	350,000	250,000
PARTNERSHIPS	212,649	12,060,416	8,807,163
<b>SPECIAL INITIATIVES</b>			
Diaspora Outreach		500,000	500,000
Academy for Women Entrepreneurs (AWE)	150,000	650,000	400,000
African Women Entrepreneurship Program (AWEP)		1,000,000	1,000,000
Young African Leaders Initiative (YALI)	200,000	-	-
FOREIGN CURRENCY ADJUSTMENT	73,754	100,000	100,000
	<b>7,050,327</b>	<b>33,907,612</b>	<b>22,807,163</b>

## Local Partner Grant Allocations by Country

Table 4, below, provides the details of USG appropriated dollars allocated to support African Local Partner grants (Cooperative Agreements) in 21 countries. USADF’s local technical partners are a key component of USADF’s African-led and -managed participatory development model. The model draws on local development expertise in each country to provide technical assistance to USADF development projects. These organizations provide essential implementation support to local grantees, ensuring financial accountability and enabling USADF grants to be more successful.

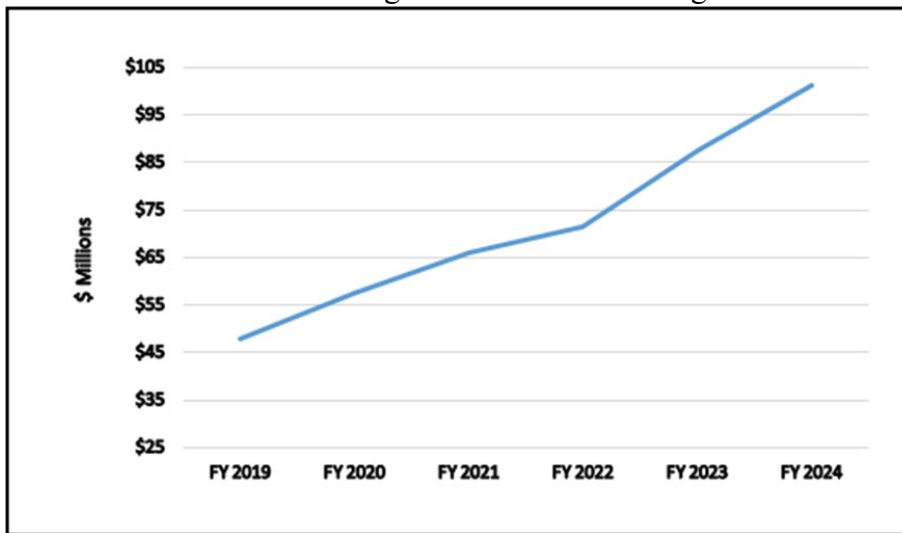
Table 4: Local Partner Grant Details

Country	FY 2022 \$40M	FY 2023 \$45M	FY 2024 \$46M
BENIN	378,848	361,571	380,373
BURKINA FASO	349,500	362,388	381,232
BURUNDI	223,636	241,269	253,815
CÔTE D'IVOIRE	645,612	670,854	705,738
DRC	229,091	198,000	208,296
GUINEA	136,419	142,459	-
KENYA	453,515	531,904	559,563
LIBERIA	228,236	251,002	264,054
MALAWI	219,599	280,432	295,014
MALI	359,448	237,836	-
MAURITANIA	284,605	287,186	302,120
NAMIBIA	-	-	315,600
NIGER	828,636	600,304	204,408
NIGERIA	683,208	708,392	745,228
RWANDA	361,350	390,835	411,158
SENEGAL	426,943	367,937	387,070
SOMALIA	252,000	254,090	267,303
SOUTH SUDAN	298,909	302,639	318,376
TANZANIA	399,298	323,421	340,239
UGANDA	353,599	326,636	343,621
ZAMBIA	349,901	374,554	394,031
ZIMBABWE	344,709	350,851	369,095
	<b>7,807,062</b>	<b>7,564,560</b>	<b>7,446,335</b>

## USADF Expands the Use of Federal Dollars with Leveraged Partnership Funds

USADF plans to augment the FY 2024 budget request of \$46 million by using funds from various African host country governments, private foundations and corporations, and U.S. interagency sources to expand total funds available for project grants. USADF’s unique ability to leverage funding contributes external funding directly to USADF’s budget. By the end of FY 2023, USADF will have collected more than \$87.5 million of leveraged funds to expand USADF grant programs and impact. In FY 2024, USADF anticipates leveraging \$7.75 million from African governments and \$5.48 million in private corporate and foundation donations. Figure 2 shows the cumulative value of external funding used to date and the anticipated receipt of leveraged funds in FY 2023 and FY 2024.

Figure 2: Cumulative External Funding for USADF Grant Programs in Africa (\$Million)



## Administrative Resource Allocation Table

Table 5, below, provides the summary detail of USG appropriated dollars allocated to support the administration and oversight of USADF programs in Africa. Note that the FY 2024 Operating Expenses are projected to be similar to FY 2023.

Table 5: Operating Expenses Summary (\$1000)

Description	FY 2022 \$40M	FY 2023 \$45M	FY 2024 \$46M
<b>Operating Expenses</b>			
ADF/W	7,904	9,464	9,956
<i>Operating Expense Subtotal:</i>	<b>7,904</b>	<b>9,464</b>	<b>9,956</b>

## Comprehensive Summary FY 2024 Budget Table

Table 6 is a comprehensive budget summary of USADF’s planned activities and funding sources for all FY 2024 Administrative and Program activities. The table is separated by federal funding sources and external leveraged funding. USADF plans to leverage, including carryforward, approximately \$13.24 million in external funds to further extend USADF programs in Africa. An additional \$1.85 million will be leveraged from interagency sources. All external funding sources are used for program purposes, and most funds are matched with appropriated funds (as available). Maintaining a stable federal funding base is essential to USADF’s efforts to leverage external funding for the continuity and expansion of USG grassroots program operations in Africa led by USADF.

Table 6: FY 2024 Comprehensive Budget Summary Plan (\$1,000)

	Description	FY 2022 \$40M	FY 2023 \$45M	FY 2024 \$46M
Federal Funds	<b>Operating Expenses</b>			
	ADF/W	7,904	9,464	9,956
	<i>Operating Expense Subtotal:</i>	<b>7,904</b>	<b>9,464</b>	<b>9,956</b>
	<b>Program Expenses</b>			
	Project Grants	6,977	33,308	22,207
	Partnership and Diaspora Outreach		500	500
	FC Adjustments	74	100	100
	Partners Grants	7,807	7,565	7,446
	HQ Program Support	3,812	5,147	5,414
	Field Office Program Support	1,575	1,941	2,157
	Audit	196	240	252
	<i>Program Subtotal:</i>	<b>20,440</b>	<b>48,800</b>	<b>38,077</b>
	<b>Total Operating &amp; Program</b>	<b>28,344</b>	<b>58,264</b>	<b>48,033</b>
	<b>Federal Funds</b>			
	Current FY Appropriations	40,000	45,000	46,000
Non-Expenditure Funds Transfer-AID/MCC	512	2,256	1,850	
Funds Carried Forward & Recoveries	1,497	13,191	2,183	
<b>Total Federal Funds</b>	<b>42,009</b>	<b>60,447</b>	<b>50,033</b>	
Operating Expenses as a Percent of Available	19%	16%	20%	
External Funds	<b>Donated Funds Planned Budget</b>			
	Grants	3,076	13,747	12,892
	Partners (Cooperative Agreements)	189	1,224	344
	FC Adjustments	10		
	Program Support	7		
	<i>Subtotal:</i>	<b>3,281</b>	<b>14,971</b>	<b>13,236</b>
	<b>Donated Funds Revenues</b>			
	Country Strategic Partners	4,619	7,088	7,750
	Private Sector Partners	3,168	8,055	5,486
	Funds Carried Forward & Recoveries			
<b>Total Available Donated Funds</b>	<b>7,787</b>	<b>15,143</b>	<b>13,236</b>	
<b>Total Available Federal and Donated Funds</b>	<b>49,796</b>	<b>75,590</b>	<b>63,269</b>	
Grants Outlays as a percent of Total Funds Available	36%	75%	69%	

## Partnership for Global Infrastructure and Investment (PGII)

In FY 2024, USADF expects to spend \$2.6 million in support of the Biden-Harris Administration's Partnership for Global Infrastructure and Investment (PGII) initiative. A breakdown of the Foundation's planned spending in this area is below.

FY 24 PGII Funding - ADF (\$ in millions)	Climate and Energy Security	Health and Health Security	Gender	Digital	Transportation	Total
Direct Appropriations	\$1.070	\$0.150	\$0.600	\$0.748	\$0.000	\$2.568

Specifically, USADF will support four key activities from PGII:

- **Climate and Energy Security:** As agricultural development is a core facet of USADF's activities, climate-related impacts are felt across USADF's work. Africa is one of the most exposed regions to the adverse effects of climate change, despite contributing the least to global warming. USADF's work helps mitigate the impacts of climate change by focusing on climate-resilient agriculture and the provision of energy through entirely renewable sources.
- **Health and Health Security:** USADF's funding helps support health infrastructure and facilities, as well as health-focused income generating activities. As part of its expanded work in the off-grid energy sector, USADF is focusing on healthcare facilities electrification as one of its priority areas. Previous USADF off-grid energy grantees have used their off-grid capabilities to power health centers and isolation centers during the COVID-19 pandemic. USADF is also continuing a partnership with the Helmsley Charitable Trust, under which USADF is implementing a livelihood improvement program in Malawi. That program will address the nutritional, food security, and income needs of chronically ill patients and their communities.
- **Gender:** USADF believes that Africa's growth and prosperity will be driven by its women and considers investments in women as investments in African peace and security. In FY 2022, 46 percent of USADF's investments went to women-led enterprises, and USADF is working to increase the number to achieve gender parity in its programs. USADF in FY 2024 will be partnering with the State Department's Academy for Women Entrepreneurs (AWE) and African Women Entrepreneurship Program (AWEP). Under these partnerships, USADF is providing a combination of catalytic seed capital and local technical support to African women entrepreneurs, helping close the credit gap for women-owned SMEs.
- **Digital:** USADF recognizes the importance of digital infrastructure and continues to assist USADF grantees in enhancing their digital capabilities. In FY 2023, USADF is partnering with the U.S. Chamber of Commerce to launch the Africa Digital Innovation Competition, through which USADF is providing funding to 10 digital SMEs and startup that are developing solutions through digital products that will create a positive impact on African citizens.

## USADF Partnerships

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

### **African Government Co-funding Partnerships**

USADF matches appropriated funds with those from host African national and sub-national governments that invest their own funds directly into USADF programs. In FY 2024, USADF is projecting matching funds collections from Benin, Cote d’Ivoire, Gabon, Malawi, Mauritania, Senegal, Uganda, Zimbabwe and two sub-national governments (Lagos State and Ekiti State) in Nigeria.

In FY 2024, USADF plans on collecting \$7.75 million in funds from African national and sub-national governments.

Table 7: Planned FY 2024 African Government Co-funding

Country	Amount
Uganda	2,000,000
Côte d'Ivoire	1,750,000
Gabon	1,000,000
Nigeria - Lagos State	900,000
Benin	500,000
Mauritania	500,000
Senegal	500,000
Nigeria - Ekiti State	250,000
Zimbabwe	250,000
Malawi	100,000
	7,750,000

### **Private Sector Corporate and Foundation Partnership Examples**

USADF extends the reach of U.S. foreign assistance funds and its impact by leveraging money from private sector corporate and foundation partners. In FY 2023, USADF will be leveraging funds from private sector and foundation partners to:

- **Help Kenyan MSMEs, cooperatives, and producer groups gain access to finance and markets through a partnership with Stanbic Kenya Foundation.** In FY 2021, USADF and Stanbic Kenya Foundation (SKF) announced a partnership to provide grants to MSMEs, cooperatives, and producer groups in Kenya. Through the partnership, USADF and SKF are providing a combined total of \$10 million in funding towards this initiative targeting 100 percent Kenyan-owned MSMEs. The partnership provides MSMEs, cooperatives, and producer groups with the opportunity to gain access to affordable



finance and markets and expose them to the use of digital technologies. In FY 2022, USADF provided \$430,000 in funding to 10 MSMEs. In FY 2023, USADF expects to provide nearly 50 grants under this partnership, totaling \$2.2 million, with the funding being evenly split between USADF and SKF.

- **Support MSMEs in East Africa in accessing capital through a partnership with Stanbic Bank East Africa:** Due in large part to the success of the USADF-Stanbic Kenya Foundation partnership, in FY 2023, USADF and Stanbic Bank are partnering in support of MSMEs across Africa to launch a newly expanded catalytic grant funding program in Tanzania, Uganda, Zambia, and other future markets. It is anticipated that the expanded program will invest an additional \$5 million over the next five years, with each party contributing equally to this new initiative. The expansion of this partnership increases joint investments between USADF and Stanbic Bank to \$15 million over five years, including investments already slated for Kenya.
- **Support improved nutrition and income generation in Malawi through a partnership with the Helmsley Charitable Trust:** USADF in FY 2021 signed a partnership with the Helmsley Charitable Trust to implement a Livelihood Improvement Program (LIP) in Malawi. A total of \$4.5 million will be invested over three years, 100 percent of which will go to African entities. The goal of the LIP is to address food security and the income needs of chronically ill patients and their communities by training them on integrated farming systems while increasing their daily nutrition for a healthier and balanced diet. The three primary impact areas are better patient outcomes resulting from improved nutrition, improved livelihoods from income-generating agricultural activities, and increased resilience to shocks such as COVID-19. In FY 2022, USADF awarded six LIP grants in Malawi. In FY 2023, USADF plans to award eight LIP grants in Malawi.
- **Support African youth entrepreneurs and MSMEs through a partnership with the Tony Elumelu Foundation.** In early FY 2023, USADF entered into a five-year, \$20 million partnership with the Tony Elumelu Foundation (TEF) to work together to provide development grants to African entrepreneurs and MSMEs. The two parties will jointly provide \$4 million in grant funding per year over the next five years, with each party contributing \$2 million per year. USADF and TEF recognize that youth form the backbone of the African population and that the continent’s sustainable development hinges on harnessing this youth resource by investing in and creating space and opportunities for them to realize their full potential. Both parties will co-design and implement a Youth Entrepreneurship Program in Africa. This program recognizes the many opportunities SMEs present to youth to facilitate the reduction of unemployment and address their livelihood options and that supporting youth in entrepreneurship requires grant funding, technical assistance, and mentorship as many young entrepreneurs are unable to access commercial financing, especially at the pre-revenue stage.
- **Invest in youth entrepreneurs through a partnership with the Citi Foundation.** The Citi Foundation has a shared vision to support youth- and women-led African enterprises and has partnered with USADF and contributed more than \$2.8 million since 2016 to help fund grants for youth entrepreneurs. Through this partnership in FY 2023, USADF will fund nearly 20 entrepreneurship grants across Kenya, Senegal, and Uganda and separately

develop 20 entrepreneurship grants for select graduates of the Citi Foundation-funded [Youlima Youth Incubator in the Democratic Republic of the Congo](#).<sup>5</sup>

- **Support diaspora-led investment and development in African communities through a partnership with the National Basketball Players Association Foundation:** In FY 2023, USADF is continuing and expanding its partnership with the National Basketball Players Association Foundation and members of the NBPA to increase investment and development in African communities. The partnership jointly funds development projects supported by NBPA members interested in and committed to development in Africa and creating long-term, self-sustaining change, spearheaded by African leaders. As part of the collaboration, and at the direction of NBPA members, USADF and the NBPA Foundation provide capital for African enterprises and community-led initiatives using a 3x grant multiplier structure. Through this structure, selected awardees receive grants of up to \$75,000, with funding jointly contributed by USADF, the NBPA Foundation, and the NBPA member. These grants bridge engagement with various African diaspora communities and accelerate the collaborative, philanthropic work NBPA members do worldwide to build their communities and create meaningful change. Currently, USADF is supporting projects in the DRC and Nigeria. In FY 2023, the partnership’s activities will focus on youth and entrepreneurship in Cameroon, Republic of the Congo, Guinea, Nigeria, Senegal, and South Sudan.
- **Support irrigation scheme-based smallholder farmers in Zimbabwe:** USADF in FY 2023 is partnering with the Smallholder Irrigation Revitalisation Programme (SIRP), a program funded by the International Fund for Agricultural Development, OPEC Fund for International Development and the Government of Zimbabwe. The program aims to achieve food and nutrition security and ensure that smallholder communities are resilient to climate change effects and economic shocks by enhancing households’ production, productivity, and income levels as well as improving access to agricultural markets and financial services. USADF and SIRP intend to jointly provide up to \$500,000 each in funding over the next two years to registered, Zimbabwean-owned and -led irrigation scheme-based producer groups including other farmer-owned enterprises that are adjacent to the targeted irrigation scheme-based groups.
- **Provide funding to increase access to healthy foods and reduce malnutrition through a partnership with Herbalife:** In partnership with Herbalife Nutrition, USADF in FY 2023 is supporting four youth and women entrepreneurs in the DRC, Kenya, Senegal, and Uganda, under the African Food and Nutrition Stars (FANS) program to increase access to healthy foods, initiative community development to reduce food insecurity, and facilitate nutritional education to help reduce malnutrition. In alignment with Herbalife’s “Nutrition for Zero Hunger” initiative, the FANS program will support each entrepreneur with \$12,500 in funding, totaling \$50,000. USADF awarded its first five grants under this program in FY 2021.

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<sup>5</sup> <https://www.usadf.gov/press-release/716>

## Interagency Partnerships

USADF is a unique tool in the U.S. government's foreign assistance toolkit. It contributes to critical U.S. development initiatives enacted by Congress, such as the Global Food Security Act, the Electrify Africa Act, and the African Growth and Opportunity Act (AGOA), including by coordinating with other U.S. government agencies like the Department of State, the U.S. International Development Finance Corporation (DFC), and the Millennium Challenge Corporation (MCC). Through interagency partnership agreements, USADF in FY 2023 will:

- **Partner with the State Department to fund African women entrepreneurs.** In FY 2023, USADF is partnering with the Department of State's African Affairs Bureau to fund African women entrepreneurs as part of State Department's African Women Entrepreneurship Program (AWEP). Under the partnership, USADF will launch a grant competition across the 21 African countries where USADF operates and are included in the State Department's eligible country list. USADF will accept grant proposals from African women entrepreneurs for funding awards between \$50,000 and \$100,000. For FY 2023, USADF will program \$1 million for the partnership, comprised of \$850,000 in a State Department transfer and \$150,000 of USADF funds. This builds upon previous partnership efforts between USADF and the State Department in funding African women entrepreneurs under the Academy for Women Entrepreneurs program, under which USADF has provided \$1.83 million in funding to 132 African women entrepreneurs since 2020.
- **Implement the African Small Business Catalyst (ASBC), in partnership with the Development Finance Corporation.** The ASBC will bolster early-growth stage enterprises through loans in amounts ranging from \$100,000 to \$1 million from the DFC and technical assistance and grants up to \$100,000 from USADF. Over 37,000 African SMEs applied to the ASBC by the April 15, 2022, deadline, following a much publicized ASBC launch in March 2022. USADF and DFC anticipate announcing the inaugural three ASBC award recipients in the first half of FY 2023.
- **Manage and award grants in Niger to address food insecurity with the Millennium Challenge Corporation.** In FY 2019, USADF entered a three-year, \$9 million partnership with MCC and the Government of Niger Millennium Challenge Account (MCA) through the Niger-MCC Small Grant Facility. USADF's partnership with MCC in Niger is targeted at addressing food insecurity and strengthening local development capacity in 20 rural communities, and will benefit over 25,000 smallholder farmers and their family members. In FY 2022, USADF obligated the remaining \$311,000 of project funding under this climate-smart agriculture grant facility, in addition to overseeing the implementation of 85 grants. With all grants under this partnership having been funded, USADF in FY 2023 is moving to a focus on program sustainability and all FY 2023 funds received from MCC under the partnership will be used for administrative costs. USADF is currently in the process of examining the grants funded under this partnership to identify opportunities for follow-on financing from USADF.
- **Invest in off-grid energy in partnership with USAID under Power Africa.** USADF's off-grid energy activities in FY 2023 will focus on healthcare facilities

electrification, energy for agriculture, women in energy, and frontier markets. Under the Power Africa Initiative, USADF partners with the private sector to launch various off-grid energy challenges to fund African entrepreneurs delivering energy solutions using solar, wind, hydro, and biogas technologies. USADF's off-grid energy challenges award grants of up to \$250,000 each to African enterprises providing off-grid solutions that deploy renewable resources, power local economic activities, and demonstrate a sustainable and scalable business model. Challenge winners have near-term solutions to power the needs of productive and commercial activities, including agriculture production and processing, off-farm businesses, and commercial enterprises. Since 2014 and through this partnership, USADF has awarded over \$16 million to nearly 150 off-grid energy enterprises. In FY 2023, USADF expects to award an estimated 40 grants to off-grid energy enterprises with a total funding amount of over \$7.1 million.

## **USADF Program Sectors**

USADF's transformative programs focus on three key programmatic areas: 1) agriculture and food security, 2) off-grid energy access, and 3) employment through job training and placement and entrepreneurship grants for women and youth. The investments the Foundation makes directly into Africa enterprises and social entrepreneurs generate sustainable economic growth opportunities to increase incomes and revenues, create jobs, expand intra-African trade, and promote two-way trade between the United States and Africa. USADF's activities help local communities, associations, and enterprises increase self-sufficiency and become better integrated into local economies.

### **Agriculture and Food Security**

Nearly 57 percent of people in sub-Saharan Africa face food insecurity.<sup>6</sup> USADF helps foster food security by investing in and developing agribusinesses and focuses on supporting agricultural-led economic growth for smallholder farmers who are the backbone of African economies. USADF grants assist agricultural cooperatives to develop better enterprise management skills, improve production and distribution capabilities, access larger markets, improve marketing capabilities, and increase revenues and incomes for smallholder farmers.

USADF is a component agency of the U.S. government's Feed the Future (FtF) global hunger and food security initiative and has active programs in 6 of the 12 FtF target countries: Kenya, Mali, Niger, Nigeria, Senegal, and Uganda. Additionally, several of USADF's other country programs in Africa are aligned with Global Food Security Strategy goals.

As examples, in Senegal, GIE Bokk Doole de Maka Sarr ("Bokk Doole"), an economic interest group, is composed of 665 women farmers. The group faced challenges with inadequate irrigation infrastructure and lack of sufficient knowledge to efficiently manage and exploit arable land to its full capacity. With USADF's support, the group constructed 16 water basins, four boreholes with solar-powered water pumps, four water towers, and fencing for four 1-hectare gardens. USADF support also helped provide technical assistance to learn and adopt sustainable and efficient production techniques and improve organizational capacity. Now, the group can afford to irrigate more land and has cut its water costs in half. The group has also established a maintenance fund through revenue generated from the sale of water to pay for repairs. This has led to an increase in productivity, with the group seeing a 400 percent increase in sales revenue.

In Benin, USADF is working with UcomCVTM, a group of 353 women who requested USADF's assistance to help address the low quality of gari due to a lack of proper processing techniques, inadequate infrastructure and equipment, and poor hygiene and sanitation conditions. USADF provided support to improve the union's production capacity through the construction of four modern production units, the acquisition of processing equipment, and trainings in management. Now, the union has obtained a quality certification for its products from the Beninese Food Safety Agency (ABSSA) and has organized grouped product sales to

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<sup>6</sup> United Nations: "[The Sustainable Goals Report 2020.](#)"

regional markets in Gabon, Niger, and Nigeria. The union's production has tripled, and the group sold over 3,300 tons of gari in the first year of the project.

As previously described, USADF also partners with private sector partners to advance its work in agriculture, and is partnering with the Hemsley Charitable Trust in Malawi, the Smallholder Irrigation Revitalisation Programme (SIRP) in Zimbabwe, and Herbalife in the DRC, Kenya, Senegal, and Uganda.

### **Off-Grid Renewable Energy**

The African continent has the lowest energy access rates in the world, with electricity reaching only about half its people; approximately 600 million people lack electricity, and 890 million cook with traditional fuels.<sup>7</sup> USADF's off-grid energy grants promote market-based solutions that connect people and businesses to electricity and are particularly impactful for marginalized communities. Since 2014, USADF has awarded over \$16 million to nearly 150 off-grid energy enterprises to help combat insufficient access to energy.

For example, in Nigeria USADF is funding Solarmate Engineering Limited, an energy firm that is working to equip a total of 2,000 customers with solar home systems. The project is targeting local artisans and small businesses in Delta State, Bayelsa State, and Akwa-Ibom State. USADF funding is helping Solarmate purchase and store 130 solar home systems and provide installation materials and services to ensure that customers can have access to reliable energy.

Much of USADF's work in off-grid energy also has an agricultural nexus. For example, in Zambia, Mungaila Dairy Cooperative Society Limited (MDCSL) is a smallholder cooperative of 1,480 cattle farmers. The cooperative provides a market for raw milk through its milk collection center, and milk collection volumes significantly decline during the dry seasons. With USADF's support, Mungaila constructed the first-ever solar-powered milk collection center in Zambia, which has a capacity of collecting 1,000 liters per day. Now, milk collection has increased by 86 percent, and the number of farmers delivering milk has more than doubled. Additionally, animal health has significantly improved as farmers are now accessing disease prevention and control services from the collection center.

In FY 2023, USADF plans to fund up to 40 off-grid energy enterprises and support catalytic business models and social enterprises that have an innovative angle and seek to solve intractable development challenges related to energy access. At the U.S.-Africa Leaders Summit in December 2022, USADF announced that the Foundation's off-grid energy activities in FY 2023 will focus on healthcare facilities electrification, energy for agriculture, women in energy, and frontier markets.

### **Women and Youth Entrepreneurship and Employment**

USADF prioritizes the creation of sustainable jobs by investing in enterprises that are creating employment opportunities. Africa has the youngest population of any other continent, with 60 percent of Africa's 1.25 billion people being under 25,<sup>8</sup> and with an expected 12 million young

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<sup>7</sup> United Nations, 2022, [A Just Transition to Renewable Energy in Africa](#)

<sup>8</sup> Brookings Institution Africa Growth Initiative, Foresight Africa 2019 [https://www.brookings.edu/wp-content/uploads/2019/01/BLS18234\\_BRO\\_book\\_007\\_WEB.pdf](https://www.brookings.edu/wp-content/uploads/2019/01/BLS18234_BRO_book_007_WEB.pdf)



Africans expected to enter the work force every year.<sup>9</sup>

USADF has had a focus on women since its founding and believes Africa's growth and prosperity will be driven by its women. The Biden Administration at the Gender Equality Forum in late FY 2021 made a specific commitment to promote women's entrepreneurship around the world, "including through grants to grassroots and community-led organizations to include gender-inclusive digital services for women-owned businesses through the U.S. African Development Foundation, to complement the Foundation's traditional focus on women in development in Africa." USADF is ensuring that this component of the U.S. government's commitment is met. As mentioned previously, for FY 2022, 46 percent of USADF investments (by number of grants) were awarded to women-owned enterprises, and the Foundation will have a similar percentage for FY 2023 and FY 2024.

The Foundation creates solutions for Africa's future now by investing in women and young entrepreneurs through the provision of seed capital and technical assistance to help them grow their social enterprises. USADF provides youth and women entrepreneurs with the tools needed to invest in their own communities, employ marginalized people, train other youth and women, impact their communities, and create or expand markets by providing goods and services.

In Somalia where approximately 70 percent of youth are unemployed, USADF is filling a skills gap by providing vocational training and job placement for youth between the ages of 15 and 35. USADF provides funding to local Somali NGOs to train unemployed youth and work with local businesses to set up five-month training and apprenticeship programs. To date, USADF funding has facilitated placement for over 7,400 youths. Youth trainees have reported their income jumping as much as from \$50/month to \$300/month. USADF has since expanded this impactful model of youth training and apprenticeship in Somalia to the Democratic Republic of the Congo, Lagos State in Nigeria, South Sudan, and Uganda.

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<sup>9</sup> African Development Bank Group, Jobs for Youth in Africa, 2016  
[https://www.afdb.org/fileadmin/uploads/afdb/Images/high\\_5s/Job\\_youth\\_Africa\\_Job\\_youth\\_Africa.pdf](https://www.afdb.org/fileadmin/uploads/afdb/Images/high_5s/Job_youth_Africa_Job_youth_Africa.pdf)



## **USADF Alignment with Congressional and Administration Priorities**

USADF's program efforts in Africa align closely with Congressional priorities in development, trade and investment, youth and women economic empowerment, and the promotion of stability in fragile states and post-conflict regions.

### **Global Food Security Act and Feed the Future**

Over the past five years, USADF has provided over \$55 million to help approximately 2.5 million people overcome food insecurity. USADF is an interagency partner of the U.S. government's Feed the Future (FtF) global hunger and food security initiative and improves food security in six of the 12 FtF target countries: Kenya, Mali, Niger, Nigeria, Senegal, and Uganda.

USADF's investments in agriculture help build more resilient food systems and increase local production of food, helping prevent food insecurity due to shocks such as conflict or supply chain disruptions. For example, Côte d'Ivoire produces only half of the rice consumed annual in the country, despite good conditions to produce paddy rice and an increasing demand for high-quality local rice. In Côte d'Ivoire, USADF is working with LOCAGRI, a rice processing cooperative that works with 1,000 rice producers. LOCAGRI faced challenges including a limited supply of sufficient quantities of paddy rice for milling due to low yields of producers and inadequate processing facilities to ensure post-harvest handling and milling of the paddy that can create a high-quality product to compete with imported rice. USADF provided LOCAGRI a grant to help improve the productivity of rice farmers through better agricultural and post-harvest practices and upgrade its processing plant. With USADF's assistance, LOCAGRI expects to increase the quantity of paddy rice processed per year from 255 tons to 562 tons, leading to an increase in sales revenues by 252 percent.

In Zambia, the Monze Women Cooking Oil Project (MWCOP) was formed to improve living standards of women farmers. The cooperative has a total membership of 2,300 farmers (2,211 of whom are female) and provides an important market for sunflower crops produced by the women. MWCOP faced challenges including insufficient management capacity and insufficient capital to purchase raw materials at an expanded scale, limited processing capacity, and inadequate and unsuitable production and storage facilities. USADF's assistance has helped MWCOP overcome these obstacles, and the cooperative has now doubled its processing capacity from 160 to 320 tons of sunflower per year. MWCOP's success has helped the local community by providing better access to affordable vegetable cooking oils, leading to better nutrition in the community.

### **Electrify Africa Act and Power Africa**

USADF, a component agency of Power Africa, since 2014 has invested over \$16 million in nearly 150 off-grid energy enterprises to help combat insufficient access to energy. USADF's investments in energy help provide market-based solutions to provide affordable, reliable energy access to those who are not connected to their country's national power grids.

For example, in Kenya, Okapi Green Energy Limited ("Okapi") observed that the national grid supplied less than five percent of the electricity used to power homes and small-scale businesses in the Kakuma refugee settlement and its surrounding community. USADF provided Okapi with

a grant to fund the installation of a metered, Pay-As-You-Go solar mini-grid distribution system and a Wi-Fi network, with the goal of providing affordable, reliable, and safe power to at least 100 small businesses and households. Okapi has exceeded its targets, connecting over 160 small businesses and households to power and generating approximately \$3,900 in revenue since the start of the grant.

### **African Growth and Opportunity Act (AGOA)**

USADF provides enterprise development grant capital to grow community enterprises into future trading partners. Under Prosper Africa, USADF is helping African enterprises identify and be positioned to take advantage of U.S. markets. The Foundation has assisted them in strengthening management and financial systems and fulfilling supply orders for cashews, cosmetics and toiletries (shea-and palm oil-based products), and coffee, as examples, for big retailers such as Costco, Macy's Department Store, Starbucks, Target, and Whole Foods.

Several U.S. energy firms have made sales of renewable energy products and inputs to USADF grantees. At least 24 African-owned energy companies USADF has funded have purchased solar components and products and services from close to 20 American companies, illustrating how USADF's investments can spark two-way trade between the United States and Africa.

### **Women's Economic Empowerment**

USADF has had a focus on women's economic empowerment and women's entrepreneurship since its creation by Congress in 1980, and typically USADF's grant funding is evenly split between male-led and female-led groups. USADF works with numerous female-led producer and processor groups, agricultural cooperatives, and cooperative unions.

For example, In Niger, Kambé Go Kéré Kambara (UKGKK) is a women's union that processes and markets agricultural products, mainly peanuts and cereals. Prior to USADF's involvement, UKGKK members processed peanuts largely by hand, which limited the quality and quantity of production. UKGKK also had limited capacity in administrative, financial, and inventory management and business strategy development. The union also lacked modern equipment for agri-food production and processing.

With USADF's support, under the USADF-MCC partnership in Niger, UKGKK was able to purchase modern peanut processing equipment, complete trainings in administrative management, accounting, and marketing, and created a working capital fund to facilitate the Union's purchase of raw materials and packaging. Now, UKGKK can produce and sell higher-quality peanut products, and annual sales increased by 1,100 percent. UKGKK also created 78 sustainable jobs, 73 of which went to women, and the union recently won first prize at a local agricultural fair, allowing it to participate in the national fair and meet additional potential customers.

USADF has also partnered with the State Department to provide funding to women entrepreneurs, and starting in FY 2020 has partnered with the State Department's Academy for Women Entrepreneurs (AWE) to provide catalytic seed capital and technical support to select graduates of the AWE program.

As an example, Kula Bridge limited was founded in 2020 in Rwanda by a graduate of the Academy for Women Entrepreneurs. Kula Bridge’s mission is to reduce non-communicable diseases by equipping Rwandan families with the knowledge, skills, and tools to improve their eating habits. This is done through the publishing of cookbooks, providing hands-on cooking classes, producing online YouTube videos, and experiential dining. With USADF’s support, Kula Bridge has launched a cookbook with healthy recipes and trained 40 individuals (including mothers and children) in a 3-month practical cooking program. In the future, Kula Bridge plans to continue publishing cookbooks that highlight nutritious Rwandan cuisine, open a culinary school, and work with urban schools on developing menus with wholesome meals.

Starting in FY 2023, USADF is partnering with the Department of State’s African Affairs Bureau to fund African women entrepreneurs as part of State Department’s African Women Entrepreneurship Program (AWEP). Under the partnership, USADF will launch a grant competition across the 21 African countries where USADF operates and are included in the State Department’s eligible country list. For FY 2023, USADF will program \$1 million for the partnership, comprised of \$850,000 in a State Department transfer and \$150,000 of USADF funds.

### **Cooperation with African Diaspora Communities in the United States**

Per guidance from Congress in report language accompanying the House version of the FY 2023 State and Foreign Operations Appropriations bill,<sup>10</sup> USADF has increased its outreach to African diaspora populations in the United States. While, according to the ADF Act, USADF’s grants can only be provided to African-led, -owned, and -based enterprises, African diasporas are natural partners and markets for USADF-supported African businesses and represent a potential source of support for USADF programs.

In FY 2023, USADF is a lead sponsor of the African Diaspora Network’s Builders of Africa’s Future Awards and is funding 11 early-stage African enterprises innovating in technology and health care access and delivery. As an example of a BAF grantee, Ecobara is the first green energy company in Kenya providing African schools with solar cooking stoves that saves these schools 100 percent in firewood costs. Ecobara uses green energy as a catalyst for poverty alleviation with a mission of building resilient and empowered communities that can thrive. With USADF funding, Ecobara seeks to improve manufacturing, expand its client acquisition, and scale up its business. Ecobara aims to equip over 100 rural and underserved schools with solar cook stoves, saving schools an average of \$12,000 per school year.

USADF is also partnering with the National Basketball Players Association (NBPA) Foundation to jointly fund development projects supported by NBPA members interested in and committed to development in Africa and creating long-term, self-sustaining change, spearheaded by African leaders. As part of the collaboration, and at the direction of NBPA members, USADF and the NBPA Foundation provide capital for African enterprises and community-led initiatives using a

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<sup>10</sup> “The Committee encourages the USADF to continue partnering with African diaspora entities and individuals in the United States and to allocate \$500,000 to support new, collaborative projects between USADF grantees and Africa diaspora communities in order to expand such mutually beneficial and meaningful relationships.” H. Rept. 117-401, page 65, <https://www.congress.gov/117/crpt/hrpt401/CRPT-117hrpt401.pdf>

3x grant multiplier structure. Through this structure, selected awardees receive grants of up to \$75,000, with funding jointly provided by USADF, the NBPA, and the NBPA member. These grants bridge engagement with various African diaspora communities and accelerate the collaborative, philanthropic work NBPA members do worldwide to build their communities and create meaningful change.

### **Global Fragility Act**

Of USADF's 21 countries of operation, 17 countries are classified as fragile or extremely fragile states by the Organization for Economic Cooperation and Development (OECD).<sup>11</sup> USADF's focus on supporting grassroots community-led enterprises, emphasis on youth and women entrepreneurs, and development model dovetail well with the Global Fragility Act's requirement that "participatory, locally-led programs that empower marginalized groups such as youth and women" be a component of the Act's Global Fragility Strategy. Furthermore, USADF's operating model of 100 percent African staff and partners on the ground means USADF can manage programs in areas that are difficult for other agencies to reach on a consistent basis.

While not GFA focus countries, USADF is implementing stabilization work in Niger and Somalia. In Niger, USADF is helping address the root causes of instability by funding projects designed to increase incomes of small-scale agriculture-dependent and livestock-dependent families in rural Niger by improving crop and livestock productivity, sustaining natural resources critical to long-term productivity, supporting growth of agricultural enterprises, and increasing market sales of targeted commodities. The projects directly benefit over 28,000 people, more than 16,000 of them women. In Somalia, USADF provides funding to local Somali NGOs to train unemployed youth and set up training and apprenticeship programs. To date, USADF funding has facilitated job placement for over 7,400 youths in the conflict-affected country.

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<sup>11</sup> OECD's 2020 [States of Fragility 2020](#) report.

## **USADF Grant Mechanisms and Financial Assistance Tools**

Pursuant to the ADF Act, the size of USADF’s grants may not exceed \$250,000 per project without approval from the Foundation’s Board of Directors. Through its market-driven enterprise development model, USADF helps low capacity, high potential community-based enterprises move along a continuum of development – first gaining core capabilities, then expanding market access and ultimately “graduating” to access other types of growth capital.

USADF implements its model utilizing six primary grant types, which include:

### **Operational Assistance Grants (OAG)**

Many community enterprises in Africa require initial capacity building prior to pursuing expansion. OAGs are awarded to groups that have a potential for longer term growth and business success, but require business planning, technology assessment, management and financial systems development, market research, training, and technical assistance to position themselves for follow-on investment. Outputs from the OAG are a business plan, improved production and products, a defined market opportunity, an investment plan, improved management capacity, and a fully auditable set of business records. OAG grants are one to two years in length and range from \$50,000 to \$100,000.

### **Enterprise Expansion Grants (EEG)**

The Enterprise Expansion Grant is the principal financing mechanism USADF utilizes to assist grantees with an established market and defined business strategy to scale their activities. The purpose of the EEG is to assist grantees in generating increased revenues, increasing incomes, improving profitability, creating jobs, and positioning themselves for future investments. Applicants for an EEG must have a business track record that reflects a strong production capacity, market knowledge, quality products, and well-developed financial systems and records that will enable them to obtain a USADF financial certification. EEG grants are typically three to four years in length and range from \$100,000 to \$250,000.

### **Enterprise Linkage Grant (ELG)**

The Enterprise Linkage Grant was developed as a tool to position an enterprise to scale-up operations by securing outside financing from targeted investors, donors, and financial institutions. ELGs are awarded to groups that have built a strong organizational foundation and achieved significant revenue growth but still are considered too high-risk to secure traditional financing. USADF assists these grantees in identifying the financing criteria for one or more targeted funders, further developing the enterprise’s operations, and securing follow-on financing independent of USADF. ELG grants are six months to three years in length and average \$57,000.

### **Community Reinvestment Grants (CRG)**

Community Reinvestment Grants are reimbursable grants for which a portion of grant funds are repaid and reinvested in local community organizations selected by the grantee, with

USADF coordination and assistance as needed. A project undertaken through the reinvested funds must be directed at improving the overall quality of community life through social and economic advancement and improvements to community facilities and services. Grantees enter into their own agreements with recipients of the reinvested funds. All CRGs are performed by recipients of an EEG.

### **Fixed Amount Awards (FAA)**

The Fixed Amount Award is a grant type USADF provides for a specific level of financial support where grant risks are identified and mitigated up front and financial requirements are determined based on a defined set of milestones. The recipient's accountability is based primarily on performance and results as determined by the achievement of established milestones. Many of USADF's off-grid energy grants fall within this category. FAAs are generally for a term not to exceed 18 months and range from \$10,000 to \$100,000.

### **Small Grants**

Most of USADF's entrepreneurship grants fall into this category. Small grants funding helps provide feasibility studies, training and capacity building opportunities, small equipment, and other forms of support to grantees that do not have the experience or capacity to carry out larger development projects. This grant helps those grantees gain experience and acquire capacity to carry out larger projects. Small grants are typically six months to three years with funding up to \$50,000.

## **Grant Selection, Monitoring, Evaluation, Learning, and Capacity Assessment**

USADF selection criteria are used to assess grant applicants and ensure they demonstrate the ability to create jobs, increase incomes, grow enterprise revenues, build organizational capacity and resilience, and ensure results scale to hundreds of community members. The selection process helps ensure a high return on grant investments and is central to the USADF enterprise development model that provides seed capital to potential high-impact enterprises that can grow revenues in a way that will increase income levels for smallholder farmers and other community members linked to that enterprise's operations.

All grants have a detailed project plan that includes measurable goals and objectives, project outcomes and impact, and a detailed project budget. USADF monitors grant performance and funds accountability through its local African implementing partners, quarterly progress reports, periodic site visits from Washington-based staff, and semi-annual Washington-based project performance assessments.

In FY 2023, USADF is launching a new intake portal for grant applications that is expected to enhance the Foundation's efficiency in screening grant applicants. The intake portal will allow USADF to target a larger pool of applicants as well as accept applications year-round.

USADF will continue to assess grant performance through its annual portfolio review process. The data-driven analyses arising from the process informs USADF's understanding of the extent to which country grant portfolios are complying with grant terms and meeting grant objectives. USADF uses three standard performance categories to assess the performance of a grant through its life cycle. Those are:

**Project Achievements** – The primary measure of a successful project is its ability to effectively apply available resources in ways that achieve results. The purpose of a grant is to provide inputs that can be transformed through activities into 23 tangible outcomes. Progress toward achieving the objectives is assessed by comparing actual achievements against planned targets.

**Project Resources** – If a project does not have the resources it needs to implement a project plan, it cannot be successful. The primary input USADF provides is capital. Therefore, USADF monitors the disbursement of grant funds as an indicator of project success. This category looks at both the timing and amount of the disbursements to grantees.

**Project Management** – Successful projects properly manage and account for the use of resources provided to them. Good project management is an indicator of the organizational capacity needed to effectively use inputs to achieve grant objectives. Providing quality and timely quarterly reports is a measure of the grantee's internal management capabilities.

This biennial portfolio review process allows USADF to identify trends and apply lessons learned to better improve future grant performance. For example, USADF's most recent annual portfolio review showed that funding grantees to meet national standards for food production, which allows them to expand beyond sales to local markets, has been an investment that has consistently produced strong results.



## **Appendix**

### **African Development Foundation Act**

US Code Title 22, Chapter 7, Section 290h

#### **Section 290h. - Congressional findings**

The Congress finds that –

- (1) social and economic development ultimately depends on the active participation of individuals within a society and on the enhancement of opportunities for those individuals;
- (2) the development of individuals and institutions in African countries can benefit by the provision of support for community-based self-help activities;
- (3) by enacting title IX of chapter 2 of part I of the Foreign Assistance Act of 1961 (22 U.S.C. 2218), and recent amendments to that Act, the Congress has sought to enable the poor to participate in the process of development;
- (4) the Inter-American Foundation, established by Congress in the Foreign Assistance Act of 1969 (22 U.S.C. 290f), to support the efforts of the people of Latin America and the Caribbean to solve their development problems, has demonstrated a successful approach to development; and
- (5) an African Development Foundation similar in structure to the Inter-American Foundation, but adapted to the specific needs of Africa, can complement current United States development programs in Africa

#### **Section 290h-1. - African Development Foundation**

##### **(a) Establishment of Foundation**

There is established a body corporate to be known as the "African Development Foundation" (hereafter in this subchapter referred to as the "Foundation")

##### **(b) Principal and branch offices**

The Foundation shall establish a principal office in the United States and may establish such branch offices in Africa as may be necessary to carry out its functions

#### **Section 290h-2 - Congressional declaration of purposes**

##### **(a) Purposes of Foundation**

In order to enable the people of African countries to develop their potential, fulfill their aspirations, and enjoy better, more productive lives, the purposes of the Foundation shall be -

- (1) to strengthen the bonds of friendship and understanding between the people of Africa and the United States;
- (2) to support self-help activities at the local level designed to enlarge opportunities for community development;
- (3) to stimulate and assist effective and expanding participation of Africans in their development process; and
- (4) to encourage the establishment and growth of development institutions which are indigenous to particular countries in Africa and which can respond to the requirements of the poor in those countries.

(b) Implementation

The Foundation shall carry out the purposes specified in subsection (a) of this section in cooperation with, and in response to, organizations indigenous to Africa which are representative of the needs and aspirations of the poor in Africa and, in carrying out such purposes, the Foundation shall, to the extent possible, coordinate its development assistance activities with the activities of the United States Government and private, regional, and international organizations

**Sec. 290h-3 - Functions of Foundation**

(a) Types of programs; project limitations; dissemination of project insights

- (1) In order to carry out the purposes set forth in section 290h-2 of this title, the Foundation may make grants, loans, and loan guarantees to any African private or public group (including public international organizations), association, or other entity engaged in peaceful activities for -
  - (A) the fostering of local development institutions and the support of development efforts initiated by communities themselves;
  - (B) the development of self-evaluation techniques by participants in projects supported under this section, for the purpose of transferring experience gained in such projects to similar development activities;
  - (C) development research by Africans and the transfer of development resources, expertise, and knowledge within Africa;
  - (D) the procurement of such technical or other assistance as is deemed appropriate by the recipient of such grant, loan, or guarantee, to carry out the purposes of this subchapter; and

- (E) other projects that would carry out the purposes set forth in section 290h-2 of this title.
- (2) The total amount of grants, loans, and loan guarantees that may be made under this section for a project may not exceed \$250,000.
- (3) The Foundation may disseminate to the American public and to United States and multilateral development institutions insights gained from African development projects assisted under this subchapter. (b) Community project priorities; disbursement of funds by recipients to other African entities in making grants, loans, and loan guarantees under subsection (a) of this section, the Foundation shall give priority to projects which community groups undertake to foster their own development and, in the initiation, design, implementation, and evaluation of which there is the maximum feasible participation of the poor. Where appropriate and in keeping with the purposes of this subchapter, the Foundation may make such grants, loans, and loan guarantees to African entities which are representative and knowledgeable of, and sensitive to, the needs and aspirations of the poor and which would disburse funds acquired under such grants, loans, and loan guarantees to other African entities to carry out the purposes of this subchapter

#### **Section 290h-4 - Powers of Foundation**

(a) General provisions

The Foundation, as a corporation -

- (1) shall have perpetual succession unless dissolved by an Act of Congress;
- (2) may sue and be sued, complain, and defend, in its corporate name in any court of competent jurisdiction;
- (3) may adopt, alter, and use a seal, which shall be judicially noticed;
- (4) may prescribe, amend, and repeal such rules and regulations as may be necessary for carrying out the functions of the Foundation;
- (5) may make and perform such contracts and other agreements with any individual, corporation, or other private or public entity however designated and wherever situated, as may be necessary for carrying out the functions of the Foundation;
- (6) may determine and prescribe the manner in which its obligations shall be incurred and its expenses allowed and paid, including expenses for representation not exceeding \$10,000 in any fiscal year;

- (7) may, as necessary for carrying out the functions of the Foundation, employ and fix the compensation of not to exceed the following number of persons at any one time: 25 during the fiscal year 1981, 50 during the fiscal year 1982, and 75 thereafter;
- (8) may lease, purchase, or otherwise acquire, own, hold, improve, use, or otherwise deal in and with such property (real, personal, or mixed) or any interest therein, wherever situated, as may be necessary for carrying out the functions of the Foundation;
- (9) may accept gifts or donations of services or of property (real, personal, or mixed), tangible or intangible, in furtherance of the purposes of this subchapter;
- (10) may use the United States mails in the same manner and on the same conditions as the executive departments of the Government;
- (11) may, with the consent of any agency of the United States, use the information, services, facilities, and personnel of that agency in carrying out the purposes of this subchapter; and
- (12) shall have such other powers as may be necessary and incident to carrying out this subchapter.

(b) Nonprofit entity; restriction on use of moneys; conflict of interests

The Foundation shall be a nonprofit corporation and shall have no capital stock. No part of its revenue, earnings, or other income or property shall inure to the benefit of any of its directors, officers, or employees, and such revenue, earnings, or other income or property shall only be used for carrying out the purposes of this subchapter. No director, officer, or employee of the corporation shall in any manner directly or indirectly participate in the deliberation upon or the determination of any question affecting his or her personal interests or the interests of any corporation, partnership, or organization in which he or she is directly or indirectly interested.

(c) Tax exemption

The Foundation, including its franchise and income, shall be exempt from taxation now or hereafter imposed by the United States, by any territory or possession of the United States, or by any State, county, municipality, or local taxing authority.

(d) Termination of Foundation and liquidation of assets

Upon termination of the corporate life of the Foundation its assets shall be liquidated and, unless otherwise provided by Congress, shall be transferred to the United States Treasury as the property of the United States

**Section 290h-5 - Management of Foundation**

(a) Board of directors; membership; designation of Chairperson and Vice Chairperson; appointment considerations; term; vacancies

- (1) The management of the Foundation shall be vested in a board of directors (hereafter in this subchapter referred to as the "Board") composed of seven members appointed by the President, by and with the advice and consent of the Senate. The President shall designate one member of the Board to serve as Chairperson of the Board and one member to serve as Vice Chairperson of the Board. Five members of the Board shall be appointed from private life. Two members of the Board shall be appointed from among officers and employees of agencies of the United States concerned with African affairs. All members of the Board shall be appointed on the basis of their understanding of and sensitivity to community level development processes. Members of the Board shall be appointed so that no more than four members of the Board are members of any one political party.
- (2) Members of the Board shall be appointed for terms of six years, except that of the members first appointed, as designated by the President at the time of their appointment, two shall be appointed for terms of two years and two shall be appointed for terms of four years. A member of the Board appointed to fill a vacancy occurring before the expiration of the term for which that member's predecessor was appointed shall be appointed only for the remainder of that term. Upon the expiration of his or her term a member shall continue to serve until a successor is appointed and shall have qualified.

(b) Compensation, actual, necessary, and transportation expenses

Members of the Board shall serve without additional compensation but may be reimbursed for actual and necessary expenses not exceeding \$100 per day, and for transportation expenses, while engaged in their duties on behalf of the Foundation.

(c) Quorum

A majority of the Board shall constitute a quorum.

(d) President of Foundation; appointment and compensation; employment of experts and consultants

- (1) The Board of Directors shall appoint a president of the Foundation on such terms as the Board may determine. The president of the Foundation shall receive compensation at a rate not to exceed that provided for level IV of the Executive Schedule under section 5315 of title 5.
- (2) Experts and consultants may be employed by the Board as authorized by section 3109 of title 5.

(e) Advisory council; membership; appointment considerations; consultations with council; compensation, travel, and other expenses

- (1) The Board shall establish an advisory council to be composed of such number of individuals as may be selected by the Board from among individuals knowledgeable about development activities in Africa. The advisory council may include African recipients of grants, loans, or loan guarantees under this subchapter.
- (2) The Board shall, at least once each year, consult the advisory council concerning the objectives and activities of the Foundation.
- (3) Members of the advisory council shall receive no compensation for their services but may be allowed travel and other expenses in accordance with section 5703 of title 5, which are incurred by them in the performance of the functions under this subsection

#### **Section 290h-6 - Government corporation control provisions applicable**

The Foundation shall be subject to the provisions of chapter 91 of title 31 applicable to wholly owned Government corporations

#### **Section 290h-7 - Limitation on spending authority**

Any authority provided by this subchapter involving the expenditure of funds (other than the funds made available pursuant to section 290h-8 of this title) shall be effective for a fiscal year only to such extent or in such amounts as are provided in advance in appropriation Acts.