



U.S. AFRICAN DEVELOPMENT FOUNDATION
CONGRESSIONAL BUDGET JUSTIFICATION

Fiscal Year 2025

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 2019 – FY 2023), USADF has invested more than \$141 million directly into over 1,050 African-owned and African-operated entities and impacted more than six 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 11, 2024
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 2025 budget justification for the United States African Development Foundation (USADF). The FY 2025 budget request of \$45 million for USADF will support broad U.S. foreign assistance priorities and national interests in hard-to-reach communities across Africa. Specifically, \$45 million will provide USADF resources to award approximately 300 new grants and continue to monitor an active grant portfolio of \$57 million representing more than 453 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. *(we should never refer to African people as "dependent")

At USADF, each project is unique, and the agency is accountable 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 2025 USADF plans to augment the \$45 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. By FY 2025, USADF intends to have leveraged more than \$101.8 million in funding to expand the agency's grant programs and impact.

In conclusion, USADF’s enduring relationship with communities in Africa provides 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 your 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,



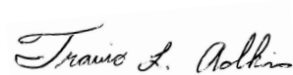
John W. Leslie, Jr.

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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 2025 USADF Budget Request of \$45 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.¹ These conditions are expected to persist in 2024 and beyond due to climate change, conflict, and market disruptions such as Russia’s invasion of Ukraine.

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 \$61 million in grant capital to support over 437 agriculture cooperatives and agribusinesses in becoming self-sufficient, improving productivity, increasing incomes for smallholder farmers, and enhancing food security for over 2.4 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 2025, through its core programming as well as by leveraging funding from African government, private sector, and foundation partners.

2. Innovative Partnerships and Leveraged Funding

¹ World Food Program, 2022, [Global Report on Food Crises](#)

USADF is doing more to reimagine how to deploy grant capital. The Foundation continues to 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 2024, the Foundation is leveraging matching funds from Benin, Côte d’Ivoire, Malawi, Mauritania, Namibia, 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 2024, 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 2025, leveraged funds are projected to represent approximately 17 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 2050.² 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.³ 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 \$24 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.⁴

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

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

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

USADF is also working to support vocational job training and placement for youth, helping 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 and has trained 12,839 youth to date. 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 USAID, the World Food Program, 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.

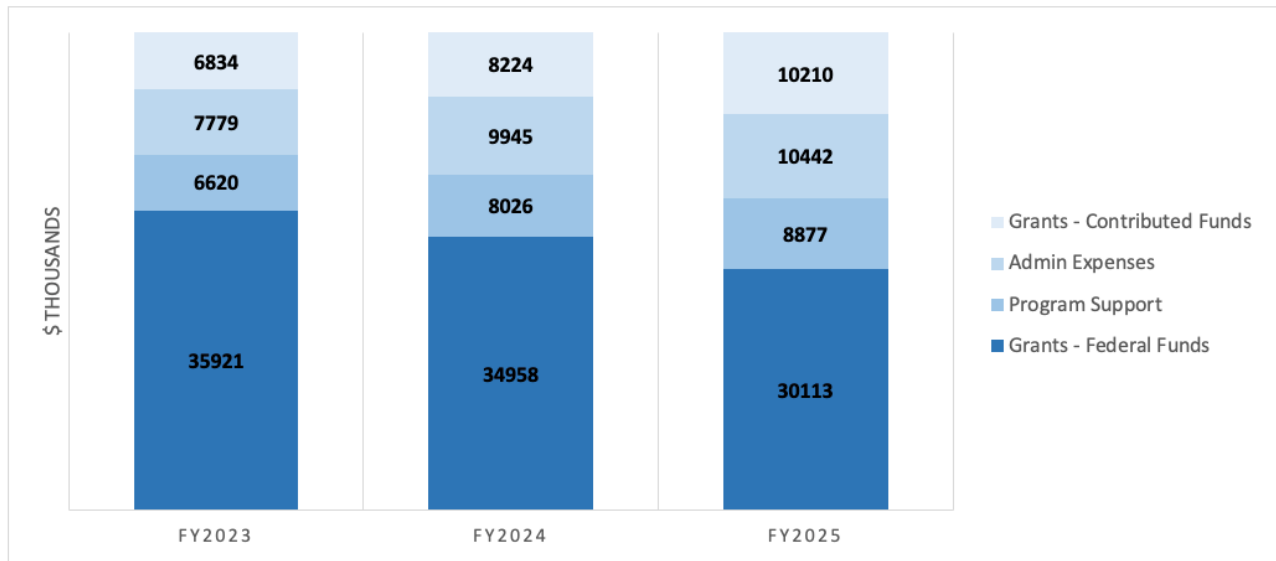
USADF also attempts to maximize the amount of its funding that goes directly to grantees in Africa, and therefore seeks to keep administrative overhead costs as low as possible. Historically, USADF’s administrative support costs have been under 20 percent of all available funds. USADF’s unique ability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

USADF FY 2025 Budget Request and Details

USADF requests \$45 million for FY 2025 to support broad U.S. foreign assistance priorities and national interests in marginalized regions in Africa. The \$45 million provides USADF with resources to award more than 300 new grants and continue monitoring an active grant portfolio of \$57 million. The \$45 million represents a \$1 million decrease over FY 2024 President’s budget, but USADF will seek out new partnerships to make up the decrease so to continue its program operations at current levels.

In addition to USADF’s FY 2025 budget request of \$45 million, USADF is projected to leverage \$10.21 million from partnerships and \$5.1 million in carryforward and recoveries. USADF’s FY 2025 budget is projected to be \$60.4 million. The projected budget allocates, excluding carryforwards and forex, \$40.2 million for new grants, \$8.8 million for program support activities, and \$10.44 million for operating expenses. The budget allocations for FY 2023, FY 2024, and FY 2025 are depicted below.

Figure 1: FY 2023, FY 2024, and FY 2025 Budget Comparison in \$ Thousands



FY 2025 Budget Request

USADF requests \$45 million of federal funds for Fiscal Year 2025 to support broad U.S. foreign assistance priorities and national interests in communities across Africa. The \$45 million provides USADF with resources to award approximately 300 new grants and continue monitoring an active grant portfolio of \$57.0 million representing more than 453 rural African community enterprises. The budget table below (Table 1) provides a summary of the budget request and expected allocation of resources in FY 2025 for program and administrative expenses.

Table 1: FY 2025 Budget Request Levels and Recent Budget History (\$1,000)

	Description	FY 2023 \$45M	FY 2024 Annualized CR \$45M	FY 2025 \$45M
Federal Funds	Operating Expenses			
	ADF/W	7,779	9,945	10,442
	<i>Operating Expense Subtotal:</i>	7,779	9,945	10,442
	Program Expenses			
	Project Grants	27,012	26,465	20,374
	Partners Grants	8,909	8,393	9,639
	HQ Program Support	4,806	5,413	5,684
	Field Office Program Support	1,690	2,361	2,929
	Audit	123	252	265
	Foreign Currency Adjustments	-	100	100
	<i>Program Subtotal:</i>	42,542	42,984	38,990
	Total Operating & Program	50,321	52,929	49,432
	Federal Funds			
	Current FY Appropriations	45,000	45,000	45,000
	Funds Carried Forward & Recoveries	13,191	8,303	4,585
	Non-Expenditure Funds Transfer	2,256	4,210	85
	Total Federal Funds	60,447	57,513	49,670
Operating Expenses as a Percent of Available Federal Funds	13%	17%	21%	

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 77 percent of USADF’s program budget and 60 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 2023 \$45M	FY 2024 Annualized CR \$45M	FY 2025 \$45M
Federal Funds	Program Expenses			
	Project Grants	27,012	26,465	20,374
	Partners Grants	8,909	8,393	9,639
	HQ Program Support	4,806	5,413	5,684
	Field Office Program Support	1,690	2,361	2,929
	Audit	123	252	265
	Foreign Currency Adjustments	-	100	100
	<i>Program Subtotal:</i>	42,542	42,984	38,990

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 2025, 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 2023 \$45M	FY 2024 Annualized CR \$45M	FY 2025 \$45M
BENIN	1,554,149	1,950,000	750,000
BURKINA FASO	2,524,698	1,000,000	1,000,000
BURUNDI	729,405	500,000	200,000
CÔTE D'IVOIRE	3,025,470	800,000	2,000,000
DRC	329,820	1,030,000	200,000
KENYA	1,896,429	1,349,989	400,000
LIBERIA	2,292,270	1,000,000	200,000
MALAWI	575,529	250,000	250,000
MAURITANIA	1,281,666	550,000	550,000
NAMIBIA	-	800,000	800,000
NIGER	48,148	-	-
NIGERIA	3,069,711	1,875,000	975,000
RWANDA	854,369	1,000,000	200,000
SENEGAL	874,190	525,000	525,000
SOMALIA	1,433,528	500,000	500,000
SOUTH AFRICA	-	2,550,000	1,050,000
SOUTH SUDAN	1,026,601	515,000	200,000
TANZANIA	1,773,729	1,000,000	200,000
UGANDA	1,665,528	1,500,000	1,050,000
ZAMBIA	1,916,674	1,050,000	200,000
ZIMBABWE	-	500,000	250,000
SMALL GRANTS Program	140,000	480,000	200,000
SPECIAL INITIATIVES / Unallocated			
Diaspora Outreach			-
Academy for Women Entrepreneurs (AWE)		640,000	573,800
African Women Entrepreneurship Program (AWEP)		600,000	100,000
IT Innovation		1,500,000	-
Cross Sector Energy Nexus - Ag		500,000	500,000
Cross Sector Energy Nexus - Health		500,000	500,000
Off grid challenge: Women in Energy		500,000	500,000
Off grid challenge: Other		1,500,000	6,500,000
FOREIGN CURRENCY ADJUSTMENT		100,000	100,000
	27,011,914	26,564,989	20,473,800

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.

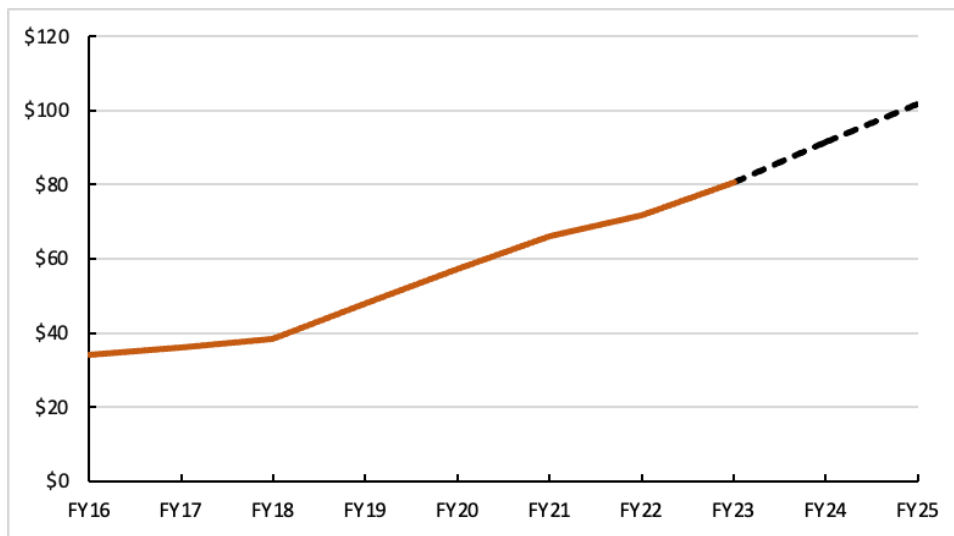
Table 4: Local Partner Grant Details

Country	FY 2023 \$45M	FY 2024 Annualized CR \$45M	FY 2025 \$45M
BENIN	381,489	384,592	403,822
BURKINA FASO	362,467	402,608	422,738
BURUNDI	241,269	328,380	344,799
CÔTE D'IVOIRE	670,854	779,102	818,057
DRC	198,000	265,394	278,664
GUINEA	142,460	89,000	-
KENYA	586,075	574,669	603,402
LIBERIA	251,002	334,524	351,250
MALAWI	280,432	327,921	344,317
MALI	306,836	267,000	-
MAURITANIA	305,915	337,700	354,585
NAMIBIA	474,959	474,959	498,707
NIGER	608,693	-	400,000
NIGERIA	708,392	768,392	806,812
RWANDA	592,605	450,835	473,377
SENEGAL	367,937	367,937	386,334
SOMALIA	386,385	254,090	266,795
SOUTH AFRICA	-	-	800,000
SOUTH SUDAN	477,470	302,639	317,771
TANZANIA	323,421	366,510	384,836
UGANDA	326,636	591,562	621,140
ZAMBIA	369,287	374,809	393,549
ZIMBABWE	546,436	350,850	368,393
	8,909,020	8,393,473	9,639,347

USADF Expands the Use of Federal Dollars with Leveraged Partnership Funds

USADF plans to augment the FY 2025 budget request of \$45 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 2024, USADF will have received more than \$91.6 million of leveraged funds to expand USADF grant programs and impact. In FY 2025, USADF anticipates receiving \$9.1 million from African governments and \$1.1 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 2024 and FY 2025.

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 2025 Operating Expenses are projected to be similar to FY 2024

Table 5: Operating Expenses Summary (\$1000)

		FY 2023 \$45M	FY 2024 Annualized CR \$45M	FY 2025 \$45M
Federal Funds	Description			
	Operating Expenses			
	ADF/W	7,779	9,945	10,442
	<i>Operating Expense Subtotal:</i>	7,779	9,945	10,442

Comprehensive Summary FY 2025 Budget Table

Table 6 is a comprehensive budget summary of USADF’s planned activities and funding sources for all FY 2025 Administrative and Program activities. The table is separated by federal funding sources and external leveraged funding. USADF plans to leverage approximately \$10.21 million in external funds to further extend USADF programs in Africa. 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 efforts in Africa led by USADF.

Table 6: FY 2025 Comprehensive Budget Summary Plan (\$1,000)

	Description	FY 2023 \$45M	FY 2024 Annualized CR \$45M	FY 2025 \$45M
Federal Funds	Operating Expenses			
	ADF/W	7,779	9,945	10,442
	<i>Operating Expense Subtotal:</i>	7,779	9,945	10,442
	Program Expenses			
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	<i>Program Subtotal:</i>	42,542	42,984	38,990
	Total Operating & Program	50,321	52,929	49,432
	Federal Funds			
	Current FY Appropriations	45,000	45,000	45,000
Funds Carried Forward & Recoveries	13,191	8,303	4,585	
Non-Expenditure Funds Transfer	2,256	4,210	85	
Total Federal Funds	60,447	57,513	49,670	
Available Federal Funds	13%	17%	21%	
External Funds	Donated Funds Planned Budget			
	Grants	5,679	7,060	9,685
	Partners (Cooperative Agreements)	1,155	1,164	525
	Program Support			
	<i>Subtotal:</i>	6,834	8,224	10,210
	Donated Funds Revenues			
	Country Strategic Partners	4,718	6,350	9,100
	Private Sector Partners	5,274	1,874	1,110
	Funds Carried Forward & Recoveries			
Total Available Donated Funds	9,992	8,224	10,210	
Funds	70,439	65,737	59,880	
Funds Available	61%	66%	67%	

Partnership for Global Infrastructure and Investment (PGII)

In FY 2025, USADF expects to spend \$2 million in support of the Partnership for Global Infrastructure and Investment. A breakdown of the Foundation’s planned spending in this area is below.

FY25 PGII Funding-USADF <i>(\$ in million)</i>	Climate and Energy Security	Health and Health Security	Gender	Digital	Transportation	Total
Direct Appropriations	\$ 0.400	\$ 0.865	\$0.600	\$0.135		\$ 2.000

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 the most exposed region 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 2025 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 partnered with the U.S. Chamber of Commerce to launch the Africa Digital Innovation Competition, through which USADF provided funding to 8 digital SMEs and startup that are developing

solutions through digital products that will create a positive impact on African citizens. Total funding for the 8 digital SMEs is \$134,999.

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 2025, USADF is projecting matching funds receipts from Benin, Cote d’Ivoire, Malawi, Mauritania, Uganda, Namibia and two sub-national governments (Lagos State and Ekiti State) in Nigeria.

In FY 2025, USADF plans on receiving \$9.1 million in funds from African national and sub-national governments.

Table 7: Planned FY 2025 African Government Co-funding

Country	Amount
Côte d'Ivoire	2,450,000
Uganda	2,000,000
Nigeria	1,900,000
Namibia	1,000,000
Benin	750,000
Malawi	500,000
Mauritania	500,000
	9,100,000

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 2024, 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 \$430K in funding to 10 MSMEs. In FY 2024, USADF expects to provide nearly 51 grants under this partnership, totaling \$1.65 million, with the funding being from 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 2024, USADF and Stanbic Bank are partnering in support of MSMEs across Africa to launch a newly expanded catalytic grant funding program in Uganda, Zambia, and other future markets. It is anticipated that the expanded program will invest an additional \$7.5 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 \$17.5 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 fund grants and technical assistance for 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 and 2023, USADF awarded a total of 14 LIP grants in Malawi.
- **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 has contributed more than \$2.8 million since 2016 to help fund grants for youth entrepreneurs. Through this partnership in FY 2024, USADF will provide funding of up to \$10,000 each to 20 selected graduates of the Citi Foundation-funded [Youlima Youth Incubator in the Democratic Republic of the Congo](#).
- **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 \$75K, 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 2024, the partnership's activities will focus on youth and entrepreneurship in Republic of the Congo, Nigeria, and Senegal.

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, DFC, and MCC. Through interagency partnership agreements, USADF in FY 2024 will:

- **Partner with the State Department to fund African women entrepreneurs.** In FY 2024, 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 \$50K and \$100K. For FY 2024, USADF will program \$600k million for the partnership, comprised of \$510K in a State Department transfer and \$90K 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 \$2.39 million in funding to 166 African women entrepreneurs since 2020.
- **Invest in off-grid energy under Power Africa.** USADF's off-grid energy activities in FY 2025 will continue to focus on healthcare facilities electrification, energy for agriculture, women in energy, and frontier markets. Under the Power Africa Initiative, USADF, in addition to its flagship energy challenge program, also partners with the private sector to launch various off-grid energy challenges to fund African entrepreneurs delivering energy solutions using solar, wind, hydro, and biomass technologies. USADF's off-grid energy challenges award grants of up to \$250K 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, when Power Africa was launched, USADF has awarded over \$20 million to over 150 off-grid energy enterprises. In FY 2024, USADF expects to award up to 40 grants to off-grid energy enterprises with a total funding amount of over \$7 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.⁵ 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 of how USADF is strengthening agribusinesses and improving food security:

- **Support improved nutrition and income generation in Malawi through a partnership with the Helmsley Charitable Trust:** USADF in FY 2021 received grant funding from 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. To date, USADF has awarded 14 grants under the LIP program in Malawi.

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.⁶ USADF's off-grid energy grants promote market-based solutions that connect

⁵ United Nations: "[The Sustainable Goals Report 2020.](#)"

⁶ United Nations, 2022, [A Just Transition to Renewable Energy in Africa](#)

people and businesses to electricity and are particularly impactful for marginalized communities. Since 2014, USADF has awarded over \$16 million to over 150 off-grid energy enterprises to help combat energy poverty and lack of energy access in Africa.

For example, in Nigeria, USADF is funding GVE Projects Limited, an energy firm that is working to provide energy to over 2,000 customers with a solar PV and battery powered mini-grid. The project is targeting local micro, small, medium enterprises in Wuse Market, Abuja – one of Nigeria’s largest markets. USADF funding is helping GVE to purchase mini-grid equipment to power the MSME shops and provide operation and maintenance 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 2025, 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. USADF’s will continue to focus its portfolio on healthcare facilities electrification, energy for agriculture, women in energy, and frontier markets to meet and exceed the commitments announced at the U.S. - Africa Leadership Summit in 2022.

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 25,⁷ and with an expected 12 million young Africans expected to enter the work force every year.⁸

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. 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 2024 and FY 2025.

⁷ Brookings Institution Africa Growth Initiative, Foresight Africa 2019 https://www.brookings.edu/wp-content/uploads/2019/01/BLS18234_BRO_book_007_WEB.pdf

⁸ 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

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.

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, 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 1100 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 2024, USADF will program \$600K for the partnership, comprised of \$510K in a State Department transfer and \$90K of USADF funds.

Cooperation with African Diaspora Communities in the United States

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 3x grant multiplier structure. Through this structure, selected awardees receive grants of up to \$75K, 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 Corporation and Development (OECD).⁹ 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.

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.

⁹ 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 \$50K to \$100K.

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 \$100K to \$250K.

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 \$57K.

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 \$10K to \$100K.

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 \$50K.

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 2024, 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 (hereafterin 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.