



December 10, 2007

To: USADF Headquarters Staff, USADF Ghana Office, USADF Representative Offices, and USADF Partner Organizations

From: Lloyd O. Pierson

Re: President's Message to USADF Staff

This is the first of what will be periodic comments to the USADF staff. At this writing, I have been here for approximately eight weeks, and every day I am impressed with the achievements already made by USADF staff, as well as the great opportunities that are before us. This agency has a unique mission to work at a community level with the lower spectrum of the poor in Africa. We have a very dedicated staff and Board of Directors.

I want to share some key principles I will follow in leading USADF. These perspectives are derived from observations I have gained from USADF's founding statute¹, other legislative intent documents¹, from conversations with those familiar with the agency's founding, and from current USADF staff. To achieve success as an organization, it is absolutely critical that we all operate with a common understanding of our mission.

MISSION

Clearly, this agency was founded to work at the community level in Africa ensuring maximum participation of the poor. The specific legislative language states that USADF shall give priority *"to projects which community groups undertake to foster their own development and in the initiation, design, implementation and evaluation in which there is the maximum feasible participation of the poor."* The organizations must be *"indigenous to Africa."*

This means that projects are to be locally initiated, designed, and implemented. We must avoid a trickle-down approach, where a larger organization establishes the employment conditions. While job creation and economic development are important, USADF's projects are also to be designed in a way that reflects community priorities and results in increased equity and control. In addition to jobs and increased wages, there should be benefits to workers such as skill training, better access to health care and education, and other community infrastructure improvements.

Please take some time to carefully consider the wording of the African Development Foundation Act (see below), where the United States Congress specifically stated USADF's purposes. All USADF activities should be centered on achieving these objectives.

Section 290h-2 of the ADF Act:

(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.

¹Note: This Act and other legislative intent Documentation will be available for your review at the USADF website.

SELECTION CRITERIA

Carefully following project selection criteria is essential to implementing USADF's unique mission. The following items serve as guidelines to be used to ensure USADF funded projects such as agricultural cooperatives, small-scale enterprise and industrial development, and small-scale infrastructure projects are centered on our legislative purposes. Keep in mind that our goal is not just funding, but a positive end result. Have we improved the quality of life of those with whom we have worked? Are people better off because of each of our effort? Because we work with marginalized communities to which others typically do not pay much attention, our efforts can have a significant impact. These guidelines will be used to evaluate and select new programming proposed in 2008.

Ownership:

- A. Community driven. What is the origination of the project?
- B. Community participation. Was the community involved in the planning of the project?
- C. 100 percent African ownership (no exceptions)

Benefits: What members of the community will benefit and how? Are benefits reaching the poor?

- D. Salary indicators.
- E. Worker representation.
- F. Healthcare and quality of life infrastructure.
- G. Training and/or skills enhancement.
- H. Employment conditions.
- I. Property rights.
- J. Gender dimension.
- K. Education / literacy indicators.
- L. Increased capacity, such as managerial, governance, and output/ service.

Other Considerations:

- M. Licensing/regulatory requirements for the project activity.
- N. Sustainability and replication.
- O. Is a public/private partnership required?
- P. Availability of other critical resources required for project success.
- Q. Information Technology needs and availability.
- R. Foreign assistance levels: in country/in community.
- S. Host countries' direct foreign investment (DFI).
- U. Partner organization capacity.

A program and training manual will be developed to provide all USADF staff with additional guidance on project and group selection criteria, design, and implementation practices.

2008 OPERATIONAL PRIORITIES

I expect to focus on the following priorities in 2008 to ensure USADF is effectively meeting its obligations to the US taxpayer and making a positive impact on our clients in Africa.

- Remain in all of the countries in which we currently operate and honor the commitments that have been made, and ensure they are consistent with USADF's mandate and project selection criteria.
- To the maximum extent possible, ensure Africans are key personnel in the management of all field operations.
- Reduce USADF overhead expenses to the 20 percentile range in order to maximize funds available for project grants and partner organizations. (Note that the overhead expense ratios will be calculated in relation to appropriated dollars.)
- Serve as a model Federal agency for being open and transparent.
- Establish a monitoring and evaluation unit using existing resources to elevate our emphasis on project results, outcomes, and lessons learned.
- Collect the balance of outstanding FY07 strategic partner funds and newly committed funds in FY08.
- Explore the possibility of USADF programs in highly marginalized communities located in: Somalia, Somaliland, Northern Kenya, Tuareg area of Niger and Mali, Western Sahara, Mauritania, Casamance, Eritrea, and Guinea Bissau; and where feasible including de-mobilized soldier groups.
- Consistent with the USADF Act, increasingly explore public/private partnerships as a means of leveraging funds.

FY08 BUDGET GUIDANCE

As mentioned above, our intent is to remain in all of the countries in which we currently serve and to honor the commitments that we, and the host country, have made. However, due to current budget constraints and the desire to expand into other marginalized communities in Africa, new 2008 programming targets in existing countries will be minimized. New project proposals in 2008 will be considered, subject to the availability of funds, including *actual collection* of strategic partnership commitments. New projects will be evaluated on selection criteria cited above. Country programs should primarily focus on the successful implementation of clients funded in 2007. Specific country by

country new programming funding levels and review timelines will be forthcoming shortly to ensure that 2008 obligations are met well before the year end.

OTHER INFORMATION

- General Counsel Doris Martin and Chief Financial Officer Marti Edmondson are currently in Ghana conducting program and financial reviews.
- We are working also with Vice President Nate Fields ensuring Ghana, Nigeria, Guinea program activity, while at the same time reducing the size of the Accra Field Office staff.
- USADF has responded very positively to an inquiry from the Chairman of the House of Representatives Subcommittee on Africa.
- USADF has committed to providing a full report to the U.S. Congress no later than late January 2008.
- We continue to operate under a Continuing Resolution that provides \$23 million of funding, but remain hopeful of receiving the \$30 million FY 08 appropriation level by December.
- Our FY 09 OMB Administration-approved budget request level will be \$30 million.
- ADF will take a lead role in meeting and exceeding the requirements of the Obama-Coburn Transparency Act; watch for new information to be added to the USADF website in December.
- We will resume using the USADF newsletter in December as a means to promote open communications and information sharing among USADF countries and functions.

RESULTS / IMPACT

As emphasized by the USADF Board of Directors, fully supported by me, and I believe by all USADF staff, this is a results driven organization and will continue on that path. Recently, both the Embassy of Rwanda and the Embassy of Zambia have issued press releases thanking USADF for successful community-based work in their country, and repeatedly I hear from other countries about their desire for USADF involvement. Successful results and high community level impact with marginalized populations will be a focal point of all of our work.

We face unprecedented opportunities to deliver positive development results in Africa -- both in terms of providing direct assistance and creating models of success. Our greatest contribution to development in Africa may well be the creative ways that we serve the most marginalized and neglected communities in Africa. I look forward to working with you to help make USADF a benchmark organization of impact effectiveness in Africa in 2008 and beyond.

Sincerely,

Lloyd O. Pierson
President