



## U.S. AFRICAN DEVELOPMENT FOUNDATION

# CONGRESSIONAL BUDGET

# JUSTIFICATION

## **Fiscal Year 2022**

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-designed and African-delivered 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 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 2016 – FY 2020) with an emphasis on the Great Lakes, Horn, and Sahel regions of Africa, USADF has invested more than \$117 million directly into over 1,000 African-owned and -operated entities and impacted 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.

**July 1, 2021**  
**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 2022 budget justification for the United States African Development Foundation (USADF). The FY 2022 budget request of \$33 million for USADF will support broad U.S. foreign assistance priorities and national interests in hard-to-reach communities across Sub-Saharan Africa. Specifically, \$33 million will provide USADF resources to award more than 188 new grants and continue monitoring an active grant portfolio of \$51.8 million representing more than 459 rural African community enterprises.

USADF is a small independent U.S. government agency with a big 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 ground to combat some of Africa's most difficult development challenges with programs to increase U.S. development presence in the hardest to reach areas. USADF grants provide 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 beyond relief and dependency to self-sufficiency and promote market-based solutions to poverty.

USADF is Accountable, Direct, and on the Frontier in its approach:

- At USADF, each project is unique, and we are accountable for each dollar spent through our hands-on Washington, D.C. – Africa field office coordination. Each project has stringent, individual financial benchmarks to meet before funds are released, and a series of internal audits are executed on every project. Grant projects are audited by external auditors credentialed by USADF OIG.
- At the core of USADF's programming is our direct connection to African solutions for the development challenges each community faces. Africans lead our 21 country teams and facilitate our African-led, participatory, bottom-up development model. We direct our investments to each 100 percent African-owned enterprise with no middleman or administrative overhead. This direct relationship affords USADF in Washington, D.C., and Africa the ability to closely monitor and support each project.
- USADF is on the frontier in working with the most vulnerable: those impacted by conflict, persons living with disabilities, women, at-risk youth, refugee communities, and smallholder farmers. Although the grants seem small in size – capped at \$250,000 – compared to other development agencies, USADF prides itself on transferring the financial knowledge and project management skills necessary to manage each dollar.

USADF ensures critical U.S. trade, investment, and development initiatives such as Power Africa, Feed the Future, Prosper Africa, and the African Growth and Opportunity Act (AGOA) and targeted national security and women and youth development programs reach thousands of

communities often left out of Africa’s growth story. USADF operates in Africa using an innovative African-led and managed development model that “right sizes” efforts, directing development resources to the vulnerable rural areas with greatest need and potential for impact.

The Foundation also offers a high return on taxpayer dollars. For FY 2022, USADF plans to augment the \$33 million of requested federal funds by using donated funds from various African host country governments, private foundations and corporations, and U.S. interagency sources to expand total funds available for project grants. By FY 2022, over 18 years, USADF intends to have utilized more than \$81 million of donated funds to expand USADF 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 those 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 inherently deliver results that extend key U.S. foreign assistance priorities, including improving local food production, increasing income levels, and creating an environment for economic growth. 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 Africans and Americans.

Sincerely,



John W. Leslie, Jr.

Chairman, Board of Directors



Dr. John O. Agwunobi

Vice-Chair, Board of Directors



Elisabeth Feleke

Acting President and CEO

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## Executive Summary

### **Agency Overview**

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-designed and African-delivered 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 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.

Agility – As a small, independent agency, USADF is highly responsive and agile in establishing targeted development programs in Africa. USADF can begin new programs in months rather than years. These quick starts complement larger U.S. government (USG) programs by providing early results and an extended reach to rural locations and underserved communities.

Access – USADF's pan-African network of local partner organizations bring local knowledge of market linkages, connections to government and other in-country actors and stakeholders, and a strong enterprise development background. These organizations are also uniquely positioned to help USADF operate successfully in challenging environments and post-conflict communities.

Overhead – In FY 2020, USADF administrative support costs represented only 17.8 percent of its budget when including the resources leveraged from partnerships. USADF is focused on allocating resources efficiently and effectively in support of its mission, and in FY 2021, administrative support costs are budgeted at approximately 15.5 percent of USADF's operating budget. USADF also focuses on maximizing U.S. taxpayer dollars through its use of matching funds agreements with African host governments and private sector donor funds.

Innovative Partnerships and Leveraged Funding – 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.

Grassroots Sustainability – USADF employs a participatory, locally-led approach to program design and implementation that leads to greater ownership of projects. 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 community enterprise grant organizations achieve results-driven growth.

## **Five Reasons to Support the FY 2022 USADF Budget Request of \$33 Million**

### 1. Advancing Peace and Security in Fragile States

Economic development is incredibly important in fragile states, which are often plagued by inequality, poor governance, and conflict. These problems constrain the effective delivery of goods, services, and infrastructure. The 2020 Organization for Economic Cooperation and Development (OECD) States of Fragility Report analysis of global official development assistance (ODA) found that the economic dimension receives approximately half the proportion of the total ODA in extremely fragile contexts than it receives in non-fragile contexts.<sup>1</sup> OECD found that economic fragility affects the wellbeing and prosperity of individual people, households, and society as a whole, and impacts the other dimensions of fragility by exacerbating political and societal divisions that contribute to violence and unrest. USADF has a strong focus on the Great Lakes, the Sahel, and the Horn of African regions, which according to OECD, were the three most economically fragile subregions from 2012 to 2018.

USADF's investment in economic development in fragile states is crucial to the long-term growth and stabilization, as the private sector often fulfills needs ordinarily filled by governments. USADF investments help create jobs and economic opportunities for communities; a recent study of USADF grants conducted as part of a Foreign Policy Analytics (FPA) report<sup>2</sup> commissioned by USADF found 25.2 workers were hired for every \$10,000 USADF invests in agricultural grants, and 79.3 people were connected to reliable electricity for every \$10,000 USADF invests in energy grants. That same study found that not only is USADF investment impactful, but there is a strong need for it. FPA found 74 percent of grantees agreed or strongly agreed that their projects likely would not have been funded if not for USADF's support, underscoring the vital need for USADF's presence in these areas.

### 2. Extending Development Priorities to the Underserved

USADF extends development priorities to the underserved by focusing on women and girls, youth, and recovering communities. USADF creates solutions for Africa's future now by investing in women and youth entrepreneurs through the provision of seed capital and technical assistance to help them grow their social enterprises and impact thousands of lives. 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. USADF also works with communities facing hardships created by external factors such as conflict and natural disasters.

USADF extends the efforts of larger agencies by delivering resources directly to grassroots communities in hard-to-reach underserved regions in Africa. USADF's African-led and managed

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<sup>1</sup> OECD, 2020: "[States of Fragility](#)"

<sup>2</sup> Foreign Policy Analytics 2020 report: "[Investing in Resilience from the Ground Up.](#)"

development model emphasizes “right-sizing” efforts, directing development resources to vulnerable and remote areas with the greatest need and potential for impact.

### 3. Advancing Congressional Priorities

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

Over the last five years, USADF has been a key contributor to the Global Food Security Act, providing over \$61 million in 20 African countries to help approximately 3.4 million people overcome food insecurity. USADF works to improve food security and systems in 6 of 12 Feed the Future target countries.

Since the passage of the Electrify Africa Act in 2014, USADF has invested more than \$11 million in over 130 off-grid energy enterprises to help combat insufficient access to energy. On average, for every \$10,000 USADF invests in off-grid energy enterprises, 79.3 people are connected to reliable electricity.<sup>3</sup>

Congress recently passed into law the Global Fragility Act, focused on addressing the root causes of fragility and instability. Of USADF’s 21 country portfolio, 17 countries are classified as fragile or extremely fragile states by the OECD.<sup>4</sup> USADF’s focus on supporting grassroots, community-led enterprises and its 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.

### 4. Innovative Partnerships and Leveraged Funding

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.

### 5. Transforming the Youth Bulge from a Threat to an Opportunity

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>5</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 ILO.<sup>6</sup> While Africa’s so-called “youth bulge” is often seen

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<sup>3</sup> Foreign Policy Analytics 2020 report: [“Investing in Resilience from the Ground Up.”](#)

<sup>4</sup> OECD, 2020: [“States of Fragility”](#)

<sup>5</sup> Cities Alliance, July 2020: [“The Burgeoning Africa Youth Population: Potential or Challenge?”](#)

<sup>6</sup> International Labour Organization, April 2019 Report: [“Spotlight on Work Statistics”](#)

as a threat, USADF sees Africa’s youth as a tremendous resource to drive African nations’ economies forward with the right support.

Since 2014, USADF has directly supported over 300 youth entrepreneurs in 40 countries, providing them with \$6 million of grant funding to launch and expand their businesses across Africa. These businessmen and women 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>7</sup>

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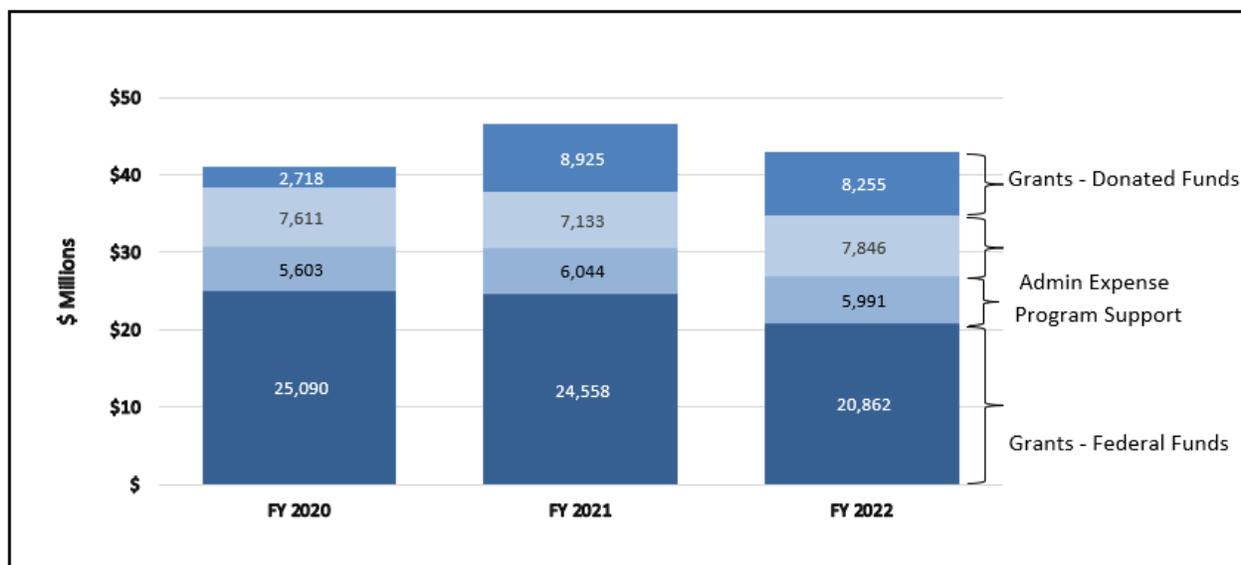
<sup>7</sup> Foreign Policy Analytics 2020 report: [“Investing in Resilience from the Ground Up.”](#)

## USADF FY 2022 Budget Request and Details

USADF requests \$33 million for FY 2022 to support broad U.S. foreign assistance priorities and national interests in marginalized regions in Sub-Saharan Africa. The \$33 million provides USADF with resources to award more than 188 new grants and continue monitoring an active grant portfolio of \$51.8 million.

In addition to USADF’s FY 2022 budget request of \$33 million, USADF is projected to leverage \$8.96 million from partnerships (including an Interagency Agreement with MCC and funding from African governments and private corporations/foundations), and \$1.6 million in carryforward. USADF’s FY 2022 budget is projected to be \$43.56 million given the \$33 million requested, the \$8.96 million of partnership contributions, and the \$1.6 million carryforward. The projected budget allocates \$29.1 million for new grants, \$6 million for program support activities in Africa, and \$7.9 million for monitoring and grant administration in Washington. The budget allocations for FY 2020, FY 2021, and FY 2022 are depicted below.

Figure 1: FY 2020, FY 2021, and FY 2022 Budget Comparison



### **FY 2022 Budget Request**

USADF requests \$33 million of federal funds for Fiscal Year 2022 to support broad U.S. foreign assistance priorities and national interests in communities across Sub-Saharan Africa. The \$33 million provides USADF with resources to award more than 188 new grants and continue monitoring an active grant portfolio of \$51.8 million representing more than 459 rural African community enterprises. The budget table below (Table 1) provides a summary of the budget request and expected allocation of resources in FY 2022 for program and administrative expenses.

Table 1: FY 2022 Budget Request Levels and Recent Budget History (\$1,000)

	Description	FY 2020 \$33M	FY 2021 \$33M	FY 2022 \$33M
<b>Federal Funds</b>	<b>Operating Expenses</b>			
	ADF/W	7,611	7,133	7,846
	<i>Operating Expense Subtotal:</i>	<b>7,611</b>	<b>7,133</b>	<b>7,846</b>
	<b>Program Expenses</b>			
	Project Grants	20,094	17,354	13,195
	Foreign Currency Adjustments	31	100	100
	Partners Grants	4,965	7,104	7,567
	HQ Program Support	3,882	3,875	3,991
	Field Office Program Support	1,460	1,886	1,711
	Audit	261	283	289
	<i>Program Subtotal:</i>	<b>30,693</b>	<b>30,602</b>	<b>26,853</b>
	<b>Total Operating &amp; Program</b>	<b>38,304</b>	<b>37,735</b>	<b>34,699</b>
<b>Federal Funds</b>				
Current FY Appropriations	33,000	33,000	33,000	
Non-Expenditure Funds Transfer-AID/MCC	5,599	2,410	700	
Recoveries & Funds Carried Forward	1,400	2,325	1,600	
<b>Total Federal Funds</b>	<b>39,999</b>	<b>37,735</b>	<b>35,300</b>	
Operating Expenses as a Percent of Available Federal Funds	19%	19%	22%	

Note that the increase in FY 2022 Operating Expenses is primarily due to one-time system upgrade cost (Grants Management System, Monitoring & Evaluation Reporting Tool, and CRM Application Portal).

### 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 grant activities. Budget lines for Project Grants and Local Partners Cooperative Agreements are the primary elements of USADF’s spending in Africa, representing 78 percent of USADF’s program budget and over 60 percent of USADF’s total budget. Headquarters and Field Office program expenses are used to strengthen the capacity of USADF’s local 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 2020 \$33M	FY 2021 \$33M	FY 2022 \$33M
<b>Federal Funds</b>	<b>Program Expenses</b>			
	Project Grants	20,094	17,354	13,195
	Foreign Currency Adjustments	31	100	100
	Partners (Cooperative Agreements)	4,965	7,104	7,567
	HQ Program Support	3,882	3,875	3,991
	Field Office Program Support	1,460	1,886	1,711
	Evaluation	261	283	289
	<i>Program Subtotal:</i>	<b>30,693</b>	<b>30,602</b>	<b>26,853</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 2022, USADF expects to award over 188 new project grants with federal funds. By law, the size of USADF's development grants cannot exceed \$250,000. For core programs, the average grant size is \$130,000 and is awarded over a three-year period. 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, which will enable the Foundation to award over 250 new grants in FY 2022.

Table 3: Project Grant Details Appropriated Funds

Country	FY 2020 \$33M*	FY 2021 \$33M	FY 2022 \$33M
BENIN	1,167,562	750,000	750,000
BURKINA FASO	1,355,250	-	1,800,000
BURUNDI	366,352	-	-
CÔTE D'IVOIRE	259,781	2,067,857	2,500,000
DRC	63,000	375,000	
GUINEA	335,394	-	
KENYA	2,588,368	1,475,228	200,000
LIBERIA	624,770	-	
MALAWI	281,004	200,000	200,000
MALI	579,821	179,163	
MAURITANIA	249,683	370,670	2,000,000
NIGER	4,373,462	2,687,654	700,000
NIGERIA	1,475,985	2,411,235	900,000
RWANDA	1,266,725	317,811	
SENEGAL	287,000	2,142,857	2,000,000
SOMALIA	443,742	-	200,000
SOUTH SUDAN	509,089	-	45,000
TANZANIA	268,000	198,192	
UGANDA	1,486,406	1,145,263	1,000,000
ZAMBIA	699,588	91,500	
ZIMBABWE	666,197	-	
SMALL GRANTS	551,904	2,341,958	
SPECIAL INITIATIVES			
WGDP	25,000	600,000	
YALI	170,000	-	-
ELECTRIFY AFRICA			900,000
FOREIGN CURRENCY ADJUSTMENT	31,280	100,000	100,000
	<b>20,125,363</b>	<b>17,454,388</b>	<b>13,295,000</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 local 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. In the short-term, these organizations provide essential implementation support to local grantees, ensuring financial accountability and enabling USADF grants to be more successful. Over time, USADF’s local partners become long-term assets and advocates for grassroots development in their respective countries.

General budget increases from FY 2021 to FY 2022 for Local Partner grants were due to currency fluctuations and the increased cost of doing business in Africa.

Table 4: Local Partner Grant Details

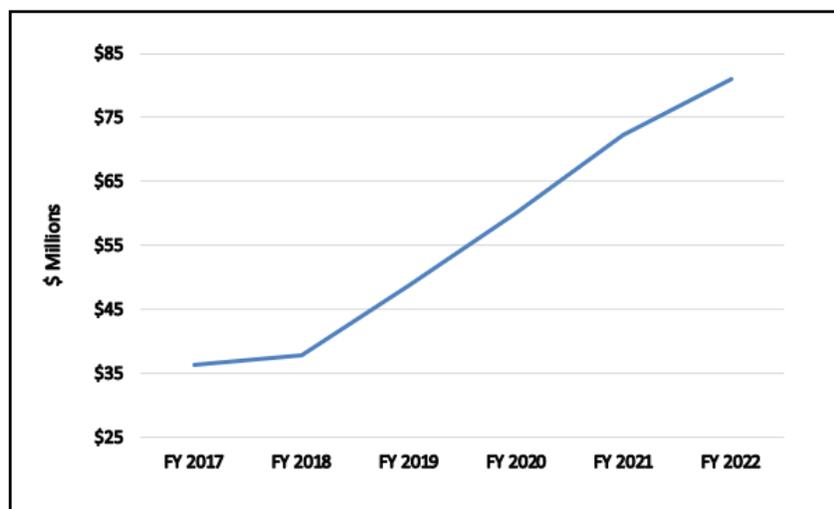
Country	FY 2020 \$33M*	FY 2021 \$33M	FY 2022 \$33M
BENIN	157,912	329,766	339,659
BURKINA FASO	226,833	318,984	328,554
BURUNDI	150,000	204,794	210,938
CÔTE D'IVOIRE	85,156	641,741	660,993
DRC	47,716	168,386	173,438
GUINEA	134,054	131,250	135,188
KENYA	222,279	409,587	546,875
LIBERIA	198,817	284,063	292,584
MALAWI	156,945	261,226	269,063
MALI	261,667	314,063	323,484
MAURITANIA	225,377	325,580	335,347
NIGER	773,035	668,350	688,401
NIGERIA	487,082	632,813	776,797
RWANDA	226,039	297,900	306,837
SENEGAL	251,297	393,117	404,911
SOMALIA	226,710	230,792	237,716
SOUTH SUDAN	151,350	273,694	281,904
TANZANIA	287,783	318,568	328,125
UGANDA	193,555	273,002	281,192
ZAMBIA	159,214	320,368	329,979
ZIMBABWE	341,718	305,684	314,855
	<b>4,964,539</b>	<b>7,103,727</b>	<b>7,566,839</b>

\*Local partners were not fully funded in FY 2020

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

USADF plans to augment the FY 2022 budget request of \$33 million by using donated funds from various African host country governments, private foundations and corporations, and U.S. interagency sources to expand total funds available for project grants. Over the period of 18 years and by the end of FY 2022, USADF would have utilized more than \$63 million of leveraged funds from African governments and private sector corporations and foundations to expand USADF grant programs and impact. In FY 2022, USADF anticipates receiving \$6.55 million of donated funds for project grants in countries with strategic partnership, \$1.71 million in corporate donations, and \$700,000 in USG funds transfers. Figure 2 shows the cumulative value of external funding used to date and the anticipated receipt of donated funds in FY 2021 and FY 2022.

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



## Administrative Resource Allocation Table

Tables 5, below, provides the summary detail of USG appropriated dollars allocated to support the administration and oversight of USADF programs in Africa.

Table 5: Operating Expenses Summary (\$1000)

	FY 2020	FY 2021	FY 2022
<b>Description</b>	\$33M	\$33M	\$33M
<b>Operating Expenses</b>			
ADF/W	7,611	7,133	7,846
<i>Operating Expense Subtotal:</i>	<b>7,611</b>	<b>7,133</b>	<b>7,846</b>

Note that the increase in FY 2022 Operating Expenses is primarily due to one-time system upgrade cost (Grants Management System, Monitoring & Evaluation Reporting Tool, and CRM Application Portal).

## Comprehensive Summary FY 2022 Budget Table

Table 6 is a comprehensive budget summary of USADF’s planned activities and funding sources for all FY 2022 Administrative and Program activities. The table is separated by federal funding sources and external leveraged funding. USADF plans to leverage approximately \$12.6 million in new external funds to further extend USADF programs in Africa. All external funding sources are used for program purposes, and the majority of 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 2022 Comprehensive Budget Summary Plan (\$1,000)

	Description	FY 2020 \$33M	FY 2021 \$33M	FY 2022 \$33M
Federal Funds	<b>Operating Expenses</b>			
	ADF/W	7,611	7,133	7,846
	<i>Operating Expense Subtotal:</i>	<b>7,611</b>	<b>7,133</b>	<b>7,846</b>
	<b>Program Expenses</b>			
	Project Grants	20,094	17,354	13,195
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	Partners (Cooperative Agreements)	4,965	7,104	7,567
	HQ Program Support	3,882	3,875	3,991
	Field Office Program Support	1,460	1,886	1,711
	Audit	261	283	289
	<i>Program Subtotal:</i>	<b>30,693</b>	<b>30,602</b>	<b>26,853</b>
	<b>Total Operating &amp; Program</b>	<b>38,304</b>	<b>37,735</b>	<b>34,699</b>
	<b>Federal Funds</b>			
	Current FY Appropriations	33,000	33,000	33,000
	Non-Expenditure Funds Transfer-AID/MCC	5,599	2,410	700
Recoveries & Funds Carried Forward	1,400	2,325	1,600	
<b>Total Federal Funds</b>	<b>39,999</b>	<b>37,735</b>	<b>35,300</b>	
Operating Expenses as a Percent of Available Federal Funds	19%	19%	22%	
External Funds	<b>Donated Funds Planned Budget</b>			
	Grants	2,444	7,656	7,782
	Partners (Cooperative Agreements)	274	1,269	473
	<i>Subtotal:</i>	<b>2,718</b>	<b>8,925</b>	<b>8,255</b>
	<b>Donated Funds Revenues</b>			
	Country Strategic Partners	2,615	6,575	6,550
	Private Sector Partners	675	2,350	1,705
	<b>Total Available Donated Funds</b>	<b>3,290</b>	<b>8,925</b>	<b>8,255</b>
<b>Total Available Federal and Donated Funds</b>	<b>43,289</b>	<b>46,660</b>	<b>43,555</b>	
Grants Outlays as a percent of Total Funds Available	64%	72%	67%	

## USADF FY 2020 Highlights

In FY 2020, USADF awarded 253 new grants, investing primarily in early-stage agriculture, off-grid energy, and youth- and women-led enterprises and skills training programs. Over the full grant lifecycle, the new grants awarded in FY 2020 are projected to benefit over 160,000 people directly and more than 600,000 additional family members.

As the COVID-19 pandemic threatened progress USADF had made in improving lives and livelihoods across Africa, USADF developed its COVID-19 response strategy in April 2020. Overall, the Foundation's response provided over \$5 million to 455 enterprises in 27 African countries. USADF outlined key strategic areas for COVID-19 intervention that would build upon its participatory, locally led, and demand-driven approach to development. The interventions sought to:

- **Respond by providing grantees immediate relief and capital assistance.** For example, i-Kabin Integrated Resources Limited, a solar-powered battery charging service provider start-up in Nigeria, used USADF funds to make-up for revenue shortfalls and keep its operations afloat.
- **Support grantees in repurposing and reconfiguring business models.** As examples, USADF funds allowed Natura, a shea butter cosmetics company in Benin, to pivot its operations and produce close to 2,500 liters of hand sanitizer shortly after the pandemic began. In Ghana, USADF grantee Alfie Designs repurposed its fashion garment manufacturing business to produce cotton face masks, medical scrubs, hospital gowns, and head covers to support COVID-19 prevention efforts, allowing it to maintain operations and hire additional employees to meet PPE demand.
- **Build grantees' resilience.** As one example, grantees in Liberia credited USADF for enhancing their managerial and operational capacities to the point to which they collectively were prepared to secure \$4 million in purchase orders from the Government of Liberia's food distribution and school feeding programs during COVID-19. Several other USADF grantees were similarly positioned to access new markets and increase their incomes during the pandemic.

To foster and maintain more open lines of communication and information sharing, USADF instituted a weekly COVID-19 county tracker through which Country Program Coordinators (CPCs) and local implementing partners shared updates on the pandemic's market and operational impacts in their respective country. USADF Washington staff also contacted over 430 grantees directly through phone calls to hear first-hand their COVID-19-related concerns and immediate operational pivots and needs, many of which were addressed through USADF's COVID-19 response.

A key component of the response in FY 2020 was the Capital for African Resilience-building and Enterprises Support (C.A.R.E.S) program through which USADF by June 30, 2020, had provided approximately \$3 million for more than 330 grantees in 21 African countries. Grantees used these funds to, among other things, manage increased transport costs, decreased production capacity, and insufficient storage for inputs and inventory.

In addition to the \$3 million disbursed under USADF C.A.R.E.S, the Foundation committed another \$2 million to activities needed to fight the pandemic's effects and allowed for the amendment of grant agreements so grantees could pivot projects to be responsive to COVID-19 challenges and opportunities. USADF funding also helped train youth in Nigeria for healthcare sector jobs under a partnership with Lagos State, as well as in Somalia where trainees staff the only regional hospital able to care for COVID-19 patients.

Numerous USADF off-grid energy grantees repurposed their energy technologies to help their communities fight the pandemic. In Nigeria, a USADF off-grid energy grantee successfully established the first private solar panel manufacturing plant in Nigeria and has installed solar power systems in two COVID-19 isolation centers in Lagos State. The company subsequently secured an additional \$4.6 million in follow-on financing from the Chapel Hill Denham Nigeria Infrastructure Debt Fund, the first listed infrastructure debt fund in Africa. With this investment, the enterprise will construct 22 mini-grids that will connect 70,000 people to reliable energy.

In Mauritania, where only 2.3 percent of the rural population is connected to the electrical grid, a USADF-funded renewables energy enterprise is undertaking a large-sale off-grid solar project in Acharim, home to about 750 people. The enterprise is supplying solar lamps, water pumps, and power outlets for in-home use and electricity for the village. During COVID-19, the company extended solar energy access to a rural hospital near Acharim and has plans to do the same at health facilities across Mauritania.

Gender-inclusive digital services will be pivotal for rural and women-led businesses to recover from the impacts of COVID-19. Moving forward, USADF will prioritize support to women-owned enterprises across Africa that currently lack access to digital tools and resources, under a broader digitization push. The Foundation will assist them in opening new markets, distribution and delivery networks, and mobile money service options. Through various grants, USADF is poised to support nearly 1,000 African women-owned enterprises in developing websites, e-commerce platforms, and digital marketing content and strategies.

## **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 become self-sufficient and better integrated into local economies. This in turn provides a peaceful and productive alternative to the violence that is often found in conflict and post-conflict regions across Africa.

### **Agriculture & Food Security**

Nearly 57 percent of people in sub-Saharan Africa face food insecurity.<sup>8</sup> USADF helps foster food security by investing in and developing agribusinesses. Accordingly, the majority of USADF grant investments are focused 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:

- USADF is a member of the Coalition for Farmer-Allied Intermediaries (CFAI) – along with Bain & Company, Partners in Food Solutions, and TechnoServe – to catalyze a movement around farmer-allied intermediaries in order to transform and build more resilient African food systems. The aim is to help scale profitable, competitive African food companies that enhance smallholder farmer livelihoods, nutrition, food security, socio-economic development, and environmental sustainability through more effective collaborative action. USADF is equipping coalition-identified companies with required capital and strategic financial and operational capabilities to ensure business continuity and adaptation. USADF has provided \$500,000 to nine intermediaries in Ghana and Kenya facing business continuity challenges as part of a resiliency grant pilot.
- USADF has 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 this project is to address food security and the income needs of chronically ill patients

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<sup>8</sup> United Nations: "[The Sustainable Goals Report 2020.](#)"

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.

- In Kenya, USADF is providing grant funding to Agrimech to launch the Agricultural Mechanization Service Hub (AMSH) business model that is built on a suite of technology products designed to address tractor owners' (supply) and farmers' (demand) needs. This project utilizes tested and proven GPS technology supplied by U.S. small business Hello Tractor, affectionally known as the "Uber" for tractors. Hello Tractor supports equipment deployed in order to de-risk investments, adequately schedule and monitor tractor deployments, ensure quality and reliable service provision, and provide a sustainable employment model. Additional technology partners include American agriculture machinery company AGCO, Holman Brothers, IBM, and John Deere. Through the project, farmers and agricultural cooperatives are expected to increase their productivity by up to four times and have access to premium markets.
- USADF has partnered with Nourishing Africa and Mastercard Foundation to launch the Entrepreneurs Support Program to assist MSMEs across Nigerian agriculture and food landscapes in rebuilding and strengthening their businesses after the impact of COVID-19 using ICT, data, and innovation. The program targets enterprises run by young people between the ages of 20 and 40 engaged in critical food, cash crops, livestock value chains, logistics and storage, and distribution in 11 states in Nigeria.

## **Off-Grid Renewable Energy**

Sub-Saharan Africa has the lowest energy access rates in the world, with electricity reaching only about half of its people; approximately 600 million people lack electricity, and 890 million cook with traditional fuels.<sup>9</sup> USADF's off-grid energy grants promote market-based solutions that connect people and businesses to electricity. Since 2014, USADF has awarded over \$11 million to more than 130 off-grid energy enterprises to help combat insufficient access to energy.

Under the Power Africa initiative, USADF partnered with the private sector to launch the Off-Grid Energy Challenge and Women in Energy Challenge to fund African entrepreneurs delivering energy solutions using solar, wind, hydro, and biogas technologies. USADF's various 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, 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.

In FY 2020, USADF obligated more than \$630,000 in grant funding under the Sahel-Horn Off-Grid Energy Challenge to African energy enterprises in Burkina Faso, Mali, Mauritania, Somalia, and South Sudan. In FY 2021, USADF is awarding between 15 and 20 grants under the

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<sup>9</sup> OECD Case Study, 2018: "[Achieving Clean Energy Access in sub-Saharan Africa](#)"

USADF-All On partnership, in addition to other cross sectoral energy grants in agriculture, healthcare, and innovative technology.

On average, up to 60 percent or more of the off-grid population in Africa works in agriculture, so any attempt to improve livelihoods through energy access activities must be linked to farming, and in particular, female farmers. USADF's strong expertise in the rural agriculture sector and dedication to increasing access to energy in these communities have given it the unique ability to identify and fund agricultural cooperatives with the capacity to integrate off-grid renewable energy solutions into their value chains.

In FY 2020, USADF awarded funding to 12 agricultural cooperatives in eight countries to add critical off-grid energy components to their value chains in sectors including maize milling, shea processing, irrigated crops, and dairy refrigeration. In addition, USADF has funded more than 20 energy enterprises specifically focused on energy for agricultural productive use. As an example, USADF grantee Eastwind Laboratories Limited is providing a modular solar-powered refrigeration-as-a-service system for rural farmers in Osun State, Nigeria. Eastwind Laboratories' refrigeration services enable livestock farmers to preserve and extend the shelf life of their produce before it reaches market, thereby increasing farmers' production and incomes.

### **Women and Youth Entrepreneurship, Employment, and Networking**

USADF prioritizes creating sustainable jobs by investing in enterprises that are creating employment opportunities. Africa is the youngest continent when considering the age of its population; 60 percent of Africa's 1.25 billion people are under 25,<sup>10</sup> and 12 million young Africans are expected to enter the work force every year.<sup>11</sup>

Prior to COVID-19, another pandemic was already negatively affecting women globally: unequal access to funding and other opportunities to succeed as entrepreneurs. According to the International Finance Corporation, there is a roughly \$300 billion credit gap for women-owned SMEs globally, despite women entrepreneurs serving as a critical source of innovation and job creation and fueling economic growth. The larger the opportunity gap between men and women, the more likely a country is to be involved in violent conflict. USADF believes Africa's growth and prosperity will be driven by her women and considers investments in women as investments in African peace and security.

USADF 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.

USADF selects Africa's top youth entrepreneurs from the U.S. government's Young African Leaders Initiative (YALI) to receive catalytic seed funding through highly competitive business plan competitions. Since 2014 in 40 countries, USADF has invested \$6.4 million in 300 YALI

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<sup>10</sup> Brookings Institution Africa Growth Initiative: "[Foresight Africa: Top Priorities for the Continent in 2019](#)"

<sup>11</sup> African Development Bank Group, 2016: "[Jobs for Youth in Africa](#)"

entrepreneurs' social enterprises. In FY 2020, through a partnership with USAID and Citi Foundation, USADF awarded a total of \$850,000 to youth entrepreneurs developing businesses for social and community change in 22 sub-Saharan Africa countries. Each competition winner received at least \$10,000 in seed capital to strengthen systems to support the growth of their companies ranging in sectors from agribusiness and healthcare services to renewable energy and education.

In Somalia where nearly 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 6,000 youths. Dahabshiil Bank has provided funding alongside USADF that has facilitated 200 placements. Youth trainees have reported their income jumping from as much as \$50/month to \$300/month. In FY 2020 and FY 2021, USADF expanded this impactful model of youth training and apprenticeship in Somalia to the Democratic Republic of the Congo, Lagos State in Nigeria, Senegal, South Sudan, and Uganda.

USADF has supported several African women enterprises in expanding markets and meeting supply orders from international retailers. As examples, a women's shea cosmetics enterprise in Ghana can now meet orders from 1,000+ U.S. Target stores, and another grantee in Burkina Faso can consistently supply shea to French cosmetics company L'Occitane. USADF has also supported women coffee enterprises to expand and export their internationally recognized brands that can be found in Starbucks and elsewhere.

In 2020, USADF entered into a partnership with the Department of State's Academy for Women Entrepreneurs (AWE). AWE is a facilitated entrepreneurship program that provides women with the skills, resources, and networks needed to succeed as entrepreneurs. USADF is providing select AWE graduates in African countries with catalytic funding to start and scale their enterprises. Beginning in 2020 and through 2025, USADF is providing up to \$10 million in grants to the most promising African AWE graduates and has already provided close to \$900,000 to 38 women in eight countries.

Following are priorities under USADF's youth and women entrepreneurship portfolio moving forward:

- Through a grant to Entrepreneurial Solutions Partners (ESP), a pan-African Ivorian organization, to establish the African Resilience Initiative for Entrepreneurs (ARIE), USADF is testing grantees' ability to receive and reinvest grant funding. USADF and ESP are awarding selected entrepreneurs Community Reinvestment Grants (CRG) through which a portion of grant funds are repaid and then reinvested in local community organizations selected by the grantee with USADF coordination and assistance, as needed. ARIE primarily targets the top performing entrepreneurs in the Foundation's portfolio who have grown beyond the need for USADF grant capital but are still out of the reach of, and remain unattractive to, financial institutions. This is an additive evolution in the way USADF provides seed capital to underserved populations that is

responsive and driven by those at, and on, the cutting edge of entering new markets or testing new products and solutions to meet local challenges and needs.

- Through a five-year \$10 million partnership with the Lagos State Employment Trust Fund (LSETF), USADF is facilitating globally competitive industry and trade relevant skills and apprenticeships for 15,000 youths in Lagos State, equipping them to take advantage of employment and entrepreneurship opportunities. Both parties are providing up to \$5 million each over the life of the Youth Employability partnership program. During FY 2020, USADF and LSETF provided funding totaling \$900,000 to 13 youth training institutions that trained more than 1,700 youths to qualify them for employment in a variety of sectors, including construction, fashion, IT, banking, and health.
- Through a five-year \$20 million partnership with the Government of Senegal's La Délégation Générale à l'Entreprenariat Rapide des Femmes et des Jeunes (DER), a government-sponsored fund launched by the President of Senegal to catalyze entrepreneurship amongst youth and women, USADF is awarding grants to youth and women entrepreneurs, farmer cooperatives, producer associations, and SMEs, with a focus on expanding access to markets.

Additionally, USADF uses its convening power to bring together entrepreneurs, business and thought leaders, and investors to solve Africa's most pressing challenges. With the creation and implementation of the Youth Entrepreneurship Summit (YES Africa) in 2018 and 2019, USADF scratched the surface of the potential of its convening power. In FY 2020, USADF rebranded YES Africa as the Financing, Utilization, and Networking in Development (FUND) Africa Summit. More than 200 people participated in the inaugural FUND Africa Summit held in August 2020 virtually. FUND Africa provided a platform for several notable speakers and subject-matter experts to hold discussions with grantees on topics such as navigating a COVID-19 world, augmenting business models, and utilizing technology to find efficiency.

## **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 Fragility Act**

Of USADF's 21-country portfolio, 17 countries are classified as fragile or extremely fragile states by the Organization for Economic Corporation and Development (OECD).<sup>12</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.

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

Over the past five years, USADF has provided over \$61 million to help approximately 3.4 million people overcome food insecurity. USADF is an interagency partner of the U.S. government's (FtF) global hunger and food security initiative and improves food security in 6 of the 12 Feed the Future target countries: Kenya, Mali, Niger, Nigeria, Senegal, and Uganda.

As an example of how USADF funding has built resilience and improved livelihoods, USADF awarded Natiira Ateni Self Help Group \$95,000 to enhance food security in Turkana County, Kenya. Natiira Ateni was formed as a savings group in August 2014 by former pastoralists who had lost their livelihoods after their herds were diminished by cattle raiders. After initial training from the Kenyan ministry of agriculture, the pastoralists began practicing rain-fed agriculture, which was not sustainable in the arid region. Natiira Ateni used the USADF funding to drill and equip a borehole and set up a drip irrigation system which provided the group a regular water supply throughout the year for crop production. Now the group is providing vegetables to the surrounding community, which previously sourced vegetables from 500km away. The increased incomes have allowed the new farmers to meet other basic needs, such as improving their shelter, sending their children to school, and meeting medical expenses, and improve nutrition thanks to a diversified diet. Communities that once fled the area after being raided are now inspired to return to their homes.

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

USADF has invested \$78.5 million in 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

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<sup>12</sup> OECD, 2020: "[States of Fragility](#)"

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.

Prosper Africa in FY 2020 featured USADF grantee Eugenia Akuete of Naasakle International/Mother's Shea. Her enterprise touches on the full shea butter supply chain in Ghana and works directly with 10,000 shea nut pickers, providing training on quality, sustainability, and parkland management to help the pickers grow and harvest high-quality shea nuts. With USADF's support, Mother's Shea is now exporting to over 1,000 Target stores across the United States.

As an example of how U.S. firms have benefitted from USADF investments, several in the energy sector have made sales of renewable energy products and inputs to USADF grantees. At least 24 African-owned energy companies USADF has supported 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.

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

USADF, a component agency of Power Africa, since 2014 has invested \$11 million in more than 130 off-grid energy enterprises to help combat insufficient access to energy. Recent accomplishments of USADF-grantee Joint Energy and Environment Projects (JEEP) in Uganda demonstrate how USADF funding and technical assistance bring renewable energy to underserved communities while empowering women and benefitting small businesses in the United States.

The fishing industry in Uganda is large and integral to the local economy, but inadequate access to electricity and cold storage make processing and exporting fish difficult. Commercial fishing is prevalent in the Ssesse Islands of Lake Victoria, which is 50 kilometers away from the nearest power grid. With USADF funding, JEEP installed twelve solar-powered refrigerators and three storage sheds for women's cooperatives in this area, purchased from Texas-based U.S. company SunDanzer. JEEP also set up a way for the women's groups to offer solar phone charging as an additional service for customers using the refrigerators and sheds. Through the services they offer, JEEP and the women's groups have improved access to electricity for 845 people, including 490 women, and incomes.

### **BUILD Act and the Development Finance Corporation**

Going forward, USADF can contribute to the long-term success of the Better Utilization of Investments Leading to Development (BUILD) Act. As the DFC seeks to encourage private sector investment in Africa, USADF-supported African enterprises are natural partners for American companies. In FY 2021, DFC and USADF created the Africa Small Business Catalyst program through which DFC will provide loans between \$50,000 and \$500,000 and USADF will provide accompanying grants between \$10,000 and \$100,000 to African entrepreneurs in low-income countries whose projects advance and/or deploy innovation or technology. Through this partnership, DFC and USADF initially seek to support between 10 and 20 transactions per year and advance the DFC's Global Development Strategy released in October 2020.

## **Women’s Economic Empowerment**

USADF has had a focus on women entrepreneurs since its creation by Congress in 1980 and will provide up to \$10 million in catalytic funding and technical support to select African graduates of the Department of State’s Academy for Women Entrepreneurs through 2025.

One of the grantees from the inaugural FY 2020 USADF AWE cohort is Adja Maty Sembene of Contanna Tea in Senegal. At the age of 14, Adja began her entrepreneurial journey providing fresh fruit during lunch time to high school students. She started her tea business due to the risk and hardship tea marketers face when trying to sell their tea leaves late at night before they spoil. USADF awarded Adja a grant to purchase leftover tea leaves from women marketers and transform the leaves into high quality loose tea, tea bags, and iced tea for the Senegalese market. She plans to increase production and marketing reach by purchasing raw materials and creating a website to promote and sell the tea products and foresees a 150 percent growth in tea production with an increase of 10 new production jobs in FY 2021.

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

Per guidance from Congress in report language accompanying the House version of the FY 2020 State and Foreign Operations Appropriations bill,<sup>13</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.

For FY 2021, USADF was a lead sponsor of the African Diaspora Network’s *Builders of Africa’s Future Awards* and is funding 10 early-stage African enterprises innovating in technology and health care access and delivery, in-line with the Awards 2021 theme.

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 will provide capital for African enterprises and community-led initiatives using a 3x grant multiplier structure. Through this structure, selected awardees will receive grants of up to \$25,000 from USADF, \$25,000 from an NBPA member, and \$25,000 from the NBPA Foundation, for a total combined possible investment of \$75,000. These grants will 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. Initial NBA player-identified projects are in the Democratic Republic of the Congo and Senegal.

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<sup>13</sup> H Rept 116-78, page 66, <https://www.congress.gov/116/crpt/hrpt78/CRPT-116hrpt78.pdf>

## **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. This “leveraging funds” approach allowed USADF to expand its FY 2021 Operating Budget by approximately 12 percent over the FY 2019 Operating Budget (from \$43 million to \$48.4 million) and by 4 percent over the FY 2020 Operating Budget (from \$42.7 million to \$44.4 million).

### **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. Fourteen African governments provided \$35.6 million to USADF programs over the past 15 years. In FY 2021, USADF is leverage matching funds from Benin, Cote d’Ivoire, Malawi, Senegal, and Uganda and one sub-national government (Lagos State) in Nigeria.

In FY 2022, USADF plans on leveraging \$6.55 million in funds from African national and sub-national governments.

Table 7: Planned FY 2022 African Government Co-funding

<b>Country</b>	<b>Amount</b>
Benin	1,000,000
Côte d’Ivoire	1,000,000
Malawi	300,000
Mauritania	1,000,000
Nigeria	1,250,000
Senegal	1,000,000
Uganda	1,000,000
	<b>6,550,000</b>

### **Private Sector Corporate and Foundation Partnerships**

USADF extends the reach of U.S. foreign assistance funds and its impact by leveraging money from private sector corporate and foundation partners. For example, through blended finance partnerships, All On (a Shell Oil-seeded impact investing company) and Nithio Holdings in FY 2020 provided \$1 million and \$910,000 of private capital alongside USADF grants to expand energy access to rural communities in Nigeria and Kenya, respectively. Through these ongoing grants linked to private sector investments, USADF will support approximately 25 African energy enterprises in increasing power access in these two countries in FY 2021.

In the agriculture and food security sector, through a partnership with Mastercard Inc.'s Lab for Financial Inclusion, USADF established a pilot initiative in Uganda that will guide it in digitizing smallholder farmers and assisting food and cash crop purchasers in buying from them more efficiently. As an extension of the pilot, in FY 2021 USADF is leveraging its experience and expertise to extend the reach of the Mastercard Farmer Network (MFN) platform to provide nearly 300,000 smallholder farmers digital access to markets, valuable inputs, financial services, and real-time pricing information.

The Citi Foundation has a shared vision to support youth- and women-led African enterprises and since 2016 has provided more than \$2 million to USADF for grants to youth entrepreneurs from the U.S. government's Young African Leaders Initiative (YALI). In total to date, USADF has awarded \$6.4 million to 300 YALI entrepreneurs. Expanding upon the YALI relationship, Citi Foundation in FY 2020 provided USADF \$100,000 to support a youth entrepreneurship incubator program in South Kivu province in the Democratic Republic of the Congo. It also provided funds in FY 2021 for USADF to award grant funding to graduates of the incubator to support their businesses.

### **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 2021 is:

- Awarding grants to African women entrepreneurs in 14 countries to support women's economic empowerment. Through a partnership with the Department of State, USADF will provide up to \$10 million in catalytic seed funding to African graduates of State's Academy for Women Entrepreneurs (AWE) between 2020 and 2025 to help them succeed as entrepreneurs. In FY 2020, USADF awarded 35 AWE grants in eight countries totaling \$813,000 to help African women break down barriers they disproportionately face in accessing capital, markets, networks, and mentorship so they can succeed as entrepreneurs.
- Implementing a blended finance initiative, the "African Small Business Catalyst" program, in partnership with the DFC which has committed \$5 million for alongside funding via loans to accompany USADF's \$1 million in grant capital for African SMEs. DFC and USADF will support between 10 and 20 transactions by providing loans of between \$50,000 and \$500,000 and grants between \$10,000 and \$100,000 to African entrepreneurs in low-income countries whose projects advance and/or deploy innovation or technology.
- Managing and awarding grants in Niger to address food insecurity, strengthen local development capacity in 20 rural communities, and benefit over 25,000 smallholder farmers and their family members. 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. During FY 2020, USADF awarded 44 grants totaling \$4.3 million and issued a second round of Requests for Proposals. For FY 2021, USADF plans to award an additional \$2.4 million in grants under this partnership with MCC.

## **Additional USADF Grant Examples**

### **Increasing Water Access and Resolving Conflict in Niger**

In Niger, the northern region of Agadez has seen conflict between elements of the local Tuareg population and the central Nigerien government that was further impacted by the collapse of the Libyan state and the emergence of militant groups like Al-Qaeda in the Islamic Maghreb (AQIM). As a result, the U.S. Embassy in Niamey has at times declared parts or all the region off-limits to U.S. government personnel. Nevertheless, USADF has been able to operate in the area continuously since the early 2000s due to its use of 100 percent Nigerien staff and local implementing partners on the ground. For example, USADF provided a grant of \$220,000 to a Nigerien organization that works with ex-combatants and returned migrants to build and refurbish wells for use by Tuareg communities to resettle and begin farming upon their return to their home area. USADF also funded over 30 wells used by nomadic herders for grazing livestock, thus increasing water access – an issue that is frequently a source of conflict.

### **Providing Access to Clean Energy in South Sudan**

In South Sudan, only one percent of the population has access to the national power grid. USADF grantee Global Trading Agency (GTA) is powering businesses in the Gudele-West, Juba community through the installation of solar mini-grids. With USADF financial and technical support totaling \$100,000 over three years, GTA built a solar mini-grid station with the capacity to generate 20 kilowatts per day and is providing power to a medical clinic, cyber café, IT training center, and phone charging center.

### **Providing Solar Energy Solutions in Ethiopia**

In Ethiopia, Green Scene Energy PLC is selling solar home systems using Pay-As-You-Go technology in rural off-grid regions and eliminating the need for dangerous kerosene lamps that pose risks of fire, indoor air pollution, and respiratory disease. USADF provided Green Scene Energy its first seed capital funding to launch its technology, accelerate revenue generation, kick-start an 18-month marketing and development strategy, purchase initial batches of solar product inputs, and create additional staff jobs. Following USADF's initial de-risking investment, in December 2019 Green Scene Energy signed a revenue-sharing agreement with Ethio-Telecom (the only telecommunications company in Ethiopia) to become the first company to sell solar home systems via the telecom company's airtime credit/mobile money platform.

### **Increasing Incomes through Millet Production in Senegal**

USADF grantee Wack Ngouna Producers Network is a cooperative of millet producers in central Senegal. Created in 2011, it helps its 1,760 members get access to seeds and fertilizers and with marketing. The Network faced a shortage of storage warehouses at the same time millet production was increasing and to cope, it rented stores that were often far from member millet producers. In 2019, USADF provided the Network \$98,700 to build three storage warehouses with a capacity of 200 tons each. The grant is helping it increase collections, storage options, and

marketing capacity. It expects to sell 1,200 tons of millet in 2021, compared to 459 tons sold at the beginning of the grant. Revenues increased from \$270,000 in 2019 to \$595,000 in 2020.

### **Providing Affordable Energy in Refugee Settlements in Uganda**

Over 100,000 people live in the Kiryandongo refugee settlement in Western Uganda, which is not connected to the national electricity grid. USADF grantee Power Trust provides an accessible, affordable energy alternative to increase the economic growth of small businesses through solar products. Power Trust sought to establish a multipurpose solar business hub to give refugees a sense of ownership and belonging as tenants/owners of shops in the community. Through an ongoing four-year \$99,000 USADF grant, the enterprise has established three solar business hubs in refugee camps and two in the camps host communities, complete with furniture and needed equipment for businesses to operate, such as salon chairs and mirrors, freezers, a solar-powered milling machine, and shelving for retail products. It has also trained residents on financial management and technical operation of a solar-powered maize mill.

### **Increasing Milk Production through Solar Technology in Zambia**

USADF grantee Mungaila Dairy Cooperative Society (MDCSL) in Zambia is a smallholder cooperative for cattle farmers. With a membership of 1,480, MDCSL provides a market for raw milk through its milk collection center (MCC). Milk collection volumes decline during dry seasons. Between January and June (peak season), collections are more than 75,000 liters/quarter compared to 17,000 liters/quarter during the off-peak season of July to December. The sharp decline results from seasonal movement of livestock between higher pastures (transhumance), the long (20km) distance between the plains and the primary MCC, and the absence of grid power in the plains.

With USADF funding, MDCSL has constructed the first-ever solar-powered MCC in Zambia, equipped with a 20-kilowatt capacity solar powerhouse. The MCC has the capacity of collecting 1,000 liters per day and will allow the cooperative to increase milk volumes collected by at least 30,000 liters/quarter during the off-peak season.

### **Increasing Energy Access in Kenya through Blended Finance Partnerships**

Micro-lender VEP Enterprise Limited sells green energy products on credit to rural, low-income customers, a majority of whom are women. VEP has successfully reached a customer base of 8,000 women but lacked the resources to reach more borrowers since it had limited access to capital to purchase more solar home systems and open additional offices and hire staff. VEP is one of three Kenyan enterprises benefiting from the USADF-Nithio partnership in FY 2021 through which it will receive blended finance funding to expand its operations. VEP will deepen its market penetration in the 15 Kenyan counties where it currently operates and open offices in five additional counties, selling over 15,000 solar home systems and reaching 6,000 new borrowers.

### **Increasing Production and Revenues through Pineapple Production in Benin**

Les Fruits Tillou Ltd. is a pineapple processing company that markets fresh and juice pineapple in Europe and Africa. It works with farmer organizations supporting more than 1,500 producers of fresh pineapple. Because of legal restrictions on fresh pineapple exports to Europe and the low demand for its exported pineapple juice, Les Fruits Tillou has started to produce dried pineapple for which demand has increased considerably and remained unmet. With \$243,000 in USADF grant funding awarded in 2020 for a three-year project, Les Fruits Tillou is refitting its pineapple drying facility to food industry standards, increase its production capacity, recruit qualified experts to train farmers on raw material certification requirements, and facilitate access to working capital through financial institutions. Thanks to the grant, Les Fruits Tillou is expected to obtain required certifications to export its dried pineapple to additional European countries and the USA to expand its market. Enterprise production, sales revenue, and producers' incomes are expected to triple.

## **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.

In FY 2021 and beyond, USADF is actively exploring and implementing innovative grant financing models to create a revolving and more sustainable pool of grant investment capital. In December 2019, USADF signed a five-year, \$20 million Memorandum of Understanding with the Government of Senegal’s women and youth entrepreneurship agency, known by its French acronym DER, an entrepreneurship-focused initiative of President Macky Sall. This innovative partnership consists of a \$2 million annual contribution from each party towards loans, grants, and associated technical assistance to Senegalese grassroots enterprises and early-stage entrepreneurs. Grants of up to \$250,000 will be given to African Microfinance Institutions/banks (AMFIs) which will use the grants to provide low-interest loans and/or recoverable grants to applicants who would have otherwise been USADF grantees identified by USADF and DER. Loans provided will be at specific loan rates not to exceed an 8 percent interest rate and a 5 percent AMFI administrative fee for all loans. AMFIs will receive a flat 5 percent fee for all loans after 60 percent of funds have been repaid into an USADF-DER Program Account. The repaid amounts will be deposited into the USADF-DER account as a gift on a quarterly basis, which USADF will re-grant to AMFIs for on-lending to grassroots enterprises and early-stage entrepreneurs.

In 2021, USADF and the DFC established the Africa Small Business Catalyst (ASBC) – a partnership to promote investments in technology, innovation, and entrepreneurial solutions in African countries. This program combines DFC’s powerful financing tools (loans) with USADF’s on-the-ground presence and grant making-expertise. Under the partnership, USADF and DFC will work together to provide loans between \$50,000 and \$500,000, accompanied by grants between \$10,000 and \$100,000, to African SMEs.

USADF also engages in blended finance partnerships as part of its work in the off-grid energy sector. In FY 2020, USADF partnered with All On (a Shell Oil-seeded impact investing company) and Nithio Holdings, which provided \$1 million and \$910,000 in private capital alongside USADF grants to expand energy access to rural communities in Nigeria and Kenya, respectively. Through these ongoing grants linked to private sector investments, USADF will support approximately 25 African energy enterprises in increasing power access in these two countries in FY 2021. These blended finance partnerships allow USADF to maximize its investments in off-grid energy, increasing energy access for both household and agricultural productive use.

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

### **Operational Assistance Grant (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 \$25,000 to \$100,000.

### **Enterprise Expansion Grant (EEG)**

The EEG is the principal financing mechanism USADF utilizes to assist grantees with an established market and defined business strategy to scale up 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 the applicant 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/or financial institutions. ELGs are awarded to groups that have built a strong organizational foundation and achieved significant revenue growth but are still 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.

### **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. USADF's off-grid energy and youth- and women- led enterprise grants fall within this category. FAAs are generally for a term not to exceed 18 months and range from \$10,000 to \$100,000.

### **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.

## **Grant Selection, Monitoring, and Evaluation**

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.

USADF is currently deploying two new program assessment and evaluation tools, the Organizational Capacity Assessment Tool (OCAT) and the Progress out of Poverty Index (PPI) or a similar index in countries not covered by the PPI, are being deployed to USADF staff and local partners to improve project design and standardize the evaluation of the performance and outcomes of USADF enterprise grant activities. OCAT was developed by McKinsey and Company's Social Sector Practice and enables mission-driven organizations to evaluate their strengths and prioritize areas for improvement. PPI is a widely accepted tool that measures household-level income indicators to identify the probability that a surveyed population is living at or below recognized poverty lines. These tools help USADF better evaluate the impacts of its programming, contributing to project design moving forward.

In FY 2020, USADF awarded 253 new grants, investing primarily in early-stage agriculture, off-grid energy, and youth- and women-led enterprises. Over the full grant lifecycle, the new grants awarded in FY 2020 are projected to benefit over 160,000 people directly and more than 600,000 additional family members.

## **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.