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From: June Brown <jbrown@usadf.gov>
Sent: Mon, Sep 18, 2017 5:13 pm
Subject: USADF FOIA-17-11
Via Email

September 18, 2017

This is in response to your request under the Freedom of Information Act (FOIA), 5 USC § 552, dated August 17, 2017, which was received on August 18, 2017, by the FOIA Office of the United States African Development Foundation (USADF). You requested 1) a copy of the meeting minutes of the ADF Advisory Council during calendar years 2016 and 2017, and 2) a copy of the meeting minutes for the meetings of the African Development Foundation during calendar years 2016 and 2017. With respect to the first item, the ADF Advisory Council was not active during that period and there are no records responsive to your request. With respect to the second item, copies of the final meeting minutes of the USADF Board of Directors for the period requested are attached.

Pursuant to 22 C.F.R. § 1502.7, there is no charge for USADF's services in responding to this request.

I trust that this information fully satisfies your request. If you need any further assistance or would like to discuss any aspect of your request please do not hesitate to contact me or USADF's FOIA Public Liaison, Nina-Belle Mbayu, at 202-233-8808, email: nbmbayu@usadf.gov.

Yours truly,

June B. Brown
General Counsel/Chief FOIA Officer
U.S. African Development Foundation
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**MINUTES OF THE REGULAR MEETING
OF THE BOARD OF DIRECTORS
OF THE U.S. AFRICAN DEVELOPMENT FOUNDATION (USADF)
at OPIC, 1100 NY Avenue, NW, Washington, D.C. on February 2, 2016**

CALL TO ORDER: A quorum of the Directors being in attendance, Board Chairman Jack Leslie called the meeting to order at 10:00 a.m.

MEMBERS PARTICIPATING:

Mr. Jack Leslie, Chairman	Mr. Iqbal Paroo, Director
Mr. Morgan Davis, Director	Mr. Ward Brehm, Director

STAFF PRESENT:

Mr. David Blaine, Director, Knowledge, Learning and Dissemination
Mr. Tom Coogan, Regional Director
Ms. Lisa Fiely, Director of Finance and Administration
Ms. Christine Fowles, Managing Director of Programs
Ms. Aysha House, Director of External Affairs
Ms. Doris Mason Martin, General Counsel
Mr. Paul Olson, Regional Director
Ms. Michele Rivard, Director of Special Initiatives
Ms. Julia L. Tanton, Special Assistant to the President
Ms. Ellen Teel, Senior Auditor
Mr. Kim Ward, Regional Director
Mr. Mathieu Zahui, Senior Budget Analyst

MEMBERS OF THE PUBLIC:

None

ADOPTION OF MINUTES:

By unanimous consent, the Board adopted the minutes from the October 27, 2015 regular meeting.

APPROVAL OF AGENDA:

By unanimous consent, the Board approved the agenda for the meeting.

CHAIRMAN'S REMARKS:

Mr. Leslie recognized USADF staff for organizing a tribute event for USADF's President, and stated that the Board has discussed what this means for the organization.

Mr. Leslie commented positively on 35th Anniversary Reception held on December 10, 2015 at the United States Capitol Visitor Center. He commended staff on the celebratory event, which honored members of Congress, country programs, and a project grant, and included guests from the diplomatic core and the legislative and executive branches of government, as well as other friends of USADF. He made reference to his travel to South Sudan in December 2015 with the UN Volunteers, and his and Mr. Brehm's future travel to the DRC in March 2016.

FINANCE REPORT:

Re: FY 2016 Funds. USADF has received its \$30M FY 2016 appropriated funds in full.

Re: IT Controls. The Agency's IT staff has sanitized all computers after a recent hack, as well as had Department of Homeland Security to investigate the breach. Awareness and prevention of cyber-security issues continue to be a part of annual staff training.

Re: Renovation. The headquarters renovation is on schedule, with work having begun in late January and scheduled to be completed prior to the next Board meeting in early May.

Re: FY 2017 Budget Submission. The request to Congress will be \$28.2M, an increase from the Administration's FY 2016 request of \$26.4M. Part of the increase from the Office of Management and Budget was for Power Africa renewable energy work. That type of directed spending is not usual for USADF. Mr. Leslie reminded members that the Agency's Annual Congressional Budget Justification is a seminal document, and the appropriations request in the spring provides good timing for the directors to engage with Congressional staff and Members.

Re: Performance and Accountability Report. Mr. Zahui presented on the Performance and Accountability Report (PAR) for FY 2014 and FY 2015. The PAR is composed of: 1. management discussion analysis; 2. independent auditor report; and, 3. financial statement footnotes. It answers the two fundamental questions of how much in resources were allocated to USADF and how did USADF spend those resources? The PAR is available on USADF's website.

AUDIT REPORT:

Mr. Davis announced that 45 project grant audits are on schedule to be performed in the remainder of FY 2016. This number marks a 25% reduction from FY 2015, due to the reduction in expansion grants (>\$100K+) and increase in capacity-building grants (<\$100K). The latter are not subject to this audit process. Directors inquired about this trend, which staff advised is related to USADF's focus on marginalized and underserved populations. In many environments, groups are not readily available who can be accountable and effectively absorb and make use of expansion grants. Rather, they are in the food security, resilience part of USADF's portfolio. Directors requested additional data, analysis and discussion on this trend, the composition of the portfolio, the delineation of this in specific country strategies, and implications for the Agency's outcomes, relevance, and positioning.

USAID's Office of the Inspector General is continuing to perform the Power Africa audit, although it has scaled back its activities in Nigeria due to security issues. The FY 2016 FISMA is expected will be more comprehensive and expensive due to the 2015 security breach at OPM, which impacted millions of federal government workers and their dependents.

PROGRAM REPORT:

Re: Cycle Targets. Ms. Fowles advised that new project reviews and funding targets are on track for FY 2016. Those are accelerated from FY 2015, in order to complete more core program grants earlier than August. The schedule is as follows:

By February 15	10% of regional targets obligated
By April 15	40% (an additional 30%)
By June 15	80% (an additional 40%)
By August 31	100% (the final 10%)

This timing is to account for year-end unexpected delays, and the completion of grants from special initiatives which do not follow this cycle due to matters and stakeholders outside of USADF's purview, including the Ambassadors' Self-Help Fund/ small grants, Power Africa Off-Grid energy competition grants, and the Young African Leadership Initiative (YALI) Entrepreneurship grants.

Mr. Ward's region of East Africa has exceeded the February target, due in part to several new grants in Zimbabwe. In Mr. Olson's region of francophone West Africa plus Rwanda, Burundi, Liberia, there has been no funding done in Burundi due to political unrest; however, grants are above targets in Rwanda and Burkina Faso. Mr. Coogan's region (Power Africa, plus 3 countries) may exceed its target, with the award of 9 renewable energy grants for a total of \$900K. Countries of concern for new programming, due to political uncertainty and safety, are Burundi and South Sudan.

Re: Outside Funding. USAID's Power Africa Secretariat has pledged an additional \$3M in transfers to USADF, augmenting the \$1M received in FY 2016 (which was a delay from FY 2015 commitments). GE Africa has committed \$500K for Power Africa projects, but those funds have yet to be received. USADF was asked to provide a report by early March on how the Agency will be obligating the USAID funds on renewable energy projects and support. Ms. Rivard noted that Ms. Berenbach was intentionally conservative with the outside funding targets. Ms. Rivard reported on early stages of fundraising for YALI, as well as of building relationships with professional firms to provide business advisory support to entrepreneurs.

Re: Strategic Partnership Funds. Ms. Fowles identified the target amount of \$200K with the Government of Senegal, with the word that \$50K was recently transferred to USADF. This agreement was signed in December 2014 in Washington, D.C.

Re: Country Strategies. A few months ago, USADF's Program management finalized the framework for field teams to develop their country's strategy. Those were due November 30, 2015. Components include development challenges, categories of grants

to fund, geographic factors, and value chains. The Malawi team's assessment tool on comparative advantages has been shared with other countries. Ms. Fowles stated the next steps for approving each country's strategy, which will guide the next 2-3 years of new programming. The Regional Directors talked about one of their country's strategies, making reference to the focus on resilience and food security grants in Liberia and Nigeria, and the goal to build value chains in Malawi and Uganda. Ms. House noted that the term "resilience" resonates well on Capitol Hill, in particular for recovering communities. Mr. Leslie recommended a more in-depth analysis on the purpose of and breakdown of resilience and capacity-building grants at the May 2016 meeting.

Re: Security. Ms. Fowles highlighted that field staff are concerned about traveling to areas where USADF's American headquarter staff previously has been barred from visiting. The Burkina Faso team has vocalized particular vulnerability, given the high visibility of USADF visits from the President and the OIG, and earlier from Board members. Mr. Leslie emphasized that USADF needs to be responsive to security needs and keep the Board informed on the steps USADF is taking, challenges encountered, and impact of these hurdles on the program.

Re: Strategic Partnerships. Mr. Brehm requested that USADF's management define the process for Strategic Partnerships and the methodology on how to secure and collect those funds. He reiterated that earlier, USADF made Strategic Partnerships mandatory for country programs. For example, USADF entered Malawi only with the commitment of SP funds. These are a significant source of funds and a powerful talking point on the Hill. The Chairman asked that USADF's management put together a plan for pursuing and managing SPs, for discussion in May.

EXTERNAL AFFAIRS:

Ms. House reported that Congress recently passed the Electrify Africa Act, which ensures Power Africa's legacy. Congress also passed the FY 2016 budget, in which USADF was allocated \$30M, and provided with authorities to hold funds outside of Treasury and to make advance payments. These latter two items facilitated USADF's current operations for the Country Program Coordinator offices in Africa, and for the strategic partner funds from host country governments that are received in local currencies and retained at in-country accounts.

The FY 2017 budget rollout will occur in mid-February. Ms. House will involve USADF's Board members in the Agency's appropriations' request, and is preparing a 7-page slide deck for budget briefings.

External communications recent activities include releasing a press advisory on the 50 Off-Grid Energy Entrepreneurs and related blog entries. The new website was created in-house, and includes transparency and story-telling as well as program data. The software includes viewer statistics analysis, providing the team with data about the number of viewers and page hits. For internal communications, USADF has a monthly internal newsletter that is distributed electronically to headquarters and field staff (both CPC

offices and technical partners) with press references, Agency and program news, and staff and initiative highlights.

SUMMARY OF BOARD FOLLOW-UP INQUIRIES AND REQUESTS:

- From the Finance Report: Distribute the PAR to Board members
- From the Finance and Program Reports: Discuss further strategic partnerships with host country governments, external fundraising, and country program strategies.
- From the Audit Report: Management to provide data and analysis on grant categories that compose the USADF portfolio, incl. past 5 years and projected.
- From the Program Report: Provide implementation and allocation plans for Power Africa funds of up to \$3M from USAID in FY 2016.
- From the Finance Report: Follow-up with Assistant Secretary Thomas-Greenfield on potential funding from other parts of the US Government.

ADJOURNMENT:

The meeting adjourned at 12:30 p.m., after a motion was made and unanimous vote taken by the Directors.

END

**MINUTES OF THE REGULAR MEETING
OF THE BOARD OF DIRECTORS**

OF THE U.S. AFRICAN DEVELOPMENT FOUNDATION (USADF)

at USADF Headquarters, 1400 I Street, NW, Suite 1000, Washington, D.C. on April 25, 2016

CALL TO ORDER: A quorum of the Directors being in attendance, Board Chairman Jack Leslie called the meeting to order at 12:03 p.m.

MEMBERS PARTICIPATING:

Mr. Jack Leslie, Chairman	Mr. Iqbal Paroo, Director
Mr. John Agwunobi, Vice Chairman	Mr. Ward Brehm, Director
Mr. Morgan Davis, Director (via phone)	

STAFF PRESENT:

Ms. Constance Newman, President/CEO
Mr. Tom Coogan, Regional Director
Ms. Lisa Fiely, Director of Finance and Administration
Ms. Christine Fowles, Managing Director of Programs
Ms. Aysha House, Director of External Affairs
Ms. Doris Mason Martin, General Counsel
Mr. Paul Olson, Regional Director
Ms. Julia L. Tanton, Special Assistant to the President
Ms. Ellen Teel, Senior Auditor
Mr. Kim Ward, Regional Director
Mr. Mathieu Zahui, Senior Budget Analyst
Ms. Michelle McKenzie, Program Analyst
Ms. Yune Lee, Program Analyst
Ms. Meredith Whitty, Program Analyst
Ms. Claudia Schwartz, Program Analyst
Ms. Regina Neal, Training Specialist
Mr. Ion Ghetie, Program Analyst

MEMBERS OF THE PUBLIC:

David Sampson, law student at the University of the District of Columbia

ADOPTION OF MINUTES:

By unanimous consent, the Board adopted the minutes from the February 2, 2016 regular meeting.

APPROVAL OF AGENDA:

By unanimous consent, the Board approved the agenda for the meeting.

CHAIRMAN'S REMARKS:

In his opening remarks, the Chairman complimented staff on the new renovation of the office space. Since the death of former USADF President Shari Berenbach in February, Ms. Constance Newman has assumed the role of Interim President pending the appointment of a new President/CEO of the organization. The Board expects to make the appointment by the beginning of the next fiscal year in October.

Additionally, Mr. Leslie made mention of his trip with Mr. Brehm to the Democratic Republic of the Congo (DRC) in March 2016 to explore possibilities for USADF to operate in DRC. Mr. Paroo commented on his involvement with the Power Africa grantee workshop in Dar es Salaam, where he also visited a project in Tanzania.

PRESIDENT'S REPORT:

Ms. Newman summarized an outline for the transition report that would be used to brief the incoming President. The report will highlight organizational and structural issues that will require action by the new President within the first 30, 60, and 90 days on board. In addition, she made the following points--

Regarding: Knowledge, Learning and Dissemination (KLD) Unit: instituting a monitoring and evaluation structure for program operations is a priority for the new KLD unit. Washington staff will work closely with field teams to standardize language used for monitoring and evaluation and update policies. Evaluations are planned for Zambia, Zimbabwe and Malawi in September 2016, and a training workshop is planned for East Africa in July. Mr. Agwunobi noted that the KLD unit will be a good source of advice and learning to outside organizations regarding the USADF model of African-led development.

Regarding: Employee Viewpoint Survey: in response to the results of the Employee Viewpoint Survey, Ms. Berenbach sat up focus groups that recommended specific actions. A volunteer Review Team is convening weekly to review these recommendations and will present a final set of recommendations to senior management in June 2016.

Regarding Security: security remains a concern, including in Niger, Mali, Mauritania, Somalia, Burundi and South Sudan. USADF needs to allocate funds to provide for State Department-mandated security training. Mr. Leslie noted that USADF's Country Program Coordinators (CPCs) should be in regular communication with the Regional Security Officer (RSO) at the U.S. embassies, and this practice should be institutionalized in collaboration with Assistant Secretary for Africa Linda Thomas-Greenfield's office.

Regarding Resilience Grants Portfolio: The number of Operational Assistance Grants (OAGs) funded by USADF has grown recently in relation to Enterprise Expansion Grants (EEGs). There is the need for review of this trend to determine if it is the intended result of the program plans.

Regarding Next Steps: Priority actions include implementing the DRC action plan, keeping operations on track, implementing the focus group recommendations, and putting together a Transition Report for the next President.

FINANCE REPORT:

Regarding FY 2016 Funds. USADF is working with full-year program funds and has received up through the 3rd quarter allotment for administrative funds

AUDIT REPORT:

Mr. Davis reported that we are on track with the FISMA audit and the 45 FY2016 grant audits. Specifically, Clifton Larson Allen has initiated the FISMA audit, and Brown and Company will begin the financial statement audit in a few weeks.

Regarding the Board's request for a 5-year trend data on award of OAGs and EEGs and implications for the portion of USADF funding subject to audit: the project portfolio was evenly split between OAGs and EEGs in 2013 and 2014. A majority (60%) of EEGs are audited, including Cooperative Agreements and the Somalia portfolio. OAGs are not included in the audit pool since: (a) they are under the minimum funding (\$100,000) that triggers an audit per the audit plan; and (b) a main objective of an OAG is to help the grantee put an auditable system in place within the 2-year life of the grant.

The recent increase in the number of OAGs is consistent with USADF's strategic shift to more marginalized populations, which involves funding organizations with less structure than groups receiving EEG funding. Mr. Leslie requested a deeper dive into an audit and monitoring strategy for OAGs, as well as a comprehensive strategic recommendation to the Board for balancing the number of grants (between OAG and EEG).

EXTERNAL AFFAIRS:

Regarding communications: USADF is making greater use of its new website, the Feed the Future newsletter, Power Africa newsletter, and a monthly newsletter to headquarters and the field to publicize the Foundation's work.

Regarding legislative affairs: the Fiscal Year 2017 Congressional Budget Justification has been submitted and the ask is for \$28.2 million. Regarding Congressional Affairs, the Feed the Future bill has passed both chambers, but will most likely be conferenced.

PROGRAM REPORT:

Regarding Cycle Targets: Funding targets are on track for the second cycle, which ended April 15, 2016. One Program Region exceeded its cycle target, and the other two regions were within 80-90 percent of their targets. This year targets for the first, second, and third cycles were increased to reduce the likelihood of a work overload in the final cycle of the year.

Regarding Power Africa: 10 grants totaling \$1.0 million have been awarded, and another

15 grants are planned for funding in May and June. Commitments of external funding for Power Africa activities this fiscal year include \$4.0 from USAID and \$200,000 from GE Africa. Discussions for additional funding are ongoing with the Swedish International Development Cooperation Agency (SIDA) and other bilateral agencies.

Power Africa workshops in Dar es Salaam and Accra in March 2016 successfully engaged all 50 USADF grantees in a discussion on follow-on financing.

Regarding YALI: 11 small network grants have been awarded this fiscal year, and another 50 are planned for award this summer during the 3rd annual YALI Entrepreneurship Grants. USADF is planning an awards ceremony on August 1st with the YALI winners. Citi Foundation is expected to provide \$450,000 to USADF for the YALI program.

Regarding: Strategic Partnerships. Contributions received this fiscal year from the four active Strategic Partners (Benin, Uganda, Senegal, Malawi) fall short of what was promised by each country. Since the strategic partnership (SP) is such a powerful tool for demonstrating the demand for USADF's programs by host countries, Mr. Brehm suggested including the SP as part of the negotiations with governments when entering a new country. The Chairman asked that USADF's senior management propose a definitive strategy on SPs, which will be especially useful for the incoming President.

Regarding the DRC: a short-term personal services contractor (PSC) with programming experience in Africa will assess project options for USADF in the DRC, including possibilities to complement the USAID funded Asili project. The PSC is expected to travel to the DRC in June to begin the work and meet with Asili field staff, who will assist in identifying agriculture producer groups that meet USADF's funding criteria. Mr. Agwunobi advised that while establishing a beachhead in DRC is long overdue, staff should continue to go through rigorous due diligence process to avoid conflicts of interest.

SUMMARY OF BOARD FOLLOW-UP INQUIRIES AND REQUESTS:

- From the Audit Report: Management to provide a deep dive into distribution of OAGs and EEGs, addressing how to balance the number of grants between OAGs and EEGs. This also includes an audit strategy to provide a larger sample of OAG funding.
- From the Program Report: Provide strategic recommendations for how to secure and collect Strategic Partnerships commitments.

ADJOURNMENT:

The meeting adjourned at 2:20 p.m., after a motion was made and unanimous vote taken by the Directors.

END

**MINUTES OF THE REGULAR MEETING
OF THE BOARD OF DIRECTORS
OF THE U.S. AFRICAN DEVELOPMENT FOUNDATION (USADF)
via teleconference at USADF Headquarters, 1400 I Street, NW, Suite 1000, Washington, D.C.
July 19, 2016**

CALL TO ORDER: A quorum of the Directors being in attendance, Board Chairman Jack Leslie called the meeting to order at 9:00 a.m.

MEMBERS PARTICIPATING (VIA TELECONFERENCE):

Mr. Jack Leslie, Chairman	Mr. Iqbal Paroo, Director
Mr. John Agwunobi, Vice Chairman	Mr. Ward Brehm, Director
Mr. Morgan David, Director	

STAFF PRESENT:

Ms. Constance Newman, President/CEO
Mr. Mathieu Zahui, Senior Budget Analyst
Mr. Tom Coogan, Regional Director
Ms. Christine Fowles, Managing Director of Programs
Ms. Aysha House, Director of External Affairs
Ms. Doris Mason Martin, General Counsel
Mr. Paul Olson, Regional Director
Ms. Ellen Teel, Senior Auditor
Mr. Kim Ward, Regional Director
Ms. Jessica Sykes, Summer Associate

MEMBERS OF THE PUBLIC:

None

ADOPTION OF MINUTES:

By unanimous consent, the Board adopted the minutes from the April 25, 2016 regular meeting.

APPROVAL OF AGENDA:

There were two corrections made to the minutes, after which, by unanimous consent, the Board approved the agenda for the meeting.

CHAIRMAN'S REMARKS:

In his opening remarks, the Chairman stated that the search for a new President was on track. He thanked Ms. Newman, Ms. Martin, and the management team for their efforts to maintain operations and support a seamless transition to the next President. The Board expects to appoint the new President by October, 2016.

Additionally, Mr. Leslie mentioned the historic passage of the Global Food Security Act (GFSA) by the U.S. House of Representatives earlier in the month. USADF played a small but vital role in the momentum behind the Feed the Future initiative to ensure passage of the GFSA. The Act passed with strong bipartisan support and will go to the President for signature.

In concluding his remarks, Mr. Leslie noted that the White House Global Development Summit will take place on July 20, 2016 at the Ronald Reagan Building. The Summit will focus on pressing priorities in development, including keeping food security at the top of the agenda. Finally, Mr. Leslie noted this was the last meeting of the fiscal year and he is confident that USADF will meet its funding targets before the end of the fiscal year.

PRESIDENT'S REPORT:

Ms. Newman gave the following updates regarding organizational and program matters.

Regarding Program Funds: The Agency is on schedule to meet its program funding goals by the end of the fiscal year. The Program team continues to track funding with biweekly reports. French-speaking countries are slower to obligate due to the extra step of translation grant packages from French to English.

Regarding Uganda portfolio: The Government of Uganda, a strategic partner, has increased its budget for the GOU-USADF Strategic Partnership.

Regarding YALI: USADF has received funding from the Citi Foundation, and the YALI Program team is in the process of reviewing grant proposals and announcing winners.

Regarding Review Committee: In June, after reviewing the Focus Group Recommendation Report, the Review Committee issued a series of recommendations and actions for USADF management. Management will begin implementing some of the actions immediately.

Regarding Transition Report: The Transition Report for the incoming President was prepared by Special Assistant Julia Tanton, with input from all division heads. Ms. Newman will prepare an executive summary with 30/60/90 day decisions for the new incoming President to make once he or she arrives in office.

FINANCE REPORT:

Regarding FY 2016 Funds. USADF is working with full-year program funds and has received up through the 4th quarter allotment for administrative funds. There was a discussion regarding a discrepancy in the obligated amount reported by Program and Finance, to be addressed by the Managing Director of Programs. 78 percent of administrative funds have been spent, with 22 percent remaining to carry the Agency

through until the end of the fiscal year. The total planned grant budget of \$15.9 million does not include \$3 million expected to be transferred from USAID funds.

Regarding carry forward funds in FY 2016, the Chairman noted that a low carry forward shows that funds were used effectively. However, he noted that a low carry forward to FY 2017 will affect the overhead, which was 26 percent in FY 2016. He asked if next year's funds are expected to be lower because of lower carry forward, and if so, what are the implications for the total federal funds and operating expenses. Mr. Agwunobi said staff should apply the same analysis to previous backdated years to present accurate historical comparisons. Also, the numbers should be reconciled in a way that is easily presented to the Board.

AUDIT REPORT:

Mr. Davis reported that the biggest development for the Audit committee has faced during this period was compliance with the Federal Security Modernization Act. Financial grant audits are being conducted as scheduled. Except for the Somalia grant audits that are currently being performed, many of the audits are in draft.

Regarding FISMA Audit: An exit conference was held in early July, the discussion paper identified 26 recommendations and 9 findings. The major issue identified by the audit includes continuity in documentation. USADF is seeking guidance on how to best right-size this requirement for a small agency.

EXTERNAL AFFAIRS:

Regarding Legislative Affairs: The Global Food Security Act was passed with overwhelming bipartisan support by Congress, codifying the Feed the Future approach, of which USADF is a part, to address global hunger and food insecurity.

Regarding Power Africa Event: In May, USADF, represented by Board member Iqbal Paroo, signed an MOU with USAID to transfer \$3 million dollars in Power Africa funds to be dedicated to USADF's Power Africa programs. The agreement was dedicated to the late Shari Berenbach, who was a champion of Power Africa. Mr. Iqbal Paroo agreed that it was an outstanding event and tribute to Ms. Berenbach.

Regarding Events: USADF staff attended the White House bowling alley for a staff development and team-building exercise, organized by Aysha House and Constance Newman.

PROGRAM REPORT:

Regarding Cycle Targets: The 3rd quarter funding target of 80 percent of all planned obligations was not achieved in the June and July cycle. Regarding the core program, \$11.5 million in grants have been awarded out of the target amount \$16.7 million. Fiscal Year 2016 targets for the first, second, and third cycles were increased to reduce the likelihood of a work overload in the final cycle of the year.

Regarding YALI: Top candidates for this year's YALI Entrepreneurship grants have been identified. All final decisions will be made by August 1, in preparation for the awards ceremony on that date. Citi Foundation will provide \$450,000 to USADF for the YALI program.

Regarding: Strategic Partnerships. Contributions received this fiscal year from the four active Strategic Partners (Benin, Uganda, Senegal, Malawi) continue to fall short of promised amounts, with the exception of Uganda.

Regarding South Sudan: Fighting has escalated in the capital of Juba between the President and Vice President's factions. A ceasefire was signed on July 10, but there continues to be lawlessness. USADF's partner staff are staying at a hotel to escape the violence. There are currently 4 projects in the southern area that continue to operate despite the conflict. No new projects will be obligated at this time.

Regarding the DRC: a short-term personal services contractor (PSC) with programming experience in Africa will assess project options for USADF in the DRC. The PSC traveled to the DRC in June to begin the work and identified 3 agriculture producer groups that meet USADF's funding criteria. General Counsel is facilitating the country protocol process, in preparation to establish the program.

SUMMARY OF BOARD FOLLOW-UP INQUIRIES AND REQUESTS:

- From the Finance Report: Provide a more streamlined and consistent format of analysis to present the Finance report to the Board.
- From the Program Report: Provide strategic recommendations for how to secure and collect Strategic Partnerships commitments.

ADJOURNMENT:

The teleconference call adjourned at 11:20 a.m., after a motion was made and unanimous vote taken by the Directors.

END

**MINUTES OF THE REGULAR MEETING
OF THE BOARD OF DIRECTORS
OF THE U.S. AFRICAN DEVELOPMENT FOUNDATION (USADF)
at USADF Headquarters, 1400 I Street, NW, Suite 1000, Washington, D.C.
November 30, 2016**

CALL TO ORDER: A quorum of the Directors being in attendance, Board Chairman Jack Leslie called the meeting to order at 9:00 a.m.

MEMBERS PARTICIPATING:

Mr. Jack Leslie, Chairman	Mr. Iqbal Paroo, Director
Mr. John Agwunobi, Vice Chairman	Mr. Ward Brehm, Director
Mr. Morgan Davis, Board Member	

STAFF PRESENT:

Ms. C.D Glin, President/CEO
Mr. Mathieu Zahui, Senior Budget Analyst
Mr. Tom Coogan, Regional Director
Ms. Christine Fowles, Managing Director of Programs
Ms. Aysha House, Director of External Affairs
Ms. Doris Mason Martin, General Counsel
Ms. June Brown, Associate General Counsel
Mr. Paul Olson, Regional Director
Mr. Kim Ward, Regional Director
Ms. Ellen Teel, Senior Auditor
Ms. Wendy Carver, Business Manager
Ms. Arlene Williams, Supervisory Accountant
Mr. David Blaine, Director
Ms. Regina Neil, Training specialist
Ms. Michele McKenzie, Knowledge Management Officer
Mr. RJ Benn, Consultant, Program Officer
Ms. Kate Ristroph, Program Officer
Mr. Jeff Gilleo, Program Officer,
Mr. David Koh, Program Officer
Ms. Julia Tanton, Special Assistant to the President
Mr. Jason Parker, Acting Special Assistant to the President
Ms. Sharon Czarnek, Program Analyst
Ms. Yune Lee, Program Analyst

Mr. Ellington, Program Analyst
Ms. Claudia Schwartz, Program Analyst
Ms. Karen McKenna, Program Analyst
Ms. Yael Nagar, Program Analyst
Ms. Meredith Whitty, Program Analyst
Ms. Jillian Kaplan, Acting Program Analyst
Ms. Leusia Mahoney, Grant Close-Out Specialist

MEMBERS OF THE PUBLIC:

None

ADOPTION OF MINUTES:

By unanimous consent, the Board adopted the minutes from the July 16, 2016 regular meeting.

APPROVAL OF AGENDA:

There was one correction made to the minutes, after which, by unanimous consent, the Board approved the agenda for the meeting.

CHAIRMAN'S REMARKS:

Mr. Leslie welcomed Mr. Glin as new President/CEO during the first Board meeting of his tenure, and introduced staff around the room.

PRESIDENT'S REPORT:

Mr. Glin gave the following updates regarding organizational and program matters.

Regarding staff: Special Assistant to the President Julia Tanton is partaking in a 6-month temporary, reimbursable detail with USAID's Feed the Future Communications Team. Mr. Jason Parker will be handling Ms. Tanton's duties as Special Assistant to the President during this time.

Regarding President. Glin's first 90 days at USADF: In his first 90 days, President Glin had one-on-one meetings with all USADF staff, as well as Country Program Coordinators (CPCs). He asked questions about what staff hoped to see in terms of changes, hopes, and concerns at ADF. He also conducted meetings with all departments in Washington to get a sense of processes and programs. His aim was to answer three questions: Who are we at ADF? How do we operate in terms of model, infrastructure, and assets? And, are we in the business of moving people out of poverty? President Glin, along with program staff, also traveled to the field and held meetings with all Country Program Coordinators to introduce himself and collect feedback on programs. President Glin created a dashboard that is an aggregate of USADF's grant work over the past 12 months. Working closely with all teams, President Glin also finalized the FY17 budget.

Regarding Special Initiatives: YALI and Power Africa are both making strides to be integrated into USADF's core programming, which will incorporate off-grid energy and youth entrepreneurship.

Regarding USADF All-Staff Retreat: All USADF Washington staff took part in a 1.5-day teambuilding retreat at The Graduate School. The retreat focused on team-building and effective communication styles between and amongst staff.

FINANCE REPORT:

Regarding FY16 expenditures: In FY2016, USADF utilized \$36.2 million of total funds. This breaks down as follows: \$29.5 million were from USADF's CY appropriation of \$30.0 million, \$1.0 million from Prior Year fund (Carry Forward & Actual Recoveries), \$3.9 million from USAID, \$200 thousand from CITIBANK Foundation, and \$1.5 million from Strategic Partner Fund (Host countries contributions). Of the total expenditure, \$8.9 million were for the Operation & Expenses (O&E), \$2.6 million was spent on Program Support, \$24.7 million for project and technical assistance grants (\$6.4 million for the Cooperative Agreements, and \$18.3 million on project grants). Of the \$18.3 million for project grants, \$940 thousand was for YALI, \$3.5 million for Power Africa, and \$13.4 million for USADF's core projects, \$423,226 for Self Help, and \$39,959 for Amendments. The board noted that USADF has a long way to go in developing corporate partnerships, but this could be a large potential asset.

Regarding FY17 expenditures: USADF's operating budget for FY2017 is \$33.8 million, with \$35.09 million in total resources. Total resources factor in \$1.5 million of pledges, and \$650 thousand of estimated recoveries. Operating expenses increased to 30% of federal funds (from a previous 26%). About \$1.1 million was not budgeted to plan for contingency in the event all pledged funds are not received. The operating budget sets aside \$9.4 million for the Operations and Expenses (O&E) Account, which represents 27% of all available funds, and \$20.9 million for the Project and Technical Assistance Grants Account, which represents 60% of all available funding.

To further minimize cost and introduce efficiency, three issues will be prioritized for FY2017 by Budget & Finance Division and USADF Management:

- 1) Exploration of options to better understand the agency's cost structure and increase country grant target, i.e. consideration of request to OMB for cost reclassification.
- 2) Scenario and contingency planning with and without external funding for Power Africa.
- 3) Renewed emphasis on host country contributions/Strategic Partnership Funds as they represent the largest source of external funding.

Country contributions will be considered a priority, and USADF is already exploring strategies for this with Program Officers.

AUDIT REPORT:

The 61 FY2016 audits are on schedule. 45 have been finalized. 16 Capacity building audits that were awarded in September 2016 have been implemented and reports are being initiated. In FY2016, nine Country Program Coordinator (CPC) Field Officers audits were performed with USADF during the 4th quarter. USADF has scheduled 7 CPC audits to be performed before FY2017. Partner audits for FY 2016 are managed by Partners, and are on schedule with 8 of the audit reports finalized. For FY2017, nineteen Partner organizations are scheduled to present audits. The audit firm of Brown and Company reported USADF received an unqualified opinion on the annual financial audit for FY 2016. The agency's annual financial audit for FY 2017 has not been scheduled to date. Currently the FY 2017 audit plan does not include a program audit of USADF's activities.

Regarding FISMA (Federal Information Security Management as of 2002) Audits: The OIG has recorded the corrective action taken on 9 of the 12 audit recommendations presented in the FY 2015 FISMA Audit Report. USADF is currently implementing the final follow-up action on the remaining 3 audit recommendations. USADF has received the FY 2016 FISMA Audit Report, which presents 9 audit findings. 8 of the findings present 26 recommendations. USADF has already begun follow-up action on these findings.

EXTERNAL AFFAIRS:

The External Affairs Team's goals and objectives focus on reach and relationship. They are as follows:

- 1) Increase USADF's brand recognition and audience
- 2) Create Congressional Champions proactively placed media and events for September – December 2016
- 3) Produce revised materials for distribution in both English and French (ex. Fact Sheets)
- 4) Short and long-term website solutions

Regarding Congressional Champions: The External Affairs Team is moving beyond Congressional "Meet & Greets," and instead developing champions through sustained dialogue. They are also highlighting and supporting full implementation of the Global Food Security Act and Electrify Africa Act. The Team has developed a tagline for ADF as an "Agile, direct connector to the first mile of development." The Board will be updated as this language evolves.

Regarding USADF's Website: The External Affairs Team will increase the content of the USADF homepage, and syndicate content across multiple channels (including other blogs, websites, and news outlets). Staff headshots and bios are being put on the website in addition to existing board headshots and bios. The website is now averaging 8,000 views per month, mainly from colleagues exploring USADF's purpose and locations. The External Affairs Team is updating the website's map function, as well as uploading project portfolio briefing sheets. The website will be managed and done by an outside group, and will be country-focused and grantee-driven.

Regarding Brand Strategy:

- Strategy Priority 1 is to build support for USADF. The External Affairs Team seeks to enhance dialogue with internationally focused think-tanks, African-focused civil

associations, and the African Ambassadors Corps. The Team will also focus on ways to educate and create general awareness of USADF and its project.

- Strategy Priority 2 is to define USADF's mission, objectives, and results by expanding marketing materials and branded collateral in both English and French. Also by expanding USADF's digital and social media presence for engagement and education.

PROGRAM REPORT:

Regarding FY 2016 Grant Funding: The target for project-level funding of \$16.5 million was met and far exceeded, in part because of an additional \$3 million in leveraged funds from USAID for the Power Africa program. Including four partner agreements, over \$24 million was programmed in grants directly to African and African-led organizations. YALI achieved awarding \$940,000, which was less than targeted but more than the target in the previous year. YALI was able to fund more start-ups, though not all were eligible for \$25,000 (in part because of late arrival of CITI bank funds). In total the Program office awarded 247 new grants.

Regarding Region 1: Region 1 contains one Program Officer and three Program Analysts. 53 projects were carried out in FY16, with a total funding of \$6.2 million disbursed. 36 OAGs and 15 EEGs were funded. All countries met their funding targets. Benin and Senegal have Strategic Partnership commitments, and Senegal has made a pledge of \$200,000. The Region has faced security issues in Burundi and Mali, which has held back programming. However, due to a collaboration with Feed the Future in Mali, the CPC was able to identify projects and exceed target. In Niger, projects in impacted areas were suspended. There has been no new funding in that area and the country strategy is being reviewed. 2017 sees a small increase in overall targets, and freed up funding for entry in the Democratic Republic of the Congo.

Regarding Region 2: Region 2 was able to award 35 grants totaling just over \$5.5 million, which is an increase from the previous year. All countries met their funding targets. Region 2 includes two of USADF's largest programs; Uganda and Zimbabwe. Zimbabwe had four capacity building grants graduate to expansion grants. The Region deployed SP funding, which accounted for 23% of total grant funding in the region. In Uganda, 70% of funds deployed will contribute to the Feed the Future strategy. Somalia, which is in its fifth year with USADF, provided over 5,000 youth with employment. Consequently, the Somalia program is now a model for how to conduct market-driven youth employment. In FY17, the funding target will be \$5.3 million. Funding will be reduced in Zimbabwe and increased in Tanzania and Malawi.

Regarding Region 3: Region 3 includes core programming in Nigeria, South Sudan, and Zambia, as well as all programming pertaining to Power Africa. In FY16, Region 3 carried out 53 grants and met 102% of targets. Power Africa is in its 4th year of funding off-grid energy grants. This includes 77 grants and 7,000 electricity connections with businesses and households. In FY16, Power Africa funded 37 grants as well as workshops for grantees. The Region has leveraged 3.8 million in public and private financing from outside sources for Power Africa, and is helping to link enterprises with other funding and investments. Additionally, with the help of GE funding Power Africa has begun a women-energy initiative as a focus for FY17. The FY2017 budget includes \$1 million in program funding (including GE funding), and the Region will be

submitting a proposal to the Power Africa Secretariat for \$5.5 million. Strategies are being developed to integrate Power Africa into core programming.

Regarding Self-Help Grants: Self-help grants are a collaborative program with the State Department. The Self-Help grants program includes 12 countries and 57 grants. Over five years, the program has funded over 300 grants in 20 countries. 64% of all program beneficiaries were women. The program reaches out to groups that otherwise would not qualify for USADF assistance. Some groups may be able to graduate and come into core programming. The program can fund in sectors traditionally out of USADF's main focuses – in FY16, ICT projects were the third highest funding category.

Regarding YALI: In FY16, YALI included 55 grants. The CITI Foundation provided funding. The YALI team completed managing its annual business competition, and also identified 20 additional grants that will be in place by December 2016. YALI Program Analyst Mr. Ellington Arnold will measure the impact of the grants. The YALI program addresses finding viable employment for large number of youth on the market, which USADF considers a critical investment for Africa. Strategies are being developed to integrate YALI into core programming.

Regarding New Country Entry in the Democratic Republic of Congo: Mr. RJ Benn, Consultant, Program Officer, went on an exploratory mission to evaluate the feasibility of establishing a country program in the DRC, and to identify project possibilities. He assessed what travel restrictions are in country, as well as country protocol.

Country protocol was drafted in Washington, approved by the State Department, and is currently awaiting signature by the DRC Vice Minister. Mr. RJ has identified two projects that meet USADF's funding requirements.

The projects have a combined investment value of \$152,000. In regards to resources, the grants are approved and will be signed in Washington on January 17, 2017. A member of the current Rwanda or Burundi team will be engaged to conduct initial grantee orientation and administrative activities. USADF will implement a short-term contract with a local NGO staff member to serve as a Point of Contact and project monitor, and to identify other possible projects over the next year. USADF will build up and recruit staff as the program grows.

SUMMARY OF BOARD FOLLOW-UP INQUIRIES AND REQUESTS: The Board commented that security doesn't seem to be an issue in the DRC, but also brought up concerns about the ease of transferring funds since neither identified project has a bank account now. The Board wants to ensure that grantees can follow their work plan and carry out activities, and that measurement criteria are set up and monitored to prepare for grantee success, as well as the handling of future audits.

ADJOURNMENT:

The meeting adjourned at 12:40 p.m., after a motion was made and unanimous vote taken by the Directors.

END

**MINUTES OF THE REGULAR MEETING
OF THE BOARD OF DIRECTORS
OF THE U.S. AFRICAN DEVELOPMENT FOUNDATION (USADF)
at USADF Headquarters, 1400 I Street, NW, Suite 1000, Washington, D.C.
January 31, 2017**

CALL TO ORDER: A quorum of the Directors being in attendance, Board Chairman Jack Leslie called the meeting to order at 9:03 a.m.

MEMBERS PARTICIPATING:

Mr. Jack Leslie, Chairman	Mr. Iqbal Paroo, Director
Mr. John Agwunobi, Vice Chairman	Mr. Ward Brehm, Director
Ms. Linda Thomas-Greenfield, Director	Mr. Morgan Davis, Director

STAFF PRESENT:

Mr. C.D. Glin, President/CEO
Ms. Julia Tanton, Special Assistant to the President
Mr. Mathieu Zahui, Acting CFO
Ms. Christine Fowles, Managing Director of Programs
Ms. June Brown, Interim General Counsel
Mr. Paul Olson, Regional Director
Mr. Kim Ward, Regional Director
Ms. Ellen Teel, Senior Auditor
Mr. David Blaine, Director KLD
Ms. Regina Neal, Training Specialist
Ms. Michelle McKenzie, Knowledge Management Officer
Mr. Ellington Arnold, Program Analyst
Mr. Erik English, Program Analyst
Ms. Claudia Schwartz, Program Analyst
Mr. Alexis Toussaint, Grants Specialist
Mr. Sandeep Silwal, Accountant

MEMBERS OF THE PUBLIC:

Ms. Linda Etim, former Board Director
Ms. Wandra Mitchell

ADOPTION OF MINUTES:

By unanimous consent, the Board adopted the minutes from the November 30, 2016 regular meeting.

APPROVAL OF AGENDA:

By unanimous consent, the Board approved the agenda for the meeting.

CHAIRMAN'S REMARKS:

In his remarks, Mr. Leslie recognized the agency for its policy of diversity and inclusion, especially in the early days of the new Administration. He reminded everyone that USADF has enjoyed bipartisan support, and that the relationships USADF has cultivated over the years will become more important. He thanked Mr. Brehm for his work expediting protocol and agreements for USADF entry into the Democratic Republic of Congo (DRC), and Mr. Paroo for his meetings the previous week with new potential partners. Mr. Leslie also mentioned that USADF's General Counsel, Ms. Doris Martin, retired from the agency earlier in the year after 17 years of service. He also thanked Ms. Thomas-Greenfield and Ms. Etim for their work in the Administration and serving on the Board of Directors.

PRESIDENT'S REPORT:

Mr. Glin gave the following updates regarding organizational and program matters.

Regarding staff: Mr. Glin noted that this is the first and last time this current Board will be present, given the change in Administration. General Counsel Doris Martin retired after over a decade of service, and will be honored later that evening. June Brown will step in as Interim General Counsel. Christine Fowles, Managing Director of Programs, announced her retirement for the end of March 2017, and Mr. Kim Ward will be Acting Managing Director of Programs. Ms. Aysha House left USADF and joined the team at USAID's Feed the Future in early January.

Regarding structure: Mr. Glin announced the agency's rethinking on monitoring, evaluation and learning for measuring impact. This includes operational performance, grant impact, and effectiveness of the grants portfolio, and linking enterprises to the correct markets. He also mentioned the importance of USADF's partners, and strategizing about our pipeline is an asset to others. Mr. Paroo agreed that we should begin to look outside the agency and at our work on a broader platform.

Ms. Thomas-Greenfield also agreed that the YALI fellows are a good example of a pipeline for private investment, and reminded everyone that USADF is nimble and agile in nature because it can take risks and work at the grassroots level.

AUDIT REPORT:

The 16 capacity building grant audits awarded in September 2016 have been completed and audit reports have been finalized. The 34 FY 2017 audits are on schedule to be performed in the 2nd and 3rd quarters of the fiscal year.

FINANCE REPORT:

Regarding FY17 expenditures: USADF is operating on a continuing resolution, until April 28, 2017, when the Continuing Resolution ends. USADF has about \$20 million to operate; funds are disbursed in the 2nd and 3rd quarters. Operating expenses in FY17 are 27% of all funds, 30% of federal funds. Projects are 44% of all funds, 40% of federal funds. Partner cooperative agreements are 16% of funds. The projected Overhead Expenses (OE) in the FY16 budget was 26%, but there is a discrepancy between what is projected and actually spent, and the number will be closer to 28%, given costly contracts and shared services. In FY16, government-imposed cyber security controls, outside contracts, and shared service providers caused expenses to increase substantially. Additionally, USADF has 12 out of approximately 40 Washington-based employees at the GS-15 level.

Mr. Leslie said the Board expects the OE costs to decrease to 22 or 23%, and is concerned about OE costs above 26%. Mr. Paroo noted that the level of auditing required feels disproportionate for the agency's size. USADF is 5% above the national average for foreign assistance programs with respect to OE percentage, although the DC area is higher, while the U.S. government as a whole is lower, mainly due to the park rangers service. The Board requested an investigation of the DC average for foreign assistance programs in regards to overhead. The Board also requested a more thorough look at our structure, with a strategic plan to bring our mandatory requirements in line with our overhead. Mr. Davis also requested that Finance prepare a graph showing trends over the last five years to accompany the Dashboard data, including tracking salaries over the years to show OE vs. productivity.

Mr. Brehm added that with the new Administration recently sworn in, USADF needs to preempt any attacks on USADF's budget.

Break at 10:45am

PROGRAM REPORT:

Regarding FY 2017 Grant Funding: Project funding is at \$15.3 million, including Strategic Partnership (SP) funds for Uganda, Benin and Malawi. Noting that 2017 began with \$0.5 million of SP funds already in the bank, Mr. Davis suggested USADF issue an announcement or press release when SP agreements are signed or money collected. Of the total project funding, \$13.4 million is for core programs, including resilience/capacity building and enterprise expansion grants, \$1 million in Power Africa funds, \$475K for small grants, and \$400K for YALI grants.

The core program has the largest amount of money to be obligated by mid-February. The cycle target is \$1.3 million in the current cycle, with YALI and Power Africa projects evenly distributed throughout the year to manage workload. About \$1.8 million will be funded to YALI projects by mid-February, including \$210K funded in December with Citi Foundation money. The Program team is also looking at integrating YALI and Power Africa into the core portfolio. Ms. Thomas-Greenfield suggested that USADF be part of budget roundtables with the (F) budget department at State to understand how allocations are met. State and USAID meet to discuss

budget (F), and USADF should be at the table. Mr. Leslie agreed that it would be important for USADF to make that connection with the (F) bureau.

Regarding Region 1: Region 1 is poised to exceed current targets. In the DRC, the country accord has been signed and Mr. Benn has been able to move forward on the programming. The Rwanda team will help to start up projects, fulfilling for the time being the CPC and Partner duties, including training and grant agreements monitoring/evaluation. The team is exploring strategies to integrate Electrify Africa into core programming. For example, new core grants may include a solar energy component for power needs.

Regarding Security: Burundi programs have resumed, and PA Meredith Whitty traveled in October to visit projects. President/CEO C.D. Glin and Program Officer Kate Ristroph will travel to Mali in February. Mr. Leslie requested that USADF reestablish our relationship with AFRICOM as a potential partner.

Regarding Strategic Partnerships: Funds have been received for the first quarter for the Benin strategic partnership.

Regarding Region 2: A 5-year proposal to the Government of Uganda for another \$5 million contribution to our strategic partnership has been submitted, as has another grant proposal to Citi Foundation for an 18-month, \$500K agreement. Connie Newman's work with Dahabshil Bank in Djibouti for a \$1.8 million proposal for the Somalia program is also underway. Mr. Glin will meet with the CFO and CEO in Djibouti to negotiate terms, and will also meet with some of the young entrepreneurs trained under the Somalia program. In February, USADF will coordinate publicity with State and USAID on some of the YALI grantees. The Chairman requested a press release be sent out to publicize these partnerships.

Regarding Region 3: \$1 million of Electrify Africa funds will be for women entrepreneurs, \$400K from GE Africa. The Chairman requested that we ask for more funding from GE to continue our programming.

Regarding KLD: Mr. Blaine discussed the strategic plan looking forward on measuring the impact of USADF grants and defining a successful grant. This includes a methodology for measuring, analyzing and reporting impact. Mr. Brehm inquired if we have a customer service tracker for objective feedback from grantees, to measure how our partners are doing. The Chairman agreed we should be measuring satisfaction with partners and grantees.

Regarding YALI Program: Mr. Arnold highlighted the YALI program's accomplishments to date, USADF's impact in growing grassroots start-ups in Africa and how we can leverage private capital. Mr. Leslie recommended instituting a mentoring program for the Partner organizations to mentor YALI fellows. Mr. Agwunobi inquired about USADF's contingency plan if the current Administration does not prioritize the YALI program. Ms. Etim asserted that what USADF does is enable young entrepreneurs' ideas to move forward; State and USAID are then able to provide technical advice and infrastructure. She added that USADF needs to tap the African diaspora who want to invest back home.

SUMMARY OF BOARD FOLLOW-UP INQUIRIES AND REQUESTS: The Board requested an investigation of the DC average of OE for foreign assistance programs, and a strategic plan that addresses rising overhead costs and mandatory requirements. The Board also requested a graph for trends in the last five years to accompany the Dashboard, including tracking salaries over the years to show OE vs. productivity. They requested a higher level of publicity to announce current partnerships and initiatives.

ADJOURNMENT:

The meeting adjourned at 12:40 p.m., after a motion was made and unanimous vote taken by the Directors.

END

**MINUTES OF THE REGULAR MEETING
OF THE BOARD OF DIRECTORS
OF THE U.S. AFRICAN DEVELOPMENT FOUNDATION (USADF)
at USADF Headquarters, 1400 I Street, NW, Suite 1000, Washington, D.C.
May 9, 2017**

CALL TO ORDER: A quorum of the Directors being in attendance, Board Chairman Jack Leslie called the meeting to order at 9:15 a.m.

MEMBERS PARTICIPATING:

Mr. Jack Leslie, Chairman	Mr. Iqbal Paroo, Director
Mr. John Agwunobi, Vice Chairman	Mr. Morgan Davis, Director

STAFF PRESENT:

Mr. C.D. Glin, President/CEO
Ms. Marie-Cecile Groelsema, Special Assistant to the President
Mr. Mathieu Zahui, Acting CFO
Ms. Kim Ward, Acting Managing Director of Programs
Ms. June Brown, Interim General Counsel
Mr. Paul Olson, Regional Director
Mr. Tom Coogan, Regional Director
Ms. Ellen Teel, Senior Auditor
Ms. Julia Tanton, Special Assistant to the President
Mr. Bo Machayo, Congressional Affairs
Ms. Lynda Jere, Malawi CPC
Mr. Eric Newman, Benin CPC
Mr. Taibu Nakueira, Uganda CPC
Ms. Joan Rutaroh, UDET
Ms. Arlene Williams, Supervisory Accountant

MEMBERS OF THE PUBLIC:

Ms. Wandra Mitchell

ADOPTION OF MINUTES:

By unanimous consent, the Board adopted the minutes from the January 31, 2017 regular meeting.

APPROVAL OF AGENDA:

By unanimous consent, the Board approved the agenda for the meeting.

CHAIRMAN'S REMARKS:

The Board unanimously voted for a formal recognition for Doris Martin and Christine Fowles for their years of service to the U.S. African Development Foundation. In his remarks, Mr. Leslie recognized USADF's congressional outreach strategy, engaging Members of Congress on both sides of the aisle. In June, Ward Brehm plans to travel to the Democratic Republic of the Congo, Burundi and Rwanda on behalf of USADF.

PRESIDENT'S REPORT:

Mr. Glin recognized the Board's commitment to advocating for USADF and appreciated their level of commitment. Mr. Glin gave the following updates regarding organizational and program matters.

Regarding staff: Mr. Glin announced staffing changes in the Office of the President, and hiring three Presidential Management Fellows (PMF) exempted under the hiring freeze.

Regarding structure: Mr. Glin announced the restructuring of the Program division to two regions, one Francophone and one Anglophone, with 10 countries each.

Regarding strategy: Mr. Glin announced that while our mission statement remains the same, he recognizes grants are a mechanism for making change, not simply producing an outcome. Therefore, USADF programs should be designed for maximum impact and link early-stage groups to other USG agencies and follow-on funders. The Office of the President published two fact sheets that discuss USADF overview and impact. Mr. Leslie said that while he agrees it is important to evaluate groups using criteria and to measure success, it is also critical to balance different types of scorecards. The legislative history of USADF calls for USADF to remain a small, nimble agency and take risks to support the most marginalized and poor. This statement was seconded by the Vice Chairman. Mr. Agwunobi also applauded the work over the last few years to reduce overhead costs and deliver clean audits, as this has positioned the agency well.

FINANCE REPORT:

Regarding FY17 expenditures: Mr. Zahui announced USADF is no longer operating under a continuing resolution. An omnibus was passed in late April, which the President signed into law. There is \$33.2 million in accounts, with \$30M appropriated, with \$15.4 expended and \$17.8 remaining in the bank. More than half our funds have not been expended, but this aligns with programmatic activities.

Re overhead expenditures: OE levels are currently at 26%. With a comparative 13% difference in slowing rate of cash burning in operating expenses from last year, one can infer the Agency can reach 25% of OE rate by the end of the fiscal year. This is due to realignment of resources, the recent hiring freeze, and natural attrition.

Re FY18 Budget: Senior leadership has engaged OMB and Congress regarding the FY18 budget.

The Agency received a passback of \$6 million and was the only agency out of 19 to submit an appeal within the 3-day period. The passback number was amended to \$8.3 million as of October 1, 2017 for severance pay, lease termination fees and orderly shutdown of the grant portfolio. Mr. Davis requested circulation of the shutdown plan submitted to OMB. Mr. Zahui is confident that with the current OMB and Congressional engagement, there are signals that USADF may retain its funding. Mr. Paroo inquired as to the contingency plan if funding is not reinstated, and Mr. Agwunobi suggested strategizing to integrate USADF into other organizations in government and the private sector.

AUDIT REPORT:

Regarding Audit Schedule: Mr. Davis announced that all audits are on schedule. He presented a certificate to UDET, USADF's implementing partner in Uganda, for a clean audit. The partner in Nigeria, Diamond Development Initiatives, is also expected to have a clean audit in late May 2017. The Semi-Annual Report to Congress (SARC) was released and announced a clean audit for USADF, for the fourth year in a row. USADF is the only agency, aside from MCC, with an independent audit committee. Mr. Leslie requested that USADF publicize the agency's clean SARC report, the fact that it has an independent audit committee and, should it occur, a clean partner audit in Nigeria.

Re FISMA: FISMA will release a report soon regarding cyber security updates, and IT is continuing to resolve final issues resulting from last year's report. Finally, Mr. Glin and Ms. Teel met with the heads of the USAID/OIG.

Break at 10:40 am

CONGRESSIONAL REPORT:

Mr. Machayo reported that congressional outreach has been critical in the last few months as a result of the proposed agency elimination. He reported that he has met with over 70 Members of Congress, targeting the Appropriations committees in both the Senate and the House. Mr. Machayo reported the circulation of a Dear Colleague letter, used to communicate Member-to-Member and signal support for USADF. It has been signed by 13 Senators from both sides, and will close on Friday, May 12. Mr. Leslie agreed that the Dear Colleague letter made a big difference during budget cuts in 2011, but reiterated the need to continue to reach out to Republicans in Congress. Mr. Machayo reported on a number of Capitol Hill events, including a briefing with the Ambassador of Niger and a congressional luncheon. He also reported on questions from meetings with congressional staffers, including integration, consolidation, and return on investment. Mr. Leslie thanked Ward Brehm for his active Hill engagement.

PROGRAM REPORT:

Mr. Ward reported that the Program division is currently in transition to the new structure, consisting of two regions, Anglophone and Francophone, each with one Regional Director, two Program Officers, and four Program Analysts.

Mr. Ward reported a realignment in the Program strategy, to continue providing transformational support for grantees and outlining an exit strategy by building local capacity.

Regarding FY 2017 Grant Funding: The obligation targets were achieved for Cycle 2 in April, totaling \$8.38 million for all portfolios, about 40% of total obligation targets for FY17.

Re Leveraged Funding: The Government of Uganda has signed an MOU for \$5 million for 5 years to fund programs in Uganda. 2017 funds from the Government of Malawi have been received, with funds from the Government of Benin in process. The youth entrepreneurship proposal for \$450,000 has been submitted to Citi Foundation for consideration. In Djibouti, the Dahabshiil Bank CEO pledged \$1 million for a 2-year contribution for the Somalia program.

Re Country Co-Funding: Ms. Jere presented on the co-funding partnership with the Government of Malawi (GOM). They have pledged to support up to \$500,000 for the USADF program in Malawi. The GOM has contributed \$1.9 million over 7 years to small-scale agribusinesses, smallholder farmers and SMEs. Mr. Leslie added that the GOM may view the contribution as a project, rather than a program, and therefore the funding amount is more easily reduced. He asked if it is possible to ask the GOM for a larger amount as a long-term program with a high return on investment.

Mr. Newman presented on the co-funding partnership with the Government of Benin (GOB). The first agreement was signed in 2005 with a focus on SMEs, and then shifted to rural agricultural producer groups. Each year, GOB matches USADF's contribution of \$500,000 for total funding of US \$1 million. There have been good results from the partnership, and there will be an evaluation to assess the 2012-2017 co-funding agreement.

Ms. Rutaroh presented on the co-funding partnership with the Government of Uganda (GOU). The first agreement with GOU was signed in 2006 and has been renewed three times due to the success of the program. The objectives are to promote farmer-owned organizations and increase market competitiveness for underserved communities. The field team's role includes effective planning, coordinating and cultivating good working relationships. Results are monitored quarterly by the government, and the USADF was recognized by the government with the Best Project Award in 2013, as indicated by the results. The Government of Uganda has co-funded 78 projects valued at US \$18 million, created over 50,000 jobs, and increased export revenues by \$60 million while contributing to food security.

SUMMARY OF BOARD FOLLOW-UP INQUIRIES AND REQUESTS: The Board requested a copy of the Agency shutdown plan. The Board also requested publication of the annual SARC report, and USADF's use of an independent audit committee.

ADJOURNMENT:

May 9, 2017 Minutes

The meeting adjourned at 12:30 p.m., after a motion was made and unanimous vote taken by the Directors.

END