October 11, 2017

This is in response to your request under the Freedom of Information Act (FOIA), 5 USC § 552, dated September 13, 2017, which was received on September 13, 2017, by the FOIA Office of the United States African Development Foundation (USADF). You requested a copy of the 2018 Congressional Budget Justification. A copy of the USADF record responsive to your request is 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
1400 I Street NW
Washington, D.C. 20005
Tel.: 202-233-8882
Email: jbrown@usadf.gov
The U.S. African Development Foundation (USADF) is an independent U.S. Government agency established by Congress to support and invest in African owned and led enterprises which improve lives and livelihoods in poor and vulnerable communities in Africa.

USADF is a model for doing development differently. USADF foreign assistance provides rural communities across Africa a voice and a choice in their economic development priorities. USADF utilizes 100% African in-country management and implementation partners, to invest directly in early stage grassroots enterprises and African entrepreneurs, providing seed capital and local technical assistance to underserved communities with a focus on ventures by farmers, women, and youth in conflict and post-conflict countries.

The USADF development model is effective, efficient and delivers a return on investment to the U.S. taxpayer contributing to peace, security and poverty reduction through local enterprise development. USADF grants cultivate sustainable business solutions to address food insecurity, unemployment, and poverty throughout Africa. African host governments co-fund USADF programs to lift their underserved communities out of poverty and on to a pathway to prosperity.

USADF ensures that U.S. development initiatives, such as the Global Food Security Act, Electrify Africa Act, and the African Growth and Opportunities Act extend past urban areas to rural populations living beyond Africa’s growth frontier.

USADF grants of up to $250,000 serve as a catalyst for self-sufficiency and entrepreneurship amongst poor and vulnerable populations. These grants help grassroots enterprises achieve sustainable increases in revenues and production capabilities that in turn improve incomes for thousands of underserved communities in Africa.

USADF’s Grant Financing Produces Results:
- Over half of the USADF grants result in doubling of enterprise sales revenues.
- Nearly half of the USADF grants generate $3 for every $1 invested.
- A third of the enterprises access follow-on financing to sustain growth after USADF exit.

June 27, 2017
Washington, D.C.
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The Administration’s FY 2018 Budget proposes the elimination of the United States African Development Foundation (USADF). The FY 2018 request of $8.3 million will provide resources for the orderly closeout of the agency in fiscal year 2018, which includes sufficient funding for severance payments, lease termination fees, and technical organization costs for current commitments throughout Africa.

The Board of Directors and Management appreciate the $30 million appropriation from Congress in FY 2016 and FY 2017. Using appropriations and donated and transferred funds, the close out of USADF grant activities in FY 2018 include: Closing 20 country Programs with African Implementing Partners; Completing disbursement actions for $53 million in Grant Obligations representing, 500 Enterprises, 250,000 livelihoods and Jobs, 1.5 million People Impacted, and $100 million in New Local Economic Impact.

Activities include the management and close out of the existing portfolio of USADF grants that were obligated in FY 2017 and earlier years. During FY 2018, no new enterprise grant commitments will be made.

USADF was established by Congress in the 1980 to encourage self-sufficiency and entrepreneurship amongst poor and vulnerable populations, USADF provides direct economic development assistance to African-owned and led enterprises through its small grants program.

USADF’s enduring relationship with communities in Africa provides a unique model for Africa’s development. USADF’s mission is to provide Africa’s underserved, and disadvantaged communities with the opportunity to engage in and benefit from the new era of accelerated economic growth in Africa. USADF’s small grant financing model serves as a local economic development catalyst enabling the poor to participate and own their development, to enhance opportunities for themselves and to create pathways to self-sufficiency and prosperity via enterprise creation. In the execution of our mission we help to transform the quality of life for millions of people in thousands of communities across Africa and strengthen America’s role in Africa and the world.

Sincerely,

John W. Leslie, Jr.,
Chairman
Board of Directors

Dr. John O. Agwunobi,
Vice Chairman
Board of Directors

C.D. Glin
President and CEO
USADF

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United States African Development Foundation

Table of Contents:

FY 2018 Budget Request .......................................................... 6
FY 2016 USADF Results Overview and Program Summary ......................... 7
Appendix 1 The ADF Act of 1980................................................. 11
FY 2018 Budget Request

Agency Elimination

The FY 2018 President’s Budget proposes to eliminate funding for several independent agencies, including the U.S. African Development Foundation, as part of the Administration’s plans to move the Nation towards fiscal responsibility, to redefine the proper role of the Federal Government, and to prioritize rebuilding the military and making critical investments in the Nation’s security. The Budget requests $8.3 million to conduct an orderly closeout of the agency in fiscal year 2018, which includes sufficient funding for severance payments, lease termination fees, and technical organization costs for current commitments throughout Africa.

The request provides for operating funds to phase out operations in a manner consistent with the commitments and obligations of the U.S. Government to producer groups and local enterprises in fragile states, and reporting out the impact and effectiveness of USADF programs in Africa.

Agency Overview

USADF is an independent U.S. Government agency established by Congress (The African Development Act – 1980\(^1\)) to support and invest in African-owned and led enterprises which improve lives and livelihoods in poor and vulnerable communities in Africa. The program has been maintained on a “no growth” annual budget of $30M per year for the past eight years.

In 1980, Congress determined a need to invest in development differently and USADF has been answering that call for the past 35 years. Our foreign assistance in Africa is an investment in local economic development through enterprise creation for peace and security.

USADF invests directly in early stage African enterprises, providing seed capital and local technical assistance for underserved communities. USADF has established an effective model for successful development. USADF grants, representing approximately $53 million in total, are currently active in 500 producer groups across 20 countries in Africa. Using USADF support, these community enterprises are projected to generate over $100 million of economic impact in their communities benefiting more than 1.5 million people.

\(^1\) See Appendix 1
### FY 2016 USADF Results Overview and Program Summary

#### FY 2016 Budget Performance

In FY 2016, USADF effectively programmed an additional 12% of federal appropriations to carry out its mission in Africa. Unlike many other foreign assistance organizations, USADF program expenditures are placed directly into local economies in Africa. With the FY 2016 Budget USADF awarded over 270 high impact grants in Africa focusing on food security, higher household incomes, access to off grid energy solutions, youth entrepreneurship, and youth job placement.

In addition to awarding new grants in FY 2016, USADF used local Technical Partner grants and local country program office staff to support over 500 active project grants across 20 countries valued at $53 million. All combined, these grant activities are delivering $100 million of new economic activity and opportunity to over 1.5 million people in small rural communities in Africa.

In FY 2016, USADF attracted nearly $6 million in matching funds from several public – private co-funding arrangements. Host country governments, corporations, and another U.S. foreign assistance providers see value in USADF’s unique development model and have high levels of confidence in USADF’s monitoring and accountability systems.

<table>
<thead>
<tr>
<th>Description</th>
<th>FY 2015 Actual</th>
<th>FY 2016 $30M</th>
<th>FY 2017 $30M</th>
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<tr>
<td><strong>Operating Expenses</strong></td>
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<tr>
<td>Field Offices</td>
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<td>8,880</td>
<td>9,031</td>
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<td><strong>Program Expenses</strong></td>
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<td>Project Grants</td>
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<td>FC Adjustments</td>
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<td>Project Amendments</td>
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<td>Partners Grants</td>
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<td>Evaluation</td>
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<td><strong>Program Subtotal:</strong></td>
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<td>22,490</td>
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<td><strong>Total Operating &amp; Program</strong></td>
<td>30,777</td>
<td>34,536</td>
<td>31,521</td>
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</table>

| **Federal Funds**                    |                |              |              |
| **Current FY Appropriations**        | 30,000         | 30,000       | 30,000       |
| Non Expenditure Transfers            | 400            | 4,000        |              |
| Recoveries & No Year                 | 113            | 445          | 955          |
| Funds Carried Forward                | 1,480          | 1,158        | 622          |
| **Total Federal Funds**              | 31,993         | 35,603       | 31,577       |
| OE as a % of All Federal Funds       | 25%            | 25%          | 29%          |
| Grant Outlays as % of All Federal Funds | 67%        | 69%          | 66%          |

| **Donated Fund Planned Budget**      |                |              |              |
| Grants                               | 1,270          | 1,502        | 2,000        |
| Partners (Coop Agreements)           | 233            | 225          | 237          |
| **Subtotal:**                        | 1,503          | 1,727        | 2,237        |
| OE as % of Federal & Donated Funds   | 24%            | 24%          | 27%          |

| **Donated Funds Revenues**           |                |              |              |
| Annual Collection - SPF             | 1,887          | 1,141        | 791          |
| Annual Collection - Private          | 200            |              |              |
| Funds carried forward                | 769            | 1,495        | 1,338        |
| **Funds**                            | 2,656          | 2,636        | 2,329        |

| **Total Available Federal and Nonfederal Funds** | 34,649 | 38,239 | 33,906 |

**FEDERAL FUNDS**

**EXTERNAL FUNDS**
USADF 2016 Profile

- $30M Annual Budget from Congress
- $6M Leveraged Funds
- 20 Country Programs with African Implementing Partners
- $53M Invested in
  - 500 Enterprises
  - 250,000 Livelihoods and Jobs
  - 1.5M People Impacted
  - $100M in New Local Economic Impact

USADF 2016 Active Grant Portfolio

Agriculture - Smallholder farmers are nearly 70% of Africa’s labor force and the backbone of its economies. USADF grants assist hundreds of agricultural cooperatives develop better enterprise management skills, improve production and distribution capabilities and access larger markets. Women make over 50% of the membership of these organizations.

Youth - Youth unemployment is a challenge throughout Africa, as it is the world’s youngest continent with over 200 million young people from ages 15 to 24. USADF grants help youth in Somalia get jobs and support hundreds of the best and brightest young entrepreneurs with a seed investments that creates jobs and provides needed services.

Off Grid Energy - Without access to affordable, reliable power solutions smallholder farmers and rural communities are limited in achieving economic and productivity growth potential. USADF grants support creative business solutions that focus are bringing Off-Grid energy solutions to rural communities.
USADF Successful Grant Examples

**Off-Grid Energy**

**Liberia: Liberian Energy Network**
- **Solution:** Solar LED Lights
- **Grant Size:** $150,000
- **People Impacted:** 10,000
- **Area of Impact:** Health, Education, Environment

**Youth-Led Enterprises**

**Nigeria: Adepeju Jaiyeoba**
- **Solution:** Maternal Delivery Kits
- **Grant Size:** $30,000
- **People Impacted:** 30,000 Women & Children
- **Area of Impact:** Maternal and Child Health

**Agricultural Cooperatives**

**Uganda: Muhorro Area Cooperative**
- **Value Chain:** Rice & Maize Sales
- **Grant Size:** $223,000
- **Farmers and Families:** 8,000
- **Investment Impact:** 5X Multiplier; $1,000,000

**Mali: Zantiébougou Cereal Cooperative**
- **Value Chain:** Grain Storage & Sales
- **Grant Size:** $74,000
- **Farmers and Families:** 7,000
- **Investment Impact:** 3X Multiplier; $200,500
USADF Reach – Programs across the Continent
Appendix 1 The ADF Act of 1980

THE 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.