



United States African Development Foundation

Program Overview

Nate Fields

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About USADF



- The U.S. Congress established the United States African Development Foundation (USADF). Operations began in 1984.
- **Purpose:** Foster hope, growth, and goodwill in Africa
- **Current vision:** End the poverty of a million Africans by investing in their ideas
- **Mission:** *Grow profitable businesses and sustainable social enterprises that benefit the poor*

Goals and Strategic Objectives (I)



- **Goal 1: Invest in businesses and social enterprises that create jobs, generate incomes, and improve the lives of the poor**
 - Strategic Objective 1. **Grow profitable African-owned small and medium-sized** enterprises and increase their participation in local and global markets
 - Strategic Objective 2. **Expand small-scale farmer production of high-value cash crops**, value-added processing of agricultural goods, and access to local and global markets
 - Strategic Objective 3. **Develop sustainable social enterprises** that meet critical social and economic needs of marginalized people.

Goals and Strategic Objectives (II)



- **Goal 2: Expand institutional and financial capacities that support businesses and social enterprise growth**
 - Strategic Objective 1. **Create and generate renewable pools of local capital** to fund small businesses and community initiatives
 - Strategic Objective 2. **Develop African technical support organizations** that provide expertise to support businesses and community groups in Africa
 - Strategic Objective 3. **Establish strategic partnerships** with African governments and institutions, development groups, and the private sector to fund and replicate USADF's programs and approaches
 - Strategic Objective 4. **Promote and disseminate best practices, lessons learned**, and successful models for African-driven development

USADF's Business Model (I)



- **Catalyst for indigenous business development** that has strong poverty alleviation linkages:
 - Country-specific investment strategies
 - Sector specializations in industry and agriculture (**especially value-added processing and organic products or other high-value crops**)
 - Leveraging funding from host governments
 - Leveraging funding from the private sector
 - **Responsive to the ideas and initiatives of African entrepreneurs**
 - Demonstrating commercial discipline and social responsibility through repayment of capital to an in-country development trust

USADF's Business Model (II)



- **Integrated package of support from design through implementation:**
 - Development of viable business plans with a market assessment, financial analysis, and environmental and safety reviews
 - Financing of fixed capital and working capital to scale up operations,
 - Training and technical and managerial assistance to diversify product lines, increase production efficiency, and improve product quality
 - Development of new market linkages to gain access to more profitable domestic and export markets

USADF's Business Model (III)



- **Responds to unsolicited applications from African businesses and organizations** submitted to Country Representatives for screening.
 - Fit with USADF strategic objectives and triple bottom line of:
 - 1) **Profitability;**
 - 2) **Direct, measurable socio-economic impact on the poor through job creation and supply chain linkages;**
 - 3) **Potential for expansion and replication**
- USADF Partner Organizations (NGOs or consulting firms in country) help applicants develop business plans and provide monitoring and remediation services.

USADF's Business Model (IV)



- Two assistance mechanisms geared to the needs of different clients.
 - **Expansion Investment generally provides up to \$250,000 of support** over 3 to 5 years to established enterprises and organizations with a viable business plan.
 - **Enterprise Development Investment provides up to \$100,000** in funding over 2 years to
 - Improve managerial and technical capabilities,
 - Support a business plan and market studies,
 - Supply limited capital for fixed assets or operations.

USADF's Business Model (V)



- **Private businesses repay support for Expansion Investments**
 - 5-8 year repayment (pre-set schedule, depending on projected profitability)
 - Interest free
 - Payable in local currency, but denominated in USD to hedge against higher inflation rates.
- Private businesses with Enterprise Development Investment support
 - May be required to repay fixed and working capital (if sales are large and business is profitable)
 - **Not required to repay capacity development and business planning support**

Example of Analysis By Investment: Highest Cumulative Revenue Growth



Country	Project	Cumulative Revenue Growth
Tanzania	Kilombero Sugarcane Growers	\$4,000,841
Tanzania	Ruembe Sugarcane Outgrowers	\$3,077,506
Senegal	CDS Silk-Screening and Decoration	\$522,068
Namibia	TAMAK Wet Blue Hides	\$422,185
Benin	COGEP Construction	\$352,145
Ghana	Afrigue Link Tomato Processing	\$345,467
Ghana	Bosbel Vegetable Oil Mills	\$287,854
Uganda	Multi-Purpose Transport	\$286,176
Namibia	Shoremikol Rock Lobster Fishing	\$283,898
Niger	GAPEC Cereal Banks	\$270,406
Botswana	Godisa Tech. Solar Hearing Aids	\$262,132
Mali	Mam Cocktail Juices	\$255,959
Uganda	Mukono Vanilla	\$218,557
Ghana	Saabuyin Metal Works	\$216,202
Tanzania	Madibira Rice Marketing	\$184,480
Subtotal		\$10,985,876