



What is ADF? What does ADF do?

ADF is the principal agency of the U. S. government supporting community-based self-help initiatives to build economic opportunity and sustainable development for Africa's poorest communities. ADF is a public corporation and federal agency established by Congress in 1980. It began field operations in 1984. Since its inception, the Foundation has been an innovator and pioneer in participatory development. It promotes African leadership and ownership of the development process and helps strengthen non-governmental African institutions and local capacity. ADF makes investments that help African communities invest in themselves, and its local approach to development has a direct and measurable impact on people's lives.

The Foundation has a unique mandate and role within the U.S. Government's larger economic assistance policy and strategy towards Africa. ADF's overall mission, as articulated by Congress in the African Development Foundation Act, is:

Supporting grassroots development in Africa...enabling the poor to participate in the process of development, to solve their development problems, develop their potential, fulfill their aspirations, and enjoy better, more productive lives.

ADF's efforts complement larger government-to-government aid programs by tackling problems "from the ground up" and developing new models of participatory development that can be replicated on a larger scale by the private sector, other development agencies and African governments. Given the dramatic changes in Africa over the past decade, and given recent changes in international approaches to development, ADF's mission and focus is more important than ever.

Where does ADF work?

ADF currently operates in 15 sub-Saharan African countries: Benin, Botswana, Cape Verde, Ghana, Guinea, Mali, Namibia, Niger, Nigeria, Senegal, Swaziland, Tanzania, Uganda, Zambia and Zimbabwe.



What makes ADF unique?

How Most Donor Agencies Operate...

- Fund large grants, mostly to host-government agencies
- Support projects that are centrally generated and often depend on foreign expertise for design and implementation
- Make grants focused on strengthening government institutions and public sector service delivery
- Rely on foreign expertise to conduct external evaluations of projects
- Conduct overseas operations with large staffs led by expatriates

ADF's Approach to Development...

- Provides small grants directly to community-based groups; funds are not channeled via host governments
- All project activities are locally conceived and implemented, and technical assistance is provided by local African experts
- Invests directly in community-based, non-governmental organizations and small-scale entrepreneurs
- Sponsors participatory evaluations done in partnership with grantees and supported by African experts
- Invests in the development of indigenous partner organizations that are wholly African led and designed to become self-sustaining national development resources

Why is it important for the United States to support community-led, demand-driven development in Africa? How is ADF Making a difference?

U.S. foreign assistance to Africa is critical from the standpoint of global security, global economic growth and market development, and global support for human rights and political freedom. Supporting local self-reliance initiatives among the poor in Africa is critical to promoting the growth of stable democracies in the region and decreasing the likelihood of conflict and political instability. Strengthening local economies through the growth of small- and medium-sized enterprises stimulates national economic growth and enhances foreign trade linkages. Pursuing sustainable strategies to improve the conditions and prospects of Africa's poor is in keeping with American humanitarian values and efforts to strengthen existing ties between the U.S. and African nations.

The Foundation makes important and distinct contributions to advancing U.S. foreign policy priorities and national interests in sub-Saharan Africa by:

- directly supporting small entrepreneurs and farmers' cooperatives in non-traditional exports, an effort that supports the objectives of the Africa Growth and Opportunity Act (AGOA) and demonstrates how African small producers can become engaged participants in the global economy
- stimulating the entrepreneurial spirit of African small business people and small enterprises, an investment that fosters self-reliance, helps Africans move out of poverty, boosts income and enterprise profitability in sustainable ways and reinforces U.S. foreign assistance objectives by promoting greater economic prosperity and political stability
- working with and building up local institutions, a community-level focus that strengthens civil society and local governance and strengthens foundations for democracy
- supporting innovative, local institutions dedicated to stemming the spread of HIV/AIDS and mitigating its social and economic impact, an effort that directly contributes to the President's special initiative to combat the pandemic in Africa

What level of funding support does ADF currently provide to community-based projects in Africa?

In 2002, ADF provided support totaling US \$15.3 million to 90 new community-level projects and community-based initiatives in Africa. In addition, ADF disbursed US \$20.1 million to existing projects funded in earlier fiscal years.

What kind of organizational structure does ADF have in Africa?

ADF organizes its operations through indigenous partner organizations and country representatives.

Partner Organizations

In most countries where it operates, ADF has an objective to "build self-supporting, sustainable, local development agencies that provide technical assistance and support to grassroots groups." Through an open, competitive grant process, ADF selects one local non-governmental organization to serve as its nationwide partner organization, and the partner organization is engaged to assist community-level groups and local NGOs with every aspect of project development and implementation.

For example, partner organizations help prospective grantees develop proposals for funding, and they conduct rigorous financial analyses to ensure the viability and sustainability of proposed projects.

After ADF awards project grants, the partner organizations provide grantees with training in financial management and participatory evaluation, routinely visit grantees to monitor their progress, help grantees diagnose and address implementation problems, and advise grantees on how to prepare quarterly financial statements and performance reports.

Country Representatives

Country representatives report to ADF and operate independently of ADF's in-country partner organization. While partner organizations support grantees, country representatives carry out functions that support ADF's efforts to ensure compliance with U.S. government regulations and Foundation policies. Country representatives screen project proposals developed by grantees and partner organization staff. They assess the financial management capacity of new grantees, review grantees' use of funds over the life of a grant, monitor project implementation and remediation and assess project and program impact. Country representatives provide ADF with direct accountability for the Foundation's investments of U.S. foreign assistance.

What types of projects does ADF support?

ADF provides unsolicited grant support toward projects focused on the development of micro- and small-enterprises (MSE), the enhancement of trade and investment (T&I) opportunities for small- and medium-scale enterprises, HIV/AIDS prevention and mitigation (HIV/AIDS) and participatory community development projects.

ADF may from time to time issue a Request for Applications (RFAs) for other activities.

Most of ADF's grants are between US \$50,000 and US \$250,000 and are disbursed to grantees in local currency. ADF rarely provides a grant larger than \$250,000, and such grants require ADF Board approval.

ADF can provide assistance directly to a wide range of African-based, African-run, non-governmental organizations (NGOs) and small enterprises.

These entities can include, but are not limited to:

- legally registered cooperatives,
- economic interest groups,
- producer associations,
- legally registered limited liability companies, and
- community development organizations.

ADF also provides funding to intermediary organizations that work with low-income people and groups, such as micro-finance institutions and credit cooperatives.

ADF does not provide funding to government agencies, political parties, advocacy groups in Africa or elsewhere.

ADF does not fund scholarships or academic travel.

ADF only provides funding to organizations based in African countries where it works and has an active country program.

More Questions?

If you have additional questions, please contact us at 202.673.3916 or by e-mail at info@adf.gov.

ADF's Web site, www.adf.gov, offers additional information on the Foundation, and the Web site's two online newsletters, *ADF e-news* and *The ADF Approach*, provide detailed information on ADF's programs and current projects.

ADF's Current Program Focus

Micro, Small & Medium Enterprise Development

Given the central role that small enterprises play in Africa's social and economic development, ADF places a premium on strengthening and expanding the capacity of local entrepreneurs. ADF is striving to become America's small business agency for Africa and has invested nearly two-thirds of its grant portfolio in micro, small, and medium enterprise development.

Micro-enterprise development is especially important to the millions of African women and youth who support themselves through informal marketing ventures but often lack the education, skills, and opportunities they need to take advantage of new business opportunities in the formal sector.

ADF helps small entrepreneurs grow by providing them access to capital, technology, and technical assistance and training. It also invests in sustainable institutions that provide credit and business management services. In 2003 alone, ADF's investments supported nearly 90,000 small enterprises.

Trade and Investment

In the 21st century, Africa has unlimited potential for economic development. ADF is helping African small businesses reach new horizons of growth and opportunity by providing dynamic enterprises with financial resources, technical training, and technology to tap regional and overseas markets and sell products and services that meet or exceed international quality standards.

The Foundation has launched (T&I) efforts in nine countries. These programs enhance the capacity of small enterprises to harvest, process, brand, and export products demanded across world markets, including fresh fish, rock lobster, sea salt, tropical juices, silk, vanilla, paprika, and processed tomato products. They also infuse wealth back into the communities that produce them by generating quality jobs and higher salaries for workers.

ADF helps small producers tap new markets by expanding their access to capital and technology and helping them acquire the knowledge they need to find buyers and obtain export licenses. The Foundation helps businesses improve quality and increase production to capture and retain overseas markets, and it helps small producers advocate for improvements in African government policies toward small businesses.

HIV/AIDS Prevention & Mitigation

The Foundation is focusing its prevention and mitigation program on projects that are:

- conceived and designed by local African NGOs,
- appropriate to the social and cultural contexts of the communities they serve, and
- responsive to the most immediate needs and concerns of affected communities.

The initiative focuses on achieving three specific objectives:

- generating income and employment for people living with HIV/AIDS and their families,
- expanding human service delivery to orphans and care givers affected by HIV/AIDS, and
- reducing the incidence of high-risk sexual behavior, especially among youth.