U.S. Trade and Development Agency (USTDA)

USAEE Annual Conference
Washington, DC, July 9, 2004
USTDA Mission

_advance economic development and U.S. commercial interests in developing and middle-income countries. 

Support the development of a modern infrastructure and a fair and open trading environment."
USTDA Mission – the “What”

Foreign Assistance Agency that Funds:

- Project Definition & Investment Analyses
- Trade Capacity Building & Sector Development Activities

Through…

- Overseas Grants, Contracts with U.S. firms, & Trust Funds at Multilateral Development Banks
- Involve U.S. Companies to Deliver Assistance
Recent Energy & Power Projects

- Sri Lanka 300 MW Coal-Fired Power Plant (TA for BOO project)
- Russia-Ulan-Ude District Heating (Feasibility Study for EBRD-financed project)
- Botswana Coal Bed Methane Development (Feas. Study/Field Testing for 300 MW BOO)
- Western Cape (S.Africa) Natural Gas Sector Development (TA for Fin./Econ. Modeling)
Recent Energy/Power Projects--2

- Afghanistan Hydrocarbon Resource Survey (Technical Assistance)
- Algeria Photovoltaic Water Pumping and Rural Electrification (Feasibility Study)
- Jordan Al-Ibrahymia Wind (Feasibility Study for privatization/expansion)
- Ghana Biomass/MSW BOO (Feas. Study)
**USTDA Facts: General**

- Funded through Foreign Operations Appropriations.
- Since 1981, USTDA has helped stimulate over $20 billion in U.S. exports to emerging markets.
- USTDA funds about 125 assistance projects and studies each year, in 5 regions.
- Average USTDA grant is $400,000.
Targeted Sectors for USTDA Funding

- Transportation
- Power, Oil & Gas
- Telecommunications
- Water/Waste Treatment
- Natural Resources
- Mineral Beneficiation
- Manufacturing
- Trade Capacity
Energy Sector Projects

- Includes electric power production, transmission and distribution, co-generation, district heating, energy efficiency, etc.
- Includes oil and gas downstream development (pipelines, refineries) and petrochemicals.
- Balance of competed and sole source.

- FY 02 58 projects
- FY 03 59 projects
The USTDA Tool Chest

- **Project Definition & Investment Analyses**
  - Definitional Missions; Feasibility Studies; Orientation Visits; Conferences & Workshops; Procurement Assistance

- **Trade Capacity Building & Sector Development Activities**
  - Sector Development TA; Trade Agreement Support; Training; Trade & Industry Advisors
USTDA Grants for Project Planning

How they work:

USTDA grants money to a public or private sector project sponsor in the host country.

The project sponsor selects a U.S. consultant to perform the assistance/study.

The U.S. firm performs the assistance or study for its client.

The study is completed and hopefully the project is proven feasible and implemented.

USTDA pays the U.S. firm for its work on the study, as instructed by the Grantee.
Why does USTDA Fund Feasibility Studies?

- Feasibility studies are the “nuts and bolts” of project planning.
- These business plans evaluate the technical, legal, economic, environmental and financial aspects of a project.
- Bankable documents are required by financial institutions to assess the credit-worthiness of a project.
- USTDA funds feasibility studies because development capital is often scarce at this stage of project development.
Criteria for USTDA Funding

To be considered for USTDA funding a project must:

- Be a development priority of the host country
- Be likely to attract implementation financing
- Be at least $10 million in total implementation scope
- Represent a significant *opportunity* for sales of U.S. technology
Technical Assistance, Training

Technical Assistance:
- Provides U.S. expertise that may not be available in the host country – e.g., for international tender preparation, customs facilitation, establishment of industry standards and regulations.
- Supports capacity-building initiatives and the implementation of trade agreements that may lead to increased U.S. exports.

Training:
- USTDA’s training enables the foreign project sponsors to receive necessary technical and managerial training to implement a project.
Technical Assistance and Energy

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<th>South Africa</th>
<th>China</th>
<th>East Africa</th>
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<td>TA to PetroSA to provide investment model for natural gas industry development strategy</td>
<td>Partnership with industry to establish natural gas institute</td>
<td>TA to provide expertise in developing and negotiating geothermal project agreements</td>
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Orientation Visits

- Visits to U.S. by foreign officials interested in purchasing American goods and services for specific projects
- “Reverse trade mission”
- Show project sponsors U.S. technology and sampling of qualified firms for the project
- Offer U.S. suppliers opportunity to showcase their products to foreign procurement officials
- Business Briefings – mini-conferences, often in Washington, to meet interested U.S. businesses
Definitional Missions and Desk Studies

DMs and DSs are USTDA due diligence tools: small U.S. firms with technical expertise evaluate grant proposals.

- Desk Studies provide quick analyses and are conducted in the U.S.
- Definitional Missions provide a more detailed evaluation and involve travel to the region.
- Desk Studies range from $2,500-$5,000.
- Definitional Missions range from $25,000-$45,000.
How to Get Started – U.S. Companies

(1) Evaluate our proposal format online (www.ustda.gov).

(2) Send the Country Manager a 2-3 page summary of how your project fits USTDA criteria.

(3) Work with Country Manager to develop full proposal.
U.S. Trade and Development Agency (USTDA)

Washington, DC, and Regional Contacts

Washington, DC:
Tel: 703-875-4357
Contact Regional Staff/Country Managers

Regional Offices:
Ankara, Bangkok, Johannesburg

In-Country:
US-FCS, State ECON

Website: www.ustda.gov