



U.S. TRADE AND DEVELOPMENT AGENCY

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USTDA SUPPORTS CLEAN WASTE MANAGEMENT IN AZERBAIJAN

BAKU, AZERBAIJAN (August 13, 2009) – Today, USTDA awarded a grant to the State Oil Company of the Republic of Azerbaijan (SOCAR) to improve waste management practices in the oil and natural gas sector. The grant builds on previous USTDA grants to SOCAR by funding a feasibility study for SOCAR on the development of a facility to process and securely store waste and by-products related to oil and gas production.

“Today’s grant marks a significant step for Azerbaijan in achieving its pollution control goals,” said USTDA Acting Regional Director David Hester. “In a country that has an economy that is driven by a vibrant oil and gas sector, USTDA is proud to continue its partnership with SOCAR by contributing to the creation of a new, ecologically sound standard for petroleum waste management.”

The \$572,068 grant was conferred during a signing ceremony held at SOCAR’s offices in Baku. Acting Regional Director Hester and SOCAR President Rovnag Abdullayev signed the grant agreement on behalf of the U.S. government and SOCAR, respectively. USTDA Country Manager Scott Greenip and SOCAR Vice President for Ecology Mukhtar Babayev signed as witnesses to the grant agreement.

Hydrocarbons represent up to 20 percent of Azerbaijan’s gross domestic product and have driven double-digit rates of economic growth for the past nine years. Azerbaijan’s 2006 State Ecological Program aims to establish a standardized approach to petroleum waste disposal, committing funds to cleanup efforts and the development of modern waste management facilities. The USTDA grant awarded today supports SOCAR’s role in building waste management infrastructure in line with this initiative. By making recommendations for the design, construction and operation of a facility that includes processing, the USTDA-funded study will promote environmental responsibility in the handling of Azerbaijan’s petroleum waste, particularly on the Absheron peninsula.

“Enhancing our waste management capabilities is one of the leading priorities in SOCAR’s environmental reform program,” said Abdullayev. “We believe that cooperation with USTDA will make a positive contribution in developing this project according to international standards.”

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Previous USTDA grants to SOCAR include a \$1.7 million grant awarded in 2007 for a feasibility study on proposed Trans-Caspian oil and gas pipelines. The study, a concrete example of U.S. – Azerbaijan cooperation in the energy sector, is being conducted by Granherne, Inc. of Houston, Texas.

In addition, one of the most significant USTDA successes has been the agency's involvement in the Baku-Tbilisi-Ceyhan (BTC) pipeline project. USTDA provided a series of grants, totaling about \$1 million, in the period 1999-2004. The grants funded advisors to assist in the negotiation of the various host country and intergovernmental agreements that formed the basis for the project and to specifically address the environmental issues related to the project and to the parallel South Caucasus Gas Pipeline (SCP). BTC went operational in 2005, and SCP followed less than 2 years later.

The opportunity to provide technical assistance to SOCAR pursuant to the USTDA grant awarded today will be competed on the Federal Business Opportunities (FBO) website. A link to the FBO posting will be posted on USTDA's website at www.ustda.gov. Interested U.S. firms should submit proposals following the instructions in the FBO announcement. SOCAR will select the U.S. firm that will provide the USTDA-funded assistance.

The U.S. Trade and Development Agency advances economic development and U.S. commercial interests in developing and middle-income countries. The agency funds various forms of technical assistance, feasibility studies, training, orientation visits and business workshops that support the development of a modern infrastructure and a fair and open trading environment. USTDA's strategic use of foreign assistance funds to support sound investment policy and decision-making in host countries creates an enabling environment for trade, investment and sustainable economic development. In carrying out its mission, USTDA gives emphasis to economic sectors that may benefit from U.S. exports of goods and services.