



U.S. Trade and Development Agency
Annual Performance Plan for FYs 2016-17 and
Annual Performance Report for FY 2015



TABLE OF CONTENTS

Table of Contents

Overview	2
Annual Performance Plan and Report	3
Appendix USTDA's Data Validation & Verification Approaches	8

THE AGENCY

Overview

The Annual Performance Plan is a description of the level of performance to be achieved during the year in which the plan is submitted and the next fiscal year. The Plan describes the strategies the U.S. Trade and Development Agency (USTDA) will follow and identifies performance targets it seeks to accomplish. USTDA consolidates the Annual Performance Report with the Annual Performance Plan. The Annual Performance Report provides information on the Agency's progress in meeting the goals and objectives described in the Strategic Plan and Annual Performance Plan, including progress on strategic goals and performance targets.

Mission

The U.S. Trade and Development Agency helps companies create U.S. jobs through the export of U.S. goods and services for priority development projects in emerging economies. USTDA links U.S. businesses to export opportunities by funding project planning activities, pilot projects, and reverse trade missions while creating sustainable infrastructure and economic growth in partner countries.

Organizational Structure

USTDA maintains a lean structure that supports the Agency's goal of functioning as an agile, responsive organization. The Agency's executive team includes the Director, Deputy Director, General Counsel, Chief of Staff and Director of Congressional and Public Affairs. Program staff, organized by geographic region, prioritizes their investments in markets and sectors with significant U.S. export potential, thereby positioning U.S. companies to achieve results.

In order to develop actionable recommendations for effective programming, USTDA's Office of Program Monitoring and Evaluation monitors performance. Additionally, the Agency's size and structure allow its executive team and Director of Program Monitoring and Evaluation to review – and the executive team to approve – every dollar of program funding before it is obligated, thus ensuring empirical, evidence-based decisions as well as broad accountability.

Several small teams provide programmatic, operational and administrative support. These positions are limited, however, and shared servicing agreements are utilized for support functions wherever possible. This structure allows USTDA to maximize its resources in support of the Agency's mission.

ANNUAL PERFORMANCE PLAN AND REPORT

Annual Performance Plan and Report

USTDA’s strategic goals and performance metrics, as defined in its Amended Strategic Plan for Fiscal Years 2016-2018, are presented below.

Strategic Goal	Strategic Objectives	Metric	FY13 Actual	FY14 Actual	FY15 Actual	FY16 Plan	FY17 Plan	FY18 Plan
Support U.S. exports for priority development projects in emerging economies	Support infrastructure development activities in emerging economies	Export multiplier: Amount of U.S. exports generated for every dollar programmed	\$73	\$76	\$74	\$74	\$74	\$74
	Prioritize activities with strong U.S. export potential							
	Level the playing field for U.S. industry							
Foster opportunities for U.S. small businesses	Conduct outreach to small U.S. firms	Percentage of FAR contract dollars awarded to U.S. small businesses	64%	64%	52%	23% ¹	23%	23%
	Rely on small businesses to provide technical expertise on USTDA investments							

¹ In FYs 2016-2018, USTDA will exceed the requirement for U.S. government agencies to award 23% of the total value of all FAR contract awards to U.S. small businesses, as required by 15 USC 644(g)(1)(A)(i).

ANNUAL PERFORMANCE PLAN AND REPORT

Measuring Performance

USTDA measures its performance by two primary metrics.

CALCULATING THE EXPORT MULTIPLIER

The export multiplier quantifies the export return on USTDA's investments by measuring the U.S. exports generated for each dollar the Agency programs. USTDA evaluates each of its activities to ascertain the role that USTDA's assistance played in helping the project move forward and to determine the total amount of U.S. exports that were generated. USTDA measures the U.S. content of a U.S. commercial sale in order to calculate the impact of its activities on creating and sustaining U.S. jobs. The Agency works with its stakeholders to identify U.S. exports that have a credible and significant linkage to the USTDA-funded activity.

USTDA supports early project preparation activities, such as feasibility studies and architectural and engineering design, which provide opportunities for the use of U.S. exports in the implementation of large-scale infrastructure development projects. These projects typically require at least three years between early planning and final execution. Accordingly, USTDA developed a systematic process for calculating the Agency's impact by averaging export results across a period that accounts for this long gestation period: the Ten Year Rolling Average, or TYRA. The data is then used to calculate the Agency's export multiplier. Utilizing this standardized measurement enables USTDA to report on actual, realized results, rather than projections of potential impact.

In FY 2015, USTDA generated an average of \$74 in U.S. exports for every dollar programmed. This is calculated from the TYRA period from 2003 to 2012. The Agency expects that it will be able to produce similar results in FYs 2016-2018.

In order to achieve its export-related performance goal, USTDA will continue to rely on the data-driven, independently verified evaluation methods outlined in this document as well as in its Strategic Plan. To identify and confirm U.S. export content, USTDA engages with external, third-party contractors to conduct independent annual evaluations, during which data pertaining to the results of USTDA's activities is gathered and validated. The data collected is examined, verified and reflected in a final report describing the outcomes of the Agency's funding commitments. This information is used to support organizational learning, fulfill reporting requirements and inform effective performance management. For more information on USTDA's evaluation methodology, please see the Appendix.

ANNUAL PERFORMANCE PLAN AND REPORT

Moreover, the Agency will continue to focus on ensuring its projects reach implementation and produce U.S. exports. USTDA offers assistance with front-end engineering design (FEED) studies, environmental and social impact assessments, and other gap tools that are often necessary to move large infrastructure projects to financing and implementation. Recently, the Agency has begun piloting an additional way of remaining engaged with its grantees throughout the entire project lifecycle, including the addition of an implementation manager for the sub-Saharan Africa portfolio. Early indicators suggest that this engagement will increase the utility of USTDA's support and drive positive commercial outcomes in key sectors.

Finally, the Agency will continue to make investment decisions that can lead to U.S. exports. Before any USTDA funds are allocated for a potential activity, program staff must present a detailed analysis of potential export sales to support requests for new funding. The Agency's executive team considers these analyses, as well as USTDA's past results in the relevant country and sector, and prioritizes funding for those projects for which the Agency's historical performance data suggests significant potential for success.

QUANTIFYING SUPPORT TO SMALL U.S. BUSINESSES

Direct contract awards under the Federal Acquisition Regulation (FAR) provide a critical avenue to support U.S. small businesses. USTDA will maintain its reliance on small businesses, as defined by the Small Business Administration (SBA), for technical guidance and recommendations that inform the Agency's investments. USTDA draws extensively on the expertise of small consulting and engineering firms to provide independent technical and financial analysis during the critical early stages of a project's definition. These direct contracting opportunities position small businesses to succeed by highlighting their technical expertise in the global marketplace.

USTDA aims to exceed the requirement for U.S. government agencies to award 23% of their procurements to small U.S. businesses.² USTDA has far surpassed that figure for several years; in FY 2015, the Agency awarded 52% of its FAR contracts to small U.S. businesses. USTDA will continue to exceed this benchmark by maintaining its ambitious outreach efforts to U.S. small businesses. The Agency will continue to track progress toward this objective by, among other things, analyzing annual performance reports prepared by its Acquisition Management team.

² 15 USC 644(g)(1)(A)(i)

ANNUAL PERFORMANCE PLAN AND REPORT

Challenges

USTDA has not identified any “major management challenges,” as defined in 31 USC 1115(h)(5). However, the Agency’s ability to achieve its goals may be impacted by political and economic events in the countries where it works. USTDA will monitor those events and, as it has in the past, do its best to mitigate those impacts by directing funding towards activities in the markets and sectors with significant potential for return.

Lower-Priority Program Activities

USTDA executes a unified, focused program designed to “promote United States private sector participation in development projects in developing and middle-income countries, with special emphasis on economic sectors with significant United States export potential.”³ All of the tools and activities employed by the Agency – from project preparation and development tools such as feasibility studies, pilot projects and technical assistance, to broader international public-private partnerships, workshops and reverse trade missions – support the single, high-priority program of increasing U.S. jobs and economic growth via the export of U.S. goods and services for sustainable development abroad.

Congressional Consultations

USTDA actively engages its Congressional Appropriations and Authorizing Committees on the full breadth of the Agency’s programs and activities, including its overall budget, strategic plan and signature initiatives. This consultation includes regular meetings on Capitol Hill, as well as at USTDA’s headquarters, in order to foster a broad discussion with a wide range of USTDA staff on the Agency’s priorities. In addition, USTDA frequently engages Members of Congress when the Agency hosts events in their states or districts. This engagement includes inviting the Member and his or her staff to attend the event and meet with representatives from USTDA, the local business community and foreign delegates. These direct interactions provide firsthand engagement with USTDA’s program and demonstrate how the Agency’s activities are impacting the local economy.

Through direct consultation on activities managed by the Office of Program Monitoring and Evaluation, USTDA has shared its current evaluations practices, as well as the Agency’s ongoing

³ 22 U.S.C. 2421(a).

ANNUAL PERFORMANCE PLAN AND REPORT

efforts to strengthen them, with Congressional stakeholders. This consultation has helped to provide USTDA's Authorizers with a better understanding of the ways the Agency collects the information that enables Congress and U.S. taxpayers to measure its success.

Interagency Coordination

Many of the Agency's export successes would not be possible without implementation financing from agencies like the Export-Import Bank of the United States (Ex-Im Bank) and the U.S. Overseas Private Investment Corporation (OPIC). USTDA will continue to coordinate with Ex-Im Bank and OPIC early in the life cycle of priority projects to improve the likelihood that the projects are strong enough to receive implementation financing. USTDA's Office of Program Monitoring and Evaluation is also increasingly cooperating with Ex-Im Bank and OPIC to better track USTDA-funded projects that receive financing from either institution.

The Agency has experienced great success building its relationship with USG trade promotion partners in the last few years. Working with the SBA and the Minority Business Development Agency, USTDA has been able to increase private sector outreach for its feasibility studies, technical assistance, reverse trade missions and other business matchmaking activities. USTDA collaborates with its TPCC colleagues on a number of initiatives and committees, including the President's Export Cabinet (PEC). By implementing the PEC's applicable recommendations and by cultivating strong relationships with the PEC's private sector members, USTDA has demonstrated that it responds directly to the needs of U.S. industry. In addition, the Agency plans to increase its cooperation with the Department of Commerce's Advocacy Center by participating in the interagency Commercial Advocacy Task Force. The Agency also supports and often participates in overseas trade missions led by the Departments of State, Commerce and Energy.

Additionally, USTDA uses the full array of its assistance tools to support United States foreign policy objectives. The Agency coordinates with the Departments of State, Commerce, Energy and Treasury, as well as with the Office of the U.S. Trade Representative, to facilitate strategic dialogues between the U.S. and its key partners, such as China and India. In fact, USTDA activities are often employed and highlighted as examples of on-the-ground, practical implementation of broader policy objectives.

USTDA has also worked closely with key government technical agencies to launch cooperation programs in priority overseas markets, including China, India, Brazil and South Africa. Working with the Federal Aviation Administration, the Department of Energy and the Department of Health and Human Services, for example, USTDA has implemented cooperation programs that have paid great dividends for each of the founding agencies, as well as for the U.S. businesses and host country partners involved.

Appendix | USTDA's Data Validation & Verification Approaches

Introduction

Performance data is the foundation on which the U.S. Trade and Development Agency (USTDA) aligns its programmatic funding decisions to achieve its strategic goals. The Agency's success is a result of its rigorous evaluations process, which prioritizes funding for activities in markets and sectors that have strong opportunities for U.S. exports. USTDA collects qualitative and quantitative data on U.S. exports by monitoring project development once an Agency-funded activity is completed, and by investigating and documenting the linkage between specific activity interventions and final project outcomes.

USTDA's performance data measures the U.S. content of a U.S. commercial sale resulting from an Agency-funded activity. In order to make the best estimation of its impact on U.S. jobs, USTDA defines "U.S. content" as goods manufactured in the United States or services provided by U.S. citizens. USTDA obtains U.S. content data most commonly from its stakeholders and, in instances where information is limited or unavailable, works with them to estimate U.S. content value. The U.S. exports identified must have a credible and significant linkage to the USTDA-funded activity. Given the nature of USTDA's role in early project planning and development, results are realized over the long-term. As such, a ten-year rolling average⁴ (TYRA) is the interval of time used to capture a meaningful, relevant representation of the U.S. export results of USTDA's programs. The export data is then used to measure USTDA's performance in the following ways:

- **Export Multiplier:** the amount of exports generated for every USTDA program dollar obligated – in general terms, it is the "export return on USTDA investment"; and
- **Total Cumulative Exports:** the amount of exports associated with USTDA funding in a given time period.

⁴ As of August 12, 2016, the TYRA consists of all USTDA activities completed from October 1, 2003 to September 30, 2012.

APPENDIX | USTDA'S DATA VALIDATION & VERIFICATION

To identify and verify U.S. export content, USTDA engages with external, third-party contractors to conduct independent annual evaluations, during which data pertaining to the results of USTDA's activities is gathered and validated. The data collected is examined, verified and reflected in a final report describing the outcomes of the Agency's funding commitments. This information is then used to support organizational learning, fulfill reporting requirements and inform effective performance management. USTDA has maintained and strengthened this third-party evaluation process for over two decades, and will continue to do so moving forward.

USTDA's evaluation methodology is designed to ensure consistency and transparency throughout the data collection, monitoring, reporting and analysis processes. The Agency thoroughly evaluates each funded activity and aggregates performance data to provide results-based recommendations that can be adopted into USTDA's daily operations. Thus, USTDA can provide reasonable validation and verification that its data is complete, accurate and consistent with Office of Management and Budget guidance, as well as many of the Government Accountability Office's best practices.

Evaluations stakeholders include:

- U.S. companies and suppliers
- Host country project sponsors
- Grantees
- Contractors
- Financiers (i.e. multilateral development agencies)
- USG agencies involved in project implementation (i.e. Ex-Im Bank, OPIC and Department of Commerce)

Means Used to Verify and Validate Measured Values

USTDA's data collection efforts are designed to ensure the quality and consistency of data used by the Agency in its decision-making processes. Reliable data is critical to USTDA's ability to measure performance results in order to inform meaningful and effective programmatic decisions.

Each evaluation effort requires extensive outreach and surveys of project stakeholders, to verify and corroborate both old and new information through additional sources. As new information is gathered, USTDA's performance data is revised to reflect the status of project developments. Each individual evaluation generates a report that provides a complete assessment



APPENDIX | USTDA'S DATA VALIDATION & VERIFICATION

of the project's outcomes and an analysis of the impact of USTDA's funding on these outcomes. These reports are then used by USTDA program staff to learn lessons from projects that were successful as well as those unimplemented.

Further, the data contained in these reports are aggregated and analyzed by the Agency to identify the most effective ways to leverage funding and substantiate actionable recommendations to improve program effectiveness. Evaluation of a project is considered complete when it is believed that the results of USTDA's funding have been fully documented or no additional changes to the information will be realized. Thus, USTDA's data is subject to multiple third-party evaluations, over a number of years, and adjusted to reflect the most accurate information that can be obtained on the outcomes.

USTDA has maintained an external, third-party evaluation process for over two decades. Currently, two outside evaluations contractors collect data required for quantitative analysis that is used to report on performance measures. By having two companies perform these services, USTDA is able to maintain a system that allows each company to independently – and separately – validate the Agency's evaluation methodology and data, and to provide recommendations on how the process can be strengthened. USTDA protects the collected data by maintaining a secure database that can only be accessed by internal personnel, and a separate client server application for use of the third-party contractors.

Sources of the Data

The primary goals of the Office of Program Monitoring and Evaluation are to help the Agency identify the most effective ways to leverage its funding by informing decision-making processes, and to contribute to the Agency's ability to maintain accountability and transparency by providing clear, consistent data and analysis. As such, the Office evaluates and reports the outcomes of USTDA's funding for activities that support projects; USTDA may fund more than one activity to help advance a single project.⁵

⁵ A *project* is an infrastructure goal, identified by an overseas sponsor, which will require the importation of goods and services to be constructed or implemented. USTDA's funding is not used for the *project*; rather, USTDA funds an *activity* to help a *project* progress to implementation. Therefore, a USTDA *activity* is intended to help promote the export of U.S. goods and services for use in the *project*. A central part of USTDA's evaluation process and performance measurements is determining whether and how a USTDA *activity* led to direct results or outcomes for a specific *project*.

APPENDIX | USTDA'S DATA VALIDATION & VERIFICATION

USTDA maintains specific steps in its process to gather and document data. Evaluation strategies are designed by program staff, in coordination with the Office of Program Monitoring and Evaluation, during the scoping and definition of each Agency-funded activity.



USTDA's activities include: early project planning and development, including grant funding for pilot projects, technical assistance and feasibility studies; and contract funding for reverse trade missions, conferences, workshops and training programs. The nature of collecting data for these activities varies slightly; however, USTDA has instituted consistent and rigorous methods in order to document the same data for all activities: U.S. exports.

In addition to the use of this evaluation strategy, Project Implementation Assessments (PIA) are conducted for each ongoing USTDA-funded grant activity – one about halfway through the project's lifecycle, and one near the completion of the project – to help the Agency identify opportunities for U.S. company involvement.

The mid-lifecycle PIA documents the status of the USTDA-funded activity to determine the likelihood of project implementation and to evaluate U.S. export opportunities. This helps USTDA identify whether or not additional assistance is needed to move the project toward implementation, which may highlight an opportunity to provide gap financing – including specialized advisory services, transaction advisors, regulatory assistance and/or training – in order to overcome obstacles to implementation.

The final PIA seeks to determine how close a project is to implementation and what specific procurements may occur within the next six to twelve months. USTDA often uses this information to develop Trade Leads for U.S. companies to educate and position them for the upcoming tenders. Upon completion of an activity, USTDA receives a final report that was approved by the grantee, documenting the work performed under USTDA's funding. All final reports include recommendations on how the grantee can implement the project. These recommendations include a list of equipment and services that are required for project implementation, as well as a list of potential U.S. sources of supply. As such, the recommendations within the final report help frame USTDA's evaluation efforts.

The evaluation strategy, PIA and final report recommendations then support the Initial Impact Assessment (IIA) process, which is conducted upon USTDA's receipt of the final report. The IIA summarizes: (1) the USTDA activity and project background; (2) the final report conclusions/recommendations; (3) whether the Agency's funding met intended goals; (4) the

APPENDIX | USTDA'S DATA VALIDATION & VERIFICATION

likelihood of project implementation; (5) the likelihood for U.S. export results; (6) a list of stakeholder contacts; and (7) any other information required for future evaluation efforts. The IIA, which is the first formal step for USTDA's Office of Program Monitoring and Evaluation to initiate contact with the project stakeholders, allows the Office to determine whether the assessments made at the time of funding have changed and adjust evaluation efforts accordingly. Upon completion of the IIA, the activity is then entered into USTDA's third-party evaluation cycle.

Upon completion of a USTDA contract for a reverse trade mission, conference, workshop or training program, contractors submit a report that includes participant surveys evaluating what they gained through the event and how their participation helped them achieve their goals.

This report, and the accompanying surveys, are intended to capture instances where business connections were initially made at the USTDA event but needed time to generate meaningful results. Simply put, the report is intended to help document commercial impacts resulting from USTDA-funded activities. The evaluation strategy developed during project conception is used to inform the surveys issued upon the activity's completion. As with grant activities, upon completion of a one-year follow-on report, the activity is then entered into USTDA's third-party evaluation cycle.

Sources of Data throughout Evaluation Cycle

Throughout the processes described above, USTDA gathers its performance data through stakeholder interviews and surveys, personal phone communications, emails, in-person interviews, publicly available information, U.S. government documentation or a combination of these sources. The Office of Program Monitoring and Evaluation strives to use consistent methods that are most likely to result in obtaining information about the impact of a USTDA-funded activity. At each stage of the data gathering process, information is collected to determine whether, and how, U.S. companies benefited from the USTDA activity, detailing the U.S. exports and U.S. content of the exports, including:

- whether the goal of USTDA's funding was achieved and if not, why;
- how the project was financed or, if it was not financed, why;
- a complete documentation of what resulted from the USTDA activity, if anything, and why those results did or did not occur; and
- a list of individuals who are knowledgeable about the project's status.

USTDA has the utmost confidence in the accuracy and validity of its performance data and evaluation processes, which form the foundation of the continual strengthening of the Agency's programs.