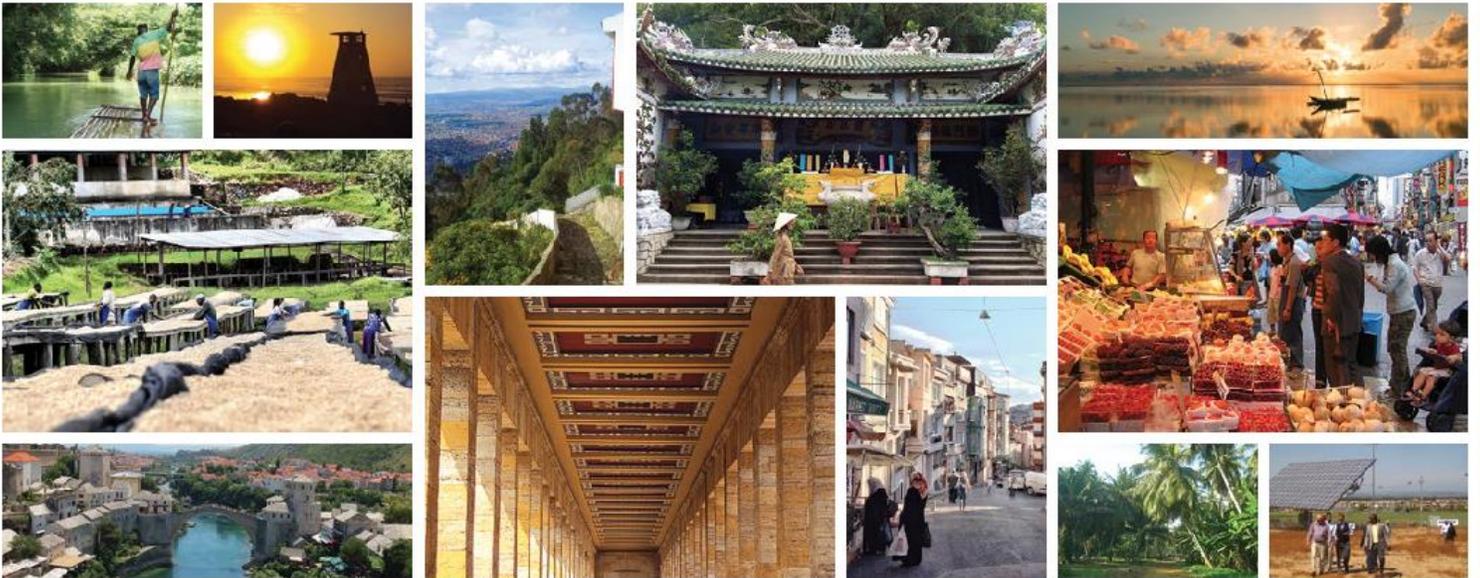




U.S. Trade and Development Agency

Congressional Budget Justification



Fiscal Year 2016

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Budget Request & Justification

The U.S. Trade and Development Agency (USTDA, or the Agency) provides measurable value for every taxpayer dollar it programs while supporting U.S. jobs. In order to achieve its dual mandate of increasing exports of U.S. goods and services while fostering economic growth in emerging markets, the Agency targets its investments for activities with a strong probability of implementation. Because of the Agency's support of the U.S. government's export promotion activities as well as U.S. foreign policy objectives, an increased investment in resources for USTDA is a direct, immediate and effective investment in U.S. job creation and sustainable economic growth.

As evidence of the Agency's tremendous value, USTDA's programs are now generating more U.S. exports per program dollar than at any other time in the Agency's history: over \$76 of exports for every dollar programmed, up from \$41 just five years ago. This ongoing success is the result of the Agency's targeted approach to efficiently allocating its resources to activities that provide the highest return on investment for U.S. taxpayers. USTDA evaluates its program tools on a continuous basis to determine their overall effectiveness and responsiveness to U.S. industry, U.S. government policy priorities and emerging market needs.

Moreover, the success generated by this targeted approach directly supports a critical, urgent imperative: supporting American jobs. The Agency continues to provide opportunities for U.S. businesses—from increasing export opportunities for U.S. companies of all sizes, to Federal Acquisition Regulation (FAR) contract actions in support of small- and medium-sized enterprises. In FY 2014 alone, the Agency identified \$5.8 billion of new exports generated from USTDA-funded activities, which have helped support approximately 32,000 jobs in the United States.¹ As the U.S. economy continues its path to recovery, USTDA is delivering tangible, measurable results to the U.S. government's job-creation efforts. An increased investment in USTDA means an increased return in U.S. exports and export-supported jobs.

Finally, USTDA makes strategic investments that help develop emerging markets into strong, viable trading partners for the United States. USTDA's robust relationships with U.S. government and multilateral financiers also position the Agency to unlock capital for sustainable infrastructure development projects that offer the best potential for U.S. industry participation. The result is a

¹ Martin Johnson and Chris Rasmussen, "Jobs Supported by Exports 2013: An Update," Office of Trade and Economic Analysis, International Trade Administration, Department of Commerce, February 24, 2014, available at: http://www.trade.gov/mas/ian/build/groups/public/@tg_ian/documents/webcontent/tg_ian_005313.pdf.

win-win scenario in which U.S. companies build relationships and make sales to new markets, while developing and middle-income countries commit to development projects that foster economic growth.

In order to build upon USTDA's track record of supporting U.S. jobs and fostering economic growth in its partner countries, the Administration respectfully requests a budget of \$73.7 million for FY 2016. USTDA's FY 2016 budget provides an opportunity to utilize taxpayer dollars for programs that are proven to help U.S. companies identify and pursue export opportunities—in sectors where U.S. companies are global leaders and can benefit from exporting their goods to the world's fastest-growing markets. This budget would lead to an estimated \$5.6 billion in U.S. exports² for U.S. companies, which would support approximately 31,304³ jobs across the country.

"In my experience, USTDA is one of the most successful trade development and facilitation programs in the U.S. They think long term; they're pragmatic; they get results."

Karyn Page
President/CEO, Kansas Global Trade Services

USTDA's Mission

USTDA was created 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."⁴ USTDA's dual Congressional mandate is unique among federal agencies in requiring that the Agency both (a) provide foreign assistance for trade and economic development and (b) help to put Americans to work in the jobs that result from exports. In the Agency's history of linking U.S. businesses to export opportunities, USTDA has generated over \$51.7 billion in U.S. exports⁵ and has emerged as a leading U.S. government agency for early project development and planning activities in emerging economies.

The Agency accomplishes its mission by providing grants to overseas sponsors of priority infrastructure development activities in their countries. The funding may be used to perform a feasibility study, launch a pilot project or provide technical assistance specifically tailored to the

² Projection based on current export multiplier of \$76.5 for every dollar programmed.

³ Johnson and Rasmussen, "Jobs Supported by Exports 2013: An Update."

⁴ 22 U.S.C. § 2421(a).

⁵ This historic cumulative export total includes data collected by the Agency's predecessor organization, prior to USTDA's formation as an independent agency in 1992.

grantee's needs. These early-stage project planning activities often include in-depth technical, economic and financial analyses, which can help projects secure financing and reach implementation.

USTDA also connects foreign project sponsors with U.S. businesses by hosting conferences, workshops and reverse trade missions. The Agency's reverse trade missions are crafted to bring overseas project sponsors to the United States to introduce them to the design, manufacture and operation of U.S. goods and services as they are planning priority infrastructure projects. In FY 2014, USTDA's reverse trade mission program offered more than 820 businesses the opportunity to meet with foreign decision-makers during 26 events in 51 U.S. cities.

These activities produce results for both U.S. industry and USTDA's partners in emerging markets: U.S. companies are provided access to the leading infrastructure project sponsors around the world, while foreign partners gain insight into the latest, most appropriate U.S. technologies and services to help them develop sustainable infrastructure. This infrastructure—including clean energy, transportation and telecommunications—fosters economic growth and facilitates local, regional and global trade. As a result, the Agency is able to provide targeted foreign assistance, support U.S. trade and economic development priorities, and promote U.S. job creation.

USTDA's Strategic Partnerships

As a growing number of U.S. companies are exploring sales opportunities abroad, USTDA is coordinating closely with state and local organizations to support these firms' efforts to export. The Agency has formed strategic partnerships with over 35 export promotion organizations across the United States under its *Making Global Local* initiative.

Through this program, the Agency has gathered market intelligence on key industry clusters, state-of-the-art manufacturers and innovative service providers—the majority of which are small and medium-sized enterprises—from its strong network of partner organizations. *Making Global Local* has also enabled USTDA and its partners to effectively cooperate on Governor- and Mayor-led trade missions, industry-focused roundtables and USTDA-hosted reverse trade missions. In fact, during FY 2014, more than ninety percent of USTDA's reverse trade missions visited cities and towns where the Agency has *Making Global Local* partners, providing ample opportunities for USTDA and its partners to collaborate closely.

USTDA's Partner Organizations		
California Chamber of Commerce	Mayor's Office of International Trade and Development (Houston, TX)	Maryland Small Business Development Center
Colorado Office of Economic Development and International Trade	Minnesota Trade Office	Los Angeles Regional Export Council
County of Riverside — Office of Foreign Trade	Mississippi Development Authority International Trade Office	Vermont Economic Development Authority
Denver Sister Cities International	Missouri International Trade and Investment Office	World Trade Center Atlanta
Duquesne University Small Business Development Center	North Dakota Trade Office	World Trade Center of Greater Philadelphia
Erie County Industrial Development Agency (New York)	Ohio Development Services Agency	World Trade Center of New Orleans
Export Finance Assistance Center of Washington	Pennsylvania Department of Community and Economic Development, Office of International Business Development	World Trade Center of San Diego
Florida Export Finance Corporation	Pennsylvania Small Business Development Centers	World Trade Center Savannah
Greater Houston Partnership	Port of Virginia	World Trade Center St. Louis
Illinois Chamber of Commerce	State of New Jersey Business Action Center	Kansas Global Trade Services
Invest Atlanta	Tampa Bay International Business Council	Los Angeles County Economic Development Corporation
Virginia Small Business Development Center	Utah Governor's Office of Economic Development	Massachusetts Office of International Trade and Investment

USTDA's Support of Small U.S. Businesses

From showcasing the unique technologies and specialized services that U.S. companies offer through Agency-sponsored reverse trade missions, to funding activities that connect technical experts with foreign project sponsors during the critical early stages of a project's definition, USTDA positions small- and medium-sized U.S. businesses to succeed in the global marketplace.

USTDA continues to rely on small businesses to provide technical guidance and recommendations that inform the Agency's funding decisions. USTDA draws extensively on the expertise of small- and medium-sized consulting and engineering firms to provide independent technical and financial analysis during the development of the Agency's projects. In FY 2014, over 60% of the Agency's contract actions were awarded to small businesses.

Introducing U.S. Companies to African Leaders

In advance of the first U.S.-Africa Leaders Summit, USTDA hosted reverse trade missions to Chicago, IL and Houston, TX for ministers from eight of Africa's fastest-growing economies. The leaders discussed their plans to modernize and expand their transportation and energy infrastructure with representatives from U.S. companies of all sizes. Working with its *Making Global Local* partners—the Illinois Chamber of Commerce, Greater Houston Partnership and Mayor's Office of International Trade and Development in Houston—USTDA was able to ensure wide participation from the local business and diaspora communities. The visits provided U.S. companies the ability to highlight potential U.S. solutions to Africa's infrastructure development challenges.

For example, Duratel LLC, a small Illinois-based manufacturer of composite utility poles, established important connections with key African decision-makers. The company remains engaged with USTDA to explore additional ways that the Agency can aid its efforts to expand its business to sub-Saharan Africa and other emerging markets.

Significant Program Achievements in FY 2014

In FY 2014, USTDA continued to expand opportunities for U.S. businesses to export their goods and services to emerging markets—in support of jobs at home—by forging strategic relationships between the private and public sectors in the United States and its partner countries. The Agency continues to prioritize its funding for activities with a strong probability of effectiveness. This allows U.S. companies to build relationships and make sales to new markets, while developing and middle-income countries achieve their economic development goals. As a result of this targeted approach, in FY 2014 alone, the Agency identified \$5.8 billion of new exports generated from USTDA-funded activities, which have helped support approximately 32,000 jobs in the United States.⁶ The following activities demonstrate the benefits of USTDA's unique brand of cooperation.

Planning Projects to Power Africa

During the U.S.-Africa Business Forum, Vice President Biden highlighted USTDA's long commitment to linking U.S. businesses to projects that foster sustainable economic growth in sub-Saharan Africa. As he noted, USTDA has funded over 100 projects since 2009 that are collectively expected to generate more than \$1 billion in U.S. exports while building sustainable infrastructure across Africa.⁷

USTDA has become an integral partner in Power Africa, a U.S. government-led initiative to increase electricity access across sub-Saharan Africa. The Agency's strong presence in Africa's energy market, as well as its ability to draw upon the expertise of U.S. industry and to catalyze private investment, has contributed to Power Africa's early success.

USTDA is helping to mitigate one of the challenges faced by its Power Africa partners: the lack of sufficient funding for vital project preparation activities. According to the International Energy Administration, sub-Saharan Africa requires over \$300 billion in investment in order to achieve universal electricity access by 2030. This means that, by some estimates,⁸ more than \$30 billion in preparation work alone will be required to develop energy projects that can help Africans reach universal electricity access in less than two decades. USTDA is helping to address this challenge

⁶ Johnson and Rasmussen, "Jobs Supported by Exports 2013: An Update."

⁷ Vice President Biden's Remarks at U.S.-Africa Business Forum, August 5, 2014, available at: <http://www.c-span.org/video/?320868-5/usafrica-business-forum-vice-president-joe-biden-remarks>.

⁸ During an event for the U.S.-Africa Leaders Summit, Dr. Ngozi Okonjo-Iweala, Nigeria's Minister of Finance and a globally renowned economist, remarked that her country has not been able to leverage resources for feasibility studies, which she estimated represent about ten percent of project costs.

by funding feasibility studies and other planning activities that move projects closer to bankability, and by unlocking the resources of both public and private financiers.

Another area of focus for USTDA and its Power Africa partners is the need to improve the delivery and distribution of installed power, in addition to generating new power. As USTDA has long recognized the importance of improving electricity transmission and distribution, the Agency has been working to introduce its African partners to “smart grid” solutions, which can reduce technical power losses and increase service reliability.

To demonstrate the effectiveness of U.S. smart grid technologies, USTDA sponsored a reverse trade mission to bring decision-makers from Nigeria’s recently privatized distribution companies to the United States. The delegates had indicated that they intended to invest \$800 million to reduce electricity losses on their grids. The goal of the reverse trade mission was to ensure that they had access to U.S. technologies. As a direct result of the visit, four Nigerian utilities began commercial negotiations with U.S. companies to supply advanced distribution equipment, with several million dollars in U.S. exports now in process. To continue this success, USTDA is sponsoring follow-on activities to help three of the distribution companies develop comprehensive network modernization plans, which are expected to lead to additional sales for U.S. firms.

Taking Action on Climate Change

The Administration’s Climate Action Plan details the U.S. government’s intent to lead international efforts in reducing greenhouse gas emissions and addressing global climate change. To meet the growing worldwide need for energy that supports economic growth and fuels global markets in a climate-constrained world, the Plan promotes expanding clean energy use and cutting energy waste. In line with this Plan, the Administration has been working with its international partners on several multilateral and bilateral agreements, including an historic one with China that was announced during the Asia-Pacific Economic Cooperation (APEC) 2014 Leaders’ Meeting in Beijing.

USTDA has partnered with China on over 50 environment and climate change projects since 2001. This year alone, USTDA initiated several new activities to introduce U.S. technologies that can help lower emissions and improve energy efficiency in China. For example, the Agency signed three grant agreements during a July 2014 meeting of the U.S.-China Climate Change Working Group, which aims to reduce greenhouse gas emissions from the world’s two largest polluters. These included activities focused on hydro fluorocarbons (HFCs) reduction—which was identified as a priority action item by Presidents Obama and Xi at their Sunnylands meeting in 2013—as well as the deployment of energy efficiency technologies at data centers and the reduction of emissions at cement plants.

These are just a few activities from a single country. USTDA is sponsoring similar activities in emerging markets around the world. For example, the Agency is funding a new activity to analyze how advanced air traffic management technologies and practices can lower aviation emissions in Southeast Asia. Partnering with civil aviation authorities in Vietnam and the Philippines, this project will introduce U.S. technologies that can reduce fuel consumption and improve the efficiency of flight paths. The results of this project will be shared with all APEC member economies and could be expanded across the broader Asia-Pacific region.

Leveling the Playing Field for U.S. Industry in Overseas Procurements

In response to the needs of its partners from U.S. industry and from emerging economies, USTDA launched the *Global Procurement Initiative: Understanding Best Value (GPI)* to educate public procurement officials in emerging markets about how to establish procurement practices and policies that integrate life-cycle cost analysis and best-value determination in a fair, transparent manner. Adopting these practices and standards will improve those governments' capacity to make informed decisions that take into account all relevant costs of goods and services over their entire life cycle. This will lead to smarter, longer-term investments with higher rates of return and overall savings to governments in developing and middle-income countries.

Moreover, the GPI will level the playing field for U.S. firms competing in international tenders. In a letter to President Obama in September 2013, the private sector members of the President's Export Council (PEC) commended USTDA for its leadership in developing the GPI and encouraged the Administration to fully support its implementation.

In order to ensure the GPI's success, USTDA has developed customized activities in partnership with globally recognized public procurement advisors from George Washington University's Government Procurement Law Program. The Agency is also collaborating with all of the major multilateral development banks in order to coordinate efforts to develop sound value-based procurement practices in emerging markets.

USTDA worked with all of its GPI collaborators to develop its first country partnership with the Republic of Botswana, which is focused on revising its procurement practices after experiencing significant acquisition challenges. The Agency designed a three-part program that is assisting public procurement officials from Botswana to incorporate value-based methodologies into tenders specifically targeting near-term energy and water procurements. USTDA is implementing a similarly structured program in order to help the Government of Vietnam enact its newly revised law focused on achieving greater value for money in public procurements.

The GPI is increasingly recognized as a valuable vehicle for maximizing development outcomes in host countries while simultaneously increasing business opportunities for U.S. firms. As the PEC's industry members highlighted, the GPI represents a unique opportunity for the U.S. government to

bring enduring value to international procurements and, subsequently, to increase opportunities for U.S. businesses.

“The [President’s Export Council] will work closely with USTDA and the U.S. business community to develop targeted activities under this [Global Procurement] Initiative. We recommend that the Administration highlight the importance of this Initiative among [Trade Promotion Coordinating Committee] agencies and U.S. Embassies. Given the global scope of this Initiative and the need for sustained engagement with foreign counterparts in order to achieve results, **we also recommend that the Administration direct additional resources to implement this Initiative.**”

Jim McNerney
President’s Export Council Chair

Letter to President Obama on Sept 19, 2013

Priority Markets

USTDA employs an evidence-driven approach to prioritize funding for activities in markets and sectors that have strong opportunities for U.S. exports, where U.S. industry expertise can meet the development needs of its partner countries. While the data collected by the Agency's Program Evaluations Office is used to inform each programming decision the Agency makes, USTDA also employs a comprehensive process to determine which markets and sectors should be prioritized for funding. Before each new fiscal year, the Agency develops a strategic plan that identifies the priority countries and key infrastructure sectors that are most likely to support increased U.S. exports and development abroad. USTDA believes that the rigor of this process has played an important role in its current ability to generate more U.S. exports per program dollar than at any other time in the Agency's history.

USTDA targets its investments in areas where U.S. companies have the most to offer USTDA's partner countries and the most to gain from exporting to these markets. By concentrating its resources on a limited number of countries—and by strengthening its ties with the public and private sectors in those countries—USTDA invests in activities that are expected to generate the greatest opportunities for U.S. companies. The result has been an increase in demand from the U.S. private sector and host countries, and a concomitant increase in USTDA's export multiplier.

In FY 2016, USTDA will target 20 key markets that offer a strong probability of U.S. exports as well as developmental benefits. USTDA has maintained a presence in its 16 of these markets over the last five years, which has helped the Agency build relationships that enable it to catalyze multiple resources and help ensure projects reach implementation.

During its strategic planning process, USTDA decided to place Jordan back on its list of priority markets after its data collection efforts identified a number of positive results from prior USTDA assistance in the energy, health and water sectors. Because of these results, as well as increased U.S. company interest in pursuing opportunities in Jordan, the Agency will focus its programming in sectors where U.S. expertise can support the country's development goals. USTDA employed a similar approach when selecting Burma, where it engaged in selective programming for a year in order to position U.S. companies to enter the market quickly and help the country develop its

A priority market offers strong probability of project success, growth potential for U.S. exports and robust developmental benefits.

In FY 2014, USTDA invested almost 80 percent of its program obligations in priority markets. USTDA responds to both expressed U.S. industry interest and host country priorities in multiple sectors within these markets.

infrastructure. Based on the evidence collected during that targeted programming period, Agency staff decided that, given ongoing interest on the part of U.S. industry and increased investment from multiple sources, Burma should be designated as an official priority country. The same classification was given to Ethiopia and Tanzania, which both received significant attention after being designated as Power Africa focus countries. As a result of increased U.S. industry interest, the U.S. government opened its first Foreign Commercial Offices in Ethiopia and Tanzania in 2014. Additionally, USTDA staff will visit Ethiopia and Tanzania in early 2015 to determine whether the countries are good candidates for programming under the Agency's *Global Procurement Initiative*—in support of the Administration's Power Africa objectives.

An investment by USTDA in priority countries is an investment in job creation and economic growth, particularly as all of these markets continue to demonstrate strong opportunities for U.S. businesses. The International Monetary Fund's (IMF) World Economic Outlook currently projects global growth to be 3.4 percent in 2016. In contrast, as seen in the table below, based on the IMF's projections for that same period, USTDA's priority countries are expected to grow by 5.4 percent in 2016.⁹ That growth rate is more than two times larger than the forecasted 2.4 percent growth for the world's advanced economies.¹⁰ Consistent with the IMF global growth rates, USTDA's program has helped to generate nearly \$26 billion in U.S. exports to date in these priority markets,¹¹ and the Agency's evaluation data indicates that exports will continue to grow.

As it has done since implementing this strategy, USTDA will continue to invest the vast majority of its program funds in its priority markets. However, the Agency recognizes that there are additional emerging economies that offer significant growth opportunities for U.S. industry. USTDA will continue to monitor demand from U.S. companies looking to increase their exports abroad and respond to the needs of host country project sponsors. As always, the Agency will prioritize projects where its support could tip the scale in favor of a U.S. firm facing foreign competition or help a critical development project reach final implementation.

⁹ International Monetary Fund's World Economic Outlook Database, April 2014.

¹⁰ Ibid.

¹¹ This figure is based upon data collected by the Agency's Program Evaluations Office. For more information about USTDA's evaluations program, please see the "Measuring Our Investment" section beginning on page 25 or Appendix 5: Data Validation & Verification Approaches.

GDP Growth Projections in USTDA’s Priority Countries¹²

GDP Growth	2015 Forecast	2016 Forecast	2017 Forecast	Average 2014- 2019
World	3.35	3.42	3.41	3.32
Advanced Economies	2.35	2.38	2.37	2.28
United States	2.95	3.03	2.91	2.75
Priority Countries	5.21	5.41	5.37	5.23
Brazil	2.65	3.00	3.15	2.91
Burma	7.80	7.80	7.80	7.78
China	7.28	6.97	6.76	6.95
Colombia	4.47	4.52	4.50	4.50
Dominican Republic	4.10	4.10	4.00	4.11
Egypt ¹³	4.09	4.08	3.96	3.74
Ethiopia	7.48	7.01	7.02	7.08
Ghana	5.39	8.12	7.46	6.05
India	6.35	6.48	6.65	6.40
Indonesia	5.80	6.00	6.00	5.86
Jordan	4.00	4.50	4.50	4.25
Mexico	3.49	3.75	3.75	3.58
Nigeria	7.02	6.86	6.90	6.86
Panama	6.90	6.41	6.20	6.40
Philippines	6.51	6.21	6.01	6.21
Romania	2.49	2.89	3.36	3.00
South Africa	2.66	3.16	3.04	2.88
Tanzania	7.00	7.11	6.97	7.00
Turkey	3.06	3.47	3.49	3.21
Vietnam	5.70	5.80	5.90	5.83

¹² Ibid.

¹³ USTDA operates within guidance from the Department of State on ongoing and prospective program activities in Egypt. As the situation there continues to evolve, USTDA will continue to assess the demand for involvement and the efficacy of maintaining its programs in the country.

China and India

China and India continue to receive considerable attention from the U.S. business community because they offer tremendous export opportunities. Although the growth momentum has slowed somewhat in these markets, China is expected to demonstrate nearly 7 percent real GDP growth in 2016, while India's projected growth is above 6.4 percent.¹⁴ These figures are nearly twice the projected global GDP growth.

These markets will have the need and resources to acquire a substantial amount of goods and services over the next several years, much of which will be imported. For U.S. companies to be competitive and successful in China and India, it is essential that procurement and project development officials—both public and private—in those countries are provided meaningful access to, and experience with, U.S. goods and services.

China will remain a key market for USTDA to promote public-private partnerships and strategic trade policy initiatives. Infrastructure planning activities in core sectors such as energy and transportation will comprise a majority of the portfolio in FY 2016. USTDA will continue to invest in China for several key reasons: 1) a sustained high level of success in terms of exports; 2) overwhelming support from the U.S. business community for continued and expanded USTDA programming in China, amid stiff international and local competition; and 3) parallel support from U.S. trade agencies—including the U.S. Trade Representative and the Departments of State, Treasury, Energy and Commerce—which have acknowledged USTDA's ability to rapidly mobilize activities to support U.S. trade policy priorities.

As a part of USTDA's strategy to open India's market to greater U.S. exports, the Agency sponsors innovative public-private partnerships that provide platforms for U.S. industry to work with key stakeholders to develop sustainable energy and aviation infrastructure in India. In fact, USTDA has supported India's efforts to develop its infrastructure for over three decades, which has led to more than \$2 billion in U.S. exports to date. Given the increased focus on infrastructure development by India's newly elected Prime Minister, Narendra Modi, USTDA is uniquely positioned to support priority energy, aviation and telecommunications projects in India.

¹⁴ Ibid.

Sub-Saharan Africa

Sub-Saharan Africa is receiving significant interest from the U.S. private sector, as Ethiopia, Ghana, Nigeria and Tanzania are all projected to grow at an average rate above 6 percent between 2014 and 2019. The U.S. government's Power Africa initiative, which aims to increase electricity access across the region, represents enormous opportunities for U.S. industry and has generated tremendous demand for USTDA's program.

Ethiopia experienced 9.7% GDP growth in 2013, which was the tenth consecutive year of robust expansion. Ethiopia is also an important aviation hub with the continued expansion of Ethiopian Airlines, Africa's fastest growing and most profitable airline.

Ghana has recently experienced strong economic growth, political stability and increased engagement with U.S. government initiatives in Africa. USTDA's continued presence in Ghana's energy and transportation sectors will help foster relationships between key Ghanaian public and private sector stakeholders and U.S. companies with sector-specific technologies and expertise.

Nigeria has the largest population in Africa and recently became the continent's largest economy. Given that Nigeria has a growing private sector and has demonstrated its commitment to liberalize its major infrastructure sectors—particularly energy—it remains a very attractive market for U.S. firms and for USTDA.

South Africa, which is the continent's most advanced, broad-based and productive economy, is the destination of choice for U.S. businesses looking to export to sub-Saharan Africa. Demand for electricity generation, as well as strong incentive to diversify the country's energy mix, presents significant business opportunities for U.S. companies in South Africa. The country's transportation sector also presents tremendous opportunities for U.S. businesses, as South Africa is planning large-scale investments in rail and aviation.

Connecting U.S. Companies to Nigerian Distribution Utilities

To demonstrate the effectiveness of U.S. smart grid technologies, USTDA sponsored a reverse trade mission to bring decision-makers from Nigeria's recently privatized distribution companies to the United States. The delegates had indicated that they intended to invest \$800 million to reduce electricity losses on their grids. The goal of the reverse trade mission was to ensure that they had access to U.S. technologies. As a direct result of the visit, four Nigerian utilities began commercial negotiations with U.S. companies to supply advanced distribution equipment, with several million dollars in U.S. exports now in process. To continue this success, USTDA is sponsoring follow-on activities to help three of the distribution companies develop comprehensive network modernization plans, which are expected to lead to additional sales for U.S. firms.

Tanzania is projected to grow at seven percent through 2016, driven by the transport, communications, manufacturing and agriculture sectors. The country's strong growth is also supported by the expansion of public investment in infrastructure as well as private investment in recently discovered natural gas reserves. In fact, Tanzania was a key participant in the USTDA-sponsored African Leaders Visit to Houston, TX, because the country is currently assessing options for utilizing its gas resources and building critical supporting infrastructure. Additionally, Tanzania has two Power Africa Transaction Advisors supporting policy reforms and private sector transactions aimed at increasing power generation and access to electricity.

Latin America and the Caribbean

In FY 2016, USTDA's program in Brazil, Colombia, Dominican Republic, Mexico and Panama will focus on modernizing regional transportation linkages, supporting clean energy and modern environmental technologies, and promoting the growth of telecommunications infrastructure. USTDA will also support the Administration's inclusive, whole-of-government approach to implementing the U.S. Strategy for Engagement in Central America.

USTDA is focused on connecting U.S. companies to the growing business opportunities in Brazil, where significant investments are being made to accommodate the substantial increase in air traffic expected for the upcoming Olympic Games. In FY 2014, the U.S.-Brazil Aviation Partnership (AP) completed a series of eight workshops to address diverse elements of Brazil's rapid aviation growth. The AP's first phase of programming has provided training to more than 530 Brazilian participants from the country's federal and state governments as well as the private sector. It has also provided networking opportunities with over 150 U.S. public and private sector representatives—and nearly ten U.S. companies have reported new commercial opportunities as a result of AP activities.

USTDA activities have generated exports in Colombia's refineries, ports, aviation and telecommunications sectors. In February 2014, USTDA hosted a Smart Grid Workshop in Bogotá that helped position U.S. companies looking to enter Colombia's electricity transmission and distribution sector. The Agency's Colombian partners have also expressed interest in cooperating on activities related to energy efficiency and intelligent transportation systems.

The Dominican Republic remains a promising market for U.S. products, as nearly 45 percent of Dominican imports are of U.S. origin. USTDA has historically enjoyed a good track record of U.S. export success in the Dominican Republic and sees strong project opportunities, particularly in the country's energy sector. As a result, USTDA recently awarded grants to three electricity sector entities in support of their efforts to deploy clean energy solutions in the Dominican Republic.

These projects will help meet the country's energy demands in an environmentally responsible way.

USTDA is focusing its activities in Mexico on connecting U.S. companies to the significant commercial opportunities that will result from the Government of Mexico's plans to invest hundreds of billions of dollars to improve and modernize the country's infrastructure over the next five years. In order to support Mexico's ambitious reform efforts and position U.S. firms for success implementing critical infrastructure projects, USTDA published a resource guide to provide U.S. industry with details on Mexico's infrastructure sectors and specific development plans through 2018. As a result of these emerging opportunities, USTDA expects to significantly increase its investment in Mexico in FYs 2015 and 2016, focusing on projects in the transportation, energy, telecommunications, water and environment sectors.

Strategically located at the crossroads between North and South America, Panama is a nation with strong economic growth and significant U.S. export opportunities, particularly in the transportation and energy sectors. A recent U.S. free trade agreement partner, the U.S. trade surplus with Panama surged to \$10.1 billion in 2013, an increase of 8.8% over the previous year. In FY 2016, USTDA will focus its program on maritime transportation and logistics projects with the Panama Canal Authority, which is undertaking a multi-billion dollar canal expansion project. In addition to the Canal, USTDA will seek to develop relationships with key project sponsors in the natural gas, smart grid and renewable energy sectors.

Southeast Asia

USTDA remains engaged in the Asia-Pacific region in order to connect U.S. companies to the incredible opportunities in some of the world's fastest-growing economies, and in recognition of the region's strategic importance to the United States and its allies. To best target USTDA's program to advance sustainable economic development, the Agency will continue to prioritize efforts in Burma, Indonesia, the Philippines and Vietnam. USTDA will also continue to focus its work in the energy, transportation and telecommunications sectors, based on U.S. private sector interests, U.S. foreign policy priorities and regional economic development needs.

USTDA has acted quickly to open the door for U.S. companies in Burma, which first opened for Agency programming in 2013. Closed for decades to U.S. development assistance and business engagement due to international economic sanctions, Burma requires significant financial and technical assistance in order to develop its antiquated infrastructure. In response, the Agency hosted the first U.S. government-funded, commercially-focused trip to the United States for public and private Burmese delegates, who are making plans to construct a new international airport in Hanthawaddy and to expand aircraft fleets. This reverse trade mission took delegates from Burma's Department of Civil Aviation and commercial airlines to three cities and exposed them to U.S. goods, services and technologies that can assist them in enhancing the country's aviation

infrastructure. USTDA also hosted a similar trip for Burmese officials who are developing plans to modernize the country's natural gas sector.

Indonesia is the largest economy in Southeast Asia. In spite of economic and political challenges, Indonesia has seen an average annual GDP growth rate—which has been buoyed by strong domestic consumption—of around 6% since 2006. USTDA is seeing resurgence in demand for projects in areas that the Agency has a history of export success, such as rail, telecommunications, power generation and air traffic management. The most significant driver for USTDA's programming in Indonesia is strong U.S. company demand and the need for U.S. government support in this challenging, competitive environment.

Similar to Indonesia, USTDA's project pipeline in Vietnam is largely driven by U.S. companies that see significant opportunities in Vietnam's growing private sector, dynamic energy portfolio and steady export trends. In spite of its relatively small economy, exports of U.S. goods to Vietnam are strong. USTDA's proposed project pipeline is primarily focused on developing wind power and providing technical assistance in aviation.

USTDA has engaged the Philippines on a broad cross-section of activities on a multilateral level. Plans for major improvements to the country's transportation infrastructure, as well as the provision of reliable, affordable energy services, represent significant opportunities for U.S. industry. USTDA is addressing these opportunities by building on prior activities in the sectors of civil aviation and energy.

Middle East, North Africa, Europe and Eurasia

USTDA remains committed to supporting economic development in the Middle East, as it occupies a central place in U.S. foreign policy. The Agency will continue to focus on the energy sector due to U.S. leadership in the field and remarkable demand from its partner countries. Modernizing the power sector by increasing renewable energy generation capacity and upgrading transmission and distribution networks to create smarter grids is a critical priority for the public and private sectors throughout the region.

Promoting Best Value Procurement Practices in Vietnam

Under its *Global Procurement Initiative (GPI)*, USTDA is helping the Government of Vietnam enact its newly revised law focused on achieving greater value for money in public procurements. The Agency is providing training and technical assistance to promote strategic, long-term infrastructure investments—thereby increasing international competition and facilitating improved development outcomes. In August 2014, USTDA and its GPI partners provided training to 175 Vietnamese public procurement officials in three cities. And in March 2015, a high-level Vietnamese delegation will visit the United States for a follow-on orientation visit.

USTDA has previously had a robust program in Egypt's transportation, energy and petrochemicals sectors. Past Agency-sponsored activities have led to hundreds of millions of dollars in U.S. exports of goods, services and technologies, and USTDA will continue to strategically pursue activities that are expected to lead to similar results. Recent turmoil notwithstanding, Egypt's large economy, increasing energy needs and strategic location should ensure that growth in key sectors such as energy and transportation will continue, particularly with private sector partners. Nevertheless, in FY 2016, USTDA will closely coordinate with the National Security Council, State Department and other U.S. government partners to determine appropriate USTDA engagement.

USTDA recognizes that Jordan is an increasingly important and strategic U.S. ally in the Middle East. USTDA recently identified a number of positive results from prior USTDA assistance in the energy, health and water sectors. USTDA seeks to build on these past successes—and respond to increased U.S. company interest in pursuing opportunities in Jordan—by focusing its programming on critical energy, healthcare/ICT and transportation activities in the country.

Romania holds significant promise for U.S. businesses as its economy develops and as U.S. industry interest continues to grow. Past USTDA projects, which focused on the energy and telecommunications sectors, have resulted in substantial U.S. export success. U.S. firms have recently expressed interest in regional energy interconnections, the privatization of the electric power sector and e-government projects.

The complex mix of modern industry and commerce in Turkey, which is strategically positioned at the crossroads of Europe, Asia and the Middle East, continues to attract a diverse set of U.S. companies to emerging opportunities in the country. The Turkish Government has instituted an aggressive development plan to be achieved by 2023, the 100th anniversary of the Republic's founding, with more than \$120 billion in spending targeted for transportation and energy. The plan includes expanding the country's transportation networks in rail, highways and ports, and enhancing renewable energy generation capacity, all sectors in which U.S. industry is highly competitive. USTDA will also continue to support Turkey's ambitious civil aviation project goals, such as the Third Istanbul Airport, a project with multi-billion dollar U.S. export potential.

Priority Sectors

USTDA invested 83 percent of its program funding in three priority industry sectors in FY 2014, and expects significant exports because of this targeted approach. USTDA's sector teams continued to analyze the demand from the U.S. business community for USTDA assistance in specific countries and sectors, as well as the U.S. private sector's competitiveness in certain industries and associated future trends. As a result of this rigorous review, the Agency decided to continue to prioritize the **energy**, **transportation** and **telecommunications** sectors in FY 2016.

USTDA's *priority sectors* were chosen because of:

- their ability to generate U.S. exports, supporting high-paying U.S. jobs;
- their developmental benefits to the host country;
- the demand from developing and middle-income countries; and
- U.S. private sector expertise and competitiveness

Energy

In support of the President's Climate Action Plan, USTDA will continue to foster export-producing activities in its partner countries that promote the use of cleaner, more efficient technologies and expand energy generation from renewable sources.

The continued drive to develop low-emissions energy creates opportunities in overseas markets for U.S. firms with cutting-edge renewable energy technologies. In 2013, energy from renewables—primarily wind, solar and hydroelectric power—comprised more than half of total net additions to global electric generating capacity.¹⁵ While the renewable energy market is constantly changing, especially with continued consolidations in the solar and wind industries, it remains an important sector for the U.S. economy. And research indicates that USTDA's priority markets will continue to offer good opportunities for exports of U.S. renewable energy technologies and services.

As USTDA's partner countries develop their renewable energy capabilities, they are concurrently seeking a diversified portfolio of solutions to meet their growing energy demands. Several of USTDA's partner countries have sought the Agency's support for priority gas-fired power (GFP)

¹⁵ Renewable Energy Policy Network for the 21st Century, *2014 Global Status Report*.

infrastructure development and modernization efforts. This demand is fueled by the increasing availability of gas, including U.S. exports of liquefied natural gas (LNG). As a result, USTDA's partners are requesting the Agency's assistance in developing critical LNG infrastructure.

As developing cleaner energy resources is an area of U.S. industry expertise and competitiveness, the Agency is using its various tools to promote the use of advanced U.S. technologies and best practices related to GFP generation, unconventional gas and LNG receiving terminals. For example, USTDA is helping a private developer in Indonesia design a LNG terminal that will supply industrial off-takers seeking a more efficient, affordable source of energy.

USTDA's investments are also promoting lower-carbon growth and increasing energy access by helping to improve electricity transmission and distribution around the world. The Agency has formed strategic partnerships to introduce innovative "smart grid" technologies and solutions in China, India, Nigeria and several other markets. Compared to traditional electricity generation investments, smart grid investments can result in savings that put less demand on utilities for the supply of new power generation.

Equally important, smart grid investments can also help utilities improve their ability to receive power from renewable energy sources.

USTDA's leadership in this subsector was recognized when its Director was named a 2013 Smart Grid Pioneer by *Smart Grid Today*, a leading trade publication that delivers comprehensive daily reporting on emerging trends, applications and policies driving the modern utility industry.¹⁶

To take advantage of opportunities and to support the Administration's energy and climate change policies, USTDA's efforts in the energy sector in FY 2016 will continue to target the

Powering Development in Jordan

Jordan's 52.5-megawatt Shams Ma'an photovoltaic (PV) power plant will be the largest PV facility in the Middle East when it is completed in 2016. U.S.-headquartered First Solar Inc. co-developed the planned facility with Jordan's Kawar Group, which had previously partnered with USTDA to conduct a feasibility study into the viability of PV solar in the area. The facility, which will be engineered and constructed by the U.S. firm, First Solar, is an important component in Jordan's strategic diversification of its generation portfolio, which is intended to boost energy security. Upon completion, the facility will use First Solar's advanced thin film module technology to supply an estimated 160 million-kilowatt hours of electricity per year, which is equivalent to approximately one percent of Jordan's annual energy output.

¹⁶ *Smart Grid Today*, "Smart Grid Pioneers 2013: Interviews with 50 trailblazers making smart grid a reality," available at: <http://www.smartgridtoday.com/products/Smart-Grid-PIONEERS-2013.cfm>.

subsectors where there is significant overseas demand for U.S. expertise and a complementary range of U.S. suppliers interested in developing and middle-income markets.

Transportation

Transportation is both the pre-requisite to—and an opportunity for—increased exports. U.S. exports of transportation equipment have grown by 35 percent over the past three years, reaching \$258.2 billion in 2013.¹⁷ U.S. companies, who are global leaders in many transportation subsectors, are poised to continue this success by supporting the deployment of sustainable transportation systems in emerging markets. Based on a history of successful results and current market trends, USTDA will maintain a strong portfolio of transportation projects in FY 2016 to foster economic growth at home and abroad.

Aviation is a critical driver of economic growth both in the United States and abroad. Growing demand for commercial aviation, general aviation and air cargo services in China, India, Brazil and South Africa presents a strong opportunity for long-term commercial engagement. In each of these key markets, USTDA has worked with the U.S. Federal Aviation Administration (FAA) to establish a signature aviation initiative that has supported sales of U.S. goods and services while also improving overall aviation safety. The Agency also works with the U.S. Transportation Security Administration (TSA) to develop airport cargo and passenger security screening projects that offer opportunities to highlight U.S. capabilities in the design of high-tech security and baggage handling equipment.

There are additional transportation subsectors where U.S. companies are competitive and are seeking export opportunities in USTDA's partner countries, particularly in the areas of rail, intelligent transportation systems and ports projects. In light of the strength of U.S. industry and the significant infrastructure opportunities in key emerging economies, these subsectors will continue to be an important cornerstone of USTDA's investment profile in FY 2016.

¹⁷ U.S. Census Bureau.

Helping Emerging Economies Achieve Category 1

USTDA supported the Philippines' efforts to obtain Category 1, the highest aviation safety rating from the U.S. Federal Aviation Administration (FAA). USTDA sponsored a reverse trade mission for aviation leaders, including officials from the Civil Aviation Authority of the Philippines (CAAP), who participated in the FAA's *2013 Asia-Pacific Flight Standards Meeting*. This reverse trade mission, as well as USTDA's continuing support of the CAAP, increased the Philippines' knowledge of aviation safety and, as a result, the country attained Category 1 status in April 2014. This will help establish direct flights between the Philippines and the United States—supporting not only commerce, but also bilateral relations, between the two countries.

The Agency had previously supported Azerbaijan's efforts to achieve a Category 1 rating. USTDA provided technical assistance that reviewed the State Civil Aviation Administration's operations and systems, and recommended improvements to safety regulations and processes. As a result, the FAA announced in March 2014 that Azerbaijan had achieved a Category 1 rating. To date, over \$1 billion in U.S. exports has been attributed to this USTDA-sponsored activity.

Telecommunications

Like transportation, telecommunications is a priority sector for USTDA because its infrastructure supports trade and broad-based economic development in emerging markets. Additionally, telecommunications infrastructure provides the foundation for information communications technology (ICT) applications.

Over the past two decades, investments in telecommunications infrastructure and ICT applications have seen tremendous growth, especially in developing and middle-income markets. Emerging markets accounted for over a quarter of global ICT demand in 2012 and are expected to increase to nearly one-half by 2020 as efforts are made to connect the remaining two-thirds of the world's population that is still without Internet access.¹⁸

In response to these challenges and opportunities, USTDA has helped its partner countries build their telecommunications infrastructure in support of sustainable development and international trade. The Agency's successful activities have spanned the sector—supporting everything from successful broadband and fiber optic cable deployments and wireless application development, to more specialized activities like e-government systems.

¹⁸ European Information Technology Observatory, September 2012.

USTDA has received increasing demand for assistance in the data accumulation and processing subsector due to the growing need to house and process data in emerging markets. Accordingly, USTDA has supported the development of data centers—including green data centers—in countries around the globe. And as electrical power costs of data centers typically exceed 30 percent of total expenditures, there is rising demand to upgrade existing infrastructure and incorporate energy efficient solutions into new installations. By marrying both ICT and energy solutions, green data centers can result in a higher yield of U.S. exports in the project implementation stage.

But, as global demand for data storage continues to rise, some emerging markets are shifting toward cloud computing as their data centers reach tangible capacity. This increased investment in cloud computing is driving changes in data center design and operation, including the interface requirements of hardware and software systems. In this way, many developing and middle-income countries are leapfrogging technologies that are currently in use in advanced economies in order to adopt the latest solutions. U.S. companies are well-positioned to provide equipment and services in this area, but face considerable international competition.

USTDA has also sponsored telecommunications activities in subsectors that are important to its domestic and overseas partners, including banking and finance IT solutions, emergency communications systems and ICT applications. In FY 2016, the Agency will continue to match the strength of U.S. industry with the telecommunications priorities of its partners in emerging economies.

As in prior years, USTDA will allocate the vast majority of its program funds to the three priority sectors identified above. However, the Agency recognizes that there are additional sectors that represent great U.S. export opportunities for which there is growing demand. USTDA will continue to maintain the flexibility to analyze and fund a limited number of opportunities that meet the Agency's funding criteria and have strong U.S. industry support.

Promoting Emergency Preparedness in Latin America

In response to natural disasters in Chile and Haiti, USTDA sponsored a series of reverse trade missions that introduced delegates from across Latin America and the Caribbean to U.S. earthquake monitoring technologies. The delegates met with U.S. emergency management officials, academic experts and industry representatives in four U.S. cities. Following the visits, officials from Chile, Costa Rica, Dominican Republic, Mexico and Peru upgraded their earthquake monitoring technologies—with the aid of U.S. partners—significantly improving the efficacy of post-disaster relief efforts.

Measuring Our Investment

USTDA has long recognized that an evidence-based approach will enable the Agency to efficiently allocate its budget for activities that provide the highest return on investment for U.S. taxpayers. USTDA evaluates its program tools on a continuous basis to determine its overall effectiveness and responsiveness to U.S. industry goals, U.S. government policy priorities and emerging market needs. USTDA continuously analyzes its past performance by country and sector, reviews its program successes as well as failures, and identifies the most effective tools to leverage funding. In addition to USTDA's historic results, the Agency also examines U.S. export growth and forecasted trends in its key markets. This comprehensive methodology allows the Agency to prioritize the number of markets and sectors in which it operates, targeting resources for activities with a strong probability of success. USTDA's ongoing use of evaluation and performance data informs each of its programming decisions, as well as its strategic planning process.

USTDA has been recognized for these efforts to improve program performance by developing methods to integrate stakeholder feedback and build internal decision-making capacity. The American Evaluation Association, an international association with nearly 8,000 members representing all 50 U.S. states and 60 foreign countries, selected a proposal from USTDA's Program Evaluations Office among 2,000 submissions to present at its annual conference in early FY 2015. Using examples from the Agency's work in electricity transmission and distribution, USTDA staff illustrated the Agency's efforts to enhance the use of evidence and to effectively communicate results to stakeholders in the smart grid sector.

Calculating U.S. Exports

USTDA measures results by monitoring project development once an activity is completed, and by investigating and documenting the linkage between specific activity interventions and final project outcomes. The Agency's performance data measures the U.S. content of a commercial sale resulting from a USTDA-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. The Agency obtains U.S. content data most commonly from its stakeholders or, in instances where information is limited or unavailable, works with them to estimate U.S. content value.

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)

The U.S. exports identified must have a credible and significant linkage to the USTDA-funded project. Given the nature of USTDA's activity in early project planning and development, results are realized over the long-term. As such, a ten-year rolling average¹⁹ (TYRA) is the interval of time used to capture a meaningful, relevant representation of the U.S. export results of the Agency'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”;
- **Total Cumulative Exports:** the amount of exports associated with USTDA funding in any given time period; and
- **Small Business Impact:** the percentage of USTDA-funded activities that have been awarded to small businesses.

At the heart of USTDA's program evaluations strategy is the calculation of the export multiplier. The multiplier rate quantifies the amount of exports generated for every USTDA program dollar obligated. It is calculated by dividing the dollar value of U.S. exports USTDA identifies by the dollar value of USTDA's funding commitments. For the current TYRA period, USTDA has obligated \$322.3 million for foreign assistance projects, which has helped to generate \$24.6 billion in U.S. exports. Thus, for every \$1 dollar of USTDA program funding, \$76.5 in U.S. exports are generated—exceeding last year's multiplier rate of \$73 and the multiplier for two years ago of \$63. This return on investment demonstrates the Agency's ability to promote the strengths of the U.S. business community and exports of U.S.-manufactured goods or services that can meet the needs of developing and middle-income countries.

$$\text{Export Multiplier: } \frac{\$24.6 \text{ billion}}{\$322.3 \text{ million}} = \$76.5$$

Reviewing Program Efficacy

USTDA has maintained an external, third-party evaluation process since the Agency's inception. Currently, two outside evaluations contractors collect the data required for the quantitative analysis used to determine the Agency's performance. By having two companies undertake these

¹⁹ The TYRA currently consists of all USTDA activities completed between years 2002-2011.

services, the Agency is able to maintain a system that allows each company to independently—and separately—validate USTDA’s evaluation methodology and data, and provide recommendations about ways in which the process can be strengthened.

Guiding the Agency’s Strategic Planning

USTDA annually conducts an extensive review of its program with active participation from the Executive Team, program staff and the Program Evaluations Office. Regional and sector teams prepare strategic plans describing the results of and projections for their respective portfolios, including lessons learned based on performance results, as well as new ideas for the upcoming fiscal year—all of which is based upon the Program Evaluations Office’s historical performance data and forward-looking projections.

Cross-referencing external comparative information with USTDA’s internal evaluations data provides unique insight into the countries and industries where USTDA should focus its investments in the future. In sum, the Agency’s strategic planning process relies heavily upon data to develop USTDA’s performance plans, enhance program delivery, develop innovative new tools and improve the level of service to its clients and partners.

External Comparative Information

- Gross Domestic Product (GDP) per capita
- World Bank income rankings
- Country population comparisons
- International Monetary Fund’s (IMF) GDP growth projections
- Census-generated U.S. export data (compared to USTDA U.S. export data)
- Top five industry sectors for exports for each country as reported by USTDA results and Census data

Internal Comparative Information

- Export trends by year/ region/country and industry sector/subsector
- Comparison of USTDA obligations to export trends
- Export generation distribution by subsector
- USTDA program efficacy, by funded activity or tool, country/region and industry sector/subsector

Operating Expenses

USTDA is recognized as a lean, highly effective agency. However, in order to meet non-discretionary salary increases, benefits, rent and a targeted increase in staffing to 55 FTEs, USTDA requests an operating expense (OE) budget of \$14.8 million for FY 2016.

USTDA was ranked the Top Small/Independent Agency Performer Across All Indices in the Office of Personnel Management's *2014 Federal Employee Viewpoint Survey*. The Survey's indices measure employee engagement, overall job satisfaction, workplace inclusion and human capital management—all of which are critical to recruiting and retaining top talent. As this ranking indicates, the Agency promotes an environment that fosters innovation and efficiency, both in external engagement and internal operations.

As part of the Agency's ongoing efforts to become more efficient internally in order to be more responsive externally, USTDA has made several short- and long-term process improvements, as described below. These improvements are designed to increase efficiency and protect taxpayer funds from waste, fraud and abuse.

Open Data and Accessibility for U.S. Industry

In the normal course of its project development work, USTDA gathers a wealth of valuable business data through its extensive market research and diligence efforts. Recognizing that this information could greatly benefit U.S. companies looking to expand their businesses in overseas markets, USTDA plans to redesign its website to offer a new "market intelligence" webpage directed toward U.S. industry. This new webpage will be complemented by the Agency's ongoing effort to digitize its extensive library of reports obtained from USTDA-funded project planning activities. Moreover, it will showcase information about USTDA's ongoing project activities that U.S. companies can then utilize to position themselves for success when resulting international tenders are released.

Industry Outreach

USTDA is increasingly hosting sector-focused webinars and workshops, in collaboration with the Agency's *Making Global Local* partners, to provide a "how-to" for companies that are interested in working directly with the Agency. For example, when USTDA hosted its first-ever Trade Talk to engage U.S. companies interested in learning more about the Agency's activities in the smart grid sector, nearly 50 companies from across the United States joined the discussion via webinar.

Operating Expenses

USTDA will continue to leverage webinars as an efficient, no-cost means of engaging small- and medium-sized businesses, whose resource constraints often prevent them from spending time and money to attend events. Given the increasing interest in the Agency's program, USTDA is investing in new technological solutions to provide a better user experience for webinar and teleconference participants.

In FYs 2015 and 2016, USTDA will continue to expand the use of its online platforms to meet the demands of its customers. USTDA is already utilizing social media sites to disseminate useful business development information, such as Trade Leads, to the private sector. While the Agency actively utilizes Facebook and LinkedIn, Twitter has proven to be USTDA's most dynamic platform: The followership for @USTDA increased by over 50% in FY 2014.

Trade Leads are e-mail blasts that provide U.S. companies with detailed information, including procurement timelines and key decision makers, on upcoming solicitations in emerging markets. Advertised tenders are either the result of previous USTDA-funded activities or have been provided to the Agency by its overseas partners for direct delivery to U.S. companies. In FY 2014, USTDA released Trade Leads to over 5,000 subscribers to the Agency's e-mail listserv. USTDA and its NEI/NEXT colleagues utilize multiplier organizations, such as *Making Global Local* partners and trade associations, to provide Trade Leads and other valuable, timely business development information to U.S. companies interested in expanding their international sales.

Staffing

The Agency has projected a modest increase in operational expenses for FY 2016 to accommodate the salaries and benefits for three additional Full Time Employees (FTEs). This small investment in USTDA's staff is necessary to support the Agency's increasing portfolio of activities and to maintain the requisite levels of research, analysis and due diligence that have resulted in historic levels of success. The three FTEs will work to ensure successful implementation of USTDA's program funding in direct support of U.S. government initiatives, including Power Africa. The additional FTEs will expand market and industry sector expertise and employ a data-driven analytical approach to ensure that USTDA focuses its investments of taxpayer dollars on projects with the highest empirical opportunity for return. In sum, the increase in USTDA's staffing level and related operating expenses will enable the Agency to maintain strong oversight of its increased number of activities with the same controls that have already proven successful.

Travel

The Agency has instituted a number of proactive efficiency measures that have resulted in significant reductions in travel costs. These include a long instituted limitation on business class travel that has resulted in minimal use of this benefit. In addition, the Agency maintains an

effective and robust oversight of its entire travel program, including review and approval of travel actions by the Deputy Director or Director. This oversight has resulted in targeted travel to the Agency's priority countries, reduced numbers of travelers and more efficient overseas travel.

Managing through Data

USTDA continuously strives to evaluate its business processes in an effort to gain efficiencies in operations, improve customer service and reduce unnecessary labor costs. The Agency undertook several efforts in FY 2014 to enable its staff to utilize data in order to manage activities more effectively. One such effort was the deployment of a new Project Management Database System, which enables Agency staff to track the status of projects, identify development gaps and take appropriate action. For example, USTDA identified the need to complete detailed design and engineering specifications to support a rail signaling technical assistance project in Indonesia, and is utilizing the service of a transaction advisor to help fill this gap. The Agency also developed a new platform to track each step in its project timeline, from the receipt of a project proposal to project closeout, in order to identify bottlenecks and design internal process changes to alleviate delays. By implementing these efficiencies in the delivery of the Agency's programs, USTDA will be able to better manage its customers' expectations about response times and improve project delivery.

Additionally, USTDA's Program Evaluations Office created customized, evidence-based resources for the Executive Team and program staff to further promote the use of data in decision-making. The Program Evaluations Office created clearer metrics to make data more accessible, with the goal of helping staff use evidence to enhance the Agency's ability to continually improve program performance. In FYs 2015 and 2016, the Agency will continue to focus on capturing and documenting the results of USTDA's programs by improving the quality and variety of data that can be gathered. Accordingly, the Agency will need to increase its IT support in order to improve its ability to capture data, enhance system integration and reporting capabilities, and ensure efficient, effective and reliable documentation of USTDA results.

Developing Human Capital

USTDA's greatest asset is its highly motivated staff, whose specialized expertise uniquely qualifies them to fulfill the Agency's mission. Recruiting and retaining the best and brightest talent is the major focus of the Agency's human capital development plan. To enable these dedicated employees to reach their professional goals, USTDA is committed to providing a robust internal training program. In FYs 2015 and 2016, the Agency will implement a comprehensive, centrally-coordinated employee training program that will provide job-specific and professional enrichment training, both in-house and through external providers. The goal is to support USTDA's industry sector teams, which were developed to augment the staff's programmatic expertise, by offering

commonly-requested classes—thereby yielding efficiencies—to groups of employees with the same industry focus.

USTDA also launched a remote telework pilot program in FY 2014 to retain two exceptional, experienced regional Country Managers by affording them the opportunity to work remotely from Los Angeles, California and Miami, Florida. This program expanded USTDA's reach in two critical domestic markets. From her post in Miami, USTDA's Country Manager for Brazil has been able to participate in a number of Latin America-related events at which the Agency otherwise would not have been represented. And having local representation in California has helped strengthen USTDA's relationships with the Agency's five *Making Global Local* partners across one of its highest-exporting states. While the Agency will undertake a thorough review of the effectiveness of this pilot program, it has thus far allowed USTDA to retain highly efficient employees and eliminate the downtime and costs associated with recruiting or retraining staff.

Conserving Resources through Shared Services

USTDA has long sought arrangements with Shared Service Providers (SSPs) to take advantage of the specialized expertise and technical capability of the SSPs, while reducing the Agency's budgetary and staffing needs and minimizing redundancies across the federal government. This approach has benefitted USTDA as a small agency. For example, the Agency used to maintain its Oracle Federal Financials on a stand-alone server hosted by the Interior Business Center (IBC), which saw annual cost increases. Through a migration plan developed between USTDA and the IBC, Oracle Federal Financials was migrated to a shared platform, thereby reducing annual expenditures from over \$1.1 million per year to less than \$600,000. The one-time \$536,000 migration cost was recouped in the first two years of operation on a shared platform, allowing the Agency and the U.S. government to realize continuous, significant cost savings far into the future.

USTDA has longstanding shared service agreements for security support services (i.e. personnel security clearances, physical guards, alarm and PIV badges) and administrative support services (i.e. telephone and data wiring, administration of the Agency's standard and secure communications) with the Department of State. Additionally, agreements are in place with the IBC for human resources management, staffing and personnel and payroll processing, as well as for travel authorization and voucher processing. These services have allowed the Agency to tap into the SSPs' knowledge base to eliminate redundancy and improve efficiency in a variety of ways. For instance, by fully adopting IBC's processing of staffing requests, USTDA has eliminated the need for time-consuming internal ranking panels—thereby filling vacant positions more quickly, which eliminates highly inefficient staffing gap periods.

Representation Funds

USTDA requests \$6,000 in representation funds for FY 2016. As noted in the *Principles of Federal Appropriations Law* (a.k.a. the “Red Book”), “Entertainment appropriations originated from the need to permit officials of agencies whose activities involve substantial contact with foreign officials to reciprocate for courtesies extended to them by foreign officials.” As a foreign assistance agency, USTDA’s continued success has been driven, in large part, by the Agency’s strong relationships with host-country partners in the emerging economies where USTDA works. USTDA hosts roundtables, business briefings, signing ceremonies and other events overseas to leverage the Agency’s “convening power”—that is, the Agency invites U.S. industry representatives to events in order to meet with high-level foreign officials that have pending procurements or that are seeking industry-leading U.S. technology solutions to their development challenges. USTDA also hosts reverse trade missions that bring senior public and private sector officials to the United States. Protocol between nations, international business practices and simple hospitality to the Agency’s foreign partners sometimes require USTDA staff “to reciprocate for courtesies extended to them by foreign officials” in the course of conducting Agency business. Successful execution of the Agency’s mission, therefore, requires a modest amount of representation funds necessary to properly build and maintain these integral relationships.

President's Budget Request

In the President's Budget Request, the President is again asking Congress to revive an authority enabling him to submit fast-track proposals to reorganize or consolidate Federal programs and agencies in order to reduce the size of Government or cut costs. The Budget includes a variety of proposed reforms across government designed to drive efficiency and accountability, prevent duplication, and make government work better and smarter for the American people. One of these reorganizations the President would propose with this authority reiterates his previous proposal to consolidate Federal business and trade programs into one more efficient and effective department dedicated to promoting U.S. competitiveness, exports, and American businesses and jobs. The proposal would integrate the six Federal agencies that focus primarily on business and trade, along with other related programs. These include the Department of Commerce's core business and trade functions, the Small Business Administration, the Office of the U.S. Trade Representative, the Export-Import Bank, the Overseas Private Investment Corporation, and the U.S. Trade and Development Agency, as well as rural business programs at the Department of Agriculture, Treasury's Community Development Financial Institution Program, and statistical agencies at the Department of Labor and National Science Foundation. To strengthen the new department's focus on business and economic growth, the National Oceanic and Atmospheric Administration would be consolidated into the Department of Interior, strengthening stewardship and conservation efforts and enhancing scientific resources. The Budget schedules for these agencies and programs continue to reflect them in their current alignment.

Appendix 1 | Core OE Budget Overview

	FY2014	FY2015	FY2016
	Actual	Budget	Budget
Operating Expenses			
11.1 Full Time Permanent	4,505,351	4,958,564	5,333,976
11.3 Other Than Full Time Permanent	643,459	843,792	852,199
11.5 Other Personnel Compensation	35,831	89,218	91,814
11.9 Total Personal Svcs Pymnts	5,184,641	5,891,574	6,277,989
12.1 Civilian Personnel Benefits	1,487,119	1,643,243	1,796,019
Total Salaries and Benefits	6,671,760	7,534,817	8,074,008
23.1 Rental Payments to GSA/Others	1,590,507	1,729,803	1,746,857
21.0 Travel and Transportation	746,957	798,000	848,000
23.3 Communications, Util & Misc	88,285	53,700	59,300
23.3 Communications, Postal Fees & Mail Service	168,269	167,500	167,500
24.0 Printing and Reproduction	85,634	85,634	85,634
25.1 Consulting Services	3,242,572	3,007,619	3,042,277
25.2 Other Services	168,481	174,862	176,993
25.3 Inter-Agency Reimb. Agreements	1,013,410	1,224,468	1,198,975
25.4 Operation and Mgt. of Facilities	15,500	16,000	16,500
25.7 Equipment Maintenance	38,187	39,300	39,750
26.0 Supplies and Materials	157,359	105,000	107,000
31.0 Furniture and Equipment	44,587	100,000	100,000
Carry-over	68,492	-736,703	-862,794
Total Operating Expenses - Core Budget Obligations	14,100,000	14,300,000	14,800,000
Program Funds - Core Budget Obligations	41,000,000	45,700,000	58,900,000
Total Core Budget	55,100,000	60,000,000	73,700,000
Personnel Ceiling	50	52	55

Appendix 2 | USTDA Activities in FY 2014

USTDA ACTIVITIES

BY VALUE OF OBLIGATIONS

	2012		2013		2014	
DM/Desk Studies	\$2,076,927	4.8%	\$2,183,364	5.3%	\$1,994,747	4.1%
Feasibility Studies	\$14,141,409	32.2%	\$16,182,817	39.1%	\$21,272,321	43.6%
Reverse Trade Mission	\$10,542,425	24.0%	\$5,770,693	13.9%	\$9,695,315	19.9%
Technical Assistance	\$12,854,646	29.3%	\$14,069,603	34.0%	\$12,254,025	25.1%
Trade-Related Training	\$781,834	1.8%	\$1,479,714	3.6%	\$500,000	1.0%
Workshop/Conferences	\$3,176,034	7.2%	\$1,709,113	4.1%	\$1,680,324	3.4%
Other	\$349,651	0.7%	\$25,306	0%	\$1,399,009	2.9%
Total	\$43,922,926	100%	\$41,420,610	100%	\$48,795,741	100%

USTDA ACTIVITIES BY ECONOMIC SECTOR

BY VALUE OF OBLIGATIONS

	2012		2013		2014	
Agribusiness	\$0	0%	\$269,463	0.6%	\$1,060,109	2.2%
Clean Energy/Energy Efficiency	\$16,335,973	37.2%	\$17,610,249	42.5%	\$23,872,806	48.9%
Health/HR	\$1,135,744	2.6%	\$409,362	1.0%	\$1,661,105	3.4%
Mining & Natural Resources	\$91,453	0.2%	\$1,810,693	4.4%	\$85,933	0.1%
Multi-Sector & Other	\$675,224	1.5%	\$1,187,251	2.9%	\$1,032,234	2.1%
Services	\$2,298,610	5.2%	\$2,701,217	6.5%	\$3,178,276	6.5%
Telecommunications	\$3,282,419	7.5%	\$3,893,748	9.4%	\$3,573,677	7.3%
Transportation	\$17,373,332	39.6%	\$12,164,251	29.4%	\$12,840,822	26.4%
Water & Environment	\$2,730,171	6.2%	\$1,374,376	3.3%	\$1,490,779	3.1%
Total	\$43,922,926	100%	\$41,420,610	100%	\$48,795,741	100%

USTDA ACTIVITIES BY REGION

BY VALUE OF OBLIGATIONS

	2012		2013		2014	
East Asia	\$6,770,707	15.4%	\$7,664,552	18.5%	\$6,762,200	13.9%
Latin America and the Caribbean	\$8,716,311	19.8%	\$11,120,285	26.8%	\$10,353,588	21.2%
Middle East, North Africa, Europe and Eurasia	\$12,204,060	27.8%	\$4,341,805	10.5%	\$4,991,151	10.2%
South and Southeast Asia	\$10,056,105	22.9%	\$9,705,658	23.4%	\$10,960,514	22.5%
Sub-Saharan Africa	\$6,053,761	13.8%	\$7,554,408	18.2%	\$12,622,560	25.9%
Worldwide / Global Programs	\$121,982	.3%	\$1,033,902	2.5%	\$3,105,729	6.4%
Total	\$43,922,926	100%	\$41,420,610	100%	\$48,795,741	100%

Appendix 3 | USTDA's Programs: Tools that Open Markets

As U.S. businesses work to remain competitive, USTDA's mission of connecting U.S. providers to emerging market consumers is a critical component of America's global economic leadership. U.S. firms are increasingly relying upon USTDA's programs to help open markets and level the playing field against foreign competition. From strategically timed reverse trade missions to tailored technical assistance, USTDA's program tools help U.S. firms successfully compete on an international playing field.

Reverse Trade Missions: Making Connections

USTDA's specially tailored reverse trade missions provide unique opportunities to foster business relationships between U.S. companies and overseas project sponsors. These carefully planned missions bring foreign delegates to the United States to introduce them to the design, manufacture and operation of U.S. goods and services that can help them achieve their development goals. In FY 2014, USTDA's reverse trade mission program offered more than 820 businesses the opportunity to meet with foreign decision-makers during 26 events in 51 U.S. cities.

Conferences & Workshops: Identifying Opportunities, Showcasing Technologies

USTDA hosts conferences and workshops that bring together government and industry leaders to discuss specific business opportunities in key sectors and markets. These events, which are held in the United States and overseas, help U.S. companies build partnerships and identify export opportunities by providing them with vital knowledge on specific programs and activities. In FY 2014, events like the *U.S.-Colombia Smart Grid Workshop* and the *U.S.-India Aviation Summit* allowed U.S. companies to showcase their technologies and services, as well as to meet with potential customers.

Feasibility Studies & Pilot Projects: Getting It Right from the Start

USTDA-funded and U.S.-led feasibility studies link foreign project sponsors with U.S. businesses at the critical early stage when technology options and project requirements are defined. These studies provide the comprehensive analysis required for major infrastructure investments to achieve financing and implementation.

In some cases, export opportunities depend on a demonstration of the U.S. seller's goods, services or technologies in the foreign buyer's setting. Agency-funded pilot projects demonstrate the effectiveness of U.S. solutions and provide the analysis, evaluation and empirical data needed for

potential foreign projects to secure funding. Pilot projects have proven to be an excellent tool for showcasing U.S. capabilities.

Technical Assistance: Creating a Favorable Business & Trade Environment

USTDA funds technical assistance that supports legal and regulatory reform, the establishment of industry standards and other capacity-building activities. These technical assistance programs, which often bridge gaps in the project development life cycle and shepherd projects through to financing, help facilitate favorable business and trade environments for U.S. goods and services.

Appendix 4 | USTDA's Data Validation & Verification Approaches

USTDA Mission Statement

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.

Introduction

Performance data is the foundation upon which the U.S. Trade and Development Agency (USTDA) aligns its programmatic funding decisions in order 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 about 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 or, 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 activity in early project planning and development, results are realized over the long-term. As such, a ten-year rolling average²⁰ (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";

²⁰ The TYRA currently consists of all USTDA activities completed between years 2002-2011.

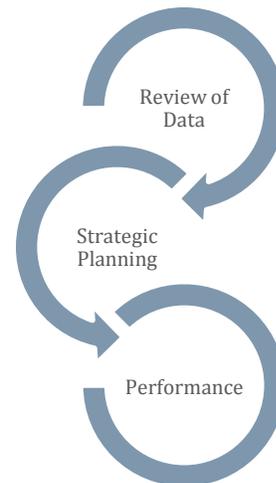
- **Total Cumulative Exports:** the amount of exports associated with USTDA funding in any given time period; and
- **Small Business Impact:** the percentage of USTDA-funded activities that have been awarded to small businesses.

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 to USTDA on the outcomes of the Agency's funding commitments. This information is then used to support organizational learning, fulfill the Agency's reporting requirements and contribute to effective performance management. USTDA has maintained and strengthened this third-party evaluation process for over two decades, and will continue to do so going forward.

USTDA's evaluation methodology is designed to ensure consistency and transparency throughout the data collection, monitoring, reporting and analysis process. The Agency adheres to thorough evaluation of each activity it funds and aggregates performance data in order to provide results-based recommendations that can be adopted into USTDA's daily operations to strive towards the highest performance standards. 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 highest level of quality and consistency. 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, in order 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 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 and those that were not implemented. 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 multiple years, and adjusted to reflect the most accurate information that can be obtained about outcomes.

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

Sources of the Data

The primary goals of the Program Evaluations Office 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 the Agency's funding

for activities that support projects; USTDA may fund more than one activity to help advance a single project.²¹



USTDA maintains specific steps in its process to gather and document data. Evaluation strategies are designed by program staff, in coordination with the Program Evaluations Office, during the scoping and definition of each USTDA-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 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 for the Agency to provide gap financing—specialized advisory services, transaction advisors, regulatory assistance and/or training—in order to overcome obstacles to implementation. The second and final PIA seeks to determine how close a project is to being implemented and what specific procurements may be on the horizon within the next six to twelve months. USTDA uses this information to develop Trade Leads for U.S. companies to help educate and position them for the upcoming tenders. Upon completion of a project planning 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

²¹ A *project* is an infrastructure goal, identified by a project sponsor that 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*.

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 likelihood of project implementation; (5) the likelihood for export results; (6) 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 Program Evaluations Office to initiate contact with the project stakeholders, allows the Office to determine whether the assumptions made at the time of funding have changed and adjust the evaluation effort 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 an immediate report and a one-year follow-on report, both of which include surveys that are distributed to all participants asking what they gained as a result of participating in the event and how their participation helped them achieve their goals. These two reports, 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 reports are 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 contracted 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 the use of 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 Program Evaluations Office 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 in order 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 program.