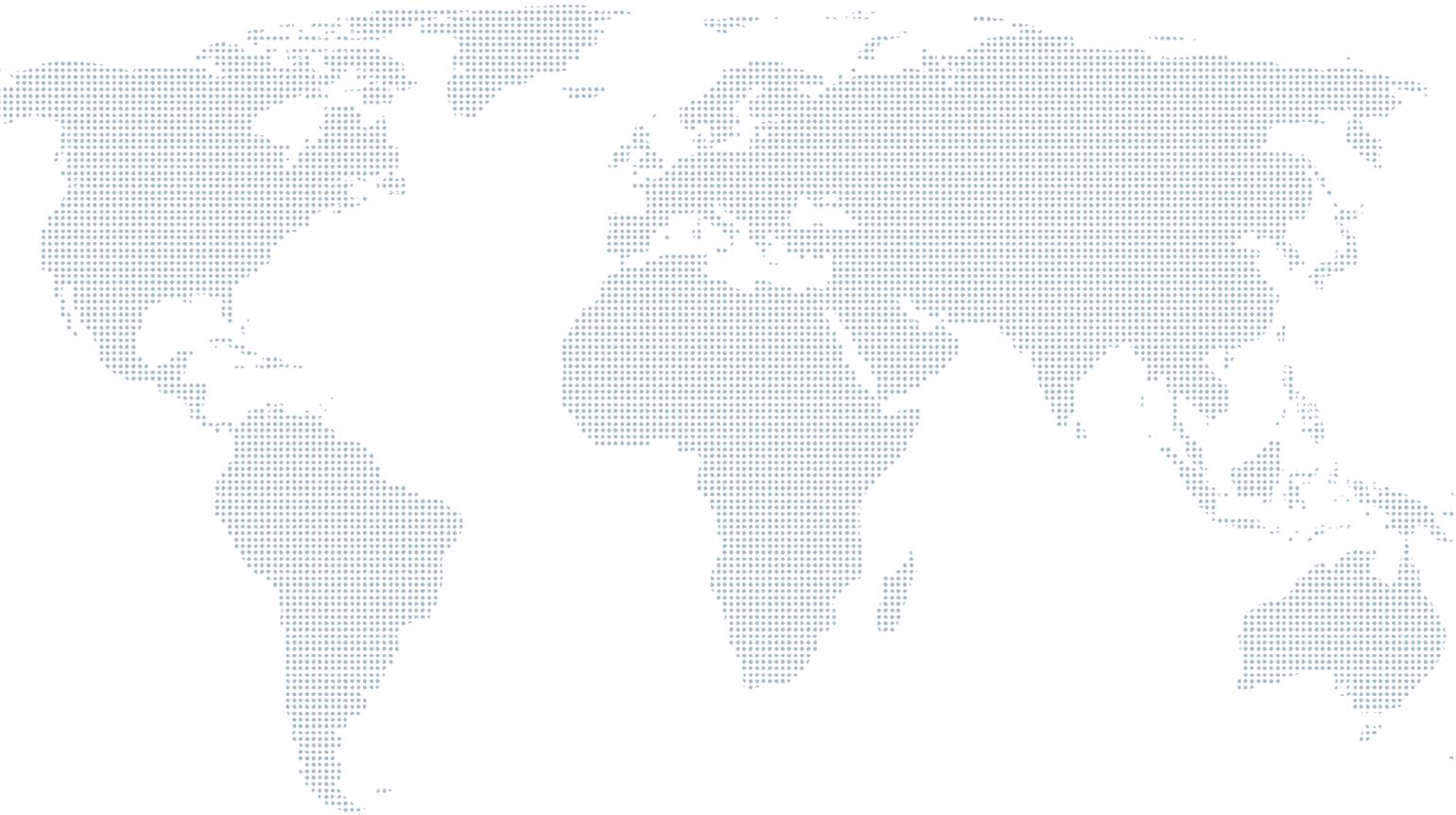




U.S. TRADE AND DEVELOPMENT AGENCY
2011 ANNUAL REPORT



MISSION

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

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U.S. Trade and Development
Agency Director Leocadia I. Zak

Fiscal Year 2011 was an exceptional year for the U.S. Trade and Development Agency. In that period USTDA identified a record \$4.9 billion dollars in U.S. exports that were supported by our programs. For the third year in a row, the measure of return on program investment increased significantly and in 2011 was **a record-breaking 58 dollars in exports for every program dollar expended**. Importantly, these exports also supported more than 30,000 U.S. jobs.

This level of achievement reflects the Agency's continuing emphasis on setting strategic goals and meeting them through responsive, innovative, and effective program activities. The recognition of USTDA's highly effective programs has generated greatly increased demand for its services from U.S. businesses interested in export opportunities as well as from the countries in which USTDA funds development activities to create sustainable infrastructure and economic growth.

One of USTDA's strategic goals for FY 2011 was to increase activity in its relatively new, but highly effective, International Business Partnership Program (IBPP). The IBPP was developed by USTDA in response to President Obama's *National Export Initiative* and his naming of USTDA to the Export Promotion Cabinet.

A principal component of the IBPP is USTDA sponsorship of reverse trade missions (RTMs). These missions link U.S. businesses to export opportunities by bringing delegations of sponsors of priority development projects in their countries to the United States. The delegations travel widely throughout the U.S. visiting businesses to acquaint them with products and expertise available to meet their project needs. Correspondingly, U.S. businesses have the opportunity to demonstrate the quality and suitability of their products for use in development projects.

In the two years since the IBPP was initiated, the commitment of resources to reverse trade missions has almost doubled, with 50 being conducted in FY 2011. Through these RTMs, USTDA brought more than 1000 U.S. company representatives from businesses of diverse sizes and missions together with over 600 foreign delegates, including ministers, mayors, and other senior governmental and private sector officials from various developing and middle income countries.

In another strategic effort designed to generate more exports for U.S. companies, USTDA narrowed its focus to twenty-six priority countries that offer the strongest and most viable markets for U.S. exports. The World Bank estimates that these priority countries will average 6 percent economic growth in the next two years — more than double the projected rate of growth in the world's highest income countries. Consequently, USTDA anticipates that they will be in the market for U.S. products and services to further their development efforts, thus enhancing U.S. exports.

In addition to the country focus, USTDA focused its program on three priority sectors: transportation, clean energy, and information and communications technology. These sectors reflect the greatest demand from developing and middle-income countries, represent areas of recognized U.S. private sector expertise and competitiveness,

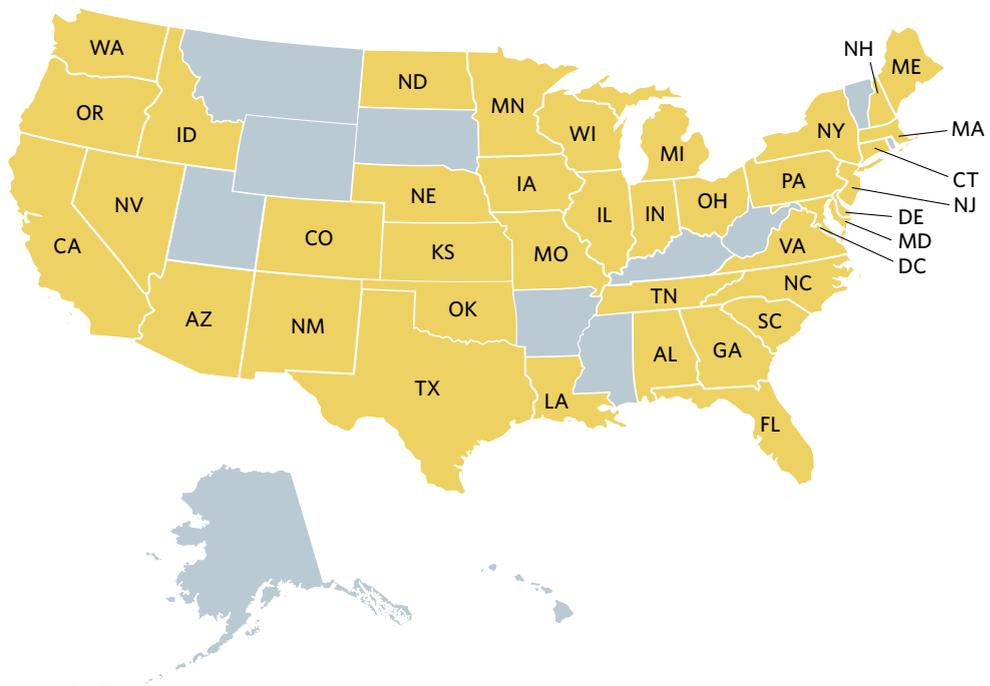
and have the greatest likelihood of receiving implementation financing. Governments and companies in emerging economies are investing heavily in infrastructure projects that are critical to their economic growth and trade. This narrowed focus on both countries and sectors has allowed us to better identify opportunities with the greatest potential for U.S. business growth and exports, as evidenced by the record breaking results we have seen.

By targeting investments, through selective programs, countries, and sectors, USTDA is

creating the best conditions for U.S. companies to expand their export markets for both immediate and long-term success. I am confident that USTDA will continue to play an important role in increasing exports, supporting U.S. jobs and encouraging economic development in our partner countries.

Leocadia I. Zak
Director, U.S. Trade and Development Agency

During FY 2011, USTDA identified U.S. companies in 38 states and the District of Columbia that benefitted from projects supported by Agency activities.



2011: Building Economic and Commercial Relationships

Through its consistent support of high-quality infrastructure investments and its innovative approach to targeting sector growth opportunities, USTDA continued its efforts this past year to open and expand markets for exports of U.S.-manufactured goods and services. Coupled with the Agency's keen focus on economic development of its partner countries, these activities demonstrated the mutual gains of working together to increase trade, as shown in the highlights below.

EGYPT: FORWARD INITIATIVE

In June 2011, USTDA sponsored *Egypt: Forward*, the first major trade event for the United States and Egypt following the Arab Spring, as an immediate response to support economic growth and stability in Egypt. With a forum in Washington, D.C. and site visits across the United States, *Egypt: Forward* provided an unprecedented opportunity to foster commercial and economic ties.

Over 250 U.S. company representatives and 50 Egyptian public and private sector leaders in the energy, information and communication technologies (ICT), transportation, and agribusiness sectors participated, with tangible export results already leading to mutual benefits (see page 11 for



Photo credit: Official White House Photo by Pete Souza

President Barack Obama greets Prime Minister Manmohan Singh of India at the start of their bilateral meeting at the ASEAN Summit in Nusa Dua, Bali.

more information). In 2012, USTDA will build on the success of *Egypt: Forward* by hosting a series of technical workshops in Cairo on creating U.S.-Egypt partnerships to pursue opportunities throughout the Middle East, Persian Gulf, and Africa.

PRESIDENT'S VISIT TO INDIA

In early FY 2011, President Obama visited India to highlight the broad economic and commercial relationships the United States shares with India. For USTDA, a high point of the visit was the launch of the U.S.-India Energy Cooperation Program (U.S.-India ECP), a unique private-public partnership between U.S. and Indian member companies and the governments of the countries. The partnership



Panelists at the Egypt: Forward Forum

leverages private sector resources in both countries to promote the commercial development of clean and sustainable energy projects in India.

Since the founding of the U.S.-India ECP, USTDA has begun several creative activities to advance the export of U.S. clean energy and energy efficient goods and services. For example, USTDA launched the Efficiency and Clean Energy Exchange Program to introduce Indian officials and private sector project sponsors to U.S. clean energy technologies through a series of four reverse trade missions. These visits, which began in 2011 and will continue through 2012, focus on the highest priority areas for clean energy development, such as smart grid applications, solar power generation development, unconventional gas, and energy efficiency.

U.S.-CHINA HEALTH COOPERATION PROGRAM

Further utilizing its successful Cooperation Program model, USTDA launched the U.S.-China Healthcare Cooperation Program (HCP), a partnership among U.S. healthcare firms, USTDA, and U.S. and Chinese government agencies. This program provides U.S. industry a forum for working directly with both U.S. and Chinese governments to open markets for U.S. goods and services in the rapidly growing Chinese healthcare sector.



Chinese delegates join emergency medical response reverse trade mission to learn about state-of-the-art emergency response technologies and best practices.



Secretary of State Hillary Rodham Clinton delivers the closing remarks at the African Growth and Opportunity Act Conference at the Mulungushi International Conference Center in Lusaka, Zambia.

Photo credit: U.S. State Department

Announced during President Hu Jintao's visit to the United States in January 2011, the HCP was launched with the help of 18 founding U.S. companies and organizations. Since then, the HCP has increased to over 35 participating companies. As former Commerce Secretary and now U.S. Ambassador to China Gary Locke noted, "U.S. companies offer world-class healthcare products and services that can help China raise the quality of medical care for its citizens while increasing U.S. exports to China."

In FY 2012, USTDA will host a Healthcare Professional Personnel Exchange Program, which will include three exchange visits to the U.S. by Chinese healthcare officials, who will witness innovative U.S. technologies that can play an important role in meeting China's long-term healthcare needs.

AFRICAN GROWTH AND OPPORTUNITY ACT

USTDA once again played a prominent role at the annual *Trade and Economic Cooperation Forum* for the African Growth and Opportunity Act (AGOA) in June 2011. The forum in Lusaka, Zambia, facilitated a high-level dialogue between the United States and 37 sub-Saharan African countries, which focused on exploring the developmental relationship of trade and investment to economic growth.

In cooperation with the Office of the U.S. Trade Representative and the U.S. Departments of State and Commerce, USTDA highlighted how its programs are helping to build Africa's infrastructure for trade through the application of U.S. technologies, goods, and services. The Agency unveiled new measures in support of the Administration's *National Export Initiative*, including activities related to food security, regional rail integration in Southern Africa, financial sector integration in East Africa, and smart grid technologies in South Africa.

SOUTHEAST ASIA: TRANSPORTATION SAFETY AND CONNECTIVITY

2011 was a banner year for aviation in Southeast Asia. In November 2011, President Obama witnessed the signing of a contract for the \$21.7 billion sale of 230 Boeing 737 airplanes to Indonesia's regional airline Lion Air on the sidelines of the East Asia Summit. Vietnam's aviation market is projected to be the world's third fastest growing market for international passengers and freight and the second fastest for domestic passengers by 2014.

As these two markets are rapidly ascending, USTDA supported reverse trade missions on air traffic management and control for delegations from Vietnam and Indonesia to observe the systems in use in the United States and meet with world-class firms in aviation technologies and consulting. The implementation of air traffic management systems



Delegates from Latin America meet with Dr. Harley Benz at the National Earthquake Information Center in Golden, CO.

represents over \$200 million in business opportunities for U.S. firms, and will ensure safe and efficient management of air traffic flow across the region.

EARTHQUAKE MONITORING TECHNOLOGIES INITIATIVE

In further response to the devastating earthquakes that struck the Western Hemisphere in 2010, USTDA launched an *Earthquake Monitoring Technologies Initiative* to familiarize senior Latin American and Caribbean officials and private project sponsors with the best of U.S. technologies and practices in earthquake monitoring, communications, and response systems.

Through its support of three reverse trade missions, each focused on a geographic sub-region (the Caribbean, South America, and Mexico and Central America), the delegations met with U.S. industry, financial institutions, and government agencies. The visits facilitated the exchange of information on the commercial, technological, regulatory, and financial aspects of the deployment of earthquake monitoring and communications systems. Thirty-four officials from Latin America and the Caribbean participated in the visits.

Helping Small and Medium-Sized Businesses Achieve Global Successes

Since its inception, USTDA has been a catalyst for engaging U.S. small and medium-sized enterprises (SMEs) in the global marketplace. By providing opportunities for SMEs to demonstrate their unique technologies and specialized services to foreign buyers, USTDA assists SMEs in expanding sales into new and developing markets abroad.



American Signal Corporation, a small business based in Milwaukee, WI, shipped emergency warning systems (shown above) to Thailand and Sri Lanka as a result of USTDA's programs.

More than 90% of contracts awarded by USTDA are performed by small businesses. In addition, more than 44% of grants awarded to overseas project sponsors directly lead to contracts with U.S. small businesses.

Drawing extensively on the expertise of small consulting and engineering firms, USTDA depends heavily on SMEs to provide a variety of services, from sector- or country-specific guidance on project opportunities, to final evaluations of those projects. SMEs provide USTDA insight into the leading U.S. industries and the latest technological changes.

In return, USTDA connects U.S. technical experts to overseas grantees during the early stages of a project, links U.S. suppliers and service providers to key officials through reverse trade missions, and positions small and medium-sized U.S. businesses to succeed in the international arena.

For example, Global Resources Inc. (GRI), an Irvine, CA-based ICT and infrastructure consulting firm, has leveraged its activities with USTDA to expand its work in emerging economies. GRI's advisory services have

helped government and private clients achieve their development goals and advance economic growth in their countries, while creating export opportunities for U.S. firms to those markets.

Similarly, NTELX, a Vienna, VA-based IT solutions provider, entered the international marketplace through a USTDA-funded pilot project to improve the flow of freight traffic at the congested Port of Aqaba in Jordan. NTELX's customized system substantially reduced processing times for trucks in the port's special economic zone, improved traffic flow, led to a country-wide reduction in the cost of trucking by 20 percent, and eliminated approximately 5,000 tons annually of carbon emissions. Based upon the success of this project, NTELX is building sales throughout the region.

These examples illustrate USTDA's unique role in supporting SME exports of both products and services.

USTDA's partnership with the Small Business Administration (SBA) has expanded the participation of SMEs in USTDA-sponsored events, and increased their access to foreign buyers. Working with SBA's regional and district offices, USTDA has expanded its outreach to the small business community in a targeted effort to increase exports to emerging economies. USTDA also collaborates closely with the Department of Commerce's U.S. Export Assistance Centers and Minority Business Development Agency district offices, as well as the District Export Councils, all located throughout the United States.

USTDA looks forward to continuing its partnership with U.S. small and medium-sized businesses to explore more ways to open new markets abroad and create jobs at home.

Fiscal Year 2011 Results: Perseverance Pays Dividends

Every year USTDA conducts an extensive review of its programs and projects to determine the Agency's overall effectiveness and responsiveness to various stakeholders. In FY 2011, USTDA continued to pursue a more targeted approach to delivering assistance and streamlined the Agency's country and sector focus.

Reflecting this disciplined approach, USTDA focused on 26 priority countries (out of 131 countries eligible for USTDA assistance) and three priority sectors that offered the best prospects for U.S. exports, job growth, and overseas economic development.

The results of this strategy continue to exceed the Agency's goals. By the close of FY 2011, USTDA identified a record 4.9 billion dollars in U.S. exports that were supported by our programs. Furthermore, the return on investment increased from 47 to *58 dollars in exports for every dollar the Agency invested*. USTDA's investments have similarly supported developmental benefits across the world.

Notwithstanding budgetary constraints at a time of growing demands for assistance, USTDA

STRATEGIC INVESTMENTS IN FY 2011

Percentage of total program budget

Priority Countries:	87%
Clean Energy/Energy Efficiency:	38%
Transportation:	27%
Information and Communication Technologies:	19%

OVERALL SUCCESS RATES

Export Multiplier:	58 to 1
New Exports Identified:	\$4.9 B

demonstrated its ability to pursue a strategic agenda that balanced the Administration's foreign policy and export promotion goals with developmental priorities in our partner countries. In FY 2011, the Agency produced outstanding results in terms of increasing its export multiplier, identifying new project successes, supporting over 50 new reverse trade missions, and launching new programs to help the U.S. government meet its strategic objectives.

By focusing its resources on select countries and sectors where U.S. industry is particularly competitive, USTDA has strengthened ties with U.S. companies focused on these priority markets, as well as customers in the priority countries.



USTDA Programs: Tools That Open Global Markets

USTDA's Annual Report is designed not only to report on the fiscal year, but also to showcase our "toolbox" of activities and programs to help U.S. businesses achieve President Obama's goal of doubling U.S. exports from 2010 to 2015.

Reverse Trade Missions: Invitations to Do Business

Reverse trade missions provide unique opportunities to foster business relationships and build long-lasting partnerships between U.S. businesses and our overseas partners. During the past year, USTDA hosted more than 50 reverse trade missions to introduce U.S. businesses to more foreign delegates and business opportunities than ever before. A key part of USTDA's support of the *National Export Initiative*, these carefully planned missions enable foreign delegates to visit the U.S. to observe first-hand the design, manufacture, and demonstration of goods and services that can help the delegates achieve their development goals. The reverse trade missions are planned to target current and near-term business opportunities, creating immediate results and export successes for U.S. businesses.

This past year, USTDA introduced more than 600 foreign delegates to more than 1,000 U.S. company representatives across the United States. These foreign delegates included ministers, mayors, and senior governmental and private sector officials from emerging markets.



Latin America delegates tour operations and machinery at Brighton Dam, Brookeville, MD

REGIONAL LATIN AMERICA. In support of President Obama's *Energy and Climate Partnership of the Americas*, USTDA launched the Clean Energy Exchange Program of the Americas to familiarize key Latin American and Caribbean energy sector officials and project sponsors with U.S. clean energy technologies.

The *Initiative* consisted of six carefully designed and technology-targeted reverse trade missions, each focused on a different sub-sector of clean energy, including solar, wind, geothermal, waste-to-energy/biomass, and mini-hydropower. The immediate benefits of the *Initiative* are demonstrated in the case of the Brazilian firm, Renova Energia, which used its visit to better understand GE Energy's wind power technologies, which led to a \$285 million contract for 102 wind turbines that will generate over 160 MW of power.

BRAZIL. In FY 2011, USTDA also sponsored a reverse trade mission on railway integration and locomotive refurbishment technologies in which representatives from the Association of Brazilian Railway Concessionaires (ANTF), Brazil's National Ground Transportation Agency (ANTT), and the Brazilian Railroad Industry Association visited U.S. companies in Maryland, Indiana, Illinois, Texas, and Colorado.

As a result, private rail concessionaire Transnordestina Logistica S/A concluded a contract valued at \$2.2 million for new locomotive equipment from the National Railway Equipment Co. (Mt. Vernon, IL). Additionally, Progress Rail Services (Alberta, AL and Woodridge, IL) concluded a contract for over \$100 million in electro-diesel locomotives and



A South African delegation visited the newly constructed Sabine Pass LNG Terminal in Cameron Parish, Louisiana.

associated parts and services to be exported to several Brazilian rail concessionaires.

SOUTH AFRICA. In May 2011, USTDA hosted a delegation from South Africa’s natural gas sector to meet with U.S. suppliers in Houston, TX, and Washington, DC. The delegation also toured the Freeport and Sabine Pass liquefied natural gas (LNG) facilities and participated in the *Offshore Technology Conference (OTC)*.

The visit supported U.S. private sector participation in the implementation of a proposed LNG import and re-gasification terminal and associated 2,400 MW power plant in South Africa, as well as a proposed LNG import terminal at Mossel Bay that will support the continued operations of a gas-to-liquids refinery. The visit provided the U.S. private sector an opportunity to demonstrate their technologies and engage potential South African partners.

MOROCCO AND JORDAN. Building upon its previous investments in the transport sectors in Jordan and Morocco, USTDA sponsored a reverse trade mission for a delegation of public and private sector port officials from both countries. The visit to Washington, DC, Texas, and California supported Jordanian and Moroccan plans to increase port efficiency.

Delegates learned firsthand about current and emerging technologies through exposure to U.S. goods, services, and best practices in vessel traffic management systems (VTMS), integrated port communications information systems (IPCIS), and port security and surveillance technologies. The visit opened doors for U.S. companies to develop new business relationships in the region.

SUCCESS STORY:

Solatube Sees Light of Day in China

As a U.S.-China Energy Cooperation Program (ECP) founding member, California-based Solatube has become a leading force in opening China’s clean energy market for U.S. exports. Solatube’s patented daylighting devices use advanced optics to bring natural lighting into interior building spaces.

When Solatube first arrived in China in 2009, the daylighting industry was nonexistent, requiring Solatube to establish industry design standards to generate acceptance of and demand for its products. To pursue this challenge, Solatube became a founding member of the ECP in 2010.



Example of Solatube daylighting system for commercial use.

Through the ECP, Solatube participated in two reverse trade missions during which Chinese delegations visited Solatube customer sites and saw demonstrations of its daylighting technologies. Following the first visit, Solatube secured its first government project in Xinxiang City in Henan Province for the design and installation of daylighting units in two buildings. Solatube then won a 20,000-square meter project in Shanxi, as well as an invitation to participate in the drafting and revision of three building lighting standards that now include daylighting systems.

When reflecting on ECP’s value to U.S. business, Solatube General Manager Catherine Zhou stated “ECP gives small and medium enterprises, especially those leading a new industry, the leverage needed to work with the government, and to reach out to the Chinese market and get results.”

Conferences and Workshops: Promoting Export Opportunities

USTDA hosts conferences and workshops throughout the year to help build partnerships and provide export opportunities for U.S. companies. Events like the *East Africa Community e-Health Workshop* and the *U.S.-China Aviation Summit* allow U.S. companies to showcase their technologies and services, as well as meet with foreign project sponsors and potential customers.

In FY 2011, USTDA hosted more than 25 conferences and workshops in the United States and overseas that brought together more than 2,000 foreign delegates with more than 500 U.S. company representatives and government officials. These meetings provide U.S. companies with vital knowledge on specific programs and activities that could positively impact their businesses, while supporting the *National Export Initiative*.

NIGERIA. In June 2011, USTDA hosted officials from Oando Gas and Power Ltd., one of Nigeria's leading oil and gas companies, to meet with U.S. technology providers in Houston, TX, and to learn about U.S. best practices and solutions in this sector. Oando delegates received training on the management and operation of gas storage sites to enable delegates to make an informed decision on whether a surface or subsurface solution would best suit their needs.

Oando has invested over \$250 million in gas supply pipelines in southern Nigeria and currently supplies gas to about 90 industrial and power-producing clients in the Lagos area. Depending on the type of storage facility Oando develops, the implementation cost will likely be up to \$245 million, with more than \$100 million in U.S. export potential.



Officials from Oando Gas and Power Ltd. tour oil and gas facilities in Houston, TX to witness U.S. technologies in operation and best practices.

EAST AFRICAN COMMUNITY. USTDA has a record of success facilitating the growth of Africa's ICT infrastructure. As a direct result of the Agency's support, U.S. technologies and expertise were used to develop the SEACOM undersea fiber optic cable network, which has revolutionized communications by further connecting Africa to the rest of the world.

Current USTDA activities help Africa explore ways of benefiting from its newfound broadband capacity. In Kigali, Rwanda, USTDA brought together public and private sector decision makers from the East African Community (EAC) for a healthcare workshop to explore policies and technologies to deliver e-health solutions. The workshop engaged over 100 participants from Kenya, Tanzania, Uganda, Burundi, and Rwanda. It provided a forum to spur regional development and allowed the U.S. private sector to showcase its e-health solutions.



Participants present the latest healthcare solutions available at the USTDA-sponsored e-health workshop in Kigali, Rwanda.

CHINA. In 2011, USTDA marked 10 years of cooperation with China on aviation by hosting a *U.S.-China Aviation Summit* in Washington, D.C. In conjunction with the conference, USTDA organized visits to Memphis, TN, Chicago, IL, and Louisville, KY, for Chinese officials to witness U.S. products and expertise in action. The Chinese responded by sending almost 90 representatives, their largest delegation ever, to learn what U.S. business can do to support China’s infrastructure modernization.

The *Summit* focused on areas of priority for both China and U.S. industry, including aviation safety, air traffic management, airspace liberalization, general aviation, and environmental best practices. The *Summit* was the latest activity in USTDA’s China aviation program, which has contributed to over \$4 billion in exports of U.S.-manufactured goods and services and continues to expand U.S. industry’s access to the world’s fastest growing aviation market.



Mr. Richard Anderson, Chief Executive Officer of Delta Airlines, discusses the importance of closer aviation ties between the United States and China at the 2011 Summit.

SUCCESS STORY:

Egypt Forward: Partnering for Trade and Economic Growth

Demonstrating that “Egypt is open for business” was the aim of this USTDA-sponsored event that attracted hundreds of U.S. participants interested in commercial opportunities and new partnerships. *Egypt: Forward*, which took place in the summer of 2011, is already yielding demonstrable results, including five agreements between U.S. companies and Egyptian project sponsors.

As described earlier (page 3), USTDA hosted a delegation of more than 50 Egyptian business leaders, policymakers, and entrepreneurs to connect with their U.S. counterparts at this first major event for both countries since the Arab Spring.

Egypt: Forward began with a two-day forum in Washington, DC, to promote trade and increased economic ties. A highlight was the conclusion of six



agreements to build a privately owned \$3.7 billion petrochemical plant, the direct result of a previous USTDA-funded feasibility study. Construction of this facility will lead to thousands of jobs in both the United States and Egypt, a win-win partnership that brings the vision of *Egypt: Forward* to fruition.

Following the forum, the Egyptian delegates divided into four groups to conduct sector-focused site visits to Houston, TX, Silicon Valley, CA, New York City, NY, and Omaha, NE. Each delegation met with U.S. companies and presented commercial opportunities in Egypt’s energy, ICT, transportation, and agribusiness sectors.

Delegates also participated in a business roundtable and visited manufacturing plants and other sites to observe the design and demonstration of U.S. technology and equipment. As a result of the agribusiness site visit, Schaeffer Ventilation (Sauk Rapids, MN) finalized an agreement with a delegate who will represent Schaeffer’s products in Egypt.

Feasibility Studies and Pilot Projects: Gaining an Early Lead

Agency-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. USTDA-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 to showcase U.S. capabilities.

BRAZIL. To help Brazil's major electric power distribution companies increase efficiencies, USTDA provided grant assistance for a Smart Grid Pilot Implementation Strategy. The study is determining the technical and financial viability of deploying smart grid technologies, including the design of a pilot project and implementation strategy, and the specification of upgrades and investments necessary for CEMIG and LIGHT, two of Brazil's largest distribution companies, to successfully develop smart grid measures.



A Brazilian delegate receives a briefing on smart grid monitoring during a reverse trade mission.



GHANA. U.S. companies are taking an active part in the growth of Ghana's energy sector. In response to U.S. private sector interest and Ghana's energy development needs, USTDA provided a grant to the Ghana Grid Company Limited for a feasibility study on the technical and economic viability of reinforcing Ghana's electricity transmission network.

The USTDA grant aims to create substantial business opportunities for U.S. companies in engineering, substation components, software and control systems, and transmission lines. The new power transmission line will not only improve the reliability of power in northern and eastern Ghana, but also should improve the economic viability of renewable energy projects near the new line's path.

INDIA. USTDA provided feasibility study funding to the Ministry of Home Affairs to establish an integrated emergency communications system in Hyderabad, India. The study is assessing the current emergency communications architecture as well as analyzing and planning a pilot project in Hyderabad. Project implementation presents significant opportunities for U.S. technology and service firms as India introduces new state-of-the-art emergency communications systems.

TURKEY. As the Turkish economy continues its rapid growth, outpacing many other emerging markets, the country is engaging in an aggressive infrastructure program aimed at completion by 2023, when Turkey will celebrate its modern centennial. To help Turkey meet this goal, USTDA expanded its U.S.-Turkish Clean Energy Partnership with Turkey's Ministry of Energy and Environment.

From supporting the development of a smart grid roadmap for Başkent Electricity Distribution Company to funding the feasibility study for a geothermal power plant with Zorlu Enerji, USTDA's program positions U.S. companies to play an important role in Turkey's power generation. These investments support over \$100 million in new business opportunities for U.S. companies in Turkey and demonstrate the U.S. government's broad commitment to expand trade and investment ties.



Turkish delegation visits E-Solar's facilities in Lancaster, CA.



Photo credit: Jeff Hager

Cartagena's oil refinery

SUCCESS STORY:

Colombia Refinery Fuels American Jobs

As the result of a feasibility study and associated reverse trade mission funded by USTDA, the Cartagena Refinery (REFICAR) received approval of a \$2.8 billion loan/loan guarantee from the Export-Import Bank of the United States in 2011. This financing supports the purchase of equipment and services from over 150 large and small U.S. engineering/design, equipment supply, contracting, and process license firms, and supports about 15,000 American jobs.

Already, Chicago Bridge & Iron (CB&I) has won a \$1.4 billion engineering, procurement, and construction contract for the refinery expansion in the face of stiff foreign competition from companies in Korea, Argentina, and Italy. The project includes revamping the existing 80,000 barrel per day refinery to enable REFICAR to produce clean, ultra-low sulfur gasoline and diesel from heavy crude.

Technical Assistance: Translating Knowledge to Exports

USTDA advances economic development in partner countries by funding technical assistance that supports legal and regulatory reform related to commercial activities and infrastructure development, the establishment of industry standards, and other market-opening activities. These technical assistance programs facilitate favorable business and trade environments for U.S. goods and services. Technical assistance is a significant component of USTDA's strategy for creating U.S. exports and U.S. jobs, while at the same time promoting growth in partner countries.



Ongoing construction for the expansion of the El Dorado International Airport, located in Bogotá, Colombia.

Photo courtesy of Aerocivil

COLOMBIA. To support the modernization and expansion of Colombia's largest and most important airport, El Dorado International Airport, USTDA provided a technical assistance grant to the Special Administrative Unit for Civil Aeronautics of Colombia (also known as Aerocivil) to update the airport's master plan. Through this update, Aerocivil will receive a detailed report on capacity constraints and efficiency improvements needed at the airport. The update will also include recommendations for equipment, particularly related to terminal technology and security improvements that will represent significant export opportunities for U.S. firms in the aviation sector.

NIGERIA. USTDA is partnering with the Central Bank of Nigeria (CBN) and the CIO Nexus, a working group established by the Chief Information Officers of many of Nigeria's commercial banks, to explore and implement shared services among banks in order to modernize Nigeria's banking system.

The initial effort will analyze the development of a Shared Disaster Recovery Center with the goal of improving data security and reliability in Nigeria's financial sector, ultimately ensuring uninterrupted operation of Nigeria's most important financial institutions in the event of a disaster. The assistance will create up to \$17 million in business opportunities for U.S. exporters of hardware, networking equipment, software, and consulting and integration services, thus extending and reinforcing the strong U.S. presence in the Nigerian market.

KENYA. Kenya has developed significant telecommunications infrastructure in recent years, and internet use is rising rapidly. However, these improvements increase Kenya's vulnerability to cyber attacks. Linking U.S. industry's strengths with Kenya's cybersecurity development needs, USTDA funded technical assistance on a National Cybersecurity Master Plan to provide a framework for the Government of Kenya to defend and secure



Mr. Willie Ngumi, U.S. Embassy in Kenya, speaks during a Kenya Cyber Security reverse trade mission.

its digital infrastructure, as well as recommend minimum cybersecurity standards for the country's private networks.

The assistance will benefit U.S. companies by providing Kenyan authorities an evaluation of various technologies, which will include assessment of interoperability, reliability, and life-cycle costing. To further support these efforts, USTDA sponsored a reverse trade mission for a delegation of senior Kenyan ICT decision makers to learn about U.S. best practices and innovative cyber security technologies.

INDIA. To improve air navigation at the Chennai International Airport, USTDA is working with the Airports Authority of India (AAI) to support the certification and pilot implementation of a Ground Based Augmentation System (GBAS). The GBAS is a critical component of India's air traffic management modernization and will enable AAI to handle increasing capacity with proper safety management. The training will assist AAI officials to gain operational experience evaluating the benefits of GBAS technology, while working in cooperation with Honeywell International.

MOROCCO. With vast renewable energy resources throughout the country, the Government of Morocco has committed \$12.5 billion to develop six gigawatts of clean energy from solar, wind, and hydro sources by 2020. To position U.S. firms to play an active role in the deployment of this

SUCCESS STORY:

U.S. Exports Take Off in Vietnam

Helping Vietnam obtain Category I (CAT I) flight status under the FAA's International Aviation Safety Assessment Program was the goal of USTDA's multi-year program on aviation safety for the Civil Aviation Administration of Vietnam (CAAV). The expert assistance has helped strengthen CAAV record keeping, licensing, and certification procedures.

In anticipation of operating longer distance flights, Vietnam Airlines has begun expanding its fleet with the purchase of Boeing aircraft, which has led to more than \$1 billion in exports of U.S.-manufactured goods and services from Boeing and its hundreds of suppliers located throughout the country.



new power generation, USTDA funded three grants and one reverse trade mission to support a spectrum of opportunities: a concentrated solar power project; a solar photovoltaic pilot project; a project for distributed power generation in coastal villages; and a reverse trade mission to introduce senior representatives from Morocco and neighboring countries to advanced U.S. solar energy technologies.

Client Resources

INTERNET — WWW.USTDA.GOV

USTDA’s website provides comprehensive information on its program, current business opportunities, upcoming events, completed reports, Agency news, and recent publications.

REQUESTS FOR PROPOSALS (RFP)

USTDA posts RFP announcements about current business opportunities with the Agency and its overseas grant recipients on the Federal Business Opportunities (FBO) website at www.fbo.gov. Links to the FBO postings are available on USTDA’s website at www.ustda.gov. RFP packages may be requested electronically via USTDA’s website.

ON-LINE CONSULTANT DATABASE

Many USTDA activities are reserved exclusively for small businesses. Small U.S. businesses interested in being considered for contracting opportunities with USTDA can register with the Agency’s On-line Consultant Database on the Agency’s website. Businesses should also register with the U.S. Government’s Central Contractor Registration website at www.ccr.gov.

LIBRARY

USTDA’s library maintains final reports of Agency-funded activities and can provide electronic copies of those reports upon request by e-mailing library@ustda.gov. Furthermore, USTDA posts new reports directly on its website, www.ustda.gov.

PUBLICATIONS

The Agency prints a quarterly newsletter and a biweekly *eNewsletter* to provide information about USTDA activities and events. A free subscription to the *eNewsletter* is available on USTDA’s website. Requests for copies of printed publications can also be made via the Agency’s website.

QUESTIONS ABOUT USTDA

General inquiries about USTDA’s program can be made by calling (703) 875-4357, faxing (703) 875-4009, e-mailing info@ustda.gov, or completing the Contact Form on the Agency’s website.

To contact USTDA’s program staff, send an e-mail to your region of interest:

- **East Asia and Eurasia:**
East_Asia_Eurasia@ustda.gov
- **Latin America and the Caribbean:**
LAC@ustda.gov
- **Middle East, North Africa and Europe:**
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- **South and Southeast Asia:**
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FY 2011 ACTIVITIES

Summary of FY 2011 Program Activities

USTDA ACTIVITIES

By Value of Obligations

	2009		2010		2011	
DM/Desk Studies	\$3,113,729	7.3%	\$3,359,888	6.8%	\$1,816,914	4.4%
Feasibility Studies	\$16,976,887	39.7%	\$22,783,352	46.1%	\$17,251,963	42.0%
Reverse Trade Mission	\$6,846,102	16.0%	\$8,720,844	17.7%	\$8,745,649	21.3%
Technical Assistance	\$12,938,397	30.2%	\$13,723,325	27.7%	\$11,355,473	27.6%
Trade-Related Training	\$1,178,642	2.8%	\$106,000	0.2%	\$300,000	0.7%
Workshop/Conferences	\$1,577,466	3.7%	\$511,850	1.0%	\$1,242,351	3.0%
Other	\$147,480	0.3%	\$265,784	0.5%	\$373,494	1.0%
Total	\$42,778,703	100%	\$49,471,032	100%	\$41,085,844	100%

USTDA ACTIVITIES BY ECONOMIC SECTOR

By Value of Obligations

	2009		2010		2011	
Agribusiness	\$2,320,892	5.4%	\$667,221	1.3%	\$819,070	2.0%
Clean Energy/Energy Efficiency	\$10,219,186	24.0%	\$22,453,434	45.4%	\$15,527,145	37.8%
Human Resources	\$737,901	1.7%	\$1,046,024	2.1%	\$1,558,479	3.8%
Manufacturing	\$784,718	1.8%	\$472,343	1.0%	\$290,058	0.7%
Mining & Natural Resources	\$2,177,019	5.1%	\$117,389	0.2%	\$846,899	2.0%
Multi-Sector & Other	\$902,588	2.1%	\$2,220,940	4.5%	\$947,000	2.3%
Services	\$2,419,958	5.6%	\$4,367,970	8.9%	\$4,220,618	10.3%
Telecommunications	\$2,738,199	6.4%	\$3,034,904	6.1%	\$4,429,963	10.8%
Transportation	\$16,426,031	38.4%	\$10,942,456	22.1%	\$11,018,381	26.8%
Water & Environment	\$4,052,211	9.5%	\$4,148,347	8.4%	\$1,428,231	3.5%
Total	\$42,778,703	100%	\$49,471,032	100%	\$41,085,844	100%

FY 2011 Program Activities Listed by Region

COUNTRY	TITLE	ACTIVITY	U.S. FIRM	CITY	STATE	FUNDS OBLIGATED
Azerbaijan	Aviation Safety	Desk Study	Montgomery Consulting Group, Inc.	Winter Park	FL	5,000
China	2011 U.S.-China Aviation Summit	Conference/Workshop	American Association of Airport Executives (AAAE)	Alexandria	VA	317,691
China	Aviation Technical Assistance Workshop Series	Desk Study	Montgomery Consulting Group	Maitland	FL	3,000
China	Integrated Real Time Water Monitoring System	Feasibility Study	Sutron Corporation	Sterling	VA	589,466
China	General Aviation Development Implementation System	Technical Assistance	American Chamber of Commerce in China Fund	Wilmington	DE	429,654
China	Environmental-Upgrades for Cement Manufacturing	Reverse Trade Mission	Global Marketing and Communications	Arlington	MA	224,200
China	Integrated Real Time Water Monitoring System	Desk Study	Eurasia Environmental Associates, LLC	Westfield	NJ	3,000
China	Mercury Emissions Control Technologies	Reverse Trade Mission	Global Marketing and Communications	Arlington	MA	202,988
China	Pilot and Feasibility Study Demand Response Team	Feasibility Study	Honeywell Laboratories	Golden Valley	MN	660,000
China	Public Infrastructure Emergency Management System Project	Feasibility Study	Intergraph Corporation	Madison	AL	613,241
China	Health Cooperation Program Professional Personnel Exchange Program	Reverse Trade Mission	Technical Resources Inc.	Bethesda	MD	699,993
China	Shandong Environmental Emergency Response System	Feasibility Study	Intergraph Corporation	Madison	AL	346,634
China	State Grid Smart Grid Standards Development	Technical Assistance	General Electric International	Schenectady	NY	442,380
China	U.S.-China Aviation Cooperation Program Phase VII, FAA Transfer Funds	Technical Assistance	Federal Aviation Administration (FAA)	Washington	DC	68,833
China	U.S.-China Legal Advisory Assistance: Anti-Monopoly Law, Phase II	Technical Assistance	American Chamber of Commerce in China Fund	Wilmington	DE	150,000
China	U.S.-China Legal Advisory Assistance: Anti-Monopoly Law, Phase II, Reimbursable	Technical Assistance	U.S. Department of Commerce	Washington	DC	68,384
China	U.S.-China Aviation Cooperation Program Phase VII	Desk Study	Montgomery Consulting Group	Maitland	FL	11,000
China	U.S.-China Aviation Cooperation Program Phase VII	Technical Assistance	American Chamber of Commerce in China Fund	Wilmington	DE	875,871
China	U.S.-China Aviation Symposium 2011 Reverse Trade Mission Side Trips	Reverse Trade Mission	American Association of Airport Executives (AAAE)	Alexandria	VA	169,591
China	USFCS Specialist Wan Xiaolei	Technical Assistance	U.S. Department of Commerce	Washington	DC	101,608
Georgia	High Voltage Transmission Lines	Desk Study	CJ Aron Associates, Inc.	Brooklyn	NY	3,000
Kazakhstan	National Medical Equipment Leasing Program	Desk Study	Omma Healthcare, LLC	Golden	CO	6,000
Kazakhstan	Digital Technologies	Reverse Trade Mission	International Executive Service Corps	Washington	DC	139,772
Kazakhstan	Gas Utilization	Reverse Trade Mission	Meridian International Center	Washington	DC	235,101
Kazakhstan	Health Equipment	Reverse Trade Mission	Technical Resources Inc.	Bethesda	MD	284,880
Kazakhstan	Pipeline Automation	Reverse Trade Mission	Energy Markets Group	Washington	DC	223,168
Moldova	E-Government	Reverse Trade Mission	Elan International, LLC	Wheaton	MD	100,122
Turkmenistan	Natural Gas and Petrochemicals	Definitional Mission	The Innovation Network LLC	Lexington	MA	79,998
Ukraine	National Emergency Telephone Call Response System	Desk Study	Ascendant Program Services, LLC	Bethesda	MD	34,500
Ukraine	Donetsk International Airport Improvement and Expansion	Desk Study	Airline Capital Associates, Inc.	New York	NY	2,000
Ukraine	Emergency Management	Reverse Trade Mission	Koeppen, Elliott & Associates, Ltd. (KEA)	Washington	DC	230,175
Ukraine	Enhanced Oil and Gas Recovery	Definitional Mission	Invenire, Inc.	Houston	TX	34,097
Ukraine	National Emergency Telephone Call Response System	Feasibility Study	Winbourne and Costas, Inc.	Arlington	VA	649,394
Ukraine	Summy Waste Recycling and Refuse Derived Fuel	Desk Study	3E Consulting LLC	Columbia	MD	6,000
Reg I East Asia/Eurasia	Eurasian Market Development II - Scott Greenip	Technical Assistance	Greenip, Scott			24,869
Reg I East Asia/Eurasia	Eurasian Market Development II - Geoffrey Jackson	Technical Assistance	Jackson, Geoffrey			6,509
Reg I East Asia/Eurasia	Advisory and Assistance Contract	Technical Assistance	Thomas Folsom	Washington	DC	51,994
Regional Eurasia	Advisory and Assistance Contract	Technical Assistance	Brandon Megorder	Washington	DC	51,994
Regional Eurasia	Kazakhstan and Azerbaijan Gas Utilization and Coal Bed Methane	Definitional Mission	Douglas M Shuster dba Emerging Markets Infrastructure, LLC	Herndon	VA	60,000

Total for East Asia and Eurasia \$ 8,206,107

FY 2011 Program Activities Listed by Region

COUNTRY	TITLE	ACTIVITY	U.S. FIRM	CITY	STATE	FUNDS OBLIGATED
LATIN AMERICA AND CARIBBEAN						
Brazil	Airport Sector Opportunities	Definitional Mission	Ascendant Program Services, LLC	Bethesda	MD	49,928
Brazil	Aluminum Can Manufacturing Plant	Desk Study	Peoples Group, The	Arlington	VA	5,000
Brazil	Aluminum Can Manufacturing Plant	Feasibility Study	Selection in progress			248,438
Brazil	Intelligent Transport System Opportunities	Definitional Mission	HE Pena Jr, Transportation Consulting	Charleston	SC	50,000
Brazil	Rio de Janeiro Government Information Technology Modernization and Integration	Technical Assistance	Selection in progress			675,000
Brazil	Santo Andre Waste to Energy and Landfill Gas Recovery Facility	Feasibility Study	Selection in progress			469,000
Brazil	Smart Grid Implementation Strategy	Feasibility Study	Selection in progress			710,000
Brazil	Solar Technologies	Reverse Trade Mission	Millennium Science & Engineering, Inc. (MSE)	Chantilly	VA	76,674
Brazil	USFCS Specialist Rodrigo Mota	Technical Assistance	US and Foreign Commercial Service (USFCS)	Washington	DC	195,060
Chile	Cochrane-Puerto Montt Airspace and Aerodrome Modernization Plan	Feasibility Study	Selection in progress			623,000
Chile	Information and Communication Technologies Opportunities	Definitional Mission	Martin Morell	New York	NY	37,680
Chile	Smart Grid Technologies and Policy	Reverse Trade Mission	MFM Lamey Group	Miami	FL	157,483
Colombia	20 MW Hybrid Solar and Wind Park	Feasibility Study	Selection in progress			592,000
Colombia	Master Plan Update for El Dorado International Airport in Bogota	Technical Assistance	Selection in progress			891,840
Colombia	Renewable Energy and Energy Efficiency Projects	Definitional Mission	N J Numark Associates Inc. dba Numark Associates, Inc.	Washington	DC	59,824
El Salvador	CEL Solar Photovoltaic Power Pilot Project	Feasibility Study	Selection in progress			267,000
El Salvador	Transportation Infrastructure Projects	Definitional Mission	Airline Capital Associates, Inc.	New York	NY	39,994
Haiti	Priority Airport Projects	Desk Study	Montgomery Consulting Group	Maitland	FL	15,000
Mexico	Baja California Wind Power Project	Feasibility Study	Selection in progress			374,000
Mexico	Zacatecas Landfill Gas Pilot Project	Feasibility Study	Selection in progress			278,000
Mexico	Zacatecas Wind Power Project	Feasibility Study	Selection in progress			501,000
Nicaragua	Port of Corinto Competitiveness Upgrade Project	Desk Study	Sugin, Leonard C. E.	New York	NY	10,000
Panama	Tocumen International Airport Strategic Development Plan	Feasibility Study	Selection in progress			734,685
Regional LAC	Advisory and Assistance Contract	Technical Assistance	Isabel Sepulveda	Washington	DC	51,994
Regional LAC	Caribbean Air Navigation System Modernization	Desk Study	Ascendant Program Services, LLC	Bethesda	MD	7,500
Regional LAC	Coal Mine Methane/Coal Bed Methane Projects in Colombia and Mexico	Definitional Mission	Affiliated Services International, LLC	Indiana	PA	65,000
Regional LAC	Colombia and Haiti Port Security Technologies and VTM Information Systems	Reverse Trade Mission	Meridian International Center	Washington	DC	340,057
Regional LAC	Hydroelectric Power Projects in Central America	Definitional Mission	H&M Engineering, Inc.	Ellicott City	MD	33,217
Regional LAC	LAC Intelligent Transportation Systems Initiative	Reverse Trade Mission	Koepfen, Elliott & Associates, Ltd. (KEA)	Washington	DC	594,790
Regional LAC	Geothermal Power Opportunities	Desk Study	Constant Group, LLC	Maywood	NJ	19,800
Regional LAC	Advisory and Assistance Contract	Technical Assistance	Devin Conley	Washington	DC	23126
Regional LAC	Water Sector Opportunities in Brazil and Colombia	Definitional Mission	DHC Consulting LLC	Blacksburg	VA	64,824
Total for Latin America and Caribbean						\$ 8,260,914
MIDDLE EAST, NORTH AFRICA AND EUROPE						
Bulgaria	Holtec Dry Storage for Spent Nuclear Fuel	Desk Study	Tecumseh Energy Services, Inc., USA	Tecumseh	MI	7,000
Egypt	Water Sector	Definitional Mission	DHC Consulting LLC	Blacksburg	VA	49,964
Egypt	EBC Biodigesters	Desk Study	Constant Group, LLC	Maywood	NJ	7,000
Egypt	EBC Biodigesters	Feasibility Study	Selection in progress			283,000
Egypt	Egypt Forward Technical Workshops	Conference/Workshop	MFM Lamey Group	Miami	FL	555,355
Egypt	US-Egypt Business and Trade Facilitation Initiative	Reverse Trade Mission	International Executive Service Corps	Washington	DC	842,924
Iraq	Basra Refinery Rehabilitation	Feasibility Study	Shaw Energy and Chemicals, Inc.	Houston	TX	502,798
Iraq	Basra Refinery Rehabilitation	Desk Study	INTRATECH	McLean	VA	5,000
Iraq	Oil Sector Procurement and Inspection	Reverse Trade Mission	Meridian International Center	Washington	DC	196,646
Jordan	Technical Evaluation for the Jordanian Electrical System	Technical Assistance	Nexant, Inc.	San Francisco	CA	46,000
Jordan	Electronic Health Records	Feasibility Study	Samara Consulting, LLC	Falls Church	VA	567,605
Jordan	Power Sector Projects	Desk Study	Constant Group, LLC	Maywood	NJ	9,750
Jordan	Smart Card Technology	Desk Study	Network Dynamics Associates, LLC	Weston	CT	3,000
Jordan	Technical Evaluation for the Jordanian Electrical System	Desk Study	Constant Group, LLC	Maywood	NJ	3,000
Morocco	Clean and Renewable Energy Sector	Definitional Mission	CJ Aron Associates, Inc.	Brooklyn	NY	48,300
Morocco	ONHYM Shale Gas Development	Desk Study	Merklein & Associates, Inc.	Washington	DC	6,800
Morocco	Distributed Power Generation/Fresh Water Production	Technical Assistance	Nexant, Inc.	San Francisco	CA	551,880
Morocco	Essaouira Solar Photovoltaic Power Project	Technical Assistance	Power Engineers, Inc.	Hailey	ID	631,000
Morocco	MASEN Concentrated Solar Power Project	Technical Assistance	Selection in progress			651,886
Morocco	Ports VTM and Security and Surveillance Systems	Desk Study	Infotel International	Reston	VA	2,950
Morocco	Ports Sector	Definitional Mission	Interdisciplinary Research Consultants	Westerville	OH	49,965
Romania	Aviation Sector	Definitional Mission	KED Group	Columbia	SC	49,925
Romania	Coal Mine Methane Co-Generation Power Plants	Desk Study	Appropriate Energy Management, Inc.	West Jefferson	OH	7,000
Romania	Information and Communication Technology (ICT) Projects	Definitional Mission	Actionable Strategies LLC	New York	NY	49,340
Romania	SCADA Water Management Pilot Project	Desk Study	Millennium Science & Engineering, Inc. (MSE)	Chantilly	VA	3,000
Romania	Portable Emergency Collaboration and Communications Technology Pilot Study	Feasibility Study	Selection in progress			400,000
Romania	Smart Grid Projects	Definitional Mission	CJ Aron Associates, Inc.	Brooklyn	NY	47,500
Serbia & Montenegro	Biomass 5MW CHP Plant	Desk Study	CJ Aron Associates, Inc.	Brooklyn	NY	3,000
Turkey	Alasehir Geothermal Power Plant	Feasibility Study	Veizades and Associates, Inc.	San Francisco	CA	393,927
Turkey	Alasehir Geothermal Power Plant	Desk Study	Constant Group, LLC	Maywood	NJ	7,000
Turkey	Coal Gasification Project	Feasibility Study	Worley Parsons Group, Inc.	Reading	PA	74,850
Turkey	Coal Gasification Project	Desk Study	Energy Markets Group	Washington	DC	3,000
Turkey	Coalbed Methane Extraction and Utilization	Desk Study	CORE International	Washington	DC	7,000
Turkey	Energy Efficiency and Renewable Energy	Definitional Mission	ENERCON America	Chicago	IL	49,998
Turkey	Intermodal Transportation Sector	Definitional Mission	TERA International Group, Inc.	Sterling	VA	50,000
Turkey	Near-Zero Zone Energy Efficiency and Power Plant Expansion	Technical Assistance	Burns and Roe	Oradell	NJ	403,640
Turkey	Smart Grid Applications in Power Distribution	Feasibility Study	Selection in progress			201,606
West Bank	Hebron Wastewater Treatment Plant	Desk Study	Millennium Science & Engineering, Inc. (MSE)	Chantilly	VA	5,000
West Bank	Public Sector Information and Communications Technology Modernization	Feasibility Study	Network Dynamics Associates, LLC	Weston	CT	567,019

FY 2011 Program Activities Listed by Region

COUNTRY	TITLE	ACTIVITY	U.S. FIRM	CITY	STATE	FUNDS OBLIGATED
Regional MENAE	Maghreb Solar	Reverse Trade Mission	Millennium Science & Engineering, Inc. (MSE)	Chantilly	VA	261,231
Regional MENAE	Advisory and Assistance Contract	Technical Assistance	Hubbard, Peter	Arlington	VA	51,898
Regional MENAE	Advisory and Assistance Contract	Technical Assistance	Kendra Kintzi	Washington	DC	51,994
Regional MENAE	Romania and Bulgaria Smart Grid	Reverse Trade Mission	Energy Markets Group	Washington	DC	249,948
Regional MENAE	Global Diaspora Forum	Technical Assistance	U.S. Department of State	Washington	DC	20,000

Total for Middle East, North Africa and Europe \$ 7,979,699

SOUTH AND SOUTHEAST ASIA

India	2011 U.S.-India Aviation Partnership Symposium	Conference/Workshop	Business Council for International Understanding (BCIU)	New York	NY	369,306
India	Air Traffic Flow Management System	Desk Study	KED Group	Columbia	SC	6,000
India	Bankura and Belgaum Solar Photovoltaic Project	Feasibility Study	Selection in progress			719,985
India	BESCOM Smart Grid	Feasibility Study	Selection in progress			453,350
India	Cold Chain Infrastructure	Reverse Trade Mission	Peoples Group, The	Arlington	VA	254,347
India	Diesel Retrofit Project	Desk Study	TRS International	Great Falls	VA	3,000
India	DGCA Technical and Managerial Development Expansion Program	Desk Study	Montgomery Consulting Group	Maitland	FL	10,000
India	Efficiency and Clean Energy Exchange Program	Reverse Trade Mission	Koeppen, Elliott & Associates, Ltd. (KEA)	Washington	DC	636,186
India	Transfer Agreement for Technical Management and Operational Development - FAA	Technical Assistance	Federal Aviation Administration (FAA)	Washington	DC	114,256
India	Ground Based Augmentation System Pilot Project	Technical Assistance	Honeywell International			407,325
India	Integrated Emergency Communications System	Feasibility Study	OST, Inc.	Washington	DC	645,944
India	North Delhi Power Limited Smart Grid	Feasibility Study	Selection in progress			686,447
India	NTPC Geothermal Power Plant Project	Desk Study	Constant Group, LLC	Maywood	NJ	7,000
India	South Asia Foreign Service National Position	Technical Assistance	Selection in progress			102,500
India	Technical, Management and Operational Development Training (TMODT) Program	Technical Assistance	Hi-Tec Systems, Inc.	Egg Harbor Township	NJ	387,282
Indonesia	Air Traffic Control	Reverse Trade Mission	MFM Lamey Group	Miami	FL	221,911
Indonesia	Rail Signaling and Telecommunications Systems	Technical Assistance	Selection in progress			593,954
Mongolia	Aviation Executive Airline Management Training	Technical Assistance	Selection in progress			400,000
Mongolia	Aviation Executive Airline Management Training	Desk Study	Montgomery Consulting Group	Maitland	FL	6,000
Philippines	Waste-to-Energy Facilities	Feasibility Study	Sinova Capital LLC.	Seattle	WA	646,285
Sri Lanka	Solar Power Community Water Supply Pilot	Desk Study	Millennium Science & Engineering, Inc. (MSE)	Chantilly	VA	3,000
Thailand	Rail Sector Modernization	Reverse Trade Mission	TERA International Group, Inc.	Sterling	VA	202,268
Vietnam	Air Traffic Management and Control Systems	Reverse Trade Mission	American Association of Airport Executives (AAAE)	Alexandria	VA	275,939
Vietnam	Chu Lai Airport	Feasibility Study	Selection in progress			538,886
Vietnam	Cloud Computing Data Center	Feasibility Study	Pathway Systems, LLC	Clayton	MO	402,675
Vietnam	Energy Sector	Definitional Mission	Walter I. Serbetci dba ENERCON America	Chicago	IL	64,993
Vietnam	Transport Sector	Definitional Mission	KED Group	Columbia	SC	64,973
Vietnam	USFCS Specialist	Technical Assistance	US and Foreign Commercial Service (USFCS)	Washington	DC	29,512
South & South East Asia	Transportation Sector	Definitional Mission	TERA International Group, Inc.	Sterling	VA	65,000
Regional Asia	Business Development Manager	Technical Assistance	Mark Dunn	Baltimore	MD	172,702
Regional Asia	Regional Office, Bangkok, Thailand	Other	U.S. Department of State			116,200
Regional Asia	Advisory and Assistance Contract	Technical Assistance	John Liszewski	Washington	DC	51,994
Regional Asia	Storage	Other	Joe Moholland Moving	Woodbridge	VA	1,035
Regional Asia	Water and Wastewater Management	Definitional Mission	Green Power Systems, LLC	Newcastle	WA	79,472

Total for South and Southeast Asia \$ 8,739,727

SUB-SAHARAN AFRICA

Angola	Electricity Distribution Modernization	Desk Study	Douglas M Shuster dba Emerging Markets Infrastructure, LLC	Herndon	VA	2,000
Angola	Housing Construction Sector	Reverse Trade Mission	Global Marketing and Communications	Arlington	MA	36,620
Angola	Locomotive Remanufacturing	Feasibility Study	Selection in progress			410,000
Angola	Particleboard Production	Desk Study	Solana Incorporated	Portland	ME	4,975
Burkina Faso	National ICT Backbone Network	Feasibility Study	Futron Corporation	Bethesda	MD	186,000
Ghana	Branchless Banking	Technical Assistance	Selection in progress			496,000
Ghana	Expansion of Meteorological Services	Desk Study	Montgomery Consulting Group	Maitland	FL	5,000
Ghana	Eastern Transmission Line	Feasibility Study	Selection in progress			645,000
Ghana	Expansion of Meteorological Services	Feasibility Study	I.M. Systems Group, Inc.	Rockville	MD	49,000
Ghana	Floating LNG Storage and Regasification Unit	Feasibility Study	Selection in progress			691,000
Ghana	Kotoka International Airport Air Traffic Control Center	Desk Study	Ronald F. Price dba QED Airport & Aviation Consultants	Amelia Island	FL	5,000
Ghana	Kotoka International Airport Terminal Refurbishment	Desk Study	Ronald F. Price dba QED Airport & Aviation Consultants	Amelia Island	FL	5,000
Ghana	Kotoka Int'l Airport Terminal Refurbishment Project	Technical Assistance	Selection in progress			600,000
Kenya	Information and Communications Technology	Desk Study	Martin Morell	New York	NY	6,600
Kenya	Kariobangi Wastewater Treatment and Energy Recovery Facility	Desk Study	Alejandro J. Gonzalez dba AJGB International Inc.	Bellevue	WA	7,500
Kenya	Kariobangi Wastewater Treatment and Energy Recovery Facility	Feasibility Study	Selection in progress			371,508
Kenya	National Cybersecurity Master Plan	Technical Assistance	Selection in progress			580,000
Madagascar	Upstream Volobe Hydroelectric Power	Desk Study	Constant Group, LLC	Maywood	NJ	5,000
Malawi	Power Sector Opportunities	Reverse Trade Mission	CORE International	Washington	DC	274,187
Mauritius	CEB Transmission Grid and Transformer Monitoring System	Feasibility Study	Stanley Consulting	Muscatine	IA	114,220
Mauritius	CEB Transmission Grid and Transformer Monitoring System	Desk Study	CORE International	Washington	DC	10,000
Namibia	50 MW Concentrated Solar Power Plant	Desk Study	Constant Group, Inc.	Maywood	NJ	7,500
Namibia	Van Eck Power Plant Rehabilitation	Feasibility Study	Black & Veatch Corporation	Overland Park	KS	45,000
Namibia	Van Eck Power Plant Rehabilitation	Desk Study	Core International, Inc.	Washington	DC	2,500
Nigeria	Gas Storage and Processing	Reverse Trade Mission	MFM Lamey Group	Miami	FL	132,456
Nigeria	Hydropower Development	Desk Study	Core International, Inc.	Washington	DC	5,000
Nigeria	Lagos State CNG Vehicles	Desk Study	Douglas M Shuster dba Emerging Markets Infrastructure, LLC	Herndon	VA	5,000

FY 2011 Program Activities Listed by Region

COUNTRY	TITLE	ACTIVITY	U.S. FIRM	CITY	STATE	FUNDS OBLIGATED
Nigeria	Shared Disaster Recovery Services	Technical Assistance	Selection in progress			510,000
Nigeria	Drivers License Issuance and Management System	Trade-Related Training	Selection in progress			300,000
Nigeria	Western Nigeria Gas Pipeline	Desk Study	Invenire, Inc.	Houston	TX	5,000
Rwanda	Banque Nationale Du Rwanda ICT Modernization	Desk Study	Global Resources, Inc.	Irvine	CA	6,000
South Africa	Coega LNG Regasification and Power Generation Project	Reverse Trade Mission	Global Marketing and Communications	Arlington	MA	83,524
South Africa	Mine Water Management	Reverse Trade Mission	Millennium Science & Engineering, Inc. (MSE)	Chantilly	VA	184,679
South Africa	Rolling Stock Modernization	Desk Study	David Burns dba David Burns Railway Consulting	River Forest	IL	9,700
South Africa	Smart Grid	Definitional Mission	James T. Reilly	Red Bank	NJ	25,000
South Africa	Smart Grid	Reverse Trade Mission	MFM Lamey Group	Miami	FL	314,902
South Africa	Water Supply and Management	Definitional Mission	Performance Technology	Lewiston	ME	58,842
Tanzania	Bank of Tanzania ICT Modernization	Desk Study	Martin Morell	New York	NY	3,000
Tanzania	Waste Stream Commercialization	Desk Study	Constant Group, LLC	Maywood	NJ	5,000
Regional SSA	Agribusiness	Reverse Trade Mission	Peoples Group, The	Arlington	VA	215,153
Regional SSA	Capital Markets Integration, Nigeria and Ghana Stock Exchanges	Desk Study	Martin Morell	New York	NY	4,750
Regional SSA	Advisory and Assistance Contract	Technical Assistance	Elizabeth "Lisa" Bonnikson	Danville	CA	51,994
Regional SSA	East African Community Financial Integration	Reverse Trade Mission	Business Council for International Understanding (BCIU)	New York	NY	228,998
Regional SSA	East and Southern African Airspace Integration	Reverse Trade Mission	Millennium Science & Engineering, Inc. (MSE)	Chantilly	VA	219,732
Regional SSA	Regional Office, Johannesburg, South Africa	Other	U.S. Department of State			208,000
Regional SSA	Invitational Travel	Other	Citibank Government Commerce Services	Columbus	OH	3,000
Regional SSA	Kenya and South Africa, Transportation Sector	Definitional Mission	HE Pena Jr, Transportation Consulting	Charleston	SC	75,000
Regional SSA	Kenya and Uganda ICT	Definitional Mission	RG International Technology Consulting, LLC (RGITC, LLC)	Centreville	VA	64,253
Regional SSA	Storage	Other	Joe Moholland Moving	Woodbridge	VA	1,609
Regional SSA	Storage	Technical Assistance	JK Moving & Storage, Inc.	Sterling	VA	150
Regional SSA	Southern Africa Railways Workshop	Reverse Trade Mission	TERA International Group, Inc.	Sterling	VA	235,000
Regional SSA	Business Development Manager	Technical Assistance	Jason Nagy	Dulles	VA	138,401
Total for Sub-Saharan Africa						\$ 7,653,753

WORLDWIDE

Worldwide	Travel Insurance	Other	USI Insurance Services dba USI Affinity	Walnut Creek	CA	19,000
Worldwide	IQC Contract for Conferences, Workshops, RTM, Training and Other Events	Technical Assistance	USTDA IQC Contractors			150,000
Worldwide	RETECH 2011	Other	Access Intelligence, LLC dba Trade Fair Group	Rockville	MD	4,250
Worldwide	GO Global IV Conference, Rockford, IL	Other	Rockford Area Economic Development Council dba GO GLOBAL	Rockford	IL	400
Worldwide	Advisory and Assistance Contract	Technical Assistance	Veronica Faust Consulting	Washington	DC	51,994
Worldwide	Travel Insurance Services	Other	USI Insurance Services dba USI Affinity	Walnut Creek	CA	20,000
Total for Worldwide:						\$ 245,644
GRAND TOTAL:						\$41,085,844



KMPG LLP
2001 M Street, NW
Washington, DC 20036

Independent Auditors' Report

The Director
U.S. Trade and Development Agency:

We have audited the accompanying balance sheets of the U.S. Trade and Development Agency (USTDA) as of September 30, 2011 and 2010, and the related statements of net cost, changes in net position, and combined statements of budgetary resources (hereinafter referred to as "financial statements") for the years then ended. These financial statements are the responsibility of the USTDA's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Office of Management and Budget (OMB) Bulletin No. 07-04, *Audit Requirements for Federal Financial Statements*, as amended. Those standards and OMB Bulletin No. 07-04 require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the USTDA's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the USTDA as of September 30, 2011 and 2010, and its net costs, changes in net position, and budgetary resources for the years then ended in conformity with U.S. generally accepted accounting principles.

The information in the Management's Discussion and Analysis is not a required part of the financial statements, but is supplementary information required by U.S. generally accepted accounting principles. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of this information. However, we did not audit this information and, accordingly, we express no opinion on it.

The information in the Other Accompanying Information section is presented for purposes of additional analysis and is not required as part of the financial statements. This information has not been subjected to auditing procedures and, accordingly, we express no opinion on it.

In accordance with *Government Auditing Standards*, we have also issued our reports dated November 9, 2011 on our consideration of the USTDA's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of those reports is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. Those reports are an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in assessing the results of our audits.

KPMG LLP

November 9, 2011

U.S. TRADE AND DEVELOPMENT AGENCY

BALANCE SHEETS

As of September 30, 2011 and 2010

ASSETS	FY 2011	FY 2010
Intragovernmental:		
Fund balance with Treasury (Note 2)	\$ 107,439,008	\$ 113,252,004
Accounts receivable, net (Note 3)	—	26,925
Total intragovernmental	107,439,008	113,278,929
Accounts receivable, net (Note 3)	88	—
General property and equipment, net (Note 4)	377,799	517,085
Total assets	<u>\$ 107,816,895</u>	<u>\$ 113,796,014</u>
LIABILITIES AND NET POSITION		
Liabilities		
Intragovernmental:		
Accounts payable (Note 5)	\$ 270,000	\$ 74,007
Other liabilities (Notes 2 and 5)	11,674	28,126
Total intragovernmental	281,674	102,133
Accounts payable (Note 5)	6,895,481	8,087,922
Other liabilities (Note 5)	736,140	930,867
Total liabilities	<u>7,913,295</u>	<u>9,120,922</u>
Net position:		
Unexpended appropriations	100,017,436	104,631,325
Cumulative results of operations	(113,836)	43,767
Total net position	<u>99,903,600</u>	<u>104,675,092</u>
Total liabilities and net position	<u>\$ 107,816,895</u>	<u>\$ 113,796,014</u>

The accompanying notes are an integral part of these statements.

U.S. TRADE AND DEVELOPMENT AGENCY

STATEMENTS OF NET COST

For the years ended September 30, 2011 and 2010

	<u>FY 2011</u>	<u>FY 2010</u>
Cost of Operations:		
Grants program costs	\$ 53,123,988	\$ 56,465,192
Less earned revenue	—	—
Net cost of operations (Notes 6 and 11)	<u>\$ 53,123,988</u>	<u>\$ 56,465,192</u>

The accompanying notes are an integral part of these statements.

U.S. TRADE AND DEVELOPMENT AGENCY

STATEMENTS OF CHANGES IN NET POSITION

For the years ended September 30, 2011 and 2010

	FY 2011	FY 2010
Cumulative results of operations:		
Beginning balances	\$ 43,767	\$ 6,870
Budgetary financing sources		
Appropriations used	52,564,787	56,110,429
Other financing sources:		
Imputed financing	401,598	391,660
Total financing sources	52,966,385	56,502,089
Net cost of operations	(53,123,988)	(56,465,192)
Net change	(157,603)	36,897
Ending balances	\$ (113,836)	\$ 43,767
Unexpended appropriations:		
Beginning balances	\$ 104,631,325	\$ 101,289,856
Adjustment to beginning balance:	10,261	—
Adjusted beginning balance	104,641,586	101,289,856
Budgetary financing sources:		
Appropriations received	50,000,000	55,200,000
Appropriations transferred in/out	2,050,000	7,250,000
Other adjustments (rescissions and cancellation of expired funds)	(4,109,363)	(2,998,102)
Appropriations used	(52,564,787)	(56,110,429)
Total budgetary financing sources	(4,624,150)	3,341,469
Total unexpended appropriations	\$ 100,017,436	\$ 104,631,325
Net position	\$ 99,903,600	\$ 104,675,092

The accompanying notes are an integral part of these statements.

U.S. TRADE AND DEVELOPMENT AGENCY
STATEMENTS OF BUDGETARY RESOURCES

For the years ended September 30, 2011 and 2010

	FY 2011	FY 2010
Budgetary resources:		
Unobligated balance, brought forward, October 1	\$ 6,690,288	\$ 6,330,098
Adjustment to beginning balance brought forward	—	10,261
Recoveries of prior year unpaid obligations	8,018,027	5,001,677
Budget authority:		
Appropriations	50,000,000	55,200,000
Spending authority from offsetting collections:		
Collected	—	—
Change in receivables from federal sources	(26,925)	26,925
Nonexpenditure transfers	2,050,000	7,250,000
Permanently not available:		
Enacted Reduction	(100,000)	—
Cancellation of expired accounts	(4,009,363)	(2,998,103)
Total budgetary resources	<u>\$ 62,622,027</u>	<u>\$ 70,820,858</u>
Status of budgetary resources:		
Obligations incurred:		
Direct (Note 7)	\$ 54,620,592	\$ 64,130,570
Unobligated balance available:		
Apportioned (Notes 2, 8 and 10)	3,854,997	2,889,608
Unobligated balance not available (Note 2)	4,146,438	3,800,680
Total status of budgetary resources	<u>\$ 62,622,027</u>	<u>\$ 70,820,858</u>
Change in obligated balance:		
Unpaid obligations, brought forward, October 1	\$ 106,560,515	\$ 102,101,873
Adjustment to unobligated balance brought forward	338	(10,261)
Obligations incurred	54,620,592	64,130,570
Less: Gross outlays	(53,737,519)	(54,659,990)
Less: Recoveries of prior years' obligations	(8,018,027)	(5,001,677)
Obligated balance - end of the period	99,425,899	106,560,515
Less: Uncollected customer payments from federal sources	—	(26,925)
Obligated balance, net - end of the period (Note 9)	<u>99,425,899</u>	<u>106,533,590</u>
Net Outlays:		
Gross outlays	\$ 53,737,519	\$ 54,659,990
Less: Offsetting collections	—	—
Net outlays	<u>\$ 53,737,519</u>	<u>\$ 54,659,990</u>

The accompanying notes are an integral part of these statements.

NOTES TO FINANCIAL STATEMENTS

September 30, 2011 and 2010

(1) Summary of Significant Accounting Policies

(a) Description of Reporting Entity

The U.S. Trade and Development Agency (USTDA or the Agency) is an independent U.S. government agency administered under the authority of Section 661 of the Foreign Assistance Act of 1961, as amended (22 U.S.C. §2421).

USTDA helps U.S. companies create jobs through 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.

The organization was established on July 1, 1980 as the U.S. Trade and Development Program (TDP) by delegation of authority as a component of the International Development Cooperation Agency (IDCA). In 1988, under the Omnibus Trade and Competitiveness Act, the organization was a separate component agency of IDCA. On October 28, 1992, the Jobs Through Exports Act of 1992 established USTDA as an independent agency under the foreign policy guidance of the Secretary of State.

(b) Basis of Presentation

These financial statements have been prepared to report the financial position, net costs, changes in net position, and budgetary resources of USTDA, as required by its authorizing legislation (Public Law 102-549, Title II). These financial statements include all activity related to USTDA's appropriation (No. 11-1001) and reimbursable interagency agreements, whereby USTDA receives transfers from other federal agencies for use in specific regions or sectors.

(c) Budgets and Budgetary Accounting

Congress annually adopts a budget appropriation that provides USTDA with authority to use funds from the U.S. Treasury to meet operating and program expense requirements. All revenue received from other sources, except for appropriations transferred from other federal agencies, must be returned to the U.S. Treasury.

(d) Basis of Accounting

USTDA's Balance Sheet, Statement of Net Cost, and Statement of Changes in Net Position are prepared using the accrual basis of accounting. This basis requires recognition of the financial effects of transactions, events, and circumstances in the periods when those transactions, events, and circumstances occur, regardless of when cash is received or paid. USTDA also uses budgetary accounting to facilitate compliance with legal constraints and to track its budget authority at the various stages of execution, including commitments, obligation, and eventual outlay. The Statement of Budgetary Resources is prepared using budgetary accounting methods.

The standards used in the preparation of the accompanying financial statements are issued by the Federal Accounting Standards Advisory Board, which represent accounting principles generally accepted in the United States of America for U.S. government entities.

(e) Appropriations and Other Financing Sources

Appropriations are recognized as a financing source at the time they are authorized and apportioned. Appropriations used to fund grant activities and administrative expenses are recognized as expenses and revenue as the resultant related expenses are incurred.

During each of FY 2010 and FY 2011, USTDA received an appropriation to be used for program and administrative expenses, which are available for obligation through September 30, 2011 and 2012, respectively. These funds were appropriated in accordance with Section 7011 of the Department of State, Foreign Operations, and Related Programs Appropriations Act, 2010 and Section 2114 of the Department of Defense and Full-Year Continuing Resolution Act, 2011 ("The Acts"). Beginning with FY 2008 appropriations, the Acts allow de-obligated funds that were initially obligated prior to their expiration to remain available for re-obligation for an additional 4 years from the date on which the availability of such funds would otherwise have expired. In FY 2011, USTDA re-apportioned approximately \$1.3 million of FY 2008 de-obligations and approximately \$1.4 million of FY 2009 de-obligations.

NOTES TO FINANCIAL STATEMENTS

September 30, 2011 and 2010

Funds transferred from the U.S. Agency for International Development (USAID) for Support for East European Democracy Act (SEED), Economic Support Funds (ESF), and the Freedom Support Act (FSA) during FY 2002-2005, are available for reobligation in the manner described in the preceding paragraph. SEED, ESF, and FSA funds for FY 1999-2001 that were initially obligated prior to their expiration remain available for re-obligation until expended.

(f) Fund Balance with Treasury

USTDA does not maintain cash in commercial bank accounts. The U.S. Treasury processes cash receipts and disbursements. The balance of funds with Treasury primarily represents appropriated funds that are available to pay current liabilities and finance authorized purchase commitments relative to goods or services.

(g) Property and Equipment

Property and equipment is stated at cost, less accumulated depreciation. USTDA capitalizes property and equipment with an acquisition cost greater than \$5,000 and useful life exceeding one year. Depreciation is calculated using the straight-line method and is based on an estimated useful life of 10 years for all assets, except computer equipment and software, which is depreciated over 5 years. Leasehold improvements are amortized over the estimated period of occupancy or the life of the improvement, whichever is less. Expenditures for repairs and maintenance are charged to operating expenses as incurred.

(h) Liabilities

Liabilities represent amounts owed by USTDA as the result of transactions or events that have occurred as of fiscal year end. Liabilities covered by budgetary or other resources are those liabilities for which Congress has appropriated funds or funding is otherwise available to pay amounts owed. Liabilities not covered by budgetary or other resources represent amounts owed in excess of available, congressionally appropriated funds or other amounts. The liquidation of liabilities not covered by budgetary or other resources is dependent on future congressional appropriations or other funding. There is no certainty that Congress will appropriate funds to satisfy such liabilities.

USTDA has no capital leases. Regarding its building lease, the General Services Administration (GSA) entered into a lease agreement for USTDA's rental of building space. USTDA pays GSA a standard-level users' charge for the annual rental. The standard-level users' charge approximates the commercial rental rates for similar properties. Average annual rent expense and related charges are approximately \$1.5 million through 2012.

(i) Undelivered Orders

Undelivered orders represent the amount of orders for goods and services outstanding for which funds have been obligated, but the liabilities have not been incurred.

(j) Accrued Leave

Annual leave is accrued as a liability as it is earned. The liability is reduced as leave is taken. Each year, the balance in the accrued annual leave account is adjusted to reflect current year pay rates. To the extent that the current or prior year appropriations are not available to fund annual leave earned, but not taken, funding will be obtained from future appropriations. USTDA's handling of annual leave earned, but not taken is compliant with established regulations. Sick leave and other types of non-vested leave are charged to expense as the leave is used.

(k) Cumulative Results of Operations

Cumulative results of operations represent the difference between net property and equipment and unfunded annual leave, plus the net difference between expenses and financing sources since the inception of an activity.

NOTES TO FINANCIAL STATEMENTS

September 30, 2011 and 2010

(l) Retirement Plan

USTDA's employees participate in either the Civil Service Retirement System (CSRS) or the Federal Employees' Retirement System (FERS). Employees participating in CSRS contribute 7.0 percent of their gross pay to the plan, and USTDA contributes 8.51 percent. The cost of providing a CSRS benefit, which is 30.1 percent as computed by the Office of Personnel Management (OPM), is more than the amounts contributed by USTDA and its employees. In accordance with Statement of Federal Financial Accounting Standard (SFFAS) No. 5, *Accounting for Liabilities of the Federal Government*, USTDA reports the full cost of providing pension benefits to include the cost financed by OPM.

On January 1, 1987, FERS went into effect pursuant to Public Law 99-335. Most employees hired after December 31, 1983 are automatically covered by FERS and the Social Security Act. Employees hired prior to January 1, 1984 could elect either to join FERS and the Social Security Act or remain in CSRS. A primary feature of FERS is that it offers a savings plan in which USTDA automatically contributes 1 percent of employees' pay and matches any employee contribution up to an additional 4 percent of basic pay. For most employees hired since December 31, 1983, USTDA also contributes the employer's matching share under the Social Security Act. For the FERS basic benefit, the employees contribute 0.8 percent of their basic pay while USTDA contributes 11.2 percent for a total contribution rate of 12 percent. The cost of providing a FERS benefit, as computed by OPM is 13.8 percent.

The total amount of imputed financing for retirement and other post-retirement benefits paid by OPM for FY 2011 amounted to \$401,598 which includes \$150,534 for pension cost for CSRS and FERS; \$250,174 for the Federal Employees Health Benefits (FEHB) Program; and \$890 for Federal Employees Group Life Insurance (FEGLI). These amounts are included in USTDA's FY 2011 financial statements. In FY 2010, OPM funded \$391,660 to pension, health, and life insurance benefits on behalf of USTDA's employees.

The actuarial present value of accumulated benefits, assets available for benefits, and unfunded pension liability of CSRS and FERS is not allocated to individual departments and agencies and is therefore not disclosed by USTDA. The reporting of these amounts is the responsibility of OPM. USTDA has properly computed this amount and recorded a liability for it.

USTDA paid approximately \$500,230 and \$446,690 for retirement system coverage for its employees during FY 2011 and FY 2010, respectively.

(m) Use of Estimates

Management has made certain estimates and assumptions when reporting in these financial statements on assets and liabilities. They are also used in expenses and note disclosures. Actual results could differ from these estimates. Significant estimates underlying the accompanying financial statements include depreciable lives of property and equipment with no residual value, and the grants payable accrual. USTDA uses a ratio of the average of accounts payable to unpaid obligations over a three year period and applies the resulting percentage to calculate the current year's estimate of accounts payable.

U.S. TRADE AND DEVELOPMENT AGENCY

NOTES TO FINANCIAL STATEMENTS

September 30, 2011 and 2010

(2) Fund Balance with Treasury

Fund Balance with Treasury represents USTDA's undisbursed budgetary authority and funds to be returned to Treasury at September 30, 2011 and 2010, as follows:

	<u>FY 2011</u>	<u>FY 2010</u>
Fund balances:		
Appropriated funds	\$ 107,427,334	\$ 113,223,878
Miscellaneous Receipts	11,674	28,126
Total	<u>\$ 107,439,008</u>	<u>\$ 113,252,004</u>
Status of fund balance with Treasury:		
Unobligated balance:		
Available	\$ 3,854,997	\$ 2,889,608
Unavailable	4,146,438	3,800,680
Obligated balance not yet disbursed	99,425,899	106,533,590
Non-budgetary	11,674	28,126
Total	<u>\$ 107,439,008</u>	<u>\$ 113,252,004</u>

Unobligated fund balances are either available or not available. Amounts are reported as not available when they are no longer legally available to USTDA for obligation. However, balances that are currently reported as not available can change over time, because they may be used to increase the amount of the initial obligation to cover additional expenditures that relate to these obligations.

(3) Accounts Receivables

Accounts receivables at September 30, 2011 and 2010 consist of the following components:

	<u>FY 2011</u>	<u>FY 2010</u>
Accounts receivable, net	\$ 88	\$ 26,925
Total Receivable and Advances	<u>\$ 88</u>	<u>\$ 26,925</u>

FY 2011 accounts receivable represents an employee health insurance premium which will be collected in FY 2012. The accounts receivable reported in FY 2010 represent erroneous charges made by other agencies against USTDA's appropriation. The correction was made in FY 2011.

U.S. TRADE AND DEVELOPMENT AGENCY

NOTES TO FINANCIAL STATEMENTS

September 30, 2011 and 2010

(4) Property and Equipment, Net

Property and equipment and related accumulated depreciation balances at September 30, 2011, and 2010 are as follows:

FY 2011

Class of Asset	Service Life	Acquisition value	Accumulated depreciation/amortization	Net book value
Computer Equipment	5 years	\$ 471,823	\$ 287,009	\$ 184,814
Furniture and Fixtures	10 years	232,468	163,873	68,595
Computer Software	5 years	5,046	1,514	3,532
Other Equipment	10 years	243,668	159,981	83,687
Leasehold Improvement	2 years	113,182	76,011	37,171
Total property and equipment		<u>\$ 1,066,187</u>	<u>\$ 688,388</u>	<u>\$ 377,799</u>

FY 2010

Class of Asset	Service Life	Acquisition value	Accumulated depreciation/amortization	Net book value
Computer Equipment	5 years	\$ 453,200	\$ 211,136	\$ 242,064
Furniture and Fixtures	10 years	232,468	146,699	85,769
Computer Software	5 years	5,046	505	4,541
Other Equipment	10 years	243,668	137,096	106,572
Leasehold Improvement	3 years	113,182	35,043	78,139
Total property and equipment		<u>\$ 1,047,564</u>	<u>530,479</u>	<u>517,085</u>

Depreciation expense for fiscal years ended September 30, 2011 and 2010 is \$157,909 and \$129,218, respectively.

During FY 2011 and 2010, USTDA purchased property and equipment in the amount of \$18,623 and \$264,925, respectively. In addition, during FY 2011 there were no disposals, while in FY 2010, USTDA disposed of property that cost \$59,470, with related accumulated depreciation amounting to \$55,691.

U.S. TRADE AND DEVELOPMENT AGENCY

NOTES TO FINANCIAL STATEMENTS

September 30, 2011 and 2010

(5) Liabilities

Total liabilities represent the sum of liabilities not covered by budgetary resources, and those covered by budgetary resources. As of September 30, 2011 and 2010, total liabilities were as follows:

	<u>FY 2011</u>	<u>FY 2010</u>
Intragovernmental Liabilities:		
Liabilities not covered by budgetary resources:		
Miscellaneous receipts to be returned to Treasury	\$ 11,674	\$ 28,126
Liabilities covered by budgetary resources:		
Accounts payable	270,000	74,007
Total intragovernmental liabilities	<u>\$ 281,674</u>	<u>\$ 102,133</u>
Other Liabilities:		
Liabilities not covered by budgetary resources:		
Accrued annual leave	\$ 491,723	\$ 473,318
Liabilities covered by budgetary resources:		
Accounts payable	6,895,481	8,087,922
Accrued payroll	244,417	457,549
Total other liabilities	<u>\$ 7,631,621</u>	<u>\$ 9,018,789</u>
Total Liabilities	<u>\$ 7,913,295</u>	<u>\$ 9,120,922</u>

All liabilities other than unfunded accrued leave are considered to be current liabilities. Approximately \$6.2 million of the accounts payable balance as of September 30, 2011 relates to grants payments owed but unpaid. This balance was \$7.8 million as of September 30, 2010.

(6) Intragovernmental Costs and Exchange Revenue

Program costs for fiscal years ended September 30, 2011 and 2010 consist of the following:

<u>Grants Program</u>	<u>FY 2010</u>	<u>FY 2010</u>
Intragovernmental costs	\$ 2,953,748	\$ 3,701,368
Public costs	50,170,240	52,763,824
Total grant program costs	53,123,988	56,465,192
Intragovernmental earned revenue	—	—
Net grant program costs	<u>\$ 53,123,988</u>	<u>\$ 56,465,192</u>

NOTES TO FINANCIAL STATEMENTS

September 30, 2011 and 2010

(7) Apportionment Categories of Obligations Incurred

During the years ended September 30, 2011 and 2010, funds were obligated in the following categories:

Obligations	FY 2011	FY 2010
Category A - funds that are obligated for operating expenses	\$ 13,548,511	\$ 14,292,885
Category B - funds that are obligated for program activities	41,072,081	49,837,685
Total obligations incurred	\$ 54,620,592	\$ 64,130,570

(8) Unobligated Balances Available — Apportioned

Total available unobligated balance of budget authority at September 30, 2011 and 2010 consist of the following.

	FY 2011	FY 2010
Unrestricted no-year funds	\$ 325,959	\$ 325,959
Funds transferred from USAID for feasibility studies and related activities in the New Independent States (NIS), and Support for Eastern European Democracy (SEED)	61,565	304,498
Funds transferred from USAID for feasibility studies and related activities in the NIS (Freedom Support Act (FSA) no-year funds)	63,315	150,841
Total no-year funds	\$ 450,839	\$ 781,298
Funds transferred from USAID for feasibility studies and related activities in the NIS (FSA funds)	318,930	—
USTDA core budget two-year appropriations	3,085,228	2,108,310
Total unobligated and available appropriations	\$ 3,854,997	\$ 2,889,608

All funds transferred from USAID were appropriation transfers. USTDA did not receive any allocations during FY 2010.

(9) Undelivered Orders

At September 30, 2011 and 2010, undelivered orders balances consisted of the following:

Purpose	FY 2011	FY 2010
Obligated balance at the end of the period	\$ 99,425,899	\$ 106,533,590
Accounts payable (covered by budgetary resources)	(7,409,898)	(8,619,478)
Undelivered orders	\$ 92,016,001	\$ 97,914,112

U.S. TRADE AND DEVELOPMENT AGENCY

NOTES TO FINANCIAL STATEMENTS

September 30, 2011 and 2010

(10) Permanent Indefinite Appropriations

No-year funds at September 30, 2011 and 2010 exist for the following purposes:

Purpose	FY 2011	FY 2010
General program activities	\$ 325,959	\$ 325,959
Freedom Support Act (FSA) transfer funds for feasibility studies and activities in the NIS	63,315	150,841
Support for feasibility studies and activities (NIS and SEED)	61,565	304,498
Total permanent indefinite appropriations	\$ 450,839	\$ 781,298

(11) Reconciliation of Net Cost to Budget

The following schedule reconciles resources available to USTDA to finance operations and the net cost of operating for fiscal years ended September 30, 2011 and 2010:

	FY 2011	FY 2010
Resources used to finance activities:		
Budgetary resources obligated	\$ 54,620,592	\$ 64,130,570
Adjustment to beginning balance brought forward	10,261	(10,261)
Recoveries of prior years obligations	(8,018,027)	(5,001,677)
Imputed financing for costs absorbed by others	401,598	391,660
Other	—	117,195
Total resources used to finance activities	\$ 47,014,424	\$ 59,627,487
Resources used to finance items not part of the net cost of operations:		
Change in budgetary resources obligated for goods and services ordered, but not received	\$ 5,925,036	\$ (2,981,279)
Resources that finance the acquisition of assets	(18,623)	(264,925)
Loss on disposition of assets	—	3,779
Total resources used to finance items not part of the net cost of operations	\$ 5,906,413	\$ (3,242,425)
Costs that do not require resources:		
Depreciation and amortization	\$ 157,909	\$ 129,218
Decrease in accounts receivable	26,837	—
Bad debt expenses	—	(72,060)
Costs that require resources in a future period:		
Increase in accrued leave liability	18,405	22,972
Total costs that do not require resources	\$ 203,151	\$ 80,130
Net cost of operations	\$ 53,123,988	\$ 56,465,192

U.S. TRADE AND DEVELOPMENT AGENCY

OTHER ACCOMPANYING INFORMATION

INTRAGOVERNMENTAL ASSETS, LIABILITIES AND EXPENSES

September 30, 2011

INTRAGOVERNMENTAL ASSETS

Trading Partner	Partner #	Accounts Payable	Fund Balance with Treasury
Department of the Treasury	20	\$ —	\$ 107,439,008
Total		\$ —	\$ 107,439,008

INTRAGOVERNMENTAL LIABILITIES

Trading Partner	Partner #	Accounts Payable	Fund to be Returned to Treasury
National Archives and Records	88	\$ 96	\$ —
Office of Personnel Management	24	1,800	—
Department of State	19	132,837	—
Department of the Treasury	20	—	11,674
U.S. Foreign Commercial Services	13	94,295	—
General Services Administration	47	40,972	—
Total		\$ 270,000	\$ 11,674

INTRAGOVERNMENTAL EXPENSES

Trading Partner	Partner #	Amount
Department of Agriculture—CEPO	12	\$ (3,000)
Foreign Service Institute	21	735
Department of the Interior (NBC)	14	1,008,626
Department of State	19	403,584
U.S. Foreign Commercial Services	13	63,985
General Services Administration	47	1,446,495
Department of Homeland Security	70	21,167
Office of Personnel Management	24	6,014
National Archives and Records	88	1,150
U.S. Postal Service	18	4,992
Total		\$ 2,953,748



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Washington, DC 20036

Independent Auditors' Report on Internal Control Over Financial Reporting

The Director
U.S. Trade and Development Agency:

We have audited the balance sheets of the U.S. Trade and Development Agency (USTDA) as of September 30, 2011 and 2010 and the related statements of net cost, changes in net position, and budgetary resources (hereinafter referred to as "financial statements") for the years then ended, and have issued our report thereon dated November 9, 2011.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Office of Management and Budget (OMB) Bulletin No. 07-04, *Audit Requirements for Federal Financial Statements*, as amended. Those standards and OMB Bulletin No. 07-04 require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

The management of the USTDA is responsible for establishing and maintaining effective internal control. In planning and performing our fiscal year 2011 audit, we considered the USTDA's internal control over financial reporting by obtaining an understanding of the USTDA's internal control, determining whether internal controls had been placed in operation, assessing control risk, and performing tests of controls as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the USTDA's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the USTDA's internal control over financial reporting. We did not test all internal controls relevant to operating objectives as broadly defined by the *Federal Managers' Financial Integrity Act of 1982*.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the third paragraph of this report and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. In our fiscal year 2011 audit, we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the USTDA's management, OMB, the U.S. Government Accountability Office, and the U.S. Congress and is not intended to be and should not be used by anyone other than these specified parties.

KPMG LLP

November 9, 2011



KPMG LLP
2001 M Street, NW
Washington, DC 20036

Independent Auditors' Report on Compliance and Other Matters

The Director
U.S. Trade and Development Agency:

We have audited the balance sheets of the U.S. Trade and Development (USTDA) as of September 30, 2011 and 2010, and the related statements of net cost, changes in net position, and combined statements of budgetary resources (hereinafter referred to as "financial statements") for the years then ended, and have issued our report thereon dated November 9, 2011.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Office of Management and Budget (OMB) Bulletin No. 07-04, *Audit Requirements for Federal Financial Statements*, as amended. Those standards and OMB Bulletin No. 07-04 require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

The management of the USTDA is responsible for complying with laws, regulations, contracts, and grant agreements applicable to the USTDA. As part of obtaining reasonable assurance about whether the USTDA's financial statements are free of material misstatement, we performed tests of the USTDA's compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of the financial statement amounts, and certain provisions of other laws and regulations specified in OMB Bulletin No. 07-04. We limited our tests of compliance to the provisions described in the preceding sentence, and we did not test compliance with all laws, regulations, contracts, and grant agreements applicable to the USTDA. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

The results of our tests of compliance described in the preceding paragraph of this report, disclosed no instances of noncompliance or other matters that are required to be reported herein under *Government Auditing Standards* or OMB Bulletin No. 07-04.

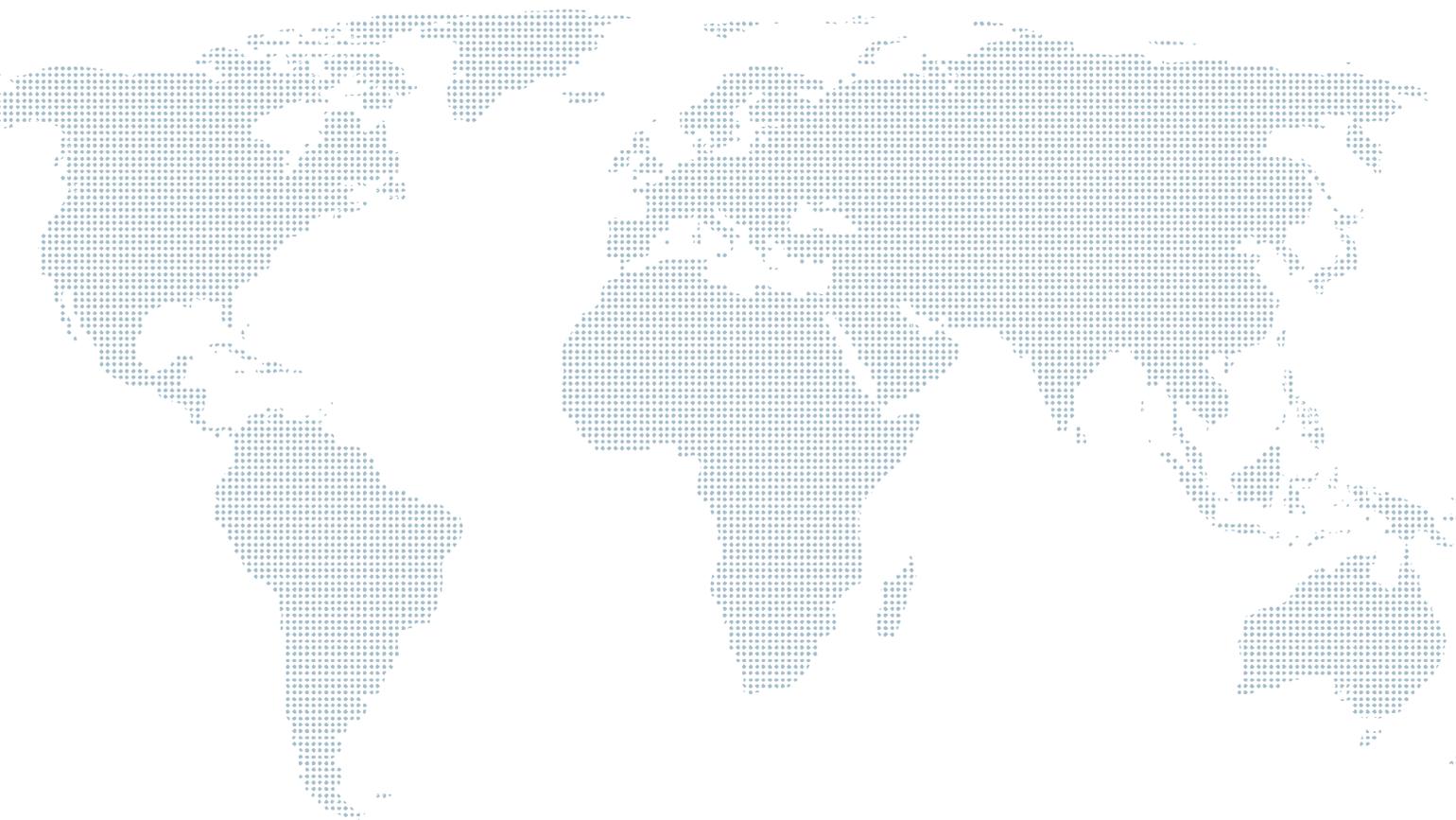
This report is intended solely for the information and use of the USTDA's management, OMB, the U.S. Government Accountability Office, and the U.S. Congress and is not intended to be and should not be used by anyone other than these specified parties.

KPMG LLP

November 9, 2011

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