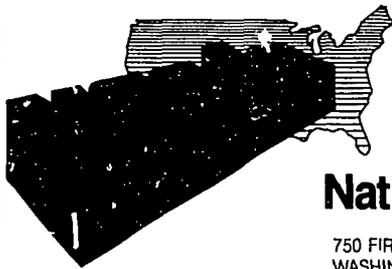


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National Association of State Development Agencies

750 FIRST STREET, N.E., SUITE 710
WASHINGTON, D.C. 20002

(202) 898-1302
FAX: (202) 898-1312

MILES FRIEDMAN
Executive Director

FINAL REPORT ON THE NASDA/USAID COOPERATIVE AGREEMENT

FEATURING
THE BUSINESS DEVELOPMENT SEED FUND
AND
THE ENVIRONMENTAL/ENERGY TECHNOLOGY FUND
FISCAL YEARS 1989 - 1993

PREPARED BY
The National Association of State Development Agencies
FOR
**The Private Enterprise Bureau of the U.S. Agency
for International Development**
AND
The U.S. - Asia Environmental Partnership

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RECIPIENT OF THE PRESIDENT'S "E" AWARD FOR EXCELLENCE IN EXPORT SERVICE

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OVERVIEW OF PROGRAM

AID AND THE STATES

The inception in 1988 of an AID/NASDA project was almost revolutionary in its mission. The project heralded a significant milestone in the embrace of a new approach to building U.S. alliances with the developing countries of the world. The program was innovative from five basic standpoints:

1. The program recognized that states are primary players in promoting the "internationalization of U.S. businesses". As such, AID then targeted the states in an effort to stimulate and accelerate their interest in exposing firms to third world markets.

2. The program was founded on the premise that friendships with our partners in the developing world could be strengthened through the encouragement of business relationships and commercial ties.

3. The program offered as an incentive only small seed grants to the states, requiring that there be state, local and/or private funds available to pay the lion's share of each project's costs. Thus, it signaled a moving away from the notion that the federal government can only achieve its goals when it pays the entire bill for an activity.

4. The program took steps to insure that the AID assistance was demand driven. This was accomplished by requiring that subsidized projects involve U.S. firms who were meeting market or other needs in the target countries, thus utilizing federal money in a way that was determined by LDC needs, rather than by policymakers in the U.S.

5. The program provides the opportunity to utilize commercial relationship-building as a means for addressing other major issues such as the environment, energy, economic and political stability in partner nations, etc

The AID Cooperative Agreement with NASDA had two basic components. One was a basic charge to heighten the interest of states in LDC markets by marketing their potential and by making states more aware of the vast AID network that could be helpful in exploring these markets. The second component, which ultimately became the principal activity under the agreement, involved NASDA administering a seed fund to help get projects by states (and other service providers) off the ground.

The idea was for NASDA to act as a catalyst in moving the states into the third world arena more aggressively, thus taking their constituent companies with them. If this could be accomplished, it was felt that U.S. firms, especially smaller ones, would have competent partners (the states) to help them explore these relatively untapped markets. At the same time, it was felt that the smaller and medium sized firms that states tend to work with, were repositories of numerous goods, services and technologies that were needed in the developing countries served by AID. Likewise, these smaller firms are the ones least likely to have been exposed to markets that tend to be smaller, and sometimes riskier.

The existence of niches where developing country needs and U.S. business capacity would match up was a major premise of the AID/NASDA cooperative agreement. States and the federal government had found in the past that success could often be achieved in finding market matches for smaller U.S. firms. Yet the markets most commonly being mined by the states were the safe, predictable and highly concentrated markets in Western Europe and Japan. State trade officials were often gun-shy about venturing into third world marketing, due to issues such as small size, geographic dispersion, political risk, cultural diversity and high exploration costs.

Thus, there was a window of opportunity for AID and NASDA to help de-mystify the LDC markets and to provide modest incentives to move the states to explore these markets. It was an important feature of the program that all projects funded had to involve potential for two way commercial exchange, (i.e., trade, investment or joint ventures in both directions). In this way, economies in the target countries would have the potential to grow stronger, but not at the expense of the U.S economy.

The key to success for the NASDA program was to influence state attitudes about and stimulate state interest in, developing country markets. We were not as interested in bringing about one-shot export deals as we were in building state programs with ongoing focus on the target countries. This would help insure that the state activities we generated were market driven, and, more importantly, would create a longer term support system for the development of U.S. commercial ties with developing countries.

Too many public sector programs encourage clients to engage in an activity and then leave them high and dry. To stimulate U.S. business interest in third world markets, only to have the federal support dry up if and when new priorities were identified, would have been irresponsible. Rather, the desire was to see the states get into the habit of building third world market exploration into their ongoing trade and investment programs. In this manner, there would be continuing assistance available.

Furthermore, if states would become interested in the target economies for the longer term, resources would be committed to the program's objectives on a continuous basis. This would allow the federal dollars used to continue leveraging desired activities, long after the initial projects were funded.

**THIS MAY BE THE KEY TO THE ENTIRE COOPERATIVE AGREEMENT:
LEVERAGING LONG-TERM INVOLVEMENT BY THE STATES IN HELPING
THEIR COMPANIES TO DEVELOP COMMERCIAL TIES IN DEVELOPING
COUNTRIES**

The AID/NASDA program has been a rewarding success. States initially greeted the program with a mixture of fascination and skepticism. Nevertheless, they were open to the opportunities presented, and after an initial educational phase, began to develop projects for the Business Development Seed Fund. The early going was slow, as we all felt our way through state concerns, AID requirements, company needs, and target country benefits.

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In each year of the Seed Fund, the number of funded projects grew larger, and the interest of AID regional bureaus increased. Ultimately, buy-ins were provided by bureaus covering Asia, the Near East, Eastern Europe and the former Soviet Republics. By 1992, interest in the Seed Fund approach was so high, that a dramatic new federal program, the U.S./Asia Environmental Partnership, made a major commitment to incorporate a seed fund in its work program.

It was in this manner that the Environmental/Energy Technology Fund was born, initially as a component of the basic AID/NASDA cooperative agreement, to become a companion of the original Seed Fund. A belleweather of the progress made by the original Seed Fund was the response to the new "Tech Fund". In the course of twelve months during 1992-93, the Tech Fund was responsible for seeding roughly as many projects, as had been approved by the original Seed Fund in four years.

In all, AID made available to NASDA over \$800,000 for Seed Fund grants and roughly \$700,000 for Tech Fund grants; seventy-five projects were funded all together. The grants were generally no more than \$20,000 and always involved a grantee match. In total, the two funds leveraged direct state, local and private resources at better than three to one. The indirect benefits of the projects, seen in the ongoing increase in state activity, will be reaped for years to come.

In addition to states, other service providers have taken advantage of the catalytic grants offered by the AID/NASDA seed funds. Grantees have included local governments, regional governments, multi-state consortia, world trade centers, universities, non-profit business councils, trade associations, port authorities. In fact, nearly one half of the projects were undertaken by multipliers other than states. Thus, the program has helped to leverage not only states, but other service providers, in the campaign to build commercial ties with the third world.

Perhaps the most rewarding result of the program is that state attitudes toward markets in the developing world have changed. We have surveyed our members to gauge whether their programs have expanded to incorporate more developing country markets and find that they have. The response to these surveys has been strong and consistent:

1. State international programs do pay more attention to the markets in developing countries; and
2. State officials are quick to point out that the AID/NASDA program has been a factor in pushing them in this direction.

Whereas there was virtually no state activity aimed at developing countries six years ago, recent surveys indicate that half the states now participate in trade shows or missions in developing countries. Whereas AID was viewed, only five years ago as simply an agency with a confusing procurement program, today, over 70% of the state trade programs cite AID as an agency that they work with.

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What's more, the states find that their activities are paying off. Universally, the states who participate in the Seed Fund are reporting that the project led to the development of commercial relationships. Funded projects have involved over three hundred fifty (350) American companies and have engaged the states in working with over twenty-five (25) developing countries. Virtually every state surveyed expects its activities in the developing world to continue and most likely to expand.

Typical of the reports from grantees, is the enthusiastic letter from the City of New Brunswick, New Jersey, which cites an estimated twelve to eighteen million dollars in Hungarian business, generated for New Jersey firms by the Seed Fund project. In addition, the project will assist the Hungarian wine industry up to U.S. standards so as to increase its own export potential. A letter from a participant cites arrangements to import over five million dollars of Hungarian marble products to the U.S., demonstrating that the Hungarian project was a bilateral success.

Anecdotal evidence such as that cited above supplies story after story of two way victories achieved by the AID/NASDA program. Surveys also demonstrate that there have been transactions generated in both directions. But it must be remembered that trade and investment relationships are developed over the long term, and the exposure to new markets needs time to mature before the full impact of the AID/NASDA program can be assessed.

Nevertheless, we can say, unequivocally, that states are more interested in and more actively involved with, helping their companies to establish commercial relationships in developing countries. It is also a fact that a relatively small expenditure of federal funds has been multiplied by state, local and private contributions to account for substantial project resources.

Most compelling of all, may be the fact that the AID/NASDA program has resulted in the exposure of numerous smaller U.S. firms to developing countries and vice versa. This has opened new markets for the American firms and opened new avenues for meeting basic needs in the developing world. It is safe to say that this "matchmaking" would probably not have occurred without the Seed Fund and the Tech Fund. It is hard not to be proud of an emerging partnership between smaller U.S. companies and their counterparts in the third world, which has been fostered, in large part, by this relatively modest U.S. Government program.

Not only has the program helped LDCs while benefitting, rather than hindering, the U.S. economy, but it has done so in a way that was driven by the needs of our LDC partners. It should also be noted that this has provided a ready vehicle for addressing major priorities of the U.S. and its partners in areas such as environmental cleanup, energy development, strengthening the fledgling economies of the third world and achieving greater stability in places such as the former Soviet Republics. If there is a program more in line with the philosophy of the Clinton Administration...we have yet to see it.

Miles Friedman
Executive Director

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FINAL REPORT ON THE NASDA/AID COOPERATIVE AGREEMENT

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FINAL REPORT ON THE NASDA/USAID COOPERATIVE AGREEMENT FISCAL YEAR 1989 - 1993

The purpose of this document is to tie together the various elements of the package that NASDA is submitting upon completion of the five-year Cooperative Agreement with the U.S. Agency for International Development under the auspices of the Market and Technology Access Project.

The preceding Overview Section explained the rationale, goals and performance measures for the program. The Overview also highlighted the innovative nature of the AID/NASDA undertaking and the solid success it achieved.

A. SUMMARY OF THE PROGRAM'S ACCOMPLISHMENTS

Throughout its life, the program concentrated on two broad objectives:

- Encourage the states and associated trade promotion organizations to help their companies on a sustained basis to develop business ties in emerging markets.
- Generate specific activities that would accomplish the aims of both U.S. business and developing nations e.g. meeting environmental and agribusiness challenges, using grants as leverage and catalysts.

The Cooperative Agreement accomplished both objectives in a convincing and measurable way. A NASDA survey in October 1992; the State Export Program Database released by NASDA in September 1993; and independent evaluations in September 1993 all clearly demonstrate that states are much more active now in emerging markets than ever before.

- ◆ States devote an average of 10% of their export promotion resources to marketing in the developing world.
- ◆ Southeast Asia and Latin America are ranked among the top priority markets for states.
- ◆ Half of the states organized participation in a total of 80 business missions and shows in developing nations during 1992.
- ◆ Seventy-two percent of states have now worked with AID.
- ◆ There was direct correlation between a state's involvement with the NASDA program and the amount of resources the state devotes to emerging markets.

The establishment of the Business Development Seed Fund and the Environmental/Energy Technology Fund proved to be a valuable tool for stimulating long-term business relationships between U.S. companies and their counterparts in the developing world.

- The AID/NASDA Seed Fund generated over 90 solid project proposals, of which 40 were approved by AID.
- The momentum and interest accelerated rapidly after the first few years of education and marketing. A total of five Seed fund projects in FY90 and FY91 increased to 13 in FY92 and 22 in FY93 before money and time ran out in June 1993.
- In addition to the 22 grants from 58 serious Seed Fund proposals generated in FY93, another 37 projects were awarded grants under the companion Tech Fund.
- The AID funds were highly leveraged, generating over three times as much money from the project participants as contributed by AID [see the lists of projects - Attachment I].
- There was follow-up and sustained activity because the states and other recipient organizations have a vested interest in achieving tangible results.

The FY93 Annual Report by Quarter submitted to AID [Attachment II] describes how the NASDA/AID Seed and Tech Funds significantly exceeded the quantified targets for projects and clearly met all the other agreed-upon tasks in the workplans. Similar annual reports submitted previously to the Private Enterprise Bureau document the activities and accomplishments for the other years of the program.

B. PROJECT RESULTS

The seventy-five projects funded under the program (with \$1.5 million provided by AID and the United States - Asia Environmental Partnership) have produced solid business ties, overseas developmental and environmental benefits, and sustained relationships by the grantees. Descriptions of all of the projects and their results to date are contained in Attachment III.

Project payoff is already convincing even though all the Tech Fund projects and half of the Seed Fund projects took place in 1993 - a good portion of them in September. Initial transactions have been concluded worth over ten times the amount of federal money allocated for the total program. Reports from the participating U.S. companies indicate a very promising business future indeed.

Because of their unique and innovative nature, the projects are not easily grouped, measured or evaluated. We have assessed them from various angles and are confident that despite the variety of project types and multiple objectives of the program, results have proven to be overwhelmingly solid and positive.

In addition to the quarterly interviews and updates on projects throughout the program, special efforts were made during the fourth quarter of FY 1993 to assess the results of the projects and satisfaction with the process. In effect, there were two groups of clients the program tried to help - the project organizer/participating companies in the U.S. and the business community/general population in the developing country.

To assess the effectiveness of the program from the standpoint of U.S. trade multipliers and companies, NASDA:

- Sent a survey to all Seed Fund grant recipients asking for specific business results and comments on the application process and development impact. The results were very positive on all counts, e.g. all found new business, one-third introduced new technology, one-fifth have entered joint ventures and 82% said the Seed Fund was critical to their activities. [The survey results are contained in Attachment IV.]
- Engaged an independent evaluation team, Export Resources Associates, to undertake a survey and assessment of the Environmental Technology Fund. Their evaluation [Attachment V] is also solidly positive, e.g. 82% of the clients were very pleased and would undertake another Tech Fund project; half of the companies have already increased exports, and two-thirds have helped reduce pollution in Asia.
- Worked with Development Associates, Inc., contracted by the PRE Bureau of AID, to assess the MTAP program. The team has conducted several interviews and reviewed the project files. Development Associates' report is not yet prepared, but we understand their impressions of the NASDA/AID program are consistent with those noted above.
- Observed projects both in the U.S. (e.g. the LA/CEC Tech Fund project and the Mid-America Committee Seed Fund project) and overseas. NASDA staff during the fourth quarter of FY93 visited seven countries in Southeast Asia and Eastern Europe, where they observed six projects in action and met with over 20 U.S. companies in the field. (Three trip reports on their findings were submitted to AID and US-AEP in October 1993. Copies are not included herein, but are available from NASDA.)

To assess the impact and effectiveness of the program from the field and developmental perspective, NASDA:

- Sent questionnaires to all AID and FCS offices in countries that were targets for the 40 Seed Fund projects. Though the USG officials were not directly involved in the projects, their impressions of both the commercial and developmental impact were generally positive. [See Attachment IV.]
- Met with AID, FCS and host government officials as well as businessmen in the seven countries visited. The NASDA staff was able to obtain overseas impressions of one-third of the Seed Fund projects and one-half of the Tech Fund projects. For the most part these impressions were favorable. [See the field trip reports of October 1993, noted above].

The report of the TPCC of September 30, 1993, entitled "Toward a National Export Strategy," called for the creation of performance measures to ensure that government resources and actions produce export success. They highlighted three kinds of performance measures: microeconomic impact, i.e. export orders and new markets entered; demonstrable impact on U.S. exporters, e.g. whether the program led companies to market overseas; and product/service quality, i.e. level of client satisfaction. NASDA and the independent evaluators have used precisely these measures in concluding that the program did accomplish its objectives.

C. OVERALL DESCRIPTION OF ACTIVITIES

The activities of the program are described in the annual reports provided to AID (such as Attachment II). In addition to the proposals generated and processed, the reports note promotional activities, evaluation and follow-up, outreach efforts, technical assistance to clients, coordination, etc. The annual reports contain a history of the specific steps taken to market the concept of working with AID and to develop business relationships, as well as the results of those efforts in generating activities by the states and associated multipliers.

A first-hand account of the activities of the program is contained in Attachment VI, which is a summary of a public seminar held by NASDA and AID on March 30, 1993. Six grant recipients came to Washington, D.C. to explain to 100 influential public and private sector participants how the program has helped their organizations boost business while meeting the needs of developing nations.

Business Development Seed Fund

Attachment VII highlights key information about project approval under the Seed Fund, including the 4 page brochure that provided key information to applicants. The first table contains the basic information - who, where, cost and number of companies involved. The second chart provides a regional breakdown of U.S. originators of the projects, nearly half of which were generated in north central states. Other charts depict the type of project organizers and the regions of the developing world which they targeted, notably Eastern Europe.

To enable better understanding of the nature, highlights and performance of a typical project, we have prepared a case study (Minnesota - Philippines) and one-page descriptions of three other Seed Fund projects. These form Attachment VIII.

Environmental/Energy Technology Fund

A similar brochure/application charts in Attachment IX provide a brief overview of the 37 Technology Fund grant awards, including the variety of their originators and of their intended Asian markets - a relatively even distribution among the individual ASEAN countries, Taiwan, Korea, Hong Kong and India. All but four of the approved Tech Fund projects involved one or more AID-recipient countries. Three Tech Fund projects are highlighted in Attachment IX to depict typical activities. The official minutes of the seven Review Panel meetings also offer valuable insight about the criteria used to award grants and the various philosophical and practical issues involved in translating the concept into action. (The Panel reports were submitted to AID/US-AEP and PRE and are also available from NASDA.)

GABDI

The Governor-Ambassador Business Development Initiative (GABDI) was the brainchild of Robert Orr, former Governor of Indiana and Ambassador to Singapore. His concept of encouraging Governor-led business missions to the ASEAN region devolved to AID to fund. The Agency asked NASDA to provide overall management and included the idea as a special project within the Cooperative Agreement. A report on GABDI activities and accomplishments is provided in Attachment X.

Media Attention to the Activities

Confirming the unique and attractive nature of the program plus the solid results of the activities, the press in the U.S. and abroad featured stories on Seed and Tech Fund projects. Such articles helped to generate interest in the program and promote greater understanding

of the mutually-beneficial business opportunities in emerging markets. Nothing works like success, and the independent chronicling of it.

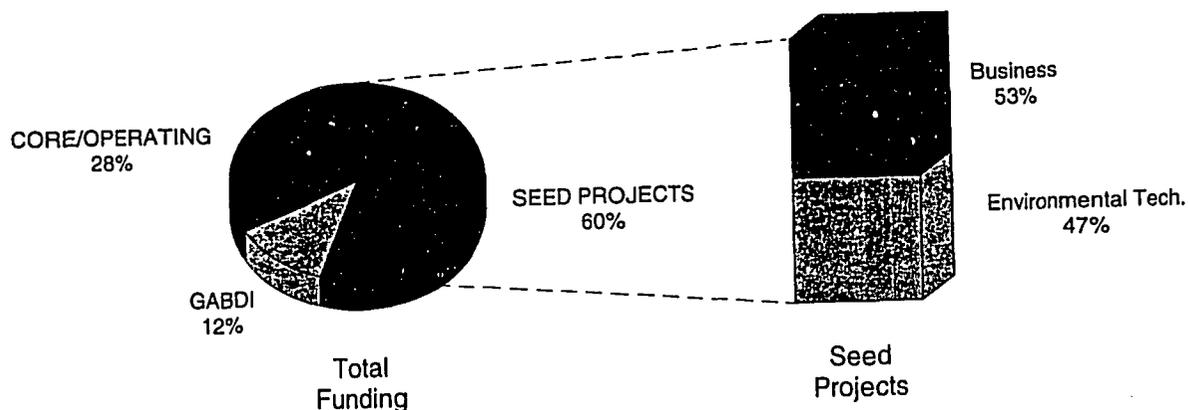
In addition to increasing awareness in the U.S., coverage by foreign media helped draw public attention to serious environmental concerns and the capability of American business to help solve them. The Nepali television and the Thai press, for example, featured a Tech Fund project out of Denver designed to help measure vehicle emissions.

Samples of articles on Seed Fund projects are contained in Attachment XI; articles on the Tech Fund is provided in Attachment XII.

D. HOW THE FUNDS WERE USED

Over the five-year period, AID provided a total of \$2,530,000 to fund the Cooperative Agreement. "Buy-Ins" from US-AEP and AID regional bureaus represented the majority of the funding. There were four main components:

Seed Fund grants	-	\$808,500
Tech Fund grants	-	\$700,000
GABDI, including contracts	-	\$300,000
Operational and management	-	\$720,000



(The graph above was created by Development Associates, Inc.)

Of the operational category, NASDA used about \$200,000 for general promotion of the program objectives and about \$520,000 for expenses directly related to providing technical assistance and management of the 77 approved Seed and Tech Fund projects.

NASDA provided assistance and handling for an equal number of proposals which were subsequently rejected for grants. Thus, the total number of serious proposals generated was 150. It is estimated that an average approved project cost about \$5,000 in total direct and indirect costs. Rejected proposals averaged \$1,500 each to handle.

Each quarter, NASDA provided financial and pipeline reports as required by AID. Together with the regular Seed and Tech Fund performance and budget accounts (e.g. Attachment II), these reports provide a thorough picture of how the funds were used.

NASDA's independent auditor, Regardie, Brooks and Lewis, reviewed the accounts of the program, most recently in September 1993. Their conclusions and recommendations, form Attachment XIII.

E. COMMENTS, PROBLEMS AND RECOMMENDATIONS

We are very proud of what NASDA and its members have been able to accomplish under the MTAP Program. The small seed grants have performed well by any reasonable yardstick.

Naturally, there were obstacles, problems and lessons. This, after all, was a very innovative program that operated at the cutting edge of AID thinking with regard to the private sector and business outreach. Many elements within AID were not aware of the program nor were they always supportive. In part, this was a communication problem, particularly in regard to the overseas AID posts. Moreover, a system such as AID's that deals in large amounts of money and is heavily laden with bureaucratic procedures will understandably choke at times on such small particles as Seed and Tech Fund grants.

Symptomatic of the situation was the often lengthy time to obtain clearances for project proposals from the various AID players involved. Potentially successful projects were sometimes frustrated or defeated within AID for elusive or bureaucratic reasons. Despite our persistent efforts, two regional bureaus (Africa and Latin America) never participated actively or financially in the program. We were not able to fund any project in sub-Saharan Africa, even though at least ten serious proposals were submitted.

The rejection rate for Seed Fund proposals was high, as evidenced by the charts in Attachment XIV. The 47 rejected proposals are listed and then broken down by overseas regions and type of applicant. Over two-fifths were from our member state international trade offices.

The Tech Fund process was much smoother. Partly as a result of both the groundwork established by the Seed Fund and the lessons learned from it, the total number of approved projects in one year nearly equalled the total for Seed Fund projects over the life of the Agreement. The overseas approval system was expedited and a review panel of public and private sector members was engaged to decide on worthiness for grants. Because of screening by NASDA at an early stage and of greater flexibility and discretion accorded the Panel, the number of proposals submitted by NASDA subsequently rejected under the Tech Fund was much less than for the Seed Fund. Only 15 complete proposals were formally denied grants. These are listed and analyzed in Attachment XV, which also describes some of the Panel's reasons for rejections.

Other problems encountered included:

- The deadline of September 30, 1993 for the completion of all activities under MTAP put a real burden on some of the project organizers and overseas posts, particularly for the Tech Fund, which only began in October 1992.
- The complex and somewhat intimidating sub-grantee agreement package conveying AID mandatory standard provisions discouraged some potential project sponsors (e.g. the state of Hawaii and two trade associations) from participating in the program. Many organizations which did eventually agree to sign nonetheless expressed concern over the plethora of legal and other obligations needed for a \$20,000 matching grant.

Lessons

The implementing organizations provided a wealth of practical information and lessons in the final reports they submitted on the projects. The experiences they recorded in doing business in emerging markets should prove valuable to the AID regional offices and overseas missions. (We sent copies of the interim and final reports on each project to PRE and to the appropriate regional bureau for onward distribution). In addition to market specific information, the final project reports highlighted that:

- Over 90% of the U.S. companies which participated in the program had some understanding of its objectives, such as building long-term business relationships. Project organizers and the companies involved are committing resources for follow-up. They think the U.S. government should provide additional matching funds for project follow-up.
- The Seed and Tech Fund grants help meet a critical gap. Many U.S. companies have the capability to do business in emerging markets but are reluctant to do so without technical support and matching grants. (Ninety percent of the companies said they could not have achieved the same results without the grant funds.)

- The companies contributed to overseas economic development and understood they were doing so. For example, Seed Fund projects trained over 300 people in developing nations and introduced new technology. Twenty-four percent of the projects generated new investment in AID recipient countries.

In terms of lessons learned from operating the program, we have regularly informed AID/PRE and US-AEP of problems and suggested solutions through quarterly situation reports, ad hoc memos and the recent trip reports. The survey analysis and comments from clients and from the field (e.g. Attachment IV cited above) also indicate areas for improvement and flexibility to better serve the clients. These include the need for:

- Better communication with the overseas FCS and AID posts, who feel that the projects could be even more effective if grant recipients would work earlier and more closely with USG offices abroad. (Most of the USG officials considered the program useful and thought it should be continued.)
- More publicity for the program, e.g. publishing success stories in association newsletters.
- Stronger focus on the clients' needs. It is vital to keep the program flexible, timely and non-bureaucratic. The sub-grantee agreement should be greatly simplified. The approval process from overseas AID posts used by the Seed Fund was cumbersome. The quick turnaround "no objection" procedure of the Tech Fund, combined with a public/private Review Panel, made the program more responsive to our customers.
- Quality project sponsors. Better performance and results were achieved by state international trade offices and similar well-staffed and experienced organizations than by small, private non-profits that sometimes involve only one person for project implementation.

We essentially agree with the recommendations in the assessment by Export Resource Associates (Attachment V) and in the financial audit report (Attachment XIII) and intend to incorporate them in FY94 procedures. For example, NASDA plans to:

- Adopt a three-step screening process that includes review of all proposals by the US-AEP overseas Tech Representatives.
- Design a single data base for financial and other information on the projects and provide a standard format for reimbursement.

- Maintain the positive ratings for the Tech Fund ("highly effective") by making it as flexible and responsive as possible to the client companies. We will do more to assure that process objectives and program results objectives are mutually reinforcing, e.g. by developing quantifiable annual results objectives and by favoring multi-disciplined networks to tackle specific projects.

The Future

NASDA is pleased that the US-AEP recognized and appreciated the accomplishments of the program. We were able to maintain momentum for the Tech Fund during the last quarter of FY93 until authorization and funding were provided for FY94. The new Cooperative Agreement with AID/US-AEP will involve twice the amount of money provided under the FY89 - 93 Agreement just concluded.

A new Agreement with PRE will focus on using NASDA as a communication channel with the states for the purpose of identifying potential partners for business opportunities in the developing world. The program also includes an allocation to maintain a Business Development Seed Fund. We hope that AID will expand the initially small amount available for matching grants in the new Agreement. Given the momentum generated - 58 proposals submitted in the first nine months of FY93, it would be disappointing if the Seed Fund went fallow. Clearly, such business outreach efforts in the U.S. that respond to needs in emerging markets can be productive and beneficial for all concerned. The materials provided in this report make a compelling case for retaining NASDA and its members in such U.S. foreign assistance efforts.

NOTE: Everyone in NASDA assisted in the compilation of information and preparation of this final report. Those principally responsible for its content are Dan Waterman and Julie Pike. Most of the charts and data provided in the attachments as well as the Seed Fund survey were developed by Ms. Pike.

ATTACHMENT I

Charts on Grant/Private Ratio of Seed and Tech Fund

**NASDA/AID BUSINESS DEVELOPMENT SEED FUND
APPROVED PROJECTS BUDGET INFORMATION
October 1, 1993**

Project	Total Project Cost	AID/NASDA Seed Fund Grant Approved	Grant to Total Cost Ratio
US-Thai Business Corporation (Northwestern University)	\$108,000	\$74,923	1 : 1.4
Governor-Ambassador Business Development Initiative in ASEAN	\$150,000	\$28,639	1 : 5
Delaware Trade Expansion with Costa Rica and Honduras	\$60,000	\$20,000	1 : 3
Iowa Swine Technology Conferences in Hungary and Czechoslovakia	\$55,000	\$10,000	1 : 5
Minnesota Market Development and Export Training in Costa Rica	\$80,000	\$13,000	1 : 6
Washington Agribusiness Cooperation with Indonesia	\$91,500	\$19,983	1 : 4
Maryland Environmental Training and Marketing in Poland	\$113,400	\$13,600	1 : 8
Illinois Meat Production Model in Hungary	\$230,000	\$20,000	1 : 11
Iowa Grain Industry Needs Assessment in Hungary and Czechoslovakia	\$160,000	\$16,627	1 : 10
Southern Technology Council Apparel Exporting Initiative	\$40,000	\$19,700	1 : 2
Mid-America World Trade Center Wheat Milling Project in Egypt	\$67,000	\$20,000	1 : 3
Massachusetts Environmental Audit in Poland	\$95,428	\$20,000	1 : 5
Promotion of US Business Ties with Czechoslovakia (Central Europe Institute)	\$103,200	\$20,000	1 : 5
California Cooperation with Hungary on Wine Production	\$125,000	\$19,700	1 : 6
Southern Illinois University Business Center in Bulgaria	\$55,000	\$20,000	1 : 3
Wisconsin Dairy Venture in Indonesia	\$85,000	\$20,000	1 : 4
Arizona Business Development in Hungary	\$75,000	\$20,000	1 : 4
Business Development in North Africa	\$40,000	\$20,000	1 : 2
AmCham Business Development In Egypt	\$116,000	\$20,000	1 : 6
American Tunaboat Association Fishing Modernization in Tunisia	\$30,400	\$5,000	1 : 6

**NASDA/AID BUSINESS DEVELOPMENT SEED FUND
APPROVED PROJECTS BUDGET INFORMATION**

October 1, 1993

(Continued)

Project	Total Project Cost	AID/NASDA Seed Fund Grant Approved	Grant to Total Cost Ratio
The Mid-America Committee Program for Central and Eastern Europe	\$397,450	\$15,000	1 : 26
Arkansas Oil Industry Modernization in Uzbekistan	\$65,000	\$20,000	1 : 3
Global Linguistic Institute Business Assistance in Russia	\$70,000	\$20,000	1 : 3
Colorado Radioactive Soil Clean-up in Belarus	\$765,000	\$20,000	1 : 38
Louisville Business Matchmaking with Ecuador	\$87,400	\$20,000	1 : 4
Wisconsin Dairy in Argentina	\$76,106	\$19,066	1 : 4
Oregon Clean River Project in Mexico	\$55,690	\$19,796	1 : 3
Minnesota "Table of Taste" in Philippines	\$108,000	\$20,000	1 : 5
Minnesota Economic Development Project in Kazakstan	\$137,000	\$25,000	1 : 5
Memphis and Shelby County Agribusiness Project with Morocco	\$150,404	\$20,000	1 : 7
National Minority Business Council / Carolina Exports in Bulgaria	\$41,462	\$20,000	1 : 2
New Brunswick Business Development with Hungary	\$122,463	\$20,000	1 : 6
World Trade Center Denver in Kazakstan and Uzbekistan	\$57,725	\$20,000	1 : 3
World Trade Center Arizona / Holsum Bakery in Hungary	\$48,425	\$19,875	1 : 2
Vermont / Cranberry Project in Poland	\$50,000	\$20,000	1 : 2
Texas Oil and Gas Project in Uzbekistan	\$57,000	\$20,000	1 : 3
Maine Shipping Project in Egypt	\$18,500	\$10,000	1 : 2
Georgia Southern University Agribusiness Project in the Czech Republic	\$41,938	\$20,000	1 : 2
California-Poland Chamber of Commerce/University of Hawaii Textile Fiber Recycling Project in Poland	\$60,000	\$20,000	1 : 3
City of Chicago / State of Illinois Business Development Mission in Morocco	\$118,500	\$20,000	1 : 6

**US-AEP/NASDA TECHNOLOGY FUND
APPROVED PROJECTS BUDGET INFORMATION
October 1, 1993**

Project	Total Cost	Federal Government Share	Grant to Total Cost Ratio
Montana/GeoResearch Mapping Technologies Project in South and Southeast Asia (#1)	\$51,200	\$23,000	1 : 2
Utah/TerraTek Project in Malaysia and the Philippines (#2)	\$50,630	\$20,150	1 : 2
Mid-America World Trade Center Project in the Philippines (#3)	\$94,516	\$19,939	1 : 5
Alaska Energy Infrastructure Development Assistance in Mongolia (#4)	\$44,027	\$20,000	1 : 2
Kenan Institute of Private Enterprise Project in Indonesia and Thailand (#5)	\$108,345	\$29,560	1 : 3
California Environmental Protection Agency in Thailand (#6)	\$67,700	\$23,700	1 : 3
Florida Division of International Trade and Development in Taiwan and Korea (#7)	\$80,000	\$19,500	1 : 4
Minnesota Trade Office/Bio-Pak Super Absorbent in the Philippines (#8)	\$40,000	\$20,000	1 : 2
Lafayette (CA) Chamber of Commerce / Prometrika in Thailand (#9)	\$92,525	\$20,000	1 : 5
Washington State /Unisyn Biowaste Technology in Thailand and Taiwan (#10)**	\$32,300	\$14,950	1 : 2
Connecticut / Pollution Control Exports USA in Hong Kong and South Korea (#11)	\$161,570	\$30,000	1 : 5
Oregon State / Oregon Environmental Technology Association in India (#12)**	\$71,550	\$20,050	1 : 2
Alliance for Responsible CFC Policy in Indonesia, Hong Kong and Taiwan (#13)**	\$89,590	\$11,148	1 : 5
International Institute for Energy Conservation (IIEC) in Thailand (#14)	\$104,450	\$30,000	1 : 3
World Trade Center of Denver in Hong Kong, Korea, Taiwan, Thailand and Nepal (#15)	\$77,875	\$19,996	1 : 8
Pacific Basin Economic Council in Taiwan (#16)	\$122,565	\$28,565	1 : 3
US - Philippine Business Committee in the Philippines (#17)	\$55,475	\$19,910	1 : 3
World Trade Center Pittsburgh in Korea (#18)**	\$88,700	\$20,400	1 : 4
Washington Department of Trade & Economic Development/AET & PRI in India (#19)	\$69,500	\$20,000	1 : 3
Maryland Trade Division in Indonesia (#20)	\$130,500	\$25,000	1 : 5

US-AEP/NASDA TECHNOLOGY FUND
APPROVED PROJECTS BUDGET INFORMATION
 (CONTINUED)
 October 1, 1993

Project	Total Cost	Federal Government Share	Grant to Total Cost Ratio
Bangladesh US Business Council in Bangladesh (#21)**	\$53,000	\$19,038	1 : 2
Massachusetts Environmental Business Council in Thailand, Malaysia and Indonesia (#22)	\$127,660	\$20,000	1 : 6
Maryland-Washington District Export Council (#23)	\$90,000	\$27,000	1 : 3
Washington State and Resource Management, Inc. (#24)	\$62,552	\$18,100	1 : 3
Idaho Department of Commerce and Environmental Research and Development, Inc. (#25)	\$58,455	\$15,500	1 : 4
Environmental Technology Export Council and Wahleo Environmental Systems, Inc. (#26) **	\$85,150	\$20,000	1 : 4
Los Angeles / California Energy Commission (#27)	\$79,000	\$20,000	1 : 4
Kansas Department of Commerce and Housing / Innovative Material Systems, Inc. (#28)	\$115,540	\$20,000	1 : 6
Oregon Economic Development Department / Global Resources Institute (#29)	\$59,885	\$20,000	1 : 3
Alabama District Export Council (#30)	\$114,250	\$20,000	1 : 6
WWEMA / Kent Meters, Inc. (#31)	\$86,760	\$20,000	1 : 4
Colorado / Colorado Geothermal Enterprises (#32)	\$98,125	\$20,000	1 : 5
Environmental Technology Export Council / American Environmental Technology Consortium in Asia (#33)	\$112,500	\$23,000	1 : 5
Dekalb County Chamber of Commerce / G&G Sanitation (#34)	\$88,200	\$20,000	1 : 4
California Environmental Protection Agency / International Marine Supply Company (#35)	\$35,200	\$10,000	1 : 3
World Trade Center Arizona / Waterman International (#36)	\$51,100	\$20,000	1 : 2
Massachusetts Port Authority / Lenox Institute of Water Technology (#37)	\$52,200	\$19,600	1 : 2

** NOTE: PROJECT HAS BEEN CANCELED OR SIGNIFICANTLY REDUCED IN SCOPE.

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ATTACHMENT II
Fiscal Year 1993 Quarterly Report

**THE NASDA COOPERATIVE AGREEMENT WITH AID
Fiscal Year 1993 Report**

The National Association of State Development Agencies (NASDA) and the US Agency for International Development (AID) entered into a Cooperative Agreement in 1988. The purpose is to explore ways by which the state international trade offices and AID can work together for mutual benefit. This report summarizes how that is being accomplished in U.S. Fiscal Year 1993.

In addition to NASDA's continuing, successful efforts to direct more attention by the states to business opportunities in emerging markets, the Cooperative Agreement provides for two major operational programs - the Business Development Seed Fund and the Environmental/Energy Technology Fund. The Tech Fund began in FY93 with an allotment from the Asia Bureau of AID in support of the newly launched US-Asia Environmental Partnership.

By awarding grants, the Funds encourage states, other trade promotion intermediaries and the private sector to generate long term business relationships between US companies and their counterparts in emerging markets. Both activities are conducted under the auspices of the Bureau of Private Enterprise's Market and Technology Access Program (MTAP), which is scheduled to end in September, 1993. During the life of the program, AID made available to NASDA a total of \$808,500 for Seed Fund grants and \$700,000 for Tech Fund grants. Seventy-five projects were funded.

THE AID/NASDA Business Development Seed Fund

Objectives and Accomplishments for FY93

The strategy and objectives for the FY93 work plan evolved from the experience and lessons of the prior three years of operation. The earlier promotional efforts and the publicity of actual grant awards generated a surge in the number of proposals during FY92. NASDA hired a senior development professional in January 1992 to manage the program and to provide more help in project design.

During FY92, NASDA submitted a total of 31 Seed Fund proposals to AID, of which: 13 were approved, 10 were rejected, and 8 were pending at the end of FY92

NASDA began FY93 with the following uncommitted resources for Seed Fund projects:

PRE - \$ 85K (\$10K from FY92 carryover plus \$75K for FY93)
NE - \$155K (\$70K carryover plus \$85K for FY93)
EUR - \$ 30K (all carryover; no new in FY93)
NIS - \$125K (new allocation in FY93)

The initial amount of \$395,000 for FY93 plus fallout during the year of \$35,000 (for a total of \$430,000) was sufficient to fund 22 projects through June. (In addition, NASDA received for FY93 a total of \$140,000 in core funds (\$100K from PRE, \$25K from NIS and \$15K from NE) to manage, develop and promote Seed Fund activities as well as to undertake other aspects of the Cooperative Agreement.

Keyed to the work plan, this report highlights on a quarterly basis the activities and results of the program during FY93 (i.e. 10/92 through 9/93).

OBJECTIVE: Generate at least five new Seed Fund projects per quarter.

1st Quarter

-- Six proposals were formally approved by AID during the quarter for a total of \$110K in grants (AMCHAM Egypt, American Tunaboat Assoc.-Tunisia, Mid-America Committee-Eastern Europe, Arkansas-Uzbekistan, Global Linguistics Inst.-Russia, and Colorado-Belarus).

-- Nine proposals/concepts were rejected (AMCHAM Morocco, Colorado-Morocco, Air & Waste Management Assoc-Hungary, Almar-Russia, Univ. of Northern Iowa-Slovak Rep., Houston Int'l Trade Center-Colombia, ASACI-North Africa, Delaware-Panama, and Global Linguistics Inst.-Near East).

-- At the end of the quarter, two proposals were pending at AID (Louisville-Ecuador and Chicagoland Chamber-Poland). Five others were being developed (Oregon-Mexico, Minn.-Philippines, Memphis-Morocco, Chicago-Morocco and Maryland-Tunisia).

-- Balances at the end of the quarter were:
PRE - \$85K, NE - \$119K, EUR - \$15K, NIS - \$65K.

2nd Quarter

-- Five proposals were formally approved by AID during the quarter (Louisville-Ecuador, Wisconsin-Argentina, Oregon-Mexico, Minnesota-Philippines and Minnesota-Kazakstan).

-- Ten proposals were rejected by AID (Chicago Chamber-Poland, Chicago-Siberia, Globestar-Nigeria, Salco Irrigation-Ethiopia, PMC/Maguire-Romania, MTC-Morocco, HB Environmental-Armenia, Montana Tradeport-India, Minn/Land O'Lakes-Philippines, and Kompass Resources Int'l-Russia).

-- Eleven proposals were pending at AID at the end of the quarter (US Arab Chamber, Arizona/Holsum-Hungary, Maryland-Tunisia, NMBC/Carolina-Tanzania, Chicago-Morocco, Memphis-Morocco, Western NY-Tunisia, New Brunswick-Hungary, Carolina-Bulgaria, Denver-Kazakstan, Colorado-West Africa).

-- Balances at the end of the quarter (March 31, 1993) were:

PRE - \$26K (i.e. \$105K - \$79K for 4 projects plus \$20K reprogrammed from funds reserved for the OPIC project, which did not attract clients).
NE - \$119K (against which 5 projects are pending).
EUR - \$18K (includes \$3K fall-out from Ill. Three proposals are pending.)
NIS - \$45K (against which one project is currently pending.)

3rd Quarter

-- Ten proposals were formally approved by AID during the quarter (Memphis-Morocco; Nat'l Minority Business Council/Carolina Trading-Bulgaria; New Brunswick,NJ-Hungary; Denver WTC-Kazakstan; Arizona/Holsum Bakery-Hungary; Vermont/Vineberry-Poland; Texas-Uzbekistan; Maine-Egypt; Hawaii-Poland; and Georgia Southern-Czech). All but Maine were \$20K each.

-- Sixteen proposals were rejected by AID (Michigan-Mexico, NMBC/Carolina-Tanzania, Am. Ag. Enterprises-Russia, Houston-Bolivia & Colombia, Western NY-Tunisia, US-Arab Chamber-North Africa, Pollution Prevention Int'l-Egypt, Florida/Keys Water-Egypt, Irrigation Association-Eritrea, Colorado-West Africa, ETEC/Wahlco-Russia, Atlanta-Morocco, George Mason Univ-South Africa, Maryland-Tunisia, Texas/Air Medical-Mongolia, Arkansas-Ghana).

-- Two projects were pending approval or fallout funding (Chicago-Morocco and IIEC-Chile).

-- The Tunaboat Association project in Tunisia was terminated due to a decision by the USAID Mission in the wake of delays, releasing \$11K.

-- The Near East Bureau agreed to reallocate \$80,000 to the Europe Bureau account from what was the original combined ENF buy-in to the Seed Fund.

Financial Status at the end of the Third Quarter (i.e. June 30, 1993)

Balance of \$208K from the second quarter plus \$11K fallout - \$219K
Total obligated for 10 projects this quarter - \$190K
Balance for FY93 in the Seed Fund - \$ 29K
PRE - \$4K; NE - \$20K; NIS - \$5K; EUR - zero

4th Quarter

-- One proposal was awarded a grant (Chicago-Morocco); one project received a supplement of \$5K (Minnesota-Kazakstan/Russia); and one project was rejected (IIEC-Chile) due in part to insufficient funds/fallout.

-- With existing Fund money virtually exhausted and a deadline for completion of all project activities by September 30, it was not possible to award more grants. New proposals were not accepted during the quarter.

-- Balance at the end of the fiscal year - \$4,000. (Note - many claims for reimbursement remain outstanding, so the final figure could change.)

SUMMARY FOR THE FISCAL YEAR

Total number of serious proposals considered in FY93 - 58
Grants awarded - 22 (worth \$430,000) Proposals rejected - 36
Average of 14.5 generated per quarter and 5.5 approved per quarter

Total Seed Fund grants awarded over life of the program - 40 (\$804.5K)

OBJECTIVE: Undertake at least two promotional activities per quarter

1st Quarter

-- Published articles in the NASDA Newsletters of Nov. and Dec. 1992. One was a special international edition reporting on the Williamsburg Workshop at which the relationship between AID and the states was discussed.

-- Initiated the 10/24 to 11/4 NASDA Business Development Mission to North Africa by reps of seven states and the US-Arab Chamber. Developed a project on the trip (AMCHAM Egypt) and advanced progress of four others.

-- Mailed material about the Fund to all SBA and USDOC District Offices.

-- Travelled to Little Rock to assist in project design and promotion.

-- Explained the program at the NASDA Minority Business Forum in Dec.

2nd Quarter

-- Published articles in the NASDA Newsletters of January and March.

-- Raised the program at the NASDA Executive Board meeting in NYC in Jan. and at the international trade advisory meeting in Dallas in March. Presentation was made to a roundtable of state Commerce Secretaries.

-- Undertook a promotional trip to three New England states in January.

3rd Quarter

- Published articles in the April and June NASDA Newsletters.
- Discussed the program at the following NASDA programs: Annual State Development Directors Conference in June, International Procurement Training, Export Finance Committee Meeting, Trade Specialist Training.
- Provided material for articles on the program in the Journal of Commerce, the magazine of the Council of State Governments, and the presentation to the National Council of State Legislatures.
- Publicized the program in the context of NASDA's receipt of the President's E Award for excellence in export service, including at the major award dinner in Baltimore on May 17th.

4th Quarter

- Due to the end of the program and uncertainty about the future, we did not promote the Seed Fund as such. We did, however, continue the fundamental task of the Cooperative Agreement, namely, encouraging states and other multipliers to explore with their companies business opportunities and relationships in emerging markets.
- The September issue of the NASDA Letter highlighted the Seed Fund.

OBJECTIVE: Evaluate and follow-up the program and funded projects

1st Quarter

- Progress on all twenty pre-FY93 projects was checked and assessed. Final and interim reports were analyzed. An updated report on status and results as of Jan. 1, 1993 was prepared and disseminated.
- Reviewed outstanding balances and urged applicants to submit claims.
- Worked with the AID-contracted evaluation and design team led by Rudel.
- Provided advice and assistance on projects that encountered snags in implementation or in advancing to next steps.
- Conducted survey on the impact of NASDA efforts on states trade efforts aimed at developing countries.

2nd Quarter

- Updated status of all projects and sent note to all implementors about the Sept. 30 deadline for completion of funded activities.
- Followed up on the North Africa trip with the states involved, IMCC, and AMCHAM Egypt.
- Assisted Congress' Office of Technology Assessment in its study related to the role of states abroad and the Seed and Tech Fund programs.

3rd Quarter

- Updated the status and business results of all projects (see the description of approved projects as of July 1, 1993)
- Travelled to Minnesota to discuss the state's 4 projects and to observe the Fund-supported Mid-America Committee program on Central Europe.

-- Worked with grant applicants/recipients experiencing delays in obtaining post clearance for projects and travel in Central Asia.

-- Continued follow-up on North Africa, e.g. working with the AMCHAM Egypt Door-knock program in Washington, the State Dept. meeting on Morocco, efforts to help Memphis and Chicago with their projects, special promotions that resulted in four new Seed Fund proposals for the region.

4th Quarter

-- The major focus of fourth quarter activity was evaluation and project follow-up. A questionnaire was sent to all grant recipients, participating US companies and overseas USG posts. See the Final Report on the program submitted to AID.

-- An update on the status and results of all 40 projects was prepared - See the description of approved projects as of September 30, 1993.

-- NASDA staff undertook field trips to Eastern Europe and Southeast Asia to assess the impact and lessons of the projects. (See the trip reports.)

-- Worked with Development Associates, Inc., contracted by PRE to evaluate the MTAP program including the NASDA Cooperative Agreement and Seed Fund.

-- Assisted project managers experiencing difficulty in implementing their projects prior to the September deadline.

-- Encouraged project managers to expedite submission of final reports and financial claims for reimbursement. Worked with the NASDA auditors.

OBJECTIVE: Broaden Outreach Efforts And Expand the Program; Devote a full time senior professional to the program

1st Quarter

-- Proposed and obtained \$150K buy-in from the Newly Independent States Task Force for projects in the former Soviet Union. Unsuccessfully sought cooperation from LAC and a new buy-in from EUR.

-- Sent a promotional packet to dozens of cities, chambers and business schools, etc. as well as SBA and USDOC district offices aimed at attracting more Seed Fund proposals.

-- Sought ways to collaborate with such organizations as the International Executive Service Corps and the US-Arab Chamber.

-- Met with senior officials of the Dept. of Commerce (ITA and US&FCS) to gain their support for the program. Briefed them as well as a variety of AID officials on the successful North Africa trip (see the report).

-- The senior professional devoted half the quarter to the Near East buy-in, notably preparation, participation and follow-up for the North Africa trip. Another focus was securing the NIS buy-in and three NIS projects.

2nd Quarter

-- The Seed and Tech Funds were featured at a major program conducted with AID on state-federal cooperation in promoting business and development in emerging markets. Five recipients of Fund grants formed the panels. Over ninety attended, including Hill staffers, White House and other senior Administration officials, Washington representatives of the states, etc.

3rd Quarter

-- A summary of the proceedings of the March 30 NASDA/AID seminar on State-Federal Cooperation featuring the Seed and Tech Funds were distributed to 500 key Washington players, particularly in the Legislative branch. NASDA followed up with letters.

-- Sought collaboration with the Africa Bureau of AID and such organizations as USDA's Foreign Ag Service, Citizens Democracy Corps, and contractor groups (e.g. Chemonics and Louis Berger).

4th Quarter

-- With the program in its final quarter and no successor Agreement in place nor assured, NASDA did not undertake outreach or expansion activities related to the Seed Fund.

MISCELLANEOUS

2nd Quarter

The Future - We need to meet with PRE officials early in the second quarter to discuss the future of the Seed Fund and Cooperative Agreement, which expire at the end of this fiscal year. We have not yet seen the results of the evaluation or any plans for a possible post-MTAP program involving NASDA. It would be a shame to lose the momentum generated and translated into solid performance.

Problems - We continue to experience delays and obstacles for Seed Fund projects from the LAC region and many of the overseas missions. Good proposals have languished and applicants have become frustrated.

3rd Quarter

The Future - It is unclear at this point whether or not there will be a follow-on to the Seed Fund in FY94 due both to questions in PRE and to broader issues related to trade and investment activities by AID. We will follow up with Hill staffers and others to ensure that business outreach remains a part of US foreign assistance.

Problems - We need to commit all remaining funds by the end of the third quarter. This should not be a problem except for the NE money. We are experiencing delays in the AID approval system, especially at the overseas missions and in NE.

4th Quarter

With funding essentially all obligated as scheduled by June 30, the fourth quarter will be devoted to assessing the results and impact of nearly-completed, five-year Seed Fund and the forty projects it supported.

A final report describes the achievements of the 5 year (\$2.5 million) program in terms of the agreed-upon purpose and objectives and highlights the performance of the various projects in producing business relationships and commercial results. Separate sections elaborate on GABDI and the Environmental Tech Fund.

THE US-AEP/NASDA ENVIRONMENTAL/ENERGY TECHNOLOGY FUND

Objectives and Accomplishments for FY93

The Technology Fund was launched in October 1992 by NASDA with funding from AID through the US Asia Environmental Partnership (US-AEP). Modelled on the Seed Fund, this new program aimed to generate US environmental technology transfer and business relationships in the rapidly industrializing nations of Asia. During the first half of 1992, NASDA participated in the Technology Cooperation Working Group, designed the Technology Fund and began encouraging its members and associated groups to prepare proposals for grants.

AID/US-AEP initially provided \$500,000 for Tech Fund grants in FY93 through a buy-in to PRE's MTAP. In addition, \$125,000 was assigned to NASDA to cover the costs of managing (e.g. salaries, consultants, travel) and advertising the program. Because of the success of the program, AID provided another \$200,000 in April 1993 for grant awards and \$50,000 for management/design costs.

During the fiscal year, the Fund approved 37 grants and awarded \$700,000.

A report of results by quarter keyed to the workplan follows:

OBJECTIVE: Obtain AID approval for at least five proposals per quarter

1st Quarter

-- NASDA submitted 16 proposals to the Tech Fund Review Panel. Five projects were approved by the Panel and AID for grants totalling \$110K (Montana/GeoResearch, Utah/TerraTek, Kenan Institute, Mid-America World Trade Council, and Alaska).

-- The Review Panel approved four other projects subject to modifications (CAL EPA, Prometrika, Florida and Washington/Unisyn). These proposals were completed and awarded grants in January.

2nd Quarter

-- Seventeen projects were approved by the Review Panel and AID during the second quarter for a total of \$362,000 in grants. One additional proposal approved by the Panel was put on hold by AID pending revisions.

-- The Panel rejected 6 proposals (WTC Orange County, Idaho/ERAD, ROIL, Maine Diagnostic Labs, NJ PRIDES/Venture Environmental, and WTC Chattanooga) and put 2 others on hold pending revisions (HKPC and AETCA).

-- During the quarter NASDA screened out about twelve serious proposal concepts (e.g. Hiller Co., Digital Equip. Co., Georgia Dept. of Industry, Univ. of Michigan and Kinetic).

-- Balance for projects at end of the quarter (3/31/93) was \$228K - \$28K carryover plus a replenishment of \$200K received at the end March.

3rd Quarter

-- Twelve projects were approved by the Panel and AID during the third quarter, bringing the total number to 34 grants worth \$712K. Four projects were terminated, thus releasing \$74K.

-- The available balance as of July 1, 1993 from the \$700K provided by AID for FY93 is \$62K. Three projects grants worth \$50K were pending consideration by the Panel and overseas posts at the end of the quarter.

-- The Panel rejected nine proposals during the quarter (Wash DOT/Tradec, HK EPD, New England Council/GEA, Lafayette LA Chamber/Celstar, Purdue Univ, Michigan DOC, CIEL, Hawaii/Pacific Blue, and Cal Am. Women's Econ Dev Corp). NASDA screened out an additional twenty serious proposals.

4th Quarter

-- The Panel and AID approved three grants worth \$50,000 (Cal EPA/IMSSCO; Arizona WTC/Waterman Asia; Massport/Lenox Institute/Krofta). There were additional requests during the quarter, but the funds were exhausted and the September 30 date of conclusion for the Agreement was approaching.

-- US-AEP requested NASDA to use the balance of \$12K in grant money to fund an independent systems evaluation and an accounting/financial tracking. The firm of Export Resource Associates was engaged.

-- During the quarter, \$26K in additional fallout became available (e.g. from aborted projects such as the Alliance for CFC Policy and the US Bangladesh Business Council). Supplemental grants totalling \$6,000 were awarded to two projects. US-AEP requested NASDA to use the remaining \$20,000 to purchase FOTOgen software for the overseas Tech Reps.

-- Thus, at the end of the fiscal year and current Tech Fund program, all the \$700,000 for program grants was expended on 32 active projects. (Most of the projects have not yet submitted claims for reimbursement, so a balance from net fallout could develop.)

Fiscal Year Summary

Total approved projects - 37 (Original target was 20-25)
Total rejected proposals - 62 (of which 22 were by the Panel)
Total program funds obligated - \$700,000 (target was \$500,000)

OBJECTIVE: Develop Tech Fund operations and evaluate the program and projects

1st Quarter

-- NASDA made the Fund operational within two weeks. It produced a brochure on criteria and procedures; secured USEPA participation to screen proposals for environmental impact; assembled a volunteer public/private sector Review Panel; corresponded with the relevant USAID missions and FCS Offices on each proposal; worked out a formal approval process with AID; and responded to requests regarding publicity for approved projects.

2nd Quarter

-- NASDA justified a replenishment/bridge to continue the momentum of the program, which has proved to be more popular than anticipated.

-- Planning is under way for a Tech Fund II program for FY94 and beyond.

-- Project status was updated as of the end of March.

3rd Quarter

-- An updated status report on the results of the projects was prepared. (See description of approved projects dated July 1, 1993 and charts we prepared that highlight the geographic diversity of US participants and Asian target markets.)

-- Negotiations were completed with US-AEP regarding a Tech Fund II.

4th Quarter

-- The work program during the fourth quarter focussed on evaluation.

-- NASDA engaged Export Resource Associates, Inc. from St. Paul, MN to undertake an independent assessment of the Tech Fund, both the process and the business impact. All projects were surveyed. (See the evaluation prepared by the company and submitted to US-AEP and AID.)

-- NASDA prepared a status report on the activities and results of the projects. (See the description of approved projects as of 9/30/93.)

-- NASDA staff undertook two field trips (one to the Philippines in July and the other to Indonesia, Thailand, Malaysia, and Singapore in September) to assess the effectiveness of the program and the individual projects. Five Tech Fund projects were observed in action and the others were reviewed with USG officials on the ground and with local experts. (See the trip reports.)

-- NASDA worked with its auditors to review and improve the financial accounting and close-out procedures for grants.

-- NASDA collaborated with the evaluators from Development Associates Inc, hired by AID to study the five-year MTAP program, including the Tech Fund.

OBJECTIVE: Provide Technical Assistance in proposal design and implementation - Devote two-thirds of a senior professional/consultant work year to the Fund

1st Quarter

-- NASDA helped all the applicants prepare their proposals and negotiated changes to meet conditions requested by the Panel. NASDA is devoting more than a full time senior professional in effort to the Fund.

-- Handled 26 proposal concepts and over 30 additional serious inquiries.

2nd Quarter

-- Worked closely with all grant applicants and helped them make the revisions requested by the Panel. Worked with FCS Hong Kong on a proposal by HKPC. Carried on extensive dialogue with the overseas posts.

3rd Quarter

-- Worked extensively with the 24 applicants whose proposals were submitted to the Panel during the quarter and negotiated differences with some of the overseas posts to ensure relatively smooth processing.

4th Quarter

-- Assisted project implementors in handling problems arising from the Sept. 30 deadline for completion of projects.

-- Participated in the LA/CEC workshop in Los Angeles for key Indian decision makers in the alternative and co-generation energy sector.

-- Guided applicants for the follow-on Tech Fund beginning in October. Ten proposals were reviewed and distributed to the overseas Tech Reps.

OBJECTIVE: Develop and implement a marketing and promotion plan

1st Quarter

-- The US-AEP approved of NASDA's marketing plan, the first phase of which was completed in November and included press releases and distribution of the Tech Fund brochure to over 500 organizations such as states, cities, trade associations, SBA and USDOC and other multipliers.

-- During the second quarter, NASDA will contact each organization, especially industry associations, to urge them to play an active role.

-- Publicized the Fund in the NASDA Newsletter. (See Seed Fund above.)

2nd Quarter

-- Worked with officials at DOC, UNIDO and AID's West Coast office to promote the program.

-- Targeted trade associations. Participated in US-AEP's Feb 2nd meeting and followed up with those attending. The associations remain reluctant.

-- Publicized the Fund in the NASDA newsletters and NASDA meetings. Met with multipliers and companies in three New England states to encourage proposals. As a result, the Mass. Environmental Business Council submitted a proposal. Massport might do one so also.

3rd Quarter

-- Conducted a range of NASDA-organized events at which the Tech Fund was featured, e.g. the US-AEP Director General spoke at the annual NASDA Development Directors meeting. (See p.3 above for a list of activities.)

-- Met with the board of WWEMA to urge their participation. Response was positive - one WWEMA proposal has already been approved; WWEMA attended the June Review Panel meeting. We also encouraged ETEC, which sponsored two proposals, and AMT and MECA, which both plan to participate in FY94.

-- Participated in the Environmental Business Council Summit in June and the East-West Center program on environmental issues in Asia. Visited Minnesota to discuss ongoing and future Tech Fund projects.

4th Quarter

-- Participated in a USG-sponsored environmental conference in Boston and an industry convention (IEA) in San Diego featuring delegations from Thailand and Taiwan. We also promoted the US-AEP and Tech Fund at the Los Angeles/CEC seminar on Indian energy opportunities, the National Council of State Legislators conference in San Diego, the Council of State Governments meeting in Stamford, and the ETEC/AETCA workshop in Malaysia.

-- Highlighted the Tech Fund program in the September NASDA Letter.

-- Given the exhaustion of program funds and absence of a continuation agreement during the quarter, marketing activities were kept relatively low key.

OBJECTIVE: Work with USG entities to improve and coordinate the Fund

1st Quarter

- Explained the program to all AID Missions and FCS posts in Asia. Regularly notified them of proposals and answered questions.
- Key agencies are on the Review Panel. Attended TPCC Asia meetings.

2nd Quarter

- Organized with AID a major briefing on the Tech and Seed Funds for 95 key government and private sector contacts on March 30. (Seed Fund above.) Feedback from Hill staffers and other attendees is positive.

3rd Quarter

- Distributed summaries of the proceedings of the NASDA/AID seminar to hundreds of USG legislative and executive branch officials and have followed up with interested parties on the benefits of the Tech Fund.

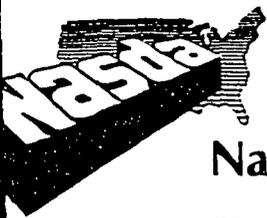
4th Quarter

- Conducted training sessions and met extensively with the recently-appointed overseas representatives of the US-AEP on the workings of the Technology Fund. Discussed coordination. Also participated in the Technology Cooperation Working Group.
- Worked with Senator Jeffords office, at his request, to develop an environmental technology export strategy for Vermont.
- Used our two field trips to Southeast Asia to exchange views with AID and FCS officials on ways to improve communication and the effectiveness of the projects. Also did the same with the staff in ASEAN of WEC, PITO, TAF and EIP. Attempted to understand the roles of the the various AID-sponsored players in the environmental game in Asia.
- Discussed with US-AEP, Commerce and the Tech Reps the overseas program Fund portion of the new and expanded Tech Fund that begins in FY94.

NOTE - The final report on the FY89-93 Cooperative Agreement with AID contains charts and descriptive material on the performance and accomplishments of the Environmental/Energy Technology Fund.

ATTACHMENT III

Status of Approved Seed and Tech Fund Projects as of October 1, 1993



National Association of State Development Agencies

750 First Street, N.E., Suite 710
Washington, D.C. 20002
(202) 898-1302
FAX: (202) 898-1312

MILES FRIEDMAN
Executive Director

THE US-AEP/NASDA ENVIRONMENTAL/ENERGY TECHNOLOGY FUND APPROVED PROJECTS AS OF OCTOBER 1, 1993

PROJECT #1 Montana/GeoResearch Mapping Technologies Project in South and Southeast Asia

PURPOSE: The Montana Department of Commerce proposed to sponsor three workshops organized by the GeoResearch company aimed at introducing integrated digital mapping technologies to the developing nations of Asia. The goals were to promote business between Montanan and Asian companies and to advance the planning and management of mapping and environmental programs in South and Southeast Asia. The project sought to introduce state-of-the-art integrated GPS/GIS technology to key users and beneficiaries in Asia. **COST AND DURATION:** The Fund agreed to provide \$20,000 of the estimated \$51,200 total cost of the workshops.

RESULTS: *Twenty-eight government employees and university faculty attended the workshop in Kuala Lumpur, Malaysia, resulting in the sale of two copies of Geolink software. The Kathmandu, Nepal, session was also successful and resulted in the immediate sale of two GPA receivers and accessories and two copies of GeoLink software. Additional workshops were completed in Thailand and the Philippines. Finalized sales of the Geolink mapping system have totaled \$30,000 to date. Fifty bids/proformas have been submitted, four representatives have been finalized, 16 tests/demonstrations have been conducted, one joint venture has been undertaken, and the company estimates 150 customer leads as a result of this project. Ties with Asian counterparts and representatives were strengthened and sales progress continues.*

PROJECT #2 Utah/TerraTek Project in Malaysia and the Philippines

PURPOSE: The State of Utah's Office of International Business in association with TerraTek, Inc. proposed to conduct two technology training sessions - one in Malaysia and the other in the Philippines - over a six month period. The objective of the project was to introduce and promote the sale of TARGET field test detection kits in Malaysia and the Philippines. The test kits are designed to detect environmental contaminants such as mycotoxins in food crops. **COST AND DURATION:** The total estimated cost for the full project is \$50,630. The Technology Fund offered a grant of \$20,150.

RESULTS: *The first phase of the project was successfully completed on the island of Penang. This seminar hosted approximately 40 people representing the feed and foodstuffs industries and universities. The second seminar was conducted in Kuala Lumpur, Malaysia for over 50 participants. The final seminar was held in Manila, Philippines in late May, 1993. The two-day seminar in Manila involved over 120 participants with initial sales totalling about \$15,000. To date, TerraTek has finalized \$25,000 in sales, established three representatives, submitted two bids/proformas, estimated leads for two additional representatives, and conducted 12 tests or demonstrations.*

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PROJECT #3 Mid-America World Trade Center Project in the Philippines

PURPOSE: The Mid-America World Trade Center (MAWTC), in Wichita, Kansas proposed to create an Environmental Technology Consortia of small and medium-sized U.S. environmental firms to market their goods/services in the Philippines. The overall objective of the project was to develop an export-driven program aimed at the waste management and recycling industry in the Philippines. There were two phases: 1) evaluation of existing documents from the public and private sectors, identification of trade and investment opportunities and constraints, and implementation of a marketing strategy; 2) trade mission/show and the establishment of the environmental consortia. COST AND DURATION: NASDA will provide \$19,939 of the total project cost of \$94,516.

RESULTS: As a result of the extensive research and involvement with the Philippine market, the Mid-America World Trade Center composed a comprehensive document on market opportunities for U.S. companies in the Philippines. This publication has been distributed to each of the 50 states to encourage a greater understanding of how to do business in the Philippines. The project had originally scheduled a business mission involving Kansas environmental companies. Over 400 U.S. companies were contacted through direct marketing and through contact with associations. Unfortunately, the mission portion of the project was aborted due mostly to scheduling conflicts on the part of the U.S. companies.

PROJECT #4 Alaska Energy Infrastructure Development Assistance in Mongolia

PURPOSE: The objectives of this project were to gather market and resource information on Mongolia and to develop Alaska's business relationship with Mongolian counterparts. The first phase of the project involved an information gathering mission to Mongolia led by the state's office of international trade, to assess needs and develop a strategic energy plan. This mission would include eight individuals with expertise in both small and large coal-fired power generation engineering and operations. Phase two would include a reverse delegation made by three officials from the Mongolian Ministry of Energy to Alaska. This project would provide opportunities for U.S. companies to enter a new market, promote exports and transfer technology. COST AND DURATION: The total estimated cost for the project is \$44,027, of which the Fund has agreed to grant \$20,000.

RESULTS: A twelve person business team travelled to Mongolia in June 1993. They met with four government ministers and visited five potential sites for geothermal/coal-fueled small sized electric power plants in rural areas. They signed a letter of understanding with the government to do pre-feasibility work. As a result of the trip, the U.S. mission to the Asian Development Bank has made contact with the Office of International Trade in Alaska. The Alaska R.E.C. Association established contacts with the Mongolian government and industry officials. They invited officials to visit Alaska and observe power plants and cooperative utility operations. Alaskan consulting firms are negotiating with Mongolian utilities. One Alaskan company has conducted a pre-feasibility study with a possible design/construction contract, another company indicates the possibility of a pipeline feasibility study for the Mongolian Petroleum Company. The state estimates a potential of \$50 million in export of equipment and services from American companies.

PROJECT #5 Kenan Institute of Private Enterprise Project in Indonesia and Thailand

PURPOSE: The project, proposed by the Kenan Institute, University of North Carolina, will be implemented in Indonesia and Thailand. The project in Thailand will center around the ENTECH/ASEAN '93 commerce approved trade show. At this show, the Kenan Institute proposed to showcase nine U.S. firms. Seven of these firms would also participate in the program in Indonesia, which will include a seminar presentation of the U.S. companies' technologies. In addition, the Kenan Institute will create a textile technology sourcebook for the sale of U.S. technologies in Asia. It will be used at the two seminars and as a stand

alone product. COST AND DURATION: The total estimated cost for this project is \$108,345. The Kenan Institute's contribution is \$42,355; the companies participating in the project will contribute \$36,145, and the Technology Fund grant will total \$29,845.

RESULTS: Ten U.S. firms were showcased at the ENTECH/ASEAN Commerce approved trade show that took place June 18-21, 1993 in Thailand. This conference was attended by 30,000 people. Eight of the firms participated in the Indonesian program. Each program included a seminar presentation of the U.S. technologies in Asia as well as company appointments. The Institute has completed production of a comprehensive sourcebook on the textile industry which includes information on 24 U.S. companies. The book provided information on 30 U.S. companies, including four of those listed in the program. The final version of the sourcebook was given to FCS, AID and US-AEP regional offices for distribution to the industry and associations in the Asian countries.

PROJECT #6 California Environmental Protection Agency in Thailand

PURPOSE: The objective of this project is to establish contracts between one or more California-based consulting firms and the government of Thailand, to plan, design and oversee the construction of municipal and wastewater treatment systems. The three components of this project include: 1) a scouting mission to Thailand in mid-July; 2) a visit to California by decisionmakers from Thailand to inspect prototypical technologies in August; and 3) a business mission in September to Thailand to finalize negotiations between California companies and Thailand. COST AND DURATION: The total estimated cost for the project is \$67,700. The California Environmental Technology Partnership's (represented by the California Environmental Protection Agency) contribution is \$44,400. The Technology grant is \$23,300.

RESULTS: The initial mission to Thailand has been completed resulting in three enquiries concerning environmental opportunities in Thailand. The follow-up trip was scheduled for September 1993.

PROJECT #7 Florida Division of International Trade and Development in Taiwan and Korea

PURPOSE: The project was designed to introduce new-to-market U.S. companies to Asia and to transfer U.S. environmental technology through seminars with interested companies and with government purchasing agencies. One-on-one sessions and on-site visits would follow each seminar. The state of Florida proposed to organize a team of ten U.S. companies to participate in the missions, which were designed to coincide with INPOCO (A Korean Environmental Trade Show). COST AND DURATION: The total estimated cost for the project is \$80,000, of which the Technology Fund will provide \$19,500.

RESULTS: Ten U.S. companies participated in the April 1993 mission. A total of 79 Korean companies participated in the 2-day individual meetings. One hundred thirty-seven meetings with 67 Korean companies took place. There were 268 visitors to the Florida Department of Commerce booth at INPOCO '93. Six hundred copies of 5-page handouts listing 17 Florida companies were distributed. Trade leads involved at least seven Korean companies. The U.S. companies enjoyed outstanding success in all areas - sales, agents, joint ventures and discussion of licensing arrangements. During the Taiwan portion of the trip, the U.S. companies had 68 meetings with 38 Taiwan firms and met with six government agencies. Overall, an estimated \$350,000 in business was written during the mission with an estimated additional \$750,000 over the next twelve months. Seven transfer/agent agreements were signed. The mission led to discussions with the Taiwan government on a harbor clean-up project that will involve ten to fifteen additional Florida companies in a consortium that could result in a five million dollar project. One company, for example, has finalized \$15,000 in sales, established three representatives, submitted five bids/proformas, obtained five additional customer leads, conducted one product test/demonstration, and presented a training seminar for 15 people in Korea and nine people in Taiwan.

PROJECT #8 Minnesota Trade Office/Bio-Pak Super Absorbent in the Philippines

PURPOSE: The project proposed to aerially reseed vast tracts of deforested land around Mt. Pinatubo by means of the Bio-Pak encapsulated "bullet," comprised of a superabsorbent/fertilizer co-matrix encased with leucauna seed treated with mycorrhizae fungi within a gelatin capsule. **COST AND DURATION:** The total project will cost \$40,000 of which the Technology Fund will provide a grant of \$20,000.

RESULTS: *The company made its initial foray to the Philippines in April. A subsequent September trip resulted in the creation of joint ventures on four major islands to set up processing plants to handle the two products. Superabsorbent fertilizer was combined with coconut soil, perlite and volcanic ash to create an ideal growth mechanism and aid in reforestation at Mt. Pinatubo and elsewhere. Local coconut cooperatives indicated a strong desire to enter in such a venture. USAID and Philippine government officials have endorsed the proposals and offered assistance in bringing the project to fruition. Bio-Pak plans a November 1993 trip to discuss the technical information on the development of cocoboard plants with a projected start time of March 1994. In Bacolod the proposed partner is building a cement plant to augment the board plant for the creation of low cost housing.*

PROJECT #9 Lafayette(CA) Chamber of Commerce/Prometrika in Thailand

PURPOSE: The project sought to: match U.S. manufacturers with Thai utilities and energy-related governmental agencies; provide technical training through participation in an energy-efficiency technical training workshop to be held in Bangkok in February 1993; and formulate specifications for the design of a pilot, Demand-Side Management-Marketing (DSM) data base by identifying Thai DSM-support needs and U.S. suppliers of such products and services. **COST AND DURATION:** The Technology Fund will grant \$20,000 of the total estimated cost for the project, \$92,525.

RESULTS: *Presentations were held in Bangkok on February 24-25 and moderated by a member of the Energy Conservation Center of Thailand's Energy Manager's Club. Site visits were made to major Thai utilities and government agencies involved in DSM policy and implementation, as well as to businesses of several private sector workshop participants who had expressed an interest in improving their energy efficiency programs. Prometrika, Inc. has focused on agriculture and food processing and has obtained site-specific information. The company's plan is to generate \$200,000 through service demonstrations.*

PROJECT #10 Washington State/Unisyn Biowaste Technology in Thailand and Taiwan

PURPOSE: The 3-phase project proposal involved: the translation of a marketing tape describing the disposal of wet organic wastes; meetings in both Thailand and Taiwan (the mission to Taiwan will coincide with the U.S. Department of Commerce Trade Mission, scheduled for the month of June 1993); introduction of prospective clients to Unisyn's facility in Honolulu. **COST AND DURATION:** Total cost for this project is \$32,300. The Technology Fund will cover partial expenses totalling \$14,950.

RESULTS: *The translation of the videotape to Mandarin is complete. The applicant elected to terminate the project due to an inability to meet the September 30th deadline. Remaining funds were reallocated.*

PROJECT #11 Connecticut/Pollution Control Exports USA in Hong Kong and South Korea

PURPOSE: The project proposed to help small U.S. manufacturers of pollution control equipment to establish a new business presence for their products in Hong Kong and South Korea. The objective was to create market opportunities for U.S. companies by establishing a distribution channel from U.S. manufacturers, through Pollution Control Exports USA, to distributors in the target countries. The project would create export arrangements with the manufacturers; find, select and train the distributors; assist distributors in obtaining approval of the products in each country; and buy products from the manufacturers to sell to the distributors. COST AND DURATION: The total estimated cost for this project is \$161,570. The Technology Fund awarded \$30,000 for this project.

RESULTS: The project established sales outlets for the products of 24 small, US, pollution control equipment manufacturers in Korea and Hong Kong. Training materials were prepared, training of distributors was completed and plans made for a year of follow-up activities. Two representatives have been finalized. Commercial activity has included: a Hong Kong tender for scrubbers for 500 municipal swimming pools valued at \$15 million; approximately 25 bids out for automatic controllers for facility management valued at over \$500,000; chloride sensor/controllers worth \$700,000 being offered to the government of Hong Kong; as well as other potential or finalized sales. A total of \$300,000 in sales have been finalized. Over \$15 million in commercial offers are outstanding in more than 20 bids by distributors to end users in the Asian countries. The one-year commercial goal is to create long-term sales prospects for 15 U.S. companies.

PROJECT #12 Oregon State/Oregon Environmental Technology Association in India

PURPOSE: This proposal involved two four-day matchmaking programs, one in New Delhi and one in Bombay. These matchmaking missions would introduce Oregon environmental companies to suitable partners in India while concentrating on developing sales, marketing and distribution of U.S. environmental goods and services in waste water treatment systems and solid waste management equipment for the Indian subcontinent and identifying trade opportunities for Oregon companies not participating. COST AND DURATION: Of the total budget, \$71,550, the Technology Fund will awarded \$20,050.

RESULTS: The applicant elected to terminate the project due to insufficient time to complete the project. Grant funds were reallocated.

PROJECT #13 Alliance for Responsible CFC Policy in Indonesia, Hong Kong and Taiwan

PURPOSE: The project would enable three members of the Alliance for Responsible CFC Policy (located in Virginia) to establish valuable business relationships through a mission to Indonesia, Hong Kong and Taiwan. The Alliance would assist these U.S. companies to market their technologies for replacing, controlling, collecting and recycling CFC's to Asia. COST AND DURATION: The total estimated cost for this project is \$89,590. The Technology Fund granted \$11,148, with remaining costs covered by the Alliance International Law Office, Harvest International, and the participating Technology companies.

RESULTS: Due to difficulty in coordinating the schedules of the U.S. companies by the September 30th deadline and an inability to organize a meeting in conjunction with a previously scheduled international conference, the Alliance for Responsible CFC Policy terminated the project. Grant funds have been reallocated.

PROJECT #14 International Institute for Energy Conservation (IIEC) in Thailand

PURPOSE: The International Institute for Energy Conservation sought to undertake a three step initiative in Thailand to allow U.S. manufacturers to tap into the emerging Thai market for advanced efficiency technologies. Phase one would define the Thai market, phase two was designed to introduce U.S. companies and provide technical information on doing business in Thailand through business opportunity seminars and phase three would support a select group of U.S. companies to meet with potential partners in Thailand. **COST AND DURATION:** The total estimated cost for this project is \$140,450, the Technology grant is for \$30,000.

RESULTS: *IIEC has completed phase one by preparing background materials which include technical constraints and requirements of the Thai partners as well as information on doing business in the Asian market. Information gathered was presented during phase two to members of the U.S. energy efficient ballast industry in San Francisco, CA and New York, NY, over 20 companies were present during that presentation. Phase three of the project involved a mission to Thailand where U.S. companies had an opportunity to begin the process of establishing partnerships. From this mission, three companies are currently in the process of negotiating direct sales and licensing, and three additional service-oriented companies are conducting follow-up meetings with their counterparts in Thailand. Several of the companies remained in Thailand to build business relationships.*

PROJECT #15 World Trade Center of Denver in Hong Kong, Korea, Taiwan, Thailand & Nepal

PURPOSE: The World Trade Center in Denver proposed to assess market demand, identify potential licensees and distributors and demonstrate a Remote Sensing Device (RSD-1000) in Hong Kong, Korea, Taiwan, Thailand and Nepal. RSD-1000 measures the carbon monoxide and hydrocarbon pollutant levels from the emissions plumes of vehicles passing at speeds of up to 100mph. The demonstration team, consisting of the inventor and an experienced development economist, would analyze the exhaust of about 10,000 vehicles in order to determine the distribution of municipal mobile pollution. **COST AND DURATION:** The total estimated cost for this project is \$77,875. The Technology Fund will provide a grant of \$19,996.

RESULTS: *In August 1993, a Fuel Efficiency Automobile Test (FEAT) demonstration team analyzed the exhaust of over 35,000 vehicles in Seoul, Taipei, Hong Kong, Bangkok and Kathmandu. These tests exposed ASEAN government and environmental officials to the potential uses of the remote sensing device, such as its ability to read 1200-1500 vehicles per hour. Smaller vehicles, such as tuk-tuks or cycles, can also be monitored through this system. This information makes it possible to determine how much fuel might be saved by a stoichiometric tune-up program or by other approaches to pollution reduction. The project established good relations with EPDs, EPAs, and Air Quality and Noise Control Units in the targeted countries. Five customer leads were obtained. Orders for approximately six remote sensors (at \$130,000 each) were discussed with organizations in Hong Kong, Taipei, Bangkok, and Nepal. One representative agreement was finalized in Korea, and one licensing agreement was also finalized. A new product for opacity measures was developed as well.*

PROJECT #16 Pacific Basin Economic Council (PBEC) in Taiwan

PURPOSE: The project applicant sought to identify specific environmental business opportunities in Taipei, select project partners in Taiwan and Illinois, complete the mission to Taipei, and hold follow-up meetings. The objective of this proposal was to introduce ten to twelve U.S. companies who manufacture environmental equipment to a potential end-users in Taiwan. The goal was the formation of long-term U.S./Taiwanese business relationships, aimed at environmental improvement. **COST AND DURATION:** The total estimated cost for this project is \$122,375, the Technology grant is in the amount of \$28,475.

RESULTS: *The Environmental Exports – Taiwan Opportunities" seminar was held on June 8, 1993 at Motorola headquarters in Illinois. Through this seminar, the 23 participating U.S. companies achieved a greater understanding and developed a stronger interest in the Taiwanese market. A field mission in September complemented this seminar by introducing three U.S. companies to potential buyers in the Taiwanese market. As a result of this trip, future joint ventures and sales are expected. For each of these companies, the Fund created relationships which could not have otherwise been made. In fact for three years, one company had traveled to Taiwan unsuccessfully in search of a representative, but as a result of this project this company is considering an agreement with three potential representatives. With the support of NASDA and the US-AEP, PBEC prepared a document, on the Taiwan environmental market and opportunities for US companies. This document is was based on research gained from the project.*

PROJECT #17 U.S. - Philippine Business Committee in the Philippines

PURPOSE: Through the Center for the Advancement of Global Business Relation, the US-Philippine Business Committee proposed a short-term work program that would promote exports of American Technologies to the Philippines in two key environmental/energy sectors: industrial waste water treatment and power generation from biomass (waste-to-energy). Two leading firms in each sector have been selected to participate in half-day technical seminars to a broad audience of potential customers. Following the four technical seminars, one-on-one meetings would be held with the four U.S. companies and their potential Asian customers. **COST AND DURATION:** The total estimated cost for this project is \$55,475; the Technology Fund is providing \$19,950.

RESULTS: *The seminars, involving four U.S. companies, took place in July, 1993 in Manila. The participating companies were involved in over 44 pre-screened one-on-one meetings with potential Filipino buyers. One company has already conducted a follow-up mission which included 20 additional meetings. Although no specific sales have been made, participating companies are committed to developing the relationships which have been initially formed and each is optimistic about the potential for sales.*

PROJECT #18 World Trade Center Pittsburgh in Korea

PURPOSE: The project would lead a mission of nine Western Pennsylvania companies which specialize in environmental engineering and remediation to Korea in September, 1993. This matchmaking trip would be a follow-on to the WTCP's Korean Matchmaking Session for Environmental Companies, scheduled for July 1993. **COST AND DURATION:** The total estimated cost for this project is \$88,700, the Technology fund will provide \$20,400 for this project.

RESULTS: *The project applicant chose to terminate the project due to an inability to meet the September 30th deadline. The grant funds were reallocated.*

PROJECT #19 Washington Department of Trade & Economic Development in association with Applied Environmental Technologies & the Pacific Rim Institute in India

PURPOSE: The project proposal involved a pre-feasibility mission to India to identify Indian organizations and to target India's environmental priorities and needs. In late March, a 12 day mission to India would formalize relationships between the Indian and U.S. participating organizations. The final stage of the proposed project involved a five day, industry specific, business forum in Seattle involving 15-20 pre-qualified Indian decision makers. **COST AND DURATION:** The total estimated cost for this project is \$69,500. The Technology grant will be in the amount of \$20,000.

RESULTS: *"Bridging the Gap," held September 7-10, 1993, involved 78 participants, including a large delegation from the Confederation of Indian Industry (CII) and a smaller Indo-American Chamber of Commerce (IACC) group. The program occurred simultaneously with the Washington Environmental Industry Association conference also held in Seattle. "Bridging the Gap" laid the foundation for an ongoing relationship between India and the Pacific Northwest environmental technology and services industry. One-on-one meetings between the Indian delegates and U.S. firms generated interest in technology transfer and other business endeavors between India and the U.S. environmental firms. Several firms have planned business trips to India within the next year. AET itself plans three trips: a mission from the Pacific Northwest to India in December; a training mission in February using EPA/Purdue University environmental software; and an Indian trade mission to Seattle and other Pacific Northwest sites scheduled for next summer.*

PROJECT #20 Maryland Trade Division in Indonesia

PURPOSE: The Maryland Trade Division proposed to conduct an Indonesian Environmental project which would focus on the region of West Java in the area of water pollution and toxic waste. Goals of the project would be the promotion of understanding and cooperation between Maryland and West Java in the areas of environment, trade, joint venture facilitation, technology transfer and investment relations; exchange of information on environmental as well as other goods and services; and the education of firms in the U.S. and Indonesia on emerging opportunities. **COST AND DURATION:** The total cost for the project is \$130,500 and the Technology Fund will provide a grant of \$25,000.

RESULTS: *The state led five environmental companies on a business mission to Indonesia in late September 1993. They met with business counterparts as well as key U.S. government and West Java officials. Prior to this business mission, MID hosted a reception for a chief environmental official of West Java. These activities were designed to introduce Maryland environmental companies to opportunities in Indonesia while strengthening the Maryland/West Java working relationship.*

PROJECT #21 Bangladesh U.S. Business Council in Bangladesh

PURPOSE: The project would involve a Business Development Mission to include six representatives of the renewable energy industry, a symposium and a catalog show in cooperation with ECRE. The mission to Bangladesh sought to concentrate on industries such as Biomass direct combustion systems, photovoltaic systems and solar power cookers and ovens. It was hoped that the Business Development Mission, in conjunction with the Catalog Show and Symposium on Renewable Energy, would create an impressive impact on awareness of renewable energy systems and marketability of U.S. products and services. Follow-up activities would include a report evaluating the renewable energy sector in Bangladesh with an emphasis on the identification of trade and investment opportunities and constraints on American businesses. **COST AND DURATION:** NASDA agreed to provide a grant of \$19,038 to the total budget of \$52,820.

RESULTS: *Despite an aggressive effort to recruit U.S. companies, there was insufficient U.S. interest in renewable energy business mission to Bangladesh this past September. The applicants have chosen to terminate the project and the grant funds have been reallocated.*

PROJECT #22 New England Business Council (EBC) in Thailand, Malaysia and Indonesia

PURPOSE: The New England Environmental Business Council, Asian Development Committee (EBC) has submitted a proposal to conduct a Pacific Rim Business Development Mission to Thailand, Malaysia, Singapore and Indonesia in September, 1993. The EBC would identify four to six qualified companies who would form a working group which would create a focused agenda of meetings and presentations for the

target countries. Once the planning process is complete, the participating companies would undertake a two-week program with appropriate organizations in the four target countries. Participating U.S. companies would then be responsible for a formal presentation of their experience to members of the EBC and other interested companies. COST AND DURATION: The total estimated cost for this project is \$127,660, NASDA has agreed to provide a grant of \$20,000.

RESULTS: *The Environmental Business Council, Asian Development Committee (EBC) has planned a Pacific Rim Business Development Mission to Thailand, Malaysia, Singapore and Indonesia for October 1993. Four U.S. companies are participating in this mission. A EBC representative travelled to the region in mid-September to advance the mission. Meetings were held with US-AEP, US-EIP, US/TECO local AmCham offices, and private business people in the environmental industry. Local agents were contacted. Massport is playing a key role in the program.*

PROJECT #23 Maryland/Washington DC Export Council in Indonesia, Singapore, and Malaysia

PURPOSE: The Maryland/Washington DC Export Council proposed to conduct a pollution control business development delegation to Indonesia, Singapore and Malaysia in July, 1993, and to organize a forum in Washington, D.C. and Baltimore, Maryland. The U.S. firms would visit the three countries for the purpose of identifying, evaluating and appointing overseas partners for long-term business relationships. Overall, the mission's goal was to bring about environmental improvement through exchanging technical information and providing state-of-the art equipment. COST AND DURATION: The total estimated cost of the project is \$90,000. An award has been approved in the amount of \$27,000.

RESULTS: *Each of the ten participating companies deemed the project a success. Over 400 one-on-one meetings were held in the three targeted countries. Delegates estimated that sales revenue generated as a result of this mission would be: \$9,300,000 in Singapore; \$5,925,000 in Indonesia and \$5,670,000 in Malaysia. As of this update: three companies have finalized agreements for Asian representatives; one company has sales of \$75,000; another participant is returning to Asia to finalize additional sales. Participation by the overseas posts, country receptiveness to U.S. technologies and commitment on the part of the ten delegate companies in developing business were some of the essential elements contributing to the success of the project.*

PROJECT #24 Washington State Department of Trade and Economic Development and Resource Management, Inc in Malaysia and Indonesia

PURPOSE: The Washington State Department of Trade and Economic Development, in cooperation with Resource Management, Inc. (RMI), proposed to introduce aerial environmental assessment capabilities to key people in government and development communities in Malaysia and Indonesia. This evaluation technique is very useful in rapidly detecting pollution inputs on the watershed and is the basis for developing reports that delineate water quality problems over large areas. RMI would provide seminars to selected government and private industry representatives who share an interest in water resource protection and environmental impact monitoring. Three educational seminars would focus on the demonstration of the aerial technique, methods of watershed development, and aquatic plant management and maintenance. COST AND DURATION: The total cost for this project is \$62,552, the Technology grant will be in the amount of \$18,100. The project is scheduled for the Summer 1993.

RESULTS: *Two representative agreements have been finalized in Malaysia. RMI has received two contracts from the Malaysia Department of Culture and Tourism; sales to date are \$55,000. Additional restoration work proposed for the second project will amount to approximately \$1 million; this work is expected to begin in 1994. The Malaysian Ministry of Tourism will purchase two or more machines with a value of \$300,000 each. Information about RMI is being circulated in Indonesia, and future plans in Malaysia include a presentation of two technical papers on RMI's services and techniques at the International Management of Rivers for a Future Symposium to be held November 16-18, 1993.*

PROJECT #25 Idaho Department of Commerce and Environmental Research and Development, Inc. in Taiwan, Indonesia and Singapore.

PURPOSE: In this project, ERAD proposed to train and provide technical information to a Taiwanese partner, Gamma Electrochemical Company, meet with government officials in the three targeted countries to inform them of available products and services, and organize one-on-one meetings with industrial manufacturers on site with Gamma to review operations, analyze wastewaters, perform on site testing and evaluation for training and determining feasibility of implementing ERAD technologies into their facilities. COST AND DURATION: The total estimated cost for the project is \$58,455, the technology grant will be \$15,500.

RESULTS: ERAD has recently completed two separate training trips to the Pacific Rim Area to provide training and onsite demonstration of their technologies to agents and distributors. During a total of ten trips, ERAD provided training and technological information to a Taiwanese partner, Gamma Electrochemical Company, while meeting with government officials and industrial manufacturers in Taiwan, Korea, Indonesia and Singapore, to discuss the use and implementation of ERAD technologies. ERAD has submitted \$50,000 in bids/proformas and has eight customer leads. They have conducted six tests/demonstrations. Gamma has indicated that they plan to expand the marketing of ERAD technologies into Malaysia, Thailand and the Philippines. ERAD and Gamma have signed a separate Joint Venture agreement to act as an engineering and consulting firm in Mainland China. ERAD plans follow-up trips to the Pacific Rim area in December 1993 or February 1994 and in summer 1994.

PROJECT #26 Environmental Technology Export Council and Wahlco Environmental Systems in India.

PURPOSE: The project proposal involved the installation of a WAHLCO Flue Gas Conditioning (FGC) system to improve the performance of particulate emission collectors in order to reduce air pollution. WAHLCO would offer the test skid to the Madhya Pradesh Electricity Board (MPEB) in India to improve the performance of the precipitators at the Satpura Thermal Power Station Unit No. 8. This test program would involve a mission by WAHLCO to India for the installation of the WAHLCO test skid. COST AND DURATION: The total cost for the project is \$85,150, the technology grant will be \$20,000.

RESULTS: The applicant has elected to terminate this project; the funds have been reallocated.

PROJECT #27 The Los Angeles Local Development Corporation and the California Energy Commission, the City of Los Angeles and the State of California Economic Commission in India.

PURPOSE: The City and its collaborators proposed to conduct two public business opportunities workshops in Los Angeles and San Francisco in July 1993 to present U.S. energy products to 15 key Indian decision makers in the energy sectors of Tamil Nadu and other south Indian states. One-on-one meetings as well as plant tours would be arranged with the objective of matching energy efficient technologies of California companies with India's massive energy needs. COST AND DURATION: The total estimated cost for the project is \$79,000, the technology grant was \$20,000.

RESULTS: The City and its collaborators sponsored a delegation of 14 key Indian decisionmakers to Los Angeles and San Francisco from July 24-31, 1993. Two hundred California firms in the energy, environmental and financial areas attended the workshops. The program included one-on-one meetings and on-site visits to wind farms and solar power generating facilities. The conference sparked interest in India among U.S. firms; several are planning trips to India to follow up. Three deals worth over \$53 million have been finalized as a result of the project. Letters of Intent were signed on three others. An additional eight projects, worth an estimated total of \$750 million, are currently under negotiation. Other companies have expressed a desire to participate in a follow-up mission to India, which the CEC hopes to organize for the first quarter of 1994.

PROJECT #28 The Kansas Department of Commerce and Housing and Innovative Material Systems, Inc. in Thailand.

PURPOSE: The goal of this project proposal was to form a joint venture between IMS and the Premier Group of Companies (Premier) of Thailand. The company had essentially previously completed a first phase which consisted of seminars, site selections and demonstrations to the Bangkok Metropolitan Authority and other government agencies of dredging technologies for use on canals (specifically an IMS 4010 Versi-Dredge). The second phase, to be funded in part by a Tech Fund grant, would involve a second trip/demonstration which would introduce an additional dredging system to be used on "klongs" (waterways which feed into the Chaophraya River). **COST AND DURATION:** The total estimated cost of the project is \$115,540. The Technology grant will be \$20,000.

RESULTS: *The company shipped the dredge and conducted the demonstration in September. IMS entered into a joint venture with the Premier group of Thailand and has won contracts from the Bangkok Metropolitan Authority to dredge canals and klongs. The company expects to double its business and the number of IMS dredges required every six months over the next two years.*

PROJECT #29 The Oregon Economic Development Department and Global Resources Institute in Nepal.

PURPOSE: The Oregon Economic Development Department in association with the Global Resources Institute proposed to help alleviate pollution in Nepal through the promotion and production of energy efficient and non-polluting vehicles for transportation. The organization would convert a diesel tempu (three-wheeled auto rickshaws used in Nepal) to electric power. The project would provide promotional material to promote and further electric conversions. **COST AND DURATION:** The total estimated cost for the project is \$59,885. The Technology grant was be \$20,000.

RESULTS: *The conversion is scheduled to take place at the Tribhuvan University in Kathmandu. Six mechanics will be trained including four dealers of rickshaws and two representatives from the University.*

PROJECT #30 The Alabama District Export Council in Southeast Asia.

PURPOSE: The Alabama Export Council proposed to introduce U.S. equipment and technology for use in waste collection/hauling systems throughout the Pacific Rim through a two phase project. The first phase, which would be partially funded by the US-AEP/NASDA Technology Fund, would involve: the translation of marketing videos and product literature on selected equipment and services; an update on marketing research utilizing existing resources of the USDOC and the Alabama International Trade Center; and the location of distributors. The videos and marketing strategy would involve six Alabama companies and would focus on an on-site demonstration of Alabama technology at the Marathon Operation in Korea. The second phase would include a fact finding mission to Korea, Thailand, Hong Kong and Taiwan, in conjunction with the INPOCO equipment show scheduled for April 1994 in Seoul. **COST AND DURATION:** The total estimated cost of the project is \$114,250. The Technology grant will be \$20,000.

RESULTS: *The market research was completed in Korea and Hong Kong; work is still underway in Malaysia, Singapore, Thailand and the Philippines. The ADEC is presently working on identifying the products to be exported, translating brochures, and contacting sales outlets. The Korean transfer installation was the first of its kind outside the US. Unexpected engineering and performance problems have delayed the timetable for phase two. A second trip to Korea and surrounding countries is scheduled for the end of October 1993. The project should generate at least \$750,000 in additional sales. The October trip will also allow time for in-country product and market training for identified agents.*

PROJECT #31 Water and Wastewater Equipment Manufacturers Association (WWEMA) and Kent Meters, Inc. in Thailand, Indonesia and the Philippines.

PURPOSE: The project would present three product training sessions in July to introduce and demonstrate Kent Meter's technologically advanced PSM and Helix water meters to the appropriate government and municipal representatives in Thailand, Indonesia and the Philippines. The training sessions would demonstrate sample meters as demo units and present well-planned and produced technical data sheets and brochures in the host countries' language. COST AND DURATION: The total estimated cost for the project is \$86,760. The Technology grant will be \$20,000.

RESULT: The project is on-going. Kent Meters, Inc. has finalized sales of \$100,000. They have obtained information on required project standards and regulations, assessed market potential, and completed some customer/agent training.

PROJECT #32 The State of Colorado and Geothermal Enterprises in the Philippines.

PURPOSE: In this project, Geothermal Enterprises, proposed to travel to the Philippines to present Geothermal Enterprises's new technologies and capabilities and to determine which companies would be potential suppliers, clients and joint venture partners. The initial phase of the project would involve a survey of appropriate geothermal, electric power, chemical and environmental companies in the Philippines. As a result of the mission, Geothermal Enterprises hopes to obtain letters of intent and eventually equipment and sales contracts. Phase II would support installation, operation and maintenance of new geothermal units. COST AND DURATION: The total estimated cost for the project is \$98,125. The Technology grant will be \$20,000.

RESULTS: Geothermal Enterprises made two trips to the Philippines for visits with Philippine government officials and companies. They identified specific projects in the Philippines that could use their firm's capabilities in geothermic energy or the special technology developed to improve the efficiency of geothermic energy conversion systems. The trips resulted in letters of intent for a joint venture partner to help develop, finance and license projects and for the supply of electricity and specific resources. At this point, Geothermal Enterprises is developing a potential contract for a reboiler technology and related electric power project worth over \$3 million. Midway through the project, the original coalition of companies was re-structured to include different players.

PROJECT #33 Environmental Technology Export Council and the American Environmental Technology Consortium in Asia in Malaysia

PURPOSE: The participants in the project would assist a group of 20 U.S. companies in the environmental technology and energy efficiency industries to assess market prospects and conduct business meetings in Malaysia. The project would involve the organization of a business development mission and technology seminar in Kuala Lumpur to introduce participating firms and their technologies to public and private sector decision makers invited from throughout Southeast Asia. The mission is scheduled for mid-September 1993. In addition to the general company presentations, there would be technical sectoral seminars, country presentations by officials of the ASEAN countries and a series of one-on-one business development meetings. COST AND DURATION: The total estimated cost of the project is \$112,500, of which the Technology Fund will provide \$20,000.

RESULTS: *This project assisted ten U.S. environmental technology companies to travel in September 1993 to Kuala Lumpur, Malaysia, to describe their technical business objectives to approximately 85 business and government officials from the ASEAN region. The three day symposium, which included market assessment sessions by experts in seven Asian countries, centered on water, air, solid waste and hazardous waste technologies. The ten U.S. firms had opportunities for informal discussions as well as private business meetings with potential end-users and agents/distributors. Based on new opportunities that emerged, several of the U.S. companies planned immediate trips to other countries in the region to pursue business relationships.*

PROJECT #34 DeKalb County Chamber of Commerce and G&G Sanitation in Thailand and Taiwan

PURPOSE: The Dekalb County (Georgia) Chamber of Commerce in cooperation with G&G Sanitation Systems proposed to travel to Thailand and Taiwan in mid-August 1993 to demonstrate the Ram Jet Compactor Container. This technology combines the ability to safely store high-liquid content wastes in a controlled environment with the economies of compaction. The project's goal was to transfer the Ram Jet environmental benefits (safe transportation and elimination of waste) to Thailand and Taiwan. In addition to the transfer of new U.S. waste management technology, the project proposed to establish new markets and networks for other environmental/energy products and services. **COST AND DURATION:** The total cost for the project is \$88,200, of which the Tech Fund will provide \$20,000.

RESULTS: *The preliminary visit took place July 18-25, 1993. Sales seminars and demonstrations on solid waste management were made to companies and agencies in Taiwan and Thailand from August 16-28, 1993. The one-year goal is to enter a number of long term contracts for waste management systems in Thailand and Taiwan. They have established four representatives, signed one licensing agreement, obtained 20 customer leads, and conducted six tests/demonstrations. Business relationships have been developed and three Thai and Taiwanese companies made visits to the U.S.*

PROJECT #35 California Environmental Protection Agency and IMSSCO in Malaysia and Singapore

PURPOSE: The California Environmental Protection Agency in association with the International Marine Supply and Service Company (IMSSCO) would conduct a pilot demonstration of oil-spill recovery/hazardous material suppression and bio-remediation equipment and technology (Maverick Foam/Dispersion Vest System) in Malaysia and Singapore for use in both marine and land areas. **COST AND DURATION:** The total estimated cost for this project is \$35,200. The Tech Fund will cover expenses totalling \$10,000.

RESULTS: *IMSSCO has successfully demonstrated its equipment and technology to approximately 100 participants. As a result of that demonstration, IMSSCO has signed a contract with a Malaysian company worth about \$150,000. Based on responses from the demonstration, sales in Malaysia are projected at no less than \$1 million, and requests have been made for additional demonstrations in Japan, Hong Kong, Taiwan, Singapore, Thailand and Indonesia. With the projected increase in sales, IMSSCO expects to hire additional personnel.*

PROJECT #36 World Trade Center Arizona and Waterman Asia in Southeast Asia and India

PURPOSE: The Arizona World Trade Center in association with Waterman Asia proposed to introduce environmentally sound water purification and wastewater clean-up technologies into Southeast Asia and India, using the retail water store as the vehicle and base for commercialization. Waterman Asia would introduce: treatment for wastewater, septic tanks, sewer systems, and contaminated wells and ponds; ozone

units to render processed water pathogen free and to reduce toxicity; and a mobile, self-contained, solar-powered water purification unit. **COST AND DURATION:** The total estimated cost for this project is \$42,100. The Tech Fund grant was total \$20,000. The business meetings will be held following a Dept. of Commerce sponsored trip to Singapore, Malaysia and Indonesia in mid-August.

RESULTS: *Company representatives spent the month of September in Southeast Asia developing the market for their concept and identifying potential joint venture partners. They focused on Indian and Indonesian prominent businessmen. Both countries expressed keen interest in the project. The U.S. company will be setting up six demo water retail stores for franchising over the next six months and anticipate \$1 million in sales plus 14 master franchises within one year. The second phase will involve the selling of wastewater treatment processes.*

PROJECT #37 Massachusetts Port Authority and Lenox Institute of Water Technology, Inc. /KROFTA Engineering Corporation (KEC) in India

PURPOSE: The Massachusetts Port Authority in association with Lenox Institute of Water Technology, Inc. and KROFTA Engineering Corporation (KEC) proposed to develop a Market Entry Strategy for the promotion and sale of water, wastewater and sludge treatment technology and equipment to industry and municipalities in India. The technology would be presented in the form of bench-scale models, multi-media informational material and presentations by professional personnel. The project will involve a series of seminars in September 1993 in a minimum of three major cities in India. **COST AND DURATION:** The total estimated cost for this project is \$52,200. The Tech Fund provided a grant of \$20,000 for this project.

RESULTS: *The project introduced KROFTA products to major Indian municipal markets. Each seminar brought immediate purchase orders for KROFTA. Lenox Institute has finalized \$370,000 in sales in September 1993 and has obtained an additional 40 customer leads. The U.S. group expects to see market expansion and sales increases of 20% per year over the next 2-3 years. KROFTA will conduct follow-up projects focusing on specific polluting industries.*

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National Association of State Development Agencies

750 First Street, N.E., Suite 710
Washington, D.C. 20002
(202) 898-1302
FAX: (202) 898-1312

MILES FRIEDMAN
Executive Director

THE NASDA/AID BUSINESS DEVELOPMENT SEED FUND APPROVED PROJECTS AS OF OCTOBER 1, 1993

U.S. - Thai Business Cooperation (Northwestern University)

Purpose The International Business Development Program (IBD) at Northwestern University in Chicago undertook a project aimed at expanding U.S.- Thai business relationships by matching Thai needs with U.S. sources and encouraging state international trade agencies to explore the Thai market. The proposal was for a 5-year program which would include the development of a new business incubator system, product commercialization centers, training, venture capital fund development and the transfer of technology to Thai firms. The first phase, for which a grant was provided by the Seed Fund, included feasibility studies, work with 3 states, identification of business opportunities in Thailand and the establishment of mechanisms to strengthen the export and innovation capability of Thai firms. Cost First year (November 1988 - November 1989) costs were \$108,000, of which the Seed Fund provided \$75,000. USAID Thailand contributed \$65,000 to the Fund for the project.

Results In its first year, the project developed a target pool of over three hundred U.S. and Thai companies for matching, established a joint venture with SEAMICO under a program with the Thai Board of Investment to attract U.S. firms, and provided concrete business leads. The IBD organized visits for 3 delegations of Thai businessmen seeking investment partners in the U.S. and assisted fifty-five U.S. companies interested in Thailand. By October 1990, when the project ended, 8 of the client firms had visited Thailand and 5 had established substantial operations there.

Governor-Ambassador Business Development Initiative in ASEAN

Purpose The Governor-Ambassador Business Development Initiative (GABDI) was designed to increase business relationships with companies in the Association of South East Asian Nations (ASEAN) by encouraging U.S. governors to lead business development missions to the region and by enlisting the cooperation of U.S. Embassies and private sector organizations to support the visiting American trade delegations. GABDI objectives included introducing U.S. firms to the opportunities in the region and assisting them in finding business partners. The project contracted the U.S.- ASEAN Business Council to provide extensive technical assistance in the planning, implementation and follow-up stages of governor-led missions. Cost The Seed Fund contributed \$29,000 to the 3-year project, which ended in September 1992.

Results Three Governors (from Mississippi, Iowa and Ohio) led business missions under the auspices of the program. Fifteen other states were assisted with market and other information on doing business in the region. A variety of new business partnerships have been formed. Iowa estimates that the mission directly generated over \$6 million in sales. Companies participating in the Ohio mission in September 1992 received \$4 million in orders on the spot and potential orders valued at over \$16 million. Follow-up activities include return visits to the region by many of the participating companies.

Delaware Trade Expansion with Costa Rica and Honduras

Purpose The Delaware Development Office proposed to expand business ties with Costa Rica and Honduras, capitalizing on the relationship of the Port of Wilmington with the 2 countries. The idea was to take advantage of favorable shipping rates resulting from containers of major fruit companies returning empty to Central America. The project focused on 3 key tasks: (1) research to identify markets for U.S. products in Costa Rica and Honduras; (2) recruitment of buyers and sellers in the Delaware region; and (3) systematic follow-up. In addition to the DDO, port and fruit companies, other collaborators included a steamship line, the state-sponsored export trading company and the public/private business development agencies of Costa Rica and Honduras (CINDE and FIDE). The 2 countries would benefit from improved infrastructure at the ports, better distribution channels and cheaper imports. Cost The Seed Fund provided \$20,000 of the \$60,000 total expenses for this one-year project ending in January 1991.

Results *As part of the research, over three hundred companies were surveyed and specific export opportunities were identified in what was a new market for the state. Twenty companies were represented in a business visit to the countries for briefings and matchmaking. Following formal completion of the project, the state has organized regular return business visits to the 2 countries and invited companies from there to Delaware. Business deals have emerged, e.g. a large order for irrigation equipment and appointment of agent/distributors in both countries. Previously empty containers on the return trip to Central America are now twenty-five to forty percent loaded with export cargoes.*

Iowa Swine Technology Conferences in Hungary and Czechoslovakia

Purpose The Iowa Department of Economic Development developed a multi-stage program aimed at introducing central European customers to the state's agricultural technologies and products. Together with a public/private trade promotion organization and Iowa State University, the DED planned educational conferences in Budapest and Prague to focus on swine technology, equipment and food processing industries available in Iowa. The conference played a key role in launching the state's long-term strategy designed to capture new markets for Iowa firms while also assisting the modernization of agriculture in Central Europe. Expected results include: new relationships that will lead to sales, joint ventures, distributorships and licensing agreements; farmer-to-farmer exchanges; university exchanges; specific business opportunities identified during the conference; and recommendations for overcoming key constraints to business. Cost The Seed Fund provided \$10,000 of the \$55,000 project cost. The conferences were held in May 1991.

Results *Over one hundred seventy key agricultural decision-makers in Hungary and Czechoslovakia participated in the conferences. Impressed by the value of the knowledge transferred, the 2 countries requested similar conferences on grain technology. Iowa agreed to organize them as part of the broad strategy. Specific opportunities for co-ventures emerged during the conferences. However, the breakup of Czechoslovakia and changes in both countries of key agricultural personnel and practices have complicated the business climate and delayed negotiations. Interest in purchasing U.S. agricultural machinery has been generated due to company name recognition resulting from the original conferences. However, the breakup of Czechoslovakia and changes in both countries of key agricultural personnel and practices have complicated the business climate and delayed negotiations. Because of the positive reactions by both the U.S. and the East European participants, Iowa is planning a follow-up mission for FY95 to further develop business relationships.*

Minnesota Market Development and Export Training in Costa Rica

Purpose The Minnesota Trade Office (MTO) designed a multi-phase program aimed at promoting long-term agribusiness ties with Costa Rica. In the initial phase, the state undertook research on the market for processed foods and organized a "Table of Taste" demonstration of Minnesota products. Working closely with Costa Rica's trade and investment agency and the American Chamber, the state helped producers of processed foods and associated equipment enter the Central American market and promoted long-term business relationships with Costa Rican companies. The "Table of Taste" is a matchmaker event where wholesalers, buyers, restauranters and others gather to sample various food products from Costa Rica and Minnesota. Market research will identify complementary processed foods. Benefits to Costa Rica include: exposure to new markets and new channels of distribution; creation of new food products; and access to sophisticated marketing and management techniques. Cost The total project cost was \$80,000. The Seed Fund provided \$13,000. The activity took place in the fall of 1991 through summer of 1992.

Results A successful "Table of Taste" trade show, held in May 1992, involved processed food exhibits by thirteen Minnesota and twenty-two Costa Rican companies. Business deals have resulted in a two-way food product exchange between Minnesota companies and Costa Rica. The project created an entry point (Costa Rica) to the expanding market of South America. Training the Costa Ricans in standardization of labelling and packaging food products has facilitated U.S. food sales to those countries. The Journal of Commerce on April 14, 1993, reported on the success of the companies involved. The project has already generated over \$300,000 in new two-way trade and technology transfer.

Washington Agribusiness Cooperation With Indonesia

Purpose Based on its exploratory market research in Indonesia, the Washington State Department of Agriculture (WSDA) proposed to lead a business development team there to pursue opportunities in the agribusiness sector, particularly food processing. The goal is the creation of profitable, firm-to-firm relationships. A team of trade association and company executives, along with agricultural experts, would identify discrete business opportunities, emphasizing co-ventures, in the Indonesian agribusiness sector. The strategy is to develop long-term business and institutional relationships that will result in significant new business in Indonesia for Washington companies. Cost The total cost was \$91,500, of which \$20,000 came from the Seed Fund. The implementation period was October 1991 to September 1992.

Results A 9-person team led by the state's Director of Agriculture visited Indonesia January 24 - February 7, 1992. Working closely with the U.S. Agricultural Attache and the USAID Mission, the group met with the Indonesian private sector specializing in the food processing industry. An Indonesian agribusiness mission visited Washington in August 1992 and another agribusiness delegation returned in August 1993. Six trade and investment deals are being negotiated (e.g. export of forage and of processed foods to 3 major food distributors, imports of exotic fruits and juices, and investment in Indonesian food processing plants) with some orders beginning to flow. A promotion project is planned between Washington and a major Indonesian supermarket chain for 1994.

Maryland Environmental Training and Marketing in Poland

Purpose The state of Maryland International Division, through its Maryland/Eastern European People's Program, proposed to help institutionalize environmentally sound programs, policies and practices in 2 of Poland's critical provinces, and introduce Maryland-based environmental companies to key government decision makers. A team from the private sector, Johns Hopkins University and the Maryland State Department of the Environment would work with Polish officials and facility managers in the areas of air and water quality, solid waste, and wastewater treatment. This project is the first step in the establishment of long-term business relationships with Polish officials that would include an action plan for cleaning up the environment and introducing new technologies. Cost The Seed Fund agreed to provide \$13,600 of the total \$113,400 project cost. The implementation period was October 1991 to September 1992.

Results A 5-person technical assistance team visited the 2 provinces in November 1992 and completed the introductory assessments, seminars, etc. Exchanges are ongoing, e.g. 2 public health experts from Johns Hopkins gave a series of lectures to Polish officials. Maryland businesses have been briefed on opportunities there. The project has already generated major opportunities involving 5 Maryland companies in such sub-sectors as high tech energy management, bio-technology, harbor clean-up, air and water pollution control equipment, and recycling of coal ash. Follow-up trade missions are planned.

Illinois Meat Production Model in Hungary

Purpose The Illinois Department of Agriculture, together with state universities and private agribusiness firms, proposed the establishment of a one hundred fifty-hectare model farm and production facility for pork in Hungary. Goals include: the expansion of Hungarian swine production; an increase in the export of processed pork products; the introduction of proven management techniques; and the increase of Illinois agribusiness exports to the Hungarian market. Cost The Seed Fund awarded \$20,000 for the project, expected to cost \$230,000.

Results Six Hungarian agribusiness entrepreneurs were brought to Illinois in March 1992 for exposure to modern agriculture and meat processing. A private agribusiness consortium from Illinois went to Hungary in mid-June to negotiate a \$1.7 million joint venture which will upgrade an existing hog farm and pork processing plant near Papa. The deal has been concluded but the shipment of twenty Illinois gilts and 8 boars, set for early 1993, has been delayed due to an outbreak of African swine sickness in Hungary. Meanwhile, the plant is producing USDA approved pork.

Iowa Grain Industry Needs Assessment in Hungary and Czechoslovakia

Purpose As part of its Central Europe initiative, the International Division of the Iowa Department of Economic Development proposed an assessment of the Hungarian and Czechoslovakian grain markets. A team from Iowa's private and public sectors and universities would work with their counterparts in the 2 countries to study grain industry needs, organize a grain technology conference, and lay the groundwork for business partnerships. The state's strategy in Eastern Europe of educating and transferring technology is intended to expose the region to the products, services and technology available in the U.S., and Iowa in particular. **Cost** In addition to helping on this particular activity, the Seed Fund grant of \$16,625 was awarded to encourage completion of the remaining phases of the Iowa strategy (which will cost \$160,000). The survey and conference preparation occurred during October 1991 through March 1992.

Results The survey team visited Hungary and Czechoslovakia in December 1991. They assessed the grain industry, planned a grain technology conference for spring, and identified business opportunities. The conference took place in May 1992. Business exchanges are underway, e.g. 2 Iowa manufacturers of grain drying equipment are negotiating sales and distribution. The project assisted U.S. companies' entry into a potentially lucrative market and exposed the East European companies to new grain technology. The participating companies have developed the market potential but are frustrated by the still-evolving agricultural procedures in Eastern Europe. The companies are confident that once the situation stabilizes, they are in a comfortable position to capitalize on the abundant opportunities with potential business deals worth over \$1 million. The state of Iowa is proposing a follow-up mission in FY95.

Southern Technology Council Apparel Exporting Initiative

Purpose The Southern Technology Council proposed the promotion of apparel exports to developing countries through collaborative marketing of collective product lines. Working with a group of small and medium-sized apparel manufacturers based in North Carolina, the Council would form networks to devise effective ways to help these firms, which have never exported, enter selected markets in Eastern Europe, Latin America and the Middle East. Tactics include collaborative design of product lines, focus on 2 competitive lines, selection of knowledgeable export brokers, targeting adjacent developed and developing countries, and focussed market research. The project will transfer to counterpart apparel manufacturers in developing nations information on the organization and experience of collaborative exporting. The goal is to have the participating companies well launched into exporting and co-ventures in developing nations within 3 years. **Cost** The Seed Fund agreed to provide half of the estimated \$40,000 cost of the initial phase of the project, which ran throughout 1992.

Results As a result of the project, an export consortium of small manufacturers was organized, export markets and brokers were identified, product niches were chosen and an operational system was put into place. The 4 companies involved are very small, first-time exporters. Progress is slow but continuing.

The Mid-America World Trade Center Wheat Milling Project in Egypt

Purpose The Mid-America World Trade Center, based in Kansas, proposed to transfer wheat milling technology while conducting market development in Egypt. As a joint venture between private sector and public agencies, the project would build on trade linkages already developed between Kansas and Egypt and take advantage of a specific opportunity, namely the potential for sales of grain milling equipment. In particular, the project would determine the application of short flow milling technology to the Egyptian market and introduce Egyptian wheat milling technicians to the equipment. **Cost** The project is estimated to cost \$67,000. The Seed Fund share is \$20,000.

Results The survey team visited Egypt in early February 1992 and found that the new grain milling technology would be applicable to forty percent of existing capacity. The team returned to Egypt the following June and established a business network with approximately sixty Egyptian nationals. The mission resulted in a sharing of U.S. technology and the identification of constraints to transacting business. Egyptian candidates have been selected for a training program on the U.S. equipment. Specific business opportunities and networks are being negotiated. There is potential for sales of at least 3 mills worth over \$4 million. Penetration into the infrastructure of the Egyptian wheat milling market is difficult however. Also, subsidies by the German and Swiss governments to their companies make it difficult for Americans to compete.

Massachusetts Environmental Audit in Poland

Purpose The Massachusetts Office of International Trade proposed a program of environmental audit training and technical assistance for 3 provinces in Poland. In addition to conducting actual audits, the project will provide firms in the state with specific knowledge of the Polish market requirements for environmental products and services. The goal is the development of future business relationships. The Environmental Business Council, the U.S. Environmental Protection Agency and selected Massachusetts-based environmental firms were involved. The project will provide Poland an overview of U.S. environmental protection regulations, training in conducting audits and the supervision of actual audits on 3 Polish industrial sites. Cost The Seed Fund provided \$20,000 of the total cost of \$95,428. The implementation period was March - December 1992.

Results Representatives of the Massachusetts Office of International Trade visited Poland to select participants for the training. The Poles arrived in Massachusetts in August 1992 for hands-on training programs in 4 companies. The Massachusetts companies visited Poland the following December to promote their environmental products and services. Sales of environmental pollution control equipment have resulted from the mission. Also, there has been continued communication and interest in further pursuing contacts in Eastern Europe. An indirect result of the project is that the Massachusetts Environmental Business Council is setting up an office in Warsaw with help from a Polish contact met during the mission.

Promotion of U.S. Business Ties with Czechoslovakia (Central Europe Institute)

Purpose The goal of the Central Europe Institute project is to establish a network of state development agencies that would work with the Institute to facilitate business activity between state development agencies that would work with the Institute to facilitate business activity between American and Czech and Slovak firms. The Institute's initial intention was to work with the North Carolina Small Business Technology and Development Center and the Nebraska Business Development Center to assist their clients in initiating trade and investment with counterparts in Czechoslovakia. For geographic convenience, the Institute chose to work with the two states (Maryland and Virginia) in close proximity to the Central European Institute's U.S. headquarters. The goal of the project is to help both U.S. and Czech companies overcome obstacles to bilateral trade by identifying specific business opportunities and helping match partners, particularly in the sectors of poultry production, grain storage facilities, veterinary supplies, and telecommunications. The Institute will compile a database for potential business matches, assist U.S. companies in understanding regulatory, banking and other practices in Czechoslovakia, help assemble financing, provide advice for joint venturing, etc. Cost Total project expenses are \$103,200, of which \$20,000 is the Seed Fund contribution. The eighteen month project ended in mid-1993.

Results The Central Europe Institute is working with the Prague firm, Bohemia Invest, Virginia's International Trade Office and the Food Processing Manufacturers and Supplies Association to introduce products into the Czech market through the state of Virginia's database. Because of the project five potential co-ventures are being actively negotiated and assisted. The most significant transaction is a bid by a U.S. company to build a \$20 million paper products plant in the Czech Republic.

California Cooperation with Hungary on Wine Production

Purpose The World Trade Center Association of Orange County (WTCA-OC) proposed to lead a survey team of wine industry representatives to Hungary and organize a follow-up seminar in California for Hungarian wine producers. The goal is to promote partnerships, technology transfer, and sales of U.S. wine-related equipment. The project also provided support for a Hungarian wine association and developed marketing, sales and investment information for U.S. firms. University of California/Irvine, the World Trade Center of Budapest and the Ministry of Economic Relations were among the other cooperating organizations. Cost The project, which took place in mid-1992, cost \$125,000. The Fund awarded \$19,700 and the Mellon Foundation provided \$40,000.

Results The Orange County mission visited Hungary in May 1992 and identified areas of business collaboration. The Hungarian delegation of 6 wine producers spent twenty-two days the following July meeting with the U.S. wine industry to discuss technology transfer and joint venture opportunities. California companies were interested in co-production and export of competitive U.S. equipment, such as bottling line facilities and stainless steel vats. As a result of the project, 3 California companies began importing wine from Hungary. Partly because of interest generated by this project, WTCA-OC applied for and won a large grant to open an office in Moscow under the auspices of the CABNIS program.

Southern Illinois University Business Center Project in Bulgaria

Purpose Southern Illinois University at Carbondale will help establish a business center and incubator to serve emerging businesses in Bulgaria and to promote trade and co-ventures between Bulgarian and Illinois companies. The project will provide management support, training and technical knowledge to the center staff. The University and the Illinois World Trade Center will produce information that will help U.S. companies identify trade and investment opportunities, including potential partners, in Bulgaria. Cost The Fund is providing \$20,000 of the \$55,000 total cost. The year-long project ended in April, 1993.

Results Training and technical assistance was provided to staff of the Active Business Center to mobilize its day-to-day incubator activities, and to members of the Bulgarian Association of Technology Centers to help them identify mechanisms for incorporating incubation techniques in their practices. Linkages were formed between Illinois and the Bulgarian World Trade Center and Chambers of Commerce. These will lead to trade missions in 1993 and beyond. Eight preliminary matches between Illinois and Bulgarian firms are underway in areas which include food processing, data processing, computing equipment, air conditioning and communication services. Final negotiations are underway for a U.S./Bulgarian joint venture between soft drink manufacturers and bottlers. An application has been submitted to the Bulgarian American Enterprise Fund for partial financing of this venture. Spin off activities from this joint venture will include carbon dioxide generation, blow bubble bottle production, aluminum can production, and storage and distribution. Matching of U.S. and Bulgarian firms will continue.

Wisconsin Dairy Venture in Indonesia

Purpose The state of Wisconsin Department of Agriculture, Trade and Consumer Protection is sponsoring this project which aims to stimulate dairy-related companies in Wisconsin, such as Agrecol Corporation, to undertake long term business relationships in Indonesia. The project will include: a pre-feasibility study focussed on a proposal by the Eagle Group of Indonesia to develop a modern dairy operation; training in dairy management techniques; and sponsorship of business co-ventures. Indonesia will benefit from increased milk production, lower retail prices, and job creation. Cost The Seed Fund will cover \$20,000 of the estimated total cost of \$85,000. The project ran for 1 year beginning October 1, 1992.

Results The positive results of the pre-feasibility study has generated Indonesian interest in further development of modern dairy farming and dairy processing operations in cooperation with U.S. firms. The Indonesian delegation which visited Wisconsin and Florida in May 1993, received first-hand training and information in dairy management, artificial breeding management techniques, and dairy production. A Memorandum of Understanding was signed between the Wisconsin Department of Agriculture, Trade and Consumer Protection (WDATCP) and the Indonesian Directorate General of Livestock Services. A joint

venture between an Indonesian company and a Wisconsin company was finalized. The next phase of the project involved a trip to Indonesia by Wisconsin companies and by a state representative to participate and exhibit at APROSANDO '93, the national agricultural trade show in September 1993. Other benefits from this project include the potential establishment of an Indonesian Chapter of the International Chamber of Agriculture and a potential joint venture for the development of a beef breeding center.

Arizona Business Development in Hungary

Purpose The city of Tucson Office of Economic Development plans to expand business ties between Arizona companies and counterparts in the sister-city of Pecs, Hungary. Tucson will use a catalog show in Hungary in November 1992 to set the stage for a delegation of Hungarian businessmen to visit Arizona the following July. In addition to business match-making, officials representing the city, the Arizona Department of Commerce, the university, and Chamber of Commerce will create institutional relationships to ensure follow-up and sustained business progress. Cost Of the total project cost of \$75,000, the Seed Fund provided \$20,000.

Results Eighteen Arizona businesses participated in the preparatory trip/catalog show in November 1992 which generated over three hundred trade leads and has resulted in 2 distributorships. In April 1993, the Chairman of the Pecs-Tucson Sister City Committee travelled to Hungary for the purpose of furthering city, university, agency and business ties. An Arizona company has been asked to submit a quote on its fuel tank leak detection systems to be incorporated into the proposed Danube River barge fueling fort project at Mohacs. Another Arizona company has begun doing business in the specialty food items. There is also a mining joint venture in process which should be finalized in October 1993. The project has introduced 25 Arizona companies to business in Hungary.

Business Development in North Africa

Purpose NASDA proposed to the Near East Bureau of AID that a delegation of state trade officials visit North Africa in order to gain a first hand understanding of the business opportunities and of the AID programs in the region. The objective was to enlist the states in generating US business transactions and relationships with counterparts in Egypt, Morocco and Tunisia. The Bureau also made available a special allocation to the Seed Fund for projects in the AID-assisted countries in the Near East. The mission is expected to generate innovative proposals for the Seed Fund. Trade specialists from 7 states, the U.S.-Arab Chamber and NASDA traveled to North Africa in late October 1992. The mission participants paid their food and lodging expenses and contributed state resources for organizing follow-up activities. Cost The Seed Fund will provided \$20,000 to defray expenses for the delegation.

Results The twelve-day mission proved successful in establishing contacts with effective trade intermediaries and businessmen in the 3 countries. Specific leads were generated and passed on to constituent companies. Follow-up steps are underway to capitalize on the trip and to heighten the awareness of the markets. Three Seed Fund proposals were generated. The State of Maryland has been actively exploring a small business project in Morocco and an environmental project in Tunisia. Given the cultures of those markets and their primary interest in investment, it will take time for the process to produce results. The trip helped set the stage for a visit by trade associations. In anticipation of following up business leads, the state of Virginia invited Morocco, Tunisia, Egypt and Algeria to the African Countries-Southern States Summit in Richmond in September 1993. Florida is planning a trade mission to North Africa in the renewable energy industry area in FY94. Iowa is continuing to follow up on the insurance industry opportunities in Egypt.

AmCham Business Development in Egypt

Purpose The American Chamber of Commerce in Egypt undertook a 1-year pilot program which linked the information, matching and counseling roles of the Chamber and the states, particularly the 7 states that participated in the North African business mission. The program aimed at generating business transactions and long-term commercial relationships which will prove mutually beneficial for the companies involved and at the same time strengthen the Egyptian private sector and increase economic development. Under this

project the Chamber will provide one hundred fifty subscriptions of its monthly journal to the state international trade offices, dedicate a staff member to serve state inquiries and interests, bring a delegation to one of the states and provide support for 5 state trade missions to Egypt. Cost The Seed Fund provided \$20,000 of the estimated \$116,000 cost of the project, which began in December 1992.

Results Each month, the Chamber sent one hundred fifty copies of its magazine, containing information on current business opportunities in Egypt, are sent to the various states. AmCham Egypt has received thirty to fifty requests from Florida businesses who are seeking markets in Egypt. The state is planning a business mission to Egypt in 1994. A Maryland firm has been introduced to a prospective Egyptian partner in the tourism industry. The AmCham matched twelve more U.S. companies during Spring 1993. The AmCham served as an intermediary to bring together some of its members with Virginia firms. New contracts have been established between Egypt and the U.S. due to available export/import information. Though the project and funding technically ended in October 1993, the AmCham will continue collaborating with state international trade offices.

American Tunaboat Association Fishing Modernization in Tunisia

Purpose The Seed Fund is providing money to the American Tunaboat Association for a project to help develop the tuna industry in Tunisia. The project will include: a 1-work-week visit in Spring 1993 to the Sfax region of Tunisia by an assessment team of technical and management experts; a status report on training, equipment and requirements for modernization; and the identification of trade leads and possible joint venture partners for U.S. companies. The project was designed jointly by the USAID Mission in Tunisia and the U.S. firm Suppliers International in concert with the Association. Cost The total estimated cost for the assessment phase is \$30,400 of which the Seed Fund agreed to provide \$15,200. Results Following a series of delays in arranging a mutually convenient time, the AID mission in Tunisia asked in May 1993 that the project be terminated.

The Mid-America Committee Program for Central and Eastern Europe

Purpose The Mid-America Committee (MAC) organized a series of business seminars featuring the U.S. Ambassadors and Senior Commercial Officers to 5 Central and Eastern European countries. This U.S. Ambassadors' tour of the "American Heartland", designed to stimulate trade and business relationships for U.S. companies in the expanding markets of Central and Eastern Europe, took place in Minneapolis, Chicago and Cleveland on April 30-May 5, 1993. MAC coordinated with the Department of Commerce, state development agencies and relevant local organizations to focus on companies with an interest or potential in Eastern Europe. The project should strengthen private business and economic development in that region. Cost Of the estimated total cost of \$300,000, the Seed Fund contributed \$15,000.

Results More than five hundred (500) private and public sector representatives had the opportunity to discuss trade and investment prospects for Central and Eastern Europe. Numerous attendees expressed concrete plans to visit the Embassies and talk further about business development plans and prospects. At least twenty Czechoslovakian companies have expressed, to US&FCS in Prague, interest in follow-up activities as a result of the Tour. Thirty to forty U.S. companies have expressed serious interest in follow-up business relationships in Hungary and Poland as well. The Ambassadors, commercial officers and other trade and finance officials gained significant insights to the concerns and questions of American business that should help them better shape their priorities in the field.

Arkansas Oil Industry Modernization in Uzbekistan

The Arkansas Industrial Development Commission assembled a team of Arkansas companies led by Uzbek-USA Business Consultants to develop a long term relationship aimed at helping the modernization of the Uzbek oil industry while creating significant commercial opportunities for Arkansas companies. Specifically, the project is expected to improve efficiency of existing wells; drill new wells; and upgrade technology at the refineries. A team of 7, including oil experts, travelled to Uzbekistan in March 1993 to assess the situation, conduct seminars, etc. A technical team returned in June to assemble the data needed to stimulate co-ventures. Cost The Fund will provide \$20,000 of the total project expenses of \$65,000.

Results As a result of the March 1993 needs-assessment visit to Uzbekistan, the project focus was shifted to gas processing rather than refinery modernization. During the June 1993 visit, a group of specialists from five U.S. companies had a series of negotiations with the specialists of the State Committee of Uzbekistan for Science and Technics in order to discuss the issues of possible scientific and technical cooperation. Negotiations are underway for building gas separators and for selling vehicle conversion kits. There are also potential sales to Uzbekistan of 4 blowout protectors worth about \$480,000. Uzbekistan is also in the market to buy rebuilt oil field equipment and used farm equipment. As a follow-up to this project, 6 Uzbek officials travelled to the United States in September 1993 and attended a natural gas trade show in Denver to learn about technology involved with vehicle conversion to natural gas. As part of follow-up, some participants are applying to TDA for a full feasibility study. The business potential of this project is estimated a more than \$10 million in sales of American gas technology and equipment.

Global Linguistic Institute Business Assistance in Russia

Purpose The purpose of this pilot project is to increase commercial activity between the U.S. and the Newly Independent States (NIS) of the former Soviet Union by overcoming linguistic, telecommunications and documentation barriers to business. This project will create an automated high-speed system of processing and translating commercial documents; identifying co-venture partners, e.g. in the field of oil drilling equipment and technology and producing standardized joint venture agreements and other commercial documents. International Computran Corp. and AP-Link Enterprises of Moscow will be working with the Global Linguistic Institute, which operates out of Kirkland, WA and San Diego, CA. **Cost** The Fund provided \$20,000 of the \$70,000 total cost for the initial phase in the spring of 1993.

Results The May 1993 trip to Moscow resulted in the publication of the English/Russian text of data and transaction processing for general commercial, joint venture, defense conversion and technology transfer activity between the Commonwealth of Independent States (CIS, former USSR) and the U.S. The trip to Moscow produced direct linkages with Moscow State University and 2 companies. The purpose of the trip was to demonstrate the system and to perfect the interface as well as to make personal contact with the CIS joint venture participants. Work has been done for 2 companies that has expedited a multimillion dollar defense conversion joint venture which involves aerospace technology exchange. The pattern will be repeated as the services become more widely known.

Colorado Radioactive Soil Clean-up in Belarus

Purpose The purpose of the project is to conduct a demonstration test of cleaning up radioactive soils in Belarus. The Colorado International Trade Office will assist a team of 6 environmental companies from Colorado in decontaminating 2 test sites and developing a strategy for removing radioactive substances from 19,300 square miles in Belarus. In addition to providing significant economic development benefits for Belarus, the project is expected to generate substantial business for the U.S. firms, including exports of equipment and chemicals. Thirty professional and support staff will be involved. **Cost** The year-long program began January 1993 and cost the companies about \$765,000. The Seed Fund contributed \$20,000.

Results The "Colorado Consortium" members met in July 1993 in Minsk with the Belarussians to discuss the Demonstration Work Plan. The Colorado Consortium has prepared, for the International Clean-up Consortium, a Russian/English Work Plan, which entails a preliminary program for the demonstration of clean-up of radioactive contaminated soils. The Work Plan consists of four phases: site identification, procedure development, technology demonstration and post project feasibility evaluation. This Work Plan creates a strategy for soil clean-up and will entice U.S. companies to participate in the upcoming demonstration. Potential business emerging from this activity will include related projects, exports and power generation projects.

Louisville Business Matchmaking with Ecuador

Purpose The project involved the travel of a team of 4 companies and 2 University of Louisville representatives led and organized by the Louisville/Jefferson County Office of Economic Development and the Kentucky World Trade Center to Ecuador, Columbia and Venezuela in February 1993. The purposes

of the project are to: continue discussions for technology cooperation with sister-city Quito in wastewater treatment and urban transportation; find business partners for the participating companies; recruit companies for the Agrifair now scheduled for 1995; and establish joint university research projects and student exchanges. Cost The total estimated cost for the full project is \$87,400. The Seed Fund provided \$20,000.

Results An 8-person team from Louisville visited Ecuador, Colombia and Venezuela in February 1993. The visit generated interest in future business development activities between Kentucky and the 3 countries especially in the areas of transportation and waste management. Half of the South American companies contacted have already placed orders to American companies. Four Kentucky companies reported sales in excess of \$380,000 to Ecuador, Colombia and Venezuela. Other results from the visits include a UPS transportation study for fresh fruit and flowers, a waste management project between Quito and Louisville funded by RHUDO/SA in Quito and university exchange programs between the University of Louisville and several South American universities. Communications continue and more business results are expected.

Wisconsin Dairy Development in Argentina

Purpose The purpose of the project is to assist Argentine dairy industry contacts in developing long-term relations with Wisconsin suppliers to improve the herd base and milk handling. For Phase I, one State of Wisconsin agricultural specialist and five staff people from four private companies conducted a technical study tour in Argentina to develop contacts interested in using U.S. products and technology. The group visited at least four major Argentine dairy operations. The group then joined efforts with the U.S. Dairy Genetics Council (USDGC) booth at the August 1993 Dairy Expo. The second phase involved visits by potential Argentine business partners to U.S. suppliers and dairy farms in Wisconsin. This late September trip coincided with the World Dairy Expo in Madison, Wisconsin. Follow-up includes a Wisconsin companies' return trip to Argentina to build partnerships, sell technology, equipment, etc., as a result of the project. Cost The total cost for the project is \$76,106. The NASDA/AID grant is for \$19,066.

Results In Phase I, which took place in August 1993, 5 U.S. companies conducted a technical study tour in Argentina to develop contacts interested in using U.S. products and technology. The delegation visited dairy ranches and dairy operations, conducted business meetings, attended the Argentine Holstein Association's awards banquet and attended the national dairy expo. The expected outputs from this mission include Argentine interest in importing artificial insemination technology and veterinarian supplies. The second phase involved follow-up visits by approximately 12 potential Argentine partners to the U.S. in conjunction with the World Dairy Expo, the world's largest dairy show, held in late September 1993.

Oregon Clean River Project in Mexico

Purpose The Oregon Economic Development Department has designed a project to transform a major urban waterway in Mexico from a virtually dead river to one that serves as a source for commerce, recreation and drinking water. The first stage of the project is to complete a pre-feasibility study for Vera Cruz located on the contaminated Rio Blanco river. Two medium-sized, Oregon-based environmental companies will work with 2 Mexican companies selected by CONCAMIN. This program has 2 major benefits: it enables Oregon companies to explore market opportunities in Mexico; and it provides the host country the tools to address serious environmental problems. The state hopes to receive assistance from the U.S. Trade and Development Agency for future phases. Cost The estimated cost for the full project is \$55,690. The Seed Fund is providing \$19,796.

Results Two Oregon companies travelled to Mexico in June 1993 for the research/assessment mission. The TDA proposal will be completed and submitted in late October 1993. Benefits from the project include connections made between Oregon companies and Mexican companies. Business potential emerging from this project include job creation and export increase, with an estimated \$65 million in potential export sales of products and technology.

Minnesota "Table of Taste" Project in the Philippines

Purpose The Minnesota Trade Office will conduct a multi-phase project aimed at promoting long-term agribusiness ties with the Philippines. In the initial phase, the state will research the market for processed foods and organize a demonstration in the Philippines of Minnesota products. The "Table of Taste" concept provides a marketing tool for small and medium-sized companies to expand international sales for their value-added processed food and food ingredient products. The "Table of Taste" is a matchmaker event where wholesalers, food service buyers, restaurateurs, government officials, and others gather to sample various Minnesota food products. Market research will identify complementary processed foods. Benefits to the Philippines include: exposure to new markets and new channels of distribution; creation of new food products; and access to sophisticated marketing and management techniques. Cost The estimated cost for the full project is \$108,000. The Seed Fund is providing \$20,000 and the USAID mission another \$9,000.

Results During the advance trip to Manila in early March 1993, over forty meetings were held with key industry leaders as well as with Philippine and U.S. government officials, including top trade officials. The "Table of Taste" event took place in late April 1993. A total of twenty-five U.S. companies participated in the delegation to Manila where they learned about market needs and priorities. U.S. participants in the show displayed their goods to over three hundred fifty (350) Philippine food distributors, manufacturers and restaurant owners. All companies secured a minimum of 4 distributor, joint venture and other contacts. One-on-one appointments were scheduled for each company with an average of 10 per mission representative. The participant companies foresee over \$5 million in future business deals because of the contacts made. Distributor agreements and joint venture activities continue to emerge.

Minnesota Economic Development Project in Kazakstan

Purpose The project is intended to match twelve Minnesota companies with counterparts in the field of agribusiness and one other industry, such as environmental protection, housing or energy. The Seed Fund grant will partially off-set the costs associated with entering this high risk market. This business development mission, planned for September 1993, is a critical component of a multi-year strategic plan designed to stimulate trade and investment between Minnesota and selected states within the former Soviet Union. The Minnesota Model seeks to promote economic development through increased trade and the creation of a public-private infrastructure, similar to the Minnesota Trade Office Advisory Committee, as well as to promote market economies and democratic institutions. Cost The estimated cost for the full project is \$137,000. The Seed Fund is providing \$25,000.

Results A seven person delegation representing 10 Minnesota companies travelled to Kazakstan in September 1993. They attended the Karkar Fair and met with private businessmen as well as with senior government officials dealing with agriculture and health. The Minnesota companies are discussing possible co-ventures in food processing and pharmaceuticals. (Another 10 Minnesota business representatives joined the delegation for business sessions in Russia.)

Memphis and Shelby County Agribusiness Project with Morocco

Purpose This project involves a business development exchange within the agribusiness sector between Morocco and Shelby County (Tennessee). The advance assessment group travelled to Morocco in September 1993 to seek agribusiness opportunities where U.S. technology and/or investment could be beneficial. Approximately 15 Moroccan agribusiness leaders will be identified and invited to Memphis in October 1993, for matchmaking and technical programs at the Agricenter International in Memphis, as well as for meetings with local businessmen. The US-Arab Chamber of Commerce, the Mediterranean Trade Consortium, Inc., the Tennessee Small Business Development Center and the U.S. Department of Commerce will collaborate with Shelby County on the project. Cost The estimated cost for the full project is \$152,815, of which the Seed Fund will provide \$20,000 for the completion of Phase I.

Results A four person assessment team from Memphis/Shelby County visited Morocco in September 1993. Their meetings with Moroccan entrepreneurs and bankers focussed on specific possible co-ventures in such sectors as animal feed, embryo technology and honey production. The group met with the Governor and businessmen in Beni Mallal, sister-city to Shelby County. On the basis of discussions during the trip, about 13 Moroccan businessmen will visit Memphis in November 1993. An AID contractor, DAI, may assist in the Moroccan travel program. A business delegation from the state will travel to Morocco in March 1994.

The National Minority Business Council/Carolina Exports International Project in Bulgaria

Purpose The National Minority Business Council, in association with Carolina Exports International, Inc., proposed a project in Bulgaria to introduce medical and dental equipment and to establish an equipment repair facility. Executives from 6 U.S. companies will be matched with Bulgarian counterparts and agents. The project involves: (1) establishment of a facility, made up of a consortium of small American manufacturers, for the sale of American medical and dental equipment; (2) provision of the necessary after sales support for the equipment as well as maintenance of a parts' inventory; and (3) consolidation of shipments of goods from the consortium in order to keep costs low and American products competitive. Cost The estimated cost for Phase I (feasibility portion) of the project is \$41,462 of which the Seed Fund is providing \$20,000.

Results Negotiations for the establishment of the repair facility are underway. It will assist American medical and dental suppliers that are not large multinational companies and are not currently represented in the country. Potential business emerging from this activity include an increase in exports from the U.S., the creation of business opportunities for Bulgarian companies, and an upgrading of technical and management skills of Bulgarians. The six person mission travelled to Bulgaria in September 1993 to meet with 10-12 pre-arranged prospects to operate the Bulgarian repair facility. The mission coincided with the Plovdiv medical and dental equipment trade show. The American businessmen on the mission generated a large amount of business including the establishment of a dental equipment manufacturing deal with a Bulgarian firm that involves 5 distributors across the country, the potential establishment of a central laboratory furnished with U.S. equipment and funded by the World Bank, and technology transfer between the New York Port Authority and the Port of Varna with the potential for TDA or further AID funding.

New Brunswick Business Development Project With Hungary

Purpose The City of New Brunswick, New Jersey, proposed a project designed to create business ventures with Hungary. The first step of the project involved organizing, planning and implementing TRADE 2000, a matchmaking event in New Brunswick in June 1993, designed to develop mutually beneficial trade and economic relationships in food, food processing, agriculture and related industries between New Brunswick and its sister city, Debrecen (Hungary); New Jersey and surrounding states and Hungary. Phase II involves New Jersey companies' participation in a business development program in Hungary in September 1993. This project will strengthen commercial opportunities and new markets in food and agriculture, wine, furniture, marble, construction and product development. Cost The estimated cost for the full project is \$122,463. The Seed Fund is providing \$20,000.

Results Trade 2000, (June 1993 and September 1993) was a huge success with participation by business people from about one hundred ten Hungarian companies as well as by seventy-five government officials and fifteen associates. Fifty-five officials from Debrecen, New Brunswick's sister city, attended the June 1993 program. Fifty-five U.S. companies participated in the pre-arranged business partnership meetings. The Trade 2000 event, which targeted food and food processing sectors and agriculture related industries included a day-long workshop on U.S. business practices and marketing strategies for the Hungarians. New Jersey companies travelled to Hungary in early September 1993 to conclude business partnership agreements and to institute new relationships. The program consisted of: government and industry briefings; a wine exhibition; business partnership meetings between U.S. companies and food and wine trading companies; food processors; agricultural bio products; on-site plant visits to a winery, frozen food processing/packaging plant and food cannery. Exports, direct investment, imports, technology transfer, management and production are estimated to amount to over \$10 million over the next 3 years as a result of the project.

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The World Trade Center Denver Project in Kazakstan and Uzbekistan

Purpose The World Trade Center Denver proposes to identify mining projects for investment by U.S. companies. Activities include evaluating key technical aspects of such projects, e.g. type of deposit, ore grade, type of mining, production history, accessibility, as well as type and level of investment sought. Phase I involves an organizational trip to Kazakstan and Uzbekistan in June and Phase II is an investment mission by five Colorado companies to the region in October 1993. Cost The estimated cost of the project is \$57,725. The Seed Fund is providing \$20,000.

Results *During Phase I of the project, officials from both Kazakstan and Uzbekistan expressed interest in U.S. investment in their mining sectors. Phase II will involve the participation of 5 U.S. mining companies in a mining investment conference in Alma Ata in mid-October 1993. The U.S. delegation will also travel to Uzbekistan in order to help the country develop its mining sector.*

The World Trade Center Arizona / Holsum Bakery Project in Hungary

Purpose The World Trade Center Arizona, in association with Holsum Bakery, proposed a project designed to assist in modernization of the Hungarian baking industry. Phase I involves recruitment of Hungarian bakers through the Hungarian Bakers Guild and the World Trade Center in Budapest. Phase II is a two-week visit to Phoenix by 6 Hungarian bakers. Their training would be divided between learning modern baking technology at Holsum Bakery, learning all aspects of marketing and finances, as well as understanding the basics of running a business at the World Trade Center Arizona. Cost The total cost of the project is \$48,425. The Seed Fund will provide \$19,875.

Results *The six Hungarian bakers travelled to Arizona in early September 1993 for the two-week training program. The training at five bakeries included sessions on bread manufacturing, automation techniques, frozen dough products, bakery marketing information and financial planning. The bakers went through an intensive business training course organized by the World Trade Center Arizona, a local community college and the Small Business Development Centers. The business contacts resulted in over \$1 million in potential sales in 1994, with over \$3 million during the following 3 years.*

Vermont / Vineberry International Cranberry Farming Project in Poland

Purpose The project seeks to bring together the expertise of New England cranberry growers, specifically that of Vineberry International of Vermont, with the suitable climate of Poland to expand and modernize cranberry production in the latter. The specific accomplishments expected of this phase of the project are to conduct thorough and detailed site analyses to determine locations for optimum opportunity and production. The project goal is to build a large scale cranberry farming joint venture that would be an on-going long-term business. A multi-national team of financial, business, agricultural and education experts has been working toward this end. Cost The total estimated cost for the full project is \$50,000. The Seed Fund providing \$20,000.

Results *The site selection visit in mid-1993 was successful. Vineberry will acquire about four thousand acres of farmland involved in the government privatization program. The site has ninety miles of existing irrigation canals. A variety of crops, including cranberries, blueberries, lingonberries and a number of other indigenous berry fruits will be planted in March 1994. Discussion has ensued about the possibility of a lease to buy option from the Polish Federal Agriculture Property Agency of 13,000 additional acres as part of the Agency's privatization program.*

Texas Oil and Gas Project in Uzbekistan

Purpose The Texas Department of Commerce will coordinate a team of Texas companies led by the Nolan Group to develop opportunities in the oil and gas sector in Uzbekistan. The proposed outcome will include projects for the separation, fractionation, desalting and desulfurization of oil and gas. These processes will help modernize the industry while reducing pollution and encouraging the use of natural gas. The purpose of this work will be to show the need for such technology transfers, and furthermore, to define the possible

obstacles involved. The first phase of the two-phase project will involve the travel of a Uzbek delegation to the U.S. for equipment evaluation in August 1993. The second phase will involve the travel of a delegation of U.S. experts to Uzbekistan in September 1993, in order to assess the needs for Texas technology and to negotiate the details of specific equipment and projects. Cost The total cost of the project is \$57,000, of which the Seed Fund is providing \$20,000.

Results *The 5 person Uzbek delegation attended the annual conference of the American Gas Association's Natural Gas Vehicle Coalition (NGV) conference in Denver where they met with key U.S. business in the natural gas industry. The delegation also saw first hand the technology involved with converting buses to natural gas in both Houston and Boise. As assessment trip took place in September 1993 and follow-up will include a return trip to Uzbekistan in late October 1993.*

Maine Shipping Project in Egypt

Purpose The purpose of this project is to organize a merchant shippers association in Egypt under the guidance of the Merchant Shippers Association of Maine and local business associations in Egypt. The project consists of three phases: feasibility study, organization, and implementation. The USAID/NASDA Business Development Seed Fund grant would cover the feasibility study portion of the project. The shipping cooperative would benefit U.S. manufacturers and Egyptian companies by lowering freight costs, implementing some freight control measures and making delivery quicker. Cost The total cost of the project is \$20,000. The Seed Fund is providing \$10,000.

Georgia Southern University Agribusiness Project in the Czech Republic

Purpose The Center for International Business Education (CIBE) within the College for Business Administration at Georgia Southern University proposes to develop marketing contacts and joint venture opportunities between members of the agri-technology industry in Georgia and selected companies within the agricultural business community in the Czech Republic. The project is designed to develop agri-business ties between Georgia and the Czech Republic through market development and technology sharing, in such areas as poultry equipment, and eventually to replicate the model in other developing countries. The plan is for Georgia business people to travel to Prague in August 1993 and meet with twenty pre-screened potential Czech partners. A 5-company Czech delegation will travel to Georgia the following month to meet with their hosts and negotiate business transactions. Cost The total cost for the project is \$41,938 of which the Seed Fund provided \$20,000.

Result *The project is developing as planned. The University selected a 6-person Czech agribusiness delegation, which visited Georgia in mid-September. They met with a dozen Georgia companies, focussing on the poultry industry, particularly vertical integration, management and marketing. Two Georgia companies are discussing joint ventures with the Czech visitors, and a Georgia poultry delegation is expected to visit the Republic later in the year. The Department of Commerce in Atlanta and Prague are working closely with the University.*

Poland - California Chamber of Commerce Textile Fiber Recycling Project in Poland

Purpose Under this project, the University of Hawaii in cooperation with the Poland-California Chamber of Commerce and Stebbins International demonstrated to Polish industry representatives the commercial use of recovered cotton textile fibers for the protection of the environment. They worked with a Polish company, Era-Ivex, to convert recycled fibers into an innovative protective mat to help in land reclamation and soil stabilization. U.S. industry participants include manufacturers of mulching and handling equipment. Cost The total cost for the full project is \$60,000. The Seed Fund will provide \$20,000.

City of Chicago Business Development Program in Morocco

Purpose This project, in which the city of Chicago worked closely with the Illinois Department of Commerce and Community Affairs, introduced ten Chicago companies in the food processing, waste management/energy conservation and other sectors to potential business partners in Casablanca during a business development mission in September 1993. The two cities have a sister-city relationship. The goal of the exchange is the stimulation of technology transfer and creation of long term bilateral distribution and joint venture partnerships in Morocco. In addition to one-on-one meetings between matched firms, a series of topical discussions were held. These seminars will focus mainly on the latest advances in waste management, pollution control for utilities, food safety and packaging, and manufacturing productivity. The city is working with the state of Illinois and with IESC, as well as with FCS and AID. The total estimated cost for the project is \$118,500. The Seed Fund provided \$20,000.

Result The city and state led a delegation of 10 Illinois companies to Morocco in mid-September, 1993. Their meetings with Moroccan businessmen focussed on the agribusiness and environmental industry groups. As a result of this project, the Illinois companies predict \$4 million in business.

ATTACHMENT IV

Project Assessment Survey Results from Seed Fund

PROJECT ASSESSMENT SURVEY RESULTS

A. RESULTS OF SURVEY SENT TO PROJECT SPONSORS / COMPANIES

In order to assess the effectiveness of the AID/NASDA Business Development Seed Fund, NASDA sent an evaluation questionnaire directly to the sponsors of the forty projects. The sponsors responded to the surveys themselves as well as forwarded copies of the surveys to the participating companies to complete. The survey was divided into three sections, a commercial results portion and an overseas development section, and a process segment. NASDA sent a project effectiveness survey to the relevant overseas posts as well. NASDA also received results after the survey was sent out via telephone conversations and final reports of projects that took place in September.

This assessment of the Business Development Seed Fund is divided into findings regarding the commercial and the overseas development results of the projects as well as the process involved and the overseas posts' impressions of project effectiveness. The sources of the following information include the sponsor and company survey questionnaires, the overseas post survey questionnaires and final report results.

COMPANY/SPONSOR SURVEY

All but 10 project sponsors have recently reported results to NASDA. Twenty-three project sponsors/companies responded to the formal survey and 7 project sponsors have relayed results to NASDA via phone conversations or final reports. Of the 10 projects not reporting to NASDA recently, 5 were completed over a year ago and there are no new developments to report; the other five were occurring in September and thus were not available for comment.

Commercial Results

The "Commercial Results" section indicated that the seed fund grant introduced practically all of the companies to new business opportunities.

Exports and agent/distributor ties were the most common type of commercial results generated from project activity - about one-half of the projects indicated these results.

Other types of commercial results included technology transfer/licensing (28%), management and production expertise (24%), co-ventures (20%), imports (8%) and direct investment (6%). These results have generated commercial activity of an estimated \$10 million which is about 12.5 times the \$800,000 of federal grant money which was input to fund the forty projects. The \$10 million does not include comprehensive results from the 13 projects occurring in September nor the GABDI project which generated another \$10 million on its own.

About half of the respondents indicated that their projects contained a training program - 280 people trained valued at \$150,000 for the training. Based on the final reports of 7 other projects, an additional 20 people were trained at a value of \$10,000.

Two-thirds of the participants and sponsors were satisfied with the overall commercial results of the projects and many indicated that it was too soon to realize the full commercial potential from project activity.

Overseas Development Results

In the "Overseas Development Results" section, thirty-eight percent of the survey respondents indicated that, as a result of their project, strengthening the private sector was an economic benefit to the developing country. Introduction of new technology (33%), improved potential exports by the developing country (24%), job creation/retention (22%), new investment (24%), and expanded output of crop or product (13%) were listed as benefits to the developing countries as well.

Process

In the "Process" section, eighty-two percent of the Seed Fund participants indicated that the AID/NASDA funds were critical to the success of their projects and that the projects accomplished the intended objectives.

Sixty-seven percent of the respondents indicated that the funds enabled the participants to seek more business in emerging markets.

The respondents also indicated that they had received adequate AID and Foreign Commercial Service support if this support had been requested.

Overall the respondents concluded that project accomplished the objectives and that the overall benefit of the project was worth the effort involved.

Notable Quotes from the Surveys

"The public/private joint funding of technology transfer projects through NASDA allows private industry to access the potential of expanding in the international market."

"Grant recipients appreciated NASDA's quick turn around on voucher reimbursement."

"We were very pleased with the program."

"The show was excellent and the presentation and acceptance of our product has been outstanding for a small country like Costa Rica."

"Meetings were very interesting and productive."

"The Minnesota Trade Office did an outstanding service for Minnesota based companies and should be recognized by the business community."

OVERSEAS POST SURVEY

Seventeen USAID and US&FCS overseas posts responded to the project effectiveness survey. The responses covered 21 different projects.

Over half of the posts were familiar with the projects.

Half of the posts indicated that they were asked to participate or to give project guidance by the groups involved. The types of participation included:

- * distribution of the project implementor's marketing magazine through the APO system (Egypt).
- * organization of the non-USAID portion of the schedule in the country (Egypt).
- * giving advice by telephone (Egypt).
- * attending the project activity (trade show) and responding to the state delegation's questions, concerns, etc. about aspects of trade in the country (Philippines).
- * participation in the meetings and social activities relating to the project (Ecuador and Bulgaria).
- * giving advice as to the country's economic situation and assistance program priorities (Bulgaria).

- * consulting on project design and market potential (Bulgaria).
- * participated in the actual project activity (Poland).
- * giving advice on how to target mission and industry information (Philippines and Morocco)
- * participating in Embassy briefing (Philippines).
- * assisting with appointment scheduling with local firms (Philippines and Argentina).
- * coordinating the program (Morocco).

When asked if the project activities were effective, half of the overseas posts indicated that the activities were effective and the other half of the respondents stated that it was too early to analyze the results because the projects were either in process or had recently been completed.

Practically all of the survey respondents asserted that the project supported AID or FCS country objectives. Some examples of this support include:

- * "[The project] complements what AID dialogue has been discussing in the areas of wastewater treatment and civil disaster preparedness with municipality" (Ecuador).
- * "Direct transfer of business knowledge and technique" (Bulgaria).
- * "Enhanced awareness/understanding of a country that is less known by U.S. business" (Bulgaria).
- * "Got the word out on Central Europe and Poland" (Poland).
- * "[This post] supports environmental projects as one of its strategic objectives" (Mexico).
- * "Market entry and publicity for U.S. food products" (Philippines).
- * "Promotes joint venture agreements between U.S. and local companies" (Argentina).
- * "Good publicity for the Czech Republic. Made people aware of export/investment opportunities." (Czech Republic)

The posts indicated that the projects provided various economic benefits to the host countries. These benefits included:

- * the introduction of new U.S. firms to the host country (Egypt).
- * the increased awareness of the city decision and policy makers about the importance of properly dealing with wastewater treatment and disaster preparedness to maximize economic development benefits for the host country (Ecuador).
- * new and better products, business methods and investment (Bulgaria).
- * future investment and trade prospects (Bulgaria).
- * benefit of access to greater food imports (Philippines).

The respondents from the overseas posts indicated that the number of new private sector relationships resulting from the projects were difficult to measure. Some respondents maintained that private sector relationships did develop while other respondents indicated that there were no new relationships. Most commonly, the survey responses indicated that it was too early to tell if there had been any private sector development.

There have been some measurable commercial results but for the most part, the overseas posts indicated that not enough time has elapsed to determine accurate results.

Most survey respondents stated that a type of matching grant program such as the AID/NASDA Business Development Seed Fund is useful and should be continued. The following response from USAID in Cairo is an illustrative example of the effectiveness of the Business Development Seed Fund.

"Inquiries from U.S. business interest into a country Mission are of the utmost importance to AID's private sector development efforts within the host countries as well as to the economic benefit of the U.S. and to the host countries. Consequently it is incumbent on AID to find a way to wholesale these requests for contacts, appointments, business meetings, or other needs of the private sectors of both countries. The NASDA structure is the most obvious and useful vehicle to accomplish this task." (Egypt)

B. LESSONS LEARNED FROM THE SEED FUND PROGRAM
Results from Final Assessment Discussions and Surveys

"A primary weakness of the mission was the inability to penetrate the established infrastructure of the Egyptian wheat milling market."

"A one year period is too brief. Our real achievement with joint ventures will occur after the grant period, so NASDA will not get the full credit deserved."

"Funding for this project was difficult because it did not fit within established programs and Mexico was not a high priority."

"The program was too crowded; there was not enough time."

"From contacts made in the Minnesota trade office, we know now how to respond to the leads in a more proper form and how to be more knowledgeable about follow-up."

"Since I am an entrepreneur with a small capitalization base, I would have preferred that extra funding be made available to cover plane fare and incidental expenses."

"Allow more lead time to lay on business meetings."

"It seems crucial to bring the targeted country people here, to help cultivate their trust and understanding at our capabilities."

"It could be improved by qualifying the prospects and allowing more time for each appointment."

"As is always the case in this type of session, I would like too have had a larger audience."

"Physical presence in emerging environments causes manufacturers to commit to more effective and profitable techniques resulting in enhanced sales/profits."

"The program should be expanded to cover the entire region south of the U.S. border."



THE NATIONAL ASSOCIATION OF STATE DEVELOPMENT AGENCIES
750 FIRST STREET, N.E., SUITE 710
WASHINGTON, D.C.
202/898-1302 (Phone) 202/898-1312 (Fax)

To:

From: Dan Waterman, NASDA

Date: 5 August 1993

Subject: AID/NASDA Business Development Seed Fund

The NASDA/AID Business Development Seed Fund was established to encourage state development agencies and other intermediary organizations to undertake innovative projects that promote business activity with firms in developing countries and Eastern Europe. For the past three years, funding from AID has enabled NASDA to provide forty grants worth a total of \$800,000. (During FY93 we awarded an additional thirty-seven grants with \$700,000 from AID through the US-Asia Environmental Partnership). As the current Seed Fund program nears completion, NASDA is preparing a final report for AID on the performance and results of the program. This report will evaluate the impact and the usefulness of the projects both for the participating U.S. companies and for the developing countries involved. We would appreciate your help in this effort. Please respond to this questionnaire and return it to *Dan Waterman or Julie Pike at NASDA by August 20, 1993*. Thank you.

PROJECT DESCRIPTION AND RESULTS

The following paragraph summarizes the focus and the results of a business development project that occurred in your country. Please read the brief description and answer the following questions.

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Name: _____
 Country: _____

**AID/NASDA BUSINESS DEVELOPMENT SEED FUND SURVEY
 YOUR IMPRESSIONS OF PROJECT EFFECTIVENESS**

1. Was your office familiar with this project?
 Yes No Other _____

2. Were you asked by the groups involved to participate or to give guidance?
 Yes No Other _____

3. If you responded "yes" to the above question, what types of help did you give?

4. Were the project activities effective?
 Yes No Other _____

5. Did the project support AID and FCS country objectives?
 Yes No Why or why not? _____

6. What economic development benefits did the project bring to the host country? (please list) _____

7. Are there any new private sector relationships as a result of the project?
 Yes No Other _____

8. If you are aware of specific transactions resulting from the project, please list them and their approximate commercial value. _____

9. Do you think that this type of matching grant program to encourage business ties is useful and should be continued?
 Yes No Other _____

10. How do you think this type of program could be improved / what lessons were learned? _____

(Please use additional space to develop further your answer to this or to any other question. Thank you.)

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PLEASE RETURN BY AUGUST 20, 1993 TO DAN WATERMAN OR JULIE PIKE AT:

The National Association of State Development Agencies
750 First Street, N.E., Suite 710
Washington, D.C. 20002
202/898-1302 (phone) 202/898-1312 (fax)

AID/NASDA BUSINESS DEVELOPMENT SEED FUND
Survey Questions For Final Report

I. PROJECT DESCRIPTION AND RESULTS

Please correct and update the following project description and results. Also, please add the dollar values of the transactions resulting from this project.

{Core paragraph}

II. COMMERCIAL RESULTS

A. Did the grant help introduce your company(ies) to new business opportunities?

Yes No Other _____

B. Define the types of business that project activity generated (please mark all that apply):

<u>Types of Commercial Results</u>	<u>Estimated Value of Activity</u>
<input type="checkbox"/> Co-ventures	\$ _____
<input type="checkbox"/> Technology transfer/licensing	\$ _____
<input type="checkbox"/> Management and production expertise	\$ _____
<input type="checkbox"/> Exports	\$ _____
<input type="checkbox"/> Imports	\$ _____
<input type="checkbox"/> Agent / distributor ties	\$ _____
<input type="checkbox"/> Direct investment	\$ _____
<input type="checkbox"/> Other _____	\$ _____

C. Did your project involve a training component?

Yes No Other _____

If so, the training program's estimated dollar value was \$ _____.

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D. In addition to direct commercial benefits which resulted from the project, what were the indirect benefits involved (e.g. project work in a country helped secure future contracts or funding, etc.)? _____

E. Overall, were you satisfied with the commercial results?

Yes No Other _____

F. What do you see as the potential business for you emerging from this activity (dollar value, export increase, jobs created, etc.)? _____

III. OVERSEAS DEVELOPMENT RESULTS

A. Indicate ways your project produced economic benefits to the developing country? (please mark all that apply)

Development Results

Estimated Value of Activity

<input type="checkbox"/> Introduced new technology	\$ _____
<input type="checkbox"/> Job creation/retention	\$ _____
<input type="checkbox"/> New investment	\$ _____
<input type="checkbox"/> Strengthened private sector	\$ _____
<input type="checkbox"/> Improved potential exports by the developing country	\$ _____
<input type="checkbox"/> Expanded output of crop or product	\$ _____

IV. PROCESS

A. Were the AID/NASDA grant funds critical to the success of your project?

Yes No Other _____

B. Was the overall project benefit worth the effort involved?

Yes No Other _____

C. Has the project encouraged you to seek more business in emerging markets?

Yes No Other _____

D. Did the project accomplish your objectives?

Yes No Why or why not? _____

E. If requested, did you receive adequate AID and FCS support in the targeted country during the project planning and implementation?

Yes No Other _____

F. How do you think this type of program could be improved / what were the lessons learned? _____

(Please use the back of the survey to develop further your answer to this or to any other question. Thank you.)

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ATTACHMENT V

Project Assessment Survey Results from Tech Fund

I. BACKGROUND

The US-AEP/NASDA Technology/Energy Technology Fund (Tech Fund) was established in October 1992.

The purpose of the Tech Fund was to draw U.S. business in environmental and energy efficiency sectors into the markets of Asia through the transfer of environmentally responsible and energy efficient technologies from the United States to Asia.

The sponsor of the Tech Fund is the United State-Asia Environmental Partnership (US-AEP), a coalition of Asian/Pacific and American businesses, community groups, and governmental institutions. US-AEP is supported by the U.S. Agency for International Development (A.I.D.) program. The Tech Fund is administered by the National Association of State Development Agencies (NASDA), a nonprofit trade association whose members include the economic development officials of state governments.

The Tech Fund's primary program is the granting of matching funds to U.S. businesses, through qualified sponsoring organizations such as state governments and nonprofit organizations, in order to undertake innovative projects aimed directly at stimulating business activity in Asia in the environmental and energy efficiency fields.

During fiscal year 1993, from 1 October 1992 through 30 September 1993, the Tech Fund provided matching grant funds averaging about \$20,000 per project to thirty-seven grantees/clients. Of the total number of projects funded, thirty-three projects were implemented and four were terminated either prior to start up or before completion.

II. PURPOSES OF EVALUATION

The purposes of the evaluation of the Tech Fund are as follows:

To assess the effectiveness of the program system in supporting the achievement of the program objectives during fiscal year 1993.

To recommend changes in the program system that will increase the effectiveness of the program system in supporting the achievement of the program objectives in coming program years.

In conducting the program system evaluation, there were four constraints on the process. the constraints are as follows:

Recent Completion of Projects. Most projects were completed within the last six months with many being completed the end of September. Therefore, only initial project achievements are available at the time of this evaluation.

Sponsor Involvement. Some sponsor clients were pass-through intermediaries with limited direct knowledge of the projects that passed the responsibility for participating in this evaluation on to a sub-sponsor or company client.

Company Involvement. The participation of multi-company clients in this evaluation was dependent on the sponsor clients forwarding the requests for participation to them and then following up to get their responses.

Time Constraints. The evaluation had to be completed during September. Many of the sponsor and company contacts were traveling (some implementing their projects) or otherwise absent from their offices. Therefore, some sponsors and companies were not accessible for this evaluation.

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B. Commercial Benefits

What was the most significant one year commercial benefit expected?

Companies: The single most significant one-year result expected by companies was the sale of their products/services/technologies (58%). The second most significant set of expectations were pre-sales arrangements such as identification of distributors, joint venture and licensing agreements, and sales leads/contacts (31%).

Sponsors: Sponsors also saw sales as the most significant one-year expectations (50%) and pre-sales arrangements as the second most significant expectation (21%). Other types of expectations included market access, jobs, and establishing formal business relationships and consortia. Two sponsors (8%) had no expectation.

Discussion: There was a clear expectation on the part of both companies and sponsors that sales and pre-sales arrangements were the expected outcomes of the projects. Because some sponsors were merely facilitating the application on behalf of a company, there were sponsors that did not have specific expectations of commercial results.

What were the actual commercial results as of September 1993 and projected results as of September 1994?

The following discussion summarizes the sales and pre-sales results reported by the responding companies. It should be noted that most projects were completed within the last six months and some only days prior to the completing of the survey questionnaire.

Market Share

Only about a quarter of the companies responding to the survey projected a market share expectation. However, among those that did make a projection, the median market share expectation was 20%.

Sales

Half of the companies responding to the survey reported sales to date and/or projected sales.

Sales to Date: The total finalized sales as of September 1993 were \$1,788,000 for 12 companies responding to this question. The average finalized sales were \$149,000 per company and the median sales were \$82,500.

If one assumes that companies not answering this question had no sales, the average sales to date would be \$44,700 per company for 40 companies responding to the survey.

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Sales Projected: The total projected sales as of September 1994 were \$126,605,000 for 18 companies responding to this question. The average projected sales were \$7,034,000 per company and the median projected sales were \$1,550,000.

Sales Finalized and Projected

Sales	Total	Average	Median	#
Sept 93 Finalized	\$ 1,788,000	\$ 149,000	\$ 82,500	12
Sept 94 Projected	\$126,605,000	\$7,034,000	\$1,550,000	18

Sales Projected by One- and Multi-Company Projects: The total projected sales among reporting companies varied significantly between one-company and multi-company projects -- \$13,275,000 to \$113,330,000. However, the median projected sales per project were much closer -- \$1,000,000 to \$2,750,000.

Sales Projected by One- and Multi-Company Projects

Project	Total	Average	Median	#
One-Company	\$ 13,275,000	\$ 1,659,375	\$1,000,000	8
Multi-Company	\$113,330,000	\$14,166,250	\$2,750,000	8

Discussion: Given that most companies completed their projects within the last six months, the sales results are very strong. Sales to date are more than double the total funds allocated to the Tech Fund and one-year projected sales are approaching 200 times the allocation.

The difference in projected sales results between one-company and multi-company projects indicates that per project the multi-company projects provide a greater return on the investment of Tech Fund grants than did the one-company projects. The multi-company total and average results were highly impacted by two projected \$50 million deals. The multi-company median projected sales come much closer to the one-company projected sales because the weight of the two mega-deals are equalized.

Agents/Distributors

Approximately two-fifths of the companies responding to the survey reported finalized or projected distribution agreements.

Agents/Distributors to Date: The total number of reported finalized agents/distributors selected as of September 1993 was 26 for 14 companies responding to this question. The average number of finalized agents/distributors was 1.9.

Agents/Distributors Projected: The total number of projected agents/distributors to be selected as of September 1994 was 79 for 14 companies responding to this question. The average projected number of agent/distributors was 5.6 and the median projected number of agents/distributors was 3.

Agents/Distributors Finalized and Projected

Agents/Dist.	Total	Average	Median	#
--------------	-------	---------	--------	---

Sept 93 Finalized	26	1.9	1.5	14
Sept 94 Projected	79	5.6	3.0	14

Discussion: More companies reported finalized and projected sales (19) in the above question than reported finalized and projected agent/distribution agreements (15). This could raise a concern that some companies are not developing the long-term relationships that will be necessary to sustain long-term sales growth in the markets.

Licensing Agreements

Six companies reported licensing agreements. As of September 1993, 2 finalized agreements were reported, and a total of 18 agreements were projected as of September 1994.

Alliances/Co-Ventures

Thirteen companies reported 13 alliances/co-ventures as of September 1993 and a projection of 30 alliances/co-ventures by September 1994.

Bids/Proformas

A total of 13 companies (one-third) reported that bids or proforma invoices had been or would be submitted to potential customers.

Leads

Fifteen companies reported that they had collected a total of 347 leads for customers and agents/distributors as of September 1993. This equals an average of about 23 leads per company.

Product Tests/Demonstrations

Twelve companies indicated that they had or planned to conduct tests and/or demonstrations in the target markets. A total of 81 were reported as of September 1993, and a total of 148 tests/demonstrations are projected as of September 1994.

What other types of commercial results were achieved?

The following discussion summarizes potential indicators of future sales success in the target markets.

Business Relationships

Eighty percent of the responding companies reported that they had developed positive business relationships as a result of their participation the Tech Fund project.

Discussion: The relationships reported included potential customers, agents and distributors, joint venture partners, government officials, subsidiaries of global companies, and so forth.

Information of End-User Requirements

IX. CONCLUSIONS AND RECOMMENDATIONS

This section summarizes some of the major conclusions drawn from the findings and offers recommendations for changes in the program system. The recommendations are intended to suggest changes that will increase the effectiveness of the program system in supporting the achievement of the program objectives during fiscal year 1994.

A. Conclusions

The following conclusions relate to the effectiveness of the program system in supporting the achievement of the program objectives.

Summary Conclusion

The Tech Fund program has already achieved a significant level of program results and is projected to achieve outstanding results by September 1994.

The program system was highly effective in supporting the achievement of the Tech Fund program objectives in fiscal year 1993 and provides a solid foundation for supporting the achievement of the program objectives in fiscal year 1994.

The clients of the program, sponsors and companies, are highly satisfied with the Tech Fund program and the program system.

Involvement of Companies and Sponsors

The program system funded 33 completed projects, thereby exceeding its initial expectations of projects that could be developed, approved, and implemented in the start-up year.

The program involved 30 sponsoring organizations and an estimated 111 companies in the Asian market.

Commercial Benefits

The level of immediate and projected one year commercial benefits were very significant compared to the amount of Tech Fund resources invested in the projects.

Reported sales as of September 1993 were \$1,788,000 and projected sales as of September 1994 are \$126,605,000.

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Pre-sale achievements were substantial. For example, 26 agents and distributors were finalized as of September 1993 and 79 are projected for finalization by September 1994.

Both companies and sponsors are committing resources for follow-up activities in order to develop the short- and long-term opportunities opened by the Tech Fund projects.

Environmental Benefits

Most companies and sponsors have very significant one-year environmental and energy expectations for the countries of Asia.

There were few companies that provided specific environmental and energy benefits either current or projected.

The companies did detail many specific new technologies that had been introduced to and matched with the needs of customers in the target markets.

Satisfaction with Tech Fund Program

Companies and sponsors were, with one exception, overwhelmingly satisfied with the Tech Fund program.

Most companies believed that the Tech Fund program was very helpful in assisting them generate commercial and environmental results in the markets of Asia.

Most companies and sponsors felt that they could not have gotten the same results with significantly less or no grant funds.

Effectiveness of Program System

Almost every company and sponsor participating in the projects was aware of the objectives of the Tech Fund and that their project was funded by US-AEP.

The marketing strategy of using multiplier organization, and specifically state international trade offices, was effective in informing companies about the Tech Fund program.

The technical assistance offered by NASDA was used by three-quarters of the companies and rated positively by all companies.

The approved projects involved companies that found their technologies moderately to highly competitive in terms of price, selling terms, quality, service, and preference for U.S. products.

Most companies and sponsors did not list any difficult or problematic parts of the Tech Fund process.

Significant characteristics of the program system that contributed to the success of the program were flexibility in adjusting the program to the company's opportunity, non-bureaucratic procedures that enhanced the company's commitment to pursuing the process, timely responses that keep pace with the company's timeline, and fairness in dealings with the companies.

B. Recommendations for Changes in the Program System

The following recommendations relate to changes in the program system that should increase the effectiveness of the program system in supporting the achievement of the program objectives.

In making these recommendations, the following assumptions should be noted:

Any proposed changes in the program system should be carefully weighted to insure that the changes (1) will provide significant advances in supporting the program objectives and (2) will not inhibit currently effective components of the program system.

Changes in the program system will logically be required as the Tech Fund program moves from the program-year one start-up phase to the program-year two continuation and growth phase.

The resources allocated to finance the program system are relatively static. Therefore, increasing the resources devoted to one component of the program system will draw resources from another component.

- o Review and develop a high degree of linkage between the following program system components: program objectives, process objectives, selection criteria, application guidelines/form, application review form, reporting requirements/form, and monitoring/adjusting process.

Rationale: Weak linkage or conflicts between the above program components frustrates the applicant, makes the review process more difficult for NASDA and the Review Panel, and complicates the monitoring/adjusting process. Strong linkage should result in better proposals, better decisions, and better program results in relation to achieving program objectives.

- o Assure that process objectives are supportive of and not inhibiting the annual program results objectives.

Rationale: There are informal or unstated process objectives that have impacted the selection process (e.g., desiring to have project activity in certain of the bilateral assistance countries) that can be in conflict with aspects of the program objectives. When incorporating these informal objectives, it is

important to assess the impact on overall program objectives.

- o Distinguish between strategic program objectives (e.g., as currently stated) and annual program results objectives. Develop quantifiable annual program results objectives (e.g., sales within one year) to be achieved through the grant process and against which the program for that fiscal year will be evaluated.

Rationale: With one year of experience the Tech Fund has a basis from which to develop quantifiable annual program results objectives. These objectives will drive the rest of the program processes. It should be recognized that there is the potential for conflict between annual results objectives if they are not properly balanced (e.g., a very aggressive sales objective and an objective that a high percentage of the funds must be allocated to markets that have low commercial potential).

- o Establish a three-tiered selection criteria to include mandatory criteria, preferred additional criteria, and suggested additional criteria.

Rationale: The project selection decisions are based on cascading levels of criteria. Generally individuals involved in the selection process were not in favor of systematically assigning a score to various aspects of each proposal. The process would be more streamlined for both applicants and reviewers if criteria and degree of importance were better defined.

- o Establish a three-step screening process in which NASDA would conduct the initial screening based on selection criteria, the country Tech Representative would provide input regarding appropriateness of technology and/or match with market need, and the Review Panel would conduct the final screening to determine acceptance and approval.

Rationale: The Tech Representatives add a new resource for NASDA and the Review Panel as well as for the sponsor and company participants. The formal role in relation to how their expertise will be utilized in the screening process should be established.

- o Establish a clear preference for and aggressively recruit sponsors who will organize multi-disciplined networks to pursue specific environmental/energy projects while, at the same time, maintain a mix of single company and multi-company projects.

Rationale: Applying the concept of flexible manufacturing networks to solve environmental/energy problems in Asian markets would most likely result in improved commercial and environmental results because these problems tend to require a number of resources and technologies.

- o At the time a project is approved, request that the primary contact for both the sponsor and the company identify a secondary contact that would be involved in or have familiarity with the project.

Rationale: In order to control, monitor, evaluate and track each project, there is a periodic need to contact sponsors and company participants. In instances where the primary contact is out for an extended time or is no longer with the organization, it is important to communicate with some other individual that has knowledge of the project. This is important during the timeframe of the grant and for longer-term follow up.

- o Modify the reporting process to include mid-project and final reports and a follow-up report at the end of the following fiscal year.

Rationale: Mid-project reports are useful to NASDA as a means of identifying and addressing potential problems that a company or sponsor may be experiencing and ensuring that the project is on track. The final report is a means of documenting that the activity actually took place as well as immediate and projected results. The year-end report provides a vehicle for NASDA, the Review Panel, and US-AEP to track the longer-term results that are important to the continuation and expansion of the program. Other reporting periods, such as quarterly, tend to overburden company and sponsor participants.

- o Improve pre-trip preparation and ultimate results by offering a country-specific package at the time an application is approved.

Rationale: A number of companies found themselves ill-prepared to take full advantage of the opportunity afforded them by the Tech Fund grant. In some cases, a participants lack of planning or lack of readiness created problems in working with US foreign officers. A basic country package might include providing sponsors and/or company participants with appropriate names of foreign post contacts with a request to make contact as soon as the grant is finalized; country briefing materials such as FETs, OBRs, etc.; and other contacts and suggested resources. This information is readily available; however, many companies have a low level of awareness or do not have easy access. A minimal fee could be established such as OPIC charges for its country information kits.

- o Maintain the flexible, non-bureaucratic, responsive, and reasonable processes that have so effectively supported the Tech Fund program and the achievement of the program objectives in the first year of operation.

Rationale: The company clients tended to feel that they were a "customer" of the program and that the program was reaching out to satisfy their business needs. The above characteristics of the program contributed to this feeling. If the number of eligible applicants starts to exceed the available funds, there may be a tendency to treat companies more like "grantees" than customers.

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Rationale: The company clients tended to feel that they were a "customer" of the program and that the program was reaching out to satisfy their business needs. The above characteristics of the program contributed to this feeling. If the number of eligible applicants starts to exceed the available funds, there may be a tendency to treat companies more like "grantees" than customers.

ATTACHMENT VI

Excerpts from the NASDA/AID Seminar (March 30, 1993)

Summary of Proceedings from the Seminar

**STATE-FEDERAL COOPERATION IN PROMOTING
BUSINESS AND DEVELOPMENT
IN EMERGING MARKETS**



Developed By
The National Association of State Development Agencies

In Collaboration With
The U.S. Agency for International Development



March 30, 1993

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PREFACE

Since 1988, the National Association of State Development Agencies has worked closely with the U.S. Agency for International Development in developing and implementing an innovative, efficient and cost-sharing approach to linking the private sectors of the United States and developing countries in ways that benefit both. This collaboration has occurred through the NASDA/AID Business Development Seed Fund, which provides catalyst grants of up to \$20,000 to encourage U.S. companies to enter emerging markets, and through the US-AEP/NASDA Environment/Energy Technology Fund, begun in 1992 to spark involvement by U.S. environmental organizations in the economic development and environmental protection of Asia.

The accomplishments of the program are significant. In the past three years, NASDA has contributed funding for fifty projects, and the pace of project applications and acceptances is accelerating. Through these projects, NASDA has helped over 150 U.S. companies reach twenty five developing countries. Moreover, because the NASDA/AID Funds provide only partial support, federal monies have been leveraged by non-federal funds at a ratio of greater than four to one.

NASDA is proud of these innovative, even visionary, programs to promote both U.S. and overseas economic development. There are five major reasons why the NASDA/AID programs are different:

- ◆ They *represent a pragmatic approach to building partnerships* -- not just funding projects -- between the United States and emerging markets.
- ◆ They *fortify the long term economic strength of our partners in developing countries*, based on the market demand discovered by U.S. companies through interaction with their counterparts in developing countries.
- ◆ They *help U.S. businesses*, by boosting U.S. exports, facilitating joint ventures and encouraging technology transfer.
- ◆ They *build state-federal partnerships*, through consultative planning of activities and pooled funding mechanisms.
- ◆ They *encourage innovation by U.S. industry* by introducing companies to new markets and new problems that require creative solutions.

Other federal programs also are dedicated to promoting similar types of linkages. Two of these programs, USAID's West Coast Business Outreach Program and the Department of Commerce's Office of Public and Private Programs, were spotlighted along with the two NASDA programs in the seminar "State-Federal Cooperation in Promoting Business and Development in Emerging Markets", a seminar which was itself a coordinated effort involving NASDA, USAID, the Department of Commerce and the private sector.

In designing this seminar, NASDA and its colleagues hoped to impress upon the audience that the relatively small programs discussed in the seminar might provide models for future foreign assistance efforts. These foreign assistance activities must recognize the significance of business relationships for overseas *and* domestic development as well as the importance of collaborative relationships among many actors in achieving development objectives. We believe the programs described in "State-Federal Cooperation for Promoting Business and Development in Emerging Markets" represent examples upon which to build.

A handwritten signature in black ink, appearing to read "Miles Friedman". The signature is fluid and cursive, with a large initial "M" and "F".

Miles Friedman, Executive Director
National Association of State Development Agencies

SUMMARY OF PROCEEDINGS

A. THEME AND ORGANIZATION OF THE SEMINAR

The overall theme of the seminar was the importance of collaboration among state, federal and private sector organizations in promoting business and development in emerging markets. The seminar focused on two aspects of this emerging collaboration: a noteworthy specific example of this type of coordination, namely the NASDA/AID grant programs; and public-private sector collaboration in general, as encompassed by various USAID and Department of Commerce programs and as viewed by a representative of the private sector. Accordingly, the seminar was divided into two panels: "State and Federal Support for Export Promotion" and "Linking U.S. Government Foreign Service and Assistance Resources to the Needs of Small Business."

B. STATE AND FEDERAL SUPPORT FOR EXPORT PROMOTION

With Dan Waterman, NASDA's senior program manager, acting as moderator, four speakers addressed the subject of state-federal support for export promotion. The speakers included:

- ▶ Claudia Liebrecht, Director, Office of International Marketing, Minnesota Trade Office
- ▶ Robert MacDonald, Director, International Business Development, Maryland International Division
- ▶ Ray Reddish, Development Representative, International Trade and Development, Florida Department of Commerce, and
- ▶ Morgan Smith, Director, Colorado International Trade Office, Office of the Governor, State of Colorado.³

Biographical information regarding these and all other seminar speakers can be found in Annex 3. The comments of the four representatives of state-level export promotion agencies revolved primarily around three subjects: background on the types of activities undertaken by their organizations; the reasons that state-federal collaborative programs are important; and the states' experience with NASDA programs.

1. Background Information

State trade development agencies are committed primarily to helping the companies in their states export to overseas markets; a secondary objective of the agencies is to attract direct investment in their states. In pursuing these ends, state organizations provide a variety of services, including, for example, direct counseling, training programs, reference services, trade missions, and export or bridge financing. As state agencies relying on local tax revenues, these organizations attempt to be responsive to all companies in the state. Nevertheless, due to limited

³As indicated in the program in Annex 1, Morgan Smith actually spoke during the second panel; however, since his comments paralleled those of the speakers in panel one, we have included his remarks and views in this section.

staff and financial resources, all organizations are forced to specialize to some degree. In most cases, state agencies focus their target audience based on the strongest export markets (often a result of a state's geographical location) and on the comparative advantage of certain industries in a given state, as well as other policy-related criteria such as a mandate to assist small- and medium-sized companies. These observations notwithstanding, states are always looking for "platforms of opportunity", as described by MacDonald, involving new markets or sectors. In pursuing opportunities outside targeted regions, states find collaboration necessary and useful, as discussed below.

2. The Need for Collaborative Programs

While they recognize the benefits of potential state-state coordination, in general, state agencies find it difficult to work closely with each other, mainly because they derive their funding from state taxes and therefore must spend their resources on companies within the state. However, exceptions to this rule exist. For example, western states have developed an association of trade directors, which attempts to coordinate some trade activities. Likewise, because it generates significant revenue from a major port, Maryland works with companies throughout the mid-Atlantic region which use the port as a means to import or export goods. Similarly, Florida encourages companies from throughout the United States (and indeed, the world) to view the state as "launching point" for doing business in Latin America. In specific sectors, states may find it easier to cooperate, as noted by Liebrecht and by MacDonald, who noted the coordination of Maryland, Virginia and Washington, D.C. in attracting tourists to the region. While the competition among states in developing export markets is real, in general it is perceived as a positive stimulus to the states' international activities.

Recognizing these real barriers to inter-state coordination, state agencies view collaboration and information-sharing with federal agencies as critical to their trade development efforts. State trade development agencies already rely heavily on federal agencies for information that would be impossible for them to develop themselves given their mandates and resources. Such information includes, for instance, market research, investment and commercial climate reports, and analyses of legal and regulatory environments. Much of this information is provided by the Department of Commerce, with which state agencies often work extensively. State trade development agencies also mentioned the Overseas Private Investment Corporation (OPIC), the Export-Import Bank (Exim), the U.S. Trade and Development Agency and the Department of State as federal organizations on which they also relied upon for specific types of assistance. In addition, through NASDA/AID programs, state agencies have worked more with USAID.

3. States and the NASDA/AID Grant Programs

Despite the informational resources described above, state trade development agencies sometimes find it difficult to persuade companies to explore promising new markets. The problem is two-fold. In particular, while they may indeed be interested in pursuing opportunities in new markets, many companies need a "push" to take this step, due to perceived high risks and difficulties of doing business in unfamiliar countries. On the other hand, as noted above, state

agencies generally choose a few target markets, based upon past export patterns and upon the financially-imposed need to limit the agencies' activities. As a result, although they want to provide companies with information and assistance in entering all potential markets, state agencies may lack information on trends and opportunities in emerging markets. As delineated below, the representatives of other states indicated that in several cases, NASDA grant programs have provided both the "push" (and reassurance) to companies interested in new markets as well as the necessary support that allows state agencies to work with their companies on these activities.

a. Minnesota's Experience with NASDA/AID Grant Programs

The central activity which the Minnesota Trade Office undertook in conjunction with NASDA is the "Table of Taste" held in Costa Rica. This program, designed to introduce twenty Minnesota food-related companies to Costa Rican food distributors, restaurateurs, and food wholesalers, included a food sampling, a trade show and matchmaking activities. The response from these companies was overwhelmingly positive, with companies reporting that they definitely would not have explored the market on their own, and had they attempted to, would not have met the Costa Rican businesspeople that they did. Based upon their experience in Costa Rica, several of these Minnesota companies are now preparing to enter another new market -- the Philippines -- where a similar "Table of Taste" event will be held.

"We [at the Minnesota Trade Office] have known for a long time that there was money available in Washington to help us [in our efforts to introduce small- and mid-sized companies to emerging markets]. But Washington can be somewhat of a labyrinth. So we were very fortunate and very pleased to find that NASDA was working with USAID, and they have helped us tremendously."

*Claudia Liebrecht, Director
Office of International Marketing
Minnesota Trade Office*

In addition, with NASDA/AID grant support, the Minnesota Trade Office currently is planning a day-long seminar designed to gauge interest in pursuing business opportunities in Kazakhstan. Subsequent to the seminar, the Minnesota Trade Office anticipates that it will conduct a trade mission, involving approximately twelve agribusiness, housing, environment and energy companies, to that former Soviet republic.

b. Maryland's Experience with NASDA/AID Grant Programs

The Maryland International Division worked with both NASDA and USAID even before the establishment of the grant programs. Specifically, USAID and the Maryland International Division (MID) worked collaboratively on a technology project in Thailand, while NASDA and MID conducted joint training activities. The NASDA/AID grant programs have spurred new types of coordinated ventures. For example, with grant assistance, MID provided \$11,800 in support of an environmental project in Poland undertaken by Johns Hopkins University and the Maryland Department of Environment. MID also participated in a NASDA/AID-led trade delegation to North Africa, from which business leads are still coming in.

With NASDA/AID support, MID is planning additional environmental activities, including: a project in West Java (Indonesia) which would involve the Maryland Department of Environment and Maryland environmental companies; and a project in Tunisia, involving assistance to help set up the operations of the nascent Tunisian Ministry of Environment (thereby encouraging future transactions with U.S. firms). Also under the

NASDA/AID grant program, MID will provide assistance to the Maryland Department of Economic Development's small business affairs department, which is working with the Moroccan Ministry of Economic and Social Affairs in establishing similar operations; as in the Tunisian project, it is expected that early involvement by an American organization will precipitate future business leads and opportunities in this area.

"This collaboration between NASDA, AID and the state agencies is unique, and I think is something that is very welcome by the state agencies. It certainly is by mine."

*Robert MacDonald, Director
International Business Development
Maryland International Division*

c. Florida's Experience with NASDA/AID Grant Programs

"These two missions [described to the right] would not have been possible without the Business Development Seed Fund. We feel this program is an extremely important adjunct to our activities in Third World countries."

*Ray Reddish, Development Representative
Florida Department of Commerce*

The Florida Department of Commerce has undertaken two activities in conjunction with NASDA/AID. First, the department participated in the above-mentioned trade delegation to North Africa. This mission generated nearly one hundred trade leads for Florida firms. In addition, subsequent to the trade delegation, the department identified sixty five Florida companies that are interested in the North African region and

now plans to organize a state-led trade mission back to North Africa. In addition, using NASDA/AID grant funds to partially offset costs, the Florida Department of Commerce will lead an environmental trade mission to Asia.

d. Colorado's Experience with NASDA/AID Grant Programs and Other Federal Programs

The Colorado International Trade Office is currently or has recently been involved with five major international projects involving NASDA, USAID and/or other federal agencies. The Colorado International Trade Office was one of several state trade development agencies to participate in the NASDA/AID trade delegation to North Africa. Regarding this mission, Smith remarked that the Colorado trade office would definitely not have thought of this market without the prompting provided by the mission. Moreover, the mission produced unexpected results for the state, mainly in that good relationships were developed for Colorado's medical companies.

In another instance of collaboration, NASDA/AID provided a grant to the International Trade Office enabling six small Colorado companies to provide environmental services in Belarus to assist in the lingering cleanup after the Chernobyl nuclear accident.

The Colorado International Trade Office is also considering leading a trade mission to Africa, probably to Ghana, but has encountered a problem typical to ventures in that continent: it is very expensive for companies to visit African countries, even though the opportunities might be good. Accordingly, the trade office currently is working with USAID to see if the two organizations can jointly develop a financially-feasible and productive trade mission.

"We can't simply sit back there and focus on the big ticket countries -- Canada, Japan, the UK, etc. We've got to reach out to other countries, and we simply cannot do it without NASDA, AID ... and these types of collaborative programs."

*Morgan Smith, Director
Colorado International Trade Office*

In activities with other federal agencies, the Colorado International Trade Office and the Denver World Trade Center worked with the U.S. Trade and Development Agency to bring nearly one hundred mining ministry officials from twelve Latin American countries to meet representatives of Colorado mining companies. The result of this initiative has been on-going contact and activities between Colorado mining companies and mining officials in Latin America, contributing, in Smith's opinion, to the survival of U.S. mining companies.

The Colorado International Trade Office has also supported the Colorado-Mexico City air quality initiative, in which the research conducted on (and technologies and solutions developed for) Denver's air pollution problems are being applied to Mexico City's similar problems. The trade office anticipates that this project will hold long-lasting and broad implications for the involvement of Colorado's companies in this area, particularly in addressing the air pollution problems of other high altitude cities such as Quito, Santiago, La Paz and Bogotá.

C. U.S. GOVERNMENT FOREIGN ASSISTANCE RESOURCES AND THE NEEDS OF SMALL BUSINESS

This section reflects the discussion in the second panel of the seminar, which was moderated by John Wilkinson, Deputy Assistant Administrator for USAID's Bureau for Private Enterprise. The panel focused on innovative federal programs designed to address the needs of small business regarding information on federal assistance in general and in regard to emerging markets. James Schill, Director of USAID's West Coast Business Outreach Program, and Diane Burke, Director of Public and Private Programs for the Department of Commerce's U.S. and Foreign Commercial Service, addressed this topic. Paul Daemen, President and CEO of the Mid-America World Trade Center, provided a private sector perspective that highlighted the need for such programs.

b. Department of Commerce Involvement with NASDA/AID Programs

According to Burke, Director of the Department of Commerce's Office of Public and Private Programs, the NASDA/AID grant programs represent precisely the type of cooperative role that "brings together the federal partners, the state partners, the local partners and the private sector; [this program] truly does demonstrate the role you can play together, cooperatively." Moreover, the NASDA/AID programs encourage both states and local companies to enter emerging markets where there is much potential but which U.S. businesses may not feel comfortable exploring on their own. The Department of Commerce, through the Office of Public and Private Programs, has worked with NASDA and USAID by promoting the Business Development Seed Fund to the department's district and overseas offices and by serving on the project selection panel for the Environment/Energy Technology Fund.

"One of [the NASDA/AID programs'] strengths is that it is working through the states -- who know the local business community -- and it's not developing a separate infrastructure [but] using the one that's in place, and that's important."

*Diane Burke, Director
Office of Public and Private Programs
U.S. Department of Commerce*

c. Federal Coordination in Trade Promotion

As noted above, programs such as the NASDA/AID initiative represent a new type of cooperation that lends itself readily to the needs of U.S. exporters in today's global economic environment. On a broader level, but with regard to the same subject, the Trade Promotion Coordinating Committee (TPCC), which the Department of Commerce chairs, currently is undertaking a concerted effort to improve federal collaboration in promoting U.S. exports. Specifically, the TPCC is preparing a strategic plan to better integrate the efforts of all federal agencies that participate in international trade activities and to ensure that these efforts are not duplicative. The Administration is also studying the role of federal agencies in the post Cold War world, to determine agencies' strengths and appropriate niche in this arena.

3. A Business Perspective on Federal Programs and NASDA Programs

From Daemen's perspective, it is clear that most federal programs do not reach "middle America." Businesses do not know where to go to get information, and the information that is generated is not always relevant to their needs. Moreover, to many businesspeople it seems that

agency turf battles prevent necessary collaboration. Nevertheless, Daemen reiterated the viewpoint, also expressed by other panelists, that "these small companies will not take the first step [toward entering new markets]" without encouragement. The Mid-America World Trade Center, of which Daemen is president, acts as a facilitator in this regard, and has helped 180 companies in their export activities in the past year. Daemen also cited two programs, WCBOP and the NASDA/AID programs, as examples of those that help familiarize small companies with opportunities in emerging markets. Daemen also noted the considerable "multiplier effect" of small amounts of catalyst funding: for instance, for a total investment of \$19,000 (of Department of Agriculture funds in this case), twenty four U.S. companies gained \$1.8 million in export sales, with additional potential sales of \$5.2 million.

D. CONCLUSIONS

"State-Federal Cooperation in Promoting Business and Development in Emerging Markets" underscored four key issues, as described by representatives of state agencies, federal agencies and the private sector. These issues include the following:

- ◆ No one organization can "do it all." For example, while state agencies' financial positions limit the amount of market information that they can gather on their own, the U.S. Department of Commerce is charged specifically with synthesizing and disseminating such information. In this case, therefore, there is a natural relationship between what one party needs and what the another can supply.

Attempting to "do it all" leads to unnecessary competition among organizations, whether between states or between state and federal agencies. This competition is particularly worrisome because new-to-export U.S. companies in fact can easily generate enough demand for export assistance to keep many agencies occupied.

- ◆ Collaboration among state-federal-private agencies currently is spotty, and information is insufficiently shared. This disarray inhibits the efficient operation of all export assistance agencies (whether state, federal or private) and therefore limits the quality of assistance that U.S. companies receive, at a time when they are facing great competition abroad.
- ◆ States and their companies want to enter developing countries, which they view as potentially enormous markets but ones that present new risks and challenges. They need federal assistance to take this step.
- ◆ Collaboration can work. The vignettes regarding the NASDA/AID grant programs relayed by state agencies, federal agencies and the private sector demonstrate that disparate parties *can* work together to achieve a common goal -- business and development linkages between U.S. and developing country companies. Other federal

programs such as the USAID West Coast Business Outreach Program and the Department of Commerce's Office of Public and Private Programs offer similar evidence.

In some cases, this coordination works to produce direct dollar results (e.g., from a trade mission), while in other cases, the results of collaboration are less tangible but still important (e.g., introduction of U.S. firms to countries where U.S. economic competitors have a substantial presence).

The programs described in "State-Federal Cooperation in Promoting Business and Development in Emerging Markets" are not the "answer" to either U.S. export assistance problems or to the difficulties of inter-agency coordination. They do, however, represent useful models of what has already been done to improve operations in these areas. As such, the discussion that occurred in the seminar may be particularly relevant as the debate over the future of more collaborative foreign assistance programs continues.

**"STATE FEDERAL COOPERATION IN PROMOTING BUSINESS
AND DEVELOPMENT IN EMERGING MARKETS"**

NUMBER OF ATTENDEES BY ORGANIZATION

PUBLIC SECTOR

Executive Branch	
U.S. Agency for International Development	11
U.S. Department of Commerce	7
U.S. Department of State	4
The White House	2
U.S. Department of Agriculture	1
Export-Import Bank of the United States	1
U.S. Small Business Administration	1

State Organizations	
State Agencies or Representatives	9
Associations of State Entities	3

PUBLIC SECTOR (Continued)

Legislative Branch	
Senate Staff	8
Committee and Task Force Staff	7
U.S. General Accounting Office	5
House of Representatives Staff	4
Congressional Research Service	1

PRIVATE SECTOR

Consulting Firms	14
Business Councils and Trade Associations	7
Private Corporations	7
Private Sector Research Institutions	1

ATTACHMENT VII

**Miscellaneous Seed Fund Charts
Seed Fund Brochure**

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**NASDA/AID BUSINESS DEVELOPMENT SEED FUND
APPROVED PROJECTS STATUS
October 1, 1993**

Project	Total Cost	Federal Government Share	State	Country Involved	# of US Companies Involved
US-Thai Business Corporation (Northwestern University)	\$108,000	\$74,923	Illinois	Thailand	8
Governor-Ambassador Business Development Initiative in ASEAN	\$150,000	\$28,639	Mississippi, Iowa, Ohio	ASEAN Region	30
Delaware Trade Expansion with Costa Rica and Honduras	\$60,000	\$20,000	Delaware	Costa Rica, Honduras	20
Iowa Swine Technology Conferences in Hungary and Czechoslovakia	\$55,000	\$10,000	Iowa	Hungary, Czechoslovakia	5
Minnesota Market Development and Export Training in Costa Rica	\$80,000	\$13,000	Minnesota	Costa Rica	13
Washington Agribusiness Cooperation with Indonesia	\$91,500	\$19,983	Washington	Indonesia	6
Maryland Environmental Training and Marketing in Poland	\$113,400	\$13,600	Maryland	Poland	5
Illinois Meat Production Model in Hungary	\$230,000	\$20,000	Illinois	Hungary	3
Iowa Grain Industry Needs Assessment in Hungary and Czechoslovakia	\$160,000	\$16,627	Iowa	Hungary, Czechoslovakia	2
Southern Technology Council Apparel Exporting Initiative	\$40,000	\$19,700	North Carolina	Eastern & Western Europe	5
Mid-America World Trade Center Wheat Milling Project in Egypt	\$67,000	\$20,000	Kansas	Egypt	1
Massachusetts Environmental Audit in Poland	\$95,428	\$20,000	Massachusetts	Poland	4
Promotion of US Business Ties with Czechoslovakia (Central Europe Institute)	\$103,200	\$20,000	Maryland, Virginia	Czechoslovakia	10
California Cooperation with Hungary on Wine Production	\$125,000	\$19,700	California	Hungary	5
Southern Illinois University Business Center in Bulgaria	\$55,000	\$20,000	Illinois	Bulgaria	8
Wisconsin Dairy Venture in Indonesia	\$85,000	\$20,000	Wisconsin	Indonesia	3
Arizona Business Development in Hungary	\$75,000	\$20,000	Arizona	Hungary	10
Business Development in North Africa	\$40,000	\$20,000	7 states	Egypt, Morocco, Tunisia	N/A
AmCham Business Development in Egypt	\$116,000	\$20,000	7 states	Egypt	Multiple

Project	Total Cost	Federal Government Share	State	Country Involved	# of US Companies Involved
American Tunaboat Association Fishing Modernization in Tunisia	\$30,400	\$5,000	California	Tunisia	N/A
The Mid-America Committee Program for Central and Eastern Europe	\$397,450	\$15,000	Midwestern states	5 Central and Eastern European Countries	Multiple
Arkansas Oil Industry Modernization in Uzbekistan	\$65,000	\$20,000	Arkansas	Uzbekistan	4
Global Linguistic Institute Business Assistance in Russia	\$70,000	\$20,000	Washington, California	Russia	5
Colorado Radioactive Soil Clean-up in Belarus	\$765,000	\$20,000	Colorado	Belarus	6
Louisville Business Matchmaking with Ecuador	\$87,400	\$20,000	Kentucky	Ecuador, Colombia, Venezuela	7
Wisconsin Dairy in Argentina	\$76,106	\$19,066	Wisconsin	Argentina	3
Oregon Clean River Project in Mexico	\$55,690	\$19,796	Oregon	Mexico	5
Minnesota "Table of Taste" in Philippines	\$108,000	\$20,000	Minnesota	Philippines	10
Minnesota Economic Development Project in Kazakstan	\$137,000	\$25,000	Minnesota	Kazakstan	12
Memphis and Shelby County Agribusiness Project with Morocco	\$150,404	\$20,000	Tennessee	Morocco	15
National Minority Business Council / Carolina Exports in Bulgaria	\$41,462	\$20,000	South Carolina	Bulgaria	6
New Brunswick Business Development with Hungary	\$122,463	\$20,000	New Jersey	Hungary	Multiple
World Trade Center Denver in Kazakstan and Uzbekistan	\$57,725	\$19,000	Colorado	Kazakstan, Uzbekistan	Multiple
World Trade Center Arizona / Holsum Bakery in Hungary	\$48,425	\$20,000	Arizona	Hungary	1
Vermont / Cranberry Project in Poland	\$50,000	\$20,000	Vermont	Poland	1
Texas Oil and Gas Project in Uzbekistan	\$57,000	\$20,000	Texas	Uzbekistan	Multiple
Maine Shipping Project in Egypt	\$18,500	\$10,000	Maine	Egypt	Multiple
Georgia Southern University Agribusiness Project in the Czech Republic	\$41,938	\$20,000	Georgia	Czech Republic	Multiple
California-Poland Chamber of Commerce/University of Hawaii Textile Fiber Recycling Project in Poland	\$60,000	\$20,000	Hawaii, California	Poland	1
City of Chicago / State of Illinois Business Development Mission in Morocco	\$118,500	\$20,000	Illinois	Morocco	Multiple

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U.S. REGIONS REPRESENTED BY SEED FUND GRANTS

REGION	NUMBER OF PROJECTS
New England (ME, VT, NH, MA, CT, RI)	4
Mid-Atlantic (NY, PA, NJ)	1
South Atlantic (DE, MD, DC, WV, VA, NC, SC, GA, FL)	10
South Central (TX, OK, LA, MS, AL, TN, KY, AR)	5
North Central (ND, SD, NE, KS, MN, IA, MO, WI, IL, IN, MI, OH)	18
Mountain (ID, MT, WY, CO, UT, NV, AZ, NM)	5
Pacific (AK, WA, OR, CA, HI)	8

NOTE: * *These regions are the same as those used by the Census Bureau, with the exception of North Central, which combines the Census regions "West North Central" and "East North Central, and with the exception of South Central, which combines "West South Central" and "East South Central."*

** *Some projects involve more than one region.*

SEED FUND GRANT RECIPIENTS
Type of Organization

TYPE OF GRANT RECIPIENT	NUMBER OF PROJECTS
State Economic Development Office	14
State Department of Agriculture	4
City / County	5
University	4
World Trade Center	4
Chamber of Commerce	1
Other	6

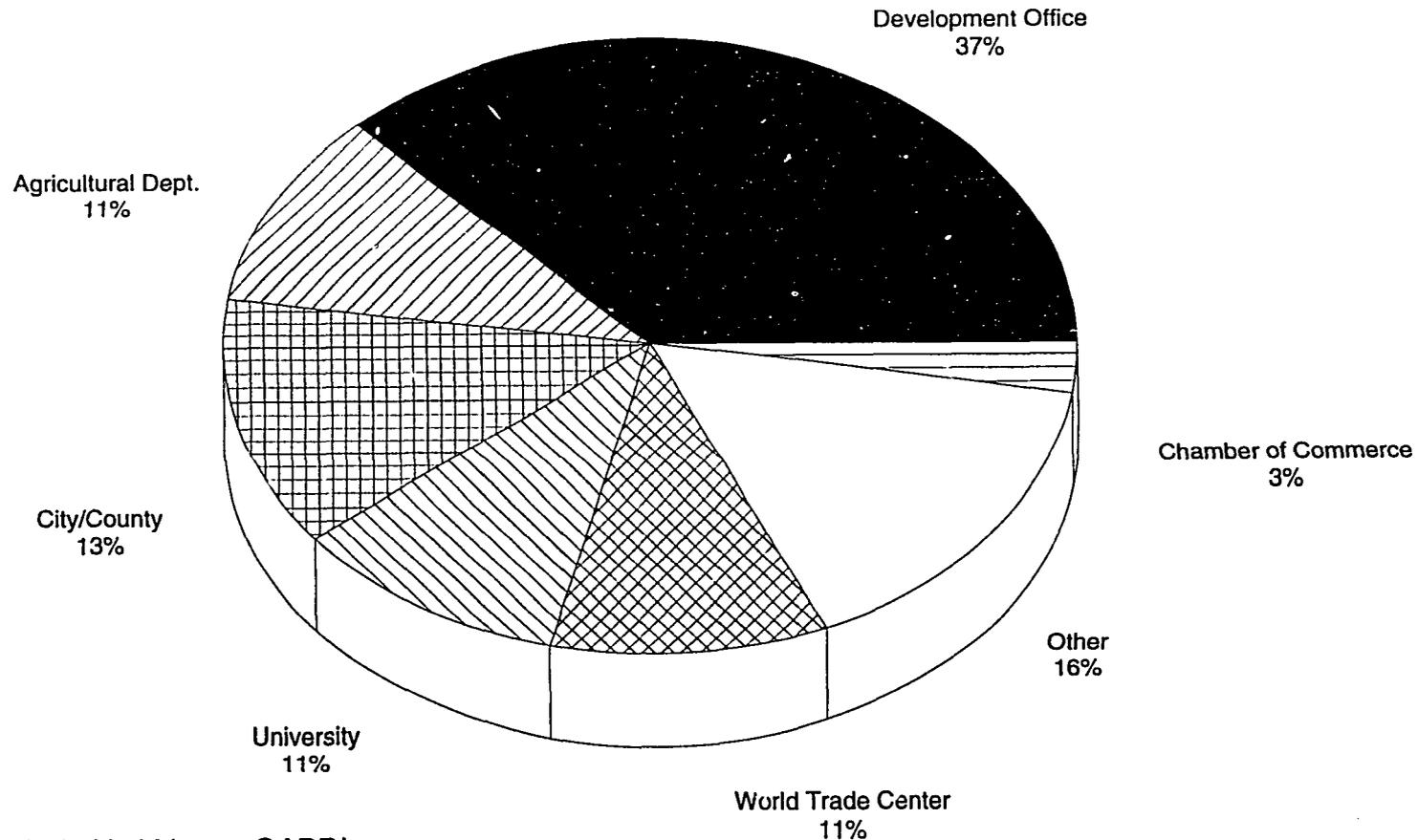
NOTE: Does not include N. Africa Business Development or GABDI

BUSINESS DEVELOPMENT SEED FUND
Regional Focus - Project Type

Area Targeted	Number of projects	Agribusiness	Environment Sector	General Business Development Activities
Eastern Europe	16	6	3	6
NIS	6	2	2	2
Southeast Asia	5	2	0	3
Latin America & Caribbean	5	1	1	3
N. Africa	7	2	0	4
Other	1	0	0	1
TOTALS	39	13	6	20

NASDA GRANT RECIPIENTS

Type of State Organization

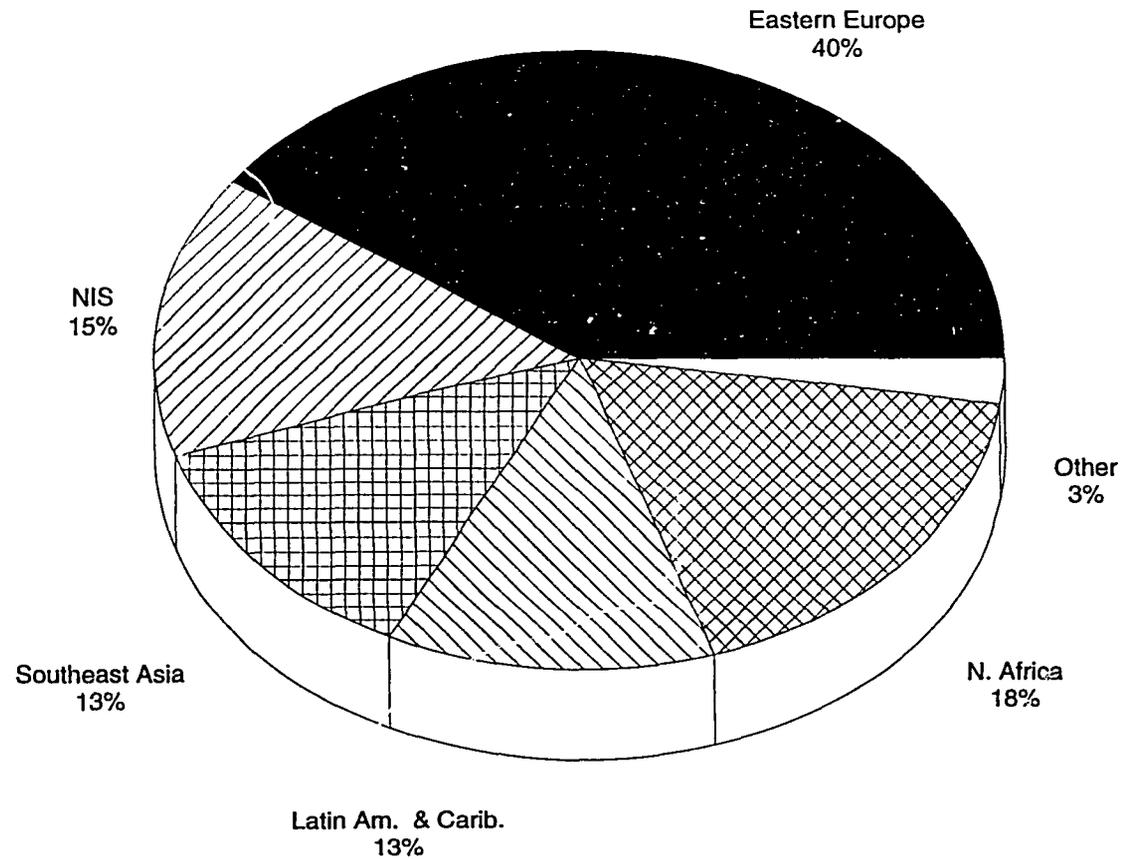


Does not include N. Africa or GABDI

Prepared by Development Associates, Inc.
Draft Version

NASDA BUSINESS PROJECTS

Regional Focus



Prepared by Development Associates, Inc.
Draft Version



National Association of State Development Agencies

750 First Street, N.E., Suite 710
Washington, D.C. 20002

MILES FRIEDMAN
Executive Director

(202) 898-1302
FAX: (202) 898-1312

NASDA/AID BUSINESS DEVELOPMENT SEED FUND

The Business Development Seed Fund derives from a Cooperative Agreement between the Bureau for Private Enterprise of the US Agency for International Development (AID) and the National Association of State Development Agencies (NASDA), a private, nonprofit trade association whose members include the cabinet-level economic development officials from state governments across the United States.

Purpose:

The NASDA/AID Business Development Seed Fund was established in 1988 to encourage state development agencies and other intermediary organizations to undertake innovative projects that promote business activity with firms in developing countries and Eastern Europe. The states and associated groups play a substantial and growing role in stimulating international trade and investment. The Seed Fund attempts to channel that effort toward developing markets that welcome private business and offer real opportunities. Because business relationships with US firms can be a powerful catalyst for economic development, AID is providing funds to stimulate creative new projects that complement AID programs in targeted sectors of certain developing nations and emerging markets. The objective is to generate substantive and productive commercial relationships that benefit both the American companies and the developing nations.

The Program Offers:

Financial Support: The Seed Fund can provide grants of up to \$20,000 on a matching basis for qualified projects. Activity that closely meshes with ongoing USAID country programs may be eligible for additional funding.

Technical Assistance: NASDA staff will help in the development of project proposals and serve as liaison with AID officials in Washington and overseas.

Eligibility:

The NASDA/AID Business Development Seed Fund is available to state and sub-state business development organizations having a demonstrated track record in international trade and investment activity. Examples include state and local economic development agencies, cities, trade associations, industry groups, chambers of commerce, universities and economic development corporations. Private, for-profit companies cannot apply directly for Seed Fund assistance.

To Qualify for Grant Awards, Projects Should:

- Focus on countries where AID is currently active.
- Produce commercial and sustainable results. In addition to profitable business transactions for the participating US firms, the developing nation should receive benefit through such activities as: co-ventures; transfer of technology, management and production expertise; training; increased two-way trade; new markets and distribution channels; and direct investment.
- Involve small and mid-sized firms in both the US and the target country. Priority will be accorded to projects that promise the greatest favorable impact on the private sector.
- Demonstrate clear economic development benefits for both the target country and the US
- Ensure that other contributors match the Seed Fund grant at least equally, in cash or kind. Projects should use the Seed Fund grant to leverage as much support as possible from non-AID public and private sources.
- Clearly indicate which budget items the Seed Fund is expected to cover. Allowable items include travel expenses (airfare, if on US carriers), consultant fees (up to \$307/day) and other project-specific expenses. Seed Fund monies cannot be used to subsidize regular state or organization activities.
- Complete the funded activity within one year.
- Plan a start date that is no sooner than three months from the time the proposal outline is submitted to NASDA.

The Seed Fund is a flexible instrument intended for new, creative and innovative projects that meet the above criteria and that promise to contribute to the expansion of US business activity in the developing world. The Seed Fund will not support standard activities such as trade missions and trade shows. NASDA can provide brief descriptions of proposals approved for funding. They help demonstrate the intent of the program and the type of projects the Fund seeks to stimulate.

Grant Award Process:

NASDA and AID want to make the application process as swift, supportive and informal as possible. Once you have conceptualized a project that seems to meet the spirit and criteria of the Seed Fund, discuss it with NASDA. The staff can help design the project, for example, by providing guidance target industries and countries and by helping focus on AID priorities and developmental impact. You will then be asked to submit a one- or two-page outline, which should include highlights of the major ingredients of the project, i.e. who, what, where, why, how much, etc. The proposal format below lists the information that will eventually be needed. NASDA will review the project identification paper with relevant AID staff and then work with the applicant to amend and strengthen the proposal as needed. NASDA is prepared to help on-site, at no cost, in the organizing and final drafting of the proposal. When the grant application is complete, NASDA will present it to the appropriate offices in AID for approval. As soon as the project is approved, NASDA will send a formal agreement to the sponsoring organization. Note that the grants are made on a cost-sharing, reimbursable basis.

Countries Which May Be Eligible: (Please check with NASDA for current status)

AFRICA

Benin
Botswana
Burkina Faso
Burundi
Cameroon
Cape Verde
Central African
Republic
Chad
Cote d'Ivoire
Djibouti
Equatorial Guinea
Ethiopia
Gambia
Ghana
Guinea
Guinea-Bissau
Kenya
Lesotho
Liberia
Madagascar
Malawi
Mali
Mauritania
Mauritius
Mozambique
Namibia
Niger
Nigeria
Rwanda
Sao Tome/Principe
Senegal
Seychelles

Sierra Leone
Somalia
South Africa
Sudan
Swaziland
Tanzania
Togo
Uganda
Zaire
Zambia
Zimbabwe

ASIA

Afghanistan
Bangladesh
Cambodia
Cook Islands
Fiji
India
Indonesia
Kiribati
Laos
Mongolia
Nepal
Niue
Pakistan
Papua New Guinea
Philippines
Solomon Islands
Sri Lanka
Thailand
Tonga
Tuvalu
Vanuatu

Vietnam
Western Samoa

EUROPE

Albania
Bulgaria
Cyprus
Czechoslovakia
Estonia
Hungary
Ireland
Latvia
Lithuania
Poland
Portugal
Romania
USSR (former)
Turkey
Yugoslavia

Dominican Republic
Ecuador
El Salvador
Grenada
Guatemala
Guyana
Haiti
Honduras
Jamaica
Nicaragua
Panama
Paraguay
Peru
St. Kitts/Nevis
St. Lucia
St. Vincent
/Grenadines
Uruguay

NEAR EAST

Egypt
Israel
Jordan
Lebanon
Morocco
Oman
Tunisia
West Bank/Gaza
Yemen

**LATIN AMERICA &
the CARIBBEAN**

Antigua/Barbuda
Argentina
Barbados
Belize
Bolivia
Brazil
Chile
Colombia
Costa Rica
Dominica

For Further Information:

Please address any questions concerning the Seed Fund and submit proposals to:

Dan Waterman
NASDA
750 First St., N.E., Suite 710
Washington, D.C. 20002
TEL: 202/898-1302
FAX: 202/898-1312

NASDA/AID BUSINESS DEVELOPMENT SEED FUND

Suggested Format for Proposals

1. **TITLE**
2. **CONTEXT/INTRODUCTION**
 - a. Brief history
 - b. Problem addressed by the proposed project
 - c. Is the project part of a larger overall strategy? If so, describe.
3. **PROJECT DESCRIPTION**
 - a. Goals and objectives
 - b. Bilateral nature of the project
 - i. Benefits to US companies
 - ii. Benefits to host country companies
 - c. Project start and completion dates
4. **PARTICIPATING ORGANIZATIONS**
 - a. Brief description of the project sponsor and the other participating organizations
 - b. Extent of involvement by each participating organization, including staffing, cash and in-kind contributions
5. **PROJECT TASKS**
 - a. Major activities and tasks the sponsor will perform
 - b. Tasks the other participants will undertake
6. **EXPECTED OUTPUTS**
 - a. Specific accomplishments expected, quantified if possible (e.g. number of companies matched, leads generated, etc.)
 - b. Indirect benefits, including complementarily to the USAID program in the country
7. **FOLLOW-UP ACTIVITIES**
 - a. Description of project's sustainability
 - b. Steps to ensure results are supported and measured once the Seed Fund portion is completed
8. **BUDGET**
 - a. Budget by major line item (i.e. salaries, overhead, travel, etc.)
 - b. Justification of funded activities (i.e. daily rates, per diem, length of trips, etc.)
 - c. Sources of funding - include dollar value contributed by others
 - d. Amount of financial support requested from AID through the Seed Fund
 - e. Specific activities for which AID funds will be used (remember, AID funds can not be used to support current operating costs, charitable activities or building construction)

ATTACHMENT VIII

Seed Fund Case Study and Brief Project Description

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MINNESOTA/PHILIPPINES CASE STUDY

The Minnesota Trade Office sought to initiate a project that would help the state's small and medium-sized businesses expand into international markets and boost the sales of their value-added processed food products. Having successfully completed a similar project in Costa Rica approximately one year earlier, the state of Minnesota and its Trade Office attempted to replicate the undertaking in the Philippines in May 1993. If successful, the project would familiarize Minnesota companies with a geographic region previously unknown by many for exporting, and would introduce Southeast Asian companies to new markets and channels of distribution through increased bilateral trade. Minnesota chose the Philippines for a project site in part because of its location and potential for commercial success in the ASEAN trading bloc, particularly in the agribusiness industry, and because the Philippines represents a gateway to that region of the world. Furthermore, with a Filipino community of over 5,000 people, Minnesota has a vested interest in maintaining positive business ties with the Philippines.

The means for accomplishing the state's goals was a "Table of Taste" promotion event, a function where food buyers, wholesalers, restaurateurs and government officials gathered to sample Minnesota produced foods. An exhibit of wares, ranging from frozen and microwave foods, to candies and cookies, to specialty pet food items, were displayed to more than 350 Filipino companies. Attendees of the event were impressed by the wide array of products; as one participant commented, "I never dreamed they had so many different kinds of food in Minnesota."

The mission was jointly organized by the State of Minnesota Trade Office and the U.S.-ASEAN Council for Business and Technology, Inc., with a number of other co-sponsors providing additional support. The Private Investment Trade Opportunities (PITO) Project, under the management of the U.S.-ASEAN Business Council, invited 25 Minnesota food manufacturing, equipment and processing companies to participate in the event. These companies were represented by 13 mission delegates, and were hosted in Manila on April 27 of this year.

All sectors-- public, private and nonprofit-- were tapped for funding prior to the start of the mission. The estimated cost for the full project was \$108,000. NASDA and the U.S. Agency for International Development (AID) Seed Fund provided a grant totaling \$20,000, and the USAID mission in the Philippines contributed \$9,000.

What follows is a brief description of the steps taken by the Minnesota Trade Office and the co-sponsors to ensure success for the project. The enterprise involved five distinct phases (not including follow-up and evaluation, which will be conducted in October). These five phases included: 1) identification of supplemental funding; 2) market research; 3) company recruitment and trade mission briefing; 4) pre-trip preparation and 5) the actual trade mission to Manila. The identification of funding involved soliciting agencies, both in the U.S. and the Philippines, for monies to support

the project. Some of these agencies included: The American Chamber of Commerce of the Philippines (AMCHAM); the Mid-American International Agri-trade Council (MIATCO); USDA/FAS Export Promotion Program and Private Sector Service Providers of the Philippines.

The second phase, market research, consisted of identifying products and companies suitable for inclusion in the project, and evaluating market constraints, size and position, for both countries. This phase also included the advance visit to Manila in February 1993. The trip allowed function organizers to secure the briefing speakers and hotel and reception accommodations for the April/May mission, and to compile the final list of attendees and distributors. The expedition also provided opportunities for officials from AID, AMCHAM and the American Embassy to meet and discuss pertinent details prior to the arrival of the Minnesota delegates.

Recruiting companies entailed marketing the project through press releases and target mailings as well as through meetings among leaders of the Minnesota Filipino community. The pre-trade mission briefing involved enlisting speakers; establishing a briefing location; and circulating a promotional brochure which included informational sections on the Philippine market, a best product listing and an itinerary for the April/May trip to Manila. Phase four, pre-trip preparation, included such activities as finalizing the Minnesota participant list and promotional events schedule, confirming the travel itinerary and printing the trade mission materials. The latter consisted mainly of "Table of Taste" reception invitations and exhibitor packets for the event. An additional item on the pre-trip preparation agenda was identifying a freight consolidator for transporting food products between the U.S. and the Philippines.

The final phase was the actual trade mission to Manila which took place between April 24 and May 2, 1993. Briefings on the Philippine food market were held, as well as site visits to grocery stores and manufacturing plants. The "Table Top" display and "Table of Taste" event were followed by one-to-one distributor meetings, where contacts were made and business relationships were forged. As one participant stated, "The actual number of people that I contacted was almost more than I could handle."

Follow-up on the trade mission is scheduled to take place in October. This will include a survey of all the participants who will evaluate the impact of the mission. The analysis will help measure the results, both commercial and developmental. It will also allow AID and the ASEAN Business Council to determine the mission's far-reaching effects on the Minnesota and Filipino business communities.

The results of this project, both commercial and developmental, were impressive. Each participating Minnesota company secured a minimum of four distributor or joint venture contacts. Long-term business and personal relationships were established between food service professionals in Manila and those from Minnesota. In excess of 300 Filipino companies from various food industry sectors took part in the exchange. A

positive secondary benefit was the fact that over 700 pounds of remaining food items were donated to a local Filipino orphanage. Participants from the U.S. and the Philippines extolled the mission, and have expressed interest in being involved in similar projects in the future. The likelihood of businesses from the two countries engaging in long-term commercial ventures is high. One company's representative stated that his company "expect[ed] to be doing business with two or more distributors before the year is complete." As a direct result of the "Table of Taste" project the two countries have strengthened their commercial ties. These accomplishments would not have been possible without the funding from the USAID Business Development Seed Fund as administered through NASDA. Small and medium sized businesses and the media proclaim the endeavor "a resounding success."

TITLE OF PROJECT: *Southern Illinois University Business Interchange Project*

COUNTRY INVOLVED: *Bulgaria*

PARTICIPATING GROUPS: *US: Southern Illinois University at Carbondale
Illinois World Trade Center
Eight US firms
Bulgaria: World Trade Center
Chambers of Commerce
Association of Technology Centers
Eight Bulgarian Firms*

PROJECT DESCRIPTION: *The project established an Active Business Center to serve emerging businesses in Bulgaria and to promote trade and co-ventures between Bulgarian and Illinois companies. The project provided management support, training and technical knowledge to the center staff, as well as produced information that aided US companies in identifying trade and investment opportunities in Bulgaria.*

PROJECT COST: *Full Project: \$55,000
NASDA/AID grant portion: \$20,000*

PROJECT DURATION: *Starting date: May 1992
Ending date: April 1993
The funded period of the project is complete; however, SIUC will continue to facilitate the initiatives which are in process.*

COMMERCIAL RESULTS: *8 preliminary matches were made between Illinois and Bulgarian firms. Final negotiations are underway for a US/Bulgarian joint venture between soft drink manufacturers and bottlers. Spin off activities from this venture include carbon dioxide generation, blow bubble bottle production, aluminum can production, and storage and distribution.*

DEVELOPMENTAL RESULTS: *This project facilitated the establishment of trade missions between US and Bulgarian firms that are expected to continue beyond 1993. It established a strong platform for further US/Bulgarian economic ties.*

TITLE OF PROJECT: *The World Trade Center Arizona/Holsum Bakery Project*

COUNTRY INVOLVED: *Hungary*

PARTICIPATING GROUPS: *US: World Trade Center Arizona
Holsum Bakery
Four US bakery enterprises
Small Business Development Centers
Maricopa Community College
Hungary: Hungarian Bakers Guild
World Trade Center Budapest*

PROJECT DESCRIPTION: *The project was designed to assist in modernizing the Hungarian baking industry. 6 Hungarian bakers were recruited for a two-week training program in Phoenix, Arizona. The training included a visit to 5 bakeries and an intensive business course, with a focus on bread manufacturing, automation techniques, frozen dough products, marketing information and financial planning.*

PROJECT COST: *Full Project: \$48,425
NASDA/AID Grant Portion: \$19,875*

PROJECT DURATION: *Starting date: May 24, 1993
Dates of Training Program: Sept. 5 - Sept. 19, 1993
The funded portion of the project ended Sept. 30, 1993*

COMMERCIAL RESULTS: *Business contacts made during the training program resulted in over \$1 million in potential sales in 1994, with an expected \$3 million during the following three years.*

DEVELOPMENTAL RESULTS: *This intensive training course assisted the bakers in developing entrepreneurial business skills and modern baking techniques. The program will have a positive impact on the Hungarian baking industry as well as generating export sales for the US.*

TITLE OF PROJECT: *Louisville Business Matchmaking Project*

COUNTRIES INVOLVED: *Ecuador
Colombia
Venezuela*

PARTICIPATING GROUPS: *US: Four American companies
University of Louisville
Kentucky World Trade Center
Louisville/Jefferson County Office of Economic
Development
South America: Government officials and
individual companies*

PROJECT DESCRIPTION: *The project brought a US team to Ecuador, Columbia and Venezuela to establish business activities between South America and Kentucky. The visit generated interest in future business development initiatives, particularly in the areas of transportation and waste management. The project also focused on finding business partners for the participating companies and establishing joint university research projects and student exchanges.*

PROJECT COST: *Full project: \$87,400
NASDA/AID Grant Portion: \$20,000*

PROJECT DURATION: *Starting Date: January 1993
Trip Date: February 1993
The funded portion of the trip ended June 30, 1993*

COMMERCIAL RESULTS: *Half of the South American companies contacted have placed orders to American companies. Four Kentucky companies reported sales in excess of \$380,000. A transportation study, waste management project, and several university exchange programs have been established as well. Communications continue and more business results are expected.*

DEVELOPMENTAL RESULTS: *The project implemented a solid base for further economic interactions between Kentucky and South America, created an educational mission that will help provide an educated and experienced workforce for future ventures as well as established a waste management program that fit in with AID's strategy in Ecuador.*

ATTACHMENT IX

**Miscellaneous Tech Fund Charts
Tech Fund Brochure**

**US-AEP/NASDA TECHNOLOGY FUND
APPROVED PROJECTS STATUS
October 1, 1993**

Project	Total Cost	Federal Government Share	State	Country Involved	# of US Companies Involved
Montana/GeoResearch Mapping Technologies Project in South and Southeast Asia (#1)	\$51,200	\$23,000	Montana	South and Southeast Asia	1
Utah/TerraTek Project in Malaysia and the Philippines (#2)	\$50,630	\$20,150	Utah	Malaysia and the Philippines	1
Mid-America World Trade Center Project in the Philippines (#3)	\$94,516	\$19,939	Kansas	Philippines	10
Alaska Energy Infrastructure Development Assistance in Mongolia (#4)	\$44,027	\$20,000	Alaska	Mongolia	7
Kenan Institute of Private Enterprise Project in Indonesia and Thailand (#5)	\$108,345	\$29,560	North Carolina	Indonesia and Thailand	10
California Environmental Protection Agency in Thailand (#6)	\$67,700	\$23,700	California	Thailand	2
Florida Division of International Trade and Development in Taiwan and Korea (#7)	\$80,000	\$19,500	Florida	Taiwan and Korea	10
Minnesota Trade Office/Bio-Pak Super Absorbent in the Philippines (#8)	\$40,000	\$20,000	Minnesota	Philippines	1
Lafayette (CA) Chamber of Commerce / Prometrika in Thailand (#9)	\$92,525	\$20,000	California	Thailand	1
Washington State /Unisyn Biowaste Technology in Thailand and Taiwan (#10)**	\$32,300	\$14,950	Washington, Hawaii	Thailand and Taiwan	1
Connecticut / Pollution Control Exports USA in Hong Kong and South Korea (#11)	\$161,570	\$30,000	Connecticut	Hong Kong and South Korea	15
Oregon State / Oregon Environmental Technology Association in India (#12)**	\$71,550	\$20,050	Oregon	India	Multiple
Alliance for Responsible CFC Policy in Indonesia, Hong Kong and Taiwan (#13)**	\$89,590	\$11,148	Virginia	Indonesia, Hong Kong and Taiwan	3
International Institute for Energy Conservation (IIEC) in Thailand (#14)	\$104,450	\$30,000	Washington, DC	Thailand	5
World Trade Center of Denver in Hong Kong, Korea, Taiwan, Thailand and Nepal (#15)	\$77,875	\$19,996	Colorado	Hong Kong, Korea, Thailand and Nepal	1
Pacific Basin Economic Council in Taiwan (#16)	\$122,565	\$28,565	Illinois	Taiwan	8
US - Philippine Business Committee in the Philippines (#17)	\$55,475	\$19,910	Washington, DC	Philippines	4
World Trade Center Pittsburgh in Korea (#18)**	\$88,700	\$20,400	Pennsylvania	Korea	9
Washington Department of Trade & Economic Development/AET & PRJ in India (#19)	\$69,500	\$20,000	Washington	India	Multiple
Maryland Trade Division in Indonesia (#20)	\$130,500	\$25,000	Maryland	Indonesia	Multiple

**US-AEP/NASDA TECHNOLOGY FUND
APPROVED PROJECTS STATUS
(CONTINUED)
October 1, 1993**

Project	Total Cost	Federal Government Share	State	Country Involved	# of US Companies
Bangladesh US Business Council in Bangladesh (#21) **	\$33,782	\$19,038	Virginia	Bangladesh	Multiple
Massachusetts Environmental Business Council in Thailand, Malaysia and Indonesia (#22)	\$127,660	\$20,000	Massachusetts	Thailand, Malaysia, Indonesia	4 to 6
Maryland-Washington District Export Council (#23)	\$90,000	\$27,000	Maryland	Indonesia, Singapore, Malaysia	Multiple
Washington State and Resource Management, Inc. (#24)	\$62,552	\$18,100	Washington	Malaysia, Indonesia	1
Idaho Department of Commerce and Environmental Research and Development, Inc. (#25)	\$58,455	\$15,500	Idaho	Taiwan, Indonesia, Singapore	1
Environmental Technology Export Council and Wahlco Environmental Systems, Inc. (#26) **	\$85,150	\$20,000	California	India	1
Los Angeles / California Energy Commission (#27)	\$79,000	\$20,000	California	India	Multiple
Kansas Department of Commerce and Housing / Innovative Material Systems, Inc. (#28)	\$115,540	\$20,000	Kansas	Thailand	1
Oregon Economic Development Department / Global Resources Institute (#29)	\$59,885	\$20,000	Oregon	Nepal	1
Alabama District Export Council (#30)	\$114,250	\$20,000	Alabama	Hong Kong, Thailand, Korea	5
WWEMA / Kent Meters, Inc. (#31)	\$86,760	\$20,000	Florida, Virginia	Thailand, Indonesia, Philippines	1
Colorado / Colorado Geothermal Enterprises (#32)	\$98,125	\$20,000	Colorado	Philippines	4
Environmental Technology Export Council / American Environmental Technology Consortium in Asia (#33)	\$112,500	\$23,000	Multiple	Malaysia	20
Dekalb County Chamber of Commerce / G&G Sanitation (#34)	\$88,200	\$20,000	Georgia	Thailand, Taiwan	1
California Environmental Protection Agency / International Marine Supply Company (#35)	\$35,200	\$10,000	California	Malaysia, Singapore	1
World Trade Center Arizona / Waterman International (#36)	\$51,100	\$20,000	Arizona	Southeast Asia, India	1
Massachusetts Port Authority / Lenox Institute of Water Technology (#37)	\$52,200	\$19,600	Massachusetts	India	1

** NOTE: PROJECT HAS BEEN CANCELED OR REDUCED IN SCOPE.

US-AEP/NASDA ENVIRONMENTAL /ENERGY TECHNOLOGY FUND
State and Targeted Country Focus
October 1, 1993

37 Total Projects Approved

COUNTRY TARGETED	PROJECT #	TOTAL # OF PROJECTS IN COUNTRY	STATES INVOLVED	# OF DIFFERENT STATES INVOLVED IN COUNTRY
Bangladesh	#21	1	VA	1
Bhutan				
Brunei				
Cambodia				
Cook Islands				
Fiji				
Hong Kong	#11, 13, 15, 30	4	CT, VA, CO, AL	4
India	#19, 26, 27, 36, 37	5	WA, CA, CA, AZ, MA	4
Indonesia	#5, 13, 20, 22, 23, 24, 25, 31	8	NC, VA, MD, MA, MD, WA, ID, FL	7
Kiribati				
Korea, Rep. of	#7, 11, 15, 18, 30	5	FL, CT, CO, PA, AL	5
Macau				
Malaysia	#1, 2, 22, 23, 24, 33, 35	7	MT, UT, MA, MD, WA, DC, CA	7
Maldives				
Marshalls				
Micronesia				
Mongolia	#4	1	AK	1
Nepal	#1, 29	2	MT, OR	2
Niue				
Papua, New Guinea				
Philippines	#2, 3, 8, 17, 31, 32, 36	7	UT, KS, MN, DC, FL, CO, AZ	7
Singapore, Rep. of	#23, 25, 35	3	MD, ID, CA	3
Solomon Islands				
Sri Lanka				
Taiwan	#7, 10, 13, 15, 16, 25, 34	7	FL, VA, CO, IL, ID, GA	6
Thailand	#5, 6, 9, 10, 14, 15, 22, 28, 30, 31, 34	11	NC, CA, CA, WA, DC, CO, MA, KS, AL, FL, GA	10
Tonga				
Tuvalu				
Vanuatu				

TITLE OF PROJECT: *Connecticut/Pollution Control Exports USA
Technology Export Program*

COUNTRIES INVOLVED: *Hong Kong
South Korea*

SPONSORING ORGANIZATION: *Connecticut Department of Economic Development*

PARTICIPATING GROUPS: *US: 24 small pollution control equipment
manufacturers.
Hong Kong: Four Gay Engineering, LTD.
Korea: KNJ International, LTD.*

PROJECT DESCRIPTION: *The project created a distribution channel from
U.S.environmental technology manufacturers,
through Pollution Control Exports USA, to
distributors in the target countries. Pollution Control
Exports US selected and trained the Asian
distributors while creating export arrangements with
the American manufacturers.*

PROJECT COST: *Full project: \$139,245
US-AEP/NASDA Grant Portion: \$30,000*

PROJECT DURATION: *Starting date: February 1993
The funded portion of the project ended in June
1993. However, Pollution Control Exports USA
continues to monitor the economic repercussions of
the American business presence the initiative
established in Southeast Asia.*

COMMERCIAL RESULTS: *Commercial objectives of the project exceeded
projections. Sales of over \$350,000 have occurred
and more than \$15 million in commercial offers are
outstanding in over 20 bids by distributors to end
users in the target countries.*

DEVELOPMENTAL RESULTS: *The project facilitated the export of environmental
technologies to Hong Kong and South Korea as
well as training a foreign sales force in the project's
products. An active market for environmental
technology in Southeast Asia yields air, water, and
other pollution control benefits.*

TITLE OF PROJECT: *World Trade Center of Denver Emissions Technology Demonstration Project*

COUNTRIES INVOLVED: *Hong Kong, Korea, Taiwan, Thailand, and Nepal*

PARTICIPATING GROUPS: *US: Remote Sensing Technologies,
WTC Denver
ASIA: Governmental agencies and environmental groups*

PROJECT DESCRIPTION: *The initiative promoted a new emissions pollution control technology (Remote Sensing Device, RSD-1000) in Southeast Asia. RSD-1000 is a device for measuring the carbon monoxide and hydrocarbon pollutant levels from the emission plumes of passing vehicles. A demonstration team analyzed the exhaust of about 35,000 vehicles in order to determine the distribution of municipal mobile pollution. These "live" demonstrations exposed government and environmental organizations to the use and benefits of this new technology.*

PROJECT COST: *Full project: \$77,875
US-AEP/NASDA Grant Portion: \$19,996*

PROJECT DURATION: *Starting Date: March 1993
Key Activity Dates: July 6 - early August, 1993*

COMMERCIAL RESULTS: *The trip resulted in six potential sales of remote sensors (at \$130,000 each).*

DEVELOPMENTAL RESULTS: *The RSD-1000 readings permit estimates of the pollution created by mobile emissions. From this information, it is possible to determine how much fuel might be saved by a stoichiometric tune-up program or by other approaches to pollution reduction. Such programs yield fuel savings as well as air quality improvement.*

TITLE OF PROJECT: *Florida Division of International Trade and Development Technology Transfer Mission*

COUNTRIES INVOLVED: *Taiwan
Korea*

PARTICIPATING GROUPS: *US: 10 American environmental technology companies
ASIA: 79 Korean companies
38 Taiwanese firms
6 Taiwanese government agencies*

PROJECT DESCRIPTION: *The project introduced U.S. companies and environmental technologies to Asia through seminars with interested companies and government purchasing agencies. One-on-one site visits followed each seminar; these missions coincided with INPOCO (a Korean Environmental Trade Show).*

PROJECT COST: *Full project: \$80,000
US-AEP/NASDA Grant Portion: \$19,500*

PROJECT DURATION: *Starting Date: January 1993
Key Activity Dates: April 19-20, 1993
INPOCO: April 19 - 23, 1993*

COMMERCIAL RESULTS: *The U.S. companies enjoyed success in all areas -- sales, agents, joint ventures and discussion of licensing arrangements. An estimated \$350,000 in business was written during the mission with an estimated additional \$750,000 over the next twelve months. Seven transfer/agent agreements were signed. The possibility of a \$5 million harbor clean-up project that would involve 10-15 additional Florida companies was discussed with Taiwanese government officials.*

DEVELOPMENTAL RESULTS: *An active market in environmental technology in ASEAN environmentally as well as economically beneficial. Pollution control and prevention technologies are a necessary step in the creation of effective environmental policy and practice in Asia.*



National Association of State Development Agencies

750 First Street, N.E., Suite 710
Washington, D.C. 20002

MILES FRIEDMAN
Executive Director

(202) 898-1302
FAX: (202) 898-1312

US-AEP/NASDA ENVIRONMENTAL/ENERGY TECHNOLOGY FUND

The US-Asia Environmental Partnership (US-AEP) launched the Environmental/Energy Technology Fund (the Fund) with funding from the US Agency for International Development (AID) provided to the National Association of State Development Agencies (NASDA) under an existing Cooperative Agreement. NASDA is a private, nonprofit trade association whose members include the cabinet-level economic development officials from state governments across the United States.

Purpose:

The Environmental/Energy Technology Fund was established in September 1992 to draw US business in environmental and energy efficiency sectors to the markets of Asia, especially to the developing countries of the region. The objective is to generate business transactions and relationships, which contribute to economic development and help meet the environmental challenges facing the nations of Asia. The Fund can provide matching grants to US businesses through state development agencies, trade associations, chambers of commerce (including American Chambers in Asia) and other intermediary organizations to undertake innovative projects aimed directly at stimulating business activity in Asia in the environment and energy efficiency fields. In addition to the mutual commercial benefits, the technology transferred will have a positive impact on environmental conditions in Asia.

The Program Offers:

Financial Support - The Fund can provide grants of \$10,000 to \$20,000 on a matching basis for qualified projects.

Technical Assistance - NASDA can provide advice and serve as liaison with the US-AEP network during the design and implementation of project proposals.

Eligibility:

The US-AEP/NASDA Environmental/Energy Technology Fund is available to US companies through business development organizations that, in general, are not-for-profit and have a demonstrated track record in international trade and investment activity. Examples include state and local economic development agencies, cities, trade associations, industry groups, chambers of commerce, universities and economic development corporations. Companies should work with such groups to obtain grants from the Fund.

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To Qualify for Grant Awards, Project Proposals Must Provide Evidence That:

- Specific business transactions or significant market breakthroughs are likely to result directly from the activities of the project. In addition to producing near-term commercial results, the project should help develop long-term business relationships.
- The environmental and energy efficient technologies involved are sound.
- The applicant and participating US firms are convinced of the business potential of the project and are committed to it. They must be willing, for example, to invest at least as much as they request from the Fund. (The grant awards will mainly be in the range of \$10,000 to \$20,000, but can be as much as \$30,000.)

The cost sharing, or matching ratio, requirements will vary according to the development status of the country in which the activity will be undertaken. Thus, while an equal match of resources will meet the minimum target for a grant involving a less developed Asian country, applicants with projects aimed at the advanced markets will be expected to contribute a much higher share of the total cost. The list of countries on the next page includes the ratio of resources required to match each grant dollar from the Fund.

In addition to their own resources, proposers are encouraged to seek funding from other private and public sources, including federal agencies such as the Small Business Administration.

Additional Weight Will Be Accorded Proposals That:

- Tackle problems and target specific commercial opportunities, not merely explore the market.
- Involve primarily small and mid-sized firms.
- Have a high probability of producing significant commercial results within six months.
- Originate from first-time applicants.
- Focus on the less developed nations of Asia.
- Incorporate an integrated team of companies and plans for sustained follow-up.
- Demonstrate a high matching ratio and a large percentage of cash versus in-kind share of costs.

The Fund is a flexible instrument intended for new and innovative activities that meet the above criteria and that promise to contribute to the expansion of US-Asian business in the environmental and energy efficiency sectors. Grants from the Fund can be used to finance such expenses as: shipment of equipment for pilot demonstrations; per diem; airfare (for the project organizer); the costs of conducting technical and training workshops; translators; adaptation of technology at the Asian site.

Grant Award Process:

NASDA wants to make the application process as easy as possible. Once you have identified a market opportunity that seems to meet the objectives and criteria of the Fund, discuss it with NASDA. You may be asked to submit a one-page outline. NASDA is prepared to assist you in designing a focussed project proposal.

Formal proposals should be submitted by a recognized trade development multiplier organization, either as the direct organizer or on behalf of constituent companies. Proposal submissions should cover the points in the suggested format on the next page, but should not be lengthy nor elaborate. In most cases a total of five pages will be sufficient.

NASDA will screen and present the grant requests to a project review panel, which may be composed of representatives of such organizations as AID, the US Chamber of Commerce, the Environmental Protection Agency, trade associations, state trade agencies and the US Department of Commerce.

The panel will plan to meet the first week of every month. Written proposals should reach NASDA by mid-month in order to be considered at the next panel session.

Once the panel approves a grant, NASDA will send a letter of commitment and an agreement to the sponsoring organization. NASDA will provide reimbursement for the approved expenditures as soon as the vouchers and a brief final report are submitted.

Asian Countries Eligible to participate in the US-AEP/NASDA Tech Fund:

Bangladesh * (1:1)	Korea, Rep. of (3:1)	Papua New Guinea * (1:1)
Bhutan * (1:1)	Macau (3:1)	Philippines * (1:1)
Brunei (3:1)	Malaysia * (2:1)	Singapore, Rep. of (3:1)
Cambodia (1:1)	Maldives * (1:1)	Solomon Islands * (1:1)
Cook Islands * (1:1)	Marshall's * (1:1)	Sri Lanka * (1:1)
Fiji * (1:1)	Micronesia * (1:1)	Taiwan (3:1)
Hong Kong (3:1)	Mongolia * (1:1)	Thailand * (2:1)
India * (1:1)	Nepal * (1:1)	Tonga * (1:1)
Indonesia * (2:1)	Niue * (1:1)	Tuvalu * (1:1)
Kiribati * (1:1)		Vanuatu (1:1)

* Countries receiving bilateral AID assistance
(:) ratio of applicant resources required for each grant dollar

For Further Information:

Please address any questions concerning the Fund and submit proposals to:

Dan Waterman
NASDA
750 First St., N.E., Suite 710
Washington, D.C. 20002
TEL: 202/898-1302
FAX: 202/898-1312

US-AEP/NASDA ENVIRONMENTAL/ENERGY TECHNOLOGY FUND

Suggested Format for Proposals

1. **CONTEXT/INTRODUCTION**
 - a. Business opportunity and environmental/energy problem addressed by the proposed project
 - b. Is the project part of a larger overall strategy? If so, describe.

2. **PROJECT DESCRIPTION**
 - a. Objectives, strategy and key activities
 - b. Specific business results expected from the activities
 - c. Project start and completion dates

3. **PARTICIPATING ORGANIZATIONS**
 - a. Brief description of the non profit intermediary and of each participating company
 - b. Brief description of the environmental/energy technologies involved in the project

4. **EXPECTED OUTPUTS**
 - a. Specific accomplishments, including the dollar value of business transactions expected within six months
 - b. Longer-term benefits, including licensing and distribution arrangements, impact of transferred technology on the environmental situation

5. **FOLLOW-UP ACTIVITIES**
 - a. Description of how the project will be sustained
 - b. Steps to ensure results are supported and measured

6. **BUDGET**
 - a. Budget by major line item (i.e. salaries, overhead, travel, etc.)
 - b. Justification of funded activities (i.e. daily rates, per diem, length of trips, etc.)
 - c. Sources of funding - include dollar value contributed by others
 - d. Specific activities for which the money requested from the Fund will be used

ATTACHMENT X

GABDI Report

**U.S.-ASEAN COUNCIL
for Business and
Technology, Inc.**

1400 L Street, N.W.
Suite 375
Washington, D.C. 20005-3509
202-289-1911
Fax: 202-289-0519

FINAL REPORT

GOVERNOR-AMBASSADOR BUSINESS DEVELOPMENT INITIATIVE (GABDI)

*A project sponsored by:
THE U.S.-AGENCY FOR INTERNATIONAL DEVELOPMENT*

U.S.-ASEAN Council
Washington, D.C.

August 1993

FINAL REPORT

GOVERNOR-AMBASSADOR BUSINESS DEVELOPMENT INITIATIVE

(July 1990 - November 1992)

OVERVIEW

Between 1990 and 1992, the Governor-Ambassador Business Development Initiative (GABDI) project successfully promoted ASEAN business opportunities to U.S. businesses and increased U.S.-ASEAN business ventures by organizing three industry targeted, Ambassador-hosted- Governor-led business mission to the ASEAN region.

GABDI was sponsored by the U.S.-Agency for International Development and managed through a joint effort between state development agencies, the U.S.-ASEAN Council for Business and Technology Inc. the National Association for State Development Agencies, and U.S. Government Agencies.

GABDI project was successful in organizing several promotional seminars, senior level delegations and three governor-led, ambassador-hosted business missions to ASEAN from the states of Mississippi, Iowa and Ohio. GABDI missions were organized with the following goals and objectives:

1. **Governor and Ambassador participation.** GABDI missions were all organized with Governor participation and Ambassador support. Senior level leadership increased the visibility of the missions and improved the quality of business contacts and follow-up. Recruiting Governors to participate in focused business missions often proved to be a difficult task considering their busy schedules. This fact greatly decreased the number of missions that could be organized. The program did not reach its original goal of six missions to ASEAN due in major part to the difficulties of scheduling Governors to participate in the missions.
2. **ASEAN Focus.** GABDI project was focused on promoting business opportunities in ASEAN (The Association for Southeast Asian Nations: Brunei Darussalam, Indonesia, Malaysia, the Philippines, Singapore and Thailand). ASEAN is a region of 330 million people and tremendous economic growth. ASEAN is the third largest overseas market for the U.S. exports after Japan and the E.C. U.S. exports to ASEAN grew %86 percent from 1988 to 1992.
3. **Sector Focus.** GABDI missions had a sector focus. Agribusiness, Food Processing and Packaging, machine tools and plastics machinery were all selected because of they were strong sectors in the states which matched well with ASEAN opportunities.
4. **Advance Preparation.** GABDI missions were organized with at least one-year of lead time. Recruitment seminars and pre-mission briefings were held in order to thoroughly prepare mission participants.

5. **Coordination.** Close cooperation between the states, federal agencies, NASDA and the U.S.-ASEAN Council resulted in companies receiving tailored support.

Follow-up. Working with companies after the mission is critical to the success of any trade and investment promotion program. State Development Agencies, the Council, NASDA and U.S. Government Agencies are assisting mission members as needed and are initiating programs to further promote ASEAN to the States.

THE RESULTS

The GABDI project was successful in obtaining short-term transactional results and identifying opportunities for long term commercial development. Since July, 1990 the GABDI project has organized fifteen (15) ASEAN business opportunity seminars and three (3) governor-led, ambassador hosted business missions to ASEAN. These programs were all organized in close cooperation with state development agencies and U.S. Government Agencies. The three GABDI missions have led to a reported **US\$10 million** in sales. Based on U.S. Department of Commerce statistics of one job for every \$40,000 in export sales, the GABDI missions can be credited with 250 jobs created or retained. Projected sales from these three missions are estimated at over **US\$20 million**. Other business deals are in process and require follow-up by the companies. Return visits to the ASEAN region were confirmed by a majority of the mission members.

Seminars:

GABDI promoted ASEAN business opportunities by helping to organize seminars in the following fifteen states:

California, Florida, Georgia, Illinois, Iowa, Maryland, Michigan, Minnesota, Mississippi, Montana, North Carolina, Ohio, Oklahoma, Oregon, and Texas.

It has been estimated that these seminars educated over three-thousand U.S. companies on business opportunities in the ASEAN region, as well as involved numerous state and federal trade representatives.

Senior Delegations:

GABDI assisted three (3) states in organizing senior level delegations to ASEAN:

- Montana** - A business mission led by Senator Max Baucus to Singapore and Malaysia
- Arkansas** - A fact-finding delegation from the Arkansas Department of Economic Development to Singapore and Malaysia
- Georgia** - A delegation led by Governor Zell Miller to Singapore

GABDI Business Missions:

State of Mississippi (April 25 - May 4, 1990)

Governor Ray Maybus led the first GABDI mission of four Mississippi companies to Singapore and Malaysia. Company participants all developed concrete leads and gave the mission high ratings. Governor Maybus and his delegation received the full support of the Mississippi Department of Economic Development and the U.S. Government, including the U.S. Ambassadors in Singapore, and Malaysia, the U.S. Department of Commerce and Foreign Commercial Service, U.S. Agency for International Development, the U.S. Department of State, as well as the U.S.-ASEAN Council.

Trade Results. One company made an equipment sale valued at over \$US 300,000 as a result of the mission.

State of Iowa (November 23 - December 7, 1990)

Eight agribusiness-related firms from the state of Iowa participated in a Governor-Ambassador Business Development Initiative Mission to Singapore, Thailand, and Malaysia.

The Iowa mission was successful in both obtaining immediate transactional results and identifying opportunities for long term commercial development. Governor Terry Branstad and his delegation received the full support of Iowa Department of Economic Development and the U.S. Government, including the U.S. Ambassadors in Singapore, Thailand, and Malaysia, the U.S. Department of Commerce and Foreign Commercial Service, U.S. Department of Agriculture and Foreign Agricultural Service, U.S. Agency for International Development, the U.S. Department of State, as well as the U.S.-ASEAN Council.

Trade results. All eight corporate participants reported uncovering immediate and long term business opportunities during the mission. Two firms have established distributor relationships in ASEAN. Reported sales by the companies are approximately \$ 3 million. Total projected potential sales through 1992 are estimated at \$ 30 to 50 million.

- One Iowa company, a food processing equipment manufacturer, has established distributorship relationship in Thailand as a result of the mission and is now selling equipment throughout the ASEAN region.
- An Iowa animal pharmaceutical product manufacturer has had three products licensed in Thailand and expects sales to follow in the future.
- A mission member that manufactures grain handling facilities has reported \$230 thousand in sales from the mission.

- An Iowa mission member that manufactures livestock supplements has reported \$79 thousand in sales as a result of the mission and is anticipating \$60 thousand in additional sales this year.

Investment results. Two firms indicated that they are pursuing manufacturing investments in the region. Two others have indicated that they will investigate the establishment of a regional manufacturing facility. Total potential investment for these four Iowa firms can be estimated at \$ 200 million.

State of Ohio
(September 5 - 19, 1992)

Ohio Governor George Voinovich and thirteen (13) Ohio manufacturing companies participated in a business mission to Southeast Asia. They visited Thailand, Singapore, Malaysia and Indonesia. The companies represented three targeted industries: machine tools, food processing/packaging machinery, and plastics production/processing machinery. The thirteen companies participating on the mission represented small to large manufacturers , with employees from 20 to 9500. Annual sales ranged from US\$ 3 million to US\$ 1 billion. Three of these companies have a presence in the ASEAN Region and 7 of the companies were new-to-market or marginal exporters to ASEAN. It should be noted that two Ohio Companies who had committed to the mission, M&M Precision and Investment Recovery Consultants, were not able to participate. However, leads were generated by FCS for these companies and were sent to them for action and follow-up.

The mission was organized by the International Trade Division (ITD) of the Ohio Department of Development in cooperation with the U.S. & Foreign Commercial Service (U.S. & FCS) and the U.S.-ASEAN Council (USAC). In addition, the mission members received the full support of the U.S. Ambassadors in Thailand, Singapore, Malaysia and Indonesia. The Ohio mission was the third Governor/led business mission organized as part of the U.S. AID sponsored Governor-Ambassador Business Development Initiative (GABDI).

Trade Results. The Ohio mission was successful in obtaining immediate transactional results and identifying opportunities for long term commercial development. During the mission the companies completed a total of 597 business appointments and site visits. According to mission members, overall quality of the business appointments was good. A total of US\$ 4.2 Million in machinery orders were received by 6 of the 13 companies. Based on U.S. Department of Commerce statistics of one job for every \$40,000 in export sales, the Ohio Mission can be credited with an immediate benefit of 100 jobs created or retained. There were 113 requests for proposals, 9 representative agreements projected at US\$ 8 million. There are 103 potential orders estimated at US\$16 million. Other business deals are in process and require follow-up by the companies. Return visits to the ASEAN region were confirmed by all of the 13 companies. Follow-up activities organized by ITD and USAC are ongoing.

Governor Voinovich had 36 meetings with ASEAN business and government officials during the mission. The Governor introduced opportunities for trade and investment with the State of Ohio to these officials and found common ground between Ohio and these countries,

particularly in the areas of energy, the environment, and education. The Governor visited with a Prime minister, Deputy Prime Minister, two Governors and Ministers of Trade, Environment, Energy and Education. The Governor also spent time with each Ohio company and had daily breakfast meetings to monitor the progress of their business programs.

- As a direct result of the mission, one Ohio machine tool company established distributor relationships in Thailand, Malaysia and Indonesia. The representatives of all three distributorships visited Ohio in 1993 for training. Their interest in training has led the Ohio company to offer training classes dedicated exclusively to export customers.

Individual Counselling:

The GABDI project helped counsel U.S. companies on business opportunities in the ASEAN countries. Working closely with state development agencies, GABDI provided services to companies such as information on markets, trends and opportunities, "how to do business in ASEAN", and public and private support programs and contacts.

FOLLOW-UP

The U.S.-ASEAN Council is following-up with GABDI participants and continuing it's cooperative work with the states through the *Private Investment and Trade Opportunities (PITO) Project*. PITO assists U.S. and ASEAN companies to increase business ties by providing market information and trade and investment promotion programs. Currently, the main industry sectors emphasized for PITO are environmental services, energy, food processing and packaging and health care equipment. PITO is managed by the U.S.-ASEAN Council and has offices in all six ASEAN countries. PITO is funded by a grant from the ASEAN Regional Office of the U.S. Agency for International Development, with contributions from the U.S. and ASEAN public and private sectors.

PITO is currently supporting several states and industry associations which are planning ASEAN programs in 1993. The states include: California, Colorado, Georgia, Louisiana, New York, Washington and the members of the Central States Trade Initiative (Illinois, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, Wisconsin)

COORDINATION: ROLES AND RESPONSIBILITIES

State Development Agencies. The state development agencies were the key to the success of GABDI missions. They organized the missions and took the lead in recruiting companies, developing the Governors' schedules, organizing pre mission seminars and briefings, promoting the missions and completing mission materials. The states also organized several advance trips to ASEAN in support of the missions.

Embassies and U.S. Government Agencies. Programs were organized and promoted with the full support of U.S. Government Agencies particularly the U.S. Agency for International Development, the U.S. Department of Commerce/Foreign Commercial Service, and the U.S.

Department of Agriculture/Foreign Agricultural Service. Ambassadors and U.S. Embassy personnel in ASEAN supported the business missions.

NASDA. GABDI project planning and implementation received the full support from the National Association of State Development Agencies. NASDA, whose members are the state economic and trade development agencies, helped promote the initiative to its member states.

U.S.-ASEAN Council. GABDI was managed by the Council, an private non-profit business association promoting increased commercial ties between the U.S. and ASEAN.

CONCLUSIONS

On the basis of mission participant evaluation forms and debriefings, ASEAN private companies and government agencies are very interested in U.S. products and technology. However, statistics show that in areas such as agribusiness, machine tool, food processing/packaging equipment and plastic/polymer production equipment the U.S. has a very small share of the ASEAN market. There good short-term results from the three GABDI missions, however, expansion of the U.S. market share in ASEAN will require a long term commitment from state and federal Government and U.S. private sector. This commitment will require long term market development strategies. A presence in the market, coordination with U.S. Government agencies involved in commercial promotion and manufactured product development, availability of competitive trade financing, and tailoring products to fit needs of local companies will all be important elements in being successful in the ASEAN market. All GABDI participants agreed that the missions were worthwhile and the ASEAN market is part of their future international trade planning. They all intend to return to this market in the future.

Following are highlights and conclusions from the GABDI project:

1. The project increased the awareness of ASEAN within the business community.
2. Leadership was critical to the success of the missions. The high level of involvement by Ambassadors and Governors enabled states to recruit higher quality companies and arrange better quality business appointments and surely will lead to more follow-up business.
3. Coordination among U.S. Government agencies, state agencies and other public and private organizers was a key to the GABDI projects success.
4. Businesses want help. American companies, large and small, are interested in international opportunities and new markets, but many are new to export or new to Southeast Asia are unsure how to begin. Many are unfamiliar with U.S. and State Government programs, and the role of U.S. Embassies, ambassadors and commercial officers. This project addressed the needs of these companies.
5. Exporters have a clear advantage over non-exporters. Several success stories unveiled during and after GABDI missions showed that exporting firms with

market share in ASEAN have weathered domestic economic downcycles and maintained and expanded their work forces.

6. Embassies now have a commercial emphasis and supporting American companies is a priority.
7. Follow-up with the participating companies and continued promotion of opportunities in ASEAN is greatly needed.

There were several key ingredients that led to the success of the GABDI Mission. Keys to the success of the missions included the following:

1. Support from Governors and the U.S. Ambassadors to the ASEAN Countries .
2. A lead time of one (1) year to properly plan mission and recruit companies. This lead time also enabled the companies to properly budget and allowed for the absence of their key marketing personnel and CEO's.
3. Selection of ASEAN market sectors which matched strengths of companies.
4. The missions maintained a business focus and stayed within the original three product sectors.
5. Selection of qualified companies.
6. Good cooperation between the State Development Agencies, U.S.-ASEAN Council, U.S. & Foreign Commercial Service, the U.S. Department of Commerce, the U.S. Department of Agriculture and Foreign Agriculture Service, the ASEAN embassies in the U.S. and the U.S. Embassies in ASEAN. Coordination and cooperation is also crucial to avoid misuse of scarce resources.

RECOMMENDATIONS

Long term commitment and coordination. The most important improvement for U.S. Government agencies and companies to make towards more effective market penetration is long term commitment and coordination.

Companies must recognize the importance of Southeast Asian markets, and make a commitment to penetrate the market and develop the demand for their products and services. This commitment will have to include technological adaptations to local market conditions, parts and service support, training and educating agents and distributors, and working with U.S. Government agencies. Similarly, companies must work harder to seek ways to benefit from U.S. Government programs designed to support their international marketing efforts. Firms could engender and improve support programs by: 1) Forming relationships with key agencies/persons in their sector; 2) Making creative suggestions for improving promotional and support efforts; 3) Taking part in training/educating U.S. Government personnel in how the private sector thinks, makes decisions, and how to best support international market development.

Emphasize preparation. It is the responsibility of executives travelling to Southeast Asia to be thoroughly prepared. This includes gaining up-to-date knowledge of host country market for products/services, understanding how business is conducted, becoming familiar with corporate and national culture, developing sophisticated data on various financing techniques,

and other sector-specific information (such as who is the competition, how are American products perceived in the sector, training and education alternatives, etc.).

It is the responsibility of U.S. Government agencies and NGO support groups to service U.S. companies seeking the information and support mentioned above. The U.S. private sector is the client. Coordination and cooperation is also crucial to avoid misuse of scarce resources.

ATTACHMENT XI

Seed Fund Media Exposure

Agency Plants Seed For Export Entrepreneurs

By CHARLES W. THURSTON

Journal of Commerce Staff

Minnesota popcorn has found a hot market in Costa Rica thanks to seed money from the National Association of State Development Agencies (Nasda).

Indeed, a wide variety of other trade entrepreneurs across the country increasingly are taking advantage of start-up capital available for export business development through two Nasda financial programs.

The Minnesota Trade Office, for example, last May established a food bridge to Costa Rica that has enabled state companies like Golden Valley Microwave Foods Inc., of Edina, Minn., to export mounds of microwavable popcorn, french fries and breakfast dishes.

At the same time, food products from Costa Rica have been flowing northward to U.S. companies like Austin, Minn.-based Hormel Foods Corp.'s Gourmet America division.

"Our imports from Costa Rica have increased 80% over the past year as a result of the program," said Ron Johnson, president of Hingham, Mass.-based Gourmet America, which imports palm hearts and a jalapeno-and-mustard spiced meat sauce from Costa Rica.

Based on the two-way success of the Costa Rica opening, Minnesota's Trade Office is planning a trip to the Philippines.

Lightly tapping the pocket of the U.S. Agency for International Development, Washington-based Nasda has helped some 150 U.S. companies to promote exports to developing nations over the past few years, ranging from food sales to environmental technology transfer. As a result, individual state export promotion offices finally have learned that the Third World is a market worth cultivating.

"We did a survey five years ago and the states said that they just weren't devoting resources to the developing world. Now 10% to 15% of their export promotion budgets — worth about \$100 million in aggregate — are for the emerging markets," said Dan Waterman, senior program manager for Nasda.

"We try to share the costs and risks to push the states into doing more (in the developing countries)," he explained. "States say they don't need help to go to Canada, so our role is the more visionary work of niches in a

country where the general market may not be good," Mr. Waterman added.

Handing out grants of up to \$20,000 each through its Business Development Seed Fund and through an environmental technology fund financed by the U.S.-Asia Environmental Partnership, Nasda has managed to leverage federal funds four or five times with state and private sector support, estimated Miles Friedman, executive director of Nasda.

"These grants have been catalysts, not the driving force behind the projects," he said.

Nasda has received increasing AID and U.S. Commerce Department support for its promotion programs at the same time the agencies' own budgets are being trimmed back, because Nasda's business approach fits U.S. policy goals.

"The reason for AID's assistance starts with the philosophy that we need a new approach to foreign policy that emphasizes commercial as well as political and social relationships," Mr. Friedman said. "One very appealing thing about this approach is that rather than having the U.S. government deciding what's good for these countries, you have a demand-driven program that makes sense financially, and that means in both directions," he pointed out.

Nasda's oldest fund began in 1988, to help not-for-profit groups like state development agencies foster the exports of for-profit companies. Similarly, Nasda's newest fund, begun in September 1992, aims at exporting U.S. environmental goods, services and technology to developing nations in Asia.

On April 18, Florida's Division of International Trade and Development will take a group of 10 environmental companies to Taiwan and South Korea, with \$19,500 worth of Nasda help.

The Florida companies and their state sponsor will spend a total of \$80,000 for the trip, to meet both with private sector companies and with government agencies in those countries likely to purchase environmental goods.

Overall, 22 different state-organized environmental export projects have been funded since September, and the count is expected to grow quickly. The U.S.-Asia Environmental Partnership is expected to finance \$100 million worth of projects in the next five years.

TRADING WITH KAZAKHSTAN

US Agencies * Fout Promise Of Kazakhstan As Partner

By KENNETH WOLF

Special to The Journal of Commerce

For U.S. exporters and foreign investors, the road to Kazakhstan for the most part, long and perilous.

But some U.S. agencies are helping to pave the way with seed money and technical assistance.

"Kazakhstan is a veritable gold mine. Companies that are willing to take a long-term view at this market stand a very good chance," said Claudia Liebrecht, director of international marketing at the Minnesota Trade Office in St. Paul.

With large deposits of oil, coal and metals, Kazakhstan ranked third in output in the former Soviet Union behind Russia and Ukraine.

But the country is landlocked, its infrastructure is limited and the Russian ruble is still the official currency, helping to bring inflation to an estimated at 600% last year, according to the U.S. Department of Commerce.

"It's rough there right now, but it's also a good time for U.S. companies to establish themselves," said Ms. Liebrecht, who is leading eight to 12 Minnesota companies on a trade mission to Kazakhstan, Russia and Ukraine in September.

The mission is receiving a \$10,000 grant from the newly independent States Bureau of the U.S. Agency for International Development, which will reduce the cost of the mission by about 10% for each participant, according to Ms. Liebrecht.

Money for the grant was allocated by the National Association of State Development Agencies based in Washington. In total, Nasdaq will be allocating \$125,000 in AID money to sponsor about 100 even business development projects in the former Soviet bloc.

"These sorts of projects are a part of a departure for U.S. AID," said Dan Waterman, senior program manager at Nasdaq. "Instead of being used to promote trade in the public sector, this money is being used to promote trade in the private sector."

While the maximum \$20,000 grants should help smaller companies rationalize the expense of exploring opportunities in Kazakhstan, the grant will help larger companies conduct demonstrations, ship samples and or-

Buying From

Principal Exports

Oil; ferrous and nonferrous metals; chemicals; grain; wool; meat.

Potential Growth Exports

Petroleum and petroleum products; machinery; copper; minerals; iron and steel; textiles; construction material; footwear.

Principal Foreign Markets

Russia, Ukraine, Uzbekistan.

Export Programs/Investment Incentives

Under U.S. trade policy, Kazakhstan is entitled to "most-favored-nation" status, allowing its exports to enter the United States at tariff rates between 5% and 10% for most commodities. The Overseas Private Investment Corporation, a U.S. government agency, began offering short-term export credit insurance on shipments to Kazakhstan last July. Bilateral trade and investment agreements between the United States and Kazakhstan were signed in January and February, guaranteeing the right to remit profits and protecting foreign investors from discriminatory practices. The base tax rate for corporations was reduced from 40% to 25% in June. Joint ventures between foreign investors and domestic enterprises are eligible for five-year tax abatements and other incentives.

Currency

Kazakhstan is part of the so-called ruble zone, a group of former Soviet Bloc countries that uses Russian currency. Current market rate: \$1=1060 rubles. The Central Bank of Kazakhstan issues credit to domestic banks that can be passed along to private enterprises.

Major Banks

Thirteen of the approximately 150 banks operat-

ing in Kazakhstan are licensed for foreign trade. Alem Bank, formerly the regional offices of the Soviet Union's Vneshekonombank, handles about three-quarters of all foreign transactions. Other major banks: National State Bank, Kazakh Republican Foreign Trade Bank, Chimkent Co-op Bank, Commercial Innovation Bank, Co-op Bank of the Almaty Union of Co-operatives, Kazdorbank.

Labor Force

Labor force is 8.3 million.

Language

Kazakh replaced Russian as the official language in 1989. Russian is still widely spoken.

Climate

The average Fahrenheit temperature in January ranges from 0° in the North to 27° in the South. In July, the average ranges from 66° in the North to 86° in the South.

International Transportation

There is an international airport in Almaty. Flights between the United States and Kazakhstan are routed through Western Europe.

Where to Stay During Buying Trips

Alatau, Almaty, Kazakhstan, Lake Sairan, Otar, Turkestan.

Official (Bank) Holidays

1993: Oct. 6, Dec. 16, 1994: Jan. 1, 2; March 2; May 1, 9; Oct. 6, Dec. 16.

Business Hours

Government: Monday-Friday 9 a.m. to 6 p.m. Banks: Monday-Friday 9 a.m. to 1 p.m. Commerce and industry: Monday-Friday 9 a.m. to 6 p.m.

Selling To

Principal Imports

Machinery and parts, industrial materials.

Principal Imports From the U.S.

Milk products, agricultural machinery, grains, medical instruments, wood products, automatic data processing machines, metal tubing.

Potential Growth Imports From the U.S.

Agricultural products, agricultural machinery, medical instruments, computers, construction material, telecommunications equipment.

Barriers to Trade

Though the government has restructured the economy over the last few years, price controls remain on several key products, including many food and consumer items. Kazakh companies are required to exchange at least 40% of their hard currency earnings to rubles at the Alem Bank. There is a value-added tax of 28%.

Principal Foreign Suppliers

Commonwealth of Independent States.

Market Size

Population is 17.1 million, growing at approximately 1% annually.

Domestic Industries

Extraction industries (oil, coal, iron ore, manganese, chromite, lead, zinc, copper, titanium, bauxite, gold, silver, phosphates, sulfur); iron and steel; nonferrous metal; agricultural machinery; electric motors; construction materials.

Domestic Agriculture

Grain, wheat, meat, cotton, wool.

Domestic Transportation

Rail links Almaty with Russia and points along the Trans-Siberian Railway. A service between Druzhba, a Kazakh city on the country's eastern border, and China was started last year. Several projects are under way to improve the country's road and rail networks, large portions of which are considered inadequate.

Infrastructure

Kazakhstan produces more than half a million barrels of oil a day, according to a U.S. Department of Commerce estimate this year. It also has abundant supplies of coal. However, the country is a net importer of electricity and several areas, especially in the North, have suffered frequent power shortages. The telephone system is considered outdated by the Commerce Department.

Monetary Policy/Inflation

Consumer prices are rose 1800% last year, according to Commerce Department estimates.

Economic Growth Outlook

While Kazakhstan has suffered through the painful transformation to a market economy, its potential remains great. It is estimated to have produced about one-fifth of the former Soviet Union's coal and oil. It is also laden with valuable metals and minerals, making it attractive to foreign investors.

New Brunswick cultivates ties with Hungary

By GAIL FERGUSON JONES

Food service and agriculture will be the focus of New Brunswick's second annual Hungarian trade exhibition and conference June 2-3, officials said yesterday.

The two-day conference, entitled "Trade 2000: Doing Business With and Through Hungary," will attempt to establish links between the food processing and agriculture industries in New Brunswick and its Hungarian sister city, Debrecen.

The trade fair will be held at Rutgers University's Musch Student Center in Piscataway.

"The tradition of agriculture and food related industries is one which our two cities share and want to see continue to flourish," said New Brunswick Mayor James Cahill, who noted the city's role as home to Rutgers University's Cook College, an agricultural school.

The two cities developed ties three years ago, and last year's trade fair brought together 150 entrepreneurs from throughout New Jersey and Hungary.

This year's event is to include a presentation entitled "Agriculture Opportunities in the International Arena," by state Agriculture Secretary Arthur Brown, as well as keynote ad-



Photo by Vic Venetie

Jane L. Tublin, director of the New Brunswick Sister Cities Program, discusses the Hungarian trade exhibition and conference with Hungarian Embassy Commercial Counselor Tibor Nemes, center, and August J. Molnar, president of the American Hungarian Foundation.

dresses by Time Warner Chairman Arthur R. Barron and Price-Waterhouse Co. Chairman James E. Daley. The conference will begin with a

Business Partnership Day intended to match Hungarian food and agricultural industry leaders with their American counterparts, followed by a symposium on the second day.

On June 5, the Hungarian Heritage Center, 300 Somerset St., New Brunswick, will host a workshop on business and trade issues.

Attending yesterday's announcement at the Hungarian Heritage Center were Senate Minority Leader John Lynch (D-Albion), American Hungarian Foundation President August J. Molnar, Hungarian Embassy Commercial Counselor Tibor Nemes and A. Philip Farzan, director of the state Division of International Trade.

Nemes, a staff member of Hungary's two-year-old Ministry of Economic Relations, said New Jersey is one of the states where Hungary has been most successful in developing business ties, especially with the recent establishment of the Hungarian American Chamber of Commerce-New York and New Jersey. "In certain places, we are not so successful," Nemes said.

New Brunswick's relationship with Hungary dates back to the turn of the century, and officials contend the city remains one of the largest Hungarian communities in the nation.

New Brunswick also has sister city ties with two cities in Japan—Tsuruoka and Fukui.

12/6



Mara Aacner/The Home News

Hungarian delegates listen to speakers through an interpreter at the symposium on the Busch Campus.

Sister city symposium Trade focus for New Brunswick, Debrecen

By JENNIFER BALJKO
Home News staff writer

PISCATAWAY — For many European countries, building trade relations with the United States in the 1990s may be a difficult but vital step in improving their economies.

Hungary, however, has already gotten a head start in the area through a trade program sponsored by New Brunswick and its Hungarian sister city Debrecen.

The success of the two-year program was reflected in the number of people who attended yesterday's Second Annual Trade 2000 Developing Hungarian Business Partnerships Symposium at the Busch Student Center in Piscataway.

More than 230 government officials and business leaders from the United States and Hungary, which included about 125 Hungarian representatives, met with the hope of improving trade relations and increasing business contacts between the two countries. Last year's symposium drew a crowd of less than 150.

The symposium, one of the many joint ventures sponsored by the New Brunswick and Debrecen Trade 2000 program, attracted a number of national, state, and local dignitaries including New Brunswick Mayor Jim Cahill, State Senator John Lynch, New Jersey's Secretary of Agriculture Auditor R. Brown Jr., Hungarian Ambassador Pal Tar, and Debrecen's Deputy Mayor Janos Mazsu.

"Traditional business practices of the past are not working in today's world," said Cahill. "Trade 2000 is gaining national recognition both in this country and Hungary as an innovative and open forum for leaders from the United States and Hungary to discuss trade and commerce."

The Trade 2000 program was developed two years ago to help focus business leaders on economic development issues and trade possibilities, said Jane Tublin, director of the New Brunswick Sister Cities program, adding that about 100 businesses in New Jersey and Hungary are currently participat-

ing in the program.

"The two cities thought that a trade program was important," said Tublin.

This year's symposium targeted the food, food processing and agricultural industry and how New Jersey and Hungary, particularly New Brunswick and Debrecen, have much to gain from each other in this area.

Debrecen, which became New Brunswick's sister city in 1990, is considered a prime agricultural area of Hungary. New Brunswick is the site of Rutgers University's Cook College, a nationally recognized agricultural college, and the Center for Food Technology also on the Cook campus.

"New Jersey and Hungary are not so very different," said Brown, adding that Hungary is the bread basket of Central Europe while New Jersey, known as the Garden State, is the third-ranking producer of farm products on the East Coast.

"As Hungary begins to shape its future, there are several ways for New Jersey to lend a hand," he said. Brown said that New Jersey is in a good position to help Hungary develop marketing, packaging, exporting and pest control programs, while at the same time New Jersey businesses can increase their trade opportunities overseas.

Hungarian officials also expressed their excitement about increasing the country's trading potential with the United States and New Jersey.

"This is the second time I have had the privilege to participate in a significant event that highlights the relations of not only New Brunswick and Debrecen, but of our two countries," said Tar. "Access to the current market is the key to the success of our transformation into a democracy and the transformation of our economy to a full-fledged market economy."

Hungarian ties in New Brunswick date back to the early 1900s when many Hungarian immigrants settled in the city. The city's Hungarian community is one of the largest in the country.

Tublin said the symposium ties in perfectly with tomorrow's 18th Annual Hungarian Festival.

Jersey agriculture officials make pitch for expanding ties with Hungary

By G.M.I. FERGUSON JONES

As a state with a long agricultural history and as a leader in food processing technology and research, New Jersey is "uniquely suited" to assist Hungarian food producers, state Agriculture Secretary Arthur R. Brown Jr. told entrepreneurs from the former Eastern-bloc nation yesterday.

"Right now, there are technological advances being made as a result of research conducted in New Jersey that will likely redefine the way the world processes and packages food in the future," Brown told some 200 business representatives from Hungary and the United States attending a trade fair in Piscataway.

Brown spoke on "Agricultural Opportunities in the International Arena" at New Brunswick's second annual Trade 2000 symposium, which this year targeted the food, food processing and agriculture industries.

The event is under the auspices of New Brunswick's sister city agreement with Debrecen, Hungary.

Debrecen Deputy Mayor Janos Mazsu addressed the gathering following the hospitalization Wednesday night of Mayor Jozsef Hevessy. The mayor was listed in stable condi-

Trade fair welcomes New Brunswick's sister city

tion yesterday in the surgical intensive care unit at St. Peter's Medical Center in New Brunswick after treatment - according to city officials - for a recurring problem with blood clots in one of his legs.

Mazsu noted that although Debrecen is the second largest city in Hungary and one of the nation's leading agricultural centers, the food industry has been in decline since the change to a free market economy because of the lack of capital investments.

He appealed for American assistance in modernizing factories, establishing distribution networks and helping independent farmers stay in business.

"We need a modern infrastructure. We need help with promoting our products," Mazsu said, adding, "Debrecen has an airport that provides a link with the rest of the world."

Brown noted the "immediate need" of Hungary's agricultural processing companies for "transitional technologies" and offered the assistance of New Jersey companies in providing new, used or reconditioned food processing equipment to Hungarian producers.

"Such equipment carries the benefit of proven methods and technologies without the high cost of new and experimental technologies," he said.

"In addition to fostering expansion of the Hungarian food processing industry, New Jersey can provide an important export market for Hungarian agricultural commodities," Brown said.

Among other areas in which the state is strong and can provide expertise are marketing and food packaging, the commissioner said. "New Jersey is the home of more than 50 companies specializing in state-of-the-art food pack-

aging equipment.

"In New Jersey, there are many people in both government and private industry who are ready and willing to work together with Hungarian entrepreneurs to help establish new industries, new markets and new opportunities in Eastern Europe and around the world," he added.

Jane Tublin, director of New Brunswick's Sister Cities programs, said participants in this year's trade fair, which began Wednesday with business partnership meetings, will be encouraged to visit Hungary to solidify those contacts.

"This year, we want to facilitate a second step where some of these companies actually visit Hungary," she said.

Tublin noted that the establishment of free-market enterprise and business stability in Eastern Europe is proving to be "a long, slow process."

New Brunswick Mayor James Cahill said the goal of the trade fair is to establish "lasting alliances" between the business communities of both nations. "I hope these alliances will remain for years to come and into the next century," he said.

Hungary offers U.S. full menu

By JIM KRANE
Staff Writer

NEW BRUNSWICK A century ago, Hungarian composer Franz Liszt would break from writing his piano masterpieces to spend a week in a small Danube River town drinking the local red wine.

Liszt liked the hearty Szekszardi Bikaver wine so much that he is said to have composed music while under its influence.

Yesterday, vintners from the southern Hungarian town of Szekszard had bottles of Bikaver, or bull's blood, and an award-winning 1988 Merlot on display in an agricultural trade show, trying to interest American distributors in Liszt's favorite wine.

In Rutgers' Busch Campus Center, some 60 Hungarian producers of sausage, pickles, paprika, seeds had their wares on display, looking for partnerships and distribution deals with about 60 interested American companies.

As part of a two-day symposium called Trade 2000, the U.S. Commerce Department paired American and Hungarian food products companies together in hopes of forming business partnerships.

The program continues today, when experts will give Americans advice on how to enter the opening markets in Hungary, and how Hungarians can sell their products in the United States.

Speakers include Time Warner International Chairman Arthur Barron; Pal Tar, Hungary's ambassador to the United States; and other high-ranking public and private figures from both nations.

The Hungarians are in New Brunswick looking for U.S. technology and investment to help streamline their sluggish economy, currently undergoing privatization

after more than 40 years of central planning.

The trade show blossomed out of a 1990 sister city relationship between Debrecen, Hungary's second largest city, and New Brunswick, which has a large community of Hungarian immigrants, said Monika Szarka-Elling, president of the Hungarian-American Chamber of Commerce.

Since the 1989 collapse of communism in Eastern Europe, Szarka-Elling said, Hungary been using all its contacts with the West to find help developing its economy, including Hungarian-Americans.

"In many U.S. companies, you will, somewhere near the top, find someone who is Hungarian and interested in investing," said Szarka-Elling.

So far, it's working.

Attorney Roger Barton, whose Budapest law office of Barton & Zasky is aiding water system projects for Culligan International, said Hungary currently attracts 55 percent of Western investment destined for Eastern Europe, and is the only nation in the region where U.S. investment surpasses that of Germany.

Barton's firm also has paired Hungarian food producers with the Red Apple supermarket distributor, and widened the flow of Hungarian foods into the United States.

Some food products at the show that Hungarians hope to sell in the United States include wines, smoked hams, salami, candies and cough drops, and a strong Parmesan-flavored Kaskaval cheese.

'SISTER CITIES' TALK BUSINESS

Trade fair stirs winds of commerce for Hungary, U.S.

By GAIL FERGUSON JONES

More than 200 representatives of Hungarian and American companies met in Piscataway yesterday to establish business ties at the second annual trade fair held under the sister city agreement between New Brunswick and Debrecen, Hungary.

Among the focal points of yesterday's meetings was a wine-tasting exhibition that linked Hungarian vintners with American wine drinkers. About 30 Hungarian wine labels were available for sampling and were judged by consultant G. Lawrence Soll of Westchester County, N.Y.

The event was in line with this year's aim of bringing together representatives of the food and agriculture industries in both nations.

More than 50 of the U.S. delegates attending the trade fair are members of the Hungarian-American

Chamber of Commerce of New York-New Jersey, according to its president, Monika Elling. "This was the most promising event between U.S. and Hungarian companies to date, as specific business contacts," she said, noted that area representatives of the communication, banking and financial, technology, pharmaceutical and food industries met with their Hungarian counterparts.

The Trade 2000 fair resumes this morning



Photo by Gene Doyars

Hungarian business representatives Zoltan Jarai, left, and Marilyn Manielli Martin, show off some prize-winning wines their companies want to export to importer G. Lawrence Soll, center

with a symposium at Rutgers University's Busch Campus Center in Piscataway, where state Agriculture Commissioner Arthur Brown is to speak on "Agriculture Opportunities in the International Arena."

Keynote speakers will be Arthur Barron, chairman of Time Warner International, and James Daley, co-chairman of Price Waterhouse. Other speakers will include Hungarian Ambassador Pal Tar, state Senate Minority Leader

John Lynch (D-Middlesex), New Brunswick Mayor James Cahill and Debrecen Mayor Jozsef Hevessy.

The event will conclude with New Brunswick's 18th annual Hungarian Festival on Saturday. "Our city is proud to recognize our relationship with Hungary and the cultural, economic and educational traditions we share," Cahill said.



JAMES REXROAD/for The Oregonian

Environmental specialists James C. Baker (left) and William T. Renfroe Jr. believe business for Oregon companies will grow under Nafta.

Oregonian 9/16/93

Oregon group hopes to clean up

The project to restore two polluted rivers in Mexico shows how Nafta can boost business in the Northwest

By HOLLEY GILBERT
of The Oregonian staff

As a teen-ager, James C. Baker was flabbergasted by signs posted along the pollution-clogged Willamette River 30 years ago: "River Closed."

Baker, now an engineer, and a handful of other Oregon environmental experts are testing the dead waters of two of Mexico's most polluted rivers. They are armed, in part, with the experience and technology spawned by the Willamette River cleanup.

What they have already found is that the degradation of the Rio Blanco and Rio Papaloapan in the Mexican state of Vera Cruz might prove fertile territory for Oregon's numerous environmental consultants and equipment dealers.

David Evans and Associates, a Portland engineering and environmental firm where Baker is president and chief operating officer; Ellis Ecological Services Inc. of Estacada; and Engineering Design Corp. of Bea-

verton have joined forces with the state of Oregon, Mexican businesses and the Mexican government in the first stages of a proposed river cleanup.

If federal funding is approved this fall for the next phase, the project could cement Oregon's already prominent position as water pollution control specialists and eventually provide millions of dollars in business to U.S. — and Oregon — companies.

The cleanup project is an example of how Oregon's economy will be boosted by increased trade with Mexico if the North American Free Trade Agreement is signed, participants said.

Nafta would create the world's largest free trade zone and phase out tariffs and barriers on goods, services and investment among the United States, Canada and Mexico over 15 years.

Congress must approve the accord.

Please turn to **CLEANUP**, Page F2

CLEANING UP

Cleaning up a polluted river basin requires companies that can supply everything from waste water treatment plant equipment to plans to protect fish and wildlife. Here is a list of the types and numbers of firms, which are members of the Oregon Environmental Technology Association, that could participate in environmental clean-up projects:

- Waste water treatment: 70
- Solid waste: 67
- Designers, manufacturers and distributors of environmental instrumentation: 33
- Suppliers of materials for sewage treatment: 12
- Sewerage component manufacturers: 9

Source: Engineering Design Corp., The Oregonian

Oregon should outpace nation in turtle

dealers at By KEN HAMBURG — but no one can tell it," said Strasz- rivaling the timber industry.

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Cleanup: Expert says Nafta will speed efforts in Mexico

Continued from Page F1
which President Clinton could submit in several weeks.

Under side agreements signed Monday by Clinton and President Carlos Salinas de Gortari in Mexico City, three-nation commissions would oversee enforcement of each country's environmental and labor laws.

Even without Nafta, Mexico is moving to clean up its water and air. But "Nafta, in my view, will speed the whole thing up," said Jim Aiser of Engineering Design Corp.

With Nafta and without tariffs on equipment and services that run as high as 20 percent, U.S. environmental goods and expertise will be more competitive with those of Europe, Australia and Japan.

"You will have an edge that will be incredible," Jose Luis Calderon Bartheleuf, deputy of Environmental Audits for Mexico's Secretariat of Social Development and Solidarity, said Saturday in Portland.

As grass-roots pressure to improve Mexico's environment continues to mount, Mexico will increasingly look abroad for expertise and equipment. For air pollution clean-

up expertise, Mexico looks to Colorado, where similarities can be drawn between mile-high Denver and mile-and-a-half-high Mexico City.

For water pollution control and cleanup, Mexico thinks of Oregon, Santiago Onate Laborde, Mexico's attorney general for the protection of the environment, said during a recent Portland visit.

Combine Mexico's long list of environmental projects — 90 percent of which are water-related — with Oregon's list of environmental consulting or equipment companies — at least 200 — and Oregon is in the catbird seat.

"I would say we may not be the only one in the seat, but we're definitely there," said Beverly Thacker, Mexico trade officer for the Oregon Economic Development Department who conceived and organized the project.

Oregon's professional environmental reputation is so strong that companies are moving in or opening

small offices in the state at least in part to cash in on its healthy image, said William T. Renfro Jr., a senior environmental specialist with David Evans on the Rio Blanco project.

The 1972 Willamette River cleanup helped pave the path to Vera Cruz.

The Rio Blanco, considered Mexico's fourth most polluted river, resembles the dead Willamette of the 1950s and 1960s, Baker said.

The river has been devastated by untreated waste from cities, pulp and paper mills, tanneries, and textile and sugar mills — some of the same industries that killed the Willamette.

Information gathered by the Mexican government and the Oregon team shows that there are 600 sources of pollution on the Rio Blanco.

Although less is known about the Rio Papaloapan, considered Mexico's sixth most polluted river, they estimate similar numbers and types of polluters are destroying that river, too.

Both rivers run from the mountains of central Mexico across the tropical plain to the state of Vera Cruz on the Caribbean Ocean.

Each is slightly longer than the Willamette, and they empty into the Alvarado Lagoon.

"It used to be very highly productive for fish, shrimp, lobster, but it's all gone now," said Renfro, citing pollution and overexploitation as causes.

Restoring the local fishing industry is one reason the Mexican government selected the two Vera Cruz rivers for cleanup.

The cleanup project's first study phase was paid for by a \$20,000 grant secured by the Oregon Economic Development Department from the U.S. Agency for International Development.

The group's initial report will be completed in a week or two, then sent to Mexico for review.

The Mexican government then will submit the report as a request

for a \$1 million to \$2 million grant from the U.S. Trade Development Agency to complete a masterplan for the cleanup.

Cost of the potential cleanup could range between \$70 million and \$100 million and could be paid for by loans and grants to Mexico from institutions such as the World Bank.

In order to secure money for a second-phase study, the Oregon team must show in its initial report that for each dollar spent on the study, the cleanup could generate \$75 for U.S. businesses.

With approximately 1,200 polluters along the two rivers and the cost of correcting each estimated at about \$1 million, the project could easily exceed funding requirements, said Baker and Renfro.

And with the potential shipment of tons of environmental equipment from the United States to Mexico, Renfro said, manufacturers "will have to hire more sheet metal workers, more drill press operators, more skilled machinists."

P. 03
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BUSINESS / FINANCE

★ NEWS BRIEFS ★

Rouble Falls to 1,017 to Dollar

MOSCOW (AFP) — The rouble fell against the dollar on Friday to 1,017, down from 1,010 on Thursday on the Moscow Interbank currency exchange.

Demand for dollars remained high at \$98.55 million, exceeding offers of \$85.16 million, and \$97.88 million changed hands during trading.

Little Room for Manoeuvre on Farm Agreement: Hurd

WELLINGTON, New Zealand (Reuters) — British Foreign Minister Douglas Hurd said on Friday there was little room for manoeuvre to resolve an impasse between France and other European Community countries over world trade talks.

Hurd told a news conference during a visit to New Zealand that the so-called Blair House accord between the US and the EC to cut subsidised farm exports had to be respected.

By saying that Hurd contradicted French Foreign Minister Alain Juppe, who on Monday said he believed the EC would be prepared to renegotiate the pact to which France's powerful farmers so strenuously object.

EC ministers will hold a special meeting on the subject in Brussels on Monday.

**Boeing 757 and 767
Certified for Use in
Ex-Soviet Union**

Minnesota Firms Team Up With Russians

By Natasha Milcusic
The Moscow Tribune

As Joan Ebersold strolled through the outskirts of Alma-Ata, Kazakhstan, she spotted in a kiosk a hometown favourite: a watered-down, low-end Minnesota beer called Pig's Eye. If Ebersold and her compatriots get their way, Pig's Eye will soon be joined by other local products and technological know-how from the Land of 10,000 Lakes.

Ebersold, vice president and commercial director of General Transnational Corporation, is part of a delegation organised by the Minnesota Trade Office to spur trade relations with companies in Russia and Kazakhstan. Representing a disparate mix of business interests, such as computers, transport, food processing and automobiles, the Minnesota team has plunged into a market many shy away from.

Claudia Liebrecht, director of the Minnesota Trade Office, bills the trip as a "mission," and stresses that it is an on-going project developed to help small and medium-sized Minnesota companies obtain information about the Russian market and establish contacts with Russian businesses.

According to Ed Sawyer, vice president of Firmlink International, the authority of the Minnesota delegation put him into contact with higher-level officials whom he would not have met on his own.

"[This mission] opens doors quickly and provides for a wider

scope than an individual trip," Sawyer said, adding that he advises other companies to work through an intermediary. Firmlink International has been doing business here for over two years.

Perceived risks associated with political and economic instability keep many American businesses away, frustrating some Russian executives. Larisa Shamikova, director of the Roditi-Moscow Trading House, blames the bias of the American mass media, which sensationalises the unpredictability of the Russian market, for scaring away potential investors.

Shamikova also criticises American companies already in the market for considering their Russian partners unequal.

"Americans expect more from their Russian partners than from any other partners in the world," Liebrecht quoted her as saying, at a meeting with the International Association of Trade Companies.

The Minnesota group, however, is assuming the challenge, proving their belief that potential gains outweigh risks.

Ebersold concedes that conducting business in Russia is a high-risk effort, but stresses that it is essential to have a long-range outlook. Her company has been involved in Russia for over a year, starting out by shipping clothing, shoes and electronics to Siberia, and now boasts two Moscow-based retail outlets and a trading house. Ebersold is looking 18 months to five years down the line, when she expects a middle class to emerge,

and General Transnational Corporation stands ready to satisfy their mid-range consumer demands.

While Ebersold's firm is small by American standards, participating in a group mission is also beneficial for larger, experienced companies.

Even leading industry giants like Pillsbury have benefited from this mission. Dave Fisher, vice president of Pillsbury, planned during this trip to meet people with experience in food, food distribution and sales. The project has allowed him easier access to these contacts.

While Fisher admits that talks with his Russian counterparts have so far been purely speculative, he says, Pillsbury recently began construction of a food-processing plant in Stavropol, southern Russia. At first the plant will produce only canned peas and corn for sale in the region and for export to the Black Sea area. If the venture proves successful, Pillsbury may in the long run expand into potato flakes, dry beans and refrigerated products like biscuits and cookies.

Fisher worries about distribution networks here, saying they represent "a significant challenge." To test their reliability, Pillsbury has imported one container-load of dry products into St. Petersburg, and another should arrive in Moscow in 30 to 60 days. The company will analyse the logistics of these shipments in deciding whether to invest more heavily in Russia.

Other Minnesota companies participating in the Moscow leg of the tour (the group is on to St.

Petersburg today) include International Computer Systems, Inc., Developed Technology Resource, Inc. and Sun Auto.

They matched up with giant Russian trading companies like Hermes, which deals in real estate, natural resources and consumer goods; companies interested in food products, such as the Arbat Irish House, Rosissky Dom and Surgutsky Business Centre; those pursuing pharmaceuticals, such as Oasis-Med Company and the Moscow City Pharmacy; and those dealing in automobiles, like Gencer Company.

The Minnesota office worked in conjunction with the National Governor's Association (NGA) in Moscow, which serves as an umbrella organisation uniting delegations from all states interested in similar ventures. Ted Boimov, head of the NGA, worked out the details on the Moscow end, setting up one-on-one meetings for participants on both sides.

As the Minnesota companies help promote democracy and a market economy in Russia, they pump up their domestic economy, stimulating jobs at home while meeting Russia's economic needs, according to Liebrecht. The executives seem to agree that infrastructure and consumer goods are in high demand in Russia, and they are ready to meet these demands with technology transfer and the sale of American products.

If Pig's Eye can make it to Alma-Ata, anything is possible.

U.S.-Arab TRADELINE

A Weekly Fax Bulletin of the National U.S.-Arab Chamber of Commerce

Volume One, Number Three

October 22, 1993

U.S. and Arab News Briefs

After Recent Visit, Savage Discusses Trade Developments in Arab World

Douglas Savage, the Chamber's Chicago Regional Manager, spoke about the business climate in three Arab regions at Chicago's most recent Breakfast Briefing. Based on his participation in consecutive trade missions in September and earlier this month -- one with the city of Chicago and the State of Illinois to Morocco, and the other with the State of Michigan to Syria, Saudi Arabia and the UAE -- Savage briefed an audience of members and state officials on the "very receptive" response the delegations received from the various local business communities.

Concerning developments in Morocco, Savage mentioned that the government's privatization program is indeed under way, with major public companies having been purchased by both local and foreign investors. Recent trends include the agribusiness sector overtaking the phosphates industry as a major source of export income. Textiles and an increasingly diversified industrial base are also areas to watch. However, Savage said, "a fourth year of drought coupled with recession in Europe continue to affect economic development." He suggested American companies look for opportunities in sectors targeted by development banks and USAID, adding that "both the government and private sector are very receptive to local manufacturing with a US partner."

Syria is also very interested in encouraging foreign investment, with particular interest in US products and technology. Many major projects have been proposed since the Gulf War, including large cement and textile factories, food processing plants, and the plan to assemble GM trucks in Syria which was announced by Michigan Delegation Chairman Nicola Antakli

during the group's visit to Damascus.

Reporting on the delegation's visit to Saudi Arabia, Savage described the status of the Kingdom's shift in industrial policy from import substitution to export promotion. This process is being driven by an annual private sector growth rate of 3%, resulting in the establishment of 500 new factories in the last four years, with plans for 400 more before 1998. Describing the group's meetings with members of the business communities of Riyadh and the Eastern Province, Savage characterized the typical Saudi participant as "a sophisticated, well-capitalized younger businessmen prepared to discuss projects in several industrial sectors."

The delegation's final stop was the U.A.E., with meetings conducted in Abu Dhabi and Dubai. Savage reported that both local and American businessmen in each location strongly suggested a local presence be established in each part of the country where companies are seriously pursuing business. The logistics of doing business in the country will be further simplified with the announcement by Paul Scogna of the U.S. Consulate of an agreement to make 10-year, no-sponsor visas available to U.S. citizens within two months.

10/22

ATTACHMENT XII
Tech Fund Media Exposure

Offering Aid in Asia

Funds Help Green Firms Break into Market

By Randy Barrett
STAFF WRITER

If you're small, smart and give a good proposal, the Agency for International Development may just be willing to lower your costs to access Asian environmental markets.

More than 30 environmental technology companies and trade organizations have already taken part in the year-old U.S.-Asian Environmental Partnership, or AEP program. Grants for up to \$20,000 are available to fund travel, equipment shipping, interpreters and promotional materials. The program's funding for fiscal 1994 will be \$700,000 and only small to medium-sized companies are eligible.

"We're trying to help out small companies," said Dan Waterman of the Washington, D.C.-based National Association of State Development Agencies, or NASDA, which administers the program for the Agency International Development.

There's even more good news: So far, about 50 percent of the proposals submitted get funded. But, as always, there is a catch. NASDA requires all comers to talk to them first. If the idea is a good one and fits with the program, interested companies can then send in a formal proposal through a qualified non-profit organization such as a chamber of commerce, trade association, or local-development agency.

"We're trying to provide a 'venture' export [service]," said Waterman. "We're willing to take a chance."

However, companies that win grants are those which have already done a good deal of homework, found contacts and set up a strong export plan. Companies ready to conclude a deal are even more likely to be considered.

The AEP is designed to offer a boost, but not full funding. Most grant winners put up about two-thirds of their own money for a trip. Recent AEP subsidized trips ranged from \$50,000 to \$90,000 in total cost.

Waterman says he is particularly interested in groups of companies that come together to present a cohesive package for a particular environmental problem. "Then you are going over presenting a solution," he said.

Results from the first wave of AEP trade trips are very promising. Ira Richman, general manager of the International Marine Supply & Service Co. of San Diego, Calif., met a new distributor in Malaysia for the first time. "They turned out to be a bunch of stand-up guys," Richman said.

The former Merchant Marine captain was particularly pleased with the response his product, the Maverick Foam Vest, a fire fighting and oil spill-dispersal system, got during demonstrations. "They went

bonkers!" Richman said. He immediately signed the distributorship agreement with his new partner — Potential View Ltd.

And there was even more good news: Before the trip was concluded Richman was notified that his product had been cleared on the Malaysian federal list — the equivalent of our General Services Administration procurement schedule.

For companies in Asia for the first time, the AEP clearly removes some of the financial stress of a complex undertaking. Richman feels that factor helped his deal-making. "We were very relaxed — everything was paid for." Richman took the trip under the auspices of the California Environmental Protection Agency.

Others have had similar good experiences. Montana's GeoResearch, a mapping software company, sold product and formed a new joint venture in Thailand. The company specializes in integrating satellite global positioning system data into the GIS format.

"[The AEP] helped us greatly in taking the first step of marketing ourselves in Southeast Asia," said GeoResearch President Doug Richardson. "It's unlikely we would have stepped out on our own."

The sentiment was seconded by Dan Sucin, president of Environmental Research and Development Inc. in Idaho Falls, Idaho: "We were looking to expand our territory on a cost-shared basis."

Sucin already had a new Taiwanese partner, Gamma Electro-

chemical Co., but needed help funding a trip to train the distributor's personnel in industrial waste-management, design and waste-water systems. Time was also spent looking over the feasibility of applying his company's technology at nearby manufacturing plants. The trip was sponsored by the Idaho Department of Commerce.

Several AEP grant winners are state departments of commerce which organized trade missions for selected companies. The Florida Division of International Trade and Development used AEP funds on a tour of Taiwan and Korea last April.

During the mission, representatives from 10 Florida-based environmental firms had 154 meetings with 73 Korean companies. That led to \$350,000 in new business deals and an estimated \$750,000 in prospective sales over the next year.

Ray Reddish, who lead the Florida Department of Commerce group, felt the trip was a winner, though he points out that consulting firms had less immediate success. He plans to make another bid for AEP funds for next year.

"I think the success of the [AEP] speaks for itself," said Reddish.

NASDA's Waterman says he tries to balance the AEP grants evenly between group proposals and individual companies.

— • —
**'We're trying to help
out small companies.
We're trying to provide
a venture export
[service]. We're willing
to take a chance.'
—NASDA's Waterman**
— • —

SOURCE:

Washington Technology
10/9/93

Marketing Help

AGENCY FOR INTERNATIONAL DEVELOPMENT

* ENVIRONMENT PROGRAMS

AID offers funds for marketing activities to firms doing business in the Asian environmental sector. This is help that's immediately available.

Money comes from the Environmental/Energy Technology Fund that AID set up, operates with the National Assn. of State Development Agencies (NASDA).

Strategy here is to pursue projects in Asia in the environmental and energy efficiency fields that show commercial benefit to both parties, technology transfer, positive impact on the environment.

* HOW IT WORKS

The NASDA fund offer grants in the \$10,000-20,000 range, on a matching basis.

Each proposal requires a sponsor from a non-profit organization — such as state and local government development agencies, cities, trade associations, chambers of commerce, universities.

These should be groups with a track record in international trade & investment activity. Firms should work with such groups to obtain grants.

The money can be used for: shipping equipment for pilot demonstrations, per diem expenses, airfare, costs of conducting technical & training workshops, translators, adoption of technology at the Asian site.

* Some examples of funding: (1) Mid-America World Trade Center (Wichita, Kansas) put together a group smaller firms to market waste management and recycling technology in the Philippines,

(2) California Environmental Protection Agency is doing two-way missions with India, Thailand, (3) Florida Int'l Trade & Development Division is taking firms to Korea, Taiwan.

Contact: Don Waterman, in Washington, on (202) 898-1302.

MARKETING NETWORKS

AID is now developing an environmental business reps network in Asia that should be in place in June or July this year.

The network will be located in nine Asian cities in India, Hong Kong, Taiwan, Korea, Singapore,

Thailand, Malaysia, Philippines, Indonesia.

These local reps will gather marketplace data on environmental business opportunities, make them available to U.S. firms through a fax service.

A Washington-based Environmental Business Information Service is planned to start in the next two or three months.

INFRASTRUCTURE FINANCING

An Infrastructure Finance Advisory Service is expected to be launched in the next month or two. This "one-stop" shop will be located in Washington, provide U.S. firms with early warning on project opportunities, help in finding finance.

Priorities include: electric power, urban water facilities, hazardous waste. The program will work with select utilities, cities, industries.

The program will aim at capital markets strengthening, to handle target projects in the region. It will explore new U.S. government guarantees and lending policies, "innovative financial instruments," work with U.S. and Asian banks.

TRAINING STRATEGY

AID also offers a training strategy that can help U.S. firms build a market presence in Asia. This has two elements.

First, companies can host a trainee from a target country, bring over a mid-level government official who will become acquainted with the sponsor's products and technology.

Or it can send an American to the target nation to work in a company or government unit.

Either way, this is valuable positioning of the U.S. firm's presence.

Second, training can serve as a sweetener in a specific deal. AID will fund a training component in a project to make the U.S. bidder more competitive.

This is handled by the Trade & Development Agency. TDA just used this capacity for the first time.

Contacts: Asia Foundation (Elizabeth White) on (415) 982-4640, U.S. Environmental Training Institute (Edith Cecil) on (202) 338-3400. Or Fred Eberhart at TDA on (703) 875-4357.

ENERGY PROGRAMS

Among numerous AID Office of Energy and Infrastructure programs, the Private Sector Energy Development Program assists U.S. firms by identifying opportunities in the international private power industry.

ON DEC

District Export Councils



Maryland/Washington, D.C. DEC Launches Environmental Trade Delegation

Teamwork is the key ingredient as the Maryland/Washington, D.C. District Export Council (MD/DC DEC) and the U.S. and Foreign Commercial Service (US&FCS) Baltimore District Office prepare to send a trade mission to Singapore, Indonesia, and Malaysia. Leading the Aug. 7-18, 1993 mission is John W. Cebrowski, MD/DC DEC member and President of Fairfax, Va.-based Sales Builders, Inc. Twelve U.S. environmental products and technology companies are participating.

A five-person DEC committee headed by W. Fontaine Bell, DEC member and Vice President for 1st National Bank of Maryland, was instrumental in planning the mission and recruiting the right mix of companies. The MD/DC DEC then requested and received a US-Asia Environmental Partnership/National Association of State Development Agencies grant to help support the mission. The MD/DC DEC provided the volunteer efforts of its members, and additional funding came from participating companies and the DEC.

The market opportunity for pollution control equipment in Singapore, Indonesia, and Malaysia was identified by the Baltimore District Office and matched with local client interest. All three countries are highly receptive to U.S. goods and services that facilitate compliance with stricter pollution control laws. The mission will help many of the growing environmental products firms in the Baltimore/Washington metro area and across the country.

David Earle, US&FCS District Office Director, stated, "This has been a major sales effort and has cast our DEC in an unusual and challenging role. Despite being organized on short notice, the mission has come together as planned." Earle added that, "While we had set out to organize a delegation solely from our client base, it became necessary to tap a much larger universe of environmental equipment suppliers nationwide."

To help recruit mission members, US&FCS Trade Specialist Stephen Hall examined trade organization and district office client lists, as well as industry and U.S. Environmental Protection Agency directories. "We were looking for companies that had some export experience and whose products matched a list of best

prospects," said Hall. Products with the most potential include furnaces and incinerators, filtering and purifying devices, waste treatment and handling equipment, recycling and co-generation, measuring instruments and apparatus, hazardous material and environmental disaster clean-up equipment, and systems engineering.

The team has received excellent assistance with mission planning from the US&FCS overseas posts in Singapore, Jakarta, and Kuala Lumpur. In the United States, enthusiastic support and help with identifying potential delegation members came from the Virginia, Connecticut/Rhode Island, North Carolina, Arizona, Missouri, Alabama, and California DEC's and district offices.

Participating firms will meet with representatives of companies, organizations, distributors, and government officials to achieve their individual market objectives and goals. Most of the delegation members are expected to identify and establish trading partners—with some realizing immediate sales. US&FCS Trade Specialist Christina Mawn Ravekes recently returned from an advance planning trip to Singapore, Indonesia, and Malaysia and reports that the response to the delegation's imminent visit was positive. "We are bringing the right products and services to the right countries at the right time," Ravekes stated. "I was asked by many people during my trip, 'Where are the Americans? We need their expertise in the environmental field.'" Ravekes' observations were, however, made with a word of caution—doing business in the three target countries will be challenging and require long-term commitment.

MD/DC DEC Chairman Pat McEvoy, Vice President of Product Development and Manufacturing at Black and Decker, Inc., commented that, "we are providing new market opportunities for manufacturing companies through the leadership of John and Fontaine on this DEC initiative, and the tireless work of David, Christina, and Steve at the District Office. This delegation will have a definite impact that directly supports our DEC's goal of making a difference to increase exports."

For more information on the delegation, contact Darya Oswald at (410) 962-3562.

MARYLAND WASHINGTON DISTRICT EXPORT COUNCIL (DEC) TO LEAD ENVIRONMENTAL BUSINESS DELEGATION:

The Maryland/Washington DEC is organizing a business delegation to Malaysia, Indonesia and Singapore. Scheduled for August 6-18, 1993, the delegation is comprised of environmental manufacturers and service providers. Product applications cover land, water and air purification.

Participants are responsible for travel and lodging costs only. The DEC provides participants with the following at no additional cost:

- * Business appointments
- * Meeting Space
- * Export counseling
- * Country/Market Briefings
- * Receptions with local officials
- * Interpreter assistance
- * In-country transportation
- * Secretarial Assistance
- * Flight and hotel arrangements

The Baltimore District Office will oversee the coordination of the project. DEC member John Cebrowski, President of Sales Builders, Inc., Fairfax VA will lead the delegation. John brings to the delegation over 14 years of international sales and marketing experience.

To defray DEC expenses, a \$500 participation fee is required. If you would like to participate or need additional information, please call Christina Mawn at 410-962-3561 Ext 3 or John Cebrowski at 703-591-3232.

BALTIMORE US&FCS OFFICE HOSTS TAIWAN ENVIRONMENTAL DELEGATION:

The Baltimore Office of the US&FCS hosted a delegation of Taiwanese executives interested in purchasing U.S. environmental products at press time.

Approximately one dozen MD environmental equipment suppliers met with buyers. On May 11, the Taiwanese contingent was honored at a reception at City Hall hosted jointly by Mayor Schmoke and our office.

INTERNATIONAL BUSINESS PRACTICES:

The U.S. Department of Commerce, in conjunction with Federal Express Corporation, has recently completed publication of a book titled, International Business Practices.

This book provides an excellent overview of such export issues as finance, BTC's and EMC's, foreign sales corporations and agent/distributor agreements.

A very important feature is a section which lists comprehensive profiles of 176 countries. Each country profile includes information on export documentation, commercial policies, foreign investment, intellectual property rights, tax issues, regulatory agencies and useful contacts.

Available only to clients of the District Office, this publication will be distributed at the Stouffer Harborplace Hotel at a reception before the World Trade Week Gala dinner. Clients who will not attend the Gala Dinner may stop by the District Office during business hours (M-F 9:00 - 5:00) to receive your copy. Please Joe Burton at 410-962-3561 ext 2 before you visit.

BXA One Day Licensing Seminar:

The Maryland/Washington District Export Council (DEC) will host a Bureau of Export Administration (BXA) export regulation seminar on May 12, 1993.

This one-day seminar will be held at the Center for Advanced Biotechnology Research (CARB) in Bethesda MD.

Designed to update companies on current export regulations, this one-day seminar provides an overview of such topics as Export Controls, Commodity Control List, Export Clearances and Reviews.

A \$95 entrance fee includes the cost of materials as well as lunch. For more information, please call Stephen Hall at 301-975-3904.

WE NOW HAVE VOICE MAIL

Because of the high volume of incoming calls we receive, the Baltimore District Office of the U.S. Department of Commerce/US&FCS has installed voice mail.

Please call 410-962-3561 to reach the private phone mail boxes of District Office staff members. Here is a breakdown of staff boxes:

- 1 Stephen Hall
- 2 Joe Burton
- 3 Christina Mawn
- 4 Chris Gramiccioni
- 5 David Earle

Always use 410-962-3561 when you wish to contact your trade specialist. We monitor this phone line every 1/2 hour and guarantee that your request will receive prompt attention.

TRADE INFORMATION CENTER: Your Source on Federal Export Assistance Programs:

Exporters, are you interested in taking advantage of the many sources of assistance to exporters within the federal government, but don't know which offices to call?

Then call the Trade Information Center at: 1-800-USA-TRADE (1-800-872-8723). A fairly new export assistance hotline, this number features trade specialists in Washington who are knowledgeable of the programs of over 19 different government agencies. The Center operates from 8:30 a.m. to 6 p.m. weekdays. Please call for information on Export financing, Advice on Documentation and Licensing requirements and market research in addition to other resources.

FLASH

Defense Conversion and the NIST/ARPA funds are available to be channeled to industry via the RFP Process. For more information, call Steve Hall at 301-975-3904.

Efforts on to make Vikram electric-powered

By a Post Reporter

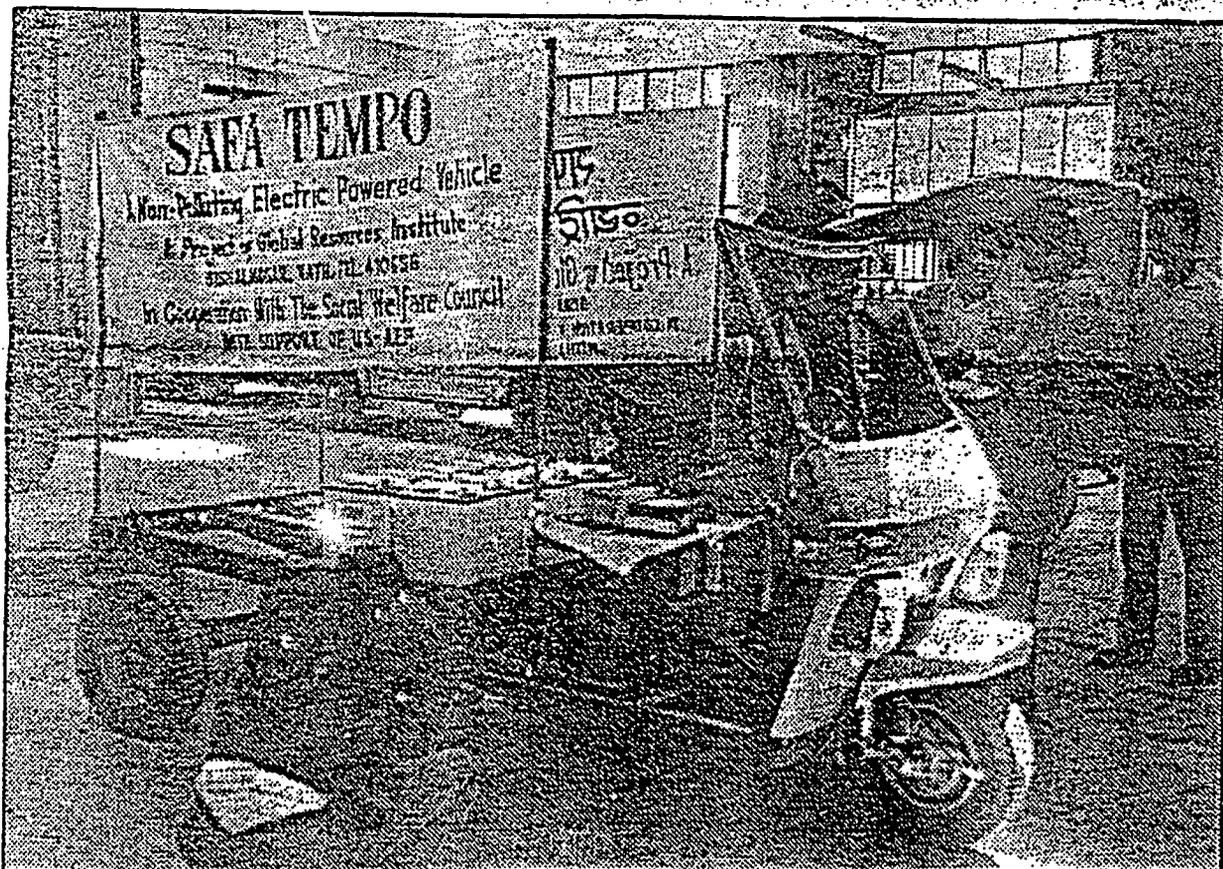
KATHMANDU - Efforts are underway to run the smoke-belching Vikram tempos by electric power which would make zero exhaust

Vikram tempo dealer says, "We estimate electric powered Vikram to be around Rs 200,000 when all the components are purchased in bulk. Though this is higher than what a diesel-powered one costs, the

the West for the last twenty years."

It was during the oil crisis in the early '70s that electric-powered vehicles were first thought of as an alternative.

The weight of the diesel-powered



emission. The project which hopes to put a Vikram on the streets of Kathmandu within a fortnight is being jointly initiated by Thapathali Engineering Campus and Global Resources Institute (GRI) a non-governmental organisation from US.

The diesel-engine of the Vikram tempo will be replaced by a motor which is charged by batteries. A two-hour charge of the 12-volt lead acid batteries by electricity will provide sufficient power to operate a Vikram for 60 kilometres.

"In view of the degrading air quality here the deputy mayor of Kathmandu municipality Nabindra Raj Joshi while in the US in February asked us to study the possibility of converting the Vikram tempos into electric powered ones," says Dr Peter Moulton, executive director of GRI.

Vehicles' emission has serious health hazards. It may cause lung and respiratory diseases, heart diseases, cancer, mental retardation and

maintenance cost will be lower and its life span will be higher." The Vikram dealers intend to approach the government for subsidy in customs duty of the and electricity costs electric tempo parts and electricity costs after operating them for around three months. At present an electric vehicle is 'illegal' as blue books have engine numbers as electric vehicles have motors instead of engines.

GRI estimates a daily running cost of a Vikram to be Rs 100 which is slightly higher than the present running cost. It will need around thirty kilowatt hours of electricity per day. For the development of electric-powered Vikrams infrastructure such as battery charging centres and training of manpower are also needed.

The project is not without its critics. Says a mechanical engineer, "What about the local-carrying capacity? At present a diesel-powered Vikram tempo carries 12 people. A battery-powered one will carry only six to

engine of a Vikram tempo is 70 kg but the weight of the batteries will be 300 kg. This will reduce the load carrying capacity.

"But", says the mechanical engineer, "it is too early to pass any judgement. Since, I think, it is the first time electric power is being tried on a three wheeler we have to observe its performance for some time."

'Newari f

By a Post Reporter

KATHMANDU - German people really liked Nepali food and they especially appreciated Newari cuisine, said Narendra Shrestha, professional chef and executive director of Bhoj Chhen

Budget increased

Nepali language as a result of which educational activities are stalled and the immunization programmes are also not yet launched, Gurung said that these places are faced with the problems like scarcity of foodgrains, market mismanagement, rapid deforestation and the fear of spreading aids from the tourists.

The remote area development committee has had no effect on the region, said Gurung, emphasizing the need to start small scale hydel projects, zonal north-south highway and encourage drug cultivation for the development of the region.

Responding to the call attention, Minister for Local Development Ram Chandra Poudel said that due to geographical inaccessibility, the people around the snowline are compelled to lead a difficult life, and so the government is making every effort as far as allowed by its powers to upgrade their living standard.

Keeping in mind the development of the region, the democratic government has intensified the programmes of opening north-south road in Dailekh, Darchula, Jumla and Solukhumbu and the budget for the remote areas has been considerably increased this time, he noted.

Krishna Raj Shrestha had asked for clarification with the minister.

The Minister, answering the clarification, said the government is trying to learn from the experiences of other mountainous countries and has paid due attention to transportation of goods from such region.

24 persons rescued

Mahendranagar, Sept. 14 (RSS):

The helicopter of the Royal Nepal Army rescued 24 persons Monday surrounded by floods of Mahakali River caused by heavy downpour.

Among those rescued are three Indians (one man, one woman and one child) and the remaining the residents of Dodhara VDC in Kanchanpur district.

Talking to RSS representative, the affected people said that they were getting nothing to eat over the past four days to quell their hunger.

According to the information received from DDC president Baldev Thapa, the cowsheds and houses were submerged and the crops damaged in the VDC of Rauteli Bichwa, Dodhara and Chandani due to floods.

This apart, Krishnapur Dekhatbhuli, Tribhuvan Basti, Belauri and Pipal Dandi were also reportedly affected by the floods.

Electric conversion presentation

Kathmandu, Sept. 14 (RSS):

Global Resources Institute of the USA together with the Social Welfare Council will make a presentation on Thursday of a recently initiated project to convert a three-wheel Vikram autorickshaw to electric power.

Global resources institute, at the request of deputy mayor of Kathmandu Nabindra Raj Joshi and with partial funding by the U.S. Asian environmental partnership, has undertaken a project to convert a Vikram three-wheeler to electric power.

The concerned ministries have given their approval for the project, says the institute.

Training also is being provided for a number of Nepalese engineers and technicians in the design and implementation of electric conversions.

An American engineer and mechanic, who have designed the conversion, arrived 8 September and began the project.

The project will take two weeks and will be followed by an extended period of evaluation of the performance of the vehicle.

The presentation on Thursday will provide an overview of electric vehicles, a detailed description of the project and an opportunity to meet the people involved, the institute says.

The recent study of exhaust emissions by the University of Denver has confirmed that the quality of air in Kathmandu has been seriously degraded by vehicle emissions.

The short and long term effects of this pollution are extremely serious for the health and economy of the Kathmandu Valley.

While many residents know the effects of bronchitis and other respiratory problems, studies elsewhere in the world have pointed to the threat of mental retardation in the unborn, and of decreased tourism for the economy.

No one will be spared if found corrupt: Singh

Kathmandu, Sept. 14 (RSS): officers should submit such

At the meeting of the House details to the ministries of Representatives Monday, concerned, while others to their Minister for Law, Justice and department heads.

Parliamentary Affairs The provision for corruption Maheshwor Prasad Singh said as Elimination Act has been also corruption is influenced by moral made as a part of an effort to wipe responsibility and social out corruption, said Singh, cultures, only formulation of adding that those who fail to laws and organizational submit the details will be taken management cannot help it wipe action.

Informing that the Abuse of Authority Investigation Commission, Special Police raised by MPs during discussion Department and Revenue on the motion of public. Investigation Department are importance tabled by Narendra actively cooperating in the task Basnet of CPN-UML. of controlling corruption, he

Claiming that no one will be remarked that the CDO is also spared if found corrupt, Minister given the right of Special Police Singh said that the suggestions Officer to help check corruption received from the MP's that the in the district.

In the course of clarification, he made it clear that the moral values be established will government is not unsatisfied with the details of property provided by the ministers.

Answering the question no Earlier, Narendra Basnet of 89, he informed that soon after the ruling party came into power, the CPN-UML presenting the government made necessary motion laid emphasis on the arrangement for updating the need to make legal provision to property details of political satisfy the complaints as per the persons and this was first agreement reached between the initiated from the cabinet ruling and opposition parties to members. check corruption rampant in the country.

Stating that rule 118 of the Civil Service Regulations-2050 B.S. makes it mandatory for all civil employees to provide the

Kathmandu, Sept. 14 (R His Majesty's Govern has reiterated its faith in dial as the means for peace resolution of all matter disputes and problems in world.

Talking to RSS today spokesman of the For Ministry said the understand reached between India and (and between Israel and Palestine Liberal Organisation are the first dialogue.

Similarly, he also exp confidence that talks unde between the Democratic Pe Republic of Korea and the States of America on insp of nuclear installations will positive results.



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18/BULLETINS

Environment trade mission of waste experts set RP visit

Four US companies specializing in waste water treatment and waste-to-energy technology will be coming to the country in an environment-trade mission on July 20-23 at the Manila Peninsula Hotel.

Sponsored by the US Philippine Business Committee (USPBC) and dubbed as "Waste Water Treatment/Waste-to-Energy Technology Mission to the Philippines," the mission will be participated in by 1) Northern States Power Company of Minneapolis, Minnesota; 2) Environmental Remediation, Inc. of Baton Rouge, LA; 3) Mass Transfer Systems, Inc. of Fall River, Massachusetts; and 4) Krofta Engineering Corporation of Lenox, Massachusetts.

They will be presenting their various "state of the art" technologies which include bioremediation, dissolved air flotation; jet aeration and waste to energy.

The US companies are keenly interested to meet potential customers, agents and/or distributors for their products and equipment which will be intro-

duced during the technical seminar.

Philip J. Gielczyk, consultant to the USPBC said that they are eying 500 local companies with heavy water volume requirements to get interested in the seminar. These local firms would include among others those in the pulp and paper industry, textiles, and pharmaceuticals.

Mr. Gielczyk also added that private one-on-one meetings will be conducted with those local companies wishing to meet with the US firms.

The mission is not only to develop new business opportunities between the US companies and the local firms but also an effort to further highlight environmental concerns through the proper treatment of waste water resulting from the operations of business establishments.

The mission is partially funded by the National Association of State Development Agencies under the US-Asia Environmental/Energy Technology Fund.

THE FOREIGN POST
JULY 21 1993

MANILA -- The U.S. Philippine Business Committee is sponsoring a technical seminar dubbed "Waste Water Treatment/Waste-to-Energy Technology Mission to the Philippines" on July 20-23, 1993 at the Manila Peninsula Hotel.

The seminar is intended for industry and government decision makers, as well as distributors, agents, engineers and environmental consultants seeking business opportunities and who are interested in "state-of-the-art" technologies on waste water treatment and waste-to energy.

Four U.S. companies are participating in this technology mission and will conduct a one day technical seminar on July 20 at the Garcia-Villa and Balagtas Rooms of the Manila Peninsula Hotel.

The four U.S. companies participating in the mission include Northern States Power Company of Minneapolis, Minnesota; Environmental Remediation, Inc. of Baton Rouge, LA; Mass Transfer Systems, Inc. of Fall River, Massachusetts, and Krofta Engineering Corporation of Lenox, Massachusetts. They will present their various technologies

Manila Pen to host technical seminar

which include *bioremediation; dissolve air flotation; jet aeration and waste-to energy.*

The U.S. companies are also keenly interested in meeting potential customers, agents and/or distributors. In this regard, private *one-on-one meetings* are scheduled for July 21 and 22 for local companies wishing to meet with the U.S. firms. *Appointments can be scheduled by contacting the Committee through its consultant Philip J. Gieleczyk.*

Interested parties may register separately for either seminar, or both, depending on their field of interest. *Registration is free but limited, so please register early by contacting Cora Cagaid at tel. nos. 818-87-60/812-69-16 or fax 818-86-54.*



THE PACIFIC BASIN ECONOMIC COUNCIL
UNITED STATES MEMBER COMMITTEE

PBEC-U.S. TO HELP ILLINOIS FIRMS WIN SHARE OF \$40 BILLION TAIWAN ENVIRONMENTAL MARKET

FOR IMMEDIATE RELEASE
May 26, 1993

Contact: Jon P. Yankee
(202) 728-0993

(WASHINGTON, DC) -- Illinois firms can learn how to enter Taiwan's rapidly growing \$40 billion market for American environmental technology and services at a seminar to be held by the Pacific Basin Economic Council U.S. Member Committee (PBEC-US) on Tuesday June 8, 1993. The seminar will take place at Motorola headquarters in Schaumburg, IL.

The seminar, titled *Environmental Exports -- Taiwan Opportunities*, will focus on Taiwan's environmental market potential, local legal, and business practices, and other topics related to penetrating this lucrative market. The conference is part of a PBEC-U.S. program to link Illinois-based environmental technology (enviro-tech) firms with potential customers in Taiwan. After the conference, PBEC-US will lead interested companies to Taiwan in late July for face-to-face meetings with potential business partners.

Speakers at the seminar will include federal, state and local government officials and experts on the economic, legal, environmental and cultural aspects of doing business in Taiwan.

Environmental Exports -- Taiwan Opportunities is the first of a series of PBEC-US business development programs to introduce American firms to Asia's burgeoning enviro-tech market. PBEC-U.S. is the American affiliate of the Pacific Basin Economic Council, a business organization representing over 1000 firms in 15 countries throughout the region. The program is co-sponsored by Motorola, Inc., Hogan & Hartson, The Klein Group, Northwest Airlines, and Productivity Asia, Ltd. The project was made possible by a grant from the National Association of State Development Agencies (NASDA) and the U.S.-Asia Environmental Partnership (US-AEP).

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PBEC U.S. Supports the U.S.- Asia Environmental Partnership

The Asian market for environmental technology and services is expanding rapidly and U.S. businesses of all sizes should be thinking about actively participating. Partnerships between U.S. and Asian companies can increase U.S. companies' sales in Asia and benefit the U.S. economy, while helping to improve the environment throughout Asia.

Encouraging U.S. expansion into these environmental markets is the goal of the U.S.-Asia Environmental Partnership (US-AEP), which was established by President Bush last January. PBEC U.S. plans to be an integral part of this program. The U.S. Agency for International Development (AID) is currently implementing a wide variety of action programs to carry out the Bush initiative.

One component of the US-AEP blueprint is Technology Cooperation, which is designed to introduce U.S. environmental products, processes and services into Asian markets. The necessary trade and investment linkages are to be encouraged by establishing U.S. environmental business centers in conjunction with the U.S. and Foreign Commercial Service (US & FCS) or private business entities.

Three US-AEP assessment teams traveled to Asia in July, 1992 to survey potential locations for the Technology Centers. Ann Wise, Director General of PBEC U.S., was selected as a member of the team that went to North Asia to visit business leaders, environmental regulators, and high level government officials in Seoul, Taipei and Hong Kong. Wise was the industry association representative on the team, which also included a representative from the U.S. Environmental Protection Agency (EPA), the Department of Commerce, the US-AEP, and an environmental company executive.

PBEC member country committees have been very cooperative in working to develop real business partnerships with their member companies--highlighting the unique capabilities that PBEC brings to the program. Two other assessment teams traveled



U.S.-AEP North Asia team in Hong Kong, to discuss location of U.S. technology center. Pictured above: Henry Richmond, U.S. & Foreign Commercial Service; Cliff Barton, IMCC; Ann Wise, PBEC U.S.; Jay Smith, Department of Commerce; and Tony Eason, Secretary for Planning, Environmental and Lands (Hong Kong).

PBEC Special Committee On Foreign Investment

The PBEC International board of directors approved the formation of a new special committee on foreign investment last spring. Under the chairmanship of Paul Hsu of the PBEC Chinese Committee in Taipei, the Foreign Investment Committee will study specific member countries that appear to maintain investment barriers in order to identify policies, laws and regulations that are needlessly impeding capital flows in the Pacific Basin.

The U.S. Committee is a co-sponsor of the committee and has been active in its organization. Dennis O'Brien, Chief Economist at Caltex, has been named as the committee Vice Chairman. O'Brien is Caltex's key spokesman on economic affairs and is responsible for analyzing international economic and political trends affecting global energy issues.

Information on foreign direct investment trends in the U.S. is being provided for the committee by the PBEC U.S. office and the Economic Strategy Institute.

Any member interested in serving on the committee or wishing more information should contact PBEC U.S. headquarters.

See US-AEP, page 5

Steering Committee Addresses Future Strategies

Leaders of the 13 PBEC member committees gathered at the Mauna Lani Bay Hotel in Hawaii October 22-25 for the organization's annual Steering Committee Meeting. The session focused on plans for PBEC's future, particularly the May 1993 Seoul International General Meeting (IGM) and a post-IGM PBEC mission to the Russian Far East.

The Directors General also concentrated on strengthening PBEC's image through marketing efforts, an international newsletter, media relationships, and a PBEC Award for International Business. In addition, a PBEC Strategy Committee was created to ensure greater speed and efficiency in decision making, and to formulate a mid-and long-term development strategy.

Participants joined in a teleconference with **Sandra Kristoff**, Deputy Assistant Secretary of State for East Asian and Pacific Affairs, to discuss the relationship between PBEC and the Asia Pacific Economic Cooperation (APEC). Kristoff is a participant in the APEC Senior Officials Meetings (See article on page 2). **Dr. Roy A. Herberger, Jr.**, President of the American Graduate School of International Management, gave the meeting's keynote address, detailing how the North American Free Trade Agreement (NAFTA) will affect Pacific trade and investment. **Larry K. Mellinger**, U.S. Executive Director of the Inter-American Development Bank, outlined opportunities for investment and trade in Latin America while **Vladimir Olegovich Rakhmanin**, Senior Advisor and Political Counselor at the Russian Embassy in Washington, discussed economic development of the Russian Far East.

Seoul IGM, from page 1

addressed are regional industrial cooperation, strategic industries, and economic cooperation in the Americas, specifically free trade agreements in the Western Hemisphere. The People's Republic of China and the Russian Federation will address topics such as "Opening the Russian Far East: Challenge and Opportunities in Business Development" and "Opening China: Changing Policies and International Business."

Perkins To Join ESI

The Economic Strategy Institute (ESI), home of the PBEC U.S. Committee secretariat, announced on October 1 that **Robert A. Perkins** will be joining the Institute as Vice President for Government Relations in January, 1993. Perkins is currently the Vice President for Washington Affairs for the Chrysler Corporation and has been an active member of PBEC since 1989.

Perkins joined Chrysler in 1959 and held various positions in the company in East Asia over a ten year period, including Vice President for Far East Operations. He also served on the Board of Directors for Mitsubishi Motors from 1974 to 1983 and was the Chairman of the Asian Pacific Chambers of American Commerce (APCAC).

As Vice President for Government Relations, Mr. Perkins will market policy recommendations of ESI and PBEC to Congress, the Administration and across the United States.

US-AEP, from page 2

to Indonesia, Malaysia, Singapore, the Philippines, and India.

PBEC U.S. is now developing a program to utilize input from key environmental business strategists, marketers and government policy-makers to develop a model for cooperation that will enable the United States to lead the development of environmental business partnerships in the vast emerging Asian markets.

In a separate initiative, the U.S. Committee is also forming an Environmental Business Committee to assist U.S. firms in exploring and developing profitable long-term business relationships in these Asian markets.

Further information on the PBEC U.S. Environmental Business Committee and the US-AEP can be obtained from the U.S. Committee office.

U. S. SENATOR

MAX BAUCUS

DEMOCRAT - MONTANA

NEWS RELEASES

706 HART SENATE OFFICE BUILDING • WASHINGTON, D.C. 20510 • 202-224-2651

FOR IMMEDIATE RELEASE
July 3, 1992

CONTACT: Tim Warner
(202) 224-2651

Baucus Announces "Seed Grant" for GeoResearch To Promote Technology in the Far East

Baucus Praises the Use of Federal Program To Promote Montana's International Trade Agenda

(WASHINGTON) -- As part of his continuing effort to initiate and maintain trade relationships among Montana and foreign countries, U.S. Senator Max Baucus (D-Mont.) announced today that a Billings company has received a "seed grant" from the U.S. Agency for International Development to help them introduce their technology to countries in the Far East.

The U.S. AID grant will fund three workshops to be hosted by GeoResearch Inc., during which officials of the company will meet in Southeast Asia with business representatives from countries including Malaysia, Nepal, Indonesia, The Philippines, India, Pakistan and Sri Lanka.

"These workshops will bring GeoResearch officials face-to-face with business and government representatives of East Asian nations who are interested in the high technology the company offers," Baucus said. "This is a textbook example of how we can help Montana companies foster trade relationships with foreign entities."

Baucus said last summer's tour of Montana he hosted for representatives of Asian countries is paying off.

"Last summer, when we hosted the officials from the Far East, I took note of the excitement and enthusiasm they have for Montana and businesses in our state," Baucus said. "We need to continue our efforts to build trade relationships with them. And GeoResearch is doing a great job of following through."

The announcement of this grant comes as Baucus is preparing to lead a delegation of Montana business representatives on a follow-up trip to Asian countries later this month. Baucus' Montana trade mission will take place August 14 - 22, 1992.

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ATTACHMENT XIII
Review by Auditors

12/27



REGARDIE, BROOKS & LEWIS

CHARTERED
CERTIFIED PUBLIC ACCOUNTANTS

7101 WISCONSIN AVENUE · BETHESDA, MARYLAND 20814
TEL (301) 654-9000 FAX (301) 656-3056

JEROME P. LEWIS, CPA
JESSE A. KAISER, CPA
NATHAN J. ROSEN, CPA
PAUL J. GNATT, CPA
CELSO T. MATAAC, JR., CPA
PHILIP R. BAKER, CPA
DOUGLAS A. DOWLING, CPA

DAVID A. BROOKS, CPA
CONSULTANT

BENJAMIN F. REGARDIE
(1897-1973)

October 21, 1993

Miles Friedman, Executive Director
National Association of State
Development Agencies
750 First Street, N.E., Suite 710
Washington, DC 20002

RE: Financial monitoring review of AID Agreement

Dear Mr. Friedman:

At your request we have reviewed the procedures and policies of the National Association of State Development Agencies (NASDA) regarding the financial records and documentation of Seed and Tech Fund Grants under the Cooperative Agreement with AID (No. DHR-4053-A-00-8036-00). The following comments are based on our findings:

- * Over all we found the financial records of the individual grants to be complete based on the requirements of the grant documents.
- * Generally the files contained the following documents:
 - Grantee's proposal.
 - Grant approval form.
 - Reports from the grantee as to the results of the program.
 - Form 1034A, "Public voucher for purchases and services other than personal."
 - Form 270, "Request for advance or reimbursement."
 - Copies of invoices in support of expenditures.
 - Copies of NASDA's checks issued to the Grantee.
 - Other documents related to the grant.
- * Several computer listings were maintained of the Grantees for the Seed Funds and the Tech Funds. It is our understanding that different information was kept in the various reports.

We recommend that a single data base be designed for the new AID contract which would include all required data. The data base would provide for several types of reports:

1. Status of grants
2. Financial data regarding grants
3. Others, as needed

- * The column headings for the Status of Grants report could be as follows:
 1. Information package sent (Yes or No)
 2. Follow-up call made (Yes or No)
 3. Concept paper received (Yes or No)
 4. Contact with AID Mission (Yes or No)
 5. Data on mailing to Committee (Yes or No/Meeting date)
 6. Agreement executed (Yes or No)

- * The column headings for the Financial report could be as follows:
 1. Grant control number (To be used by the general job cost system).
 2. Project Name
 3. Contract Period (Start date/end date)
 4. Contract signature status (Yes or No)
 5. NASDA Funding approval amount
 6. Funding to Date
 7. Estimated balance to complete
 8. Maximum Possible Fallout
 9. Requested additional funding, if any

All dollar columns would be totaled.

- * The grant costs were controlled in part by the use of the general ledger and job cost system. However, all grants were coded to one job number.

It is recommended that for the new AID contract each grant be assigned a control number to be used with the job cost system. This will enable the financial system and records to monitor the accumulated expenditures for each grant and in total for all grants, without the need for manual schedules.

- * In order to reduce internal review time of the grantees' requests for reimbursements we recommend that NASDA develop a standard form to be submitted by the grantee in addition to the government forms. The form would provide for 1) budgeted amounts for each class of expenditure approved, 2) prior claimed amounts, if any, 3) current claim amounts, and 4) variation from budget. Standard types of expenditures would be prelisted. This would standardize the coding for preparation of checks. The original forms mailed to the grantee could provide the budgeted amounts.

Mr. Miles Friedman
Washington, DC 20002

October 21, 1993
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The grantee should be required to list (on a provided columnar worksheet with budgeted title column headings) each invoice being submitted in the order of the supporting documentation. This will provide both the grantee and NASDA an audit trail of the invoices and their related classification within the budget.

- * In order to insure that all grant files contain all required documents, we recommend that a uniform file index be developed and printed on the front of the main grant file folder and be updated as documents are filed.

Yours very truly,

Regardie, Brooks & Lewis

Nathan J. Rosen
By: Nathan J. Rosen, CPA

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NATIONAL ASSOCIATION OF STATE DEVELOPMENT AGENCIES

FILE INDEX CONTROL

PROJECT NAME _____
 CONTROL NUMBER _____
 AMOUNT OF BUDGET \$ _____

GRANT DOCUMENTS:	N/A	IN	PENDING
GRANTEE'S PROPOSAL			
GRANTEE'S REVISED PROPOSAL			
GRANT APPROVAL FORM			

FINANCIAL DOCUMENTS:

NASDA REIMBURSEMENT FORM			
NASDA SUMMARY FORM			
GRANTEE'S INVOICES			
FORM 1034A -- PUBLIC VOUCHER			
FORM 270 REQUEST FOR ADVANCE			
COPIES OF NASDA CHECKS			

GRANTEE REPORTS:

INITIAL REPORT OF PROGRAM			
FINAL REPORT OF PROGRAM			
OTHER REPORTS:			

OTHER DOCUMENTS:

NATIONAL ASSOCIATION OF STATE DEVELOPMENT AGENCIES

REIMBURSEMENT SUMMARY FORM FOR PROJECT _____
 CONTROL NUMBER _____ PERIOD _____, 199__ TO _____, 199__

EXPENDITURE	ACCT. CODE	APPROVED BUDGET	PRIOR AMOUNTS CLAIMED	CURRENT AMOUNTS CLAIMED	TOTAL CLAIMED TO DATE	UNDER (OVER) BUDGET
TRAVEL:						
AIR TRANSPORTATION						
GROUND TRANSPORTATION						
PER DEIM						
LOGISTICS SUPPORT						
SEMINAR COSTS						
SHIPPING						
DEMONSTRATION OF EQUIP.						
PRINTING						
TRANSLATION						
OTHER						
TOTAL						

PAGE __ OF __ PREPARED BY _____ DATE _____

NASDA APPROVAL _____ DATE _____

NASDA-270A 10/93

ATTACHMENT XIV
Rejected Seed Fund Project Analysis

REJECTED SEED FUND PROJECTS

APPLICANT	COUNTRY
FISCAL YEAR 1991 2 rejected	
Illinois Department of Commerce and Community Affairs	Brazil
Illinois Department of Commerce and Community Affairs	Turkey
FISCAL YEAR 1992 10 rejected	
Illinois	Brazil
Iowa Internet	Costa Rica
California	West Africa
Arkansas	Congo
Western New York	ASEAN
Montana	ASEAN
21st Century	Slovakia
California	Ghana
Global Linguistics Institute	Russia
Louisiana	Yucatan
FISCAL YEAR 1993 35 rejected	
AmCham/Morocco	Morocco
Colorado	Morocco
Air & Waste Management Assn.	Hungary
Almar	Russia
University of Northern Iowa	Slovak Republic
Houston International Trade Center	Bolivia & Colombia
ASACI	North Africa
Delaware	Panama
Global Linguistics Institute	Near East

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REJECTED SEED FUND PROJECTS

Continued

APPLICANT	COUNTRY
FISCAL YEAR 1993 (cont'd)	
Chicago Chamber of Commerce	Poland
Chicago	Siberia
Globestar	Nigeria
Salco Irrigation	Ethiopia
PMC/Maguire	Romania
MTC	Morocco
HB Environmental	Armenia
Montana Tradeport	India
Minnesota/Land O' Lakes	Philippines
Kompass Resources International	Russia
Michigan	Mexico
National Minority Business Council / Carolina Exports	Tanzania
American Agriculture Enterprises	Russia
Western New York	Tunisia
US-Arab Chamber of Commerce	North Africa
Pollution Prevention International	Egypt
Florida/Keys Water	Egypt
Irrigation Association	Eritrea
Colorado	West Africa
ETEC/Wahlco	Russia
Atlanta	Morocco
George Mason University	South Africa
Maryland	Tunisia
Texas/Air Medical	Mongolia
Arkansas	Ghana
IIEC	Chile

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**BUSINESS DEVELOPMENT SEED FUND
REGIONAL BREAKDOWN OF REJECTED PROJECTS
47 Total Projects**

REGION	NUMBER OF PROJECTS
Eastern Europe	5
NIS	7
Asia	5
Latin America and the Caribbean	8
Near East / North Africa	11
Sub-Saharan Africa	10
Other	1

**BUSINESS DEVELOPMENT SEED FUND
BREAKDOWN OF REJECTED PROJECTS BY APPLICANT TYPE**

TYPE OF GRANT APPLICANT	NUMBER OF PROJECTS
State Economic Development Office	20
City / County	2
University	3
World Trade Center	1
Chamber of Commerce	3
Companies Without Sponsors	5
Trade Associations	5
Private Non-Profit	8

ATTACHMENT XV

Rejected Tech Fund Project Analysis

TECHNOLOGY FUND PROJECTS REJECTED BY THE REVIEW PANEL

APPLICANT	COUNTRY
FIRST QUARTER FY93 0 Rejected By Panel	
SECOND QUARTER FY93 6 Rejected By Panel	
WTC Orange County	Thailand
Idaho / ERAD	Taiwan, Southeast Asia
Recycled Oil International (ROIL)	Philippines
Maine Diagnostic Labs	Taiwan
New Jersey PRIDES / Venture Environmental	Taiwan
WTC Chattanooga	Philippines, Malaysia
THIRD QUARTER FY93 9 Rejected By Panel	
Washington DOT / Tradec	Thailand, Philippines
Hong Kong Environmental Protection Dept.	Hong Kong
New England Council / GEA / Kadin	Indonesia
Lafayette (Louisiana) Chamber of Commerce / Celstar	Indonesia
Purdue University	Indonesia
Center for International Environmental Law	Taiwan
Hawaii / Pacific Blue	Pacific Rim
California Women's Econ. Development Corp.	Thailand
Michigan Department of Commerce	Southeast Asia
FOURTH QUARTER FY93 0 Rejected By Panel	

ANALYSIS OF TECHNOLOGY FUND PROJECTS

Project Status	1st Quarter FY93	2nd Quarter FY93	3rd Quarter FY93	4th Quarter FY93	TOTAL
Approved	5	17	12	3	37
Rejected by NASDA	0	12	20	5	37
Rejected by Panel	0	6	9	0	15

TECHNOLOGY FUND REJECTED PROJECTS ANALYSIS

Type of Rejection	1st Quarter FY93 Rejections	2nd Quarter FY93 Rejections	3rd Quarter FY93 Rejections	4th Quarter FY93 Rejections
NASDA's Screening	0	12	20	5
Panel	0	6	9	0
US-AEP	0	0	0	0
TOTAL	0	18	29	5

MOST COMMON PANEL CONCERNS OF TECH FUND PROJECTS*

- Panel request for more general information about the project
- Panel concern over the viability of the applicant organization (e.g. financial stability, ability to specifically implement the project, etc.)
- Panel disapproval of funding for projects already in progress or completed
- Panel rejection of projects because of insufficient environmental focus
- Panel rejection of projects because of a lack of clear potential for business relationships which would not commercially benefit U.S. companies
- Panel need of verification that the technology involved is appropriate for the targeted country
- Panel concern that projects may not be related to the focus of the Tech Fund and that other sources of funding would be more appropriate for the project

**Note: Some of these issues resulted in project rejection while other issues were only requests for more information resulting in future project approval.*