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**Final Evaluation of the  
Market and Technology  
Access Project (MTAP II)**

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for:

**U.S. Agency for International Development**  
Washington, DC

by

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## ANNEXES

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## LIST OF ACRONYMS AND ABBREVIATIONS

ANE	Asia-Near East Bureau, USAID
CA	Cooperative Agreement
CINDE	Coalicion Costarricense de Iniciativa de Desarrollo (Costa Rican Coalition for Development Initiatives)
FUNDESA	Fundacion para el Desarrollo (Development Foundation), Guatemala
FUSADES	Fundacion Salvadoreña para el Desarrollo Economico y Social (Salvadoran Foundation for Economic and Social Development)
GABDI	Governor-Ambassador Business Development Initiative
GEXPRONT	[GREMIAL] Gremial de Exportadores de Productos no Tradicionales (Guild of Non-traditional Product Exporters), Guatemala
IBD	International Business Development Office
IESC	International Executive Service Corps
IMCC	Interamerican Management Consulting Corporation
INFORDE	Iniciativa Forestal para el Desarrollo (Forestry Initiative for Development)
IQC	Indefinite Quantity Contract
LDC	Less Developed Country
MTAP	Market and Technology Access Project
NASDA	National Association of State Development Agencies
PED	Private Enterprise Development
PP	Project Paper
PRE	Bureau for Private Enterprise
PROEXAG	Proyecto de Exportacion Agricola (Agricultural Export Project)
RENARM	Regional Natural Resources Management Project
ROCAP	Regional Office for Central American Programs
SME	Small and Medium Enterprise
SMED	Small and Medium Enterprise Development
SMIE	Small Micro and Informal Enterprise Office
SOW	Scope of Work
S&T	Bureau for Science and Technology
T&I	Trade and Investment
TIS	Trade and Investment Services program of IESC
USAEP	United States Asian Environmental Partnership
USAID	United States Agency for International Development
USAID/W	United States Agency for International Development, Washington

## EXECUTIVE SUMMARY

### A. Purpose

The market and Technology Access Project (MTAP) was a ten-year activity funded in two phases by the United States Agency for International Development (USAID). The total cost of MTAP's ten-year effort was \$11.5 million. The first phase, MTAP I, was a five-year project that began in 1983. MTAP I was funded at a cost of \$2,375,000 for the five years, with provisions for up to \$3,000,000 in additional USAID Mission buy-ins. It had two major components: field trials in which intermediary organizations provided trade and investment services to LDCs, and a research and evaluation component to produce information and strategies as to how to access LDC markets.

The second phase, MTAP II, also ran five years from 1988-1993 at a cost of about \$9.1 million. According to the Project Paper (PP), the main purpose of MTAP II was "to develop programs and services capable of accelerating the development of U.S.-LDC trade and technology linkages on a cost-effective, economically sustainable basis." MTAP II essentially had two components: a contract to the Interamerican Management Consulting Corporation (IMCC) to carry out research and technical services, and a Cooperative Agreement (CA) with the National Association of State Development Agencies (NASDA) to help sponsor collaborative trade and investment efforts between states and LDCs.

MTAP I was not the subject of analysis. This evaluation reviewed and analyzed MTAP II in terms of its activities over the past five years, the ability of its contracting agents (IMCC and NASDA) to manage and implement MTAP's projects, the overall impact and cost-effectiveness of projects funded under MTAP II, and in terms of the lessons that can be learned for future trade and investment-related projects.

### B. Summary of Findings

#### MTAP I & MTAP II

- In general, MTAP II did not remedy implementation problems that had hindered the potential success of MTAP I, as was anticipated in the PP Amendment to justify the creation of MTAP II. Overall, MTAP II did not create new funding strategies, offer a new variety and more expansive projects, and/or match LDC technology and investment needs with appropriate U.S. technical services and support.

#### MTAP II Management and Financing

- The MTAP/IMCC contract not only was modified 30 times, but it experienced a somewhat unusual approval process that resulted in one serious disconnect. Under normal USAID procedures a PP or PP

Amendment is approved first and then a contract is awarded reflecting its content. In this case the PP Amendment followed the contract. The result was that the contract did not require IMCC to gather quantifiable data that later could be used to measure the success of its effort.

- Both components of MTAP II (IMCC and NASDA) appear to have been adequately funded in both core and buy-in money reflecting in part a level of will and confidence on the part of USAID. In the case of IMCC, three other factors were present in keeping funding flowing: 1) aggressive work by IMCC's Executive Director for Trade and Investment Services and his colleagues, as well as the first USAID MTAP II Project Officer in marketing and selling the project to the Missions; 2) the fact the IMCC's expertise could be easily accessed; and 3) MTAP/IMCC buy-ins could count toward minority contracting goals.
- USAID/W project management was erratic and at times non-existent, particularly immediately following the shift from the S&T to the PRE Bureau. While it would be difficult to conclude that MTAP II outcome was entirely affected by USAID/W initiatives and/or lack thereof, some observers and participants saw the bureau shift as having a negative impact on the overall operations of MTAP II.

#### MTAP/IMCC Component

- Neither the PP Amendment or the USAID/IMCC contract demanded specific requirements for quantifying or highlighting achievements. The closest the contract came to requiring measures of achievement was found in item 6 (f) of the contract. (The lack of evaluation measures was a great dilemma for the evaluation team.)
- IMCC Work Plans did not provide an adequate view of what had been accomplished the previous year. Prospective accomplishments mentioned in the yearly Work Plans rarely materialized. In fact, the IMCC Work Plans were especially weak and shallow in general project management reporting and information dissemination. The nomenclature and/or content of the IMCC Work Plans frequently changed from plan to plan, as well as the tasks and services to be undertaken.
- The constant shifting of IMCC project objectives, tasks and services, in part, reflected the changing USAID expectations for the project. This in turn, reflected S&T and PRE Bureaus different achievement emphasis (i.e., mission buy-ins vs. commercial transactions); frequent USAID/MTAP project management staff position changes; and the lack of greater enforcing capability on the part of the USAID/MTAP project managers to demand that IMCC achieve project objectives, gather data, and monitor and report project results more closely.

- Reflecting the evaluators' judgment, readings and impression from all sources, IMCC five year effort was graded on a scale of 10 in terms of those technical services specified in the first Work Plan (FY 1989). IMCC was graded a 4 in research, 5 in project identification, 4 in design and analysis, 4 in monitoring, 6 in implementation support, 2 in dissemination/network development, 1 in evaluation, and 4 in overall coordination.

#### MTAP/IMCC in Guatemala

- Of the MTAP/IMCC world-wide total effort of buy-ins, nearly 42% were directed to Guatemala.
- The two major thrusts of the MTAP/IMCC buy-in effort in Guatemala were non-traditional export promotion, and wood processing and utilization technologies.
- It is unclear what the impact was of the MTAP/IMCC component on Guatemala's non traditional exports. Some prospective U.S. buyers visited Guatemala because of the travel and per diem incentives offered by MTAP/IMCC.
- MTAP/IMCC's second buy-in in Guatemala, a forestry activity, was beset by several problems and was not able to sustain itself beyond the five-year funding it received from USAID.
- In overall terms, what was corporately achieved by the MTAP/IMCC effort in Guatemala could well have been achieved by the Mission hiring two field consultants directly, at considerable savings.

#### MTAP/NASDA Component

- After analyzing the evidence collected, the MTAP/NASDA component was found to be relatively successful. Not only did NASDA fulfill the main objective of the Cooperation Agreement and almost all specific tasks, but it also brought changes to states' attitudes. The MTAP/NASDA effort was particularly successful in heightening the awareness of states about LDC markets, and dissipating skepticism about their potential.
- The Seed and Tech Fund MTAP/NASDA projects appeared to have met a critical gap. Through both fund initiatives many U.S. companies had the opportunity to know and test their capability of doing business in LDCs. From 1988-1993, 40 Business Seed Fund projects, and since FY 1991, 37 Environmental Technology Fund projects were approved.

- Both the Seed and Tech Funds had a high rate of project rejection, the result responded mainly to having an approval system that was inconsistent, erratic, and sometimes obstructive. The process of selection evolved and was improved somewhat with the Tech Fund by creating a review panel. Nonetheless, the rejection rate remained excessively high.

### **C. Lessons Learned**

- The most significant lesson learned through this evaluation related to management: For a multi-part venture such as MTAP II, USAID should insist on pinpointing management and operational control in the field, at the contractor's home office, and in USAID/W.
- A venture such as MTAP, one requiring a high level of organization and creativity, requires regular timing of project evaluations.
- A venture such as MTAP also requires timely, accurate, and substantial reporting; these are a vital adjunct to good management, communication, and evaluation.
- The performance and approach of a venture such as MTAP with an IMCC and/or NASDA-like components should directly reflect the staffing, the cohesion, reporting, infrastructure, clarity of stated goals and communications capacity. As such, the thinner the staffing, the more remote or widespread the operation, the greater the need for good communications at all levels and in all directions.

### **D. Conclusions and Recommendations**

- A project like the MTAP II effort requires better communications with overseas FCSs and USAID posts, so that USG officials abroad can work more closely with grant recipients and understand more fully program objectives.
- A project like MTAP requires more publicity. Even though USAID is proscribed from publicity, every effort should be made to support the kind of aggressive promotional efforts upon which the success of programs like MTAP rest.
- A most significant conclusion, especially in the promotion of non-traditional exports, is the size and composition of the contractor's team, which is also related to continuity. The contractor must have an integrated team. Most critically in agriculture and forest products all vital bases (i.e., pre-harvest, post harvest, marketing, pricing, environment, financing) have to be covered professionally and on a multi-year basis.

- An effort like MTAP should be kept flexible, timely, and as non-bureaucratic as possible, so that procedures can yield quick turnarounds. It took a long time for proposals to obtain clearances, and serious proposals sometimes were not given the necessary consideration to be accepted. Especially in the case of small projects, like seed fund projects, they should not be subject to so much detailed bureaucratic clearance procedures within USAID. Relatedly, a greater number of steps need to be taken in order to streamline review and approval processes and avoid high rates of rejection.
- U.S. companies and sponsors that participate in trade promotion efforts such as MTAP, should be given more incentive to do follow-up activities in order to develop those opportunities created by the effort and to exploit breakthroughs. The probability to obtain "long-term commercial transactions" may be strengthened with follow-up visits. Relatedly, projects like this one should be longer-term and should ensure continuity in order to have greater market penetration, and to sustain opportunity and profits.
- Some fears and suspicions remain in USAID about the private sector. Efforts should be made to invigorate confidence in the legitimacy of the public sector giving funding to the private sector. Joint and collaborative ventures between the public and private sectors should continue to be strengthened.

# I. INTRODUCTION: PURPOSE, SCOPE AND METHODOLOGY

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## A. Purpose

The Market and Technology Access Project (MTAP) was a 10-year activity of the United States Agency for International Development (USAID). Funded in two phases, 1983-1988 and 1988-1993, MTAP had a total cost of about \$11.5 million. The project has not been renewed by USAID, although one component will be continued through another project.

MTAP I is not the subject of analysis here; but its importance for MTAP II, under review in this report, is discussed in Section II. MTAP II essentially had two components. The first was a contract to the InterAmerican Management Consulting Corporation (IMCC) for a "core" amount of \$2.3 million and a provision allowing USAID Bureaus and Missions overseas to "buy-in" for services, which amounted to an additional \$4.3 million. The second component was a cooperative agreement executed in 1988 with the National Association of State Development Agencies (NASDA) for a cumulative amount of \$1 million and buy-ins of \$1.5 million.

This evaluation report was contracted with Development Associates principally to assess retrospectively the effectiveness of MTAP II with particular emphasis on the IMCC component. The evaluation team was composed of:

- Jack Hood Vaughn, team leader. Mr. Vaughn, a former State Department, Peace Corps and USAID executive, has been involved with the Agency's programs for almost four decades.
- John H. (Jack) Sullivan. Dr. Sullivan, a Development Associates' Vice President, formerly was Assistant Administrator of USAID for Asia.
- Gerardo Berthin, a senior researcher for the firm.

## B. Scope

The terms of the team's inquiry were established by a scope of work prepared by USAID's Office of International Business Development (IBD), Private Enterprise (PRE) Bureau. The terms may be found in Annex A. Two other factors had an important impact on the team's approach:

- First, the evaluation will not be a determinant of whether MTAP is given a third phase, or even help decide which components should be continued. USAID, in effect, already has made those decisions. This permits enhanced

emphasis in this report on "lessons learned" from MTAP and comparison with alternatives for delivering similar services. Thus, the team hopes its analysis will have a prospective value as USAID decision-makers determine allocations of the Agency's scarce resources in the area of private sector development.

- Second, MTAP II was reviewed previously by another team as part of a larger PRE Bureau effort to devise a new centralized trade and investment project. This was a limited review with no field visits. It raised objections from both IMCC and NASDA on the grounds of its methodology and analysis. Contemporaneously, PRE was planning a summative evaluation of MTAP II, consistent with the Agency's guidelines on projects that are ending. Further, PRE officials were interested in an assessment of MTAP's accomplishments. This is the resulting evaluation. While the Development Associates team was made aware of the earlier work of Louis Berger International, Inc., and the objections by IMCC and NASDA, our inquiry was utterly independent of what had gone before and is based on the methodology outlined below.

## C. Methodology

Because methodology is a matter of concern, the team has given it more than usual attention. Achieving rigor in any evaluation of a USAID project is always a challenge given the frequent paucity of information available upon which to base cause and effect relationships. Evaluating MTAP is particularly difficult because, as will be seen, the objectives of the program were never very sharply focussed, no concrete indicators of success were ever defined, and no attempt was made to gather baseline data from which comparisons might be drawn.

To meet the challenge of analytic accuracy, several steps have been taken:

- **Interviews.** The team conducted a series of interviews as part of its inquiry. They were of two types:

Personal Interviews. The team either all together or in other combinations met with USAID officials, contractor personnel, project beneficiaries, and others, numbering 40.

Telephone Interviews. In order better to assess the effectiveness of the NASDA program, structured telephone interviews using a standard questionnaire were conducted with a sample of State development agency personnel and business executives, totalling 15.

The names and identifications of all those interviewed may be found in Annex B.

- **Document Review.** The team reviewed close to 100 documents involving USAID's and other trade and investment-related efforts. IMCC was particularly accommodating in providing the team with a variety of reports and studies it had prepared over the years. All of these have been taken into account. A list of the more important among them are attached as Annex C.
- **Field Review.** Messrs. Vaughn and Sullivan visited Guatemala to gain a field perspective on the project. Guatemala was chosen among the 11 countries in which IMCC has worked directly because of the importance it has had within MTAP. Approximately 42% of IMCC's total buy-ins occurred in Guatemala (see Annex D for a complete list, and description of IMCC buy-ins). Moreover, these involved activities in market access and technology central to MTAP purposes. The field review afforded opportunities to visit small enterprises and their workers who are the project's ultimate beneficiaries.

The body of the evaluation report that follows is divided into six parts:

First, it deals with the context and approaches represented by MTAP and briefly discusses MTAP I as it evolved and ultimately influenced MTAP II.

Second, it surveys the financial and management history of the project and its several components.

Third, it reviews IMCC contract implementation, with emphasis on its effectiveness in providing market access services, technology sourcing, business linkages, research and development results, and program design and evaluation.

Fourth, it reports the team findings in Guatemala, with emphasis on the two major elements of MTAP/IMCC buy-ins there.

Fifth, it discusses the results of the team's inquiry into the NASDA program.

Sixth, it provides conclusions about "lessons learned" from MTAP and makes recommendations for future implementation of trade and investment-related projects.

## **D. Acknowledgements**

The team wishes to acknowledge and thank the many individuals who gave generously of their time and ideas to facilitate and inform the work of the team. USAID officials were very accommodating to us, both in Washington, D.C., and in USAID/Guatemala. Contractor representatives from IMCC and NASDA similarly were gracious in providing us with information, particularly in responding to specific requests for data. In Guatemala, we are particularly indebted to Gerry Lamberty, advisor to the

**GREMIEL, for his good offices in arranging interviews with local exporters. Many others, too numerous to name individually, facilitated our efforts.**

**Now we turn to a management and financial history of MTAP as a means of better understanding the project's history and dynamics.**

## II. BACKGROUND AND CONTENT OF MTAP I AND II

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**D**uring the early 1980's with stimulus from the Reagan Administration USAID embarked on a large-scale, far-reaching attempt to develop the private enterprise sectors of developing countries. A new bureau, PRE, was created to spearhead this initiative. Particularly in the Latin American Region, the initial models of assistance to emerge were high-cost, high-visibility efforts. They included creation of business development parastatals (e.g., FUSADES in El Salvador and CINDE in Costa Rica), export processing zones, and large trade and investment efforts operated by major U.S. accounting and other firms.

In USAID's Science and Technology Bureau (S&T) meanwhile, a small group of specialists in small and medium enterprise (SME) development were viewing with increasing skepticism the cost-effectiveness of the Agency's efforts. They believed that equal or better results could be achieved at considerable savings through intermediary organizations that would provide commercially viable trade and investment promotion services. Despite being at odds with the prevailing wisdom at USAID at the time, the concept found support from the S&T Bureau leadership, and an initiative was launched in April 1983 as the Market and Technology Access Project or "MTAP." It was given a 5-year project life and funded at \$2,375,000, with provision for up to \$3,000,000 in additional USAID Mission "buy-ins" during that period. MTAP I had two major components:

- Field trials in which intermediary organizations provided trade and investment services to LDCs under a range of cost-sharing arrangements; and
- A research and evaluation component to provide information on a variety of hypotheses regarding approaches for providing market access, with emphasis on the field trials.

Four firms were chosen as MTAP intermediaries covering Asia, Latin America, and the Middle East. The accounting firm of Arthur Young (later Ernst and Young) was chosen to do research and evaluation.

The results of MTAP I were not impressive. The final report of Ernst and Young, a document of some 220 pages, was guarded in its assessment of the field trials.<sup>1</sup> The

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<sup>1</sup>"Business Services in International Trade and Investment Promotion: A Report presented to the United States Agency for International Development's MTAP Project." (Ernst and Young). 30 September 1989.

team learned that despite the four firms having been chosen for their established capacities and trading networks, all of them were either bankrupt or out of the trade enhancement business within several years.

An external mid-term evaluation of MTAP I, however, was less discouraging. Done for USAID in June 1988, it declared that although concrete results had been meager up to then, MTAP remained a viable project. The evaluation report declared: "If MTAP did not exist, it would be necessary to create a project... very similar in design."<sup>2</sup> MTAP simply needed some re-direction, the evaluation asserted.

The S&T Bureau advocates for MTAP were quick to oblige. Following a "bridge" period of one year, they approved a "Project Paper (PP) Amendment" for MTAP II that altered significantly the MTAP goals, purposes, outputs and inputs.<sup>3</sup> The changes, the document indicated, directly flowed from the experience of MTAP I. It also cited studies by World Bank experts questioning the effectiveness of traditional trade and investment strategies. The project amendment expressed confidence, endorsing the idea that the "likelihood of success is greater under this project than under other donor and government funded trade and investment promotion efforts." According to the PP Amendment success for MTAP II was to be measured by three criteria:

- Number of new business relationships initiated;
- Level of new export sales for both U.S. and LDC firms; and
- New jobs created.

The main purpose of MTAP II would be "to develop programs and services capable of accelerating the development of U.S.-LDC trade and technology linkages on a cost-effective, economically sustainable basis." The concept of supporting for-profit intermediary service organizations was subordinated to working with business associations, trade groups and other non-profit organizations. In concrete terms MTAP II had two major components:

- First, a contract was awarded on a non-competitive basis to a minority-owned small business to carry out the research and technical services agenda of the project. Chosen for that role was the InterAmerican Management Consulting Company (IMCC), a Florida-based firm with offices currently in Arlington, Virginia.
- Second, a cooperative agreement was executed between USAID and the National Association of State Development Agencies (NASDA) to help

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<sup>2</sup>"Market and technology Access Project: Mid-Term Special Evaluation." (William L. Rodgers). June 1988, The Executive Summary.

<sup>3</sup>Market and Technology Access Project Paper (PP), 20 June 1989.

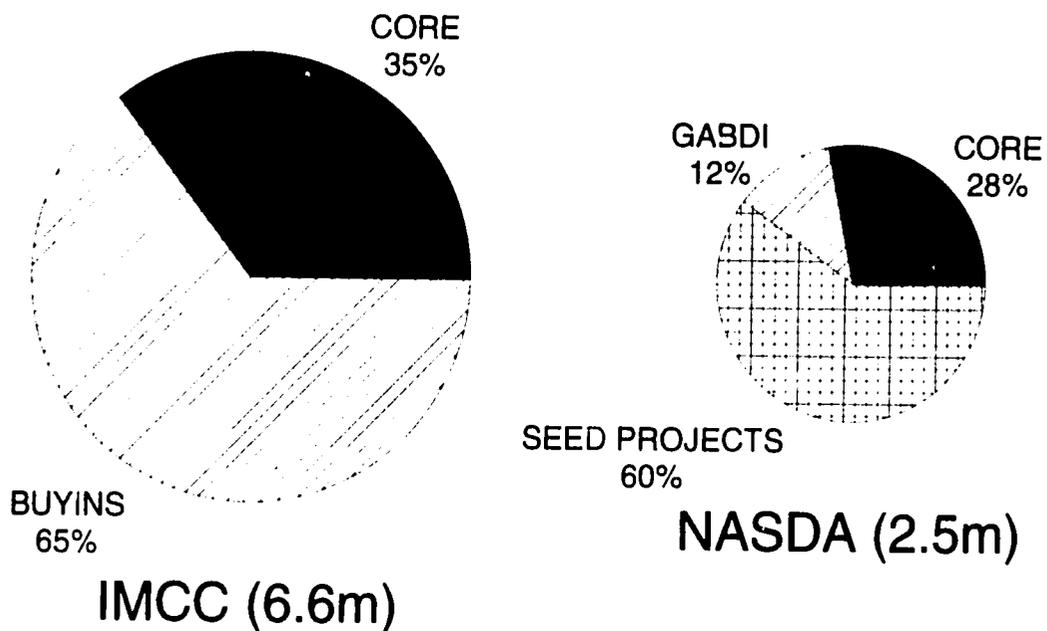
sponsor collaborative efforts -- particularly trade and investment missions to LDCs.

Both components included centrally-funded resources and mission-funded buy-ins. At inception, the total cost of MTAP II was estimated at \$8.91 million, of which some \$1.935 million was to be core funding by USAID/S&T and \$6.975 million from mission and regional bureau buy-ins (see Exhibit A.)

Exhibit A

## MTAP II COST (9.1m): 1988-93

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The anticipated funding break-out was as follows:

**IMCC services**

Core funding	\$1.351 million
Buy-ins	<u>\$3.675</u> million
Total	\$5.026 million

**NASDA**

Core funding	\$ .584 million
Buy-ins	<u>\$3.300</u> million
Total	\$3.884 million

It was expected that these funds would be expended over the first three years of a four-year project. In actuality, the amounts spent on MTAP II differed somewhat from those estimates. For IMCC, core funding amounted to \$2,336,542 and buy-ins \$3,891,290. For NASDA the figures are \$664,568 and \$1,595,342, respectively. NASDA also received an additional \$300,000 for a special program called the Governor-Ambassador Business Development Initiative Mission. (GABDI).

Finally, the PP Amendment noted that MTAP I had encountered several problems hindering implementation that would be remedied during MTAP II. Three specifically were cited:

- The original project underestimated the time and resources requirements needed to develop new ventures in LDCs;
- The buy-in requirement resulted in "less-than-optimal" selection of countries and activities; and
- USAID procurement regulations proved inflexible for an experimental effort like MTAP.

The PP Amendment stated that these problems would be directly addressed by MTAP II "by initiating new mechanisms for funding and implementing pilot project and expanding the variety of services offered to provide a better fit with firm-level requirements in specific countries." As will be seen, however, these problems continued to affect MTAP II.

The next section deals with the administrative and financial management of the project as a whole. It provides a history of how the project was implemented.

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### III. A FINANCIAL AND MANAGEMENT HISTORY OF MTAP II

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In order to properly evaluate the success or failure of MTAP it is necessary first to understand a somewhat complicated history of the project's management and financing.

Throughout its life MTAP I was supervised by Dr. Clifton Barton,<sup>1</sup> a personal services contractor employed directly by the S&T Bureau as a specialist in small and medium enterprise development. Possessing an excellent reputation with many for his ideas and insights, Dr. Barton played an important role in the conceptualization of MTAP I and II.

#### A. The MTAP/IMCC Contract

When MTAP II was conceived and agreed upon, USAID officials in the S&T Bureau decided that efforts to develop and test approaches for promoting improved access by developing country firms to new markets and technologies should be provided by a single contractor. In lieu of bidding that contract in full and open competition, the Bureau made an award under Section 8(a) of the Small Business Act that permits sole sourcing to small, minority-owned organizations. It selected IMCC as the recipient. A contract<sup>2</sup> was signed August 8, 1988. At that point Dr. Barton ceased to be an employee of A.I.D. and joined the staff of IMCC as its Executive Director for Trade and Technology Services and the project director for MTAP II. For some months while IMCC was establishing offices in the Washington, D.C. area, Dr. Barton continued to sit in the S&T Bureau but with a different paymaster. He ultimately moved to IMCC offices in Arlington, VA.

Under its contract with IMCC, the S&T Bureau obligated \$216,542 to carry on MTAP for up to 16 months. Dr. Barton was designated "key personnel" as Project Coordinator. This was considered a "bridge" period during which a PP Amendment authorizing MTAP II could be prepared and put through the approval process. This effort, was in fact, a principal responsibility of Dr. Barton during his initial months in the IMCC job.

The PP Amendment was made final on June 20, 1989, authorizing funds for both IMCC and NASDA. Eight days later the IMCC contract was modified and \$996,939 added in core funding and designated buy-ins. This modification, only the first of what

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<sup>1</sup>Although the team believes that personal references should be kept to an absolute minimum an evaluation of this kind, Dr. Barton's role in the project is so pivotal as to make it necessary in his case.

<sup>2</sup>Under the SBA system, such an award is officially considered a "subcontract" with USAID itself playing the role of "contractor." In matter of fact, however, an 8(a) recipient is a contractor.

ultimately would be 30 modifications (see Exhibit B), also extended the terms of the contract through July 1993.

The process was somewhat unusual. Under normal A.I.D. procedures a Project Paper or PP Amendment is approved first and then a contract reflecting the content of the project concept document is given out. In this case the PP Amendment followed the contract, and the contract was never changed. This situation resulted in at least one serious "disconnect:" The PP Amendment states that MTAP success is to be measured by three criteria: 1) numbers of new business relationships, 2) increased levels of export sales, and 3) numbers of jobs created. While these criteria are presumably quantifiable, nothing in the IMCC contract required that such data be gathered for MTAP II -- and it was not.

## **B. The MTAP/NASDA Cooperative Agreement (CA)**

In August 1988, a few days after the contract award to IMCC, the S&T Bureau concluded a one-year Cooperative Agreement (CA) with NASDA for \$94,987 to explore ways in which A.I.D. could cooperate with state development agencies in such areas as trade, technology and investment in LDCs. That was followed by the first of 11 amendments in May 1989; it added \$769,987 and extended the project another year. In June 1989, contemporaneous with the PP Amendment approval, the CA was amended again, adding \$300,000 and extending the duration until September 1993. Exhibit C charts the progress of IMCC/NASDA.

## **C. A.I.D. Management of MTAP II**

For the first 12 months of its existence, MTAP II continued to be managed out of the S&T Bureau. A Project Officer was appointed to replace Dr. Barton who had moved over to IMCC. She proved to be supportive of MTAP II's objectives and aggressive in encouraging Mission buy-ins. (Buy-ins were a critical index of success in the S&T Bureau which was seeking to demonstrate its value to the Missions). As the result of a major re-shuffling within A.I.D., the MTAP II Project was moved in mid-1992 to the PRE Bureau as part of the transfer of the Small and Micro-enterprise Development activity (SMIE) from the S&T Bureau to PRE. Subsequently, in Spring 1991 project management and oversight responsibilities for MTAP were rearranged within PRE, removing them from SMIE and placing them within the International Business Development Office (IBD). The Project Officer similarly was transferred and later went on to other projects. In effect, MTAP II had four different Project Officers in the space of four years. During one period of about three months (June 1991 - September 1991) no one in A.I.D. appears to have been charged with project responsibility. Exhibit D details the A.I.D. project management.

**EXHIBIT B**

**CONTRACT HISTORY AND ACTIVITY OF MTAP SUBCONTRACT  
BETWEEN A.I.D. AND IMCC  
1988-1993**

TYPE OF CONTRACT	DATE	CONTRACT ACTIVITY
Award Contract	8/1/88	U.S. Small Business Administration issued contract to A.I.D., which in turn it contracts IMCC for \$216,542. The duration of this sub-contract is for 16 months until 12/89. During this period, IMCC was expected to develop and test approaches for promoting improved access by LDC firms to new markets and technologies. IMCC main effort was research, design, and coordination of services
Modification # 1	6/28/89	A.I.D. amends original IMCC contract by obligating an additional \$996,939 in funding (\$100,000 in incremental funding + 3 projects in Guatemala [\$499,753, \$301,860, and 45,443], + 1 project in Thailand worth \$49,883). Modification # 1 also extends the term of the contract through July 1993
Modification # 2	9/30/90	A.I.D. amends original IMCC contract to obligate an additional \$432,103 to fund 3 projects (1 in Guatemala for \$174,942, 1 in Indonesia for \$137,390, and 1 in Ecuador for \$119,771)
Modification # 3	5/7/90	A.I.D. amends original IMCC contract to provide \$405,000 additional in incremental funding
Modification # 4	6/6/90	A.I.D. amends original IMCC contract to provide \$71,940 additional funding for a buy-in project (Tunisia: Technology Application Project) and for support in the preparation of a final project paper
Modification # 5	5/1/90	A.I.D. amends original IMCC contract to provide additional funding in the sum of \$184,641 to continue to support MTAP projects (Guatemala \$69,812 Forest Products and Wood Utilization; and \$84,964 Wood Utilization and Market Development Component; and ANE Private Sector Development for \$29,865
Modification # 6	12/5/90	A.I.D. amends original IMCC contract to provide additional funding in the sum of \$119,988 for joint venture Export promotion in Guatemala
Modification # 7	12/11/90	A.I.D. amends original IMCC contract to obligate an additional \$217,529 to provide for a buy-in (Guatemala:Regional environmental project RENARM)
Modification # 8	3/8/91	A.I.D. amends original IMCC contract to extend schedule of Modification #4 by 6 months
Modification # 9	7/19/91	A.I.D. amends original IMCC contract to provide additional incremental funding of \$315,000

**EXHIBIT B (continued)**

**CONTRACT HISTORY AND ACTIVITY OF MTAP SUBCONTRACT  
BETWEEN A.I.D. AND IMCC  
1988-1993**

<b>TYPE OF CONTRACT</b>	<b>DATE</b>	<b>CONTRACT ACTIVITY</b>
Modification # 10	8/26/91	A.I.D. amends original IMCC contract to provide \$725,000 additional in incremental funding
Modification # 11	9/30/91	A.I.D. amends original IMCC contract to obligate an additional \$99,633 to provide assistance required to complete the scope of work for a buy-in (ANE: Market, Export, and Capital Development Demos.)
Modification # 12	9/27/91	A.I.D. amends original IMCC contract by obligate an additional \$99,857 to provide assistance required to complete the scope of work for a buy-in (Worldwide: Forest Resource Management)
Modification # 13	2/11/91	A.I.D. amends original IMCC contract to provide \$595,998 to provide technical assistance required to complete the scope of work for a buy in (Indonesia: Technical Assistance for agribusiness development)
Modification # 14	2/12/92	A.I.D. amends original IMCC contract to supplement scope of work incorporated in Modification #11. The level of effort remains unchanged. (While Modification #14 states that the level of effort described in Modification #11 remains unchanged, figures in Modi #11 and Modi #14 are different. M#11 indicated \$99,633, while M#14 indicates 99,857)
Modification # 15	4/17/92	A.I.D. amends original IMCC contract to provide \$132,834 to provide technical assistance required to complete the scope of work for a buy in (Ghana: Export Assessment)
Modification # 16	4/29/92	A.I.D. amends original IMCC contract to provide an additional \$3,040 for Modification #15
Modification # 17	3/23/92	A.I.D. amends original IMCC contract to provide \$24,894 to provide technical assistance required to complete the scope of work for a buy in (Caribbean Regional: Investment Promotion and Export Development)
Modification # 18	6/10/92	A.I.D. amends original IMCC contract to obligate an additional \$91,499 to provide technical assistance required to complete the scope of work for a buy in (Guatemala: Export Development Modi# 6)
Modification # 19	6/26/92	A.I.D. amends original IMCC contract to obligate an additional \$261,494 to provide technical assistance required to complete the scope of work for a buy in (Asia: US-AEP Country Assessment)
Modification # 20	8/5/92	A.I.D. amends original IMCC contract to provide incremental funds in the amount of \$575,000

EXHIBIT B (continued)

CONTRACT HISTORY AND ACTIVITY OF MTAP SUBCONTRACT  
BETWEEN A.I.D. AND IMCC  
1988-1993

TYPE OF CONTRACT	DATE	CONTRACT ACTIVITY
Modification # 21	8/31/92	A.I.D. amends original IMCC contract to obligate an additional \$19,780 to provide technical assistance required to complete the scope of work for a buy-in (Tonga: Handicrafts)
Modification # 22	9/28/92	A.I.D. amends original IMCC contract to obligate an additional \$149,510 to provide technical assistance required to complete the scope of work for a buy-in (Worldwide: Forest Resource Management)
Modification # 23	9/29/92	A.I.D. amends original IMCC contract to provide \$274,028 to provide technical assistance required to complete the scope of work for a buy in (Indonesia: Technical Assistance for agribusiness development) ( <b>\$595,998 had been obligated under Modification # 13; this modification provides the remaining balance</b> )
Modification # 24	9/30/92	A.I.D. amends original IMCC contract to obligate an additional \$176,620 to provide technical assistance required to complete the scope of work for a buy-in (Guatemala: Technical Assistance Export Promotion)
Modification # 25	9/30/92	A.I.D. amends original IMCC contract to obligate an additional \$53,389 to provide technical assistance required to complete the scope of work for a buy-in (ANE: Market Entry Demonstration)
Modification # 26	2/16/93	A.I.D. amends original IMCC contract to obligate an additional \$99,766 to provide technical assistance required to complete the scope of work for a buy-in (India: Trade and Environmental Services and Technologies)
Modification # 27	4/15/93	A.I.D. amends original IMCC contract to extend the terms from July 31, 1993 to September 30, 1993
Modification # 28	6/18/93	A.I.D. amends original IMCC contract to replace the previous Scope of Work presented in Modification # 25 with a new SOW (ANE: Market Entry Demonstration)
Modification # 29	7/3/93	A.I.D. amends original IMCC contract to obligate an additional \$187,090 to provide technical assistance required to complete the scope of work for a buy-in (Nepal: Carpet Industry-Export Development Program)
Modification # 30	8/31/93	A.I.D. amends original IMCC contract to obligate an additional \$187,090 to provide technical assistance required to complete the scope of work for a buy-in (Thailand: Training Program for Manufacturing Technology)

**EXHIBIT C**

**CONTRACT HISTORY AND ACTIVITY OF MTAP COOPERATIVE AGREEMENT  
BETWEEN A.I.D. AND NASDA  
1988-1993**

TYPE OF CONTRACT	DATE	CONTRACT ACTIVITY
Cooperative Agreement	8/23/88	A.I.D. and NASDA signed a one-year Cooperative Agreement for \$94,987 supporting a program to investigate ways in which A.I.D. can collaborate with states in areas such as trade, technology, and investment with Less Developed Countries
Amendment # 1	5/4/89	A.I.D. amends original agreement to extend duration of support for an additional year (until 9/90) and to increase the total amount of the agreement to \$769,987. Amendment # 1 obligates \$239,923 (or 31% of \$769,987) of the new funding
Amendment # 2	6/7/90	A.I.D. amends original agreement to extend duration of support for an additional three years (until 9/93) and to obligate an additional sum of \$300,000. This allotment was provided to specifically support the GABDI initiative
Amendment # 3	8/28/90	A.I.D. amends original agreement to provide incremental funding of \$150,000 and to increase the total amount of the Cooperative Agreement by \$14,923 to \$784,910 (769,987 + 14,923 = \$784,910)
Amendment # 4	9/30/91	A.I.D. amends original agreement to give NASDA additional funding in the sum of \$475,000 to continue to support collaborative programs between A.I.D. and states in the area of trade, technology, and investment with Less Developed Countries. This amendment raises the total amount of the NASDA Cooperative Agreement to \$1,259,910
Amendment # 5	8/27/92	A.I.D. amends original agreement to give NASDA additional funding in the sum of \$150,000 to continue to support collaborative programs between A.I.D. and states in the area of trade, technology, and investment with Less Developed Countries. This amendment raises the total amount of the NASDA Cooperative Agreement to \$1,434,910
Amendment # 6	8/27/92	A.I.D. amends original agreement to give NASDA additional funding in the sum of \$300,000 for program expenditures the area of trade, technology, and investment promotion with Less Developed Countries. This amendment raises the total amount of the NASDA Cooperative Agreement to \$1,734,910

**EXHIBIT C (continued)**

**CONTRACT HISTORY AND ACTIVITY OF MTAP COOPERATIVE AGREEMENT  
BETWEEN A.I.D. AND NASDA  
1988-1993**

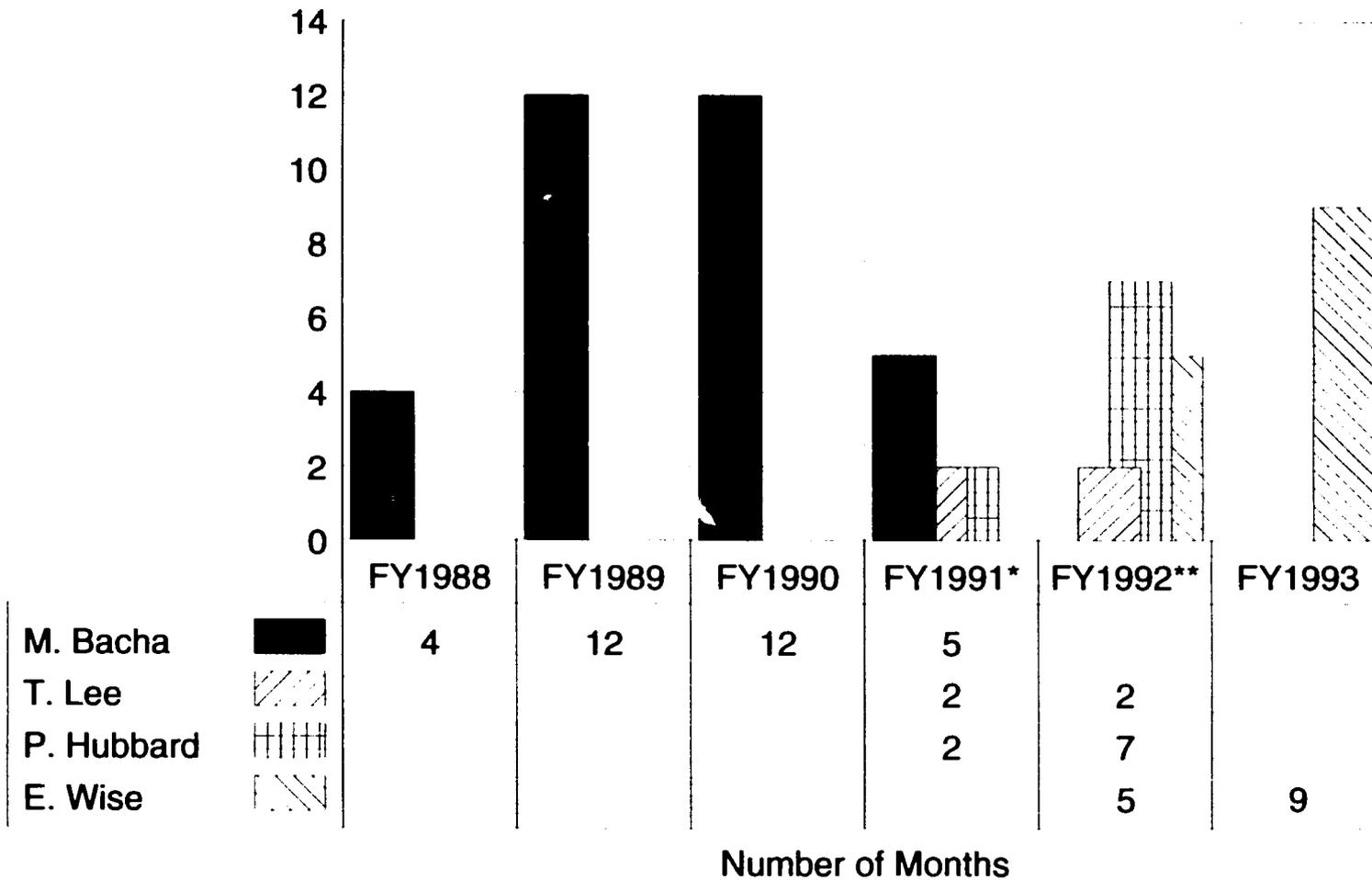
TYPE OF CONTRACT	DATE	CONTRACT ACTIVITY
Amendment # 7	9/25/92	A.I.D. amends original agreement to give NASDA additional funding in the sum of \$325,000 for program expenditures the area of trade, technology, and investment promotion with Less Developed Countries. This amendment raises the total amount of the NASDA Cooperative Agreement to \$2,059,910
Amendment # 8	9/30/92	A.I.D. amends original agreement to give NASDA additional funding in the sum of \$100,000 for program expenditures the area of trade, technology, and investment promotion with Less Developed Countries. This amendment raises the total amount of the NASDA Cooperative Agreement to \$2,159,910
Amendment # 9	12/1/92	A.I.D. amends original agreement to give NASDA additional funding in the sum of \$150,000 for program expenditures the area of trade, technology, and investment promotion with Less Developed Countries. This amendment raises the total amount of the NASDA Cooperative Agreement to \$2,309,910
Amendment # 10	3/23/93	A.I.D. amends original agreement to give NASDA additional funding in the sum of \$250,000 for program expenditures the area of trade, technology, and investment promotion with Less Developed Countries. This amendment raises the total amount of the NASDA Cooperative Agreement to \$2,559,910
Amendment # 11	8/25/93	A.I.D. amends original agreement to extend period of Cooperative Agreement by one additional month to October 30, 1993, without any additional costs

Exhibit D

# USAID/MTAP II MANAGEMENT

## Number of Months on Job Per Fiscal Year

8-111



Some observers and participants see the shift of bureaus as having been disadvantageous to MTAP/IMCC:

- The project initially was devised as an alternative to PRE's high cost trade programs, now PRE was supervising it.
- Whereas S&T had emphasized Mission buy-ins, PRE's staff was much more interested in "transactions" -- numbers of deals put together, etc.
- S&T had created and nurtured MTAP; for PRE it was "not invented here" and an unwanted step-child.
- In a sense MTAP II competed with other PRE projects: the IMCC component with the Private Enterprise Development (PEDs) Project; and NASDA with the IESC-run Trade and Investment Services (TIS) Program.

When these observations are compared to the continuing addition of funds for both IMCC and NASDA projects throughout PRE's stewardship, however, it difficult to see any real effort by PRE to squelch MTAP. Our investigation did however, show serious shortcomings in the PRE Bureau record-keeping on MTAP until the point at which the current Project Officer took over. At this point a detailed voucher certification system was instituted. As part of this assignment the team identified significant gaps in the MTAP "paper trail" and have acted to gather necessary documents for USAID.

#### **D. Conclusions**

Although Dr. Barton publicly has questioned USAID's "political will" where a project like MTAP is concerned -- a criticism re-iterated to the team -- MTAP II appears to have been well funded through its four-year life, both in core money and in buy-ins. Much of this can be attributed to the aggressive work of Dr. Barton and his IMCC colleagues, as well as the initial A.I.D. Project Officer, to "sell" the project to the Missions. Two other factors may also have been present: 1) the relative ease with which IMCC's expertise could be accessed, and 2) MTAP/IMCC buy-ins counted toward minority contracting goals.

If funding appears adequate, the contractual mechanism by which it was achieved appears to be a clumsy one, requirely as it did 30 modifications. Moreover, if MTAP I was seen to be hampered by the reliance on buy-ins, MTAP II was almost as dependent upon them.

Project management, particularly for the period immediately after the shift from the S&T to the PRE Bureaus, was erratic and at times non-existent. During the final years of the project more supervision and controls were installed. Yet -- except for the positive effects of the sales effort of the initial Project Officer -- it would be difficult to conclude that the outcome of MTAP II was materially affected by what A.I.D. personnel in Washington did or did not do.

## IV. THE MTAP/IMCC PROGRAM

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### A. Scope of This Review

As noted in the last section, although the MTAP II PP Amendment cited evaluation criteria to include new business relationships, increased levels of exports and new jobs created, no apparent effort was made to collect that data on a systematic basis within IMCC. While some figures are available from Guatemala, no one will vouch for them completely. The team's evaluation then is almost totally reliant upon anecdotal evidence. The issue then becomes determining those most important elements to be reviewed. From the Project Paper Amendment (936-4053) titled The Market and Technology Access Project (MTAP II), and dated June 20, 1989, our evaluation has taken the following quoted summary excerpts as benchmarks and criteria:

"The objective of MTAP II is to use the knowledge gained in the initial phase of MTAP, as well as the results from a continuing research effort, to help USAID missions design and implement more effective project initiatives in the areas of trade and technology development. The goal of the project will be to stimulate the growth of mutually beneficial trade and technology relationships between U.S. and LDC firms. The purpose of the project will be to develop specific measures for accelerating trade and technology development ... including more effective policies, organizational initiatives, training programs, and technical services packages ... that are cost-effective and sustainable.

The project will offer new types of technical assistance packages to support mission trade and technology development programs, such as new combinations of consulting assistance, training, and business development services. In addition, specialized assistance in several high priority subsectors ... agribusiness, forestry, and light manufactured products for entry-level exporters ... will be provided. These services will be designed to supplement the services and resources offered by regional bureau and PRE technical support projects."

As the prime focus for this evaluation, the team determined to target the three criteria mentioned in the foregoing introduction, second paragraph, last sentence: "The purpose of the project will be to develop specific measures for accelerating trade and technology development ... that are cost effective and sustainable." That is to say the core of our methodology is to determine as accurately and realistically as facts permit--in keeping with MTAP II's own statements--just what the project accomplished in significant or lasting ways, and at what price.

## **B. Contractor's Escape Clause**

In the realm of measurement, it is important to recognize that the Project Paper Amendment in effect lets the contractor (IMCC) off the performance hook. It implies that it is not really possible to measure benefits accurately; but if one is lucky enough to have benefits, then it is not possible to attribute them. (A great dilemma for the evaluator.)

To make this dilemma clear, the pertinent part of the PP Amendment is quoted below, beginning with page 7, under Costs and Benefits of Trade and Technology Promotion Activities.

"Program justifications generally attempt to measure the benefits resulting from program expenditures compared to program costs. Unfortunately, the issue of attribution makes precise measurements of benefits quite difficult if not impossible. Evaluations, even careful ones, involve a considerable amount of best-guessing and estimation. Because of inherent problems with measuring results and attributing them and the benefits they produce to the right causal factors, evaluation methodologies in this field are not likely to become more precise anytime soon."

The caveat expressed above obviously has the effect of deflecting the thrust of any future attempts at evaluation. It also would appear to excuse USAID for failing to require the contractor to devise a monitoring and evaluation system to capture the information necessary to determine whether MTAP II was meeting its objectives. Under the basic contract for MTAP IMCC, negotiated with the U.S. Small Business Administration, there are no stated requirements for quantifying or highlighting achievements. The term "evaluation" is used throughout the SBA contract, but generally in terms of the contractor assisting overseas Missions in their "evaluations" (unspecified). The closest the contract comes to requiring measurement of the contractor's contributions is item 6.(f) Evaluation: "Carrying out of assessments and evaluations of all MTAP activities as required to document the lessons learned."

In fact, the amount of evaluation and documentation that took place over the life of MTAP II was erratic and not targeted at the goals the PP Amendment stated: numbers of new business relationships, trade "dollars" generated and jobs created.

## **C. The MTAP/IMCC Work Plans**

Among subjects discussed with IMCC personnel at the beginning of our investigations was precisely this dilemma. It was suggested to the team that the best guide to the performance of IMCC in MTAP II would be the text of the Work Plans that the organization was required to file with USAID each year as a prelude to being authorized to carry forward elements of its "core" program. Those Work Plans, IMCC staff said, both would provide a retrospective on what was accomplished the year

previously and a guide to the planning for the coming year. As a result the team devoted considerable analysis to these documents. Before comparing individual yearly Work Plans, a few general comments are in order. The five Work Plans are at the same time a statement of work and a description of activities gone before, as well as IMCC's projections of initiatives and goals laid out for the year ahead. Although the first Work Plan of MTAP II targets 13 countries for the design and implementation of new pilot/demonstration projects, over one-third of all IMCC resources (including buy-ins) were allocated to Guatemalan programs. This concentration of IMCC resources made it appropriate for the evaluation team to visit Guatemala as the field dimension of its evaluation.

This evaluation, in an attempt to track and judge cost effectiveness and sustainability of new and continuing project activities, encountered one further complicating factor: the frequent change from plan to plan of nomenclature and the content of IMCC's stated tasks to be undertaken. These substantial changes in Work Plan tasks or services are readily apparent from inspecting the following outlines. It turns out that "tasks," "services," and "categories" are difficult to define with precision.

The initial IMCC Work Plan for MTAP II (FY 1989) appears to build upon the generalities of the PP Amendment and the IMCC contract by specifying five principal tasks:

- Overall project coordination;
- Research on trade and investment promotion strategies and techniques;
- Design and implementation of new pilot or demonstration projects;
- Technical services and support for mission programs; and
- Dissemination/network development.

For FY 1990 and beyond, the following additional tasks were added to the five items contained in the first Work Plan:

- Export promotion or market entry assistance for new-to-export firms (1990);
- Institutional support for technology commercialization (1990);
- Technology intelligence and sourcing (1991);
- U.S. - LDC business linkages (1991);
- Field tests of model technology cooperation and trade development programs and services (1992);
- PRE program support (1992); and
- General project management, reporting and information dissemination (1993).

The total of "principal tasks" over the five-year scope of MTAP II therefore came to 12. This mix and multiplicity of proposed undertakings by IMCC, among other things, makes evaluation most problematic. This is especially so when it is not apparent the extent to which each 12 target tasks was undertaken, or whether they were tried in only one or two countries.

Incidentally, the evaluators judged both USAID and IMCC as being especially weak and unimpressive throughout the five-year program on the last point above: "General project management reporting and information dissemination." Only in the final year of the project did USAID insist that reporting be part of IMCC's annual work plan. It is ironic that it would take five years for project management and information dissemination to finally show up on IMCC's chart of key tasks; and then, seemingly as an afterthought.

In their own defense representatives of IMCC contend that the constant shifting of project objectives reflected the changing USAID expectations for the project. When MTAP II was with the S&T Bureau the emphasis was on achieving mission buy-ins; when it went to the PRE Bureau the emphasis was on achieving quantifiable trade transactions. This is true but only part of the picture. The very nature of a buy-in oriented project is that its content will be driven by Mission desires rather than the stated objectives of the project. IMCC admits that occurred, dividing its work orders into those done primarily to satisfy a Mission request and those fewer related to the "core" purpose of its contract.

Evidence is that on some of these buy-ins IMCC did a creditable job. For example, the team received a communication from USAID/Nepal praising as "exceptional" the work IMCC did with Nepali carpet producers, particularly its training sessions in Nepal on colors, designs and weaves. It was impossible for the team to assess the success/failure of each of these efforts (with the exception of Guatemala in the next chapter). A question arises, however, about whether the sum of these independent and mostly uncoordinated activities adds up to a project--which in USAID context is to have a coherent set of coordinated activities toward clearly articulated goals and purposes.

This disability, largely brought on by the operation of the project, might have been mitigated to some degree if IMCC had rigorously applied standards of research and data gathering. It might have gathered information from each of its efforts--even those in which it acted largely as a "body shop" to provide Missions with personnel--but it did not.

During the course of our investigation, IMCC was very cooperative in providing the team with a range of materials produced under MTAP II. We found many to be informative and interesting, but taken together they failed to form a coherent picture with the Annual Work Plans and even less relevance for the objectives cited in the original PP Amendment.

Nor did USAID's MTAP II managers over the years apparently try to enforce more discipline on IMCC. In a project of MTAP's size and complexity it is standard practice of USAID to require a "Technical Advisory Group" (TAG) composed of knowledgeable USAID staff and outside experts. TAGs meet once or twice a year for at least a day to discuss project progress and methodology, technical and management issues. MTAP had no TAG and thus no check overall performance outside of a single Project Officer who, as we have noted, not infrequently was off the job.

If IMCC erred in management and communication by dint of marching to different drummers, USAID's management and communications shortcomings flowed from two

factors: accelerated staff turnover both in Washington and the field; and a general uneasy feeling about how to deal with entrepreneurs and free enterprise concepts as a government agency.

These factors serve to highlight why USAID and contractual export promotion activities make for such uncomfortable partners. Export promotion ventures in LDCs, to develop and to flourish, require long-term continuity. The USAID pattern too often is short-term everything-focus, funding and staff. This makes for a disconnect and waste of resources as the U.S. seeks ways to encourage the private sector. This is a critical contradiction.

#### D. Report Card

Reflecting the evaluators' judgment, readings and impressions from all sources, it was deemed worthwhile to grade the IMCC five-year effort along the lines it suggested; i.e., those purpose spelled out in the FY 1989 (first) Work Plan, second paragraph, page 1. A grade as been awarded to each purpose proposed by the contract, with the rating of 10 being outstanding. The ratings are given below. The fields listed are taken from the Work Plan: "The purpose of this contract is to provide high level technical services in":

Field	Grade	Evaluators' Comment
Research	4	Very little evidence seen of what might be called research.
Project Identification	5	Always a major thrust. But projects often were tenuously related to MTAP objectives.
Design and Analysis	4	Elegant terms left essentially undeveloped.
Monitoring	4	A flawed concept with no IMCC field staff and indifferent A.I.D. personnel.
Implementation Support	6	Here IMCC was often better than A.I.D.
Dissemination/Network Development	2	A major failure of the project. IMCC blames USAID indifference.
Evaluation	1	Not seen. If lessons were learned they went largely unreported.
Overall Coordination	4	Slow improvement later in project.

## E. Conclusions

One of the key questions to be answered in evaluating IMCC's performance during the five years of MTAP II is whether the four or five basic categories of services advertised by MTAP are the kinds of services an organization like IMCC is equipped to supply in an integrated and creative fashion.

The Team believes that had IMCC been limited to three or four countries in one geographic area, for example, it would have had an opportunity to show what it could do. With its limited staff, we had the impression the IMCC effort was fragmented beyond good control and undergunned in most dimensions. With the passage of time, targets became more dispersed, IMCC staff was stretched too far, but through "buy-ins" new tasks constantly were added.

Any lack of cohesion in the MTAP/IMCC activity was thereby exacerbated by the strong dependence upon buy-ins. Further, the situation invites comparison of MTAP/IMCC with the PEDS contract, another USAID vehicle--this one a PRE invention from the outset--that permits Missions to obtain short term services in private sector development without going through the Agency's lengthy procurement process. As will be seen in the following chapter, PEDS and MTAP/IMCC were used almost interchangeably in trade promotion in Guatemala. The issue of redundancy thus is raised.

IMCC representatives believe that their initiative to bring U.S. trade associations into the international trade promotion arena might have yielded significant results had MTAP been extended or given several more years of life. The firm was responsible for a well-received study of U.S. trade associations and their potential for stimulating international trade and market access.

They also point to activities in Thailand that have linked a U.S. trade association with a Thai training organization to improve manufacturing technology. Evidence is that the Mission considered the work innovative and a success. But as the last buy-in of the MTAP/IMCC, this activity only reinforces the notion that had MTAP II been more sharply focussed in this (or another) direction it might have achieved considerably more success and a coherent series of outcomes.

From what we can glean from the erratic paper trail and, more especially from having looked at operations in Guatemala, IMCC will leave the field having made virtually no scoring plays over the last five years. This record, at least, deprives us of the difficult task referred to at the beginning, of either cost benefit analysis or quantification of results. There is no finite impact to measure; no certain benefit to cost out. What we can do is total up how much the total program cost, for example, in Guatemala and then compare this amount with known results.

In perusing the five IMCC Annual Work plans, the team had hoped to ferret out leads that would permit us to understand, appreciate and rate project undertakings. But

the language stayed tentative throughout -- "pending, draft, preliminary version, planned completion date, exploring possibilities, possible front-end work with prospective clients, preliminary research..."

A core of substance to the project remained elusive throughout the team's investigation. Whatever vision lay behind MTAP at its outset appears to have dissipated without significant accomplishments. The team looked for results that would continue on after the end of the MTAP/IMCC contract and found virtually none.

A senior USAID officer commented that USAID did not lack political will in this MTAP venture. Instead, he volunteered, "USAID lacked the discipline to demand the contractor track accomplishments and achievements." There was a vision behind MTAP originally," he said, "But when MTAP had to be so solicitous and responsive to individual mission desires and idiosyncracies, then it became fragmented and IMCC began to lose its vision."

## V. MTAP/IMCC IN GUATEMALA

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### A. Background

Fortunately, the 1988-1993 MTAP/IMCC program carried out in Guatemala, presents the evaluator with an unusually clear and well-placed window for viewing MTAP II in microcosm. One might even argue, given the disproportionate size of Guatemala program funding, that it also qualifies as a macrocosm of MTAP II. On either basis, and by other important criteria as well, Guatemala emerges as IMCC's flagship effort. And if the big action was not in Guatemala for MTAP II, at least the big money was.

It would be hard for evaluators to fault management of IMCC for selecting Guatemala as its showcase country. By 1988, a clear and positive convergence of trends had Guatemala looking like a market economy winner.

Bending an old adage, a rising export tide lifts all business consultants' boats. Why struggle with jump-starting a Yemen when one can climb aboard an already rising Guatemala? Picking a country which is early seen as a winner, assures enough credits for natural or induced progress to go around. More importantly, explosive growth masks cause and effect, while at the same time blunting bureaucratic efforts to ferret out flaws and locate guilty parties. Before, during and after the period of evaluation, Guatemala has achieved rapid growth in its export efforts.

Reasons for selecting Guatemala for the MTAP II focus in 1988 are as extensive as they are convincing. The largest and most endowed country of Central America, Guatemala had in place a solid and diversified handicraft and industrial base. Labor was cheap and relatively efficient. Transportation and communications were good. Electricity and water were adequate. The entrepreneurial class was large, liquid and getting younger.

At the head of the U.S. Mission stood a very aggressively pro-business ambassador. The USAID Mission was large, diversified and well-funded. Yet although nominally in support of private sector initiatives there was evident an underlying doubt or reluctance among many USAID field staff. Hard to measure or identify, this private sector phobia among USAID staff is nevertheless something to be reckoned with. It emerges with some frequency in probing private sector performance.

But in spite of USAID's traditional ambivalence on promotion of the private sector, it had backed two phenomenally successful ventures related to Guatemala. These were so good they stood as models to be embraced, worked with, identified with or shamelessly copied.

Both of these USAID-backed successes stressed export promotion. One was a banking venture (LADD) to strengthen the country's industry. Chemonics had found the formula for creating a breakthrough in non-traditional agricultural exports in its regional PROEXAG project.

The unusually large, and by some reports successful, International Executive Service Corps (IESC), was another factor seemingly ideal for MTAP's needs. IESC, while benefitting from USAID subsidy arrangements, seemed well positioned to augment MTAP's requirements for senior short-term U.S. expertise in the field.

This, then, was the context and climate into which MTAP II brought its forces to "design" and activate its two principal activities. These two ventures dominated the Guatemala MTAP II scene for the entire period under evaluation: The first and larger of these projects was the promotion of non-traditional exports. The second dealt with improved wood utilization and processing. The first dealt strictly with Guatemala; the second had regional overtones.

To determine what happened over the lives of these two programs was the object of the evaluators' visit to Guatemala for a week in mid-September, 1993. The widest possible range of informants was sought. Government officials, businessmen, clients, partisans, experts and old friends were interviewed in depth. On many issues we found consensus faster than anticipated. The greatest consensus revolved around there being very little substance to show for five years of MTAP II having been in Guatemala.

## **B. Funding Arrangements**

As touched on above, the two major thrusts of MTAP II were non-traditional export promotion and the improvement of wood processing and utilization technologies. For the former, \$1,108,245 was disbursed for buy-ins over the period of four-plus years. Regarding wood utilization, the total buy-ins reached \$674,565. Combined, these two categories come to \$1,782,810. The extent of core funding expenditures of IMCC relating to Guatemala support could not be determined with any precision.

Related to the total MTAP effort, no statistics reflect so graphically the bias developed early toward Guatemala as do the buy-ins. Of the world-wide total, of buy-ins, nearly 42% were directed to Guatemala programs.

## **C. Program Components**

IMCC first leaned toward handicrafts and artisan export promotion. As its main vehicle or conduit for this thrust, the private sector guild GEXPRONT was selected. It turned out this nation-wide group of non-traditional exporters was the right choice. Well organized and well-managed, it had a clear, broad mission.

How much better GEXPRONT is today after hundreds of thousands of dollars in IMCC and USAID inputs is not clear. The only output that seems demonstrable is that more prospective U.S. buyers visited Guatemala with MTAP subsidies than would have come absent travel and per diem incentives.

In addition to an initial half-million dollar buy-in support of GEXPRONT itself, \$45,443 was expended by MTAP to encourage western Guatemala artisan exports. This came early in the program. The intent was to provide individual artisans with IMCC technical assistance, principally in design and marketing.

Critical to all MTAP support activities of GEXPRONT was resident U.S. consultant Gerald Lamberty. A senior and recently-retired foreign service officer, Lamberty was generally perceived to have been the pivotal liaison, broker, promoter, host and trouble shooter for GEXPRONT. According to observers, and to Lamberty himself, the functions he performed before, during and after his having moved to IMCC's payroll were exactly the same. For IMCC to claim credit for Lamberty's considerable achievements is quite acceptable. To suggest however that his affiliation with IMCC increased his effectiveness in a demonstrable way has a thin rationale. In essence, Mr. Lamberty was a hired gun, with steady aim.

Beyond Lamberty's services to GEXPRONT, continuing technical assistance was reportedly provided by IMCC's home office. In attempting to ascertain both in the case of Guatemala and beyond, just what claimed "research" "training" and "design" really meant, the following conclusion was reached: More often than not, IMCC, when it iterated its programmatic processes and services, in fact was saying "We are seeking additional buy-in funds for MTAP II." This, assuredly, was the case in Guatemala; a very successful case.

IMCC's second major program component in Guatemala was known by its Spanish acronym INFORDE -- Forestry Initiative for Development. Distressingly, INFORDE never caught on in Guatemala. When USAID funding vanished, so too did INFORDE.

As distinct from the case of GEXPRONT -- a well-established indigenous institution -- INFORDE had no Guatemalan roots. Moreover, it seemed disinterested in putting any down. As a consequence, it did not flourish. It had come in as a pre-packaged, independent, one-man import from Ecuador. In five years it had not progressed significantly beyond those openers. The evaluators could find only one trace. Two junior foresters, subcontracted through INFORDE to do practical research on the use of a older (Aliso) wood, were both winding up their contracts in September.

As was the case with GEXPRONT's Mr. Lamberty,, INFORDE's Vicente Molinos was contracted on short notice, in the field, essentially to continue the very same work done before being hired away from the USAID Mission.

Mr. Lamberty was universally considered to have been the right man for the right job, irrespective of who paid him. The case of Mr. Molinos was quite the opposite.

Although considered by many to be something of a genius in his field, he never connected. Known to be an effective convener as well, he was seldom able to turn consensus into action or change. He was allowed to drift and flail by home office and local USAID and ROCAP supervisors. He was left to vegetate in an organizational dead end, and consequently did not begin to achieve his potential. Among other things, the INFORDE failure was costly, not just in Mr. Molinos' continuing frustration, but in Uncle Sam's dollars.

Perhaps every consultant firm should be allowed a couple of early mistakes, especially if later adjustments highlight lessons learned. But, for IMCC to commit the cardinal sin in institution building and extension teaching of taking no corrective action over five years, challenges the two mistake metaphor quite severely. USAID/Guatemala and ROCAP seem equally delinquent in the INFORDE case.

Regional Natural Resources Management (RENARM) project director Ronald Curtis advised the evaluators that he had been most attracted by the INFORDE possibility because "it was fast, cheap and easy." Initially coming to ROCAP as an USAID/W buy-in, and with an additional funding bonus from USDA, the IMCC -- Molinos' offer seemed too good to pass up; i.e., top technician, virtually no cost, almost complete avoidance of onerous USAID procedures. But shortly costs and problems grew. Later on, when the contract had to be refunded with ROCAP funds used for an additional buy-in, Curtis became aware of just how expensive this one-man operation had become.

In Mr. Molinos final report, he noted under the heading "Main Failures" (he lists only one) the following:

"The INFORDE/IMCC program was unable to gain support from the bilateral mission in Guatemala over the past three years."

Persons in Guatemala queried on the stand-off, cited personality conflicts between the bilateral USAID Mission agricultural staff and Mr. Molinos. How supervisory staff in Washington and the field could have allowed such a deal-breaking conflict to persist for so long bespeaks a lack of leadership and seriousness.

In terms of applying lessons learned, most old USAID hands fully understood the INFORDE dilemma from as far back as the Marshall Plan: pre-fabricated institutional transplants, arriving absent negotiations and with no designated host, need more than five years to put down roots.

The head of the highly successful Chemonics export effort (PROEXAG) in Guatemala made a telling point on the five-year outcome of INFORDE. "Whatever we do in export promotion must be demand driven," he said. "If instead our efforts are driven by cheap funds (read buy-ins), the kind of technicians who happen to be readily available, pressure from ambassadors or USAID/W, or by what is in vogue at the time, it may not work out." The second piece of Chemonics wisdom came in comments on staff numbers.

"There must be a highly competent, well-integrated team available to cover all important skills and bases in the field at all times."

For wood processing and utilization there was no such INFORDE team. Nor was there any attempt to build one. By the same token, there was no responsible, absorptive local or regional institution to integrate and extend Mr. Molinos' high technology.

In essence, what the evaluators have come to after a wide-ranging review of IMCC-INFORDE's experiment is the following:

1. IMCC failed to design a workable wood utilization program for Guatemala or Central America; no infrastructure; no momentum; poor reporting.
2. What it brought to the game was nothing more than a highly specialized and convenient consultancy arrangement "designed" in Ecuador for Ecuador.
3. The INFORDE initiative instead of being demand driven was quick process, easy and cheap money "buy-in" driven.
4. It was also driven by the immediate availability of a high-quality technician already in the field.
5. In contrast to the institutional fit achieved through the placement of Mr. Lamberty within GEXPRONT, Mr. Molinos had no place to go. Having no workable institutional context, most of his shots ended up being ricochets.

In Mr. Molinos' defense, in spite of his virtual abandonment, he performed very well in two areas. He was seen as an excellent convener. Secondly, he was widely used as a trouble shooter by Guatemalan wood processors for their own plants.

\$674,565 as field costs might not be an excessive price to pay for a technician of Molinos' talents. That is not the evaluators' point. Our point is that the so-called wood utilization project was poorly designed. And over the years nobody at ROCAP, the USAID or IMCC appeared to be alert enough or concerned enough to revise it.

Citing another of the Chemonics' axioms for success in export promotion ventures, "In all cases a catalyst is needed for success." From what the evaluators have learned, at no time in the five-year sweep of this program was Mr. Molinos allowed or encouraged to play a catalytic role in an institutional sense.

If there were significant lessons learned from MTAP's first five unevaluated years, they seem not to have been cited or put into practice. Certainly over the subsequent five years, the IMCC role with GEXPRONT and INFORDE did not go beyond straight forward, standard, "hired gun" types of consultancies.

There was one notable exception for which both IMCC and Mr. Lamberty claim credit. This was the subsidized program promoting prospective U.S. buyers' visits. Until stopped late in the program by Congressional intervention, this subsidy scheme seemed to be attracting potential product buyers to Guatemala who otherwise would not have come.

Using Guatemala as the case study for MTAP II has exposed one final major program disconnect. As mentioned elsewhere, there was a steady rotation of program objectives reflected in IMCC's Annual Work Plans. None of these stated objectives and none of the yearly stated modifications had any discernible impact on what was happening in the Guatemala programs -- IMCC's largest.

In overall terms the evaluators conclude that in Guatemala what was corporately achieved by IMCC was essentially the equivalent of what could have been done by hiring two good field consultants at far less expense to USAID. On no count was there convincing evidence of corporate-home office critical contributions to Guatemala programs.

## VI. THE MTAP/NASDA PROGRAM

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### A. Background

As was mentioned earlier, NASDA signed a Cooperative Agreement with USAID on August 23, 1988, initially obligating \$94,987 to explore ways in which USAID could cooperate with state development agencies in such areas as trade, technology, and investment in LDCs. Between 1988-1993, the Cooperative Agreement was amended 11 times. In 10 of the 11 modifications additional funds were added. Also, in 2 out of the 11 amendments the scope of work was amended: in the first instance the US-AEP Technology Cooperative Program Buy-in was activated, and in the second, a special buy-in effort was activated to engage states in business promotion with several former Soviet Republics, referred to as Newly Independent States (NIS).

In five years NASDA received approximately \$2.5 million in funding from USAID. About \$1.5 million or 60% was used to fund 77 Seed Grants in two separate programs (the Business Seed Fund approximately \$800,000 (53%) and the Environmental Technology Fund approximately \$700,000 (47%). Twelve percent of total funding or \$300,000 was utilized to fund the Governor-Ambassador Business Development Initiative (GABDI) for the ASEAN region. Finally, NASDA spent about 28% of total funding or approximately \$700,000 as operating funds. The operating costs included about \$200,000 in the first two years to setup the program and to promote international trade and awareness of business opportunities in less developed countries among the State economic development agencies, and about \$500,000 to manage the \$2.5 million fund (See Exhibit E).

### B. MTAP/NASDA Project Components

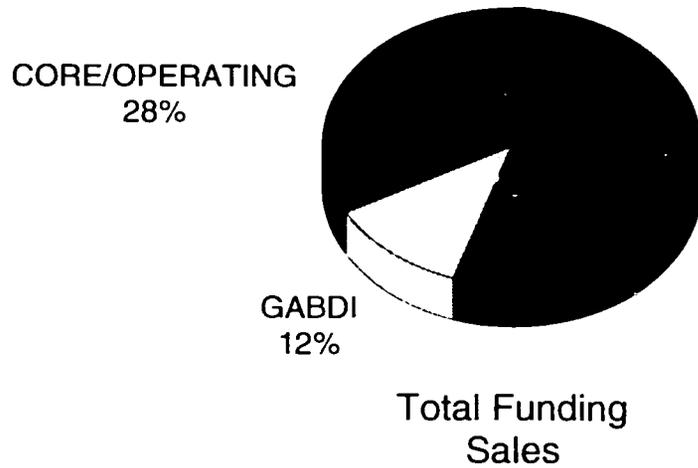
The MTAP/NASDA Project had three main components:

- The Business Development Seed Fund, which provided technical assistance and funding to intermediary groups (i.e., universities, Chambers of Commerce, nonprofit organizations, private business groups) for projects that sought to promote business activity by U.S. firms in LDCs. As the Mission Statement indicates: "The Business Seed Fund was designed to facilitate the creation of bilateral trade and investment linkages between U.S. firms and LDCs, in the belief that such activity could be a powerful catalyst for mutual economic growth and prosperity." A total of 40 projects were approved by USAID. The regional/country focus and the type of project recipients are summarized in Exhibits F and G.

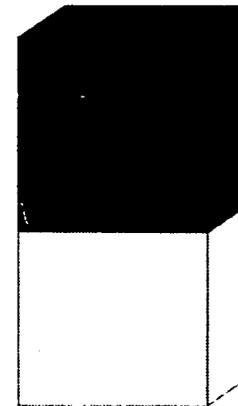
Exhibit E

# MTAP/NASDA FUNDING (2.5m) 1988-1993

VI-2



SEED PROJECTS  
60%



Business Fund  
53%

Environmental Tech.  
47%

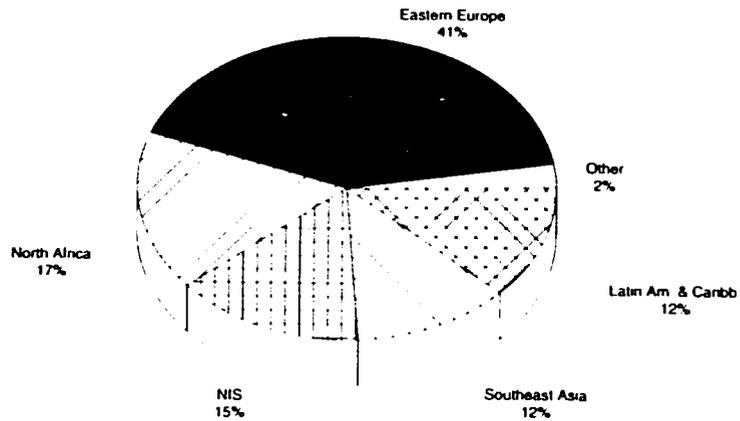
Seed  
Projects

Exhibit F

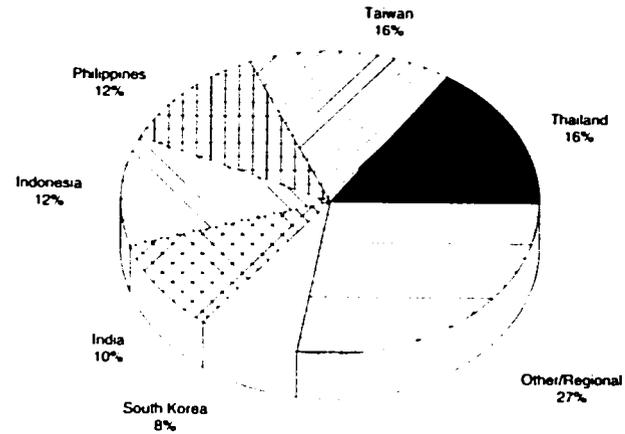
# MTAP/NASDA SEED FUNDS

## Regional/Country Focus

VI-3



Business Fund



Tech. Fund

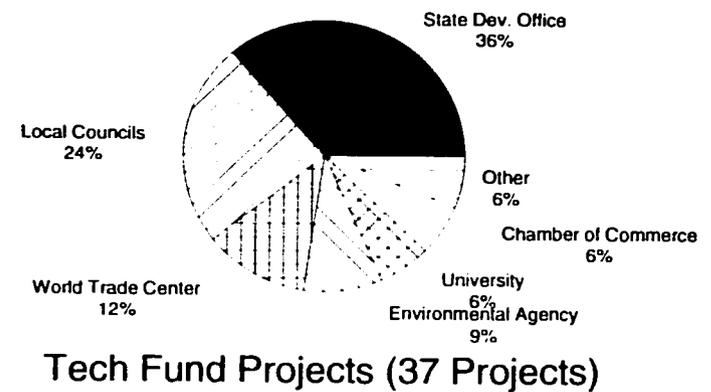
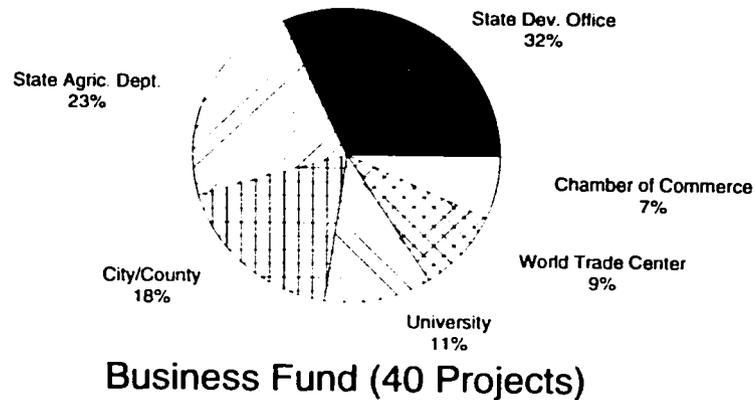
Source: NASDA

Exhibit G

# MTAP/NASDA SEED FUNDS

## Type of Project Recipients

VI-4



Source: NASDA

- The US-AEP Environmental/Energy Technology Fund, which was established to draw US environmental and energy firms to the markets in LDC, specially those in Asia. Through this program NASDA provided financial support and technical assistance to U.S. businesses using sponsoring organizations such as state governments and nonprofit organizations. A total of 37 projects were approved. The regional/country focus and the type of project recipients are summarized in Exhibits F and G.
- The Governor-Ambassador Business Development Initiative (GABDI), which was developed by a former Governor of Indiana and Ambassador to Singapore. The objective of GABDI was to organize ambassador-hosted-governor-led business missions to the ASEAN region to promote business opportunities for U.S. business. USAID asked NASDA to provided overall management of GABDI within the scope of the original CA. This project lasted from July 1990 to November 1992. Through GABDI 15 ASEAN business opportunity seminars were organized, as well as 3 governor-led, ambassador hosted business missions to ASEAN.

### **C. Program Implementation**

The broad objective of the NASDA/USAID Cooperative Agreement (CA) was to "investigate ways in which USAID could collaborate with state and local agencies/organizations concerned with the promotion of trade, technology and investment relationship between the US and LDCs." However, according to both, the CA and the Project Paper, NASDA also was supposed to carry out specific activities, such as identifying potential players and LDC markets through marketing; developing concrete proposals; working through administrative procedures for establishing trade, technology, and investment activities; and developing administrative instruments to manage the overall CA as well as each of the MTAP/NASDA project components.

The PP went as far as describing a four-stage implementation schedule for NASDA, which included a start-up phase, an expansion phase, a phase to sustain funding, and one to replicate the activities using other organizations. During most of the program implementation process, the NASDA/USAID implementing structure was very small consisting on average of two full-time staff. Key personnel consisted of a senior full-time manager, and a part-time or full-time assistant or consultant. During the high-growth phase of the project (1991-1993), there were as many as three full-time staff. In addition, NASDA's Executive Director was very involved in the start-up phase as well as when needed during the rest of the program implementation process. Moreover, the MTAP/NASDA was also able to involve student interns who helped with everyday process, the project also received support from various NASDA departments or divisions in matters such as accounting, payroll, and secretarial and administrative services.

## **1. Marketing**

During the start-up phase, marketing was vital. Initially NASDA identified state agencies interested in developing trade, technology, and investment linkages with LDCs, as well as intermediary organizations (i.e., universities, trade associations, Chambers of Commerce, other business groups, and private firms). NASDA also had to increase the level of awareness among states, and their business constituencies, of the nature and extent of business opportunities in the developing world. The task was to convince state officials to commit resources to what could be perceived as marginal markets when there were other more mature markets in Western Europe and Japan. Conversely, NASDA also had to promote among the various USAID Regional Bureaus and Missions the innovative idea of involving states as players in the global promotion of U.S. businesses. NASDA's marketing strategy included promotional brochures, newsletter articles, conferences/workshops, press releases, onsite work with NASDA members, speeches, and special meetings. Key personnel for this stage consisted of a senior manager, and a consultant, as well as the participation of NASDA's Executive Director.

## **2. Project Development**

Once the interest of states in LDC markets was heightened, NASDA transformed state interest into resource commitment and eventually into tangible long-term projects. In some cases, concept papers were solicited from state entities, non-state entities, and USAID sources. NASDA not only took steps to insure that state trade directors identify potential projects, but it also developed guidelines and procedures for the identification, design selection, and funding of potential projects. These guidelines included criteria for funding, for screening and review of proposals, and for funding levels.

## **3. Project Management**

Once the basic contract instruments, payment provisions, policy guidelines, and oversight procedures were developed, NASDA developed a procedure to lay out a schedule for accomplishing the tasks required by the CA. Since 1988, an annual work plan became the official document that described the current and future operations and it also underlined the ways in which NASDA would implement the project. In subsequent years, the workplans also became progress reports as they described what had been accomplished during a given fiscal year. In addition to the annual workplans, NASDA also provided mid-term and final reports describing in detail the activities carried out under the CA.

## **4. General Administration and Management of Components of the MTAP/NASDA Project**

After establishing the Business Development Seed Fund and the Environmental/Energy Technology Fund, NASDA also instituted ways to manage the financial affairs of the project. This included forecasting cash-flow requirements, disbursement to contractors and consultants, quarterly financial reports to USAID, the

maintenance of disbursement records, and quarterly program reports. NASDA also closely monitored projects funded by both the Business Seed Fund and the Environmental Technological fund to ensure that work plans and timetables were being implemented on time and under budget. This involved reviewing reports, contacting USAID Missions, and maintaining contact with principals in each project. Similarly, as part of the general administration of the components of the MTAP/NASDA Projects, NASDA also served as liaison between contractors and USAID. NASDA also for two years oversaw and administered the GABDI project.

## **D. Program Results**

### **1. Business Seed Fund**

Since 1988, the MTAP/NASDA Business Seed Fund generated over 90 projects of which 40 were approved. As can be seen with Exhibit H, the momentum and interest accelerated rapidly after the first few years. A total of 5 projects received funding between FY1989 - FY1991, 13 in FY1992, and 22 in FY1993. As of September 1993, 40 projects had been approved at a total cost of \$4,289,491. The Federal Government's share of the total cost was \$794,862 or 19% of total costs (see Exhibit I). This project involved over 250 U.S. companies in over 25 countries. The North Central Region of the U.S. (made-up of the Census regions "west north central and east north central") got most of the Business Development Seed Fund projects. Forty-seven Business Development Seed Fund projects were rejected.

NASDA reports that the Business Development Seed Fund has generated commercial activity estimated at \$10 million. The point is also made that this commercial activity is about 12.5 times the federal amount spent on the total number of Business Seed Fund projects.<sup>1</sup> The Business Seed Fund provided up to \$20,000 per project on a matching basis. Ninety percent of the Business Seed Fund projects received up to \$20,000 in matching funds, 5% received over that amount but less than \$30,000, and 5% over \$30,000 (see Exhibit J). A description of the 40 approved projects is attached as Annex E.

To further measure the results of the business seed fund, early this summer NASDA surveyed by mail its Seed Fund state managers and recipients with a questionnaire of 13 questions. The survey was designed to assess the value of commercial transactions and economic development that occurred directly and/or indirectly as a result of NASDA/USAID's Seed Fund effort.

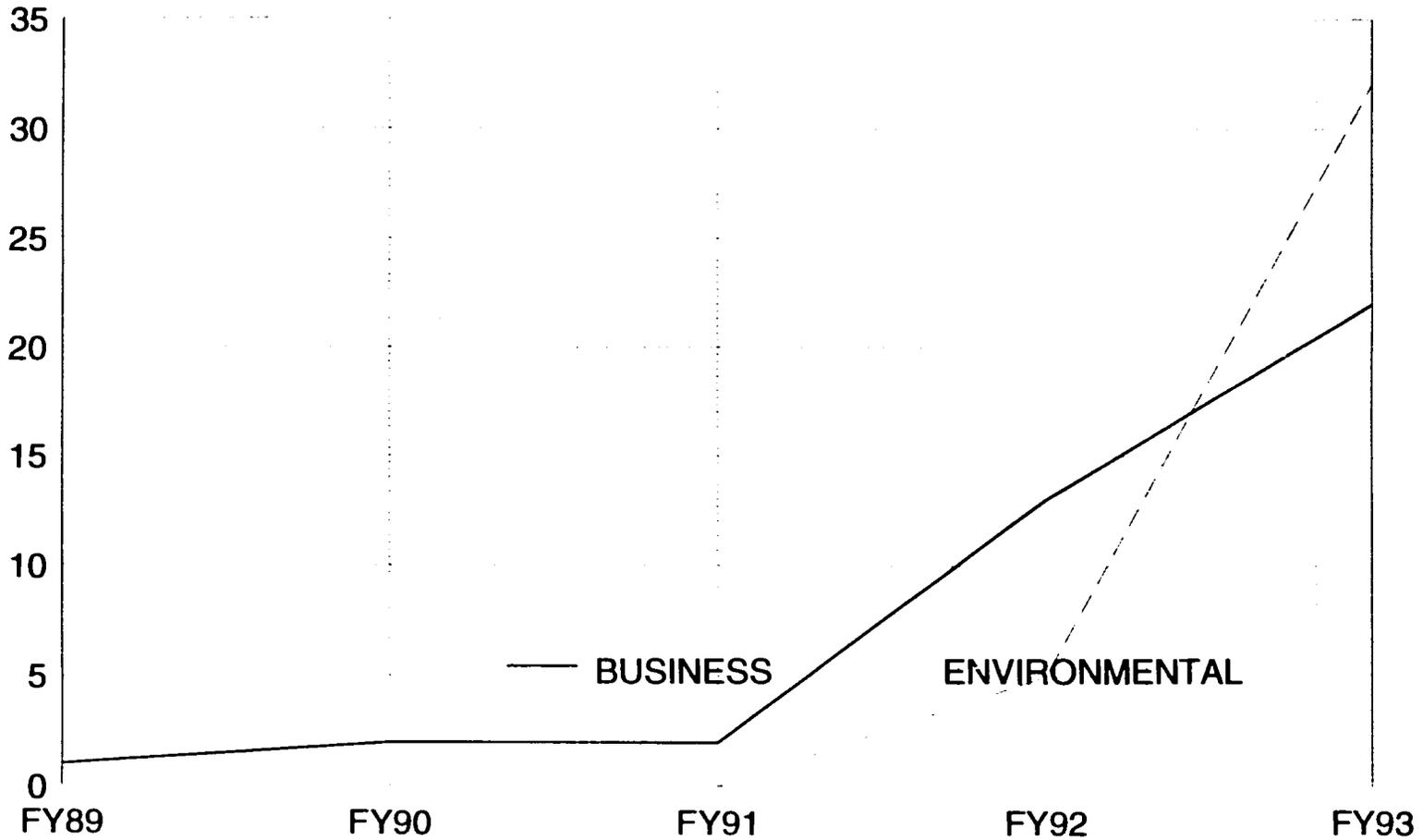
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<sup>1</sup>NASDA also reports that the GABDI project generated another \$10 million of its own. See, NASDA "Project Assessment Survey Results," 1993.

Exhibit H

# NASDA SEED PROJECTS FY1988-FY1993

8-1A



\*Environmental Tech. Fund Begun FY92

Exhibit I

# NASDA SEED PROJECTS COST-SHARE RATIO OF TOTAL COST

6-1A

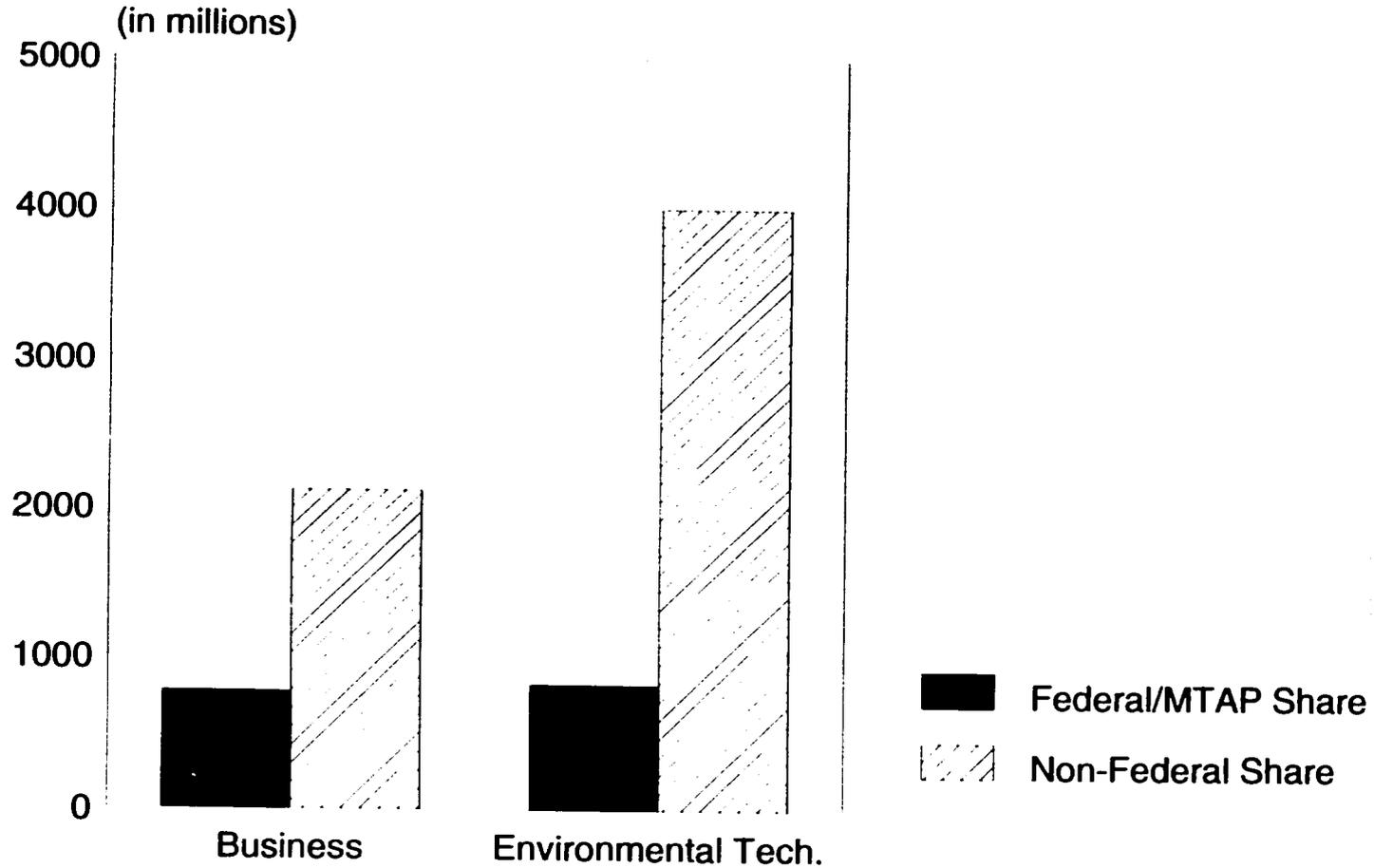
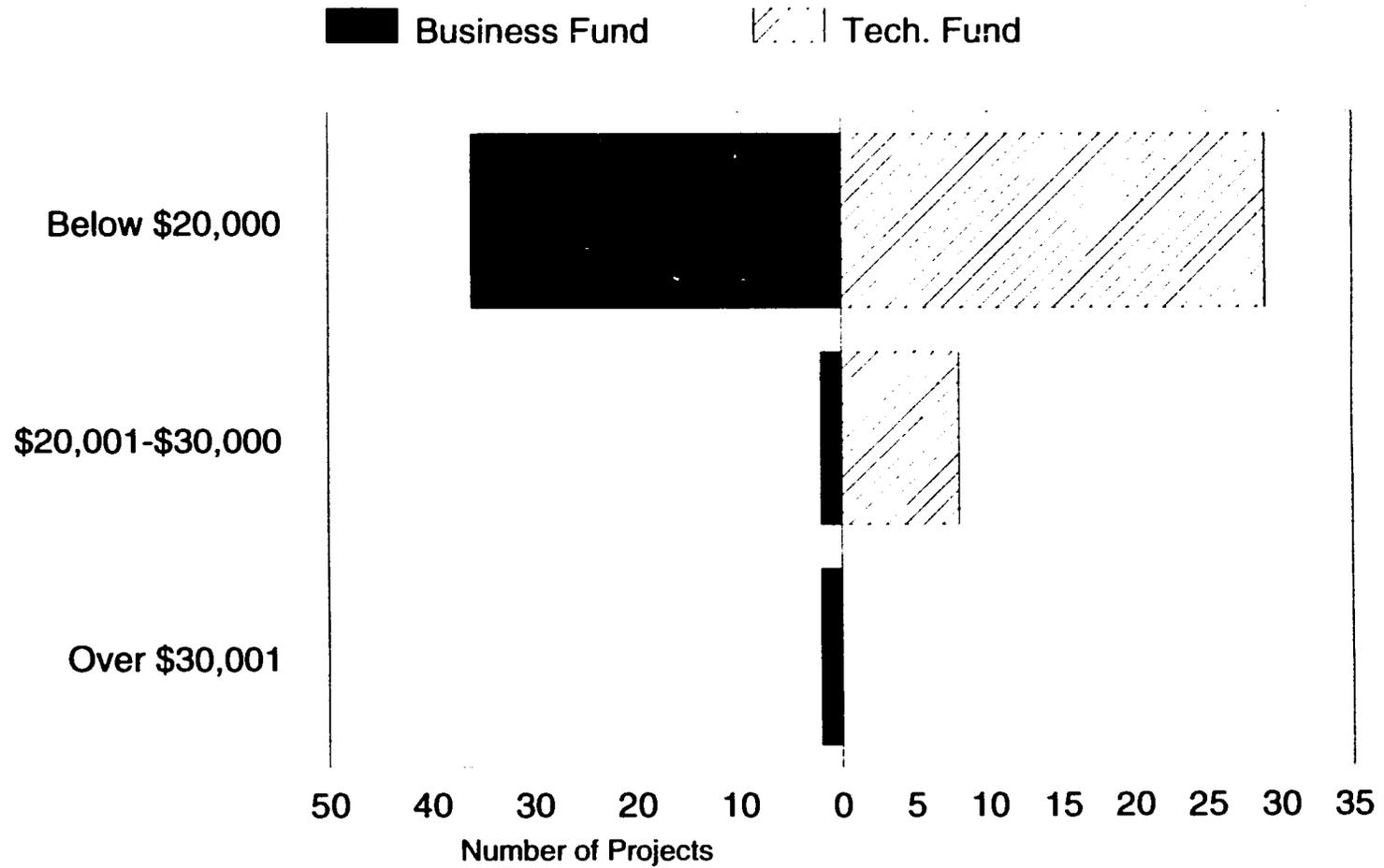


Exhibit J

# MTAP/NASDA

## Number of Seed Projects per Cost

VI-10



- A majority of respondents indicated that the Seed Fund did provide an opportunity to do new business. However, almost two-thirds of these respondents could not list specific short-term business accomplishments (i.e., joint ventures, technology transfer).
- With regard to overseas development results, many of the respondents indicated that the Seed Fund effort provided the following benefits (in no particular order): jobs, new investment, strengthening of the private sector, introduction of new technology, and improved potential and exports by the developing country. Again, most respondents could not provide dollar value to these activities as most thought that the benefits were long-term rather than short term.
- With regard to process (i.e., funding, support, etc.), the overall response was positive. Most respondents gave high marks to the MTAP/NASDA initiative.

NASDA also conducted a separate survey of the USAID Missions. The response rate was relatively low. Of those who responded, the majority did not offer substantive opinions on the initiative. Responses tended to reflect more the concern of the posts with whether the MTAP/NASDA initiative conformed with, or supported the overall country mission objectives. Similarly, responses in some cases reflected lack of knowledge (or possibly interest), on the part of the Missions, about the MTAP and/or NASDA initiative. However, the overall response was favorable towards the MTAP/NASDA initiative.

The monitoring, data-gathering and evaluation that NASDA has done as a normal part of its MTAP operations reinforced for the team the lack of similar systems on the MTAP/IMCC contract.

## **2. Environmental Tech Fund**

The Environmental Technology Fund, funded since FY 1991, has generated a total of 37 projects. In its first seven months (October 1992-April 1993) NASDA awarded two-thirds of the total Environmental Technology fund projects worth some \$400,000. As of September 1993, 37 projects had been approved at a total cost of \$2,878,983. The Federal Government's share of the total cost was \$762,146 or 26% of total cost (see Exhibit I). During FY1993, 52 projects were rejected. The Environmental Tech Fund also provided up to \$20,000 per project on a matching basis. Seventy-eight percent of the tech fund projects received up to \$20,000 in matching funds, while 22% received over \$20,000. This project involved over 100 U.S. companies in 20 countries (mainly Thailand and Taiwan). Some 30 sponsoring organizations participated in the Tech Fund project. Most of the grants went to state development or international agencies, and to councils (i.e., environmental, state, business, export).

Twenty-one states participated, although California obtained more projects than any other participating states. A description of the 37 approved projects is attached in Annex F.<sup>2</sup>

### 3. Discussion of Results

Over a period of two weeks (from 9/21/93 to 10/7/93) Development Associates conducted interviews with both state development agencies and private businesses that participated in the program to assess the effectiveness of the program. The sample list consisted of 16 separate state agencies (in 15 states) that participated in the business and/or environmental grants. Each of the state development agency representatives were asked to provide the names and phone numbers of two firms that participated in the NASDA/USAID Seed Fund projects. From their answers, a sample list of 13 private firms was compiled, which included name and phone number of contact person at the firm.

#### a. Development Associates' State Development Agency Survey

Out of a sample list of 16, 10 state development agencies were contacted. The interviewer spoke with the project officer in charge of the NASDA/USAID project. The questionnaire consisted of seven questions that covered: impact of NASDA/USAID grant, transactions as a result of NASDA/USAID grant, actual value of transaction, level of satisfaction with results, long-term trade and investment potential of NASDA/USAID grant, and lessons learned.

The overall result of this telephone survey mirrored the results found by an earlier survey conducted by NASDA.<sup>3</sup> On the issue of the impact of NASDA/USAID grant, most respondents felt that the seed grants provided opportunities to promote trade and investment with less developed countries, and/or that they opened the doors to future commercial exchanges. Some respondents mentioned the impact in terms of increases and/or expansion of commercial relations. Only one respondent specifically mentioned the establishment of trade relations.

On the issue of transactions, most respondents had different views of what could be considered a transaction. Some respondents would answer this question in terms of increases in export volumes with less developed countries, but without actually providing hard data. Others explained transactions in terms of business

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<sup>2</sup> Five of the 37 Environmental Technology Fund were terminated early. Three of these five terminations were due to insufficient time to complete the project by the September 30th, 1993, deadline. The other two terminations were due to insufficient U.S. Mission interest. In all instances, grant funds were reallocated.

<sup>3</sup> Early this summer NASDA surveyed by mail its Seed Fund state managers and recipients with a 13 question survey. The survey was design to measure the value of commercial transactions and economic development that occurred directly and/or indirectly as a result of NASDA/A.I.D.'s Seed Fund effort. Responses of approximately 35 surveys were read.

contacts or impetus for future business. Still others, simply did not report any transaction. In most cases, a vast majority of the respondents could not estimate the commercial value of those transactions mentioned. Only one respondent mentioned a range-figure of \$200,000 to \$400,000 over a three-year period. Nonetheless, all of the respondents expressed satisfaction with the results of the NASDA grants.

All respondents also agreed on the positive long-term potential of the initiative. In contrast to the respondents' opinion on the short-term impact, respondents were positive about the future prospects for the state and the participating private firms. Potential business was suggested in terms of sales, imports, operations, distribution, cooperation, and investment. A majority gave credit to the NASDA/USAID fund for creating the impetus and opportunity to increase, expand, and strengthen commercial relations with less developed countries.

With regard to lessons learned or ways in which the MTAP/NASDA project could be improved, four themes emerged from respondents. One was clearly, additional funding. The second one was delayed results. That is, results cannot be created overnight. The third theme was continuity. A program like this one needs to be followed up to maintain contacts. Finally, a fourth theme was on expectations. Results cannot be measured only in transactional value, but in what was actually accomplished to promote better trade and commercial relations with less developed countries. Worth mentioning as individual comments, were: "Before sending U.S. business people abroad USAID should provide cultural awareness training as a way to teach how to do business abroad; and "Better coordination between NASDA and USAID is needed."

b. Private Firms Participating in NASDA Projects

Out of the sample list of 13, 5 private firms were contacted. The questionnaire consisted of six questions that covered the following issues: impact of NASDA/USAID grant on firm, transactions as a result of NASDA/USAID grant, actual value of transaction, level of satisfaction with results, long-term trade and investment potential of NASDA/USAID grant for the firm, and lessons learned. (Note: It was more difficult to get in touch with the representatives of private firms than those of the state development agencies.)

The overall result of this telephone survey also mirrored the results found by an earlier survey conducted by NASDA. On the issue of the impact of NASDA/USAID grant on the firm, most business executives valued the opportunity to promote trade relations with less developed countries and/or to establish links with potential clients abroad. Most respondents seemed to measure the "impact" more in terms of the large number of clients assembled for them to see/contact/talk in one place (i.e., trade missions, trade shows, trade visits), than in terms of establishing commercial relations.

On the issue of transactions, only one respondent listed an actual one-time sale of 300,000 scrubbers valued at \$300,000. The rest of the respondents did

not report any actual transaction. Nonetheless, all expressed satisfaction with the results and the opportunity. Similarly, all expressed long-term hopes that the initial contact would one day turn into more business and closer trading ties with less developed countries.

With regard to lessons learned, business executives provided a good range of suggestions: more funding, more productive meetings with potential clients, more trade shows, and better matching in terms of business industry or needs.

Finally, something needs to be said about the high rate of rejections in both the Business Seed Fund and the Tech Fund. High rate of rejections responded mainly to having an approval system that appears inconsistent, erratic, and sometimes obstructive. USAID Program Management Officers had different criteria (i.e., developmentalist or transactional). USAID had veto power at three levels: the Program Officer, the Regional Bureau, and the USAID mission. Regional Bureaus and USAID Missions were not sufficiently aware or informed about NASDA projects. NASDA was not given enough freedom to manage the selection process more efficiently. In fact, as states became more aware of the Seed Fund programs, selection process became more complicated. Process of selection evolved as a review panel was established. Nonetheless, the rejection rate was still high. (See Exhibit K.)<sup>4</sup>

## **E. Conclusions and Recommendations**

There is some evidence to support the claim that today states are spending more money each year in international development and trade activities. However, it would be more difficult to quantify with accuracy the contribution the MTAP/NASDA effort might have had in inducing states to spend more money in international development and trade activities. What is clear, is that the MTAP/NASDA effort has been successful in heightening the awareness of states about LDC markets, and in dissipating skepticism about the potential of LDC markets. Since 1988, in part thanks to MTAP/NASDA's effort states have opened themselves to the opportunity to do business with LDCs and have participated in the business and tech fund projects, as well as the GABDI Project. While the early phase of the MTAP/NASDA project was slow, the number of projects each year there after increased. By the end of the MTAP/NASDA Cooperative Agreement, the demand for participation and inclusion had exceeded the funding allocation.

After analyzing the evidence collected, it would be fair to say that the MTAP/NASDA component has been relatively successful. Not only has MTAP/NASDA fulfilled the main objective of the Cooperation Agreement and almost all specific tasks,

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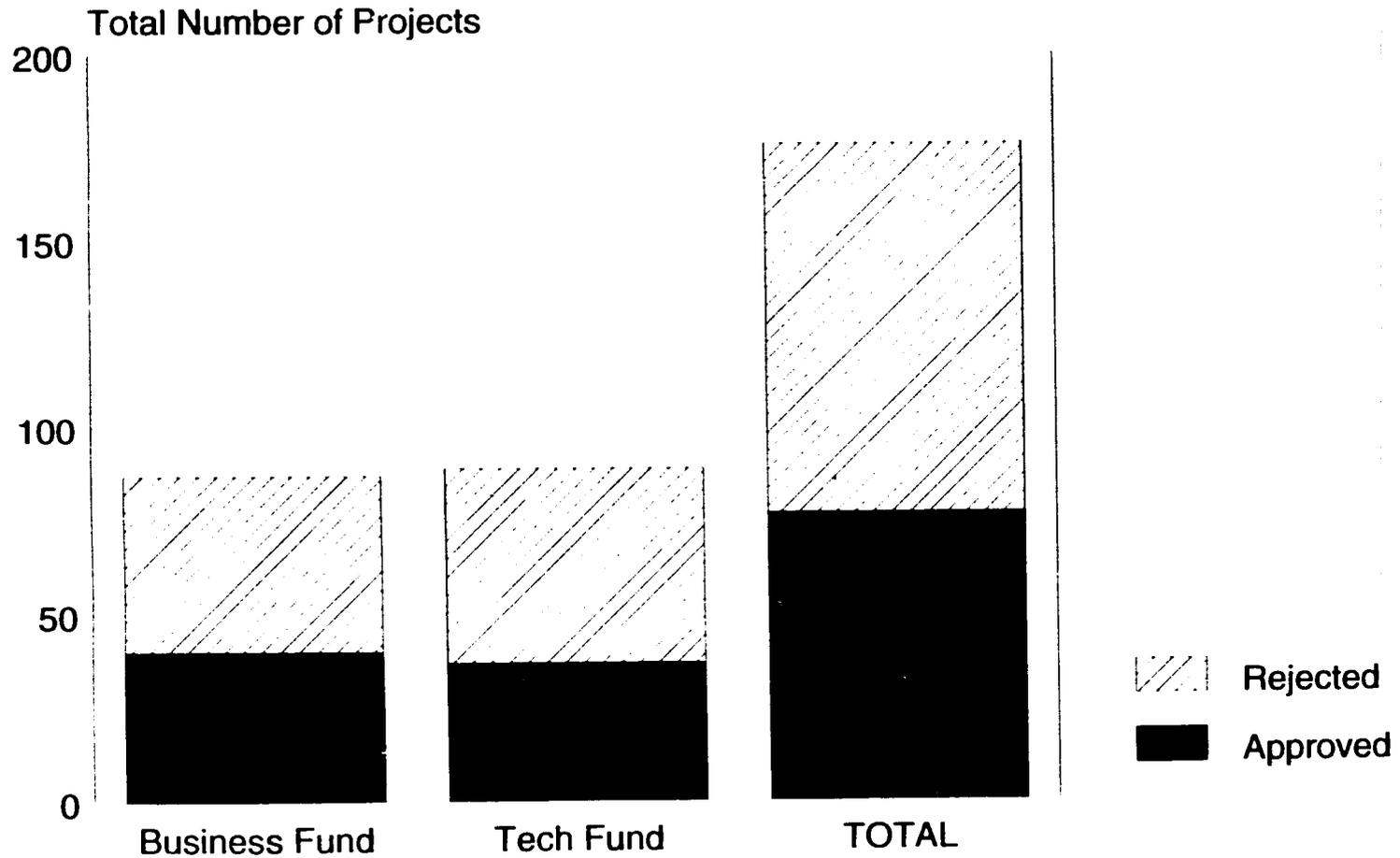
<sup>4</sup> It must be noted that PRE projects must exist within the required USAID procedures. No project or travel may take place within a country without USAID Mission and Regional Bureau clearance. In some countries USFCS is also consulted. For this reason NASDA was requested by PRE to give long lead time for clearances. In some cases, this was not done, in other situations missions or Regions Bureau rejected the projects.

Exhibit K

# MTAP/NASDA: 1988-1993

## Approved/Rejected Projects

VI-15



Source: NASDA

but it also brought changes to states' attitudes toward LDC markets. NASDA experience with MTAP will provide valuable lessons for the future design and administration of trade and investment project in LDCs. Here are some of the lessons:

- The Seed and Tech Fund projects appeared to have met a critical gap. Many U.S. companies do not know whether they have the capability of doing business in LDCs. Moreover, those who know might not necessarily have the incentive, confidence, or funding to test their capability. MTAP/NASDA initiative gave U.S. businesses the necessary incentive and funding, without which they would have missed the opportunity to learn about potential business leads and markets in LDCs, as well as to test those emerging markets.
- A project like the MTAP/NASDA effort requires better communications with USAID posts and U.S. Embassies, so that U.S. government officials abroad can work more closely with grant recipients and understand more fully program objectives. As was reported by NASDA's final report, "many elements in USAID were not aware of the program nor were they always supportive." For example, despite efforts the African and Latin American Regional Bureaus did not participated in the Business Seed-Fund project. In these cases, there was simply lack of interest. Also, initially the Europe Bureau and NIS Bureau participated, but their interest later diminished.
- A project like the MTAP/NASDA efforts requires more publicity.
- The project should be kept flexible, timely, and non-bureaucratic, so that procedures can yield quick turnarounds. It took a long time for proposals to obtain clearances, and serious proposals sometimes were not given the necessary consideration to be accepted. A small project like this one, should not be subject to so much detailed bureaucratic clearance procedures within USAID. Perhaps small Seed-Fund projects should not be subject to individual approval by USAID/PRE, relevant Regional Bureaus, and USAID. Relatedly, a projects like the MTAP/NASDA effort should have a more structured review procedure that includes public and private input, so it would be more responsive to clients. Specially in the Business Seed-Fund project, the number of rejected projects increased dramatically during the period of operation. Some steps were taken to streamline the review and approval process. Nonetheless, the number of rejected projects was still very high.
- U.S. companies and sponsors should be given more incentives to do follow-up activities in order to develop opportunities created by the effort and to exploit breakthroughs. The probability to obtain "long-term commercial transactions" may be strengthened with follow-up visits or by actually bringing potential business partners to the United States to observe up-close operations, management, and corporate culture. Relatedly, projects like this

one should be longer-term and should assure continuity in order to have greater market penetration, and to sustain opportunity and profits.

- Representatives of U.S. companies should be better briefed in terms of the host-country market, its business/economic history, and its corporate culture and history.
- Seed Fund projects should not be expected to have narrow or absolute objectives, such as short-term commercial transactions. Some projects might find it necessary during the initial stage of the venture process to emphasize services and not products or sales. The objective should allow for private sector creativity and flexibility in seeking new markets. The broadening of the goals and/or objective, could also facilitate a more effective evaluation and assessment.
- As was also reported in NASDA's final report, "the complex, somewhat intimidating" agreement process frightened many potential participants." An effort should be made to reduce the paper work and legal obligations, more so when the average Seed-Fund awards only \$20,000. The idea would be to lower the cost of making an award in order to increase the "cost/benefit" calculation of the project.

## VII. LESSONS LEARNED; RECOMMENDATIONS

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Lessons learned by some, in matters of trade and investment promotion, will strike others as lessons relearned -- or that should have been learned much earlier. Or perhaps as lessons which should not have to be relearned in perpetuity.

Most of the lessons recited in this evaluation will register as nothing more than common sense. Yet in A.I.D.'s overall experience in seeking ways of making common cause with the private sector, common sense has frequently been an uncommon virtue.

When one reviews the past dozen years devoted by USAID to marshalling its forces for productive or catalytic encounters with the private sector, it is not a uniformly pretty sight. One of the main impressions gleaned has USAID repeating its sterile and unproductive techniques; log frames and logjams; heavy emphasis on design and evaluation; virtually none on management and operations.

USAID's efforts to help business have often not been very businesslike. Many so-called project designs turn out to be no framework at all; just process rhetoric; bureaucratically rational sequences ending in entrepreneurial whimpers. USAID's processes have earned the reputation of turning off successful entrepreneurs in many cases upon first reading.

Far more significant than any other lesson learned through this evaluation relates to management. Most especially in a multi-partner venture such as MTAP II, USAID should insist on pinpointing management and operational control in the field, at the contractor's home office, and in USAID/Washington. It must be clear to all players at the outset where the management buck stops. In MTAP II, this never happened.

It was here that MTAP II and USAID foundered. Management was just very casual. Some would say, of course, in looking at the summary sheets of this project over five years, that good management was never achievable because of rapid personnel turnover. The buck could not be stopped because often there was nobody physically present to catch it.

We learned the lesson that greater logic -- or perhaps greater creativity -- should be applied in mandating the timing of project evaluations.

The evaluators relearned from their review of MTAP II that a significant percentage of USAID staff at home and abroad still harbors debilitating fears and suspicions (even dislike) of the private sector. The crux of the discomfort is the private sector receiving public sector funds.

A most significant lesson learned, especially in the promotion of non-traditional exports, relates to the size and composition of the contractor's team. It related, as well, to continuity. The contractor must field an integrated team. In this realm, the lonely ombudsman will not suffice. Most critically in agriculture and forest products, all vital bases pre-harvest, harvest, post-harvest, marketing, pricing, environment, financing, etc. - must to be covered professionally. And they must be covered on a multi-year basis. There is a contradiction -- we have learned -- between the successful trade and export investment program and the two-year assignment. This is guaranteed true if the assignment is for the services for two years of one person.

The starkest contrast we found in this evaluation came out of comparing IMCC's performance and approach with NASDA. The majority of lessons learned from this evaluation come from comparing these two organizations: their staffing, their cohesion, reporting, infrastructure, clarity of stated goals and communications capacity. On the latter point, we learned that the thinner the staffing, the more remote or widespread the operation, the greater the need for good communications at all levels and in all directions. IMCC has to be judged as being weak in communicating with its constituents. The saddest and most revealing part of this deficiency, however, is that those constituents (as well as those who should have been managers) did not seem to care.

Related to the above is the issue of publicity. Since USAID itself is proscribed from publicity, there seems to be some reticence from USAID staff to support the kind of aggressive promotional efforts upon which MTAP needed for success.

Finally, and related to most of the foregoing, come the issues of reporting. The lesson learned here is that timely, accurate, substantial reporting is a vital adjunct to good management, communication and evaluation. The single most striking phenomenon for the team, as we began to assemble materials for this evaluation, was the absence of substantive reports in IMCC's files. If the evaluators are guilty here of ignoring high achievement, we have good reason. Nobody can show us where it is recorded.

By contrast with IMCC, although the NASDA activities proceeded fitfully at the beginning, an institutional and technical framework existed that offered the opportunity - -- with time and some fine tuning -- for the achievement of solid, quantifiable results.

It may be that USAID's own reporting requirements from contractors and others need revising for this kind of project. A possible model might be the reporting a vice president for sales of a U.S. subsidiary periodically sends back to the home office. While these reports have no set format, they almost always are rooted in solid figures that demonstrate performance.

# **ANNEX A**

## **Scope of Work**

## Scope of Work

Market and Technology Access Project (MTAP) Evaluation  
(Project 936-4053)

## I. PURPOSE OF EVALUATION

The purpose of this evaluation is to assess the impact and effectiveness of the Market and Technology Access Project (MTAP), a project initiated and managed in the S&T Bureau and currently being managed in the Bureau for Private Enterprise (PRE). The evaluation should review the activities of the MTAP II programs over the past five years, analyze the lessons learned from this research effort and determine the overall impact and cost effectiveness of the various interventions funded under the MTAP II project as well as the ability of the contractors to manage the project.

## II. BACKGROUND

The MTAP program, initiated with funding by the Science and Technology Bureau, but more recently managed by PRE, had two phases. The initial phase of MTAP was started in 1983 and examined the effectiveness of commercial intermediaries in promoting trade and investment relationships between U.S. and less developed firms. It was funded for five years in an amount of \$2,375,000. The operational component engaged four intermediaries to promote linkages in six countries: Turkey, Tunisia, Yemen, India, Thailand, and Costa Rica; the research component investigated the process by which SMEs can enter into collaborative ventures which involve firm-to-firm technology transfer and improved market access using the experience of the operational component. The objective was to determine whether and in what manner it was feasible for aid agencies to intervene in the process to remove existing constraints and/or facilitate these business linkages.

MTAP II extended the project until September 1993. Core funding by PRE to the InterAmerican Management Consulting Corporation (IMCC) amounted to \$2,336,542, and buy-ins were over \$4,000,000. In addition to IMCC, a cooperative agreement was executed in 1988 with the National Association of State Development Agencies (NASDA) in the amount of \$95,000, which contract was amended four times for a cumulative amount of \$1,070,000 and buy-ins of \$1,490,000 (of which \$875,000 was for the USAEP). IMCC is responsible for providing market access services for developing country firms, providing the firms access to new technologies,

developing U.S. and developing country business linkage services, carrying out research and program development services and assisting USAID missions in trade and investment program design and evaluation. NASDA is responsible for operating the Business Development Seed Fund component of the MTAP II Project to establish business linkages between U.S. and less developed private and public institutions involved in trade and technology transfer (as well as the environmental outreach effort of the USAEP).

### III. STATEMENT OF WORK

The contractor will engage the services of a team, including two senior professionals and an additional senior research specialist, who will be responsible for the preparation and completion of the evaluation. The tasks of the consultants will include, but not necessarily be limited to, those presented below.

The evaluation will be a retrospective analysis which will focus on the project's effectiveness regarding all five of the project's services:

- 1) Market Access Services;
- 2) Technology Sourcing;
- 3) U.S.-Developing Country Business Linkage Services;
- 4) Research and Program Development Services; and
- 5) Program Design and Evaluation

The evaluation will consist mainly of reviewing the services of IMCC for it is responsible for managing all aspects of the project with the exception of the management of the Seed Fund by NASDA.

#### IMCC

With regard to the Market Access and Technology Sourcing component, the evaluators should measure the effectiveness of IMCC in generating transactions resulting in exports and employment as well as other economic impact. However, the evaluation should concentrate on the overall competence in carrying out the services. All of the project services should be evaluated not only on the basis of competence but on the cost effectiveness and efficiency in the delivery of the services and overall management of the program. Comparisons with alternative deliveries of the services may be useful.

The evaluators should take various activities and rank them in terms of their respective cost effectiveness. In addition, the characteristics of these activities should be analyzed to provide indicators of successful design and project implementation.

In addition to the above, the evaluation shall consider the usefulness to A.I.D. of the various components of the project and the extent to which these components served the overall objectives and policies of A.I.D. and the country mission in which country the service was provided.

Evaluators should review the procedures utilized by IMCC and A.I.D. in execution of the activities.

#### NASDA

The evaluation should also contain a review of the management of the Seed Fund by NASDA. The evaluation of the NASDA Seed Fund should include an analysis of whether the concept of interventions was cost effective as a means of stimulating trade and investment. The evaluation should also include an analysis of the structure of the Seed Fund Project, the type of grants made, the implementation of the project and the effectiveness of the individual grants. It should also consider the relevance of the grants to the regional and mission programs where the grants took place, the procedure applicable to execution of the grant, and the problems attendant to obtaining mission clearances, etc.

#### IV. LEVEL OF EFFORT AND WORK SCHEDULE

The senior evaluators shall have a record of successful prior experience in conducting project evaluations. They should also have relevant skills in economics and experience in analyzing the impact of trade and investment promotion programs. These skills should include design and analysis of impact indicators, cost-benefit analysis, management procedures and monitoring systems. They should also have demonstrated experience and familiarity in working with projects involving private sector firms as beneficiaries.

The proposed work schedule is as follows:

- Week 1: 1) Review of relevant materials and interviews with A.I.D. project officer and contractors (IMCC and NASDA).  
2) Preparation of report outline and work plans.
- Week 2: Interviews with contractors and review of relevant project documents in contractor's offices.
- Week 3: Interviews with participant consultants of contractors and interviews or phone interviews with USAID mission or regional employees or contract employees who had direct connection with MTAP projects.

- Week 4: 1) Conduct field analysis in Guatemala of market access services of IMCC.
- 2) Calls to participants and A.I.D. or A.I.D. contract employees associated with IMCC and NASDA implemented project components.
- Weeks 5 & 6: 1) Calls to select group of U.S. companies working with IMCC and NASDA; complete review of documents and interviews with key staff of NASDA and IMCC.
- 2) Meet with A.I.D. project officer for comments and more interviews, if required.
- 3) Calls to A.I.D. and A.I.D. contract employees working with NASDA and IMCC.
- 4) Calls to various state development employees who worked with NASDA under NASDA grant.
- Week 7: 1) Complete draft of evaluation report
- 2) Meet with A.I.D. project officer for comments and more interviews, if required.
- Week 8: Complete final report.

## V. REPORTING REQUIREMENTS

The evaluator will prepare a written report containing, at a minimum, the following sections:

- Executive Summary (no more than 3 pages single spaced);
- Body of the Report ( following the outline of the statement of work);
- Conclusions; and
- Appendices including: a) evaluation of scope of work, b) description of evaluation methodology, c) list of people contacted, and d) bibliography.

## VI. PERFORMANCE PERIOD

The effective date of this Delivery Order is August 16, 1993; the estimated completion date is December 15, 1993.

## **ANNEX B**

### List of Interviews for MTAP II Evaluation

## **Annex B**

### **LIST OF INTERVIEWS FOR MTAP II EVALUATION**

Guillermo Argueta, Arpiel Company, Member of GEXPRONT, Guatemala

Melody Bacha, Former MTAP Program Officer, PRE Bureau, AID

Cliff Barton, Executive Director, Interamerican Management Consulting Corporation (IMCC)

Bruce L. Brower, Team Leader, PROEXAG II, Chemonics/Guatemala

Terry Brown, Former USAID Mission Director/Guatemala

Jorge Cabrera, Executive Director, Central American Commission for Environment and Development, Guatemala

Richard L. Clark, Project Officer PROEXAG II, USAID/Guatemala

Jorge Eduardo Cruz, Director of Operations, GEXPRONT

Ronald Curtis, Former Director, RENARM, Guatemala

Kim Delaney, Trade and Development Officer, USAID/Guatemala

Michael Farbman, Director, Office of Small, Micro and Informal Enterprise, PRE Bureau, AID

Miles Friedman, Executive Director, National Association of State Development Agencies (NASDA)

Michael J. Hacker, Director, Office of International Business Development, PRE Bureau, AID

Ginger Hooven, Handicrafts Entrepreneur and Member of GEXPRONT

Phil Hubbard, Former MTAP Project Officer, PRE Bureau, AID

Donald Keesing, Economist, The World Bank

Robert Kleinfell, Owner, Moda en Cuero, Member of GEXPRONT

Keith Kline, Coordinator Biosphere Maya Project, USAID/Guatemala

Christina M. Kolbjornse, Associate, Interamerican Management Consulting Corporation (IMCC)

Richard Koskella, Director International Business Services, Interamerican Management Consulting Corporation (IMCC)

Paul Kronick, COABA S.A., Member of GEXPRONT

John Lamb, PROEXAG II Project Advisor, Chemonics

Gerald Lamberty, Advisor, GEXPRONT

Ted Lee, Former MTAP Project Officer, PRE Bureau, AID

C. M. (Chet) Maccio, International Marketing Director, Association for Manufacturing Technology (AMT)

Raymond Manoff, Director Export Promotion, Interamerican Management Consulting Company (IMCC)

John McEvoy, Contracts Officer, USAID/Guatemala

Thomas Mooney, Advisor and Former President, Latin American Agribusiness Development Corporation (LAAD), Guatemala

Paul Pieper, Director of Administration, Interamerican Management Consulting Corporation (IMCC)

William Rodgers, International Agricultural Consultant

Ludwig Rudel, Development Consultant

Henry Shenkle, Forester, USAID/Guatemala

William Shugrue, Chief Natural Resources Management Office, USAID/Guatemala

Imagen de Sieveking, IMSYA, Member of GEXPRONT

The Honorable Thomas Strook, Former U.S. Ambassador to Guatemala

Ray Waldron, Agricultural Specialist, USAID/Guatemala

Harvey W. Wallender, Trade and Investment Services, International Executive Service Corps

Elizabeth Warfield, Chief Program Director, USAID/Guatemala

Daniel Waterman, Senior Program Manger/MTAP Officer, National Association of State Development Agencies (NASDA)

Ed Wise, Program Officer MTAP, PRE Bureau, AID

**SAMPLE LIST OF STATE DEVELOPMENT AGENCIES/ORGANIZATION FOR TELEPHONE INTERVIEW**

- 1) Northwestern University, Illinois
- 2) Delaware Development Office
- 3) Iowa Department of Economic Development
- 4) Minnesota Trade Office
- 5) Maryland International Office
- 6) Illinois Department of Agriculture
- 7) Mid-America World Trade Center
- 8) Nebraska Development Center
- 9) World Trade Center Association of Orange County in California
- 10) Tucson Office of Economic Development
- 11) Arkansas Industrial Development Commission
- 12) Colorado International Trade Office
- 13) Wisconsin Department of Agriculture
- 14) Oregon Economic Development Department
- 15) Washington State Department of Agriculture
- 16) Florida Department of Economic Development

**SAMPLE LIST OF PRIVATE FIRMS AND/OR CONTACTS THAT PARTICIPATED IN THE MTAP/NASDA PROGRAM AS PROVIDED BY STATE DEVELOPMENT AGENCY REPRESENTATIVES**

- 1) RGF Environmental Systems Inc., Florida
- 2) HF Scientific Inc., Florida
- 3) ERG, Inc., Colorado
- 4) Pollution Control Exports USA, Connecticut

- 5) David Evans & Associates, Oregon
- 6) Engineering Ecological Services, Oregon
- 7) Golden Sun Microwave, Minnesota
- 8) Gourmet America, Inc., Minnesota
- 9) Pecan Factory, Inc., Arizona
- 10) Safeway Inc., Tempe, Arizona
- 11) Port of Wilmington, Delaware
- 12) Standard Fruit Company, Delaware
- 13) PTL Incorporated, Arkansas
- 14) CONSEC Corporation and Associates, Kentucky

# **ANNEX C**

List of Documents for MTAP II Evaluation

## Annex C

### LIST OF DOCUMENTS REVIEWED FOR MTAP II EVALUATION

#### A. General/Background

*MTAP Evaluation: Scope of Work.* A.I.D., 1993.

*Market and Technology Access Project: Research and Evaluation Component Fifth Year Workplan: 1988-1989.* Arthur Young & Company, 1988.

*Market and Technology Access Project: Report of the First Workshop Meeting, December 14, 1983, Arlington, Virginia Conference Proceedings/Paper, December 1983.*

*Intermediaries and Brokers in International Business Venture Development: A.I.D. Supported Study (H. Wallender, D. Plionis, V. Bozzone), December 1985.*

*Venture Capital Process: A.I.D. Supported Study (Arthur Young & Co.), January 1987.*

*Market and Technology Access Project Paper (PP), 12 April 1983.*

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*Market and Technology Access: Amendment no. 1 Project Paper (PP), 8 March 1988.*

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*Market and Technology Access: Amendment no. 3 Project Paper (PP), 12 June 1989.*

*Final Report: Cooperation Between A.I.D. and the States in Technology, Trade and Investment: Market and Technology Access Program Phase II, A.I.D. Supported Study (TvT Assc. [Phelps & van Tijn]), 20 October 1988.*

*Market and Technology Access Project, Project Evaluation Summary (PES)/Evaluation Summary(ES), 28 March 1989.*

*Market and Technology Access Project: Mid-Term Special Evaluation (William L. Rodgers), June 1988.*

*The Role of Commercial Services in Officially-Sponsored Trade Promotion Programs: Lessons from the Market and Technology Access Project. Conference Proceedings/Paper, 7 November 1989.*

*Services and Intermediaries: The Perspective for Non-Traditional Agricultural Exports. LAC/CDIE Trade and Investment Workshop, Nov 1989.*

*Quick Reference Guide to Private Sector Projects in Latin America/Caribbean, Asia and the Near East: Handbook/Manual/Guide.* Office of Private Enterprise/A.I.D., 1985.

*Business Services in International Trade and Investment Promotion: A Report Presented to the United States Agency for International Development's Market and Technology Access Project (MTAP),* (Project no. 936-4053/Ernst & Young). Sector Assessment, 30 September 1989.

*Request for Proposal W/DHR-88-04,* A.I.D., 1988.

*MTAP Overview.* IMCC. n/d.

*Characteristics of Trade and Investment Programs.* A Presentation for the ANE Bureau Conference (H. Wallender, C. Barton). IESC, 1990.

*State Business Development Project in the Latin American/Caribbean Region: A Proposal Submitted by NASDA to OPSD/BLAC/A.I.D.,* NASDA, August 1990.

*State Export Program Database (SEPD): Analysis.* NASDA, 1990.

*USAID Regional Projects: Central America.* USAID, n/d.

*Final Report: Non-Traditional Agricultural Export Support Project.* ROCAP/Chemonics International Division, Washington, DC, 1992.

*Project Paper: Trade and Labor Relations Development Program in Guatemala.* USAID, 1992.

*PROEXAG II: Estimates of PROEXAG Impact* (Estimates supplied by Bruce L. Brower in Guatemala), 1993.

Various Documents from the Gremiel de Exportadores de Productos no Tradicionales (GEXPRONT).

*A.I.D.: Congressional Presentation FY1994.* A.I.D., Washington DC, April 1993.

"Marketing Manufactured Exports from Developing Countries: Learning Sequences and Public Support" (D. Keesing and S. Lall). In Gerald K. Helleiner, ed., *Trade Policy, Industrialization, and Development: New Perspectives.* Oxford: Clarendon Press, 1992:176-193.

*The Four Successful Exceptions: Official Export Promotion and Support for Export Marketing in Korea, Hong Kong, Singapore, and Taiwan, China* (D. Keesing). The World Bank, Washington, DC, 1988.

*The Role of Support Services in Expanding Manufactured Exports in Developing Countries* (P. Hogan, D. Keesing, and A. Singer). Economic Development Institute of the World Bank, Washington, DC, 1991.

*State-Federal Cooperation in Promoting Business Development in Emerging Markets: Summary of Proceedings from the Seminar.* NASDA/A.I.D., March 30, 1993.

*The Gremiel Buyers Program: End of Program Draft Report.* PRE/USAID, January 1993.

*Export and Investment Promotion: Findings and Management Implications from a Recent Assessment* (C.S. McKean-CDIE). USAID, April 1992.

*Survey of Representative Industry and Trade Associations: Opportunities for Collaborative Business Development Efforts with USAID* (R. William, F. Thomas, and C. Barton). IMCC, 1990.

## B. IMCC

*IMCC's Corporate Capabilities.* IMCC, n/d.

*FY 1993 Status Report and Workplan for MTAP.* IMCC, 1993.

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*IMCC/MTAP Interim Activity Report: Guatemala Projects.* IMCC, 1992.

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*Report on Mexico PROAFT: Small Enterprise Development.* IMCC, September 1993.

*Report on Trade and Technology Development in Thailand: The Role of Business Incubators.* IMCC, January 1990.

*Final Report: U.S. Trade Association Activities in Tunisia, August 16 to September 12, 1993.* IMCC, September 1993.

*Report on MTAP September 1993 Russian Trip to Support NIS and US-EPA Efforts.* IMCC, September 1993.

*Strengthening U.S. Indonesian Trade and Technology Ties: Suggested Linkages Between the Market and Technology Access Project (MTAP) and the USAID/Jakarta Trade and Investment Policy (TIP) Project (Report).* IMCC, March 1991.

*Increasing the Value of Mexico's Forest Resources Through Private Sector Initiatives (Report).* IMCC, October 1993.

*US-AEP Information Systems and Database Survey: Briefing Report.* IMCC, November 1992.

*US-AEP Information Systems and Database Survey: Draft Final Report.* IMCC, November 1992.

*Ghana Furniture and Wood Industry: Final Report.* IMCC, July 1992.

*Description of the TTMTAP Component of Trade and Investment Program.* IMCC, May 1992.

*Survey of State Sponsors Skills Training Programs Designed to Attract Investment and Analysis of Applicability to Nations in Eastern and Central Europe.* IMCC, March 1992.

*Assessment of Asian Locations for US-AEP Representation.* IMCC, August 1992.

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*Timber Policy Study, Ecuador.* IMCC, October 1993.

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*Final Report: Project Year 1990-91.* NASDA, 1991.

*NASDA Business Development Seed Fund: Objectives and Accomplishments for FY92.* NASDA, 1992.

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# **ANNEX D**

## **Buy-in Project Descriptions and Accomplishments**

## Annex D

### BUY-IN PROJECT DESCRIPTIONS AND ACCOMPLISHMENTS

#### THE MARKET ACCESS AND TECHNOLOGY ACCESS PROJECT (MTAP)

<u>No.</u>	<u>Location</u>	<u>Project</u>	<u>Amount</u>
1.	Guatemala	Western Guatemala Artisan Exports	\$45,443
		USAID\Guatemala, Ruben Majia, Felipe Monteiga	
		DHR-4053-C-00-8027-00 July 1989 Through October 1989	
		IMCC assisted FUNDAP, a non-profit organization involved in micro-enterprise development in Western Guatemala, in identifying a strategy for assisting local producers to compete in export markets for hand-crafted garments, giftwares and housewares. IMCC consultants identified specific product lines with export potential, identified specific buyer interest, and mapped out a strategy to help local producers develop supply capabilities to meet buyer requirements.	
2.	Guatemala	Forestry Private Enterprise Initiative Guatemala	\$301,860
		USAID S&T/FENR, Dan Deely	
		DHR-4053-C-00-8027-00 June 1989 through May 1990	
		IMCC provided technical assistance to the forestry industry to identify income generating activities that will support natural resource management efforts currently underway in Guatemala. Such efforts include studies to improve wood utilization and identify new export market opportunities for wood products, as well as studies to explore the potential of nature-based tourism as a development resource.	

3. **Guatemala Export Promotion Assistance to GEXPRONT** \$676,373  
 USAID\Guatemala, William Rogers  
 DHR-4053-C-00-8027-00 September 1989 through August 1993  
 IMCC provided the services of a long-term consultant to assist the Non-traditional Exporters Guild of Guatemala in formulating and implementing export promotion strategies for non-traditional agricultural and industrial exports.
4. **Guatemala Export Policy Support** \$174,942  
 USAID\Guatemala, William Rogers  
 DHR-4053-C-00-8027-00 1990 through 1991  
 IMCC consultants assisted the Ministry of Economy in Guatemala in carrying out policy studies and implementing programs designed to stimulate industrial exports from Guatemala.
5. **Ecuador Private Enterprise Initiatives in Forestry** \$119,771  
 USAID\Ecuador, Dan Deely  
 DHR-4053-C-00-8027-00 October 1989 through December 1990  
 IMCC assisted USAID/Ecuador in investigating income generation opportunities in the forestry sector as part of the Mission's overall natural resource management strategy. Also in the area of eco-tourism, IMCC consultants helped arrange field visits and a workshop involving representatives of conservation groups, educational and scientific organizations, and travel agencies to identify potential nature tourism sites and opportunities.
6. **Thailand Feasibility Study for Business Incubators** \$49,883  
 USAID\Thailand, Judy Kocher  
 DHR-4053-C-00-8027-00 July 1989 through December 1989  
 As part of the project design work for USAID/Thailand's new Trade and Investment Support Project, IMCC consultants carried out a feasibility study of for-profit business

incubators as a tool for supporting new technology-based business ventures involving U.S. and Thai firms.

7. **Indonesia Agribusiness Sector Profile and Constraints Analysis** \$137,390

USAID\Indonesia, Jon Lindborg

DHR-4053-C-00-8027-00 October 1989 through December 1989

IMCC carried out an agribusiness sector assessment and constraints analysis as part of the initial design work for the Mission's new agribusiness development project. IMCC provided the Office of Agriculture and Rural Development of USAID/Jakarta with a broad view of the agribusiness sector, including its structure and constraints, and gave specific recommendations on how to structure an agribusiness project to help ensure maximum impact with limited resources. This project will help in improving sustainable employment and income opportunities in Indonesia through the development of an efficient and competitive agribusiness sector.

8. **Tunisia Technology Applications Project** \$71,940

USAID\Tunis, Peter Delp

DHR-4053-C-00-8027-00 June 1990 through September 1990

IMCC provided technical assistance for preparation of project paper for Technology Applications Project including analyzing roles of intermediary organizations in the introduction, adaptation, and diffusion of productivity enhancing and export promoting technologies for the Tunisian private industrial and agribusiness sectors.

9. **Guatemala Forest Products and Wood Utilization Sectoral Services** \$69,812

USAID\Guatemala, Dan Deely

DHR-4053-C-00-8027-00 May 1990 through July 1990

Carried out assessment of options and strategies in Guatemala for supporting natural resource management efforts through project activities designed to produce sustainable income generation opportunities compatible with natural resource management objectives.

10. **Guatemala Wood Utilization and Market Development Subcomponent** \$84,964

USAID\Guatemala, William Sugrue

DHR-4053-C-00-8027-00 July 1990 through October 1990

IMCC conducted assessments of opportunities in the ROCAP region for generating income opportunities consistent with natural resource management objectives, particularly through improved wood utilization and market development.

11. **Guatemala Export Development/ GEXPRONT-B** \$211,487

USAID\Guatemala, Jim Philpott

DHR-4053-D-00-8027-00 December 1990 through October 1992

Provided support to the Non-traditional Exporters' Guild of Guatemala (GEXPRONT) to help its members in selected industrial groupings identify and launch new export operations for non-traditional products. The IMCC team provided assistance in export promotion; joint venture promotion; planning for market entry and export expansion; and training in export production. Under this buy-in IMCC also provided in-plant technical assistance to Guatemalan manufacturers in specialized aspects of furniture manufacturing.

12. **Guatemala Regional Environmental and Natural Resource Management Project (RENARM)** \$217,529

USAID\Guatemala, William Sugrue

DHR-4053-D-00-0027-00 November 1990 through April 1991

An IMCC team provided support to the Regional Environmental and Natural Resource Management Project (RENARM) in the areas of wood utilization and marketing; promotion of commercial production and marketing of selected wood products. IMCC also provided assistance in developing simple, low cost technical packages for wood drying and preservation.

13. **USAID\PRE Forest Resources Management** \$249,367

USAID\PRE, Carl Gallegos

DHR-4053-C-00-8027-00 October 1991 through September 1993

IMCC worked with APRE Bureau to support forest-based enterprises in developing countries. This project included the analysis and identification of promising countries and opportunities, as well as the assessment of U.S. firms and developing country firms with potential to cooperate in joint venture or distribution relationships.

IMCC also worked with USAID missions to develop support programs for forest-based industry. A summary document that lists and analyzes priority U.S. companies and organizations, priority countries and host country firms that are most likely to be interested in forest-based ventures. This document also provides recommendation for next steps in developing a program for strengthening forest-based enterprise in the developing countries.

14. **ENE Market Entry Demonstration Project/Export Promotion Training and Capital Development Initiative** \$ 1 5 3 , 0 2 2

USAID\Europe and Near East Bureau, Gary Vaughn

DHR-4053-C-00-8027-00 October 1991 through September 1993

IMCC worked closely with USAID/ENE field missions and regional bureau staff to analyze capabilities and opportunities for European and Near Eastern firms to do business with U.S. firms. This effort includes actively pursuing buyer-seller relationships including technical assistance for producers, designing and implementing a training seminar for producers and working with selected U.S. associations to develop a cost sharing strategy for U.S. business development activities in Eastern Europe and the Near East.

From May through September 1993, IMCC developed and implemented an association business development program in the countries of Tunisia and Morocco for the NE Bureau. The purpose of this program was to determine how associations could work with AID to create sustainable development programs. The strategy which was developed concentrated on utilizing associations which represented vertical facets of the Agribusiness sector. The National Pizza and Pasta Association (NPPA); the Food Processing Machinery & Supplies Association (FPM&SA); the International Association of Refrigerated Warehouses (IARW) agreed to participate. In addition, the National

U.S.-Arab Chamber of Commerce (NUSACC) was selected as a member of the business development team.

Results: (i) immediate and long-term links among American and Tunisian associations were established; (ii) specific business opportunities for American members were identified and advanced; (iii) the Entrepreneurs International program was utilized to train Tunisian association executives; and (iv) cost-sharing by the associations was established.

As an additional activity, IMCC and the NE Bureau formulated and gave a workshop to AID official, Department of Commerce members and trade associations on how these groups could work together in developing sustainable programs.

15. **ENE Support to the Private Sector Development Office** \$29,865

USAID\Washington\ANE, Gary Vaughn CORE and ANE funded

DHR-4053-C-00-8027-00 August 1990 through October 1990

This buy-in provided, in conjunction with the on-going research activities on trade and investment promotion that IMCC carried out under MTAP, research support to the Private Sector Development Office of ANE. This enabled ANE/PSD to identify ways of improving the effectiveness of AID's trade and investment promotion programs through better collaboration with US trade industry associations.

16. **Ghana Export Assessment** \$135,874

USAID\Ghana, Cleveland Thomas

DHR-4053-C-00-8027-00 April 1992 through July 1992

An IMCC team was asked to conduct the opportunity Identification/Supply Diagnostic service to develop a training, technical and marketing assistance program to export firms and product export associations. The result of this analysis was used for the PAAD design to identify specific industries and firms on which to focus technical and marketing assistance. It was used for structuring and carrying out training programs designed to help firms acquire the capacity to meet identified buyer requirements.

17. **Caribbean Regional/Barbados**  
**Investment Promotion and Export Development (IPEDE) Evaluation** \$24,894

USAID\RDO, James Grossman

DHR-4053-C-00-8027-00 March 1992 through August 1992

IMCC evaluated the OECS Grant components of the Investment Promotion and Export Development project. This evaluation provided RDO/C and the Organization of Eastern Caribbean States with an analysis of progress to date on the development and implementation of trade and investment programs funded by IPEDE. The team, in addition, provided assistance in the selection of further programs and activities to be accomplished in the final two years of the project which will improve and expand the capabilities of ECIPS, the OECS, the national promotion agencies and the US Business and Commercial Center to successfully bring US and other foreign investment to the Eastern Caribbean, as well as assisting the Eastern Caribbean private sector to access the US market.

18. **Indonesia Bridging T.A. for Agribusiness Phase I and II** \$870,026

USAID\Indonesia

DHR-4053-C-00-8027-00 February 1991 through December 1992

An IMCC team provided bridging Technical Assistance for the Agribusiness Development Project currently underway. The team was responsible for developing the first year work plan for the public sector component of the project and begin development of the work plan for the long term T.A. The incumbent will develop and coordinate the execution of the work and budget plans. In addition, the team has developed a training plan for public sector personnel during the first year of the project and assist in initial implementation of the training.

The team, in addition, has also provided the policy agenda, developed a scope of work for and catalog of past and present policies, regulations, decrees, provincial rules, and underwritten conditions that affect agribusiness. Finally, the team has also defined and supervised the implementation of a series of studies to analyze and determine the implications of current and proposed policies and regulations; and gather and review literature on government of Indonesia programs so that appropriate agribusiness development can later be defined.

19. **Asia US-AEP Country Assessment** \$261,494

DHR-4053-C-00-8027-00 July 1992 through September 1992

The US-AEP is a Presidential Initiative designed to facilitate the flow of environmental technologies between the U.S. and Asia. IMCC provided design and start-up assistance to AID as the US-AEP was being prepared for the Presidential announcement of January 4, 1992. Thereafter, IMCC assisted in the design of the Technology Cooperation component for the project. As a member of the project's Technology Cooperation Working Group, IMCC worked closely with the US-AEP Secretariat on program design and, in July-August 1992, conducted missions to eight Asian countries to recommend implementation programs to establish a US-AEP presence in the region. In the fall of 1992, IMCC conducted an assessment of public and private sector information systems that could support US-AEP's efforts in trade promotion.

20. **Tonga**            **Market Assessment of Tongan Handicrafts**            \$19,780

USAID/Suva, Amy Osborn

DHR-4053-C-00-8027-00 September 1992 through November 1992

IMCC and the USAID Women in Development (WID) office jointly funded a U.S. niche market assessment for traditional and non-traditional handicrafts produced by women in the Kingdom of Tonga. The purpose of this activity was to assess the marketability of Tongan Handicrafts in North America, and to determine the extent to which the Tongan Handicraft sector is willing and able to produce non-traditional handicrafts designs sought by U.S. importers/wholesalers and to identify potential niche markets for these products. Tongan producers exhibited at the New York Gift Show in the fall of 1993, sold \$5,000 of items from their exhibit and developed interest from two large U.S. importers.

21. **India**            **Trade in Environment Services Technology (TEST)**            \$99,766

USAID/India, John Grayzel

DHR-4053-C-00-8027-00 February 1993 through August 1993

This project, initiated by USAID/India, is designed to facilitate commercial transactions between U.S. companies with environmental technologies and Indian companies in search of those technologies. IMCC worked as the six month bridge contractor until the long term contract was awarded. This buy-in consisted of four main tasks: 1) providing advice to the TEST group at ICICI in placing sound operating procedures for implementing each component of the TEST Project, 2) facilitating business ventures in

order to promote and develop sustainable linkages between Indian and U.S. firms in the EST sector; 3) establishing a permanent information network with a two way flow matching Indian needs, and promoting a network of U.S. and Indian firms and organizations; and 4) increasing the awareness of the opportunities provided by the TEST project and encouraging participation by Indian and American firms by increasing the awareness in the U.S. of the opportunities offered by the Indian market in ESTs. IMCC's focus was on task 2, facilitating business ventures between U.S. and Indian companies, and contacted 160 U.S. companies on behalf of an initial group of 12 Indian companies.

22. **Nepal Carpet Industry - Market Development Program** \$187,090

USAID/Nepal, Neal Cohen

DHR-4053-C-00-8027-00 July 1993 through September 1993

IMCC provided comprehensive product development and direct marketing support to the Central Carpet Industries Association of Nepal (CCIAN). This work identified and introduced necessary design and production technique adjustments in current Nepalese carpet manufacture. These adjustments were introduced by IMCC to permit an appropriate Nepalese production response to actual U.S. market-demand for handwoven carpets. A selection of the newly designed carpets are to be exhibited in Kathmandu (U.S. Embassy residence) on October 10, 1993. Several new U.S. carpet importers have now placed opening orders for these new products. This MTAP phase of this project terminates on 9/30/93. USAID/Nepal has advised IMCC of the Mission intent to immediately continue this effort for alternative Nepalese industry sectors.

23. **Thailand Training Program for Manufacturing Technology** \$69,689

USAID/Thailand, Peter Deinken

DHR-4053-C-00-8027-00 August 1993 through September 1993

This project was aimed at developing skills of the Metalworking and Machinery Industries Development Institute - Department of Industrial Promotion (MIDI-DIP) training personnel on advanced manufacturing technologies from selected the Association for Manufacturing Technology (AMT) members companies. It has also prepared a group of personnel with experience in advanced manufacturing techniques to support the technology transfer programs between the United States and Thailand. In addition, this project developed an appropriate training system on selected manufacturing technologies for Thai manufacturing and supporting industries.

## **ANNEX E**

NASDA/AID Business Development Seed Fund  
Approved Projects as of October 1, 1993

## Annex E

# National Association of State Development Agencies

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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, restaurateurs 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 port 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 provide \$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 intermedlary 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 Kazakhstan**

**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 Kazakhstan 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 Matching is underway. This project could serve as a trend-setter for American medical and dental suppliers that are not large multinational companies and are not currently represented in the country. Potential business emerging from this project include an increase in exports from the U.S., the creation of business opportunities for Bulgarian companies, and an upgrading technical and management skills of Bulgarians in this industry.

#### **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.

### **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. Detailed studies are underway. If successful, the activity could encompass another nine thousand acres of berry production.

### **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.

### **University of Hawaii 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.*

# **ANNEX F**

The US-AEP/NASDA Environmental/Energy Technology Fund  
Approved Projects as of October 1, 1993

## Annex F

# National Association of State Development Agencies

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## 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, 18 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.*

### **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 1983. 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 leucaena 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/FCS, local AmCham offices, and private business people in the environmental industry. Local agents were contracted. 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 INPCCO 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/Dispersant 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 \$42,000. 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.*

