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**Report on
State Trade and Investment
Development Agencies
(STAIDA)**

Final Report

Prepared for
Africa Bureau, Office of Operations
and New Initiatives (AFR/ONI)

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I. Executive Summary

The Bureau for Africa, Office of Operations and New Initiatives (AFR/ONI) regularly receives requests from trade development organizations seeking technical expertise or funding assistance for their international activities. These inquiries originate from state government agencies, parastatal groups, trade associations and individual companies seeking to benefit from USAID's informational resources and financial capabilities. Because of the recent developments in the Republic of South Africa the number of proposals submitted to AFR/ONI for consideration has significantly increased. The realization of trade potential in Southern Africa has prompted U.S. businesses to become more familiar with trade and investment opportunities in the entire sub-Saharan region. Organizations approach USAID because of A.I.D.'s ability to provide up-to-date technical information and guidance.

The increased interest among American businesses in developing ties with sub-Saharan Africa has caused state governments to take a more pro-active position in U.S./Africa trade promotion. In September, 1993 eleven State Trade and Investment Development Agencies (STAIDA) are planning to exhibit at a trade exposition in South Africa. Through STAIDA programs, approximately 150 companies will be represented at the trade fair. Another 145 companies recruited by the show promoters located in Washington, D.C. have agreed to rent booth space and maintain physical presence for the duration of the event. Independent of this fair, activities are being undertaken by 5 other STAIDA offices who plan on sending delegations to sub-Saharan Africa during FY 93 - 94. Two other states are planning to host African delegations for a series of seminars and conferences.

While the issue of A.I.D.'s involvement in transactions is yet to be formally resolved, the agency should continue to work with indigenous private sector enterprise to stimulate economic empowerment. Programs in business development, financial intermediation and policy reforms are important for establishing a market economy supported by indigenous organizations. The Africa Bureau could utilize STAIDA organizations to assist private sector development in Africa by providing a direct link to small and medium sized U.S. companies that could have an impact on USAID's existing programs.

The question of USAID brokering transactions has been raised because of Section 599 of the Foreign Operations, Export Financing, and Related Programs Appropriations Act (599) that was adopted by Congress in 1992. The act specifically prohibits the use of appropriated funds in a manner that will result in the net export of American jobs by enticing U.S. firms to relocate overseas. 599 was written to target firms that were attempting to use federal resources to move their operations off shore. It has resulted in creating a conflict between its objectives and those of USAID's private sector mandate. A.I.D.'s participation in business development activities that will stimulate the American private sector by promoting U.S. goods and services abroad could result in a net increase in domestic employment opportunities. USAID has determined that existing programs will be reevaluated and new programs will be designed to comply with 599.

In his statement before the Subcommittee on International Economic Policy, Trade, Oceans and Environment of the Senate Foreign Relations Committee, Washington, DC, July 14, 1993 Deputy Secretary Wharton reported the following on USAID's role in economic revitalization:

"The challenge is to contribute to a growing, prosperous international economy while rebuilding our own at home. Emerging economies represent tremendous potential growth and new markets. Participating in their growth expands the market for our goods through trade and investment. It also creates U.S. jobs, enhances the supply of consumable goods, and improves the flow of strategic material. President Clinton has emphasized that "winning" this battle need not be a zero-sum game: Assisting economies to thrive abroad promotes peace, jobs, stabilization, a demand for U.S. products and services, and higher living standards for all."

This report has identified three possible solutions that could effectively contribute to attaining these goals through cooperative efforts by STAIDA, ONI/PSD and the USAID field missions.

A. Options:

- 1) AFR/ONI could work directly with the STAIDA offices in trade and investment development activities. AFR/ONI should establish a set of guidelines and an application process to determine whether or not the project coincides with the A.I.D. mission strategy for that country. The established format will be applicable to STAIDA and similar trade and investment promotion organizations. AFR/ONI will be the single point of contact handling requests for technical assistance, project development, and proposal reviews. AFR/ONI will consult with and receive guidance from the USAID mission staff to ensure that the proposed activity is relevant to the objectives of the A.I.D. mission and will have a measurable economic, educational sustainable impact for the host country.
- 2) Contract the services of an Africa specific organization such as the Corporate Council on Africa (or similar group), with extensive Africa related experience, personnel, and prominent U.S. business ties. The purpose and objective of this organization will be to develop trade and investment linkages by acting as a business development clearing house for Africa specific information, resources and related services.
- 3) In conjunction with the Africa Bureau of the U.S. Department of Commerce, ONI/PSD should formulate a cooperative effort utilizing resources available in both agencies. AFR/ONI could combine the comparative advantage of the A.I.D. mission staff with the informational and market oriented data gathering abilities of the Foreign Commercial Service, to attain the common goal of promoting business development opportunities domestically and internationally.

B. Recommendation:

AFR/ONI and the A.I.D. missions in sub-Saharan Africa are capable of providing STAIDA with technical assistance relevant to their business development goals. Because of the time commitment required, it is not economically feasible for AFR/ONI to work directly with STAIDA on project development. Therefore, the most cost effective method of working with STAIDA is to select an appropriate NGO or contractor to work directly with the state development agencies using specific selection criteria tailored to each country's competitive advantages and mission strategies. In addition, AFR/ONI should develop and formalize a policy statement that addresses trade support and development issues.

C. Statement of Purpose

The purpose of this document is to serve as a guide for the effective dissemination of business development related information from the United States Agency for International Development (USAID) Bureau for Africa, Office of Operations and New Initiatives (ONI), Private Sector Division (PSD), to the various State Trade and Investment Development Agencies (STAIDA), for the enhancement of A.I.D. mission strategies and U.S. export sector development. The report reviews export related programs available to STAIDA through the various federal agencies and national associations such as, the U.S. Department of Commerce, U.S. Trade Development Agency and the National Association of State Development Agencies (NASDA). The review includes inter-agency roles/relationships, research and information gathering techniques used by STAIDA, and the effectiveness of STAIDA in promoting business with Sub-Saharan Africa. The report focuses on a series of options outlining ways in which ONI/PSD can take a pro-active role in providing country specific business development information to STAIDA, NASDA or relevant federal agencies. The options presented in this report, are presented with careful attention to cost effectiveness, sustainable economic impacts, the A.I.D. private sector mandate, and section 599(b) of Public Law 102-549, the Foreign Operations, Export Financing, and Related Programs Appropriation Act, 1993.

D. Methodology

This study was conducted over a period of nine weeks. The evaluator attempted to contact the STAIDA office or its equivalent in each of the 50 states. Telephone interviews were conducted with either the director of the office, or the person responsible for the Sub-Saharan region. Of the 42 offices contacted, 30 of them provided additional literature on their organizational structure, program information, current and past activities, planned activities, and Sub-Saharan Africa related export statistics. Interviews were also conducted with knowledgeable officials from various federal and special interest agencies including the U.S. Department of Commerce, Overseas Private Investment Corporation, United States Agency for International Development, National Association of State Development Agencies, Corporate Council on Africa, and the Seed Capital Development Fund, Ltd. Private sector business professionals with business ties or who are looking to establish business relationships in Africa were contacted (Appendix I).

II. Introduction to State Trade and Investment Development Agencies

Part two concentrates on evaluating the effectiveness of State Trade and Investment Development Agencies (STAIDA) and their efforts in promoting U.S./Africa business development. A background about the history and organizational structure of STAIDA offices is provided for familiarization purposes.

A. Section Summary

The evaluator concludes that there is measurable potential for increased business and sufficient interest among STAIDA in promoting business development with sub-Saharan Africa to justify A.I.D. involvement. AFR/ONI could participate by providing country specific business development related information to the U.S. business community. This will be mutually beneficial for attaining A.I.D. field mission goals and objectives, host country sustainable private sector economic growth, and the creation of additional employment opportunities in the U.S. private sector. The majority of individuals contacted for this report believe that there are benefits to be derived from AFR/ONI being closely affiliated with STAIDA offices around the country.

B. STAIDA

State Trade and Investment Development Agencies were created by the states as a response to the recessionary periods of U.S. economic history. When the economy slows, states have traditionally looked to expand their economic base through job creation activities. Economic development offices were formed to promote their state within the United States and foster inbound investments from U.S. companies looking for relocation benefits. As the economic situation began to change to a global perspective, the focus of these offices changed with it, resulting in a shift from concentrating on inbound U.S. source investment, to efforts targeting export promotion and foreign trade development. Appendix 2 gives a break down categorizing the fifty STAIDA offices by staffing, budget and Africa-related programs offered.

Because of a lack of Africa specific information and expertise, STAIDA efforts in sub-Saharan Africa have not been as effective as possible. STAIDA are primarily supported through state tax revenues, therefore, it is not uncommon for STAIDA efforts to be influenced by constituency concerns resulting in activities and programs with political rather than economic priorities.

With additional guidance and more accurate information from AFR/ONI, STAIDA offices are capable of being a valuable partner for sub-Saharan Africa's private sector development. STAIDA organizations are in a unique position to act as a conduit for AFR/ONI to disseminate country-specific international business development and mission project related information on sub-Saharan Africa to the small to medium sized U.S. enterprises (SME's). Although not fully implemented, the current emphasis on regional or coordinated efforts among the state agencies to promote business development offers A.I.D. the opportunity to reach a large audience. The recent developments and levels of interest in the Republic of South Africa is an example of how STAIDA could assist USAID/South Africa by providing access to a variety of goods/services and educational resources available through small to medium sized companies and educational institutions.

C. STAIDA, Goals and Objectives

The current primary objective of STAIDA offices is to assist companies in their states with establishing national and international business relationships that are conducive for increasing the export of goods and services. A secondary objective of STAIDA offices is to promote domestically and internationally the state's resources in order to attract inbound investment.

The states' involvement in export promotion and business development stems from a desire to strengthen their economies. It is a general belief among state organizations that through the strengthening of the export sector the economic stability of the state will also benefit. The basic assumption is that the export of goods and services will result in an increase in the demand for labor across the spectrum of the American private sector. For example, increases will be realized in enterprises involved in manufacturing that need additional staff to handle increases in production. Companies that are not currently involved with international business and exporting, will acquire additional export oriented technical staff. Employment opportunities in the technical service industries will increase because of the need for additional field, research and support staff to handle international contracting. Through export promotion STAIDA offices could be viewed as conduits for state economic stability through export promotion.

Many of the STAIDA offices interviewed view sub-Saharan Africa and in particular southern Africa as an area with long-term business development potential. It is believed to be a young emerging market with opportunities for joint ventures, investment, trade related activities and technological/educational exchanges. It is important to note that much of this interest stems from the current developments in southern Africa particularly the Republic of South Africa. Until recently, STAIDA offices have generally been under pressure to uphold the sanctions outlined by the African National Congress. In light of the announcement for democratic elections in April of next year, many of the STAIDA offices are now being asked to formulate plans that will create opportunities for the SME's to become closely tied with the historically disadvantaged business community in South Africa. STAIDA offices are positioning themselves in a manner to foment business relationships that will promote economic development through export promotion business training programs and educational reforms.

The primary objective of STAIDA international trade and business development missions is to promote the state abroad, STAIDA-organized trade and business development mission strategies vary from state to state. One of the STAIDA offices contacted viewed West Africa as an area with a tremendous amount of business development potential. Another state views West Africa as an area to visit, and to establish ties on the continent for the long-range goal of entering the South Africa market when it becomes "more conducive" for business development.

Although there is a significant amount of interest in Sub-Saharan Africa, most STAIDA are short on Africa-specific expertise and practical experience. USAID is perceived by STAIDA to be the foremost authority with experience, know-how and levels of expertise found in the field mission staff that is not available elsewhere. The STAIDA also view A.I.D. as the only federal agency that has a direct link to world-wide development projects and activities that are capable of having direct benefit for a U.S. producer of goods/services.

The most effective area for A.I.D. to assist STAIDA would be through investment mission planning. The major contact of most STAIDA's with Africa is through trade missions. However, many STAIDA trade missions have been misguided or uninformed about the potential for accomplishments on these trips. Expertise from AFR/ONI or the USAID/Mission, could have a very positive effect in focussing STAIDA's investor search and preparing business development missions for the realities of what each country offers. The demand for such a service is evident with 17 states currently planning FY 1993 - 1994 activities for Sub-Saharan Africa.

D. STAIDA, Organizational Structure

Because economic development organizations were in place in most states, the transition to an international focus was relatively simple. Most of the STAIDA offices fall under the original economic development organizational frame work. In some cases, STAIDA offices have gained enough political and budgetary support to shift away from this umbrella to be recognized independently. In most cases, STAIDA offices are treated as the International Division or some other such title falling within the bounds of the original economic development structure.

Although the titles may vary from state to state, staff of the STAIDA offices generally consist of a director, deputy director, trade specialists, trade assistants and interns. In many of the offices, the directors are political appointees recruited from either the public or private sector. The director reports to the governor and/or the state legislature for policy and budgetary issues. The deputy director is usually more involved in the daily office operations and will also act as a trade specialist in a particular region and/or specialty.

E. Programs/Services Offered

Many of the state agencies operate under public mandates that require them to gear their services to small to medium sized U.S. enterprise. This focus is derived from the idea that the larger companies have in-house capabilities and resources to understand and manage international issues. In comparison, the SME may have an exportable good or service which is under-exploited because of a lack of international expertise. By establishing the STAIDA offices, the states are providing a resource clearing house for international trade-related data, without placing a strain on the capital resources available to the company. Companies in each state are able to access trade-related information without having to add additional staff. STAIDA offices believe that by offering services they are able to strengthen companies for long-term gains. It is not uncommon for a company which was not previously involved in international business to become involved in exporting through the assistance of STAIDA staff. The benefit for the state is the promotion of additional employment opportunities.

Although the services provided in each state may differ in scope, most concentrate on the markets that are determined to possess the highest export potential. Target industry sectors are often directly correlated with the state's current areas of activity, i.e. a mining state will look at the mining industry. The services include individualized company counseling, trade seminars, international trade missions and exhibitions, matchmaking, networking, research, hosting of incoming trade delegations and international marketing services through overseas offices.

Information gathering is generally accomplished by contacting a variety of federal agencies: The U.S. Department of Commerce, Trade Development Program, regional offices of the U.S. and Foreign Commercial Service, Bureau of Export Administration, OPIC, and the U.S. Agency for International Development. STAIDA staff also rely on local private and public persons who have experience in a particular region for advice and assistance. STAIDA utilize these resources on behalf of an individual company, educational institution, or a trade related organization interested in developing international business relationships, educational exchanges and technology transfers. STAIDA also uses the information available to determine where the state should concentrate future international efforts.

Attending trade shows is an important service offered by STAIDA. By attending a trade show as a state agency, they are able to recruit companies to attend while minimizing the actual capital outlay for the company. States will often contract booth space and sub-divide it among two or three companies. Another service offered by STAIDA is catalog representation. This is targeted at the companies who either lack the capital to attend in person or are not completely confident about the long-term market potential. Catalog representation allows the company to have the state representative display company literature, answer questions and gather trade leads. Upon their return, the STAIDA staff prepare a marketing report for company analysis. The actual cost of attending a trade show will vary from a few thousand dollars to tens of thousands. The cost of catalog representation is determined by STAIDA and runs between \$50 - \$350. Most other services offered by STAIDA are free of charge.

In addition to the services above, STAIDA offices are involved with publishing state industry-related information, trade resource directories and industry sector directories to provide an explanation of export services and information pertaining to the companies and products available within the state.

F. Program Evaluation Methodology

Quantified success indicators among STAIDA vary. Some states rely on statistics that demonstrate how many jobs were created as a direct result of export promotion activities. Although this technique appears to be good for budget presentations, it falls short because it is difficult to attribute impact to any one agency. Another method is to do a comparative analysis of trade statistics on an annual basis. This allows STAIDA to evaluate their programs according to dollar amounts exported to a region and compare these statistics to their efforts in that region. Again, there is no mechanism to determine if the results were because of the efforts of the STAIDA office. They may have been the result of a company's in house marketing and international programs.

As a result, there is no definitive method in place to evaluate STAIDA activities in Sub-Saharan Africa. For the purposes of this report, activities that have resulted in projected, potential, pending or any other comparable term was not viewed as a quantified result of any particular program. Without seeing actual signed contracts, the evaluator must rely on the programs offered, past and planned initiatives, and levels of actual export by dollar amount and industry sector, in order to determine the value of the export promotion programs.

G. State Activities in Sub-Saharan Africa

There are currently eleven states planning on attending the "Made In USA" trade show in Johannesburg South Africa in September 1993. The trade show is a privately organized endeavor that has received support from the U.S. Department of Commerce. The states interviewed for the study believe that by attending a trade show during the current stage of South Africa's political transition, they are positioning the state to be involved with potential business development and market boom. The states of Arkansas, California, Georgia, Idaho, Illinois, Maryland, Minnesota, Missouri, New Hampshire, Texas and Utah have committed to attend. These offices have recruited on average 15 companies to attend on a catalog basis. The state of Missouri has 55 companies that have agreed on catalog representations and were forced to turn away another 15. Additionally, a number of the STAIDA offices expressed an interest in attending the September show, but due to budgetary or political constraints, they are unable to do so. The Made in USA office of the District of Columbia has recruited over 145 companies who have agreed to rent booth space for the September show.

In addition to the "Made In USA" trade show, the states of Arkansas, California, Colorado, New Jersey and Virginia are in the process of planning business development missions to Sub-Saharan

Africa. In Colorado, New Jersey and Virginia, the STAIDA offices are directly involved with the logistical arrangements and mission planning process. Arkansas and California's missions are being organized by separate non-state related organizations but have the blessing of the STAIDA office. At some point, all five groups have been in contact with AFR/ONI for technical assistance, country specific information, and in some cases requests for financial contributions.

The most active state at the moment is the State of Virginia with Governor Wilder in the forefront. In the past few years the State of Virginia has been very active in promoting business activities with sub-Saharan Africa. The Governor will announce at the Southern Governor's Association summit in September of this year the location for a new trade promotion office in sub-Saharan Africa. The Governor's office has invited a number of senior African political figures as well as the heads of state from Benin, Burkina Faso, Cote D'Ivoire, The Gambia, Ghana, Guinea Bissau, Mali, Niger and Nigeria to attend the conference.

Other states such as Ohio, Michigan and had previously established offices in Africa. At this time, the STAIDA offices that were located in sub-Saharan Africa have been closed. These offices encountered a variety of problems including budget restrictions and cutbacks. Michigan's office closed as a result of it having been staffed without consideration for cultural and political elements which rendered it ineffective. Another situation that the overseas branches are faced with, is the unfamiliarity of the business practices in a region that in some cases frustrated the goals and objectives of the personnel.

The export statistics from the individual states vary widely. Sub-Saharan Africa has not traditionally been thought of as one of the prime markets of opportunity for U.S. companies. Mobilization costs and an unfamiliarity about the region, lack of developed markets and inhibiting commercial environments all are factors preventing American businesses from targeting the sub-Saharan region for business development. As a result of this, exports to the area originating in the United States comprise about 2% of total U.S. exports to sub-Saharan Africa. In 1992 total exports were approximately \$5.4 billion and imports were roughly \$12 billion. Although trade with sub-Saharan Africa may not be in the forefront, many of the STAIDA offices interviewed for this report are interested in promoting additional business ties with the region. STAIDA offices have a keen economic and political interest in establishing trade links and educational relationships with the Republic of South Africa. Many of the agencies are well aware of the fact that South Africa is among their top twenty export markets and view the African continent as an area with untapped long-term sustainable potential.

According to marketing reports from the United States Department of Commerce, the region of sub-Saharan Africa possesses a significant amount of international business development potential. American companies who are willing to make a long-term commitment will be in a position to benefit economically through trade and investment opportunities. Due to the international donor financed restructuring programs, many of the African countries have created a positive trade and investment climate. These countries are also experiencing the need and expressing a desire for additional competition for their traditional European trading partners.

H. U.S. Exports to Sub-Saharan Africa

The following table represents total U.S. exports to sub-Saharan Africa from 1990 through 1992. Exports to Africa originating from the U.S. totaled \$4 billion in 1990 and rose consistently to \$5.3 billion in 1992. This represents a \$1.3 billion increase over a three year period. Some of the more predominant industry sectors are non electric machinery, transportation equipment, instruments and medical, agricultural products, chemicals and allied products and miscellaneous manufactured goods and products.

	<u>U.S. Exports</u> (\$ Millions F.A.S.)		
<u>Country</u>	<u>1990</u>	<u>1991</u>	<u>1992</u>
Angola	149.7	188.2	157.6
Benin	23.7	26.1	27.0
Botswana	19.2	30.8	46.5
Burkina Faso	14.7	23.6	13.2
Burundi	.9	1.9	9.6
Cameroon	46.4	45.8	57.0
Central African Rep.	1.2	1.2	1.0
Chad	7.9	13.8	5.3
Comoros	.1	.1	.6
Congo	89.8	43.2	59.7
Cote D'Ivoire	78.4	81.6	87.1
Djibouti	7.4	10.0	10.6
Equatorial Guinea	.2	12.7	10.8
Ethiopia	157.0	210.4	249.5
Gabon	49.0	84.9	54.7
Gambia	8.7	10.8	10.1
Ghana	138.4	142.0	123.7
Guinea	42.9	88.2	60.5
Western Afr. N.E.C.*	20.0	10.6	8.5
Kenya	115.9	92.0	124.2
Lesotho	2.8	3.5	3.1
Liberia	44.3	47.1	30.7
Madagascar	11.5	14.1	6.1
Malawi	13.8	54.7	13.6
Mali	9.0	18.4	11.3
Mauritania	14.5	21.6	59.4
Mauritius	12.9	15.3	22.3
Mozambique	50.3	100.9	149.7

Namibia	44.4	32.6	34.2
Niger	12.4	10.4	12.8
Nigeria	551.4	832.8	1,000.8
Rwanda	1.0	2.0	2.5
Senegal	52.6	76.3	80.2
Seychelles	2.2	1.9	2.3
Sierra Leone	26.6	24.8	28.1
Somalia	11.6	7.4	20.8
South Africa	1,732.5	2,113.4	2,425.2
Sudan	42.3	92.4	52.5
Swaziland	7.8	4.5	3.6
Tanzania	48.0	34.5	33.8
Togo	30.7	23.9	19.5
Uganda	26.0	13.4	15.3
Zaire	138.4	61.9	32.7
Zambia	80.1	23.5	68.1
Zimbabwe	134.7	53.3	143.4
TOTAL	4,073.3	4,802.4	5,389.5

Source: The United States Department of Commerce, Africa Bureau.

*Includes Guinea Bissau, Cape Verde Islands, and Sao Tome & Principe

III. Federal and National Trade Promotion Agencies

A. Section Summary

This section of the report focusses on the various agencies involved with international business development and their role in providing services to and integrating with STAIDA offices. The evaluator was also interested in how these agencies collaborate on their efforts to access, promote and assist small to medium-sized U.S. enterprises with international market potential. Agencies and organizations were selected because of their direct involvement with international trade and business development. The report does not attempt to cover these agencies in their entirety, but offers a background of the general programs and services available aimed at promoting U.S. goods and services abroad. Information resources and country marketing data available through these agencies is plentiful, and applicable to the international business development goals of STAIDA and U.S. companies. However, there was a definite lack of information and services available to STAIDA that describe the goals and objectives of A.I.D. Africa field mission projects and AFR/ONI.

B. United States Department of Commerce

The export promotion activities of the United States Department of Commerce are primarily carried out by the International Trade Administration (ITA). Other agencies within the Department of Commerce manage statistical data, export licensing, and international economic policy.

The International Trade Administration (ITA)

The ITA is responsible for international trade related activities within the department. ITA Export related programs include market research, finding and evaluating international contacts, and establishing international contacts.

The primary point of contact for STAIDA within the Department of Commerce/ITA are the International Economic Policy (IEP) Country Desk Officers. Desk officers collect data on regulations, tariffs, business practices, economic and political developments, trade and data trends, market size and growth. They look at the needs of an individual firm wishing to sell in a particular country and advise them in accordance to the compiled data. Through the desk

officers, STAIDA is able to gather the market specific information that will allow them to formulate trade and investment strategies. Publications such as the Foreign Economic Trends (FET's) are completed on an annual basis, Overseas Business Reports (OBR's) are completed on a time available basis, and the Country Marketing Reports (CMR's) are done annually but only in countries that have a resident Foreign Commercial Service (FCS) officer (three in Sub-Saharan Africa). FET's provide country economic statistics and indicators, the OBR's and CMR's are more market and business related. For most countries this information is available on a CD Rom system called the National Trade Data Base (NTDB). Because of the time line on producing market oriented information, STAIDA often finds that the resources are useful, but dated. This is not to diminish the value and importance of the desk officers who are very knowledgeable about their area of specialty.

ITA is involved with many other activities aimed at increasing trade opportunities for American companies. Trade missions are periodically organized with the assistance of ITA. Export counseling, match maker delegations, overseas trade fairs and foreign buyer programs are among the many services. However, USAID projects and activities are not focused upon in the programs, services or publications mentioned above. As a result of this, it is inevitable that the STAIDA office will attempt to contact USAID directly to receive information on procurement and development opportunities.

U.S. & Foreign Commercial Service (US&FCS)

The U.S. & Foreign Commercial Service (US&FCS) provides counseling and export-related services to STAIDA and the American business community. Services are provided through its network of 48 district and 19 branch offices in the United States. In sub-Saharan Africa, there are three Foreign Commercial Services Officers located in Abidjan, Cote D'Ivoire, Lagos, Nigeria, and Johannesburg, South Africa. This network is complimented by industry and country specialists based in Washington, D.C. who have the responsibility for monitoring their areas of assignment for world trends and developments. The district offices of the US&FCS has as its primary objective to identify businesses in their areas whose goods and services have viable export potential in foreign markets and to assist those interested firms in developing appropriate knowledge, techniques and contacts to sell successfully in foreign markets.

The regional staff consult firms on:

- * Trade and investment opportunities Abroad
- * Foreign markets for U.S. products and services
- * International market development plans and strategies
- * Financing aid to exporters

- * Export insurance
- * Major overseas projects contract informatio
- * Tax advantages of exporting
- * International trade exhibitions/missions
- * Business facilitation services
- * Trade dispute assistance
- * Export licensing requirements

In addition to this general counseling, the types of services and products available from the regional offices can be divided into six areas:

- 1) Market identification and assessment
- 2) Market research
- 3) Trade contact services
- 4) Overseas export promouon
- 5) Export regulations
- 6) Educational work shops

Although all of these services are being offered, it is important to note that due to government downsizing, the district and branch offices of the US&FCS are currently operating with limited staffing.

The services offered by the US&FCS are oriented towards providing services for the more traditional export markets of Europe and Asia. Assistance for Sub-Saharan Africa is not in the fore front of agency efforts. Compared to the three US&FCS officers posted in sub-Saharan Africa, USAID has a field presence in 36 countries and over 300 professionals staffing these operations. In this regard, the USAID missions have a comparative advantage in market potential through the extensive knowledge base of the mission staff and the programs they manage. In many cases the A.I.D. mission is involved with projects directly related to STAIDA programs in private sector development, educational reform, health care reform and agribusiness.

C. United States Trade and Development Agency (TDA)

TDA finances project planning studies in developing countries which are potential export markets for U.S. goods and services. This includes feasibility studies for major infrastructure projects, seminars, symposia, and reverse trade missions. TDA's major objective is to assist U.S. firms in winning feasibility study contracts for major infrastructure projects in developing/middle income countries. The two activities that TDA primarily promotes are definitional missions and feasibility studies.

Definitional Missions (DM)

A DM is organized by TDA when there is sufficient evidence that suggests a project or program in the host country has a likelihood of being funded. DM's review the nature of the project and determine host government priority, and the many factors that may determine or influence the out come of the project. The DM then makes a recommendation to TDA on the validity of the request and whether or not to move forward with a feasibility study.

Feasibility Studies (FS)

TDA funds are used for FS's that provide the host country with detailed data used in the decisioning of major development projects. Feasibility information supplied include: financial, engineering analysis, calculations of cost benefit, market and cash flow assessments, plant operations analysis, and the processing of raw materials. These studies are geared towards providing an opportunity for U.S. companies to be directly involved with the project planning stages. In doing so, the U.S. company should gain a comparative advantage in the actual project bidding process.

Other TDA activities are aimed at providing information and education to the host country and U.S. enterprises. Technical Symposia are organized to familiarize foreign governments with U.S. goods and services. Orientation visits bring to host country procurement official to the U.S. for the same purpose. Trade related training is provided to the U.S. companies that are short-listed for a particular project.

TDA programs tend to target large infrastructure projects that require a significant amount of mobilization capabilities by the U.S. company. Most STAIDA target the SME's in their state, companies that generally don't have the capital resources to undertake such a project. Although the TDA programs have been successful at recruiting small minority owned businesses for the DM's, they don't target the companies that AFR/ONI and the STAIDA offices are capable of reaching for the smaller mission related projects. TDA has a conducive relationship with USAID that is capable of presenting large scale opportunities to corporate America.

D. USAID Bureau for Private Enterprise (PRE)

PRE encourages and supports sustainable economic growth in countries in transition to market economies by applying market principles and innovative private sector solutions to development needs. The bureau is divided into a series of sub-sector offices. The Office of International Business Development (IBD) and the West Coast Business Outreach Program and its programs will be the focus of this section of the report. PRE/IBD is responsible for developing, coordinating, assisting and advising on the involvement of the U.S. business community in those activities in developing countries which may contribute to the achievement of A.I.D.'s overall economic development objectives. PRE/IBD attempts to create, implement and sponsor initiatives to stimulate information sharing, cooperative projects and ventures between A.I.D.'s field missions, the U.S. business community and its counterparts in developing countries.

West Coast Business Outreach Program (WCBOP)

The WCBOP was established in January of 1992 in California and Oregon. WCBOP is supported by USAID's Bureau for Private Enterprise and Office of External Affairs. The program is directed by a Senior Trade and Development Advisor with USAID. The purpose of the program is to assist small to medium-sized firms in the United States in three areas:

- 1) Information and counseling on trade and investment opportunities in developing countries
- 2) Information on how to work with USAID to develop new business opportunities in developing countries, including the export of U.S. products
- 3) Information on USAID contracts, grants and procurement procedures

WCBOP is actively involved with reaching these objectives through activities such as executive briefing tours, seminars and workshops, individual business counseling, and information and referral services. The impact of WCBOP activities for the U.S. business community is significant. In an evaluation of the WCBOP programs prepared by Coopers & Lybrand, west coast companies have benefitted from information on trade and investment opportunities in developing countries supplied by WCBOP. Some companies have received direct assistance with developing new business opportunities through USAID programs abroad and information on USAID contracts, grants and procurement opportunities and procedures.

Although WCBOP does not specifically target STAIDA for development contact, this program has been active as an effective link for the USAID regional bureaus. The value of this contact is evident in the demand that WCBOP receives from the west coast business community. Currently the program office receives approximately 30 - 40 calls per day. About half of these calls are first time requests for USAID services. In contrast, AFR/ONI receives 10 - 15 requests per week from organizations looking for information on specific Africa programs, trade and

investment opportunities, technical assistance, and requests for financial assistance for business development purposes. WCBOP is in a position to provide some information to these organizations, but in order to handle Africa specific requests, additional resources and support would need to be available. The benefit for AFR/ONI would be increased exposure on the west coast and increased capabilities in identifying potential private sector suppliers that can meet the needs and requirements of businesses in developing countries and the USAID missions.

Center for Trade and Investment Services (CTIS)

The purpose of this office is to function as a full service, "one stop" center where U.S. companies and business development organizations can receive timely information relating to international private sector development projects. As stated in the PRE portfolio of current projects, the primary objectives are:

- 1) To establish a centrally-based, trade and investment informational-services capability which is reliable and user-friendly.
- 2) To establish a cost-effective trade and investment computer information and analytical system, building on existing data sources and networks.
- 3) To foster and promote A.I.D.'s unique legislative mandate to encourage "trade and investment abroad" and enhance the Agency's support capabilities.

CTIS has not been involved with promoting international investment and business development missions to Africa. AFR/ONI has experience in providing technical assistance and mission development.

E. National Association of State Development Agencies (NASDA)

NASDA is a Washington based, non-profit national organization. NASDA was formed in 1946 to provide a forum for directors of state economic development agencies, and to establish an organizational base from which to approach the federal government concerning issues of mutual interest. The Association provides its members with an array of publications, conferences and workshops. NASDA is comprised of seven divisions, Business and Economic Development Financing, Employment Training, International Trade and Investment, Investment Attraction, Local/Sub-state Economic Development, Research and Tourism Development.

The International Trade and Investment Division receives funding through a cooperative agreement between USAID's Bureau for Private Enterprise (A.I.D./PRE) and NASDA. The Business Development Seed Fund was established in 1988 to encourage STAIDA and other intermediary organizations to undertake innovative projects that promote business activity with firms in developing countries and eastern Europe. The Seed Fund attempts to channel the efforts of the STAIDA offices towards developing markets that welcome private investment and offer

real opportunities. Because business relationships with U.S. firms can be a powerful catalyst for economic development, A.I.D. is providing funds to stimulate creative new projects that complement A.I.D. programs in targeted sectors of developing nations and emerging markets. The objective is to generate substantive and productive commercial relationships that benefit both the American Companies and the developing nations.

The Business Development Seed Fund is available to state and sub-state business development organizations having a demonstrated track record in international trade and investment activity. STAIDA offices are the primary recipients of Seed Fund services. The services are broken down into two primary categories, financial support and technical assistance. Seed Fund financial support is provided to eligible projects by means of matching grants up to \$20,000. Activities that closely mesh with ongoing USAID country programs may be eligible for additional funding. Technical assistance is provided by NASDA staff who will help in the development of project proposals and serve as liaison with A.I.D. officials in Washington and overseas.

To qualify as an eligible project, the proposal must meet the following criteria:

- * Focus on countries where USAID is currently active.
- * Produce commercial and sustainable results. In addition to profitable business transactions for the participating U.S. firms, the developing nation should receive benefit.
- * Involve small to mid-size firms in both the U.S. and the target country. Priority will be accorded to projects that promise the greatest favorable impact on the private sector.
- * Demonstrate clear economic development benefits for both the target country and the U.S.
- * Ensure that other contributors match the Seed Fund grant at least equally, in cash or kind.
- * Clearly indicate which budget items the Seed Fund is expected to cover.
- * Complete the funded activity within one year.
- * Plan a start date that is no sooner than three months from the time the proposal outline is submitted to NASDA.

The qualification process attempts to target A.I.D. field mission objectives. However, the criteria of having to "focus on countries where A.I.D. is currently active," is broad and fails to target actual mission strategies. Because most STAIDA offices are not fully informed as to what the mission in a particular country is attempting to accomplish, the proposals vary widely in scope,

planned activities and the objectives of the field mission are rarely incorporated. The application process forces STAIDA to operate from an uninformed perspective creating proposals that are oriented to directly benefit a particular organization or company within the state. STAIDA must rely on NASDA to act as an informed A.I.D. source, and as a liaison between STAIDA and USAID.

Approved Seed Fund Projects

PRE has provided \$800,000 in matching grants of up to \$20,000 for thirty nine projects in Eastern Europe, and the former Soviet Union, North Africa, Southeast Asia and Latin America. Seed Fund programs have been carried out in over 20 countries including Indonesia, Poland, Hungary, Russia and others. A list of past NASDA/USAID approved Seed Fund projects can be found in Appendix 3.

To date, there has not been sufficient follow up on Seed Fund projects to evaluate their effectiveness and long-term economic impact for the host country. In addition, no evaluation of the cooperative agreement and cost effectiveness of the program, has been completed by an outside source. As of this date, it has not been determined if the PRE/NASDA agreement will be continued and funded for fiscal year 1994. If funding is continued, NASDA would like the Africa Bureau to buy into the Seed Fund for \$100,000 - \$200,000.

IV. OPTIONS

A. Section Summary

This section presents three options that AFR/ONI may choose to implement for working with STAIDA to promote long-term business relationships in sub-Saharan Africa.

B. Option #1: In direct cooperation with STAIDA create and distribute business development guidelines and training seminars on how to do business in Africa.

Objective

The objective of this option is to outline a set of criteria and guidelines that will apply directly to business development requests originating from NASDA, STAIDA, or other international trade and investment development organizations.

Characteristics

AFR/ONI in direct cooperation WITH staida, could work together in promoting business development. Initiate a set of guidelines and an application criteria that will allow AFR/ONI to assess and evaluate proposed projects and operations on the basis of established standards. This process will apply to requests for technical assistance originating from but not limited to the following organizations: NASDA, STAIDA, OPIC, US&FCS, special interest groups, trade development companies and similar entities. AFR/ONI should create a system for review that incorporates mission representation and AFR/ONI input. This system will allow ONI/PSD to render a decision and respond directly to the requesting office with a definitive answer.

AFR/ONI should provide educational resources in the form of seminars and training for STAIDA or other trade related organizations and the SME's they represent on how to do business in Africa. The educational conferences should be combined with the resources available in PRE on how to do business with USAID. U.S. Government agencies involved with export promotion should also be given an opportunity to participate in such an activity. Training should also be provided for the host country businesses interested in learning international business practices, and in particular, how to do business with Americans.

Business Development Guidelines and Application:

Funding should be made available to support projects that target the USAID field mission strategies. Ideally, the request for a business development mission will originate from the private sector division of the USAID mission. This may be accomplished by offering two business development missions in one fiscal year that will target a total of four countries. The PSD staff in the A.I.D. mission and the commercial staff in the embassy will submit a request justifying why an AFR/ONI/STAIDA trade and business development mission should target that country. After review by AFR/ONI, a decision will be made on which countries demonstrate the most promise for sustainable investment activities. The AFR/ONI/STAIDA liaison officer will contact the relevant STAIDA offices and formulate a regional mission comprised of companies that are able to contribute directly to the USAID mission private sector programs. STAIDA offices will be asked to submit a proposal for AFR/ONI technical assistance. The proposal shall be submitted in writing to the AFR/ONI liaison officer and address the following issues:

- * How will the proposed project directly contribute to the A.I.D. mission strategy and the specific A.I.D. projects in question?
- * What is the projected impact on the economy of the host country in terms of benefit and sustainable economic growth?
- * What is the projected benefit for the U.S. SME?
- * Indicate the plans for follow through and how this will be accomplished.
- * Indicate how STAIDA plans to recruit and screen companies for this mission.
- * Provide a line item budget that demonstrates state contributions and other sources.

Any financial assistance provided by AFR/ONI shall only be used for the international trade representative directly employed by the state office responsible for international business development. Other individuals and companies are responsible for providing their funding. Once a date has been established and AFR/ONI personnel begin working on the logistical arrangements, the project dates will not be changes without prior concurrence with AFR/ONI. The objective of these missions is to establish long-term business relationships that will benefit the indigenous business community as well as create additional employment opportunities for the U.S. private sector.

An application should ask for but not limited to the following:

Personal Information:

Name (first, last, middle), Title, Home Address, City, State, Zip, Phone, Fax, Date of Birth, Age, and Gender.

Passport Information:

Number, Date of Issue, Issuing Authority, Issuing Country, Expiration Date, and please provide a copy of your visa and immunization record.

Company Information:

Company Name, Parent Company, Company Address (city, state, Zip), Phone, and Fax. Please provide company literature on history, product/services information, annual sales broken down into domestic and international, international target markets, number of employees, and Gray Amendment or 8a status.

Project Objectives:

Please describe the objectives of your company and how those objectives will be able to promote economic development in the host country. Also, what kind of past experience and/or expertise is your company able to provide the A.I.D. mission in order to meet the Mission goals and objectives.

Option Implementation

The sample application and criteria should be reviewed and modified according to the requirements of AFR/ONI. A letter should be drafted that will inform all of the STAIDA offices of AFR/ONI's program and proposal guidelines. AFR/ONI should designate a staff person to act as the contact point for proposal reviews and administrative duties. The individual will be responsible for maintaining communication with the originating organization and offer timely responses as well as expertise. The staff person will also keep AFR/ONI and field mission staff apprised of project status.

Pros

- * More efficient utilization of both A.I.D. Washington and field staff capabilities integrating with STAIDA offices and SME's.
- * Minimizes the guess work by AFR/ONI staff on how to respond to a request for technical support and assistance.
- * Criteria and application process can be applied to a spectrum of activities and requests from STAIDA or other related organizations.
- * Allows a project proposal to be reviewed according to its merit.
- * Gives AFR/ONI time to respond to requests in a positive or negative manner based on how the proposal meets or fails to meet the application guidelines.
- * Provides STAIDA with the input and technical expertise to develop long-term economic alliances with the A.I.D. focused countries.

- * Increases A.I.D.'s profile among STAIDA, SME's, and the legislative bodies of the state governments.

Cons

- * Increases the workload of AFR/ONI staff.
- * Increases O & E expenditures for AFR/ONI.

C. Option #2: Contract an organization that specializes in Africa issues.

Objective

The objective of this option is to perform the same task as option #1 and simultaneously significantly reduce response time and amount of direct hire staff AFR/ONI needs to commit.

Characteristics

Utilize the services of an Africa specific organization with extensive Africa related experience, expertise, personnel, and prominent U.S. business ties. This organization should also have a considerable amount of experience with the objectives and procedures involved with USAID. As a neutral entity, the organization will be able to draw upon sources from A.I.D. and other international development and business promotion organizations. Communication and reporting on activities will occur on a regular basis.

Implementation

Select the organization and appoint an ONI/PSD individual to be the A.I.D. point of contact. With joint participation, develop a memorandum of understanding outlining the goals, objectives and responsibilities of the NGO's activities with the STAIDA agencies. The MOU shall be written in a manner that maintains the integrity of the mission objectives and sustainable economic development objectives. The NGO will require two staff persons who are capable of communicating with A.I.D., STAIDA and other federal agencies and organizations. Staff members will be responsible for the development and maintenance of educational training programs for U.S. SME's and host country enterprises interested in promoting international business relationships. Additionally, staff will focus on the sharing of expertise with the disadvantage businesses of southern Africa.

Pros:

- * More efficient utilization of A.I.D. Washington and field staff capabilities for integrating with STAIDA and U.S. SME's
- * Provides a focal point for ONI/PSD to assist STAIDA and U.S. SME's with international business development opportunities within the mission objectives.

- * Minimizes O & E outlay for ONI/PSD.
- * Maintains A.I.D.'s commitment to sustainable development by promoting business relationships that are of economic benefit for the host country.
- * Provides A.I.D. with a direct link with STAIDA offices who are able to access SME's and educational institutions that can meet host country demands for the development of business relationships and educational requirements.
- * Provides a channel for inter-agency input and cooperation.
- * Allows the NGO to assist STAIDA with tailoring trade and business development missions to meet their goals and objectives and to promote regional activities among the state agencies.

Cons:

- * Creates an additional management function for ONI/PSD staff.
- * Adds an additional layer of bureaucracy for STAIDA to contend with.

D. Option #3: Inter-Agency Cooperative Agreement

Objective

The objective of this option is to maximize the inter-agency resources available to increase business development opportunities for small to medium sized U.S. enterprises while strengthening the business environment in the host country.

Characteristics

A Cooperative effort between the United States Department of Commerce and the Agency for International Development may be the most effective way to assist American companies with international business development issues. Combining resources to establish economically feasible, trade, investment, and business development missions that will increase the sustainable economic growth in the host country while promoting the utilization of American goods and services abroad. The goals of STAIDA can be achieved by offering technical assistance from the A.I.D. mission field staff and utilizing the marketing analysis expertise and informational resources of the department of commerce.

A.I.D. missions and ONI are consistently asked to provide support for trade and development trips to the host country. The U.S. Department of Commerce, the Overseas Private Investment Corporation, STAIDA offices, and a variety of NGO's look to A.I.D. for assistance. This is often

a frustrating process since there is no mechanism/criteria in place to determine which projects warrant A.I.D. commitment of resources. Because of the complexities inherent with inter-agency efforts, this option although feasibly possible is an unlikely solution.

Implementation

Appoint representatives from USAID Bureau for Africa and the U.S. Commerce Department's Africa Bureau. These individuals will be responsible for the development of a memorandum of understanding, outlining the goals and objectives of the cooperative agreement and the responsibility sharing/resource commitment. Inter-agency and STAIDA communication will be maintained through the representatives. They will evaluate proposed projects in regards to staffing requirements, commitment of resources, applicability to the goals and objectives of A.I.D., and the potential economic impact for the host country economy.

Pros:

- * Fosters inter-agency cooperation through the joint efforts and information sharing.
- * Cost benefits will be realized by sharing expenses and the dedication of resources.
- * Increase A.I.D.'s profile among the small to medium sized U.S. enterprises.

Cons:

- * Inter-agency cooperation has not been a simplistic concept in the past.
- * The operational mandates and objectives of both agencies do not coincide.
- * Adds an additional layer of bureaucracy in the already complicated system that STAIDA is already faced with.

Funding

Funding could be made available through the PSD contracts currently in place. The options outlined in this report are well within the guidelines of the PSSP project which if approved, could provide continued funding.

Time line

The guidelines and application could be completed in four weeks. Establishing a cooperative agreement with an NGO or other organization contractor should be in place by November, 1993.

APPENDIX 1

LIST OF CONTACTS

STAIDA

1. Alabama
Contact: Ellen Moore
Location: Montgomery, Alabama
Method of Contact: Telephone Conversation
Date: 7/20/93
2. Arizona
Contact: Dan Bjerk
Location: Phoenix, Arizona
Method of Contact: Telephone Conversation
Date: 7/13/93
3. Arkansas
Contact: Charles Smith
Location: Little Rock, Arkansas
Method of Contact: Telephone Conversation
Date: 7/13/93
4. California
Contact: Ann Sinegal-Robinson
Location: Sacramento, California
Method of Contact: Telephone Conversation
Date: 7/19/93
5. Colorado
Contact: Morgan Smith
Location: Denver, Colorado
Method of Contact: Telephone Conversation
Date: 7/19/93
6. Delaware
Contact: John Pastor
Location: Wilmington Delaware
Method of Contact: Telephone Conversation
Date: 7/14/93
7. District of Columbia
Contact: Ken Scott
Location: Washington, D.C.
Method of Contact: Telephone Conversation

Date: 7/14/93

8. Florida
Contact: Tom Roesch
Location: Tallahassee, Florida
Method of Contact: Telephone Conversation
Date: 7/26/93
9. Georgia
Contact: Kevin Langston
Location: Atlanta, Georgia
Method of Contact: Telephone Conversation
Date: 7/19/93
10. Idaho
Contact: David Christianson
Location: Boise, Idaho
Method of Contact: Telephone Conversation
Date: 7/14/93
11. Illinois
Contact: Charlie Reed
Location: Chicago, Illinois
Method of Contact: Telephone Conversation
Date: 7/15/93
12. Indiana
Contact: Jessica Webb
Location: Indianapolis, Indiana
Method of Contact: Telephone Conversation
Date: 7/14/93
13. Kansas
Contact: Randy Tosh
Location: Topeka, Kansas
Method of Contact: Telephone Conversation
Date: 7/14/93
14. Kentucky
Contact: Mary Garbbard
Location: Frankfort, Kentucky
Method of Contact: Telephone Conversation
Date: 7/16/93
15. Louisiana
Contact: Bob Fousch

Location: Baton Rouge, Louisiana
Method of Contact: Telephone Conversation
Date: 7/20/93

16. Maine
Contact: Tom Eyman
Location: Augusta Maine
Method of Contact: Telephone Conversation
Date: 7/14/93
17. Maryland
Contact: Sheila Dixon
Location: Baltimore, Maryland
Method of Contact: Telephone Conversation
Date: 7/18/93
18. Massachusetts
Contact: Liz Lattimore
Location: Boston, Massachusetts
Method of Contact: Telephone Conversation
Date: 7/15/93
19. Michigan
Contact: Dean Johnson
Location: Lansing, Michigan
Method of Contact: Telephone Conversation
Date: 7/16/93
20. Minnesota
Contact: Tess Morrison
Location: St. Paul, Minnesota
Method of Contact: Telephone Conversation
Date: 7/16/93
21. Missouri
Contact: Angie Kinworthy
Location: Jefferson City, Missouri
Method of Contact: Telephone Conversation
Date: 7/16/93
22. Montana
Contact: Tami Laning
Location: Helena, Montana
Method of Contact: Telephone Conversation
Date: 7/22/93

23. Nebraska
Contact: Susan Rouch
Location: Lincoln, Nebraska
Method of Contact: Telephone Conversation
Date: 7/14/93
24. Nevada
Contact: Peter Cunningham
Location: Carson City, Nevada
Method of Contact: Telephone Conversation
Date: 8/9/93
25. New Hampshire
Contact: Lonnie Dickerson
Location: Portsmouth, New Hampshire
Method of Contact: Telephone Interview
Date: 7/29/93
26. New Jersey
Contact: Edward Burton
Location: Newark, New Jersey
Method of Contact: Telephone Conversation
Date: 7/19/93
27. New Mexico
Contact: Robert Peaslee
Location: Santa Fe, New Mexico
Method of Contact: Telephone Conversation
Date: 7/21/93
28. New York
Contact: Herbert Wagner
Location: New York, New York
Method of Contact: Telephone Conversation
Date: 7/14
29. North Carolina
Contact: Karen Black
Location: Raleigh, North Carolina
Method of Contact: Telephone Conversation
Date: 7/22/93
30. North Dakota
Contact: Rebecca Bosh
Location: Bismark, North Dakota
Method of Contact: Telephone Conversation

Date: 7/19/93

31. Ohio
Contact: Louis Kasuwi
Location: Columbus, Ohio
Method of Contact: Telephone Conversation
Date: 7/20/93
32. Oklahoma
Contact: J.C. Johnson
Location: Oklahoma City, Oklahoma
Method of Contact: Telephone Conversation
Date: 7/20/93
33. Oregon
Contact: Glenn Ford
Location: Portland, Oregon
Method of Contact: Telephone Conversation
Date: 7/20/93
34. Pennsylvania
Contact: Bill Garity
Location: Harrisburg Pennsylvania
Method of Contact: Telephone Conversation
Date: 7/21/93
35. Rhode Island
Contact: Kurt Maksad
Location: Providence, Rhode Island
Method of Contact: Telephone Conversation
Date: 7/16/93
36. South Carolina
Contact: Will Lacey
Location: Columbia, South Carolina
Method of Contact: Telephone Conversation
Date: 7/20/93
37. Texas
Contact: David Cox
Location: Austin, Texas
Method of Contact: Telephone Conversation
Date: 7/28/93
38. Utah
Contact: Franz Kolb

Location: Salt Lake City, Utah
Method of Contact: Telephone Conversation
Date: 7/28/93

39. Vermont
Contact: Rob Clark
Location: Montpelier, Vermont
Method of Contact: Telephone Conversation
Date: 8/2/93
40. Virginia
Contact: Ralph Granly
Location: Norfolk, Virginia
Method of Contact: Telephone Conversation
Date: 7/20/93
41. Washington
Contact: Steven Odom
Location: Seattle, Washington
Method of Contact: Telephone Conversation
Date: 8/2/93
42. Wisconsin
Contact: Lou Jankowski
Location: Madison, Wisconsin
Method of Contact: Telephone Conversation
Date: 7/20/93
43. Wyoming
Contact: Ann Redmond
Location: Cheyenne, Wyoming
Method of Contact: Telephone Conversation
Date: 7/20/93

UNITED STATES DEPARTMENT OF COMMERCE

Sally Miller
Director
Office of Africa

Date: 8/3/93

Emily Solomon
International Trade Specialist
Office of Africa
Date: 8/3/93

Neil Hesse
Director
US&FCS Denver District Office
Date: 8/4/93

Paul Bergman
Deputy Director
US&FCS Denver District Office
Date: 8/4/93

NASDA

Dan Waterman
Director International Business Development
NASDA
Date: 8/4/93

Caroline Robbins
Coordinator, International Business Development
NASDA
Date: 8/4/93

USAID

Bill Kaschak
Director
Office of Operations and New Initiatives
Date: 7/13/93

Mike Unger
Chief
Office of Operations and New Initiatives
Private Sector Division
Date: 7/13/93

Neil Bilig
Project Manager

ONI/PSD
Date: 8/2/93

Ray Solem
Project Manager
ONI/PSD
Date: 7/29/93

Mike Caughlin
Agribusiness Officer
ONI/PSD
Date: 8/5/93

Gary Vaughn
Private Enterprise Officer
Bureau for the Near East
Date: 7/28/93

Jim Schill
Director
West Coast Business Outreach
Date: 7/28/93

Ed Wise
Bureau for Private Enterprise
Date: 8/17/93

OTHERS

David Miller
Coordinator
Organization: Corporate Council on Africa
Location: Arlington, Virginia
Method of Contact: Meeting at Labat-Anderson in Arlington, Virginia
Date: 7/30/93

Anna Crabtree
Associate Investment Development
Organization: Overseas Private Investment Corporation
Location: Washington, D.C.
Method of Contact: Telephone Conversation
Date: 8/4/93

Dr. Karin Millet
Deputy Director

Organization: Denver World Trade Center Association
Location: Denver, Colorado
Method of Contact: Telephone Conversation
Date: 7/28/93

Gil Crawford
Executive Director
Organization: Seed Capital Development Fund
Location: Washington, D.C.
Method of Contact: Meeting at SCDF offices in Washington, D.C.
Date: 7/23/93

Derek Glymin
President
Organization: Cowry Enterprises
Method of Contact: Telephone Conversation
Date: 7/19/93

Dr. Bob Sherman
Professor
Organization: American Graduate School of International Management
Method of Contact: Telephone Conversation
Date: 7/23/93

Henry Shea
Associate
Organization: MADE in USA, Inc.
Location: Washington, D.C.
Method of Contact: Meeting at MADE in USA offices, Washington, D.C.
Date: 8/13/93

Marshall Ferrin
Director, International Business Development
Organization: George Mason University
Location: Manasas, Virginia Campus
Method of Contact: Meeting at campus facilities in Manasas, Virginia
Date: 8/10/93

APPENDIX 2

STAIDA

Staffing, Budgets and Programs

Alabama

Staff: 5 domestic 6 overseas 9 total
Budget: \$1,084,900
Programs: Alabama has no immediate plans to initiate programs in Sub-Saharan Africa but, they are interested in future potential.

Alaska

Staff: 8 domestic 6 overseas 14 total
Budget: \$1,397,000
Programs: N/A

Arizona

Staff: 5 domestic 4 overseas 9 total
Budget: \$950,000
Programs: Arizona has been involved with educational seminars co-sponsored with the American Graduate School of International Management.

Arkansas

Staff: 7 domestic 6 overseas 13 total
Budget: \$862,124
Programs: Arkansas is attending the Made in USA trade show in South Africa. The state is also planning a trade mission to Ghana later this year.

California

Staff: 43 domestic 15 overseas 58 total
Budget: \$8,260,000
Programs: California has been very active in promoting trade with Sub-Saharan Africa through trade missions to west Africa. The state is planning a trade mission in 1993 to scout out a location an Africa office. California has actively sponsored seminars on doing business in Africa.

Colorado

Staff: 8 domestic 4 overseas 12 total
Budget: \$1,057,000
Programs: Colorado sponsored the travel of two individuals to Ghana and Guinea in 1993. An additional mission was planned for August, 1993 but has been postponed until October. The state has been involved with sponsoring various seminars and educational programs. Attended the USAID/NASDA north Africa mission in 1992.

Connecticut

Staff: 6 domestic 0 overseas 6 total
Budget: \$995,000
Programs: N/A

Delaware

Staff: 4 domestic 1.5 overseas 5.5 total
Budget: \$940,000
Programs: N/A

Florida

Staff: 28 domestic 8 overseas 36 total
Budget: \$3,500,000
Programs: Personnel from the State of Florida attended the North Africa USAID/NASDA mission in 1992. Florida has stated a specific interest in doing business with Africa and plans to develop a strategy.

Georgia

Staff: 8 domestic 10 overseas 18 total
Budget: \$2,885,423
Programs: Attending the Made in USA trade show in South Africa.

Hawaii

Staff: 34.25 domestic 6.5 overseas 40.75 total
Budget: \$9,827,000
Programs: N/A

Idaho

Staff: 5 domestic 2 overseas 7 total
Budget: \$621,750
Programs: Attending the Made in USA trade show in South Africa. The STAIDA office is exploring ways to develop additional business ties with Sub-Saharan Africa for future activities.

Illinois

Staff: 30 domestic 24 overseas 54 total
Budget: \$6,600,000
Programs: Previously had an office in West Africa. There are no immediate plans for Africa business development but, they are interested in future proposals.

Indiana

Staff: 14 domestic 14 overseas 28 total
Budget: \$3,000,000
Programs: Past trade missions, seminars, and trade show participation. Looking into the possibility of future projects. No current activities.

Iowa

Staff: 6 domestic 6 overseas 12 total
Budget: \$1,493,000
Programs: N/A

Kansas

Staff: 13 domestic 4 overseas 17 total
Budget: N/A
Programs: N/A

Kentucky

Staff: 7 domestic 2 overseas 9 total
Budget: N/A
Programs: N/A

Louisiana

Staff: 3.5 domestic 5 overseas 8.5 total
Budget: \$850,000
Programs: N/A

Maine

Staff: 1 domestic 0 overseas 1 total
Budget: N/A
Programs: N/A

Maryland

Staff: 22 domestic 12 overseas 34 total
Budget: \$4,317,807
Programs: Attending the Made in USA trade show in South Africa.

Massachusetts

Staff: 16 domestic 2 overseas 18 total
Budget: \$1,015,000
Programs: N/A

Michigan

Staff: 14 domestic 15 overseas 29 total
Budget: \$3,400,000
Programs:

Minnesota

Staff: 24 domestic 0 overseas 24 total
Budget: N/A
Programs: Attending the Made in USA trade show in South Africa. Using this as gauge to determine future efforts and involvement.

Mississippi

Staff: 7 domestic 4 overseas 11 total
Budget: \$1,500,000
Programs: N/A

Missouri

Staff: 8 domestic 12 overseas 20 total
Budget: \$2,092,266
Programs: Attending the Made in USA trade show in South Africa. Interested in future possibilities.

Montana

Staff: 4 domestic 6 overseas 10 total
Budget: \$567,000
Programs: N/A

Nebraska

Staff: 2.5 domestic 0 overseas 2.5 total
Budget: \$168,580
Programs: N/A

Nevada

Staff: 3 domestic 3 overseas 6 total
Budget: \$380,000
Programs: N/A

New Hampshire

Staff: 7 domestic 2 overseas 9 total
Budget: N/A
Programs: Attending the Made in USA trade show in South Africa.

New Jersey

Staff: 19 domestic 1 overseas 20 total
Budget: \$1,844,000
Programs: STAIDA in conjunction with the city of East Orange are currently planning a trade mission to West Africa.

New Mexico

Staff: 1 domestic 3 overseas 4 total
Budget: \$337,000
Programs: N/A

New York

Staff: 25 domestic 17 overseas 42 total

Budget: \$5,082,000
Programs: N/A

North Carolina

Staff: 10 domestic 12 overseas 22 total
Budget: \$2,000,000
Programs: N/A

North Dakota

Staff: 2 domestic 0 overseas 2 total
Budget: \$470,000
Programs: N/A

Ohio

Staff: 16 domestic 15 overseas 31 total
Budget: \$3,107,266
Programs: Previously had an office in West Africa. Currently considering to open another office. Involved in trade missions, trade shows and educational programs.

Oklahoma

Staff: 16 domestic 6 overseas 22 total
Budget: \$2,192,000
Programs: N/A

Oregon

Staff: 12 domestic 8 overseas 14 total
Budget: \$3,300,000
Programs: N/A

Pennsylvania

Staff: 9 domestic 4 overseas 13 total
Budget: \$900,000
Programs: Attending the Made in USA trade show in South Africa.

Rhode Island

Staff: 1 domestic 0 overseas 1 total
Budget: \$240,000
Programs: N/A

South Carolina

Staff: 3 domestic 6 overseas 9 total
Budget: \$1,076,892
Programs: N/A

South Dakota

Staff: 12 domestic 3 overseas 15 total
Budget: \$387,000
Programs: N/A

Tennessee

Staff: 4 domestic 0 overseas 4 total
Budget: \$651,000
Programs: N/A

Texas

Staff: 8 domestic 12 overseas 20 total
Budget: \$2,713,530
Programs: Attending the Made in USA trade show in South Africa. Interested in developing additional business ties with Sub-Saharan Africa.

Utah

Staff: 9 domestic 10 overseas 19 total
Budget: \$1,100,000
Programs: Attending the Made in USA trade show in South Africa. Interested in future market potential and the possibility of doing some trade and investment missions.

Vermont

Staff: 2.5 domestic 0 overseas 2.5 total
Budget: \$180,000
Programs: N/A

Virginia

Staff: 13 domestic 1 overseas 14 total
Budget: \$180,000
Programs: Very active with trade missions, trade shows, and educational seminars in Africa and the U.S. Virginia is sponsoring a summit of African leaders in September, 1993. Plan to open an office in Africa before the close of 1993.

Washington

Staff: 27 domestic 6.35 overseas 33.35 total
Budget: 4,600,000
Programs: N/A

West Virginia

Staff: 1.5 domestic 2 overseas 3.5 total

Budget: \$375,000
Programs: N/A

Wisconsin

Staff: 11 domestic 15 overseas 26 total
Budget: \$4,464,216
Programs: N/A

Wyoming

Staff: 2.5 domestic 2 overseas 4.5 total
Budget: \$329,000
Programs: N/A

The preceding information was compiled through the use of telephone interviews and the National Association of State Development Agencies International Data Base. All budget figures are for FY 92. Program comments are Africa specific.

Appendix 3



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 JULY 1, 1993

US-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.

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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 Journal of Commerce on April 14, 1993, reported on the success of the companies involved.

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 will return 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 and take 1 year, ending December 1992.

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 and the first shipment of twenty Illinois gilts and 8 boars was sent in early 1993. The project will improve the quality of Hungary's exports.

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 US Business Ties with Czechoslovakia (Central Europe Institute)

Purpose The Central Europe Institute is working 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. The goal 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 Working with the Prague firm, Bohemia Invest, the Institute has added Virginia's International Trade Office and the Food Processing Manufacturers and Supplies Association to the program and is using the state's database to help introduce its products into the Czech market. Five potential co-ventures are being actively negotiated.

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 and a major U.S. winemaker is pursuing a joint venture. 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.

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 is to enlist the states in generating US business transactions and relationships with counterparts in Egypt, Morocco and Tunisia. The Bureau has 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 collaborative ventures in Morocco and Tunisia. Florida is targeting Egypt. 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.

AmCham Business Development in Egypt

Purpose The American Chamber of Commerce in Egypt will undertake a 1-year pilot program which will link 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 is 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 will provide \$20,000 of the estimated \$116,000 cost of the project, which began in December 1992.

Results Each month, one hundred fifty copies of the Chamber's magazine, containing information on current business opportunities, are sent to the various states. AmCham Egypt has received thirty to fifty requests from Florida businesses who are seeking markets in Egypt. 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.

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 will provide \$15,200. **Results** Following a series of delays in arranging a mutually convenient time, the AID mission in Tunisia asked that the project be terminated.

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 will cost the companies about \$765,000. The Seed Fund will contribute \$20,000. **Results** The "Colorado Consortium" members met in February to discuss the format of the Demonstration Work Plan. The test will take place July 7-15, 1993.

Louisville Business Matchmaking with Ecuador

Purpose The project involved the travel of a team of 7 companies 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 Matchmaker Fair to be held in Louisville in July 1994, and establish joint university research projects. **Cost** The total estimated cost for the full project is \$87,400. The Seed Fund is providing \$20,000.

Results A 4-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 civil disaster preparedness. Half of the South American companies contacted have already placed orders to American companies. Four Kentucky company representatives reported approximately \$66,000 in sales to Ecuador, Colombia and Venezuela. Three made an optional trip to Argentina and reported anticipated sales in excess of \$300,000. In addition to business deals, other results from the project include discussions of a transportation arrangement for fresh fruit and flowers, a waste management project between Quito and Louisville, a university exchange program between the University of Louisville and several South American Universities. Communication continues 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 persons from four private companies will conduct a technical study tour in Argentina to develop contacts interested in using U.S. products and technology. The group will visit at least four major Argentine dairy operations. The group will then join efforts with the U.S. Dairy Genetics Council (USDGC) booth at the August 1993 Dairy Expo. The second phase involves visits by potential Argentine business partners to U.S. suppliers and dairy farms in Wisconsin. This late September trip will coincide with the World Dairy Expo in Madison, Wisconsin. Follow-up includes a Wisconsin companies' return trip to Argentina to build partnerships, sell technology and 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 Four Wisconsin companies have been identified as participants in the dairy development project in Argentina. Technical staff from the Wisconsin Department of Agriculture briefed these companies in preparation for the International Dairy Expo to be held in Buenos Aires in August 1993. At least 5 Argentine dairy related companies have expressed interest in the project.

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

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 a 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 the full project is \$41,462 of which the Seed Fund is providing \$20,000. **Results** Advance work has been completed. Appointments are being arranged for the dental and medical group visits in September 1993.

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 organization and planning of TRADE 2000, a matchmaking event in New Brunswick in June 1993, designed to develop mutually beneficial trade and economic relationships in agribusiness between New Brunswick and its sister city, Debrecen, Hungary. Phase II involves New Jersey companies' participation in a business development program in Hungary in July 1993. This project will strengthen commercial opportunities and new markets in food and agriculture, precision engineering and construction. **Cost** The estimated cost for the full project is \$122,463. The Seed Fund is providing \$20,000.

Results Trade 2000, which took place in early June 1993, was a huge success with participation by business people from about eighty Hungarian companies as well as by seventy-five government officials. Fifty-five officials from Debrecen, New Brunswick's sister city, attended as well. Approximately sixty U.S. companies participated in the program. All companies exchanged profiles which could lead to future contact and business partnerships. The Trade 2000 event, which targeted food and food processing sectors, was composed of three segments - business partnership workshops, a business development symposium and a food products exhibition. The business partnership segment included U.S. business practice meetings for Hungarians especially in the area of strategic planning. The New Jersey companies will travel to Hungary in early July 1993 to meet with Hungarian officials from the Embassy and from the Ministry of International Economic Relations.

The World Trade Center Denver Project in Kazakstan and Uzbekistan

Purpose The World Trade Center Denver proposed to identify mining projects for investment by US 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 of fifteen Colorado companies in September 1993. **Cost** The estimated cost of the project is \$57,725. The Seed Fund is providing \$19,000.

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 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.