

UNITED STATES TRADE AND DEVELOPMENT AGENCY



Proposal and Budget Model Format

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Our Mission



- ❖ To advance host country economic development and U.S. commercial interests in developing and middle-income countries.
- ❖ Support the development of modern infrastructure and a fair and open trading environment.



USTDA Facts

- ❖ USTDA is an independent agency.
- ❖ USTDA has facilitated over \$27 billion in U.S. exports to emerging markets.
- ❖ USTDA generates \$40 in U.S. exports for every dollar it spends.
- ❖ FY 2008 commitments in India > \$ 4 million



USTDA assistance led to this groundbreaking for a solid waste treatment complex in Vietnam.



USTDA Program Activities

USTDA's foreign assistance offers commercial solutions to development challenges through funding for:

- ❖ **Trade Capacity Building**
 - ❖ **Sector Development**
 - ❖ **Investment Analysis**
 - ❖ **Project Definition**
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Project Definition

USTDA contracts with U.S. small businesses to enhance project definition, supply preliminary assessments, and provide due diligence for proposed projects.

Desk Studies (DS)

A DS provides a quick analysis and is produced within the United States.

(less time consuming)

Definitional Missions (DM)

A DM provides a detailed evaluation involving travel to a designated region.

(more time consuming)



USTDA Funding Criteria

**USTDA evaluates projects based on
the following criteria:**

- ◆ Developmental priority of the project.
 - ◆ Likelihood of receiving implementation financing.
 - ◆ Ability to generate measurable outcomes.
 - ◆ Mutual benefits for the host country and United States
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Definitions Used

- ❖ **Study/Activity-** Technical Assistance, feasibility study or training program for which USTDA funding is sought
 - ❖ **Project-** Actual objective that a USTDA funded study/activity would help achieve or result in implementation of
 - ❖ **Project Sponsor-Overseas** (usually host country) entity that is responsible for implementing the “Project”
 - ❖ **Proposer-** U.S. Company/team submitting the proposal to USTDA on behalf of the “Sponsor”
 - ❖ **Contract-**Contract between the “Project Sponsor” and the company performing the USTDA funded “Study”
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General Proposal Guidelines

- ❖ **All requests ultimately made by Overseas (India in our case) Project Sponsor (OPS)**
- ❖ **Proposal to be submitted only when a letter of support from a OPS is available**
- ❖ **Such a letter should clearly indicate-**
 - ❖ The project as a priority
 - ❖ The OPS is interested in availing the services indicated
- ❖ **Nationality Requirements- USTDA funds are intended for services sourced in the United States**
 - ❖ Up to 20% of USTDA funds can be subcontracted by the US Company in the host country (India again)
 - ❖ Clearly identify nationality of individuals and companies who will perform the Study/Technical Assistance
 - ❖ Green card holders treated at par with U.S. Nationals



Proposal Sections (Not all may be relevant)

- ❖ **Executive Summary (1-3 pages)**
 - ❖ Provides a concise summary of the proposal
 - ❖ Includes the specific objective of the requested activity
- ❖ **Project Description (3-6 pages)-Brief description and background including**
 - ❖ Host Country and other project sponsors
 - ❖ Project location
 - ❖ Source of raw materials (if any)
 - ❖ Infrastructure requirements
 - ❖ Proposed technological approach
 - ❖ Implementation schedule
 - ❖ Economic fundamentals (such as capital cost, operating costs, interest expenses, taxes, expected revenues)
- ❖ **Project Sponsor's Capabilities & Commitment**
 - ❖ Demonstration of project sponsor's commitment and ability to implement the project
 - ❖ Include a description of the OPS's business activities and/or Government mandate
- ❖ **Implementation Financing (2-4 pages)- A discussion of financing options including**
 - ❖ An overall cost estimate, proposed ownership and financing structure
 - ❖ Evidence that financing is available or will be made available- Provide evidence with names and contacts



Sections-Continued

- ❖ **U.S. Export Potential (1-2 pages)**
 - ❖ Provide best estimate of the U.S. export potential, and its basis
 - ❖ Include estimates by category and dollar value of U.S. goods and services that may be procured for project implementation
 - ❖ Provide illustrative list of U.S. suppliers for each category
- ❖ **Foreign Competition (1 page)**
 - ❖ A description of foreign competition for goods & services likely to be procured
 - ❖ Describe U.S. industry competitiveness, local capabilities, technology and licensee issues etc.
- ❖ **Development Impact (1-2 pages)-Very important for ACP projects**
 - ❖ Infrastructure enhancement (include positive environmental impacts)
 - ❖ Human Capacity Building (include jobs and training)
 - ❖ Technology transfer and Productivity Improvements
 - ❖ Market Reform
 - ❖ Other host country economic development benefits



Sections-Continued

❖ **Impact on Environment (1 page)**

- ❖ Provide a statement on likely consequences on the environment
- ❖ TOR should include at least a preliminary Environment Impact Assessment as per applicable local law and regulations of potential financing agencies.
- ❖ Identify potential negative impacts and suggest mitigation strategies

❖ **Impact on U.S. Labor (1 page)**

- ❖ Provide a statement regarding impact on U.S. labor

❖ **Qualifications (1 page)**

- ❖ Relevant background on proposing company/team
- ❖ Include qualifications and experience of team members who would perform TA/study
- ❖ Nationality requirements to be met fully

❖ **Justification (1page)Very important!**

- ❖ Why USTDA funding is needed?
- ❖ What value addition will happen?



Terms of Reference (1-3 pages) not all may be applicable

- ❖ **Purpose and Objective of the proposed activity**
 - ❖ Provide a concise statement
 - ❖ Include tasks with time lines and objectives and these can include the following
- ❖ **Technical Assessment**
 - ❖ Provide relevant background information, technology evaluation etc.
- ❖ **Economic Analysis- Include as applicable**
 - ❖ Cash flow analysis
 - ❖ Description of market conditions
 - ❖ Raw material availability
 - ❖ Supply and off-take agreements
 - ❖ Other available methods for achieving similar project objectives
- ❖ **Financial Analysis-Include as applicable**
 - ❖ Describe availability of equity and debt financing as well as views of potential public and private financing organizations



Terms of Reference continued

- ❖ **Implementation Plan (the “What Next” question?)**
 - ❖ Describe anticipated next steps with timelines, necessary implementing the project.
 - ❖ **Final Report**
 - ❖ Provision of final report to project sponsor as well as USTDA.
 - ❖ Two versions- One complete unedited confidential version (and so marked) and one edited public version
 - ❖ USTDA reserves the right to use the public version for its own marketing purposes
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The Budget (2-3 pages)

- ❖ **Three part budget that includes**
 - ❖ Line item budget and task breakdown
 - ❖ Task completion schedule
 - ❖ Budget narrative
- ❖ **Line item budget-To include**
 - ❖ Labor budgeted by position title and task for each position in the activity team
 - ❖ Person-days should reflect the number of days of work effort proposed for each position and for each task
 - ❖ Should not include fee or profit
 - ❖ Itemization for per diem, transportation, communication, purchased services/contracts, translation of Final report and other direct costs
 - ❖ Per diem to be based on USG per diem rates
- ❖ **Task Completion schedule-To include**
 - ❖ Each major task to be performed in support of the TOR
 - ❖ The duration to be graphically represented as a bar chart
- ❖ **Budget Narrative-Should describe in as much detail**
 - ❖ Each item
 - ❖ How it relates to the activity
 - ❖ How was the amount determined

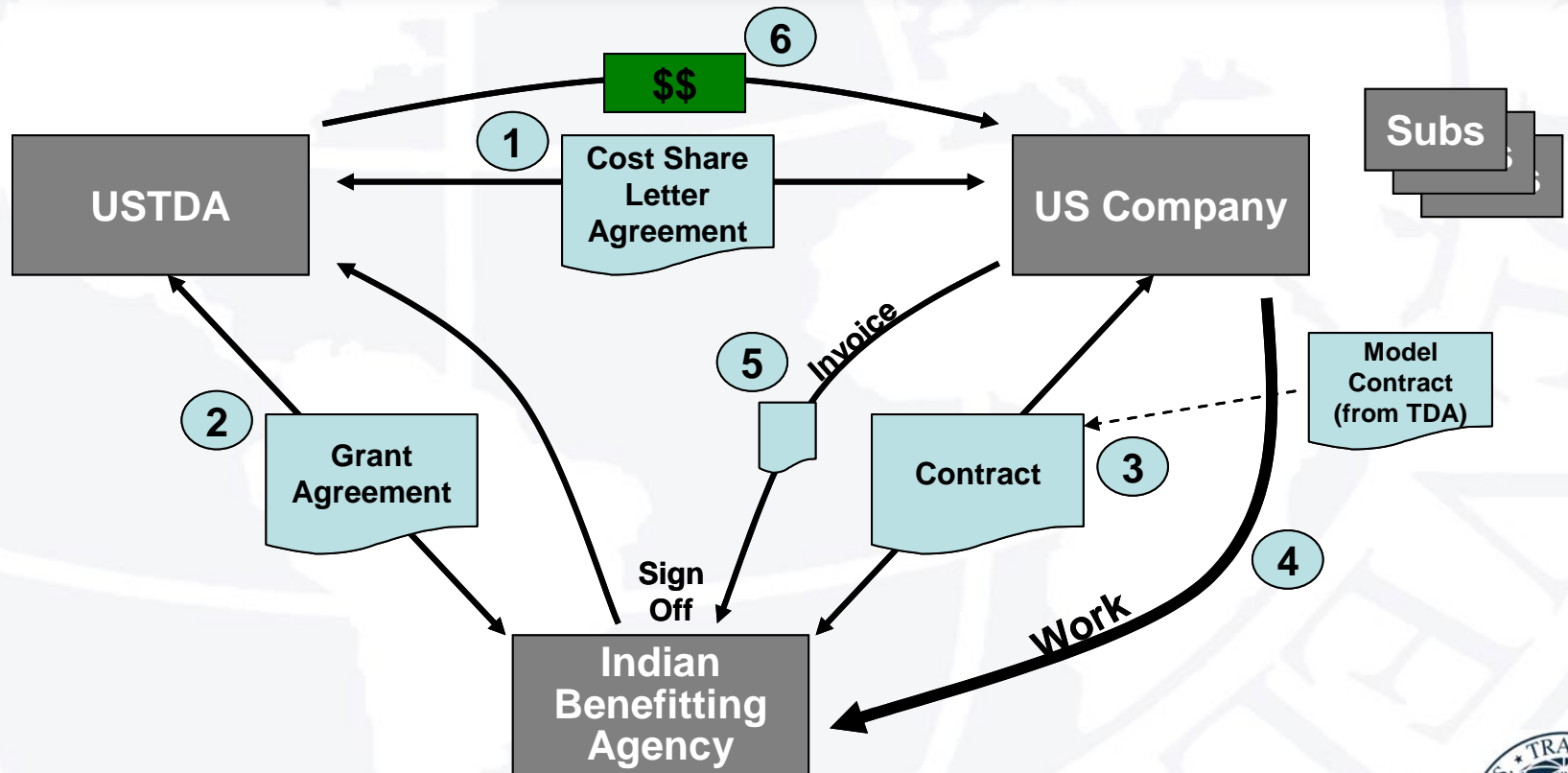


The Budget (Cost Share)

- ❖ **All ACP projects at this point are non-competitive/sole sourced**
 - ❖ USTDA requires cost sharing
 - ❖ USTDA covers partial costs
 - ❖ Remainder cost borne by proposer and/or sponsor
 - ❖ Such cost share indicated in the Grant agreement with the sponsor
- ❖ **What determines USTDA contribution**
 - ❖ U.S. company size
 - ❖ Costs incurred for developing the project
 - ❖ Risks associated with the project
- ❖ **USTDA may also require reimbursement of part or all of USTDA's funding if proposer (U.S. Company/team) derives substantial economic benefit as a result of the supported activity**
- ❖ **Separate Letter of Agreement between USTDA and U.S. Company/team detailing the above**



ACP Project Execution Model



USTDA Contact Information



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