



Congressional Budget Justification

Fiscal Year 2024

INTRODUCTION

The United States of America and its allies face growing national security and geopolitical challenges, requiring both near-term and longer-term strategies to respond to threats, such as global climate change and the malign influence of China and Russia in many of world's most vulnerable countries. Now more than ever, the U.S. Trade and Development Agency (USTDA) is critical to the U.S. government's strategy to address these challenges head-on, playing a leading role in key Administration initiatives including: the Partnership for Global Infrastructure and Investment (PGII), the [Indo-Pacific Strategy](#), and the [U.S. Strategy Toward Sub-Saharan Africa](#), to name a few.

USTDA's engagement with the U.S. private sector in the earliest development stage of infrastructure projects places it at the forefront of U.S. economic engagement in emerging economies around the world. USTDA experiences first-hand China's predatory development practices, which typically center around leveraging critical infrastructure assets including energy, critical minerals, digital infrastructure, and transportation, to serve their own national interests over the needs of the local populations these projects should be designed to serve.

Early engagement for critical infrastructure development has long-term benefits for our overseas partners because large-scale infrastructure, when developed with a focus on quality and sustainability, will endure and provide development benefits for decades. In addition, assistance that is mutually beneficial in that it puts the needs of our partners in balance with our own is an important strategy toward addressing U.S. national security interests in emerging economies. These are the kinds of infrastructure projects that USTDA supports.

Increasingly, emerging economies are turning to USTDA to help them plan the development of infrastructure that will strengthen their economies and make them more resilient. They turn to USTDA because they want their infrastructure to incorporate the quality and innovation of U.S. industry. They also understand that the United States – through agencies like USTDA – offers a positive model for their economic development based on the principles of trust, mutual benefit, and collective prosperity.

USTDA fosters strong partnerships with emerging economies and like-minded partners and allies to advance America's principles and leadership abroad – all while extending opportunities for the export of American technology and enhancing economic prosperity here at home. An investment in USTDA is a commitment to an agency that provides a proven return on taxpayer dollars through U.S. jobs and exports while simultaneously reinforcing our economic and national security.

USTDA respectfully requests \$117.5 million for FY 2024, to build upon the Agency's track record of fostering the development of high-quality infrastructure overseas, supporting U.S. jobs, and advancing U.S. national security interests, as detailed in this

Congressional Budget Justification. Further, USTDA requests consideration for non-spending legislative reforms (detailed below) to ensure the Agency is best equipped to meet the pressing challenges it faces while executing its statutory mission.

ABOUT USTDA

USTDA is the only foreign assistance agency that has a mandate to support U.S. jobs through exports for quality infrastructure. Our role is to advance the development of sustainable, high-quality infrastructure in developing and middle-income economies, while creating U.S. export opportunities related to the infrastructure projects that we support. These projects are often on a national, and sometimes multinational, scale.

USTDA's Tools

FEASIBILITY STUDIES AND PILOT PROJECTS

Getting It Right from the Start

USTDA funds feasibility studies that link foreign project sponsors with U.S. businesses at the critical early stages when technology options and project requirements are defined. These studies provide the comprehensive analysis required for priority infrastructure projects to achieve financing and implementation. All USTDA feasibility studies are led by U.S. firms, so overseas partners benefit from American expertise and high-quality solutions. Through pilot projects, USTDA tests U.S. equipment and technology in overseas settings to demonstrate the effectiveness of U.S. solutions and identify opportunities for scalability and replicability.

TECHNICAL ASSISTANCE

Creating a Favorable Business and Trade Environment

USTDA offers technical assistance to help create enabling environments for high-quality infrastructure development, as well as increase U.S. competitiveness in key markets. Technical assistance involves a range of activities, from developing industry standards, to municipal infrastructure planning and best practices in public procurement of infrastructure. These activities support the investment, implementation, and strategic decisions for sustainable infrastructure.

TRAINING GRANTS

Leveling the Playing Field for U.S. Companies

U.S. firms pursuing international infrastructure deals may face a competitive disadvantage from foreign competitors whose governments offer incentives exceeding tender requirements. USTDA has a proven record of leveling the playing field for U.S. firms by offering grants to fund specialized training and skillset development programs for emerging economy project sponsors.

REVERSE TRADE MISSIONS AND EVENTS

Making Connections

USTDA builds partnerships between overseas decisionmakers and U.S. financiers, suppliers, and regulatory and policy experts, with the goal of sharing knowledge, identifying export opportunities and helping our partners find solutions for the challenges that they face. Along with expert workshops and industry events, USTDA hosts reverse trade missions to bring project sponsors to the United States to observe the best of American infrastructure design, manufacturing and operations.

USTDA's Strategic Importance

USTDA engages at the most critical and strategically important stage of the infrastructure development cycle. We provide grant-based funding to overseas project sponsors in both the public and private sectors for project preparation activities in sectors including clean energy, digital, transportation, and healthcare infrastructure. U.S. companies perform these activities, which include the definition of technical and design options and identification of U.S.-based suppliers. This approach is critical to American competitiveness. If the United States does not define the requirements for these projects, then our competitors will.

USTDA's tools are essential for structuring infrastructure projects that can be financed, implemented, and sustained. Our work helps to build a pipeline of bankable infrastructure activities for U.S. government agencies, such as the Export-Import Bank of the United States and U.S. International Development Finance Corporation, and trusted international financial institutions including multilateral and regional development banks, and private banks. Specifically, USTDA has concluded agreements with the following banks to better facilitate the unlocking of capital for project implementation: Africa Investment Forum (a subsidiary of the African Development Bank), Asian Development Bank, CAF-Development Bank, Development Bank of Southern Africa, Inter-American Development Bank, Japan Bank for International Cooperation, and the Trade & Development Bank of East & Southern Africa. These partners increase the likelihood of implementation of infrastructure projects – both public and private sector in nature – into which U.S. goods and services may be exported.

USTDA's assistance model enables critical development outcomes in our partner countries, but in a way that positions U.S. companies for long-term global partnerships that expand U.S. exports and supports good-paying U.S. jobs. USTDA targets strategic industry sectors and markets where it works to achieve maximum effectiveness and return on taxpayer investment. USTDA's sectoral focus comes directly from its authorizing statute, which mandates that the Agency "promote United States private sector participation" in global infrastructure projects and concentrate on "economic sectors with significant United States export potential, such as energy, transportation, telecommunications, and environment."

Recognizing the effectiveness of this focused approach, the Agency has targeted its work to regions and specific countries whose economic, political, and regulatory environments are most conducive to trade and commercial engagement with the United States. The result is a distinct, effective, well-defined program that helps U.S. businesses compete—and win—against foreign competition. At the same time, USTDA helps emerging economies develop high-quality, sustainable infrastructure in support of their economic growth. These projects create developmental impacts that are local, national, and even international in scale.

Consequential Investments for International Economic Development, U.S. Technology Deployment Overseas and U.S. National Security

USTDA's work produces consequential, long-term commercial, development, and national security benefits for the United States and its overseas partners. As the U.S. government's overseas infrastructure project preparation agency, USTDA is on the front lines of U.S. economic engagement in emerging economies around the globe. The Agency sees firsthand the increasingly fierce competition for strategically important infrastructure projects from government-backed firms, as well as combating the malign influence of Chinese and Russian foreign policy actions.

In Eastern Europe, USTDA has a legacy of building energy security through project preparation. In Lithuania, a USTDA-funded study in 2008 led to the development of the Klaipėda liquefied natural gas (LNG) import terminal, which began operations in 2014 and is currently receiving significant U.S. LNG exports. The terminal allowed Lithuania to abandon all Russian gas imports in response to Russia's unprovoked aggression in Ukraine in early 2022.

Klaipėda's strategic importance for the Baltic region became vividly clear when neighboring countries also began searching for alternative sources of gas. Klaipėda now supplies gas to Estonia, Finland, and Latvia, and recently opened a new pipeline connection to Poland, which was cut off from Russian gas in retaliation for its assistance to Ukraine. By investing a mere \$826,000 in the Klaipėda LNG import terminal, USTDA was able to deliver a critical benefit to European and American national security interests.

Elsewhere in the world, China's often heavily subsidized and opaque financing practices pave the way for Chinese companies to prepare and develop strategically important infrastructure projects, foreclosing export opportunities for U.S. businesses and harming American competitiveness in global infrastructure development. As a result, U.S. exporters are increasingly requesting USTDA intervention to counter these predatory practices so that they can compete on a level playing field.

For example, when a U.S. company, SubCom, LLC, bid to build a 10,000-mile subsea fiber optic cable system that will expand digital connectivity between Singapore and France, its main competition was China's HMN Technologies (formerly Huawei Marine

Networks). USTDA offered training assistance to five countries involved in the selection process (Djibouti, Egypt, Maldives, Mauritius, and Sri Lanka) if they chose SubCom, helping the firm to win this major multinational contract over HMN Technologies.

SubCom's technology will be manufactured in New Hampshire, providing increased high-speed connectivity for countries in Africa, Asia, and Europe. Subsea fiber optic cables are an essential and highly sensitive component of global telecommunications infrastructure. USTDA's support for this project will help deploy a cable system from a trusted U.S. vendor that will facilitate economic growth and open digital societies in our overseas partner countries for many years to come.

USTDA programming dating back a decade or more continues to enhance present-day national security, economic development, and commercial priorities for both the United States and its overseas partners. Similarly, the Agency's present-day programming will strengthen its partners' resilience and ability to manage the economic and national security challenges that they will face over the next decade or longer. Through its project preparation and partnership-building activities, USTDA has a demonstrated record of success generating long-term results for its overseas and domestic stakeholders.

USTDA Achieves its Commercial Mandate

U.S. Exports and Job Creation

USTDA's work has produced excellent results. The Agency has supported more than \$115 billion in U.S. exports to infrastructure projects in emerging economies since its founding and currently generates an average of \$136 in U.S. exports for every \$1 that it programs. This export multiplier is at an all-time high, demonstrating the Agency's extraordinary effectiveness and critical role in opening foreign markets to U.S. exports. By these measures, supporting USTDA is one of the most effective and efficient investments the United States can make to drive equitable economic progress at home and abroad.

The data demonstrates the Agency's track record of helping American companies and workers compete globally:



These exports have benefited U.S. companies across the country, including small businesses from more than 370 communities.

USTDA also has an excellent record of contracting with small and minority-owned businesses to facilitate the execution of its program and generation of these results, including logistics support for conferences and reverse trade missions, and technical support for project definition.

In FY 2022, U.S. small businesses won 73% of USTDA's Federal Acquisition Regulation contracts in terms of contract award value, which is significantly higher than the 23% U.S. government-wide goal established by law. Of note, small disadvantaged businesses accounted for 35% of the total value of USTDA's contract awards in FY 2022, significantly higher than the 11% government-wide goal established by the Biden-Harris Administration in 2021.

USTDA Achieves its Development Mandate

USTDA employs a rigorous and carefully constructed monitoring and evaluation process to analyze progress, establish project outcomes and inform future program decisions. Driven by its dual export and development mandates, USTDA carefully tracks both the value of U.S. content in the goods and services sold abroad as a result of Agency funding and, as importantly, consistently evaluates the development impacts of its work globally.

USTDA's Development Impact Measures are designed to help quantify the impact of the Agency's support for infrastructure development in emerging economies. This information is essential to USTDA's ability to set clear goals and measure the results of its programs, relative to the Agency's parallel objective of promoting United States private sector participation in development projects around the globe. Understanding the local impacts of USTDA's program supports the Agency's ability to design projects with a higher likelihood of implementation and, consequentially, a higher likelihood of development impact.

Consequential Development Impacts:

Electrification

USTDA's work has led to the development of more than 2,300 megawatts of clean power generation capacity. USTDA has also helped 1.4 million emerging economy households connect to electricity. For example, USTDA's support for the Tan Thuan nearshore wind project in Vietnam led to 75 megawatts of new renewable energy capacity.

Access to Modern Healthcare

USTDA has supported access to advanced healthcare services for millions of citizens in emerging economies. Through the Agency's project preparation and partnership-

building activities, USTDA has helped expand cancer diagnostics and treatment capabilities in Africa and Asia, deploy healthcare IT solutions, and modernize healthcare facilities. To date, USTDA has facilitated access to modern healthcare solutions for more than seven million people. For example, a USTDA healthcare modernization RTM for Nigeria led to the deployment of modern cancer detection and treatment technology and development of training center for medical professionals.

Bridging the Digital Divide

Through its decades-long commitment to advancing inclusive, secure, and sustainable connectivity, USTDA activities have improved digital communications access for more than 19 million people in emerging economies. The Agency has prioritized both expanding network connections for the underserved while building more modern and secure networks using trusted vendors. For example, USTDA technical assistance to develop a digital inclusion strategy for South Africa's Khayelitsha and Mitchells Plain townships led to approximately 431,000 previously unconnected people to now have reliable Internet access.

Priority Countries and Sectors

USTDA targets its investments in dynamic, growing economies that U.S. infrastructure companies have identified as their priorities and where there is strong interest in partnering with the United States on infrastructure development. By targeting specific countries and strengthening its ties with the public and private sectors in those countries, USTDA invests in infrastructure activities that have the greatest likelihood of generating measurable commercial outcomes for U.S. companies and development outcomes for our overseas partners. The result has been an increase in demand for USTDA's services at home and abroad, as well growth in the Agency's export multiplier.

In FY 2024, USTDA expects to target several key regions and markets, including:

Sub-Saharan Africa:

- Cote d'Ivoire
- Ghana
- Kenya
- Mozambique
- Nigeria
- Senegal
- South Africa
- Uganda

Indo-Pacific:

- India
- Indonesia
- Malaysia
- Philippines
- Thailand
- Vietnam

Middle East / North Africa:

- Egypt
- Jordan
- Türkiye

Latin America and the Caribbean:

- Brazil
- Colombia
- Dominican Republic
- Ecuador
- El Salvador
- Guatemala
- Honduras
- Jamaica
- Mexico

In FY 2022, USTDA invested 72 percent of its total program funding within priority countries. The Agency also focused its work on five priority industry sectors – clean energy, digital infrastructure, transportation, healthcare infrastructure and agribusiness – where U.S. technology solutions are currently competitive and that are most favorable to the export of U.S. goods and services. USTDA's in-house industry sector teams have developed the technical expertise necessary to understand global demand and determine where there is the greatest opportunity for growth in U.S. infrastructure exports. In FY 2022, USTDA invested 81 percent of its program funding in these priority sectors. At 27 percent each, digital infrastructure and clean energy were USTDA's two-largest sectors in terms of program obligations.

In FY 2024, USTDA will focus its programming on four industry sectors including energy security, digital, transportation, and healthcare infrastructure. These sectors present the greatest commercial opportunities for U.S. firms in emerging economies, align with our overseas partners' infrastructure development priorities, and advance the U.S. government's regional and global foreign policy priorities, including the Partnership for Global Infrastructure and Investment.

ADVANCING THE PARTNERSHIP FOR GLOBAL INFRASTRUCTURE AND INVESTMENT

Success Through Project Preparation

Launched during the G-7 Meeting at Schloss Elmau, Germany, the Partnership for Global Infrastructure and Investment (PGII) is aligning resources to best deploy the full breadth of U.S. government resources to deliver game-changing projects to close the

infrastructure gap in emerging economies. This whole-of-government approach includes project preparation, mobilizing finance, and building partnerships with the private sector to support the development of billions of dollars of high-quality, sustainable infrastructure. Due to its unique mission, the entirety of USTDA's FY 2024 Program Budget request supports PGII, including an estimated \$3.6 billion in private sector financing leveraged by USTDA investments.

Core to the success of PGII is the preparation of well-designed quality infrastructure projects. Ultimately, infrastructure project preparation is essential to addressing the needs of international financial and commercial lending institutions and project developers globally. With a focus on energy security, digital, transportation, and healthcare infrastructure, USTDA is uniquely situated to lead U.S. government efforts to secure PGII's goals. From a project preparation perspective, this includes technical and financial analysis, project risk mitigation, environmental and social impact assessments, and innovative transaction structures to match risk levels to the appetite of different kinds of financiers.

The infrastructure areas that emerging economies prioritize for their development are critical to their national security and especially vulnerable to predatory lending practices. PGII can offer low- and middle-income countries a positive alternative to these practices, which are often opaque, fail to uphold environmental and social standards, exploit workers, and ultimately leave the recipient countries worse off.

Successful implementation of PGII will help deliver quality, sustainable infrastructure that makes a difference in people's lives around the world, strengthens and diversifies our supply chains, and advances our mutual national and economic security through strategic investments. As a leading PGII implementation agency, USTDA will collaborate with emerging economies around the world to meet their infrastructure needs through partnerships that are based on shared values, standards, and economic and national security interests. USTDA will also work alongside U.S. industry in this effort, to facilitate the deployment of world-leading technical innovation and support U.S. jobs through exports.

Addressing Global Energy Security

Emerging economies require project preparation assistance to support the development of high-quality, resilient infrastructure that utilizes the latest technical innovation. This is particularly the case as these countries strive to meet their energy security and energy transition goals. As a result, over the past several years USTDA has experienced a significant growth in demand for its grant-funded tools including feasibility studies, technical assistance, and pilot projects. The proposed budget request assumes approximately \$43 million dedicated to energy programming, with the goal of unlocking \$2.5 billion in private sector climate finance.

USTDA will coordinate with our interagency partners, guided by input from U.S. industry, to optimize the allocation of our resources toward the most impactful activities that support the export of innovative and competitive U.S. energy sector technologies to developing and middle-income economies. USTDA's approach offers both a highly effective and leveraged use of scarce taxpayer dollars to enhance U.S. competitiveness. Because of its dual focus on supporting international infrastructure development and promoting U.S. exports, USTDA is uniquely positioned to ensure that U.S. industry plays a key role in deploying cutting-edge energy solutions that are in high demand in emerging economies.

In FY 2024, USTDA anticipates that domestic investment in clean energy infrastructure made possible by the Inflation Reduction Act will enable greater opportunities to export U.S.-made technology in areas such as advanced energy storage, smart grids to support integration of renewable power, minigrids, advanced nuclear technologies such as small modular nuclear reactors, solar and wind generation, fuel cells, waste-to-energy, low-and zero-carbon hydrogen, geothermal energy, sustainable aviation fuels, and energy efficiency solutions. USTDA will continue to engage trade associations and U.S. companies to determine how their accelerated production capabilities could help meet the needs of developing economies as they address their energy security needs.

USTDA will also engage with U.S. industry to tackle methane abatement in emerging economies that have committed to reduce global methane emissions as part of the Global Methane Pledge and to assist other countries that are seeking to join the Pledge. The United States' internationally competitive oil and gas sector has significant capability to assist others in reducing their methane emissions, just as they are doing so here at home.

USTDA is actively working to support distributed renewable energy solutions in the Pacific Island Countries and other developing country contexts that can increase energy security and stability while making them more resilient to natural disasters.

By deploying the Agency's full toolkit, USTDA can support U.S. competitiveness in a sector of growing importance to developing and middle-income countries, while capturing an otherwise lost fuel resource that contributes to our partners' energy security, national security, and economic development goals.

REGIONAL PRIORITIES

Indo-Pacific: Implementing the Indo-Pacific Strategy and Ensuring Success of the Indo-Pacific Economic Framework Agreement

The Indo-Pacific Strategy (IPS) commits to redouble U.S. efforts to help "Indo-Pacific partners close the region's infrastructure gap" and to "equip the emerging economies of the region with the high-standards infrastructure that will enable them to grow and prosper, while creating good jobs on both sides of the Pacific."

This support is more important than ever as China seeks to expand its political influence, access resources, and establish strategic outposts in the Pacific. USTDA's projects have drawn U.S. firms to the region, which has strengthened U.S. commercial and security interests while providing more technology choices to partners who have typically relied on PRC-backed solutions. As such, this budget justification includes a specific increase of \$16 million over FY 2023 levels for the Indo-Pacific. This includes \$8 million for clean energy activities and \$8 million for digital infrastructure deployment in the region.

The \$8 million increase in energy programming will allow USTDA to continue its robust record of supporting the deployment of innovative U.S. technology in areas including renewable energy generation, energy storage, small modular nuclear reactors, microgrids, and energy efficiency, for example.

With \$8 million in new funding for digital infrastructure, USTDA will build upon its support for digital infrastructure projects that help Indo-Pacific countries harness rapid technological transformation in the digital economy. The Agency will promote resilient and secure global telecommunications, with continued focus on projects that allow for 5G vendor diversification and Open Radio Access Network (O-RAN) technology, improved cybersecurity, fiber-optic cables, and cloud migration to promote a secure and trustworthy digital infrastructure throughout the region.

USTDA's tools are perfectly designed to undertake these and other IPS goals, including the implementation of the Indo-Pacific Economic Framework, promoting partnerships in the Pacific Islands, and developing high-quality infrastructure solutions throughout the region. As China continues to test us, USTDA will work closely with our allies and partners to promote a free and open Indo-Pacific that is more connected, prosperous, secure, and resilient, creating modern and high-quality infrastructure solutions that further bring prosperity to everyday Americans.

USTDA plays a central role in carrying out the U.S. government's top economic priorities across the Indo-Pacific region. In February 2022, the Administration released its Indo-Pacific Strategy, which states that "no region will be of more consequence to the world and to everyday Americans than the Indo-Pacific." The Administration has undertaken efforts to strengthen the U.S. relationship with the region, such as launching the Indo-Pacific Economic Framework, strengthening the Quad, expanding partnerships with the Pacific Islands, and hosting the U.S.-ASEAN Special Summit in May 2022.

USTDA advances some of the most important priorities under the Indo-Pacific Strategy, including the hosting of the Indo-Pacific Business Forum (IPBF), which is the leading event to promote trade, investment, and economic cooperation between the United States and its partners throughout the Indo-Pacific. By supporting the IPBF, USTDA is undertaking a key role in support of U.S. economic priorities in the region.

Pacific Island Countries (PICs)

USTDA programming is helping to counterbalance Chinese influence in the PICs. In recent years, China has sought to expand its political influence, increase its access to resources and establish strategic outposts in the Pacific. Several lines of effort across the U.S. government, combined with efforts from Australia, Japan, and New Zealand, are helping to level the playing field for trusted international firms.

USTDA coordinates with like-minded partners to present positive economic development alternatives to those offered by China. In the Indo-Pacific region, our partnership with Australia's Department of Foreign Affairs & Trade has built USTDA's Pacific Islands portfolio to include U.S. private sector-led studies that support the digital transformation of the Central Bank of Solomon Islands, strengthen electricity access for Papua New Guinea's nine million citizens, and increase renewable power generation in Tonga and Fiji. With a fully funded budget in FY 2024, USTDA will leverage such partnerships and activities to advance U.S. commercial, economic development, and national security objectives across the PICs.

Sub-Saharan Africa: Implementing the U.S. Strategy Toward Sub-Saharan Africa

USTDA has gained global recognition for being one of the leading project preparation agencies operating in sub-Saharan Africa. USTDA will leverage its standing and experience to advance the U.S. government's most important initiatives in the region through a diverse range of project preparation and partnership-building activities, primarily in the energy, digital, and healthcare infrastructure sectors. These areas of focus will advance pandemic recovery and economic opportunity; support conservation, energy security, and a just energy transition; and enhance inclusivity and access to infrastructure for underserved communities across the continent.

USTDA has strong partners, projects, and prospective pipelines in these sectors, which align closely with PGII and the U.S. Strategy Toward Sub-Saharan Africa. USTDA's program is especially well suited to the energy and healthcare infrastructure components of the Strategy. In FY 2024, USTDA will identify qualified activities for its funding consideration that advance the Strategy and safeguard mutual national security and economic interests. In pursuit of these objectives, USTDA will continue to carry out its program in the largest African states while also deepening our relations with Africa's small and medium states.

Energy Access

USTDA will utilize its full toolkit to advance the goals of Power Africa, including ending energy poverty, increasing energy access, and unleashing U.S. private sector innovation. USTDA is particularly well-positioned to build on its existing minigrid, energy access, and energy storage portfolio to achieve all three priorities in FY 2024. USTDA has also been an active participant in the overall U.S. government effort to deliver on the Just

Energy Transition Partnership (JETP) with South Africa, where the United States, European Union, France, Germany, and the United Kingdom have collectively pledged \$8.5 billion to support the country's energy transition and seek to expand this model into other regions of the world.

Digital Infrastructure

USTDA's leadership on the continent is evident in its approach to the development of sectors that are strategically important to the United States and our overseas partners, especially digital infrastructure. The Agency will leverage the success of its Access Africa initiative to take a leadership role in the implementation of the Digital Transformation with Africa Initiative (DTA), which President Biden launched during the U.S.-Africa Leaders Summit in December 2022.

DTA will foster the growth of a healthy, inclusive, and resilient digital ecosystem built on an open, interoperable, reliable, and secure internet. In line with the African Union's Digital Transformation Strategy for Africa, it will increase access to the internet and adoption of digital technologies, increase digital skills and literacy, and strengthen the digital enabling environment in Africa. These efforts will help drive economic growth on the continent, promote inclusion and resilience, and improve transparency and governance. DTA will also advance U.S. national security, diplomatic, commercial, and development priorities by leveraging digital technologies to help countries recover from the ongoing multiple crises including the COVID-19 economic downturn, inflation, and food insecurity. USTDA's program is a core component of DTA, and fully funding USTDA's budget for FY 2024 will allow the Agency to accelerate project development and implementation in support of these objectives.

Healthcare Infrastructure

USTDA is also laying the foundation for bankable healthcare infrastructure projects across the continent through its Coalition for Healthcare Infrastructure in Africa, which was launched during the recent U.S.-Africa Leaders Summit. Through the Coalition, USTDA is working alongside U.S. industry and African stakeholders to address the priorities that Africa has established for itself, including healthcare accessibility for the underserved and developing a sector that is resilient in the face of the greatest public health challenges. This includes support for cross-cutting sectors such as electrification and connectivity. In FY 2024, USTDA will build upon this holistic approach toward sub-Saharan Africa's healthcare infrastructure development while helping countries incorporate all of these considerations into their national strategies for strengthening healthcare delivery to their citizens.

Middle East, North Africa, Europe and Eurasia: Developing a Roadmap for Energy Security

USTDA will build upon its 30-year history of successfully advancing energy security in the Middle East, North Africa, Europe and Eurasia region, in areas such as hydrogen, civil nuclear power, smart grids, utility cybersecurity, battery energy storage systems, methane abatement, and waste-to-energy.

In Eastern Europe, energy security will require scaling existing project preparation efforts to plan and meet the region's longer-term energy security needs. It will also require access to cutting-edge U.S. solutions. These requirements align with USTDA's mission. As such, USTDA will continue to work across the U.S. government to support the development of energy infrastructure that will help the region secure energy independence from Russia.

USTDA's energy sector work in the region is often groundbreaking. For example, a USTDA-funded study contributed to Poland's selection of Pennsylvania-based Westinghouse Electric Company to develop the country's first nuclear power plant. The plant will advance Poland's energy security and clean energy goals, while supporting thousands of U.S. nuclear power industry jobs. In Romania, a USTDA-funded study led to the country's selection of U.S. technology for the development of its first small modular reactor (SMR) nuclear power plant. The SMR plant will be the first of its kind in Europe and advance Romania's energy security and clean energy goals. With a fully funded budget in FY 2024, USTDA intends to support activities in eligible markets that will further break Russia's hold on energy access in the region.

USTDA's decades-long experience in the Middle East, North Africa, Europe and Eurasia will inform and facilitate the development of other priority sectors including healthcare infrastructure. In particular, the Agency anticipates demand for projects focused on mobile healthcare delivery, electronic health records, and pharmaceuticals supply. USTDA's success in the sector includes the development of Jordan's first e-health initiative, "Hakeem." A USTDA-funded feasibility study produced an implementation plan that helped Hakeem grow into a nationwide program that now manages more than seven million registered electronic patient records using American technology. The system enables electronic communication between citizens and healthcare professionals, which is improving patient care and reducing the cost of delivering healthcare services. Hakeem also strengthened the resilience of Jordan's healthcare infrastructure during some of the most challenging periods of the COVID-19 pandemic. Its platform contributed to nationwide contact tracing efforts to help control the spread of the virus and allowed patients an easy online option to request recurring medications. As more overseas partners seek new investments in their healthcare future, USTDA is prepared to deliver healthcare infrastructure solutions that generate results on a local and national scale.

Latin America and the Caribbean: Catalyzing Partnerships to Increase Financing

Across Latin America and the Caribbean, USTDA is catalyzing partnerships with multilateral development banks (MDBs) and other sources of financing to support the development of inclusive, accessible, and resilient infrastructure that contributes to economic security, job creation, and poverty alleviation. These factors will help to address the root causes of poverty in countries that lack sufficient economic opportunity for their citizens, while enhancing U.S. national security.

For example, USTDA has built a network of relationships with MDBs in the region, including CAF-Development Bank of Latin America and the Inter-American Development Bank, to speed the deployment of infrastructure across the region. USTDA is closely collaborating with these institutions on activities related to the deployment of innovative energy technologies, improved transportation infrastructure, modernized digital and healthcare infrastructure, and expanded water and wastewater treatment systems. With a fully funded budget for FY 2024, USTDA is positioned to ensure investments by MDBs in the region are quality infrastructure solutions that best position U.S. companies to export their goods and services.

Global Procurement Initiative: Ensuring Overseas Partners Receive Value for Their Investments

USTDA's overseas partners seek the high-quality solutions that the U.S. private sector offers. One of the challenges to procuring these solutions is their often-higher up-front price. This is problematic when international tenders use "lowest price" as the primary deciding factor for award. This practice has long plagued emerging economies, leading to failed infrastructure projects and harmful development outcomes.

To address this issue, USTDA established the Global Procurement Initiative, or "GPI," to train public officials on practices and policies that integrate life-cycle cost analysis and best-value determinations into their procurement decisions.

This initiative is popular with our allies. In fact, USTDA has partnered with Japan's Ministry of Economy, Trade and Industry (METI) to strengthen procurement capacities in the Indo-Pacific region, for example. To date, USTDA and METI have collaborated on several joint procurement-related training activities, including energy in Indonesia and transportation in Vietnam.

GPI now has 16 partner countries, and its programs are increasingly being requested by countries that want to move beyond low-cost, low-quality solutions. GPI is a highly innovative tool that is helping our partners acquire high-quality, sustainable infrastructure with overall savings to their government, while leveling the playing field for U.S. companies.

OUT-COMPETING CHINA

USTDA's program places it on the front lines of American-led infrastructure development in emerging economies around the world. As the U.S. government's overseas project preparation agency, USTDA sees firsthand the increasingly fierce competition for strategically important infrastructure projects from government-backed Chinese firms and the threat they pose to American commercial engagement. Under the flag of its Belt and Road Initiative (BRI), China's often heavily subsidized and opaque financing practices pave the way for PRC-backed companies to prepare and develop infrastructure projects in a way that favors Chinese standards, thereby exerting significant pressure to select PRC-backed suppliers. This creates a vicious cycle – the more China builds, the faster their standards become the international norm. Ultimately, this cycle forecloses export opportunities for U.S. businesses and harms American competitiveness in global infrastructure development.

Collaborating with Interagency Partners

USTDA is uniquely positioned to play an essential role in breaking this cycle and achieving the Administration's foreign and geostrategic goals as it out-competes China. Of particular import is the connection between USTDA's project preparation tools and the Export-Import Bank of the United States' China and Transformational Exports Program (CTEP). The scope and flexibility of CTEP provides a natural connection to ensure the leveraging of USTDA's project preparation expertise with Ex-Im's increased flexibility to support American exporters in the face of increasing Chinese competition globally. USTDA's program aligns closely with the financing goals of CTEP, namely, the opening of markets for the development of critical minerals, clean energy, and healthcare infrastructure. Of particular importance in advancing the Out-Compete China initiative is Ex-Im's recent policy clarifications regarding support for overseas 5G transactions. This change in U.S. content requirements will offer USTDA's overseas grantees greater flexibility to utilize Ex-Im as a source of financing for their digital infrastructure.

Likewise, USTDA prepares private sector infrastructure projects for the funding consideration of the U.S. International Development Finance Corporation (DFC). Our collaboration provides overseas project sponsors with an alternative to China's predatory lending practices while bringing in private sector investment for high-quality infrastructure. Because of USTDA's involvement, our interagency collaboration also ensures that the DFC is investing in projects with a strong probability of generating exports of U.S. goods and services. Together, USTDA and DFC offer solutions that can out-compete China when it comes to infrastructure financing and deploying U.S. technical solutions to emerging economies. Through ongoing coordination with Australia and Japan, USTDA and DFC can also leverage the resources of our allies to out-compete China in its own back yard. Beyond the Indo-Pacific region, our partnerships with international financing institutions and multilateral development

banks position our agencies to out-compete China for private sector infrastructure projects in sub-Saharan Africa and Latin America and the Caribbean.

Winning Head-to-Head

U.S. firms often face subsidized, unfair Chinese competition in major international competitive bids where an infrastructure project's design specifications have already been set. In these situations, USTDA is uniquely positioned to utilize its grant program to level the playing field for U.S. exporters by offering the foreign decision-maker a development-focused training program that is conditioned on its purchase of American technologies. This vital tool in the U.S. government's advocacy war chest gives U.S. exporters greater odds of success during the most critical phase of the overseas decision-making process. This tool has successfully supported U.S. bidders facing fierce Chinese competition for strategically important infrastructure projects.

For example, in the Philippines a USTDA training grant offer helped Cisco Systems, Inc. overcome Chinese competition and secure a major contract for the rollout of a U.S.-centric 5G technology solution for local wireless provider Smart Communications, Inc. Cisco's 5G solution will provide the backbone for Smart's efforts to increase high-speed connectivity to over 96 percent of the country's population. Through targeted intervention to level the playing field against PRC-subsidized solutions, USTDA's engagement is strengthening digital connectivity while bringing faster, higher-quality, and more affordable digital services to the people of the Philippines.

Building Stronger Partnerships

USTDA's reverse trade missions (RTMs) are another specialized tool that the Agency utilizes to enhance U.S. competitiveness and build partnerships with overseas project sponsors. RTMs bring overseas decision-makers to the United States to introduce them to the design, manufacture, and operation of U.S. goods and services. These RTMs build and deepen long-term commercial partnerships between foreign buyers and American exporters, while showcasing the technological edge and Made-in-the-USA quality and reliability that U.S. companies offer. RTMs are targeted toward specific project opportunities and are timed at the critical point when foreign procurements are imminent or being structured; they also promote the value and long-term benefits of investing in high-quality U.S.-made infrastructure over low-cost Chinese solutions.

RTMs are an effective tool for introducing overseas project sponsors to the latest and most innovative commercial technologies that U.S. companies are developing, especially in strategically important areas such as cybersecurity. For example, in 2019 USTDA hosted an RTM to the United States for South African financial institutions and regulators who were seeking the latest technologies to keep ahead of the world's latest cyber threats in the banking sector. The RTM showcased American innovation in cybersecurity policy and technology. Delegates conferred with U.S. government officials about regulation and best practices for implementing digital security investments and

met with dozens of American firms that specialize in state-of-the-art cybersecurity solutions and products. Within a few months of the visit, one of South Africa's leading financial institutions deployed a U.S. cybersecurity solution that is now shoring up its resilience to digital threats, protecting millions of the country's consumers from cyber-crime.

Enhancing U.S. Competitiveness

In addition to the training and RTM tools described above, USTDA has taken a leading role within the U.S. government to help U.S. companies compete for global infrastructure projects based on the offering of high-quality solutions, as opposed to lowest cost. The Agency's Global Procurement Initiative (GPI) is reforming emerging economy public procurement practices that favor lowest-cost bids and impede American exports. These antiquated practices have long plagued emerging economies, leading to failed infrastructure projects and harmful development outcomes. American companies can compete and win when the calculations are based on quality, but that is not the case when decisions are based solely on lowest cost.

GPI helps public procurement officials establish practices and policies that integrate life-cycle cost analysis and best-value determinations into their procurement decisions. The initiative supports U.S. suppliers that face low-cost and poor quality subsidized Chinese competition. GPI programs are increasingly being requested by countries which face growing Chinese economic expansion under the BRI. USTDA's global partners are seeking procurement solutions that consider quality and total cost of ownership, and not simply the lowest-cost solutions, which tend to be Chinese.

USTDA is an effective tool that enhances U.S. global competitiveness and offers a counterstrategy to China's BRI and global commercial aspirations. The Agency leverages many multiples of investment from a wide variety of financing sources – multilateral institutions, host country developers, commercial banks and foreign governments. This increases the likelihood of implementation of projects – both public and private sector in nature – into which U.S. goods and services may be exported. For these reasons, USTDA is positioned to play a critical role in the design and implementation of the Out-Compete China mandatory funding proposed in the President's FY 2024 Budget.

ORGANIZATIONAL STRUCTURE

USTDA maintains a lean structure that supports the Agency's goal of functioning as an agile and responsive organization. The Agency's executive team is comprised of the Director, Deputy Director, General Counsel, Chief of Staff, Director of Policy and Program Management, and the Director for Management and Operations. Program staff, organized by geographic region, prioritizes their investments in markets and

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sectors with the highest U.S. export and development potential, thereby positioning U.S. companies to achieve exceptional results.

To develop actionable recommendations for effective programming, USTDA's Office of Monitoring and Evaluations continuously reviews ongoing and past performance. Additionally, the Agency's size and structure allow its executive team, with input from the Director of Program Evaluations, to review and approve every dollar of program funding before it is obligated – thus ensuring empirical, evidence-based decisions and broad accountability.

Programmatic, operational, and administrative support is provided by the Offices of General Counsel, Public and Congressional Affairs, Finance, Acquisition Management, Information Technology and Administration. These positions are limited, however, and shared servicing agreements are utilized for support functions wherever possible. This structure allows USTDA to maximize its resources in support of the Agency's statutory, programmatic mission.

USTDA BUDGET

Regional Funding Breakout

The table below represents amounts of all available funds reserved and obligated in FY 2022, including 22/23 carry-over funding and Indo-Pac and Power Africa transfer funding. The FY 2024 amounts represent the anticipated allocation of FY 2024 core funds requested in this budget justification.

Region	FY 2022 Actual		FY 2023 Enacted ¹		FY 2024 Request	
	Amount	%	Amount	%	Amount	%
Indo-Pacific	\$31,133,048	34.2%	\$16,000,000	24.2%	\$32,000,000 ²	34.4%
Latin American and the Caribbean	\$9,199,499	10.1%	\$11,000,000	16.7%	\$12,500,000	13.4%
Middle East, North Africa, Europe and Eurasia	\$15,084,075	16.6%	\$11,000,000	16.7%	\$14,000,000	15.1%
Sub-Saharan Africa	\$20,713,445	22.8%	\$16,000,000	24.2%	\$22,000,000	23.6%
Worldwide/Global Procurement Initiative	\$13,086,214	14.4%	\$10,000,000	15.2%	\$10,500,000	11.3%
Monitoring and Evaluations	\$1,682,931	1.9%	\$2,000,000	3%	\$2,000,000	2.2%
Total	\$90,899,212	100%	\$66,000,000	100%	\$93,000,000	100%

¹ While USTDA expects to receive transfer funding through a number of sources in FY 2023, those agreements have not yet been finalized and as such are not reflected in USTDA's funding levels for FY 2023.

² Includes dedicated \$16 million increase for energy security and digital infrastructure development.

Operating Expenses

USTDA requests \$24.5 million in operating expenses for FY 2024, which incorporates a 5.2% payroll increase pursuant to Executive Order 14090, an increase of 12 FTEs to support the responsible programming of the Administration's budget request for USTDA, and considerable across the board cost increases in services and equipment. Our proportional share of OE spending remains consistent with the level necessary to facilitate the employment of the personnel and services necessary to program and manage the requested \$93 million in program funding efficiently and effectively, and to continue efforts to strengthen and empower our workforce through paid internships and the further implementation of our DEIA Action plan. Further, to advance the President's Management Agenda, USTDA will continue to invest in strengthening and modernizing its IT infrastructure and cybersecurity posture. A breakdown of USTDA's OE spending for FY 2022, FY 2023 Estimated, and FY 2024 Requested is attached in Annex I to this Budget Justification.

IMPROVING MANAGEMENT THROUGH IT MODERNIZATION AND INVESTING IN SHARED SERVICES

USTDA is focused on delivering excellent, equitable, and secure federal services and managing the business of government. USTDA has prioritized its IT modernization efforts to invest, modernize, and integrate its operations to increase cybersecurity maturity, functionality, usability, and leverage shared services where available. USTDA's IT efforts in FY 2024 are focused on continuing to modernize the Agency's infrastructure and meet specific cybersecurity standards and objectives. This will enhance the ability of USTDA to focus on its mission, service, and stewardship. USTDA will conclude FY 2023 initiatives of the implementation and integration of the Continuous Diagnostics and Mitigation (CDM) program, a shared service that is in alignment with Executive Order 14028, as well as an acquisition process initiative empowering the workforce to deliver excellent mission support through the use of improved technology systems. Additionally, USTDA will continue the enhancement of and application of SharePoint online, along with identifying supplementary enterprise tools that will integrate with current agency tools and will undergo a thorough review and analysis of existing data management systems and requirements. Also in FY 2023, USTDA will be modernizing its hardware network and associated systems. These improvements, as well as the participation in the CDM program in FY 2023, provide greater collaboration, enhance cybersecurity, and increase security posture visibility. Additionally, these efforts support streamlined Federal Information Security Modernization (FISMA) reporting to include continuous transitioning to a zero-trust environment.

FY 2024 initiatives include continuing active engagement with DHS/CISA on the CDM program to implement new technologies available through the shared security technologies. Other projects include the further development of the USTDA Privacy Program and further implementation of Insider Threat Program components. USTDA has worked diligently to modernize its IT infrastructure and inoculate itself against network vulnerabilities, by laying strong foundations and keeping pace with expanded federal security requirements.¹ Additionally, USTDA is continuing its ongoing assessment of its software lifecycle, older hardware infrastructure and its components for end of life and technology refresh needs. This will benefit USTDA by improving its infrastructure through evaluating its efficiency and future implementation for redundancy as well as meeting compliance in FY 2024. Further, USTDA is prioritizing its business-facing digital services and systems (“Back Stage”) and plans to implement updates and improvements to its data management systems to best position the Agency in the areas of project management, data management, and information sharing by implementing solutions identified during the FY 2023 assessment project.

USTDA continues to prioritize its IT investments in shared services. For example, USTDA has obtained many services through shared services agreements with other Federal government agencies, including the Department of State, the General Services Administration, Department of Interior, and the Department of Homeland Security. USTDA continues to host its external website on OMB’s MAX platform, and in FY 2024 will work to transition this over to a cloud.gov shared service. Other modernization initiatives that will be focused on are additional collaboration tools such as a contract management system that will integrate with our existing environment. USTDA has included funding in the proposed budget to continue its active utilization of shared services and will work to identify new shared services opportunities that can increase efficiencies and effectiveness in FY2024.

REPRESENTATIONAL FUNDS

In addition to its operating expenses, USTDA requests a representational fund of \$5,000. As a foreign assistance agency, it is essential that USTDA’s representational funds be sufficient to allow the Agency to operate appropriately in diplomatic environments. These funds support the extensive work the Agency engages in overseas, as well as local outreach and related programs that bring emerging economy decision-makers together with the U.S. business community in fulfillment of the Agency’s mission.

PROPOSED LEGISLATIVE UPDATES

USTDA is seeking three legislative fixes that would increase the Agency’s impact and better enable it to flexibly fulfill its statutory mandate. The three proposed changes are

¹ Cybersecurity Act of 2015, OMB’s Circular A-130, OMB Memorandums M-08-05 and M-11-11, HSPD-12, 2014 and FISMA 2014.

as follows:

1. Expand USTDA's Country Eligibility: These modifications to USTDA's statute would allow the Agency to deploy its project preparation assistance in geopolitically strategic or vulnerable markets that do not fall into the category of "developing and middle-income" and where the U.S. government has strategic foreign policy goals or national security interests. Providing USTDA the statutory authority to operate in strategically important markets regardless of their income status will fill a critical gap in USTDA's ability to more fully achieve certain foreign policy goals and national security objectives, including energy security for Eastern Europe and the world's island nations, and providing an alternative to China's Belt and Road initiative.

2. Increase Administratively Determined (AD) Positions From 2 to 5: As USTDA's role in advancing critical foreign policy and national security objectives has expanded, we require additional flexible authorities to ensure coverage of critical priorities. Increasing AD positions from 2 to 5 would allow USTDA to ensure coverage with highly specialized and skilled staff and allow the Agency to hire the highly specialized expertise it requires to ensure continuity of operations in fulfillment of its mission.

3. Provide Gift Acceptance Authority: This authority would enable USTDA to co-fund activities with external partners that have complementary missions including foundations, associations and private sector entities, for example. USTDA is currently unable to accept funds from institutions that wish to utilize the Agency's program to meet shared infrastructure development goals in emerging economies. This lack of gift acceptance authority deters potential partners from working directly with USTDA and as a result limits potential sources of funding for high-quality infrastructure projects into which U.S. infrastructure goods and services can be exported. For example, there are many foundations focused on financing clean energy and healthcare infrastructure projects in emerging markets that could benefit from utilizing USTDA's project preparation assistance. Additionally, USTDA has been approached by U.S. industry to partner through its Global Procurement Initiative but, without gift acceptance authority, was unable to directly work with U.S. industry to broaden the reach of the GPI program. This gift acceptance authority is similar to what has already been granted to the Millennium Challenge Corporation, the International Trade Commission, and the Office of the U.S. Trade Representative, for example.

Proposed legislative language is included in Annex II of this Budget Justification.

ANNEX I

**USTDA Operating Expenses Table for Fiscal Year 2022, Fiscal Year 2023
Estimated and Fiscal Year 2024 Requested**

Operating Expenses		FY 2022	FY 2023	FY 2024
		Actual	Estimated	Budget Request
11.1	Full Time Permanent	5,659,542	7,779,340	\$8,788,891
11.3	Other Than Full Time Permanent	635,183	1,426,152	\$1,545,746
11.5	Other Personnel Compensation	162,677	263,324	\$297,326
11.9	Total Personal Services Payments	6,457,402	9,468,816	\$10,631,963
12.1	Civilian Personnel Benefits	2,279,548	2,978,784	\$3,363,437
	Total Salaries and Benefits	8,736,950	12,447,600	\$13,995,400
23.1	Rental Payments to GSA	1,844,939	1,885,907	\$1,870,429
21	Travel and Transportation	799,564	943,000	\$1,070,000
23.3	Communications, Utilities & Misc.	90,691	91,188	\$102,000
23.3	Communications, Postal Fees &	33,191	28,000	\$28,000
24	Printing and Reproduction	69,668	70,000	\$70,000
25.1	Consulting & Assistance Services	2,969,197	4,506,820	\$5,209,659
25.2	Other Services	883,867	1,047,575	\$1,022,528
25.3	Inter-Agency Reimbursement	2,864,950	2,091,994	\$2,228,051
25.4	Operation and Mgt. of Facilities	8,578	7,600	7,700.00
25.7	Equipment Maintenance	3,334	3,800	\$4,200
26	Supplies and Materials	79,899	98,600	\$81,700
31	Furniture and Equipment	280,891	1,415,000	\$310,333
Total Operating Expenses		\$18,665,719	\$24,637,084	\$26,000,000
	Carry-over & De-obligations	4,614,920.81	3,861,223.20	\$1,500,000
Total O/E Appropriation		\$19,000,000	\$21,000,000	\$24,500,000
	Personnel Ceiling	65	68	80

ANNEX II

Text of Proposed Legislative Updates

EXPANDING USTDA COUNTRY ELIGIBILITY AUTHORITY, ADMINISTRATIVELY DETERMINED POSITIONS, AND GIFT AUTHORITY

SEC. 7079. Section 661 of Public Law 87–195 (22 U.S.C. 2421) is amended—

(1) in subsection (a), by striking "in development projects in developing and middle-income countries, with special emphasis on economic sectors" and by inserting "in development projects, with special emphasis (1) in developing and middle-income countries, and (2) economic sectors";

(2) in subsection (b)—

(A) in paragraph (1), by inserting ", or in which the United States Government has strategic foreign policy goals or national security interests" after "chapter"; and

(B) by adding at the end the following new paragraph: "(6) Gift Authority. The Trade and Development Agency may accept, hold, administer, and utilize cash gifts or donations of services or property (real, personal, or mixed), tangible or intangible, for the purpose of carrying out the provisions of this section."; and

(3) in subsection (c)(2)(C), by striking "2" and inserting "5" before "may be appointed"