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U.S. Trade and Development Agency (USTDA)

The U.S. Trade and Development Agency (USTDA) has a dual mission to advance overseas economic development and promote U.S. exports. It funds early-stage activities to support infrastructure projects in low- and middle-income countries. Congress authorized USTDA permanently in the Foreign Assistance Act of 1961 (FAA), as amended (§661, 22 U.S.C. §2421). Amid shifts in U.S. trade and foreign policy under the second Trump Administration, Congress could consider whether to maintain or modify USTDA's authorities and structure to best advance U.S. policy.

Background

Organization. On January 20, 2025, President Trump appointed Thomas R. Hardy as USTDA Acting Director. Hardy also held this position in the President's first term. USTDA is under the Secretary of State's policy guidance, is organized into regional and industry teams, and has offices overseas. To date, USTDA has not been a focus of Trump Administration restructuring of U.S. foreign assistance.

Tools. USTDA provides grants to foreign project sponsors (public or private entities), who are to select U.S. firms to perform USTDA-funded activities. Programs include

- *Feasibility studies* to assess technical, financial, legal, environmental, and other aspects of projects to help secure financing and achieve implementation.
- *Pilot projects* to test U.S. equipment and technology in the foreign buyer's market to promote U.S. solutions and identify scalability and replicability opportunities.
- *Technical assistance (TA)* to enhance the business environment for U.S. exports.
- *Training* for foreign decision-makers on technology, regulatory issues, or other matters.
- *Reverse trade missions (RTM)* to bring foreign delegations to the United States to meet with U.S. firms and showcase U.S. products and technologies.
- *Conferences and workshops* to connect U.S. firms with foreign project sponsors.

Additionally, USTDA staff conduct desk studies and definition missions to assess eligibility of potential projects.

Requirements and Limits. The FAA directs USTDA to "promote United States private sector participation in development projects in developing and middle-income countries, with special emphasis on economic sectors with significant United States export potential, such as energy, transportation, telecommunications, and environment." The FAA also directs USTDA, "to the maximum extent practicable" to require firms and other entities to share planning costs and reimburse expenditures for successfully-implemented projects.

In 2022, USTDA confirmed to CRS that it has operated on an exceptional basis in high-income countries that are eligible for International Bank of Reconstruction and Development (IBRD) lending. One example is USTDA

funding announced in 2021 for a front-end engineering and design study for civil nuclear projects in Poland.

The European Energy Security and Diversification Act of 2019 (EESDA; 22 U.S.C. §§9561 *et seq.*) directs the USTDA Director to provide early-stage project support for energy infrastructure projects in parts of Europe and Eurasia. It does not appear to provide a waiver for USTDA to work in high-income countries.

Context. Established in 1992, USTDA has undergone several organizational changes. Its immediate predecessor is the Trade and Development Program (TDP), which is rooted in reimbursable services offered by the U.S. State Department and the now-dismantled U.S. Agency for International Development (USAID). In 1978, Congress directed U.S. development assistance to increase private-sector involvement. USAID's Reimbursable Development Program was made into a separate entity as TDP, which went through further changes, including becoming a standalone agency (P.L. 100-418, §2204). In 1992, Congress renamed TDP as USTDA and expanded and further specified the agency's authorities (P.L. 102-549, Title II). Since then, Congress has given additional direction to USTDA, including to emphasize specific sectors (P.L. 106-158, §5(a)) and to prioritize European energy infrastructure support (EESDA, see above).

In some respects, USTDA resembles and varies from the Export-Import Bank of the United States (Ex-Im Bank) and U.S. International Development Finance Corporation (DFC). Both USTDA and Ex-Im Bank aim to support U.S. exports, while DFC aims to support overseas investments. USTDA and DFC both focus on international development and operate under the Secretary of State's foreign policy guidance. USTDA does not extend financing and insurance like Ex-Im Bank and DFC. Rather, it funds grants.

Funding. For FY2026, the Trump Administration requested \$87 million for USTDA, the same level Congress appropriated for it in FY2024 and in FY2025. USTDA was one of the only agencies involved in foreign aid that the Administration did not propose to cut or abolish. USTDA's FY2026 congressional budget justification (CBJ) cited priorities such as U.S. "energy dominance," leadership in "critical and emerging technologies," development of critical minerals for "stable and resilient" U.S. supply chains, and countering economic influence by the People's Republic of China (PRC, or China).

Activities. USTDA has funded services in response to private-sector demand, while also seeking to spur U.S. exports. In FY2024 (latest year with full data), it obligated about \$76 million (Figure 1) across more than 80 projects, down from \$92 million in FY2023. A USTDA news release

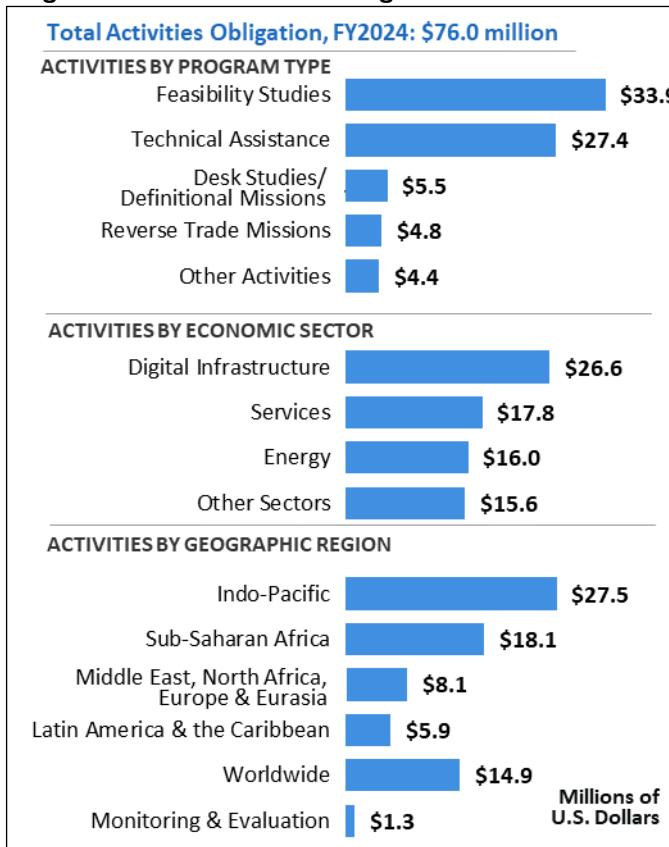
on FY2025 agency activity does not report the total funding obligated or number of projects supported in FY2025.

During the Trump Administration from January 20, 2025 through January 28, 2026, USTDA published news releases on projects it was supporting regarding

- TA for railway development in the Philippines;
- feasibility studies for the development of a sub-sea cable along Africa's Atlantic coastline, the expansion of copper and cobalt extraction and processing in Zambia, and the development of a submarine cable system connecting India and southeast Asia; and
- an RTM for a delegation from the Philippines to meet with U.S. companies about U.S. smart-grid technology.

The announcements did not specify funding levels for the projects. It is unclear whether USTDA approved additional projects during this timeframe; it is possible that projects were approved but not publicized in news releases.

Figure 1. USTDA FY2024 Obligations



Source: Created by CRS from USTDA FY2024 annual report data.

Note: USTDA reports monitoring and evaluation under regions.

USTDA has launched certain initiatives and joined broader initiatives that include international partners. For example, in 2013, USTDA launched a Global Procurement Initiative, to educate foreign officials on public procurement practices and policies. Under the Biden Administration, USTDA funded projects for the Partnership for Global Infrastructure and Investment, led by the Group of 7 (G7).

Impact. USTDA monitors and evaluates its activities to assess their impact, inform funding decisions, and support oversight and accountability. In FY2025, USTDA reported that based on a ten-year average, each dollar of its funding

supported \$226 in U.S. exports, and that since 1992, it has facilitated more than \$127 billion in U.S. exports.

Per USTDA, its support may help U.S. firms win export bids over foreign competition. For example, when U.S.-based SubCom, LLC bid to build a sub-sea cable system from Singapore to France and faced competition from the PRC's HMN Technologies, USTDA offered training assistance to five countries involved in the selection process if they chose SubCom. The agency attributed the offer to helping the firm win the contract in 2022.

Issues for Congress

Mission and Effectiveness. Supporters of USTDA have argued that its programs are critical for U.S. firms seeking to compete with foreign firms that may have support from their national programs; and that USTDA programs are especially key for firms with limited resources to conduct their own project preparation analyses. Critics have questioned whether USTDA support is needed for U.S. firms to be competitive abroad, asserted that USTDA duplicates private-sector advisory services, and argued that it uses taxpayer funds for commercially unviable activities.

In assessing USTDA, Congress may examine whether

- the volume and quality of USTDA activities sufficiently advance USTDA's statutory mandates;
- USTDA effectively advances U.S. priorities, such as countering PRC economic influence in global markets;
- USTDA should prioritize particular sectors, countries, or regions, and whether ongoing USTDA activity aligns with U.S. priorities; and
- the agency's outreach to the private sector and accessibility to potential users is sufficient.

Structure. Previous administrations have sought to reorganize USTDA, including to merge it with Ex-Im Bank and other agencies. Congress could consider whether to examine prior and potential new calls for reorganization. In his first term, President Trump proposed to eliminate USTDA, a proposal not adopted by Congress. Some commentators question whether the second Trump Administration would seek to merge USTDA with DFC. The December 2025 DFC reauthorization (P.L. 119-60, Title LXXXVII) did not reorganize USTDA.

Country Eligibility. In its FY2025 CBJ, USTDA requested authority to "operate in strategically important markets regardless of their income status," 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 PRC financing. H.R. 4779, a FY2026 appropriations bill, would permit USTDA to support development projects in any country in which the U.S. government has "strategic foreign policy goals or national security interests," subject to congressional consultation. Such changes could generate debate over USTDA's balance of support for overseas economic development and U.S. commercial interests.

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