



U.S. TRADE AND DEVELOPMENT AGENCY

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**USTDA AWARDS GRANT TO COMPLEMENT
MCC INFRASTRUCTURE INVESTMENTS IN EL SALVADOR**

*Grant is the First of Three Totaling \$1.1 Million to be Awarded This Week
to Promote Trade and Investment in the Northern Zone*

CHALATENANGO, EL SALVADOR – (April 28, 2008) USTDA is supporting a program that will lead to investment and economic growth in El Salvador’s Northern Zone through a grant awarded today to complement the assistance provided under the Millennium Challenge Corporation’s (MCC) \$461 million Compact in El Salvador. The grant, which is being provided under USTDA’s DR-CAFTA Trade Integration Initiative, will fund technical assistance in the creation of commercial zones in the Municipality of Chalatenango that will utilize MCC-financed infrastructure.

“I am grateful for the opportunity to hear about Chalatenango’s plans for private sector investment and trade to serve as a catalyst for growth,” said USTDA Director Larry W. Walther. “Chalatenango is well-positioned to play a central role in El Salvador’s development and we are pleased to be a partner in this effort.”

The Government of El Salvador has established the promotion of investment and economic growth in the Northern Zone as a development priority. Given the region’s location near the border with Honduras and Guatemala, the Government has committed to providing opportunities that will enable the Northern Zone’s population to fully participate in the benefits of regional integration and the economic opportunities brought about by the Dominican Republic-Central America-United States Free Trade Agreement.

USTDA Director Walther and Mayor Rigoberto Mejía signed an agreement on behalf of the U.S. Government and the Municipality of Chalatenango, respectively, to officially confer the grant. The grant signing ceremony took place in the Chalatenango Town Square. Salvadoran Vice Minister of Foreign Affairs Margarita Escobar and U.S. Ambassador to El Salvador Charles L. Glazer signed as witnesses to both grant agreements.

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The \$500,000 grant awarded today to the Municipality of Chalatenango will develop a plan for municipal infrastructure and a commercial zone along road infrastructure that is being constructed with MCC financing. The project is expected to have a considerable impact on local infrastructure and commercial activity through the development of housing, business support enterprises, shopping centers, schools, health clinics, hotels and bus terminals. By developing municipal infrastructure, the commercial zone will serve as an ideal location for entrepreneurs to invest and create jobs for the local community.

At today's grant signing ceremony, Director Walther announced USTDA's intention to travel to Los Angeles to award two additional grants later in the week. The grant signings will take place at an event hosted by the El Salvador Consulate in Los Angeles at the City Club on Bunker Hill. The event is designed to foster a discussion with the Salvadoran community in the United States on U.S. private sector participation in El Salvador's development. One of the USTDA grants that will be awarded will fund the creation of a development and investment plan for the Northern Zone for El Salvador's National Development Commission. Through a separate grant to the Salvadoran Foundation for Economic and Social Development, USTDA is funding the development of an Internet portal devoted exclusively to information about trade and investment opportunities in the Northern Zone. USTDA will also organize three related business roundtable workshops on the Internet portal and specific project opportunities in the Northern Zone.

USTDA's DR-CAFTA Trade Integration Initiative was launched in 2005 to support priority projects in the Dominican Republic and Central America that further the benefits of increased trade, regional connectivity and economic growth under DR-CAFTA. To date, USTDA has invested over \$8.0 million under the Initiative in support of the region's National Trade Capacity Building Strategies.

The opportunity to provide the USTDA-funded technical assistance to the Municipality of Chalatenango under the grant awarded today will be competed on the Federal Business Opportunities (FBO) website at www.fbo.gov. Interested U.S. firms should submit proposals according to the details in the Federal Business Opportunities announcement. The Municipality of Chalatenango will select a U.S. firm to provide the assistance associated with the USTDA grant.

The U.S. Trade and Development Agency advances economic development and U.S. commercial interests in developing and middle-income countries. The agency funds various forms of technical assistance, early investment analysis, training, orientation visits and business workshops that support the development of a modern infrastructure and a fair and open trading environment. USTDA's strategic use of foreign assistance funds to support sound investment policy and decision-making in host countries creates an enabling environment for trade, investment and sustainable economic development. In carrying out its mission, USTDA gives emphasis to economic sectors that may benefit from U.S. exports of goods and services.