



U.S. TRADE AND DEVELOPMENT AGENCY

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USTDA AWARDS GRANT TO THE STATE OIL FUND OF AZERBAIJAN FOR SECOND PHASE OF INSTITUTIONAL CAPACITY BUILDING

BAKU, AZERBAIJAN – Earlier today, the U.S. Trade and Development Agency (USTDA) awarded a \$855,075 grant for a second phase of technical assistance in institutional capacity building for the State Oil Fund of Azerbaijan (SOFAZ). The first phase of assistance totaled about \$1.1 million. The grant was conferred at a signing ceremony in Baku at the conclusion of the first meeting of the U.S.-Azerbaijan Economic Partnership Commission. U.S. Ambassador Anne E. Derse and SOFAZ Executive Director Shahmar Movsumov signed an agreement on behalf of the U.S. and Azerbaijani Governments, respectively. USTDA Regional Director Daniel D. Stein and Azerbaijan Ambassador to the United States Yashar Aliyev witnessed the signing.

SOFAZ was created by the Government of Azerbaijan in 1999 in order to accumulate and manage oil-related revenue and maintain it for the purposes of future generations. SOFAZ has accumulated well over a billion dollars since then. Now that the Baku-Tbilisi-Ceyhan oil pipeline and the Baku-Tbilisi-Erzurum gas export pipeline are operational, this amount is expected to increase substantially in the coming years.

The two-phase USTDA-funded technical assistance is designed to assist SOFAZ in developing its human resources and institutional capacity to better manage these revenues. The first phase of assistance focused on reviewing and refining current asset and risk management guidelines and policies, and led to the selection of the Bank of New York as Global Custodian for SOFAZ. Building upon this foundation, the second phase will focus on transitioning SOFAZ to new investment systems and practices. Overture Financial Services LLC, of New York City, NY, which was competitively selected to carry out the first phase of technical assistance, will also conduct the second phase.

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, feasibility studies, 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

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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.

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