July 24, 2018

The Honorable Wilbur L. Ross
U.S. Secretary of Commerce
1401 Constitution Ave. N.W.
Washington, DC 20230

Dear Secretary Ross:

The Environmental Technologies Trade Advisory Committee (ETTAC) provides for your consideration as Chairman of the interagency Trade Promotion Coordinating Committee's Environmental Trade Working Group (TPCC ETWG) our recommendation that the ETWG agencies promote enactment of policy requiring preference to buy American Environmental Services in U.S. Government-funded Development Assistance procurements. The *Environmental Services Definition* attached to this memorandum encompasses a broad spectrum of engineering, environmental science and advisory services ranging from small studies to management of large and complex environmental programs across multiple industries and infrastructure projects. Buy American Environmental Services policy in U.S. Government-funded Development Assistance procurements will facilitate access to world-leading service providers whose specification generate "demand-pull" for U.S. environmental goods into the global market.

Recommended Policy Change

U.S. Government-led overseas Development Assistance procurements shall contain buy American provisions for environmental services, including preference being given to U.S.-owned entities for contract award. This policy would be in effect for all Executive Branch agencies that engage in the contracting of overseas environmental services as defined in the *Environmental Services Definition*, attached to this document. This definition was recommended to Secretary Pritzker by ETTAC during the 2014-2016 Charter and was accepted by her for internal use by the Department of Commerce on July 25, 2016. It is recommended that a policy be written to establish the following requirements and waiver framework for U.S. Government-led overseas procurements:

- U.S. Government-led Development Assistance procurements will be awarded to U.S. owned business enterprises unless the contracting officer applies for and is granted a waiver of the requirement to buy American services.
- Waivers may be granted under one or more of the following circumstances:
    - Specific local expertise is required for the services requested and this expertise is not available from U.S. – owned business enterprises
    - The services requested are needed on an emergency basis with insufficient time available to source U.S. – owned business enterprises
    - There are insufficient resources available from U.S.-owned enterprises and available subcontractors to deliver the services required.
- Agency small and disadvantaged business goals assisting in the establishment, preservation and strengthening of these business concerns including Service Disabled Veteran Owned Small Business, Woman Owned Small Business, and Historically Underutilized Business Zone Small Business will remain in effect for each agency and will be applied to contracts per the normal agency policies.

This recommended action is consistent with actions previously taken to protect various U.S. products, including manufactured goods and products used for certain U.S. Government-funded projects, outlined in *Prior Regulatory and Executive Action,* attached to this document. None of the legislation or policies currently in force contain professional services buy American preferences, a Tied Aid export lever to reduce our trade deficit. Tied Aid refers to a type of development assistance whereby a financial donation made by a developed country to a developing country is conditioned upon those funds being spent on goods and services from the donating country. As outlined in *Tied Aid Pros and Cons for Development Assistance*, attached to this document, Tied Aid linked to U.S. technology, design and construction ensures that American tax dollars are NOT used in a way that develops and/or benefits competitors to U.S. businesses. Included in this attachment is a particularly powerful example of a Chinese State-Owned Enterprise (SOE) that benefited significantly from U.S. Development Assistance funds.

Policy Change Drivers

This recommended action is necessary to equalize market opportunities for U.S. professional services companies when operating abroad. In many foreign countries, U.S. professional services companies face a variety of national trade practices and requirements including the requirement to buy locally, the presence of local standards that are difficult for U.S. companies to comply with administratively even if they do substantively, difficulty getting approval for U.S. citizens to work in foreign countries, and differential taxation for imported U.S. labor.

Thank you, Mr. Secretary, for your consideration of this recommendation and your tireless effort to remove unfair trade barriers and "level the playing field" for U.S. companies. We offer you ETTAC's full assistance as desired in support of the Administration's position and your actions.

Sincerely,

Ron Swinko

Ron Swinko
Chair, ETTAC

Enclosures (3)

Environmental Services Definition

Prior Regulatory and Executive Action

Tied Aid Pros and Cons for Development Assistance

ENVIRONMENTAL SERVICES DEFINITION

Environmental Services encompass a broad spectrum of **engineering**, **environmental science**, and **advisory services** ranging from small studies to management of large and complex environmental programs **across multiple industries and infrastructure projects**. This spectrum of environmental services includes: concept development/proof of concept, resource surveys, and environmental and social impact assessments; preliminary/detailed engineering design, sustainable design, climate change adaption/resiliency, and permitting; construction/construction management and environmental compliance monitoring; facilities commissioning, startup, operation and management and environmental compliance monitoring, auditing, and closure/decommissioning; facilities and equipment maintenance and repair and testing and analysis for all environmental media (e.g., water, air, soil), emissions, and waste. The definition takes into account the life cycle of infrastructure projects that include significant environmental components throughout, reference **Table 1: Environmental Life Cycle of Infrastructure Projects**.

TABLE 1:
Environmental Life Cycle of Infrastructure Projects

Project Phase	PRE-PLANNING & PERMITTING	DESIGN	CONSTRUCTION	OPERATIONS	CLOSURE
Environmental Tasks	Air Quality Monitoring	Concept Development/ Proof of Concept	Construction Management	Startup/Commissioning/ Training/Operations	Decommissioning/ Demolition
	Climate Change Analysis/Resiliency Design	Preliminary/Schematic Design	Compliance Monitoring	Air Quality Permitting/Monitoring	Resource Recovery/ Re-use
	Cultural Resources	Detailed Design	Laboratory Testing	Energy Conservation Audits/Retrofits	Laboratory Testing
	Environmental Permits	Construction Document Preparation	Mitigation Implementation	Environmental Compliance Audits	Monitoring
	Environmental Surveys		Site Cleanup/ Remediation	Environmental Compliance	Restoration Plans
	Environmental & Social Impact Analysis		Stormwater Management	Facility Response Plans	Site Cleanup/ Remediation
	Public Outreach			Laboratory Testing	
	Laboratory Testing			Mitigation Monitoring	
	Mitigation Planning			Spill Plans	
	Noise Elevations			Stormwater Permitting/Monitoring	
	Siting/Routing Studies			Water Quality Management	

Updated 04/06/16

PRIOR REGULATORY AND EXECUTIVE ACTION

The United States Government has a long history of supporting U.S. industry though Buy American provisions supported by legislation or executive order. Noteworthy examples of Buy American legislation or policy directives include:

- **The Buy American Act** – 41 U.S.C. paragraphs 8301-8305 – passed in 1933 and which required the U.S. Government to prefer U.S. manufactured products in its purchases
- **The Buy America Act included in the Surface Transportation Assistance Act** – 49 U.S.C. paragraph 5323 – which addresses certain mass transit procurements funded all or in part by Federal grants
- **Executive Order # 13788**, signed on April 18, 2017 by President Donald J. Trump, which establishes "the policy of the executive branch to buy American and hire American".

Limitations of Existing Legislation and Policy

None of the legislation or policies currently in force contain buy American preferences for professional services. **The Buy American Act of 1933** addresses US Government purchases and, through additional legislation, of purchases that utilize federal funds. However, these acts addressed mainly U.S.-made products. Services were addressed only for designated operational areas or for contracts in support of diplomatic or consular missions.

The Buy America requirements of the Surface Transportation Assistance Act apply only to large mass transit projects with Federal Funding, and address only U.S.-made products. In general and with exceptions, the act requires that iron, steel, and manufactured products used on federally-assisted procurements using funds authorized by 49 U.S.C. 5323(j); 23 U.S.C. 103(e)(4); and section 14 of the National Capital Transportation Act of 1969, as amended.

The Executive Order # 13788 issued by President Trump on April 18, 2017 contains the following major provisions:

- Maximize through Federal financial assistance awards and Federal procurements the use of goods, products, and materials produced in the United States
- Rigorously enforce and administer the laws governing entry into the United States of workers from abroad
- Monitor, enforce, and comply with Buy American Laws, to the extent they apply, and minimize the use of waivers, consistent with applicable law. (Note that under this requirement were a series of required actions to assess and correct compliance with existing laws).
- Enforce judicious use of waivers
- Ensure the integrity of the immigration system in order to "hire American".

In short, the April 18th Order was a commitment to improve compliance with existing Buy American laws promoting the use of American goods, products, and materials. It did not contain significant new requirements and specifically existing international agreements.

TIED AID PROS AND CONS FOR DEVELOPMENT ASSISTANCE

Procurement source and nationality requirements attached to development assistance is known as "Tied Aid". Tied Aid refers to a type of development assistance whereby a financial donation made by a developed country to a developing country is conditioned upon those funds being spent on goods and services from the donating country. In contrast, "untied aid" can be spent on goods and services in any country, regardless of the aid's origin. In February 2012, USAID expanded its procurement policy requirement on Source and Nationality Requirements for Procurement of Commodities and Services Financed, also known as Buy American, to allow the agency to purchase most goods and services from developing countries with notable exceptions including U.S.-funded food aid, motor vehicles and U.S.-patented pharmaceuticals.

The following outlines the key arguments in favor of the United States' use of tied aid for the provision of Environmental Goods and Services, arguments against it, and reference materials that support each position.

I. Arguments in Favor of Tied Aid

a. Tied Aid supports the "America First" Initiative and is consistent with current White House policies.

i. In the White House's America First Blueprint (AMERICA FIRST: A BUDGET BLUEPRINT TO MAKE AMERICA GREAT AGAIN, OFFICE OF MANAGEMENT AND BUDGET (2017), available at: https://www.whitehouse.gov/wp-content/uploads/2017/11/2018_blueprint.pdf), the role of the U.S. Department of Commerce is described as targeting "job creation and economic growth by ensuring fair and secure trade, providing the data necessary to support commerce, and fostering innovation by setting standards and conducting foundational research and development." In the section related to the State Department and USAID, the blueprint states that it "seeks to reduce or end direct funding for international organizations whose missions do not substantially advance U.S. foreign policy interests, are duplicative, or are not well-managed." Moreover, the objectives listed, inter alia, include the following strategies targeted at ensuring taxpayer dollars benefit payers:

1. Refocusing "economic and development assistance to countries of greatest strategic importance to the U.S. and ensures the effectiveness of U.S. taxpayer investments by rightsizing funding across countries and sectors."

2. Shifting "some foreign military assistance from grants to loans in order to reduce costs for the U.S. taxpayer, while potentially allowing recipients to purchase more American-made weaponry with U.S. assistance, but on a repayable basis."

ii. The April 2017 "Buy American, Hire American" Executive Order (Presidential Executive Order on Buy American and Hire American, April 18, 2017, available at: https://www.whitehouse.gov/presidential-actions/presidential-executive-order-buy-american-hire-american/) is meant to be broadly applied. "Under the Executive Order, all agencies are to develop and propose policies to maximize the use of U.S. goods, products and materials in federal procurements, to the extent permitted by law." (Chudd, Daniel, and Bell, Locke, *The 'Buy American, Hire American' Executive Order, Digested,* WESTLAW JOURNAL GOVERNMENT CONTRACT, (July 31, 2017), available at: https://media2.mofo.com/documents/170731-buy-american-hire-american-eo.pdf)

b. Tied Aid fuels the economy and supports the businesses in the donor country. It also avoids the problem of allowing U.S. taxpayer dollars to fund companies that compete with U.S. businesses.

i. The Export Import Bank Reauthorization Act of 2002, which expands the authority to use Tied Aid credits, outlines its intent as being to enhance employment opportunities for American workers: "The objects and purposes of the Bank shall be to aid in financing and to facilitate exports of goods and services, imports, and the exchange of commodities and services between the United States or any of its territories or insular possessions and any foreign country or the agencies or nationals of any such country, and in so doing to contribute to the employment of United States workers. The Bank's objective in authorizing loans, guarantees, insurance, and credits shall be to contribute to maintaining or increasing employment of United States workers.''. (Export-Import Bank Reauthorization Act of 2002 § 2, Public Law No. 107-189 (2002), available at: https://www.congress.gov/107/plaws/publ189/PLAW-107publ189.pdf)

ii. Tied Aid ensures that American tax dollars are not being used in a way that benefits competitor businesses. "Tied aid also avoids the prospect of subsidizing future competitors in other countries with one's own tax dollars." (Ehrenfeld, Daniel, *Foreign Aid Effectiveness, Political Rights and Bilateral Distribution,* THE JOURNAL OF HUMANITARIAN ASSISTANCE (February 1, 2004), available at: https://sites.tufts.edu/jha/archives/75)

iii. In a letter to the Millennium Challenge Corp., Senator Jim Webb (D-VA) asserted that it aids our economic recovery and uses taxpayer dollars in a way that benefits American business and strengthens business ties with developing countries. He pointed to a Chinese company that received a large contract funded by U.S. Development Assistance funds: "Sinohydro Corp., a state-owned

Chinese company, won a USD71.6 million MCC contract to build an airport in Bamako, Mali. The Chinese firm was also awarded a contract for the main canal conveyance system in Mali and two more deals for the construction of roads in Tanzania totaling more than USD150 million. 'At a time when our economy is struggling to recover, I am concerned that the funding of Chinese state-owned companies with U.S. taxpayer dollars harms American business, foreign policy and development interests abroad,' Webb said in a letter to MCC chief Daniel Yohannes." (Leonzon, Ma. Rizza, *Webb: US Firms Must Benefit from MCC Contracts in Africa*, DEVEX.COM (August 5, 2010), available at: https://www.devex.com/news/webb-us-firms-must-benefit-from-mcc-contracts-in-africa-68900).

c. Other countries' use of Tied Aid decreases the U.S.'s market share of exports and inhibits our competitiveness in global markets. The U.S. needs to participate in Tied Aid programs in order to remain competitive.

   i. 12 U.S. Code § 635r established a Tied Aid credit program administered by the U.S. Trade and Development Agency. Congress's findings in support of the program are outlined in the statute as follows: "(1) tied aid and partially untied aid credits offered by other countries are a predatory method of financing exports because of their market-distorting effects; (2) these distortions have caused the United States to lose export sales, with resulting losses in economic growth and employment; (3) these practices undermine market mechanisms that would otherwise result in export purchase decisions made on the basis of price, quality, delivery, and other factors directly related to the export, where official financing is not subsidized and would be a neutral factor in the transaction; (4) support of commercial exports by donor countries with tied aid and partially untied aid credits impedes the growth of developing countries because it diverts development assistance funds from essential developmental purposes . . . ." (12. U.S. Code § 635i-3, available at: https://www.law.cornell.edu/uscode/text/12/635r).

   ii. "As a practical matter, commercially-motivated tied aid practices by other industrialized nations shut U.S. exporters out of a $10 to $12 billion market in capital goods and transactions, leading to an annual loss in U.S. exports of $2.4 to $4.8 billion." (Roseksky, Katherine P., Comment, *Tied Aid Credits and the New OECD Agreement*, UNIVERSITY OF PENNSYLVANIA JOURNAL OF INTERNATIONAL LAW, VOL. 14, ISS. 3 (2014) (citing 1989 study from the Center for Strategic and International Studies highlighting the damage other nations' use of Tied Aid credits causes the U.S. economy)).

   iii. Export Credit Arrangements greatly limits the use of Tied Aid for countries that have signed onto these arrangements. However, many countries are still able to maneuver around the restrictions with "de facto tied aid." "If such circumventions manage to completely undermine the system of tied aid rules, they would prove quite costly for U.S. exports, causing them to lose up to $20 billion annually." (Shepard, Hale E., *Revamping the Export-Import Bank in 2002: The Impact of This Interim Solution on the United States and Latin America,* 6 NYU JOURNAL OF LEGISLATION AND PUBLIC POLICY 89, 99 (2002-2003)). Shepard further emphasized that increased exports creates jobs. "In support of the argument of better jobs, experts cite the fact that, in comparison to non-export positions, production workers at exporting plants earn 6.5 percent higher wages and their productivity is up to twenty percent higher. With regard to better businesses, statistics indicate that exporting firms enjoy superior productivity, growth and technological advancements. Finally, in terms of better sectors, "[t]he whole league 'plays' better with exports" because healthy competition causes accelerated growth, less failure, and numerous spillover benefits such as the creation of an export infrastructure comprised of trade journals, advertisers, consultants, logistic specialists, suppliers, etc." (Shepard, 103.)

d. Tied Aid strengthens diplomatic ties between the donor country and the recipient country.

i. "Studies have proven the link between U.S. and Soviet foreign aid and international political support, especially, during the Cold War period, where aid given by the United States and the Soviet Union was meant to solidify their respective alliances and allow them access to territory from which to involve themselves in proxy wars and political currency in order to contain the enemy. Such politically motivated aid can be observed with respect to American aid to its biggest recipients, Israel and Egypt, since 1977 and Soviet assistance to Cuba and Syria." (Ehrenfeld.)

ii. ". . . modern U.S. aid originated in Cold War geopolitics: The Marshall Plan to rebuild Europe was designed to blunt the influence of rising Communist political forces on the continent. National security concerns have continued to drive U.S. assistance policy, aiming to provide stability in conflicted regions, bolster allies, promote democracy, or contribute to counterterrorism and law enforcement efforts abroad." (McBride, James, *How Does the U.S. Spend Its Foreign Aid,* COUNCIL ON FOREIGN RELATIONS (Apr. 11, 2017,) available at: https://www.cfr.org/backgrounder/how-does-us-spend-its-foreign-aid)

e. Tied Aid improves conditions in developing countries which can help reduce the rise of terrorist cells.

i. "By using concepts such as 'tiedaid' to generate commerce in the interest of reducing poverty, developing economies can address the primary social concerns of their people while simultaneously improving their country's gross domestic product ('GDP')." (Fandl, Kevin J., *Terrorism, Development & Trade: Winning the War on Terror Without the War,* 19 AMERICAN UNIVERSITY

INTERNATIONAL LAW REVIEW, 587, 611 (2004)). Fandl argues that "the roots of recent forms of international terrorism, primarily those based in the Middle East, are planted in an impoverished and ill-nurtured soil. By examining the market structure and economic development of countries where recent terrorist activity has greatly increased, I contend that we will uncover a region poisoned with incomplete or inadequate development, limited employment opportunities, and infrequent interaction with both people from other cultures and potential trading partners. I suggest that much of this lack of development is caused by the absence of real markets, and the inability to sustain trade with commodities other than oil and, in effect, a failure to effectively globalize." (Fandl, 589.)

f. Tied Aid allows the donor country to protect the quality of the goods and services procured by the receiving country.

i. "Donors often argue that they cannot 'buy locally' because of inefficiency, corruption, and important financial risks posed by doing business in developing countries. (Provost, Claire, *Aid still benefits companies from donor countries,* THE GUARDIAN, (Sept. 7, 2011), available at: https://www.theguardian.com/global-development/2011/sep/07/aid-benefits-donor-countries-companies.)

II. Arguments Against Tied Aid and Comments Supporting Tied Aid

a. The most common argument against Tied Aid is that tying aid reduces its value to the recipient country by increasing logistical costs and is thus less effective and efficient than aid that can be spent where the recipient country chooses.

i. A well-known early study of tied aid estimates that tying aid burdens recipients in extra costs as much as 15% to 30% of the aid received due to overhead administrative and logistical costs. (Jepma, Catrinus J., *The Tying of Aid*, DEVELOPMENT CENTRE OF THE ORGANISATION FOR ECONOMIC CO-OPERATION AND DEVELOPMENT (1991), available at: https://www.oecd.org/dev/pgd/29412505.pdf)

Counterpoint: While there may be extra costs, the use of Tied Aid provides skilled U.S. firms to manage the delivery of U.S. taxpayer dollars and provides training of local subcontractors. This follows the intent of Development Assistance in that the local skills are advanced under the guidance and direction of U.S. firms.

ii. The OECD's Development Assistance Committee has recommended untying official Development Assistance to the least developed countries in order to, inter alia, "demonstrate responsiveness to the requests from partner countries and others to increase the use of untied aid in order to promote aid effectiveness." (*Revised DAC Recommendation on Untying Official Development Assistance to the Least Developed Countries and Heavily Indebted Poor*

Countries, ORGANISATION FOR ECONOMIC CO-OPERATION AND DEVELOPMENT, available at: http://www.oecd.org/dac/financing-sustainable-development/development-finance-standards/untied-aid.htm)

iii. The Organisation for Economic Co-Operation and Development issued a 2017 Report on the Development Assistance Committee's Untying Recommendation asserting that untying aid "generally increases aid effectiveness by reducing transaction costs and improving recipient countries ownership." (*2017 Report on the DAC Untying Recommendation,* DEVELOPMENT COOPERATION DIRECTORATE DEVELOPMENT ASSISTANCE COMMITTEE, Apr. 3, 2017).

Counterpoint: This is contrary to U.S. Government objectives and also contrary to the trend in overall Tied Aid increase by OECD members and the Republic of Korea.

iv. During a speech in Ghana, President Obama advocated for the end of Tied Aid. "One of the concerns that I have with our aid policy generally is that Western consultants and administrative costs have been gobbling huge percentages of our aid overall." (Gartner, David, *Obama in Ghana: Time to End Tied Aid,* HUFFINGTON POST, available at: https://www.huffingtonpost.com/david-gartner/obama-in-ghana-time-to-en_b_229789.html). Gartner also asserts that "[f]ood is one of the biggest examples of tied aid in the world today. Virtually all food assistance provided by the United States is required to be produced and packaged here and shipped on U.S. flagged vessels halfway around the world."

Counterpoint: Food is not an environmental technology or service and should not be lumped into the Tied Aid discussion.

v. "It reduces recipient governments' freedom to shop for the best deals and, according to one economic study, reduces aid's value by 15 to 30 percent. The MCC puts good-performing countries in charge of their development because it yields better results; tied aid takes those countries back out of the driver's seat," (Staats, Sarah Jane, *A Webb of Misguided MCC Ideas,* HUFFINGTON POST, available at: https://www.huffingtonpost.com/sarah-jane-staats/a-webb-of-misguided-mcc-i_b_677029.html).

Counterpoint: Tied Aid avoids the challenges of host country compliance with the U.S. Foreign Corrupt Practices Act and also is consistent with U.S. Government objectives.

b. Tying aid inhibits the recipient developing country's ability to gain more independence.

i. "[Tied aid] has diminished the capacity of recipient nations to establish local expertise and local skills because their nationals were *a priori* excluded by the donors. As a result, even where aid is no longer tied, local industries lag behind their developed nations' counterparts who possess significant expertise, knowhow and are able to hire cheap local labour in order to decrease their overhead costs and expenses. Secondly, tied aid has no doubt distorted competition and public procurement rules in favour of companies favoured by the donors, which in turn has been responsible for the complete lack of expertise and skills-building in particular industries in developing nations. This has necessarily facilitated a wholesale reliance on foreign companies that provide their services on the basis of monopolistic tendencies. Thirdly, tied-aid is to some degree responsible for the cycle of dependence because it fails to address the question of technology transfer, transfer of skills and local control, because its effects and results are driven by the donor." (Ilias Bantekas, Christos Kypraios; Kebreab Isaac, *Outsourcing Law Reform in Developing Countries to Private Contractors: A Human Rights Perspective*, 2 INT'L HUM. RTS. L. REV. 1 (2013)).

Counterpoint: Tied Aid allows the demonstration of proven U.S. procurement and project management, setting positive examples for emerging nations. Skills are transferred to not only the administrative arm of the nation but to the subcontractors who participate and are trained to perform work consistent with proven processes.

c. Tying aid reflects poorly on the donor country's efforts to help the developing country as it benefits the businesses in the donating country while decreasing the value of the aid for the recipient country.

i. The Commitment to Development Index of the Center for Global Development of the Center for Global Development actually penalizes donors who tie their aid.

1. "Most bilateral donors tie some of their aid, requiring recipients to spend it on goods and services from the donor's home country, which reduces recipient governments' freedom to shop for the best deals. Catrinus Jepma's literature review (1991, p. 58) finds that tying raises the cost of aid projects a typical 15–30%. This suggests that tying reduces the value of aid by 13–23 percent. (Consider that a 15-percent cost increase lowers the purchasing power of aid by 1–1/1.15 = 13 percent. Similarly, a 30-percent cost increase cuts the value of aid 23 percent.)." (Roodman, David, *An Index of Donor Performance,* CENTER FOR GLOBAL DEVELOPMENT (October 2009), available at: https://www.cgdev.org/doc/CDI/2009/Aid_2009.pdf).

Counterpoint: Tied Aid may limit ability to shop for what seems like the best deals but in developing nations, if their costs are below market, normal economic factors will take over once the Development Assistance work is completed. Further, most U.S. contractors have substantial in-country subcontracting as part of their efforts to build local capacity.

ii. Oxfam has been an active advocate against tying aid. "Tied aid makes our well-intentioned foreign aid system appear self-serving, and it sends the message that foreign aid is designed to invest in the U.S., not the recipient." (*The tied aid "round trip",* OXFAM, available at: https://www.oxfamamerica.org/static/media/files/aidnow-tiedaidroundtrip.pdf)

Counterpoint: Oxfam's primary argument against Tied Aid has to do with food supply and delivery. Food is not an environmental technology or service and should not be lumped into the Tied Aid discussion.

III. Additional Counterpoints to Arguments Against Tied Aid

a. With respect to the argument that Tied Aid is used inefficiently, it must be understood that whether the aid is tied or untied is only one factor in the analysis of the aid's efficiency.

i. The protections of political and civil rights in the recipient country have a great impact on the effectiveness and efficiency of aid. (Ehrenfeld.)

ii. Aid quality is multidimensional and determining its precise impact under complex circumstances is nearly impossible. "Adding to the complexity, there are so many non-aid factors that affect these broad outcomes, like international food and energy prices, the global recession, world interest rates, trade credits and the like, that trying to identify the impact of aid becomes almost impossible." (Kharas, Homi, *Measuring Aid Effectiveness Effectively: A Quality of Official Development Assistance Index,* BROOKINGS INSTITUTE (Jul. 27, 2011) available at: https://www.brookings.edu/opinions/measuring-aid-effectiveness-effectively-a-quality-of-official-development-assistance-index/).