



U.S. TRADE AND DEVELOPMENT AGENCY

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MEDIA INQUIRIES:

Donna Thiessen
(703) 875-4357

USTDA AWARDS GRANT FOR BIOFUELS REGULATION IN UGANDA

KAMPALA, UGANDA (August 28, 2008) – Creating a regulatory environment that balances Uganda’s need for food security and affordable fuel is the goal of a USTDA grant to the Ministry of Energy and Mineral Development. The grant will be used to assess the potential social and economic impacts of biofuels, and design a policy environment that will serve both objectives.

The \$527,280 grant was conferred during a signing ceremony held in Kampala. U.S. Ambassador to Uganda Steven A. Browning and Ministry of Energy and Mineral Development Permanent Secretary Fred Kabagambe-Kaliisa signed the grant agreement on behalf of the U.S. and Ugandan Governments, respectively.

Uganda’s rapidly growing demand for electricity necessitates further public and private investment in power infrastructure projects. Recently, Uganda has experienced prolonged drought, significantly reducing production at its hydroelectric power plants. The increase in demand, combined with lower hydroelectric production and the sharp rise in global fuel prices, has led to substantial increases in energy costs and constrained the growth of the Ugandan economy.

To address these issues, the Ugandan Government has passed the Renewable Energy Policy to encourage the development of the country’s abundant renewable energy resources, especially biofuels. To support those efforts, the Government has requested assistance in designing the regulatory framework that will encourage the development of a biofuels industry without jeopardizing the country’s food supply. The USTDA grant awarded today will further these objectives by analyzing the potential biofuels market in Uganda, providing cost-benefit analysis on potential biofuels resources and technologies, and recommending appropriate industry regulations and potential incentives for the development of safe and responsible biofuels production.

The opportunity to provide the assistance funded by the USTDA grant awarded today will be competed on the Federal Business Opportunities website at www.fbo.gov. Interested U.S. firms should submit proposals according to the instructions contained in the Federal Business Opportunities announcement. The Ministry of Energy and Mineral Development will select the U.S. contractor that will provide the USTDA-funded assistance.

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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.

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