



U.S. TRADE AND DEVELOPMENT AGENCY

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USTDA AWARDS GRANT FOR RURAL ELECTRIFICATION PROGRAM

SANA'A, YEMEN (September 28, 2009) – USTDA continued its support for the Government of Yemen's efforts to bring electricity to its rural areas by awarding a grant to the Ministry of Electricity and Energy (MOEE). The grant will fund the second phase of a technical assistance project to consolidate responsibility for all rural electrification projects within the Rural Electrification Agency (REA). USTDA has identified this effort as having significant potential for mutual benefit, given the importance of this sector to the Yemeni economy and corresponding U.S. technology and expertise.

The \$259,382 grant was conferred at a signing ceremony held at the Ministry of Planning and International Cooperation. U.S. Ambassador Stephen A. Seche and Deputy Prime Minister Abdulkarim al-Arhabi signed the agreement on behalf of the U.S. and Yemen Governments, respectively. USTDA Country Manager Taraneh Bastani and Minister of the Ministry of Electricity and Energy Awad al Soqatri signed as witnesses to the grant agreement.

“We're proud that the United States Trade Development Agency is continuing to support Yemen's National Rural Electrification Program,” Ambassador Seche stated. “Improving access to electricity is essential to improving people's lives and creating new economic opportunities in this country.”

Implementation of the National Rural Electrification Program will bring significant and widespread developmental benefits to Yemen. The expansion of access to electricity in rural areas of the country is a necessary prerequisite for increased agricultural productivity, job creation, income generation, and general economic development. Businesses and residential consumers that rely on expensive private generators for electric service during typical “brownouts” or on low energy value/high cost traditional energy sources, such as kerosene, will see significant cost savings with reliable grid-based power available 24 hours per day.

The USTDA grant will be used to define a detailed and definitive transition plan for the REA to effectively manage all rural electrification activities in Yemen. It will also help the MOEE and REA to establish the utilities responsible for the rural electric networks.

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The MOEE has selected the National Rural Electric Cooperative Association International, Ltd. (NRECA), based in Arlington, Virginia, to provide the assistance. In addition to the USTDA grant, MOEE and NRECA will provide additional funds toward the completion of the project.

NRECA also served as the U.S. contractor during the first phase of the project, creating the legal and regulatory measures and documentation required to establish the Public Authority for Rural Electrification and the first electric cooperative distribution service provider. The USTDA-funded technical assistance also created comprehensive business and financial plans for these new institutions.

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, 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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