
U.S. TRADE AND DEVELOPMENT AGENCY



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USTDA AWARDS GRANTS TOTALING OVER \$1.3 MILLION TO PROMOTE THE DEVELOPMENT OF THE POWER SECTOR IN CAMEROON

YAOUNDE, CAMEROON – (May 16, 2008) Expanding the power generation capacity in Cameroon to alleviate severe power shortages and to support economic growth are the goals of two USTDA grants, totaling more than \$1.3 million, awarded today to the Cameroonian Ministry of Energy and Water Resources. The first grant will fund technical assistance on the conversion from heavy fuel oil to natural gas and expansion of the Limbé Power Plant. The second grant will be used to conduct investment analysis on the construction of a proposed hydropower plant in the Northern Province, at Warak.

A signing ceremony to confer the grants was held at the Yaounde Hilton Hotel. U.S. Ambassador to Cameroon Janet E. Garvey and His Excellency Jean Bernard Sindeu, Minister of Energy and Water Resources, signed the grant agreements on behalf of the U.S. and Cameroonian governments, respectively.

Expansion of power generation infrastructure in Cameroon is of paramount importance to the government. “The grant agreement we are signing today reflects our commitment to work with the government and people of Cameroon as partners,” said Ambassador Garvey. “It is important for many reasons, but perhaps fundamentally because it will help to supply the power necessary for economic growth and job creation. We look forward to a continuous dialogue on additional areas for possible cooperation to bring to fruition Cameroon’s aspirations to improve standards of living for all of its citizens.”

Construction of the proposed power plants would help to alleviate severe seasonal electricity shortages in Cameroon that have been exacerbated by steep growth in demand for power since 2000. The country’s current power deficit has led to a decrease in its gross domestic product by .75 percent from 2002-2006. Curtailing the black-outs and brown-outs caused by power shortages will have significant positive economic impact on the country.

The plants at Limbe and Warak are the top two power priorities of the Government of Cameroon. The gas plant at Limbe will diversify Cameroon’s power generating capability and bridge seasonal power deficiencies during the dry season, when its generation of hydropower is limited. Under a \$695,000 grant awarded today, USTDA is funding an examination of: 1) the conversion of the 85 megawatt (MW) heavy fuel oil fired reciprocating power plant to natural gas; 2) the addition of 315 MW of new-plant construction at the existing plant site; and 3) the construction of transmission lines to carry the electricity to Douala, the commercial capital.

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Through a second grant, valued at \$662,000, USTDA is funding an assessment of the viability of a 75 MW hydroelectric power plant at Warak, and the construction of transmission and distribution facilities for power deliveries in northern Cameroon and power exports to Chad and Nigeria. The plant will provide the secluded Northern Province with needed power and, by exporting excess power, create government revenues.

The opportunities to provide the assistance funded by the USTDA grants awarded today will be competed separately 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 announcements. The Ministry of Energy and Water Resources will select the U.S. contractors that will provide the USTDA-funded assistance.

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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