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USAID Launches \$1 million Program to Increase Energy Efficiency in Ukraine

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(AP) The United States launched a \$1 million program on Monday to help upgrade energy infrastructure in Ukraine, which has been struggling to cope with sharp price hikes after Moscow declared it would no longer subsidize its neighbor.

Ukraine is one of the world's largest energy consumers, and one of the most inefficient. Some 20 percent of all energy produced is lost through faulty or poor transmission lines - about three to five times as much as in Western Europe.

The U.S. Agency for International Development program, launched in the Black Sea port of Odessa, will provide energy audits and low-cost financing for energy conservation projects in local industry and promote partnerships between Ukrainian energy service companies and their foreign counterparts. The program will also help the government develop a national energy-saving strategy, USAID said in a statement.

Ukraine, which receives its gas supplies from Russia, was forced earlier this year to pay double what it previously paid after a bitter dispute with Moscow's state-run gas company. Gazprom temporarily turned off the taps to Ukraine at the height of winter. The move also triggered a brief shutdown of supplies to Western Europe through Ukrainian pipelines. The dispute was solved when Ukraine agreed to the increase, with possible future hikes.

Ukraine's pro-Western President Viktor Yushchenko has made increasing Ukraine's energy independence and the adoption of energy-saving measures a top priority, but his government has acknowledged that little progress has been made.



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