



# USAID | ETHIOPIA

FROM THE AMERICAN PEOPLE

## **Agribusiness Investment Forum**

### **Opening Remarks**

**Deputy Mission Director Gary Linden**

**January 16, 2014**

**Addis Ababa, Ethiopia**

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On behalf of USAID, it is my great honor to welcome you all to the first Ethiopia Agribusiness Investment Forum.

Analysis by the International Fund for Agricultural Development (IFAD), the World Bank, and IFPRI shows that there is a clear correlation between the developing countries with the largest reduction in poverty rates and incidence of malnutrition and those with the most rapid agricultural growth.

For example, a one percent per annum increase in agricultural growth, on average, leads to a 2.7 percent increase in the income of the poor. And investment in agriculture is 2.5 to 3.0 times more effective in increasing the income of the poor than is nonagricultural investment.

For this reason, the Government of Ethiopia has prioritized the development of this sector within its Agricultural Growth Program, or AGP. The U.S. Government supports the AGP and has made agricultural development among our highest priorities for assistance in Ethiopia. Under the U.S. Government's Feed the Future initiative, USAID is investing approximately \$250 million over five years in support of the AGP.

Part of that investment includes approximately \$25 million in innovation grant funds to help make the private sector more competitive. For example, the innovation funds are supporting the introduction of the first ever fertilizer blending facility in Ethiopia. The funds are also supporting seed cleaning machinery, threshers, artificial insemination services, forage development and feed processing, and expansion of dairy products.

As a measure of our impact, last year, our activities facilitated more than \$68 million of new investment from the private sector. Additionally, the activities help create 35,000 new jobs, facilitate \$19 million in new loans, and \$37 million in exports.

Signed under a cooperative agreement between USAID and Precise Consult International, the Ethiopia Sustainable Agribusiness Incubator is one of our newest innovation activities. The activity seeks to help transform Ethiopian agriculture by assisting innovative new firms.

Under the activity, entrepreneurs receive a package of services that includes: business development training, technology support, links to financing, and support for gaining market access. The activity also supports more established companies that demonstrate exceptional promise as innovators.

This first-of-its-kind approach in Ethiopia is modeled after the most successful agribusiness incubator in the world, the Fundacion Chile, and nine other noteworthy incubators in Africa, Asia, North and South America.

The activity has currently accepted 19 companies, most of whom you will meet today. You will learn about Dr. Dessalegne Begna, who is introducing modern beehives to increase honey yields by up to four times. And Dawit Walelign, who is establishing the first dairy processing facility in Dire Dawa to export dairy products. And Ebise Bayisa, an entrepreneur seeking to manufacture products such as lotion, lip balm, and deodorant, using beeswax sourced exclusively from Ethiopia. And Tegegne Terekegne and Binyam, who are business partners trying to produce powdered milk in Ethiopia for the first time.

These are just a few of the many dynamic entrepreneurs you will meet today.

USAID, through the Ethiopia Sustainable Agribusiness Incubator activity, is committed to creating the right system to increase the probability of success for these budding enterprises.

I wish you all a productive day.