



STATEMENT ANNOUNCING GRANT AWARDS TO ETHIOPIAN ENTERPRISE

AFRICAN BAMBOO

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Addis Ababa, Ethiopia

It is a great pleasure to be here today and visit the testing facility for African Bamboo. The significance of this enterprise and its potential for Ethiopia is indicated by the presence here today with me of the USAID Assistant Administrator for Africa, Earl Gast, the Assistant to the Administrator for USAID's Bureau for Food Security, Tjada McKenna, and USAID's Mission Director for Ethiopia, Dennis Weller.

What Distinguishes the African Bamboo Enterprise

The story of African Bamboo and how we come to be here today is a great one. There is a saying "necessity is the mother of invention" – and it applies to African Bamboo. An Ethiopian business relying on wood products needed to find a renewable substitute for depleting supplies of wood. They found an abundant supply of environmentally-friendly bamboo existed and could be grown in their own country. Agreements with farmer cooperatives will generate income from bamboo farming for more than 2000 farmers in the first phase, spurring development in rural areas. Then a need for a reliable, efficient, and affordable supply of electricity to process the bamboo led to adaptation of a bio-fuel technology never used before in Ethiopia. Success will bring new exports and new jobs.

Just barely two years since its founding, African Bamboo is the winner of a Powering Agriculture Grand Challenge Grant of over \$1 million USD, funded by the US through USAID and OPIC, Germany, Sweden and Duke Energy; and the recipient of another \$750,000 USD from the African Development Bank's Fast Track Fund for Agriculture, funded by the US, Sweden, and Denmark. African Bamboo has received a total of \$1.7 million USD in grants, raising great expectations as well as great excitement at the prospects for the opening of a new market and industry for Ethiopia.

Let me explain why African Bamboo won these grants. It has to do with why USAID and our development partners increasingly foster public-private partnerships to help enterprises contribute to their country's economic growth and national development goals. It is a winning combination of innovative ideas, access to technology and business capital to grow enterprises that have a positive and forceful social impact. Grants from initiatives like Powering Agriculture and the Fast Track Fund provide the opportunity for such enterprises to succeed.

African Bamboo received these two grants to be able to accomplish the following:

First, the Powering Agriculture grant is to continue research and testing at this facility for the use of bio-fuel. Rather than use expensive and polluting diesel generators or risk disruptive losses of electricity from the power grid, African Bamboo proposes to recycle organic waste matter, such as coffee husks, to generate enough electric power to efficiently heat ovens that will prepare the bamboo to meet international standards for production of flooring, furnishings or construction.

Second, the Agriculture Fast Track grant enables enterprises like African Bamboo to conduct the feasibility studies and market analyses required for investors and commercial banks to provide the capital needed to

grow the business. The fund is designed to attract private capital investments in agriculture infrastructure and assist farmers to link to markets. Enterprises in countries, like Ethiopia, who participate in the public-private partnerships of the G-8 Alliance for Food Security and Nutrition may qualify for this grant.

The Nexus of Feed the Future and Power Africa: Energy for People and Enterprises

Support from the U.S. Government for these grants comes from two U.S. Government initiatives undertaken in close cooperation with and in support of the Government of Ethiopia's Growth and Transformation Plan: the first is known as Feed the Future and is to promote food security and growth of the agriculture sector; the second is known as Power Africa and is to promote clean, affordable energy for sustainable development. So I am especially pleased to have the opportunity to visit African Bamboo which connects both initiatives.

A constant supply of electricity is to enterprise what nutritious food is to the body. Both food security and electric power are critical to growth and development. Both require public-private partnerships to attract capital for investments and the technology for modern, competitive operations.

Bamboo farming and manufacturing is a new business for Ethiopia with export potential. The African Bamboo enterprise is a good example of how rural development can start by adding value to agricultural products whose sale will offer opportunities for new sources of income and food security for farmers and workers in related activities, such as processing and transport.

Africa Bamboo centers its operation on a renewable and untapped natural resource of 1 million hectares in several regions of the country. The use of bamboo reduces the harmful environmental pressures of deforestation while expanding farming and related enterprises. By working with the members of some 30 cooperatives, roughly 2200 farmers in the first phase, African Bamboo will convey new skills, new sources of income, and create jobs related to the manufacture of bamboo flooring, furnishings and construction. Bamboo that is not suitable for manufacturing can be used to make bamboo briquettes for cooking in households that currently harm family health by burning wood charcoal.

Entrepreneurship which entails some risk-taking, science and innovation, and social impact characterize the African Bamboo project. Farmer households benefit, the environment benefits, the economy benefits. I hope that this story of entrepreneurship and ingenuity will generate many more across Ethiopia, inspire more cooperation across government, research and private sector entities, and, particularly, members of the Ethiopian Diaspora in science, technology, and business. There are calculated risks involved but they are risks worth taking.

I'll close by extending congratulations and best wishes for success to the African Bamboo team. I want to acknowledge our development partners, whose contributions make these grants possible, and express thanks to Germany, Sweden, Denmark, the African Development Bank, OPIC, and Duke Energy. Finally, I reiterate my government's commitment to partnerships that will advance the growth and transformation of the Ethiopian people and their great country.