1st QUARTERLY REPORT FOR COMERCIAL FARM SERVICE PROGRAM

Award No.: AID-663-A-12-00010

October-December 2012

Submitted to:
USAID Ethiopia

Prepared by:
CNFA

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Executive Summary

Over a two year implementation period, the Commercial Farm Service Program (CFSP) will support the creation of six market viable input supply Farm Service Centers (FSCs) in Ethiopia. This proven model will serve to support the input supply sector in Ethiopia by providing brand label, high quality inputs through safe and environmentally sound stores. The program will provide training to the business owners and support linkages with large input supply companies. In addition, a wholesale buying cooperative will be established to support inventory needs of CFSP FSCs. The FSC will also support the output marketing efforts of smallholder farmers by not only providing a more direct link to the market but market information for more informed business decisions.

During the first quarter the priority was on project start-up which centred on administrative matters. In the first month of operations the entire team was hired and began working on the project full-time, the office was selected, lease signed, and the registration process with the GoE (Government of Ethiopia) initiated. By the end of the quarter the office space was completed (build out completed), furnished, and occupied by the team.

In the quarter the team also focused on the development of the projects systems and procedures this included; the customizing the application material to the local business and legal context, developing the awardee selection and evaluation criteria, the development of the Environmental Mitigation and Monitoring Plan, along with the Performance Monitoring Plan and Indicators. Marketing and branding materials for the promotional campaign and the anticipated FSCs were also developed.

The first quarter of implementation was focused on identifying high potential areas for FSC establishment based on the criteria developed. Once areas were selected, a targeted promotional campaign was conducted to reach potential business partners for FSC establishment. This campaign included town hall style meetings where the program and application process was presented in detail. Application deadlines were set for each location, generally two weeks after the town hall meeting, and one-on-one assistance was provided to potential applicants in filling out the application form.

From the response seen in the first quarter, both in the number and quality of the applications, CFSP is confident that the promotion campaign is on track to achieve its objectives in selecting the best locations and reaching the most suitable applicants. However, the program will make continuous improvements in its approach to ensure that all our objectives are met.

Project Objectives

The primary goal of the CFSP is to improve smallholder productivity, food security and incomes through the development of sustainable, private sector driven agricultural input supply and service centers.

A second and related goal of CFSP is to demonstrate the viability of the FSC model as a platform for larger-scale public-private private partnerships to expand Ethiopian smallholders' access to inputs, training, and services.

To achieve these goals, CNFA expects to achieve the following objectives:

- Establishment of six locally (Ethiopian) owned, retail farm supply and service centers (FSCs) with inventories, training, services and output market linkages tailored to market demands in their areas.
- Creation of a wholesale buying cooperative owned by and dedicated to serving the inventory needs of the FSCs and linking them to national and international suppliers.
- Delivery of uniform branding, business skills, technical/advisory capacity, quality standards, environmental and worker safety procedures among the network.
- Promotion of FSC-led farmer outreach activities, including training seminars, demonstration, and field days, to showcase the impacts of improved inputs and improve farmer production skills.

CFSP's support will be in the form of providing matching grants, technical assistance, trainings, and institutional strengthening for the farm service centers and the wholesale buying cooperative. Given the scope of the project and the overall project period, it is imperative to focus the outreach campaign on the most promising areas.

Activities

Site Selection

As Oromia is a vast region and has varied agro-ecological settings with each setting (zone) having different input supply and service needs, selecting six FSCs could prove challenging. Consequently, a team of CFSP staff undertook exploratory fieldwork on November 12-22, 2012 in Oromia to identify sites that have the potential to support and sustain the envisaged FSC as a profitable business entity. Areas where the need for inputs and services is great while having the capability to ensure year-round business transactions were sought.

The visit was conducted with the following specific objectives:

- To assess existing opportunities and challenges for the implementation of the CFSP;
- To establish working contacts with regional Bureaus of Agriculture, Gender Offices, Federation/Union/Cooperatives and explain to them about the goals and objectives of the CFSP;
- To observe the status and operational efficacy of existing input suppliers/retailers and output marketing;
- To identify and discuss with some existing potential entrepreneurs about the FSC.

Assessment methodologies

The team provided detailed accounts of the implementing organization (CNFA) and the program (CFSP) emphasizing that USAID is the sole sponsor of the project. It was explained to all visited officials and private entrepreneurs that the FSC model, emphasizing a larger scale ago-input supply stores with high quality standards and uniform branding, is a new concept for Ethiopia and indeed for Africa. CFSP staff relayed their desire to secure local partners, either individuals or cooperatives, who have the desire and the resources to ensure sustainability and profitability of the center. Knowing the location can be a determining factor in the success of the program, the following criteria were utilized in site selection:

- AGP member sites (woredas);
- Presence of other implementing partners;
- Input use culture of the local community;
- Potential of the area to enable FSC a year-round business undertaking;
- Demand-supply ratio of input and services;
- Quality, quantity and timely supply of inputs and technical services;
- Challenges that may handicap the success of the program;
- Opportunities to mitigate the challenges.

The team has collected the above-stated basic information and other supplementary ones using key informant interview method. Each site was ranked on a point system based on the responses provided by the informants and ranking was made accordingly.

Selected Sites

The team visited 14 locations (zones, woredas) and 19 sites within these locations and made physical observations and interviews with officials of Oromia zonal/woreda Bureau of Agriculture, private entrepreneurs, primary cooperatives and unions. Out of the 19 sites visited, 10 of the top ranking were selected as potential sites for the establishment of FSCs. These are: Ambo, Debre Zeit, Shashamane, Nekemte, Woliso/Tulu Bollo, Bako, Doddola, Assela, Fitche, and Modjo.

Subsequent outreach campaign (see below) has thus focused on the above-stated areas.

Marketing and Branding

FSC Branding

To create uniform branding among all FSCs, a marking and branding guide was produced. The guide includes: uniform FSC logo to help to create customer loyalty; branded logo stickers for commodities; uniform FSC logo; procedure for organizing corner stone and ribbon cutting ceremonies; uniform sign boards branded with the FSC logo; business cards for FSC employees; uniform green color decor for the shops, including display cases; uniform green employee jackets; uniform training poster design with FSC logo and green border; uniform dedication plaques for all FSCs; and branded letterheads and formats for financial documents.

Farm Service Center

Maize is used as a trademark for the FSCs due to its importance as Oromia region's most important cereal commodity in terms of total production, acreage, and the number of smallholder farmers producing it.

Promotional Campaign

To mobilize existing and potential rural entrepreneurs to come to town-hall meetings to learn about the project and grant program, and to apply for the grants being offered by the project, the first round of an outreach campaign was conducted in four Zones of Oromia Regional State: Bako, Wollega, Wolliso and Shashamene.

Four town-hall meetings were held from December 11, 2012-January 4, 2013. CFSP's outreach campaign motto is "Rural Entrepreneurship is the Path to Prosperity". CFSP used local media and networking with district leaders to mobilize potential beneficiaries to come to the town hall meetings. Total attendance to these events was 164 individuals, including potential beneficiaries and Zonal government office representatives, 36 of who were women.

Figure 1. CFSP Town Hall Meeting

To mobilize entrepreneurs to apply for grants, one radio ad was developed and promotional materials were produced, including two roll up banners and one workshop banners. A database of partner and stakeholder contacts was created together with the AGP-AMDe project. The database will be used to make potential partners such as government agencies, agri-input suppliers, and other FTF implementers aware of the grant program, and to invite them to project activities. A project brochure was also created to publicize the project activities and to create awareness about the grant program.

All participants (private entrepreneurs and sector staffs) demonstrated interest in the program as a whole and expressed willingness to support its successful implementation and apply for the grant funds. Both soft and hard copies of the application form were given to those who wanted to apply and also to the zonal and woreda offices of agriculture for distribution to potential applicants who didn't attend the promotion campaign. Moreover, CFSP staff remained at each site after the town hall events to assist applicants with any additional questions.

Figure 2. CFSP Responding to Questions

Website Development

A project web site is being developed by CFSP to create awareness about FSCs, promote the grant program to help create FSCs, publicize project activities, and to eventually highlight its results. The website will eventually be transferred to the FSC buying cooperative (once it is formed) to serve as a platform for a marketing information system.

Activities for development of the website in Q1 included: production of a statement of work, collection of website development proposals, submission of a list of shortlisted vendors to CNFA HQ, and awarding the contract to 360 Company to develop the website.

Several meetings were held with the iiCD representative to learn more about their intervention to create a web based market information system. The website which CFSP will have developed can be integrated with any web-based market information system for future use by the FSC buying cooperative.

www.cfsp.org

Applications

The detailed selection criteria can be summarized into three core areas: corporate capability of the applicant, project goals & strategies, and project impacts. To ease the grant application process and its evaluation, a standard application form was developed in the reporting period. Moreover, the application form was translated into Afaan Oromo to enable interested applicants to better understand the project and simplify the filling of the form.

After preparing the standard application forms in both languages, a broad outreach campaign was conducted to distribute to potential applicants. During the presentations the goals and objectives of the project, application, selection and grant award processes were thoroughly explained to potential applicants and one-on-one advice/assistance was given to applicants on how to fill the application form based on individual demand.

Following the broad outreach campaign, application forms were distributed to potential applicants such as individual private input suppliers, rural entrepreneurs, cooperatives and unions both in electronic and paper copies. Thus, in Bakko, Nekemte and Woliso 17, 22 and 18 application forms were distributed, respectively. In all the three locations extra paper and soft copies of the application forms were given to zone and district offices of agriculture for further distribution to targeted and interested applicants.

The major challenge in the process was the rapid deadline for submitting the applications, as CFSP would like to quickly identify high-potential candidates to participate in the program and have their stores in operation in time for the coming growing season.

Training

Materials for basic principles reference, user manuals/guides and research recommendations have been compiled for major cereals, pulses and horticultural crops from different national and international online sources on:

- Genetic improvements (i.e. improved seed vis-à-vis farm-saved seeds, seed system)
- Improved agronomic practices (i.e. fertilizer usage, conservation tillage, inter-cropping)
- Crop protection (i.e. IPM products, pesticide usage, pesticide applicator training) and
- Postharvest handling.

CNFA's Agro Dealer Technical Training Module on 'Introduction to Seeds, Fertilizers and Pesticides' is being translated to Afaan Oromo (the seed part is completed) and adjustments are made on crop varieties under production in the region with their recommended management practices.

For location specific recent released improved varieties, agronomic practices and user guides developed by different research centers, respective research center will be contacted based on our target locations (i.e. Bako Agricultural Research Center (ARC) for Bako and Nekemte area, Holeta ARC for Waliso area, Adami Tulu and Kulumsa ARCs for Shashamane area, Melkassa ARC for Modjo area are ARCs from where information is to be sourced).

CFSP training plan has different target groups and phases. Agrodealers, agronomists and veterinarians of FSC and government extension agents make one target group while small holder farmers make the other. Trainers training will be given to the first target group (agrodealers, agronomists and veterinarians of FSC and government extension agents) so that they can train and provide continuous technical support to small holder farmers.

Major training phases include:

1. Pre-land preparation: to address timely land preparation, variety selection, sowing time, seeding rate, fertilizer application rate, time and method, and other important agronomic practices
2. Post emergence: to address crop protection practices such as general pest management i.e. IPM, pesticide usage and applicator training
3. Pre-harvesting: to address postharvest handling practices i.e. harvesting, transportation, threshing, storage and storage pest management

Environmental Issues

As stated in the project document, all program activities of the CFSP are expected to have no adverse environmental impacts. Towards the achievement of the program's compliance with all USAID and Ethiopian Government's rules and regulations, the program has performed the following activities during the first quarter of the project life.

Environmental Training

Two staff members of CFSP attended the USAID/Ethiopia Environmental Compliance ESDM Workshop held in Adama during 3-6 December 2012. The Workshop was conducted to: a) strengthen the capacity of USAID/Ethiopia staff and partners to incorporate the principles of Environmentally Sound Design and Management (ESDM) into current and future development and relief program designs and budget, b) improve the ability of USAID/Ethiopia staff and partners to consistently apply and comply with USAID Environmental Procedures (including Regulation 216), and to generate high-quality environmental analysis and Environmental Mitigation and Monitoring Plans (EMMPs).

PERSUAP

The development of USAID-mandated Pesticide Evaluation Report and Safer Use Action Plan (PERSUAP) is underway in order to ensure compliance with USAID's and the GoE's pesticide regulations, identify mitigation measures, facilitate integrated pest management (IPM), and to reduce risks to environment and human health. It was decided that a crop PERSUAP prepared ten years ago could not be used by the project without thorough revision and updating. As a result a team composed of the program environmental specialist and the deputy chief of party is collecting data and making necessary evaluations. The team has so far covered eight of the twelve pesticide evaluation criteria and also compiling country pest and pesticide management system. Discussions have been made with the Animal and Plant Health Regulatory Directorate of the MOA, various departments of the Directorate and the Africa Stockpile Program. The team will also visit the library of the Ethiopian Institute of Agricultural Research and selected researchers shortly, to review plant and animal pests of the country, and research on IPM. Once the pesticide evaluation review is made the Safer Use Action Plan (SUAP) section will be proposed to complete the PERSUAP.

Environmental Review Report

USAID-mandated environmental review report (ERR) was prepared detailing the environmental impact determinations of the project. Accordingly, the environmental review found that: a) some of the project activities are very low risk activities and are categorically excluded, b) some of the project activities are determined to have no significant adverse impacts, i.e., negative determination, and c) some activities are determined to have no significant adverse impacts,

given specified mitigation and monitoring, i.e., *negative determinations with conditions.* According to Reg. 216, all activities with negative determination with conditions are recommended to have specific mitigation and monitoring plan to reduce/avoid potential negative impacts.

EMMP

Based on the recommendations stated in the ERR, a detailed EMMP was prepared and submitted to concerned USAID office along with the ERR. The EMMP identified activities of the project that were found to have potential environmental impacts and provided detailed mitigation plan including monitoring indicators, responsibility for monitoring and budget requirements. The EMMP underscores the need for various trainings and capacity building endeavors on handling, storage, transporting, application and disposal of pesticides and other agrochemicals. The Environmental Mitigation and Monitoring Report (EMMR) for the first quarter of the project is attached (Annex B).

Environmental and Workers Safety Guideline

A draft environmental and workers safety guideline was prepared in accordance with US environmental regulations outlined in 22 CFR 216, Ethiopian laws and regulations and internationally recognized best practices. The guideline will aid the screening of grant applications, FSC construction sites, and overall environmental compliance of the FSC. Each FSC is required to prepare own environmental mitigation and monitoring plan for activities found to have potential negative impacts.

Gender Issues

In Ethiopia, as in many African countries, women's problems are compounded like other marginalized categories of people. Gender-based constraints limit women's access to livelihood assets: land, capital, inputs, technology, information and education. Thus, CFSP has placed strategic focus on empowering women during the startup phase and will also throughout implementation of the project by engaging women leaders in farmer outreach efforts and by actively encouraging women to participate in the FSC business plan competition for matching grants.

To ensure women's engagement in the project, and that it benefits them, CFSP has planned to conduct an initial gender study based on USAID's Gender Dimensions Framework, to establish a baseline to ensure the gender M&E indicators are achieved. A Statement of Work has been developed, and the assessment will be conducted from January 27, 2013 to February 12, 2013. This assessment will identify the factors that shape women's ability to drive private sector growth at the farm and processing levels.

Figure 3. Women involvement in town hall meeting

In order to target female entrepreneurs as grantees , CFSP grant outreach program targeted extension agents, Zone/Woreda Women Affair Office's Representatives, female agricultural professionals (vets, agronomists, etc.), female commercial trainers, women lead farmers, traders, coop and association members, and female leaders of women's Farm Input Savings and Loans groups. CFSP will be allotting preferential consideration to grant applications that are submitted by women or that will particularly benefit women. Beyond grant selection, CFSP activities will continue to address gender mainstreaming by targeting women as FSC training participants and customers.

Over 164 people attended four town hall meetings which were held in four major cities of Oromia and 36 of the participants were women. Speaking about CFSP's grant orientation campaign, Ms. Rachel Negarro, the representative of the Women's Affairs Office in Bako remarked: "I can see that these FSCs can be a tool to increase smallholder farmer productivity." Ms. Rahal, however, questioned if the project intends to limit the ownership of women FSCs to only one of the six that are planned. CFSP staff explained that the project is targeting female entrepreneurs and it is hoped that the majority of the FSCs are woman owned.

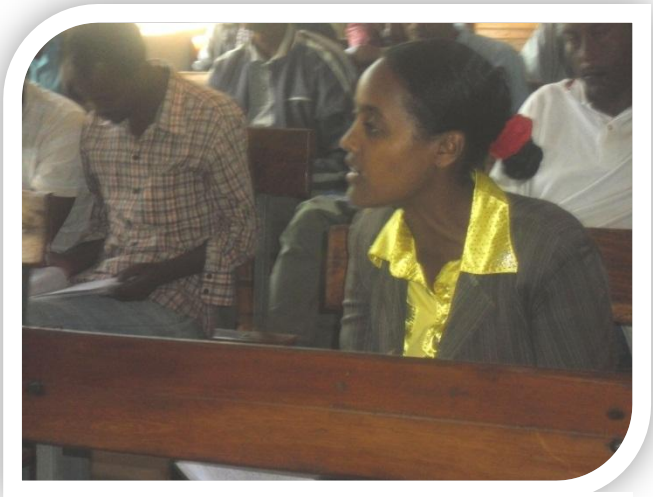

Figure 4. Ms. Rahal speaks at Bako meeting

Beyond ownership, CFSP will seek to reduce gender-based constraints to production and access to input supply through all aspects of FSC development. Included in this will be women-focused trainings, provision of trainings by women extension officers, and supported linkages with women's groups.

Project Start-up and Administration

Staffing

The technical staff employment process for CFSP was finalized during November 2012. Please see the attached detailed staff information (Annex C). After CFSP procures its vehicle, a driver will be employed.

Permanent Office Location

On Dec 15th CFSP moved into its office at Gurd Shola on CMC road, in front of Civil service collage, Palm Building ,3rd floor.

Figure 5. CFSP Office, Palm Addis Building

Procurement of Office Furniture

CFSP received office furniture and equipment from the USAID/ICMA project. With this furniture and equipment the project was able to start work in the new office located on CMC road. The remaining furniture has been purchased and set up in office.

Inventory

The project has a clear Inventory list, including the items we received from the USAID/ICMA project. When the office furniture and tangible office materials were procured, they were included in an updated inventory list (See Annex D).

Logistics

In order to conduct site selection and outreach activities, CFSP had leased a temporary vehicle. Meanwhile, the project is processing the purchase of one vehicle for project use. The car rent for office use is deducted from the budget allocated for the purchase of the vehicle and operating expenses.

Finance

Financial formats have been produced for project use. The staff has been trained how to use the formats in order to settle expenses. In order to track expenses and daily transactions a Excel based system has been developed. The SF-425 for the first quarter is attached (See Annex F).

USAID Branding

A CFSP communication guideline was created to properly brand and mark project activities, outputs, and deliverables to help increase the visibility and impact of the investment USAID is making in the project. The guideline was presented in an internal workshop for CFSP staff. Also, project business cards were designed for staff. A project PowerPoint was created and PPT template developed to be used in public presentations on the project. A letterhead was also designed for both administrative and programmatic purposes.

Networking and Collaborations

CFSP understand that the success of the project relies on networking and collaborations which the critical actors in the agriculture sector. To achieve this CFSP staff have attended a number of conferences and networking events in the first quarter; including speaking roles at the US-Africa Investment Forum and African Woman in Business' Annual Meeting. The team will continue attending events and conferences and will seek speaking roles when possible. CFSP will also exhibit at applicable events throughout the coming year.

Partnering with other implementers is another critical success factor for the program. CFSP is working closely with AGPs Livestock Market Development (LMD) program in site selection and implementation whenever possible. Two of the sites selected for FSCs are in LMD investment zones. CFSP has had a number of meetings with the AGP-AMDe program. We have since collaborated on FSC site selection and in the identification of strong Cooperatives to target as potential applicants.

CFSP has worked very closely with the Oromia Bureau of Agriculture throughout the site selection process and promotional campaign. This partnership has been critical in getting buy-in from district and municipal administrators. CGSP will continue to work closely with the Bureau

in the implementation of the project as they provide the ideal platform for advocating on our behalf "up to" the Ministry of Agriculture and organizing "down to" smallholder farmers.

CFSP will partner with iiCD to host their Agriculture Market Information System (AMIS) at FSCs. Their AMIS utilizes voice messaging to share input and market price information and because they are already funded and mandated to reach smallholder farmers it will be a low cost solution for CFSP and increase the service addition of the FSCs.

Challenges

- One of the impending challenges would be the reconciliation of the branding and logo of the competing entity with that of the program. This could be an issue especially with primary cooperatives and unions who may demand to put their own logo and brand at the FSC.
- Raising enough women applicants and subsequently grantees, although a good number of cooperatives and unions have a good number of women members (20-40%).
- The time frame set for establishment of the FSC could be too short to meet. This is true especially for those who may win the grant but have to start construction from ground up.
- The transparency of criteria used to select or categorize a woreda as AGP and non-AGP has been questioned seriously at all sites.
- It appears that all government efforts and that of most of the NGOs are focused on AGP woredas and this may create a greatly skewed and unhealthy development pattern. Moreover, it could be difficult to measure the effect of any one particular project in instances where overlaps of operation by different implementers exist.
- Although cooperatives and unions have the required trained manpower and resources to win a good number of the FSC, their administrative setup may prove difficult for the operation of the FSC. Firstly, all decisions have to be made collectively (mainly by the board). Secondly, they do not meet regularly. This makes it difficult in running

the day-to-day operations of a FSC. Also, making a clear demarcation between their other business activities and that of the FSC may prove difficult to overcome.

Opportunities

- The presence of many locations/sites with good potential to compete for and host the establishment of the FSC gives a wider option for implementation of the program. The presence of research institutes near most of the locations will hasten the demonstration and transfer of new improved technologies.
- Willingness of all sector officials to support the program and contribute to its success.
- Support could be harnessed from nearby institutes (research centers, colleges, universities).
- Presence of commercial farms in the vicinity of sites considered for FSC could boost the demand/sell of inputs by the FSCs.
- The existing infrastructure at all sites is more than adequate to support the need of FSCs.

Lessons Learned

- There is a demand for high quality and timely input supply at almost all areas visited.
- Knowledge about danger of pesticides to the environment and people alike is seriously lacking. There is also a concern for disposal of empty containers of PPP.
- Training is critically needed in all areas visited. The cooperatives are the first to admit this and they don't have the capacity to provide it.
- Due to the road conditions and size of the region, it is necessary to select site closer to Addis. CFSP will only have one project vehicle and a limited number of staff, so it will be a strain on limited resources if FSC visits cannot be accomplished in one or two days at the most.

Recommendations

- The promotional campaign should be conducted at all selected sites before the end of January order to establish as many FSCs as possible in short order.
- A site visit of short-listed applicants is essential for the verification of the application.

Conclusion

The program is off to a fast start and will continue the fast track the selection and evaluation process to ensure we reach are targets sooner than initially planned. This is required to show the viability and positive impact the FSC model in Ethiopia. CFSP has already applied our lessons learned into our process and implementation and this has resulted in better site selection and targeting of potential applicants.

CFSP will redouble our efforts in targeting female business leaders as potential FSC owners, though we have received two very strong applications. As a pilot program a diverse group of ownership is required to apply our lessons learned. Increasingly, the team has been questioning the viability of cooperatives effectively managing a FSC. However, we will apply the same evaluation criteria to all applicants and all will be grading accordingly.

In conclusion, the project is pleased with the progress made thus far, especially to have most of the start-up phase behind us. CFSP will now be able to focus more of our time and resources on program implementation. We expect to award three grants in the next quarter and look forward to the opening of the first FSCs in Africa.

Attachments

Annex A. Key Indicator Table

Annex B. EMMR

Annex C. Staff Contact Information

Annex D. CFSP Inventory

Annex F. SF-425 Financial Report

Annex A. Indicator Table

Indicator	Baseline	Target/Actual								
		Q1	Q2	Q3	Q4	Q5	Q6	Q7	Q8	LOP
FTF Indicators										
4.5.2 Number of jobs attributed to FTF implementation	0	-	-	10	10	10	10	10	10	60
4.5.2.5 Number of farmers and others who have applied new technologies or management practices as a result of USG assistance (disaggregated by sex; cumulative)	0	-	-	-	5,000	10,000	15,000	25,000	30,000	30,000
4.5.2.7 Number of individuals who have received USG supported short-term agricultural sector productivity or food security training (disaggregated by sex; cumulative)	0	-	-	-	100	300	700	1,100	1,500	1,500 (50% women)
4.5.2-11 Number of food security private enterprises (for profit), producers, organizations, water user associations, woman' s groups, trade and business associations, and community-based organizations (CBOs) receiving USG assistance (disaggregated by sex; cumulative)	0		3	6	7	9	22	29	45	45 (25% women)
4.5.2-29 Value of agricultural and rural loans (disaggregated by sex; cumulative)	0			$5,000	$10,000	$15,000	$20,000	$40,000	$80,000	$80,000 (25% women)
4.5.2-30 Number of MSMEs, including farmers, receiving USG assistance to access loans (disaggregated by sex; cumulative)	0			3	6	6	7	7	7	7
4.5.2-37 Number of MSMEs receiving business development services from USG assisted services	0			3	6	6	7	7	7	7
4.5.2.38 Private sector matching investment leveraged (USD)	0	66,000/0	155,500	30,500	30,500	30,500	20,500	27,000	24,000	$354,600
Overall Program Impacts										
FSCs established (ownership of FSCs disaggregated by sex)	0	-	2	4	-	-	-	-	-	6
Value of FSC sales (USD)	0	-	100,000	250,000	300,000	350,000	400,000	500,000	600,000	$600,000
Increased farmer incomes (measured by per	0	-	-	-	-	-	-	-	-	20%

capita expenditures - disaggregated by sex)										
Value of farmer output marketed through FSCs	0	-	-	-	-	-	-	-	-	TBD
Inputs supplied by wholesale buying cooperative (cumulative in USD)	0	-	-	50,000	100,000	200,000	300,000	400,000	500,000	$500,000
Number of households directly benefiting from USG interventions (cumulative)	0	-	-	-	5,000	10,000	15,000	25,000	30,000	30,000
Number of field days and exhibitions	0	-	-	12	12	12	12	12	12	72
Number of GoE Extension Agents taking part in trainings	0	-	-	-	-	-	-	-	-	TBD
Number of grant applications received (disaggregated by sex)	0	25/0	25	-	-	-	-	-	-	50
Number of activities conducted for the outreach campaign	0	4/4	5	5	-	-	-	-	-	14
Number of FSCs and other private input suppliers benefitting from the creation of the wholesale buying cooperative	0	0	6	6	6	6	6+	6+	6+	6+
Value of the volume discounts offered by the wholesale buying cooperative	0	-	-	-	-	-	-	-	-	TBD
Cross Cutting										
Number of gender assessments conducted	0	-	-	-	1	-	-	-	1	2
Proportion of target population reporting increased agreement with the concept that males and females should have equal access to social, economic, and political opportunities	0	-	-	-	-	-	-	-	-	80%
Percentage beneficiaries benefitting from other ongoing nutrition programs due to CFSP linkages (disaggregated by sex and age group)	0	-	13%	25%	38%	50%	57%	63%	70%	75%

Environmental Review Form
Commercial Farm Service Program (CFSP)

A. Applicant information

Organization: CNFA		Cooperative Agreement: APS-663-11-00002
Individual contact and title	Tim Bergstrom, Chief of Party	Address: [redacted] Phone:
Proposed activity (brief description)	**Goal:** The main goal of CNFA's proposed Ethiopia Commercial Farm Service Program (CFSP) is to improve smallholder productivity, food security and incomes through the development of sustainable, private-sector driven agricultural input supply and services. A second and related goal of CFSP is to demonstrate the viability of the FSC model as a platform for larger-scale public-private private partnerships to expand Ethiopian smallholders' access to inputs, training and services. **Objectives:** 1. Establishment of at least six locally (Ethiopian) owned, retail farm supply and service locations (FSCs) with inventories, training, services and output market linkages tailored to market demands in their areas 2. Creation of a wholesale buying cooperative, owned by and dedicated to serving the inventory needs of the FSCs and linking them to national and international suppliers 3. Delivery of uniform branding, business skills, technical/advisory capacity, quality standards, environmental and worker safety procedures among the network 4. Promotion of FSC-led farmer outreach activities, including training seminars, demonstration plots and field days, to showcase the impacts of improved inputs and improve farmer production skills	Amount of funding $2Milloin
Location of	CNFA will conduct a broad outreach campaign to publicize	Start: October 2012

proposed activity	the program and explain the application, evaluation and selection process to potential applicants. Outreach efforts will target existing private input suppliers seeking to expand, as well as other rural entrepreneurs, through town-hall style presentations conducted in promising locations around Oromia Region.	End: September 2014

B. Activities, screening results, and recommended determination

Proposed activities categories (continue on additional page if necessary)	**Screening result**			**Recommended Determinations**		
	Very Low Risk	Moderate or unknown risk*	High-Risk*	No significant adverse impact	With specified mitigation, no significant adverse impact,	Significant Adverse impact
▪ Small grant		√			√	
▪ Facility Construction		√			√	
▪ Retail Input and Farm Service Sales		√			√	
▪ Business and Technical Training for FSC Employees	√			√		
▪ Development of Wholesale Buying Cooperative	√			√		

*These screening results require completion of an Environmental Review Report

C. Summary of recommended determinations (check ALL that apply)

The proposal contains. . .		*(equivalent Regulation 216 terminology)*
☒	Very low risk activities	*categorical exclusion(s)*
☐	After environmental review, activities determined to have **no significant adverse impacts***	*negative determination(s)**
☒	After environmental review, activities determined to have **no significant adverse impacts, given specified mitigation and monitoring***	*negative determination(s) with conditions**
☐	After environmental review, activities determined to have **significant adverse impacts***	*positive determination(s)**

*for these determinations, the form is not complete unless accompanied by Environmental Review Report

D. Certification:

I, the undersigned, certify that:

1. the information on this form is correct and complete
2. the following actions have been and will be taken to assure that the activity complies with environmental requirements established for this Project:
   - Those responsible for implementing this activity have received training in environmental review AND training and/or documentation describing essential design elements and best practices for activities of this nature.

- These design elements and best practices will be followed in implementing this activity.
- Any specific mitigation or monitoring measures described in the Environmental Review Report will be implemented in their entirety.
- Compliance with these conditions will be regularly confirmed and documented by on-site inspections during the activity and at its completion.

(Signature) _____ (Date) _____

(Print name) Tim Bergtrorm, Chief of Party

Note: if screening results for *any Activity* are "high risk" or "moderate or unknown risk," this form is not complete unless accompanied by an environmental review report.

BELOW THIS LINE FOR USAID USE ONLY

Clearance record

COR/AOR ☐ Clearance given ☐ Clearance denied	_____	(signature)	(date)
MEO ☐ Clearance given ☐ Clearance denied	Yitayew Abebe	(signature)	(date)
EG&T Office Chief ☐ Clearance given ☐ Clearance denied	_____	(signature)	(date)
RLA ☐ Clearance given ☐ Clearance denied	_____	(signature)	(date)
DMD ☐ Clearance given ☐ Clearance denied	_____	(signature)	(date)

*REO & BEO approval required for all "high risk" screening results and for determinations of "significant adverse impacts"

Environmental Review Report

A. PROJECT TITLE

Commercial Farm Service Program

B. PROJECT GOAL

The main goal of CNFA's proposed Ethiopia Commercial Farm Service Program (CFSP) is to improve smallholder productivity, food security and incomes through the development of sustainable, private-sector driven agricultural input supply and services.

A second and related goal of CFSP is to demonstrate the viability of the FSC model as a platform for larger-scale public-private partnerships to expand Ethiopian smallholders' access to inputs, training and services.

To achieve these goals, CNFA expects to achieve the following objectives:

- Establishment of at least six locally (Ethiopian) owned, retail farm supply and service locations (FSCs) with inventories, training, services and output market linkages tailored to market demands in their areas
- Creation of a wholesale buying cooperative, owned by and dedicated to serving the inventory needs of the FSCs and linking them to national and international suppliers
- Delivery of uniform branding, business skills, technical/advisory capacity, quality standards, environmental and worker safety procedures among the network
- Promotion of FSC-led farmer outreach activities, including training seminars, demonstration plots and field days, to showcase the impacts of improved inputs and improve farmer production skills

C. ACTIVITY DESCRIPTION

i) Outreach Campaign

CNFA will conduct a broad outreach campaign to publicize the program and explain the application, evaluation and selection process to potential applicants. Outreach efforts will target existing private input suppliers seeking to expand, as well as other rural entrepreneurs, through town-hall style presentations conducted in promising locations around Oromia Region.

ii) Facility Construction and Launch

Upon approval, CNFA will sign grant agreements with selected partners, who will initiate facility construction or repair, according to the design laid out in the project proposal. FSC facilities will be physically similar in size and appearance, averaging 100-150 square meters in size and including a showroom for sale of crop and veterinary inputs, tools and equipment, storage facilities for seeds, fertilizer and plant protection products (separate), offices for FSC management and accounting personnel and a training room where the FSC agronomist and veterinarian will maintain work stations, where printed reference material will be on display and where seminars will be conducted for FSC clients. In some cases a room will be given over to the use of a local CBO, microfinance institution or NGO, or, wherever possible, the GoE extension service.

iii) Retail Input and Farm Service Sales

Starting with FSC grand openings, sales will be initiated. As stores will be located in strategically important administrative or market centers, they are expected to generate significant traffic from a wide region around the town, drawing in clients who have other business in the town on a regular basis. Store inventories will be tailored to the main crops produced in each market area and will consist of appropriately packaged inputs for smallholder production. Each store is expected to have $3,000-$5,000 in inventory in stock at any one time, including a mixture of seeds, fertilizer, plant protection products, tools and small equipment, veterinary supplies and medicines and even some hardware and household goods. Depending on the store and local farmer demand, project budgets may be set up to allow for machinery service provision, output marketing, bulk storage/aggregation, veterinary services or possible motorized delivery of inputs to outlying communities in order to extend FSC reach.

iv) Business and Technical Training for FSC Employees

CNFA will adapt its proven Business Management Training materials and will ensure a high standard of financial management, business planning, inventory management and marketing capability among the professional staff of the Ethiopian FSC enterprises. Training will be delivered by project staff, with the function transferred to the planned buying cooperative by the end of year two.

v) Development of Wholesale Buying Cooperative

As each FSC will individually be a relatively small business, with limited working capital, they will be under significant pricing and cash flow pressure. By pooling their resources, buying power and inventory needs, they can access top-tier national and international distributors, obtain volume discounts, trade credit and greater flexibility and negotiating power in inventory selection and delivery terms.

D. THRESHOLD ENVIRONMENTAL DETERMINATIONS

The following environmental determinations are made:

1. **Categorical Exclusion** is recommended for the activities listed below, because no direct or indirect environmental impacts are expected as a result of these activities such as outreach campaign, farmers training, establishing development wholesale buying cooperatives, etc These fall under the following citations from Title 22 of the Code of Federal Regulations, Regulation 216 (22 CFR 216), subparagraph 2(c)(2) as classes of activities that do not require an initial environmental examination:

(i) Activities involving education, training, technical assistance or training programs except to the extent such programs include activities directly affecting the environment (such as construction of facilities, etc.);
(iii) Activities involving analyses, studies, academic or research workshops and meetings;
(v) Activities involving document and information transfers;
(xiv) Studies, projects or programs intended to develop the capability of recipient countries and organizations to engage in development planning.

2. Negative Determinations with Conditions are recommended for the following, per 22 CFR 216.3(a)(2)(iii):

- Input supply/sale including seed,
- Sale of Fertilizer, pesticide, veterinary drug, medicine
- Small grant programs
- Facility construction and renovation

Input supply/sale including seed, fertilizer, pesticide, veterinary drug, medicine

It is widely accepted that introducing a non-native species to a new ecosystem must be done with great care. Quarantine laws are set up to avoid the potential adverse consequences of such an introduction. Introduced exotic species may spread diseases, out-compete native species for resources, become feral, act as predators or pests, or interbreed with native species. Potential adverse environmental impacts are likely to result from inappropriate seeds that can displace native and indigenous germplasm. New materials could also result in introduction of exotic and/or invasive species if not properly researched and monitored.

The use of fertilizers poses a number of potential impacts, principally related to long-term health of soils, and to water quality. Excessive application of nutrients over time can cause pollution. Such losses may occur when nutrients run off the land caused by heavy rainfall, are leached through the soil, beyond the root zone, eventually reaching the groundwater, or escape into the atmosphere as volatile gases.

Conditions for implementation

The seed supply system will: 1) ensure appropriateness for the agro-climatic zone to which they are being introduced; 2) avoid introducing exotic invasive species; and 3) avoid providing or promoting genetically modified organisms (GMOs). This requires identifying and mitigating any potential direct adverse impacts on the physical environment and human health and safety (such as due to aflatoxin contamination) arising from distribution of free seeds. Lastly, non-native plants will not be introduced into protected areas.

For introduction and dissemination of other agricultural chemicals such as fertilizers (not including pesticides) training should be provided in product knowledge regarding best management practices for soil fertility and health. Here is a summary of best management practices for soil fertility and health.

- Integrated Soil Fertility Management (ISFM) – the use of both organic and inorganic sources of nutrients rather than either alone;
- The use of legume cover crops (plus phosphorous) and green manures by fallow rotation or intercropping;
- Agroforestry practices – in addition to soil conservation and production benefits, agroforestry transfers/cycles nutrients from within the soil profile (deeper levels to surface);
- The use of conservation tillage rather than deep plowing (although conservation tillage can be harmful for production systems in certain regions);
- Use farm site manures and household wastes, with or without composting;
- Refer to fertilizer information sheet http://www.encapafrica.org/egssaa/AFR_Fertilizer__Factsheet_Jun04.pdf

Impacts from construction of facilities: The extent of construction activities to strengthen market infrastructure is not yet determined. Small-scale construction itself has the potential for a set of impacts such as: erosion, contamination of water supplies, depletion of standing timber/deforestation, damage to protected areas, and creation of habitat for disease vectors. Experience shows that these impacts are controllable with safeguard to assure (1) appropriate sitting, (2) appropriate sourcing of materials; (3) appropriate designs; and (4) appropriate construction/worksite practices.

In addition to the impacts of construction itself, this analysis must consider the impacts of constructed facilities in the use phase, even if USAID has no active involvement once construction is complete. *Markets* and *transport yards* (two key parts of "market infrastructure") have significant potential environmental and health impacts associated with their operation: These facilities generate significant quantities of wastewater and both human and organic wastes which, if improperly managed, can contaminate water supplies and/or provide ready habitat for disease vectors such as flies, mosquitoes, and rats. The result is an increase in disease, particularly oral-fecal route diseases. These potential impacts are controllable, and must be addressed in part with proper design (e.g., adequate provision of latrines, wash water and drainage), and in part with proper operation and maintenance.

Conditions for implementation

- Make environmental compliance an integral part of grant application and implementation process.
- Use the Environmental Review Report (ERR) screening process to determine the nature and scope of environmental impacts arising from each type/group of planned activity;
- Apply best practices for all of the above activities;
- Refer to best practices contained in the USAID/Africa Environmental Guidelines for Small-Scale Activities in Africa (EGSSAA); http://www.encapafrica.org/EGSSAA/construction.pdf
- Ensure compliance with all GoE environmental regulations governing the above activities;
- Build capacity of grantees to comply with environmental guidance.

Potential Impacts of Small Grant Activities: Key concerns of small grant activities may support activities with potential impacts on the biophysical environment. For instance boosting production of selected commodities may lead to negative impacts associated with agricultural expansion or intensification, including land conversion, soil depletion, and erosion, etc. Support to Food Security activities such as irrigation schemes and introduction of alternate crops and agricultural techniques can degrade lands and soils over the long term.

Conditions for implementation

- Grant must not be used to finance any of the following:
- Goods or services which are to be used primarily to meet military requirements or to support police or other law enforcement activities,
- Surveillance equipment,

- Equipment, research and/or services related to involuntary sterilization or the performance of abortion as a method of family planning, or
- Activities which significantly degrade national parks or similar protected areas or introduce exotic plants or animals into such areas,
- Grant must not be used to finance any of the following without the prior written approval of USAID:
    - Pharmaceuticals,
    - Pesticides,
    - Logging equipment,
    - Luxury goods (including alcoholic beverages and jewelry),
    - Establishing or expanding any enterprise that will export raw materials that are likely to be in surplus in world markets at the time such production becomes effective and that are likely to cause substantial injury to U.S. producers,
    - Activities which would result in the loss of forest lands due to livestock rearing, road construction or maintenance, colonization of forest lands or construction of dams or other water control structures,

This ERR does not cover pesticides, including their procurement, use, transport, storage or disposal. Any pesticide activity considered under this program should be guided by the USAID/Ethiopia Crop Production and Pesticide Evaluation Report and Safer Use Action Plan (PERSUAP), approved by USAID/Ethiopia and the Africa Bureau Environmental Officer in 2003, has to be reviewed and any purchase request be approved by the COR. The document (PERSUAP) specifically recommends: training in proper use, transport and storage of pesticides and other agricultural chemicals, use only the pesticides approved by the USEPA and GFDRE and covered by the PERSUAP, and use of Integrated Pest Management practices where feasible preparation of a Pesticide Evaluation Report and Safer Use Action Plan (PERSUAP), in accordance with.

Other conditions for implementation

1. As required by ADS 204.5.4, project implementing partners in consultation with Mission Environmental Officers (MEO will actively *monitor and evaluate* whether environmental consequences unforeseen under activities covered by this ERR arise during implementation, and modify or end activities as appropriate.
    a. If additional activities are added at the Award levels that are not described in this document, an amended ERR must be prepared.
2. For any sub-award under this project whose activities can be classified as a **Negative Determination with Conditions** as described above, an environmental screening will be completed by the implementing partner, and submitted to the AOR for final clearance by the Mission Environmental Officer (MEO)
    a. The environmental screening report will be a streamlined document describing the *specific activities* that will be implemented under the award, and referring back to the conditions of the USAID/Ethiopia DO1 umbrella IEE and this Environmental Review Report (ERR). This must be completed prior to the start of activities, to ensure that the

activities and conditions in this ERR still apply. In the event that any new proposed activity differs substantially from the type or nature of activities described here, or requires different or additional mitigation measures beyond those described, an amendment to this ERR will be prepared.

H. ENVIRONMENTAL MITIGATION AND MONITORING PLAN

Activity	Potential Adverse Impact	Mitigation Measures	Indicator for Mitigation	Responsible Parties	Reporting Frequency
1. Construction of FSCs and Wholesale Warehouse buildings	1. Sub-standard storage facility may result in leakage, fumes and suffocation	Construct buildings according to standards set (ventilation, floor & roof sealing, drains for leakages, shelving, etc) by the regulatory authority of the Ministry of Agriculture, Ethiopia. Upgrading existing facilities to the required standard.	Compliance of the building during design and construction ventilation and storage space	CNFA Environmental specialist, FSC and wholesale stores	Continuous follow up until construction and quarterly thereafter
	2. Environmental contamination due to faulty construction of storage facilities	Construct chemical store down slope from all water sources, 100 meters away from water wells and 150 meters away from water bodies	Visual observation of leakage, evidence of environmental contamination (fish, bird, or bee kills), discoloration or turbidity of water bodies	CNFA Environmental specialist, FSC and wholesale stores	Continuous follow up until construction and quarterly thereafter
	3. Children, animals and other people may enter the agrochemical store be exposed to poisonous chemicals	Fence agrochemical building premise to avoid entry of children, animals or un-authorized personnel, put warning signpost at entry of each store. Facility physically secure padlocked and guarded when not used. No fire, flame, smoking or eating allowed in storage areas	Fenced buildings with warning signs and controlled access	CNFA Environmental specialist, FSC and wholesale stores	Continuous follow up and quarterly reporting
	4. Accidents like fire may cause damage	Install emergency facilities: fire extinguisher, eye-wash stations, toilets and rest areas, emergency exits, first aid equipment	Emergency facilities	FSC and wholesale stores	Continuous follow up and quarterly reporting
	5. Many agricultural shop facilities do not have adequate toilets and rest areas for men and women, first aid and eye-wash stations, and plans to prevent and respond to accidents	Placement and maintenance of male and female toilets and rest areas, first-aid and eye-wash stations, and health and safety plans with training/ refreshers	Availability and condition of toilets, first-aid facilities, safety equipment, shower or bath taken, face/neck and hands washed with soap and	CNFA Environmental specialist, FSC and wholesale stores	Continuous follow up and quarterly reporting

			water		
2. Staff capacity building (at the FSCs and Wholesale levels)	Unskilled/ unprofessional personnel may mishandle agrochemicals and discharge toxic waste, fumes and effluent that are health threats	Employ professional staff with good experience of handling agrochemicals	Dedicated and trained storekeeper, agronomist and veterinarian who demonstrate knowledge and uses correct procedures; credentials, certifications, training records and resumes	CNFA Environmental specialist, FSC and wholesale stores	Continuous follow up and quarterly reporting
		Provide skills training/ refreshers on pesticide handling and application	Well skilled storekeeper, agronomist and veterinarian who can provide advice and training; credentials, certifications, training records and resumes	CNFA Environmental and extension specialist, FSC and wholesale stores	Continuous follow up and quarterly reporting
3.Transport and handling agrochemicals	1. Poor transport and management of available store may result in spillage, breakage, loss of labels, etc.	Avoid transporting pesticide with human or animal food, household furnishings, toiletries, clothes, bedding or similar items; carry safety equipment; use vehicles dedicated for chemical transport or with safety equipment	Visual observation of leakage, breakage or loss of labels	CNFA Environmental specialist, FSC and wholesale stores	Continuous follow up and quarterly reporting
	2. Flammable, explosive, highly toxic and reactive chemicals may be just left on the floor randomly	Consult labels for specific storage instructions; use recommended detergents for cleaning; use fire extinguisher; make available Materials Safety Data Sheets (MSDS) for reference at each FSC	Intact labels and MSDSs; storage according to labels and MSDSs; fire extinguisher	CNFA Environmental specialist, FSC and wholesale stores	Continuous follow up and quarterly reporting
	3. Opened and partly used chemicals may be returned to the store and cause contamination	Monitor store inventories to ensure all products are appropriately packaged and stored; avoid returning opened and used chemicals	Stocks orderly, rotation system in place	CNFA Environmental specialist, FSC and wholesale stores	Continuous follow up and quarterly reporting

	4. Falling off, breakage or spillage may result in contamination or harm to people	Comply with emergency plan for leaks or spills at the storage site or during handling; have a written plan to include emergency telephone numbers and hospitals, and use of cleanup emergency equipment, methods and steps that must be followed	Emergency signs posted; equipment in proper place; emergency procedures listed and posted	CNFA Environmental specialist, FSC and wholesale stores	Continuous follow up and quarterly reporting
	5. Excess inventory or stocking of less demanded chemicals that may expire on shelf	For all FSCs, introduce pesticide record-keeping concepts and tools or following up	Up-to-date stock inventory	FSC and wholesale stores	Continuous follow up and quarterly reporting
4.Stocking pesticides and veterinary drugs	1.Adulteration of pesticides could impact productivity and pest resistance	1.Monitor store inventories to ensure products conform to the USAID's approved PERSUAP and regulatory authority in Ethiopia	Stock records up-to-date	CNFA Environmental specialist, FSC and wholesale stores	Continuous follow up and quarterly reporting
		2.Monitor store inventories to ensure products are not counterfeit or adulterated	Purchase records, inspection reports	CNFA Environmental specialist, FSC and wholesale stores	Continuous follow up and quarterly reporting
		3.Make copies of the list of registered pesticides names that should be used by farmers; distribute copies to project field extension staff for training and monitoring	Placement of the list in accessible location; check farmers awareness by interviews	CNFA Environmental specialist, FSC and wholesale stores	Continuous follow up and quarterly reporting
	2.Lack or improper use of pesticide safety procedures may harm people and the environment	Conduct environmental responsibility and worker safety training for FSC personnel	Spray operators, team leaders supervisors and health workers display knowledge by following procedures at all times	CNFA Environmental specialist, FSC and wholesale stores	Continuous follow up and quarterly reporting
	3. Improper pesticide storage can result in spillage, which can contaminate soil and water, and can harm humans, animals and plants	Use an environmental mitigation plan into each FSC grant project; follow storage and safety regulations prescribed by regulatory authority and manufacturers	Review of FSC grant application document evaluation for environmental mitigation plan	CNFA Environmental specialist, FSC and wholesale stores	Continuous follow up and quarterly reporting

	4. Poor handling and improper dilution of chemicals may pose various risks	Make arrangements that pesticide supplying companies present the use and handling of their products	Training/ refresher records of applicators and FSC staff	FSC and wholesale stores and CNFA Extension specialist	Continuous follow up and quarterly reporting
	5. Storekeepers and chemical applicators may handle chemicals without proper training and result in health risk	Ensure technical assistance and training/ refresher comply to USAID-approved PERSUAP	Inspect FSCs and wholesale store, training/ refresher, curriculum, PERSUAP, reports	CNFA Environmental specialist	Continuous follow up and quarterly reporting
	6. Mishandling and reuse of agrochemical containers may cause damage to human, animal and plant life	1.Dispose obsolete/ expired pesticides and used containers per USAID-approved PERSUAP	Pesticide and their containers not stored in same room with food, or medicine, or in inhabited spaces, track record of disposal	CNFA Environmental specialist, FSC and wholesale stores	Continuous follow up and quarterly reporting
		2.Avoid reuse of agrochemical containers by returning to chemical store	Controlled, non-public access of used containers	FSC and wholesale stores	Continuous follow up and quarterly reporting
5. Facilitate access to improved seeds	Poor handling and storage of seeds may result in loss of seed viability	Training/ refresh staff of the FSC on standard seed storage and handling	Training/ refresher records; check seed viability	CNFA Environmental and extension specialists, FSC and wholesale stores	Continuous follow up and quarterly reporting
	Indigenous germplasm may be replaced by a smaller range of new varieties of seeds and biodiversity loss. Improved seeds may increase productivity and reduce need for pesticides; however, improved seeds may require more water and fertilizer.	1. It is widely accepted that introducing a non-native species to a new ecosystem must be done with great care. Quarantine laws are set up to avoid the potential adverse consequences of such an introduction. 2. The seed supply system will: 1) ensure appropriateness for the agro-climatic zone to which they are being introduced; 2) avoid introducing exotic invasive species; and 3) avoid providing or promoting genetically modified organisms (GMOs). This requires identifying and	Seed certification Suitability of the seeds to the agro-climatic region Visual inspection of seed store and farms	CNFA Environmental specialist, and extension specialist, FSC agronomist and veterinarian	Continuous follow up and quarterly reporting

	Introduced exotic species may spread diseases, out-compete native species for resources, become feral, act as predators or pests, or interbreed with native species.	mitigating any potential direct adverse impacts on the physical environment and human health and safety (such as due to aflatoxin contamination) arising from distribution of free seeds. Lastly, non-native plants will not be introduced into protected areas.			
6. Facilitate access to fertilizers	The use of fertilizers poses a number of potential impacts, principally related to long-term health of soils, and to water quality. Excessive application of nutrients over time can cause pollution. Such losses may occur when nutrients run off the land caused by heavy rainfall, are leached through the soil, beyond the root zone, eventually reaching the groundwater, or escape into the atmosphere	Monitor store inventories to ensure products are appropriately packaged and stored Make copies of MSDS available for reference at each FSC For introduction and dissemination of fertilizers training should be provided in product knowledge regarding best management practices for soil fertility and health. Here is a summary of best management practices for soil fertility and health. 1. Integrated Soil Fertility Management (ISFM) – the use of both organic and inorganic sources of nutrients rather than either alone; 2. The use of legume cover crops (plus phosphorous) and green manures by fallow rotation or intercropping; 3. Agroforestry practices – in addition to soil conservation and production benefits, agroforestry cycles nutrients from within the soil profile; 4. The use of conservation tillage rather than deep plowing (although conservation tillage can be harmful for production systems in certain regions); 5. Use farm site manures and household wastes, with or without composting; Refer to fertilizer information sheet http://www.encapafrica.org/egssaa/AFR_Fertilizer__Factsheet_Jun04.pdf	Stock records up-to-date[adequate storage space; no leaks observed; dry floors MSDSs onsite; no leaks observed; dry floors Number of training provided on sustainable farming Proportion of farmers using integrated soil fertility management and conservation tillage	CNFA Environmental specialist, Extension specialist and FSC agronomist and veterinarian	Continuous follow up and quarterly reporting

7. Promote FSC-led farmer outreach activities and trainings	Unprotected people may handle agrochemicals, accidental spillage or fumes during display; unforeseen impacts may encounter during field day or demonstration	1.Ensure use of safety procedures and personal protection during demonstration and training/ refresher	Check procedures being followed	CNFA Environmental and extension specialists	Continuous follow up and quarterly reporting
		2. Carry out environmental monitoring and reporting over the life of the project	Visual observation and reporting	CNFA Environmental specialist	Continuous follow up and quarterly reporting
	Difficulty of reading and understanding may result in unsafe handling and storage of chemicals	Make pesticide guideline translated into local languages	Local-language leaflets and posters on pesticide guideline	CNFA Environmental specialist, FSC and wholesale stores	Continuous follow up and quarterly reporting
8. Promote environmental responsibility at the wholesaler and FSC levels	1. Faulty site selection and business engagement may cause harmful effects	Apply environmentally sound site selection process	Review project documents	CNFA Grant application review	Continuous follow up and quarterly reporting
	2. Ignorance of the environmental consequences of the business	1.Incorporate environmental mitigation plans into project design	Selection criteria	CNFA Grant application review	Continuous follow up and quarterly reporting
		2.Provide training/ refreshers on safer use, storage, transport and disposal of agrochemicals	Purchase records, inspection reports, waste disposal records	CNFA Environmental and extension specialists, FSC and wholesale stores	Continuous follow up and quarterly reporting

	3. Use of herbicides and pesticides and may expose the environment to impacts due to climate change (soil erosion, reduced animal and plant diversity)	Train/ refresh FSC staff to promote strategies for adapting to climate change including use of improved, drought-resistant seed varieties, low or no till-cultivation, Integrated Pest Management (IPM) strategies, fodder crop production to supplement rangeland grazing, and efficient drip irrigation systems	Productivity increases; diversity of insects and plants, inspect soil erosion; training/ refresher curriculum and attendance records	FSC and CNFA Environmental specialist	Continuous follow up and quarterly reporting
	4. Limited awareness about the environmental effects of agrochemicals	Develop and implement a training plan for pesticide safer practices and IPM	Training curriculum, safer use practices as recommended in the PERSUAP	CNFA Environmental and extension specialists	Continuous follow up and quarterly reporting
	5. Heavy utilization/ dependence on pesticides may result in pesticide-resistant pests	Promote IPM as preferred means to sustainable crop protection	Use of cultural practices and other methods to ward off pests	CNFA Environmental specialist	Continuous follow up and quarterly reporting
	6. Increased susceptibility to climate change mediated impacts	1. Encourage farming systems that will accompany and be part of the technology (e.g., ridge tillage, contour planting, minimum tillage, crop rotation, water harvesting and crop residue use)	Number of farmers practicing improved farming systems	CNFA Extension specialist, FSC agronomist and veterinarian	Continuous follow up and quarterly reporting
		2.Possible negative climate change effects will be mitigated via the FSCs as venues for training and sources of information on effective soil and water use practices, conservation farming, land management	Number and content of FSC trainings/ refreshers	CNFA Extension specialist, FSC agronomist and veterinarian	Continuous follow up and quarterly reporting
9. Social and labor practice concerns	Few women in management position and not direct beneficiaries	Maximize women's involvement in all aspect of the agriculture value chains	Award at least one FSC grant to a female entrepreneur	CNFA Chief of Party	Continuous follow up and quarterly reporting
		Engage women as project staff members and leaders in farmer outreach efforts; encourage women to participate in the FSC business plan competition	50% of training participants and FSC clients will be women	CNFA Outreach and marketing specialist	Continuous follow up and quarterly reporting

		Improve women's access to credit for purchase of necessary farm inputs and agro-retail inventories	Appropriate gender indicators will be included in the baseline and monitoring and evaluation (M&E) data, and program results will be disaggregated by gender where appropriate	CNFA Financial specialist	Continuous follow up and quarterly reporting
	Child or minor labor practices are common in agricultural field work	Encourage prohibition of child labor in agriculture	Field inspection: no children onsite in labor	CNFA Extension specialist, FSC agronomist and veterinarian	Continuous follow up and quarterly reporting

I. MONITORING AND REPORTING

The AORs of this project, in consultation with the Mission Environmental Officer, as relevant, with the implementing partner will actively monitor and evaluate whether environmental consequences unforeseen under activities covered by this EMMP. Quarterly updates shall be included into the regular updates.

All parties receiving direct funds from this project will complete an annual *environmental mitigation and monitoring report* (EMMR) for all activities classified as a **Negative Determination with Conditions** as described herein, unless specified otherwise.

The annual EMMR is to ensure programmatic compliance with 22 CFR 216 by documenting that the conditions specified in this ERR have been met for all activities carried out. This reporting should be incorporated into pertinent quarterly or annual reports.

USAID / CNFA - CFSP
Staff Information

S/N	Consultant / CFSP			email address	Contact in case of Emergency	
	Name	Position	Mobile no.		Name	Mobile No.
1	Tim Bergstrom	Chief of Party	[redacted]	[redacted]	Maskerem Haile	[redacted]
2	Waktola Wakgari	Deputy Chief of Party	[redacted]	[redacted]	Genet Mosisa	[redacted]
3	Jiregna Gindaba	Environmental Specialist	[redacted]	[redacted]	Kumitu Kumara	[redacted]
4	Hiwot Yerga	Communication and Marketing Specialist	[redacted]	[redacted]	Yalemwork Habtemariam	[redacted]
5	Asfaw Mesfin	Accountant and Office Manager	[redacted]	[redacted]	1. Azeb T/micheal, or 2. Abeba Mesfin	[redacted]
6	Gemechu Berhanu	Finance Specialist	[redacted]	[redacted]	1.Jalale Chala 2. Negesu Tita	[redacted]
7	Hailu Gudeta	Training and extension Specialist	[redacted]	[redacted]	1.Yeshimebet Milkessa 2.Addis Tasew	
8	Lydia Assefa	Program Assistant	[redacted]	[redacted]		

Project Inventory

CNFA / CFSP

As of January 16, 2013

Serial #	Date		Source of Funding	Item Description	Category	Cost	Cost	Model/S.No./Made	Code	Location	Remarks
	Purchased	Received from USAID/ICMA			Name	Birr	US		No#		
1	13/12/2007	Sep. 26, 2012	USAID	Imported High Quality Side Table	Office Furniture	[redacted]	[redacted]	TS-BS1060G	CNFA-CFSP-001	CFSP Office	
2	13/12/2007	Sep. 26, 2012	USAID	Standard Table	Office Furniture	[redacted]	[redacted]	TS-BST157G	CNFA-CFSP-002	CFSP Office	
3	13/12/2007	Sep. 26, 2012	USAID	Mobile pedestal	Office Furniture	[redacted]	[redacted]	TS-BSM3G	CNFA-CFSP-003	CFSP Office	
4	13/12/2007	Sep. 26, 2012	USAID	Swivel Chair	Office Furniture	[redacted]	[redacted]	TS-UT223/V19	CNFA-CFSP-004	CFSP Office	
5	13/12/2007	Sep. 26, 2012	USAID	Coffee Table	Office Furniture	[redacted]	[redacted]	TS-MCOT1050/Cheery	CNFA-CFSP-005	CFSP Office	
6	13/12/2007	Sep. 26, 2012	USAID	Guest Chair	Office Furniture	[redacted]	[redacted]	TS-UT211/V19	CNFA-CFSP-006	CFSP Office	
7	13/12/2007	Sep. 26, 2012	USAID	Guest Chair	Office Furniture	[redacted]	[redacted]	TS-UT211/V19	CNFA-CFSP-007	CFSP Office	
8	13/12/2007	Sep. 26, 2012	USAID	Shelf	Office Furniture	[redacted]	[redacted]	TS-BS0880G	CNFA-CFSP-008	CFSP Office	
9	13/12/2007	Sep. 26, 2012	USAID	Shelf Cabinet	Office Furniture	[redacted]	[redacted]	TS-SPIII209/Cheery	CNFA-CFSP-009	CFSP Office	
10	13/12/2007	Sep. 26, 2012	USAID	Standard Table 150 x 80 cm	Office Furniture	[redacted]	[redacted]	TS-ST1500/Cheery	CNFA-CFSP-010	CFSP Office	
11	13/12/2007	Sep. 26, 2012	USAID	Woden lockable Mobile pedestal with 3 drawers	Office Furniture	[redacted]	[redacted]1	TS-MP603/Cheery	CNFA-CFSP-011	CFSP Office	
12	13/12/2007	Sep. 26, 2012	USAID	Wooden connector top with base color black	Office Furniture	[redacted]	[redacted]	TS-RCNT91/Black	CNFA-CFSP-012	CFSP Office	
13	13/12/2007	Sep. 26, 2012	USAID	Leather Swivel chair	Office Furniture	[redacted]	[redacted]	TS-DK01HLW/BlK	CNFA-CFSP-013	CFSP Office	
14	13/12/2007	Sep. 26, 2012	USAID	Visitor Leather Chair	Office Furniture	[redacted]	[redacted]	TS-DK04HLW/BlK	CNFA-CFSP-014	CFSP Office	
15	13/12/2007	Sep. 26, 2012	USAID	Visitor Leather Chair	Office Furniture	[redacted]	[redacted]	TS-DK04HLW/BlK	CNFA-CFSP-015	CFSP Office	
16	13/12/2007	Sep. 26, 2012	USAID	Shelf Cabinet	Office Furniture	[redacted]	[redacted]	TS-SPIII209/Cheery	CNFA-CFSP-016	CFSP Office	
17	13/12/2007	Sep. 26, 2012	USAID	Shelf Cabinet	Office Furniture	[redacted]	[redacted]	TS-SPIII209/Cheery	CNFA-CFSP-017	CFSP Office	
18	13/12/2007	Sep. 26, 2012	USAID	Sofa Leather (3+1+1)	Office Furniture	[redacted]	[redacted]	TS-MS2-002A/Blk/W2	CNFA-CFSP-018	CFSP Office	
19	13/12/2007	Sep. 26, 2012	USAID	Coffee Table (600x600x450)	Office Furniture	[redacted]	[redacted]	TS-T0206/W-2	CNFA-CFSP-019	CFSP Office	
20	13/12/2007	Sep. 26, 2012	USAID	Coffee Table (1200x600x480)	Office Furniture	[redacted]	[redacted]	TS-T0112/W-2	CNFA-CFSP-020	CFSP Office	
21	13/12/2007	Sep. 26, 2012	USAID	Coffee Table (100x50x38)	Office Furniture	[redacted]	[redacted]	TS-MCOT1050/Cheery	CNFA-CFSP-021	CFSP Office	
22	13/12/2007	Sep. 26, 2012	USAID	Pin Board 90x120x with Stand	Office Furniture	[redacted]	[redacted]		CNFA-CFSP-022	CFSP Office	
23	13/12/2007	Sep. 26, 2012	USAID	Cash Safe - TS -SS031	Office Equipment	[redacted]	[redacted]	TS-SS031	CNFA-CFSP-023	CFSP Office	
24	13/12/2007	Sep. 26, 2012	USAID	HP LaserJet 3055 All-in-one	Office Equipment	[redacted]	[redacted]	CNSK771374	CNFA-CFSP-024	CFSP Office	
25	14/01/2008	Sep. 26, 2012	USAID	Optiplex 330 Dell	Office Equipment	[redacted]	[redacted]	Bax 37396418-79E009E	CNFA-CFSP-025	CFSP Office	
26	07/03/2008	Sep. 26, 2012	USAID	White board 90 x 120	Office Equipment	[redacted]	[redacted]		CNFA-CFSP-026	CFSP Office	
27	27/03/2008	Sep. 26, 2012	USAID	Wooden Round meeting table	Office Equipment	[redacted]	[redacted]	TS-XS828#CY	CNFA-CFSP-027	CFSP Office	
28	27/03/2008	Sep. 26, 2012	USAID	Guest Chair	Office Furniture	[redacted]	[redacted]	TS-UT211/V-BLK	CNFA-CFSP-028	CFSP Office	
29	27/03/2008	Sep. 26, 2012	USAID	Guest Chair	Office Furniture	[redacted]	[redacted]	TS-UT211/V-BLK	CNFA-CFSP-029	CFSP Office	
30	27/03/2008	Sep. 26, 2012	USAID	Guest Chair	Office Furniture	[redacted]	[redacted]	TS-UT211/V-BLK	CNFA-CFSP-030	CFSP Office	

Serial #	Date		Source of Funding	Item Description	Category	Cost	Cost	Model/S.No./Made	Code	Location	Remarks
	Purchased	Received from USAID/ICMA			Name	Birr	US		No#		
31	27/03/2008	Sep. 26, 2012	USAID	Guest Chair	Office Furniture	[redacted]	[redacted]	TS-UT211/V-BLK	CNFA-CFSP-031	CFSP Office	
32	31/03/2009	Sep. 26, 2012	USAID	Water Dispenser	Office equipment	[redacted]	[redacted]	Akira/LS20FCS	CNFA-CFSP-032	CFSP Office	
33	03/04/2008	Sep. 26, 2012	USAID	LaptopToshiba Satellite	Office equipment	[redacted]	[redacted]	18354172K	CNFA-CFSP-033	CFSP Office	
34	20/02/2008	Sep. 26, 2012	USAID	HP Color Printer 2600n	Office equipment	[redacted]	[redacted]		CNFA-CFSP-034	CFSP Office	
35	16/06/2008	Sep. 26, 2012	USAID	Laptop Toshiba Satellite	Office equipment	[redacted]	[redacted]	18036428R	CNFA-CFSP-035	CFSP Office	
36	01/05/2009	Sep. 26, 2012	USAID	Shelf	Office Furniture	[redacted]	[redacted]		CNFA-CFSP-036	CFSP Office	
37	01/05/2009	Sep. 26, 2012	USAID	Pin Board	Office Furniture	[redacted]	[redacted]		CNFA-CFSP-037	CFSP Office	
38	08/09/2010	Sep. 26, 2012	USAID	Standard table with 3 drawers	Office Furniture	[redacted]	[redacted]		CNFA-CFSP-038	CFSP Office	
39	13/09/2010	Sep. 26, 2012	USAID	Small LG Refrigerator for office	Houshold equipment	[redacted]	[redacted]		CNFA-CFSP-039	CFSP Office	
40	23/11/2012	-	USAID	EV-DO wireless device	Communication	[redacted]	[redacted]		CNFA-CFSP-040	Asfaw Mesfin	
41	23/11/2012	-	USAID	EV-DO wireless device	Communication	[redacted]	[redacted]		CNFA-CFSP-041	Hailu Gudeta	
42	23/11/2012	-	USAID	EV-DO wireless device	Communication	[redacted]	[redacted]		CNFA-CFSP-042	Gemechu Berhanu	
43	23/11/2012	-	USAID	EV-DO wireless device	Communication	[redacted]	[redacted]		CNFA-CFSP-043	Waktola Wakgari	
44	23/11/2012	-	USAID	EV-DO wireless device	Communication	[redacted]	[redacted]		CNFA-CFSP-044	Tim Bergstrom	
45	23/11/2012	-	USAID	EV-DO wireless device	Communication	[redacted]	[redacted]		CNFA-CFSP-045	Hiwote Yerga	
46	23/11/2012	-	USAID	EV-DO wireless device	Communication	[redacted]	[redacted]		CNFA-CFSP-046	Jiregna	
47	02/01/2013		USAID	CDMA / ZTE wirless	Communication	[redacted]	[redacted]		CNFA-CFSP-047	Lydia Assefa	
48	04/01/2013	-	USAID	Canon Camera SX 260 and accessories	Camera	[redacted]	[redacted]		CNFA-CFSP-048	Hiwote Yerga	
49	09/01/2013	-	USAID	Standard table 150W x 80D x 75H cm	Office furniture	[redacted]	[redacted]		CNFA-CFSP-049	Asfaw Mesfin	
50	09/01/2013	-	USAID	Standard table 150W x 80D x 75H cm	Office furniture	[redacted]	[redacted]		CNFA-CFSP-050	Jiregna	
51	09/01/2013	-	USAID	Standard table 150W x 80D x 75H cm	Office furniture	[redacted]	[redacted]		CNFA-CFSP-051	Hiwote Yerga	
52	09/01/2013	-	USAID	Standard table 150W x 80D x 75H cm	Office furniture	[redacted]	[redacted]		CNFA-CFSP-052	Hailu Gudeta	
53	09/01/2013	-	USAID	Standard table 150W x 80D x 75H cm	Office furniture	[redacted]	[redacted]		CNFA-CFSP-053	Lydia Assefa	
54	09/01/2013	-	USAID	Swivel Chair - TS-BS007/M.Grey	Office furniture	[redacted]	[redacted]		CNFA-CFSP-054	Asfaw Mesfin	
55	09/01/2013	-	USAID	Swivel Chair - TS-BS007/M.Grey	Office furniture	[redacted]	[redacted]		CNFA-CFSP-055	Lydia Assefa	
56	09/01/2013	-	USAID	Swivel Chair - TS-BS007/M.Grey	Office furniture	[redacted]	[redacted]		CNFA-CFSP-056	Hiwote Yerga	
57	09/01/2013	-	USAID	Swivel Chair - TS-BS007/M.Grey	Office furniture	[redacted]	[redacted]		CNFA-CFSP-057	Hailu Gudeta	
58	09/01/2013	-	USAID	Swivel Chair - TS-BS007/M.Grey	Office furniture	[redacted]	[redacted]		CNFA-CFSP-058	Gemechu Berhanu	
59	09/01/2013	-	USAID	Swivel Chair - TS-BS007/M.Grey	Office furniture	[redacted]	[redacted]		CNFA-CFSP-059	Jiregna	
TOTAL EQUIPMENT						[redacted]	[redacted]				

FEDERAL FINANCIAL REPORT

(Follow form instructions)

1. Federal Agency and Organizational Element to Which Report is Submitted	2. Federal Grant or Other Identifying Number Assigned by Federal Agency (To report multiple grants, use FFR Attachment)	Page	of
USAID	AID-663-A-12-00010	1	1 pages

3. Recipient Organization (Name and complete address including Zip code)

CNFA [redacted]

4a. DUNS Number	4b. EIN	5. Recipient Account Number or Identifying Number (To report multiple grants, use FFR Attachment)	6. Report Type	7. Basis of Accounting
[redacted]	[redacted]	[redacted]	☒ Quarterly ☐ Semi-Annual ☐ Annual ☐ Final	☐ Cash ☒ Accrual

8. Project/Grant Period From: (Month, Day, Year)	To: (Month, Day, Year)	9. Reporting Period End Date (Month, Day, Year)
9/1/2012	8/31/2014	12/31/2012

10. Transactions	Cumulative
(Use lines a-c for single or multiple grant reporting)	
Federal Cash (To report multiple grants, also use FFR Attachment):	
a. Cash Receipts	[redacted]
b. Cash Disbursements	[redacted]
c. Cash on Hand (line a minus b)	[redacted]
(Use lines d-o for single grant reporting)	
Federal Expenditures and Unobligated Balance:	
d. Total Federal funds authorized	[redacted]
e. Federal share of expenditures	[redacted]
f. Federal share of unliquidated obligations	[redacted]
g. Total Federal share (sum of lines e and f)	[redacted]
h. Unobligated balance of Federal funds (line d minus g)	[redacted]
Recipient Share: (IN-KIND MATCHING)	
i. Total recipient share required	
j. Recipient share of expenditures	
k. Remaining recipient share to be provided (line i minus j)	
Program Income:	
l. Total Federal program income earned	[redacted]
m. Program income expended in accordance with the deduction alternative	[redacted]
n. Program income expended in accordance with the addition alternative	[redacted]
o. Unexpended program income (line l minus line m or line n)	[redacted]

11. Indirect Expense	a. Type	b. Rate	c. Period From	Period To	d. Base	e. Amount Charged	f. Federal Share
[redacted]				g. Totals:			

12. *Remarks: Attach any explanations deemed necessary or information required by Federal sponsoring agency in compliance with governing legislation:*

13. Certification: By signing this report, I certify that it is true, complete, and accurate to the best of my knowledge. I am aware that any false, fictitious, or fraudulent information may subject me to criminal, civil, or administrative penalities. (U.S. Code, Title 218, Section 1001)

a. Typed or Printed Name and Title of Authorized Certifying Official	c. Telephone (Area code, number and extension)
JACK W. SWARTWOOD, SENIOR VICE PRESIDENT FOR OPERATIONS AND COMPLIANCE	202-296-3920
	d. Email address [redacted]
b. Signature of Authorized Certifying Official	e. Date Report Submitted (Month, Day, Year) 01/29/2013
	14. Agency use only:

Standard Form 425
OMB Approval Number: 0348-0061
Expiration Date: 10/31/2011

Paperwork Burden Statement
According to the Paperwork Reduction Act, as amended, no persons are required to respond to a collection of information unless it displays a valid OMB Control Number. The valid OMB control number for this information collection is 0348-0061. Public reporting burden for this collection of information is estimated to average 1.5 hours per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Office of Management and Budget, Paperwork Reduction Project (0348-0061), Washington, DC 20503.