Logistic and administrative processes for horticultural exports in Ethiopia

Project
Road Map for introduction CLIENT into Ethiopia
(BO-10-006-092)

Report on mission implemented 16-21 November 2009
by
Jan Lanning
Henk de Groot

December, 2009
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1 Introduction

The Ethiopian Airlines and the Ethiopian Horticulture Development Agency are working in close cooperation with stakeholders on the design of a state of the art new cargo facility fully dedicated to handling horticulture produce. This with to aim to further improve the competitive position of the Ethiopian Horticulture Sector.

It is acknowledged by all stakeholders that it important to stimulate and facilitate value-adding, the new cargo facility should provide a good enabling environment for this. Example of value adding is to arrange shipments of flowers on basis of buyers specifications. This might require that produce from different growers is split up in smaller lots and the lots of different growers being rearranged on basis of buyer and/or destination. Other examples are shelf ready packing, whereby the produce is packed in such a way that it can be placed directly on the shelf of supermarkets and/or preparing of bouquets.

Next to facilitating value adding is equal important that formal administrative processes like security, customs and phyto are arranged in such a way that unnecessary delays in the flow of goods is prevented. In this respect is encouraging to note that the Ethiopian government is intending to make phyto processes electronic and linked to the electronic system of costumes. This will be done by integrating the so called Client-system in ASYCUDA (Automated Systems for Customs Data) system used by Ethiopian customs.

It is essential that the position of the inspection points of costumes and phyto are properly placed in the new facilities enabling smooth flow of physical good and efficient preparation and handling of the required documentation. The same holds true for issues connected to security.

In 2009 The Dutch Ministry of Agriculture, Food Quality and Nature Management approved a project titled ‘Road Map for introduction CLIENT into Ethiopia’. This projects aims to realise the following deliverables (see appendix 1 for project description):

- Analysis of all the government legal based requirement and procedures connected to export of horticulture produce.
- Analysis of logistical and administrative procedures used in modern horticulture export chains including value adding activities.
- Design of options for overall physical and administrative flows in the new cargo facility.
- Design of intelligent options for arranging for proper and efficient procedures with regard to security, customs and phyto fitting in the overall physical and administrative flows.
- Design of a roadmap for development of the arrangement of the government procedures in the new cargo-facility. The roadmap should have a two prompt approach. 1) Ensure that the government administrative requirements and the outcome of the study are well taken on board in the design process and 2) once decisions on overall design are taken, detailed designs for arranging for the government administrative procedures can be worked out effectively and efficiently.

As a first step an explorative mission to Ethiopia by two experienced consultants, Mr. Jan Lanning and Mr. Henk de Groot was implemented in the period November 16 – 20, 2009. The Terms of Reference for that mission is presented in appendix 2.

2 Results and observations

The discussions and visits were pretty well organised and the participants were very open to exchange information.
As result of different discussion and visits we get a picture about our activities during this first mission.
2.1 Analysis of government legal based requirements and procedures

To export flowers from Ethiopia a number of documents are required:
1. Export permit – bank directive
2. Invoice packing list
3. Packing list
4. Phytosanitary certificate
5. Certificate of origin
6. Customs declaration
7. Security Guarantee Form
8. Transport documents: airway bill
9. House airway bill

The introduction of CLIENT can facilitate the production of these documents, collecting the information for sending to other governments receiving the products and be able to collect the information in a digital way.

CLIENT could possibly support quality information like temperature information if it becomes a legal requirement or an agreement in the private area.

CLIENT is a system which is supporting government departments involved with the export of agricultural products and private industry to speed up and streamline the logistic process and lower the cost of the administrative process.

In Ethiopia a task force was set up in 2009 by the Ethiopian Horticultural Development Agency (EHDA) to support improving logistics in Ethiopia form farm to plane. This is an important initiative to start improving logistics but should be extended to the wholesale in the receiving country.

In the taskforce in which most government and private industry organisations are represented it could be helpful to discuss the introduction of CLIENT. There is some overlap with the logistic process but some members involved, should focus on the administrative procedures.

The only organisation missing in the taskforce is het Chamber of Commerce giving out the "certificate of origin". They should be involved to get a digital system, handling all the necessary documents.

All the documents are collected and are shown in the enclosures.

The CLIENT system will be combined with the existing customs system ASYCUDA and will be developed by UNCTAD and financed by the Dutch government. Ethiopia is selected as a pilot country to support the horticultural industry but the system can also be used for other agricultural products. The planning is to start with the development of the system in January 2010 and the project duration will be two years including implementation, training and creating a system that Ethiopia is self sufficient in operating the system independently and without external technical assistance.

During presentation to the taskforce a DVD of Client export was shown and will be sent to all taskforce members. The following discussion made clear what to expect from Client Export.

There are some pre-conditions to make Client Export a success.
1. There should be enough legal possibilities to change from paper documents to electronic documents.
2. Electronic infrastructure should be available and reliable. The capacity should be enough to operate the whole system.
3. Awareness of stakeholders should be increased.
2.2 Overview of logistical and administrative requirements

In flower exports at least two different flows can be distinguished:

- Flow of necessary documents
- Physical / logistic product flow.

Below a summary of the product and document flows:

<table>
<thead>
<tr>
<th>Product flow</th>
<th>Document flow</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>From farm to airport</strong></td>
<td><strong>On farm or admin office</strong></td>
</tr>
<tr>
<td>- 35% by growers</td>
<td>- export permit</td>
</tr>
<tr>
<td>- 50% by “Flowerpoort”</td>
<td>- invoice</td>
</tr>
<tr>
<td>-15% by “Freshpoort”</td>
<td>- packing list</td>
</tr>
<tr>
<td></td>
<td>- certificate of origin</td>
</tr>
<tr>
<td></td>
<td>- phyto certificate</td>
</tr>
</tbody>
</table>

Handling at airport | Customs clearance by many different agents

- 65% by “Flowerpoort” | - customs declaration |
- 35% by “Ethio-horti” |

Handling on airport
by Flowerport and Ethio-horti

- security guaranty form
- airway bill
- house airway bill

Handling of European destination

- 65% of “Flowerpoort” - 100% “Flowerpoort” logistics
- 35% of “Ethio-horti” - 35% by “Flowerpoort” logistics
- 65% by v.d. Put

This flow starts with the total process of the grower / farmer and ends by the final consumer.

To keep the quality in the total chain is very important and product temperature is the most important issue. A good quality chain gives the best price result for the grower. The most ideal situation should be a constant temperature during the total chain. It must be clear that the ideal situation is very difficult to attain because of the different parties involved. In this project we are looking for the most suitable and cost efficient model.

This issue is also mentioned as one of the key points in the task force of the EHDA. They are starting collecting chain temperature of the flower boxes. 24 growers participate in this taskforce project.

The general impression during the visit to the growers was that they are aware of the need for a good climate control in the chain. There is a very quick temperature different when they open the doors in the cooling rooms. This cost a lot of energy and needs extra capacity of the cool facility. Improvements can be easily reached by the following adjustments:

- Use a air skirt by the doors
- Awareness by workers to reduce the time the door is opened
Ideally flowers of 2 degrees Celsius should be packed. However, some of the growers pack the flowers outside the cooling room, while packing inside the cooling room is preferred.

Material and size of the boxes is very important for the following reasons:
- to protect the flowers
- to maximise the loading on the size of the air pallet
Refer to appendix 8 for more details. A missing part in this study is in our opinion how this box fits in the optimal use of the size of the air pallet. It was observed that boxes were damaged during building up the pallets. The palletizing at the airport show that the boxes cover the total pallet which provide problems to adjust the lockers of the protection net.

Transport from the farm to the airport is organised in general by the grower himself. Most of the trucks are equipped with cooling facilities but not all the systems are working. At the airport we found only a few working systems during the waiting time of the trucks before unloading. The task force information shows the temperature in the different part of the logistic chain logistic (appendix 9).
Measurement of the temperature was not implemented correctly. There are big differences between measuring in the center of the box and in the holes of the boxes.

Good airport facilities are very important in this chain. The present facilities are a major constraint to attain an optimal chain. We think it is absolute necessary to optimise the present situation at the airport because of the process time to design and to implement new cargo facilities. The first general ideas were discussed but drawings of the present situation cargo handling are required to be able to propose more detailed plans for improvement.

2.3 Options for optimal physical and administrative flows in the new cargo facilities

During the visit attempts were made to collect information about the principles and existing plans for the new cargo facilities. However, this necessary information could not be obtained during the mission. Mr. Haileselassie (EHDA) has promised to provide the information as soon as possible.

4 Conclusions and recommendations.

This mission gave provided a comprehensive overview of the cool chain including the problems.

The CLIENT system will reduce a lot of paperwork and can prevent mistakes and the time needed to prepare all the documents will reduce strongly.

The present chain can be optimised specially the transport and the logistic at the cargo handling airport.

The mission recommends the implementation of CLIENT to discuss this model with all the official stake holders separately and make them aware to be sure that it will be fully understood before it is implemented.

The present situation at the cargo handling airport needs to improved as soon as possible. The new cargo facilities needs time for the development and construction. For that reason we recommend a very quick short term upgrade of the present situation.

During a next visit the team can prepare a visit with a Ethiopian delegation to the Netherland and Belgian with the right focus on the purpose and needs.
Appendix 1  Project Description

Roadmap for aligning administrative processes to the logistical processes for horticultural exports in the planned new cargo-facility and on improving in present situation the cool chain

1. Background new cargo facility
   The Ethiopian Airlines and the Ethiopian Horticulture Development Agency are working in close cooperation with stakeholders on the design of a state of the art new cargo facility fully dedicated to handling horticulture produce. This with to aim to further improve the competitive position of the Ethiopian Horticulture Sector.

   It is acknowledged by all stakeholders that it important to stimulate and facilitate value-adding, the new cargo facility should provide a good enabling environment for this. Example of value adding is to arrange shipments of flowers on basis of buyers specifications. This might require that produce from different growers is split up in smaller lots and the lots of different growers being rearranged on basis of buyer and/or destination. Other examples are shelf ready packing, whereby the produce is packed in such a way that it can be placed directly on the shelf of supermarkets and/or preparing of bouquets.

   Next to facilitating value adding is equal important that formal administrative processes like security, customs and phyto are arranged in such a way that unnecessary delays in the flow of goods is prevented. In this respect is encouraging to note that the Ethiopian government is intending to make phyto processes electronic and linked to the electronic system of costumes. This will be done by integrating the so called Client-system in ASYCUDA (Automated Systems for Customs Data) system used by Ethiopian customs.

   It is essential that the position of the inspection points of costumes and phyto are properly placed in the new facilities enabling smooth flow of physical good and efficient preparation and handling of the required documentation. The same holds true for issues connected to security.

2. Background improving present situation cool chain
   In the framework of the Ethiopia-Netherlands Horti Partnership a project on post harvest care/cool chain management has been carried out. This project has provided a lot of information on the importance of the cool chain and the challenges. The EHDA has taken the initiative to install a Stakeholders’ Taskforce at the Airport, this with the aim of solving in a constructive coordinated manner the weak elements in the cool chain. (see annex for more information).

   To be able to do the work effectively an efficient monitoring system on ‘the performance of the cool chain’ has to be put in place. Also when needed the taskforce has to be able to draw on international expertise.

3  Objective of the Project

New cargo facility
   Prepare broadly supported design options for state of the art arrangement of government administrative processes for the new perishable cargo facility, keeping in mind the plan to make Phyto-procedures electronic and connected to customs.

Deliverables
   - Analysis of all the government legal based requirement and procedures connected to export of horticulture produce.
   - Analysis of logistical and administrative procedures used in modern horticulture export chains including value adding activities.
   - Design of options for overall physical and administrative flows in the new cargo facility.
   - Design of intelligent options for arranging for proper and efficient procedures with regard to security, customs and phyto fitting in the overall physical and administrative flows.
   - Design of a roadmap for development of the arrangement of the government procedures in the new cargo-facility. The roadmap should have a two prompt approach. 1) Ensure that the government administrative requirements and the outcome of the study are well taken on board
in the design process and 2) once decisions on overall design are taken, detailed designs for arranging for the government administrative procedures can be worked out effectively and efficiently.

4 Approach

As a first step an explorative mission to Ethiopia by two experienced consultants will be implemented in the period November 16 – 20, 2009.

Thereafter an experience sharing study tour will be organized to Liege and Netherlands. The high level mission will be composed of staff from Airport Security, Customs, Animal and Plant health and Regulatory Department, MoARD, Ethiopian Airlines, EHDA, EHPEA. Study will be made of logistic and marketing process, both for import and export. Detailed study will be made of the arrangements and operational aspect of the counterparts in the Netherlands,

The study tour will be organized by a Dutch team of persons who have vast experience and network in the flower sector.

At the end of the study tour a brainstorm will be held on next steps and possible useful support from Dutch experts.

From there EHDA together with the partners will design the next phase of the project with the aim of reaching the deliverables stated above.
This contract covers the explorative mission implemented in the period November 16-20, 2009. The activities and deliverables for this mission:

1. Conduct an analysis of all government legal based requirements and procedures connected to export of horticulture produce in Ethiopia
2. Produce an overview of required logistical and administrative in modern horticulture export chains
3. Identify preliminary options/suggestions for optimal physical and administrative flows in the new cargo facilities
Appendix 3  Itinerary

Organising comity: Ethiopian Horticulture Development Agency (EHDA)
Participant: Jan Lanning and Henk de Groot

14/11/2009 - Arrival late evening in Addis Ababa

15/11/2009 - Meeting Frank de Laat contact person Dutch Embassy.
Mr. Frank de Laat joined us during all our visits and meetings and organized transport.

16/11/2009 - Meeting EHDA Mr. Haileselassie Tekie
Mr. Wondwosen
Staf members

Meeting Ethio Horti Mr. Tariku Zemedkun

Meeting Flowerport Mr. Dawit Woubishet

17/11/2009 - Visit growers / exporters:
1. Et Highland
2. Linssen roses
3. Ethio Agri

Meeting: Mr. Bert Ottens

18/11/2009 - Preparation the power point presentation for the meeting EHDA

Visiting EPHEA.

Briefings meeting first impression task force EHDA, power point presentation about chain logistic, the DVD Client and discussion.
The members who not attended the meeting will be informed.

Participants: Mr. Wondwosen
Mr. Tariku Zemedkun
Mr. Dawit Woubishet
Staf members EHDA

19/11/2009 - Visit airport Bole freight handling department to analyze document flow and logistic process.

Participants: Mr. Kebebew Bekele.
Mr. Dawit Woubishet
Staf members EHDA

20/11/2009 - Meeting at the National Bank.

Participants: Mr. Alem Gertima
Staf members EHDA / and the National Bank

Meeting with: Mr. Tsegaye
Ms. Glenn Humphries

Debriefing EHDA.
Participants: Mr. Wondwosen
Members task force
Staf members EHDA
Meeting: Mr. Haileselassie Tekie

21/11/2009- Participate USAID / EHPEA export field day.

Meetings with: Marc Driessen
Toon van Kessel
Chief USAID Ethiopia.
Different other VIP,s

Late departure Addis Ababa to Amsterdam.
Appendix 4  Electronic certification of agricultural products in the Netherlands.
Electronic certification of agricultural products in the Netherlands.

General information.

The Ministry of Agriculture, Nature and Food Quality (MANFQ) started in 2001 the program Client to improve the inspection procedures for agricultural products, starting with import and (in 2005) subsequently with export. The improvement will be in the tailor made inspection regime, the electronic communication between partners and the quality of the issued certificates. Electronic certificates (and the exchange between countries) were identified as a major development in the years to come. The systems that were developed and implemented are prepared to receive or produce electronic certificates. In this general explanation, the preparations on receiving or producing electronic certificates are described for import and export.

Import.

In 2003 - 2004 systems for the support of import inspections were implemented. This is a cooperative architecture with systems for:

- Customs
- Food and Consumer Safety Authority (veterinary inspections)
- Plant Protection Service PD (phytosanitary inspections and quality control of fruits and vegetables)

In addition the Airport Authority in Schiphol and the Port Authority in Rotterdam developed systems, to deliver ship arrival information (and Bills of Lading) and airplane arrival information (and Airway Bills) to the government systems. The total architecture is very similar to the architecture of systems for the Japanese border-procedures as explained by JASTPRO. In the period of developing and implementing the system for veterinary inspections the program Client carried out a pilot with exchanging electronic certificates of the e-Cert-system of New Zealand. The results of this pilot were presented to the relevant forum in the EU, SCOFCAH (the presentation is added to the documentation).

Technically, the Netherlands is capable to receive electronic certificates from Japan. However, border inspections on imports in the EU are under the supervision of the EU. So, if Japan likes a trial or pilot with electronic certificates from Japan, the Netherlands will contact the European Commission for cooperation in such a pilot, in order to achieve that the concept is accepted by all the member states of the EU.

Export.

In 2005 the Netherlands MANFQ started the analysis and development of an automated system, Client Export, for the support of the administrative proces and the inspection processes needed to issue export certificates to third countries. This system aims to improve the quality of the certification process:

- it contains the requirements of each third country and guarantees that for for each shipment and for each requirement a safeguard is present,
- it contains procedures to improve the quality of the data, that are on the certificate,
- it uses data about quality of the shipment that are allready present in government systems.

The system is allready in production in the sectors “seed potatoes”, “dairy products” and “seeds for sowing”. Implementation in the sector “meat and meat products” will start in April 2009. To explain the background and the principles of the system, the Client team produced a DVD with short movies. There is also a version (of a great part) of these movies in the Japanese language available at the Royal Netherlands Embassy in Tokyo.
At present, the system produces paper certificates, that are officially stamped and signed. Background of this is that all importing countries request paper certificates. Of course, the system is prepared to produce also electronic certificates. The Netherlands is a working member in TBG 18 of UN-CEFACT, where the standard for the electronic certificate was established. In this way, the Netherlands is quite sure about the ability of producing electronic certificates within the standard of UN-CEFACT.

The part of the Client system that can exchange the electronic certificates (preferable in XML, but possibly also in EDI) is planned, but not yet developed. The Netherlands Client program is participating in discussions in IPPC, CODEX and UN-CEFACT about this subject to find out the most preferable functionality for this exchange. The Netherlands welcome very much an initiative from a country as important as Japan for a joined development of the mechanism for exchange. In a joined development, the Netherlands of course will build her own part of the systems.

Client Export team,
February 23, 2009
Appendix 5  Publication establishment EHDA.
COUNCIL OF MINISTERS REGULATION Nos. 152/2008
COUNCIL OF MINISTERS REGULATION TO PROVIDE
FOR THE ESTABLISHMENT OF THE ETHIOPIAN
HORTICULTURE DEVELOPMENT AGENCY

This Regulation is issued by the Council of Ministers in accordance with Article 5 of the Definition of Powers and Duties of the Executive Organs of the Federal Democratic Republic of Ethiopia Proclamation No. 471/2005.

1. Short Title
   This Regulation may be cited as the “Ethiopian Horticulture Development Agency Establishment Council of Ministers Regulation No. 152/2008”.

2. Definitions
   In this Regulation unless the context requires:
   1) “Horticulture” includes vegetables, fruits, floriculture and herbs;
   2) “Horticulture Association” means the Horticulture Growers and Exporters Association;
   3) “Input” means chemicals and materials that help production growth and productivity;
4) “Stakeholders” means governm
an organizations, that participate
indirectly in horticulture deve
governmental organizations, as
other persons;

5) “Trade Infrastructure” means
facilities required for condu
horticulture trade;

6) “Food Safety Standards” inclu
d foreign standards enacted to ens
vegetables and fruits for human

7) “Euro-gap” means European’s
for agriculture produce;

8) “Region” means any region
Article 47 (1) of the Constitut
Democratic Republic of Ethi
Addis Ababa and Diredawa
trations;

9) “Ministry” or “Minister” mean
Minister of Agriculture and Rui
respectively;

10) “Person” means any phys
person.

3. Establishment

1) The Ethiopian Horticulture Dev
(hereinafter the “Agency”) is h
as an autonomous Federal Gov
having its own legal personality

2) The Agency shall be accountabl

4. Objectives

The Agency shall have the followi
1) to ensure the fast and susta
horticulture production and pro
2) to facilitate the export of dier
The Agency shall have the powers and duties to:

1. Prepare and submit to the Ministry a sustainable development plan and, upon approval, follow its implementation:

   - Undertaking horticulture development for local communities and the timely acquisition of construction materials to ensure the continued implementation of its plan.

2. Foster and promote horticulture development in cooperation with national and regional offices, provide horticulture advisory services, and ensure the establishment of a horticulture export promotion strategy.

3. Facilitate the supply of raw materials in cooperation with regional labor offices, in cooperation with horticulture associations and farmers.

4. Improve the supply of inputs and related services to farmers for such schemes, train farmers in the gap, and follow up its implementation.

5. Prepare a technical manual and follow up its implementation.

6. Undertake the development of infrastructure facilities, and other related services for information, and provide necessary information to undertake horticulture development.

7. Facilitate the expansion of support services and the development of quality services for horticulture.

8. Cooperate with concerned bodies for the expansion of support services and the development of infrastructure facilities.
(d) effect expenditure in accordance approved budget and work program of the Agency;

(e) represent the Agency in all its dealings with third parties;

(f) prepare and submit to the Ministry activity and financial reports of the Agency;

(g) perform other functions as may be delegated to him by the Ministry.

3. The Director General may delegate his powers and duties to other officers of the Agency to the extent necessary for efficient performance of the activities of the Agency.

8. Budget

The Agency’s budget shall be allocated by the Federal Government.

9. Books of Accounts

1) The agency shall keep complete and accurate records of its accounts.

2) The books of accounts of the Agency shall be audited annually by the Auditor General and the Auditor General shall appoint auditors assigned by the Auditor General.

10. Effective Date

This Regulation shall come into force as of the date of publication in the Federal Negarit Gazeta.

Done at Addis Ababa this 6th day of June 2008.

MELES ZENAWI
PRIME MINISTER OF THE FEDERAL
DEMOCRATIC REPUBLIC OF ETHIOPIA
Appendix 6   Export documents
CONDITIONS TO BE OBSERVED BY EXPORTER
November 17, 2009

Invoice:  EAgC/145/09

East African Flowers  
C/O J. V. D. PUT  
Noordammerweg 102B  
1187 ZV Amstelveen  
Netherlands

<table>
<thead>
<tr>
<th>Product Description</th>
<th>Quantity</th>
<th>Unit</th>
<th>Price</th>
<th>Total Euro</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cut Flower</td>
<td></td>
<td>Stem</td>
<td>0.08</td>
<td></td>
</tr>
<tr>
<td>Total Euro (75 Boxes)</td>
<td>20,740</td>
<td></td>
<td></td>
<td>1659.2</td>
</tr>
</tbody>
</table>

Bank Permit Number: DSB/DMB/02-01957/09  
Sales Arrangement: Consignment  
Note to the Buyer: Please indicate on your remittance instruction our Invoice Number and Bank Permit Number, while remitting the proceed. Also indicate the total proceed, your charges deducted and the net amount transferred.
### Packing List

**Company:** Teleflower Auction BV/East Africa Flower
**FAX Number:** +3(0)206405522

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<tr>
<th>VARIETY</th>
<th>TOTAL BOXES</th>
<th>TOTAL STEMS</th>
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</thead>
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<td>Sweet Candia</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Terracotta</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sunny Leonidas</td>
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<tr>
<td>BOEING</td>
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<td>320</td>
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<tr>
<td>VALENTINO</td>
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<tr>
<td>JOSIE</td>
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<td>880</td>
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<tr>
<td>SANAA</td>
<td>2</td>
<td>620</td>
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<tr>
<td>Duet</td>
<td>24</td>
<td>6,480</td>
</tr>
<tr>
<td>Essendra</td>
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<td>1,600</td>
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<tr>
<td>Utopia</td>
<td>18</td>
<td>4,740</td>
</tr>
<tr>
<td>Opera (White Nile)</td>
<td>13</td>
<td>2,680</td>
</tr>
<tr>
<td>Upper Class</td>
<td>9</td>
<td>2,920</td>
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<tr>
<td>Prima Ballerina</td>
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<td></td>
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<tr>
<td>Mario</td>
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<td><strong>TOTAL</strong></td>
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<tr>
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<td>09</td>
<td>15</td>
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<tr>
<td>18</td>
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<td>Josie</td>
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<tr>
<td>31</td>
<td>1</td>
<td>Sanaa</td>
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<td>Duet</td>
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<td><strong>TOTAL</strong></td>
<td></td>
<td></td>
<td></td>
<td><strong>75</strong></td>
<td><strong>20,740</strong></td>
</tr>
</tbody>
</table>
The Federal Democratic Republic of Ethiopia
Ministry of Agriculture and Rural Development
Animal and Plant Health Regulatory Directorate

1. To: the Plant Protection Organization(s) of:


Netherlands

Description of Consignment

3. Name and Address of Exporter:
   ETHIO AGRI CEFT PLC TEL. 251-11-6621030,
   FAX 251-11-6637782, ADDIS ABABA, ETHIOPIA

4. Declared Name and Address of Consignee:
   EAST AFRICAN FLOWERS B.V. C/O J.V.D. PUT
   NOORDAMERWEG 102B, 1187 ZV AMSTELVEEN,
   NETHERLANDS

5. Place of Origin:
   ETHIOPIA

6. Declared Means of Conveyance:
   AIR FREIGHT

7. Declared Point of Entry:
   NETHERLANDS

9. Number and Description of Packages:
   75 BOXES

10. Name of Produce and Quantity Declared:
    1200 KGS OF CUT FLOWERS (20,740 STEMS)

11. Botanical Name of Plants:
    ROSA SPP

12. This is to certify that the plants, plant products or other regulated articles described herein:
    have been inspected and/or tested according to appropriate official procedures, and
    are considered to be free from the quarantine pests specified by the importing contracting party, and
    to conform with the current phytosanitary requirements of the importing contracting party, including those for
    regulated non-quarantine pests.

Additional Declaration:

The cut flowers immediately prior to their export, have been officially inspected and
found free from Bemisia tabaci genn.

Disinfestation and/or Disinfection Treatment

13. Treatment:

14. Duration and Temperature:

15. Chemical (active ingredient):

16. Concentration:

17. Additional Information:

18. Date:

19. Place of Issue:
   ADDIS ABABA, ETHIOPIA

20. Name of Authorized Officer:
    [Signature]

Date:

17.11.2009

Original
ADDITIONAL DECLARATION

WE HAVE ATTACHED THIS ADDITIONAL DECLARATION TO THE
PHYTOSANITARY CERTIFICATE NUMBER 010004
ISSUED ON DATE 14.05.2009

THE CUT FLOWERS IMMEDIATELY PRIOR TO THEIR EXPORT,
HAVE BEEN OFFICIALLY INSPECTED AND FOUND FREE FROM
Bemisia tabaci Genn.

FIKREMARIAM ABEBA
INSPECTOR
<table>
<thead>
<tr>
<th>Item</th>
<th>Marks and numbers of packages</th>
<th>Number and kind of packages; description of goods</th>
<th>Origin criterion (see notes overleaf)</th>
<th>Gross weight of other quantity</th>
<th>Number and date of Invoices</th>
</tr>
</thead>
<tbody>
<tr>
<td>6.</td>
<td>75 BOXES</td>
<td>CUT FLOWERS</td>
<td>&quot;P&quot;</td>
<td>1052 Kg</td>
<td>INV. No. 145/09</td>
</tr>
</tbody>
</table>

11. Certification
It is hereby certified, on the basis of control carried out, that the declaration is correct.

12. Declaration by the exporter
The undersigned hereby declares that the above details and statements are correct, that all the goods were produced in Ethiopia and that they comply with the origin requirements specified for those goods in the generalized system of preferences for goods exported to the Netherlands.
## 52. Reverse of ETHIOPIAN CUSTOMS DECLARATION

### Activity Grid

<table>
<thead>
<tr>
<th>Action Type</th>
<th>Authority</th>
<th>Date and Time</th>
<th>Name and Initials</th>
<th>Date and Time</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
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<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Document Examination Details

<table>
<thead>
<tr>
<th>Signature</th>
<th>Date</th>
</tr>
</thead>
</table>

### Goods Examination Details

<table>
<thead>
<tr>
<th>Signature</th>
<th>Date</th>
</tr>
</thead>
</table>

### Post Collection Control Details

<table>
<thead>
<tr>
<th>Officer: Signature</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Senior: Signature</td>
<td>Date</td>
</tr>
</tbody>
</table>

## 53. Transit Information

### Office of Entry

I have verified the packages specified on this declaration and found them conform to the description given and that they are undamaged.

Seals

<table>
<thead>
<tr>
<th>Signature</th>
<th>Date</th>
<th>Stamp</th>
</tr>
</thead>
</table>

### Office of Destination/Exit

Means of transport/packages exported with seals intact

National transit requirement satisfied

<table>
<thead>
<tr>
<th>Signature</th>
<th>Date</th>
<th>Stamp</th>
</tr>
</thead>
</table>
It is agreed that the goods described herein are accepted in apparent good order and condition (except as noted) for carriage SUBJECT TO THE CONDITIONS OF CONTRACT ON THE REVERSE HEREOF. ALL GOODS MAY BE CARRIED BY ANY OTHER MEANS INCLUDING ROAD OR ANY OTHER CARRIERS UNDER SPECIFIC CONTRARY INSTRUCTIONS ARE GIVEN HEREON BY THE SHIPPER AND SHIPPER AGREES THAT THE SHIPMENT MAY BE CARRIED VIA INTERMEDIATE STOPPING PLACES WHICH THE CARRIER DEEMS APPROPRIATE. THE SHIPPER'S ATTENTION IS DRAWN TO THE NOTICE CONCERNING CARRIERS' LIMITATION OF LIABILITY. Shippers may increase such limitation of liability by declaring a higher value for carriage and paying a supplemental charge if required.

NTFY-IATA RESOLUTION 600B APPLIES AND IN CASE OF CONTRADICTION BETWEEN THE HEREOF AND THE AFOREMENTIONED RESOLUTION THE LATTER SHALL PREVAIL.

Insect-Phytosanitary Cert Packing List, OSP and Invoice

<table>
<thead>
<tr>
<th>Pieces</th>
<th>Weight</th>
<th>Commodity Item No.</th>
<th>Unit</th>
<th>Description</th>
<th>Weight</th>
<th>Charge</th>
</tr>
</thead>
<tbody>
<tr>
<td>445651122.0KA</td>
<td></td>
<td></td>
<td></td>
<td>FRESH CUT FLOWERS</td>
<td></td>
<td>0.00</td>
</tr>
</tbody>
</table>

Shippers continue that the particulars on the face hereof are correct and that insofar as any part of the consignment contains dangerous goods, such part is properly described by name and in proper condition for carriage by air according to the applicable Dangerous Goods Regulations.
ETHIO AGRICEFT PLC
TEL 251 6 631030
ADDIS ABABA/ETHIOPIA

Consignee's Name and Address
EAST AFRICAN FLOWERS
BY C/O J VAN DE PUT
NOORDAMEES 102 B 1187
ZV AMSTELVEEN , NETHERLANDS

Issuing Carrier's Agent Name and City
ETHIOPIAN

Agent's MATA Code
Account No.

Airport of Departure (Add. of First Carrier) and Requested Routing
ADDIS ABABA

To
By First Carrier
To
By
To
By

Airport of Destination
LIEGE

Declared Value for Carriage
Declared Value for Customs

INSURANCE - If carrier offers insurance, and such insurance is
requested in accordance with the conditions thereof, indicate amount
to be insured in figures in box marked "Amount of insurance".

INFO-PHYTOSANITARY CERT., INVOICE, PACKING LIST AND GSP.

No of
Piece
Rate
Class
Commodity
Rate
Weight
Charge
Total
Nature and Quantity of Goods

75
1052

CUT FLOWERS
(100X45X26)
FYT

76
1052

Prepaid
Weight/Charge
Collected

Other Charges

Valuation Change

Total Other Charges Due Agent

Total Other Charges Due Carrier

Total Prepaid
Total Collected

Signature of Shipper or his Agent

17/11/09
E DON

Executed on (date) at (place) Signature of Issuing Carrier or its Agent

COPY
Appendix 7  Bank directive.
Commercial Bank of Ethiopia
Development Bank of Ethiopia
Construction and Business Bank
Awash International Bank Sh.Co.
Dashen Bank Sh.Co.
Bank of Abyssinia Sh.Co.
Wegagen Bank Sh.Co.
United Bank Sh.Co.
Nib International Bank Sh.Co.
Cooperative Bank of Oromia Sh.Co.
Lion International Bank Sh.Co.
Addis Ababa

Dear Sir or Madam:


Sincerely Yours,

Alem W/Gerima
A/Manager, Foreign Exchange
Statistics & Monitoring Department

CC:
- Ministry of Trade and Industry
- Ministry of Revenue
- Ethiopian Customs Authority
- Flower Exports Association
- Addis Ababa

The Governor
National Bank of Ethiopia
Addis Ababa
Directive No. FXD/36/2008
An Amended Directives to No FXD/28/2006 &
FXD/32/2007 Directives on
Flower Export and Proceeds Repatriations of the

Whereas the floricultural sector development and growth in the country is a promising business activity that is attracting many investors to undertake the business and is anticipated to be an important source of foreign exchange to the economy in the future;

Whereas the export of flower requires a special attention, follow-up and support in processing the export formalities by banks, recording the export sales and shipments;

Whereas the price of flower quoted at various international markets vary due to various factors which requires regular monitoring and follow-up of the international flora market and proceeds repatriation by setting an appropriate mechanism and monitoring system;

Now, therefore, in accordance with the Monetary and Banking Proclamation No. 83/1994 article 39 (1) and (2), this Directive is issued to monitor the flower export, international price of the product and export proceeds repatriation.
1. **Short Title**

This Directive may be cited as Flower Export and Foreign Exchange Repatriations "Directive No. FXD/36/2008"

2. **Definitions**

In this Directive, unless the context provides otherwise, the following terms shall have the meanings ascribed below.

(a) "NBE" shall mean the National Bank of Ethiopia.

(b) "Banks" shall mean Commercial Banks that process export permits and collect proceeds from buyers and report to NBE.

(c) "Direct Sales Contract" - flower export sales arrangements made on contractual or consignment basis.

(d) "Flower Auction Market" - a specialized market where flowers of different species, grade and quality are traded on the basis of bid price offered.

(e) "Auction Processing Agent" an organization/individual officially representing exporters at flower auction centers, processing the sales at the centers, collecting payments and transferring the proceeds to exporters.

(f) "Auction Sales Outcome Report" - A report provided by the auction center to the exporter after the flower is sold on auction and handing over the items to the winners.
g) "Specialized Report On Flower" - A report prepared by the auction center and released to market participants, by country and geographical locations.

h) "Place of Auction" - Generally refers to flower auction centers in many countries; more specifically to the auction centers in the Netherlands, Germany etc.

3. **Flower Export Arrangements and Mode of Payments**

1. Sales arrangements shall be carried out in the following two forms:-
   
   (a) Direct sales
   
   i. Contract based sales
   
   ii. consignment sales
   
   iii. negotiated sales
   
   (b) Sales at the Auction Market

2. The **Mode of payments applicable for flower exports**

   (a) Consignment sales (Open Accounts);

   (b) Letter of Credit (sight, acceptance up to 60 days);

   (c) Cash Against Document (sight, acceptance up to 60 days); and

   (d) Advance payment (transferred through banking system).

4. **Flower Export Permit Processing by Banks**

   The following shall apply for processing flower export permits

1. All requirements indicated under FXD/26/2004 issued for processing export permits, monitoring the foreign exchange repatriation and documentation requirements shall be applicable for the export of flower as well.
2. In addition to article 4.1 of the above,

(a) Exporters are required to indicate on the export application the market where the flower is intended to be sold (Auction Market/Direct Market) and the type of currency and the delegated agent. When flowers are exported to the European markets, the applicable currency shall be EURO, for other markets the applicable currency shall be USD.

(b) Exporters are also required to submit copies of the following documents along with the application.

(i) Registration certificate or acceptance letter to participate at the specified auction center.

(ii) Copy of the agreement signed with the intermediary agent or bank branch to process their export permits. The agreement should explicitly indicate charges and fees payable. The total charges deducted should not be more than 25% of the sales proceeds expected from a particular export.

(iii) Purchase contracts or requisition for supply of flower from the buyer (not applicable for auction sales).

(c) If exporters are using a specific bank and branch to process their export permits, items required under (b) (i) and (ii) can be placed in a permanent file and may not be necessary to attach with every export application. However, if changes are made the exporter is responsible to update the file and duly inform the bank.

3. On the export application to be presented, the quantity and variety of roses (summer/cuttings) of flower to be exported shall be expressed in Number of stems, including the total estimated value in foreign currency and the estimated price per stem. Partial shipments scheduled should aggregate and tally to the quantity and value expressed in the original application.
4. Exporters are expected to sell on the basis of the market price prevailing at the Auction and Direct Market sales. Accordingly, the application form presented by the exporter should reflect the prevailing price per stem for the flowers to be sold.

5. Any partial shipment effected should bear the original permit number issued by its bank and partial shipment reference to which the quantity shipped is supposed to be consistent to the balance remaining under the permit. Exporters should, therefore, carefully check the balance and process the export, provided sufficient balance in terms of quantity is available under the export permit.

6. The maximum validity of flower export permit shall be 30 days from date of issuance.

5. Repatriation of Export Proceed

1. Exporters shall have the responsibility to repatriate fully the net amount obtained from the sale of their exports in the international market within 30 days from the date of shipment.

2. Transfer of payments by the Auction agents or the direct buyers shall clearly identify the bank permit or partial shipment ref and the appropriate references from the exporter. This requirement shall also be included on each invoice issued by the exporter in order to draw the awareness of buyers or the processing agents.

3. Any deductions retained out of the export proceeds for the purposes of covering agents fees and processing costs should clearly be stated in the transfer documents by providing details regarding the Bank permit number or partial shipment reference number and others.
6. **Supply of Information and Reporting Requirements**

The following organizations and entities shall submit reports to NBE on regular basis.

1. **Commercial Banks**
   
   a) Banks shall report every month the status and position of flower exporters by providing details of the export permit issued, partial shipments made, proceeds received against the permits issued and deductions made as well.

   b) All reports submitted to NBE shall be supported with documents and relevant information confirming fulfillment of the export processes in line with the existing directives and procedures.

2. **Flower Growers & Exporters**

   a) Flower exporters/growers shall provide information access passwords of the auction centers and direct sales markets for flowers under one consignment in writing to National Bank of Ethiopia, Foreign Exchange Statistics and Monitoring Department.

   b) Presentation of the passwords as per article (a) of above is a pre-condition for exporters to get flower export permit from their client banks.

   c) Banks shall only give export permits for those who have disclosed in writing the passwords to National Bank of Ethiopia. List of flower exporters /growers shall be sent to all banks and the Ethiopian Customs Authority by National Bank of Ethiopia.
2. Noting and examining the findings, National Bank of Ethiopia shall take prompt corrective actions and measures on those exporters who fail to comply with the rules and procedures described for flower export.

8. Repeal
Directives No.FXD/28/2006 and FXD/32/2007 are hereby repealed and replaced by these Directives.

9. Effective date
These Directives shall enter into force as of 12th day of May 2038.
indicating the eligibility of exporters to obtain permits and shipment of their exports.

d) Those exporters who sell flowers for direct sales outside the auction market are not required to present a password.

3. **Ethiopian Customs Authority**

The Ethiopian Customs Authority shall send to NBE daily reports of flower exports processed through their office classifying the details by exporters name, type of flower, number of stems, and the estimated values in foreign exchange, bank permit number or partial shipment reference.

4. **Flower Exporters**

The following reports shall be submitted by flower exporters to their banks who issued the export permits. If any rejections, damages or spoilage of flowers, partially or wholly are encountered after shipments, the situation should immediately be reported by the exporter to the client bank with supporting documents and evidence.

7. **Price Verifications and Monitoring**

1. Based on the export file and reports received from the auction center and the Ethiopian Customs Authority, the National Bank of Ethiopia shall conduct price verifications and checks the proper compliance of the exporter to the set procedures and rules of flower export.

Flower Export and Foreign Exchange Repatriations

Amendment to Directive No. FXD/26/2004

Whereas the Floricultural development and growth in the country is a promising business activity that is attracting many investors to undertake the business and is anticipated to be an important source of foreign exchange to the economy in the future;

Whereas the export of flower requires a special attention, follow-up and support in processing the export formalities by bands, recording the transactions and shipments.

Whereas the price of flower fetched at various international markets very due to various factors which require regularly monitoring and follow-up of the trading price development and proceed repatriations using the appropriate mechanisms put in place.

Now, therefore, in accordance with the Monetary and Banking Proclamation No. 83/1994 article 39 (1) and (2), this Directive is issued to monitor the export of flower, proceed repatriations and trading price.

1. Short Title

This Directive may be cited as Flower Export and Foreign Exchange Repatriations Directive No.FXD/28/2006

2. Definitions

In this Directive, unless the context provides otherwise, the following terms shall have the meanings ascribed below:-
a. "NBE" shall mean the National Bank of Ethiopia

b. "Banks" shall mean Commercial Banks that process export permits and collect proceeds from buyers and report to NBE.

c. "Direct Sales Contract" - flower export sales arrangements made on contractual or consignment basis.

d. "Flower Auction market" - a specialized market where flowers of different species, grade and quality are traded on the basis of bid price offered.

e. "Auction Processing Agent" - an organization/individual officially representing exporters at flower auction centers, processing the sales at the centers, collecting payments and transferring the proceeds to exporters.

f. "Auction Sales Outcome Report" - A report that is provided by the auction center to the exporter after the flower is sold on auction and handing over the items to the winners.

g. "Specialized Report on Flower" - A report prepared by the auction center and released to market participants, by country and geographical locations.

h. "Place of Auction" - Generally refers to flower auction centers in many countries and specific to the ones in Netherlands.

3. **Flower Export Arrangements and Mode of Payments**

3.1. Sales arrangements shall be carried out in the following two forms:
   a. Direct Sales
      i. Contract base sales
      ii. Consignment sales
iii. Negotiated sales

b. Sales at the Auction Market

3.2. The Mode of payments applicable for flower exports
a. Consignment sales (Open Accounts);
b. Letter of Credit (sight, acceptance up to 60 days);
c. Cash Against Document (sight, acceptance up to 60 days); and
d. Advance payment (transferred through banking system).

4. Flower Export Permit Processing by Banks

The following shall apply for processing flower export perm, its
4.1 All requirements indicted under FXD/26/2004 issued for processing export permits, monitoring the FX repatriation and documentation requirements shall be applicable for the export of flowers as well.

4.2 In addition to article 4.1 of the above,

a. Exporters are required to indicate on the export application the market where the flower is intended to be sold. (Auction market/Direct Market), including the name of the agent delegated to process on behalf of the exporter.

b. Exporters are also required to submit copies of the following documents along with the application

(i) Registration certificate or acceptance letter to participate at the auction center named.

(ii) Copy of the agreement signed with the intermediary agent authorized for handling the sales of the flower at the auction center. The agreement should explicitly indicate charges and fees payable. The total charges deducted
should not be more than 20% of the sales proceed expected from a particular export.

(iii) Purchase contracts or requisition for supply of flower from the buyer.

c. If exporters are using a specific bank and branch to process their export permits, items required under (i) and (ii) can be placed in a permanent file and may not be necessary to attach with every export application. However, if changes are made the exporter is responsible to update the file and duly inform the bank.

4.3 On export application to be presented, the quantity and variety of roses (Summer/cuttings) of flower to be exported shall be expressed in Number of stems including the total estimated value in foreign currency and the estimated price per stem. Partial shipments scheduled should aggregate and tally to the quantity and value expressed in the original application.

4.4 Exporters are expected to sell on the basis of the market price and demand prevailing at the auction. Accordingly, the application form shall reflect the FX return utmost receivable from the sales as far as possible computed based on the price of the flower per stem close to auction prices ruling at the time of shipment of the flower and in consideration of acceptable deductions and fees payable.

4.5 Any partial shipment effected should bear the original permit number issued by its bank and partial shipment reference to which the quantity shipped is supposed to be consistent to the balance remaining under the permit. Exporters should therefore carefully check the balance and process the export provided sufficient balance in terms of quantity is available under the export permit.
5. **Repatriation of Export Proceed**

5.1. Exporters shall have the responsibility to repatriate the full amount earned from the market within 90 days from date of permit issuance.

5.2. Transfer of payments by the Auction agents or direct buyers shall clearly be identified by the bank permit (partial shipment ref) and the appropriate references from the exporter. This requirement shall also be include on each invoice issued by the exporter inorder to draw the awareness of buyers or the existing agents.

5.3. Any deductions retained out of the export proceeds for the purpose of covering agents fees and processing costs should clearly be stated in the transfer documents by providing details such as the Bank permit number and partial shipment reference.

6. **Reporting Requirements**

The following organizations and entities shall submit report to NBE on regular basis.

6.1. **Commercial Banks**

6.1.1. Banks shall report the status and position of flower exporters by providing details of the export permit issued, partial shipments made, proceeds received against the permits issued and deductions made as well.

6.1.2. All reports submitted to NBE shall be supported with documents and relevant information confirming fulfillment of the export processes in line with the existing directives and procedures.
6.2. **Flower Growers & Exporters’ Association**

6.2.1 The flower growers/exporters Association shall forward flower auction prices fixed at the auction market specially the prices offered for flowers from Ethiopia, Tanzania, Uganda and Kenya on weekly intervals to NBE.

6.2.2 Sales results obtained from Direct and Auction Markets at least for 5% of the active list of exporters systematically picked shall be forwarded by the Association to NBE on weekly basis.

6.2.3 Flower exporters shall arrange for proper information flow through their Auction Processing Agents who are expected to provide reports on the outcome of auction results and details of the FX proceed transferred including deductions made from each consignment delivered at the auction center to their respective banks who issued the export permits.

6.3. **Ethiopian Customs Authority**

6.3.1. The Ethiopian Customs Authority shall send to NBE monthly reports of flower exports processed through their office classifying the details by exporters name, type of flower, number of stems, and the estimated values in Foreign Exchange, Bank permit number and partial shipment reference if any.

6.4. **Flower Exporters**

The following reports shall be submitted by the flower exporters to their bank who issued the export permits.

6.4.1 If any rejections, damages or spoilage of flowers, partially or wholly encountered after shipments are effected, the situation
should immediately be reported by the exporter to its bank with supporting documents attached.

6.4.2 Exporters of Flowers shall submit reports of export shipments and FX repatriations clearly identifying by permit numbers and partial shipping references to the bank who issued the export permit on monthly basis.

7. **EX-post Price Verifications and Monitoring**

7.1 Based on the export file and reports received from banks the NBE shall conduct ex-post price verifications and checks the proper compliance to the regulation in place.

7.2 Corrective actions and measures shall be taken based on the findings of the ex-post price verifications and inspection reports presented.

8. **Effect date**

This Directive shall enter into force as of ____________________________

Tekelewold Atnafu  
Governor  
National Bank of Ethiopia
Terms of reference for a study on regulation of repatriation of foreign exchange in the floriculture sector

Introduction
Over the past five years Ethiopia has developed an impressive floriculture sector. Good growing conditions, low cost of production and proactive government policies are important factors behind this successful development. The Government of Ethiopia has given priority to floriculture because of the ample employment opportunities and also much needed foreign exchange earnings.

It is well understood and accepted by all stakeholders that the returns from the sales abroad are brought back into the country. This is especially valid because of the extensive investment package and special support given to investors in the sector.

To govern and regulate the returns of the floriculture sector, a special bank directive is in place. Though it is acknowledged that a bank directive is crucial for ensuring that foreign earnings are fed back into the Ethiopian economy, the experience with the implementation of the current directive is that errors easily arise in the long administrative chain and that both government and entrepreneurs in the case of errors are under high time pressure. Also it has become clear that the dynamics of the market sometimes make it necessary to make ad hoc or temporary arrangements.

All in all the general impression is that the present bank directive and its implementation bring about a high administrative burden and in case of problems bring about a lot of uncertainty and stress with the entrepreneurs. It is also quite clear that the present entrepreneurs perceive the bank directive has a negative influence to the investment climate. In addition, it is clear that the bank directive has a distinct negative impact on the overall image of the Ethiopian floriculture sector abroad and that it shies away new investors.

RNE, therefore, intends to intensify its contribution to the policy dialogue on this important issue and aims to produce a policy brief in which the problems of the bank directive are analyzed and options for improvement within the ‘line of thinking’ of the present bank directive are analyzed as well as alternative options are presented.

Content of the policy brief
- Description of the main flower markets and the market dynamics
- Main strategies and critical success factors in marketing of flowers
- Description of the bank directive and flow chart of the present administrative procedures
- Inventory of main problems encountered in the implementation of the present bank directive and analysis of the (root) causes
- Relevant experience from other countries
- Suggestions for short and medium term improvements of administrative procedures of the present bank directive

**Approach**
For producing the policy brief RNE seeks assistance of a (team) of consultants who have extensive knowledge of both the Ethiopian and international floriculture sector and have economic, administrative and financial expertise. The study should be finished within in one month.
Appendix 8  Brief specification flower export box.
Very BRIEF SPECIFICATION of Corrugated Box for Flower

Our Project Manager standing on Corrugated BOX

Exporters to adopt the best practices

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Action to be done</th>
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<tbody>
<tr>
<td>Flower Exporter's concern</td>
<td>No damage of flower and box at any point of transit. Exporter must avoid dispatching the damage box. Exporter is careless about packaging. Quality is assured by price but not by the functional properties of Corrugated BOX.</td>
</tr>
</tbody>
</table>
| Farm Manager                | Farm Manager must know the best packaging practices  
                              a) Purchase order with appropriate specification of BOX  
                              b) Assurance of quality as per purchase specifications  
                              c) Transport worthy test for filled box  
                              d) Keep thermo - hygrometer |

1) Two types of bunch have been frequently. Please get me the feedback from exporter that Bunch style: a) Circular  
b) Rectangular or  
c) Oval, are being formed eventually or it is done as per the set specification?  
Rectangular shape is advised  
10 Bunch : 5nos X 2 rows
| Rectangular bunch | 20 Bunch: 5nos. X 4 rows  
2) Flute standardization: Please use only E-flute (micro flute) |
|------------------|---------------------------------------------------------------|
| Harvest practices | No comment on Pre-harvest practices but very poor on Post harvest practices.  
Please stop blaming to other chain players like corrugated box supplier, Logistics agencies, Cargo handling,  
Export should act on check-point basis. |
| Kraft Paper for Liner and corrugation | Corrugated box demand is very high in Ethiopia. Country has to be self-dependent in kraft paper.  
It is suggested strongly to the agency to explore few local party to set-up paper mill dedicated to kraft paper.  
At present, inconsistent kraft paper is available.  
Ageing effect has to face due to long storage /stock of paper.  
GRAMMAGE:  
Liner kraft : Outer face: 150-180 gsm (any range in between but not inconsistence such as if 160gsm, it should be in between 155 to 165 only i.e +5gsm  
Fluting media: 120 to 140.  
Burst Factor: Above 25  
Cobb Value (Gm/sq.m): Less than 35: Lower side is the best. |
| Adhesive | Only starch. Ratio as per the need. In general 80% (water) and 20% (solid) should be exercised, but it ratio keeps on changing. |
| Box Style: two type apart from existing | **A)** 0320 - Telescopic corrugated cardboard box  
Top and Bottom half RSC BoX  
**External Dimension (cm):**  
| Length  | 100       |
| Width   | 33        |
| Height  | 21        |

**B)** 0201 - regular slotted corrugated cardboard container, Universal style  
**External Dimension:**
<table>
<thead>
<tr>
<th>External Dimension (cm):</th>
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<tbody>
<tr>
<td>Length</td>
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<tr>
<td>Width</td>
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<tr>
<td>Height</td>
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</tbody>
</table>

| Box quality for Assurance (need based) | a) No. of Ply: 3ply  
b) Dimension: External and Internal  
c) Weight of the box  
d) Flute: Only B Flute is recommended, if B is not available then C can be used.  
e) Workmanship on Box through observations: physical defects such as tear, wet, rupture, many folds, staple direction/distance/no corroded spot etc. and deep scorings  
f) Compression Strength: 450 Kg  
g) Bursting strength: 12 kg/sq. cm  
h) Cobb value: Not more than 155 gm/sq.m |

| Ventilation Holes | No need to go for 3 holes or even 2 holes. It is suggested to keep only one hole at the centre having 60mm diameter (radius: 3cm) at width face wall. |

| HANDING at AIR Cargo | Please put one conveyer belt through scanner to avoid rough handling |

| Ethiopian Standard Agency | One workshop is essential at least few machine mentioned at f, g and h will seriously suitable. |

From: Karna BK, Advisor-Export Packaging, ITC-Geneva
Appendix 9   Temperature in the logistic chain.
FLOWER PORT

- Total shipment - 180
  * None of them have come up with the Form.

- Unloading $T^0$ at the cargo terminal:
  - 20 shipments: <8 °C
  - 144 shipments: between 8 & 12 °C
  - 14 shipments: $\geq$ 13 °C
  * Maximum $T^0$: 22.3 °C

- Unloading Time at the cargo terminal
  - 124 shipments: $\leq$ 30 Minutes (Within the Benchmark)
  - 54 shipments: > 30 minutes
  * Maximum time: 1:30 hour

- Palletizing room $T^0$:
  - 14.9-21 °C
  * Benchmark: 4 °C

- Palletisation Time:
  - Maximum: 3:20 hour
  * Benchmark: 2-6 hours

- Cold Room $T^0$:
  - All are from 1.5 to 1.7
  * Benchmark: 4 hours

- Loading time to the aircraft:
  - 3 flights below 2 hours
  - 5 flights: 2-3 hours
  * Benchmark: 2 hours

NB: The above mentioned data is taken two months before.
- Cold Room T°:
  - 28 shipments: ≤ 2 °C
  - 41 shipments: 2 to 4.5 °C

- Loading time to the aircraft:
  - Flight one: 1:55
  - Flight two: 2:35
  - Flight Three: 4:45
  * Bench Mark: 2 hours
The Ethiopian Horticulture Producers and Exporters Association (EHPEA) provides a forum for the growers and exporters of flowers, ornamentals, fruits, herbs and vegetables. EHPEA's activities are in line with the export development strategies of the Government of Ethiopia; supported through close collaboration with the Ethiopian Horticulture Development Agency and other key public sector and partner organizations.

The Horticulture industry has witnessed significant investment and expansion of the floriculture and ornamental sub-sector over the last few years. A key strategic priority is to facilitate strong growth and investment in a competitive and sustainable fruit and vegetable export sub sector during the next few years. The opportunity for fruit and vegetable export crops to involve and empower small holders and out growers is a key objective, as well as the opportunity for regional diversification.

EHPEA and the USAID-Agribusiness and Trade Expansion Program are pleased to invite you to the following event:-

**FRUIT & VEGETABLE EXPORT CROPS FIELD DAY**

**SATURDAY NOVEMBER 21ST 2009 AT 10.00am**

Hosted by Mr. Daniel Gad at OMEGA FARMS, Sebeta, Addis Ababa

- Vegetable trials area and international seed companies
- Fruit rootstock and nursery production systems on display
- Technology demonstrations and farm equipment demonstrations
- Pack house operations and value-added processing
- International and local agricultural input suppliers
- Freight and Logistics organizations
- Marketing companies
- Certification and Training support

We look forward to your participation and thank you for your cooperation.

Mr. Tsegaye Abebe.  
Chairman – EHPEA  

ehpea@ethionet.et  
www.ehpea.org.et
Hides/ Skins/ Leather

- Assistance in better animal health delivery to improve skin/hide quality
- Support improvement in slaughtering skills and collection of hides and skins to increase the availability of raw materials to the tanneries
- Support and improve capacity in tanning techniques to produce finished leather
- Support branding and expansion of market outreach

Business Development Unit (BDU)

- Support on business plans and related loan application, and Business management training
- Commercial buyer linkages
- Structural modification using private-public partnerships

Health

- Providing need-based capacity building to selected Local NGOs
- Mainstreaming HIV/AIDS policy and programming with in the workplace environment of ATEP clients
- Improving income generation activities for Orphans and Vulnerable Children (OVC) caregivers, People living with HIV/AIDS (PLWHA) and young adolescents
- Increasing awareness on HIV/AIDS prevention, care and support among program clients

USAID Ethiopia Agribusiness and Trade Expansion Program

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Alexander Pushkin Street
P O Box 70696
Kirkos Subcity, Kebele 23
Addis Ababa

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251-11-3727442
Fax: 251-11-3720102
email:atea@fintrac.com

www.ethiopiaag.org

A USAID funded program implemented by Fintrac Inc. & its partners:
- Boot Consulting Company
- Economic Competitiveness Group
- Manchester Trade
- Rainforest Alliance
- Coffee Quality Institute
OVERVIEW

The US Agency for International Development (USAID) has established a five-year market-led Agribusiness and Trade Expansion Program to energize four industry sectors: horticulture; coffee; hides, skins and leather; and oilseeds & pulses. The program works with smallholder farmers, processors, exporters and traders engaged in these agro industrial sectors of Ethiopia in Tigray, Amhara, SNNPR and Oromia regions.

The program also manages PEPFAR funds to incorporate a comprehensive HIV/AIDS prevention, care and support package into its current program for the benefit of ATEP clients.

RESULTS

The program is dramatically improving the competitiveness and productivity of thousands of farmers, processors and traders in the horticulture, coffee, hides, skins and leather, and oilseeds & pulses sectors, resulting in increases in exports, investment, employment and incomes.

PARTNERSHIPS

The USAID Agribusiness and Trade Expansion Program is being implemented by the U.S. agribusiness firm, Fintrac Inc., in conjunction with an array of partners including the Rainforest Alliance, Boot Consulting, Coffee Quality Institute (CQI), the Economic Competitiveness Group, Manchester Trade, and numerous Ethiopian private and public sector organizations including the Ethiopian Horticulture Producers and Exporters Association (EHP EA), Ethiopian Horticulture Development Agency (EHDA), the Ethiopian Coffee Exporters' Association (ECEA), the Ethiopian Leather Industry Association (ELIA), the Pulses, Oilseeds & Spices Processors Exporters Association (EPOSPEA), the Ethiopian Veterinary Association (EVA), Ethiopia Commodity Exchange (ECX), the Ministry of Agriculture and Rural Development (MoARD), and the Ministry of Trade and Industry (MoTI).

TECHNICAL SERVICES

A team of Agronomists, post harvest physiologists, processing technologists, logistics coordinators and marketing and investment specialists are available in-country and in-markets to provide participating Ethiopian entrepreneurs with support in the following market-led areas:

Coffee

- Farm-level assistance and trainings in improved production practices
- Commodity Exchange Systems and Warehouse Receipts
- "Q" Coffee and Rainforest Alliance Certifications
- Post harvest support in environmentally-friendly pulping / washing technology and improved drying, cupping and grading
- Market access to specialty coffee designations in the US, Europe and Asia

Fruits & Vegetables

- Production assistance and training in improved technology and cultural practices
- Post harvest handling, grading, packing, refrigeration, high care, EUROPEGAP, BRC, HACCP and ISO certification
- Smallholder outgrower programs

Oilseeds & Pulses

- Production assistance to increase on-farm productivity with improved seed varieties and production systems
- Improve farm-to-market linkages
- Certified seed multiplication initiatives
HORTI-SHARE

- Total shipment - 152
  * Among which 46 shipments have come up with the Form.

- Produce Temperature while loading to the truck at the farm:
  - 2-5 °C: 29 shipments (Within the Benchmark)
  - 6-8 °C: 12 shipments
  - >8 °C: 4 shipments
  * Maximum T°: 15 °C

- Arrival temperature at cargo terminal:
  - 36 shipments: <8 °C
  - 54 shipments: between 8 & 12 °C
  - 15 shipments: >13 °C

- Unloading Time at cargo terminal:
  - 80 shipments: <30 Minutes (Within the Benchmark)
  - 32 shipments: between 30 minutes & 1 hour
  - 13 shipments: >1 hour
  * Maximum time: 3:03

- Palletizing room T°:
  - 17.5-18.1 °C
  * Bench Mark: 4 °C

- Palletizing time:
  - Maximum: 1:55 hours
  * Benchmark: 2-6 hours
FRUIT & VEGETABLE EXPORT CROPS FIELD DAY

SATURDAY NOVEMBER 21ST 2009 AT 10.00am

OMEGA FARMS, Sebeta, Addis Ababa

Program of Events

10.0 Arrival of delegates & refreshments

10.0 Trade show and Exhibitor stands open

10.30 Introduction by the Moderator
Welcoming remarks by Mr. Daniel Gad of Omega Farm
Opening remarks by the Chairman of EHPEA
Opening remarks by the Guests of Honor

11.0 Tour of the Exhibitors stands by the Guests of Honor

11.30 Opening ceremony for the Vegetable Trials site
Start of farm machinery demonstrations

12.15 Opening ceremony for the Pack House
Pack House Tour for the Guests of Honor

1.0 Lunch

2.0 Start of Pack House Tour program – groups every 30 minutes

2.30 Technical presentations at the trials site by seed companies

3.30 Refreshments

4.00 Field Day ends
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<td>STAMINA GROUP</td>
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<td>ETRFRUIT</td>
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Appendix 11  Business cards.