PROPOSED OROMIA IAIP AND RTC PROJECT
CENTRAL EASTERN OROMIA REGION, ETHIOPIA

INTRODUCTION
The United Nations Industrial Development Organisation (UNIDO) in coordination with the Government of Environment (GoE), as represented by Ministry of Industry (MoI) and the Ministry of Agriculture (MoA) are working in partnership to establish an appropriate platform, to transform the agriculture sector, in the form of Integrated Agro Industrial Parks (IAIPs). The concept of IAIPs is to integrate various value chain components via the cluster approach. Associated Rural Transformation Centres (RTCs) are to act as collection points for fresh farm feed and agricultural produce to be transported to the IAIPs where the processing, management, and distributing (including export) activities are to take place.

UNOPS has appointed WSP Environmental (Pty) Ltd (WSP) to undertake the required Environmental and Social Impact Assessment (ESIA) of the proposed IAIPs and RTCs with the objective of obtaining environment certification for the proposed development from the Ministry of Environment. WSP will be undertaking the ESIA together with a local Ethiopian Consultancy, Engineer Tequam Water Resources Development and Environment Consultancy (ETWRDEC). The ESIA is to be undertaken in line with the African Development Bank (AfDB) standards and local Ethiopian legislation.

PROJECT DESCRIPTION
The development of the Bulbulla IAIP and its accompanying RTC forms part of the government-run Industrial Parks Development Corporations (IPDC) strategy to make Ethiopia’s agricultural sector globally competitive. The concept is driven by a holistic approach to develop integrated Agro Commodity Procurement Zones (ACPZs) with state of the art infrastructure facilities with backward and forward linkages on the lines of the Inclusive and Sustainable Industrial Development model. A total of 17 ACPZs, including IAIPs and RTC, have been identified of which 4 have been selected for the establishment of pilot IAIP and RTC facilities (Figure A). The Bulbulla IAIP and Shashemene RTC located in the Central Eastern Oromia Region are part of the pilot development.

Figure A: The four ACPZs selected for pilot facilities
The proposed Bulbulla IAIP falls under the jurisdiction of Bulbulla Town within the East Shewa administrative zone in the Central Eastern Oromia Region (Figure B). The site abuts the federal highway No. 7 which connects Addis Ababa and Awassa which are approximately 180 km north and 85 km south of the site respectively. As the proposed site is located approximately 4 km north of Bulbulla town, and approximately 20 km from Ziway Town, it allows the proposed development to tap into the existing social infrastructure in terms of banking, financial, recreational and logistics support. The site is geographically located between 856019.4476 N to 858304.6467 N, and 458642.0520 E to 460744.7941 E (UTM coordinates).

The 263 ha IAIP is comprised of a processing area of 239.73 ha and a non-processing area of 23.36 ha. Most residents in the region are subsistence farmers with practices including the rearing of live animals as well as growing several crop types. The IAIP is designed to focus on processing vegetables, cereals, livestock, milk and eggs as well as the brewery processing industry.

The predominant land uses on the site include farming (pastoral and crops) and residential activities with dwellings distributed across the site.

The IAIP includes the associated infrastructure required to effectively process all the materials. These include water and electrical supply infrastructure, sewage treatment works, roads and storage areas and the like. Quality control and assurance facilities are also included within the park along with support and training facilities. The non-processing area of the site includes a residential area as well as supporting facilities such as a school, places of worship and commercial areas. The park also includes greenery and open spaces making up approximately 12% of the total area.

The proposed Shashemene RTC site (Figure C) is located on the northern edge of the town of Shashemene, 27 km north of Awassa, and 65 km south of the Bulbulla IAIP. The proposed site falls under the jurisdiction of Shashemene town, in the Shashemene Woreda which is located in the West Arsi Zone of the Central Eastern Oromia Region.
The proposed RTC is located in close proximity to the federal highway no. 7 that links Addis Ababa with Awassa. The site is geographically located between 798692.665 N to 799112.659 N and 455882.924 E to 456165.923 E (UTM coordinates).

An RTC is a facility where rural communities are able to take their products (i.e. vegetables, fruits, coffee, livestock etc.) for sale. The products are in turn forwarded to the IAIP for further processing.

The Shashemene RTC site covers an extent of 10.108 ha which consists of agricultural land (crops), occasional trees and a dirt cart track that runs through the centre of the site in a north-south direction. No dwellings are noted to exist on the site, however a grave site / tomb is located in the south-eastern portion of the site. The RTC is to be focused on fruits, vegetables, cereals, livestock, milk, eggs and honey. Furthermore the RTC contains a quality control laboratory and other social infrastructure such as a rural market, training centre and crèche. The social infrastructure provides the necessary support for the occupant industries in the RTC.

**Figure C: Shashemene RTC, Central Eastern Oromia Region (Google Earth Image)**

**NEED AND DESIRABILITY FOR THE PROJECT**

The agricultural industry in Ethiopia faces numerous challenges, the implications of these challenges is that approximately 65 million farmers are not currently linked to industry. Although food-processing industries are present in Ethiopia, they are currently restricted in production by the availability of raw materials. The restriction on raw material input is related mainly to access, but also to the quality of the produce which results in inefficient handling chains, post-harvest losses and higher prices. Investment and development of the agro-industrial sector will in turn improve the economy by converting the agro-export from primary, unprocessed products to processed products, which will underpin economic growth for this sector and indeed Ethiopia.

The overall objectives of the IAIPs are to:

- Drive the structural transformation of the Ethiopian economy;
- Reduce rural poverty through the integration of smallholder farmers, small-scale processing enterprises and allied industries in commercial value chains; and
Create a better environment for increased investment in agro-food and allied sectors.

**LEGAL FRAMEWORK**

The legal framework for the proposed Project is considered in terms of both national and international regulations, guidelines and standards. The Environmental Impact Assessment Proclamation of Ethiopia, Proclamation No. 299/2002, states that ‘no person shall commence implementation of any project that requires environmental impact assessment as determined in a directive issued pursuant to Article 5 of this Proclamation’. To put this Proclamation into effect the Environmental Protection Authority issued guideline documents, which provide details of the EIA process and its requirements. Furthermore a directive was issued (Directive No.2/2008) providing a list of types of projects requiring and EIA. Listing 21 of the directive identifies that the establishment of an Industrial Zone requires an EIA process to be undertaken, therefore this is applicable to the proposed project.

It is understood that the funding structure for the proposed Project has not been finalised however it is anticipated that a large proportion of the Project will include international investment. Environmental and social impacts as well as sustainability are key principles for international financing organisations. Various guidelines and standards exist, each varying slightly in the level of detail required, with regards to environmental and social requirements for proposed projects. These include the African Development Bank Policy and Guidelines (AfDB), World Bank Group Operational Policies as well as the International Finance Corporation (IFC) Performance Standards and associated World Bank Environmental, Health and Safety (EHS) Guidelines.

The Ethiopian Government, in collaboration with UNIDO, have elected to apply the AfDB integrated safeguards system as the regulatory framework for the ESIA to follow.

**THE ESIA PROCESS**

WSP undertook a preliminary scoping exercise which included an in-country investigation from 13 to 18 March 2017 to develop a suitable plan and project approach for the ESIA required for each of the pilot IAIP and RTC sites prior to their development.

The ESIA includes a number of key tasks identified include the following:

- Scoping;
- Baseline Data Collection;
- Stakeholder Engagement;
- Interaction with Design and Decision-Making
- Assessment of Impacts (Environmental and Social) and Identification of Mitigation Measures;
- Submission of ESIA reports for authorisation.

**STAKEHOLDER ENGAGEMENT**

Stakeholder engagement for the ESIA is to be undertaken using a staged approach in line with the various phases of the ESIA process. The purpose of the stakeholder engagement process is to inform the affected communities of the project, the potential impacts that the development may have and to obtain input into the process to be included in the assessment process. The stakeholder engagement process will include community meetings as well as sample surveys to determine the socio-economic environment of the areas as well as to identify issues or concerns of affected parties.

**THE WAY FORWARD**

In order to implement the Bulbulla IAIP and Shashemene RTC a detailed ESIA is to be undertaken to comply with the AfDB integrated safeguards system requirements as well as the national environmental legislation.

The proposed Project is anticipated to result in impacts on the physical, biological and socio-economic environments of the project areas. The scoping assessment (current phase), is aimed at identifying impacts considered to potentially
result in significant impacts requiring detailed assessment in order to understand the full nature and extent of the impact so that detailed mitigation measures can be included in the design and management policies of the proposed development.

A summary of the identified potential impacts associated with the proposed Project, which are deemed to require specialist assessments to be undertaken as part of the ESIA process, are identified in the table below.

**Summary of Impacts and Assessment Requirements**

<table>
<thead>
<tr>
<th>Environment</th>
<th>Impact</th>
<th>Requirement</th>
<th>IAIP</th>
<th>RTC</th>
</tr>
</thead>
<tbody>
<tr>
<td>Physical</td>
<td>Air Quality</td>
<td>Air Quality Impact Assessment</td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Noise</td>
<td>Noise Impact Assessment</td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Water (Surface &amp; Ground)</td>
<td>Geohydrological Assessment (or review of existing assessment if undertaken)</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Hydrology and Soil Capability Assessment</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td></td>
<td>Waste</td>
<td>Waste Management Assessment (or review of existing assessment if undertaken)</td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Traffic</td>
<td>Traffic Impact Assessment</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Biological</td>
<td>Biodiversity</td>
<td>Biodiversity Impact Assessment</td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>Socio-Economic</td>
<td>Socio-Economic</td>
<td>Socio-Economic Assessment:</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Resettlement Action Plan / Resettlement Policy Framework</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td></td>
<td>Cultural</td>
<td>Heritage Assessment</td>
<td>✓</td>
<td>✓</td>
</tr>
</tbody>
</table>

Findings of the assessments are to be detailed in the ESIA reports and included in an Environmental and Social Management Plan detailing the management measures to be implemented during the construction and operational phases of the Project.
Aerial view of the Bulbulla IAIP site boundary
Aerial view of the Shashemene RTC site boundary
Master Plan of the Shashemene RTC (Adapted from Mahindra Master Plan Drawing)