Early Warning System

IFC-602203

ETH GRN INDUSTRY

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Quick Facts

Countries	Ethiopia
Financial Institutions	International Finance Corporation (IFC)
Status	Active
Bank Risk Rating	U
Voting Date	2018-07-05
Borrower	Government of Ethiopia
Sectors	Industry and Trade
Investment Type(s)	Advisory Services
Project Cost (USD)	$ 1.00 million

Project Description

The proposed program will be implemented through 2 main pillars: (1) Component I: Industrial parks sustainability and textile/ footwear sector reforms reforms; (2) Component II: Promoting sector sustainability and eco-industrial parks.

Component I: Industrial parks sustainability and textile/ footwear sector reforms – The project will leverage the World Bank Groups ongoing engagements and dialogue on the Government's industrial parks and industrialization programs and carry out analysis to further drill down into the emerging challenges on environmental sustainability of the IPs and the selected sectors and identify regulatory and administrative gaps and constraints. This component will have 4 areas of intervention:

1. Technical sector analysis of current environmental performance of selected industries –The project will conduct research and survey existing investors in the industrial parks and assess the main challenges and concerns on competitiveness highlighting environmental and resource factors. This will include data on environmental performance and compliance, resource efficiency and common green infrastructure opportunities. The main focus will be on industrial parks, but solutions will also consider industries outside of industrial parks. This analysis will identify regulatory challenges, but also cost effective operating and technology solutions that sectors and industrial park operators can use to improve sustainability.
2. Identify regulatory gaps for current status of regulations and performance of sector and suggestions for future changes - The country doesn't have a green manufacturing policy in place yet, even though there are new initiatives to develop green manufacturing strategy and policy. On the other hand, there are binding/stringent constraints in the current environmental strategy of Ethiopia at the Ministry of Environment which were enacted 20 years ago. These regulations are not adequate to respond to current realities and the Government's ambitious industrialization strategy. The project will assist GoE in the formulation of a structured policy for sustainable industrialization and help formulate compliance standards for sustainable manufacturing within industrial parks while still maintaining the sectors' global competitiveness.
3. Development of sustainability action plan for industrial parks – Based on the technical analysis, the project will design sustainability action plans for selected industrial parks. GIZ has been developing a project to set up Environmental Social Management Framework at IPs. The project will coordinate with GIZ to give a comprehensive approach to GoE on addressing E&S related issues in IPs.
4. Sector sustainability roadmap– Lastly, based on the technical analysis and benchmarking exercise and in consultation with private sector actors, the team will develop sector specific sustainability action plans for the textile and footwear sectors. This action plan will provide further details and prioritization of actions for the growth of these sectors. It will provide guidance on how these may be implemented in the industrial parks framework, and will be aligned with the sustainability action plan for the IPs.

Component II: Promoting sector sustainability and eco-industrial parks – Based on component 1 findings, the project will work together with government agencies, private sector, development partners and other stakeholders to help implement sustainability actions within the industrial parks and will include (I) Pilot implementation of actions in industrial parks; (ii) Potential for sustainable textile and footwear sectors and promotion of Ethiopia as a sustainable investment location; and (iii) Where possible, the project will identify financing opportunities in the textile and footwear sectors and recommend potential investment vehicles to support investments in technologies and actions that support sustainability in IPs.

Investment Description

- International Finance Corporation (IFC)

Contact Information

No contact information provided at the time of disclosure

ACCOUNTABILITY MECHANISM OF IFC

The Compliance Advisor Ombudsman (CAO) is the independent complaint mechanism and fact-finding body for people who believe they are likely to be, or have been, adversely affected by an IFC or MIGA- financed project. If you submit a complaint to the CAO, they may assist you in resolving a dispute with the company and/or investigate to assess whether the IFC is following its own policies and procedures for preventing harm to people or the environment. If you want to submit a complaint electronically, you can email the CAO at CAO@worldbankgroup.org. You can learn more about the CAO and how to file a complaint at http://www.cao-ombudsman.org/

Bank Documents

- Project Information